



MINUTES OF THE MISSION SPECIAL CITY COUNCIL MEETING

May 7, 2025

The Mission City Council met for a Special City Council meeting on Wednesday, May 7, 2025, at 6:00 p.m. The meeting was called to order by Mayor Flora. The following councilmembers attended in person: Lea Loudon, Wanda Vaughn, Mary Ryherd, Debbie Kring, Brian Schmid, Ben Chociej and Cheryl Carpenter-Davis. Councilmember Haden Chomphosy was absent.

Mayor Flora advised that because this is a special meeting, the Governing Body will only be considering the items listed on the Agenda this evening related to the consideration of a resolution calling a public hearing on the Rock Creek Redevelopment District Number 4 Tax Increment Redevelopment Project Plan. Mayor Flora asked City Administrator Laura Smith to make her presentation.

Ms. Smith explained the project, reminding the Council that this action is related to the Milhaus Mission Beverly development project. At the April committee meetings, the Developer gave a status update, indicating that as the project moved to the construction drawing stage, challenges arose related to conflicts and relocation of WaterOne facilities that have added significant infrastructure costs to the project. Ms. Smith spoke with the Council about options and alternatives and introduced Ms. Devon Coffey of the Developer who was in attendance. One of the options was the potential to use Tax Increment Financing (TIF) revenues which have accumulated in Rock Creek Development District No. 4, a district of 12 parcels that was established in 2006 and has been generating increment over time. Until an approved project plan is in place, funds accumulate and sit. A Developer or the City can submit a TIF Redevelopment Project Plan requesting the use of any TIF revenues within the district for TIF eligible costs within the district.

Following preliminary direction provided in April, Staff moved forward to draft a City-initiated TIF Redevelopment Project Plan that would use accumulated funds to reimburse the Developer for eligible and approved infrastructure costs that will benefit both the Milhaus project as well as other parcels within the District and beyond. Staff believes the redevelopment of the three parcels within the Developer's project are the parcels most likely to see significant



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redevelopment over time. Tonight's special meeting was called for the sole purpose of presenting a Resolution to call a public hearing related to the Redevelopment Project Plan for Rock Creek TIF District No. 4.

Anytime a Redevelopment Project Plan is submitted, the first step is for it to be found in conformance with the Comprehensive Plan by the Planning Commission. That occurred at the Planning Commission's April 28, 2025 meeting. The next step is setting the date and time for the public hearing.

Approving the Resolution at this time allows for the public hearing to be conducted at the June 18, 2025 City Council meeting. Time is of the essence for the Developer's project decisions.

Ms. Smith reported that there is currently about \$140,000 in TIF Increment revenues that have been in the account, and by the time reimbursement is considered there could be up to \$220,000 - \$250,000 in the account. Staff wrote the Redevelopment Project Plan seeking to reimburse the Developer with any funds generated within the District between January 11, 2006 and January 1, 2026. The terms, should the Council decide to adopt the TIF Redevelopment Project Plan after the public hearing, would be included in an amended performance agreement with Milhaus. Tonight, the action is only adopting the resolution to set the public hearing at the June 18, 2025 meeting.

There were no public comments.

Councilmember Kring asked for clarification what percentage of the whole property is under consideration. Ms. Smith explained this is more for consideration of infrastructure in and around the parcels. Councilmember Kring asked what would happen if other parcels sought out the same consideration. Ms. Smith explained that some of the parcels are residential parcels so it would be unlikely that another large-scale redevelopment project would occur on any of these.

As discussed when the Tax Abatement for the project was approved in February 2024, once the IRBs are issued at the conclusion of construction, the three parcels which are part of the Milhaus project would need to be removed



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from the TIF District as Kansas statutes don't allow for an overlay of TIF and tax abatement. The Council would have options at that time as to what they would like to do with the remainder of the TIF district.

Staff believes that the opportunity to improve infrastructure along with developing the parcels was something that made sense for use of the accumulated funds. The project plan being considered, if approved, would have the Developer fund the infrastructure improvements, certify the expenses, and the City would reimburse up to 100% of the TIF Increment Revenues that had been collected up to January 1, 2026. The funds accumulated and being discussed would be a one-time contribution and would benefit the project and the entire district or area. Councilmember Kring asked to clarify that all of the funds accumulated in this district since 2006 would be given to this one Developer, and Ms. Smith confirmed that is the recommendation, with the caveat that they are not for vertical construction elements of the project, but only for reimbursement of infrastructure improvements. Some of those improvements the City would be responsible for in the future if they are not completed within this project. Mayor Flora clarified that because some of the infrastructure costs are stormwater related, they would fall to the City at the time they need to be improved if they are not made within this project.

Councilmember Carpenter-Davis asked to clarify that there would be no real impact to the four parcels that are residential included within the District being discussed. She also asked to clarify that this work will decrease the likelihood of flooding along or on their parcels. Specifically, Councilmember Carpenter-Davis referenced a property along 61st Street that has flooded before. Ms. Smith confirmed that the residential properties will not be directly impacted by any of the Milhaus infrastructure work, and that what is currently contemplated will not remove any parcels from the floodplain.

Councilmember Vaughn asked to clarify that this Developer is the only developer asking for these funds, and no other parcels would benefit from the funds in the district that are currently being developed in the eligible area. Ms. Smith confirmed that currently there are not other development projects. She



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explained that the eight parcels assembled for the Milhaus project, on both the north and south sides of Martway Street, represent the only development project under consideration at this time. Councilmember Vaughn also asked if there are any other commercial properties in the district that would be impacted. Ms. Smith explained that, in theory, there are a number of properties which will benefit from the infrastructure relocations and upgrades. The district includes a couple of businesses, an empty lot, and the lots where buildings were recently demolished in advance of the Developer's project. Mayor Flora asked to confirm that this infrastructure work being completed would make the parcels more likely to be redeveloped. Ms. Smith confirmed that is correct.

Councilmember Loudon asked to clarify that, with the Developer's project, more of the area will be taken out of the hundred-year flood plain, the old water main would be replaced to benefit the area, and that the City will give funds accumulated to help with the costs related to those improvements. Ms. Smith cautioned about making statements about properties being removed from the flood plain. She also clarified that significant stormwater relocations are included with the project and that the tax abatement was negotiated at 75% for ten years rather than 20 years on a TIF project.

Ms. Smith reminded the Council that when the tax abatement was originally negotiated, \$1.1 million was included in the Developer's project budget, primarily for stormwater and sanitary sewer work. Since that time, an additional \$600,000 in additional infrastructure costs have been identified, mostly attributed to the water main relocation. Staff and Mayor Flora have worked with WaterOne's General Manager to discuss the impact of the current location of utilities and costs associated. These challenges are not uncommon with infill development. For the last several months, Staff and the Developer have been discussing options to help offset with those additional costs in order to bring the project to fruition. The use of the accumulated TIF Increment Funds from District No. 4 seemed to align well because it could be matched up with the infrastructure improvements.



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Councilmember Chociej for clarification regarding the intent of creating the original district and the 2019 Ordinance that divided them up. He wanted to confirm that the part of the intent of the districts is to assist with stormwater infrastructure challenges related to redevelopment along the corridor being discussed. Ms. Smith confirmed the original district that has since been separated out into smaller districts was initiated by the City to address revisions to the FEMA floodplain maps in the early 2000s. Mayor Flora followed up to add that the idea is, following these floodplain changes, redevelopment along the Rock Creek Channel would be more challenging.

Mayor Flora asked what other options would be for using the funds in the TIF account if they are not used for this infrastructure? Ms. Smith explained that they could be used for future development projects that might come forward in TIF District No. 4 should the Milhaus project not move forward, but there were currently no other plans for this as far as Staff is aware.

In other districts along the channel, there are also funds which have been accumulating over time. Staff has preliminarily discussed the possibility of using the funds similarly along Martway Street east of Nall to implement improvements included in the recently completed Rock Creek Corridor study. TIF Revenue sharing funds generated by the The Lanes Phase I project could be used for public infrastructure improvements, to repay debt service on the stormwater bond issue, there are a myriad of options. When considering the three parcels that would be removed from Rock Creek TIF District No. 4 as part of the Milhaus project, the amount of increment that might be generated for future projects is likely to be small. Staff knows that, at some point, a larger stormwater and creek channel project will need to be done in that area, however the \$140,000 in increment generated since 2006 suggests that funding to complete a large stormwater project seem unlikely.

Councilmember Kring asked if the funds could be used for greenspace at Beverly Park. Ms. Smith noted that the Beverly Park parcel is not within the TIF District. She referenced the map to Councilmember Kring, explaining that nothing north of Martway is within the TIF district. However, even if the park



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parcel was located within the TIF District, the City plans to sell the park parcel to Milhaus as a part of the Mission Beverly project.

Councilmember Vaughn clarified that, for tonight, the only consideration is for the Council to call the public hearing. Ms. Smith confirmed that was correct, and that any further action would be considered on the June 18, 2025 City Council agenda.

Moved by Carpenter-Davis, Seconded by Chocie to adopt the Resolution setting a public hearing for 7:00 p.m., June 18, 2025 to consider the Rock Creek Redevelopment District No. 4 Tax Increment Financing Redevelopment Project Plan.

AYE: Loudon, Carpenter-Davis, Schmid, Ryherd, Kring, Vaughn and Chocie.
Motion carried.

ADJOURNMENT

Mayor Flora announced that the public video from this meeting will be available through a link on the City's website, missionks.org.

Moved by Kring, seconded by all to adjourn the meeting at 6:24 p.m.

All present voted AYE. **Motion carried.**

Respectfully submitted by Robyn L. Fulks, City Clerk.

Solana Flora, Mayor

Robyn L. Fulks, City Clerk