



Planning Division

MINUTES

Planning Commission Meeting: April 26, 2021

Application:	<u>RZ20-0014</u>: Request for approval of a rezoning from the BP (Business Park) District to the PD (Planned) District and a preliminary site development plan for Ridgeview Corporate Centre on approximately 32.59 acres; located at the northeast corner of College Boulevard and S. Ridgeview Road.
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Ms. Kim Hollingsworth, Senior Planner, presented RZ20-0014, a request for a rezoning and a preliminary site development plan for Ridgeview Corporate Centre. Staff is recommending denial of the rezoning request. Since staff is recommending denial of the request, the preliminary site development plan is being presented as an exhibit at the applicant's request; however this plan would automatically fail if the rezoning were denied. The 33-acre property is located at the northeast corner of College Boulevard and Ridgeview Road. The applicant requests to rezone the property to a planned district for the development of two apartment buildings with a total of 337 units on the eastern half of the property and three office buildings with a small area of retail on the western half. Planned Districts are meant for innovative and creative land use planning with high-quality design that cannot be achieved using other convention districts.

The applicant submitted a phasing plan that separates the proposed residential uses from the office buildings, providing no assurances the project will be built in one cohesive phase with a mixture of uses. Staff is recommending denial of the proposed application based on the following reasons: 1) The failure to meet the vision of the PlanOlathe Comprehensive Plan; 2) Incompatibility with the North Ridgeview Road Overlay District; 3) Failure to meet three criteria of the UDO for considering rezoning requests known as the Golden Criteria, include incompatibility with surrounding land uses and zoning districts; and 4) Failure to meet the expectations and standards for a planned district zoning designation provided in the UDO.

The property was rezoned to the BP (Business Park) District in 2008, along with the preliminary site development plan for Ridgeview Corporate Centre with 420,000 square-foot of office and retail buildings. The BP District directly aligns with the PlanOlathe Comprehensive Plan Future Land Use Map designation for employment area.

The Future Land Use designation was upheld with the Comprehensive Plan update recently completed in 2016. Employment areas are for the development of office buildings, medical facilities, light industrial and complimentary retail and service uses,

which does not align with the requested residential use. The property is located in the North Ridgeview Road, Overlay District, and the requested residential use does not meet the vision for non-residential development north of College Boulevard.

Staff reviewed the Golden Criteria and the requested apartment buildings are incompatible with the adjacent land uses to the east, which is industrial zoning in the Lenexa Logistics Centre. The expanse and scale of the buildings and activities that generate noise, increase lighting and trailer truck traffic are incompatible with the adjacency of the proposed residential uses in the Ridgeview Corporate Centre.

The applicant submitted a valuation advisory report in March, and staff agrees with the findings, as it is stressed throughout the report there are still many unknowns regarding the future of office development due to the COVID-19 pandemic. Staff does not recommend rezoning the existing Business Park District for a residential use. Zoning actions should continue to align with the vision and policies of the Comprehensive Plan until more is known about the impacts on this type of development.

The applicant held a neighborhood meeting in December with seven individuals in attendance. Questions were asked about the proposed amenities and anticipated timeline for the development. No additional comments or questions were received by staff on this application.

The development and design standards are integral and agreed upon in establishing a planned district. If the zoning recommendation is for denial, there are no development standards established and the plan would automatically fail; however, both items will continue to the City Council for consideration on May 18, 2021. Staff is recommending denial of the application as it fails to meet the vision for employment focused development along with policies of the Comprehensive Plan and the compatibility of land uses. The proposed residential land use is inconsistent with the North Ridgeview Road Overlay District, which calls for nonresidential uses on the property. The application fails to meet several UDO criteria for considering rezoning requests known as the Golden Criteria.

Chair Vakas asked about the residents who attended the neighborhood meeting and whether they were residential property owners or adjacent landowners.

Ms. Hollingsworth provided the residents who attended were primarily from the subdivision to the southeast of the subject property.

Mr. Fry referred to the Comprehensive Plan and staff's interpretation if the proposed project was to be located on the south side of College Boulevard.

Ms. Hollingsworth stated they look at each unique site. Looking at the location across College Boulevard, that is still in the employment area and it is still in the Ridgeview Road Overlay District; however, there are some different land uses nearby. Staff would conduct an analysis through the Golden Criteria to make that determination.

Mr. Fry understood the logic behind the project, and it appears there are two neighborhoods to the south and potentially an infill area that will be commercial, which may or may not fit within the spirit of the south portion of College Boulevard. If it would make sense for that to be residential, he asked if the proposal would not be as controversial.

Ms. Hollingsworth stated staff uses the Golden Criteria analysis, which are very specific to this site. Staff looks at the relationship to what is directly adjacent to the Lenexa Logistics Centre and the other industrial uses that would abut the proposed property, which is still a major factor in staff's recommendation.

Chair Vakas declared the public hearing open.

Mr. Aaron Mesmer, Block Real Estate Services, 4622 Pennsylvania, Suite 700, Kansas City, Missouri, 64112, appeared on behalf of the applicant. He noted that Mr. Ken Block purchased the site in 2009 and has owned it since then. Over the last 12 years, there has been a lot of evolution in the corridor and the overall market in terms of what has happened. He pointed out a rise from Ridgeview up the hill to the industrial area, which was also a factor in how they decided to design the buildings. The original plan that was approved was done more in a conventional office development model originating from the mid-1980s continuing through the early to mid-2000s. There is a lot of asphalt parking on that plan and the buildings are positioned to be on top of the hill in front of the parking. The access points used on Ridgeview and College Boulevard are the same access points in the proposed plan. He felt the original model was outdated relative to what is being developed today, which is a mix of uses. Their successful developments, for example, are shown in projects like the Galleria Project at 113th Street and Nall, and CityPlace at College Boulevard and U.S. 69 Highway. The new wave of development shows a lot of agencies in uses, such as office located next to retail and multi-family development. The proposed site plan brings those two elements together; however, they were mindful of the existing Ridgeview corridor plan. In comparing the two plans, they moved the buildings onto Ridgeview to create a corridor feel. Different detention ponds are created to be used from a pedestrian scale to allow people to connect, because they are looking for outdoor amenity space. They have also reduced the number of parking spaces by 360 spaces throughout the project, which will help with traffic on Ridgeview and on College Boulevard.

Mr. Mesmer referred to a large green buffer created for the entire property, stating it includes a walking trail. This component was created based on some feedback from Planning staff, Councilmembers and some neighbors. This was an effort made to help screen the multi-family residences from the industrial property that will be located on the east side. An example is at Waterside where they built a new 480-unit multi-family project in the middle of Pineridge Business Park.

Mr. Mesmer felt they followed the objectives of the Comprehensive Plan, but they know the market is changing. They understand COVID has and is still changing the way office space is being used and that they will likely not need 450,000 square feet of office at the proposed site, nor does the Ridgeview corridor need 1.7 million square feet office between College Boulevard and K-10 Highway.

Mr. Mesmer referred to staff's comments about the developer not committing to or providing any guarantees of when the project would be built in the phasing plan. Something that was proposed to be built with the first phase of the office buildings was Building No. 3 on the far north side. If that building is not built by the end of 2025, the developer has agreed to pay \$250,000 to the City of Olathe as a penalty for not building it as scheduled. When the neighborhood meeting was held, few people attended, but part of that was due to the support of the project. The feedback they received at the neighborhood meeting was that they liked what was done on the CityPlace project and at Waterside projects, and they wanted that type of quality in Olathe. They also liked the appearance of their office buildings.

Mr. Mesmer pointed out there was 185 acres of undeveloped land between College Boulevard and K-10 Highway along Ridgeview and 1.7 million square feet. They would have to capture two-thirds of the development deals to fill that corridor in the next decade. Their proposed project will create a better forward path and create a better product, which is more competitive with those markets in places like Lenexa City Center. Office districts allow for residential uses, and the Comprehensive Plan encourages high-density residential near commercial centers, which he felt was in line with the Comprehensive Plan. He did not see any conflict with the multi-family being located next to the industrial portion, partly because they have been successful in making those components work together. He felt they have done all they can with the project to ensure they produce a successful project with the green buffer and pedestrian connection.

Chair Vakas entertained a motion to close the public hearing.

A motion was made to close the public hearing by Commissioner Fry and seconded by Commissioner Youker, which carried by a roll-call vote of 8 to 0.

Commissioner Corcoran: referred to the path forward, stating the Comprehensive Plan was clear. He felt if the developer wanted to move forward with the project in its proposed form, they would need to request a Comprehensive Plan amendment.

Ms. Hollingsworth stated as outlined in staff's presentation, they would not recommend an amendment to the Comprehensive Plan at this time, especially due to the uncertainties related to the pandemic and wanting a better understanding of those issues. They would also like to work through those uncertainties first prior to making any changes to the Comprehensive Plan away from the established employment area on site.

Ms. Nassif added that all the planned zoning districts that have been presented in the past that have been approved followed the Comprehensive Plan at the time of application. In this case, she agreed with Mrs. Hollingsworth comments in that staff has already been studying and following the economic advisors, and the effects are still greatly unknown. Staff would not want to lose any areas of commercial or office zoning at this time to residential or offer changes yet because they do not want to make any premature decisions. The Comprehensive Plan updates take 12 to 24 months to accomplish and proceed through.

Commission Corcoran asked if staff was familiar with other projects in the community or the larger region that are somewhat in the form of the proposed project and how they may fit in Olathe.

Ms. Nassif stated they have approved planned mix-used zoning districts in Olathe, but some have yet to come to fruition, but staff is generally supportive of those projects. All of those projects had complied and aligned with the Comprehensive Plan at the time.

Ms. Hollingsworth stated those plans also complied with any corridor plans or overlays that were in place in those areas as well.

Commissioner Fry felt the applicant's effort in the project has been great. He liked the look of the project and the idea of the visionary component of the new way of doing business that is greatly unknown. He questioned the residential area in between a logistics center and set of office buildings, as it does not appear to make a lot of planning sense for any projects he has seen come to the Planning Commission. He provided he reluctantly was against the project as is.

Commissioner Janner agreed with Commissioner Fry, and he was concerned about the future component of the project. He felt the unknown of the office portion and where that would go is a concern, which was also stated in the presentation by the applicant. He was reluctant to move forward with the project with only a possibility the plan would work.

Chair Vakas felt the proposed corner should not only serve as a location for generic offices, but one they should want to continue to draw business headquarters to, similar to what they have in the northern portion. Although he felt there was a degree of uncertainty tied to COVID, there is a level of effort being made to draw new businesses into Olathe. He agreed with staff's analysis in this case regarding whether the project meets the Golden Criteria. He commended the applicant on the quality of development they provide throughout Johnson County and that they presented a good plan, but he did not feel it was the right plan for the proposed location.

MOTION

A motion was made to deny RZ20-0014 by Commissioner Fry, and seconded by Commissioner Sutherland. The motion passed with a roll-call vote of 7 to 1.