

May 25, 2011

VIA REGULAR MAIL AND E-MAIL

Mr. David Corliss
City Manager – City of Lawrence
PO Box 708
Lawrence, KS 66044-2268

Re: Redevelopment of 27th Street and Iowa Street NEC

Dear Dave:

I am writing on behalf of MD Management, Inc. (“**MD Management**”) and several related entities that own real estate at the northeast corner of 27th Street and Iowa Street.¹ MD Management desires to redevelop the site as a new commercial development (the “**Project**”). Please find enclosed for your reference the most current concept drawing (the “**Concept**”) of the Project. As a primary component of the Project, MD Management is presently working with representatives of Olive Garden Italian Restaurant (“**Olive Garden**”) to occupy the proposed 7,500 square foot building shown on the Concept.

As you know, the northeast corner of 27th and Iowa is in a state of dilapidation, deterioration and obsolescence. The infill redevelopment of this area, which is located in one of the City’s primary retail corridors, is an ideal candidate for designation as a Neighborhood Revitalization Area (“**NRA**”). The property has been vacant and underutilized for a number of years, and the Project represents an opportunity to bring a popular national restaurant chain to Lawrence. MD Management believes the addition of a Lawrence Olive Garden will capture sales tax dollars presently leaking to neighboring communities. The Lawrence Olive Garden will generate an estimated \$5,000,000.00 of annual sales revenue. Presently, the site generates exactly zero dollars of sales tax revenue. The restaurant will employ approximately 74 full and part time employees. An Olive Garden restaurant represents the highest and best conforming use of this property.

The rebate of incremental real estate and personal property taxes available under an NRA redevelopment plan is a critical condition precedent to the commencement of redevelopment. The property was purchased at the height of the real estate market, and was originally planned as a neighborhood pharmacy. Stated simply, Olive Garden is a large retailer that is looking to

¹Enclosed is a summary of property owners, addresses and abbreviated legal descriptions of all parcels within the Project.

establish a Lawrence presence. However, it is not economically feasible to redevelop this site without some public/private partnership in the form of an NRA, which will result in a “win-win” scenario to both MD Management and the community. Consequently, before MD Management is willing to incur expenses to obtain necessary land use approvals—which will cost several tens of thousands of dollars—it is essential that the City first approve the use of NRA tax rebates by designating the Project as part of a revitalization plan. If the City Commission has clear aversion to forming an NRA, the Project can not move ahead. In the following five to ten business days, MD Management intends to file a formal NRA application.

If the City Commission, County Commission, and School Board support the formation of an NRA, MD Management intends to proceed with the following:

1. A request to the City to vacate the western half of Redbud Lane right-of-way, which has been unused since the area was originally platted in 1957 (and subsequently re-platted over the years).
2. An application for several variances, related to set-back requirements, access easements, and various right-of-ways.
3. A re-zoning application for a portion of the property, from RSO to CS.
4. The property will be re-platted to consolidate the current tax parcels into a new subdivision.
5. MD Management and Olive Garden will submit a site plan for approval, or potentially two phases with separate site plans.

The addition of an Olive Garden to Lawrence is the best chance for rehabilitating the property. In February 2011, Darden (the parent company of Olive Garden) announced plans to add more than 200 restaurants nationwide over the next few years. Lawrence, Kansas is one of many sites presently under consideration. The Olive Garden chain is a value oriented restaurant with an average 2009 check per person of \$15.00. Most local residents would welcome the opportunity to bring their families to an affordable restaurant of this high quality. There are currently eight (8) Olive Gardens in the greater Kansas City area and one (1) in Topeka. Many Lawrence residents frequently eat these Olive Gardens on a regular basis.

In-fill development is an important component to all of the City’s planning doctrines, and this Project is a dual opportunity to bring a well established restaurant company to Lawrence, and to rehabilitate a blighted corner along the South Iowa retail corridor.

We appreciate your help in this process. Please do not hesitate to call me if you have any questions or concerns.

Very truly yours,

MD MANAGEMENT, INC.



Karl Capps
Director of Operations

cc: Corey Mohn (via e-mail only)
Craig Weinaug (via e-mail only)
Rick Doll (via e-mail only)
MD Management, Inc. (via e-mail only)

Redevelopment of 27th & Iowa Property Summary

Owner	Address	Plate No.	Abbreviated Legal Description	2011 Assessed Values		Zoning
				Land	Improvements	
KMAH, LLC	2626 Iowa Street	U12943	27TH STREET ADD NO 2 LT 1	\$73,494	\$0	CS
KMAH, LLC	2600 Redbud Lane	U12946	MEADOW LEA ESTATES NO 2 BLK 1 LT 3	\$7,892	\$0	RSO
KMAH, LLC	2032 W. 27th Street	U12943A	27TH STREET ADD NO 2 LT 2	\$25,573	\$87,678	CS
Lawrence 27 Iowa, LLC	2620 Iowa Street	U12944	REPLAT OF LTS 1,2 & 4 BLK 1 MEADOW LEA ESTATES NO 2 LT A	\$71,265	\$157,235	CS
Owners' Address: Attn: MD Management, Inc., 5201 Johnson Dr., Ste. 450, Mission, KS 66205						

TOTAL

\$178,224

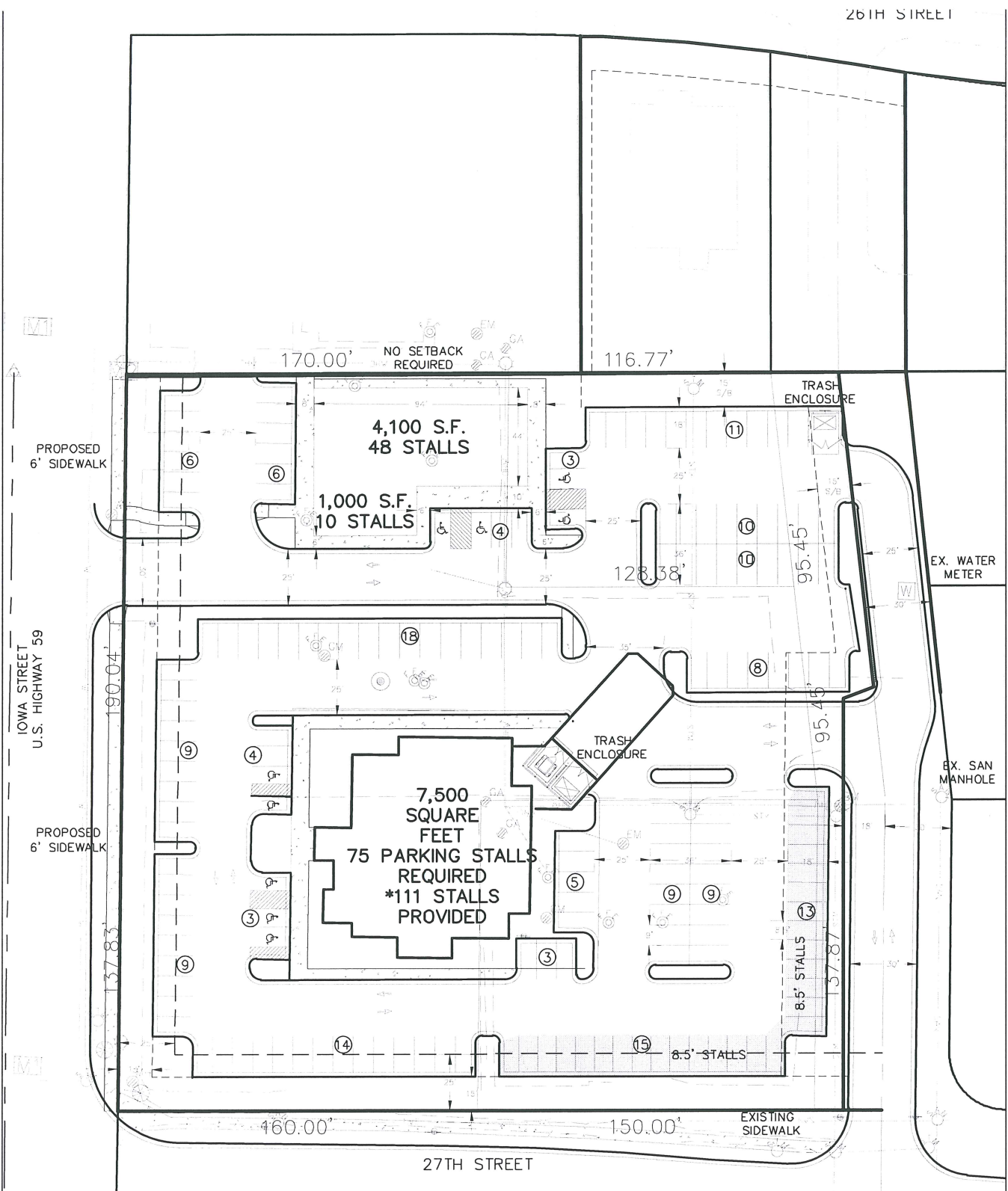
\$244,913

Aerial Photograph:



Zoning Map:





**PROPOSED
COMMERCIAL
DEVELOPMENT**

27th STREET &
IOWA STREET
CONCEPT 22
05.11.2011

REDBUD R/W APPROX.
SQUARE FOOTAGE

APPROX. BUILDING S.F.
12,600 S.F.

TOTAL PARKING
169 STALLS

SCALE: 1" = 60'



Landplan Engineering, P.A.

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