



Overland Park City Council Endorses Plan for Sports Complex

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A proposal for a \$195 million arena, multisport and retail complex in south Overland Park has received the green light to seek state tax incentives, setting up a possible down-to-the-wire competition with a rival Olathe plan.

After a three-hour discussion, the Overland Park City Council voted 10-2 Monday night in favor of the Price Brothers plan to request \$63 million in state tax incentives, in the form of STAR bonds, to enhance its Bluhawk development southwest of U.S. Highway 69 and 159th Street.

With further approvals from the Kansas Commerce Secretary and the City Council, the STAR bonds would help finance a 3,500-seat arena for concerts, events and sports, including an amateur league hockey team. The project also includes a 300,000-square-foot indoor [multisport complex for youth tournaments](#) in hockey, volleyball, basketball, pickleball, indoor soccer and baseball, Ninja training course and other activities. The project would be a joint venture between Kansas City-based Price Brothers and Colorado-based RoughRiders Sports Club.

“This is a huge step for us,” Bart Lowen, vice president of development for Price Brothers, said after the council vote. “The city is behind this project. It’s game on now for the project.”

The Overland Park STAR bond proposal comes at the same time that a developer is seeking \$69.5 million in STAR bonds to redevelop Olathe’s former Great Mall of the Great Plains site at Interstate 35 and 151st Street, about 10 miles from Bluhawk. The Olathe plan, by Utah-based Woodbury Corp., also includes [an arena for hockey and other events](#), plus additional sports, entertainment and retail attractions. HOK is the architect for both the Overland Park and Olathe projects.

The Olathe City Council [endorsed the Woodbury STAR bonds request in December](#), so that plan appeared to be slightly ahead of Overland Park in the Kansas Commerce Department’s approvals

process. Olathe Mayor Michael Copeland said at the time that financiers thought Johnson County could probably only support one arena, suggesting it was important for Olathe to get out front.

But Overland Park Mayor Carl Gerlach pointed out Monday night that Bluhawk is already partly developed with houses, an existing [neighborhood shopping center](#), a hospital, police and fire stations and 200 apartment units under construction. Meanwhile, the Olathe mall redevelopment plan is still on the drawing board.

Todd LaSala, an attorney who advises Overland Park on economic development projects, agreed Overland Park's project could have the edge in the Commerce Department's consideration.

"It is a significant advantage," LaSala told the council, referring to the fact that the project is already generating sales tax revenue. "It's very difficult to compete with existing retail." STAR bonds (Kansas sales tax revenue bonds) are 20-year bonds that are repaid with local and state sales tax money generated by the projects. These bonds provide upfront dollars for tourism-related developments intended to draw customers not just from the local area but from at least 100 miles away.

The cities are not on the hook for the bond repayments, and any shortfall in projected revenues is borne by the developers and their investors.

Commerce Department officials recently told The Star that both the Olathe and Overland Park projects are eligible for consideration, but both also require more rigorous review for their financial feasibility before any STAR bond approval. The officials said it's possible both projects could be approved, only one, or neither.

Council supporters emphasized the city will contract with an independent consulting firm that has credibility in the bond market, to thoroughly analyze the project's financial feasibility before any bonds are sold. It could take three months before the consultant is hired and completes its work. Commerce Department approval and more council votes are still needed before the project can proceed.

If Bluhawk's first phase gets built, it would include the sports facilities, a hotel and additional retail. Construction would begin by December 2019 and be completed in late 2022. Two more development phases in subsequent years could include more hotels, offices and multifamily residential.

One key Bluhawk amenity that was touted in the past as a major regional tourism attraction has now been withdrawn.

LaSala told the Council on Monday night that a [Cosmosphere Innovation science and space museum](#) is no longer part of the plan. The developer has said it wasn't financially feasible. "That is no longer on the table," LaSala said. However, he said a Jan. 15 Commerce Department letter assured the city that the project is still eligible for bonds even without the museum.

The proposal drew mixed reviews from about 10 residents who spoke before the Council vote. Several parents said the sports facilities would be a huge draw for their athletic families and friends, not only from the metro area but from neighboring states.

"We are ecstatic about the idea of this development taking shape," said Heather Battison, who lives less than a mile from Bluhawk and is the mother of two young children. Roger Summers, who also lives nearby and is the father of three kids, said they already go to surrounding cities for sports tournaments, and it would be great for Overland Park to have such amenities. He urged the city to beat out Olathe.

“To me, the best way to not have to worry about the second arena is to be the first arena (in Johnson County),” he said.

Beth Johnson, who lives near Bluhawk and is the Overland Park Chamber’s senior vice president of economic development, pointed out that STAR bonds, which involve sales tax subsidies, do not provide a property tax break. So schools, libraries and other agencies still benefit from those new property taxes.

She said that before Bluhawk began, the vacant land on four specific properties near 159th and Antioch generated just \$6,000 in annual property taxes. Those developed properties now generate \$522,000 annually.

But Betha Regan, who also lives near Bluhawk, said she and many of her neighbors believe the tax incentives, including not just STAR bonds but other sales tax redirections to the development, are too much public financing.

“This is extravagant,” Regan said. “Let the developer pony up the money.” Council members Faris Farassati and Gina Burke agreed and said the tax subsidies, likely to exceed 30 percent for the overall project costs, were too high. Council members Curt Skoog and Richard Collins argued that the sports amenities won’t happen without the STAR bonds, and the development would then be something much more mundane.

“If you don’t want this project, you might get a strip center. Is that what you really want to see there?” Collins asked opponents in the audience. Councilman Paul Lyons noted that the tax subsidies come not from general taxpayer dollars but from those who go to Bluhawk’s retail and other amenities. “It’s all being paid for by the patrons,” he said.