



**MINUTES OF THE
AUGUST 19, 2025
LENEXA CITY COUNCIL MEETING
COMMUNITY FORUM, 17101 W 87th STREET PARKWAY
LENEXA, KS 66219**

CALL TO ORDER

Mayor Sayers called the meeting to order at 7 PM.

ROLL CALL

Councilmembers Handley, Eiterich, Charlton, Nicks, Arroyo, and Herron were present with Mayor Sayers presiding. Councilmembers Williamson and Denny were absent.

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 Eiterich made a motion to approve the August 5, 2025 Council meeting draft minutes and Councilmember Handley seconded the motion. Motion passed unanimously.

MODIFICATION OF AGENDA

There were no modifications to the agenda.

PROCLAMATIONS

National Fentanyl Prevention and Awareness Day

CONSENT AGENDA

1. Resolution approving the closure of Penrose Lane from eastbound 87th Street Parkway to 88th Street for a special "Red Friday" Night Sound Bites on September 12, 2025
The Public Market plans to host a Kansas City Chiefs-themed "Red Friday" Night Sound Bites. The road closure will allow the Public Market to obtain a temporary event permit from the Kansas Division of Alcoholic Beverage Control to extend the licensed/permitted premises onto the street for the event.
2. Resolution amending the Volumetric Rate Calculation Form used in determining the fee paid for natural gas transported within the city in accordance with natural gas franchise ordinances
Franchise ordinances with natural gas providers allow the City to receive compensation based on the volume of natural gas transported within the city. These

ordinances require the Volumetric Rate Calculation Form to be updated annually. Adoption of this resolution will allow the City to continue collecting this fee in 2026.

3. Consideration of an ordinance levying assessments, approvals of an engineering agreement, construction contract, and water main extension petition and agreement for the construction of Woodsonia Drive Special Benefit District
 - a. Ordinance levying special assessments for various public improvements associated with the Woodsonia Drive Special Benefit District (SBD)
 - b. Approval of an engineering agreement with Phelps Engineering, Inc. for the design of the SBD
 - c. Approval of a construction contract with Cohorst Enterprises for the construction of the SBD
 - d. Approval of a Water Main Extension Petition and Agreement MX-24008 with WaterOne for a new main along Woodsonia Drive
This proposed ordinance will levy special assessments based on the maximum estimated cost of the improvements, which is \$10,077,000. Phelps Engineering, Inc. will complete the design for \$531,156. Cohorst Enterprises, Inc. will construct Phase I for \$473,621. WaterOne's installation of a new water main along Woodsonia Drive will cost \$82,820.

END OF CONSENT AGENDA

Councilmember Nicks made a motion to approve items 1 through 3 on the consent agenda and Councilmember Arroyo seconded the motion. Motion passed unanimously.

PUBLIC HEARINGS

4. Consideration of tax abatement and issuance of industrial revenue bonds for Lenexa Logistics Centre East Building 1 located in the southeast corner of 116th Street & Renner Boulevard
 - a. Public hearing to consider exemption from ad valorem taxes for property financed with IRBs
 - b. Resolution determining the intent of the City to issue approximately \$9 million in IRBs and approving a 10-year tax abatement with payment in lieu of taxes agreement
The City received an application requesting the City issue approximately \$9 million in industrial revenue bonds to finance the acquisition, construction, and equipping of a 50,000-square-foot office/warehouse facility located in the southeast corner of 116th Street & Renner Boulevard in the Lenexa Logistics Centre East business park. The applicant has also requested a 10-year, fixed 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, City Attorney, said this is a proposed tax abatement and bond issuance for Lenexa Logistics Centre East, Building 1, the final building in the development. He provided background noting that the project was authorized under a 2019 master resolution covering 80 acres east of Renner Boulevard, which included four buildings, related infrastructure, and a 10-year fixed tax abatement with an effective abatement rate of 71%.

Mr. McLaughlin reported that with this final project, the total capital investment in the development is approximately \$72.5 million. Building 1 is a 50,000 square foot commercial office/warehouse facility with a proposed \$9 million in industrial revenue bonds (IRBs). The abatement is calculated at \$1.20 per square foot, resulting in an effective 71% abatement over 10 years and an estimated \$191,000 in total payment in lieu of taxes (PILOT) payments during that period.

Mr. McLaughlin said that the building design and development are consistent with the prior phases. He said staff recommends approval.

Mayor Sayers opened the public hearing at 7:10 PM.

No one from the public spoke.

Councilmember Handley made a motion to close the public hearing and Councilmember Eiterich seconded the motion. Motion passed unanimously.

The public hearing closed at 7:10 PM.

Councilmember Herron made a motion to approve Item 4b and Councilmember Nicks seconded the motion. Motion passed unanimously.

5. Consideration of an ordinance vacating two sidewalk easements located between Lots 51 & 52 of the Canyon Creek Forest subdivision and within Tract A of the Wheatley Point West subdivision

- a. Public hearing to consider vacating two sidewalk easements

- b. Ordinance vacating the sidewalk easements

These subdivisions were originally platted with sidewalk easements intended to provide pedestrian connectivity to Clare Road, 98th Street, and potential future parks, trails, or other public amenities along the east side of the neighborhoods. The configuration has raised concerns about fence placement, maintenance of the sidewalk, reduction of side yards, privacy and noise from the developers and prospective homeowners regarding pedestrian traffic through their property.

Stephanie Sullivan, Planning Manager, said this is a request to vacate a sidewalk easement in the Canyon Creek Forest subdivision. She explained that the easement was originally platted across private property on Lots 51 and 52,

rather than within a homeowners' association (HOA) tract, which is the City's typical practice. A later development, Wheatley Point West, dedicated its sidewalk easement within an HOA tract along Clare Road, intended to connect through Lots 51 and 52 for access.

Ms. Sullivan reported that prospective buyers of Lots 51 and 52, in coordination with the Wheatley Point West developer, petitioned for the vacation due to concerns about public access on private property. She noted this case reflects a practice the City no longer uses, as sidewalk easements are now placed within HOA-maintained tracts.

Ms. Sullivan said the application met all four required criteria for a vacation, no objections were received from utilities, and staff recommends approval of the request.

Councilmember Arroyo asked when Canyon Creek Farms was developed and Ms. Sullivan said it was rezoned in 2020 with the first plat approved in 2021 and the second plat approved in 2024.

Mayor Sayers opened the public hearing at 7:14 PM.

No one from the public spoke.

Councilmember Eiterich made a motion to close the public hearing and Councilmember Arroyo seconded the motion. Motion passed unanimously.

The public hearing closed at 7:15 PM.

Councilmember Handley said he supported the sidewalk easement vacation, noting that while it creates inconvenience for residents on that cul-de-sac and along 98th Place who must now go farther to reach Clare Road, it is nonetheless the appropriate action. He emphasized the importance of ensuring such issues are avoided in future planning.

Councilmember Charlton made a motion to approve Item 5b and Councilmember Nicks seconded the motion. Motion passed unanimously.

OLD BUSINESS

6 Fiscal Year 2026 Recommended Budget

Staff will provide an update on the Fiscal Year 2026 Recommended Budget.

Nate Blum, Chief Financial Officer, presented an update on the fiscal year (FY) 2026 Recommended Budget, highlighting proposed mill levy adjustments, revenue trends, and long-term financial considerations. He said the preliminary budget introduced in June proposed a 26.459 mill levy, representing a half-mill reduction. Following compensation plan savings and three abated properties returning to the tax rolls, he said staff now recommends an additional quarter-mill rollback, resulting in a proposed 26.209 mill levy for FY 2026. This total three-quarter-mill reduction equates

to approximately \$10.6 million in cumulative annual taxpayer savings since 2019. He noted that while the average Lenexa home value has increased from \$467,000 to \$493,000, the rollback limits the average homeowner's property tax increase to just 2.46%, or \$2.98, over last year. He added that overall property tax revenue is projected at \$49.5 million in FY 2026, a 4.2% increase, split between \$40.9 million for the General Fund and \$8.6 million for the Debt Service Fund.

Mr. Blum said that ongoing cost savings continue to help balance the budget, with personnel expenses coming in under budget in 2025 and funded with ongoing revenue sources. He talked about a 3% vacancy rate that is built into the FY 2026 projections, representing about \$1.7 million in savings.

Mr. Blum talked about potential risks to the budget, which include state legislation that may limit local taxing authority, possible federal tax law changes that could impact bonds, and trade or tariff policies that may affect revenues. In addition, he said several major road and public safety projects will rely on limited debt financing capacity, while the renewal of the countywide sales tax—providing roughly \$2 million annually and set to expire in March 2027—remains uncertain due to pending litigation around its rescheduled election.

Mr. Blum also reviewed sales tax trends, explaining that Lenexa receives general sales tax, its voter-approved 3/8¢ sales tax dedicated to parks and pavement, and a share of the countywide sales tax, which is partially tied to property taxes levied. Due to Lenexa's mill levy reductions, its share of the countywide sales tax fell from about 9% to 7.2% by 2024. Although sales tax collections were down for six months in 2024, Mr. Blum said revenues rebounded in July, prompting staff to maintain cautious but stable projections. He stressed that conservative revenue estimating is essential to protecting project funding while maintaining flexibility to adjust if revenues outperform estimates.

Mr. Blum noted that regionally, Lenexa's proposed rollback places it near the median mill levy in Johnson County. Four cities, including Lenexa, are reducing their mill levies for FY 2026, with Lenexa implementing the largest rollback aside from DeSoto. Despite these rollbacks, all Johnson County jurisdictions remain above the revenue neutral rate. He said that while fiscal pressures remain, Lenexa's conservative budgeting approach, coupled with mill levy reductions and cautious revenue management, positions the City to provide meaningful tax relief while maintaining long-term financial stability. He said a final decision on the mill levy will be made at the September 2nd City Council meeting.

Councilmember Nicks asked if it is typical for abated properties to return to the tax rolls each year. Mr. Blum said it depends on the year and the abatement, but he believes there will be more properties returning to the tax rolls in the future.

Mayor Sayers invited public comment.

John Geisler, 8339 Mullen Road, asked if the mills currently dedicated to debt service would be reduced once the City pays off its debt, which he understood could occur about five years early. He also asked about revenue growth projections, saying that

City reserves appear to grow every year and are already above the established maximum. He asked whether the City intends to spend down excess reserves or continue allowing them to increase.

Gaylene Van Horn, 8131 Rosehill Road, talked about her concerns with the City building a fire station on the old City Hall property and asked why the City did not pursue co-location with MED-ACT when it moved to 8755 Long Street. She had concerns about the potential \$30 million cost of a new fire station, urging fiscal responsibility, and suggested that the 87th Street Parkway & Monrovia Street property would be better suited as a public park rather than future development or a costly facility. She urged the Governing Body to prioritize transparency, integrity, and prudent spending of taxpayer funds.

NEW BUSINESS

There was no new business.

COUNCILMEMBER REPORTS

There were no councilmember reports.

STAFF REPORTS

There were no staff reports.

END OF RECORDED SESSION

BUSINESS FROM FLOOR

Leon Patton, retired federal prosecutor, spoke about immigration enforcement.

ADJOURN

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

The meeting adjourned at 7:56 PM.

/s/ Jennifer Martin
City Clerk