



Agenda

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

**NOVEMBER 4, 2025
7:00 PM
COMMUNITY FORUM**

CALL TO ORDER

Pledge of Allegiance

ROLL CALL

APPROVE MINUTES

October 21, 2025 City Council meeting draft minutes
(located in the Appendix)

MODIFICATION OF AGENDA

CONSENT AGENDA

Item Numbers 1 through 3

The matters listed on the Consent Agenda are routine and approved collectively with no separate discussion on each individual item. Any item on the Consent Agenda may be removed from the Consent Agenda for separate consideration by a member of the Governing Body, the City Manager, or by a member of the public in attendance at the meeting. In the event the item is removed from the Consent Agenda, it will be placed on the regular 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

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.

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.

NEW BUSINESS

None

COUNCILMEMBER REPORTS

STAFF REPORTS

6. Quarterly Financial Report

END OF RECORDED SESSION

BUSINESS FROM FLOOR

The Chair, at their discretion, may limit the amount of time each person has to address the Governing Body during Public Hearings or public comment regarding items listed on the agenda, or Business from the Floor, and may grant additional time at their sole discretion.

ADJOURN

APPENDIX

7. October 21, 2025 City Council meeting draft minutes
8. Item 3 -- Investment Policy

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

ASSISTIVE LISTENING DEVICES ARE AVAILABLE FOR USE IN THE COMMUNITY FORUM BY REQUEST.



**CITY COUNCIL
MEMORANDUM**

ITEM 1a

SUBJECT: Acceptance of the 100th Street from Canyon Creek Boulevard to 99th Street public improvements for maintenance

CONTACT: Tim Green, Deputy Community Development Director

DATE: November 4, 2025

ACTION NEEDED:

Accept the 100th Street from Canyon Creek Boulevard to 99th Street public improvements for maintenance.

PROJECT BACKGROUND/DESCRIPTION:

This project constructed public street, stormwater, and streetlight improvements on 100th Street from Canyon Creek Boulevard to 99th Street.

Staff performed a final inspection on September 30, 2025, and advised that all work had been completed in accordance with the plans and specifications. The maintenance bonds for this project shall go into force upon acceptance by the Governing Body on November 4, 2025, and will expire on November 4, 2027.

The contractor was McAnany Construction, LLC.

Total lane miles:	1.60 miles
Total statute miles:	0.60 miles
Total pipe length:	2,531 linear feet

FINANCIAL IMPLICATIONS/FUNDING SOURCES:

The work was privately funded.

STAFF RECOMMENDATION:

Accept for maintenance.

VISION / GUIDING PRINCIPLES ALIGNMENT:

Vision 2040

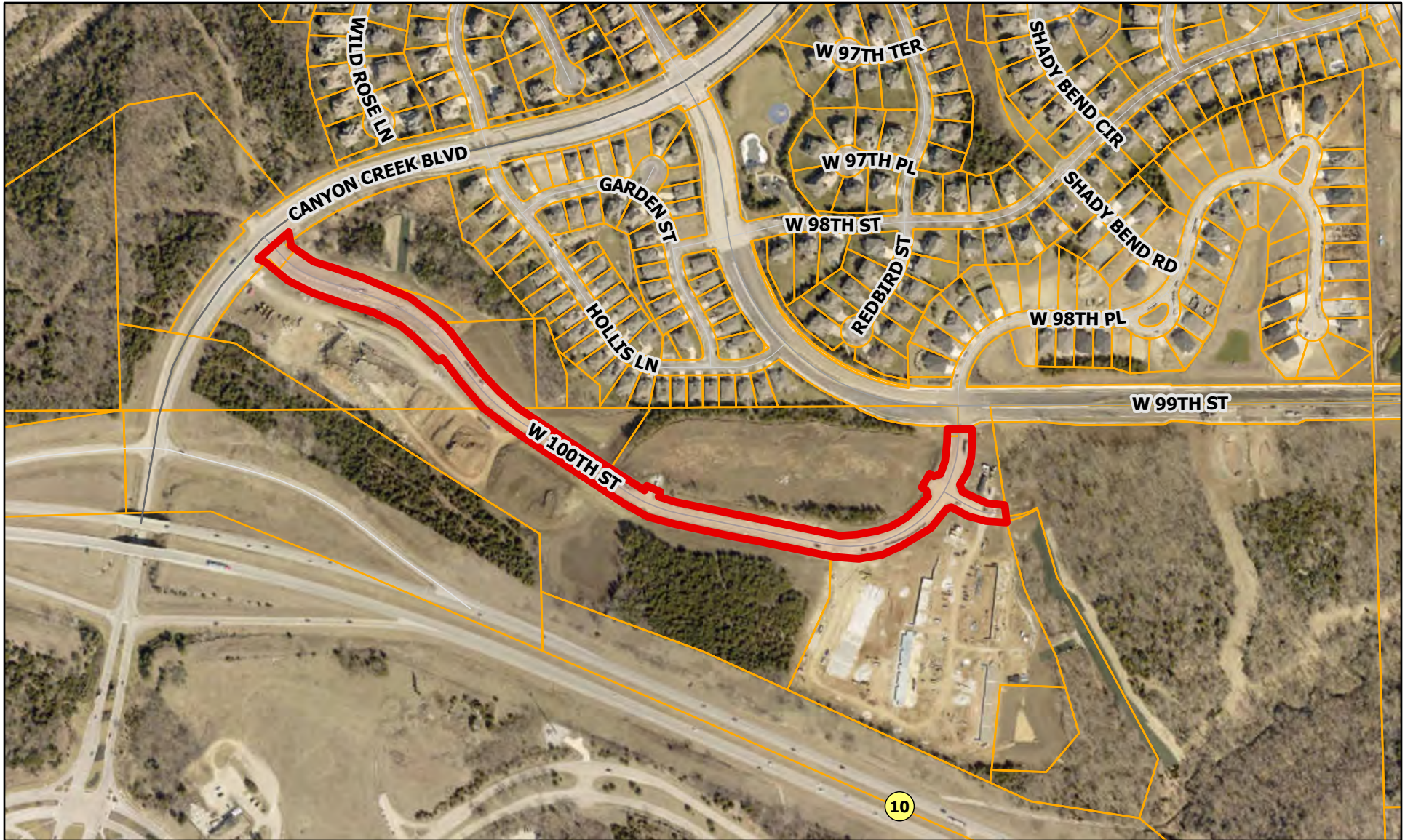
Integrated Infrastructure & Transportation

Guiding Principles

Responsible Economic Development

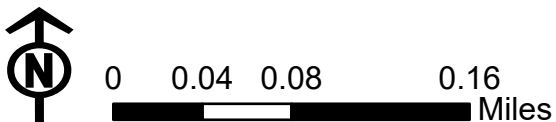
ATTACHMENTS

1. Map



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

100th Street (Canyon Creek Boulevard to 99th Street) Public Improvements





**CITY COUNCIL
MEMORANDUM**

ITEM 1b

SUBJECT: Acceptance of the Santa Fe Trail Drive Street and Trail Improvements Project for maintenance

CONTACT: Tim Green, Deputy Community Development Director

DATE: November 4, 2025

ACTION NEEDED:

Accept the Santa Fe Trail Drive Street and Trail Improvements Project ("Project") for maintenance.

PROJECT BACKGROUND/DESCRIPTION:

This Project added new curb, gutter, streetlights, stormwater, trail, and a water quality feature to Santa Fe Trail Drive. The Project 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.

Staff performed a final inspection on October 22, 2025, and advised that all work had been completed in accordance with the plans and specifications. The maintenance bonds for this Project shall go into force upon acceptance by the Governing Body on November 4, 2025, and will expire on November 4, 2027.

The contractor was J.M. Fahey Construction Co.

Pipe length:	1,157 linear feet
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FINANCIAL IMPLICATIONS/FUNDING SOURCES:

This Project is included in the 2025-2029 Capital Improvement Program (Project No. 60125) and was funded by the Pavement Management Program, the Complete Streets Program, and Excise Tax. The final contract amount was \$2,351,972.28.

STAFF RECOMMENDATION:

Accept for maintenance.

VISION / GUIDING PRINCIPLES ALIGNMENT:

Vision 2040

Integrated Infrastructure & Transportation

Guiding Principles

Strategic Community Investment

ATTACHMENTS

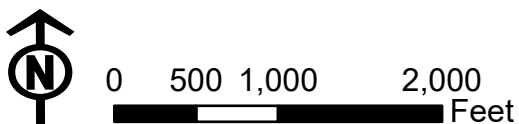
1. Map



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

Santa Fe Trail Drive Street and Trail Improvements

Project No. 60125





**CITY COUNCIL
MEMORANDUM**

ITEM 2

SUBJECT: Approval of an encroachment agreement with Zimmerman Living Trust for placement of certain private improvements within portions of existing public drainage easements

CONTACT: Tim Green, Deputy Community Development Director

DATE: November 4, 2025

ACTION NEEDED:

Approve an encroachment agreement with Zimmerman Living Trust for placement of certain private improvements within portions of existing public drainage easements.

PROJECT BACKGROUND/DESCRIPTION:

City staff discovered that the builder of a new home at 21201 W. 94th Terrace installed stone retaining walls within two public drainage easements. The walls are integral to stabilizing the driveway and therefore are not easily removed. The walls are not impacting drainage patterns, but could be an impediment to future stormwater pipe rehabilitation. Staff is recommending the City enter into an encroachment agreement with the property owner to allow the encroachments to remain in place. The encroachment agreement allows the retaining walls to remain within the drainage easements and grants the property owner the right of access thereto for the purpose of maintaining the encroachments (walls). The property owner's responsibilities include:

- Remain solely responsible for maintenance and upkeep of the encroachments and surrounding areas.
- Indemnify and hold harmless the City from any and all liability, claims or suits.
- Removal of the encroachments within 90 days of receiving written notice from the City. Failure to do so allows to City to remove the encroachments at property owners' expense.

This agreement is available for review in the City Clerk's office.

STAFF RECOMMENDATION:

Approve the agreement.

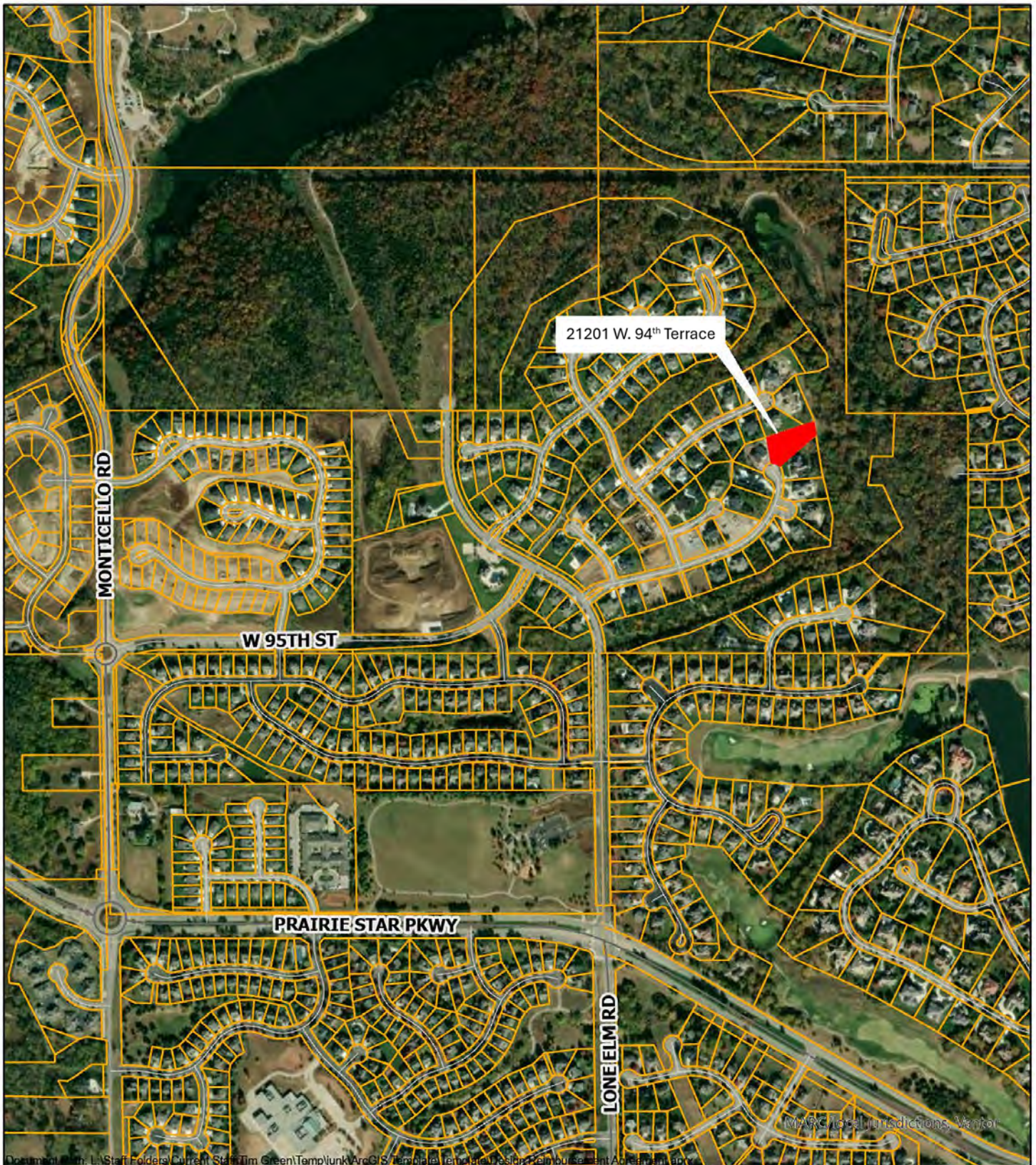
VISION / GUIDING PRINCIPLES ALIGNMENT:

Vision 2040
Vibrant Neighborhoods

Guiding Principles
Extraordinary Community Pride

ATTACHMENTS

1. Map



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

Encroachment Agreement

21201 W. 94th Terrace



0 370 740 1,480 Feet



**CITY COUNCIL
MEMORANDUM**

ITEM 3

SUBJECT: Resolution approving the annual investment policy for operating funds

CONTACT: Nate Blum, Chief Financial Officer

DATE: November 4, 2025

ACTION NEEDED:

Adopt a resolution approving the annual investment policy for operating funds.

PROJECT BACKGROUND/DESCRIPTION:

The Pooled Money Investment Board (PMIB) for the State of Kansas requires governmental entities with expanded investment powers to review and adopt an investment policy annually. The expanded investment powers allow the City to purchase investments maturing up to four years after the purchase date. Without expanded powers, the City could only purchase investments maturing up to two years after the purchase date.

City staff and Columbia Capital Management, LLC (the City's investment advisor for operating funds) have reviewed the investment policy and are recommending the following changes to align with recent changes to Kansas state law (HB 2152).

- Elimination of the requirement to send letters to banks and other eligible financial institutions located within the City to determine if these entities wish to bid on the City's investments. In accordance with state law, the City will send each bid request to all banks and eligible financial institutions within the City.
- Elimination of the requirement for third-party custodians with whom the City has established a third-party safekeeping agreement. As of January 1, 2026, any financial institution that accepts deposits of public money must use the pooled collateral method established by the State of Kansas and administered by the State Treasurer.
- Elimination of the collateral requirements that institutions pledge or assign sufficient securities with a market value of at least 105% of total deposits. The new collateral requirements under state law require each financial institution to pledge a pool of securities valued at 102% of its public funds on deposit across all of its sub-state government depositors.
- Elimination of the limit on the percentage of demand or time deposits held by a single financial institution.

If the Governing Body approves the investment policy, staff will submit the policy to the PMIB later this year as part of the annual application to renew the City's expanded investment powers.

STAFF RECOMMENDATION:

Adopt the resolution.

VISION / GUIDING PRINCIPLES ALIGNMENT:

Vision 2040

Guiding Principles

Prudent Financial Management

ATTACHMENTS

1. Resolution
2. Policy located in the Appendix

RESOLUTION NO. 2025 - _____

A RESOLUTION APPROVING THE CITY'S INVESTMENT POLICY.

WHEREAS, K.S.A. 12-1677b grants expanded investment powers to municipalities where the governing body of the municipality has adopted an investment policy that is approved by the Kansas Pooled Money Investment Board (the "KPMIB"); and

WHEREAS, the City previously adopted Resolution No. 2024-066 approving an investment policy as set out in Governing Body Policy number GB-Finance-2 (the "Investment Policy"), to define investment objectives and to establish procedures to achieve those objectives; and

WHEREAS, in accordance with K.S.A. 12-1677b, the investment policy must be reviewed and approved at least annually or whenever the City makes changes in such investment policy; and

WHEREAS, staff requested Columbia Capital Management, LLC ("Columbia Capital"), who serves as the City's investment adviser for operating funds, review and recommend changes to the Investment Policy; and

WHEREAS, staff and Columbia Capital both recommend approval and re-adoption of the existing Investment Policy without any changes; and

WHEREAS, upon adoption by the Governing Body, staff will submit the Investment Policy to the KPMIB as part of the City's annual application for continuation of the City's expanded investment powers.

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

SECTION ONE: The Governing Body hereby adopts the existing Investment Policy attached in substantially the same form hereto as Exhibit "A" and incorporated herein by reference, as Governing Body Policy number GB-Finance-2. Further, the City Manager, City Attorney, Chief Financial Officer may take further action necessary to update the Investment Policy into the City's current Governing Body policy format.

SECTION TWO: Upon adoption of this Resolution, the City's current Investment Policy number GB-Finance-2 adopted on October 15, 2024 will be amended to reflect its re-adoption effective November 4, 2025 with no additional changes..

SECTION THREE: This Resolution shall become effective upon adoption.

ADOPTED by the Governing Body this 4th day of November, 2025.

SIGNED by the Mayor this 4th day of November, 2025.

CITY OF LENEXA, KANSAS

[SEAL]

Julie Sayers, Mayor

ATTEST:

Jennifer Martin, City Clerk

APPROVED AS TO FORM:

Sean McLaughlin, City Attorney



**CITY COUNCIL
MEMORANDUM**

ITEM 4

SUBJECT: Consideration of tax abatement and issuance of industrial revenue bonds (IRBs) for the STAG Industrial Building 1 Project located at 14050 Marshall Drive

CONTACT: Sean McLaughlin, City Attorney

DATE: November 4, 2025

ACTION NEEDED:

a) Conduct a public hearing, and

b) Adopt a resolution determining the intent of the City to issue approximately \$16.8 million in industrial revenue bonds (IRBs) and approving a 10-year tax abatement with payment in lieu of taxes (PILOT) agreement.

PROJECT BACKGROUND/DESCRIPTION:

STAG Industrial Holdings, LLC ("Developer") submitted an application requesting the issuance of IRBs and the approval of a 10-year, 55% property tax abatement for construction of a 186,300 square foot office/warehouse/manufacturing project located at 14050 Marshall Drive ("Project"). The Project anticipates construction to begin in late 2025 with completion by late 2027. The Project is the first phase in the redevelopment of approximately 33 acres located on the north side of Marshall Drive between Pflumm Road and Santa Fe Trail Drive.

In the second phase, the Developer intends to demolish the current building and construct a similarly sized project in its place. In accordance with the City's private activity bond and tax abatement policy ("Policy"), the Project is eligible for a 55% abatement because it is the type of facility and business that is desirable for the community and will facilitate the redevelopment of a 60-year old building with two new warehouse/office buildings. Additionally, pursuant to the Policy, the abatement is conditioned upon the Developer meeting certain conditions ("Business Conditions") set forth in the PILOT agreement, including a minimum capital investment of \$10 million in the first two years.

The Developer has requested a tax abatement with a fixed PILOT for the Project. The fixed PILOT is based upon a \$95.00/square foot value and a 186,300 square foot building(s) at substantial completion. The annual fixed tax increases 2% each year of the Abatement Term. The PILOT payment will be paid in accordance with the terms and conditions of the PILOT agreement.

Staff has prepared a cost benefit analysis which shows a positive net benefit for all taxing jurisdictions. The property is currently paying approximately \$67,867 annually in property taxes. The requested tax abatement by year, including abatement percentage and PILOT amount is as follows:

Year of Abatement	Abatement Amount	PILOT Payment
1	55%	\$207,158
2	55%	\$211,301
3	55%	\$215,527
4	55%	\$219,838
5	55%	\$224,235
6	55%	\$228,719
7	55%	\$233,293
8	55%	\$237,960
9	55%	\$242,719
10	55%	\$247,573

If the tax abatement is approved, the City would enter into a PILOT agreement with the Developer. After the tax abatement ends, the Project would go back on the tax rolls at its full assessed valuation.

Notice of the public hearing was published as required by state statute. In addition, notice was distributed to the Board of County Commissioners and the USD #512 (Shawnee Mission School District) School Board. The City Council will hold a public hearing on November 4, 2025, after which the Council will consider the resolution of intent to issue approximately \$16.8 million in IRBs and approving the proposed tax abatement subject to approval and execution of a PILOT agreement.

FINANCIAL IMPLICATIONS/FUNDING SOURCES:

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 issuance including an origination fee.

STAFF RECOMMENDATION:

Adopt the resolution.

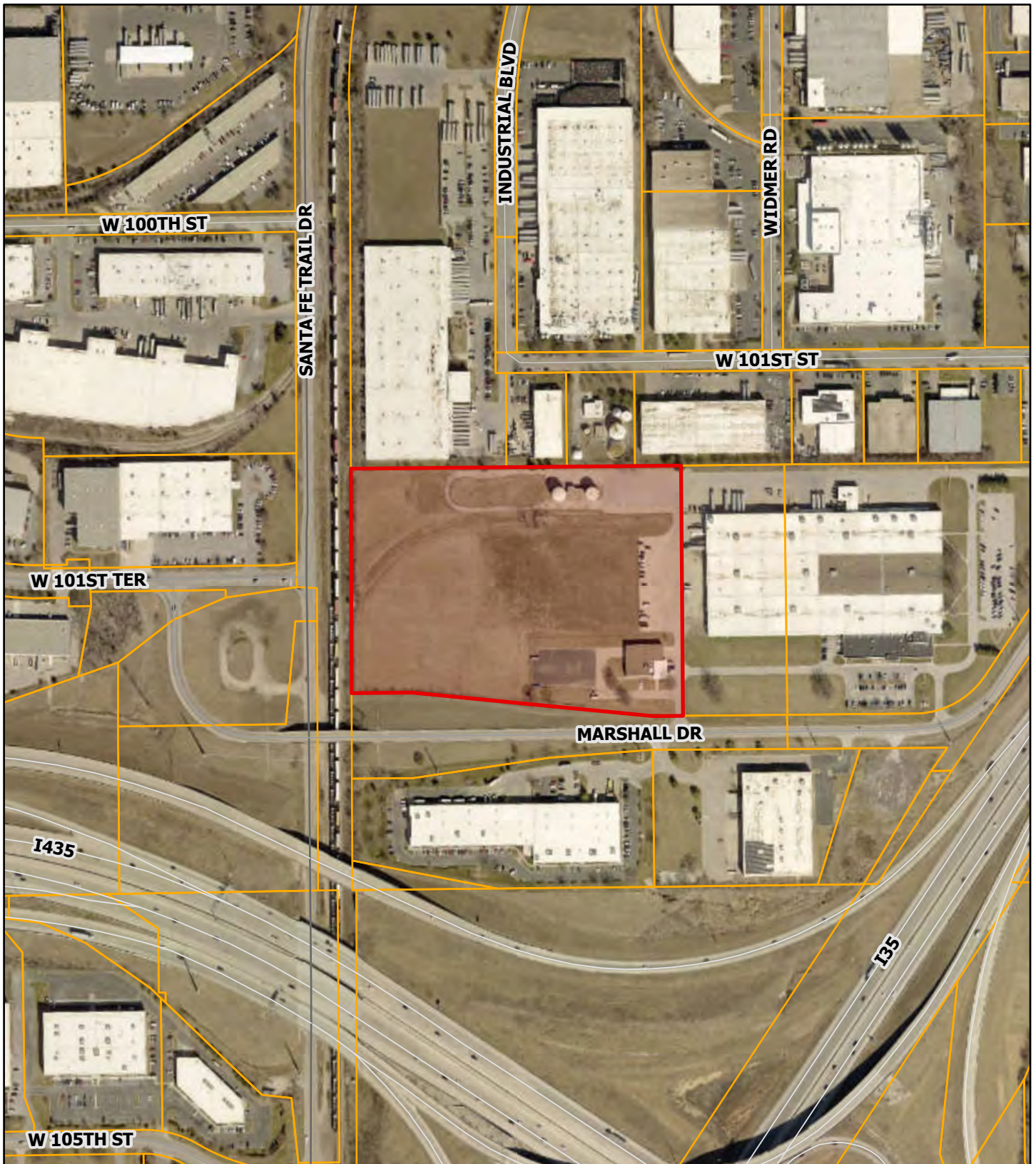
VISION / GUIDING PRINCIPLES ALIGNMENT:

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

STAG Industrial Building 1



0 200 400 800 Feet

RESOLUTION NO. 2025-_____

RESOLUTION DETERMINING THE INTENT OF THE CITY OF LENEXA, KANSAS, TO ISSUE ITS INDUSTRIAL REVENUE BONDS IN THE APPROXIMATE PRINCIPAL AMOUNT OF \$16,800,000 TO FINANCE THE COSTS OF ACQUIRING, CONSTRUCTING AND EQUIPPING A COMMERCIAL OFFICE AND WAREHOUSE PROJECT FOR THE BENEFIT OF STAG INDUSTRIAL HOLDINGS, LLC OR ITS SUCCESSORS AND ASSIGNS (STAG INDUSTRIAL BUILDING 1 PROJECT).

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, STAG Industrial Holdings, LLC, a Delaware limited liability company (the “Company”) an entity in good standing and authorized to do business in Kansas, submitted to the City an application requesting that the City finance the cost of acquiring, constructing and equipping acquiring, constructing, renovating and equipping an approximately 186,300 sq. ft. office/warehouse building located at 14050 Marshall Drive in the City (“Project”), through the issuance of the City’s industrial revenue bonds in the approximate principal amount of \$16,800,000, and to lease the Project to the Company in accordance with the Act; and

WHEREAS, it is hereby 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 industrial revenue bonds under the Act in the approximate principal amount of \$16,800,000, said 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 with City consent, to Company’s successors or assigns; and

WHEREAS, the Company also requests that the City consider granting an exemption from ad valorem taxes for the Project in accordance with K.S.A. 79-201a and has indicated its intent to make payments in lieu of tax; provided, however, such exemption is further conditioned upon compliance with State law and the Payment in Lieu of Tax Agreement to be entered into among the City and the Company.

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 hereby finds and determines that the acquiring, constructing and equipping of the Project will promote the general welfare and economic prosperity of the City of Lenexa, Kansas, and thereby further promote, stimulate and develop the general economic welfare and prosperity of the State of Kansas, and the issuance of the City's industrial revenue bonds to pay the costs of the Project 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 hereby determines and declares the intent of the City to acquire, construct and equip the Project out of the proceeds of industrial revenue bonds of the City in the approximate principal amount of \$16,800,000 (the "Bonds") to be issued pursuant to 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 said 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. The issuance of 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; (iii) the Company's compliance with the City's policies relating to the issuance of industrial revenue bonds and ad valorem tax abatement, 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. The sale of the Bonds shall be the responsibility of the Company and shall be privately placed 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 hereby authorized to proceed with the acquiring, constructing and equipping of 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.

This Resolution shall terminate on July 31, 2027 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. The City, upon the written request of the Company, may extend this time period.

Section 6. Benefit Analysis and Public Hearing. In accordance with K.S.A. 12-1749d, the City caused an analysis of the costs and benefits of an exemption from ad valorem taxes for the Project be prepared pursuant to K.S.A. 79-201a *Second* and the results are favorable to all taxing jurisdictions. The City sent the governing body of the County and the unified school district in which the Project is located a notice of the public hearing to consider the proposed tax exemption for property financed with the proceeds of the Bonds and published such notice in the official City newspaper at least 7 days prior to the date set for public hearing.

Section 7. Ad Valorem Tax Abatement; Payment in Lieu of Taxes. The City hereby determines that pursuant to the provisions of K.S.A. 79-201a *Second*, the Project purchased or constructed with the proceeds of the Bonds is eligible for an exemption from ad valorem property taxes for ten (10) years commencing the year following the year in which the Bonds are issued, provided proper application is made therefor. The City further determines that the Project shall be exempt from such taxes for ten (10) years, commencing in the year after the Bonds are issued, subject to an annual payment in lieu of taxes and other terms and conditions of a PILOT Agreement (as defined below). In making such determination the Governing Body of the City has conducted the public hearing and reviewed the analysis of costs and benefits of such exemption required by K.S.A. 12-1749d. Such determination of tax exemption is conditioned on the issuance of the Board of Tax Appeals ("BOTA") of an order exempting the Project from ad valorem taxation in accordance with Kansas law, including K.S.A. 79-201a *et seq.* or K.S.A. 74-50-115. The Company is responsible for preparing such BOTA exemption application, paying all fees related thereto and providing the same to the City for its review and submission.

Section 8. PILOT Agreement. The Mayor is further authorized and directed to execute and deliver the Payment in Lieu of Tax Agreement between the City and the Company (the "PILOT Agreement") on behalf of, and as the act and deed of the City, in substantially the same form as Exhibit A, attached hereto with such corrections or amendments thereto as the Mayor, upon recommendation of the City Attorney, may approve as evidenced by his execution thereof.

Section 9. 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 Base Lease and 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 10. Required Disclosure. Any disclosure document prepared in connection with the private placement of the Bonds shall contain substantially the following disclaimer:

NONE OF THE INFORMATION IN THIS OFFICIAL STATEMENT, OTHER THAN WITH RESPECT TO INFORMATION CONCERNING THE CITY CONTAINED UNDER THE CAPTIONS "THE CITY" AND "LITIGATION - THE CITY" HEREIN, HAS BEEN 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 11. 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, assign all or a portion of the Company's interest in this Resolution to another entity, and such assignee will be entitled to the benefits of the portion of this Resolution assigned and the proceedings related hereto.

Section 12. Further Action. Counsel to the City and the Bond Counsel for the City, together with the officers and employees of the City, are hereby 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 13. Effective Date. This Resolution shall take effect and be in full force immediately after its passage.

ADOPTED by the Lenexa City Council on November 4, 2025.

SIGNED by the Mayor on November 4, 2025.

CITY OF LENEXA, KANSAS

[SEAL]

Julie Sayers, Mayor

ATTEST:

Jennifer Martin, City Clerk

APPROVED AS TO FORM:

Sean McLaughlin, City Attorney

EXHIBIT A
PAYMENT IN LIEU OF TAX AGREEMENT

050571/608977-72877205.2
#PXLKK5P80D1PMOv1
106166298.2

Exhibit A



**CITY COUNCIL
MEMORANDUM**

ITEM 5

SUBJECT: 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

CONTACT: Sean McLaughlin, City Attorney

DATE: November 4, 2025

ACTION NEEDED:

a) Conduct a public hearing, and

b) Adopt a resolution determining the intent of the City to issue approximately \$30 million in industrial revenue bonds (IRBs) and approving a 10-year tax abatement with payment in lieu of taxes (PILOT) agreement.

PROJECT BACKGROUND/DESCRIPTION:

BCB Lenexa Holdings, LLC ("Developer") submitted an application requesting the issuance of IRBs and the approval of a 10-year, 55% property tax abatement for construction 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 and Lakeview Avenue ("Project"). The Project anticipates construction to begin in late 2025 with completion in 2027. In accordance with the City's private activity bond and tax abatement policy ("Policy"), the project is eligible for a 55% abatement because it is the type of facility and business that is desirable for the community and will facilitate the development of a parcel that has remained vacant for decades. Additionally, pursuant to the Policy, the abatement is conditioned upon the Developer meeting certain conditions ("Business Conditions") set forth in the PILOT agreement, including a minimum capital investment of \$10 million in the first two years.

The Developer has requested a tax abatement with a fixed PILOT for the Project. The fixed PILOT is based upon a \$95.00/square foot value and a total of 222,550 square foot building(s) at substantial completion. The annual fixed tax increases 2% each year of the Abatement Term. The PILOT payment will be paid in accordance with the terms and conditions of the PILOT agreement.

Staff has prepared a cost benefit analysis which shows a positive net benefit for all taxing jurisdictions. The property is currently paying approximately \$2,680 annually in property taxes. The requested tax abatement by year, including abatement percentage and PILOT amount is as follows:

Year of Abatement	Abatement Amount	PILOT Payment
1	55%	\$272,115
2	55%	\$277,557
3	55%	\$283,108
4	55%	\$288,771
5	55%	\$294,546
6	55%	\$300,437
7	55%	\$306,446
8	55%	\$312,574
9	55%	\$318,826
10	55%	\$325,203

If the tax abatement is approved, the City would enter into a PILOT agreement with the Developer. After the tax abatement ends, the Project will go back on the tax rolls at its full assessed valuation.

Notice of the public hearing was published as required by state statute. In addition, notice was distributed to the Board of County Commissioners and the USD #233 (Olathe School District) School Board. The City Council will hold a public hearing on November 4, 2025, after which the Council will consider the resolution of intent to issue approximately \$30 million in IRBs and approving the proposed tax abatement subject to approval and execution of a PILOT agreement.

FINANCIAL IMPLICATIONS/FUNDING SOURCES:

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 issuance including an origination fee.

STAFF RECOMMENDATION:

Adopt 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

Santa Fe Commerce Center



0 200 400 800 Feet

RESOLUTION NO. 2025-_____

RESOLUTION DETERMINING THE INTENT OF THE CITY OF LENEXA, KANSAS, TO ISSUE ITS INDUSTRIAL REVENUE BONDS IN APPROXIMATE PRINCIPAL AMOUNT OF \$30,000,000 TO FINANCE THE COSTS OF ACQUIRING, CONSTRUCTING AND EQUIPPING A COMMERCIAL OFFICE AND WAREHOUSE PROJECT FOR THE BENEFIT OF BCB LENEXA HOLDINGS, LLC OR ITS SUCCESSORS AND ASSIGNS (SANTA FE COMMERCE CENTER PROJECT).

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, BCB Lenexa Holdings, LLC, a Kansas limited liability company (the “Company”) an entity in good standing and authorized to do business in Kansas, submitted to the City an application requesting that the City finance the cost of acquiring, constructing and equipping an approximately 152,000 sq. ft. office/warehouse building and an approximately 70,550 sq. ft. office/warehouse building located in the northeast corner of the intersection of Santa Fe Trail Drive and Lakeview Avenue (“Project”), through the issuance of the City’s industrial revenue bonds in the approximate principal amount of \$30,000,000, and to lease the Project to the Company in accordance with the Act; and

WHEREAS, it is hereby 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 industrial revenue bonds under the Act in the approximate principal amount of \$30,000,000, said 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 with City consent, to Company’s successors or assigns; and

WHEREAS, the Company also requests that the City consider granting an exemption from ad valorem taxes for the Project in accordance with K.S.A. 79-201a and has indicated its intent to make payments in lieu of tax; provided, however, such exemption is further conditioned upon compliance with State law and the Payment in Lieu of Tax Agreement to be entered into among the City and the Company.

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 hereby finds and determines that the acquiring, constructing and equipping of the Project will promote the general welfare and economic prosperity of the City of Lenexa, Kansas, and thereby further promote, stimulate and develop the general economic welfare and prosperity of the State of Kansas, and the issuance of the City's industrial revenue bonds to pay the costs of the Project 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 hereby determines and declares the intent of the City to acquire, construct and equip the Project out of the proceeds of industrial revenue bonds of the City in the approximate principal amount of \$30,000,000 (the "Bonds") to be issued pursuant to 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 said 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. The issuance of 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; (iii) the Company's compliance with the City's policies relating to the issuance of industrial revenue bonds and ad valorem tax abatement, including payment of the City's origination fee and all costs of issuance; (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; and (v) the company completing a confidential financial review with the City's Financial Advisor for the Project showing Company's ability to complete the Project prior to January 31, 2026.

Section 5. Sale of the Bonds. The sale of the Bonds shall be the responsibility of the Company and shall be privately placed 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 hereby authorized to proceed with the

acquiring, constructing and equipping of 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.

This Resolution shall terminate on July 31, 2027 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. The City, upon the written request of the Company, may extend this time period.

Section 6. Benefit Analysis and Public Hearing. In accordance with K.S.A. 12-1749d, the City caused an analysis of the costs and benefits of an exemption from ad valorem taxes for the Project be prepared pursuant to K.S.A. 79-201a *Second* and the results are favorable to all taxing jurisdictions. The City sent the governing body of the County and the unified school district in which the Project is located a notice of the public hearing to consider the proposed tax exemption for property financed with the proceeds of the Bonds and published such notice in the official City newspaper at least 7 days prior to the date set for public hearing.

Section 7. Ad Valorem Tax Abatement; Payment in Lieu of Taxes. The City hereby determines that pursuant to the provisions of K.S.A. 79-201a *Second*, the Project purchased or constructed with the proceeds of the Bonds is eligible for an exemption from ad valorem property taxes for ten (10) years commencing the year following the year in which the Bonds are issued, provided proper application is made therefor. The City further determines that the Project shall be exempt from such taxes for ten (10) years, commencing in the year after the Bonds are issued, subject to an annual payment in lieu of taxes and other terms and conditions of a PILOT Agreement (as defined below). In making such determination the Governing Body of the City has conducted the public hearing and reviewed the analysis of costs and benefits of such exemption required by K.S.A. 12-1749d. Such determination of tax exemption is conditioned on the issuance of the Board of Tax Appeals ("BOTA") of an order exempting the Project from ad valorem taxation in accordance with Kansas law, including K.S.A. 79-201a *et seq.* or K.S.A. 74-50-115. The Company is responsible for preparing such BOTA exemption application, paying all fees related thereto and providing the same to the City for its review and submission.

Section 8. PILOT Agreement. The Mayor is further authorized and directed to execute and deliver the Payment in Lieu of Tax Agreement between the City and the Company (the "PILOT Agreement") on behalf of, and as the act and deed of the City, in substantially the same form as Exhibit A, attached hereto with such corrections or

amendments thereto as the Mayor, upon recommendation of the City Attorney, may approve as evidenced by his execution thereof.

Section 9. 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 Base Lease and 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 10. Required Disclosure. Any disclosure document prepared in connection with the private placement of the Bonds shall contain substantially the following disclaimer:

NONE OF THE INFORMATION IN THIS OFFICIAL STATEMENT, OTHER THAN WITH RESPECT TO INFORMATION CONCERNING THE CITY CONTAINED UNDER THE CAPTIONS "THE CITY" AND "LITIGATION - THE CITY" HEREIN, HAS BEEN 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 11. 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, assign all or a portion of the Company's interest in this Resolution to another entity, and such assignee will be entitled to the benefits of the portion of this Resolution assigned and the proceedings related hereto.

Section 12. Further Action. Counsel to the City and the Bond Counsel for the City, together with the officers and employees of the City, are hereby 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 13. Effective Date. This Resolution shall take effect and be in full force immediately after its passage.

ADOPTED by the Lenexa City Council on November 4, 2025.

SIGNED by the Mayor on November 4, 2025.

CITY OF LENEXA, KANSAS

[SEAL]

Julie Sayers, Mayor

ATTEST:

Jennifer Martin, City Clerk

APPROVED AS TO FORM:

Sean McLaughlin, City Attorney

EXHIBIT A
PAYMENT IN LIEU OF TAX AGREEMENT



**CITY COUNCIL
MEMORANDUM**

ITEM 6

SUBJECT: Quarterly Financial Report

CONTACT: Nate Blum, Chief Financial Officer

DATE: November 4, 2025

PROJECT BACKGROUND/DESCRIPTION:

Staff will present the quarterly financial report.

ATTACHMENTS

1. Presentation



City of Lenexa Quarterly Financial Report (Quarter Ending 09/30/2025)

Prepared by the Finance Department

November 4, 2025



OVERVIEW

The information contained in this report is unaudited & generally prepared on a cash basis. The report focuses on key indicators in 5 different areas:

- Revenues
- Expenditures
- Reserve Policy
- Debt Management
- Investments

Each key indicator is assigned a current rating based on the following scale:

Rating Scale for Key Indicators	
	Positive Outlook
	Area of Concern
	Negative Outlook

OVERVIEW

Overall, the City's goal is to achieve a "positive outlook" rating on each of the key indicators.

Key indicators are also presented for the local economy. These economic indicators are also assigned a specific rating according to the same rating scale. However, the rating results for these economic indicators are beyond the City's control.

As of 09/30/2025, the City's key revenues increased by \$3.8 million (4%) compared to revenue collections for the same period in 2024. The revenue change is primarily due to increased receipts of City property taxes, and City Comp Use Tax. In addition, expenditures for operating activities are within budget for 2025.

The remaining sections of the report review the key indicators & contain exhibits with details on the City's major revenue collections, operating & debt service expenditures, investment holdings, reserve balances by fund, Thompson Barn financial activity, and Rec Center financial activity.



REVENUE INDICATORS

<u>Status</u>	<u>Indicator</u>	<u>Comments</u>
	Property Taxes (current)	Property tax revenues increased 4% (compared to the same time period in 2024) & have exceeded the budget estimate.
	Sales Tax - City	City sales tax revenues increased 1% & are projected to meet the budget estimate.
	Sales Tax - County	County sales tax revenues increased 2% & are projected to meet the budget estimate.
	Compensating Use Tax - City	City use tax revenues increased 10% & are projected to meet the budget estimate.
	Compensating Use Tax - County	County use tax revenues increased 4% & are projected to meet the budget estimate.
	Franchise Tax - Electric	Franchise tax (electric) revenues increased 4% & are projected to meet the budget estimate.
	Franchise Tax - Gas	Franchise tax (gas) revenues increased 18% & have exceeded the budget estimate.
	Stormwater Service Charges	Stormwater Service Charges increased 5% & have exceeded the budget estimate.

REVENUE INDICATORS

Collections for the City's key revenue sources increased by \$3.8 million (4%) as of 09/30/2025 compared to 09/30/2024.

Total property tax collections are \$44.0 million as of 09/30/2025 (103% of the 2025 budget estimate), which is \$1.7 million higher (4%) than collections in 2024.

City sales tax revenues are \$18.6 million for 2025, which is \$220,300 higher (1%) than collections in 2024. County sales tax revenues are \$8.9 million for 2025 which is \$190,800 higher (2%) than collections in 2024.

Gas Franchise tax revenues are \$1.5 million for 2025, which is \$232,000 higher (18%) than collections in 2024.

Stormwater service charges are \$6.8 million for 2025, which is \$299,700 higher (5%) than service charges in 2024.

Exhibit A includes additional information on the City's key revenue sources.



EXPENDITURE INDICATORS

<u>Status</u>	<u>Indicator</u>	<u>Comments</u>
	Operating Expenditures - General Fund	General Fund operating expenditures increased 6% & are projected to be within the budget estimate.
	Operating Expenditures - Stormwater Fund	Stormwater Fund operating expenditures increased 8% & are projected to be within the budget estimate.
	Debt Service Expenditures - All Funds	Debt service expenditures decreased 0.14% & are projected to be within the budget estimate.

EXPENDITURE INDICATORS

The City's operating expenditure indicators are trending favorably in comparison to the 2025 budget.

General Fund operating expenditures increased by 6% as of 09/30/2025 compared to 09/30/2024 & are 73% of the 2025 budget estimate.

Stormwater operating expenditures increased by 8% compared to 2024 & are 68% of the 2025 budget estimate.

Debt service expenditures decreased by 0.14% compared to 2024 & are 98% of the 2025 budget estimate (debt service expenditures reflects interest payments made on 3/1/2025 and principal and interest payments made on 9/1/2025).

Exhibit B includes additional information on the City's expenditure indicators.



RESERVE POLICY INDICATORS

<u>Status</u>	<u>Indicator</u>	<u>Comments</u>
	General Fund	The current General Fund reserve balance is 38% of budgeted revenues. This percentage exceeds the 30% minimum reserve target established by policy.
	Debt Service Fund	The current Debt Service Fund reserve balance is 70% of budgeted expenditures/transfers. This percentage exceeds the 10% minimum reserve target established by policy.
	Stormwater Fund	The current Stormwater Fund reserve balance is 143% of budgeted revenues. This percentage exceeds the 10% minimum reserve target established by policy.
	Rec Center Fund	The current Rec Center Fund reserve balance is 137% of budgeted revenues. This percentage exceeds the 10% minimum reserve target established by policy.
	Tourism & Convention Fund	The current Tourism & Convention Fund reserve balance is 148% of budgeted revenues. This percentage exceeds the 5% minimum reserve target established by policy.

RESERVE POLICY INDICATORS

The City's key reserve indicators are trending favorably in comparison to the City's reserve policy.

The General Fund reserve balance as of 09/30/2025 report is above the maximum reserve target of 35%. The significant balance in the General Fund will be reduced later in 2025 assuming the Governing Body approves reserve transfers to finance capital projects.

The balances in the Debt Service Fund and Stormwater Fund decreased during the third quarter due to principal and interest payments on outstanding bond issues. Additionally, the Stormwater Fund balance is expected to decline further in 2025 as transfers increase to support capital projects. These transfers will provide matching contributions for external funding sources for stormwater initiatives. As reflected in the City's five-year financial forecast, Debt Service Fund reserves are projected to be spent down as expenditures are anticipated to exceed revenues in FY2026–FY2030.

RESERVE POLICY INDICATORS

In recent years, the City has steadily increased the balance of the Rec Center Fund, preparing for future facility maintenance and equipment replacement. In the coming years, staff foresees substantial investments in Rec Center maintenance, surpassing what the operating budget can accommodate within a single fiscal year.

The significant balance in the Tourism & Convention Fund has occurred due to the opening of new hotels in the City. These funds can only be used for promotion of tourism and economic development purposes. Currently, revenues in the Tourism & Convention Fund are used to provide funding to the Convention and Visitors' Bureau, Lenexa Economic Development Council, Legler Barn operations, Public Market operations, and debt service on the Lenexa Conference Center (at the Hyatt Place Hotel). Additionally, the City has allocated reserve funds for economic development projects and 2026 World Cup.

Exhibit E contains additional information on the City's reserve balances.

DEBT MANAGEMENT INDICATORS

<u>Status</u>	<u>Indicator</u>	<u>Comments</u>
	Ratio of budgeted debt service to budgeted total expenditures	The ratio of debt service to total expenditures is 11% for the 2025 budget (this percentage is considered "manageable" by the credit rating agencies - target is 15% or less).
	Ratio of direct g.o. debt to appraised valuation	The ratio of city g.o. (general obligation) debt to appraised valuation is 1.01% as of September 2025. This is considered manageable by the credit rating agencies.

DEBT MANAGEMENT INDICATORS

In order to finance previous & existing capital improvements, the City has issued a significant amount of general obligation (g.o.) debt.

The previous debt issued has resulted in a ratio of debt service to total expenditures of 11% for the 2025 budget. This is considered an above median but manageable debt burden by the credit rating agencies (generally, the rating agencies prefer ratios of 15% or lower).

The ratio of g.o. debt to appraised value (estimated market value) is 1.01% - the rating agencies consider this to be manageable.



INVESTMENT INDICATORS (operating portfolio)

<u>Status</u>	<u>Indicator</u>	<u>Comments</u>
	Portfolio distribution compared to policy parameters	The portfolio value by investment type is within the limits established by the city's investment policy.
	Current yield vs. short-term portfolio rate of return benchmark	Current investment yield of 4.102% is above the 4.02% benchmark.

INVESTMENT INDICATORS (operating portfolio)

The City's investment indicators are favorable in comparison to the investment policy. In accordance with the investment policy, the City primarily purchases U.S. Treasury and U.S. Government Agency fixed income securities.

The portfolio value by investment type is within the limits established by the investment policy but due to rapidly rising interest rates over the last year and an inverted yield curve, rates of return exceed the policy benchmarks. Specifically, the 09/30/2025 short-term portfolio rate of return (including cash equivalents) is 4.102% compared to the benchmark (3-month Treasury yield) of 4.02%.

As of 09/30/2025, the unrealized gain on the City's investment portfolio is \$81,147 (this means the City would have gained \$81,147 compared to the book value of the investments if all the securities were sold in the open market on 09/30/2025). In practice, the City usually holds all investment securities to maturity and rarely sells an investment security on the open market for a gain or loss.

The total market value of the City's operating portfolio is \$102.7 million as of 09/30/2025. Exhibits C & D include additional information on the City's investments, including information on the terms of each security in the City's portfolio.



ECONOMIC INDICATORS

<u>Status</u>	<u>Indicator</u>	<u>Comments</u>
	Commercial Building Permits	Total valuation of commercial building permits is \$173.6 million as of 09/30/2025, compared to \$201.9 million average in the same time period for 2020 thru 2024.
	Single Family Residential Building Permits	Total valuation of single family residential building permits is \$68.5 million as of 09/30/2025, compared to a \$72.2 million average for 2020 thru 2024.
	Apartment Building Permits	Total valuation of apartment building permits is \$37.1 million as of 9/30/2025, compared to a \$45.1 million average for 2020 thru 2024.
	Average Home Value (Appraised Value)	As of February 2025, the average appraised value of a Lenexa home is approximately \$493,287 an increase of 6.8% from the previous year (\$462,007).

ECONOMIC INDICATORS

Commercial building permit valuation is \$173.6 million as of 09/30/2025 compared to an average of \$201.9 million in the same time period for 2020 thru 2024.

Single family residential permit valuation is \$68.5 million for 2025 compared to an average of \$72.2 million for 2020 thru 2024.

Total building permit revenue is \$1.3 million for 2025 compared to \$1.5 million for the same period in 2024.

The average appraised value of a Lenexa home is \$493,287 for 2025, an increase of 6.8% from 2024 (\$462,007) per the Johnson County Appraiser's Revaluation Report dated February 2025.



OTHER INFORMATION

Additional exhibits in the report include:

- Thompson Barn financial report (Exhibit F)
- Purchase Order report (Exhibit G)
- Rec Center Financial Report (Exhibit H)

Please contact Nate Blum or Megan Sterling if you have any questions about the 09/30/2025 quarterly financial report.

**CITY OF LENEXA QUARTERLY FINANCIAL REPORT
(09/30/2025)**

Exhibit A – Budget and Actual Collections for Major Revenue Sources

9/30/2025		FY 2025		Actual 2025		
	Actual thru	Budget	Actual	as a % of	% Change	\$ Change
Description	9/30/2024	Estimate	9/30/2025	Budget Estimate	from FY 2024	from FY 2024
Property Taxes (current)	\$42,337,678	\$42,653,881	\$44,042,026	103%	4%	\$1,704,348
Sales Tax - City	\$18,378,661	\$24,548,000	\$18,599,018	76%	1%	\$220,357
Sales Tax - County	\$8,770,358	\$11,739,000	\$8,961,112	76%	2%	\$190,754
Comp Use Tax - City	\$8,666,303	\$11,726,000	\$9,493,184	81%	10%	\$826,881
Comp Use Tax - County	\$3,087,873	\$4,168,000	\$3,224,888	77%	4%	\$137,015
Franchise Tax - Electric	\$3,808,964	\$5,305,000	\$3,976,165	75%	4%	\$167,201
Franchise Tax - Gas	\$1,305,010	\$1,400,000	\$1,537,011	110%	18%	\$232,001
Stormwater Service Charges	\$6,536,884	\$6,679,000	\$6,836,604	102%	5%	\$299,720
Totals	\$92,891,731	\$108,218,881	\$96,670,008	89%	4%	\$3,778,277

Exhibit B – Operating and Debt Service Expenditures

9/30/2025		FY 2025		Actual 2025		
	Actual thru	Budget	Actual	as a % of	% Change	\$ Change
Description	9/30/2024	Estimate	9/30/2025	Budget Estimate	from FY 2024	from FY 2024
Operating Expenditures:						
General Fund	\$56,512,978	\$82,272,516	\$59,991,206	73%	6%	\$3,478,228
Stormwater Fund	\$1,659,708	\$2,613,136	\$1,788,671	68%	8%	\$128,963
Totals	\$58,172,686	\$84,885,652	\$61,779,877	73%	6%	\$3,607,191
Debt Service Expenditures:						
Debt Service Fund	\$12,215,843	\$12,819,708	\$12,561,945	98%	3%	\$346,102
Capital Improvement Fund	\$2,842,950	\$2,839,950	\$2,839,950	100%	-0.11%	(\$3,000)
Tourism & Convention Fund	\$278,406	\$274,156	\$274,156	100%	-2%	(\$4,250)
Stormwater Fund	\$3,141,712	\$2,958,005	\$2,777,439	94%	-12%	(\$364,273)
Totals	\$18,478,911	\$18,891,819	\$18,453,490	98%	-0.14%	(\$25,421)

**CITY OF LENEXA QUARTERLY FINANCIAL REPORT
(09/30/2025)**

Exhibit C – Investment Summary

Investment Type	Market Value	% of Market Value	Maximum % Allowed by Policy
U.S. Government Agency Obligations	\$19,982,700	9.4%	90%
U.S. Treasury Notes and Bills	\$82,685,195	38.9%	100%
Collateralized Time and Demand Deposits	\$66,278,206	31.2%	100%
Kansas Municipal Investment Pool Fund (MIP)	\$836,254	0.4%	30%
Repurchase Agreements	\$42,675,000	20.1%	30%
Total Portfolio	\$212,457,355	100%	n/a

CITY OF LENEXA QUARTERLY FINANCIAL REPORT
(09/30/2025)
Exhibit D - List of U.S. Treasury and U.S. Government Agency Investments

Short-term Portfolio:

Description	Par Value	Current Yield	Final Maturity	Current Book Value	Current Market Value	Unrealized Gain (Loss) as of 09/30/2025
US TREASURY N/B	10,000,000.00	4.2632	10/15/25	9,999,950.21	9,998,828.10	-1,122.11
US TREASURY N/B	5,000,000.00	3.1609	10/31/25	4,988,242.76	4,982,812.50	-5,430.26
US TREASURY N/B	6,000,000.00	4.3784	10/31/25	5,980,059.82	5,979,375.00	-684.82
FANNIE MAE	5,000,000.00	3.2494	11/7/25	4,986,385.57	4,981,450.00	-4,935.57
FEDERAL FARM CREDIT BANK	5,000,000.00	4.2172	11/28/25	4,999,280.43	4,999,250.00	-30.43
US TREASURY N/B	2,000,000.00	3.1855	11/30/25	1,990,930.88	1,987,656.26	-3,274.62
US TREASURY N/B	5,000,000.00	4.2216	11/30/25	4,969,073.62	4,969,140.65	67.03
U..S. TREASURY NOTES	5,000,000.00	4.2142	12/31/25	4,980,654.94	4,983,007.80	2,352.86
FEDERAL FARM CREDIT BANK	10,000,000.00	4.2243	1/22/26	9,996,990.84	10,002,000.00	5,009.16
US TREASURY N/B	5,000,000.00	4.5197	1/31/26	4,932,563.09	4,940,429.70	7,866.61
US TREASURY N/B	5,000,000.00	4.1289	2/15/26	4,954,215.24	4,957,226.55	3,011.31
US TREASURY NOTE	10,000,000.00	4.2176	3/31/26	10,013,754.59	10,031,640.60	17,886.01
US TREASURY N/B	10,000,000.00	4.2209	4/15/26	9,975,197.46	9,995,703.10	20,505.64
US TREASURY NOTE	10,000,000.00	4.1147	5/31/26	9,781,834.20	9,799,218.80	17,384.60
US TREASURY N/B	10,000,000.00	4.1078	6/30/26	10,037,614.52	10,060,156.30	22,541.78
Sub-total: Short-term Portfolio	\$103,000,000	4.102		\$102,586,748	\$102,667,895	\$81,147

Long-term Portfolio:

Description	Par Value	Current Yield	Final Maturity	Current Book Value	Current Market Value	Unrealized Gain (Loss) as of 09/30/2025
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Sub-total: Long-term Portfolio

Description	Par Value	Current Yield	Final Maturity	Current Book Value	Current Market Value	Unrealized Gain (Loss) as of 09/30/2025
TOTALS	\$103,000,000	4.102		\$102,586,748	\$102,667,895	\$81,147

Report Notes:

This report includes the City's U.S. Treasury and U.S. Government Agency investments held by the third-party custodian (UMB Bank).

This report does not include investments held away from the third-party custodian, which include:

- Repurchase Agreements
- Collateralized Time & Demand Deposits
- Municipal Investment Pool (Overnight Pool)

**CITY OF LENEXA QUARTERLY FINANCIAL REPORT
(09/30/2025)**

Exhibit E - Reserve Balances by Fund

9/30/2025						
Fund	9/30/2025 Reserve Balance	FY 2025 Budget	Policy Minimum Reserve Target	Minimum Reserve Target (per policy)	Actual 9/30/2025 Reserve Percentage	Projected 12/31/2025 Reserve Percentage
General Fund	\$43,801,292	\$115,120,241	30%	\$34,536,072	38%	39%
Debt Service Fund	\$9,799,129	\$13,968,516	10%	\$1,396,852	70%	56%
Health Plan Fund	\$6,152,724	n/a	n/a	\$2,163,463	n/a	n/a
Risk Management Fund	\$748,360	n/a	n/a	\$1,462,147	n/a	n/a
Worker's Compensation Fund	\$2,957,493	n/a	n/a	\$2,122,879	n/a	n/a
Stormwater Fund	\$10,530,724	\$7,381,213	10%	\$738,121	143%	37%
Rec Center Fund	\$4,295,410	\$3,135,500	10%	\$313,550	137%	113%
Tourism and Convention Fund	\$1,330,641	\$900,000	5%	\$45,000	148%	263%
Special Alcohol Fund	\$1,211,614	\$431,500	5%	\$21,575	281%	272%

**CITY OF LENEXA QUARTERLY FINANCIAL REPORT
(09/30/2025)**

Exhibit F - Thompson Barn Financial Report

<u>Account Description</u>	<u>Amount as 9/30/2024</u>	<u>Amount as 9/30/2025</u>																														
<u>Revenues:</u>																																
Community Rentals	\$183,377	\$179,370																														
Total Revenues	\$183,377	\$179,370																														
<u>Expenditures and Encumbrances:</u>																																
Personnel Costs	\$32,209	\$27,816																														
Contractual Services	\$22,301	\$29,970																														
Commodities	\$20,456	\$16,365																														
Total Expenditures and Encumbrances	\$74,966	\$74,151																														
Revenues less Expenditures and Encumbrances	\$108,411	\$105,219																														
Unspent Balance as of January 1st	\$1,234,768	\$1,389,067																														
Unspent Balance as of September 30th	\$1,343,179	\$1,494,286																														
<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="3"><u>Rental Activity YTD:</u></th></tr> <tr> <th><u>Number of Rentals</u></th><th><u>9/30/2024</u></th><th><u>9/30/2025</u></th></tr> </thead> <tbody> <tr> <td>Chamber of Commerce</td><td>12</td><td>17</td></tr> <tr> <td>City of Lenexa</td><td>21</td><td>8</td></tr> <tr> <td>Public</td><td>180</td><td>183</td></tr> <tr> <td>Totals</td><td>213</td><td>208</td></tr> <tr> <th><u>Types of Rentals</u></th><th><u>9/30/2024</u></th><th><u>9/30/2025</u></th></tr> <tr> <td>Meetings</td><td>84</td><td>81</td></tr> <tr> <td>Social Functions</td><td>129</td><td>127</td></tr> <tr> <td>Totals</td><td>213</td><td>208</td></tr> </tbody> </table>			<u>Rental Activity YTD:</u>			<u>Number of Rentals</u>	<u>9/30/2024</u>	<u>9/30/2025</u>	Chamber of Commerce	12	17	City of Lenexa	21	8	Public	180	183	Totals	213	208	<u>Types of Rentals</u>	<u>9/30/2024</u>	<u>9/30/2025</u>	Meetings	84	81	Social Functions	129	127	Totals	213	208
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Meetings	84	81																														
Social Functions	129	127																														
Totals	213	208																														

CITY OF LENEXA QUARTERLY FINANCIAL REPORT
(09/30/2025)

Exhibit G - Purchase Order Report (\$20,000.01 - \$75,000)

Fund/Department	Vendor Name	Amount	Description	Date
Rec Center Admin	Peckham Guyton Albers & Viets Inc	\$25,000.00	Rec Center Modification Study	07/07/2025
ERF Police Patrol	Engle Motors, Inc	\$27,761.49	2025 BMW Police Motorcycle	07/09/2025
Comm Dev Engineering	George Butler Associates Inc	\$41,849.45	KCMMB Concrete Services;Green Prairie Street Recon	07/10/2025
Street Improvements	VF Anderson Builders LLC	\$72,623.92	95th Street & Loret Blvd Intersection Improvement	07/10/2025
Park Improvements	COOK, FLATT & STROBEL	\$49,414.20	Special Inspection and Testing Services	07/15/2025
Facility Maintenance	Minnesota Elevator	\$22,652.00	City Center Parking Garage elevator 2 repair	07/22/2025
MS Hwys & Streets	Asphalt Sales Company	\$22,242.16	Asphalt	07/24/2025
Street Improvements	George Butler Associates Inc	\$30,288.90	Green Prairie Street Recon Material/Insp Testing	07/24/2025
Comm Dev Admin	INTEGRITY LOCATING SERVICES LLC	\$30,363.50	Underground Facilities Locating & Marking	07/24/2025
Stormwater Capital Projects	Affinis Corporation	\$42,244.95	89th Sterrace to 90th St West of Lackman - Desing	07/24/2025
Street Improvements	REINHOLD ELECTRIC INC.	\$46,336.50	2024 CDBG Street Lighting Project	07/24/2025
ERF MS Fleet	Shawnee Mission Ford Inc	\$47,030.00	PD2503 2025 Explorer PIU AWD Interceptor	07/24/2025
Capitla Acquisition	SunSmart Technologies	\$59,428.80	LJC SOLAR Purchase & Install	07/24/2025
Stormwater Capital Projects	HNTB Corporation	\$63,221.61	Seven Hills Watershed SW Rehab; 83rd St & Gleason to Clare	07/24/2025
Capital Improvement	Stanion Wholesale Electric Co Inc	\$68,664.20	Purchase of Ubicquia Streetlight Nodes	07/24/2025
P&R Pool Ad Astra	Tropitone	\$73,478.48	Aquatic Furniture	08/04/2025
MS Traffic; Street Improvments	Smart Traffic Company	\$22,333.55	2025 Pavement markings; 86th & Scarborough	08/07/2025
Street Improvements	Total Electric Contractors Inc	\$25,593.55	83rd St & Lackman Road Traffic Signal Improvement	08/07/2025
MS Hwys & Streets	Asphalt Sales Company	\$28,221.87	Asphalt	08/07/2025
Street Improvements	Wilson & Company Inc Engineers	\$38,425.50	Monticello Rd Infrastructure Improvement Design	08/07/2025
Capital Improvement	Stanion Wholesale Electric Co Inc	\$51,498.15	Purchase of Ubicquia Streetlight Nodes	08/07/2025
Capital Improvement	Centric Projects, LLC	\$59,024.00	Pub Market - KC Doner Renovation	08/07/2025
Stormwater Capital Projects	Wiedenmann Inc.	\$72,576.20	Lackman & Stoneridge Neighborhood Storm Sewer	08/07/2025
Street Improvements	Total Electric Contractors Inc	\$23,925.55	83rd St & Lackman Road Traffic Signal Improvement	08/21/2025
Municipal Buildings	SPACES INC.	\$62,040.90	LiveWell Clinic - Furniture	08/21/2025
Street Improvements	REINHOLD ELECTRIC INC.	\$63,099.00	2024 CDBG Street Lighting Project	08/21/2025
Municipal Buildings	Greystone Construction Company	\$67,900.00	Purchase & Installation of Salt Storage Facility	08/21/2025
Street Improvements	Hometown Lawn, LLC	\$25,949.00	Landscape Maintenance - 99th & Clare Road	08/28/2025
Comm Dev Admin	INTEGRITY LOCATING SERVICES LLC	\$24,592.50	Underground Facilities Locating & Marking	09/04/2025
Capital Improvement	Noblewins, LLC	\$27,525.00	Arch (2) & Everglade (1) Primed Benches 101441805	09/04/2025
Street Improvements	Stanion Wholesale Electric Co Inc	\$33,611.27	Ubicquia Nodes	09/04/2025
MS Hwys & Strts Snow	Central Salt LLC	\$48,487.36	Rock Salt	09/04/2025
Street Improvements	Wilson & Company Inc Engineers	\$51,250.50	Monticello Rd Infrastructure Improvement Design	09/04/2025
Municipal Buildings	Greystone Construction Company	\$53,403.94	Purchase & Installation of Salt Storage Facility	09/04/2025
Street Improvements	HNTB Corporation	\$60,090.16	On Call Street Lighting Design; 83rd St & Gleason to Clare	09/04/2025
ERF MS Traffic	Stanion Wholesale Electric Co Inc	\$24,955.00	ERF Ubicquia Streetlight Nodes MS 2503	09/05/2025
MS Traffic Strt Light	Stanion Wholesale Electric Co Inc	\$27,000.00	KIM Bounce Lights - Black and Silver	09/12/2025
Street Improvements	INCO USA, LLC	\$20,911.50	2025 Sidewalk & Trail Repair Program	09/18/2025
Facility Maintenance	Minnesota Elevator	\$21,139.70	City Center Parking Garage elevator 2 repair	09/18/2025
Comm Dev Admin	INTEGRITY LOCATING SERVICES LLC	\$21,331.00	Underground Facilities Locating & Marking	09/18/2025
Municipal Buildings	Minney Surveying	\$25,425.00	Surveying for the MS Campus Master Plan	09/18/2025
MS Traffic	Smart Traffic Company	\$35,764.35	2025 Pavement markings	09/18/2025
MS Hwys & Strts Snow	Central Salt LLC	\$37,404.18	Rock Salt	09/18/2025
Street Improvements	George Butler Associates Inc	\$38,409.00	Green Prairie Street Recon Material/Insp Testing	09/18/2025
Street Improvements	Alfred Benesch & Company	\$26,536.00	Special Inspections & Observation of PMP Projects	09/19/2025
Street Improvements	HNTB Corporation	\$40,730.00	Street Lighting Installation - Strang Line Road	09/23/2025
Street Improvements	Alfred Benesch & Company	\$49,040.00	Quivira Road Viaduct Bridge Rehabilitation	09/29/2025
Public Market	LOLL Designs	\$23,672.14	Loll Designs furniture	09/30/2025
MS Traffic	Traffic Control Corporation	\$61,385.00	Conflict Monitors	09/30/2025

**CITY OF LENEXA QUARTERLY FINANCIAL REPORT
(09/30/2025)**

Exhibit H - Rec Center Financial Report

<u>Account Description</u>	<u>FY 2025 Budget</u>	<u>Amount as of 9/30/2025</u>
<u>Revenues:</u>		
Membership Fees	\$2,518,500	\$1,917,946
Day Pass Fees	\$290,000	\$403,905
Child Care Fees	\$35,000	\$40,473
Silver Sneakers Fees	\$250,000	\$235,832
Birthday Party Rental Fees	\$140,000	\$177,562
Fitness Class Fees	\$96,000	\$82,008
Swim Lessons/Aquatics Programs	\$150,200	\$125,850
Sports Programs	\$40,800	\$34,241
Other Event & Rental Fees	\$7,000	\$33,243
Other Classes & Camps Fees	\$172,500	\$267,819
Investment Income	\$30,000	\$21,443
Vending & Miscellaneous Revenues	\$14,000	\$9,312
Total Revenues	\$3,744,000	\$3,349,634
<u>Expenses:</u>		
Personnel Costs	\$2,908,329	\$2,115,997
Contractual Services	\$568,023	\$341,573
Commodities	\$293,525	\$211,720
Capital Outlay	\$254,853	\$118,496
Total Expenses	\$4,024,730	\$2,787,786
Revenues less Expenses	(\$280,730)	\$561,848
Transfer from General Fund	\$300,000	\$0
Net Position (Balance), January 1, 2025		\$4,531,441
Net Position (Balance), September 30, 2025		\$5,093,289
<u>Statistics as of 09/30/2025</u>		
<i>Rec Center opened for operations in late July of 2017.</i>		
<u>Memberships</u>	<u>Number</u>	<u>% Share</u>
Household	5,442	49.3%
PLUS 1 (members above total of 5 members per household)	761	6.9%
Adult	997	9.0%
Senior	698	6.3%
Specialty Memberships	2,538	23.0%
All Other	595	5.4%
Total Memberships	11,031	100.0%
Total Membership Units		
(Pro Forma estimated 2,010 in first year)		
Total Visits 3rd quarter 2025)		
Total Visits (since opening)		
	98,904	
	2,420,842	

APPENDIX



**MINUTES OF THE
OCTOBER 21, 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, Williamson, Denny, and Herron were present with Mayor Sayers 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 October 7, 2025 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

Color the World Orange Day & AMPS/CRPS Awareness Month

CONSENT AGENDA

1. Acceptance of right-of-way as shown on Lenexa Logistics Centre North 6th Plat
This industrial property is on 17.29 acres located near the northeast corner of College Boulevard & Mill Creek Road. Right-of-way is being dedicated to the City as part of the final plat.
2. Acceptance of utility and drainage easements as shown on STAG Lenexa Final Plat
This is a phased business park development on 32.8 acres just north of the I-35 and I-435 interchange. Utility and drainage easements are being dedicated to the City as part of the final plat.
3. Acceptance of utility, drainage, landscape, and sidewalk easements and right-of-way as shown on Cedar Canyon West Villas Final Plat

This single-family residential subdivision is on 7.68 acres located in the southwest corner of 99th Street & 100th Street. Easements and right-of-way are being dedicated to the City as part of the final plat.

4. Approval of Change Order No. 1 for the 2025 Pavement Management Program - Thoroughfare and Industrial Streets Mill and Overlay Project
This project treated approximately 16.1 lane-miles with an asphalt mill and overlay. Work also included removing and replacing deteriorated curb and gutter, replacing sidewalk panels, and adding ADA ramps as needed. The cost of this change order is \$732,228.67.
5. Approval of Change Order No. 1 to the contract with Wilson & Company Inc. Engineers for the design of the 95th Street from Renner Boulevard to Lackman Road Improvements Project
The City previously approved a contract with Wilson & Company Inc. Engineers for design services for the 95th Street Improvements Renner to Noland Project. Recently, staff asked Wilson & Company Inc. Engineers to submit a cost proposal to perform additional design services for maintenance of 95th Street from Renner Boulevard to Lackman Road. The cost of this change order is \$223,000.
6. Approval of the 2025-2026 insurance program and authorization for the City Manager to execute all documents necessary to procure property and liability insurance and associated lines of coverage
The proposed 2025–2026 self-insured retention program is substantially similar to the 2024–2025 policy; however, by transitioning property coverage to GovPro, the City will save approximately 11% compared to renewing all coverages with Travelers, for a total base premium of \$738,485.
7. Approval of an encroachment agreement with CB AH #1, LLC to allow private infrastructure to be constructed within public right-of-way at 8675 Scarborough Street in Lenexa City Center
To accommodate development of a new multitenant restaurant building at 8675 Scarborough Street on the AdventHealth Campus in Lenexa City Center, CB AH #1, LLC is requesting an encroachment into public right-of-way for private underground storm sewer pipes, storm sewer junction boxes and retaining walls.
8. Approval of a final plan for City Center Lenexa Area A (Restaurant Row) to add deferred surface parking on property located at the southeast corner of eastbound 87th Street Parkway & Scarborough Street in the CC, Planned City Center District
The applicant proposes to construct 37 additional surface parking spaces in City Center Lenexa Area A (Restaurant Row). The final plan shows additional rows of parking to be constructed in areas along existing drives in the surface parking area.
9. Resolution authorizing the Mayor to execute a subrecipient agreement with Johnson County, an Authorized Signature Form, and an extension request letter for Community Development Block Grant Project Number 2025-10
This agreement is for the acceptance of \$194,924.80 in funds for the 2025 Community Development Block Grant (CDBG) Street Lighting System Replacement Project for Candlelight Lane, Widmer Road, Park Street, Summit Street, and 89th

Terrace. An Authorized Signature Form is also required, along with an extension request letter for the CDBG.

10. Ordinance authorizing the issuance of industrial revenue bonds in the principal amount not to exceed \$22 million (Lenexa Logistics Centre South - Building 6)
The City Council previously passed a resolution stating the City's intent to issue approximately \$22 million in industrial revenue bonds to help finance the acquisition, construction, and equipping of a 198,715 square foot building in the Lenexa Logistics Centre South development located west of 113th Street & Britton Street and approving a 10-year tax abatement for the project. The tax abatement will commence January 1, 2026.
11. Resolution declaring it necessary to appropriate private property for construction of the 83rd Street from Gleason Road to Clare Road Project
This resolution will allow the City to proceed with acquisition of private property associated with the construction of the 83rd Street from Gleason Road to Clare Road Project. The total cost of the project, including property acquisition, is estimated to be \$13,671,790.

END OF CONSENT AGENDA

Councilmember Nicks made a motion to approve items 1 through 11 on the consent agenda and Councilmember Arroyo seconded the motion. Motion passed unanimously.

BOARD RECOMMENDATIONS

12. Ordinance approving a five-year special use permit for a medical clinic expansion for Raw Health Company located at 12760 W. 87th Street Parkway, Suite 110, in the NP-O, Planned Neighborhood Office District
The applicant proposes to expand their medical clinic use within the NP-O, Planned Neighborhood Office Zoning District, which requires a special use permit.

Stephanie Sullivan, Planning Manager, said this request is for a special use permit (SUP) for Raw Health Company located at 12760 W. 87th Street Parkway, southwest of Rosehill Road and north of 87th Street Parkway, within a primarily commercial area. She said the applicant seeks approval to expand their existing medical clinic operation, which was originally granted a five-year SUP in 2023, but the proposed expansion increases the clinic's intensity of use, which requires a new SUP.

Ms. Sullivan said the site is zoned NP-O and the proposed use aligns with both the zoning designation and the City's Comprehensive Plan future land use map, which identifies the property for office use. The applicant currently operates with four providers serving up to nine patients, with four seen at a time and five in the waiting area. The expansion would double capacity to eight providers and up to 18 patients. She said the proposed changes are limited to the interior of the building, converting four storage rooms into treatment rooms, and no exterior modifications are planned. She presented floor plans, photos of the existing tenant space, and a street view of the multitenant building.

Ms. Sullivan said the expansion triggers a requirement of 41 parking spaces, while 40 are available on-site. She noted that parking agreements with the nearby Greystone South commercial area are expected to provide sufficient capacity.

Ms. Sullivan said staff reviewed the standard 13 criteria for evaluating SUPs, noting compatibility with adjacent uses, the absence of complaints about the business, and compliance with prior approvals. She said both the Planning Commission and staff recommended approval. The new permit would be valid for five years and restart the term from the date of approval.

Councilmember Charlton made a motion to approve Item 12 and Councilmember Eiterich seconded the motion. Motion passed unanimously.

13. Consideration of a rezoning and preliminary plan known as Hedge Lane Residential for a single-family and townhome residential development on property located at 9140 Hedge Lane Terrace

a. Ordinance rezoning property from the AG, Agricultural District to the RP-1, Planned Residential (Low-Density) and RP-2, Planned Residential (Intermediate-Density) Districts

b. Approval of a companion preliminary plan for Hedge Lane Residential development

The applicant requests approval to rezone property to allow a single-family and townhome development, as well as approval of a companion preliminary plan for the townhome component of the development. The plan includes 18 single-family lots and 68 townhome units across 13.73 acres.

Ms. Sullivan said the applicant for the Hedge Lane Residential development is requesting rezoning from AG to RP-1 (single-family) and RP-2 (townhomes) with preliminary plan approval for property at 9140 Hedge Lane Terrace, north of Prairie Star Parkway and west of K-7 Highway. She said the 13.73-acre infill site currently contains one single-family residence and is designated Suburban Density Residential in the Comprehensive Plan. She said the surrounding area includes RP-1 and RP-2 zoning to the north and west (the Reserve), commercial uses to the south (CP-1/CP-2), and a mix of AG, NP-O, and higher-density residential districts east of K-7 Highway.

Ms. Sullivan presented aerial photos from 2004-2025 showing the development of the area.

Ms. Sullivan said staff reviewed the required rezoning criteria, emphasizing neighborhood character, nearby zoning and use, suitability, Comprehensive Plan conformance, and traffic.

Ms. Sullivan reviewed the preliminary plan which contains 86 dwellings at 6.26 dwelling unit per acre (du/ac) overall, with 18 RP-1 single-family lots (about 5.2 acres at 3.44 du/ac) and 68 RP-2 townhome units (about 8.5 acres at 8 du/ac) across 13 buildings (4–6 units each). The site places single-family homes

adjacent to existing single-family to the north and west, with townhomes transitioning toward commercial uses to the south and K-7 Highway to the east, reflecting the Comprehensive Plan's context-sensitive infill guidance developed specifically for this area. She said the amenities include a dog park and trails within an unbuildable utility-easement corridor.

Ms. Sullivan discussed the site access and circulation, saying it includes a new public segment of 91st Street connecting Dunraven Street and Mistletoe Drive and ends in a cul-de-sac, along with private drives serving the townhomes and providing the Monticello Gospel Assembly Church with new access. The existing Hedge Lane Terrace access to K-7 Highway would be closed to meet City/KDOT safety objectives. She then pointed out current and future neighborhood outlets to Prairie Star Parkway, Gleason Road, Clare Road, and a future roundabout near St. James Academy.

Ms. Sullivan talked about requested deviations that address lot area, width, and depth, as well as front and street side and freeway setbacks, including a reduction of the single-family front setback from 30 feet to 20 feet (which maintains the typical driveway parking depth) and a freeway-setback deviation driven largely by the new private drive location near the K-7 Highway right-of-way. She said the buildings would be farther from K-7 Highway than comparable Reserve homes/townhomes to the north. She noted similar deviations were approved in nearby Reserve plats and said staff supports the requested deviations given the project's context and housing-mix goals.

Ms. Sullivan summarized public feedback on traffic, access timing, density/character, preservation of open space, school capacity, and crime concerns. She talked about the property owner's development rights, consistency with the Comprehensive Plan, connectivity improvements, and closure of the direct K-7 Highway access addressing many issues. She also said she believes the school district uses the land use map for capacity planning. Overall, she indicated the plan and rezoning are consistent with the Comprehensive Plan and context-sensitive infill objectives.

Tim Green, City Engineer, presented on traffic concerns and explained what the term level of service (LOS) means and how it is used to gauge roadway operations, noting the City typically designs for a LOS rating of C/D at ultimate build-out to avoid over- or under-building roads. He said K-7 Highway currently operates acceptably and is planned to remain a four-lane divided highway, with KDOT's long-term goal to remove driveways and at-grade intersections to improve safety and capacity. He said the K-7 Highway & Prairie Star Parkway interchange functions at a LOS rating of B/C during off-peak hours but reaches a LOS rating of C/D at peak morning and evening periods, and a LOS rating of E/F during St. James Academy's dismissal from about 3:30 PM to 3:50 PM, at times backing queues to the Dunraven Street roundabout. He said the signals that were installed in 2022 were intended to extend capacity by 5–7 years. While no construction timeline is set, he said the interchange was included in KDOT's recent K-10 Corridor Study environmental assessment, which received

a finding of no significant impact (FONSI), streamlining future state-funded improvements.

Mr. Green said that at Prairie Star Parkway & Dunraven Street the observed volumes are about 1,400 vehicles per hour versus a two-lane roundabout capacity of about 2,500 to 3,000 vehicles per hour (about 60% utilization). He noted that the crash history is elevated, largely non-injury and attributed to westbound outside-lane drivers making prohibited left turns toward the hospital, so staff will implement temporary pavement-marking changes in the coming weeks (with permanent treatments programmed in the next Capital Improvement Program (CIP)), regardless of project approval.

For Dunraven Street itself, Mr. Green said traffic counts that were taken on Wednesday, October 15th from 7 AM to 8:15 AM recorded 318 two-way peak-hour vehicles just north of the Casey's driveway; with a collector capacity of 1,000 to 1,200 vehicles per hour, Dunraven Street operates at a LOS rating of B. Concerns about tight curves and sight distance were discussed and he explained that the minimum requirements are exceeded for both.

Mr. Green talked about the longstanding K-7 Highway corridor objectives to eliminate direct highway driveways and at-grade intersections due to safety risks, citing five fatalities along K-7 Highway in Shawnee and Lenexa over the last six years, and emphasized that removing the Hedge Lane Terrace driveway in favor of internal neighborhood access is consistent with City/KDOT safety goals.

Ms. Sullivan concluded by revisiting key points from the KDOT K-7 Corridor Management Plan, noting that this very location, Hedge Lane Terrace, had been identified years ago as one where KDOT recommended driveway removal for safety and access-management reasons. The aerial image displayed showed the existing K-7 Highway access that would be eliminated under the proposed plan, aligning with KDOT's long-term objective to reduce direct highway connections. She summarized the request as a rezoning, along with preliminary plan approval for the Hedge Lane Residential project, consisting of single-family and townhome dwellings and reiterated that the site is surrounded by single-family residential to the north and west, commercial uses to the south, and K-7 Highway to the east, and that the plan provides an appropriate land-use transition between those elements.

Ms. Sullivan said both staff and the Planning Commission recommend approval. She added that a valid protest petition was submitted, so a supermajority vote of seven is required to approve the rezoning, while six votes would be required to deny, and five votes could return it to the Planning Commission with direction for revisions.

Councilmember Charlton asked how often six-unit townhomes have been constructed and Ms. Sullivan said there are several townhome developments in the city with 2-6 units.

Councilmember Arroyo asked if staff has had any communication with the school district regarding this development and Ms. Sullivan said she believes the school districts use the Comprehensive Plan to plan for growth but staff did not speak to the district about this project.

Councilmember Nicks asked about getting clearance from KDOT for the Prairie Star Parkway bridge and if that could be moved up on KDOT's priority list. Beccy Yocham, City Manager, said there is ongoing coordination with KDOT regarding the K-7 Highway & Prairie Star Parkway interchange improvements, but that project will be incorporated into the broader K-10 Corridor Improvement Project, a multi-phase initiative estimated to exceed \$1 billion. She said that while KDOT has not yet defined a phasing or construction timeline, contributing local funding could potentially accelerate this segment's implementation. As of now, she said the City has not received any formal indication from KDOT about when this particular portion of the K-10 improvements will move forward.

Councilmember Nicks asked follow-up questions regarding the traffic and roadway improvements, saying he was surprised that most roundabout conflicts occur in the westbound direction at the Dunraven Street roundabout. Mr. Green confirmed that approximately 75% of the crashes occur from westbound crossovers, drivers in the outside lane attempting to turn left while vehicles in the inside lane continue straight. Mr. Green explained that temporary pavement markings will be installed to help better delineate lanes and improve safety. He said a future CIP project will make those markings permanent through construction of curbing, landscaping, and brick treatments, and will also reconfigure the roundabout to a more elongated design, which will channel vehicles into a single southbound lane, reducing confusion and lane overlap similar to recently constructed roundabouts on Renner Boulevard, such as the one at 86th Street.

Councilmember Nicks also asked about the 91st Street connection, which has remained stubbed for several years. Mr. Green explained that while the road could generate some use if completed now, its extension is development-driven. He said the City owns the northern portion and has issued multiple Requests for Proposals (RFPs) seeking private development interest, but limited activity west of Clare Road has slowed progress. He noted the City remains open to extending 91st Street when surrounding development provides both the need and funding support to justify construction.

Councilmember Eiterich said she appreciated staff's thorough responses to the Council's questions on this project. She talked about receiving feedback from nearby homeowners concerned that during morning peak hours, traffic can back up as far north as 91st Street, affecting access near the proposed development entrance and that during off-peak times, speeding has been an issue. She asked whether traffic-calming measures could be implemented to slow speeds during construction and early occupancy. Mr. Green confirmed that sight distance at the curve and access point exceeds minimum standards and is considered more than adequate for safety. He explained that Dunraven

Street is a collector street, designed primarily to move traffic efficiently rather than function as a local residential street; because there are no driveways fronting the roadway, it serves as a key connector rather than a neighborhood street where calming devices are typically appropriate. Mr. Green noted that while physical traffic-calming measures are not recommended for collectors, targeted speed enforcement would be the most effective means to address driver behavior and ensure safety during and after development activity.

Councilmember Charlton asked for clarification on the proposed roundabout redesign, asking whether the new pavement markings would effectively reduce the southbound approach to one lane and how that would impact drivers. Mr. Green confirmed that the revised layout would function as a single-lane movement through the roundabout, explaining that is how the intersection was meant to operate. Mr. Green said many drivers incorrectly use the outside lane to make a full left turn through the roundabout, which is not allowed. The outside lane is intended only for right turns or continuing straight, while left-turn movements should occur from the inside lane. The re-striping will help guide vehicles correctly, preventing the unsafe crossovers that have caused most of the minor crashes there.

Mr. Green presented comparisons between the current markings and the proposed layout, noting that the redesign would mirror newer roundabouts recently installed in City Center and along Renner Boulevard near 86th Street. These updated designs use more elongated center islands and improved lane striping to naturally guide drivers into the correct lane path, reducing confusion and improving overall safety. He added that roundabout design standards have evolved since the early 2000s, and this adjustment reflects the modern best-practice configuration for multi-directional intersections with mixed commuter and local traffic.

Councilmember Herron asked about the comment made at the Planning Commission meeting regarding “the type of people that live in RP-2 zoning districts” and whether such remarks have any bearing on staff’s analysis of development proposals. Scott McCullough, Community Development Director, explained that the comment reflected a general concern rather than a specific, substantiated issue. He affirmed that such comments carry no weight in the City’s professional evaluation process, emphasizing that staff’s review follows the established rezoning criteria, which focus on tangible planning considerations such as land use compatibility, density, infrastructure, and design.

Ms. Sullivan further clarified that the City’s analysis does not distinguish between for-sale and rental housing when assessing rezoning or site plans. All housing types—single-family, duplex, townhome, or multifamily—are evaluated based on form, function, and context, ensuring that recommendations are rooted in planning principles and code compliance.

Councilmember Denny noted that the subject property is currently zoned AG and is directly adjacent to K-7 Highway, which is expected to experience

increased traffic over time. He said he supports not placing single-family homes immediately adjacent to the highway, citing concerns about noise and safety. He acknowledged the developer's efforts to incorporate context-sensitive design principles, aligning with the City's Comprehensive Plan for infill development that provides an appropriate transition between residential and commercial uses. He also said that this plan appears to reflect thoughtful consideration of those goals.

Councilmember Denny, having served on a school board, also commented on concerns raised regarding school capacity. He noted that school districts routinely conduct demographic studies to anticipate student population impacts from new residential development and said he is confident that the district serving this area would be attentive to those factors as the neighborhood builds out. He suggested that, while enrollment impacts would need to be monitored, the district is most likely well equipped to manage growth associated with new housing.

Councilmember Williamson asked for more details on the purpose and design of the temporary pavement markings for the roundabout. Mr. Green explained that the temporary improvements would involve re-striping the roundabout to improve visibility and lane guidance, including refreshing worn markings, adding more directional arrows and delineation lines, and reducing portions of the roundabout to function as a single lane to better control traffic flow and prevent unsafe lane crossings. He said that these temporary measures would remain in place until the CIP project is completed, at which point the roundabout will be reconstructed into a permanent oval configuration with curbing, brickwork, and landscaping. He said that traffic counts show the majority of vehicle movements through the roundabout are east-west, particularly during school hours, while north-south volumes are relatively low. Because of this, the two-lane configuration is only needed for east-west traffic, and the planned markings will simplify the southbound approach to a single lane for safety.

Councilmember Handley thanked staff for responding to his questions and Mr. Green for his explanation of LOS. He asked whether the City has previously approved deviations from future land use density when evaluating infill sites that do not perfectly align with the Comprehensive Plan. Ms. Sullivan confirmed that there have been similar cases, referring to an example north of WaterCrest Landing, where a project involving multifamily and duplex housing was reviewed comprehensively and ultimately approved, even though its density differed slightly from the future land use map. She said that the Comprehensive Plan serves as a flexible guide, not a rigid zoning constraint.

Councilmember Handley asked to see the deviations again and Ms. Sullivan explained that the numbers shown in parentheses represented the approved dimensions, not the amount of deviation from code standards.

Councilmember Handley asked whether KDOT had considered allowing the existing K-7 Highway access point to remain open for emergency or

construction access and Mr. Green said that both KDOT and the City are in agreement that the driveway will be permanently removed, citing safety concerns with slow-moving construction vehicles entering or exiting directly onto a high-speed highway. He reiterated that eliminating the access aligns with KDOT's long-standing corridor safety goals and that no exceptions are anticipated.

Councilmember Williamson asked staff to define what a context-sensitive infill location is and Ms. Sullivan explained that it is typically a remaining undeveloped parcel within an otherwise built-out area, often one that has not yet reached its highest and best use. In this case, the property currently contains a single-family home on a large lot, while the Comprehensive Plan designates the area for more dense suburban residential development. She said the property owner now seeks to sell to a developer who would redevelop the land consistent with that vision, effectively filling in a gap within an established neighborhood framework.

To illustrate the point, Ms. Sullivan referenced the aerial imagery timeline shown earlier, which demonstrated how the surrounding Reserve neighborhood had gradually developed, leaving this site as the last remaining undeveloped tract between residential and commercial areas. She said it was uniquely positioned between single-family homes to the north and west and commercial uses along Prairie Star Parkway to the south.

Ms. Sullivan said this was likely why the City's Comprehensive Plan specifically used this parcel as an example of context-sensitive infill development, since it demonstrates the challenges and opportunities of blending different land uses. She emphasized that the narrow shape of the property, combined with the need to close the existing Hedge Lane Terrace access to K-7 Highway and accommodate existing utility easements, makes it a dimensionally constrained site that requires careful planning. Those limitations, along with its transitional location and redevelopment potential, are what classify Hedge Lane Residential as a true infill project under Lenexa's land-use framework.

Councilmember Arroyo asked about the anticipated construction activity and traffic impacts, specifically inquiring how trucks and heavy equipment would access the site and whether that traffic might affect nearby residents. Ms. Sullivan clarified that all construction access would come from Dunraven Street. Construction vehicles, including delivery trucks and equipment haulers, would enter and exit through the neighborhood's internal street network. Ms. Yocham added that the Reserve subdivision was developed in seven phases, each of which experienced a comparable amount of construction traffic during its build-out. The level of activity expected for this development would be consistent with typical residential development patterns in the area. She said that while some temporary disruption is inevitable during grading, utility installation, and home construction, the traffic volumes and routes will mirror what residents experienced during prior phases of the Reserve.

Councilmember Nicks asked about the density calculations and if the individual

zoning districts, RP-1 for single-family and RP-2 for townhomes, each independently met the City's allowable density limits. Ms. Sullivan confirmed that both components of the project are within the permitted thresholds. She explained that while the overall site was presented with a combined density figure of 6.26 du/ac for illustrative purposes, each zoning district independently complies with City standards and does not rely on an averaged or blended calculation to justify density. Councilmember Nicks said he was not in favor of combining density calculations and thanked the applicant and staff for making this plan comply on its own within the Code. He also thanked Councilmember Herron for addressing the public comment made at the Planning Commission meeting, emphasizing that Lenexa's planning decisions are based on objective development standards and community compatibility.

Nikola Krcmarivec, Vice President of Development for 29th Street Capital, thanked City staff for their thorough and collaborative review process, noting that extensive coordination and plan revisions were undertaken to ensure the project is both context-sensitive and compatible with the surrounding neighborhood. He described the development as a challenging but carefully designed infill site, constrained by several factors including adjacent mixed zoning, proximity to a highway, and existing utility easements that limit buildable space. The site layout, he explained, was shaped around those constraints and aligns with both City and KDOT goals, particularly the planned removal of the Hedge Lane Terrace access to K-7 Highway, which resolves a long-standing infrastructure and safety issue.

Mr. Krcmarivec said the plan features a new public extension of 91st Street connecting it to Mistletoe Drive, bordered by single-family homes and townhomes. He emphasized that the design intentionally opens the site to the surrounding community by incorporating public streets, open spaces, and extended trail connections linking to the nearby Monticello Gospel Assembly. He added that planned amenities include a dog park, outdoor lawn areas, and pavilion space for residents and neighbors alike.

Mr. Krcmarivec highlighted that the project targets young families and working professionals who desire three- and four-bedroom homes with garages, driveways, and backyards, offering a maintenance-free alternative to traditional homeownership. The development, he said, provides a neighborhood-scale housing option, and will be privately maintained and professionally managed by 29th Street Capital's in-house property team.

Mr. Krcmarivec said that the plan aligns with the Comprehensive Plan, enhances the surrounding area, and supports the City's housing diversity goals. Citing unanimous support from the Planning Commission, he requested Council approval of the rezoning, preliminary plan, and associated deviations.

Councilmember Eiterich asked Mr. Krcmarivec about home sizes, parking, and street design. He confirmed that both the single-family homes and townhomes will offer a mix of three- and four-bedroom floor plans, with two different size options ranging from 1,800 to 2,200 square feet. Councilmember Eiterich

expressed appreciation for the inclusion of larger, family-oriented rental options, calling it a product the City lacks, but also raised concerns about parking availability and street maintenance. She questioned why the public street (91st Street) was aligned with the lower-density single-family portion, while the private drive served the denser townhome area. Mr. Krcmarivec and staff explained that the public street provides continuity with the existing neighborhood's layout, while private drives are standard for higher-density townhome developments, allowing for internal management and maintenance flexibility.

In response to parking concerns, Mr. Krcmarivec outlined that each unit includes a two-car garage and two driveway spaces, providing up to four off-street spaces per home. Additionally, he said there will be about 15 perpendicular overflow spaces located near community amenities for visitors or shared use. However, due to spacing between driveways, he said limited on-street parking will be available along the private drive.

Councilmember Eiterich talked about the need to avoid creating a cramped feel or disparities between City-maintained and privately maintained streets, particularly in terms of snow removal, resurfacing, and overall upkeep. Mayor Sayers and Mr. McCullough confirmed that the private drive must still comply with City codes regarding emergency access and pavement condition.

Mr. Krcmarivec said homes and townhomes would average around \$3,000 per month, comparable to market rates for similar-sized units. He said that the community would be professionally managed and landscaped, with consistent maintenance standards across the entire site.

Councilmember Eiterich asked about the units' square footage and if the proposed dog park on-site would be open to the rest of the community. Mr. Krcmarivec said the units would be 1,800 to 2,200 square feet and the intention is for this to be a community dog park.

Councilmember Handley voiced support for the inclusion of three- and four-bedroom rental homes, echoing others' remarks about the need for this type of housing. He noted that such homes serve not only residents who cannot yet purchase but also newcomers to the region, individuals between homes or apartments, and those seeking larger, maintenance-free living options while determining where to settle long term. He asked about the developer's experience with property management. Mr. Krcmarivec said that 29th Street Capital is a national real estate development, management, and acquisition firm with approximately 15,000 residential units under management nationwide. The company currently manages three properties in the Kansas City metro, with the nearest being Greenwood Reserve in Olathe.

Councilmember Handley said he supported the concept of a gradual transition in land-use intensity but asked how the development team determined the final unit count and density across the site. Mr. Krcmarivec said that the proposed density was driven by project feasibility and infrastructure costs. Given the size

of the parcel, he said the need for public improvements and the removal of the K-7 Highway access point, a certain minimum number of homes was required to make the project financially viable. He said that the current proposal reflects the lowest density feasible while still supporting necessary infrastructure and maintaining a neighborhood-scale design. Councilmember Handley said he still had concerns about the overall density.

Mark Breuer, Schlagel & Associates, talked about the decision to include a private street in front of the townhomes rather than a public one. He explained that if the street were public, it would be subject to stricter design standards, including a wider right-of-way, limits on head-in parking, and restrictions on locating utilities such as Johnson County Wastewater and WaterOne lines beneath the pavement. Meeting those requirements would result in the loss of an entire row of townhomes and reducing the project's overall density. He said the private street configuration represents a balancing approach, allowing the project to maintain functional access and adequate public connectivity at 91st Street while preserving the unit count and site efficiency needed to make the development financially viable.

Councilmember Williamson asked if it was true that the Monticello Gospel Assembly Church would, for the first time since its establishment in 1976, receive access to public water service as part of the development. Mr. Breuer confirmed and explained that as part of the site's infrastructure plan, a new WaterOne main will be installed that loops through the development following the new internal street network. From that loop, a public main extension will run to the church's property line, providing a connection point for the church to tap into the public water system.

Councilmember Charlton asked about the Greenwood Reserve Apartments and Mr. Krcmarivec said they purchased that development in 2022. Councilmember Charlton said that while he appreciated the project having higher-density townhomes adjacent to the commercial area to the south and single-family homes buffering the neighborhood to the north, he did not like the two townhome buildings located directly across the street from the single-family homes near the cul-de-sac. He said he felt this disrupts the otherwise clear transition between housing types. Mr. Krcmarivec explained that the placement of those two townhomes was driven by site constraints and density balance. He said the development team had originally proposed 86 total units but later reduced the number to 84 to improve spacing and expand the stormwater detention area near the middle of the site. He noted that those buildings sit beyond the Mistletoe Drive intersection and are closer to the cul-de-sac, limiting their direct frontage to single-family lots. The configuration, he explained, was chosen in part because utility easements and distribution lines, including a major electrical corridor and an Olathe water main, restrict buildable space along the southern portion of the site, leaving little flexibility to relocate those units.

Mr. Krcmarivec said that the team had explored multiple layout options, including repositioning the detention area, but the combination of narrow site geometry and infrastructure conflicts constrained further adjustments.

Mayor Sayers invited public comment.

Susan McCurdy, 8939 Meadowview Drive, said that her neighborhood is a diverse, multicultural community that welcomes residents of all backgrounds. She said the main neighborhood concern is the impact of traffic and construction near the connector road and roundabout, which already experiences congestion. She said City staff was aware of these issues and she was told about improvements being planned for the roundabout. She also mentioned that Suburban Lawn & Garden had previously shown interest in purchasing the site for expansion, contrary to earlier assumptions that the property lacked commercial potential. She asked the Council to consider reducing the project's density to lessen traffic impacts on the neighborhood.

Lee Stickle, 23720 W. 92nd Terrace, voiced concern about traffic congestion and inadequate infrastructure near the proposed development. She said that all neighborhood routes, via Dunraven Street, Gleason Road, Clare Road, and Prairie Star Parkway, ultimately funnel to 95th Street, creating existing bottlenecks that will worsen with added residents. She also cited upcoming 87th Street Parkway & K-7 Highway bridge construction, warning it will further restrict access and push more traffic through nearby neighborhoods. She urged the City to address roadway capacity and safety improvements before allowing additional housing density.

Connie Cross, 23602 W. 92nd Street, said that earlier remarks referred to concerns about property upkeep, not personal traits. She talked about issues with the Reserve townhomes, including trash, noise, and police calls, and worried similar problems could occur with the new development. She said she is concerned about overflow parking from the limited parking, saying it could lead to strangers parking near her home. She also noted that new apartments near Smiley's and delays to the K-7 Highway & K-10 Highway interchange project will worsen traffic and access issues in the area.

Amy Messer, 23214 W. 90th Terrace, said she is opposed to the proposed development and talked about parking, density, and safety concerns. She said that her neighborhood's HOA bans street parking and discourages cars in driveway. She fears the new project will bring cars onto Mistletoe Drive, conflicting with those standards. She said her family takes pride in their long-established, high-value single-family neighborhood and would prefer for-sale homes rather than rentals. She also voiced concern that higher density could lead to increased crime. She said that residents' objections are not about who moves in, but about parking, traffic, and safety impacts on their neighborhood.

Sarah Hanson, 23720 W. 92nd Terrace, said she is concerned about pedestrian and child safety during construction. She said that more families and children use Dunraven Street to walk or bike to nearby businesses. She warned that

adding construction traffic will increase risks for kids and pedestrians and urged the City to prioritize safety measures during development.

Brandon Fisher, Monticello Gospel Assembly Church, said he supports the project. He said the church's main concern is safety and crossing K-7 Highway for church services and events is dangerous. The proposed plan will provide safer access. He talked about the benefit of getting water and sewer connection. He said the project addresses both longstanding safety and infrastructure needs for the church and surrounding area.

Gary Rogers, 9140 S. K-7 Highway, said he supports the proposed project and said the developer has minimized density and preserved green space. He said the design represents the most balanced and economically feasible plan for the site. He addressed rumors that Suburban Lawn & Garden wanted to buy the property, saying that he knows that the owner was not interested in expanding there. He added that if the site were developed commercially, neighbors would likely oppose the associated noise, traffic, and equipment activity.

Councilmember Handley said he had mixed feelings about the development. He acknowledged that while the Comprehensive Plan serves as a guide, the developer followed its intent by using a stepped density approach transitioning from single-family to townhomes, consistent with the example shown in the plan. However, he remained concerned about density, noting that although traffic in the area is already challenging, the difference between 48 homes and 84 homes may not create a noticeable traffic impact within an area of roughly 700 existing homes. He said he recognizes that the site will inevitably redevelop and praised both staff and the applicant for months of collaboration that improved the project's quality, noting that many proposals never reach the Council because they do not meet Lenexa's standards. While still conflicted about approving higher density than originally envisioned, he said he appreciated the project's thoughtful design and the professional work by staff in refining it.

Councilmember Williamson said she was also initially conflicted about the project so she evaluated the proposal against the Golden Criteria, finding that the pros outweighed the cons. She said that the project represents an infill development consistent with the Comprehensive Plan, features overall lower density than the adjacent Reserve neighborhood, and includes similar deviations that were previously approved there. She also talked about how the plan improves safety by removing the dangerous Hedge Lane access onto K-7 Highway, pointing to a fatality crash there and KDOT's long-term goal to eliminate driveway access points along the highway. She also believed that the design appropriately transitions from single-family homes to higher-density townhomes near Suburban Lawn & Garden and the church, aligning with context-sensitive planning principles. She acknowledged ongoing traffic concerns, but said data shows Dunraven Street's current capacity is adequate, and the project meets enough of the Golden Criteria to merit support. She said she intended to vote in favor of approval.

Councilmember Herron said he supports the project and that it meets the Golden Criteria. He said he believes the proposal represents the highest and best use of the land, given the surrounding neighborhood character and the type of development typically seen in similar areas. He noted that staff's recommendation held significant weight in his decision, particularly regarding traffic impacts and consistency with the Comprehensive Plan. He said he also found the proposed density appropriate, pointing out that it is lower than that of nearby existing developments.

Councilmember Arroyo said she agreed with other comments and is in support of the proposed development. She said she had some initial reservations regarding traffic impacts and school enrollment but said those issues have been adequately addressed. She said she appreciated Councilmember Denny's insight on how schools adapt to growth. She reflected on the temporary inconvenience of construction and emphasized that such challenges are manageable. After consideration, she found the advantages of the project to be more significant than the disadvantages and noted there are several benefits, including improved water access and the value of adding rental units with three- and four-bedroom options and attached garages. She thanked the developer for the attention to open space within the site design.

Councilmember Nicks said that while he generally favors single-family and townhome developments like the one proposed, he is concerned about traffic impacts in the area. He talked about his opposition of high-density housing outside of City Center but said that this particular development type aligns with what he supports. However, he said that traffic issues related to the roundabouts and the Prairie Star Parkway bridge remain a significant concern. He noted that Lenexa continues to be a highly desirable place to live, which allows the City to wait for the right development. He suggested that the project could be reconsidered once those transportation improvements are completed. He said that there is no urgency to move forward with this project.

Councilmember Charlton said he is also conflicted about the proposed development. He thanked Councilmember Handley for his thorough analysis and acknowledged the large volume of correspondence, emails, and phone calls received from residents regarding the project. He noted that the primary concern throughout has been traffic. He said he also felt that the layout with placement of townhomes directly across from single-family homes does not fit the context or character of the existing neighborhood. He talked about limited routes through the area and Dunraven Street being the only current access point. He noted that other nearby developments, including apartments at the southeast corner of Prairie Star Parkway & K-7 Highway, will further strain area infrastructure and the interchange. He said he would vote against the project at this time.

Councilmember Eiterich talked about this type of infill project being the kind of development the City encourages. She said the mix of townhomes and single-family homes in the area as consistent with existing development patterns and that she liked that the proposed units included three- and four-bedroom homes.

She raised concerns about parking and potential traffic issues within the neighborhood, given existing congestion on Dunraven Street and Prairie Star Parkway. She talked about opposition stemming but from frustrations with current traffic conditions that predate the proposal but said that denying the rezoning could risk a higher-density proposal once traffic improvements are made. She said the proposal represents a deviation from the future land use map, which may affect the school district's long-term planning. She said she was also concerned that the project could worsen traffic conditions before necessary mitigation measures are implemented. She said issues regarding traffic flow and parking capacity would keep her from supporting the project.

Mayor Sayers explained that a vote to deny the application would constitute a complete rejection and that if the project were to be remanded to Planning Commission, the Council would need to request that the applicant and staff address specific issues such as on-street parking or the inclusion of additional supplemental parking.

Councilmember Denny emphasized the Council's long-standing practice of avoiding project design, noting that such technical and design matters are the responsibility of the City's professional staff and the Planning Commission. He pointed out that the project received a unanimous recommendation for approval from the Planning Commission as well as staff support, and that the applicant carefully followed the City's future land use map in shaping the proposal. He said that approval of the rezoning would not lead to immediate construction, providing time to address infrastructure issues. He said he believes there is adequate room for the added traffic, and that construction-related traffic would be temporary and limited. He reiterated his support for the project, stating that it represents an appropriate use and that there remains sufficient time to implement any necessary traffic or infrastructure adjustments before construction proceeds.

Mayor Sayers said she agreed with Councilmember Denny, and that the proposed development aligns with the City's broader housing goals. She said that projects like this help fill the gap in Lenexa's housing market, providing an increasingly rare and desirable product type. She said she thinks the proposal was a unique opportunity and highlighted the appeal of the single-family home sizes included in the plan. She talked about road improvements following growth and density, agreeing with earlier comments that restriping work could be completed easily and that the CIP provides a mechanism to revisit the timing of roundabout upgrades. She agreed with Councilmember Eiterich's observation that denying the project could result in a future proposal that neighbors might find even less favorable, such as a higher-intensity commercial use with greater traffic impacts. She said she believes this is a quality development that meets community needs. She pointed out that the inclusion of a privately managed drive adds a layer of maintenance accountability. She said she would vote in support of the project.

Councilmember Handley said he believes the project's proposed density exceeds what was originally envisioned in the Comprehensive Plan. He pointed

out that even under an RP-1 zoning scenario, traffic volumes would still increase by a substantial amount, leaving little justification to oppose such a proposal if it came forward. He noted that crime rates in the area have remained consistent over the past three to four years according to data provided by the Police Department. He said that pride of ownership and care for one's home are not limited to property owners. He said that after weighing the issues and considering the realistic alternatives, he could support the project.

Ms. Yocham reminded the Council that this project would return for a final plan review specific to the townhome component, providing another opportunity for detailed evaluation. She added that the parking proposed for the townhome area currently exceeds the City's minimum parking requirements for that type of use. She noted that if the Council or staff identify concerns about parking or related design elements, those issues can be revisited and addressed during the final plan stage.

Councilmember Charlton said that his perspective on the project had changed. He agreed that the proposed zoning represents a relatively low-density option for the site and that any future development proposal could result in higher density or less compatible uses. He said he was still concerned about the adequacy of on-site parking for the townhomes and encouraged the developer to revisit that aspect of the design. He suggested exploring whether some of the townhomes across from single-family lots could be converted to single-family units to improve compatibility, though he recognized the trade-off this would create in terms of density. He noted that overall, the density is not excessive and that existing traffic challenges can be addressed through future mitigation measures. He agreed that development would not occur immediately, providing time for the City to coordinate necessary infrastructure improvements, and emphasized the need for continued focus on future upgrades to the K-7 Highway interchange and surrounding corridors. He said he had reconsidered his position and would now support approval of the project.

Councilmember Herron made a motion to approve Item 13a and Councilmember Williamson seconded the motion.

Mayor Sayers requested a roll-call vote:

*Councilmember Handley - Yes
Councilmember Eiterich - No
Councilmember Charlton – Yes
Councilmember Nicks - No
Councilmember Arroyo - Yes
Councilmember Williamson - Yes
Councilmember Denny - Yes
Councilmember Herron - Yes
Mayor Sayers – Yes*

Motion passed 7-2 with Councilmembers Eiterich and Nicks voting against.

Councilmember Denny made a motion to approve Item 13b and Councilmember Williamson seconded the motion.

Mayor Sayers requested a roll-call vote:

*Councilmember Eiterich – No
Councilmember Charlton - Yes
Councilmember Nicks - No
Councilmember Arroyo - Yes
Councilmember Williamson - Yes
Councilmember Denny - Yes
Councilmember Herron - Yes
Councilmember Handley – Yes*

Motion passed 6-2 with Councilmembers Eiterich and Nicks voting against.

Mayor Sayers called a five-minute recess.

14. Consideration of a preliminary plan for a mixed-use development known as The Rise located at the southeast corner of 87th Street Parkway & Renner Boulevard in the CC, Planned City Center District
The applicant proposes a mixed-use development consisting of an 11-story building with a ground-level parking structure. The building will include 5,278 square feet of office space; 2,225 square feet of restaurant and bar; and 132 apartments.

Mayor Sayers called the meeting back to order.

Ms. Sullivan said this is a preliminary plan for The Rise, a proposed mixed-use development located at the southeast corner of 87th Street Parkway & Renner Boulevard in City Center. The undeveloped site is north of The Lofts residential development and near the existing Restaurant Row and AdventHealth campus. The zoning for the property is CC, City Center, which aligns with its City Center Core designation on the Comprehensive Plan's future land use map.

Ms. Sullivan said the project consists of an 11-story building that combines 120 multifamily apartment units, approximately 5,000 square feet of office space, and a 2,000-square-foot rooftop restaurant and bar. She noted that since the Planning Commission's earlier review, the applicant reduced the total unit count from 132 to 120 by decreasing the number of one-bedroom units and increasing two-bedroom units. This adjustment also reduced the parking requirement, improving the site's parking deficit from 104 spaces to 84 under City Code standards. Parking will be accommodated through a combination of 197 spaces with 116 on the ground level, 24 on a second level, 17 private surface spaces, and 40 on-street spaces. While this remains below the Code minimum of 281 spaces, she explained that City Center's design emphasizes shared parking and walkability, and that many private developments in the area do not fully meet on-site parking requirements. The

applicant's own market analysis supported the proposed parking ratio, and staff found it acceptable given the district's overall supply of public and private parking.

Ms. Sullivan said the building height will be approximately 136 feet, exceeding the 110-foot limit permitted by Code, but allowable through plan approval. For context, she compared this to other major City Center structures such as Kiewit Headquarters (103 feet) and AdventHealth (98 feet). The design includes ground-floor amenities, a residential pool deck, and an upper-level restaurant patio with views across City Center.

Ms. Sullivan said access will be provided from Renner Boulevard, 87th Terrace, and Ryckert Street, with pedestrian connectivity throughout the site and to adjacent developments. The landscape plan features enhanced plantings and a prominent pedestrian entry plaza at the northwest corner. Renderings illustrated the building's modern architecture, emphasizing its active street presence and integration into the urban fabric of City Center.

Ms. Sullivan said both staff and the Planning Commission recommend approval, saying that The Rise aligns with the Comprehensive Plan's City Center vision and represents a significant addition to the district's mix of residential, office, and entertainment uses.

Councilmember Handley asked if the City maintains data on average parking deviations within City Center and Ms. Sullivan said that while no formal tracking metric currently exists, a comprehensive master parking map for City Center is being developed.

Ms. Yocham talked about City Center parking standards, emphasizing that traditional terminology such as "parking requirements," "shortages," or "deviations" can be misleading in this context. She explained that City Center was intentionally designed to support mixed uses and shared parking, with the goal of creating an efficient, walkable urban environment rather than adhering to conventional suburban parking ratios. She added that nearly every development in City Center operates below standard suburban parking thresholds by design, as the district's planning model encourages overlapping use patterns and shared access to public garages and on-street spaces. She further explained that, rather than focusing on numeric compliance, the City typically relies on parking studies provided by applicants. These studies analyze parking demand by time of day, the degree of overlap between residential, office, and commercial uses, and how shared resources can be optimized. She said that this approach allows developers to minimize unnecessary parking construction while still meeting actual needs consistent with City Center's urban design vision.

Councilmember Denny asked if there would be assigned parking for residents and Ms. Sullivan reviewed the numbers and locations of private and public parking.

Hal Shapiro, developer, explained that Real Property Group, which previously developed The Lofts at City Center, is partnering in a 50/50 joint venture with Copaken Brooks on this new project. He described how The Rise was inspired by

experiences from The Lofts, which opened in 2020. He recounted how architect Greg Finkle, after moving into one of the penthouse units, shared photos of the westward sunset views over City Center, which sparked the idea to create another landmark project celebrating Lenexa's skyline. He explained that many of the same professionals and firms that helped shape City Center are collaborating on The Rise, reflecting their continued confidence in the City's vision and investment in its growth. He characterized The Rise as a community-oriented project with a planned rooftop restaurant and bar, tentatively called The Zenith, as an elevated gathering space open to the public, offering cocktails, small plates, and desserts. Rather than a full-service restaurant, the venue is envisioned as a before- or after-dinner destination that captures panoramic sunset views and serves as a distinctive new landmark visible from 87th Street Parkway.

Mr. Shapiro said that the residential component is not a traditional multifamily, senior, or assisted-living facility, but an active-adult community designed for older adults seeking an independent and engaged lifestyle. He noted that residents in such communities typically average around 70 years of age, and that the design and programming are intended to foster social connection, wellness, and creativity through amenities such as a pool, community kitchen, and maker space. He explained that successful active-adult developments rely as much on programming as on physical design, aiming to activate the building as a hub of daily life and activity. He said that each residential unit will include one assigned covered parking space.

Councilmember Handley asked Mr. Shapiro to talk about the shared parking analysis and how the seasonal and hourly adjustment factors in the report were determined. Mr. Shapiro explained the concept of shared parking, which recognizes overlapping use patterns among different land uses in mixed-use developments. He acknowledged that calculating shared parking demand is complex and that the estimates were based on experience managing similar projects rather than a rigid formula. Citing The Lofts as an example, he said he is confident in the parking balance proposed for The Rise. He added that the rooftop bar and office uses would share well given their offset peak times, but that because Real Property Group also controls The Lofts, they have access to additional parking that could be leased long-term if needed. He said that while parking demand may peak at certain times, over-parking the site would be counterproductive to City Center's walkable urban design. He said the goal was to plan for peak demand without overbuilding, balancing convenience with efficient land use.

Mayor Sayers said that this project should be evaluated within the broader context of existing and planned development in City Center, rather than as a standalone site. She pointed out that construction of The Rise will not occur immediately, and by the time it is built, additional parking resources will be in place including the second phase of Restaurant Row, which will feature a new parking structure, as well as additional spaces at the hotel across the street that have yet to open. She also noted the extensive on-street parking network throughout City Center, which provides flexibility and capacity that cannot easily be quantified but contributes to the district's overall parking supply. She cautioned against focusing too narrowly on the specific number of spaces within this building, pointing out that City Center functions as a

dynamic parking ecosystem—one that evolves and balances itself over time as new uses are added and others mature.

Councilmember Eiterich said The Lofts at City Center has an attractive design and rooftop patio, then asked how much of The Rise would be open to the public. She asked about public access to the rooftop restaurant and bar, how entry would be structured, and how the building would distinguish between resident-only amenities and public spaces to ensure both accessibility and security. Mr. Shapiro explained that for The Rise, pool areas will be accessible only to residents, but the rooftop restaurant and bar will be fully open to the public, serving as the primary public amenity in the building. The main lobby will be open during normal business hours and designed with a hotel-style hospitality feel.

Councilmember Eiterich asked about the visual scale and sightline impact of The Rise, noting that the proposed building sits at a prominent gateway intersection into City Center and will likely become one of the most visible structures when approaching from I-435. She asked whether the renderings shown accurately reflect what drivers and visitors will see upon entering the area, questioning if the building's height would obscure views of other City Center landmarks.

John Gaar, Finkle+Williams Architecture, joined by Renaissance Infrastructure Consulting and Chip Corcoran, explained that the building's exterior materials are designed to reflect a high-quality urban aesthetic, with a limestone base, masonry brick façade, and metal accent panels. The design incorporates extensive glazing to maximize natural light for both residents and office tenants. The main residential entrance features a drop-off area, providing a welcoming and functional entry for residents and guests. He reviewed the site plan, highlighting pedestrian access and circulation routes around the building. The first level includes one floor partially built into the hillside, allowing vehicles to enter the parking structure from the private drive between The Rise and The Lofts. A move-in dock and enclosed trash area are located on the north side, screened behind overhead doors for aesthetic continuity. The level above the garage features the circle drive, shared amenity spaces, and an east-west corridor with a lobby that serves both residents and visitors heading to the office suites or the rooftop restaurant and bar. Mr. Gaar also presented floor plans, noting the upper levels contain standard residential layouts, while the top floor includes larger penthouse units, additional amenities, and the rooftop bar, which has both indoor and outdoor terrace space.

Mr. Garr presented renderings illustrating pedestrian access from City Center Drive, showing the entrance at the west edge of the site and how the building is tucked into the hill between The Lofts and 87th Street Parkway. He noted that residents will have private access points to the terrace area. He shared evening renderings that showcased architectural lighting and the building's anticipated skyline presence, describing The Rise as a striking and elegant gateway feature for City Center that will enhance the district's visual identity both day and night.

Councilmember Charlton asked if there was any opportunity for additional parking along the outer road or perimeter of the site to help address potential future parking needs. Mr. Gaar explained that additional parking space on the outer road is not

feasible due to utility limits, right-of-way constraints, and building setbacks. He noted that the design already incorporates parallel parking where angled spaces are not possible, and angled parking wherever site geometry allows. The building itself extends to the property line, preventing on-site surface parking along the perimeter. He added that the design also utilizes the private drive between The Rise and The Lofts, which provides about 17 90-degree parking spaces, further maximizing available capacity. He said much of the architectural planning in mixed-use projects like this revolves around balancing aesthetics and function and assured the Council that the team has optimized every feasible space to meet demand as efficiently as possible.

Councilmember Denny asked about overnight parking restrictions. Ms. Yocham said that overnight parking is not permitted in any public parking garages where the City of Lenexa holds ownership or joint ownership. She explained that while some privately owned garages in City Center allow limited public parking during certain hours, their policies on overnight parking vary and would be determined by individual property owners. She added that long-term or overflow residential parking in public or shared garages could create property management and enforcement issues and the City does not intend for residents to use public parking areas as permanent or overnight vehicle storage.

Councilmember Williamson asked if all residents need to meet the 55-and-over threshold or if one qualifying spouse would suffice. Mr. Shapiro said that the development team had not finalized that detail but expected to maintain flexibility in program design. His assumption that if one member of the household meets the age requirement, both would be considered eligible.

Councilmember Williamson also asked about anticipated rental rates, and Mr. Shapiro said that units are projected to range from the low \$2,000s to around \$4,000 per month, depending on unit size and location within the building.

Councilmember Nicks expressed his support, praising its architectural quality and significance for City Center's continued evolution. He added that the project honors the long-term vision first set in motion by former Mayor Joan Bowman and many others who helped establish City Center as a vibrant civic hub. He said the project would serve as a defining gateway feature for the community. He thanked the development team and City staff for their work, noting that The Rise exemplifies the kind of thoughtful, high-quality development that continues to fulfill Lenexa's vision for a true city gathering place.

Mayor Sayers invited public comment.

David Hanks, 22635 W 89th Street, talked about his opposition to the project. He said he was not supportive of an 11-story building that would obstruct the existing City Center skyline and dominate the surrounding area. He talked about parking concerns, suggesting that reducing the height of the building and the number of units could alleviate parking needs. He talked about traffic congestion along 87th Street Parkway, pointing out the short distances between multiple signalized intersections that already create backups during peak hours, saying that adding traffic from the

development would worsen congestion and create difficulties maneuvering through the City Center area.

Councilmember Handley said he was also concerned about the building height and this building being the district's dominant structure. He described the project as visually creating a bowl effect, where the building's prominence would overshadow the existing skyline. He said the scale and height did not feel appropriate or harmonious within the established context of the area.

Councilmember Herron asked staff to clarify the City's policy on allowable building height, saying the AdventHealth building was originally proposed at eight stories, but the City had approved only five. Mr. McCullough said that height in an urban district is somewhat subjective and that some variation adds visual interest and vibrancy to a downtown-style setting. He explained that this site functions as a gateway into City Center, making it an appropriate location for a taller, more iconic building. While agreeing that significantly greater height could raise contextual concerns, he said that given the site's size, surrounding structures like the Conference Center and The Lofts, and its architectural intent fits appropriately within the City Center framework and supports the City's vision for a dynamic urban core.

Councilmember Eiterich said she feels this is an attractive and well-designed project, and that she was not particularly concerned about parking or traffic circulation. She noted that with 120 residential units located in the heart of City Center, the project's scale and use were appropriate for the area. She also agreed that the site is a destination such that access routes require vehicles to circulate through The Lofts and the Renner Boulevard roundabout, which naturally limits through traffic and reduces neighborhood impact. She said she also has reservations about the building's height. She said she supports creating a distinctive architectural statement at the gateway corner but asked if the structure's height was too disproportionate to the surrounding developments. She said that she was not opposed to the project overall but said she lacked sufficient visual context to determine whether it would complement or overpower the existing skyline. She asked if the building would set a new precedent for taller development or stand out too sharply from the rest of City Center.

Mayor Sayers talked about the building height being a matter of perspective and how existing buildings appear large when standing directly beneath them, but much smaller from a distance. She cautioned against evaluating the project solely from the highway viewpoint, emphasizing that perception of scale varies depending on a person's vantage point within City Center. She agreed with staff's earlier comments that having some height variation among buildings is desirable and helps prevent a monotonous skyline and said that placing a taller, more distinctive building at this gateway corner adds visual interest and creates an opportunity to showcase the full expanse of City Center from an elevated perspective.

Ms. Yocham said she hopes approving The Rise sets a precedent for taller buildings in City Center. She talked about the area's development and remaining parcels are limited. She explained that City staff frequently meet with developers proposing projects that fail to meet City Center's standards, particularly in terms of density,

mixed-use design, and architectural quality, and that approving taller, well-planned projects like this helps maximize the limited land that remains. Ms. Yocham noted that The Rise maximizes the entrance to City Center in an iconic way. She mentioned that other existing tenants in City Center are already exploring expansion plans that would involve going taller, meaning that The Rise would not stand out inappropriately but instead signal a natural next step in City Center's vertical growth. She assured the Council that staff would not be recommending approval if they felt the building's scale or character were out of context with the district's long-term vision.

Councilmember Williamson thanked Ms. Yocham for her remarks, acknowledging that she had also shared concerns about the height of the building. She said her explanation helped ease those concerns, particularly the reminder that City Center's remaining land is limited and that vertical growth aligns with the original vision for the area. She said she now recognized that building upward is consistent with City Center's long-term goal of creating a defined skyline.

Councilmember Nicks thanked the Mayor, Ms. Yocham, and Councilmember Williamson for their remarks, said he likes this project, and is in support of creating a City Center skyline.

Mayor Sayers shared that after spending time at The Lofts, she found it exciting to envision The Rise creating a similar sense of community within City Center. She described the appeal of residents forming connections and compared this to the community atmosphere at The Domain, where residents who choose to live in developments like this understand and embrace the City Center lifestyle. She thanked the development team for their commitment to the project and its alignment with Lenexa's long-term goals, stating that she believes in the developer's vision and was happy to support the project.

Councilmember Charlton said he supports the project and he was not concerned about the building's height. He added that the building's height would not block significant views, and that overall, The Rise would make a strong visual statement for City Center. He talked about his concerns with the parking. He asked if the development team had considered selling the residential units as condominiums rather than rentals and Mr. Shapiro replied that while he understood the appeal, the Kansas City market has not historically supported condos outside of the Country Club Plaza area and said that he is focused on rental housing, which remains the more viable and sustainable model for this project.

Councilmember Arroyo said she is excited for the project and praised the overall architecture and lighting details, saying she was excited to see the building become a defining feature in the district. She shared a few design-related concerns, specifically regarding the balconies that appear somewhat crowded and cluttered, and she worried about potential privacy and noise issues between adjacent units. She complimented the corner balconies, describing them as tasteful and visually appealing. She said she loved nearly every aspect of the design and looked forward to seeing it built.

Councilmember Charlton made a motion to approve Item 14 and Councilmember Williamson seconded the motion. Motion passed unanimously.

NEW BUSINESS

15. Approval of a Development Agreement with The RiSE CC, Inc. for The Rise Mixed-Use Project in City Center East
- The City owns 1.54 acres located in the southeast corner of 87th Street Parkway & Renner Boulevard in City Center East Village. The RiSE CC, Inc. ("Developer") intends to construct an 11-story mixed-use project that includes 132 active-adult boutique residential units; 5,278 square feet of office/retail space; 2,225 square feet of rooftop amenity space; and structured parking on the property. The City and the Developer desire to enter into a development agreement outlining the terms and conditions with respect to performance standards and economic incentives associated with construction of the project.*

Sean McLaughlin, City Attorney, presented on Item 15 (Development Agreement for The Rise) and Item 16 (Amendments to The Lofts Development Agreement) noting that both projects are located on the same City Center East property and share a connected history.

Mr. McLaughlin explained that the City purchased the 2.6-acre parcel in 2012 out of foreclosure, with the intent of ensuring high-quality, statement developments on this prominent corner of City Center. The City has been deliberate in selecting projects for the site, using incentive structures that both repay the City's investment and secure architecturally significant development.

Regarding The Rise, Mr. McLaughlin summarized that the Development Agreement (DA) mirrors the terms previously used for The Lofts, including a Tax Increment Financing (TIF) Project Plan and Industrial Revenue Bonds (IRBs) for sales-tax exemption on materials. He said the City will retain ownership of the land, ensuring repayment through future TIF revenue based on costs incurred since 2012. He emphasized that this action was only to approve the DA; the TIF project plan and IRBs will come forward later through their required statutory processes.

For Item 16, The Lofts amendment, Mr. McLaughlin said the changes are largely clerical, correcting a typographical error in the original agreement where private TIF costs were misstated as \$2.1 million instead of the intended \$2.8 million, which had already been reflected in the total cost calculation. He said the amendment also makes minor updates to the TIF revenue split as outlined in the packet memo.

Mr. McLaughlin said staff recommends approval of both the new Development Agreement for The Rise and the amendments to The Lofts agreement.

Councilmember Denny made a motion to approve Item 15 and Councilmember Arroyo seconded the motion. Motion passed unanimously.

16. Consideration of amendments to City Center TIF Project 2C and associated economic incentive agreements related to The Lofts at City Center Project located in City Center East

- a. Ordinance amending Project Plan 2C in the City Center TIF District (The Lofts at City Center Project)
- b. First Amendment to the Lofts At City Center East Development Agreement and Project Plan 2C Disposition and Development Agreement
The Lofts at City Center mixed-use project is located in the northeast corner of Renner Boulevard & City Center Drive ("Lofts Project"). The City previously entered into economic development agreements with the Lofts Project developer. The City and the developer now desire to amend the economic development agreements to adjust the Tax Increment Financing (TIF) eligible reimbursements and the TIF revenue allocations.

Councilmember Nicks made a motion to approve Item 16a and Councilmember Williamson seconded the motion. Motion passed unanimously.

Councilmember Denny made a motion to approve Item 16b and Councilmember Williamson seconded the motion. Motion passed unanimously.

COUNCILMEMBER REPORTS

There were no councilmember reports.

STAFF REPORTS

Ms. Yocham said there would be no Committee of the Whole meetings on October 28th or November 11th.

END OF RECORDED SESSION

BUSINESS FROM FLOOR

There was no business from the floor.

ADJOURN

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

The meeting adjourned at 10:42 PM.

Policy Number:	GB-Finance-2	Effective Date:	11/4/2025
Approved By:	Governing Body	Sunset Date:	11/30/2026
Approval Date:	11/4/2025	Prepared By:	Finance Dept.
Repeals/Replaces:	Current Investment Policy (Resolution 2024-066)		
Statutory Authority:	K.S.A. 9-1402, 9-1403, 10-131, 12-1675, 12-1677b		
Cross References:	None		
Policy Purpose:	To establish the objectives and practices for investment of the City's operating fund and bond proceeds.		

1. Introduction.

The Governing Body of the City of Lenexa ("the City") has authority to invest all funds of the City pursuant to K.S.A. 12-1675. The purpose of this policy is to identify the investment objectives of the City and to establish procedures to achieve those objectives. This policy applies to all City employees.

This policy applies to all funds eligible for investment by the City pursuant to K.S.A. 12-1675 or other applicable law. The City Defined Benefit Pension Fund is excluded from this policy and shall be subject to the Pension Fund investment policy adopted by the City Retirement Committee pursuant to Section 1-6-G-3 of the City Code.

The Governing Body delegates responsibility for the implementation of this policy to the Chief Financial Officer (CFO). The CFO shall establish written procedures and internal controls to implement this policy and regulate the activities of subordinate employees involved in the investment process. The CFO shall manage the City's investments in a manner consistent with federal, state, and local law. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the CFO.

The CFO shall possess the following minimum qualifications:

- Hold a bachelor's degree in business, finance, public administration, or a related field;
- Have achieved ten (10) years of experience in municipal finance administration, including the investment of idle funds;
- Have achieved five (5) years of supervisory experience.

City employees acting pursuant to this policy shall be subject to the "prudent investor rule," as set forth in the Uniform Prudent Investors Act, K.S.A. 58-24a01 *et seq.* and amendments thereto. Except as provided by the Kansas Tort Claims Act, K.S.A. 75-6101 *et seq.* and amendments thereto, investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of

personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

2. Ethics, Integrity and City Values.

Section 1-6-H-1 *et seq.* of the City Code establishes a Code of Ethics for all City employees. This Code of Ethics is reinforced through the City's Personnel Policies/Procedures and the City's values. The City's values are:

- Make every decision with integrity
- Deliver results through teamwork
- Provide exceptional service
- Lead into the future with vision
- Be dedicated to excellence
- We Care

All City employees involved with investment activities shall act in an honest and professional manner in accordance with the City's values, Code of Ethics, and Personnel Policies/Procedures. Employees involved in the investment process shall refrain from personal business activity that could be perceived as a conflict with the proper execution and management of the investment process, or that could impair their ability to make impartial decisions. In addition, employees involved in the investment process shall disclose any material interests in financial institutions with which they conduct business and shall not undertake personal investment transactions with the same individual with whom business is conducted on behalf of the City.

3. Investment Objectives.

The objectives of this investment policy, in order of priority, are: safety of principal; maintenance of adequate liquidity; and maximizing rate of return (yield).

Safety of Principal: Safety of principal is the most important objective of this policy. The CFO shall invest funds covered by this policy in a manner that seeks to ensure preservation of principal while managing both credit risk and interest rate risk.

The City will minimize credit risk (the risk of loss due to the failure of the security issuer or backer) by:

- Following state statute, which limits investment options to high-quality securities; and
- Working with broker/dealers and advisors registered to do business in the State of Kansas; and
- Diversifying the investment portfolio to minimize potential losses on individual securities.

The City will minimize the risk that the market value of securities in the portfolio will decline due to the changes in general interest rates by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and debt service payments, thereby minimizing the need to sell securities on the open market prior to maturity;
- Investing the majority of cash funds in securities with maturities of twenty-four (24) months or less and utilizing an eligible sweep investment program of the main operating bank; and
- Limiting investments to a maximum stated maturity of four years.

Adequate Liquidity: The CFO shall invest funds covered by this policy in a manner that seeks to maintain liquidity to meet all cash requirements that may be reasonably anticipated. The CFO will structure the investment portfolio so that securities mature concurrently with anticipated cash flow needs. Furthermore, since all possible cash flow needs cannot be anticipated, the investment portfolio will contain securities with active secondary resale markets. A portion of the portfolio may be placed in investments which offer one-day liquidity for short-term funds, such as repurchase agreements and eligible sweep investment arrangements.

Rate of Return (Yield): The CFO shall structure the investment portfolio with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account investment risk constraints and liquidity needs. Return on investment is a lower priority than the safety and liquidity objectives.

4. Competitive Placement of Funds.

To the extent required by applicable law, all investments made pursuant to this policy should be bid to ensure competitive pricing. In accordance with K.S.A. 12-1675, funds will first be offered to banks and other eligible financial institutions located within the City. For other competitive investment transactions, the City will generally solicit bids from multiple security broker/dealers.

There are exceptions to the competitive bid policy. An example of an exception is when the City purchases new issue government agency securities where the price is the same through all brokers and the issuing agency pays the selling commission directly to the broker. In that case the City will rotate through the list of brokers when purchasing such securities. In addition, eligible sweep repurchase agreements with the main operating bank are not considered competitive biddable securities.

5. Authorized Security Broker/Dealers.

The CFO shall maintain a list of security broker/dealers authorized to provide investment services. All broker/dealers who desire to become qualified for investment transactions (excluding bank certificates of deposit) shall register with the Kansas Securities Commissioner or the Federal Reserve Bank (if FINRA registration is not required by the

entity's regulatory structure). Annually, the CFO will verify all broker/dealers for City investment transactions are registered with the Kansas Securities Commissioner or the Federal Reserve Bank.

Concurrent with the first instance of trading with a broker/dealer and then not less than annually, the CFO will convey a copy of this investment policy to each broker/dealer with which it does business. Any additional documentation required by a broker/dealer must be approved by the City before the City enters into an investment transaction with the broker/dealer.

6. Safekeeping and Custody of Investments.

The CFO is responsible for establishing and maintaining an internal control structure designed to ensure the investments of the City are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

The internal controls should address the following points:

- Control of collusion;
- Separation of transaction authority from accounting and record keeping;
- Custodial safekeeping;
- Avoidance of physical delivery securities other than certificates of deposit;
- Clear delegation of authority to subordinate staff members;
- Written confirmation of transactions for investments and wire transfers; and
- Development of a wire transfer agreement with the main operating bank and third-party custodian.

Delivery vs. Payment: All trades will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution simultaneously with the release of funds. Securities will be held by a third-party custodian (as evidenced by safekeeping receipts) in the City's name.

Safekeeping of Securities: To protect against potential fraud or embezzlement, the investments of the City shall be secured through third-party custody and safekeeping procedures. Ownership shall be protected through third-party custodial safekeeping. The City shall contract with a single financial institution for custodial and safekeeping services for the City's investment portfolio.

All securities owned by the City shall be held by a single safekeeping agent in the name of the City of Lenexa, Kansas. The exception to this may be when participating in tri-party repurchase agreements by which the broker and the City jointly select a safekeeping agent.

Securities which serve as security for repurchase agreements must be delivered to a third-party custodian with whom the City has established a third-party safekeeping agreement.

The authorization to release City securities and transfer City funds will be accomplished by authorized City staff.

The investment process shall be subject to an annual independent review by an external auditor to ensure adequate internal controls (including the verification of securities and collateral).

7. Collateral Requirements.

Uninsured Time Deposits with banks and savings and loans shall be collateralized at market value and monitored in the manner prescribed by state law for depositories accepting investment funds from public governmental entities.

8. Investment Parameters.

The investments authorized for cash funds under this policy shall be in conformance with K.S.A. 10-131, K.S.A. 12-1675, K.S.A. 12-1677b, and any other applicable statutes and amendments thereto. The investments authorized for the proceeds of bonds or temporary notes under this policy shall be in conformance with K.S.A. 10-131 and amendments thereto.

The CFO shall diversify the investment portfolio by:

- Avoiding over-concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities);
- Limiting investment in securities that have higher credit risks;
- Investing in securities with varying maturities; and
- Continuously investing a portion of the portfolio in readily available funds such as the Kansas Municipal Investment Pool or eligible overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

No more than 33% of the total portfolio value in any investment type of the City should be placed with a single issuer other than the United States Treasury.

The following maximum limits, by instrument, are established for the City's total investment portfolio:

Investment Type	Maximum Percentage of Portfolio
Repurchase Agreements	30%
Collateralized Time & Demand Deposits	100%
U.S. Treasury Notes & Bills	100%

U.S. Government Agency Securities*	90%
Kansas Municipal Investment Pool	30%
Bank Trust Department Municipal Pools	10%
Kansas General Obligation Bonds	10%
Temporary Notes or No-Fund Warrants	10%

*The City does not invest in subordinated agency securities (which rank below other securities with regard to claims on assets).

The limit on repurchase agreements and Kansas MIP deposits may exceed 60%, but not more than 75%, of the portfolio for a maximum of forty-five (45) days during each of the January and June property tax distributions, and prior to debt service payments on March 1st and September 1st.

Investment Portfolios: The City's funds shall be separated into two portfolios for efficient investment management. The short-term operating portfolio is defined as maturities less than 1 year. The long-term operating portfolio has maturities 1 year or greater and would be considered "core" investments that the City would own for a longer period of time. Funds will be allocated to the portfolios based on the projected cash flow needs of the City.

Maturity Schedule/Sale of Securities: In general, the City's philosophy is to ladder the portfolios with investments maturing each month in order to meet cash flow requirements. The maturities will usually occur each month over a period ranging from the current date up to forty-eight (48) months from the current date. Bond and temporary note proceeds will be invested to match anticipated capital project expenditures and will generally mature within eighteen (18) months.

The sale of securities before maturity may occur for the following reasons:

- A security with declining credit may be sold early to minimize loss of principal;
- A security swap would improve the quality, yield, or target maturity of the portfolio; or
- Liquidity needs require that the security be sold. In this situation, the City will generally look first to sell securities maturing within the next month in order to minimize realized losses from the sale of securities.

Approval of the CFO is required before a security is sold prior to maturity.

9. Reporting.

The CFO shall prepare a quarterly investment report for review by the City Manager and Governing Body. The quarterly investment report shall include the following information:

- Listing of individual securities held at the end of the reporting period.
- Realized and unrealized gains or losses resulting from market value changes for

securities held in the operating portfolio.

- Average current yield of portfolios as compared to applicable benchmarks.
- Percentage of total portfolio which each type of investment represents.
- Percentage of total portfolio which each banking institution holds.

The CFO may also include other relevant information in the quarterly investment report.

Portfolio Performance Benchmarks: The operating investment portfolios should equal or exceed a market average rate of return during periods of stable interest rates. The City's performance benchmarks are:

- Short-term portfolio: equal or exceed the average 91-day U.S. Treasury Bill yield.
- Long-term portfolio: equal or exceed the average 1-year U.S. Treasury Note yield.

Marking to Market: The market value of the investment portfolios shall be calculated at least monthly and formal statements of market value shall be issued at least monthly by the safekeeping agent. The formal statement will include the market value, book value, and unrealized gains or losses for the securities in the portfolios. Also, the statement will include monthly transaction information.

The City will record mark to market information in the financial statements at the end of each fiscal year.

10. Other Provisions.

The City has elected to use expanded investment powers granted by the Pooled Money Investment Board (PMIB). The PMIB grants the use of investment powers annually to the City by reviewing the City's investment policy (including any amendments to the investment policy) and other investment information. In addition, the Governing Body is required to review and approve the investment policy annually in order to use expanded investment powers.

11. Definitions.

The following is a glossary of key investing terms which appear in the investment policy.

AGENCY SECURITIES: A debt security issued by a United States sponsored enterprise or government agency. The City will only invest in obligations and securities of United States sponsored enterprises or agencies that under federal law may be accepted as security for public funds. The City will not invest in mortgage-backed securities of such enterprises, which include the Government National Mortgage Association.

BOND PROCEEDS: The money paid to the issuer by the purchaser or underwriter of a new issue of municipal securities. These monies are used to finance a capital project.

BROKER: A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides. In the money market, brokers are active in markets in which banks and others buy and sell securities.

CERTIFICATE OF DEPOSIT: A time deposit in a bank with a specific maturity evidenced by a certificate. Generally CD's are not marketable.

COLLATERALIZATION: A process by which a borrower pledges securities, deposits, letters of credit, or surety bonds for the purpose of securing the repayment of a loan and/or security. Securities of United States sponsored enterprises or government agencies may be pledged as collateral as allowed by federal law.

COLLUSION: A secret agreement between two or more persons for a fraudulent purpose.

COMMERCIAL BANK: A bank, the principal functions of which are to receive demand deposits and to make loans.

CORPORATE SURETY BOND: A contractual arrangement between the surety, the depositor and depository institution, whereby the surety agrees to protect the depositor if the depository institution defaults in performing the depository institution's contractual obligations. The bond is the instrument which binds the surety.

CREDIT RISK: The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

CUSTODIAL AGENT: An entity that holds collateral for deposits with financial institutions, investment securities, or securities underlying repurchase agreements.

DEMAND DEPOSIT: A bank deposit that can be withdrawn by the depositor and without advance notice.

DEPOSITORY FINANCIAL INSTITUTION (Depository): The place where a deposit is placed and kept.

DEPOSITORY SECURITY: Collateral pledged by a financial institution to guarantee deposits on hand that exceeds depository insurance.

DIVERSIFICATION: A process of investing assets among a range of security types by sector, maturity and quality rating.

DELIVERY VERSUS PAYMENT (DVP): A type of securities transaction in which the purchaser pays for the securities when they are delivered to either the purchaser or his/her custodian. Payment is made simultaneously with the delivery of securities so the purchaser is never without either cash or securities.

FANNIE MAE: Fannie Mae (the Federal National Mortgage Association (FNMA)) is a private stockholder-owned corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. Fannie Mae's securities are also highly liquid and are widely accepted. Fannie Mae assumes and guarantees that all security holders will receive timely payment of principal and interest. This is an example of an agency security.

FEDERAL AGRICULTURAL MORTGAGE CORPORATION (FARMER MAC): A government sponsored enterprise which purchases newly originated and seasoned agricultural loans from lenders, issues long-term standby commitments to purchase agricultural mortgage loans, exchanges loans for mortgage-backed securities through a swap program, and purchases and guarantees mortgage bonds backed by eligible agricultural mortgage loans. This is an example of an agency security.

FEDERAL FARM CREDIT BANKS FUNDING CORPORATION (FFC): A government sponsored enterprise responsible for issuing and marketing debt securities to finance the loans, leases, and operations of the Farm Credit System. This is an example of an agency security.

FEDERAL HOME LOAN BANK (FHLB): Government-sponsored wholesale banks, which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLB is to liquify the housing-related assets of its members who must purchase stock in their district Bank. This is an example of an agency security.

FEDERAL HOME LOAN MORTGAGE CORPORATION (FHLMC): A federal agency which purchases first mortgages from members of the Federal Reserve System and the Federal Home Loan Bank System. Commonly called "Freddie Mac." This is an example of an agency security.

GENERAL OBLIGATION (G.O.) BONDS OR NOTES: Bonds or notes secured by the "full faith and credit" of the issuing government and backed by revenues from its taxing power.

IDLE FUNDS: Money which is not immediately required for the purposes for which it was collected or received and may be invested.

INTEREST RATE: The annual rate of interest received by an investor from the issuer of fixed-income securities. The percentage of an amount of money which is paid for its use for a specified time.

INTEREST RATE RISK: The risk associated with declines or rises in interest rates which cause an investment in a fixed-income security to increase or decrease in value.

INVESTMENT: Commitment of money to gain profit or interest, such as by purchasing securities.

KANSAS MUNICIPAL INVESTMENT POOL (MIP): The State of Kansas offers a Local Government Investment Pool (LGIP) entitled "State of Kansas Municipal Investment Pool," which is governed by the State of Kansas Pooled Money Investment Board (PMIB). It is a pooled investment vehicle (available to public entities in the state of Kansas) investing in US Treasury and Agency securities, certificates of deposit in Kansas banks, commercial paper, and corporate bonds. Investments range from overnight to two years at the option of the investor.

LIQUIDITY: Refers to the ability of an instrument to be converted into cash rapidly without substantial loss of value.

MARKET VALUE: The price at which a security is traded and could be purchased or sold on a given day.

MARKING TO MARKET: The process whereby the book value or collateral value of a security is adjusted to reflect its current market value.

MATURITY: The length of time an investment is offered.

MATURITY DATE: The date on which payment of a financial obligation is due. The final stated maturity date is the date on which the issuer must retire an investment instrument and pay the face value to the investor.

MONEY MARKET FUND: Mutual funds that invest solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, bankers' acceptances, repurchase agreements, agency securities, and federal funds).

MUNICIPAL NOTE: Short-term notes issued by municipalities in anticipation of tax receipts, proceeds from a bond issue, or other revenues.

PAR VALUE: The amount of principal which must be paid at maturity, also referred to as the face amount of a bond.

PORTFOLIO: Collection of securities held by an investor.

PRINCIPAL: The face amount or par value of a debt security.

REALIZED GAIN OR LOSS: The amount of realized gain from the sale or other disposition of property is the excess of the amount realized over the adjusted basis of the property. The amount of realized loss is the excess of the property's adjusted basis over the amount realized.

REPURCHASE AGREEMENT (Repo): An agreement of one party to sell securities at a specified price to a second party and a simultaneous agreement of the first party to repurchase the securities at a specified price at a specified later date.

SAFEKEEPING: The holding of securities by a financial institution on behalf of the securities owners.

SECURITY: Documents that can be traded for value; an instrument of ownership or debt used to finance government and corporate entities.

SECURITIES SWAP: Trading one asset for another.

TIME DEPOSIT: Another term for a savings account or certificate of deposit in a commercial bank.

TRUST DEPARTMENT: A department of a bank, which is authorized to serve in a fiduciary capacity.

UNITED STATES GOVERNMENT SECURITIES (Treasuries): Bonds, notes, treasury bills or other securities constituting direct obligations of the United States of America, or obligations that principal of and interest on which are fully and unconditionally guaranteed as to the full and timely payment by, the United States of America.

UNREALIZED GAIN OR LOSS: A profit or loss that has not yet materialized. An example of an unrealized gain would be an appreciated stock in which the price has increased but, if the stock is not sold, the profit is considered an unrealized gain.

YIELD: The current rate of return on an investment security generally expressed as a percentage of the security's current price.