



**MINUTES OF THE
JUNE 19, 2018
LENEXA CITY COUNCIL MEETING
COMMUNITY FORUM, 17101 W 87th STREET PARKWAY
LENEXA, KS 66219**

CALL TO ORDER

The meeting was called to order at 7:00 PM.

ROLL CALL

The following Councilmembers were present with Mayor Mike Boehm presiding: Steve Lemons, Bill Nicks, Tom Nolte, Corey Hunt, Andy Huckaba, and Mandy Stuke. Councilmembers Joe Karlin and Dan Roh were absent.

Staff present included Eric Wade, City Administrator; Todd Pelham, Deputy City Administrator; Mike Nolan, Assistant to the City Administrator; Tim Green, Deputy Community Development Director; Cindy Harmison, City Attorney; Danielle Dulin, Assistant to the City Administrator/Interim City Clerk; and other City Staff.

APPROVE MINUTES

A motion to approve the minutes of the City Council meeting was made and seconded. Motion passed unanimously.

MODIFICATION OF AGENDA

PROCLAMATIONS

Lenexa BBQ Month

CONSENT AGENDA

1. Bid award to Black & McDonald for the implementation of the Phase I LED Street Lighting Replacement Project.

This awards the bid for the replacement of existing street lights with LED luminaires on arterial and collector roads and LED bulbs in residential neighborhoods from the western city limits to I-435 and from the northern city limits to approximately K-

10. *The bid amount is \$549,906.44.*

2. Authorization for the purchase from the 2018 Equipment Reserve Fund for equipment necessary to outfit one single axle dump truck and two tandem axle dump trucks with snow plows, salt spreaders, hooklifts and hydraulic systems.

This purchase award is through the Kansas City, Missouri cooperative purchasing agreement for a total purchase price of \$291,253.00. The equipment will be installed on trucks used by Municipal Services.

3. Acceptance of drainage easement as shown on the final plat for Stag's Pass.

This final plat is for the Stag's Pass (former Brown Mackie) building and Home2 Suites Hotel. Drainage easements are being dedicated to the City of Lenexa as part of the Stag's Pass Final Plat. PT18-09F

4. Resolution establishing a public hearing date of August 7, 2018 for the 2019 Budget.

State statute requires cities to publish notice and conduct a public hearing prior to adoption of the annual budget. Staff proposes to set a public hearing date of August 7, 2018 for the 2019 Budget.

5. Resolution authorizing the Mayor to execute a Commercial Parking Lot Agreement with Lenexa Logistics Lot 1 Investment, Inc.

Lenexa Logistics Lot 1 Investment, Inc. is the owner of property located on the southwest corner of Renner Boulevard and 113th Street in the Lenexa Logistics Center. The property is adjacent to the Amazon.com, Inc office/warehouse and logistics center. The parking lot for Amazon is insufficient for its current needs, and this agreement will allow Amazon to use the property for additional commercial parking subject to certain terms and conditions related to the future use of the property.

6. Resolution authorizing the Mayor to execute a Public Improvement Maintenance Agreement with the Shawnee Mission Public Schools Unified School District for public improvement work associated with the construction of the aquatics center in Lenexa City Center.

As part of the Shawnee Mission Public Schools Unified School District's (SMSD) construction of an aquatics center in Lenexa City Center, the SMSD will be

constructing public improvements along 87th Street Parkway, Elmridge Street and Winchester Street. The Public Improvement Maintenance Agreement will cover any repairs or maintenance of the public improvements for a period of two years following acceptance by the City.

7. Resolution authorizing the public sale of approximately \$24,460,000 general obligation refunding and improvement bonds (Series 2018A) and \$3,715,000 general obligation temporary notes (Series 2018B)

The City has scheduled two debt sales for July 17, 2018. The resolution authorizes the sale of general obligation bonds to refinance bonds previously issued in 2006, 2007, and 2008 at lower interest rates to provide permanent financing for four completed special benefit district projects and to finance two storm drainage projects previously approved in the Capital Improvement Program. The resolution also authorizes the sale of general obligation temporary notes to provide temporary financing for two special benefit district projects previously approved by the City Council.

8. Ordinance authorizing the City to make certain storm drainage improvements and authorizing the issuance of general obligation bonds to finance the improvements pursuant to K.S.A. 12-631r and 12-631s

State statute requires the City to adopt an ordinance authorizing storm drainage improvements before the improvements can be financed with general obligation bonds. The proposed ordinance authorizes the Brookwood Phase 1 and Century Estates storm drainage projects (which were previously approved in the Capital Improvement Program). The estimated bond issue amount for these projects is \$2,520,000.

9. Ordinance authorizing the acquisition of lands or interests therein by condemnation for the construction of certain public improvements associated with the Brookwood Place Storm Drainage Improvement Project.

This ordinance authorizes the City to file a condemnation petition with the district court to acquire the easements and rights-of-way necessary for the Brookwood Place Storm Drainage project. The City will continue to work with the property owners to acquire their easements outside of condemnation. However, due to the need to ensure that the project is not delayed, the City must prepare for condemnation in the event such negotiations fail.

10. Ordinance authorizing the issuance of Industrial Revenue Bonds in an amount not to

exceed \$8,000,000 for the purpose of acquiring, constructing, and equipping a mixed use retail and office project--Central Green MXD project.

The City previously received an application from Central Green, LLC requesting the issuance of Industrial Revenue Bonds (taxable under federal law) for the construction of a mixed-use retail and office building with structured parking. The City Council previously approved the resolution of intent to issue the bonds on September 5, 2017. The applicant requested the issuance of Industrial Revenue Bonds to receive a sales tax exemption on the construction materials for the project.

11. Ordinance authorizing the issuance of Industrial Revenue Bonds in an amount not to exceed \$5,000,000 for the purpose of acquiring, constructing, and equipping a mixed use project--KSMC 87th Mixed Use project.

The City previously received an application from KSMC, LLC (formerly referred to as Gomer's) requesting the issuance of Industrial Revenue Bonds (taxable under federal law) for the construction of a multi-phase development with two multi-tenant retail buildings. The City Council previously approved the resolution of intent to issue the bonds on February 20, 2018. The applicant requested the issuance of Industrial Revenue Bonds to receive a sales tax exemption on the construction materials for the project.

12. Ordinance amending Sections 3-9-G-1 and 3-9-G-2 of the Lenexa City Code regarding offenses involving liquor.

The proposed ordinance amends Sections 3-9-G-1 and 3-9-G-2 of the City Code to make it the responsibility of the City Administrator or designee to review and approve cereal malt beverage and alcoholic liquor permits for private events held on City-owned property. In addition, the proposed ordinance further amends Section 3-9-G-1 of the City code to allow both residents and non-residents to apply for and obtain cereal malt beverage permits for private events held on certain City-owned property.

END OF CONSENT AGENDA

A motion to approve items 1 through 12 on the consent agenda was made by Councilmember Lemons, seconded by Councilmember Hunt. Motion passed unanimously.

BOARD RECOMMENDATIONS

13. Ordinance approving a special use permit for Limitless Brewing, located at 9765

Widmer/Building 5 of Widmer Place, to allow “Basic Industry” in a BP-2, Planned Manufacturing Zoning District.

This is a request for approval of a ten-year special use permit to allow the operation of a brewery, classified as “Basic Industry”, located at 9765 Widmer Road Building 5, in a BP-2, Planned Manufacturing Zoning District. SU18-04

Magi Tilton, Planning and Development Administrator, stated microbreweries are not a defined use in the Unified Development Code; however, staff has classified it as basic industry due to the finished product being manufactured from raw materials. In addition to the production of beer, the brewery will have a taproom for tasting. Ms. Tilton stated staff and the Planning Commission recommend approval of the 10-year special use permit for the brewery.

Emily Mobley, Limitless Brewing, stated that Limitless Brewing wants to be part of the community and described events the company plans to host in its new facility and provided details of the hours of operation and the layout of the space.

A motion to approve Item 13 was made by Councilmember Stuke, seconded by Councilmember Huckaba. Motion passed unanimously.

14. Preliminary plan for 9801 Alden Street.

This application is to allow for the expansion of an existing industrial warehouse building and additional trailer storage and parking areas for the site located at 9801 Alden Street. The expansion consists of 216,000 square feet, more than doubling the size of the building. PL18-09P

Ms. Tilton stated the preliminary plan includes an addition of a single-story structure with an additional driveway access point on Alden Street and a drive around the perimeter of the building. The applicant has requested deferred parking of 104 spaces and a deviation for 18% open space instead of 25%. Staff feels that the landscape improvements will offset the reduction for the minimum open space requirement, and the additional parking may not be necessary depending on the eventual use of the building. Staff and Planning Commission recommend approval of the preliminary plan.

A motion to approve Item 14 was made by Councilmember Huckaba, seconded by Councilmember Hunt. Motion passed unanimously.

15. Rezoning, Special Use Permit and Preliminary Plan for QuikTrip #295, located at the northeast corner of 95th street and Noland Road. - **THE APPLICANT HAS REQUESTED THIS ITEM BE CONTINUED TO THE JULY 3, 2018 COUNCIL MEETING**

- a. Ordinance rezoning property located at the northeast corner of 95th Street and Noland Road from existing R-1, Residential Single-Family, NP-O, Planned Neighborhood Office and CP-2, Planned Community Commercial Zoning Districts to CP-1, Planned Neighborhood Commercial Zoning District. RZ18-03
- b. Ordinance for a special use permit to allow "Gasoline Sales, General" in the proposed CP-1, Planned Neighborhood Commercial Zoning District.
- c. Companion Preliminary Plan for QuikTrip #295.

This development application will rezone 1.37 acres of property located at the northeast corner of Noland Road and 95th Street from R-1, NP-O, and CP-2 to CP-1. There is also a request for a special use permit to allow "Gasoline Sales, General" in a CP-1 zoning district. Lastly, the companion preliminary plan for the rezoning and special use permit shows a 4,840 square foot QuikTrip being constructed on this corner. RZ18-03, SU18-06 and PL18-02CP.

The applicant is requesting this item be continued to allow additional time for them to consider modifications to the proposed site layout and landscaping.

A motion to continue Item 15 to the July 3, 2018 City Council meeting was made by Councilmember Lemons, seconded by Councilmember Huckaba. Motion passed unanimously.

16. Rezoning and companion concept plan for Cottonwood Canyon South Office Park, located at the northeast corner of Prairie Star Parkway and Ridgeview Road.
 - a. Ordinance rezoning property located at the northeast corner of Prairie Star Parkway and Ridgeview Road from AG, Agricultural Zoning District to NP-O, Planned Neighborhood Office Zoning District.
 - b. Concept Plan for Cottonwood Canyon South Office Park, a campus consisting of six office buildings.

This development application will rezone 0.70 acres of property located at the northeast corner of Prairie Star Parkway and Ridgeview Road from AG to NP-O. The 14.8 acres of land immediately adjacent to the subject property is currently zoned NP-O, thus the companion concept plan is for 15.45 acres and would allow for six office buildings. RZ18-04 and PL18-01CPR.

Ms. Tilton stated a concept plan for the property located at the northeast corner of Prairie Star Parkway and Ridgeview Road was approved in 2007. At that time, the 14.8-acre parcel was rezoned from Agricultural to NP-O, Planned Neighborhood Office. The 0.7-acre parcel currently proposed for rezoning was not under the same ownership; therefore, it was not rezoned at the same time. The rezoning of the 0.7-acre parcel will not have an adverse impact on the neighboring properties. Ms. Tilton indicated the concept plan proposed is similar to the concept plan approved in 2007 when the 14.8-acre parcel was rezoned. It included three office buildings along the north side of the property, as does the concept plan that is currently before the Governing Body. Ms. Tilton stated representatives from the neighborhood spoke at the Planning Commission sharing concerns about the three buildings along the north property line, the view from the back yards abutting the parcel, the stability of the bluff, noise and light pollution and increased traffic. The applicant offered to include a deed restriction for a 20-foot wide tree preservation area along the golf course. Ms. Tilton stated staff and the Planning Commission see this rezoning as a technical clean up and recommend approval of the rezoning and the concept plan.

Councilmember Nicks inquired about the expiration of concept plans. Ms. Tilton indicated that concept plans are valid for two years. The original concept plan was approved in 2007, therefore, approval of this concept plan is necessary to move forward.

Dan Foster, Schlagel Associates, addressed the Governing Body and indicated after the previous concept plan had been approved in 2007, a site work permit had been obtained and the site was graded to accommodate the approved concept plan. Mr. Foster stated that the maximum height of the buildings will be 35 feet and will be hidden behind the tree line.

Jim Brandmeyer, 18065 West 94th Street, spoke on behalf of the residents of the Cottonwood Canyon neighborhood. He indicated the residents were not against the rezoning, but were not in favor of the concept plan. He shared concerns about the trees concealing the buildings, the character of the neighborhood, and the detrimental effect of the plan on nearby properties, including the golf course. Mr. Brandmeyer proposed three options for consideration: 1) a minimum setback from the bluff edge; 2) change the zoning of the entire property to residential; and 3) delay the approval of the concept plan to allow the developer to work with residents on a plan.

A motion to continue Item 16 was made by Councilmember Nicks.

Councilmember Nolte stated the developer has had a vision for this property since 2007, but the economy in 2007 delayed the project. He indicated office is one of the least invasive uses, and he is in favor of the concept plan.

The motion on the floor died for lack of a second.

A motion to approve Item 16a was made by Councilmember Huckaba, seconded by Councilmember Lemons. Motion passed 5-1 with Councilmember Nicks voting nay.

A motion to approve Item 16b was made by Councilmember Huckaba, seconded by Councilmember Hunt. Motion passed 5-1 with Councilmember Nicks voting nay.

17. Preliminary and concept plan for Lenexa City Center, East Village (first plat, lot 1), located at the southeast corner of 87th Street Parkway and Renner Boulevard.

This application is to allow for the construction of a mixed use development (restaurant, office, entertainment, and multi-family) within Lenexa City Center East Village, located at the southeast corner of 87th Street Parkway and Renner Boulevard. Approximately 40,040 square feet of restaurant, office and entertainment uses will be developed along with approximately 60 multi-family units.

Ms. Tilton stated the proposed preliminary and concept plans are located on the property where the temporary parking lot is currently on the southeast corner of Renner Boulevard and 87th Street Parkway. The development plan includes two different projects and developers. The north building is proposed to be a restaurant and office along with structured parking and a large outdoor entertainment area. The south is office on the street-level and residential above with structured parking. The preliminary plan for the north building is a 4-story structure with a restaurant and bar on the first two floors and two stories of office. The outdoor space will be an accessory use for outdoor games. Ms. Tilton presented drawings and renderings to demonstrate the height, massing, materials and site layout of the building. Ms. Tilton went over the stipulations included in the recommendation regarding additional design details and trash enclosures. Staff and Planning Commission recommend approval of the preliminary plan for the north building.

Ms. Tilton presented plans for the concept for the south development. The south building is a concept plan only and detailed drawings are not available. The street-level will have office uses with multi-family above.

Scott Anderson, representing the developer, provided additional details regarding the event center and the restaurant. He stated the event center would include golf simulators and would be available for rent for private parties along with other entertainment activities. The restaurant would be two-levels operated as a single concept. The Yard portion of the development will have pickleball courts, but the remaining space is yet to be determined. The south building will be five stories tall with structured parking with office and retail on the first floor.

The councilmembers spoke favorably of the development and the iconic signage proposed.

A motion to approve Item 17 was made by Councilmember Lemons, seconded by Councilmember Hunt. Motion passed unanimously.

18. Preliminary Plan for Midwest Sikh Gurdwara, located at the northeast corner of 101st

Street and Lone Elm Road. **CONTINUED FROM THE APRIL 17, 2018 COUNCIL MEETING.**

This application is to allow for the construction of a place of worship on the northeast corner of 101st Street and Lone Elm Road. The place of worship will be approximately 13,736 square feet in size with the main hall having capacity for 326 seats. PL18-04P

Ms. Tilton stated the preliminary plan was continued from the April 17 meeting to allow the applicant to meet with the neighbors. The applicant met with neighbors on June 5 and since then has submitted a rendering of the building from Lone Elm, modified drawings showing the removal of the external exit stair, and written responses to questions submitted by the neighborhood associations in attendance at the neighborhood meeting. The preliminary plan is for a two-story building, approximately 13,000 square feet on each floor, with 126 parking spaces on approximately 12 acres. The 12 acres is part of a larger 42-acre parcel. The remaining 30 acres are proposed to be 73 single-family lots. She presented the rendering of the building from Lone Elm, and the grading plan showing the building from the street level. She indicated the gurdwara will not appear as tall as it is from the street as the finished floor elevation is 10' lower than the intersection. Ms. Tilton stated the gurdwara is similar in height to the church located diagonally across the street at 31 feet. The top of the dome of the gurdwara is at 57 feet, and the top of the steeple of the church is at 71 feet. Ms. Tilton provided a rendering demonstrating that the building will face Marion Street, a public street, upon completion.

Ms. Tilton addressed the concerns regarding compliance with the City's building code. Ms. Tilton indicated compliance with the City's building code as it relates to the interior of the building is not addressed during the preliminary plan stage except for the calculation of occupancy and off-street parking needs. Ms. Tilton stated the floor plan provided by the applicant shows 286 seats. The site plan shows 126 parking spaces providing parking for an occupancy of 378. However, there is room on the 12-acre site to accommodate additional parking, and the applicant has agreed to a stipulation that additional parking will be added should parking shortages occur. Staff and the Planning Commission recommend approval of the preliminary plan. The proposed changes can be addressed between preliminary and final plan.

Pradeep Shukla, Shukla & Associates, commented that the rear elevation is a very important side of the building and has several important features: the monument sign, the Sikh flag and the gold dome. Mr. Shukla indicated this should address any concerns about the orientation of the building.

Councilmember Nicks indicated the changes made were not significant enough for him to be in favor of this preliminary plan. He stated the design was too massive and not respectful of the architecture of the surrounding neighborhoods like other places of worship throughout the community.

Councilmember Nicks moved to deny the Planning Commission recommendation.

Councilmember Nolte stated he still has concerns regarding the capacity and height of the sanctuary area as well as the amount of off-street parking and stormwater detention provided on the site. He also had concerns regarding the orientation of the building on the site and that the entrance of the building faced an internal street rather than an arterial or collector street and the massing of the design.

Mayor Boehm stated he would accept comments from the public even though this was not a public hearing.

Natalie Vanliew, 21605 West 99th Terrace, stated her support for preliminary plan and encouraged Lenexa to continue embracing diversity in architecture and people in the community.

Matt McCoy, 21203 West 98th Street; Greg Biehl, 9900 Sunset Drive; Todd Rastorfer, 21101 West 98th Street; and Carla Smith, 21605 West 97th Terrace, addressed the Governing Body to share concerns regarding the architecture of the gurdwara and its impact on property values, vehicle and pedestrian traffic and stormwater drainage in the area.

Mr. Shukla stated that the gurdwara is one-half the size of the church across the street and one-third the size of the elementary school in the area. He shared photographs of other churches in the community for comparison to the height and massing of the proposed building.

Councilmember Lemons stated that he is supportive of the preliminary plan, but asked for clarification regarding the potential increase in height of the building and off-street parking because of a possible discrepancy in how the capacity number is calculated.

Beccy Yocham, Community Development Director, stated building code issues are taken up later in the development process; however, one of the factors evaluated in the final plan is compliance with the preliminary plan. If the building is taller in the final plan than presented in the preliminary plan, both the Planning Commission and City Council will look for compliance with the preliminary plan before approving the final plan. Ms. Yocham stated this is also true for the building occupancy and off-street parking. She reiterated staff believes there is adequate room on the property to accommodate additional parking, and if needed, there is a stipulation in the approval to require the applicant to do so.

Councilmembers Huckaba, Stuke, Hunt and Lemons indicated their support for the preliminary plan.

The motion on the floor died for lack of second.

Councilmember Nolte moved to continue the approval of the preliminary plan for the Midwest Sikh Gurdwara to the July 17 City Council meeting. Councilmember Nicks seconded the motion. Motion failed 2-4 with Councilmembers Lemons, Hunt, Huckaba and Stuke voting

nay.

A motion to approve Item 18 was made by Councilmember Huckaba, seconded by Councilmember Hunt. Motion passed 4-2 with Councilmembers Nicks and Nolte voting nay.

PUBLIC HEARINGS

19. Consideration of issuing Industrial Revenue Bonds and a Tax Abatement for K-Alden LLC Project - 9801-9807 Alden Street.
 - a. Public hearing to consider an exemption from ad valorem taxes for property financed with industrial revenue bonds (IRBs).
 - b. Resolution determining the intent of the City to issue up to \$13,000,000 in IRBs and approving a ten year tax abatement with Payment in Lieu of Taxes agreement.

The City received an application from K-Alden LLC requesting the City issue IRBs in an amount not to exceed \$13,000,000 to finance the acquisition, construction and equipping the 216,000 square foot expansion and redevelopment of the office/warehouse facility located at 9801-9807 Alden Street. The applicant has also requested a ten (10) year, 50% tax abatement for the project. Pursuant to State law, the City must hold a public hearing to consider the cost benefit analysis and the granting of a tax abatement for the project.

Sean McLaughlin, Assistant City Attorney, stated K-Alden, LLC has requested the issuance of IRBs for \$13,000,000 and a 10-year, 50% property tax abatement for the purpose of redeveloping the properties from 9801 to 9807 Alden Street into a first class office and warehouse distribution facility. The proposed tax abatement is in compliance with the established tax abatement policy. The IRBs are not backed by the full faith and credit of the city. Mr. McLaughlin stated the PILOT agreement includes the city's standard terms and conditions and civic obligations including membership in the chamber of commerce, annual contribution to the Lenexa Foundation and sponsorship of a city festival or event.

There was no comment from the public.

A motion to close the public hearing was made by Councilmember Stuke, seconded by Councilmember Lemons. Motion passed unanimously.

A motion to approve Item 19b was made by Councilmember Huckaba, seconded by Councilmember Nicks. Motion passed unanimously.

NEW BUSINESS

20. Resolution approving and authorizing the Mayor to execute a Real Estate Sales Contract with Stag Commercial LLC for land located south of Prairie Star Parkway and west of Britton Street.

This real estate sales contract with Stag Commercial, LLC authorizes the sale of approximately 36.4 acres owned by the City and located west of Britton Street, south of Prairie Star Parkway. The sales price is \$3.30/s.f (for an estimated \$5,232,427) which is consistent with the appraisal obtained by City on April 30, 2018. The sales contract provides for a 180-day due diligence period with up to two additional 30-day extensions.

Eric Wade, City Administrator, stated the city acquired the property at the southwest corner of Britton Street and Prairie Star Parkway (formerly 95th Street) 20 years ago. It was thought to be a good location for a service center for Municipal services or Parks and Recreation, but as Prairie Star Parkway was created, investment interest has been shown. Mr. Wade indicated a developer approached the city with a potential tenant for the eastern 12 acres; it is a Lenexa organization that is doing very well and needs office and a warehouse space. The balance of the property to the west would be office along the north and an office/warehouse concept along the south side of the property. Mr. Wade indicated the selling price for the property is \$5.2 million. Mr. Wade stated staff is proposing the one-time money be used for capital improvements unless directed otherwise by the Governing Body.

A motion to approve Item 20 was made by Councilmember Nolte, seconded by Councilmember Hunt. Motion passed unanimously.

BUSINESS FROM FLOOR

Annabeth Surbaugh, 19005 West 97th Terrace, congratulated the Governing Body on the new Geico offices opening in Lenexa. Mayor Boehm stated it was a delight visiting with Warren Buffet.

COUNCILMEMBER REPORTS

None.

STAFF REPORTS

None.

ADJOURN

A motion to adjourn was made by Councilmember Nolte, seconded by Councilmember Lemons. Motion passed unanimously. Meeting adjourned at 9:30 PM.

/s/ Danielle Dulin

Danielle Dulin, Assistant to the City Administrator/
Interim City Clerk