

Minutes

Audio Tape No. 670

The City Council of the City of Leawood, Kansas, met for a Special Call Meeting at City Hall, 4800 Town Center Drive, at 6:30 P.M., on Monday, June 19, 2006. Mayor Peggy Dunn presided.

Councilmembers present: Jim Rawlings, Lou Rasmussen, Gary Bussing, Scott Gullede, Gregory Peppes, Debra Filla, and James Azeltine.

Councilmembers absent: Mike Gill.

Staff present: Scott Lambers, City Administrator
Patty Bennett, City Attorney
Shannon Marcano, Assistant City Attorney
Chief Sid Mitchell, Police Department
Major John Meier, Police Department
Captain Troy Rettig, Police Department
Chris Claxton, Parks & Recreation Director
Joe Johnson, Public Works Director
Deb Harper, City Clerk
Christy Wise, Deputy City Clerk

1. Opening Remarks

Mayor Dunn called the Work Session to order at 6:30 P.M. Introductions were made by those present.

City Administrator Scott Lambers stated casual conversations have occurred regarding the future of the existing Police Station following construction of the new Justice Center. Staff recommends moving everything to the new facility and entirely abandoning the old station. Formal direction on how to proceed is needed from the City Council.

Prior discussion has also taken place regarding the sale of property on Tomahawk Creek Parkway. The property was originally acquired to house the new Justice Center. Mr. Lambers recommended disposing of the property since a public use in this area is not foreseen. The land could be sold to a corporate office development given the surrounding neighborhood. Expending funds from sale of the land towards construction of the Justice Center would be appropriate although not required.

Mr. Lambers also recommended proceeding with the design-build process for the Justice Center. He offered to bring in a disinterested third party to perform a 30-minute presentation of the entire design-build process for councilmembers who are unfamiliar with this method.

2. Discussion of Agenda Item Nos. 1, 2, and 3

Item No. 3: Design-build authority on new Justice Center to be located at 117th and Tomahawk Creek Parkway

Councilmember Rasmussen stated favor with the design-build process as it has historically worked very well for the City. The Public Works Maintenance Facility was constructed via design-build.

Mr. Lambers outlined fundamental benefits associated with design-build versus the traditional process. Basically, there is a team effort rather than conflict between the architects/designers and constructors. If the Governing Body does not opt for design-build, he recommended at least having a construction manager.

Mayor Dunn noted former-councilmembers James Taylor and Shelby Storey previously formed an Ad hoc Value Engineering Committee to aid with the development of Fire Station No. 3 after the estimate was given. The committee helped bring project costs into an affordable scope.

Mr. Lambers assured Councilmember Peppes there will be opportunity to make adjustments according to a specific budget with the design-build process. Mayor Dunn informed another benefit will be the ability to settle issues through only one contact person. The design-build process is currently being utilized for new facilities at Ironwoods Park.

Councilmember Bussing arrived at 6:40 P.M.

Mayor Dunn verified for Councilmember Azeltine the project will go through the normal process of being heard at the Planning Commission level.

Mr. Lambers advised necessary steps will be to Master Plan and rezone the site followed by the selection process for the project manager to assist with the RFP documents. The alternative to design-build is to hire an architect and then separately bid for contractors. With the design-build concept, the architect and contractors act as a team and are able to resolve conflicting issues amongst themselves.

Councilmember Filla expressed interest in Mr. Lambers' offer to coordinate a 30-minute design-build overview in order to better understand the concept.

Mayor Dunn confirmed consensus from the City Council to proceed with the City Administrator's recommendation regarding a design-build authority for the new Justice Center.

Item No. 2: Disposition of city owned property on Tomahawk Creek Parkway

Mr. Lambers stated if agreed upon to sell the land, it should be done so between the present and when the new Justice Center is built in order to apply proceeds towards construction costs. The City will advertise a minimum set bid for approximately two months and accept sealed bids. The highest bidder will be awarded sale of the land.

The City acquired this land with the caveat of allowing the seller a right of first refusal if not used for public purposes. The seller has been notified and indicated no interest in repurchasing the land; however, they will be given another opportunity to express interest once the highest bidder has been determined. The location of the property is approximately 115th Street and Tomahawk Creek Parkway, directly behind the American Academy of Family Physicians.

Councilmember Rasmussen commented it makes absolute sense to utilize funds from sale of the property originally intended for a Justice Center to aid in funding the same facility in a new location.

There was concurrence to proceed with Mr. Lambers' recommendations regarding disposition of the land on Tomahawk Creek Parkway.

Item No. 1: Vacating the existing Police Department building at 9617 Lee Boulevard

Mr. Lambers stated one police station is sufficient to meet the needs of a city the size of Leawood. He recommended abandoning the current station in totality upon completion of the Justice Center. Police Chief Sid Mitchell agreed with Mr. Lambers, stating he is not in favor of having multiple facilities.

Councilmember Rasmussen listed possible options for the site: maintaining some police presence in the area; clear the land by tearing down the existing station and old City Hall as well as remove the trailers (a commitment of restricting development to R-1 should be made to surrounding neighbors); clear and use the land as a pocket-park; or partially clear the land while leaving the old City Hall for some purpose. Mayor Dunn advised the old City Hall is currently dedicated as a museum.

Mr. Lambers clarified the term "vacating" signifies abandonment rather than demolition of the building. Discussion regarding alternative uses for the building will take place at a later date.

Chief Mitchell confirmed for Councilmember Filla there is no merit in keeping the building as a back-up facility for emergency radio/dispatch equipment. Prairie Village and Overland Park Police Departments currently serve as back-up communication stations for Leawood.

Councilmember Peppes asked if it would be beneficial to have more than one building to house personnel at the time of complete build-out. Chief Mitchell explained it would be more difficult due to the amount of necessary interaction between divisions as well as with Municipal Court. It would not make sense to separate the department.

Mayor Dunn informed Councilmember Rasmussen that discussion regarding potential uses for the abandoned facility will take place at a later date.

If the current Police Department were maintained as a satellite location, Chief Mitchell informed Councilmember Gullede it would be used for property storage only.

A consensus was taken to endorse Mr. Lambers' recommendation regarding vacating the existing Police Department building at 9617 Lee Boulevard.

4. Discussion of Agenda Item No. 4: Financial Options

Mr. Lambers stated the memorandum distributed in Council packets is in response to the Governing Body's request to research financing options for the future Justice Center, including the possibility of a sales tax increase. Voters will have the option to decide between an additional sales tax or raised property taxes. He recommended placing a .4% sales tax increase on the November general election ballot. Over a five-year period, the increase will generate \$10-million. The tax will expire either after five years or after reaching \$10-million, whichever comes first. The balance of revenue needed for the Justice Center will come from other sources. The goal will be for the project to be funded Pay-As-You-Go [PAYGO] without the issuance of long-term debt. The avoidance of short-term debt is also a possibility depending upon timing issues.

Mr. Lambers informed Councilmember Gullede other sources of funding would include the existing 1/4-cent sales tax and revenue generated from sale of the land on Tomahawk Creek Parkway. The major goal is to not have any long-term debt associated with the project.

Councilmember Rasmussen and Mr. Lambers discussed project costs. There is currently \$2.5-million in a reserve fund for the project. The estimate for a completely equipped Justice Center building is \$8-million to \$10-million; however, onsite infrastructure improvement costs for streets, underground utilities, sidewalks, curbs/gutters, streetlights, parking structures, and security brings the total figure to \$10-million to \$12-million. Mr. Lambers stated the combined revenue from the 1/4-cent sales tax over the next two years, sale of the property, and the proposed sales tax increase will generate roughly \$15-million to \$16.5-million.

Mayor Dunn noted the \$2.5-million in reserves is from the voter approved Economic Development Sales Tax with a split of 2/3 for school districts and 1/3 for cities.

Councilmember Rasmussen stated the sales tax approach makes sense for a period not to exceed a certain dollar amount. Councilmember Gullede also agreed with a possible sales tax increase.

Councilmember Peppes inquired about alternatives if voters do not approve the sales tax increase. Mr. Lambers stated the project will still take place with funding through a modest property tax increase for 20 years.

Mayor Dunn pointed out it was former-councilmember James Taylor's goal during the Goals & Objectives Work Session in January to review the possibility of increasing the sales tax.

Councilmember Peppes confirmed favor with the .4%-cent sales tax increase.

Councilmember Filla verified with Mr. Lambers that voters will be approving the sales tax but not the bond issue. There is \$8-million programmed into the budget model for the Justice Center. Councilmember Filla voiced agreement with placing the sales tax increase on the ballot in November with a Sunset Provision.

Councilmember Azeltine verified the current 1/8-cent street and stormwater sales tax will expire in 2010. Mr. Lambers informed it is anticipated this tax will be resubmitted to voters as there is a continuous need for improvements. The proposed .4% sales tax increase will go into effect on April 1, 2007 and end at the end of five years.

Discussion took place regarding the recent sales tax increase proposed by Johnson County in House Bill 2689. County Commissioners and staff were well aware that Leawood would use the sales tax allocation for construction of a new Justice Center, fire substation, community center, and street reconstruction; however, efforts to coordinate and compromise on the issue failed.

Councilmember Azeltine noted the increase, if approved, will bring Leawood's overall sales tax just below 8%. He stated favor of funding the Justice Center with the sales tax mechanism but expressed concern for the irregular rates throughout Johnson County.

Mayor Dunn commented allowing the public the opportunity to decide how the Justice Center is funded is of value.

Councilmember Rawlings affirmed agreement with the sales tax increase at .4%.

Councilmember Bussing said sales tax in parts of the City will be in excess of 8% when assessments made available through Transportation Development Districts [TDDs] are included. Leawood is very rapidly approaching the point of sales tax capacity. He voiced concern with the relationship between the county and additional increases they may impose. Councilmember Bussing stated he could not take a position to either agree or disagree with the issue at this time.

Mayor Dunn reported the county will attempt to acquire a Streamlined County Sales Tax authority next year through Legislature. She noted a City Council consensus to present voters with a .4% sales tax including a Sunset Provision upon acquiring \$10-million.

Councilmember Bussing offered objection to the increasing costs associated with the project, which was budgeted at \$8-million and is now at \$10-million. Mr. Lambers reminded infrastructure costs were not included in the Capital Improvement Program [CIP]. Councilmember Bussing stated he is uncomfortable with the constant creep of estimated project costs such as with the Gezer Park, which started at \$750,000 and jumped to \$1.5-million to \$2-million. It was noted that final plans for Gezer Park have not been agreed upon.

In fairness to surrounding residents, Councilmember Rasmussen suggested identifying a timeframe to decide upon a use for the empty police station building. Mayor Dunn estimated another Work Session on the topic will take place in the next six months. She stated the trailers upon the property will in fact be removed. The Historic Commission has also expressed interest in using the old City Hall building as a museum, which could be effectively utilized given the number of City artifacts.

Councilmember Azeltine asked the logistics of getting the sales tax issue on the November ballot. Mr. Lambers stated the ballot question must be filed with the County Clerk by a September 1st deadline. The City is not allowed to promote the issue. Councilmembers can opt to send informational mailings to residents, however cannot advocate a position. Mr. Lambers stated the City will probably issue a mailing 1-2 weeks before the election informing voters of the ballot contents.

There being no further business, Mayor Dunn adjourned the meeting at 7:20 P.M.

Christy Wise, Recording Deputy City Clerk