



**PATTI BANKS ASSOCIATES**  
DEVELOPMENT PLANNING LANDSCAPE ARCHITECTURE

July 30, 1999

Ms. Sara Schumacher, Trustee  
Schumacher Marital & Family Trusts  
5904 Bannister Road  
Kansas City, Missouri 64134-1141

RE: Response to Harpool Project Evaluation

Dear Sara,

This letter is prepared in response to the report written by James E. Harpool with Dial Realty related to the 3 Trails New Urban District Master Plan. Thank you for the opportunity to share additional thoughts on the planning and implementation of the project.

First, there are a number of key points in the report which have been a matter of discussion throughout development of the plan and represent important point of departure, both positive and negative.

- The area is in decline and extraordinary measures are necessary to turn the trend around.
- There is a strong historical context on which to build.
- Other development projects in the area have an impact on the future of the 3 Trails New Urban District.
- It will take more than the development of the Schumacher holdings alone to realize a change in the existing development pattern of the area. Implementation of the project will take a great deal of cooperation among property owners, the City and other interested parties.
- Few, if any, mid-west retailers have figured out how to market to diverse populations. This is an untapped market in the Kansas City region. The typical Kansas City developer is familiar with typical suburban development, has had success with it and is likely to continue with the pattern. This doesn't necessarily serve the overall health of the Kansas City community but it is certainly the easy thing to do.
- Residential uses on the Schumacher tract can be desirable.

Mr. Harpool supports the concepts in the 3 Trails New Urban District Master Plan, recognizing that our current development pattern has created sprawl, inefficient use of resources, and little diversity of populations and markets. The difference in his analysis of the potential for the area and the 3 Trails New Urban District Master Plan is simply a matter of vision and patience.

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The Master Plan creates a new vision for the area. This is the first step in changing the current situation. It is ambitious, it is inconsistent with past trends, it also embodies concepts that work in markets surrounding Kansas City including Minneapolis, Dallas, Indianapolis, Chicago, and Omaha.

The Urban Land Institute has recently published a case study report on completed examples of this type of development and an assessment of their worth in real dollar terms. I have ordered a copy and will share the information with you as soon as I get it.

Implementation of the plan will also take a concerted effort on the part of many constituents. This is not easy to create or sustain. A great deal of work has already been accomplished in creating the kind of cooperative effort it will take to implement the plan. The following entities are among the enthusiastic supporters:

- Banister Mall Ownership
- Hoechst Marion Roussel Ownership
- The Hickman Mills School District
- Mid America Regional Council
- Jackson County Commissioners
- Surrounding Property Owners
- The National Park Service
- The U.S. Geological Survey
- The City of Kansas City

The interest expressed by the parties above is not merely passive support, but most have either completed additional investment in the area with their own resources or plan to do so. They have also pledged that as they do so they will work to implement the plan. It is certain that the final implementation will differ from the Master Plan, responding to market based decisions, but it is also certain that we will come closer to a new reality with a new vision than through continuing the current development practices.

The 3 Trails New Urban District does not propose development as usual. It makes a significant departure from the norm. We feel this departure is necessary to make a significant change. The plan is a starting point to develop a common, more positive vision of the future for the area and this corner of the Kansas City metropolitan area. Conventional wisdom would suggest, as does the Harpool report, that the Bannister frontage be stripped out in additional commercial development of the type similar to that which is currently struggling in the market. It would also suggest that the remainder be developed in typical low to moderate income housing, similar to that which continues to decline in the surrounding neighborhoods. With this development scenario you will certainly continue the existing situation.

We recognize that the first offers for purchase will occur along Bannister Road. If these are sold with little or no regard to the property to the north, it places severe limitations on the remnants, leaving them far less profitable to develop. Planning for the development in a larger context will result in a stronger result, both from a market standpoint and from a sustainable community standpoint.

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An alternate scenario, as outlined in the plan, resists the temptation to sell off smaller portions of the property inconsistent with the development plan. It suggests that the best return on investment overall is obtained by keeping the plan and parcel intact and continuing to work with adjacent property owners to create development on each of the tracts through which each can benefit from the other thereby increasing the use and value for all.

The Santa Fe Trail is used as an organizing element. It is an asset, we are better off with it than without, and it makes sense to maximize whatever opportunity exists. I don't think any of us really thought Branson would be Nashville either! The fact is that no one knows. In order to take advantage of the trail, a master planning effort is underway to further define its character through the 3 Trails New Urban District. The National Park Service is investing in the trail through funding the design and installation of wayside exhibits as is the U.S. Geological Survey through the preparation of base mapping along the historical route.

It is certain however, that if every advantage of the area is maximized the value of the property and investment will increase beyond what it would otherwise. It is certain that changing the development pattern will offer something new in this market that has worked profitably in areas similar to Kansas City. It is clear residential buyers are looking for a different product than Kansas City is providing. These are the goals of the 3 Trails New Urbanist Master Plan.

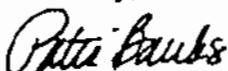
Timing of implementation remains an issue. Certainly the project should not proceed until a detailed financial feasibility assessment is made. This would clearly outline the initial costs to prepare the land for development, the anticipated revenue from lot sales and project an anticipated rate of return. There appears to be an excellent opportunity to take a step toward implementation and obtain assistance with determining the costs of development at no cost to the Trust. This may be done through participation in a pilot program through the Mid America Regional Council. I strongly recommend this step be taken and make your final decision on whether or not to proceed based on the results of the financial feasibility study.

An acceptable scenario may be to do nothing for the time being, and delay implementation of the plan. This alternative could be better evaluated after the financial feasibility assessment. In this case, the plan would remain in tact and 3 Trails would continue to take advantage of opportunities for implementation over time. It is likely the area will continue to decline in the interim, and more economic ground lost.

I think we can move ahead, cautiously and conservatively, keeping the interested parties working toward implementation and taking advantage of all the assistance available and keep the investment of the Trust to a minimum.

Thank you again for the opportunity to respond.

Sincerely,



Patti Banks

Patti Banks Associates

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We appreciate the opportunity to offer our thoughts and evaluation of the "3 Trails West New Urban District" as proposed by Patti Banks Associates as presented to the owners in the April 26, 1996 document. As you are aware I have a rather long history with this property and the efforts to formulate a plan that would allow the development of this parcel in an economically feasible manner as envisioned by Lou Schumacher.

First, let me assure you that I am an avid supporter of the concepts and goals of the type of development that Patti Banks and Associates advocates in general. As an architect, not licensed in Missouri, and developer I have been involved in the design and development of numerous projects over the last twenty five years including retail, offices, hotel, recreation, residential and affordable housing. I think we have to look at the way we have designed neighborhoods, communities and cities and say that what we have been doing has not produced results that are good. Urban sprawl, traffic and infrastructure problems, economic segregation, lack of affordable housing and lack of community in fact are the results. I think most of us would like a different result. Implementing such changes are the challenge.

I applaud the concepts set forth in the Patti Banks proposal, unfortunately I do not think this is a site where such a renaissance can or will begin. This area has been in a steady decline for the last decade and unfortunately we do not think the area has "bottomed out". The study lists a "number of strong, positive characteristics of the project area" and our comments would be as follows:

**Strong Historical Context:** We would be the first to agree that this area is of significant historical value. We do not believe it is or can be a such a tourist or historical draw that it will revitalize or significantly assist in the revitalization of the area.

**Proposed Richards Gebaur Project:** This project, which we believe will eventually be completed, will be a tremendous positive for the entire south metropolitan area. We think the "3 Trails" area is however on the fringe of any benefit and at most may contribute to a new for low to moderate income housing. However, there are significant areas for such housing south and east of Richards Gebaur that this area will be the last to experience any demand.

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**Bannister Mall Redevelopment:** The owners of this property face a significant challenge. The property has a very negative perception that is not easy to change. The retail epicenter has moved south, first to Truman Corners and now it is moving to the Belton/Raymore interchanges with Highway 71. The mall and surrounding retail have seen significant retail desertions, Montgomery Wards, Pier One and Venture. We do not think that Home Quarters will be able to maintain a presence in the market and according to our information Rhodes Furniture will vacate when their lease is up. If Home Depot proceeds with their occupancy of the old Venture location, that will only hasten the demise of Home Quarters.

**Hoechst Marion Roussel Office Park:** According to our sources, Marion will vacate the entire facility, including research and office space. It will take a significant time period to re-tenant this amount of space. The space will not easily accommodate multiple tenants and or would require significant investment to make the space suitable for smaller tenants. Tenants who are such size to take the entire facility are rare.

**Development in the Brush Creek Corridor:** This again is a positive for the Kansas City area but we do not believe it provides any benefit to the area of "3 Trails" whatsoever.

With regard to the master plan it is an ideal concept for the development of integrated communities. However, the problem is that it is "ideal" and not real. The following challenges exist regarding the "3 Trails" area.

**Cooperation:** It is extremely difficult to complete such a project when one owner is in charge much less when you need the cooperation of numerous landowners in the surrounding areas. They should all have a common interest but they will not. We think it would be different if "3 Trails" controlled enough land area to make a difference. We believe you are dependent on too many others owners to have a realistic chance of implementing any such plan.

**Retail Attitude:** The perception amongst retailers is that the area is in decline, the retail center has moved south, the growth is to the south and the income has moved to the south. The retailers will move to the south because that is the safest avenue for them to follow. Then you consider

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that very few retailers if any have figured out how to market themselves to lower economic and culturally diverse neighborhoods.

Perception: The real perception is that this area is in economic decline, unsafe to shop and live and is a minority neighborhood. Justifiable or not retailers react to that and so do shoppers. In this case: "Perception is reality".

As indicated earlier, we do not disagree with the overall goals of "3 Trails". We do believe that there are problems with particular details of such a plan. These include:

**Commercial Areas in the Park District:**

1. The installation of "public entrances" at the rear of existing retail space requiring the removal of existing retail space. The owners have to see significant increases in value, sales and or rents to be able to justify giving up rentable space that produces income.

2. Main Street is a nice concept but I think in the end it is not a concept that the "public" or retailers have bought into yet, except in unique circumstances where there is significant workers (downtown areas) in tourist locations or a combination of both. We have been working on a 160 acre project in Lawrence with a "neo-traditional" neighborhood concept integrating office, residential, retail, entertainment and parks and we were run out of Lawrence. We are now proceeding with a more conventional development. Another example is the difficulty that Block and Company is having getting retailers to sign up at the Santa Rosa Main Street project at I-29 and Barry Road.

3. With regard to second floor residential over retail space. Except in very unique locations it is "economic suicide". It is difficult enough in the "Country Club" Plaza, downtown and the "River Market". We do not believe there is or likely to be a market for such in this neighborhood.

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Summary:

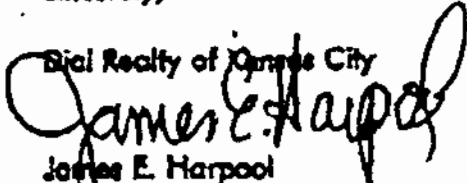
We commend the ownership of this property for looking at ways to jump start development, increase the land value and developing a vision that would stem the tide of decline in the area. Unfortunately, we believe that:

1. You do not control enough land to be the catalyst for this redevelopment of this area.
2. The plan requires the cooperation of too many owners with different interests to have a chance of success.
3. The uniqueness of the concept proposed is to "upscale" for the area, the retailers, and shoppers in this sub-market.
4. There is simply no market for retail space on any nature in this immediate area and I do not believe an environment can be created that will change that or require development of thirty acres of land.

My recommendation is that at best the property is suitable for low to moderate priced multi-family apartments with the potential for some commercial uses along Bannister.

If you have any questions please do not hesitate to contact me.

Sincerely,

Bial Realty of Orange City  
  
 James E. Harpool  
 President

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