



Freddy's
FROZEN CUSTARD &
STEAKBURGERS

Freddy's | Merriam, KS



Block & Company, Inc. Quarterly Review

4th Quarter, 2019

Block & Co. brings two new restaurants to Johnson County, KS (stories inside)



Slim Chickens | Mission, KS

The Block & Company, Inc., Realtors Quarterly Review

Letter from President David M. Block



I am proud to report that 2019 has been a record year here at Block & Company, Inc., Realtors. Our success has resulted in the addition of a number of new associates and support staff that have further advanced the company's efforts and services provided.

In 2019, there were a number of new developments added to our portfolio that will set the stage for the next decade here at Block & Company. Our focus remains locked in on the redevelopment projects of two former Kmart-anchored centers and the activity we've seen thus far, should provide promising opportunities for the firm, our clients, and the city's involved. Block & Company is actively pursuing new and redevelopment opportunities throughout the entire Greater Kansas City area and our presence in Omaha, Denver, and the Phoenix metropolitan areas are expanding.

Several exciting technological advancements to our internal systems, software, and website are already underway for 2020. These upgrades will ensure that all departments are operating at an even higher efficiency. Block & Company takes the marketing strategy of our properties and brand very seriously and I'm proud of the efforts put forth by Sara Zahner and John Moffitt of our marketing division and the digital strategy and branding campaign procedures of James Lampone in our special projects division. Our marketing efforts have been second to none and is one of the reasons Block & Company remains at the forefront of commercial real estate companies in our region.

Again, I want to thank all of our staff members and brokers for the wonderful job they've done in making Block & Company what we are today and we're very excited for what the 2020 year has in store.

Sincerely,

[David M. Block](#)

President, Block & Company, Inc., Realtors

Profile of the Quarter: **Bob J. Wallen, Sales Associate**



[Bob J. Wallen](#) joined Block & Company in 1980 as a sales associate licensed in the states of Missouri and Kansas, specializing in the sale and leasing of industrial properties. A lifelong area native and thorough knowledge of the Kansas City Metropolitan area helped establish his branching into retail, commercial, and investment properties.

Bob's activities encompass a broad spectrum of real estate properties and services throughout the Kansas City Metropolitan area. His long association with Block & Company and knowledge of the Kansas City market have enabled him to be the ideal representative for property owners; whether buying or selling. He has acted as a corporate representative for relocations by national companies involving multiple retail facilities and site locations. Bob is actively involved in continuing education, attending numerous educational classes and programs specific to the commercial real estate industry.

Bob is a 1971 graduate of Shawnee Mission East High School and attended Kansas State University in Manhattan, Kansas. He currently resides in Overland Park, Kansas.

"Bob Wallen has been a pillar of knowledge here at Block & Company for over 40 years and thrilled with his past performance and I look forward to working with Bob in the coming future", David M. Block stated.

TENANT REPRESENTATION: A look into Block & Company's 4th Quarter Grand Openings

Freddy's Frozen Custard & Steakburgers opens in Merriam, Kansas



Block & Company, Inc., Realtors is excited to announce the grand opening of Freddy's Frozen Custard & Steakburgers in Merriam and the completion of the first phase of the [Merriam Grand Central Station](#) redevelopment project. Freddy's is located at 8817 Shawnee Mission Parkway in Merriam, Kansas, close to the intersection of I-35 & Shawnee Mission Parkway. This 4,000 plus square foot building is now one of their largest locations in the United States and Block & Company handled the construction management of the project on behalf of the property ownership group.

David M. Block, Phil Peck, CCIM, Alex Block, and Max Kosoglad of Block & Company successfully represented the Freddy's franchisee, as well as the property ownership group in the long term lease transaction. "We are excited to have Freddy's as the newest tenant to the shopping center and expect to have some additional announcements regarding new tenants coming in the near future," said David M. Block, president of Block & Company, Inc., Realtors. [READ FULL STORY](#)

VIDEO: Watch [Freddy's construction from start to finish](#) on Block & Co's YouTube Channel.



Slim Chickens opens new location in Mission, Kansas



Slim Chickens opened their newest location in the [Mission West Shopping Center](#) at 6591 Johnson Drive in Mission, KS this past November. The new Slim Chickens location in Mission is expected to make a positive economic impact with over 50 new jobs anticipated for creation in the community.

David M. Block and Max Kosoglad of Block & Company, Inc., Realtors negotiated the long-term lease transaction for the newly remodeled 2,300+ square-foot Slim Chickens restaurant building.

"The new restaurant will be a great addition to Mission West Shopping Center, and we look forward to working with Slim Chickens to add more locations throughout the Greater Kansas City Metro Area," said David M. Block, President of Block & Company.

Block & Company is responsible for the leasing, property management, and construction management of Mission West Shopping Center. [READ FULL STORY](#)

VIDEO: Watch [Slim Chickens construction from start to finish](#) on Block & Co's YouTube Channel.



BROKERAGE: Selected Deals of the Quarter

A look into a few of Block & Company's most noteworthy sales & transactions



RETAIL | Block & Co. sells 12th shopping center of Bloomfield portfolio in Champaign, IL

Block & Company is pleased to announce their 12th shopping center sale of a 13 shopping center portfolio assignment. A Block & Company headed investment group negotiated the sale of an approximately 11,458 square foot retail center in Champaign, Illinois to a local investment buyer. The Sam's Club and Rural King shadow anchored strip shopping center is located near Marketplace Regional Mall in the heart of the areas primary retail corridor at 1006 W. Anthony Drive.

[David M. Block](#) and [Phil Peck, CCIM](#) of Block & Company, Inc., Realtors negotiated the transaction on behalf of the sellers. [Read More](#)



RETAIL | Raymore Galleria Shops sells to new ownership

Block & Company is excited to announce the investment sale of Raymore Galleria Shops, located at 301-315 N. Dean Avenue in Raymore, Missouri. [David M. Block](#) and [Max Kosoglad](#) of the firm represented the sellers in the investment sale transaction. The 12,000 square foot multi-tenant retail center was built in 2007 and is currently home to Pizza Hut, Vapor Maven, The Big Biscuit, Slim For Life, and Gallery Nails. The center is surrounded by big box retailers and several junior anchor tenants such as Lowe's, Sam's Club, Walmart Supercenter, and many others in the city's central business district. Block & Company will continue to manage the property for the new ownership group.



INDUSTRIAL | Spicin Foods (Original Juan's) industrial facility sells to local investment group

[David M. Block](#) and [Max Kosoglad](#) of Block & Company have successfully sold the Spicin Foods bottling & distribution facility to Nicholson Group, LLC for \$2.64mm. The 55,250 square foot warehouse facility sits on 2.49 acres of land and is located at 111 Southwest Boulevard in the heart of Kansas City, Kansas' industrial district. The building features a factory retail store onsite and the property recently received capital improvements from the previous occupant. Spicin Foods, formerly known as Original Juan's, is a specialty foods manufacturer of tomato-based products such as BBQ and hot sauces that they ship to clients worldwide.



INVESTMENT | Block & Co. acquires new shopping center in Blue Springs, MO

On behalf of a Block & Company-headed investment group, we are proud to announce the acquisition of the Coronado Shoppes, located at 481-495 NE Coronado Drive in Blue Springs, Missouri. [Jay Friedman](#) successfully negotiated the investment sale on behalf of the buyers. The 9,400 square foot multi-tenant shopping center is currently at 100% occupancy and the list of tenants include Wingstop, Pinot's Palette, SW Hearing Centers, Locker Room, Smoothie Factory, and CBD World. Block & Company will be assigned as the leasing and property management firm of the Coronado Shoppes. [Read More](#)



INDUSTRIAL | Storage facility and adjacent property sell in Independence, MO for \$10mm

[William Glasgow](#) of Block & Company recently sold a 28.66 acre storage facility and adjacent property located at 910 and 914 N MO-7 Highway in Independence, Missouri. Glasgow successfully negotiated the \$10mm sale transaction on behalf of the selling party, Lake City U-Store. State Storage Group Kansas City, LLC was the purchasing party of the property that has over 741 inclosed storage units and 450 parking stalls. State Storage currently has plans to modernize the entire facility with computer automated climate control and other state of the art technological systems.

Maas writes medical cannabis piece in Heartland Real Estate Business Magazine

CANNABIS CRAZE TAKES SHAPE IN MISSOURI MARKET

If you were a retail broker in Missouri this past year, you more than likely received an abundant amount of calls regarding medical marijuana. Whether you were the listing agent on a property or fielding calls from out-of-state operators requesting help as a buyer/tenant rep, 2019 will be a year to remember.

When Missourians passed Amendment 2 in November 2018 to allow the legalization of marijuana for those with qualifying conditions, it forever changed the future of brick-and-mortar needs. Dispensaries, cultivation, processing and testing facilities were all in need of space. The race for getting places under contract became intense as all parties had to secure locations prior to submittal of their applications.

The numbers were astounding. The Missouri Department of Health took in \$4.2 million in application fees and received 2,163 applications by the August 19th deadline. Here is how they broke down — 554 applications for 60 cultivation facility licenses; 1,163 applications for 192 dispensary licenses; 415 applications for 86 manufacturing licenses and 17 applications for 10 testing lab licenses.

Rules, regulations

As one would anticipate with such a broad step into the new era, there were many rules and regu-



Bill Maas, CCIM
Block & Co. Inc.
Realtors

lations that were put in place to abide by in these searches. For instance, the state would not allow any of the locations to be within 1,000 feet of a school, church or daycare facility.

Freestanding buildings became the request of most out-of-state operators, as they understood that most landlords didn't want them in their centers due to the request of other tenants and lease restrictions. All of the lease and purchase agreements had an option period on them under which the applicant would pay rent, or a nonrefundable cash amount up front, in order to hold the location until the awarding of licenses sometime in early first-quarter 2020.

Federal challenges

Other challenges associated with the Missouri cannabis craze is the fact that even though 22 states have legalized medical marijuana, it is still illegal on the federal level. Federally, cannabis is still defined as a Schedule 1 drug, which places it in the same class as heroin, LSD, ecstasy, methaqualone and peyote, according to the Drug Enforcement Administration. This classification marks it as a regulated substance under the Controlled Substances Act.

Any person or entity violating this act is subject to the following penalties: 10 years to life for possession; 20 years to life if death or serious bodily injury results from use; or up to \$10,000 (individual) or \$50,000 (party) fine. This has led to most major title companies not being able to process and insure

these transactions (legislation is working on allowing this for all title companies hopefully within the coming year).

Cannabis is also something that most financial institutions are forbidden to lend on. Under the Money Laundering Control Act, financial institutions and entities handling or settling funds from a transaction for cannabis-related businesses could be found to be complicit in "unlawful activity" (as defined in the Controlled Substances Act), whether they knew the transaction involved a cannabis-related business or not.

Violation could result in the following penalties: up to \$500,000, or twice the value of the property involved in the transaction (whichever is greater); up to 20 years in prison; or both. With that being said, we have found that most of the buyers are cash buyers that have secured private equity.

Insurance coverage on these facilities has its challenges as well. Currently in the Midwest, there aren't any companies covering the insurance on buildings or granting certificates of insurance on retail cannabis spaces. Landlords and operators have turned to using companies in the states that currently operate these facilities.

The landscape of the retail market has experienced its changes over the last decade, and as we enter into 2020, the cannabis industry in Missouri will certainly be something to keep an eye on.

Bill Maas, CCIM is a vice president with Block & Co. Inc. Realtors in Kansas City.

Featured Listing | KC Grand Center Station Anchor Space

7100 NW Prairie View Road, Kansas City, MO 64151



Property Details

- Former Kmart For Lease in KC Grand Center Station
- 84,180 SF anchor space in 104,490 SF shopping center
- Space can be divided into separate units
- I-29 Full Diamond Interchange | I-29 & NW 72nd Street
- Great access and visibility and signage from I-29
- Intersection carries over 93,000 cars/day
- Potential pad sites for lease or build-to-suit

Additional Resources

- [Property Listing Page](#)
- [Property Brochure](#)
- [Property Map](#)
- [More Photos](#)

Contact

- Agents: [David M. Block](#) | [Alex Block](#) | [Max Kosoglad](#)
- info@blockandco.com
- 816.753.6000



BLOCK PHILANTHROPY:

A look into Block & Company's community involvement and charitable contributions

**Block & Co. donates space at Village of Seville Shopping Center to Salvation Army's Project Warmth Charity**

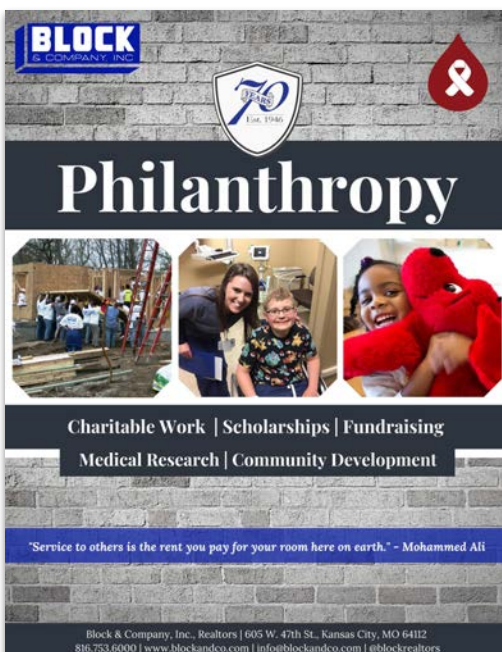
During the 2019 holiday season, Block & Company donated a 14,000 square foot building to the Salvation Army's [Project Warmth](#) campaign. The building is located in the Village of Seville Shopping Center in Leawood, KS. Project Warmth® is an initiative to collect new and gently used coats and blankets as well as cash donations to help people in need during extremely cold weather. The Midwest's harsh conditions during severe weather—hot or cold—prompted the effort to help people in need. Ultimately, Project Warmth® aims to ensure lives are not lost to frigid cold or sweltering heat.

**Block & Company raises money for Operation Breakthrough families during the holiday season**

Each year, Block & Company staff members are awarded the opportunity to wear jeans throughout the holiday season with a donation to [Operation Breakthrough](#). The charity organization focuses on families that need financial assistance and raises money to fulfil their needs. This year, our associates were able to raise \$1,000 for Thanksgiving meals and additional needs to area families. On Christmas, our adopted family received gifts, Famous Footwear gift cards for each member of the family and food for their Christmas dinner. A special thanks goes out to all of our associates who helped make this all possible!

**Block & Company donates former Best Buy space to Johnson County Christmas Bureau**

Block & Company was happy to be able to accommodate the [Johnson County Christmas Bureau's](#) Holiday Shop during the 2019 holiday season. The Holiday Shop temporarily occupied the former Best Buy, located at 11750 S. Strang Line Road in Olathe, Kansas. During the month of December, The Holiday Shop runs an 8-day store for pre-qualified individuals that are 150% below the poverty level of other fellow Johnson County residents. Items in the store include winter coats, groceries, holiday gifts, and personal care items. From their newsletter: "With many thanks to Block & Company, Inc. Realtors, we have another fantastic location. Easy access off I-35 and 119th Street. Great building with all the amenities necessary to run the Holiday Shop."

**Our commitment to the Kansas City area community**

Investigating impactful ways to make a difference in our community is something Block & Company has always been very passionate about. For many years, we have been honored to be involved with numerous local and national charities that have been the biggest difference makers in our community.

Block & Company's benefactors include a diversified group of organizations that address several key needs. From funding cancer and diabetes research to feeding families in need, we are proud of the involvement we've had in a variety of worthy causes.

Interested in partnering with Block & Company on our next community improvement project? Send us an email at info@blockandco.com to get more information on our next campaign.

[View Philanthropy Brochure](#)

BLOCK PEOPLE:

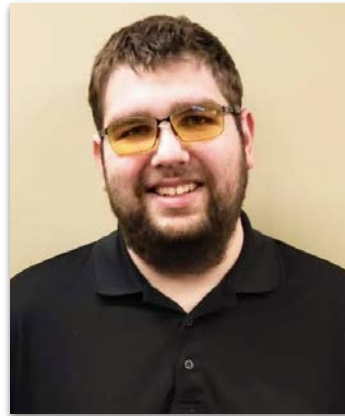
Exciting news & announcements from the Block & Company family tree

Block & Company, Inc. hires four new employees in fourth quarter

Kathy Ridgley
Reception
November, 2019



Sharon DiBella
Insurance Specialist
November, 2019



Cody DeMent
IT Assistant
December, 2019



Dakota Grizzle
Sales Associate
December, 2019

Heidi Weers of Block & Company wins free trip to Las Vegas

Congratulations to Administrative Assistant Heidi Weers on her free trip to Las Vegas, Nevada that she won in a recent company wide raffle. The trip included round trip airfare for two, four nights at the Cosmopolitan and some spending cash. Heidi and her boyfriend, Phillip, flew out on December 31st and rang in the new year in style on the Las Vegas Strip.

"David, I want to thank you for the amazing trip to Las Vegas! We had such a wonderful time and will never forget our new year's celebration. Thank you for being so generous and providing us with a truly fantastic opportunity!", Heidi wrote in a thank you letter.

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Photos | Block & Company's Holiday Party at Johnny Kaws in Westport

