

## Minutes

The City Council of the City of Leawood, Kansas, met for a Special Call Meeting at City Hall, 4800 Town Center Drive, at 6:00 P.M., on Monday, May 7, 2012. Mayor Peggy Dunn presided.

**Councilmembers present:** Debra Filla, Lou Rasmussen, Andrew Osman, Jim Rawlings, Julie Cain, Carrie Rezac, and James Azeltine

**Councilmembers absent:** Councilmember Gary Bussing

**Staff present:** Scott Lambers, City Administrator  
Joe Johnson, Public Works Director  
Richard Coleman, Comm. Dev. Director  
Deb Harper, City Clerk  
Patty Bennett, City Attorney  
Dawn Long, Finance Director  
Pam Gregory, Assistant City Clerk

**Others Present:** Robert Regnier, Bank of Blue Valley  
Orval Papon, MD Management  
James Harpool, MD Management  
John Petersen, Esq., Polsinelli Shughart  
Diane Botwin, Botwin Commercial Development  
Drew Quinn, Colliers International  
Michael Allen, Caymus Real Estate  
Otto Westerfield, Johnson County Management

## **Continued Discussion of Establishment of a Community Improvement District [CID] Policy for redevelopment** *[Previous Work Session held on October 17, 2011]*

Mayor Dunn called the meeting to order at 6:05 P.M. Introductions were made by those present.

### **Opening Remarks – City Administrator Scott Lambers**

Due to his absence, Councilmember Bussing requested that Mr. Lambers express his opposition to the City adopting a Community Improvement [CID] Policy. He believes these types of improvements should be funded by the private sector without any public sector involvement. He has been consistent with this since this process began.

### **Section 5 – Project Eligibility**

The updated draft includes terms to capture all types of work. He suggested the term “maintain” be removed because the City should not get involved in routine maintenance of developments using these proceeds. To make the policy very clear, they need to determine whether these terms relate to the interior or exterior of the development.

**Presentation – City Attorney Patty Bennett**

The updated draft contained the following changes:

- Clarification of reimbursement of approved projects could be done after project completion or completion of a phase of the project
- Clarification regarding “redevelopment” in the criteria to be considered to read “redevelopment, renovation or rehabilitation”
- Clarification regarding administrative fees that the fee is 2.5% of the revenues received from the State of Kansas each year
- Deletion of Section 3 regarding a “public/private nexus.”

Mr. Lambers proposed a 25% minimum contribution by the developer and leaving it up to the City Council on a case-by-case basis. The greater the investment they would have a more favorable consideration of the application.

Mayor Dunn was not in favor of CID financing for interior renovation and felt it should be for exterior only.

Councilmember Filla agreed they should remove the term “maintain” and financing be for exterior only.

Councilmember Cain concurred with Councilmember Filla. She requested they include “bicycle amenities” and “public transit options” under the list of project eligibilities and didn’t feel they should include financing for parks, lawns, trees and other landscape, or outdoor cultural amenities, such as sculptures and fountains. Mr. Lambers clarified these are eligible under their Special Benefit District [SBD] financing. Ms. Cain felt they should establish a development age threshold for financing.

Councilmember Azeltine felt the developments should be at least 20 years old. He agreed financing should be for exterior only; removing the term “maintain;” and removing outdoor cultural amenities.

Ms. Bennett stated development agreements are addressed in this policy. There is preference for a 10-year projected timeline; however, they could extend as long as 22 years. Mr. Lambers confirmed the 22-year clock begins when the tax is first collected on the project.

Councilmember Azeltine felt they should require a minimum 50% participation level.

Ms. Bennett confirmed they could require the CID Petition be signed by more than the 55% minimum statute requirement of land owners or state that it could be on a case-by-case basis. Mayor Dunn noted some cities require 100%; however, she felt to mandate this it would be very challenging for the developers that don’t have 100% control.

Councilmember Rezac agreed to remove the term “maintain;” however, did not want to use public monies to upgrade buildings, structures and facilities and felt this should fall upon the developer. She supported public funding for items she considered in the “public realm,” such as sidewalks, lighting, parks, trees, landscaping, sculptures, etc.

Councilmember Osman felt revitalized developments that include landscaping, trees, fountains, etc., attract customers and it was important to leave these items in and work with the developer to create something unique. He suggested financing include a marquee (front entrance), awnings and canopies and was not in favor of anything interior or structural components, such as roofs or HVAC. Overpasses and underpasses are important items to consider too. He agreed with the proposed 25% minimum participation developer contribution and leaving it up to the City Council on a case-by-case basis.

Mayor Dunn confirmed that the proposed policy was limited to a sales tax increase and Pay-As-You-Go [PAYG].

Councilmember Rasmussen agreed financing should be for exterior only. He wanted to ensure they establish restrictions. Ms. Bennett replied this could be addressed in the development agreement.

Councilmember Azeltine was in favor of the CID Petition requiring over 50% participation.

Mayor Dunn confirmed there was consensus at the October 17, 2011, work session that the maximum CID sales tax should be 1%.

Councilmember Rawlings agreed financing should be for the exterior and was not in favor of including roof and HVAC replacement because this should be considered regular maintenance. He agreed to remove the term “maintain” and felt a minimum of 20 years should be considered as the age threshold. He wanted to ensure financing was determined on a case-by-case basis. Mr. Lambers replied according to the policy definition, roof replacement would be eligible for funding.

Councilmember Osman thought there needed to be a clearer definition of what is reimbursable regarding buildings, structures and facilities.

Councilmember Rasmussen suggested they consider the federal tax depreciation schedule when considering the age threshold.

Councilmember Filla was in favor of the 20-year minimum age threshold and felt their primary objective should be help to increase public amenities for public use.

Councilmember Osman was not in favor of funding roofs or HVAC.

Councilmember Rezac felt the funding they provide would be determined by a number of elements the developer plans to include in their project.

The Council debated whether to include funding for roofs and HVAC. Mr. Lambers agreed they need to ensure specificity in the policy.

There being no further business, the work session was adjourned at 7:28 P.M.

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Pam Gregory, Recording Assistant City Clerk