



# City of Lawrence

## CITY MANAGER'S OFFICE

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### CITY COMMISSION

MAYOR  
MIKE AMYX

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

January 11, 2011

The Board of Commissioners of the City of Lawrence met in a study session at 4:35 p.m., regarding the review of multi-year solid waste plan and menu of options, in the City Commission Chambers in City Hall with Mayor Amyx presiding and members Chestnut, Cromwell, Dever, and Johnson present.

The City Commission recessed at 6:00 p.m.

The Commission resumed their regular session at 6:35 p.m.

### RECOGNITION/PROCLAMATION/PRESENTATION:

With Commission approval Mayor Amyx proclaimed the week of January 10 – 17 as Dr. Martin Luther King Jr. Week.

Ordinance No. 8608, the Special Use Permit (SUP-10-7-10), for a daycare facility located at 345 Florida Street, was removed from the consent agenda for separate discussion.

### CONSENT AGENDA

As part of the consent agenda, **it was moved by Chestnut, seconded by Cromwell**, to receive the Parks and Recreation Advisory Board meeting minutes of 12/13/10.

As part of the consent agenda, **it was moved by Chestnut, seconded by Cromwell** to approve claims to 193 vendors in the amount of \$1,224,454.55. Motion carried unanimously.

As part of the consent agenda, **it was moved by Chestnut, seconded by Cromwell** to approve the drinking establishment licenses for The Oread, 1200 Oread Avenue; the retail liquor license for Parkway Wine & Spirits, 3514 Clinton Parkway; and, the Cereal Malt Beverage License for Lawrence Food Mart and El Matador. Motion carried unanimously.



As part of the consent agenda, **it was moved by Chestnut, seconded by Cromwell** to adopt on first reading, Ordinance No. 8609, authorizing the issuance of general obligation bonds in an amount not to exceed \$220,000, plus costs of issuance and interest, for the cost of demolition and environmental remediation at the former Farmland property, as authorized by the City Commission on December 21, 2010. Motion carried unanimously. **(1)**

As part of the consent agenda, **it was moved by Chestnut, seconded by Cromwell** to deny the request to establish “no parking” on the north side of Brett Drive between Berwick Way and Haversham Drive/Stowe Drive. Motion carried unanimously. **(2)**

As part of the consent agenda, **it was moved by Chestnut, seconded by Cromwell** to authorize the City Manager to execute the Lease Agreement with Patrick D. Ross for agricultural purpose at the Lawrence Municipal Airport. Motion carried unanimously. **(3)**

As part of the consent agenda, **it was moved by Chestnut, seconded by Cromwell** to authorize staff to proceed with a Request for Proposals for a Wildlife Hazard Assessment Study for the Lawrence Municipal Airport. The project would be 95% funded by the Federal Aviation Administration. Motion carried unanimously. **(4)**

As part of the consent agenda, **it was moved by Chestnut, seconded by Cromwell** to authorize the City Manager to incorporate the new fee guidelines for basic architectural and engineering services in the City’s Purchasing Procedures. Motion carried unanimously. **(5)**

As part of the consent agenda, **it was moved by Chestnut, seconded by Cromwell** to authorize the City Manager to authorize the City Manager to execute a Third Amendment to Agreement for the lease of City of Lawrence property, located at the water tower behind Fire/Medical Station No. 3, 3708 West 6<sup>th</sup> Street, to New Cingular Wireless, PCS, LLC d/b/a AT&T Mobility. Motion carried unanimously. **(6)**

As part of the consent agenda, **it was moved by Chestnut, seconded by Cromwell** to authorize the Mayor to sign Releases of Mortgages for David and Jennifer Unekis, 707 West 4<sup>th</sup> Street and the Pelathe Community Resource Center, Inc., 1423 Haskell Avenue. Motion carried unanimously. (7)

Commission Johnson abstained from the discussion and vote on Ordinance No. 8608, the Special Use Permit (SUP-10-7-10), for a daycare facility located at 345 Florida Street, and left the City Commission Chambers at 6:46 p.m.

**Moved by Cromwell, seconded by Chestnut** to approve and adopt on first reading, Ordinance No. 8608, the Special Use Permit (SUP-10-7-10), for a daycare facility located at 345 Florida Street, on approximately 1.065 acres. Aye: Amyx, Chestnut, Cromwell, and Dever. Abstain: Johnson. Motion carried.

Following the vote Commissioner Johnson returned to the meeting at 6:47 p.m. (8)

#### **CITY MANAGER'S REPORT:**

During the City Manager's Report, David Corliss presented a summary of the year end building permits report; reported that Information Systems GIS Coordinator, Micah Seybold, released a new interactive map to allow citizens to find an address, view zoning, infrastructure details, contours, parcel information, flood zones and pavement condition; and, that Public Works provided a 2010 Facilities and Structure Program update. (9)

#### **REGULAR AGENDA**

**Consider authorizing staff to proceed with the development of plans for the construction of T-hangars at Lawrence Municipal Airport and consider authorizing staff to negotiate a scope of services with Airport Development Group for the engineering design of the T-hangar project.**

Chuck Soules, Public Works Director, presented the staff report which read:

- I. **Project Background:** The Lawrence Municipal Airport offers T-hangars for lease to pilots to park/store their aircraft. Currently there are thirty (30) hangars which are and have been full since they were built. The newest units were constructed in 2003. The City also maintains a list of people that have shown interest in leasing a T-hangar. There are currently forty-one

(41) people on the “waiting list” and the City and Board Members regularly have requests to lease a hangar but do not request to be added to the list as it is too long.

- II. **Project Description/Status:** The Airport Advisory Board has been planning the construction of a new set of twenty (20) hangars for the last year. The need for additional T-hangars has been consistent; however construction costs and financing have not been favorable to keep leasing costs reasonable. With the turn in the economy we have seen construction and financing costs decrease and it is now feasible to proceed with this project.

**Project Costs:**

Estimated project costs include:

Two 10-unit T-Hangar buildings	\$ 870,000
Site grading and taxiways (asphalt)	409,075
Engineering / Inspection / Administration	99,000
Total	\$1,378,075

- III. **Analysis:** Roger Zalneraitis has reviewed the project proposal and discussed length of financing options with Ed Mullins. Attached is a spreadsheet that has taken into account the revenues from the existing T-hangars, estimated construction costs, bond terms and interest rates, maintenance costs and projected/recommended rental rate for the new T-hangars.

The Board and staff agree that the T-hangers should be self sufficient, need to have full occupancy to be successful and need to be affordable. I think the Board would also agree that the market will determine the appropriate rental rate.

The Board’s proposal suggests a \$235/month rental rate and a 30 year bond as an initial “first pass” review. Staffs’ analysis and recommendation would be a 12 year bond with an estimated rental rate of \$255/month.

- IV. **Recommendation:** The Board and staff agree there is a need for additional T-hangars at the Lawrence Airport and the timing for construction with respect to costs is now.

Staff can also recommend this project with a 12 year bond and estimated \$255/month rental rate. The staff and Board would also agree that the estimated rental rate may change if construction costs are more/less favorable than expected.

If the costs are substantially higher the Board and Commission will need to review whether or not the projected rental rates are sufficient and if the project would proceed.

- V. **Consultant Selection:** Every 5 years the City receives proposals for engineering services at the Airport. The FAA requires a quality based selection process. The recommendation for a firm is based on a number of criteria including: staffing, experience, previous projects qualifications, firm’s familiarity with project, communication, professionalism, work commitments, abilities of staff and firm, and access to the firm.

The City and Airport Advisory Board reviewed proposals from and interviewed several firms approximately a year ago and selected ADG (Airport Development Group) to provide engineering services at the Airport. The selection doesn’t preclude the City from using

another firm but relieves the City from the selection process on every project. This project is not FAA funded however ADG has provided good service to the Lawrence Municipal Airport on many projects in the past. They are the most familiar with the Airport development and are prepared to begin design on this project.

Staff would recommend proceeding to negotiate an engineering services contract with ADG.

VI. **Action Requested:** Pending City Commission discussion, if appropriate:

- Authorize staff to proceed with the development of plans for the construction of T-hangars at the Airport,
- Authorize staff to negotiate a scope of services with ADG for the engineering design of the T-hangar project.

Richard Haig, Airport Advisory Board spoke regarding the board's request and recommendation. He said there had been a long waiting list for T-hangars. In 2008, the board received proposals at 2.1 million dollars at that time. The board never presented the proposal to the City Commission because it was not feasible, financially, without the City subsidizing the airport. Lately, with the state of the economy, bids were quite a bit lower at \$1.37 million and the financial model was feasible to pay for itself over a 21 year period with the City securing 12 year bonds.

He said there had been some concerns by Al Stuber who owned a private hangar at the airport whether those T-hangars could be filled, but the difference was that Stuber's hangar was a box hangar where these T-hangars would be private T-hangars because the people who want the hangars wanted the privacy of a T-hangar.

He said the City of Lawrence was significantly behind all other regional airports. He said the board was asking the City to fund an expansion of the airport. The City was the airport authority that oversaw the operations and expansions.

Other concerns were people who were interested in privately constructing this project, but none of those interested parties could make the numbers work. He said the benefit for the City building the hangars was that the City did not pay property tax, received a better interest rate, did not need to pay a ground lease and still get the revenue from the rental of the hangars.

Under a 12 year note, the hangars had to rent for \$700 a month; 20 year note was \$520 a month; and 30 year note was \$430 a month. The highest rented T-hangars in this area were the downtown airport which was just over \$300 a month. To be competitive with other airports, there were a lot of small airports where the hangars were subsidized by the City to make costs artificially low. This subsidy would place their airport above the smaller airports, but below the major airports.

The Economic Impact Study by the Kansas Department of Transportation, completed last year, estimated that the Lawrence airport generated an economic impact of 10.7 million dollars, 96 jobs, and a payroll of 3.6 million dollars.

Commissioner Chestnut asked if the other surrounding airports were built by the municipality.

Haig said all the T-hangars in this area were owned by the Airport Authority. Some of the T-hangars were built by the military because some the airports were military bases decommissioned where the municipalities took over. He said all the newer T-hangars were built by the municipality.

Tom Kern, Airport Advisory Board member, said there had been a lively discussion about the issue of private ownership versus municipal ownership. Initially, he said he was more inclined to look at a private sector answer for this project, but given the practice in Kansas, the predominate feature was the T-hangars were owned and controlled by the municipality for a variety of reasons.

He said from an economic development side, the part that he was most committed to try to accomplish was that presently, they had 63 aircraft based at the Lawrence Airport. The study currently being performed by Kaufman and Associates showed there were 109 airplanes registered in Douglas County. Almost 50 of those airplanes that were registered in Douglas

County were not housed at the Lawrence Municipal Airport. Some of those airplanes were housed somewhere else because of the size and some because there were no space. He said the board wanted to increase the economic impact of the airport by having more aircraft based at that location. If that number could be increased from 63 to 83 and those additional 20 aircraft fly an average of 75 hours a year with a fuel flowage of 12 gallons an hour would generate another \$100,000 in fuel sales which increased the tax capabilities, helped fix and stabilize the fixed based operators. The economics was not just the rental rate and the return and the math of the hangars were cash flow or not, but the economic impact that would create. The large that plane base could be created, the greater potential for receiving additional funds through the Federal Aviation Administration for other types of activities.

He said there were 860 aircraft registered in Johnson County and 109 aircraft presently registered in Douglas County. Some of the people on their list were mostly Douglas County residents, but some were not. He said their hope was that over time, they could increase that number to increase the base of aircraft because that helped both the fixed base operator, the fuel flows, the taxes that ran to the City, as well as the property taxes to the County.

Mayor Amyx asked if the City was using the current revenue received from the airport.

David Corliss, City Manager, said yes. It was an assumption that was in the spreadsheet with the other hangar revenue which helped the project from a financial standpoint.

Mayor Amyx said the City was taking the money that was already in the bank to cover this project. He said what would be the loss per year if the City had this as a stand alone project.

Corliss said with the 12 year note it would be a loss through the life of the debt and then it would start to show a positive.

Commissioner Chestnut said he had not spoken to the City's Economic Development Coordinator, but debt service for the 12 year bond was going to be \$150,000 a year. The incremental revenue of the hangars was approximately \$60,000 which produced a \$90,000 gap. Some of the comments were pertinent about economic development and those comments were not factored into this analysis. He said when looking at these projects through the Public Incentive Review Committee (PIRC) or any other type of economic development funding, PIRC would conduct a cost benefit analysis of the project because it was 1.5 million dollar project.

He said the revenue generated from the new hangars versus the debt service, the City would be \$90,000 in the hole. He said the Economics Coordinator commented that the new hangars also covered some, but not all of the maintenance and utility expenses as well which he assumed it was the incremental maintenance and utilities from having the hangers. He said it would also impact the City's annual airport budget that was in the general fund because there would be more utility and maintenance expenses and no revenue to off-set those costs. He said there were implications and the concern was that all the costs were not factored into this project.

He said the City Commission would require a higher level of analysis on any type of economic development project that was \$150,000 a year, but he did not see that type of analysis yet.

Haig said one of the things that were built into that financial model was a significant amount for maintenance and the utilities were already built into that model.

Commissioner Chestnut said he was going off of the response that was sent by the Economic Development Coordinator. He said it was clear \$60,000 would be generated for incremental revenue from the hangars and \$150,000 of debt service. He said he was trying to figure out where the other pieces were located and realized the City would not recover all that debt in 12 years, but the Economics Coordinator stated in an email that the amount covered by



the bond fund was a no interest loan from the City that was paid back by the T-hangars over 28 years and covered some of the maintenance and utilities. He said the City had to pay the difference out of the bond and interest fund. He said he thought this was a good project, but he wanted to see more information.

Haig said the model from the Economic Development Coordinator was looked at by Airport Advisory Board meetings and the maintenance was considered to be on the high side, but without the Economic Development Coordinator being present to verify that information, he understood.

Commissioner Chestnut said he would suggest the City try to pick up that economic development benefit. The economic development value that was referred to by Haig was real, but that value should be quantified. If the debt service was \$25,000 more than the revenue that would be one thing, but there was a big gap. He said he would also like more embellishment from the Economic Development Coordinator about what was the estimated increase in maintenance and utilities because those costs had to be absorbed in somebody's budget. He said information was needed on the economic impact, costs, and where those costs would hit.

Mayor Amyx said at the same time that information was being gathered, the RFP could be drafted for the engineering services, if the City Commission was to proceed, to take action on.

Kern said he wanted to be clear that the City Commission was asking for a cost benefit analysis to come up with a factor. He said as an advisory committee that it was their responsibility to advise the City Commission, but 3 year ago it was not cost effective to consider this project. He said there was a responsibility as an advisory committee to advise the City Commission that this improvement at the airport, probably from a timing standpoint, was more warranted now that it had ever been.

Commissioner Johnson said he appreciated this project being brought forward. He said this project was a good opportunity, but more information needed to be vetted out.

**Moved by Chestnut, seconded by Johnson,** to defer discussion of the construction of T-hangars at Lawrence Municipal Airport pending additional information from the Airport Advisory Board and staff. Motion carried unanimously. (10)

**Receive presentation from Landmark Investment Group concerning the possible redevelopment of the Poehler building at 619 E. 8<sup>th</sup> Street. Consider approving resolution providing support for historic tax credits.**

David Corliss, City Manager, said the next 3 items were redevelopment proposals and were at various stages of review and analysis. He said with this item, there had been discussions with this investment group at City Hall and they indicated ownership of this facility and wanted to proceed with redevelopment. Staff did some initial review of the land use controls on that property and discussed the Neighborhood Revitalization Act regarding that property as well. Staff had also been advised this investment group wanted to seek affordable housing tax credits under a certain deadline. As a result, staff wanted to introduce that project, even though there would be land use issues, infrastructure request and there might be a lot of items associated.

He said the next two projects on the regular agenda were also at various stages of discussion, but it appears to staff it was the appropriate time to at least introduce the project and have a discussion and background as well.

Tony Krsnich and Don Roseman presented the proposed redevelopment of 619 East 8<sup>th</sup> Street. Their report read:

The Poehler Lofts is the proposed redevelopment of the Poehler Building located at 619 E. 8th Street, in Lawrence, KS. Its current condition is vacant, dilapidated and continues to deteriorate. It has become home to vagrants and recently survived a fire, which could have taken the timber structure to the ground. It is located just blocks East of Massachusetts Street and is one of the last endangered historical buildings the City. This initial \$7 million improvement will remove a

major piece of blight and will trigger the redevelopment of an entire city block. Plans for the following phases are underway.

The Poehler is the largest building in the East Lawrence Industrial Historical District and was home to the Poehler Mercantile Company Wholesale Grocery. The 50,000 square foot four-story brick building is distinguished by five vertical bays anchored with large arched windows on the lower floor's primary façade (North). The second through fourth stories have single rectangular window openings with segmental arches composed with three courses of brick. This specialized brickwork is consistent with the architecture of the time. The building was officially listed on the National Registry of Historical Places on December 11, 2007.

The redevelopment of the Poehler Building will be focused on preserving the historical characteristics of the building and the project will utilize historical tax credits to make the project financially feasible. There will be approximately 40 apartments in the restored building and will have a private secured parking lot designated for tenants and guests. We anticipate 36 one bedroom units starting at \$500 per month and 4 two bedroom units starting at \$600. The project is located in a prime rental area and would serve as a great multifamily or senior apartment complex. There is additional square footage, which could be used for a small commercial/retail component.

The team selected for the redevelopment has over 100 years of combined redevelopment experience and is highly regarded in each of their fields. Krsnich Investment Group (Developer), Rosemann and Associates (Architect), Rau Construction (General Contractor), and Rosin Preservation (Historic Consultant) are very excited about the project and believe we will have a successful and award winning development with the revival of the Poehler Lofts.

Mayor Amyx said the City Commission's consideration was to approve a resolution providing support for the historic tax credits. He asked what steps were needed for this action.

Corliss said he and legal staff had not communicated regarding the resolution. A form would be given to staff that would be acceptable to the state. If the City Commission directed staff to place this item on the consent agenda, staff would proceed. He said it would not commit the City to land use or infrastructure uses.

Mayor Amyx asked if the approved application for the Neighborhood Revitalization Act (NRA) still valid.

Scott McCullough, Planning and Development Services Director, said the development proposal was currently still under the timeframe of the existing NRA. He said there would likely be some work in terms of extending that timeframe. The proposal brought forward generally

complied with the overlay zoning district and the uses of the building within this particular zone, within that overlay district.

Mayor Amyx called for public comment.

K.T. Walsh, East Lawrence Neighborhood Association, said she welcomed preservationist to this community and was excited about the Poehler Building being restored. The neighborhood worked for 2 or 3 years from the initial meetings when there was a proposed water park on the river which changed to a district on Pennsylvania Street.

She said a number of workers and contractors were from East Lawrence did not get paid for their work by the developer due to bankruptcy. She said there was a trust issue.

Richard Heckler spoke in support of use of this property and thought it would be good for East Lawrence.

**Moved by Chestnut, seconded by Cromwell,** to receive the presentation and direct staff to prepare an appropriate resolution concerning tax credits for placement on a future City Commission meeting agenda. Motion carried unanimously. (11)

**Receive presentation from Paul Werner, Paul Werner Architects concerning possible redevelopment at the northeast corner of 9<sup>th</sup> and Vermont Streets (800 block of Vermont Street).**

Paul Werner, Paul Werner Architects, presented preliminary plans for the redevelopment of the northeast corner of 9<sup>th</sup> and Vermont Streets. He said he hoped to hear, in theory, that the City was open to the idea of a partnership on this project and asked for comments from the City Commission to keep this project moving.

The proposal called for apartment units and office space, ranging from 48 apartment units and 44,400 square feet of office space, to 86 apartment units and 12,000 square feet of office space, but would vary depending on market demand. Another idea that had been brought up was a small neighborhood grocery store at 9<sup>th</sup> and Vermont.

The property included a parking garage with public and private parking for apartment renters and some of the office tenants. He said there would be at least 159 parking spaces available for public use.

Mayor Amyx asked Werner to define the private/public partnership and the City Commission's expectations.

Werner said the intent was to ask the City for use of that property for development purposes. He said they were looking at TIF financing for public improvements of this project.

Mayor Amyx said there had been a number of public improvements that were financed by a benefit district and wanted to know how TIF financing would work before committing to any project. If apartments were allowed, additional public parking spaces needed to be taken into consideration.

David Corliss, City Manager, said the City did not receive a great number of redevelopment requests for downtown as well as requests to use City parking facilities.

He said one of the last redevelopment requests was the 900 Block of New Hampshire which was financed using Tax Increment Financing. He said the City Commission opened up that project to receive a Request for Proposals from any development groups.

The City always had responsibility for the maintenance of that sidewalk arcade along the west side of those businesses and was not a great point of pride among City workers and officials about how well it was maintained. He said that area did not look that great.

Any issues about access, height, and view issues were addressed in the Downtown Historic Guidelines, but had not gotten into that level of detail at this point. He said there were a number of issues that would be related to a project in that area.

Werner said there was no doubt there were other developers that could develop this area, but this area was in their backyard and they had a good track record for improvements on Vermont and other areas in the community. He said an RFP for a project such as this project

compared to designing a street was a completely different animal. He asked if the City Commission would only consider this project with the guys that brought this project to the table.

Mayor Amyx called for public comment.

K.T. Walsh, East Lawrence Neighborhood Association, said there was concern in East Lawrence about what type of grocery store would be located at the project, and that there was also a need for space for low cost apartments for visiting artists.

Bob Schumm, 815 Vermont, said that generally he liked the idea behind this project and had preached the growth through vertical movement in the past, and recommend that the next step would be to meet with adjacent property owners to address issues and concerns that might exist.

Dan Ranjbar, 825 Massachusetts, said one of his staff member's cold called many of the properties adjacent to the project and found that most were in opposition. He said that the reasons for this project were unclear and there were underutilized buildings all along Massachusetts. The access to the buildings from the west was just as important as access from the east.

Susan Adams said she would be thrilled to be able to walk to a grocery store.

Commissioner Chestnut said the next logical step was to meet with the property owners. He said the concept of the proposal was good, but there were a lot of obstacles.

Commissioner Dever said there was value in using that space because there was a limited footprint without infringing on neighborhoods. He said there was a value in getting people to live and work downtown.

Vice Mayor Cromwell said it was an interesting project and warranted being addressed. He said the City owned this property and had only one chance to do something with that property. He said parking would be a huge issue in this proposal and the City would want to see better return on its parking investment and there might be a way to open that office parking

up to public parking during the non-office hours which would involve some study. He said the grocery store had a great appeal.

Commissioner Johnson said there were a lot of details and issues to consider, but those were the types of projects that had the potential to make downtown better. He said a public/private partnership had potential.

Mayor Amyx hoped the Werner would meet with the property owners to receive support for this project. He said the City needed to be careful about the use of publicly owned property.

The City Commission received the report. (12)

**Receive presentation from William Fleming, Treanor Architects, concerning the proposed redevelopment of the building at 1040 Vermont.**

Bill Fleming, Treanor Architects, presented the proposed redevelopment of the building at 1040 Vermont. The letter read:

As you know, we are in the process of looking at options for new Treanor office space to consolidate our two offices located in Lawrence to one office. We are interested in relocating to 1040 Vermont in downtown Lawrence, but face some hurdles both from parking considerations and the higher costs to renovate and rehabilitate the downtown property. Our current plans call for remodeling the interior and exterior of the 1040 Vermont building, and adding a second story. I have attached a rendering to show you our plans. This plan had received approval from the Historic Resources Commission.

We would like the City of Lawrence to assist us in the following ways:

1. We need to be assured that we will have adequate parking for our staff. We anticipate approximately 70 professionals will relocate to this building. We have a certain number of parking spaces in our lot, but we will need at least fifty more spaces in the public parking lot located to the north of the Project. We would like an agreement with the City to designate this parking lot for longer term parking with a paid parking permit. Our understanding is that currently the cost of such permits would be \$195 per space annually. We would like the agreement to fix that price for a period of ten years.
2. Pursuant to K.S.A. 12-17,114 et.seq., we would like the City to create a Neighborhood Revitalization Area and designate this building as being in the area. We believe that the building satisfies Subsection 12.17,115(a)(3) as being an area "there is a predominance of buildings or improvements which by reason of age, history, architecture or significance should be preserved or restored to productive use." We note that this building has not been occupied for a number of years, and that we anticipate a substantial amount of remodeling work to bring the building back up to productive use.

David Corliss, City Manager, said the parking lot had 61 parking stalls and was currently 2 hour parking. Staff looked at the utilization reports and it was one of the lesser used parking lots (50% utilization), Monday through Friday. He said for example, the parking lot that was just discussed a couple blocks up on Vermont, the parking lot was utilized frequently. There were twenty-eight, 5 hour meters and ten, 2 hour meters on that block of Vermont.

He said the neighbors needed to be advised and involved in the consideration of possible changes to that parking lot.

Also, the Farmer's Market utilized that parking lot during their season and might need to talk about Farmer's Market elsewhere in the community in the downtown area.

He said the proposed parking change request was to change this to a lot that would allow for the 10 hour parking. He said staff would traditionally meter that parking and allow someone with a 10 hour permit, which the City sold to a number of people, to park in that parking lot. He said with changes to the rules for every parking lot, it might become a little confusing. It could be a 2 hour lot and allow the 10 hour tags, but that also could be confusing, but would be what staff would suggest. The current cost for parking passes was \$195 and would like that fixed rate with an agreement with the city for 10 years.

The School District and the County needed to be included in establishing a plan. The City's mill Levy was less than the County and School District's mill levies. If this development was to receive a property tax rebate, worthy of their efforts, they would also want to talk to those taxing entities as well.

There was no track record on the use of the NRA. A number of other communities had used the NRA very extensively and the act had certain merits in the revitalization of property.

He said this building had been dormant for a number of years and the area had looked at establishing an NRA. He said he did not know if the building in that area was historically worthy of preservation, but it was detrimental to that block and the adjoining property owners to have a vacant building sit vacant for a number of years. He said it looked like this area would



qualify for an NRA and was something for the City Commission to consider, but to understand that it was a rebate of the incremental increase in the property taxes on the building which was seen in the developer's request.

He said in this case, a cost benefit analysis would be performed in this situation.

Mayor Amyx asked if this proposal would go before the Public Incentive Review Committee.

Corliss said it should be.

Mayor Amyx called for public comment.

After receiving no public comment, Commissioner Chestnut said he certainly encouraged that facilitation of meetings with adjacent property owners. It would appear there was not a significant investment from the City. He said one crucial issue would be the parking. He said the analysis of the parking would probably show that it was the least utilized parking downtown. He said a parking study would be useful and asked if there was an understanding of the utilization of the 10 hour meters.

Corliss said staff did a great job at looking at parking utilization and was not exhaustive as a full blown consultant study.

Vice Mayor Cromwell said it was nice to see 3 different redevelopment projects on the Commission's agenda.

Bob Shumm, downtown property owner, said instead of just addressing the adjacent property owners in both projects, to broaden that area to have a general meeting of any who were interested. He said if the parking regulations were changed, he could see some problematic situations downstream for other parking lots.

Mayor Amyx said this project would have impact on D&D Tire and the businesses in that area as well as the vacant building on 10<sup>th</sup> and Massachusetts.

**Moved by Chestnut, seconded by Dever, to receive presentation and direct staff to: 1)**  
facilitate a meeting with adjacent property owners and others concerning proposed parking

changes; and 2) prepare information concerning possible use of the Neighborhood Revitalization Act for this property. Motion carried unanimously. (13)

**Consider authorizing the City Manager to make various policy changes, as recommended, to the City's Employee Handbook related to overtime, effective February 27, 2011.**

Diane Stoddard, Assistant City Manager, presented the staff report which read:

**Background:**

During the 2011 budget process, staff provided the City Commission a report regarding the City's utilization of overtime. The City Commission discussed this report during the budget process and also again in November 2010. At its meeting in November, the City Commission directed staff to draft policy changes based upon a memorandum prepared by Commissioner Chestnut. In late November and early December, staff discussed the policy changes with the Management Team and distributed information about the policy changes to City employees.

Feedback on the policy changes was received by City employees which addressed several items, but largely focused on two main issues: 1) a desire by some to have overtime accrue for response to emergency situations, such as snow events, floods and other natural disasters, and utility line breaks regardless of the 40 hour accrual period and 2) a concern that an unintended consequence of allowing compensatory time in every City department/division would trigger additional overtime costs for work groups that require minimum staffing, such as Utility plant operators.

**Recommended Policy Changes:**

In accordance with the direction provided by the City Commission and incorporating feedback related to the two main items above, staff has prepared draft policy changes for the City Commission's consideration. The draft policy changes achieve the following:

- **Payment of Overtime by Workweek Rather than Daily Shift:**
  - Nonexempt (paid hourly) employees will be eligible for overtime for hours worked over forty (40) in a standard workweek or other work period,
  - Nonexempt employees will no longer be eligible for overtime for hours worked in excess of their regular daily work schedule or shift.
- **Exclusion of All Paid Leave, Except Holiday Leave in Overtime Calculation:**
  - All paid leave, with the exception of holiday leave, will no longer be counted as hours worked for the purpose of calculating overtime. This includes paid leave such as vacation, sick leave, personal leave, wellness leave and compensatory time.
- **Compensatory Time:**
  - Compensatory time in lieu of overtime will be available to all nonexempt employees, with Department Director authorization. Compensatory time allows employees the option of taking leave at a rate of 1.5 hours per hour of overtime worked in lieu of being paid for the overtime. A cap of 60 hours will be placed on banked compensatory time.
  - The reason for staff's recommendation that utilization of compensatory time be subject to Department Director authorization is the possible unintended consequence of incurring more overtime hours to cover an employee's compensatory time off in work groups that have minimum staffing requirements. An example would be a manager having to call in an employee at an overtime rate to cover the work of someone taking their compensatory time off work. Staff believes that in these situations, the payment of the overtime rate for the initial overtime hours, rather than granting compensatory time off, would be the most cost effective alternative for the City.
- **Work on a Holiday:**
  - Employees who work holidays and/or weekends will receive their regular rate of pay for their actual hours worked.
    - Employees who work holidays will receive holiday pay plus their regular rate of pay for their actual hours worked.
    - Employees will no longer be paid an overtime rate for working a holiday and/or weekend unless such work brings the total hours worked that week over 40 hours.
- **Call Back Policy:**
  - No changes are recommended related to the City's call-back policy, which applies to emergency situations when a City employee is called back into work after having left his/her regular shift. Call-back pay provides for pay at a premium rate of 1.5 times the regular rate and a two-hour minimum regardless of where the employee is in the accrual of regular hours during the week. The continuation of the call-back policy will ensure prompt response in emergency situations that disrupt an employee's non-work hours.

- **Premium Pay During Extended Emergency Situations:**

- The draft policy provides for the premium pay at 1.5 times the regular rate for hours over the regular daily work schedule (e.g. 8 or 10 hour work schedule) in response to extended emergency situations, lasting 48 hours or more, as determined by the City Manager.
- This recommendation responds to situations in which a City employee may be called upon to change their regular work schedule to work multiple shifts in excess of regular work hours in response to extended emergencies, such as snow events, flooding, or response to other natural or manmade disasters. The policy provides for the ability of the City Manager to declare an emergency situation after an event lasting 48 hours or more, or at least two 12 or more hour shifts. If the City Manager determines that an emergency existed, the hours worked beyond the regular daily work schedule would be paid at a premium rate for the duration of the emergency event. For example, a large snow event begins on a Monday and lasts through Wednesday, requiring employees to work three 12-hour shifts. If the City Manager declared the event to be a snow emergency, employees who worked beyond 8 hours per day during the event would be paid at the regular rate for 8 hours and 1.5 times the regular rate for 4 hours each day, regardless of accumulation of hours worked for that work week or whether paid time off were taken in the that work week. Staff believes that including this provision in the policy will ensure response in emergency situations. Staff would use an appropriate reporting mechanism back to the City Commission in these situations. Additionally, further staff research showed that several other peer cities, including Lenexa, Olathe and Overland Park have special premium pay provisions related to work during snow operations.

Staff recommends that the policy changes be effective on February 27, 2011, which is the beginning of a pay period. This timeframe allows ample time for further communication with employees and notification.

It should be noted that the changes will not affect certain police and fire/medical employees covered by Memorandum of Understanding agreements through 2011.

**Action Requested:**

Direct the City Manager to make the changes to the overtime-related policies in the Employee Handbook, as recommended.

Commissioner Chestnut said he agreed with the extended emergency situation and it was cited that Lenexa, Olathe, and Overland Park had some of those special provisions. He asked if those communities had certain criteria in going through the process of putting that practice into place.

Stoddard said several cities only mentioned that an overtime rate was paid only during snow events or other whether related emergencies or disasters. In looking at several of those piers cities, those cities paid a premium rate related to that type of work.

Mayor Amyx said the employees that would be most affected were Public Works, Solid Waste, and Utilities Departments.

Corliss said this overtime pay would apply to all City employees except those employees covered by the Memorandum of Understanding agreements. He said Parks and Recreation used comp time extensively.

Lori Carnahan, Human Resource Manager, said that was a fair statement regarding those departments. However, the comp time that Parks and Recreation currently accrued, the Parks and Recreation did not accrue as much comp time and would be proportionate to what the other departments were giving up in overtime pay.

Corliss said staff looked at the issue of savings over the years and thought there would be fiscal savings.

Stoddard said staff tried to look at several different elements of the policy and how overtime was being driven. The estimates provided in a report should be taken with a grain of salt because those estimates were made based on looking at a 1 year period.

Corliss said the report indicated that based on a study completed in 2007, looking at this information quarterly, the estimated payroll savings of \$15,000 a quarter. He said when explanations were provided to employees, staff tried to list a number of reasons to pursue this type of savings. He said staff wanted a consistent policy, to the extent that they could, throughout the organization.

Commissioner Dever said with some of the streamline in offices with the failure to replace people who retired and was it safe to say that the savings increased since 2007.

Corliss said yes, in individual circumstances.

Stoddard said a chart in the original report indicated totals from 2007, 2008 and 2009 and was not updated for 2010. Relatively, over that course of time, the use of overtime, citywide, remained fairly constant.

Mayor Amyx called for public comment.

Joe Patterson, Lawrence, said he sounded like the city was in a real ball of wax regarding overtime. He said most industry pays overtime over 40 hours.

Vice Mayor Cromwell said City employees had to do more with less employees and he did not want to be seen as nickel and diming. He said he liked the idea of providing equality across the departments. He said there would be disappointment on the part of some employees, but there was not an enormous amount of change. He said with education and understanding employees could continue to work with a reasonable amount of good moral.

Commissioner Chestnut said he stirred this issue up, but it came out of the audit looking at solid waste and then the general overtime policy was addressed. There was a balance between fairness and being equitable with employees. He said peer communities were taken into consideration regarding overtime pay, compensation and other benefits. He agreed with the equality across the departments.

Commissioner Dever said this was a great example of the City Commission assessing a problem or potential issue. He said input was gained and a standardized policy was being put into place for the City, minus the MOU employees.

Mayor Amyx said he wanted to continue to support the decisions that he made over the past 20 years as a Commissioner. This policy was probably a reasonable policy and appreciated all the work done on this issue.

**Moved by Chestnut, seconded by Cromwell,** to authorize the City Manager to make various policy changes, as recommended, to the City's Employee Handbook related to overtime, effective February 27, 2011. Aye: Chestnut, Cromwell, Dever, and Johnson. Nay: Amyx. Motion carried. (14)

**PUBLIC COMMENT: None.**

**FUTURE AGENDA ITEMS:**

01/18/11 · Consider a request to rezone approximately 51 acres, located on the

southwest corner of N. 1800 Road and E. 1000 Road.

TBD

- Receive proposed Comprehensive Plan Amendment, CPA-6-5-09, to Horizon 2020 – Chapter 14 to include the Northeast Sector Plan. (PC Item 4; approved 5-4 on 9/20/10)
- Receive proposed Comprehensive Plan Amendment, CPA-2008-7, amending Horizon 2020 to include Chapter 16 – Environment. (PC Item 4; approved 8-1-1 on 8/23/10)
- Receive staff memorandum discussing possible annexation of the Miller/Wells acres area.
- Receive Lawrence Human Relations Commission gender identity report.
- Consider changes to sidewalk dining requirements.
- Menu of options for sanitation and recycling services.
- Charter ordinance regarding arrest powers.
- Consider issuing an RFP for a strategic retail study, and direct staff to develop a report on stand-alone databases, if appropriate.
- Reconsider a Text Amendment, TA-4-4-10, to the City of Lawrence Land Development Code, Chapter 20, Section 20-403, and potentially other sections of the Code, to permit the Hotel, Motel, Extended Stay use in the IBP (Industrial/Business Park) District. *Initiated by Planning Commission on 4/26/10. Approved 6-4 by Planning Commission on 6/23/10. City Commission returned to Planning Commission on 8/3/10. Deferred by Planning Commission on 9/20/10.* Adopt on first reading, Ordinance No. 8543, for Text Amendment (TA-4-4-10) to the City of Lawrence Land Development Code, Chapter 20, to permit the Hotel, Motel, Extended Stay use in the IBP (Industrial/Business Park) District. (PC Item 4; approved 7-1 on 10/27/10) *Deferred by City Commission on 11/16/10.*
- Consider Text Amendment, TA-6-8-10, to the City of Lawrence Land Development Code, Chapter 20, related to the density and development standards in the RM32 (Multi-Dwelling Residential) District including potentially increasing the maximum dwelling units per acre limit in that district. *Initiated by City Commission on 7/13/10.* Adopt on first reading, Ordinance No. 8605, for Text Amendment (TA-6-8-10) to the City of Lawrence Land Development Code, Chapter 20, related to the density and development standards in the RM32 (Multi-Dwelling Residential) District. (PC Item 3; approved 6-3 on 12/13/10)
- Reconsider Text Amendment, TA-6-17-09, to various sections of the City of Lawrence Land Development Code to review standards related to “Boarding House” and expanded to consider parking standards for Multi-Dwelling structures and nonconforming standards for Boarding Houses. Adopt on first

reading, Ordinance No. 8606, for Text Amendment (TA-6-17-09) to various sections of the City of Lawrence Land Development Code to review standards related to "Boarding House" and expanded to consider parking standards for Multi-Dwelling structures and nonconforming standards for Boarding Houses. *This item was originally heard by Planning Commission on 12/16/09. City Commission returned this item on 2/2/10 for additional consideration.* (PC Item 4; approved 8-1 on 12/13/10)

**Moved by Chestnut, seconded by Johnson** to adjourn at 8:52 p.m. Motion carried unanimously.

**APPROVED:**

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Mike Amyx, Mayor

**ATTEST:**

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Jonathan M. Douglass, City Clerk



## **CITY COMMISSION MEETING OF JANUARY 11, 2011**

1. Ordinance 8609 – 1<sup>st</sup> Read, GOB, \$220,000, Farmland property.
2. No Parking – N side of Brett between Berwick Way & Haversham/Stowe.
3. Lease Agreement – Ross for agricultural purposes, Municipal Airport.
4. RFP – Wildlife Hazard Assessment Study, Municipal Airport.
5. Purchasing Procedures – architect & engineering services.
6. Water Tower – Fire/Med Station 3, 3708 W 6<sup>th</sup> to New Cingular Wireless, 3<sup>rd</sup> Amendment.
7. Mortgage Release – Unekis, 707 W 4<sup>th</sup> & Pelathe Community Resource Ctr., 1423 Haskell.
8. Ordinance 8608 – 1<sup>st</sup> Read, SUP-10-7-10, daycare facility, 345 Florida.
9. City Manager's Report.
10. Lawrence Municipal Airport – T Hanger Project.
11. Redevelopment 619 E 8<sup>th</sup> – Landmark Investment Group.
12. Redevelopment 9<sup>th</sup> & Vermont – Paul Werner Architects.
13. Redevelopment 1040 Vermont – Treanor Architects.
14. City's Employee Handbook – Overtime.