

Supporters work to bag Aldi grocery for East Side

By Jim Davis. Kansas City Business Journal: April 28, 2006.

Kansas City's East Side, long starved for national chain stores that populate most other parts of the area, could get retail nourishment by year's end from an Aldi supermarket planned at 39th Street and Prospect Avenue.

Backers, led by Kansas City Councilman Troy Nash, hope the \$4 million, tax increment-financed project will prompt a bounty of redevelopment that will spill into the surrounding area.

"We're using this as an (economic) engine. That's what TIF is supposed to be used for," Nash said.

He has been trying to invigorate 39th and Prospect since 2000, when he staged a weeklong vigil on the crime-ridden corner that's part of the 3rd District he represents.

Nash said history has hindered attempts to find private money -- "decades of neglect" have bred "a sense of hopelessness."

The proposed store's chances are improved by other influential proponents -- the Greater Kansas City Local Initiatives Support Corp. and Swope Community Builders.

LISC Executive Director Julie Porter said the group's \$1.5 million loan will complement its Neighborhoods-NOW program, which aims to invest \$23 million in the next three years in urban-core neighborhoods, several near 39th and Prospect.

"It's been so economically depressed that having this (Aldi) store is a first step in making that neighborhood real again and successful," Porter said.

Swope Community Builders, which focuses on the East Side and has become one of Kansas City's most active community development corporations, will acquire property and oversee development at 39th and Prospect.

Swope CEO Kelvin Simmons said the first task is to talk with area residents to gain their support. The median annual household income within a mile of the proposed supermarket, less than \$25,000, is barely half the metro-area average.

Swope will apply for TIF, which diverts taxes generated by new development to reimburse construction costs that bring public benefits. At 39th and Prospect, these outlays include land purchases and new infrastructure.

The A-B Store is across the street from where Aldi plans to build.

Dan Williams, who bought the store in 2004, called the intersection "the epitome of the ghetto."

Williams said he wants to expand the store's product line, now mostly liquor, to include fast food, along with a pay station for utility bills. Williams also owns property he plans to sell for the Aldi store.

Plans for the intersection's other two corners, dominated by vacant lots and a former Chevrolet dealership, are less clear. Ideas include a car wash and laundromat.

Phil Klawuhn, a lawyer with Dysart Taylor Lay Cotter & McMonigle PC who represents Aldi, said the German-based company thinks its mix of low prices and limited products will fly at 39th and Prospect. At 16,000 square feet, the store is about one-quarter the size of a typical suburban supermarket.

Nonetheless, Klawuhn said, Aldi officials expect the store to become their largest dollar-volume generator in Kansas City. The store's design will introduce a new prototype with more windows.

Aldi, which now operates 20 area stores, is building two outlets. Locations include an urban-core site at Admiral and Paseo boulevards in northeast Kansas City, as well as a Northland shopping center, the Plaza at Shoal Creek.

Margaret May, executive director of the Ivanhoe Neighborhood Council, said 39th and Prospect's transformation will help her neighborhood, whose boundaries run from the Paseo to Prospect Avenue between 31st Street and Emanuel Cleaver II Boulevard. May said she hopes to raise the neighborhood's population, which has dropped by about one-third since 1990 to fewer than 8,000 people.

"We need to change perceptions so people will want to live in the neighborhood," May said.