

Two malls scheduled for facelifts

Metro North and Metcalf South will undergo extensive redevelopment.

By **JOYCE SMITH**
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After struggling for several years, two prominent Kansas City area malls – Metro North Shopping Center and Metcalf South Shopping Center – are slated for massive redevelopments.

Interests of the Morgan and Dreiseszun families, which originally developed the malls, have struck an agreement with Alberta Development Partners, a Denver-area company, to jointly redevelop the properties.

Metcalf South, at 95th Street and Metcalf Avenue in Overland Park, will become The Streets at Metcalf. Preliminary plans call for a 1.1 million-square-foot, mixed-use project including upscale boutiques, national and local retail shops, an entertainment complex, office and residential space, and a hotel.

Metro North, at Barry Road and U.S. 169 in Kansas City, North, will become The Streets at Barry Towne. Preliminary plans for that site call for a 2.1 million-square-foot retail, residential, restaurant and entertainment facility with a theater, commons area for community events and park-like areas.

Formal plans have not been filed with Overland Park and Kansas City. Backers of the projects say those proposals will be presented early next year, with construction starts possible later in 2007.

“It is an honor to be given the opportunity to revitalize two longtime retail landmarks,” said Don Provost, a principal with Alberta Development Partners, in a news release Thursday. “Our goal is to create two regional destinations that offer shoppers and residents alike a place to go for both daily needs and special occasions and that will be enjoyed for generations.”

Overland Park-based MD Management, affiliated with the Morgan and Dreiseszun families, developed and manages both

malls. Metcalf South opened in 1967 as the first planned enclosed mall in the Kansas City area. Metro North opened in 1976.

Although the malls thrived for many years, both have lost customer traffic, retail sales and tenants in recent years as other retail centers with fresher concepts opened in faster-growing areas of the city.

Metcalf South is anchored by Macy’s and Sears with only a handful of shops, a movie theater and a few service organizations operating in between.

Metro North is anchored by Macy’s, Dillard’s and J.C. Penney. Still, about one-third of its smaller spaces are empty, along with the former Montgomery Ward store and food court. Dillard’s recently said it will open a new store in the Zona Rosa mixed-use project near Interstate 29 and Barry Road, but would not discuss its plans for the Metro North store.

The developers are mum about project details, whether all the anchor department stores will remain at the centers, and what form of development incentives they may seek. But they say the redevelopment projects will take their cue from mixed-use, lifestyle centers that are popping up around the country, particularly on older, established mall sites.

Walton Street Capital of Chicago also is involved with Alberta Development Partners as a financial partner in the projects.

Alberta Development Partners said it has completed projects with more than 4 million square feet of retail space and an aggregate value of about \$1.5 billion.

One of those recent projects, The Streets of Southglenn in Centennial, Colo., involves tearing down part of an existing mall, retaining anchor department stores, and filling the rest of the site with a variety of uses. The European-style 1.1 million-square-foot project includes 350 residential lofts, sidewalk cafes and retail shops.

“We are pleased to be partnering with

Alberta Development Partners,” said Tom Morgan, a partner in Morgan Dreiseszun. “They have more than 15 years of experience and expertise that complements our centers to bring Kansas City the very best retail, dining and entertainment mix.”

Despite the recent struggles of Metcalf South and Metro North in the marketplace, officials with competing projects say both sites still hold value because of strong economic demographics and growth nearby.

Metcalf South and Metro North “are great real estate with a tremendous amount of upside,” said Dan Lowe, partner in RED Development, developers of several Kansas City projects, including The Legends at Village West. “It’s a prime time to take advantage of the market. There is still opportunity in both locations.”

Rosemary Salerno, general manager of Zona Rosa and a Northland resident, agreed regarding Metro North.

“It’s a great piece of real estate, and it is good they are doing something with it,” Salerno said. “Obviously, something needed to happen there.”

Although details remain sketchy, one elected official expressed relief that clouds of uncertainty about the future of Metro North may be about to clear.

“I was concerned it would go the way of Bannister Mall, an older shopping center that has lost its energy and is just a shell of what it once was,” said Kansas City Councilman John Fairfield, who represents the Northland.

Bannister Mall, which has lost all of its anchor stores in recent years, has become something of an incubator for small, local start-up retailers.

“There’s ample room for redevelopment,” Fairfield said of Metro North. “Hundreds and hundreds of (residential) lots between Interstate 29 and Interstate 35 have yet to be built, so there will be significant growth in the next decade.”