



City of Lawrence

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CITY COMMISSION

MAYOR
MIKE AMYX

COMMISSIONERS
ARON E. CROMWELL
LANCE M. JOHNSON
MICHAEL DEVER
ROBERT CHESTNUT

May 11, 2010

The Board of Commissioners of the City of Lawrence met in regular session at 6:35 p.m., in the City Commission Chambers in City Hall with Mayor Amyx presiding and members Chestnut, Cromwell, Dever, and Johnson present.

RECOGNITION/PROCLAMATION/PRESENTATION:

With Commission approval Mayor Amyx recognized the Lawrence Cultural Arts Commission 2010 Grant Award Recipients; proclaimed the week of May 15 through 21 as Public Works Week; and, the month of May as Lyme Disease Awareness Month. Motion carried unanimously.

CONSENT AGENDA

As part of the consent agenda, **it was moved by Chestnut, seconded by Cromwell**, to approve minutes from the City Commission meeting of March 23, 2010 and March 30, 2010. Motion carried unanimously.

As part of the consent agenda, **it was moved by Chestnut, seconded by Cromwell**, to receive minutes from the Community Development Advisory Committee meeting of April 8, 2010; and the Parks and Recreation Advisory Committee meeting of April 13, 2010. Motion carried unanimously.

As part of the consent agenda, **it was moved by Chestnut, seconded by Cromwell**, to approve claims to 208 vendors in the amount of \$2,660,673.70 and payroll from April 25 to May 8, 2010, in the amount of \$1,784,512.41. Motion carried unanimously.

As part of the consent agenda, **it was moved by Chestnut, seconded by Cromwell**, to approve the Drinking Establishment License for Genovese, 941 Massachusetts St.; Retail



Liquor License for Mom & Pops Liquor, 1906 Massachusetts; Sidewalk Dining & Hospitality License for Genovese, 941 Massachusetts; Zen Zero, 811 Massachusetts; La Parilla, 814 Massachusetts; Henry's on Henry St., 11 East 8th St. Motion carried unanimously.

As part of the consent agenda, **it was moved by Chestnut, seconded by Cromwell**, to concur with the recommendation of the Mayor and reappoint Chuck Blaser for a second term on the Lawrence Douglas County Metropolitan Planning Commission to a term that expires May 31, 2013. Motion carried unanimously.

As part of the consent agenda, **it was moved by Chestnut, seconded by Cromwell**, to approve the 2010 Chemical Root Control Contract renewal with Dukes Root Control, Inc., for \$98,313.87. Motion carried unanimously. (1)

As part of the consent agenda, **it was moved by Chestnut, seconded by Cromwell**, to authorize the renewal of Public Entity insurance coverage for the City of Lawrence with Scottsdale Indemnity Company for \$73,150.13 Motion carried unanimously. (2)

As part of the consent agenda, **it was moved by Chestnut, seconded by Cromwell**, to adopt on first reading, Ordinance No. 8524, allowing the possession and consumption of alcoholic beverages on public property on June 26, 2010 for a wedding ceremony at South Park Gazebo. Motion carried unanimously. (3)

As part of the consent agenda, **it was moved by Chestnut, seconded by Cromwell**, to approve Special Event Permit, (SE-4-13-10), for a Fraternal Order of Eagles No. 309 "Fire in The Hole" BBQ Cook-Off, located at 1803 West 6th Street from June 18 through June 19, 2010. Motion carried unanimously. (4)

As part of the consent agenda, **it was moved by Chestnut, seconded by Cromwell**, to approve rezoning, and adopt on first reading Ordinance No. 8521, rezoning (Z-3-3-10)

approximately 22.63 acres, from PUD (Planned Unit Development) to OS (Open Space), located southeast of West 27th St. & Crossgate Dr. Motion carried unanimously. (5)

As part of the consent agenda, **it was moved by Chestnut, seconded by Cromwell**, to approve temporary use of right-of-way permit for the closure of the 1200 block of Vermont Street from 6:00 a.m. to midnight on June 25 and June 26, 2010. Motion carried unanimously.

(6)

As part of the consent agenda, **it was moved by Chestnut, seconded by Cromwell**, to adopt on first reading Ordinance No. 8525, allowing the sale, possession, and consumption of alcoholic liquor during designated times on June 25th and June 26th, 2010 on public property in South Park and the 1200 block of Vermont Street for the St. John Mexican Fiesta. Motion carried unanimously.

(7)

As part of the consent agenda, **it was moved by Chestnut, seconded by Cromwell**, to approve the request from the Lawrence Area Building Awareness Expo, for directional banners to be placed at 23rd and Harper and at the Douglas County Fairgrounds, on Friday, June 25, 2010 and taken down Sunday, June 27, 2010, subject to adjacent property owner permission. Motion carried unanimously.

(8)

As part of the consent agenda, **it was moved by Chestnut, seconded by Cromwell**, to approve the request from Downtown Lawrence, Inc., for a banner for the Downtown Lawrence Film Festival to be placed on the north facing wall of the New Hampshire Street Parking Garage from May 15 to July 15, 2010. Motion carried unanimously.

(9)

As part of the consent agenda, **it was moved by Chestnut, seconded by Cromwell**, to Declare an emergency and adopt on first and second reading, Ordinance No. 8526, authorizing the possession and consumption of alcoholic beverages on the west side of South Park on May 15, 2010 from 1:00 – 4:00 p.m. Motion carried unanimously.

(10)

CITY MANAGER'S REPORT:

During the City Manager's Report, David Corliss reported the following: the City was considering separating contractor education from the City's licensing program as classes expanded throughout the state and would be proposing a license application fee and certification exam sponsorship fee; the 2010 Budget Comparison was updated; the City received a smaller portion of the county-wide sales tax proceeds due to the impact of the change in countywide sales tax ratio; 155 building permits were issued in April 2010 with a valuation of \$12,605,541 compared to 169 permit in April 2009 at 6,482,254; Lawrence Community Shelter's Management Plan was posted to city webpage; and, The City, Chamber of Commerce, Downtown Lawrence Inc. and the Convention & Visitor bureau partnered with KU Athletics to encourage attendance at KU Athletics' Spring Relays and Spring Game events on campus and in downtown Lawrence. (11)

REGULAR AGENDA

Consider the following economic development policy items and Public Incentives Review Committee recommendations:

- a) Receive the 2009 Tax abatement report;**
- b) Consider adopting on first reading, Ordinance No. 8522, updating the tax abatement criteria for additional incentives for high wages;**
- c) Consider adopting on first reading, Ordinance No. 8523, updating the City's Industrial Revenue Bond Policy; and, d)**
- d) Consider adopting Resolution No. 6887, establishing a Community Improvement District.**

Roger Zalneraitis, Economic Development Coordinator/Planner, said the 2009 Tax Abatement Report was received by the Public Incentive Review Committee (PIRC) on April 26, 2010. The information in the report was the same information seen each year, but the format was changed to reflect highlights contained in an executive summary; information on firms receiving tax abatements; the reorganization of tables along with text explaining those abatements; and, if those firms were meeting or exceeding what was stated in their performance agreements. He said the information was not as important for those firms right now

as it would be for future firms because under the new Economic Development Policy, percentage targets would be used for determining compliance. He said there were other sections regarding SOC Codes and the report concluded with the social impact which was now a written area that highlighted in each section what each firm was doing.

He said the Public Incentive Review Committee (PIRC) reviewed the 2009 Tax Abatement Report and had some positive and negative questions, but generally approved the report for City Commission review.

Zalneraitis said updating the tax abatement criteria for additional incentives for high wages came from working on relocation and retention proposals last year. He said the proposals had some lower and some higher paying jobs, between \$30,000 and \$60,000 or more as average salaries, but the tax abatement criteria did not distinguish between those amounts. The Lawrence community had a good retail base, but higher skilled industries were paid lower wages.

He said a large amount of money was put into bioscience through the creation of the new incubator and the purchase of the new extension lab last year. A report was drafted last year showing that with 17 firms spun out of KU, only 4 remained in Lawrence. He said he was working on creating incentives to keep high waged firms in Lawrence and to attract those types of firms to Lawrence.

In determining the actual amount of tax abatement to be granted to Kansas basic industries that meet the Economic Development Objectives the following guideline were proposed in the ordinance:

1. up to fifty percent (50%) property tax abatement for ten years on investments greater than \$7 million in adjusted 2009 dollars and a minimum of 30 new jobs that meet the wage requirements as outlined in Section 1-2112 (2. to 4.), or
2. if the firm has been on the Douglas County property tax rolls for more than 3 years, up to fifty percent (50%) property tax abatement for ten years on investments greater than \$5 million in adjusted 2008 dollars and a minimum of 20 new jobs that meet the requirements outlined in Section 1-2112 (2. to 4.),

3. investments that meet one or more of the following criteria, may receive a property tax abatement that exceeds fifty percent (50%):
- (A) a company that has been on the Douglas County property tax rolls for at least three (3) years may receive up to an additional ten percent (10%) tax abatement,
 - (B) capital investments that exceed \$10 million dollars in adjusted 2009 dollars may receive up to an additional five percent (5%) abatement,
 - (C) projects constructed in compliance with Leadership in Energy and Environmental Design (LEED) criteria may receive up to an additional five percent (5%) abatement for “Certified” or “Silver” certification, and ten percent (10%) for “Gold” or “Platinum” certification,
 - (D) unique site constraints or construction requirements that make development more difficult and costly may receive up to an additional five percent (5%) abatement,
 - (E) a project that is seen as a catalyst for future projects in an economic development area of focus for the community, such as the biosciences, may receive up to an additional five percent (5%) abatement, or
 - (F) a project that is located in a targeted development location as defined by the City Commission, or a site that already has infrastructure in place such as an existing business park, may receive up to an additional five percent (5%) abatement.
 - (G) a project that is seen as providing exceptional wages given current market conditions, industry norms in Douglas County and other relevant business factors, may receive up to an additional ten percent (10%) abatement.

Zalneraitis said the City's Industrial Revenue Bond Policy was 21 years and in the interim since 1989, the constitutional tax abatements for Kansas were more codified and were brought into current form in the early 1990's and took up a lot of the tax abatement requests throughout the 1990's. He said there was a shift this decade, going back toward Industrial Revenue Bonds (IRB). In particular, places like Johnson County, were receiving requests from firms that did not qualify for constitutional tax abatements. Those firms would still like to see abatements, but were not a warehousing, manufacturing or bioscience firms.

He said IRB's apply to a broader range of industries, among those industries included retail and residential. Tax abatements could not be received for retail or residential under the

constitutional tax abatements, but could receive tax abatement through IRB's. Also, an IRB could be obtained without a tax abatement, which did happen on occasion. He said he had inquires from "non profits" asking if an IRB would be worthwhile. He said there might be some benefits for "non profit" to receive an IRB, but it depended on the case and the size of the project.

Staff revised the IRB Policy to reflect that if a firm wanted to receive an IRB with no tax abatement, a slightly simplified procedure would occur. For instance, a firm would not need to go through the Public Incentive Review Committee (PIRC) and fewer questions would be asked on the application.

Staff added criteria for retail and residential and retail would focus on products that were not sold in this community or capture sales that were leaking outside of this community with high quality retail projects. He said regarding residential, infill was emphasized, mix use or senior residential communities. If there was a residential with no retail or no mixed use, a low/moderate income requirement was required. He said those were the basic changes proposed for the IRB Policy, to provide a better guidance for retail and residential and to simplify the process for those that did not want tax abatement.

Mayor Amyx asked if the senior housing was not a component of the IRB then low to moderate income housing had to be the project.

Zalneraitis said if a senior housing facility was looking for an IRB with tax abatement there would have to be a low/moderate income requirement.

Zalneraitis said regarding Community Improvement Districts (CID), those districts were enacted last year in 2009 and were fairly new to the State of Kansas. The CID could be used to pay for public or private improvements as well as ongoing costs within that district and could last for up to 22 years, which was the same as Transportation Development District (TDD). Pay as you go financing could be used like a TDD, Special Obligation Bonds or General Obligation Bonds. A Special Assessment could be used within that district to pay the financing or a

Special Sales Tax which could be up to 2%. A public hearing was required if a sales tax was sought within those districts, and a district could be approved with as little as 55% of the property owners agreeing to the district. The State Legislation stated that if the paper work was in place and procedures were followed, improvement districts could qualify for a CID if the public hearing approved.

He said there were 5 cities in Kansas that had passed CID policies which were Hays, Salina, Shawnee, Olathe and most recently, Wichita. A lot of the focus in those cities had been on protecting the city's bonding capacity and financial stability, given the recession right now, he thought that was foremost in a lot of cities. Only one city allowed General Obligation Bonds for public or private improvements and that was Salina but State Legislation emphasized a petition process if General Obligation Bonds were used and Salina emphasized that in their policy

Most cities allow for private construction except for Olathe who did not allow private construction for a CID. Hays had limits on the types of services that could be paid with a CID. Generally, there was a \$5,000 non-refundable application fee in most cities, the exceptions were Salina, which had a \$2,500 non-refundable application fee and Hays had a \$250 non-refundable application fee, but also had a \$4,700 refundable fee. Last week, he received a call from Hays who looked over the City's policy and suggested Lawrence raise its application fee because their CID was a lot more expensive than once thought. He said staff was proposing \$2,500 and it was as low as Lawrence should go, but might want to consider a higher fee, but that would put Lawrence in line with Salina. Wichita had a 100% property owner requirement.

The CID policy before the City Commission reflected comments from Bond Counsel, and PIRC requests. PIRC indicated that if this community was going to impose a sales tax or have any private improvements financed through the CID, then 100% property owner approval was advised. There would be no General Obligation Bonds allowed for CID projects under the City's policy. If Special Obligation Bonds were sought, there would be a requirement that some Special Assessments be included, because over a 20-22 year period, sales taxes were likely to

come up short a couple of those years with a project and Special Assessments might help reduce that variability in terms of revenue inflow.

Some of the cost would need to be covered by a third party for added security, whether through a bank lending money or an equity investor which provided a third set of eyes that looked over the project finances and proposals. The application fee was currently at \$2,500.

PIRC comments regarding CID's was 100% property ownership requirement, signatures for the CID if there was a sales tax or if financing private improvements. PIRC also asked for the retail language to mirror the IRB Policy.

Commissioner Chestnut said on the 100% property owner requirement that was in the property itself and not adjacent property owners.

Zalneraitis said it was just within the property.

Mayor Amyx said those boundaries would be set at the time the application was made by the individual.

Zalneraitis said the individual had to provide a boundary of the property when submitting the application which was part of the State requirements for creating a CID.

Mayor Amyx asked if the application needed to be made before any improvements began in a particular district.

Zalneraitis said yes, if it was a new property. In this case, in a redevelopment area where there were existing businesses and if a business would not sign because it did not want to be a part of the district and then 56% of the property owners signed, suddenly that business would be a part of the district and had to collect a sales tax they did not want to collect for someone's private improvement that would not benefit their property directly. He said that question came up. Often in a green field there would be just one property owner submitting their property for a CID and therefore, there would be a 100% signature because it was one owner, an LLC or an affiliated group.

Mayor Amyx said Commissioner Chestnut talked about redevelopment of an area, it took into consideration that there was probably businesses that existed and would remain part of a project and needed to sign on too. It was property owner versus business owner.

David Corliss, City Manager, said the City received its first petition for a CID District, late this afternoon, and the City Commission would be receiving that agenda item next week. He said it did not necessarily impact this policy, but it was a redevelopment group that wanted to redevelop property near 23rd and Ousdahl. He said some of the retail that was vacant or currently being used on the North side of 23rd Street and the Hobby Lobby site as well. He said he did not want the City Commission to discuss this policy extensively because the City Commission would be receiving this petition and referring the request back to staff to work out the necessary staff report. He said it was fairly straight forward and included the property just mentioned and had about 1.5 million dollars worth of improvements in the area that would be proposed to be financed as a "pay as you go" funding method and no issue of City debt. Also, the developer would be reimbursed from revenues received from a 1% Community Improvement District sales tax. He said the timing was fortunate because the Commission was discussing it now, but he did not want the Commission surprised when looking at their next agenda.

Mayor Amyx asked how had the business and the economics changed for redeveloping or greenfield development that had forced communities to use those types of financing tools as compared to the way business operated 10 years ago.

Zalneraitis said it was harder to receive bank loans without some type of secured financing behind it and also, this was similar to a Transportation Development District (TDD), but allowed for additional costs and higher levels of self imposed financing, with Special Assessments, and Sales Taxes. When the State first considered this legislation last year, what was foremost on their minds was that Missouri had a CID policy in place and were worried the State was falling behind on its ability to attract quality projects in Kansas by not having a similar

policy on the book in the State of Kansas. Kansas passed this legislation as an up and coming tool to be used for economic development and that was probably foremost in the legislatures mind last year. He said as far as current conditions, this financing was an enhanced version of the TDD and probably had to do with a more difficult ability to find financing without having a more secured source of revenue behind it.

Commissioner Dever asked if there municipalities or locations where 100% ownership was not required.

Zalneraitis said in those other 5 cities he had mentioned earlier, Wichita required 100% and the other 4 cities went by state policy which if not wanting a public hearing, a 100% ownership was needed and had to be Special Assessment only, but other than that, a 55% signature required a public hearing process. He said he thought the other 4 cities allowed what the State stated in terms of signatures.

Commissioner Dever said he wanted clarification on what changed, but just because it existed did not necessarily mean the City needed or wanted it. He said he did not know if the application that was coming in next week was in anticipation of this passing or if it was just serendipity and asked how it all had happened.

Corliss said the State law was on the books and the applicant had been discussing this with City staff before developing a policy. He said there was no state law requirement for a policy and the city could rely on the state law requirements and procedures. Staff thought it was important that the City Commission was aware of this law and that there were some policy issues that staff felt strongly about and that PIRC felt mildly strongly about in some cases and the City Commission might feel strongly as well in that they did not want to use that tool or want to use the tool much more severely or less generously than what the state law allowed. He said he felt strongly about not having the City's debt exposed to private development projects.

Commissioner Dever said the fact that this existed in Kansas law, he asked if that meant an applicant had to seek approval from the governing body to implement it or could it be done without the support of the local City Commission.

Zalneraitis said if the applicant needed local approval for all of those conditions.

Corliss said the City Commission did not need to do any of this, if not wanting to. The City Commission had the full authority and discretion to create the district or not.

Commissioner Dever said just because this financing existed in the books and was more of getting around some rules that might not have allowed that type of financing in the past, but it was up to the City or the local governing body to approve.

Corliss said it was much like a Special Assessment Benefit District. If the City Commission decided not to do a Special Assessment Benefit District because the Commission did not like the project, the method of assessment, or anything else about the application, the City Commission did not need to do it. A Special Assessment Benefit District could not be forced upon a city governing body and was the same for TIF projects. He said it was purely discretionary and there were no issues like in a land use application where a certain process needed to be followed. He said one of the major policy issues discussed was the knowledge of the sales tax payer in those situations.

Vice Mayor Cromwell said it was important for everyone to realize that the state law, as it was written, had a lot more leeway than what the City was looking at for the City. The City was protected and the General Obligation Bond funding was a great example of what the state law allowed, and the City was restricting that. He said it was important to keep the city finances protected from a downturn at some project and the City was not relying on some development to make money in order for the City's good credit rating to be preserved.

He said it was important to realize that the CID column was what was in the state law and not what was proposed city policy, because it was a lot more lenient and it might have been a good idea, to spell it out more carefully, in the memorandum that it was not City policy.

Mayor Amyx said at that PIRC meeting when looking at the formation of a CID, the state law set up the minimum requirements in establishing the CID and gave the City a tool. He said the City Commission needed to be comfortable with the additional requirements. He said if the City wanted to have a policy in place that was the recommendation from PIRC.

Commissioner Johnson said to the point of why the City needed this type of financing now versus in the past, some people would say they were in the worst recession since the great depression. There were times when developers made a lot of money, but it was usually commensurate with the risk those developers were taking. He said this City needed to either encourage investment and development or not. He said telling people the City wanted growth to happen was not enough. In these times, tools were needed to help development. If encouraging and wanting growth to happen, in these times, something needed to be offered to offset the risk that someone would take. If looking at projects a developer brought forward, it was a lot of money and this was a tool that allowed the City to do that, not on every project, but it gave the City the ability to be where other cities were going. The City Commission could say “no”, but it would not put this City in the drivers’ seat to be proactive with the opportunities that would come before this community.

Mayor Amyx said if a business requested a CID, he asked if it gave an advantage to that business over existing businesses in the community, but he did not believe that was the case. There was no advantage of being part of a CID, except that an area could be redeveloped, which might not otherwise be developed. He said a business would not be getting a “leg up” just because of a public financing tool that allowed the business to collect an additional tax to pay for improvements.

Commissioner Chestnut said he looked at the CID in two ways. One, he thought that some of the recommendations being made by PIRC were important to try to strengthen the policy that was passed by the State. Regardless of what action the City Commission took, and future Commission, it did not preclude someone coming forward with state law to propose a

CID. He said any City Commission could accept or reject the CID, but PIRC had studied this financing and thought there were things that needed to be done in this community, like the 100% property owner permission and also the GO Bond protection and other things. He said in his mind, the City Commission would be invoking a home rule on a policy that needed a little help and direction.

Secondly, in looking at the TIF or TDD districts, this was a similar type of process, but that entire corridor was going to need redevelopment because it was 50 or 60 years old as far as a lot of those structures and water, streets and sewers were already available. He said there were no TIF or TDD eligible expenses and re-investment of capital was needed in those buildings. He said he understood that it was a private investor, but the intent was infill development. The streets and sewers were already present, but there was a structure that needed major overhauling and could the City provide some type sort of instrument to allow that to happen. He said with a TIF or TDD there were policies and to some extent, this City would encourage sprawl, because financially it was going to be disadvantageous for an investor to go into a infill development because the investor would look at the financing instruments available and there would be no TIF or TDD eligible expenses and the investor would need to take on the entire reinvestment of redoing a building and those numbers would not work, but it might work for the investor if they could afford to put in new streets, sewer and water because a TIF district could be done. He said in his mind it was another part of the tool kit and some projects made sense and other projects would not. In looking at some of the shopping areas in this community that had been around since the 1950's and 1960's and he thought it would take major reinvestment in the structures themselves, not the water, sewer or streets to help neighborhoods get back that neighborhood retail. He said there were some positive aspects to this financing, but saw the City Commission trying to take the State law and tailor it more to the policy that conformed with some of the other economic development in this community.

Mayor Amyx said that it was ultimately PIRC's goal to make sure the City Commission recommendations were exactly what Lawrence's policy should look like.

Commissioner Johnson said thinking ahead on the 55% versus the 100%, hypothetically, if a downtown district involved 100 properties and wanting to do a public improvement that would benefit the downtown area, the Commission was essentially saying that a 100% approval was needed to do something like that.

Corliss said if this statute was used to include private improvement that would be correct. This financing did not take away from the City's ability to create a Special Assessment Benefit District for just public improvements.

Zalneraitis said 100% was referring to imposing a sales tax in the district or if wanting to do private improvements.

Mayor Amyx said all other financing tools were discussed to do a number of those public improvements. He said he the City had a number of those covered.

Commissioner Chestnut said he could see some scenarios in CID districts, like a strip shopping center where there would be four or five property owners. He said he had an issue where a property owner could get caught in a situation with improvements where the property owner would be obliged to charge more and depending on the business and where it was located they might not feel like that was sustainable. In this type of improvement, everyone needed to be in the same boat. He said there would probably be one property owner or a few investors groups and found it hard to believe that there would be, in downtown, a much smaller scale with one or two property owners and not a entire overlay district.

Vice Mayor Cromwell said the City Commission had the ability to make exceptions in unique situations. He said it was guideline, but not a law the Commission was obliged to follow every time. He said the guidelines were excellent, but there were situations the City Commission could not foresee and there was an ability to get around that too, if needed.

Mayor Amyx asked if current public property be part of a district and who made the decision of whether or not to participate.

Corliss said if the City of Lawrence owned it, then the City Commission probably made that decision. If it was public property by some other public entity, then whoever it was titled to made the decision.

Mayor Amyx said he if there a project came forward that included public property they would be part of the 100%.

Corliss said with public property, the City did not pay a lot of sales tax, but the City had participated in Special Assessment Benefit Districts where the City benefitted from those agreements.

Zalneraitis in the list of approved project, it included things like airports and in Kansas, and for the most part, all airports were municipally owned.

Mayor Amyx called for public comment.

Matt Gough, Barber Emerson Law Firm, said he felt passionate about community improvement districts and by way of context, in partial response to Commissioner Dever's question about what had changed; in 1998 the State of Missouri adopted there CID act, which was a public improvement only act with a 1% cap. The Kansas Legislature had effectively doubled the potential usefulness of a Kansas community improvement district, because it could include private improvements and 2% sales tax. He said it was an opportunity, a chance for municipalities and governing bodies in this State to use it and perhaps be the fulcrum that was needed to get a loan or pull the trigger to redevelop or do the project right now that developers could not do. He said there was a policy to be predictable about the outcome, if an applicant made the effort, and paid \$2,500 to apply for a CID district, the applicant would like to know where they stood. He said it was important in considering community improvement districts in the abstract, to maximize the opportunities that the State provided. He said the discussion about whether or not to require 100% participation in a sales tax CID was a great discussion. There

was going to be situations someday when it might be advantageous to allow something less than 100% to proceed, but they did not know what that would be and would not know until seen. The policy enabled the City to deviate to make it happen in a special case, but he did not think many people would expect to succeed if there were other property owners that were really protesting and in that sense, he did not think the 100% requirement was something that needed to change, but the City Commission might want to change it someday.

He said his letter outlined a couple of suggested improvements to the policy that were designed to maximize the City Commissions ability to consider every project on a "fact by fact" bases so not to limit the Commission to the rules.

He said it was a good policy and had read other policies in the state and some of those policies were quite restrictive, and in his opinion, was a mistake on their part and was a mistake he would not like to see this City make.

Karl Capps, applicant that brought the petition, said they had been involved with Community Improvement districts in the State of Missouri as was mentioned. This legislation came about in 1998. Interestingly, the State of Kansas passed this legislation 110 to 13 initially under Senate Bill 119 which became House Bill 2324. He said the point he wanted to make, with respect to that, was that it was a very important economic development tool that needed to be added to the tool kit.

The neat thing about CID's was that they worked for any size of developer, in any size community. It was not necessarily designed for big developers or big projects. Many projects seen today, for example, Oak Park Mall, or Legends, used some form of this type of financing. The city, in its sole discretion would decide who used the CID and where the tool would be used. He said it was mentioned that infill was important and was probably one of the most important things about this tool. It gave owners incentives to improve projects that they might not otherwise care to improve or be unable to do so. It was an important tool, particularly in today's economy, because bond underwriting was virtually non existent. He said there were

new underwriting requirements in banking that the federal government had imposed, so financing was extremely difficult. If looking at what construction costs over the past several years, those costs had skyrocketed, but were just tailing off a bit now. He said the important thing about the legislation proposed, for the city, was that there was no risk for the City under the “pay as you go” format. It allowed the City to do a lot of things that would not normally be done under the other types of financing like TDD’s in that old buildings could be demolished and build new building and repair parking lots and almost anything in between. The only thing that could not be done was put a casino in a CID district, but other than that, anything else could be done. He said it allowed business owners and communities to retain tenants and businesses that might otherwise leave and allowed property owners to improve properties that might otherwise be blighted. The State took a 2% fee and the City could take up to 5% fee from the overall revenue. He said he was in support of the CID policy for Lawrence Kansas.

Cheryl Vickers, Block and Company Commercial Real Estate, said they had opened an office in Lawrence about 7 months ago and had an office in Kansas City. She said they were working on some CID projects in Missouri for a while and recently started coordinating some of those projects and had seen some of the paper work in trying to get the property owner signatures and such so she was starting to get familiar with the CID.

She said she had an interesting perspective because she dealt with the local tenants that were in the centers and were trying to keep up with their businesses and the local business owners were working to balance the lower sales and trying to stay alive. The local tenants wanted pot holes fixed and the centers to be repainted and fixed up. Then there was the property owner, who she also represented and worked with, who were dealing with rent reduction and less income, but still wanted to keep the tenants happy and had a lot of demands for repairs. She said she was in the middle because she wanted to please the tenant and retain those tenants, but had to balance the budget issue and work with less income because they were giving rent reductions and yet had a whole list of things to fix on the books. The CID was a

tool that benefitted the tenant that needed some things repaired and also benefitted the developer who could keep the older center up to date and improve the dilapidated center. That same developer might have an opportunity with retailers, who might be interested in the community, to do a new infill development. She said with lending issues it would be hard to get that kicked off so this would be a tool that allowed infill development to happen.

She said she also had tenants that were coming back alive in the economy and exciting new tenants that were coming to look at some of her vacant spaces. It was her job to fill the vacant spaces and she wanted to fill those spaces and the landlord wanted to fill those spaces, but the tenant had specific needs to expand to this community. She said she had some first time, first to the market, only to the market type tenants that she wanted to land and get them to fill the spaces. One tenant was interested in property at 23rd Street, which was expensive because the buildings needed redone. They really wanted to be there because it was a great spot, great traffic, great city, but asked how the deal could work when the rent was a little high and the improvements were high and buildings needed work and this was a tool that could make that deal happen. That development and the developments that she handled and the managing of properties for tenants and developers that wanted to improve, paint and resurface parking lots, she saw it as a good for everybody kind of deal. She could land new tenants and fill empty spaces and it was all right there ready to happen it was just that money issues were keeping a strangle hold on them.

She said one of her thoughts on the percentage of signatures, because of the paperwork she had done, was that you could have a district, and have sold off a few pads to a bank that did not collect sales tax or to a church or whatever and wanting to improve that district, the bank would benefit from the development, because it might have a new parking lot or had new signage or was painted or had new landscape and looked great, yet they would not benefit it were 100% because the bank had to sign off on it, then the district did not happen and no one benefitted. She said in trying to get those signatures to make those improvements happen, she

wished a 100% was not needed. She said 55% was needed in Missouri and seemed to work well and she could see 100% being tough and going through the long process of hiring people and getting it all together and coordinated and then having to get everyone to sign off on it would be tough. She said she was in support and it would benefit Lawrence, the tenants, the retailers and the developers and keep things moving and fill up those empty spaces.

Beth Johnson, Lawrence Chamber of Commerce, said dittoed everything the three previous speakers stated and wanted to take the opportunity to say thank you. Many times she discussed needing more industrial land or more sights and buildings for companies to move in to and needed new tools in the tool box and needed to be flexible. There were only 5 communities in Kansas that had approved those districts and Lawrence would be number 6 and it was exciting to take a step forward so early in a process, and before an applicant was actually there in front of them they would be approving the new CID policy. They were making changes to the Industrial Revenue Bond policy that would make it more flexible as well for use in these times. The new Tax Abatement policy report, the way it had been written, she thought was great and placed the companies in a better light and made everyone notice what those companies were giving to the community. It was not only about whether those companies met their projections, but also about what those companies were doing. It showed those companies in a lot better light than what was seen in previous years. She said this was an exciting time and was thankful for those improvements.

Mayor Amyx said it was an excellent report and the changes mentioned earlier were very helpful, not only to meet the projection, but there were a lot of social things happening from a lot of those companies and their participation in so many of the organizations in this community. He said it was tremendous to point that out and talk about capital was being brought in to the community along with the hours of work and volunteer help.

Mayor Amyx asked if there were any questions or comments about updating the criteria for additional incentives for high wages.

Commissioner Chestnut said as a point of clarification, he asked if PIRC was going to work on language on the wage.

Zalneraitis said the language that he originally proposed was significantly higher than the private sector wage of Douglas County and the question came up about what was meant by significantly higher and was it always just the private sector wage and what were the considering factors to determine whether it was a high wage or not. He said those factors were added to the language in considering the industry, the location, the economy the City was facing, and consider other factors that might be important for the City Commission as well.

Commissioner Dever said as long as the definition of what was significant or exceptional was honed then he thought it was a good idea.

Mayor Amyx asked even more than what Zalneraitis proposed.

Commissioner Dever asked if this was the final version.

Mayor Amyx said if the City Commission wanted more discussion and clarification on what was significantly higher wages then he thought the Commission needed more discussion. He said the Commission would wrestle with the same type of comments that happened in PIRC. It was probably going to be a guess, but the language right now gave flexibility to make those decisions in looking at investments in the biosciences and other types of new businesses.

Commissioner Dever said he was looking for clarification as to what those conversations were like in the PIRC meetings and whether PIRC felt comfortable and had potentially avoided any mine fields that came up when talking about salaries and wages and how they compared to the norm, versus exception.

Mayor Amyx said no. He said PIRC continued flexibility to have recommendations come from PIRC and to the Commission and whoever else needed to be taken into consideration for final version. He said if the Commission was not comfortable with the language and wanted to send it back that would be fine, but PIRC would have the same debate as the Commission on what the final version of language should look like.

Commissioner Dever said he was okay with the concept and thought it was an excellent tool, but wanted to be sure the power to make those decisions were firmly seeded, at least initially, in the PIRC's hands and then subsequent review at the Commission level then he thought it would be fine.

Mayor Amyx said it was not cast in stone. The goal was not to have it cast in hard facts, but to give flexibility to look at the entire package and any additional things a new company might bring with those additional high wages.

Vice Mayor Cromwell said the decision was ultimately with the City Commission, it was a policy and PIRC would vote according to what the policy stated, but ultimately the Commission reserved the power to take a look at wages and weigh it up against the economic conditions and industry. He said there were 100 different variables there would always be 101 things forgotten.

Mayor Amyx said a company making application would still need to go through the review of staff, review and public process of PIRC, and ultimately need to be reviewed by the City Commission. Public participation in considering an application, over and above what the Commission normally granted abatement and there would be ample public review of that request and in the end it needed to make sense.

Commissioner Johnson said he was okay with how it was written. The intent was present and gave the City Commission the flexibility to weigh everything on its merits.

Mayor Amyx said regarding Ordinance 8523, updating the City's Industrial Revenue Bond Policy, this was a 21 year old policy that was being brought up to date.

Mayor Amyx asked if there were questions regarding Resolution 6887, establishing a community improvement district.

Commissioner Chestnut said to illustrate the point of density and striving for infill was important, there were the historic maps and populations and in 1950, the population of Lawrence was 23,000 and the square mileages was about 5 square miles, which equaled about 5,000 people per square mile. In 2010, at about 90,000 people and 33 square miles, so the

population density was approximately 2750 nearly 60% of what it was 50 or 60 years ago, and that was really the core of what the benefit could be, which was really creating the density and trying to work inside the City's existing footprint. Since about 1970, the City was less than 3000 per square mile and there was an intent by the Planning Commission and a succession of City Commissions to figure out the formula for density and this was one of those instruments of trying to enhance density and hopefully create what would affectively be a more efficient City as a governing body.

Vice Mayor Cromwell said he wanted to thank PIRC and the City Staff for coming up with a great collection of policy that protected the City's best interest while encouraging development. The tax abatement and financing policy were not used often and that was probably a good thing. He said the report indicated the financing was used in good circumstances and the new rules or policies encouraged infill, green projects, senior housing and high wages and those were types of industries that we needed in Lawrence. He said he very much appreciated the work, especially on the CID and the City's interest was protected that perhaps were not protected in the State law. The protections were in place to implement correctly.

Mayor Amyx said that with Zalneraitis and others that helped they were able to take the recommendations of PIRC and put them in such a way as to be sure the public interest would always be protected throughout the new policy. Others had made really good suggestions and the goal was to establish a policy that made sense for today and that was the recommendation in which the public was protected.

Moved by Johnson, seconded by Chestnut, to receive 2009 Tax abatement report.
Motion carried unanimously. (12)

Moved by Johnson, seconded by Chestnut, to adopt on first reading, Ordinance 8522, updating the tax abatement criteria for additional incentives for high wages. Motion carried unanimously. (13)

Moved by Johnson, seconded by Chestnut, to adopt on first reading, Ordinance No. 8523, updating the City's Industrial Revenue Bond Policy. Motion carried unanimously. **(14)**

Moved by Johnson, seconded by Chestnut, to adopt resolution No. 6887, establishing a Community Improvement District. Motion carried unanimously. **(15)**

Consider authorizing the city Manager to proceed with the 2010 COPS Hiring Program grant process.

David Corliss, City Manager said Captain Mike Pattrick did a great job outlining the request. The City Commission might recall the City sought to get in line with first round of stimulus funding for COPS (Community Oriented Policing Services) Grant program through the federal government. He said the City was unsuccessful then, but had reason to believe there was still funding available and the City should continue with its application. He said he wanted to confirm with the City Commission its appropriateness. The memo indicated the deadline was in June.

If the City was successful, the City could hire with federal funding 4 Lawrence police officers with the requirement the City would pay fully all of their salaries after the grant expires because obviously, the City planned on keeping those individuals as well. He said if he believed the City was fortunate enough to add personnel to the city organization, this was the department where he would add personnel. He said the City was not going to add officers with the City's expenditures in 2011, and he hoped that after the expiration of the grant, the City would be able to do so.

Captain Mike Pattrick, Lawrence Police Department, said that some of the information inside the memo detailed where the Police Department was. The deadline was in June, and everything was submitted electronically. There would be a portal open in June to freshen that information with dollar amounts that were current. The information was put in for 2009, 2010, and 2011 and it would now be 2010, 2011 and 2012.

Mayor Amyx said this was an opportunity for three years of funding and the City would need to pay 25%, which the first year would be 2013.

Captain Patrick said correct, the grant paid all benefits and wages for the first three years, and the City had a one year requirement to retain those people, and hoped to retain those officers beyond that time period. The out of pocket cost for the City for wages and benefits would not be until 2013.

Commissioner Dever said the City paid 25% of the total amount required for the four officers.

Mayor Amyx called for public comment.

After receiving no public comment, Mayor Amyx said discussion took place a year ago concerning the same program which was needed in this community to add more officers.

Moved by Dever, seconded by Cromwell, to authorize the City Manager to proceed with the 2010 COPS. Motion carried unanimously. (16)

Consider adopting on first reading, Ordinance No. 8519, amending Article 16 of Chapter VI of the City Code providing for the licensing and operation of oversized pedicabs within the City of Lawrence..

Scott Miller, Staff Attorney, said Luke Stone submitted a request to amend the City's pedicab ordinance to allow a pedal hopper, but in other places it was known as a pedal pub. The pedal hopper was vehicle that was approximately the size of a small van, it had four wheels, powered entirely by human power, a central bar and around the central bar, bar stools and each stool was equipped with pedals that allowed those sitting at the bar to help provide the power to drive the vehicle. Those vehicles were large and did not travel very fast, only about 6 miles per hour, according to the applicant.

The applicant requested an amendment to our pedicab ordinance. Under the City's current ordinance, which was recently adopted, that pedal hopper would not be allowed because of their size.

He said before the City Commission was an ordinance that would allow those pedal hoppers. There were some differences between this ordinance and the existing pedicab ordinance due to the special nature of the vehicle. The three main differences were: the insurance amount had been increased; the requirement for seatbelts was eliminated because it was difficult to mount seatbelts on bar stools when someone was pedaling; and, the thirdly, anyone operating a vehicle like this would require route approval and could only operate on approved routes, because there were some streets in the city, including Massachusetts Street, that it might be inappropriate to operate a vehicle this large, because of the impact on traffic.

In Minneapolis, alcohol was allowed on board the pedal pub, but under state law and city ordinance that would not be allowed in Lawrence. He said Lawrence did not have the capability of amending the ordinances to allow alcohol in this situation. Other than that, it was a fairly straight forward application of the current rules that were approved a month and a half ago.

Mayor Amyx said the City Commission had the authority to indicate what streets could be used for this vehicle. He said 6 miles an hour was not very fast going down Massachusetts Street.

Miller said he did a test run in his motor vehicle and it was very slow and had an impact on traffic on Massachusetts Street. The impact might not be significant on Vermont or New Hampshire where there were enough center turn lane area for vehicles to pass, but that would be a City Commission decision.

Mayor Amyx said yesterday he tried to go that speed, without street lights and ended up blocking traffic.

Mayor Amyx called for public comment.

Hubbard Collinsworth, Lawrence, said the speed of this vehicle was 6 miles an hour, but State ordinance required any vehicle below 15 miles per hour to carry hazardous warning signs. As far as he could tell, there were no hazardous warning signs for that slow moving vehicle.

Luke Stone, applicant, said there was a required slow moving vehicle sign, yellow with the reflective triangle, on the back of the vehicle. He said the vehicle was easily passable and had been proven to not hold up traffic in other places that were two-lane. Although he did understand that traffic on Massachusetts Street was an issue and he did not want to hold up traffic or stuck behind a pedal hopper anymore than anyone and definitely did not plan to operate on Massachusetts Street.

KT Walsh, Lawrence, said she hoped that the City Commission would keep in mind the many historic neighborhoods in this community and what a wonderful opportunity this would be for historic tours.

Stone said he was planning a route up to stadium parking lots, Vermont and New Hampshire and also a historic route that would show all the awesome historical houses around the 6th street and Main area, if those routes were approved.

David Corliss, City Manager, said that routes would be submitted in the formal applications and the City Clerk would make the judgment calls as to whether or not those routes were appropriate.

Mayor Amyx asked if the streets that were not allowed to be traveled on, be listed. He said the application would go to the City Clerk and the City Commission might not see those routes.

Miller said there was an appeal process in the ordinance. If an applicant applied for route approval and was aggrieved by the decision, the applicant was allowed to appeal the decision to the City Commission who would then review the route in that circumstance. Under the current pedicab ordinance, in addition to route approval, the police chief could determine what traffic hazards existed on certain streets and list them for a period of time as impassable for this type of pedicab, or any kind of pedicab. It was called "Pedicab restricted zone" in the ordinance. Staff could change the specific route approval for oversized pedicabs in time for

second reading to allow the approval to be done on a City Commission level if that was the Commission's choice.

Mayor Amyx said no. He said he just wanted to understand which streets the vehicle might not be allowed on and if Massachusetts Streets was one of those streets. He said he did not understand why it was not listed in the ordinance so that someone knew that street was prohibited when making application for license or permit.

Miller said staff could make that change.

Corliss said staff could restrict Massachusetts and any other streets the City Commission determine appropriate to put in that ordinance.

Commissioner Dever said it was important people understood the Commission was trying to accomplish. If it was not the Commission's desire to not allow those types of vehicles on certain streets then those streets should be listed in the ordinance to make it clear.

Mayor Amyx said applicants needed to know that information before submitting their applications.

Vice Mayor Cromwell said that other than Massachusetts Street, 23rd Street, 6th Street, 9th Street, Tennessee, and Kentucky, all could potentially cause serious problems with a vehicle that moved that slow. He asked how fast the vehicle could be pedaled without any passengers.

Stone said the vehicle went anywhere from 1 to 5 miles per hour depending on how many people were pedaling it. There was a minimum of 4 people to get the vehicle going. He said 5 miles an hour was the fastest that vehicle went. He said regarding the other routes, there was really only one or two routes that would work because Tennessee and Kentucky were way too busy. The Vermont, New Hampshire downtown route would be his main route. He said he might suggest on KU games taking a route to the stadium, but that had not been discussed. He might ask for allowance during the Saint Patrick's Day parade because everything was a walking pace anyway. Other than those suggestions, he did not want to take that vehicle

anywhere other than where it was a walking pace and a turn lane. Downtown was basically where he was proposing.

Vice Mayor Cromwell said if the vehicle weighed 2300 pounds and it took 4 people to get the vehicle moving, he asked how the vehicle would be moved.

Stone said if everyone bailed, he would have a van and a trailer that would be parked within 4 to 5 blocks of the route. The driver could walk to the van and pick up the trailer.

Mayor Amyx said that if the Commission had concern about Massachusetts Street as well as every arterial street in town, he asked if language could be written that the police chief or designee, sign-off on that route to not complicate traffic.

Miller said currently pedicabs were not allowed on state highways or on any street with a speed limit over 30 miles per hour. A lot of the streets the City Commission might be concerned with, such as 6th Street or Iowa, those streets could not be operated on at this point.

Corliss said the City Clerk's normal protocol with those types of licenses or right of way permits was to receive from numerous departments, including the police department, comments.

Corliss said if Stone's riders bailed and went into a restaurant or bar, he asked if it was possible to move the vehicle out of the way of traffic or if that vehicle was blocking a vehicle that wanted to pull out from parking.

Stone said yes, the unit could be pushed with no one on the vehicle with one person. The unit would be in a parking spot as the renters hop off and go to eat lunch or get a beer, so if the renters did not come back, he would be parked.

Commissioner Dever said it was clear that a person could not drink in that vehicle because it was State and City law. He said he kept hearing the word "drinking" but there was really no correlation between the service and consuming alcohol so it was not directly related. He said they were simply allowing someone to buy one of those vehicles and operate it in the city on certain streets.

Mayor Amyx said that was the way it sounded.

Corliss said in staff's discussions with Stone, staff had reiterated that alcohol would not be permitted on the public right of way.

Commissioner Dever said at it was not allowed in the city that it ran in currently, according to that City's web site.

Stone said alcohol was allowed, but not the first year, but after vehicle ran flawlessly the first year that City allowed consumption of alcohol on that vehicle and had been running flawlessly the past two year. He said the renter could bring alcohol and food on to the unit, but there was no sale of alcohol. It was also running flawlessly in the Netherlands, where it originated, for about fourteen years, with surprisingly no injuries. The only injury ever reported was a woman who stepped off the unit while it was still moving and twisted her ankle and went to the hospital. He said there were no charges pressed and she realized it was her own fault, so everything was fine. He said a waiver needed to be signed prior to getting on board.

Mayor Amyx said there would be an operator and asked who the power would be provided by.

Stone said power would be provided by the people pedaling, he said he had a brake and a steering wheel and the authority to kick anyone off if they were acting stupid.

Moved by Johnson, seconded by Chestnut, to adopt on first reading, Ordinance No. 8519 amending Article 16 of Chapter VI of the City Code providing for the licensing and operation of oversized pedicabs within the city of Lawrence. Motion carried unanimously.

(17)

Consider adopting the 2010 Action Plan and Investment Summary of the 2008-2012 Consolidated Plan and consider adopting Resolution No. 6888, authorizing the Mayor to execute agreements for the 2010 CDBG and HOME programs and other such documents as may be required to be submitted to the U.S. Department of Housing and Urban Development for such programs.

Margene Swarts, Assistant Director, Development Services, said each year the City was required to submit a consolidated plan or annual action plan to HUD regarding the CDBG and

HOME programs. This years submission would be the third year of the five year 2008-2012 consolidated plan. She said it was a one year action plan and investment summary, and basically discussed housing and community development needs and priorities for the community. The investment summary detailed the activities that were recommended for funding to address those needs. Priorities were determined both by the assessment of needs as well as which prior activities had been completed. The Community Development Advisory Committee (CDAC) made the recommendations for the CDBG and HOME programs with input from other citizens, citizen boards and the public, census data and previous homeless counts that had been conducted. Direction also came from the City Commission.

As previously approved by the City Commission, the advisory committee continued the Step Up to Better Housing strategy when making funding allocations. Additionally, strong attention was paid to continue to addressing the homeless situation in the community with the allocation of funds to the Lawrence Community Shelter.

The Advisory Committee held a public hearing on April 8th, which opened the 30 day written comment period. Four citizens attended the public hearing and provided comments to the committee. To date, staff had received no written comments.

The City was recently notified of the final CDBG HOME allocations for 2010 and the CDBG allocation was increased by 7% to \$873,534. The HOME allocation was decreased by less than 1%. The Investment Summary recommended by the CDAC reflected those amounts. With regard to the Investment Summary it was important to note that by Federal Regulation, expenditure of funds was limited in three areas. No more than 15% of the CDBG grant could be used for public service activities, for administration the cap was 20% and 10% for the HOME program. She said for Community Housing Development Organization which was Tenants to Homeowners, the operating expenses were limited to 5% of the grant.

The allocations as recommended by the advisory committee were within all of the regulatory caps, but there was no cap for either capital improvements or for the set aside that was required for the CHOTO which was a minimum set aside of 15%.

The next step in the process was adoption of the resolution authorizing the submission of the CDBG and HOME action plan, investment summary, and related grant documents.

Verna Norwood, Chair of CDAC, said there were eleven seats available on the committee, but only 9 seats were filled at the current time. In September 2009, they started discussing the CDBG HOME application process and made some changes to some of the questions on the format. They also reviewed the Step Up to Better Housing strategies, which was used as a guideline for the deliberation for the 2010 funding. Applications were due December 1st and at that time the committee received word that HUD had not actually made an allocation amount. CDAC worked with City staff and appreciated all the help City Staff gave the committee. She said with the guidance from staff, and based on the allocations received for 2009, which had included some of the program income and fund reallocation, it was determined that they could work with those particular dollars.

She said eighteen applications were received and they had requests for more money than was available. The committee had the tedious task of trying to allocate those funds. During the deliberations, there was a lot of discussions, motions made, and did some revising in order to come up with a dollar amount. Finally, when they received notification of funding from HUD it was good news and bad news. The good news was their allocation was more for the CDBG part, but on the HOME side, decreased their funding somewhat.

Deliberations were started in February and the committee took into consideration the Step Up To Better Housing Strategy, and March 25 wrapped up their deliberation. On April 8th a public hearing was held and with the additional money received from HUD, they were able to increase some of the funding amounts for some of the applications.

The committee was looking at meeting in June sometime with the CCH to discuss the Better Housing Strategy Brochure. The brochure was created in 1997 and hoped to update that brochure to make user everything was on target for this community.

She said they were looking forward to starting their allocations for September 2011.

Mayor Amyx said the City Commission appreciated the work of this committee. It was hard to allocate the money in filling gaps and make that money go as far as it could. He asked Norwood to pass along, the City Commission's sincere appreciation for their work.

Mayor Amyx said regarding the lighted pathway project, he asked if they would be a little short of money for that project. He asked for the committee's thoughts in using that \$59,410 amount for that project.

Norwood said depending on City Commission direction the committee would review that project again. If the committee needed to reallocate that money for the sidewalks, then that could be done.

Mayor Amyx said that was assuming there was no way to finish that project.

Norwood said if the project could not be finished, but received direction from the City Commission to move forward, it was a project that could be taken under consideration and accommodate.

Mayor Amyx called for public comment.

KT Walsh, Vice President, East Lawrence Neighborhood Association, said their association wanted to thank this committee for their hard work. She said that East Lawrence had benefited from these projects and had improved housing stock, streets, sidewalks, and were able to publish their newsletter, have a coordinator, and build wheel chair ramps for seniors. She said it was incredible what they were able to do as a low income, high racial mix neighborhood because of the funds that were made available to their area through the CDBG program. They also appreciated the City Commission's support for the Tenants to Homeowners,

the Community Land Trust who had been partners with ELNA these past few years in fighting gentrification and stabilizing the housing stock in their neighborhood.

Moved by Chestnut, seconded by Cromwell, to adopt the 2010 Action Plan and Investment Summary of the 2008-2012 Consolidated Plan and adopt Resolution No. 6888, authorizing the Mayor to execute the agreements for the 2010 CDBG and HOME programs. Motion carried unanimously. (18)

Consider approving an update to the 2008 CDBG-R Substantial Amendment to the 2008 Consolidated Plan for the Lawrence Community Shelter, 3701 Franklin Park Circle – Property Acquisition for Emergency Shelter site - \$78,789

Margene Swarts, Assistant Director, Development Services, said the City received \$216,798 in CDBG-R, which was recovery funds, in 2009. She said staff was required to submit a substantial amendment to the 2008 consolidated plan that detailed those projected projects and allocation. That process was completed and all but one of the projects was under way or completed. At the time that process was done, \$78,789 was allocated to the Lawrence Community Shelter for the renovation of Douglass County Public Works space at 1242 Massachusetts for temporary sheltering activities. During the course of the subsequent LCS relocation efforts that project was abandoned and the funds were put on hold until a final decision was made regarding the LCS relocation.

She said regarding the CDBG-R grant, HUD strongly urged grantees to use the funds for hard development costs associated with infrastructure activities that provided basic services to residents, or activities that promoted energy efficiency and conservation through rehabilitation or retrofitting of existing buildings. Priority and preference were given to quick start and finish projects including a goal to use at least 50% of funds for activities within 120 days of award. Currently, the City had allocated 100% of funds and had expended 45%, one project was currently underway and would expend another 19% of the funds.

The LCS SUP for 3701 Franklin Road Circle was approved by City Commission on April 20th, and second reading was approved on April 27th. The LCS subsequently requested that the

advisory committee approve the reallocation of the CDBG-R funds for the acquisition of 3701 Franklin Park Circle. She said this project which was 36% was the final project to be completed with CDBG-R funds that the City received.

The reallocation of funds required another substantial amendment and public comment period. The notice of the recommended reallocation was published in the Lawrence Journal World and posted to the City web site on April 27th which began the 7 day comment period which ended May 4th. If approved by the City Commission, the substantial amendment would be forwarded to the HUD office. As noted before, the proposed substantial amendment to the original 2008 CDBG-R's substantial amendment was for the Lawrence Community Shelter, 3701 Franklin Circle property acquisition for shelter relocation of \$78,789.

Mayor Amyx said this issue was addressed approximately two years and approved the use of that money for renovation of a piece of property. It was now going to help with the purchase on Franklin Circle. He said there were steps LCS needed to take before going to the Board of Trustees. He said there were conditions that could be attached to the expenditure of that money.

Swarts said yes.

Mayor Amyx asked if the conditions could include something different than what was discussed as conditions of the zoning issues. Staff could place stipulations that LCS could not proceed with the expenditure until such time as LCS went through the process with the trustees, because this was an expenditure of public funds for public/private purpose.

He said in the event the project did not come together and the expenditure was already made, he asked if the City would be responsible for paying the money back.

Swarts said if the City was not able to establish that it could be used for a purpose to meet a national objective, which was to help low and moderate income people. So that possibility certainly existed. If spending the money and everything was on hold, then depending on how long that might be, that would be a concern.

Mayor Amyx said he would suggest conditions or safe guards in place, not to stop the expenditure, but to make sure this public money was protected and the City did not get into a situation of needing to pay that money back in the event the facility could not be used for whatever reason for the purpose the City intended that money to be used.

Swarts said the City Commission was well within their realm to do that.

Commissioner Chestnut asked about the statute of limitation on expending those funds.

Swarts said one of the issues with the CDBG-R funds was timeliness. Originally, there were 30 months and this process was started roughly 6 months ago and had some lee way of time. It did not need to happen within the next 3 months or it was a no go. Staff would not want to stretch it out forever because if the project did not go forward, she did not want to send the money back, and staff would come before the Commission to figure another way to spend the funds that would meet a national objective.

Commissioner Chestnut said as far as the 30 months, he asked when the clock started.

Swarts said she could not say exactly, but roughly 6 to 8 months ago.

Mayor Amyx said was it during the time the Commission made the decision for the improvements at the existing LCS.

Swarts said yes, right along in that same time frame.

Commissioner Chestnut said it was roughly two years left.

Swarts said yes, but hoped it would go much faster, but believed there was an expansive time to allow flexibility, and hopefully all go through and the money could be spent. If it looked like that was not happening, staff could pull back and figure out a new plan.

Commissioner Chestnut said as a follow up, staff might want to formalize that in order to figure out when if officially started so staff could plan.

Mayor Amyx said if the City Commission gave the authority to LCS to use the money and there was a chance the objective could not be met, there was a possibility the City might need to find the money to pay back HUD.

Swarts said staff would bring it to the City Commission's attention that money was out there that the City needed to do something with.

Mayor Amyx said he had a concern about the expenditure already being made.

Swarts said if the expenditure was made, the approval could be made with contingencies in making sure LCS received all the approval that were needed to go forward with their plan and thought the same thing could be done with the expenditure of this fund so that the City was assured that when the expenditure was going to be made, it would all actually happen.

Vice Mayor Cromwell said he was thinking about changing the word "acquisition" to "renovation" of the property which might solve some of those issues, because funds could be expended in acquisition before all the permits were issued, but funds could not be spent in renovation until those permits were issued.

Mayor Amyx said the request that came before the City Commission was for the purchase of the property.

Swarts said if the City Commission wanted to make that change, it could be done.

Mayor Amyx said it was an appropriate use of funds, but his concern was the protection of public money and if there was a chance the City might be responsible for returning that money in the event that location did not work for LCS.

Corliss said the City could have agreements with LCS in going through those extra steps to ensure it met all of the CDBG requirements. He said if those funds were used at the time of closing, LCS had to be within operation in a certain period of time or had to pay it back. He said there needed to be some type of mechanism to make sure that those goals were being achieved. He said he did not know if the City met the national objective just with acquisition or whether or not the national objective required it to be in operation for a certain period of time.

Swarts said with the intent that it would be an emergency shelter, the City met the intent for the acquisition.

Mayor Amyx said if tying the conditions of the SUP to the expenditure of those funds, that would cover what needed to happen for the protection of that money.

Mayor Amyx called for public comment.

Loring Henderson, Lawrence Community Shelter, said he wanted to thank the City Commission for considering this motion. He said LCS had proceeded with some of the conditions that were considered by the City Commission for the SUP. He said LCS had a meeting with the Trustees of PDO Investors and set the dates for the 3 public meetings. He said things were underway to meet the conditions for the SUP. He said whatever the City Commission decided with regard to previous discussions, would be fine with LCS.

Mayor Amyx said it was an appropriate to use those funds for the acquisition of the property, contingent upon the conditions that were listed in the SUP.

Moved by Dever, seconded by Cromwell to approve an update to the 2008 CDBG-R Substantial Amendment to the 2008 Consolidated Plan for the Lawrence Community Shelter, 3701 Franklin Park Circle Property Acquisition for emergency shelter site in the amount of \$78,789, contingent upon the conditions listed in the Special Use Permit. Motion carried unanimously. (19)

FUTURE AGENDA ITEMS:

- 05/18/10
 - Conduct public hearing for the dilapidated structures located at 1313 Haskell Avenue. Consider adopting a resolution declaring the structure unsafe and dangerous and ordering the property owner to repair or remove the structure within a specified period of time. Should the property owner fail to comply the City would contract for the removal of structures.
 - Receive staff report regarding a sidewalk dining and hospitality license for Louise's downtown.
- ACTION:** Direct staff as appropriate.
- May/June
 - Upon conclusion of 2010 Kansas Legislature, review and consider possible changes to City primary election law.
- 06/15/10
 - Receive status update on the property at 331 Johnson Avenue on violation of City Code Sections 9-6011 (A) and (C). Receive additional code

enforcement information as directed by the City Commission. Authorize staff to proceed with enforcement actions if appropriate.

- November · Receive status report on LCS relocation efforts.
- TBD · Receive staff memo regarding possible annexation of Westar Energy Center and adjacent properties. Additionally, staff is working on a memorandum discussing possible annexation of the Miller/Wells acres area.
 - Receive Lawrence Human Relations Commission gender identity report.

Moved by Dever, seconded by Cromwell to adjourn at 8:57 p.m. Motion carried unanimously.

APPROVED:

Mike Amyx, Mayor

ATTEST:

Jonathan M. Douglass, City Clerk

CITY COMMISSION MEETING OF May 11, 2010

1. 2010 Chemical Root Control Contract Renewal - Dukes Root Control, In., for \$98,313.87
2. Public Entity insurance renewal - Scottsdale Indemnity Co., for \$73,150.13.
3. Ord. 8524 – 1st Read, alcoholic beverages, June 26, 2010, S Park Gazebo
4. Special Event – (SE-4-13-10) Fraternal Order of Eagles BBQ Cook-Off, 1803 W. 6th June 18 - June 19, 2010
5. Ord. 8521 – 1st Read, rezone (Z-3-3-10), 22.63 acres, from PUD to OS, SE of W. 27th & Crossgate.
6. ROW - Alcoholic liquor June 25th -26th, 2010 in S Park & 1200 Block of Vermont- St. John Mexican Fiesta
7. Ord. 8525 – 1st Read, alcohol June 25 & 26, St. John's Mexican Fiesta.
8. Directional Signs - Lawrence Area Bldg Awareness Expo-23rd & Harper & DG Cnty Fairgrounds-June 25-27, 2010.
9. Downtown Lawrence Film Festival - N wall of NH St. Parking Garage May 15-July 15, 2010
10. Ord. 8526 – 1st & 2nd Read – St John's Mexican Fiesta – S Park, June 25 & 26.
11. City Manager's Report
12. 2009 Tax Abatement report received.
13. Ord 8522 – 1st Read, 2009 Tax abatement report & criteria - additional incentives for high wages.
14. Ord. 8523 – 1st Read, Update City's Industrial Revenue Bond Policy.
15. Res. 6887, establishing a Community Improvement District.
16. 2010 COPS
17. Ord. 8519 – 1st Read, amend Article 16 Ch. VI City Code licensing & operation of oversized pedicabs
18. Res 6888 - 2010 Action Plan & Investment Summary of the 2008-2012 Consolidated Plan - agreements for the 2010 CDBG and HOME programs
19. Update 2008 CDBG-R Substantial Amendment to 2008 Consolidated Plan for Lawrence Community Shelter, 3701 Franklin Park Circle Property Acquisition - emergency shelter site - \$78,789.