

November 5, 2025

Mr. Ken Block  
Mr. Aaron Mesmer  
Block Real Estate Services, LLC  
4622 Pennsylvania Avenue, Suite 700  
Kansas City, Missouri

Dear Ken and Aaron,

At your request I evaluated the viability of retail development at the Northeast corner of 119<sup>th</sup> and Lone Elm Rd. in Olathe, Kansas. Unfortunately, I don't believe retail development (of any size or scope) is practical here, even in the long term. My reasoning is below:

I've been in the retail commercial real estate business since 1993, and have represented nearly every type of retailer – ranging from big box retailers like Costco, Target, Dick's Sporting Goods, PetSmart and others – to small pad users such as Chick fil A, JP Morgan Chase Bank, Whataburger, and Culver's.

Several retailers see a potential market emerging in Northwest Olathe, and want to serve that growing demographic. In that 30+ year span, however, the retailers have been very consistent that they won't locate in the middle of a residential district where only one corner is developed as retail. These retailers all want to be part of a larger commercial draw. More particularly, the current and future retail development along College Blvd. near Lone Elm Rd. presents an enticing opportunity to which the retailers will gravitate.

Building new for large format retail centers (whether here or almost anywhere else in the nation) is no longer viable because the cost of construction does not line up with rents the retailers can/will pay. Even a small drive-thru restaurant concepts that are currently so popular will indicate that traffic counts are too low at this location, and this means foreclosing the opportunity for a more desirable College Blvd. site.

I'm always glad to discuss in more detail with any interested parties.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeff Berg", is written over a light blue circular stamp.

Jeff Berg, Founding Partner

Planning Department  
City of Olathe  
100 E. Santa Fe Street  
Olathe, Kansas 66061



RE: RZ25-0009 - Vacant Land at 119<sup>th</sup> & Lone Elm Road

To Whom It May Concern,

As a commercial real estate professional actively engaged in the greater Kansas City retail market, I am writing to share my professional opinion that residential development - particularly townhomes or medium-density multifamily - represents the highest and best use for the northeast corner of 119<sup>th</sup> Street and Lone Elm Road (the "Property").

The Property has been zoned NC, Neighborhood Commercial, since 2005. There has been little to no interest in neighborhood retail uses for the Property in the past 20 years. We are aware in the past there may have been interest in developing the Property with a C-store and separate interest for church uses. Otherwise, interest in the Property for retail uses has remained dormant since 2005. The lack of interest in neighborhood retail development is not unique to this location or to the City of Olathe. Neighborhood retail development has been in the decline for many years now even pre-Covid. There have been no NC projects developed in Olathe for nearly two decades now and the few built projects have experienced significant leasing challenges.

From a market and planning standpoint, retail and commercial development will first gravitate toward larger, high-traffic corridors and primary intersections, such as the K-7 and 119<sup>th</sup> Street interchange, as well as College Blvd and Lone Elm Rd. intersection, where visibility, access and regional traffic counts align. As those prime intersections continue to develop, retail demand could potentially expand outward to support neighborhood-scale retail serving surrounding residential growth. However, any interest in the additional retail uses at the Property is significantly affected (negatively) by the existing undeveloped C-2 zoning on the adjoining Sunnybrook development to the west. C-2 zoning allows a greater variety and mix of retail uses that would be first choice options for any retail interest at or near this corner. Based on these facts and conditions, it is highly unlikely that neighborhood retail uses would develop on the Property in the near or even long-term future.

Further, evaluating the Property for retail use presents notable challenges related to access and traffic circulation. Access is critical for any successful retail project - whether serving national, regional or local tenants. Under the existing 2005 approved site plan, the access points shown along 119<sup>th</sup> Street and Lone Elm Rd. are uncomfortably close to the minimum 600' intersection spacing required for arterial connections under the City's Traffic Access Management Plan. Especially since the City anticipates these roads will be widened in the future and forcing the connections points to be located even further away from the intersection.



Additionally, there are significant utilities along the east side of Lone Elm Rd. which need to be relocated and would add significant costs to the financial viability of a small retail corner. The uncertainty of continuing access in the future and the excessive costs of relocating utilities create hard to overcome retail marketing opportunities for the Property, especially given the other preferred locations detailed above.

The Property immediately adjoins the Foxfield Village townhome subdivision on its north and east borders. Further to the north and east, the area transitions to single-family residential. Immediately south of 119<sup>th</sup> St. are additional townhome uses as well as single-family uses. These adjoining and surrounding residential uses make the Property highly attractive for additional townhome development. It is like-for-like development and so makes the most marketing sense. It also presents the best option for accessing the Property.

For townhome development, primary access would rely on 117<sup>th</sup> and South Deer Run Street, which are the public roads currently serving the existing Foxfield Village townhome development. Using these same roads to access potential retail development would eliminate any interest from retailers which depend heavily on easily accessible locations and would avoid sites requiring circuitous access through neighborhood streets.

Considering these factors, positioning the northeast corner of 119<sup>th</sup> and Lone Elm for residential or townhome development will better support both immediate market needs and long-term corridor objectives. Prioritizing high-quality, for-sale or attainable housing at this location aligns with the City's comprehensive planning goals, provides much-needed housing diversity, and helps establish the residential base necessary to sustain future retail and service growth in the area once population density as well as access and transportation connections evolve.

Sincerely,



Kassie Murphy  
Senior Associate – Retail Brokerage