



Gene Fritzel
Construction Co., Inc.

June 21, 2006

David Corliss
Interim City Manager
City of Lawrence
P.O. Box 708
Lawrence, Kansas 66044

Dear David:

It is becoming clear that the decision on a new library will not be made in the near future. In the meantime, we believe there is considerable benefit to downtown Lawrence if the U.S. Post Office Distribution Center is relocated out of the downtown area to a location nearer to I-70. The property on which it currently sits could then be used for either a new Public Library with parking below – if that is the direction the City Commission takes – or it can be added to the tax roles as a retail, office and residential project atop an underground parking facility. In either case, downtown Lawrence benefits from additional parking and additional tax dollars.

We are continuing our discussions with regional postal officials in Denver and with Lawrence Postmaster Judy Raney regarding the proposed relocation. Judy has indicated to us that the postal service will only consider moving from its current location if the City of Lawrence makes the request. She went on to say that the postal service is proceeding with a project to revamp the interior of the building at 645 Vermont, with a start date of September or October of this year. Time has become a factor because there is no reason for the postal service to spend money remodeling the interior of the existing building if they may be relocating.

For that reason, we are writing to request that the City of Lawrence make an official statement, through the City Commission, that it favors the relocation of the U.S. Post Office Distribution Center out of downtown Lawrence, while ***maintaining*** a retail U.S. Post Office in downtown Lawrence. While we control acceptable potential distribution center sites at all three Lawrence exits along I-70, we are asking that the commission further recommend that the distribution center be relocated to the I-70 Business Center (the former Tanger Outlet Mall), adjacent to Interstate 70 in north Lawrence. This recommendation is consistent with the commission's stated preference for the reuse of existing, empty structures – when feasible – rather than constructing new space. It is an exceptional location for a distribution center, and relocation costs will be greatly reduced by moving to an existing building rather than constructing a new building on vacant ground, ultimately saving the City and the proposed TIF District money.

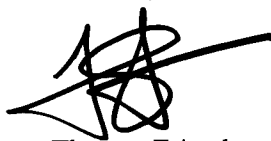
The relocation of the distribution center will allow us to consider formation of a TIF district and proceed with the expansion of the Eldridge Hotel, adding 60 rooms and a large conference facility – significant for the future of the historic Eldridge Hotel, and significant for the future of downtown Lawrence – *whether or not* the decision is made to relocate the Public Library to what would then be the former U.S. Post Office site (our Option B). This is not an attempt to give our library proposal an advantage. With the distribution center out of the way, there would still be three library scenarios: 1) construct a new Public Library on our Option B site, 2) construct a new Public Library on one of the other proposed sites, or 3) expand and remodel the Public Library on its current site.

If the City Commission ultimately decides that our Option B is the best site for the library (scenario 1), the distribution center will already be relocated (or in the process of relocating), and parking for the expanded Eldridge Hotel and Conference Center can be located under a new, multi-use building to be constructed by us on the current library site. If the City Commission goes with scenario 2, parking for the expanded Eldridge Hotel and Conference Center can be located under the new, multi-use building to be constructed by us on the current library site. If the City Commission elects to go with scenario 3, parking for the expanded Eldridge Hotel and Conference Center can be located in the new library parking structure, or in the multi-use building that would be constructed on the current U.S. Post Office site. Keep in mind that the Eldridge is willing to lease parking spaces from the City.

It is clear that the key to the formation of a TIF district, to pay the relocation costs for the distribution center and for infrastructure improvements in the northwest quadrant of downtown Lawrence, hinges on the City taking a stand in favor of the relocation of the distribution center. That is the basis for our request to the City Commission. We want to continue to improve downtown Lawrence, and we need the City's support, regardless of the decision on the Public Library. We hope the commission can act on this request in a timely manner.

If you have any comments or questions, please contact us.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas Fritz", with a long horizontal line extending to the right.

Thomas Fritz

July 11, 2006

Russell E. Rainey
United States Post Office
160 Inverness Dr. West – Suite 400
Englewood, CO 80112

Dear Mr. Rainey:

I am writing on behalf of the Lawrence City Commission regarding the possible relocation of the United States Post Office Distribution Center to a location nearer to Interstate 70, while maintaining a retail presence in downtown Lawrence.

It is the desire of the Commission to encourage the development of additional parking, retail, office and residential offerings in downtown Lawrence. Our downtown area is relatively short on space where that type of multi-use redevelopment may occur, so we are continually seeking this type of opportunity. Thomas Fritz, with whom you are familiar, controls a site that would, in our opinion, be an ideal location for the Distribution Center. It is in the existing I-70 Business Center, immediately adjacent to Interstate 70's East Lawrence interchange on North 3rd Street in Lawrence. North 3rd Street is also U.S. Highways 40, 59 and 24. I have attached a map for your reference. The relocation of the Post Office would allow for a multi-use redevelopment of the current Post Office site in the manner I have described. It also accomplishes another of the Commission's goals, which is to encourage the re-use of existing, underutilized buildings.

We are writing at this time because we understand that the Post Office is preparing plans to renovate the interior of its current building at 645 Vermont. With that in mind, we want you to know that the City of Lawrence supports the relocation of the U.S. Post Office Distribution Center to the I-70 Business Center, and – because the retail Post Office is such an important amenity in downtown Lawrence – we are also in support of the U.S. Post Office maintaining a retail Post Office in a separate and new location downtown. The money set aside for renovation of the current building could perhaps be redirected to the interior renovation of a new retail location.

On behalf of the City Commission, thank you for considering our request. Please direct any questions or comments to Interim City Manager, Dave Corliss at 785-832-3400.

Sincerely,

Mike Amyx, Mayor
City of Lawrence
P.O. Box 708
Lawrence, Kansas 66044

