

KANSAS CITY RETAIL MARKET

During the next 3 years, retail development in the Kansas City metro area is expected to grow at a pace unmatched in recent history. According to Property and Portfolio Research Inc., Kansas City has 17.6 million square feet of new retail space in the planning, bidding or post-bidding stage. This ranks second in the nation, exceeded only by Phoenix.

Much of this growth is involves product that is replacing outdated and underperforming malls. CBL & Associate's 1.5 million-square-foot Oak Park Mall in Overland Park, Kansas, and Simon's 1.2 million-square-foot Independence Center in Independence, Missouri, remain strong. However, most of the city's other regional malls are in the process of either complete tear-downs or major reconfigurations.

Alberta Development Partners has joined with a local owner to completely recast two traditional mall properties. Metcalf South in Overland Park, Kansas, anchored by Sears and Macy's, will become the Streets at Metcalf, a 1.3 million-square-foot mixed-use project featuring retail, office and residential components. Metro North in Kansas City's Northland, which is anchored by Dillard's, Macy's and JC Penney, will become the Streets at Barrytowne.



The Streets at Barrytowne, another redevelopment of a traditional mall from Alberta Development Partners, will feature 2.3 million square feet of retail, office and residential space in Kansas City's Northland when it is complete.

The reconfigured center will offer 2.3 million square feet of retail, office and residential space. Redevelopment of both centers will begin this year.

Eastdil's Antioch Center, a retail destination located in Kansas City's Northland and anchored by Sears, has received approval from the city and will commence a ground-up reconstruction sometime this year. Similarly, the 1960s-era Blue Ridge Mall on the Missouri side of the city has been completely demolished and replaced by a Wal-Mart Supercenter — opening this month — along with national junior anchors, restaurants and additional shop space.

One of the more ambitious mall makeovers involves the former Mission Mall in Mission, Kansas. Previously home to two Dillard's stores, this center was purchased and demolished by the Cameron Group, which is building a mixed-use project on the site that will feature specialty and big box retail, apartments, condominiums and office space in this centrally located inner ring suburb.

New retail construction is prevalent in nearly every pocket of the city, including several areas that until recently were considered retail laggards. The Cordish Company will open the first phases of its massive Downtown Kansas City Power and Light District in 2007, bringing new retail, restaurant and entertainment venues to an area that was desolate only a few years ago, but now boasts an influx of more than \$2 billion in



Alberta Development Partners is redeveloping Metcalf South, a traditional mall property in Overland Park, Kansas, into The Streets at Metcalf, a 1.3 million-square-foot mixed-use community.

new investment. RED Development's Legends project at the Village West continues to add premier tenants to an area that had almost no retail services a few years ago, but now draws from a 250-mile radius.

Traditional suburban development continues unabated, with more than 6 million square feet of major projects in the final planning or construction stages, including Cormac's 1 million-square-foot Von Maur/JC Penney-anchored regional center in Overland Park, Kansas; RED Development's Summit Fair lifestyle center and Developers Diversified Realty's (DDR) City Walk power center, both in Lee's Summit, Missouri; the second phase of Steiner & Associate's Zona Rosa lifestyle center, Cousins Properties' Target and Home Depot-anchored Tiffany Springs MarketCenter and the Lowe's Home Improvement Warehouse-anchored Liberty Triangle project, all in Kansas City's Northland; Block and Co. and RED Development's Target and Lowe's-anchored center in Blue Springs, Missouri; First National Development's Plaza at the Speedway power center in Kansas City; and DDR's Merriam Village in Merriam, Kansas.

— Jeffrey Berg is a vice president with Kansas City, Missouri-based Lane4 Property Group.