



## Agenda

**REGULAR MEETING  
GOVERNING BODY  
CITY OF LENEXA, KANSAS  
17101 W. 87<sup>th</sup> STREET PARKWAY**

**FEBRUARY 21, 2023  
7:00 PM  
COMMUNITY FORUM**

**CALL TO ORDER** Pledge of Allegiance

**ROLL CALL**

**APPROVE MINUTES** February 7, 2023 City Council meeting draft minutes  
(located in the Appendix)

**MODIFICATION OF  
AGENDA**

**REAPPOINTMENTS**

Planning Commission - John Handley, Ben Harber, Jason Leib

Arts Council - Anne Lawrence-Cherry, Dale Trott, Jennifer Wampler

Parks & Recreation Advisory Board - Gary Ewing, Mike Rzeszut, Diane Schmidt

Building Code Board of Appeals - Ron King

**RECOGNITION** Scout Blair, visitor to every park in Lenexa

**CONSENT AGENDA**

**Item Numbers 1 through 3**

All matters listed within the Consent Agenda have been distributed to each member of the Governing Body for review, are considered to be routine, and will be enacted by one motion with no separate discussion. If a member of the Governing Body or audience desires separate discussion on an item, that item may be removed from the Consent Agenda and placed on the regular agenda.

1. Bid award to Capital Electric for the 2022 Community Development Block Grant (CDBG) Street Lighting Project

*Capital Electric bid \$344,367 to install a new street lighting system on 77th Street from Quivira Road north to the city limits, in the Cedar Valley/Holmberg Estates subdivisions, and on Barton Street north of 79th Street.*

2. Change order to the contract with Pyramid Contractors, Inc. for the 87th Street Parkway & I-435 Interchange Improvements Project

*This change order to the contract with Pyramid Contractors, Inc. for the 87th Street Parkway & I-435 Interchange Improvements Project is for revised construction sequencing, delays, and final quantities for \$226,395.22.*

3. Resolution authorizing the termination of a lease, base lease and payment in lieu of taxes agreement as a result of an industrial revenue bond redemption (Williams Equity Investments LLC - Skyline Displays Heartland, Inc.)

*In 2016, the City issued \$6.1 million in industrial revenue bonds (IRBs) on behalf of Williams Equity Investments, LLC ("Company") for construction of its facility at 9511 Legler in the Kansas Commerce Center, and entered into a tax abatement and PILOT with the Company. The tax abatement terminated on December 31, 2022 and the Company desires to redeem the IRBs.*

**END OF CONSENT AGENDA**

**PUBLIC HEARINGS**

4. Consideration of approving Project Plan 1J in the City Center Tax Increment Financing District (City Center Area A Restaurant Row Buildings A1 & A4 Project)

- a. Public hearing to consider approving TIF Project Plan 1J
- b. Ordinance approving TIF Project Plan 1J
- c. Resolution approving the Disposition and Development Agreement with AC2CCL, LLC

- d. Resolution determining the intent of the City to issue approximately \$3.5 million in industrial revenue bonds (IRBs) to help acquire, construct, and equip two restaurant/retail buildings

*Tax Increment Financing (TIF) Project Plan 1J contemplates construction of a 9,000 square foot restaurant/retail building and a 8,800 square foot restaurant, surface parking, footings for a future parking deck, sidewalks, landscaping and associated infrastructure, located in the southwest*

*corner of 87th Street Parkway & Renner Boulevard in the City Center TIF District. After the public hearing, the Governing Body will consider adoption of TIF Project Plan 1J. If passed by a 2/3 vote, the Governing Body will consider adoption of a Disposition and Development Agreement with AC2CCL, LLC. setting forth the terms and conditions for reimbursement of TIF eligible costs with TIF revenues generated from the TIF District. Finally, the Governing Body will consider adoption of a resolution determining City's intent to issue up to \$3.5 million in industrial revenue bonds for construction of the project.*

5. Consideration of establishing the City Center Restaurant Row Community Improvement District (CID)
  - a. Public hearing to consider establishing the City Center Restaurant Row Community Improvement District (CID)
  - b. Ordinance establishing the CID
  - c. Resolution approving the Development Agreement with AC2CCL, LLC

*The proposed CID includes the City Center Restaurant Row development area located at the southwest corner of 87th Street Parkway & Renner Boulevard. The CID revenues generated from the CID area will be used by AC2CCL, LLC for approved CID costs. The CID Development Agreement sets the terms and conditions for performance and reimbursement.*

**NEW BUSINESS** None

**COUNCILMEMBER REPORTS**

**STAFF REPORTS**

6. Community Development Annual Report

**END OF RECORDED SESSION**

**BUSINESS FROM FLOOR**

Comments will be accepted from the audience on items not listed on the agenda. Please limit remarks to a maximum of five (5) minutes per person/issue.

**ADJOURN**

**APPENDIX**

7. February 7, 2023 City Council meeting draft minutes
8. Reappointment Memo
9. Item 4 -- Project Plan IJ

Dist. Governing Body; Management Team; Agenda & Minutes Distribution List

IF YOU NEED ANY ACCOMMODATIONS FOR THE MEETING, PLEASE CONTACT THE CITY ADA COORDINATOR, 913/477-7550. KANSAS RELAY SERVICE 800/766-3777. PLEASE GIVE 48 HOURS NOTICE



**ITEM 1**

**SUBJECT:** Bid award to Capital Electric for the 2022 Community Development Block Grant (CDBG) Street Lighting Project

**CONTACT:** Tim Green, Deputy Community Development Director

**DATE:** February 21, 2023

**ACTION NEEDED:**

Award a bid to Capital Electric for the 2022 Community Development Block Grant (CDBG) Street Lighting Project.

**PROJECT BACKGROUND/DESCRIPTION:**

The 2022 CDBG Street Lighting Project consists of the removal and replacement of the existing streetlights with energy efficient LED fixtures on new aluminum light poles on 77th Street from Quivira Road east to the city limits, in the Cedar Valley and Holmberg Estates subdivisions, and on Barton Street north of 79th Street. The new LED streetlights will be maintained by the City and will not only provide reduced operating and maintenance costs due to their lower energy consumption and longer life spans, but will offer a brighter, more uniform light, providing greater visibility at night for drivers and pedestrians.

Plans were prepared by HNTB and sealed bids were opened on December 1, 2022. Results are as follows:

Engineer's estimate	\$291,620.00
<b>*Capital Electric</b>	<b>\$344,367.00</b>
Teague Electric	\$344,701.90
Wildcat Concrete	\$463,745.00
Black & McDonald	\$565,513.00
JF Electric, Inc.	\$661,754.00

\*low bidder

While all bids exceeded the engineer's estimate, the City Engineer recommends awarding to the lowest responsible bidder, Capital Electric. Due to supply chain issues and material cost increases, staff does not see a benefit to rebidding the project.

**FINANCIAL IMPLICATIONS/FUNDING SOURCES:**

This project is part of the Street Lighting Replacement Project (Project No. 60042) and is budgeted in the 2023-2027 Capital Improvement Program. This project has been awarded \$179,636 in CDBG funds from HUD. The remaining costs for the project will be funded by the Street Lighting Replacement Project.

**STAFF RECOMMENDATION:**

Award the bid.

**VISION / GUIDING PRINCIPLES ALIGNMENT:**

**Vision 2040**

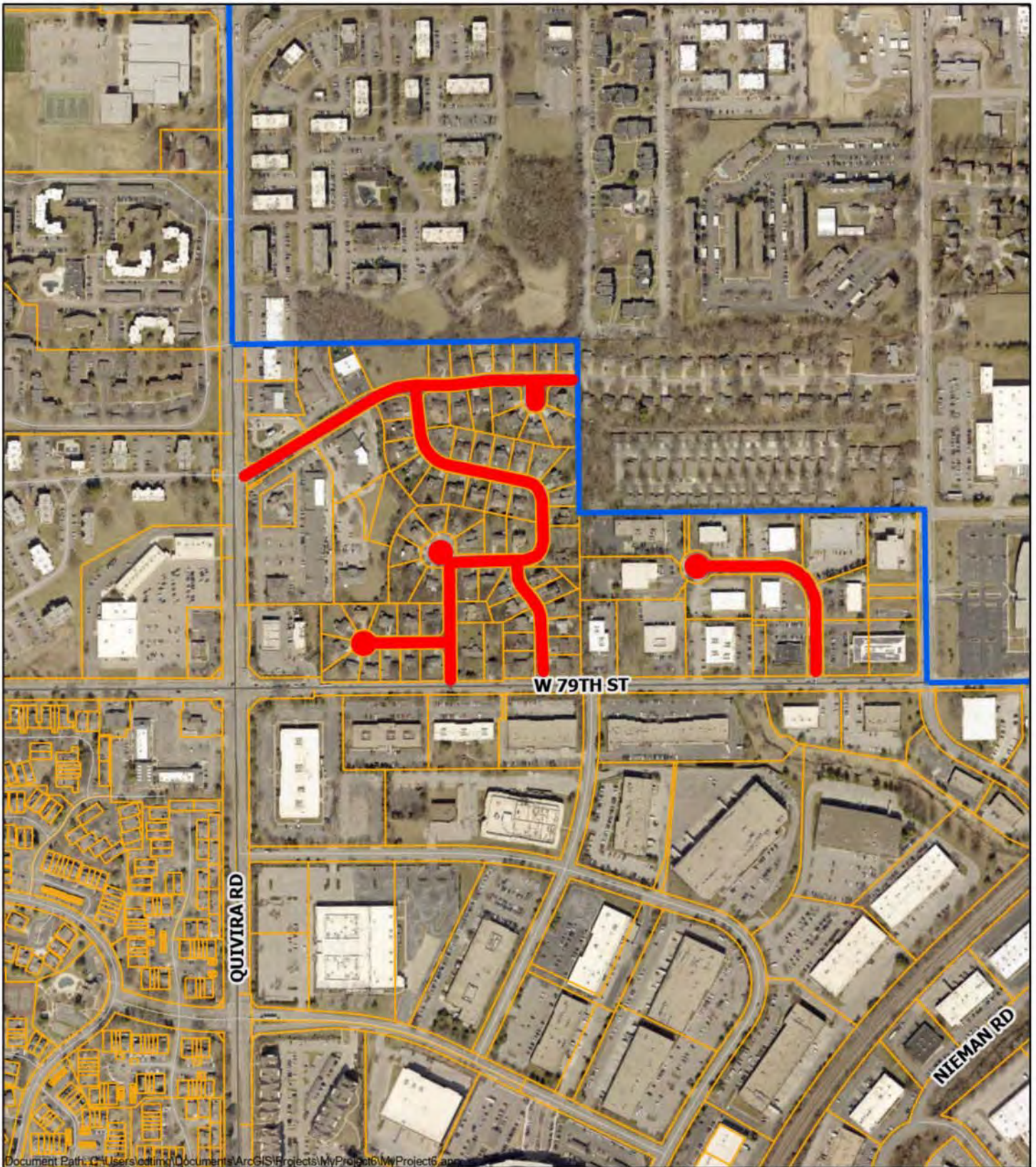
Integrated Infrastructure & Transportation

**Guiding Principles**

Sustainable Policies and Practices

**ATTACHMENTS**

1. Map



## 2022 CDBG Streetlighting Project Aerial/Vicinity Map





## ITEM 2

**SUBJECT:** Change order to the contract with Pyramid Contractors, Inc. for the 87th Street Parkway & I-435 Interchange Improvements Project

**CONTACT:** Tim Green, Deputy Community Development Director

**DATE:** February 21, 2023

### **ACTION NEEDED:**

Approve a change order to the contract with Pyramid Contractors, Inc. ("Pyramid") for the 87th Street Parkway & I-435 Interchange Improvements Project.

### **PROJECT BACKGROUND/DESCRIPTION:**

This change order is a result of revised construction sequencing to better accommodate traffic flow along 87th Street Parkway, utility delays, and permit delays. This change order also covers the final quantity adjustment for the project.

- Final Quantities - All Bid Items: \$52,604.78

Actual quantities used in the field versus bid quantities.

- Grading – Bid Items 5 and 6: \$35,000

Includes recompacting soft subgrade, regrading roadway and slopes due to utility conflicts, excavating and removing abandoned conduits.

- Concrete CSB – Bid Item 33: \$15,000

Includes blanketing, tenting, and concrete winter surcharge to allow work to continue through the winter months and avoid roadway closures.

- Storm Sewer – Bid Items 57 thru 74: \$152,000

Includes exposing and moving conduits, installing storm sewer across Maurer Road at night, exposing conduits and delays associated with utility conflicts.

- Revised Construction Sequencing: \$40,000

Includes double handling of excavated materials, moving equipment to continue working, and working behind the curb lines to reduce the impact on the traveling public.



- Overhead & Profit: \$37,000

Overhead and profit for the aforementioned bid items in accordance with the City of Lenexa Contract General Conditions.

Several utilities that were previously relocated were determined to have relocated to areas that resulted in conflicts with construction. These utility conflicts resulted in extra work to install storm sewer, repairing soft subgrade from poor utility installation, and removing abandoned utility conduits. This extra work also placed a large portion of the concrete safety barrier, sidewalk, trail, and curb & gutter being constructed in the winter months which required blanketing the concrete and a concrete winter surcharge from suppliers. In addition to the utility conflicts, there was also a delayed issuance of the required KDOT Right-of-Way permit as a result of negotiations between the City of Lenexa and KDOT regarding insurance requirements associated with the Right-of-Way permit. The delayed KDOT Right-of-Way work permit resulted in a 68-day delay in issuing the Notice to Proceed.

**FINANCIAL IMPLICATIONS/FUNDING SOURCES:**

Original Construction Contract:	\$6,490,755.50
Previously Approved Change Orders:	\$114,517.89
Current Construction Contract:	\$6,605,273.39
Change Order No. 11:	\$226,395.22
<b>Final Construction Contract Total:</b>	<b>\$6,831,668.61</b>

This project is funded by:

Federal STP Funding	\$3,200,000
CARS Funding	\$1,526,000
Federal Grant Funding	\$245,000
Excise Tax	\$1,992,000
Capital Improvement Fund	\$1,437,000
<b>Total Project Cost:</b>	<b>\$8,400,000</b>

**STAFF RECOMMENDATION:**

Approve the change order.

**VISION / GUIDING PRINCIPLES ALIGNMENT:**

**Vision 2040**

Integrated Infrastructure & Transportation

**Guiding Principles**

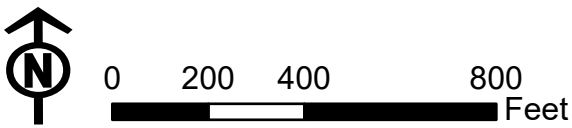
Strategic Community Investment

## **ATTACHMENTS**

1. Map
2. Change Order



# 87th Street Parkway and I-435 Interchange Improvements Renner Boulevard to Maurer Road





**CONSTRUCTION  
CHANGE ORDER FORM**

PO: 2100150

17101 W. 87<sup>TH</sup> STREET PARKWAY · LENEXA, KANSAS 66219 · PH. (913) 477-7500 FAX (913) 477-7730 · WWW.LENEXA.COM

**Date:** 2/9/2023 **Change Order Request # 11-Final**

**Project Manager:** Ben Clark

**Project Number:** 60108

**Project Name and Location:** Location: 87th Street Parkway and I-435 Interchange Improvements KDOT CMS: 017216001 KDOT: 046-N-0699-01

**Contractor Name:** Pyramid Contractors, Inc

**Reason for change order (Check all that apply):**

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Unforeseen Conditions         | <input checked="" type="checkbox"/> Utility Conflict         |
| <input type="checkbox"/> Design Omission                          | <input type="checkbox"/> Work to accommodate another project |
| <input checked="" type="checkbox"/> Scope Change (City Initiated) | <input type="checkbox"/> Scope Change (Contractor Initiated) |
| <input checked="" type="checkbox"/> Other Final Quantities        | <input type="checkbox"/> Quantity Error                      |

**Urgency of Change Order:**

- Contractor cannot proceed with any project work until change order is approved.
- Contractor cannot proceed with major project work, but can continue work.
- Contractor can proceed with all work except the immediate portion affected by the change order.
- Contractor must proceed with work before the change order can be approved.
- Change order is desirable, but not absolutely necessary to complete the project.

**Contract Summary:**

The original Contract Sum was:	\$6,490,755.50
Net change by previously authorized Change Orders:	\$114,517.89
The Contract Sum prior to this Change Order was:	\$6,605,273.39
The Contract Sum will be modified by this Change Order in the amount of:	\$226,395.22
The new Contract Sum will be:	\$6,831,668.61
% <u>Increase</u> (decrease) from current contract amount:	0.37%

The Contract Time will be increased (decreased) by: \_\_\_\_\_ Days

Sufficient budget available to cover the requested change order?  YES  NO

**Additional Required Approval:**

**Governing Body Approval Required:**  YES  NO

*Contracts \$0 to \$1,000,000: Change Orders greater than or equal to \$50,000*  
*Contracts \$1,000,000 to \$3,000,000: Change Order increases contract by greater than 5%*  
*Contracts greater than \$3,000,000: Change Order greater than or equal to \$150,000*

**Administrative Team Member Approval Required: ≤ \$20,000**  YES  NO

**City Manager Approval Required: None of the above criteria apply**  YES  NO

*\*The change order dollar thresholds listed above are non-cumulative*

**Description of work to accomplish the change order:**

(Attach appropriate backup material necessary to document the requested change order)

<b>ITEM NO. 1</b>	<b>New Line Item: #153 - Revised Construction Phasing. 1 LS @ \$279,000.00. Non-Participating</b>	<b>\$279,000.00</b>
<b>ITEM NO. 2</b>	<b>Final Quantities</b>	<b>(\$52,604.78)</b>

This change order was a result of revising the construction sequencing to better meet the maintenance of traffic along 87<sup>th</sup> Street Parkway. The original construction sequence allowed for construction to take place along both westbound 87<sup>th</sup> Street Parkway shifting traffic south and behind the curb line north of westbound 87<sup>th</sup> Street Parkway. The revised sequence allowed the contractor to complete storm sewer installation and grading behind the curb line north of westbound 87<sup>th</sup> Street Parkway leaving the westbound lanes of 87<sup>th</sup> Street Parkway un-obstructed. This same revised construction sequence was utilized for eastbound 87<sup>th</sup> Street Parkway.

Once the revised construction sequencing was agreed upon several delays impacted the project schedule. Several utilities that were previously relocated were determined to have relocated to areas that still produced a conflict with construction. These utility conflicts resulted in extra work to install storm sewer, repairing soft subgrade from poor utility installation, and removing abandoned utility conduits. This extra work also placed a large portion of the concrete safety barrier, sidewalk, trail, and curb & gutter being constructed in the winter months which required blanketing the concrete and a concrete winter surcharge from suppliers. In addition to the utility conflicts, there was also a delayed issuance of the required KDOT Right-of-Way permit as a result of negotiations between the City of Lenexa and KDOT regarding insurance requirements associated with the Right-of-Way permit. The delayed KDOT Right-of-Way work permit resulted in a 68-day delay in issuing the Notice to Proceed.

For the project to keep moving forward it required the contractor to double handle excavated materials. To complete work in areas that were not impacted by utility conflicts the contractor needed to excavate areas of cut and temporarily stockpile until the utility conflicts were resolved. In other instances the excavated material needed to be hauled elsewhere on the project instead of the location immediately adjacent to the excavation.

Grading – Bid Items 5 and 6: \$35,000.

Includes recompacting soft subgrade, regrading roadway and slopes due to utility conflicts, excavating and removing abandoned conduits.

Concrete CSB – Bid Item 33: \$15,000.

Includes blanketing, tenting, and concrete winter surcharge.

Storm Sewer – Bid Items 57 thru 74: \$152,000.

Includes exposing and moving conduits, installing storm sewer across Maurer Road at night, exposing conduits and delays associated with utility conflicts.

Revised Construction Sequencing: \$40,000.

Includes double handling of excavated material, moving equipment to continue working, and working behind the curb lines to reduce impacts to the traveling public.

Overhead & Profit: \$37,000.

Total: \$279,000. Four percent of the total contract amount.

**TOTAL CHANGE ORDER:**

**\$226,395.22**

**Approved:**

\_\_\_\_\_  
**Ben Clark**  
Project Manager

\_\_\_\_\_  
**Date**

**Approved:**

\_\_\_\_\_  
**Tim Green, P.E.**  
City Engineer

\_\_\_\_\_  
**Date**

**Approved:**

\_\_\_\_\_  
**Scott McCullough**  
Community Development Director

\_\_\_\_\_  
**Date**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
**Steven Shrout, Assistant City Attorney**

**Approved:**

\_\_\_\_\_  
**Michael A. Boehm**  
Mayor

\_\_\_\_\_  
**Date**

**Approved:**

\_\_\_\_\_  
**Pyramid Contractors, Inc**

\_\_\_\_\_  
**Date**



**ITEM 3**

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**SUBJECT:** Resolution authorizing the termination of a lease, base lease and payment in lieu of taxes agreement as a result of an industrial revenue bond redemption (Williams Equity Investments LLC - Skyline Displays Heartland, Inc.)

**CONTACT:** Sean McLaughlin, City Attorney

**DATE:** February 21, 2023

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**ACTION NEEDED:**

Adopt a resolution authorizing the termination of a lease, base lease and payment in lieu of taxes (PILOT) agreement as a result of an industrial revenue bond redemption (Williams Equity Investments LLC - Skyline Displays Heartland, Inc.).

**PROJECT BACKGROUND/DESCRIPTION:**

The City issued \$6.1 million in industrial revenue bonds (IRBs) in April 2016 on behalf of William Equity Investments, LLC ("Company") for construction of its facility at 9511 Legler in the Kansas Commerce Center. The City also entered into a six-year tax abatement and PILOT with the Company. UMB is the trustee on the IRBs ("Trustee"). The tax abatement terminated on December 31, 2022 and the Company desires to exercise its purchase option and redeem the IRBs.

Upon redemption and Trustee Certification, the City will terminate the PILOT, lease, and base lease with the Company. The City Attorney will hold the termination documents in escrow pending receipt from the Trustee of its certification that all associated costs with the IRB redemption have been paid in full. Upon receipt of such written Trustee Certification, the City Attorney will record the Termination of Lease and Termination of Base Lease. The City is using its standard termination documents, which are available for review in the City Clerk's office.

**FINANCIAL IMPLICATIONS/FUNDING SOURCES:**

The PILOT terminated on December 31, 2022 and the property is back on the tax roll at full value for tax year 2023. Prior to development, the property paid approximately \$3,500 in annual property taxes and it is estimated the property will pay approximately \$167,000 in annual property taxes for 2023. During the six-year tax abatement, the property paid a total of \$502,823 in PILOT payments.

**STAFF RECOMMENDATION:**

Adoption of the resolution.

**VISION / GUIDING PRINCIPLES ALIGNMENT:**

**Vision 2040**  
Thriving Economy

**Guiding Principles**  
Responsible Economic Development

## **ATTACHMENTS**

1. Map
2. Resolution





Data Source: City of Lenexa and Johnson County Kansas  
For further information, please call 913-477-7500

# Williams Equity Investments LLC

## Skyline Displays Heartland, Inc.



0 150 300 600 Feet

**RESOLUTION NO. 2023 - \_\_\_\_\_**

**A RESOLUTION APPROVING AND AUTHORIZING THE CITY OF LENEXA, KANSAS [“CITY”] TO EXECUTE THE NECESSARY DOCUMENTS TO TERMINATE THE LEASE AGREEMENT, BASE LEASE AGREEMENT, AND PILOT AGREEMENT WITH WILLIAMS EQUITY INVESTMENTS, LLC ( “COMPANY”) ASSOCIATED WITH THE INDUSTRIAL REVENUE BOND SERIES 2016 ISSUED FOR PROPERTY LOCATED AT 9511 LEGLER ROAD, LENEXA, KANSAS.**

**WHEREAS**, the City of Lenexa, Kansas (“City”) previously issued its Industrial Revenue Bonds (Taxable Under Federal Law), Series 2016 (Williams Equity Investments LLC) (the “Bonds”) in the maximum principal amount of \$6,100,000 to Williams Equity Investments, LLC (“”), as bondowner, pursuant to a Trust Indenture dated as of May 1, 2016 (the “Indenture”), between the City and Commerce Bank, Kansas City, Missouri (the Trustee”): and

**WHEREAS**, the Company, as Tenant under the hereinafter defined Lease and Base Lease, used the proceeds of the Bonds in connection with the construction of a Project (as defined in the Indenture) located at or near 9511 Legler Road, Lenexa, Kansas; and

**WHEREAS**, in connection with the issuance of the Bonds, the City as Municipality and Company, entered into a Lease Agreement dated May 1, 2016 (the "Lease") which Lease is evidenced by a Memorandum of Lease dated as of May 1, 2016 and recorded with the Johnson County Records & Tax Administration (the “RTA”) on May 6, 2016 in Book 201605, Page 002522; and

**WHEREAS**, in connection with the issuance of the Bonds, the City as Municipality and Company, entered into a Base Lease Agreement dated May 1, 2016 (the "Base Lease") which Base Lease is evidenced by a Memorandum of Base Lease dated as of May 1, 2016 and recorded with the Johnson County Records & Tax Administration (the “RTA”) on May 6, 2016 in Book 201606, Page 002521; and

**WHEREAS**, in connection with the issuance of the Bonds, the City and the Company entered into that certain Payment in Lieu of Tax Agreement dated January 5, 2016 (the “PILOT Agreement”); and

**WHEREAS**, Company notified the City on or about January 5, 2023 of its intent, pursuant to terminate the Lease and Base Lease and to redeem the Bonds and the City waives the notice period; and

**WHEREAS**, the City desires to convey to terminate the Lease and Base Lease, and the PILOT Agreement. The City desires to take such action at its regularly scheduled February 21, 2023 City Council meeting with approval, execution and release of the documents subject to the terms and conditions provided herein.

**NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF LENEXA, KANSAS:**

**SECTION ONE: Conditions Precedent.** This resolution and the actions described herein are contingent upon: (1) the City's receipt of payment on or before February 21, 2023 by Tenant of \$1,000.00 payable to the City as required by the Lease (the "City Fee"); (2) Tenant's execution of the Termination of Lease Agreement and Termination of Base Lease (the "Document Execution") on or before February 21, 2023; and (3) receipt from the Trustee of a written certification of Trustee, on a form approved by the City Attorney, verifying the Bonds matured and were fully paid and there is no remaining outstanding principal balance or other costs and fees as permitted by the Bond documents associated with the Bonds (the "Trustee Certification"). Collectively, the City Fee, the Document Execution and the Trustee Certification constitute the "Contingencies".

**SECTION TWO: Approval of Transfer.** Provided the Contingencies are satisfied, transfer by the City of the Project is hereby approved, upon the terms and conditions set forth in the termination documents and herein.

**SECTION THREE: Authorization of Documents.** Provided the Contingencies are satisfied, the City approves the Termination of Lease, Base, and PILOT Agreement, and any other documents necessary to carry out the terms of this Resolution in substantially the same form presented to and reviewed by the Governing Body of the City at this meeting, with such minor changes therein as shall be approved by the officer of the City executing such documents, such officer's signatures thereon being conclusive evidence of the City's approval.

**SECTION FOUR: Execution & Delivery of Documents.** Upon satisfaction of the Contingencies, the Mayor is authorized and directed to execute the Termination of Lease, Base Lease, and PILOT Agreement, and any other documents necessary to carry out the terms of this Resolution and the City Clerk is hereby authorized and directed to attest to such documents, for and on behalf of the City. The City Clerk shall cause the Kansas and the termination agreements to be recorded with the Johnson County RTA, with such changes therein as shall be approved by the officer of the City executing such documents, such officer's signatures thereon being conclusive evidence of the City's approval thereof.

**SECTION FIVE: Further Authority.** The Mayor, City Manager and City Clerk are authorized to execute such other documents, certificates and UCC termination statements as may be necessary to transfer the Project, terminate all interest of the City in the Project and carry out the intent of this Resolution, provided such documents are first reviewed and approved by the City Attorney

**SECTION SIX: Effective Date.** This Resolution shall take effect and be in force from and after its adoption.

**ADOPTED** by the Governing Body this 21<sup>st</sup> day February, 2023.

**APPROVED** by the Mayor this 21<sup>st</sup> day February, 2023.

**CITY OF LENEXA, KANSAS**

[SEAL]

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Michael A. Boehm, Mayor

**ATTEST:**

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Jennifer Martin, City Clerk

**APPROVED AS TO FORM:**

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Sean McLaughlin, City Attorney



**ITEM 4**

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**SUBJECT:** Consideration of approving Project Plan 1J in the City Center Tax Increment Financing District (City Center Area A Restaurant Row Buildings A1 & A4 Project)  
**CONTACT:** Sean McLaughlin, City Attorney  
**DATE:** February 21, 2023

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**ACTION NEEDED:**

- a. Conduct a public hearing;
- b. Pass an ordinance approving TIF Project Plan 1J by a 2/3 vote of the Governing Body;
- c. Adopt a resolution approving the Disposition and Development Agreement (DDA) with AC2CCL, LLC by a simple majority; and
- d. Adopt a resolution determining the intent of the City to issue approximately \$3.5 million in industrial revenue bonds (IRBs) to help acquire, construct, and equip two restaurant/retail buildings.

**PROJECT BACKGROUND/DESCRIPTION:**

After staff's presentation, the City Council will open a public hearing to consider approving Redevelopment (TIF) Project Plan 1J ("Project Plan 1J") located on 2.96 acres in the southwest corner of 87th Street Parkway & Renner Boulevard in the City Center TIF District ("District"). The City established the original district on September 11, 2001 by Ordinance 4427 and it was subsequently amended on December 20, 2005 by Ordinance 4824 to include approximately 424 acres. The Kansas TIF Act (K.S.A. 12-1770 et seq.) contemplates approval of one or more project plans within a District.

Project Plan 1J contemplates the construction of a 9,000 square foot restaurant/retail building and an 8,800 square foot restaurant, surface parking, footings for a future parking deck, sidewalks, landscaping and associated infrastructure ("Private Project Improvements"). The Private Project Improvements will be performed by or on behalf of AC2CCL, LLC ("Developer"). The TIF increment generated from the Project will be used to reimburse the Developer for a portion of its TIF eligible costs associated with the Private Project Improvements. The eligible costs, priority, and terms of reimbursement to the Developer for the Public Project Improvements are set forth in the DDA with the Developer.

During the 20-year TIF term, the City is entitled to receive the balance of the TIF increment from the Project Plan 1J area not allocated to the Developer for reimbursement of the City's public TIF eligible costs. The public TIF reimbursable costs include special assessments within the Project Plan 1J area associated with the special benefit district financing of the Scarborough Drive & Hampton Street improvements and future 87th Street Parkway & Scarborough Drive traffic signal improvements; and public park improvements within the District.

Pursuant to the DDA, the Developer will receive 50% of the TIF revenues during the TIF term and the City

will receive 50% of the TIF revenues during the TIF Term. The DDA also contains a number of performance standards. Some of the key provisions include a phasing schedule with construction starting in 2023 and substantial completion by 2026. Reimbursement will be prioritized between the City and the Developer, with the City entitled to receive reimbursement of the Annual TIF Administrative Fee and the TIF Project Plan Fee prior to reimbursing 50% of TIF revenue to the Developer. The DDA uses the City's standard terms and is available for review in the City Clerk's office.

Finally, the City received an application from the Developer to issue up to \$3.5 million in IRBs for the construction of the project. Since the project includes retail uses, the City published notice for the proposed resolution of intent to issue the bonds in the Legal Record on February 7, 2023 in accordance with state statute. The Developer requested the industrial revenue bonds to receive a sales tax exemption on the construction materials for the project.

**FINANCIAL IMPLICATIONS/FUNDING SOURCES:**

Project Plan 1J identifies private reimbursable TIF expenses of \$3,774,391 and public reimbursable TIF expenses of \$1,770,000. The feasibility study prepared by City staff conservatively estimates the Project Plan 1J area TIF increment of \$2,244,024 over the 20-year TIF Term. The TIF increment plus other available private revenues and funds are expected to be sufficient to pay for the eligible reimbursable expenses. This is a pay-as-you-go TIF, so reimbursement is only made to the extent TIF revenues are actually received by the City.

The IRBs are not backed by the full faith and credit of the City. The Developer is responsible for repayment of the bonds and all fees related to the bond issue.

**STAFF RECOMMENDATION:**

Passage of the ordinance and adoption of the resolutions.

**VISION / GUIDING PRINCIPLES ALIGNMENT:**

**Vision 2040**  
Thriving Economy

**Guiding Principles**  
Responsible Economic Development

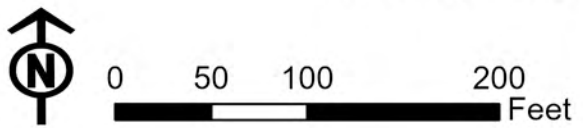
**ATTACHMENTS**

1. Map
2. Ordinance
3. Resolution - DDA
4. Resolution - IRB
5. Project Plan 1J located in the Appendix



Data Source: City of Lenexa and Johnson County Kansas  
 For further information, please call 913-477-7500

## City Center Lenexa Area A Restaurant Row Buildings A1 & A4



**ORDINANCE NO. \_\_\_\_\_**

**ORDINANCE APPROVING AND ADOPTING REDEVELOPMENT PROJECT PLAN 1J WITHIN A REDEVELOPMENT DISTRICT IN THE CITY OF LENEXA, KANSAS GENERALLY REFERRED TO AS THE CITY CENTER TIF DISTRICT (CITY CENTER AREA A RESTAURANT ROW BUILDINGS A1 & A4 PROJECT)**

**WHEREAS**, pursuant to K.S.A. 12-1770 *et seq.*, as amended (the “Act”) cities are authorized to assist in the development and redevelopment of eligible areas located within cities in order to promote, stimulate and develop the general and economic welfare of the state of Kansas and its communities; and

**WHEREAS**, in order to promote, stimulate and develop the general and economic welfare of the city of Lenexa, Kansas (“City”), the Lenexa City Council on September 11, 2001, adopted Ordinance No. 4427 establishing a Redevelopment District (the “Original District”) pursuant to the Act. The Original District was amended on December 20, 2005 by Ordinance No. 4824 to include a total of approximately 424 acres (the “District”) referred to as the City Center TIF District; and

**WHEREAS**, pursuant to the Act and the establishment of the District, the City in cooperation with the Lenexa Planning Commission prepared a Redevelopment Project Plan for an area within the District consisting of approximately 2.96 acres (“Project Plan 1J”) which was found by the Lenexa Planning Commission on January 9, 2023 to be consistent with the intent of the comprehensive plan for the development of the City and such findings are included in Planning Commission Resolution 2023-01; and

**WHEREAS**, the purpose of Project Plan 1J is for AC2CCL, LLC (the “Developer”) to construct or cause to be constructed an approximately 9,000 sq. ft. restaurant/retail building and an approximately 8,800 sq. ft. restaurant, surface parking, footings for a future parking deck, sidewalks, landscaping and associated infrastructure (the “Project”); and

**WHEREAS**, Project Plan 1J also contemplates reimbursement to the City and Developer for special assessments associated with special improvement district financing of the City’s construction of (i) two public streets – Scarborough Dr. (from Renner Blvd to 87<sup>th</sup> Street Parkway) and Hampton St. (from its current terminus north to connect with future Scarborough) (collectively, the “Public Streets”), both of which provide access to the Project Plan 1J improvements and which complete the public street network in City Center Lenexa; (ii) a portion of the amenity zone associated with such Public Streets; and (iii) utilities infrastructure within the right of way; and landscaping, hardscaping, sidewalks and amenities related to items (i), (ii) and (iii); and



**WHEREAS**, Project Plan 1J shall utilize the TIF increment generated from the Project within the Project Plan 1J area and associated appurtenances thereto (the “Project”) to reimburse Developer and the City for various approved TIF eligible expenses associated with the Project, as described in more detail in Project Plan 1J and the associated Disposition & Development Agreement (“DDA”); and

**WHEREAS**, pursuant to Resolution No. 2023-013 adopted January 17, 2023, the City gave notice of its intent to consider Project Plan 1J and conduct a public hearing on the proposed Project Plan 1J at the City Council meeting on February 21, 2023 or as soon thereafter as it may be heard and notice was provided to the Johnson County, Kansas Board of County Commissioners and the Board of Education of USD 512, all in accordance with the Act; and

**WHEREAS**, a feasibility study has been completed by City staff which indicates the benefits derived from Project Plan 1J are significant. Revenues from Project Plan 1J and other available revenues including private debt and equity are expected to be sufficient to pay for the eligible redevelopment project costs; and

**WHEREAS**, pursuant to the Act, Project Plan 1J, including a copy of the feasibility study and a description and map of the area to be redeveloped, has been on file in the office of the City Clerk and available for viewing during regular office hours; and

**WHEREAS**, Developer understands and agrees that it will be required to execute a DDA setting forth the terms for the implementation of Project Plan 1J. Such agreement shall be in substantially the same form as the City’s standard form and address issues involved in the redevelopment project, including but not limited to, the eligible TIF expenses, priority and eligible amount for reimbursement, performance requirements, reimbursement procedures, and remedies upon default.

**NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF LENEXA, KANSAS:**

**SECTION ONE:** Redevelopment Project Plan 1J, a copy of which is on file and available for inspection in the office of the City Clerk, is hereby adopted and approved.

**SECTION TWO:** In accordance with the Act, following publication of this Ordinance, the City Clerk is authorized and directed to transmit a copy of the description of the land within the Redevelopment District, a copy of this Ordinance adopting Project Plan 1J and a map indicating the boundaries within the Redevelopment District to the County Clerk, County Assessor, County Treasurer and Board of County Commissioners of Johnson County, Kansas, and the Board of Education of Unified School District No. 512 of Johnson County, Kansas.

**SECTION THREE:** This Ordinance shall be in full force and effect from and after its passage by a 2/3 vote of the Governing Body and publication once in the official newspaper of the City.

**PASSED** by two-thirds vote of the Lenexa Governing Body this 21<sup>st</sup> day of February, 2023.

**SIGNED** by the Mayor this 21<sup>st</sup> day of February, 2023.

**CITY OF LENEXA, KANSAS**

[SEAL]

\_\_\_\_\_  
Michael A. Boehm, Mayor

**ATTEST:**

\_\_\_\_\_  
Jennifer Martin, City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Sean McLaughlin, City Attorney

**RESOLUTION NO. 2023 - \_\_\_\_\_**

**A RESOLUTION APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE  
A DISPOSITION AND DEVELOPMENT AGREEMENT WITH AC2CCL, LLC  
(CITY CENTER AREA A RESTAURANT ROW BUILDINGS A1 & A4 PROJECT)**

**WHEREAS**, on September 11, 2001, the City adopted Ordinance No. 4427 establishing a Redevelopment District generally referred to as the City Center TIF District (“Original District”) which was amended by Ordinance No. 4824 on December 20, 2005 to incorporate a total area of approximately 424 acres, including all four corners of 87<sup>th</sup> Street Parkway and Renner Boulevard, as well as a tract of land located east of I-435 at 87<sup>th</sup> Street Parkway (the “City Center TIF District”); and

**WHEREAS**, the City identified multiple City Center development project areas located within the City Center TIF District, one area of which is located on the southwest corner of 87<sup>th</sup> Street Parkway and Renner Boulevard and is commonly referred to as “City Center Lenexa”; and

**WHEREAS**, pursuant to K.S.A. 12-1772, as amended, the City prepared Redevelopment Project Plan 1J for property located within City Center Lenexa (the “Project Plan”); and

**WHEREAS**, on February 21, 2023, the Governing Body adopted an ordinance approving the Project Plan which was found by the Lenexa Planning Commission on January 9, 2023 to be consistent with the intent of the comprehensive plan for the development of the City; and

**WHEREAS**, the Project Plan contemplates construction of an approximately 9,000 sq. ft. restaurant/retail building and an approximately 8,800 sq. ft. restaurant, surface parking, footings for a future parking deck, sidewalks, landscaping and associated infrastructure (the “Project”); and

**WHEREAS**, the City and Developer desire to enter into a Disposition & Development Agreement (“DDA”) regarding the terms for implementation of Project Plan 1J including but not limited to reimbursement of costs associated with approved TIF eligible costs; the description of such eligible improvements/costs; and the procedures for and priority of reimbursement on a “pay as you go” basis, all as set forth in the DDA attached hereto as Exhibit A.

**NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF  
THE CITY OF LENEXA, KANSAS:**

**SECTION ONE:** The City Council hereby approves and authorizes the Mayor to execute the Disposition and Development Agreement in substantially the same form as the document attached hereto as Exhibit A.

**SECTION TWO:** The approval granted herein is contingent upon Governing Body adoption of the ordinance approving Project Plan 1J and publication thereof as required by law.

**SECTION THREE:** This Resolution shall be effective upon passage and execution by the Mayor, subject to the conditions set forth in Section Two herein.

**PASSED** by the City Council this 21<sup>st</sup> day of February, 2023.

**SIGNED** by the Mayor this 21<sup>st</sup> day of February, 2023.

**CITY OF LENEXA, KANSAS**

[SEAL]

By: \_\_\_\_\_  
Michael A. Boehm, Mayor

**Attest:**

\_\_\_\_\_  
Jennifer Martin, City Clerk

**Approved As To Form:**

\_\_\_\_\_  
Sean McLaughlin, City Attorney

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION DETERMINING THE INTENT OF THE CITY OF LENEXA, KANSAS, TO ISSUE ITS INDUSTRIAL REVENUE BONDS IN THE APPROXIMATE PRINCIPAL AMOUNT OF \$3,500,000 TO FINANCE THE COSTS OF ACQUIRING, CONSTRUCTING AND EQUIPPING A RETAIL/OFFICE PROJECT FOR THE BENEFIT OF AC2CCL, LLC**

**WHEREAS**, the City of Lenexa, Kansas (the “City”), desires to promote, stimulate and develop the general welfare and economic prosperity of the City and its inhabitants and to further promote, stimulate and develop the general welfare and economic prosperity of the state of Kansas; and

**WHEREAS**, the City is authorized and empowered under the provisions of K.S.A. 12-1740 to 12-1749d, inclusive (the “Act”), to issue industrial revenue bonds to pay the cost of certain facilities (as defined in the Act) for the purposes set forth in the Act and to lease such facilities to private persons, firms or corporations; and

**WHEREAS**, AC2CCL, LLC, a Kansas limited liability corporation (the “Company”), made application requesting the City issue its industrial revenue bonds in the aggregate principal amount not to exceed \$3,500,000 (the “Bonds”) for the purpose of financing the cost of acquiring, constructing and equipping two restaurant/retail buildings totaling approximately 17,800 SF, as well as associated site work, lighting, landscaping, hardscape, surface parking, footings for a future parking deck, lighting and related site amenities (the “Project”) located at the southwest corner of 87<sup>th</sup> Street Parkway and Renner Blvd, and to lease the Project to the Company or its successors and assigns, subject to City consent and all pursuant to the Act; and

**WHEREAS**, the Company is a retailer as defined in K.S.A. 79-3602; and

**WHEREAS**, in accordance with K.S.A. 12-1744e, the City published notice in the official city newspaper of its intent to issue Bonds and lease the Project to the Company; and

**WHEREAS**, it is found and determined to be advisable and in the interest and for the welfare of the City and its inhabitants that the City finance the costs of the Project by the issuance of Bonds under the Act in an approximate principal amount of \$3,500,000, such Bonds to be payable solely out of rentals, revenues and receipts derived from the lease of the Project by the City to the Company or its successors and assigns.

**NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF LENEXA, KANSAS, AS FOLLOWS:**

**Section 1. Approval of Project.** The Governing Body of the City finds and determines that the acquisition, construction and equipping the Project will promote,

stimulate and develop the general welfare and economic prosperity of the City through the promotion and advancement of physical or mental health, industrial, commercial, agricultural, natural resources or recreation development of the City and the issuance of the City's Bonds to pay such costs will be in furtherance of the public purposes set forth in the Act.

**Section 2. Intent to Issue Bonds.** The Governing Body of the City determines and declares the intent of the City to acquire and equip the Project using the proceeds of the Bonds to be issued and used in accordance with the Act.

**Section 3. Provision for the Bonds.** Subject to the conditions of this Resolution, the City expresses its intent to: (i) issue its Bonds to pay the costs of acquiring, constructing and equipping the Project, with such maturities, interest rates, redemption terms and other provisions as may be determined by ordinance of the City; (ii) provide for the base lease from the Company to the City and a lease (with an option to purchase) of the Project from the City to the Company; and (iii) to effect the foregoing, adopt such resolutions and ordinances and authorize the execution and delivery of such instruments and the taking of such action as may be necessary or advisable for the authorization and issuance of the Bonds by the City and take or cause to be taken such other action as may be required to implement the aforesaid.

**Section 4. Conditions to Issuance.** Issuance of the Bonds and the execution and delivery of any documents related to the Bonds are subject to (i) passage and publication of an ordinance authorizing the Bonds and obtaining any other necessary governmental approvals; (ii) agreement by the City, the Company and the purchaser of the Bonds upon (a) mutually acceptable terms for the Bonds and for the sale and delivery thereof; and (b) mutually acceptable terms and conditions of any documents related to the issuance of the Bonds and the Project, including, but not limited to, provisions relating to the security for the payment of the Bonds, and provisions relating to the maintenance of the Project; (iii) the Company's compliance with the City's policies relating to the issuance of industrial revenue bonds, including payment of the City's origination fee and all costs of issuance; and (iv) delivery of an opinion of Bond Counsel with respect to the validity of the Bonds in a form acceptable to the City and the purchaser of the Bonds and delivery of an opinion from counsel to the Company for the benefit of the city in a form acceptable to the City..

**Section 5. Sale of the Bonds/Authority to Proceed.** The sale of the Bonds shall be the responsibility of the Company and shall be privately place with the Company, an affiliate of the Company or Company's lender; provided, however, all arrangements for the sale of the Bonds shall be acceptable to the City. The Company is authorized to proceed with the acquiring and equipping of construction materials for the Project, including the necessary planning and engineering for the Project and entering into contracts and purchase orders in connection therewith and to advance such funds as may be necessary to accomplish such purposes, and to the extent permitted by law, the Company may be reimbursed for such expenditures out of the proceeds of the Bonds, when and if issued, to the extent permitted by law. Notwithstanding such authorization, the Company proceeds at its own risk and if for any reason, the Bonds are not issued,

the City shall have no liability to the Company for any reason, including the repayment to the Kansas Department of Revenue of any retailers' sales tax exemption utilized by the Company for which the Company shall indemnify and hold the City harmless.

**Section 6. Limited Obligations of the City.** The Bonds and the interest thereon shall be special, limited obligations of the City payable solely out of the amounts derived by the City under a Lease Agreement with respect to the Bonds and as provided herein and are secured by a transfer, pledge and assignment of and a grant of a security interest in the Trust Estate to the Trustee and in favor of the owners of such Bonds, as provided in the Indenture. The Bonds shall not constitute a general obligation of the City, the State or of any other political subdivision thereof within the meaning of any State constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the City, the State or of any other political subdivision thereof and shall not be payable in any manner by taxation, but shall be payable solely from the funds provided for as provided in the Indenture. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the City, the State or any other political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment.

**Section 7. Required Disclosure.** Any disclosure document prepared in connection with the private placement of the Bonds shall contain a disclaimer that none of the information was supplied or verified by the City and the City makes no representation or warranty, express or implied, as to the accuracy or completeness of such information.

**Section 8. Benefit of Resolution.** This Resolution will inure to the benefit of the City and the Company. The City may, at the written request of the Company and approval of the City Counsel, assign the Company's interest in this Resolution to another entity, and such assignee will be entitled to the benefits of this Resolution assigned and the proceedings related thereto.

**Section 9. Further Action.** The City's Bond Counsel, the City's Financial Advisor, together with the officers and employees of the City, are authorized to work with the purchaser of the Bonds, the Company, their respective counsel and others, to prepare for submission to and final action by the City all documents necessary to effect the authorization, issuance and sale of the Bonds and other actions contemplated hereunder.

**Section 10. Effective Date.** This Resolution shall take effect and be in full force immediately after its passage by the City Council of the City and remain in effect until March 31, 2024 unless (i) the Bonds have been issued by the City or (ii) the Company has obtained from the City a building permit for the Project and is diligently pursuing construction to completion.

**ADOPTED** by the Lenexa City Council on February 21, 2023.

**SIGNED** by the Mayor on February 21, 2023.

**CITY OF LENEXA, KANSAS**

(Seal)

\_\_\_\_\_  
Michael A. Boehm, Mayor

ATTEST:

\_\_\_\_\_  
Jennifer Martin, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Sean McLaughlin, City Attorney





**ITEM 5**

**SUBJECT:** Consideration of establishing the City Center Restaurant Row Community Improvement District (CID)

**CONTACT:** Sean McLaughlin, City Attorney

**DATE:** February 21, 2023

**ACTION NEEDED:**

- a. Conduct a public hearing;
- b. Pass an ordinance establishing the City Center Restaurant Row Community Improvement District (CID); and
- c. Adopt a resolution approving the CID Development Agreement with AC2CCL, LLC.

**PROJECT BACKGROUND/DESCRIPTION:**

After holding a public hearing, the Governing Body will consider establishing a CID over the City Center Restaurant Row project area ("Restaurant Row Project"), which is located in the southwest corner of 87th Street Parkway & Renner Boulevard. AC City Center Lenexa ("Petitioner"), the owner of record of 100% of the land within the proposed CID and 100% of the land measured by assessed value within the proposed CID, filed a petition on behalf of AC2CCL, LLC ("Developer") requesting the City establish the CID over the property, which is 4.43 acres in area.

The Restaurant Row Project consists of two phases:

- Phase I will include two retail buildings consisting of 17,903 square feet intended for restaurant use, as well as associated site work, utilities, lighting, landscaping, hardscape and parking facilities (including footings for a future parking deck) on the property.
- Phase II is anticipated to include 10,604 square feet of retail and 51,400 square feet of office and construction of a 70-space parking deck on the property.

The proposed CID would be used to reimburse the Developer up to a maximum of \$8,550,000 for its CID eligible costs associated with the Restaurant Row Project. If approved, the CID would be established by ordinance and the City would enter into a separate CID Development Agreement with the Developer. The CID Development Agreement uses the City's standard form and is available in the City Clerk's office. The following are the key points of the CID and the Development Agreement:

- The CID will be funded with a 2% CID sales tax over the Restaurant Row Project area.
- The CID will extend for a period of 22 years from the date the sales tax is first commenced. It is estimated that the CID sales tax will commence on or about October 1, 2024.

•The Developer will receive 100% of the CID revenues generated from the CID over the term of the CID to reimburse its CID eligible costs up to \$8,550,000.

•The Development Agreement contains the City's standard provisions for submitting invoices, payment of costs, etc. Further, if any costs are also TIF eligible costs, the Developer must designate only one source for reimbursement. The Development Agreement is available for review in the City Clerk's office.

**FINANCIAL IMPLICATIONS/FUNDING SOURCES:**

The CID improvements will be funded with a 2% CID sales tax over the property located within the CID. It is estimated that the CID revenues over the 22-year term will be approximately \$6.5 million.

**STAFF RECOMMENDATION:**

Passage of the ordinance and adoption of the resolution.

**VISION / GUIDING PRINCIPLES ALIGNMENT:**

**Vision 2040**  
Thriving Economy

**Guiding Principles**  
Responsible Economic Development

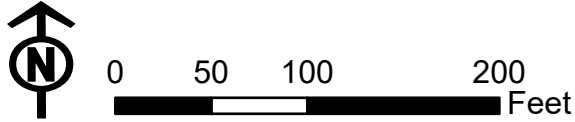
**ATTACHMENTS**

1. Map
2. Ordinance
3. Resolution



Data Source: City of Lenexa and Johnson County Kansas  
For further information, please call 913-477-7500

# City Center Lenexa Area A Proposed CID Boundaries



**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE APPROVING AND ESTABLISHING A COMMUNITY IMPROVEMENT DISTRICT IN THE CITY OF LENEXA, KANSAS AND LEVYING A CID SALES TAX (CITY CENTER RESTAURANT ROW PROJECT).**

**WHEREAS**, pursuant to K.S.A. 12-6a26 through 12-6a36, as amended (the “Act”) cities are authorized to establish a Community Improvement District (“CID” or “District”) for economic development purposes and any other purpose for which public money may be expended; and

**WHEREAS**, on or about January 11, 2023, AC City Center Lenexa, LLC (the “Petitioner”), on behalf of AC2CCL, LLC filed with the Lenexa City Clerk a signed petition to authorize and establish a CID Project (the “CID Project”, also referred to as the “City Center Area A Building CID Project”), over real property owned by Petitioner (the “Area A CID Property”) and legally described in Exhibit A, attached hereto and incorporated herein by reference,

**WHEREAS**, the Petitioner is the owner of record of 100% of the land area within the proposed CID and 100% of the land measured by assessed value of the land area within the proposed CID; and

**WHEREAS**, pursuant to Resolution No. 2023-012 passed by the Lenexa City Council on January 17, 2023, the City provided notice that it would hold a public hearing on February 21, 2023 to consider establishing a District and make findings necessary therefore; and

**WHEREAS**, the Lenexa Governing Body conducted a public hearing on February 21, 2023 to consider establishing the District, all in accordance with the Act; and

**WHEREAS**, the City’s Community Improvement District Policy (the “CID Policy”) requires the Governing Body find the proposed CID project meets one or more of the criteria set forth in Section GB05-1-4 of the CID Policy; and

**WHEREAS**, the Governing Body makes the following findings:

- a. The Governing Body has determined that this City Center Area A Building CID Project furthers multiple goals of the Governing Body, including promoting and stimulating quality in-fill development, enhancing the City’s diverse economic base and assisting the City in developing a premier destination point – “City Center” – that serves as a community gathering place by integrating a variety of uses;
- b. The City Center Area A Building CID Project substantially promotes economic development and reinvestment in the community;
- c. The City Center Area A Building CID Project has unique site constraints making development more difficult and costly; and
- d. The City Center Area A Building CID Project provides for the construction of facilities that promote tourism or enhance the quality of life within the City; and

**WHEREAS**, the Act provides that upon conclusion of the public hearing the Governing Body, by majority vote, may create the District by adoption of an ordinance and authorize the City Center Area A Building CID Project therein.

**NOW THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF LENEXA, KANSAS, AS FOLLOWS:**

**SECTION ONE.** The general nature of the CID Project consists of construction of a two phase project: Phase I will include two retail buildings consisting of approximately 17,903 square feet intended for restaurant use, as well as associated site work, utilities, lighting, landscaping, hardscape and parking facilities (including footings for a future parking deck) on the CID Property. Phase II is anticipated to include approximately 10,604 square feet of retail and 51,400 square feet of office and construction of an approximate 70 space parking deck on the CID Property and any other items or uses allowable under the Act and City CID Policy.

**SECTION TWO.** The Lenexa Governing Body finds the District furthers economic development within the City and further finds it advisable and in the City’s best interest to establish the District and authorize the City Center Area A Building CID Project as proposed, subject to an approved Development Agreement and therefore the City hereby establishes the District and authorizes the City Center Area A Building CID Project for a term of twenty-two (22) years

from the date the State Director of Taxation begins collecting the CID sales tax or until the approved CID Eligible Costs up to a maximum of \$8,550,00 are paid, whichever occurs first.

**SECTION THREE.** The estimated total cost of the proposed City Center Area A Building CID Project within the District is approximately \$37,500,000.

**SECTION FOUR.** The proposed CID is legally described on **Exhibit A**.

**SECTION FIVE.** A map of the District is attached as **Exhibit B**.

**SECTION SIX.** The Project will be financed initially through a combination of private equity, private debt and Pay-as-you-go financing, as defined in the Act. Petitioner will be reimbursed for CID Eligible Costs associated with the Project from the CID Sales Tax generated solely from the CID Project and such reimbursement shall be made in accordance with the priority, amounts and source set forth in the approved CID Development Agreement (the "Development Agreement") to be entered into by the City with Petitioner prior to making any reimbursement.

The City reserves the right to issue Special Obligation Community Improvement District Bonds, as defined in the Act, at a future date in order to fund the CID Eligible Costs that have not been reimbursed previously, but is not obligated to issue such bonds.

**SECTION SEVEN.** The City authorizes and hereby levies a two percent (2%) CID sales tax over all parcels in the District legally described in Section Four. Such CID Sales Tax shall be effective October 1, 2024 and extend for the term of the CID as set forth in Section Two herein.

**SECTION EIGHT.** There will be no CID special assessment levied on any property within the District as a result of this Petition.

**SECTION NINE.** Upon establishment of this District and prior to the expenditure of any CID revenues the City and the Petitioner receiving such CID revenues shall enter into a Development Agreement setting forth the terms and conditions for implementation of the District, including the eligible CID Reimbursable Costs, the priority, and terms for reimbursement.

**SECTION TEN.** This ordinance shall be in full force and effect from and after its passage by a majority of the Governing Body and publication once in the official City newspaper.

**SECTION ELEVEN.** After publication, the City Clerk is hereby directed to file a copy of this ordinance with the Johnson County, Kansas Register of Deeds.

**SECTION TWELVE.** After publication of this ordinance and expiration of the protest period, the City Clerk, in coordination with the City Attorney, is directed to provide the Kansas Department of Revenue with a copy of this ordinance and the associated Development Agreement, notifying them of the establishment of the District and the levy of the CID Sales Tax.

**PASSED** by the Governing Body this 21<sup>st</sup> day of February, 2023.

**SIGNED** by the Mayor this 21<sup>st</sup> day of February, 2023.

**CITY OF LENEXA, KANSAS**

[SEAL]

By: \_\_\_\_\_  
Michael A. Boehm, Mayor

**Attest:**

\_\_\_\_\_  
Jennifer Martin, City Clerk

**Approved As To Form:**

\_\_\_\_\_  
Sean McLaughlin, City Attorney

## **EXHIBIT A**

### **Legal Description of District**

Tract A, Lot 10, Lot 11 and Lot 12, CITY CENTER LENEXA NINTH PLAT, a subdivision in the City of Lenexa, Johnson County, Kansas.

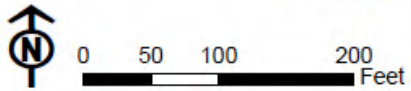


Exhibit B



Data Source: City of Lenexa and Johnson County Kansas  
For further information, please call 913-671-1800

**City Center Lenexa Area A**  
Proposed CID Boundaries



**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE A DEVELOPMENT AGREEMENT WITH AC2CCL, LLC ASSOCIATED WITH THE ESTABLISHMENT OF A CID OVER THE CITY CENTER AREA A BUILDING PROJECT AREA (CITY CENTER AREA A BUILDING PROJECT).**

WHEREAS, K.S.A. 12-6a26 *et seq.*, as amended, establishes the Community Improvement District Act (the “Act”) for economic development and any other purpose for which public money may be expended; and

WHEREAS, cities are authorized to create a community improvement district (CID) to assist with the financing of eligible projects provided cities comply with the procedures set forth in the Act; and

WHEREAS, the City received a petition from the owners 100% of the land within the proposed CID district and the owners of 100% of the land measured by by assessed value within the proposed CID district (the “Petitioner”) generally located on the southwest corner of 87<sup>th</sup> Street Parkway and Renner Boulevard (the “City Center Area A Property”); and

WHEREAS, in order to assist in the development and redevelopment of the City Center Area A Building Project, the City approved Ordinance No. \_\_\_\_\_ on February 21, 2023 establishing the City Center Area A Building CID; and

WHEREAS, the City and AC2CCL, LLC desire to enter into a Development Agreement regarding the terms for implementation of the CID including but not limited to reimbursement of costs associated with approved CID Eligible Reimbursable Costs for eligible improvements; the description of such eligible improvements; the term of reimbursement; the procedures for reimbursement; and applicable performance standards, all as set forth in the Development Agreement attached hereto as Exhibit A.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF LENEXA, KANSAS:

SECTION ONE: The City Council hereby approves and authorizes the Mayor to execute the Development Agreement, in substantially the same form as attached hereto as Exhibit A and incorporated herein by reference.

SECTION TWO: This Resolution shall take effect immediately upon passage and its execution by the Mayor.

ADOPTED by the Lenexa City Council this 21<sup>st</sup> day of February, 2023.

SIGNED by the Mayor this 21<sup>st</sup> day of February, 2023.

CITY OF LENEXA, KANSAS

[SEAL]

---

Michael A. Boehm, Mayor

Attest:

---

Jennifer Martin, City Clerk

Approved As To Form:

---

Sean McLaughlin, City Attorney



**CITY COUNCIL  
MEMORANDUM**

**ITEM 6**

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**SUBJECT:** Community Development Annual Report

**CONTACT:** Scott McCullough, Community Development Director

**DATE:** February 21, 2023

---

**PROJECT BACKGROUND/DESCRIPTION:**

Staff will present the [annual report](#) for the Community Development Department.

**ATTACHMENTS**

1. Presentation

# APPENDIX



**MINUTES OF THE  
FEBRUARY 7, 2023  
LENEXA CITY COUNCIL MEETING  
COMMUNITY FORUM, 17101 W 87<sup>th</sup> STREET PARKWAY  
LENEXA, KS 66219**

**CALL TO ORDER**

Mayor Boehm called the meeting to order at 7 PM.

Scout Pack 3136 led the Pledge of Allegiance. Devlin, Logan, Aristotle, and Daniel attended the meeting for their Building a Better World adventure badge.

**ROLL CALL**

Councilmembers Karlin, Eiterich, Nicks, Nolte, Roh, Arroyo, Sayers, and Denny were present with Mayor Boehm presiding.

Staff present included Beccy Yocham, City Manager; Todd Pelham, Deputy City Manager; Mike Nolan, Assistant City Manager; Scott McCullough, Community Development Director; Sean McLaughlin, City Attorney; Jennifer Martin, City Clerk; and other City staff.

**APPROVE MINUTES**

*Councilmember Denny made a motion to approve the January 17, 2023 City Council meeting draft minutes and Councilmember Eiterich seconded the motion. Motion passed unanimously.*

**MODIFICATION OF AGENDA**

There were no modifications to the agenda.

**PROCLAMATIONS**

National Engineers Week Feb. 19-25

**CONSENT AGENDA**

1. Acceptance of the Little Mill Creek Trail Tunnel Project for maintenance  
*This project constructed a grade-separated tunnel crossing under 87th Street Parkway, connecting trails on the north side of 87th Street Parkway to Sar-Ko Par Trails Park and Indian Trails Aquatic Center on the south side. The total cost of construction was \$2,730,040.*

2. Approval of a final plan for City Center Lenexa Area A Restaurant Row, Buildings 1 and 4  
*This final plan is for the development of two restaurant/retail buildings on a 4.51-acre site in Lenexa City Center. PL23-02F*
3. Consideration of a preliminary and final plat and acceptance of right-of-way and drainage, utility, and landscape easements for Belmont Estates
  - a. Approval of a preliminary plat for a two-lot replat at 8110 Belmont Drive
  - b. Acceptance of right-of-way and easements for the final plat for Belmont Estates, Second plat  
*This is a preliminary and final plat to replat six existing lots into two lots for the development of two single-family residences and a cul-de-sac at the north end of Belmont Drive. PT23-01PR and PT23-02F*
4. Resolution approving and authorizing the Mayor to execute an agreement with Conrad Fire Equipment, Inc. for the purchase of a fire truck  
*This purchase agreement is for a 2025 Pierce Impel PUC Pumper fire truck. The contract amount is \$1,033,996.*
5. Resolution authorizing the Mayor to execute an agreement with Environmental Systems Research, Inc. (ESRI) for geographic information system (GIS) software  
*This is a new agreement with ESRI to renew the City's current GIS software license, which establishes a fixed price of \$60,500 per year for a three-year term at a total cost of \$181,500.*
6. Resolution authorizing the Mayor to execute an engineering consultant agreement with Braun Intertec Corporation to provide sampling and testing services of construction materials  
*Braun Intertec Corporation has been selected to be the City's third-party firm to perform quality assurance testing during construction of Capital Improvement Program projects and Public Improvement projects. The total contract cost is not-to-exceed \$155,000.*
7. Resolution authorizing the Mayor to execute a development agreement with Prairie Star Partners, LLC related to the 99th Street & Clare Road Project (Wheatley Point West)  
*Prairie Star Partners, LLC is the owner of property located at the northwest corner of future 99th Street & Clare Road. This development agreement sets forth the terms and conditions regarding certain easements, sanitary sewer main extension, and stormwater facilities. The total budget is \$7,765,000.*
8. Resolution authorizing the Mayor to execute an engineering agreement with Lamp Rynearson for design services for the 113th Street East of Renner Boulevard Storm Drainage Improvements Project  
*Two pipe systems on 113th Street, east of Renner Boulevard in the Southlake Business Park are in need of replacement or rehabilitation. This project was selected by Johnson County for partial funding under the Stormwater Infrastructure Rehabilitation Program, receiving \$740,525. The design services contract is for*

\$156,762.29. The construction project is estimated at \$1,508,650.

9. Resolution authorizing the Mayor to execute an agreement with Multistudio for architectural and engineering services for the Lenexa Old Town Activity Center Renovations Project  
*City staff recommends awarding Multistudio the design and architectural services contract for the Lenexa Old Town Activity Center Renovations Project for a fixed fee of \$1,140,720.*

### **END OF CONSENT AGENDA**

*Councilmember Roh made a motion to approve items 1 through 9 on the consent agenda and Councilmember Sayers seconded the motion. Motion passed unanimously.*

### **BOARD RECOMMENDATIONS**

10. Consideration of a rezoning and companion preliminary plat (plan) for Stone Ridge North, located north of 83rd Street & Cedar Niles Road
  - a. Ordinance rezoning property from AG, Agricultural, RP-1, Planned Residential Single-Family (Low-Density), NP-O, Planned Neighborhood Office, and CP-1, Planned Community Commercial districts to RP-1, Planned Residential Single-Family (Low-Density) and RP-2, Planned Residential (Intermediate Density) district
  - b. Approval of a companion preliminary plat (plan) for Stone Ridge North  
*The applicant is requesting approval to rezone 168 acres, located north of 83rd Street & Cedar Niles Road, and approval of a companion preliminary plat (plan) to develop a subdivision with 381 single-family lots and 53 two-family lots.*

Stephanie Kisler, Planning and Development Administrator, said this application is for a rezoning and preliminary plat for property in western Lenexa at 83rd Street & Cedar Niles Road. She presented a location map of the site and an aerial map reflecting the property boundaries and connections to Mize Road. She said this is a 168-acre development with 381 single family lots and 53 two-family lots.

Ms. Kisler presented the Future Land Use map, stating this site is designated for suburban residential, which is compatible with the proposed plan. She also presented existing zoning map reflecting the RP-1, NP-O, CP-1, and AG zoning and the city of Shawnee to the north, which is similarly zoned in this area. The proposed zoning map she presented reflected the RP-1 and RP-2 zoning.

Ms. Kisler showed a summary of the rezoning considerations and said these can be found detailed in the Planning Commission staff report.

Ms. Kisler discussed the phases of development, beginning with the first phase in the southeast corner of the site with access from 83rd Street and including



both single-family and two-family construction. Subsequent phases would continue construction of single-family homes. She talked about the construction of Cedar Niles Road its future connection to 79<sup>th</sup> Street. She said there is also the potential for a connection to the adjacent property to the west in Phase 2 to provide a required fire access.

Ms. Kisler reviewed the dwelling units per acre (DPU) and density of the development, which will have 487 total dwelling units. In the RP-1 zoning, she said the DPU would be 2.85 and in the RP-2 zoning, it would be 3.04.

Ms. Kisler discussed the deviations requested in order to facilitate smaller lot sizes that go with the desired development pattern and said that staff is supportive of the deviations.

Ms. Kisler showed how the footprints of the different building layouts would fit on the narrower lots. She noted that every building is single story with no basements. She showed where there would be pedestrian connections through mid-block crossings in this development, as well as a future link through the property to the east, to access the schools, providing a safe and easy route.

Ms. Kisler said the applicant has proposed using storm shelters instead of hardened rooms or basements in the homes. She showed the seven proposed locations of the designated stand-alone storm shelters. She said staff is working on code amendments that would prohibit storm shelters in single family neighborhoods and the applicant has been informed of this potential change. She said that staff will work with the applicant to ensure that this development complies with the code.

Ms. Kisler said these would be single-story structures with low-maintenance materials. She showed pictures of the developer's homes at 75th and Clare Road in Shawnee.

Ms. Kisler said both staff and the Planning Commission recommend approval with the requested deviations.

The applicant was present.

Councilmember Roh asked for clarification on the storm shelter code changes referenced.

Scott McCullough, Community Development Director, spoke about the Stone Ridge South development and its storm shelters, the International code requirements and local amendments for storm shelters, unintended consequences and concerns with using community shelters in residential neighborhoods, and staff presenting the Building Code Board of Appeals with proposed code amendments next week. He said staff has been communicating with Arise Homes about all of this.

Mayor Boehm asked about the start of construction on the Stone Ridge South

development, which was approved with community shelters. He said he is concerned about approving this many lots knowing that a code change may happen in the near future.

Mr. McCullough said storm shelters are part of the building code, which come into play with the issuance of building permits. He said no building permits have been issued for Storm Ridge South yet. He added that Storm Ridge North has been designed to accommodate both current and proposed code, so if the code changes, the community storm shelter lots would be able to have homes constructed on them.

Councilmember Nicks asked if there are trails anticipated in the southeast corner of the plan.

Ms. Kisler said more detail on amenities and trails would come at the final plan.

Councilmember Nicks asked if Cedar Niles Road would be continuing to the east in the future. Ms. Kisler said yes, and while it will function as a cul-de-sac/turn-around until its future connection, it can be signed or constructed to clearly show that it will not remain a cul-de-sac indefinitely.

Councilmember Nicks asked about the sideyard setbacks. Ms. Kisler said they would be a minimum of seven feet.

Discussion followed regarding the sideyard setbacks and the lot width deviation request, Cedar Niles Road cul-de-sac, development access concerns and dependency on future development, minimum infrastructure requirements, traffic study and future signalization along 83<sup>rd</sup> Street, and future commercial development planned to serve the area at 83<sup>rd</sup> Street and Mize Road.

Austin Chamberlin, Arise Homes, said they have been working on this plan with staff for more than a year and he believes it is a great project. He introduced his partner Matt Mabe and engineer Justin Milburn.

Mr. Milburn, Milburn Civil Engineering, reviewed the site plan and talked about the cul-de-sac at end of Cedar Niles Road, saying that there would be no lots at the end because it will eventually continue to the east. He talked about the traffic study and turn lanes being added for access off 83<sup>rd</sup> Street.

Mr. Chamberlin reviewed the deviations, saying there are only three and that they apply across the majority of the lots. He said the requests are for a five-foot reduction in the front yard setback to give a new urbanism feel to the community, adjusted lot widths, and adjusted lot areas. He noted that these lots are deeper than most.

Mr. Chamberlin said their customers are looking for this new home product, which has been shown in the United Community Services Housing Study, because it are more affordable and low maintenance. He said this is a front-to-back ranch style and the development includes single-family, twinhomes, and

cottages with real brick exteriors and eco-friendly construction. He presented some photos of homes they have built in Shawnee.

Mr. Chamberlin said he has met with Mr. McCullough to discuss storm shelters and the possible change in code. He said they are working with staff closely and are proposing an options for installing a storm shelter in the homes for an additional \$8,000-\$10,000; if code would change to require that, they would make it a part of the standard package.

Mr. Chamberlin said the development's amenities would be for everyone, but those details would come later with the final plan. He added that this is a long-term plan that will take years to build out.

Councilmember Roh asked for the price points and if units would be for sale or rent.

Mr. Chamberlin said the twinhomes would be for rent and managed by Arise Homes. He said the single family homes would start at \$350,000 and go up to \$600,000.

Councilmember Sayers asked about development phasing. Mr. Chamberlin said that development would take place over 3-5 years starting in the southeast corner of the site with the twinhome lots. He said sales would trigger moving on to the next phase.

Councilmember Karlin said that the Golden criteria review made sense and he liked the plans direction because Johnson County and Lenexa need more affordable homes. He asked if the access off 83rd Street would have a dedicated turn lane. Mr. Milburn pointed out the access points on the site plan, which include two full-access points and one right-in/right-out access with a deceleration lane. Tim Green, Deputy Community Development Director and City Engineer, said that Cedar Niles Road will be a future signalized intersection as well.

Councilmember Eiterich asked for clarification on the access and traffic flow through the development in Phase 1 and Mr. Milburn showed on the phasing map where Phase 1 includes both the twinhomes and single-family and infrastructure with two access points.

Councilmember Eiterich asked for the price points on the rental twinhomes, and Mr. Chamberlin said it is hard to say right now, but market rate, probably between \$1800-\$2300 per month for the two-, three-, and even four-bedroom units. Councilmember Eiterich said she would like to see a storm shelter in each of the houses.

Councilmember Nolte said this development is creating a large community and he had no problem with the deviations requested. He said he wants to make sure cars can be parked in the driveways because duplexes tend to have more parking issues.

Councilmember Nicks asked if the twinhomes would be maintenance provided and Mr. Chamberlin said yes.

Councilmember Arroyo said she is in favor of building more affordable housing, but she is a little disappointed in the price point. She asked if it would be possible to provide an even more affordable product. Mr. Chamberlin said cost is why they proposed community storm shelters because requiring one in each home increases the cost. He said having to comply with energy efficiency codes also drives up cost.

Mayor Boehm said this is a product not seen in the suburbs over the last 40 years, although it has been done in urban areas and worked.

Mr. Mabe, Arise Homes, said other Lenexa subdivisions have the same 7-foot sideyard setback and this development is no different, the lots would just be narrower and deeper than others. He added that the cottages in phase 4 would have a lower price point.

Discussion followed regarding the cul-de-sac shown to be constructed in phase 2 only having access from phase 1 and the possibility of adjusting the phasing to include it in phase 1.

Mayor Boehm said that he is worried about having community storm shelters because they would not work for everyone.

Mr. Mabe said that if the City does not want to have community storm shelters and would instead require them in each unit, they would comply; they would use the lots designated for community storm shelters to construct additional homes.

Councilmember Eiterich asked if the cottage homes would have single car garages. Mr. Chamberlin said there would be two-car driveways even with a one-car garage and that all of the twinhomes would have a 2-car garage.

Councilmember Sayers said she thinks storm shelters should be all units or none, not in some and not others.

*Councilmember Roh made a motion to approve Item 10a with the stipulation that storm shelters are built in each unit and Councilmember Karlin seconded the motion. Motion passed unanimously.*

*Councilmember Nicks made a motion to approve Item 10b and Councilmember Denny seconded the motion. Motion passed unanimously.*

11. Consideration of rezoning and a companion concept plan for Cedar Canyon West, located at the northeast corner of Canyon Creek Boulevard & K-10 Highway
  - a. Ordinance rezoning property from AG, Agricultural and CP-2, Planned Community Commercial, Zoning Districts to CP-2, Planned Community

Commercial; RP-2, Planned Residential (Intermediate-Density); RP-4, Planned Residential (High-Density); CP-O, Planned General Office; and BP-2, Planned Manufacturing Zoning Districts

b. Approval of a companion concept plan for Cedar Canyon West

*The applicant is requesting approval to rezone 112 acres north of Canyon Creek Boulevard & K-10 Highway, and approval of a companion concept plan to develop two-family residential, multi-family residential, commercial, office, and business park uses in seven sub-area projects.*

Ms. Kisler said this is an 112-acre development near K-10 Highway & Canyon Creek Boulevard. The rezoning and companion concept plan were initially presented to the City Council for consideration in December 2022 and subsequently remanded to the Planning Commission.

Ms. Kisler reviewed the plan, which includes a mixture of uses including commercial, medium- and high-density residential, office, and business park/industrial, showing where each of the uses and tracts are located on the site in relation to the access roads future 99<sup>th</sup> Street, future Clare Road, and future 101<sup>st</sup> Street.

Ms. Kisler said this large project was presented in whole at the December City Council meeting, so she would only review in detail Tract 4 and Tract 7 tonight.

Tract 4 is the high-density residential component, she said, which concerned the City Council due to its RP-5 zoning and the need for up to 48-foot tall buildings. She said that the applicant has amended the rezoning request to RP-4, reducing the dwelling units per acre (DUA) from 36 to 16 and a maximum 35-foot building height with a deviation for two buildings to have 3 stories on the west side and 4 stories on the east side. She noted that this concept plan is uncharacteristic in its detail, looking more like a preliminary plan. She showed an exhibit reflecting the buildings' layout and highlighting the two buildings the applicant requested for a deviation.

Dan Foster, Schlagel Associates, said a graphic showing the distance between these buildings and the existing single family was included in the packet. He said the reason they are providing this level of detail and requesting the deviation for these two buildings at concept plan is so the City Council's support of that deviation can be shared with future developers.

Mayor Boehm talked about views of the buildings from most points being the 3-story and if those two buildings are not constructed with a fourth story, the topography would make them look strange or require a lot of fill on the site. He said he is supportive of this with the deviation and appreciates transparency in the concept plan. He said he appreciated the applicant making the plan adjustments.

Councilmember Sayers said this fits the adjustment and allows these two buildings to work with the topography and she is in support of it.

Councilmember Denny said he thinks this level of detail in a concept plan is confusing. He asked if the deviation could be held to those two specific buildings. Ms. Kisler said it is specific to those two buildings, although other deviations could be requested in the future with preliminary and final plans.

Councilmember Roh said he is in support of this plan.

Councilmember Nicks said he likes the reduced density and RP-4 zoning, the height makes sense and that the deviation is specific to those two buildings. He plans to support.

Councilmember Eiterich said she likes that the buildings are situated perpendicular to the highway.

Councilmember Nolte said what he liked most was that the discussion and process have allowed staff to interpret the codes and make good decisions for a better project.

Ms. Kisler said that City Council was concerned about truck traffic in Tract 7, which would be a business park/industrial use with a large industrial building having dock doors and semi-trucks on the site. She reviewed the site's current access, which would be from future Clare Road to west 99th Street to south Canyon Creek Boulevard to K-10 Highway. She said there would be additional future options, which ideally would be to a future Clare Road & K-10 Highway interchange. She also presented a couple other future alternatives for the truck traffic.

Ms. Kisler said that the Planning Commission discussed how this traffic would work and which would be most viable if the interchange at Clare Road and K-10 Highway is not construction. As a result, both staff and the Planning Commission recommend a condition that a traffic study and engineering review be required at the preliminary plan stage. She said a traffic study would be required based on the proposed use in the future. She added that this tract is only going to be marketable to certain users based on these routes.

Mr. Foster mentioned several developments in Lenexa with BP-2 zoning that do not have access to a highway interchange. He agreed with the condition and the required evaluation at preliminary plan, and said he hopes that developing something like this will help that interchange take shape.

Mayor Boehm said he is concerned that the building south of K-10 Highway in Olathe may cause issue with constructing the interchange.

Mr. Foster said the property owner west of the Olathe building is different and there is an alignment configuration in the plan showing that an interchange can be done.

Councilmember Karlin requested clarification of the condition and who would

make the determination. Ms. Kisler said that staff would review it, propose to the Planning Commission and then bring it to City Council for consideration.

Councilmember Nicks asked what streets are similar to 99th Street in construction.

Mr. Green said that Prairie Star Parkway and Canyon Creek Boulevard are both 4-lane divided roads like 99th Street will be.

Discussion followed regarding street widths throughout the city.

Mayor Boehm asked if anyone from the public would like to speak and no one came forward.

*Councilmember Sayers made a motion to approve Item 11a and Councilmember Roh seconded the motion. Motion passed unanimously.*

*Councilmember Nicks made a motion to approve Item 11b and Councilmember Roh seconded the motion. Motion passed unanimously.*

## **NEW BUSINESS**

12. Resolution approving Amendment No. 1 to the construction contract with McCown Gordon Construction for the Indian Trails Aquatic Center Improvements Project, the Sar-Ko-Par Trails Park Parking and Pedestrian Improvements Project, and the parking portion of the Skatepark Project  
*McCown Gordon Construction, Construction Manager for the Indian Trails Aquatic Center Project, and the project team have coordinated planning, design, and budget to determine a guaranteed maximum price for construction of these park projects, a total cost of \$15,383,143.*

Mandy Danler, Assistant Parks and Recreation Director, said that staff and the project team have been working on this project for about 16 months and are excited to bring this guaranteed maximum price (GMP) for approval. She introduced members of the project team and City staff that were present.

Ms. Danler reviewed the design goals, which are to provide adequate programming space, active water features, and user amenities, and emphasized several ways the team has incorporated public feedback into the design and features of the project.

Ms. Danler said there are three Capital Improvement Program projects funding this project and reviewed the breakdown fees, noting that a portion of the \$1 million contingency fee has been used to meet the goals, but staff is confident going forward with the remainder.

PJ Novick, Confluence, reviewed the project site plan and the final design of the parking and site connections. He said there will be 405 total parking spaces, increasing from 285 spaces, which will ultimately benefit the entire park. He showed

where the bus and drop-off lanes would be located near the aquatics center entrance and how the skatepark parking lot traffic would flow in one-direction. He explained that the western parking lot would be constructed in a way to minimize the removal of trees and that it would create a path of travel around the park without dead-ends.

Allison Vandever, SFS Architecture, reviewed the architectural site plan and pointed out the existing structures that would remain and be renovated. She talked about the design of the new admissions building and how it is intended to be an inviting and secure focal point of the facility. She added that new construction would use durable materials that would be complimentary and compatible with existing materials.

Doug Whiteaker, Water Technology Inc., said the collaboration with the public and City staff's knowledge and leadership has produced great results. He talked about how there are safe aspects to the design like the entrance leading into shallowest water. He talked about the design including fun amenities for all ages, two slides, a competition pool with seating, a climbing wall, a diving well, a 500-linear foot lazy river with vortex, deck surface, shade, and visibility across the site. He added that there would be a 750 person load capacity, but a normal load would be closer to 500. He showed a view from the top of the 40-foot-tall slide tower.

Discussion followed regarding response to water contamination measures and the possibility of segregating the bodies of water in such a case.

Nicole Waring, McCown Gordon Construction, reviewed the bidding process and said they were able to competitively bid the project out to all of their trade partners and received good coverage on all scopes. She went through the project schedule, saying that site demolition would begin in March and construction would start in May. She said the skatepark construction would start in June and run concurrently, opening in September 2023. She added that they plan for a grand opening of the pool in May 2024.

Ms. Danler said that festivals and events in Sar-Ko-Par Park would still take place in 2023, but they would probably move the Tiny Tot Triathlon to another park.

Ms. Danler said staff recommends approval.

Councilmember Denny asked if any parts of the existing pool would remain and Mr. Whiteaker said the pool would be entirely new, but the existing filtration system would be used.

Councilmember Eiterich said she likes the visibility across the site and that both slides have been incorporated, especially a double-rider slide.

Councilmember Karlin said he thinks this is an exciting project. He asked about tube pick-up and drop-off locations and how to get into the lazy river. Ms. Danler showed the three areas on the site to get tubes and Mr. Whiteaker showed the lazy river entry points.

Councilmember Karlin asked about the increased parking and access at 87<sup>th</sup> Street



Parkway.

Logan Wagler, Parks and Recreation Director, said that staff has reviewed the parking and is comfortable with it.

Councilmember Sayers complimented the process and team and said she appreciated the steps taken to consider everything.

Councilmember Nolte asked if there would be a pedestrian walkway where the 89th Street access is being removed and Ms. Danler said yes. He said that this project has only one way in and one way out and he thinks other developments would be required to have more.

Councilmember Roh agreed with Councilmember Sayers, saying this is the best of the best in a great project. He added that Councilmember Nolte had a valid point about the traffic flow.

Councilmember Nicks said this project is great and asked if this is a typical contingency on a \$15 million project.

Mr. Novick said they are not anticipating any surprises and feel good about where the project is. Ms. Waring said McCown would be locking in the sub-contractors once this GMP is approved.

Councilmember Arroyo asked if the number of lifeguards would be reduced, and Ms. Danler said no.

Discussion followed regarding the removal of the 89th Street access into the park and the Governing Body's concern about traffic exiting the park only through the 87<sup>th</sup> Street Parkway & Greenway Lane access point; emergency access and egress from the parking lot; the possibility keeping the 89<sup>th</sup> Street access and just gating it; and the proposed design for the drop-off lanes requiring closure of 89<sup>th</sup> Street access.

Beccy Yocham, City Manager, said that the closing time of the pool is not a busy time and not of concern, but the large park events like BBQ and Spinach Festival would be where there could be many vehicles coming or going at the same time and emergency options should be considered. She said staff would take another look, but she assured the Governing Body that the City's traffic engineers and fire department personnel have already considered these issues thoroughly.

*Councilmember Denny made a motion to approve Item 12 and Councilmember Sayers seconded the motion. Motion passed unanimously.*

13. Resolution renaming the skatepark at Sar-Ko-Par Trails Park as Rolling Magic *During the project engagement process, the idea of naming the reconstructed skatepark to pay homage to Lenexa's original 1970's skatepark, Rolling Magic, was considered. At its January meeting, the Parks and Recreation Advisory Board unanimously approved a motion to recommend the new name – Rolling Magic.*

Logan Wagler, Parks and Recreation Director, reviewed the process staff and the consultants have gone through for the skatepark project, including several public engagement activities, to date. He said that during the public engagement, there was some discussion about naming the park after Lenexa's 1970s skatepark, Rolling Magic.

Mr. Wagler said that the flow bowl that will be in the new skatepark was inspired by the Rolling Magic skatepark and that other elements from Rolling Magic were carried into the design of the new skatepark.

Mr. Wagler said he envisioned telling the Rolling Magic story in the new skatepark through signs and placemaking in the plaza area. He showed some photos of signs in other cities similar to what he would like to see for Lenexa's new skatepark. He added that he was advised that having elements like this would require going through a formal naming process.

Mr. Wagler said that Legal staff has researched the name and found no trademark, copyright, business conflicts, or infringements and is confident there would be no brand confusion or business competition.

Mr. Wagler said that staff presented the name recommendation to the Parks & Recreation Advisory Board, which discussed it and unanimously approved recommending Rolling Magic as the name to the City Council.

Discussion followed regarding various people who might remember going to the original Rolling Magic skatepark, how discussions during the public engagement process suggested digging up the old skatepark, and naming the new skatepark Rolling Magic being a way to commemorate the old skatepark.

*Councilmember Roh made a motion to approve Item 13 and Councilmember Karlin seconded the motion. Motion passed unanimously.*

## **COUNCILMEMBER REPORTS**

Councilmember Eiterich said she enjoyed the HeART of Lenexa art show, thanked Chief Vaughn for Travis/FD for updates yesterday, and said when she spoke at Oak Valley HOA meeting yesterday, residents talked about how much they love the new tunnel.

Mayor Boehm said that Emma Neely is the Girl Scout who founded the HeArt of Lenexa Art Show as her project years ago and it is fun to showcase Lenexa art.

Councilmember Roh said he attended an HOA meeting this week and talked about projects going on, and residents reported how much they appreciated the new tunnel.

## **STAFF REPORTS**

14. Public Market Annual Update

Tessa Adcock, Public Market Manager, presented the 2022 annual review for the Public Market. She reported that gross sales exceeded \$2.7 million, the best year on record since the Market's opening in 2017. She said the anchor tenants are self-sufficient, but some work needs to be done in the food stalls to provide opportunities for food prep and cooking and increase their future success.

Ms. Adcock introduced her team, which include Amanda Albert and Brett Lindstrom who are full-time assistant managers, and five concierges. She said they have added a concierge desk in the Market to help both customers and vendors with questions and information.

Ms. Adcock reviewed the events of 2022, which included Kimchi & Bap starting a pop-up restaurant, African Dream signing on for a 12-month option, Cosmo Burger opening as an anchor tenant, Topp'd Pizza expanding with bar service, and Kate Smith winning two awards. She also talked about several accolades the merchants received in the media.

Ms. Adcock presented the slate of events for 2023, noting that many events have become Market staples and will be returning such as Friday Night Sound Bites from April through October, Family Night each Wednesday, Utepils, PAW-triatic Pet Parade, Kid Makers markets, Food Truck Frenzy, and merchant cooking classes. New events include the Lunar New Year Celebration that was held in January, Global Neighbors and Flavors Fest in June, and Mexican Independence in September.

## **END OF RECORDED SESSION**

### **BUSINESS FROM FLOOR**

There was no business from the floor.

### **ADJOURN**

*Councilmember Nolte made a motion to adjourn and Councilmember Eiterich seconded the motion. Motion passed unanimously.*

The meeting adjourned at 10:16 PM.



**DATE:** February 21, 2023  
**TO:** Lenexa City Council  
**FROM:** Mayor Boehm  
**RE:** Annual Appointments/Re-Appointments

Lenexa has been blessed with a dedicated citizenry who provide hours and hours of time volunteering to make the city one of the best places in the United States to live, raise a family, and do business. The results of our bi-annual Direction Finder Survey confirm this pronouncement noting top rated scores in each category surveyed. As such, it is with great pleasure and pride that I place before you the following individuals for your consideration and approval for reappointment to our commissions, boards, and councils, recognizing their hours of commitment to keeping Lenexa a leader in citizen satisfaction with local government and thanking them for their service to our community.

**Planning Commission: [3-year term expiring 2/28/26]**

**Re-Appointment:**

John Handley  
Ben Harber  
Jason Leib

**Parks & Recreation Advisory Board: [3-year term expiring 2/28/26]**

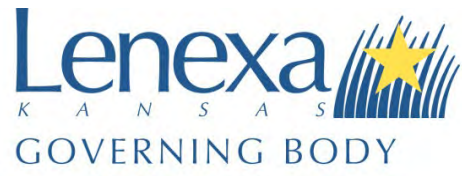
**Re-Appointment:**

Gary Ewing  
Mike Rzeszut  
Diane Schmidt

**Arts Council: [3-year term expiring 2/28/26]**

**Re-Appointment:**

Anne Lawrence-Cherry  
Dale Trott (current chair)  
Jennifer Wampler



**Code Board of Appeals: [3-year term expiring 2/28/26]**

**Re-Appointment:**

Ron King

**CITY CENTER REDEVELOPMENT (TIF) PROJECT PLAN 1J**  
**CITY CENTER REDEVELOPMENT (TIF) DISTRICT AS AMENDED**  
(City Center Area A Restaurant Row Buildings A1 & A4 Project)

In accordance with K.S.A. 12-1770 *et seq.*, as amended (the “**Act**”), to promote, stimulate and develop the general and economic welfare of the city of Lenexa, Kansas (“**City**”), the Lenexa City Council adopted Ordinance No. 4427 on September 11, 2001, establishing a Redevelopment (TIF) District (the “**Original District**”). The Original District was amended on December 20, 2005 by Ordinance No. 4824 to include a total of approximately 424 acres (the “**District**,” also referred to as the “**City Center TIF District**”) and is legally described in attached **Exhibit A**. The City has identified multiple City Center development projects located within the City Center TIF District.

The Act allows one or more TIF projects to be undertaken by a city within an established district and any such project plan may be implemented in separate development stages. To date, the City has approved multiple TIF project plans in the area located on the southwest corner of 87<sup>th</sup> Street Parkway and Renner Boulevard, which area is commonly referred to as the “**Lenexa City Center**” area.

The City desires to establish Project Plan 1J as set forth herein (“**Project Plan 1J**”, also referred to as the “**Project Plan**”). Project Plan 1J will incorporate approximately 2.96 acres, located south of 87<sup>th</sup> Street and west of Renner Boulevard and is legally described on **Exhibit B** (the “**Project Plan 1J Area**”). The Developer for the Project Plan is AC2CCL, LLC (the “**Developer**”). .

Anticipated within Project Plan 1J is construction of two restaurant/retail buildings, land acquisition, surface parking, landscaping, hardscaping, utilities, sidewalks, related site amenities, signage, associated infrastructure improvements, and special assessments within the Project 1J Plan Area associated with the special benefit district financing of the 87<sup>th</sup> Street Parkway improvements and Scarborough Drive and Hampton Street improvements, all of which are more specifically described in **Section 5** herein (the “**Private Project**”).

Project Plan 1J shall extend for a period of twenty (20) years from the date the Project Plan is approved by the City (the “**Project Plan Term**”). The incremental ad valorem property taxes (as defined by the Act) generated from the real property within the Project Plan 1J Area during the Project Plan Term in excess of the amount of real property taxes collected for the base year assessed valuation shall constitute the “**TIF Revenues**”. In accordance with the Act and in cooperation with the Planning Commission, the City prepared Project Plan 1J.

**1. Financial Feasibility.**

Staff prepared a Financial Feasibility Study (“**Feasibility Study**”) for Project Plan 1J attached hereto as **Appendix 1**. Projections on development in the Project

Plan 1J Area were provided by the Developer. The Feasibility Study incorporates a number of assumptions, including a constant mill levy of 90.733, which excludes the 20 mill school levy and the 1.5 State mill levy. The mill levy may vary each year of the TIF Term based on legislative actions and budgetary decisions made by the individual taxing jurisdictions. It also assumes property tax collection at 100%, Private Project completion by January 1, 2025 and a one percent (1%) annual increase in appraised valuation after the Private Project is fully constructed and stabilized.

The Developer will advance funds necessary to construct the Private Project and to pay the costs associated with the estimated and approved, private TIF eligible reimbursable costs set forth generally on **Exhibit C** attached hereto (the “**Private TIF Reimbursable Costs**”), and it is contemplated that Developer will subsequently be reimbursed with TIF Revenues received by the City on a “pay-as-you-go” basis. Such advances and reimbursements will be made in accordance with the terms of a Disposition & Development Agreement executed by the Developer and the City (the “**DDA**”). The Private TIF Reimbursable Costs are set forth in more detail in the DDA. The City also identified various public reimbursable costs set forth generally on **Exhibit C** which include reimbursement to the City for the City’s portion of the costs of the Public Project constructed by the City by SBD (the “**Public TIF Reimbursable Costs**”), which costs are eligible for TIF reimbursement in accordance with the City Center TIF District Plan and the terms of the DDA. Collectively, the Private TIF Reimbursable Costs and Public TIF Reimbursable Costs are referred to as the “**TIF Reimbursable Costs**”.

There is an estimated total of \$5,544,391 in TIF Reimbursable Costs identified with Project Plan 1J, but reimbursement of TIF Reimbursable Costs is dependent upon the amount of TIF Revenues generated within the Private Project 1J Area during the Project Plan Term and received by the City, and shall be paid in accordance with the amount, priority and duration set forth in the DDA. In no event will any TIF Reimbursable Costs be reimbursed in an amount that exceeds the amount of TIF Revenues available.

The Feasibility Study indicates that if projected development, assessed values and tax revenues are accurate, TIF Revenues will be sufficient to reimburse the Developer for a portion of the approved Private TIF Reimbursable Costs. Other revenue sources, including but not limited to private equity, are available to meet Private TIF Reimbursable Costs and other private development costs associated with the Project. TIF Reimbursable Costs must (1) be reasonably approved by the City in accordance with the terms of the DDA; (2) meet the definition of “redevelopment project cost” set out in K.S.A. 12-1770a(o), as amended; (3) be an eligible expense under the City’s adopted TIF Policy and/or Procedures, unless otherwise permitted in the DDA; (4) be authorized in this Project Plan 1J and in the City Center TIF District Plan; and (5) be in compliance with the terms for reimbursement and prioritization described with particularity in the DDA.

The City has identified up to \$3,737,021 in Private TIF Reimbursable Costs and anticipates reimbursing Developer for such Private TIF Reimbursable Costs incurred and paid by the Developer with available TIF Revenues generated during the twenty (20) year Project Plan Term. The Public TIF Reimbursable Costs total \$1,770,000 plus the annual TIF Administrative Fee and will be reimbursed to the City with available TIF Revenues in the time and priority set forth in the DDA. Based on the current projections and cash flow analysis contained in the Feasibility Study, it is determined that the Project benefits, TIF Revenues and other available revenues, exceed the TIF Reimbursable Costs, and that the TIF Revenues and other available revenue sources, including private revenue sources for the private costs, should be sufficient to pay for such TIF Reimbursable Costs. For any improvements constructed by Developer in Project Plan 1J, the Developer is responsible for all expenses, including but not limited to, Private TIF Reimbursable Costs, even if they exceed the amount of available TIF Revenues. The City reserves the right to amend the specific approved TIF Reimbursable Costs, and the amount, duration and prioritization thereof, to conform to the provisions of the DDA. City may also amend this Project Plan 1J in accordance with state law and the DDA.

In summary, assuming Project Plan 1J approval in the first quarter of 2023 with construction commencing immediately thereafter and complete by January 1, 2025, the City anticipates the ad valorem property tax increment will generate approximately \$2,244,024 over the Project Plan Term (the “**Estimated Total TIF Revenue Projection**”). The Developer will be responsible for all expenses of Developer, including the Private TIF Reimbursable Costs, above the TIF Revenue generated from Project Plan 1J and allocated to the Private TIF Reimbursable Costs during the Project Plan Term. If the TIF Revenue does not meet the estimated total TIF Reimbursable Costs, the City shall be under no obligation to provide financial assistance to Developer beyond the TIF Revenues actually generated from the Project Plan 1J Area in accordance with the distribution formula and term set out in the DDA. A summary of the feasibility assumptions and Estimated Total TIF Revenue Projection is included in **Exhibit E**.

## **2. Redevelopment District Plan and Redevelopment (TIF) Project Plan 1J.**

### Redevelopment District Plan (City Center TIF District Plan)

The City Center TIF District area includes the land within the City of Lenexa, Kansas as legally described on **Exhibit A**, but generally described as an area of approximately 424 acres located on all four corners of 87<sup>th</sup> Street and Renner Blvd., as well as a tract of land located east of I-435 at 87<sup>th</sup> St Pkwy. The Redevelopment (TIF) District Plan for the City Center TIF District contemplates development of a mixed use urban development project to be located on all four corners of Renner Boulevard and 87<sup>th</sup> St Pkwy and east of I-435 at 87<sup>th</sup> St Pkwy, to include office, retail, residential and public civic uses (“**City Center Project**”).



Lenexa City Center will be constructed on approximately 56.85 acres located on the southwest corner of Renner Boulevard and 87<sup>th</sup> Street Parkway and is the subject of a Development Agreement dated May 31, 2006 (as amended) between City Center Lenexa, LLC (“CCL”), and the City (the “**Master Development Agreement**”). Lenexa City Center is proposed to be developed in multiple phases as a mixed use project consistent with the Master Plan included in the Master Development Agreement, which is contemplated to include approximately 1,900,000 square feet of retail, residential, hotel, office, entertainment and civic uses. The Lenexa City Center project proposes to utilize on-street, structured and surface parking consistent with the Master Plan in the Master Development Agreement. Development of additional City Center projects of a smaller scale are anticipated on the other tracts of land included in the District.

In accordance with the City Center District Plan, TIF increment may be used to pay for eligible project expenses within specific project areas for such items including but not limited to public infrastructure; land acquisition; site preparation; street improvements and their appurtenances; sidewalks; storm and sanitary sewers; utility improvements as permitted in the Act; parks; parking facilities; landscaping; water mains; storm water detention; sculptures and public art; plazas; and special assessments levied pursuant to KSA 12-6a01 *et seq.* for eligible public infrastructure authorized in the District Plan.

#### Redevelopment (TIF) Project Plan 1J

Project Plan 1J incorporates approximately 2.96 acres of real estate and improvements. Project Plan 1J is located south of 87<sup>th</sup> Street Parkway and west of Renner Boulevard, all within the City Center TIF District. Project Plan 1J Area is legally described in **Exhibit B**. Project Plan 1J consists of two restaurant/retail buildings, surface parking, landscaping, sidewalks and other site amenities, associated infrastructure improvements all of which are more specifically described in **Section 5** herein.

### **3. Map of Redevelopment Project Plan 1J Area.**

A map of the Project Plan 1J Area is attached as **Exhibit D**.

### **4. Relocation Assistance Plan.**

No relocation is required with Project Plan 1J and therefore no relocation assistance plan is provided.

### **5. Description of the Buildings and Facilities Proposed to be Constructed or Improved.**

The Private Project part of Project Plan 1J consists of an approximately 9,000 sq. ft. restaurant/retail building and an approximately 8,800 sq. ft. restaurant, surface parking, footings for a future parking deck, sidewalks, landscaping and associated infrastructure. Private TIF Reimbursable Costs incurred as a result of {LR: 00696913.5 }

Project Plan 1J include, but are not limited to, land acquisition within the Project Plan area, architectural and engineering costs associated with the site improvements (but excluding all other vertical buildings to be owned or leased by the Developer), infrastructure improvements, site development, surface parking, footings for a future parking deck, lighting, landscaping, hardscape, utilities located within the right-of-way, sidewalks, and related site amenities (insofar as landscaping, hardscaping, utilities, sidewalks and related amenities are not contained in the Public Project Improvements) and special assessments on the Project Plan 1J Area associated with the financing of the 87<sup>th</sup> St. Parkway improvements and the Scarborough Drive and Hampton Street improvements,. The Private TIF Reimbursable Costs are described in more detail in the DDA.

The Public Project part of Project Plan 1J consists of certain public improvements which include: special assessments within the Project Plan 1J Area associated with the special benefit district financing of the Scarborough Drive and Hampton Street improvements and future 87<sup>th</sup> Street Parkway and Scarborough Drive traffic signal improvements (the “Public Improvements”). Except as provided herein, the Public Improvements constitute Public TIF Reimbursable Costs. The Public TIF Reimbursable Costs and are described in more detail in the DDA. For the avoidance of doubt, the term “Public Improvements”, as used in this Project Plan 1J, is intended to only include future costs incurred by the City after the date this Project Plan 1J is approved and not costs previously incurred by the City; provided, however, the City’s share of the assessments associated with the SBD that was formed for the construction of Scarborough Drive (from Renner Boulevard to 87<sup>th</sup> Street Parkway) and Hampton Street (from its current terminus north to connect with Scarborough Drive) improvements do constitute Public Improvements and are Public TIF Reimbursable Costs.

## 6. Other Relevant Information.

- a. Reimbursement of TIF Reimbursable Costs shall be made from ad valorem property tax increment (as defined in the Act) actually received by the City from Project Plan 1J Area and deposited into the special fund established by the City in accordance with K.S.A. 12-1778 (the “**City Center Project Plan 1J Fund**”).
- b. If sufficient TIF Revenues are not available to pay all of the Private TIF Reimbursable Costs, the City is under no obligation to reimburse Private TIF Reimbursable Costs from any other public source. It is contemplated that TIF Reimbursable Costs also will be reimbursed by proceeds from a Community Improvement District that will be formed later.
- c. Prior to any reimbursement of Private TIF Reimbursable Costs, Developer and City shall enter into a separate, valid and enforceable DDA. A detailed description of all TIF Reimbursable Costs, and the procedure for distribution, reimbursement amount and priority of

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payment of the TIF Reimbursable Costs is set out in the DDA and consistent with this Project Plan 1J.

- d. The City does not anticipate issuing TIF Bonds, however, upon future request of Developer, the City shall reasonably consider any such request to issue TIF Bonds if the market can feasibly support such a bond issue and if the TIF Revenues and any other collateral provided for such TIF Bonds provide reasonable assurance that the principal of and interest on the TIF Bonds will be paid on a timely basis. A decision on whether or not a TIF Bond issue is feasible and adequately secured, will be the City's final decision and within the City's sole discretion. The City is under no obligation to issue TIF Bonds and makes no commitment to do so.

## EXHIBIT A

### LEGAL DESCRIPTION OF CITY CENTER REDEVELOPMENT DISTRICT

Beginning at the Northwest corner of the Northeast Quarter of Section 31, Township 12 South, Range 24 East; thence South along the West line of the Northeast Quarter of said Section 31 to the Southwest corner of the Northeast Quarter of said Section 31; thence East along the South line of the Northeast Quarter of said Section 31 to the Southeast corner of the Northeast Quarter of said Section 31, and continuing East along the South line of the Northwest Quarter of Section 32, Township 12 South, Range 24 East to the Easterly right-of-way line of Renner Boulevard as it now exist; thence North along the Easterly right-of-way line of said Renner Boulevard to the intersection with the South line of the Northwest Quarter of the Northwest Quarter of Said Section 32; thence East along the South line of the Northwest Quarter of the Northwest Quarter of said Section 32, to the intersection with the centerline of Interstate Route 435, as it now exists; thence South along the centerline of said Interstate Route 435 to the South line of the Northwest Quarter of said Section 32; thence East along the South line of the Northwest Quarter of said Section 32, to the Southeast corner of the Northwest Quarter of said Section 32; thence North along the East line of the Northwest Quarter of said Section 32, to the Northeast corner of the Northwest Quarter of said Section 32; thence West along the North line of the Northwest Quarter of said Section 32, to the centerline of Interstate Route 435, as it now exists; thence North along the centerline of said Interstate Route 435 to the North line of the Southwest Quarter of Section 29, Township 12 South, Range 24 East; thence West along the North line of the Southwest Quarter of said Section 29, to the Northwest corner of the Southwest Quarter of said Section 29: thence South along the West line of the Southwest Quarter of said Section 29, to the Northeast corner of the Southeast Quarter of the Southeast Quarter of Section 30, Township 12 South, Range 24 East; thence West along the South line of Stonecreek of Parkhurst 1<sup>st</sup> Plat, Stonecreek of Parkhurst 2<sup>nd</sup> Plat, and Estates of Parkhurst 1<sup>st</sup> Plat, all subdivisions of land in Johnson County, Kansas, to the Northeast corner of Horizons West Re-Plat 3<sup>rd</sup> Plat, a subdivision of land in Johnson County, Kansas; thence South along the East line of said Horizons West Replat 3<sup>rd</sup> Plat, and its extension South, to the South line of the Southeast Quarter of said Section 30; thence West along the South line of the Southeast Quarter of said Section 30 to the Point of Beginning, containing approximately 424 acres.

**EXHIBIT B**  
**LEGAL DESCRIPTION OF PROJECT PLAN 1J AREA**

*All Tract and Lots 10 12, City Center Lenexa Ninth Plat, subdivision in the City Lenexa, Johnson County, Kansas, EXCEPT that part of Tract A, as prepared by Michael Dean LS-1612, on December 30, 2022; and being more particularly described as follows:*

*BEGINNING at the Northeast corner of said Tract A, said point also being the point of intersection of the South Right-of-Way line of W. 87th Street Parkway and the West Right-of-Way line of Renner Boulevard, as both are now established; thence South 02°26'40" East, along the East line of said Tract A, and along the West Right-of-Way line of said Renner Boulevard, a distance of 143.89 feet; thence North 90°00'00" West, departing the East line of said Tract A and the West Right-of-Way line of said Renner Boulevard, a distance of 175.69 feet; thence North 45°00'00" West, a distance of 16.97 feet; thence North 00°00'00" East, a distance of 47.16 feet; thence North 40°07'25" West, a distance of 49.95 feet; thence North 12°14'39" East, a distance of 39.31 feet, to a point on the North line of said Tract A, said point also being on the South Right-of-Way line of said W. 87th Street Parkway, said point also being on a non-tangent curve; thence Northeasterly, along the North line of said Tract A, and along the South Right-of-Way line of said W. 87th Street Parkway, and along a curve to the right, whose initial tangent bearing is North 53°26'22" East, having a radius of 282.00 feet, and through a central angle of 09°58'36", an arc length of 49.10 feet, to a point of compound curvature; thence Northeasterly and Easterly, continuing along the North line of said Tract A and along the South Right-of-Way line of said W. 87th Street Parkway, and along a curve to the right, having a radius of 82.00 feet, and through a central angle of 15°06'48", an arc length of 21.63 feet, to a point of compound curvature; thence Easterly, continuing along the North line of said Tract A, and along the South Right-of-Way line of said W. 87th Street Parkway, and along a curve to the right, having a radius of 266.00 feet, and through a central angle of 09°15'33", an arc length of 42.99 feet, to a point on a non-tangent line; thence South 85°10'52" East, continuing along the North line of said Tract A, and along the South Right-of-Way line of said W. 87th Street Parkway, a distance of 52.05 feet; thence South 62°24'31" East, continuing along the North line of said Tract A, and along the South Right-of-Way line of said W. 87th Street Parkway, a distance of 54.99 feet, to the POINT OF BEGINNING of that part being excepted from said Tract A.*

*The hereon described TIF Plan Area contains 128,973.72 square feet, or 2.9608 acres, more or less.*

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**EXHIBIT C**  
**TIF Reimbursable Costs– Project Plan 1J**

The following items are estimated TIF eligible private and public costs for reimbursement with TIF Revenues generated from Project Plan 1J. The priority and duration of reimbursement is set forth in the DDA.

<b>Description of Expenditure</b>	<b>Reimbursement to:</b>	<b>Maximum Reimbursement</b>
<b>TIF Fee</b>	Developer <sup>1</sup>	\$37,370
<b>Itemized Private TIF Reimbursable Costs paid by Developer, excluding the TIF Fee, but including:</b>  Land acquisition within the Project Plan area; site development; A/E (excluding vertical buildings owned or leased by the Developer other than parking structures); water mains; surface and structured parking; landscaping, lighting, sidewalks, benches and similar amenities; special assessments in the Project Plan Area associated with financing the 87 <sup>th</sup> Street Parkway improvements and the Scarborough Dr. (Renner Blvd. to 87 <sup>th</sup> St. Pkwy.) and Hampton St. (current terminus north to Scarborough Dr.) improvements; temporary construction interest; and contingency.	Developer	\$3,737,021 <sup>3</sup>
<b>Itemized Public TIF Reimbursable Costs paid by City, excluding the Annual Administrative TIF Fee, but including:</b>  The City's share of special assessments within the Project Plan 1J Area associated with the special benefit district financing of the Scarborough Drive and Hampton Street improvements and future 87 <sup>th</sup> Street Parkway and Scarborough Drive traffic signal improvements; and public park improvements within the District	City	\$1,770,000
<b>Annual Administrative TIF Fee:</b> 0.5% of the annual TIF Revenues reimbursed to Developer	City	TBD
<b>Total Maximum Aggregate of Eligible Private TIF Reimbursable Costs</b>	Developer	\$3,774,391
<b>Total Maximum Aggregate of Eligible Public TIF Reimbursable Costs</b>	City	\$1,770,000 <sup>2</sup>
<b>Total Maximum Aggregate of TIF Reimbursable Costs</b>		<b>\$5,544,391<sup>2</sup></b>

Notwithstanding any other provision of this Plan to the contrary, reimbursable expenditures shall at all times be consistent with the Act, including judicial interpretation of the Act.

<sup>1</sup> The TIF Fee is based upon 1% of the Private TIF reimbursable Costs in the estimated amount of \$3,737,021 (which amount represents the Total Private TIF Reimbursable Costs less the TIF Fee). This total excludes the Annual Administrative TIF Fee as it is TBD based upon eligible TIF Revenue disbursed. This sum shall be reimbursed to Developer if it has been paid by Developer and if not, it shall be deducted from the first Private TIF Reimbursable Cost payment (and thereafter until paid in full) and paid to the City.

<sup>2</sup> The amount of the total Public TIF Reimbursable Costs does not include a sum for the Annual Administrative TIF Fee as this amount is to be determined as it is based upon the annual amount of TIF Revenues disbursed to Developer.

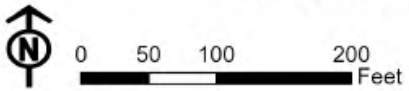
<sup>3</sup> This amount includes sums which may be included in a subsequent Community Improvement District. At the time of certifying its costs to the City, Developer must elect the Project Plan and the incentive source for which it desires reimbursement and it shall not submit those same costs for reimbursement from any other reimbursement source. CID revenues are anticipated to reimburse tenant finish costs associated with the restaurant, which are not an eligible TIF reimbursable cost. This amount also includes costs associated with surface parking and footings for future parking structure, including site work, that may be reimbursed with TIF revenue in future phases that utilize the surface parking and parking structure, to the extent those TIF reimbursable costs are not reimbursed with TIF revenues from Project Plan 1J or CID revenues.

# EXHIBIT D



Data Source: City of Lenexa and Johnson County Kansas  
For further information, please call 913.477.2928

### City Center Lenexa Area A Restaurant Row Buildings A1 & A4





# APPENDIX 1

## TIF PROJECT PLAN IH FEASIBILITY STUDY

December 2022

City Center TIF District  
Project Plan 6 - TIF Revenue Projections  
Restaurant Row Phase 1

Year of TIF (1)	Tax Year (2)	Distribution Year (3)	Total Assessed Value (4)	Base Year Assessed Value (5)	Captured Assessed Value (Column 3 - Column 4) (6)	Projected Property Tax Increment (7)
1	2023	2024	\$115,364	\$0	\$115,364	\$10,467
2	2024	2025	\$606,000	\$0	\$606,000	\$54,984
3	2025	2026	\$1,224,120	\$0	\$1,224,120	\$111,068
4	2026	2027	\$1,236,361	\$0	\$1,236,361	\$112,179
5	2027	2028	\$1,248,725	\$0	\$1,248,725	\$113,301
6	2028	2029	\$1,261,212	\$0	\$1,261,212	\$114,434
7	2029	2030	\$1,273,824	\$0	\$1,273,824	\$115,578
8	2030	2031	\$1,286,562	\$0	\$1,286,562	\$116,734
9	2031	2032	\$1,299,428	\$0	\$1,299,428	\$117,901
10	2032	2033	\$1,312,422	\$0	\$1,312,422	\$119,080
11	2033	2034	\$1,325,546	\$0	\$1,325,546	\$120,271
12	2034	2035	\$1,338,801	\$0	\$1,338,801	\$121,473
13	2035	2036	\$1,352,189	\$0	\$1,352,189	\$122,688
14	2036	2037	\$1,365,711	\$0	\$1,365,711	\$123,915
15	2037	2038	\$1,379,368	\$0	\$1,379,368	\$125,154
16	2038	2039	\$1,393,162	\$0	\$1,393,162	\$126,406
17	2039	2040	\$1,407,094	\$0	\$1,407,094	\$127,670
18	2040	2041	\$1,421,165	\$0	\$1,421,165	\$128,947
19	2041	2042	\$1,435,377	\$0	\$1,435,377	\$130,236
20	2042	2043	\$1,449,731	\$0	\$1,449,731	\$131,538
<b>Total Projected Property Tax Increment</b>						<b>\$2,244,024</b>
<b>Net Mill Levy</b>						<b>90.733</b>
<u>Assumptions:</u>						
a) TIF Mill Levy is 90.733 mills in all years.						
b) Estimated assessed value upon completion (1/1/2025) is \$1,224,120; estimated assessed value as of 1/1/2024 is \$606,000 (50% complete)						
c) Base year assessed valuation is \$0 for parcels IP10190000 0T0A3, IP10190000 0010, & IP10190000 0012						
d) Assessed value increases by 1% annually after completion.						
e) Property tax collection rate will be 100%.						
f) Property tax increment is distributed twice each year.						