
Growing KC Communities: Southern Johnson County

A Place in the MixDevelopers are finding that small businesses add a touch of character.

By Sally Huggins

Booming residential growth in southern Overland Park and Leawood is creating a niche for local small businesses to gain a foothold. In an area known for a proliferation of national and regional stores, small businesses are finding a place in the mix, and some developers are actively seeking them out for their new centers.

"The continued residential growth that Overland Park has experienced for the past 30 years has fueled an amazing amount of development. And small businesses thrive there," said Andrew Nave, business recruitment and retention manager for the Overland Park Economic Development Council.

"A key element is the new developments-the shopping centers that have gone in there. They typically come in with national or regional tenants, but to keep that local feel and that local tie-in, they have brought in small businesses, too," he said.

Developer Jeff Alpert, who will open Park Place at 117th and Nall this fall, said the local businesses are an important element. Park Place is one of the new mixed-use urban style developments with a pedestrian friendly design that will include condominiums, retail, professional offices and restaurants intermixed with green areas.

Unique Local Element

"We are particularly wanting to attract unique local merchants to our development. We think people get their fill of the nationals. While there is certainly a place for nationals, in terms of unique local character and customer service, the local merchants really provide more of that. We are trying to focus on a unique local development," he said.

Among the tenants of Park Place will be Annabelle's, an upscale linen shop, which is located in another one of Alpert's developments, Hawthorne Plaza at 119th and Roe. Betty Payne, co-owner with her daughter Lisa, said the shop has prospered over the past 15 years as it developed a loyal customer base.

"Our customers like the small businesses and have been very, very loyal to us. We focus a lot on personal service. I know everybody says that, but we really do," Payne said. "We have so many of the same customers all the time, they have almost become friends."

When Payne was looking for a location for her store, she happened upon Hawthorne Plaza and found the developer, Alpert, to be very small business friendly. With only one national tenant, it was the perfect place.

"We looked all over. We didn't know where we wanted to go. It was the best stroke of luck in the whole world that we came out here and everyone was so friendly. We sell upscale linens so we had to be in an upscale place," she said.

Alpert said he didn't set out to create Hawthorne Plaza as a small business center when it was being developed in 1990.

"Local merchants were not our focus initially there. But early on we were able to attract some terrific local merchants and we realized what a value they brought to Hawthorne Plaza and that became our philosophy," Alpert said.

Because of her positive experience, Payne was interested in moving to Alpert's new Park Place development.

Perception vs. Reality

Many of the small businesses in Leawood give the impression of being national companies, but they are franchises owned by entrepreneurs, said Kevin Jeffries, executive director of the Leawood Chamber of Commerce.

"We are seeing a lot of entrepreneurial activity. It's really amazing," Jeffries said. "What seems like a national chain often is really an individual franchise."

While new development often means high rents out of reach of small companies, the demographics can offset that factor.

For Brooke Doyle, it was the demographics that convinced her to locate Bella B's Boutique at 135th and Metcalf last October. And business has proved it be a good decision, she said.

"In this area, small businesses are growing. There are a lot of independently owned stores going into the centers. They want to have more of an upscale, private boutique store," Doyle said.

Local businesses are a particular draw to nearby residents, so the new developments are increasingly interested in adding them to the mix, she said.

For some small businesses, the area can be challenging. Jonny Girson, owner of The Learning Tree, a locally owned toy, book and gift store that has been in Town Center in Leawood for 11 years, said the rents, taxes and charges of being in a center of national stores are very high for a small business. He said he thinks it is difficult for small businesses in southern Overland Park and Leawood, but noted that some new developments are becoming interested in adding local businesses to their tenant mix.

"There are new developments that cater to small local retailers," he said. "They have national tenants as well, but they see a need for the locals."

The Learning Tree has been announced as one of the new tenants for Park Place. Girson, who also has a store in Corinth Square in Prairie Village, said his company has done well through the marketing he has done.

Tapping into the Customer Base

Tivol, which has a landmark store on the Plaza, opened a store in southern Overland Park 13 years ago because they felt the residential growth would bring in a new clientele, said CEO Cathy Tivol.

"We opened that store because there was a huge potential for additional customers. We saw there was movement toward south Johnson County and we felt there was a whole clientele that we wouldn't reach at our Plaza store," Tivol said.

The Tivol store at 119th and Roe has done well, she said, and she sees other local businesses are finding a place among the national companies.

"There is no question that the national retailers are an important part of that landscape, but you still see wonderful Kansas City retailers that are making a name for themselves-a reputation for themselves," Tivol said.

Following the Corporations

The retail and corporate development in the area has drawn service companies to the area.

"With so many large corporate headquarters along the College Boulevard corridor, we have seen a lot of businesses take up residence to serve those customers," said Overland Park's Nave. "Numerous technology and telecommunications companies have moved in, and the area feeds a lot of small restaurants and retail businesses."

Absolute Awards opened recently on 151th Street at Antioch because of the potential to work with corporations to provide name badges and awards, among other things, said co-owner Merissa Rittmaster. The demographics of the area also indicate a potential market with Little League and recreation center sports teams.

"We chose this area because of the demographics. And also there is nobody within a six mile radius," she said.

Opportunity to Buy Space

Developers also are creating spaces for smaller companies that don't rely on walk-in trade. City Properties Inc. saw a need for buildings that a small business could purchase in an otherwise higher rent area. Pete Self, president, said the commercial real estate arm of the company was fielding numerous questions from business owners looking for something affordable to own in the area.

"People were coming in looking for smaller buildings, so we started building them. We have done really well with these," he said. "These sell for about the cost of a nice house."

Phoenix Renovation and Restoration Inc. found one of City Properties' buildings to be just what they were looking for, said Mark Heinze, owner.

"We were looking for a free-standing building on its own ground," he said. "Location was not critical, but we wanted to own our building."

While he wasn't looking for a specific location, because he lives in the southern part of the county, Heinze wanted something in that vicinity.

Phoenix has been located at 162 nd Street and Foster in the Blue Valley Business Center since 2005. Heinze said the center is comprised of eight separate buildings, all occupied by their owners.

"That filled a need for small business owners wanting to own property. The concept hadn't really been developed. And any 3,000 to 4,000 square foot properties that existed were often sold before they were listed. They are that in demand," he said.

In the 135th Street corridor in Leawood, developers also are seeing the demand for smaller buildings that entrepreneurs can buy, Jeffries said. Several medical-related companies have moved into that area, as well as professional services, he said.

If a storefront location isn't required, lower rents can be found off the beaten path. For Arlene Ladegaard, owner of Design Connection Inc., which does custom interiors, lower rent was a side benefit when she opened her studio at 105th and Metcalf. After operating out of her Leawood home for several years, she went looking for space that would be close to highway connections since she has clients all over the metropolitan area. She said her office couldn't look cheap, but if the rent was less that was all to the better.

Ladegaard found space in a building east of Metcalf with rent much lower than she had found further south. Design Connection is in an area surrounded by small businesses, and Ladegaard said she loves the area.

Old niches remain and new niches develop in the ever-changing dynamics of southern Overland Park and Leawood. For small companies, finding the right location is the challenge-but also the reward-when a business settles in.

Southern Overland Park at a Glance

Small Businesses as a Percentage of all Businesses: 90 percent

Businesses in southern Overland Park (south of I-435): Approx. 4,000 (about 55 percent of the businesses are south of I-435).

Population: Approx. 170,319 of which about 84,500 are in southern Overland Park

Events: Jazz in the Woods, Star Spangled Spectacular, Overland Park Arboretum Holiday Luminary Walk

Sources: Overland Park Economic Development Council, City of Overland Park

Leawood at a Glance

Small Businesses as a Percentage of all Businesses: 80 percent

Businesses in Leawood: Approx. 700

Population: Approx. 30,700

Event: A Taste of Leawood, Jazz Concert Series, July 4th Celebration

Sources: Leawood Economic Development Council, City of Leawood