



**MINUTES OF THE
NOVEMBER 4, 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, Arroyo, Williamson, Denny, and Herron were present with Mayor Sayers presiding. Councilmember Nicks was 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.

STUDENT INTRODUCTIONS

Danielle Walenta, Shawnee Mission West High School; Navie Blount, Shawnee Mission Northwest High School; and Kennedy Graham, University of Kansas, attended the meeting for class requirements.

APPROVE MINUTES

Councilmember Denny made a motion to approve the October 21, 2025 City Council meeting draft minutes and Councilmember Herron seconded the motion. Motion passed unanimously.

MODIFICATION OF AGENDA

There were no modifications to the agenda.

CONSENT AGENDA

1. Acceptance for maintenance
 - a. Acceptance of the 100th Street from Canyon Creek Boulevard to 99th Street public improvements for maintenance
This project constructed public street, stormwater, and streetlight improvements. The work was privately funded.
 - b. Acceptance of the Santa Fe Trail Drive Street and Trail Improvements Project for maintenance
This project added new curb, gutter, streetlights, stormwater, trail, and a water quality feature to Santa Fe Trail Drive. It also widened the roadway to add new bike lanes between 95th Street and Pflumm Road and included mill and

overlay from 95th Street to Quivira Road. The final contract amount with J.M. Fahey Construction Co. was \$2,351,972.28.

2. Approval of an encroachment agreement with Zimmerman Living Trust for placement of certain private improvements within portions of existing public drainage easements
Stone retaining walls were installed within public drainage easements at 21201 W. 94th Terrace. Because the walls could be an impediment to future stormwater pipe rehabilitation, staff recommends the City enter into an encroachment agreement with the property owner to allow the encroachments to remain in place.
3. Resolution approving the annual investment policy for operating funds
The Pooled Money Investment Board for the State of Kansas requires government entities with expanded investment powers to review and adopt an investment policy on an annual basis. Staff and the City's investment consultant have reviewed the existing policy and are recommending no changes.

END OF CONSENT AGENDA

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

PUBLIC HEARINGS

4. Consideration of tax abatement and issuance of industrial revenue bonds (IRBs) for the STAG Industrial Building 1 Project located at 14050 Marshall Drive
 - 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 \$16.8 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 \$16.8 million in IRBs to finance the acquisition, construction, and equipping of a 186,300-square-foot office/warehouse facility located at 14050 Marshall Drive. 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 public hearing for considering industrial revenue bonds and a tax abatement for STAG Industrial Building 1, located north of Marshall Drive between Santa Fe Trail Drive and Pflumm Road. The project is the first of two proposed buildings on the site, with Building 1 being 186,300 square feet and supported by a proposed \$16.8 million bond issuance. The fixed 10-year abatement is based on a \$95-per-square-foot valuation with a 2% annual escalator, resulting in a 55% abatement. The property currently generates roughly \$67,000 in annual

property taxes; in the first year of the project, PILOT payments are estimated to increase to approximately \$207,000 and continue rising over the term.

Mr. McLaughlin presented site layout diagrams illustrating both the existing structure and the planned redevelopment, noting that the older building on the east side dates to 1967. He said that the long-term redevelopment represents an appropriate and beneficial use of the property and staff recommends approval of the resolution and associated abatement.

Mayor Sayers opened the public hearing at 7:05 PM.

No one from the public spoke.

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

The public hearing closed at 7:05 PM.

Mayor immediate investment

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

5. Consideration of tax abatement and issuance of industrial revenue bonds (IRBs) for the Santa Fe Commerce Center Project located at the northeast corner of Santa Fe Trail Drive & Lakeview Avenue
 - 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 \$30 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 \$30 million in IRBs to finance the acquisition, construction, and equipping of a 152,000-square-foot office/warehouse building and a 70,550-square-foot office/warehouse building both located at the northeast corner of the intersection of Santa Fe Trail Drive & Lakeview Avenue. 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.

Mr. McLaughlin said this public hearing is for industrial revenue bonds and a tax abatement for the Santa Fe Commerce Center, located along the southern edge of the city near Santa Fe Trail Drive/I-35, just south of the Thompson Barn. The project includes two new buildings—a 152,000-square-foot structure and a 70,000-square-foot structure—with a proposed bond issuance of up to \$30 million. The incentive structure uses a fixed valuation of \$95 per square foot with a 2% annual escalator and a 55% abatement over 10 years. The

property is currently undeveloped and the combined parcels generate approximately \$200,680 in annual taxes; in the first year of the abatement, PILOT payments are projected to increase to roughly \$222,000 and grow thereafter.

Mr. McLaughlin noted that the plan was approved more than a year ago and staff recommends approval of the resolution and abatement.

Councilmember Charlton asked why the Santa Fe Commerce Center project requires up to \$30 million in bonds compared to \$16.8 million for the STAG Industrial Building 1 project, noting that the PILOT structure appeared similar despite differing building footprints. Mr. McLaughlin clarified that the Santa Fe Commerce Center includes two buildings totaling approximately 225,000 square feet, which is a larger combined footprint than the single 186,000-square-foot building for STAG. Because the valuation is based on total square footage, the larger combined area accounts for the higher bond issuance amount. He also noted that the STAG project's figures reflected only Phase 1, whereas the Santa Fe Commerce Center spans the full parcel.

Mayor Sayers opened the public hearing at 7:09 PM.

No one from the public spoke.

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

The public hearing closed at 7:09 PM.

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

NEW BUSINESS

There was no new business.

COUNCILMEMBER REPORTS

There were no councilmember reports.

STAFF REPORTS

Beccy Yocham, City Manager, said there would be no Committee of the Whole meeting on November 11th because it is Veteran's Day. She said there would be an event at 84 Lumber on Marshall Drive from 3 PM to 5 PM that day featuring the U.S. Capitol Christmas Tree and Smokey Bear.

6. Quarterly Financial Report

Nate Blum, Chief Financial Officer, provided a high-level review of third-quarter financial indicators, noting overall positive performance across major revenue, expenditure, reserve, debt, investment, and economic metrics.

Mr. Blum said revenues increased \$3.8 million (4%) compared to the prior year. Property taxes came in as expected, and the City's compensating use tax remained strong through the first three quarters. Franchise gas taxes rose 18%, driven by weather-related usage, rate factors, and significant new development. Stormwater service charge revenue increased 5% solely due to new development, as the \$109/EDU rate has not changed in over a decade.

Mr. Blum said General Fund and Stormwater Fund expenditures have increased but remain within budget, with no abnormal spending through the first three quarters. Debt service expenditures decreased, reflecting a strong financial position and the city paying down debt more quickly than new debt is being added.

Mr. Blum reviewed reserve policies and clarified that legally required reporting includes committed funds that cannot be spent on other purposes. To provide clarity, he presented adjusted figures removing committed funds—such as the Tourism Fund's transient guest tax commitments for public parking reimbursement. Removing these commitments lowers that fund's reserve percentage from over 300% to about 146%. Upcoming FIFA World Cup-related expenditures are expected to further reduce reserves. In the General Fund, adjusted reserves are near the City's maximum target. No committed funds were removed from the Debt Service Fund; the City has intentionally built up this reserve and reduced the mill levy in preparation for more than \$50 million in upcoming road projects. Forecasts project expenditures exceeding revenues in all five years, so this reserve will naturally decline.

Mr. Blum reported that both debt indicators remain positive. The City has not issued debt in 2025 and does not anticipate issuing until spring 2026, so no major changes are expected.

Mr. Blum said the investment portfolio remains compliant with policy. The current yield exceeds the short-term benchmark due to interest rates beginning to decline, allowing the City's portfolio to outperform. Unrealized gains were approximately \$81,000 as of September 30, with a total portfolio value of \$102.7 million.

Mr. Blum said that all economic indicators are green. Commercial, single-family, and multifamily permitting are slightly below the five-year average but remain strong, especially when viewed against the unusually high development activity of recent years. Building permit revenue is \$1.3 million year-to-date, compared with \$1.5 million at this point last year—still a healthy level following two years of record revenue.

END OF RECORDED SESSION

BUSINESS FROM FLOOR

Gaylene Van Horn, 8131 Rosehill Road, asked why property taxes are still high when Mr. Blum is reporting additional revenues. She asked how to get her questions answered without being charged a fee.

ADJOURN

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

The meeting adjourned at 7:19 PM.

/s/ Jennifer Martin
City Clerk