



City of Lawrence

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CITY COMMISSION

MAYOR
ROBERT J. SCHUMM

COMMISSIONERS
MICHAEL DEVER
HUGH CARTER
MIKE AMYX
ARON E. CROMWELL

October 2, 2012

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 Schumm presiding and members Amyx, Carter, Cromwell and Dever present.

A. RECOGNITION/PROCLAMATION/PRESENTATION

1. None.

B. CONSENT AGENDA

It was moved by Amyx, seconded by Dever to approve the consent agenda as below.

Motion carried unanimously.

1. Approved City Commission meeting minutes from 09/18/12.
2. Received minutes from various boards and commissions:

Electrical Code Board of Appeals meeting of 08/13/12
Historic Resources Commission meeting of 08/16/12
Planning Commission meeting minutes of 08/20/12
Plumbing Code Board of Appeals meeting of 08/22/12
Sustainability Advisory Board meeting of 07/11/12
3. Approved claims to 187 vendors in the amount of \$1,606,959.58.
4. Approved licenses as recommended by the City Clerk's Office.

Retail Liquor Licenses for Wine Cellar, 2100A West 25th, Hillcrest Discount Liquor, 905 Iowa, Alvins Wine & Spirits, 4000 West 6th Ste: K and 23rd Street Liquor, 945 East 23rd.
Caterer License for New School Catering, 2223 Haskell Ave. Cereal Malt Beverage License for Sandwich Bowl, 3514 Clinton Pkwy Ste: E

5. Approved reappointment of Joshua Mahoney to the Board of Zoning Appeals/Sign Code Board of Appeals to an additional term that would expire 09/30/15.
6. Bid and purchase items:



- a) Set bid opening date of October 16, 2012 for the 2012 master Street Tree Project.
 - b) Awarded the bid for the Parking Garage Maintenance, Project No. PW1215, to Restoration & Waterproofing, Inc., in the amount of \$287,591.
- 7. Approved Special Event Permit, SE-12-00211, for the Lawrence Flea, a seasonal market and parking to be located on the southwest corner of 8th & Pennsylvania Street, on October 6, 2012. Submitted by Angela Longhurst for Lawrence Flea. Property owner or record is Tony Krnsnich for Ohio Mortgage Investors, LLC.
 - 8. Accepted dedication of easements for the Minor Subdivision, MS-12-00092, for Grand Addition No. 2, a four-lot division located at 3400 and 3401 Aldrich Street. Submitted by Dean Grob for Jerry Willis, Grand, LLC, property owners of record.
 - 9. Authorized the City Manager to execute an agreement with Westar to relocate the substation on the Farmland property.
 - 10. Authorized the City Manager to execute a Site Agreement, permitting AT&T to continue to lease space on the City's Sixth Street Water Tower in accordance with the terms of that agreement.
 - 11. Authorized the Mayor to sign a Quit Claim Deed to Doug Garber Construction, Inc. for property interests at 3051 O'Connell Road.
 - 12. Authorized the Mayor to sign two Subordination Agreements for Donna Logan, 1603 Wedgewood Drive.
 - 13. Received notification of extension of due diligence period under the Purchase and Sale Agreement between the City (Seller) and North Mass Redevelopment. The extension period runs to October 27, 2013.
 - 14. Approved as "signs of community interest", a request from Health Care Access to hang bras on the Kansas River bridge railings, and place two signs promoting the "Bras Across the Kaw" breast cancer awareness event near the entrances to the bridges, from October 1 – 14, 2012.
 - 15. Approved as "signs of community interest", a request from the Lawrence Memorial Hospital Endowment Association to tie pink ribbons on lamp posts on Massachusetts Street, between 6th and 11th Streets, and on Clinton Parkway, from October 7 through October 29 to raise awareness and support for breast cancer education and detection.
 - 16. Adopted Resolution No. 6997, setting a public hearing date of November 13, 2012 to review the condition of the dilapidated structure located at 929 Holiday Drive and to consider declaring the structure unsafe and ordering the repair or removal within a specified period of time.

C. CITY MANAGER'S REPORT:

David Corliss, City Manager, presented the report.

Carter thanked staff for the development process items.

Cromwell thanked staff for the energy conservation fair.

D. REGULAR AGENDA ITEMS:

1. Consider the following items related to the Lawrence Public Library Expansion Project:

- a) Consider approving site plan, SP-12-81-11, for the redevelopment of the Lawrence Public Library, 707 Vermont Street, which includes a building expansion and construction of a parking structure.**
- b) Authorize the release of the parking garage and a portion of the site work for bidding and set a bid date of October 30, 2012.**

Mary Miller, Planner, presented the staff report.

Carter asked what kind of change would need to be reviewed by HRC.

Miller said minor changes are reviewed administratively and major changes such as to the façade would go to HRC.

Scott McCullough, Planning and Development Services Director, said planning staff would review changes and make the determination of what level of review is needed.

Amyx asked how close the drive through is to the street.

Miller said she would have to pull out the site plan to see the actual distance.

Amyx said the concern was sight distance.

Miller said the engineer had looked at that.

John Wilkins, Gould Evans presented the elevations and other site features.

Sean Zaudke, Gould Evans, presented the development of the design.

Corliss said we talked about the add alternate on the parking garage last week. Setting the bid date tonight allows that. With approval of the site plan, you would get the bid packages back as the project proceeds.

Carter asked if there is discussion of art in the plaza area.

Corliss said there would be that discussion and we'll see what comes back in the proposals.

Mayor Schumm called for public comment.

KT Walsh thanked the commission for including percent for art. There was concern about leaving trees. Some of the sculptors asked if the wood from those trees could be saved and incorporated into their art, and the architect said yes.

Amyx said a lot of thanks were deserved for this project for a lot of people. The expansion of a major building in downtown was a big deal and this looked good.

Cromwell echoed the thanks. This has been a lot of work and process and it has been handled well. Making this a signature public building had been a goal, as well as making this a public square. Neighborhood involvement had improved the design. Everything we had originally talked about has been incorporated in the plan. The materials were good and the building would last a long time. He said he appreciated all the work by Gould Evans and others.

Moved by Cromwell, seconded by Carter, to approve site plan SP-12-81-11 for the development of the Lawrence Public Library and set a bid date of October 30, 2012. Motion carried unanimously.

2. **Consider the following items regarding the Ninth and New Hampshire Redevelopment Project: (After opening the public hearings, the City Commission will provide direction on the Redevelopment Plan and then continue the consideration of all items to the October 23, 2012 meeting. No formal action on the items is planned.)**
 - a) **Conduct a public hearing regarding a Redevelopment Plan for the South Project Area Tax Increment Financing (TIF) District.**
 - b) **Conduct a public hearing on the creation of a Transportation Development District (TDD).**

Diane Stoddard, Assistant City Manager, presented the staff report.

Bill Fleming, Treanor Architects, described the changes the developer is requesting. He said the restaurant on the roof had changed to condominiums. The other

issue is expanding slightly the retail square footage on the ground floor, and moving the pool to the ground floor. The changes have a slight impact on the revenue projections but they are very minor. There will be slightly more guest tax generated but the overall effect is very minor.

Amyx asked when the changes were decided upon.

Fleming said maybe a month ago and the city was notified within a couple weeks.

Schumm said other changes to the TIF were made on the 27th.

Fleming said yes.

Amyx said they were not related then.

Fleming said no.

Schumm said to be clear, the shell of the building doesn't change, you trade a restaurant for condos on the top floor, you change out some apartments for rooms, you change the retail size slightly, and the pool moves.

Fleming said yes. The second letter they sent was clarification on the redevelopment plan. They had a project cost cap of 3.5 million dollars. We have asked for you also to include the land costs as eligible costs, but leave the cap the same. The other issue is the Art Commons project. If it for some reason doesn't proceed those revenues get paid into the TIF. There is some clarity because we have two different funds, TIF and TDD, and how costs get reimbursed out of those funds. Those are the substantive changes.

Schumm said in the original agreement or discussion, there was a 3.5 million cap on the TIF, based on the costs of the parking and public improvements.

Fleming said yes, plus legal and consulting fees.

Schumm asked how we include the acquisition costs of the property without raising the cap unless the cap was originally inflated.

Fleming said the earlier cap didn't include legal and consulting fees, so you would have got close the cap originally.

Schumm asked why you are asking for the acquisition costs to be added.

Fleming said so we could get land costs included in the reimbursement if the costs came in a little low for the project.

Schumm said this was a late change and a surprise to him, which we had never discussed before.

Carter said if you left the cap the same and left the possibility of getting the arts commons project back, there would be an additional amount you could capture. Is that correct?

Fleming said he didn't think that was the calculation. He agreed that it wasn't really discussed before. It was an eligible cost but they didn't think anyone would want to increase the cap.

Schumm said to make sure we are all clear on this, even though there is a 3.5 million cap you can only get your costs reimbursed. Now it looks like you soft pedaled the costs on the front end and it doesn't look good. He said he didn't like it.

Cromwell said he agreed. We went through a difficult process. We need to stick with our original decision.

Fleming said he understood the point. If it's not something you want to do that is the direction we'll take on the issue.

Carter said there wouldn't be any restaurant on the property now.

Fleming said there is retail space on the ground floor that could be a restaurant if they couldn't get a grocery type tenant.

Cromwell asked how much retail there was.

Fleming said 7,000 square feet before and 7,400 now.

Amyx said he was not supportive of adding the land acquisition costs. As for changes to the building itself, right now the changes, the site plan, would go to staff for approval.

McCullough said yes.

Amyx said it seemed significant. The changes allowed more people on the site.

Fleming said they weren't adding square footage or anything to the foot print. There would be a few more hotel rooms than apartments.

Amyx asked if they had a problem coming back to this body for approval of the site plan.

Fleming said they would do what they had to do.

Amyx said we might want to consider that.

Dever said it was important to see what the exterior will look like from the outside; some elevations showing the exterior without the pool, patio area.

Carter said it sounded like a positive change. The addition of rooms as opposed to the restaurant was good. He said he was comfortable with the changes to the plan. He agreed not to change to allow the land costs at this stage in the game.

Cromwell asked when we could see the drawings.

Fleming said tomorrow.

Cromwell said we had a lot of very interested people in this process and he wanted to make sure we got this information out with enough time for people to think about it.

Stoddard said we had a page on the city's website where we could place those drawings as soon as we get them.

Amyx said regarding the elevations, can we make that part of the final approval of the redevelopment plan.

McCullough said yes.

Amyx said he would suggest that.

Britt Crum-Cano, Economic Development Coordinator, presented the feasibility study requirements and impact of the changes. No revision to the study is statutorily necessary.

Cromwell said we are trading some potential sales tax.

Crum-Cano said yes. A lot of the revenue is offset with revenue from the guest tax.

Carter said he thought overall the additional rooms brought people downtown. Drawing fewer people to the property that are not staying at the hotel was perhaps a positive.

Schumm said there also wouldn't be cooking odors wafting through the neighborhood. Bringing more people downtown was good. The people would eat somewhere so you lose a little revenue on the site but gain it elsewhere downtown.

Moved by Dever, seconded by Amyx to open the public hearing. Motion carried unanimously.

Leslie Soden, East Lawrence Neighborhood Association, said one of the main roles of the City Commission regarded taxation. With the recent changes to the public financing, the air of trust begins to look a little cloudy. People get concerned that the developer teams are pulling one over on the commission. Sending this back to PIRC is fair for all parties involved and would build trust. She said October 29 is the next meeting of Madre Lawrence.

Tim Herndon said he wanted to give some positive feedback and thank the commission for their transparency. The developer should be commended for the same reason. Kudos also on continuing the upward direction of downtown development. Opportunities to rebuild a site come few and far between.

Stoddard said it would be correct to continue all of the items to the meeting on the 23rd and provide any direction on the redevelopment plans.

Schumm asked if we needed to adopt the ordinances on first reading.

Stoddard said no. The changes to the redevelopment plan were the land acquisition costs and the Arts Commons project, and we invited commission direction on those.

Amyx asked if we are already at the cap, what happens to the remainder of the funds not used.

Stoddard said we would have two plans that would work together.

Gary Anderson, Gilmore and Bell, said if there are excess revenues from the south plan they would only be available to the north project after commission approval. It is not guaranteed. He said a public hearing regarding the TDD needed to be clearly opened.

Corliss said it was reasonable that within 5 years of the revenue starting we could acquire the Salvation Army property. Whether the Arts Center could proceed wasn't as relevant.

Amyx said our final approval of the elevations was included.

Schumm said yes.

Corliss said he understood the commission's direction to amend the redevelopment plan for a 5 year time frame to acquire the Salvation Army property and no other changes to the redevelopment plan.

Stoddard said our own recommendations to correct typos were also recommended.

Schumm said he thought those were agreeable.

Fleming said the other minor changes to the interest rate calculations, he wanted to make sure those were included.

Schumm said minor changes such as what.

Fleming said the items Stoddard recommended.

Moved by Cromwell, seconded by Carter, to continue the public hearing regarding the TIF to October 23, 2012, and to direct to staff to amend the redevelopment plan with the 5 year time frame for the acquisition of the Salvation Army property and the minor changes recommended by staff. Motion carried unanimously.

Moved by Amyx, seconded by Carter to open the public hearing on the TDD. Motion carried unanimously.

KT Walsh said you just discussed the 5% for the arts commons. Would that roll back to the city or developer? Did Mr. Fleming say the restaurant would be moved back to the north building?

Schumm said the money generated in excess if we didn't buy the Salvation Army building would flow back into the TIF. Second, some of the uses would flow the other project but it wasn't mentioned which ones

Fleming said a restaurant wasn't planned on the roof of the other project at this point in time.

Moved by Cromwell, seconded by Amyx, to continue the public hearing on the TDD to October 23, 2012. Motion carried unanimously.

3. Receive report from City Auditor on Performance Audit: Financial Indicators.

Michael Eglinski, City Auditor, presented the staff report.

Schumm asked how we can be more favorable on a number of measures but on capital assets less favorable. Are we not improving capital assets as quickly?

Eglinski said we are doing a little better than other communities but it has been a gradual decline over time.

Schumm asked if we should put some of our liquidity in savings to improve our assets?

Corliss said one of the issues we are challenged with is equipment replacement needs. One thing we have done well is fire apparatus, but a lot of equipment in parks and public works is being stretched. We are not on the replacement cycle we would like. This report continues to indicate that. When we look at budgets and decide whether to cut a service or make the equipment last longer, we usually go with stretching the equipment.

Eglinski continued his presentation.

Amyx asked if the figure on sanitation includes appreciation.

Eglinski said yes.

Amyx asked if the revenue for the parking system includes debt or is it just operations.

Eglinski said it would include depreciation of facilities.

Corliss said on a cash basis the parking fund makes due. When you add depreciation of parking facilities it is not in as good of shape. One of the main challenges is that the revenue is fixed but the costs, particularly in staff, continue to increase, as well as commodities. Same thing on the golf course. Last year we dipped a little into fund balance. From a depreciation basis we have some challenges. I don't know how exactly you calculate some of those costs. The golf course itself has never been in better shape.

Carter asked on Figure 6, what were the numbers on the left.

Eglinski said change in net assets of total net assets. He said 2010 was influenced by ARRA money and Farmland assets. If you take that out it changes the trend.

Ed Mullins, Finance Director, said change in net assets is really revenue over expenses.

Eglinski said the summary graphs were attempts not to use so much jargon.

Mayor Schumm called for public comment.

No public comment was received.

Cromwell said when we talk about the graph, we show a line which is reported to be a trend but it is not a trend; he didn't like to see it labeled a trend.

Eglinski said it was a linear regression between data points.

Carter said on the graph of projected retiree health care, the jump from 2011 to 2020 tripled, and that is a trend that is easily identifiable. We have heard that is a concern. Any idea how we compare to other cities?

Eglinski said he did last year and we are not an outlier. There are cities in much worse shape. We are also going to get in the next year an updated analysis from the actuaries. This is across the country a concern.

Corliss said this is an area of concern. We are on our way to having two of every 10 dollars spent on healthcare spent on retirees. One of our big pushes is wellness, and plan design may need to be a big item. We have certain legal obligations and certain things we do beyond that.

Carter said it would be more painful the longer we waited to deal with it.

Mullins said we had a committee looking at the OPEB issue with the idea of making sure our assumptions are the same as other cities, and looking at plan design elements. We may have the actuaries look at what plan design changes would do to affect the projections.

Moved by Amyx, seconded by Carter, to receive report and direct staff as appropriate.
Motion carried unanimously.

4. **Consider motion to recess into executive session for approximately 45 minutes for the purpose of consultation with attorneys for the City deemed privileged under the attorney-client relationship. The justification for the executive session is to keep discussions with the attorneys for the City confidential at this time.**

Moved by Dever, seconded by Cromwell, to recess into executive session for approximately 45 minutes for the purpose of consultation with attorneys for the City deemed privileged under the attorney-client relationship. The justification for the executive session is to keep discussions with the attorneys for the City confidential at this time. Motion carried unanimously at 8:29 p.m.

The regular session reconvened at 9:08 p.m.

Nothing was reported following the executive session.

E. PUBLIC COMMENT:

None.

F. FUTURE AGENDA ITEMS:

David Corliss, City Manager, outlined potential future agenda items.

G: COMMISSION ITEMS:

None.

H: CALENDAR:

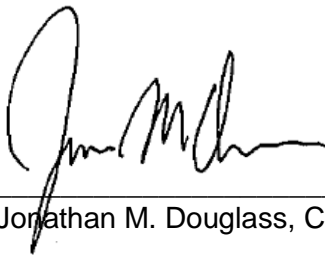
David Corliss, City Manager, reviewed calendar items

I: CURRENT VACANCIES – BOARDS/COMMISSIONS:

Existing and upcoming vacancies on City of Lawrence Boards and Commissions were listed on the agenda.

Moved by Dever, seconded by Amyx, to adjourn at 9:10 p.m. Motion carried unanimously.

MINUTES APPROVED BY THE CITY COMMISSION ON OCTOBER 23, 2012.

A handwritten signature in black ink, appearing to read 'Jonathan M. Douglass', is written over a horizontal line.

Jonathan M. Douglass, City Clerk