## Westwood, Kansas Special City Council Meeting May 29, 2025 – 4:00 p.m.

Council Present:	David E. Waters, Mayor Jeff Harris, Council President Andrew Buckman, Councilmember Jason Hannaman, Councilmember Laura Steele, Councilmember Holly Wimer, Councilmember
Council Absent:	None
Staff Present:	Leslie Herring, City Administrator Abby Schneweis, City Clerk

#### Call to Order

Mayor Waters called the meeting to order at 4:00 p.m. on May 29, 2025. Ms. Schneweis called the roll. A quorum was present. The evening's meeting was held in a hybrid manner, with attendees joining both in person and via Zoom.

#### Approval of the Agenda

Motion by Councilmember Hannaman to approve the May 29, 2025, agenda as submitted. Second by Councilmember Buckman. Motion carried by a 5-0 voice vote.

#### Public Comment

Chris Hybl, 4946 Adams Street, said a bigger park is in the best interest. Mr. Hybl said he believes a bigger park has value and adds health benefits for members of the community. Mr. Hybl encouraged the Governing Body to preserve all of the trees on the 5050 Rainbow Boulevard property, Joe D. Dennis Park, and the former Westwood View property.

Tammy Carter, 2323 W 51st St, read a written statement she prepared and submitted for the record. The document is included in these minutes document.

Steve Platt, 4910 Glendale, Westwood Hills, read a written statement he prepared and submitted for the record. The document is included in these minutes document.

Lou Wetzel, 4832 Adams, encouraged the Governing Body to consider their legacy when making decisions regarding the former Westwood View property. Mr. Wetzel said he believes the dream of a bigger park can be accomplished if the community works together.

Beth Springgate, 4947 Booth, said she agreed with Mr. Wetzel. Ms. Springgate said the Friends of Westwood Parkland is offering to raise funds to donate to the City in exchange for dedicating 5050 Rainbow Boulevard as parkland.

Jennifer Westlake, 2309 W 51<sup>st</sup> Street, read a written statement she prepared and submitted for the record. The document is included in these minutes document.

James Spies, 4821 Belinder Court, said he did not believe the City was being transparent when it provided notice of the evening's meeting and he was distressed by it. Mr. Spies said the residents wanted business to be conducted openly, not in Executive Session. Mr. Spies said the Karbank project would threaten the charm of Westwood and the safety of neighborhood children.

Mayor Waters noted the Karbank proposal is no longer being considered.

Jayme Tebow, 4952 Norwood, said trust is earned and when it is broken it is difficult to earn back. Ms. Tebow said she has lived in Westwood longer than the members of the Governing Body, and has never seen any past Mayors hold more "attorney client meetings" than Mayor Waters.

Sydnie Millstein, 1537 Belleview Avenue, Kansas City Missouri, said she is an architectural historian, and provided an overview of the former Westwood View building's architectural significance.

Steph Becker, 2914 W 48<sup>th</sup> Terrace, said she has lived in Westwood for nearly 20 years. Ms. Becker said she does not believe the character of Westwood is limited to brownstones and tudors, and that diversity in housing makes it feel real and welcoming to people at different stages of life. Ms. Becker said she believes there are many members of the community that support thoughtful development, financial responsibility, green space, and inclusivity.

Kris Boyle, 4928 Adams Street, said she appreciates the work of the Governing Body.

David Gomoletz, 2427 W 48<sup>th</sup> Street, said he agreed with Ms. Boyle's sentiments. Mr. Gomoletz said he was frustrated by some of the misrepresentations that were made about the Karbank proposal by outside parties.

Jeremy Morris, 2340 W 51<sup>st</sup> Street, thanked the Governing Body for the job they do. Mr. Morris asked if there is a financially feasible way to have a smaller scale development than the Karbank proposal to support green space expansion.

No more speakers stepped up to the podium. Mayor Waters closed public comment.

#### New Business

# Consider Fourth Amendment to the Real Estate Purchase Agreement [for 2511 W. 50<sup>th</sup> St. (former Westwood View Elementary School Site)]

In March 2023, the City and Karbank Real Estate entered into a Funding and Exclusivity Agreement to explore

a mixed-use redevelopment proposal by Karbank to the Westwood City Council for real estate owned by the City of Westwood located on Rainbow Blvd. between 50th and 51st Street (5000 and 5050 Rainbow Blvd.).

In June 2023, following that initial presentation and Agreement execution, the Shawnee Mission School District and the City of Westwood entered into a Purchase Agreement to leverage its option to purchase the former Westwood View Element ry School located at 2511 W. 50th St. The school site was intended to be acquired by the City with funding by Karbank to create a feature public park, developed with the incremental property taxes and other revenues generated by Karbank's redevelopment – investment in – 5000 and 5050 Rainbow Blvd.

In October 2023, Karbank concluded the public rezoning process required to allow the mixed-use redevelopment and received conditional approval from the Governing Body. In November 2023, the City received a legal challenge to its right to sell 5000 Rainbow – Joe Dennis Park – without first publishing notice and holding a public vote if it received a resident petition requesting such vote.

In December 2023, upon authority granted by the City Council at the November 9, 2023 regular City Council meeting, Mayor Waters executed amendments to such agreements to extend the contractual deadlines to address the legal issues surrounding the City's ability to sell 5000 Rainbow Blvd.

In June 2024 and December 2024, the City Council extended the agreements by way of a second and third amendment, respectively, to allow the Johnson County District Court and then Kansas State Court of Appeals to rule on the legal questions at hand.

In November 2024, the Kansas Court of Appeals issued a ruling. The ruling suggested that the City may have the legal authority to hold an election on whether the City should sell Joe Dennis Park and, in December 2024, the City Council called a special election for the most immediate date available with the Johnson County Election Office. In April 2025, the City held an election on this question and the results were 47% in favor and 53% opposed to the sale of the park.

Since the City's ability to sell 5000 Rainbow Blvd. was decided by Westwood voters, Karbank canceled its purchase agreement with the City the week following the election. The City is – as of today – still under contract with the School District to purchase the school site. Under the current (third) amendment to the City's Real Estate Purchase Agreement with the School District, the City's due diligence period – the date by which the funds must be paid to the School District – expires June 1, 2025.

The City Council considered the following options available:

- A. Amend [to extend] the Purchase Agreement. On May 12th, the School Board approved a Fourth Amendment, which is included in these meeting materials. This Fourth Amendment would:
  - a. Keep the purchase price for the property at \$2,650,000 plus carrying costs of \$135,000 (added under the Third Amendment).
  - b. Add additional carrying costs in amounts not to exceed:
    - \$25,000 for half of the prorated utility expenses incurred by the School District for the time the school has been vacant; and
    - \$400,000.00 for the School District's demolition costs to be incurred in 2025.
  - c. Extend the closing date to November 28, 2025 to allow the School District sufficient time to demolish the building and grounds. Demolition is expected to conclude by mid-October. The due diligence period when payment in full must be made to the School District would expire October 31, 2025.

B. Assign the City's purchase rights to another buyer. Over the past eight weeks, various groups have approached both the School District and the City to express interest in assuming the City's right to purchase the property.

C. Terminate the Purchase Agreement with the School District. Cancellation of the contract would end the City's ability to purchase the property – or to assign its right to purchase to a buyer – now or in the future. The School District would then move forward on its own with selling the property. Although the City would have some authority through Planning Commission and the City Council to review future site

plans, rezoning requests, and/or property platting, the City would give up its ability to be involved in the selection of the buyer for the property.

D. Take no action. In policy analysis, doing nothing is always an option; in this case, it isn't. If the City Council were to take no action today, the City would be obligated to transfer the School District \$2,785,000 tomorrow. At this moment – and on a consistent basis – the City's liquid assets are less than the purchase price. Most of City's funds are obligated and are in investment accounts with varying dates of maturity. The City's General Fund reserve balance is less than half of the current purchase price. We simply don't have the cash – and won't – by tomorrow, May 30th . If the City takes no action today and doesn't wire funds to the School District tomorrow, it would be in default of the Purchase Agreement and subject to potential legal claims by the seller (the School District).

Ms. Herring provided an overview of the possible actions the City Council can take. Mayor Waters asked Ms. Herring if SMSD plans to demolish the former Westwood View building, Ms. Herring said an application for demolition has been submitted and it is under review.

Councilmember Harris asked those criticizing the timing of calling the Special City Council meeting to appreciate that there was no ideal time to hold the meeting. Councilmember Harris noted SMSD approved the Fourth Amendment to Real Estate Purchase agreement on May 12th, and if the City were to hold a meeting the following week, it would be the week leading up to the Memorial Day Holiday. Councilmember Harris acknowledged comments that this action is rushed and pointed out that the City had a widely-advertised deadline of May 30, 2025 to take action.

Councilmember Harris said the former Westwood View property is not owned by the City, and the City cannot control its destiny or make decisions about it. Councilmember Harris said there is no assignment of the contract for the City Council to consider during the meeting.

Councilmember Harris acknowledged comments about the City being broke and struggles with budgeting. Councilmember Harris said the City has had a balanced budget since he has been on Council. Councilmember Harris said the Governing Body considers not just the next budget year during the budget planning process, it also considers a Capital Improvement Plan fund that is built up and spent over many years. Councilmember Harris said capital improvement expenditures are more difficult and complex to plan for.

Councilmember Wimer acknowledged the other members of the Governing Body and said they make decisions for the benefit of the community, and she trusts and cares about them, and she believes the Governing Body cares about the members of the community. Councilmember Wimer said the City Council has been put in a challenging position on an interesting timeline. Councilmember Wimer said during the process the Governing Body has had to have executive sessions with the City Attorney to better understand the boundaries of contracts. Councilmember Wimer said the executive sessions are not done to make a back room deal or be unethical, but rather to be ethical and follow the law.

Councilmember Hannaman said the comments made during the meeting speak to the diversity of opinions throughout the community. Councilmember Hannaman said he believed extending the contract with SMSD still affords the City some control of how the property is developed. Councilmember Hannaman said he does think park space is incredibly valuable, but does have costs, and the Governing Body needs to weigh those costs.

Councilmember Buckman said he appreciated the feedback the Governing Body received. Councilmember Buckman said there is no magic solution to make everyone in the community happy, but the ultimate goal of the Governing Body is doing what is in the best interest of Westwood. Councilmember Buckman said extending the contract with SMSD will allow the Governing Body time to get the best outcome possible.

Councilmember Wimer said the contract extension will allow for the best possible proposals.

Mayor Waters asked the Council that if the contract extension is approved, how the City should move forward. Councilmember Hannaman suggested the City conduct a Request for Proposals process (RFP) that would ultimately require the City to assign the contract to a developer that can prove the proposal can be completed.

Councilmember Harris said it is in the City's best interest to extend the contract with SMSD.

Motion by Councilmember Hannaman to direct the Mayor to sign the Fourth Amendment with the Shawnee Mission School District to extend the closing date to November 28, 2025, Second by Councilmember Wimer. Ms. Schneweis conducted a roll call vote. Motion carried by a 5-0 voice vote.

There was a consensus to direct staff to begin the RFP process identify a party to assign the City's purchase rights for the former Westwood View Elementary property.

## Consider Estoppel and 11<sup>th</sup> Amendment to Woodside Village Redevelopment Agreement

The City was approached by counsel for Woodside Village relative to a refinancing of the debt on the parking garage. The refinancing came before the Council on April 10th in the form of a Resolution consenting to the assignment of the Woodside Village North parcels for the purpose of the refinancing. The Lender on that transaction subsequently requested that the City enter into an estoppel agreement and various terms to an 11th Amendment to the Redevelopment Agreement. The Estoppel attests to the existence of various development agreements between the City and the Developer and also provides consent to the Lender's filing of a lien on the property securing the Lender's security interest in the Woodside Village North properties. Contemporaneous with these negotiations, the City has negotiated with the Developer the City's ability to use revenues from the 0.9% CID sales tax, more commonly referred to as CID2 sales tax receipts. Specifically, the City intends to use the proceeds from this revenue source to fund the local share of 47th Place improvements. The City's use of CID2 proceeds is limited by the local share portion of the engineer's estimate for 47th Place improvements, which local share is estimated to be \$1,281,084, however, this is a "not to exceed" number. If actual costs come in less than the engineer's estimate, the City's actual costs will be recovered.

Additionally, the 11th amendment includes three notable provisions. First, the Developer is assigning its rights under the Redevelopment Agreement to the lender as further collateral securing the lender's loan. The TIF and CID revenues have been previously dedicated to retirement of the TIF and CID bonds issued on the project and will continue to pay down such issued bonds. Second, is a provision making clear that that the obligations of the Redevelopment Agreement run with the land, meaning that the owner of the property continues to be bound by the terms of the Agreement. Finally, the lender required agreement to a provision which makes clear that in a foreclosure situation, the lender is free to foreclose on the property and to assign the property without any further consent needed from the City.

Motion by Councilmember Hannaman to approve the 11th Amendment to the Woodside Village Redevelopment Agreement and authorize the Mayor to execute the same. Second by Councilmember Steele. Motion carried by a 5-0 voice vote.

Motion by Councilmember Hannaman to approve the City's Estoppel Certificate addressed to Walker & Dunlop, LLC and authorize the Mayor to execute the same. Second by Councilmember Wimer. Motion carried by a 5-0 voice vote.

#### Announcements/Governing Body Comments

Councilmember Wimer asked Ms. Herring when 2026 budget discussions will begin. Ms. Herring said the next regular City Council meeting on June 12<sup>th</sup>.

### **Adjournment**

Motion by Councilmember Hannaman to adjourn the meeting. Second by Councilmember Buckman. Motion carried by a 5-0 voice vote. The meeting was adjourned at 5:31 p.m.

APPROVED: \_\_\_

David E. Waters, Mayor

ATTEST: \_

Abby Schneweis, City Clerk