MINUTES OF THE
JULY 7, 2026
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

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.

MODIFICATION OF AGENDA

There were no modifications to the agenda.

CONSENT AGENDA

1. Acceptance of the Lenexa Old Town Retail Building - Pflumm Road public improvements for maintenance
   This project widened the sidewalk along 9213 Pflumm Road using brick pavers to match the adjacent sidewalks. The work was privately funded.

2. Approval of the purchase of 6,000 tons of rock salt from Central Salt, LLC to be used for the 2026-2027 winter season
   This purchase replenishes the City's rock salt storage for treating roads this winter. The award is through a cooperative bid for a total of $332,820.

3. Consideration of action items regarding the Woodsonia Drive Special Benefit District - 83rd Street to Prairie Star Parkway Project

   a. Bid award to Emery Sapp & Sons for the construction of the Special Benefit District (SBD)

   b. Approval of a utility encroachment agreement with Evergy for the SBD

   c. Dedication of City-owned property as right-of-way for the SBD

   d. Approval of a Water Main Extension Petition and Agreement with WaterOne for a new main along Woodsonia Drive
   This project constructs Woodsonia Drive from Prairie Star Parkway north to its current terminus, including landscaping, stormwater, concrete curb and gutter, asphalt pavement, sidewalks, and streetlights. These actions are necessary to

proceed with the project. The maximum cost of the Special Benefit District is $10,077,000.00

4. Resolution approving an encroachment agreement and an easement agreement associated with the City Center North Village Townhomes Project
As part of this project in City Center, improvements including sidewalk, fence columns, utilities, and associated infrastructure will encroach onto portions of the City's existing property adjacent to the Central Green. The developer will purchase the encroachments and easements for a total price of $77,203.

5. Resolution consenting to the enlargement of the Consolidated Main Sewer District of Johnson County, Kansas to include property located north of 83rd Street and east of Landon Street (Stoneridge North, Fifth Plat)
This consent will allow Consolidated Main Sewer District (CMSD) of Johnson County to enlarge its sanitary sewer system to serve the Stoneridge North, Fifth Plat neighborhood.

6. Resolution authorizing the execution of documents in connection with the assignment and assumption of a base lease and lease, related to the City's industrial revenue bonds, Series 2025 (Villas at Vista Village - Phase 1)
On October 1, 2024, the City issued its industrial revenue bonds in the approximate amount of $16.5 million to finance the construction of a facility consisting of Phase 1 of the Villas at Vista Village, which is located in the southwest corner of Prairie Star Parkway & Vahalla Street. The developer has requested the City's consent to the assignment and assumption of the base lease and lease.

END OF CONSENT AGENDA

Councilmember Denny made a motion to approve items 1 through 6 on the consent agenda and Councilmember Charlton seconded the motion. Motion passed unanimously.

PUBLIC HEARINGS

7. Consider establishing the Westchester Shopping Center Community Improvement District

   a. Public hearing to consider establishing the Westchester Shopping Center Community Improvement District (CID)

   b. Ordinance establishing the Westchester Shopping Center CID

   c. Approval of a CID Development Agreement with Westchester 87 Investors, LLC and K7 Kansas Investors, LLC
   The City received a Community Improvement District (CID) petition from the developers to levy a 1% sales tax over the Westchester Shopping Center located at the northeast corner of 87th Street Parkway & Pflumm Road.

   Sean McLaughlin, City Attorney, said this is a proposal to establish a Community Improvement District (CID) for the 15-acre Westchester Shopping Center at 87th Street Parkway & Pflumm Road. He explained that the shopping center, built in the mid-1980s, was recently purchased by new developers who plan to invest approximately $26 million in renovations over a two-year period. He said the planned improvements include building façade and interior renovations, parking lot and stormwater upgrades, sidewalks, landscaping, and related site improvements. To help finance eligible project costs, he said the developers requested a 1% CID sales tax for 22 years, with a maximum reimbursement of approximately $4.55 million.

Mr. McLaughlin said the CID would support reinvestment in an aging retail center, encourage redevelopment in eastern Lenexa, help prevent blight, and address the challenges of completing improvements while businesses remain open. He said staff recommended approval of the CID and the associated development agreement.

Councilmember Nicks asked why the McDonald's and gas station were excluded from the proposed CID. Mr. McLaughlin explained that the developer does not own the McDonald's property and that standalone businesses of that type typically do not participate in CIDs. He added that the remaining shopping center properties are under common ownership by the developer, while the excluded pad sites were not part of the acquisition.

Councilmember Bell asked about the value of the proposed CID to the City beyond blight prevention. Mr. McLaughlin explained that the project aligns with the City's policy of encouraging reinvestment in infill development and said the planned improvements are expected to strengthen economic development by retaining existing businesses, attracting higher-quality tenants and retail desired by residents, improving the property's appearance, and enhancing the long-term value and vitality of the shopping center.

Councilmember Williamson asked whether the shopping center currently has any vacant tenant spaces. Mr. McLaughlin deferred the question to the applicant, noting they could better address the property's current occupancy. Councilmember Williamson asked whether the proposed 1% CID sales tax would apply to all purchases within the district, including groceries and household goods, and Mr. McLaughlin confirmed that it would.

Aaron Mesmer, Block Real Estate and K7 Kansas Investors, presented the developer's redevelopment plans for Westchester Shopping Center, explaining that Block and its partners purchased the property in late 2025 and plan to invest approximately $26 million to modernize and reposition the aging retail center. He highlighted Block's longstanding investment in Lenexa, noting the company owns 55 commercial properties in the city and has successfully completed similar shopping center redevelopments, including the nearby Greystone South Plaza. He explained that the proposed CID would fund extensive improvements, including updated building façades, landscaping, lighting, signage, parking lot and stormwater improvements, and pedestrian amenities designed to create a cohesive, modern appearance and improve the customer experience.

In response to Councilmember Nick's earlier question, Mr. Mesmer talked about the boundary of the proposed CID, saying the previous owners did not own McDonald's or the gas station when Block purchased the property in 2025, so they cannot include them in the CID.

Mr. Mesmer said the shopping center is currently less than 83% occupied, with several vacant spaces and upcoming lease expirations that make reinvestment critical to reversing declining occupancy. He attributed the property's challenges to deferred maintenance, inconsistent building design, poor visibility, and absentee ownership, and said local management would provide more responsive maintenance and leasing. He explained that the redevelopment is intended to retain key tenants such as Hy-Vee, attract new businesses, increase property values and sales tax revenue, and strengthen the long-term economic vitality of eastern Lenexa. He added that the project supports the goals of Vision 2040 by reinvesting in an established commercial area, creating a more inviting destination, and promoting a thriving local economy.

Councilmember Denny said he supports the proposed redevelopment, saying the improvements would benefit the surrounding neighborhood. He raised a concern about limited sight distance caused by landscaping behind an outparcel building, suggesting it be addressed as part of the project. Mr. Mesmer said that the issue had already been identified during meetings with tenants before purchasing the property and confirmed it would be addressed as part of the redevelopment.

Councilmember Eiterich asked whether tenants, including Hy-Vee, had expressed concerns about the proposed 1% CID sales tax. Mr. Mesmer said Hy-Vee had been consulted during the planning process and provided input on the proposed improvements, though the company would speak for itself regarding the CID. He said tenant feedback has been overwhelmingly positive, with businesses expressing support for needed upgrades and appreciation for the transition to responsive local ownership and management.

Councilmember Eiterich asked about the project timeline. Mr. Mesmer said construction would begin as soon as approvals, design work, and permits are completed, with work potentially starting in September and continuing through the third quarter of 2027. When Councilmember Eiterich asked whether Block typically sells properties after completing redevelopment projects, Mr. Mesmer explained the company's general strategy is to acquire and hold properties long term, although individual investment partnerships may choose to sell based on investor decisions. He spoke about Block's longstanding investment in Lenexa and said the company views the Westchester Shopping Center as a long-term asset it intends to own and manage successfully.

Councilmember Handley asked whether the planned parking lot improvements would include ensuring full ADA compliance and Mr. Mesmer said that the property is currently ADA compliant and said any deficiencies identified during construction would be corrected. Councilmember Handley asked whether businesses in CIDs typically notify customers of the additional 1% sales tax through signage. Mr. Mesmer said such notices are uncommon and could create an unnecessary negative perception of the property, noting that CIDs are widely used throughout Lenexa and neighboring communities and that sales tax rates already vary across the metropolitan area. Councilmember Handley expressed support for the project, saying it represents a proactive investment that aligns with the City's Vision 2040 goals and will help strengthen the shopping center before more significant decline occurs.

Councilmember Charlton asked whether the elimination of sales tax on groceries had passed. Beccy Yocham, City Manager, clarified that only the state sales tax on groceries has been removed from groceries, while local sales taxes remain in effect.

Councilmember Williamson asked about the shopping center's recent decline in occupancy. Mr. Mesmer said the property has lost the Fitness Anytime tenant since its purchase, reducing occupancy to less than 83%, and emphasized the need to halt that downward trend through reinvestment. Councilmember Williamson asked whether there were any significant safety concerns at the property. Mr. Mesmer said the primary issues involve deferred maintenance, including roof leaks, drainage deficiencies, and stormwater management rather than immediate safety hazards. He explained that improvements would include replacing three roof systems and correcting drainage problems that currently allow water to pond in parking areas and around building foundations, which has accelerated pavement deterioration and caused water intrusion into tenant spaces.

Councilmember Williamson asked about upcoming lease expirations. Mr. Mesmer responded that 17 of the shopping center's 22 leases are scheduled to expire by 2029, including one major tenant, making timely redevelopment critical to retaining existing businesses and improving the center's long-term competitiveness.

Councilmember Bell asked what level of investment the developer would make if the CID were not approved. Mr. Mesmer said that essential maintenance, including roof replacements and repairs to drainage and water intrusion issues, would still be completed because those improvements are necessary to operate the property. However, he said the CID would enable the developer to undertake higher-value enhancements, including new building façades, landscaping, signage, and tenant improvement allowances that would help attract and retain businesses. He explained that while approximately $4.5 million of eligible project costs could be reimbursed through the CID, the full $26 million investment would likely not occur without it.

Councilmember Bell asked whether Hy-Vee had expressed support for the CID. Mr. Mesmer said that Hy-Vee had been informed of the proposal and given an opportunity to comment but had neither endorsed nor opposed it publicly, and he declined to speak on the company's behalf. Councilmember Bell said he recognized the redevelopment's potential benefits to the community but also understood concerns from residents about the additional 1% sales tax on purchases, particularly groceries, noting some shoppers closely monitor their receipts and may question the value of the added cost despite the anticipated long-term improvements to the shopping center.

Mayor Sayers opened the public hearing at 7:40 PM.

David Crume, 24907 W. 86th Street, spoke in opposition to the CID. He argued that the additional sales tax, which could remain in effect for up to 22 years, would shift more than $4.5 million in redevelopment costs to shoppers rather than the private property owner. He expressed concern that the tax would disproportionately affect seniors, families, and other budget-conscious residents purchasing everyday necessities at businesses such as Hy-Vee and Dollar Tree. He questioned the precedent of using special taxing districts to finance private redevelopment projects and asked the City Council to consider the cumulative impact of additional sales taxes on residents.

Gaylene Van Horn, 8131 Rosehill Road, spoke in opposition to the CID, saying the additional 1% sales tax is not truly voluntary because many east Lenexa residents rely on Westchester Shopping Center, particularly Hy-Vee, for affordable groceries. She asked why certain properties were included or excluded from the district. She said that the additional sales tax would place a greater burden on households already facing rising costs. She questioned the city's growing number of CIDs and suggested businesses within special taxing districts should be clearly identified so shoppers are aware of the additional tax.

David Hanks, 22635 W. 89th Street, said he was neither supporting nor opposing the proposed CID but asked for additional financial analysis to better evaluate the proposal. He asked to see a comparison of the projected sales tax revenue generated by the CID over time against the public investment in the project, including when those amounts would intersect. He said that information would help the City Council and the public better understand the long-term financial return associated with the proposed redevelopment.

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

The public hearing closed at 7:49 PM.

Councilmember Eiterich asked about the process if the proposed CID were denied, specifically whether there would be a waiting period before a revised application could be submitted or whether the district boundaries could be modified, such as excluding the grocery store. Ms. Yocham said that there is no waiting period to reapply and that a revised petition could be submitted with different district boundaries; however, she noted that removing the grocery store from the CID would significantly change the project's financial assumptions and overall economics.

Councilmember Handley requested clarification on how long the proposed 1%

sales tax would remain in effect, noting that the redevelopment would be completed within the first two years while the CID was authorized for up to 22 years. Ms. Yocham explained that the tax would terminate once the approved eligible costs, approximately $4.5 million, had been reimbursed, unless the CID were later amended. If reimbursement were completed before 22 years, she said the tax would end at that time.

Councilmember Handley confirmed that rental payments are not subject to sales tax and asked whether the reimbursement target would require roughly $455 million in taxable sales. Mr. Mesmer estimated the shopping center could generate approximately $48 million in annual taxable sales once fully occupied, resulting in an estimated reimbursement period of about 10 years, with the potential for the tax to expire sooner if sales exceeded projections. He noted that some tenants do not collect sales tax but remain valuable to the shopping center's tenant mix. Councilmember Handley said the estimated 10-year reimbursement period made the proposal more reasonable than the maximum 22-year authorization and said he could support the CID. He added that residents have alternative shopping options in the area and said the anticipated reinvestment justified approving the redevelopment incentive.

Councilmember Nicks spoke about his support for the proposed CID, saying that the redevelopment would enhance the appearance of the Westchester Shopping Center and improve the prominent intersection. He said he has supported similar CIDs because they help maintain Lenexa's image as a first-class city by encouraging reinvestment in commercial properties and preserving the community's overall appearance.

Councilmember Charlton asked whether the shopping center had previously been under separate ownership on either side of Hauser Street before the acquisition. Mr. Mesmer explained that all of the properties within the proposed CID were previously owned by a single entity, Brixmor, and were purchased together. He said the acquisition was structured through two investment entities solely for financing and tax purposes, with both managed by the same ownership group.

Councilmember Charlton spoke about the recent closure of a restaurant in the center and his concern about declining business activity. Mr. Mesmer said the developer hopes to attract that restaurant back to the center. Councilmember Charlton said that the shopping center is in need of reinvestment and said the proposed redevelopment would provide the catalyst needed to revitalize the property and prevent further decline, so he was in support of the CID.

Councilmember Williamson said she was struggling with the proposed CID while acknowledging that the shopping center is in need of significant improvements and recognizing that the redevelopment could attract new tenants and create additional jobs. She said she could not support imposing an additional 1% sales tax on groceries and household necessities.

Councilmember Bell said he shared many of Councilmember Williamson’s concerns. While acknowledging the benefits of the redevelopment, he said he remained focused on how the additional tax would affect shoppers purchasing everyday necessities. He said he would be interested in reviewing financial performance data from previous CIDs to determine whether the estimated 10-year reimbursement period was realistic and asked whether the nearby Greystone Shopping Center CID had concluded. Ms. Yocham said that the Greystone CID remains active. Mr. Mesmer explained that CIDs help bridge the financial gap created by long-term leases with fixed rental rates, which limit a property owner's ability to recover significant reinvestment costs through higher rents. He added that the projected reimbursement period for Westchester is based on reasonable sales estimates for the shopping center's tenant mix and should not be compared directly to the Greystone project, which had different economic assumptions.

Councilmember Eiterich said she struggled with the decision and that she has generally not supported CIDs. She acknowledged the need for improvements to the shopping center, but said she was concerned that many nearby residents, including seniors who walk to the Hy-Vee grocery store, have limited alternatives for shopping, making the additional 1% sales tax less of a voluntary choice. She noted that essential structural repairs would proceed regardless of the CID. She said she could not support imposing an additional sales tax on residents to fund the project and would vote against the proposal.

Mayor Sayers acknowledged concerns but urged the councilmembers to consider the broader long-term implications of rejecting the proposal. She noted that many residents already shop at competing grocery stores outside Lenexa because they perceive them as more modern and attractive, and warned that failing to reinvest in the shopping center could jeopardize the long-term viability of the Hy-Vee location. She said that losing the grocery store would leave residents with fewer convenient shopping options and shift retail activity and sales tax revenue to neighboring communities.

Mayor Sayers also pointed out that residents frequently ask the City to address aging commercial centers and prevent retail properties from falling into decline. She said the proposed CID represents a proactive opportunity to reinvest in an established shopping center before significant deterioration occurs, rather than attempting to address blight after the fact. She said that residents often encourage the City to generate more revenue through retail sales rather than property taxes, saying that maintaining a competitive and attractive shopping center supports that goal.

Councilmember Denny made a motion to approve Item 7b and Councilmember Nicks seconded the motion. Motion passed 5-3 with Councilmembers Eiterich, Bell, and Williamson voting against.

Councilmember Handley made a motion to approve Item 7c and Councilmember Herron seconded the motion. Motion passed 5-3 with Councilmembers Eiterich, Bell, and Williamson voting against.

8. Public hearing to consider repairs or demolition of the fire-damaged structure at 20826 W. 89th Terrace -- **ITEM CONTINUED FROM THE JUNE 2, 2026 CITY COUNCIL MEETING AND BEING CONTINUED TO THE AUGUST 18, 2026 CITY COUNCIL MEETING AT STAFF'S REQUEST**

This item was continued to the August 18, 2026 City Council meeting at staff's request.

OLD BUSINESS

9. Resolution calling for a public hearing on September 1, 2026 to consider exceeding the revenue neutral property tax rate and a public hearing on September 1, 2026 to consider the fiscal year 2027 annual budget

State law requires cities to publish notice and conduct a public hearing prior to adopting a property tax rate that exceeds the revenue neutral property tax rate. In addition, state law requires cities to publish notice and conduct a public hearing prior to adoption of the annual budget. Staff proposes to hold both public hearings on September 1, 2026 regarding the fiscal year 2027 budget. The estimated property tax rate is 25.984 mills for the 2027 budget, which exceeds the revenue neutral property tax rate of 25.359 mills as calculated by Johnson County. However, the estimated property tax rate is 0.250 mill lower than the levy for the 2026 budget.

Megan Sterling, Assistant Chief Financial Officer, said this resolution sets public hearings for September 1st for exceeding the revenue neutral property tax rate and considering the proposed 2027 budget. She said the proposed property tax rate of 25.984 mills exceeds the County-calculated revenue-neutral rate of 25.359 mills but represents a reduction of one-quarter mill from the 2026 levy. She said the proposed 2027 budget totals $275.2 million, including $178.9 million in estimated expenditures and $96.3 million in estimated ending reserve balances.

Ms. Sterling explained that once the public hearing notice is published, the proposed budget and mill levy become the maximum amounts that may be adopted, although the City Council may reduce either before final approval.

Ms. Sterling reviewed the remaining budget schedule, including departmental budget presentations on July 14th, an opportunity to make public comment on the budget on August 18th, and the public hearings on the budget and property tax rate on September 1st.

Councilmember Nicks made a motion to approve Item 9 and Councilmember Herron seconded the motion. Motion passed unanimously.

BOARD RECOMMENDATIONS

10. Lenexa Arts Council recommendation for public art at the Lenexa Justice Center

The process for selecting an artist for the Justice Center Community Room public art is complete. Staff recommends approving the proposal that received the highest score in the voting process for a cost not-to-exceed $11,000.

Logan Wagler, Parks and Recreation Director, presented the Lenexa Arts Council's (LAC) final recommendation for public art in the Justice Center Community Room. He reviewed the three-step selection process, noting the project called for two- or three-dimensional wall-mounted artwork with a budget of $10,000 to $12,000. He said five artists were invited through a limited call, with four finalists advancing to a blind voting process after LAC review.

The submittals were presented, along with the voting tally.

Mr. Wagler said that Maura Cluthe's proposal, *Here We Are, We Are Here*, was selected by a one-point margin. He explained the final installation would closely resemble the conceptual rendering and feature a combination of two- and three-dimensional elements to add depth and character to the space. He said the LAC unanimously supported the recommendation because it fulfilled the established selection process, aligned with the City's strategic plan and public art goals, and would enhance Lenexa's public art collection. He said the next step would be for staff to negotiate a contract with the artist and establish a project schedule.

Mayor Sayers called it a unique addition to the City's collection and said the artwork's title was particularly fitting for its location in the Community Room.

Councilmember Williamson made a motion to approve Item 10 and Councilmember Eiterich seconded the motion. Motion passed unanimously.

COUNCILMEMBER REPORTS

Councilmember Herron thanked the Parks and Recreation staff for their work organizing and executing the Great Lenexa Barbecue this year.

Councilmember Williamson thanked all City staff involved in preparing for this year's Community Parade and said although severe weather forced the event's cancellation, she appreciated staff's hard work and dedication.

STAFF REPORTS

There were no staff reports.

END OF RECORDED SESSION

BUSINESS FROM FLOOR

Dan Wilkus

ADJOURN

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

The meeting adjourned at 8:22 PM.

/s/ Jennifer Martin
City Clerk