



City of Lawrence

DAVID L. CORLISS
CITY MANAGER

City Offices
PO Box 708 66044-0708
www.lawrenceks.org

6 East 6th St
785-832-3000
FAX 785-832-3405

CITY COMMISSION

MAYOR
MICHAEL DEVER

COMMISSIONERS
MIKE AMYX
JEREMY FARMER
DR. TERRY RIORDAN
ROBERT J. SCHUMM

June 11, 2013

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 Dever presiding and members Amyx, Farmer, and Schumm present. Commissioner Riordan was absent.

A. RECOGNITION/PROCLAMATION/PRESENTATION:

Mayor Dever said he wanted to recognize and applaud the success of the KU Women's Track Team at the National Championships.

Commissioner Farmer said he also wanted to acknowledge the firefighters association and their successful MDA campaign.

David Corliss City Manager recognized that today was Vice Mayor Amyx's birthday.

Dever said it was a pleasure to serve with Amyx.

B. CONSENT AGENDA

It was moved by Schumm, seconded by Farmer, to approve the consent agenda as below. Motion carried unanimously.

1. Approved the City Commission meeting minutes from 05/28/13.
2. Received minutes from various boards and commissions:

Parks & Recreation Advisory Committee meeting of 05/14/13
Traffic Safety Commission meeting of 05/06/13
3. Approved claims to 178 vendors in the amount of \$1,274,225.74.
4. Approved the Caterer License for Arterra Event Gallery as recommended by the City Clerk's Office.
5. Bid and purchase items:



- a) Set a bid date of July 2, 2013 for the Comprehensive Rehabilitation Program at 2912 Moccasin Drive.
 - b) Awarded the bid for 2,500 tons of road salt for Public Works Department to Central Salt for \$46.88 a ton or \$117,200 with an option for additional 1,000 tons if needed for \$46,880.00, for a total of \$164,080.
 - c) Waived the engineer's estimate and awarded Bid Number B1329, Project No. PW1304, Airport Pavement Maintenance and Repair, to Vance Brothers, Inc. in an amount of \$249,293.50. The project would be funded 90% by the FAA and 10% by the City.
 - d) Approved the sale of surplus equipment on Gov Deals.
- 6. Adopted on first reading, Ordinance No. 8872, authorizing the issuance of up to \$6,686,000 in Hospital Revenue Bonds for Lawrence Memorial Hospital for the purpose of financing, refinancing and reimbursing the costs of certain equipment and facilities to support hospital operations.
- 7. Adopted the following ordinances on second and final reading:
 - a) Ordinance No. 8734, enacted revised scrap metal dealer registration requirements.
 - b) Ordinance No. 8871, amending Ordinance 8834, and authorizing the creation of a Community Improvement District between the 800 block of Pennsylvania Street and Delaware Street.
- 8. Initiated a Comprehensive Plan amendment to update Horizon 2020-Chapter 8 to incorporate the Goals, Objectives and Strategies in the new T2040 Metropolitan Transportation Plan and forwarded to the Lawrence-Douglas County Planning Commission for consideration.
- 9. Concurred with the Traffic Safety Commission recommendation to establish a 40 mph speed limit on Peterson Road, between Kasold Drive and Monterey Way (TSC item #2; approved 7-0 on 5/6/13).
- 10. Approved an amended Temporary Use of Public Right-of-Way Permit for the Tour of Lawrence Campus Circuit Course, to be raced on Saturday 6/29/13.
- 11. Approved a Temporary Use of Public Right-of-Way Permit for the Elvis 5K Walk/Run on Saturday, June 22, 2013, allowing the closure of various city streets in Old West Lawrence.
- 12. Authorized the Mayor to sign Releases of Mortgage for Deron Belt, 811 East 11th Street and Tate A. Janssen and Adrienne M. Janssen, 1705 Carmel Drive.
- 13. Received the Lawrence/Douglas County 2013 Point-In-Time Homeless Count.
- 14. Received the 2013 first quarter report for the Bert Nash Outreach Program.

15. Authorized the City Manager to execute the Second Amendment to Commercial Lease Agreement with Riverfront Plaza, L.L.C., extending the lease of office space for the Development Services Division at One Riverfront Plaza, Suite 110, through 08/31/16.

C. CITY MANAGER'S REPORT:

David Corliss, City Manager, presented the report.

Amyx asked about the plan for the depot.

Diane Stoddard, Assistant City Manager, said staff should receive general guidance from the state and then the City Commission would need to formally accept the grant. Staff needed to get some things in place, such as the ownership transfer and then proceed with the construction project.

Amyx thanked staff for their work on this item.

Stoddard said she wanted to recognize the City's last two interns who worked on the applications.

Dever thanked everyone for bringing those additional dollars to Lawrence.

D. REGULAR AGENDA ITEMS:

1. **Receive the Lawrence Broadband Report from consultant.**

Diane Stoddard, Assistant City Manager, introduced the item.

Joanne Hovis, CTC Technology & Energy, provided an overview of the report prepared by her firm.

Schumm asked how caps were deployed.

Hovis said usually by price, after a certain amount of data per month.

Hovis continued her presentation.

Schumm asked if it was going to cost \$320,000 to \$650,000 to build a 17 mile fiber backbone that the City didn't have currently.

Hovis said it would be to fill the gaps where there was no fiber.

Schumm said that would close the loop, and then any kind of entrepreneur could connect to the ring and individual homes and businesses.

Hovis said that would decrease their costs because of the middle mile issue. There was a private provider interested in doing that, which was Wicked Broadband. They didn't have years of data on this strategy, it was somewhat speculative, but it would get them closer.

Schumm asked what the cost to the individual home would be connecting to fiber.

Hovis said she didn't have that cost now, but she could have an engineer work those numbers up and send the data to the City Commission tomorrow. There were a number of considerations such as the distance of fiber to the home, whether it had to be aerial or underground, etc. There wasn't a good rule of thumb.

Schumm said he had heard costs from \$300-600 per home.

Hovis said she had never heard a number that was less than many times that and those were extraordinary aggressive numbers. She said they heard numbers when Verizon was deploying Fios in the suburban areas of the mid-Atlantic, northeast, and parts of the west coast which was \$1500/home just for the drop. That meant just from the curb into the home. She said she would proceed with caution around those optimistic numbers. Some materials costs had come down, but labor costs had not. She said on p.103 of the report there was a breakdown of the range of costs and the different components. Most of those numbers were based on the experience of their engineers with the Verizon builds of Fios. Fiber to the home construction was costly, both to build and maintain. That was the reason for her conservatism as a consultant to the public sector entities. Fiber to the home was incredibly worthy endeavor but it was taking on an enormous amount of risk. She said if undertaking even some element of that, she would work with the worst case, not best case, projections and planning.

Schumm asked what the maintenance challenges were.

Hovis said fiber had to be maintained. There were constant calls for locates, power and real estate in the field, deterioration and the inevitable cuts, and the costs of maintaining the equipment and operating the system with appropriate customer service. In a market where there were already broadband competitors many consumers would choose to go with those because

they were known and might be cheaper. She said she could also get the City Commission a number on on-going maintenance costs on a per home basis.

Dever said Hovis mentioned the POP. The nearest was at Kansas City?

Hovis said there was nowhere in Lawrence where multiple entities were able to meet. To some degree, the university served that function in a narrow way. She said the City did not have a mechanism where the City's fiber could interconnect with multiple providers, essentially a place where everyone came in and the opportunity to build relationships where there were connections and sharing as well as the opportunity to buy and sell from one another.

Dever asked if those costs were included in her estimate.

Hovis said no.

Amyx said with changes happening quickly in this industry, and looking at their goals in providing internal organization to make sure that was in place, before they went to the public, he asked if it made sense to do a reevaluation then. A lot of things were going to change after taking care of the City's internal needs.

Hovis said she recommended reevaluating frequently. She said she had seen other communities where the municipality entered the market and the private providers suddenly step up to a greater degree. You might see, in the short term, more aggressive pricing and better service from other providers. They had heard that in Kansas City that the existing providers had become conscious of pricing and other factors in ways that had never been the case before. There was another element in terms of the technology in that the one thing not likely to change was fiber optics. This was the infrastructure of the future. In that sense, it was a future proof investment.

Farmer asked about the GDP (Gross Domestic Product) increasing by 0.3% when broadband doubled, and how that would affect the Lawrence community. He asked what they would be looking at in economic impact in the next few years.

Hovis said it was a difficult question. Looking at other communities, Lawrence was now much more at parity now that WOW had lifted the bandwidth caps. It was not clear that Lawrence was at a significant competitive disadvantage with regard to broadband as compared to those communities. With time, Lawrence would be at a significant competitive disadvantage compared to Kansas City and the places on the coasts that had Fios. There was decent service in Lawrence, but there was a challenge to Lawrence's business community. It was not clear that Madison was a lot better off with regard to those products unless they had many more competitors. What was not as clear was what happened when a company that had large broadband needs was looking to locate. Large cities were very concerned with this issue. Portland and Seattle didn't have Fios while the suburbs did. A lot of the analysis of economic impact of broadband was limited because of the limited number of time that had existed. There was no research showing the impact of recent developments. As a small business owner, she would never locate where she couldn't get a direct fiber connection. She couldn't easily quantify the impact.

Farmer said he was torn between Google in Kansas City and we shouldn't use that to compare, but it seemed that Lawrence was in competition in relationship to jobs and economic development when it came to Kansas City.

Hovis said because of Lawrence's proximity to Kansas City it was a big challenge that none of the other communities faced. One good thing was that Google hadn't focused on the business market. The dynamic was that people were setting up businesses in residential structures and Lawrence was at a competitive disadvantage. One or two of the businesses she talked to said they might have to eventually relocate for cost effective bandwidth.

Farmer asked about the comment by the councilman from Sandy, Oregon who said he had wished they had done this ten years ago. He asked if there were other communities they could compare to and see how successful they had been.

Hovis asked if Farmer was looking at a certain strategy because she could look for the analogs for that strategy. She asked if it was the one Sandy had used because they were quite singular.

Farmer said yes. He said their development ordinance required conduit to be placed in new developments and asked if there were other people doing things like that.

Hovis said yes. It originated in Loma Linda, CA, but it was different because there was an immediate payoff to developers. Sandy had something of that kind of situation. It had emerged in the last ten days that Sandy's public/private partnership had fallen through. That was a model that was kind of flipped on its head. They were now looking for a new partner.

Farmer said it was fascinating that within a month it could be out of date.

Hovis said if asking 5 years ago, she would say that any private provider of fiber to the home would have required 100% municipal guaranty of the investment. In the past 5 years there had been a shift in terms of the Google model of partnering. Kansas City put a lot on the table, but they were also seeing new public/private partnerships with companies having financing where they didn't require cities to guarantee 100% of their investment.

Schumm said Lawrence had a lot of fiber optics in the ground now. If they build out the backbone, he asked what shape they would be in with a community of their size.

Hovis said Lawrence would be in a really good position in terms of meeting the city's internal communication needs. The City would have a control over pricing and the ability to be innovative in information technology and communications. Some of the suburbs in Kansas City were doing this as well.

Schumm said if they build this out, the City would attract some competition to the area wanting to work with us.

Hovis said she believed so. There were no guarantees but there were companies like the Kansas Fiber Network. There were companies like Level 3 that served bigger customers

that would want to create venture networks. Those were both companies that were willing to use municipal fiber.

Schumm said he was fascinated by the comment about I-70 being an internet backbone of the world. How difficult was it to build the facility to get those lines into a facility and then have a marketplace kind of situation.

Hovis said she couldn't answer that with any specificity.

Schumm said it would be an interesting question.

Hovis said the City's internal staff had done quite a bit of thinking on that already.

Farmer said it's an economic, educational and healthcare enabler. He asked how they were doing.

Hovis said Lawrence was doing pretty much the same as the populated parts of the United States, and far better than the rural areas. By most accounts this nation wasn't doing as well as global competitors. The lack of investment in the United States in this concerned her greatly. Part of the reason they didn't have this debate raging like it was a few years ago was Google's actions. Relative to the Google communities Lawrence was challenged. Relative to the country as a whole Lawrence was average. Relative as a nation to where they should be, leading the world, it was a dominant problem.

Schumm said if Lawrence found some money to get started building out this backbone, he asked how long would it take, in terms of activity taking place, to where Lawrence could get to a predominate piece of their broadband being fiber.

Hovis said you could close those rings and build internal infrastructure within a year. They didn't know how long it would take to get the majority of the City's infrastructure to fiber. There were so many speculative elements, but she felt strongly that it was the direction they were going. The big companies had internal service plans for getting fiber to the home.

Schumm said the overview he took was that probably this would happen someday and the longer you wait, the further you fall behind the competition. This was the communication link

of the future. It seemed like it was there and would keep happening and the City needed to take advantage.

Amyx said if the Commission was looking at their goals and upgrading their internal operations by using fiber, he asked if they should keep it in-house or make a decision later as they allowed companies to come on board. He asked how those decisions were made and when.

Hovis said even if investing incrementally, any time that was done, to put in enough fiber for the private sector. If owning your own fiber but chose not to operate your own internal network, you could outsource those. Having your own fiber was a big deal.

Dever said filling that gap on 6th Street would be helpful. As far as the ITS there was a gap from Iowa to Wakarusa and that would be an important to link. He thought they had some empty conduit.

Jim Wisdom, IT Director, said the city didn't have any conduit between 6th and Wakarusa and 6th and Iowa, but it was a goal. He hoped to partner with KU, School District, and possibly the hospital to fill in the area and share those costs.

Dever said there was no empty conduit on 6th Street.

Wisdom said there was empty conduit from 6th and Wakarusa to 6th and Monterey Way. He said there was conduit on the north and south side.

Dever said the first thing they should consider was filling out the ring.

Farmer said in thinking of a bigger picture and involving other public partners, if I-70 was the backbone and they now had this trafficway coming around 15th Street linking to KU, he asked if they needed to think of a bigger picture about the development later.

Dever said not just the basic, but the additional opportunities later.

Farmer said it would be more expensive to do it later.

Corliss said as they did those road construction projects, staff looked at fiber conduit opportunities. One thing he had in the budget was recommendations regarding this gap and

doing something for city facilities and establishing Lawrence as a better marketer of the City's conduit and fiber for private users as well.

Dever asked for public comment.

Kris Adair said Wicked Broadband had a proposal on the table to take care of the green portion on the map. She asked the city to retain qualified experts to evaluate their proposal and see if they could come up with a concrete recommendation within a 90 day window.

Jeff Perry, Deputy Technology Officer for KU, said it was great to work with city staff as well as other partners in the community. When people found out what KU paid compared to businesses they were shocked sometimes. Sometimes that was due to the economies of scale. They wanted to make sure anything they spend on technology also benefited the community. The answer for him was to build a POP. It made the most sense and they thought it made sense.

Cort Buffington, President and CEO of KANREN, said they were focused on the research and education field. He had been with the company for 14 years, and 10 years in Lawrence. Their organization was nationally recognized and their biggest partners were KU. Not only was the city going to be receiving services from KANREN, the city was also part of their consortium. Their membership community looked long and hard before responding to the RFP. Given the collaboration with KU and the school district, Lawrence was the best opportunity in the state to partner with a municipality. He completely supported Hovis and her team. Hovis and her company had so much integrity.

Mike Bosch, President and CEO of Reflective Group, said there were other private providers that were investigating solutions and would have proposals for the city at some point.

Schumm asked if Bosch was currently operating in Lawrence.

Bosch said they were operating software development out of Baldwin City and formed a separate company looking at the ISP in this regional market.

KT Walsh said over 40% of the children in this community didn't have computer access at home. There was a technological divide. God love Google, but they didn't hook up everyone. As they talked about increasing access it was important to be increasing access for everyone.

Wisdom said he wanted to clarify that their conduit went from 6th and Wakarusa to 6th and Folks.

Dever said he wanted to make sure they had a short term action plan. He liked having a policy and they needed to start acting at their own level to fill out the City's conduit. A POP would be fantastic.

Schumm said the Commission should direct staff to come back with a schedule for how they could complete the 17 mile backbone as well as the policy of whenever opening up a street to add some conduit. I'd like to see a timeline with some monetary numbers attached. As the City stood they would fall behind, and it would take a long time to catch up. He said they could not only lose prospects, but also existing employers.

Amyx said along with that idea, he suggesting looking at putting together other partnerships with LMH, USD 497, KU and anyone else about filling in those gaps.

Dever said he wanted to thank everyone. He learned a lot though this endeavor. It shed light on where this community stood. He wanted to thank Perry, Wisdom, and others on the RFP committee. This was the time to utilize the assets and power they had in the community, including the relationship with KU.

Farmer asked if the City had a broadband fiber city wide master plan.

Wisdom said yes.

Farmer said he didn't want to forget the SLT because it was huge. He suggested looking at Wicked's plan. He asked if the green section was the most important.

Hovis said it was the long term goal and was all important. The green was the hardest and most expensive portion.

Dever asked who would look at that plan.

Farmer said he didn't know, maybe CTC.

Dever said they should allow someone with knowledge of the city and their needs to evaluate how it intersected. He said staff could talk to CTC about that.

2. **Received a staff memo regarding an alternate site for the temporary transit hub.**

Robert Nugent, Public Transit Administrator, presented the staff report.

Mike Sweeney, MV Transit, presented the operational issues associated with the proposed locations.

Dever asked about the 700 block of 9th Street.

Nugent said it was about 5 more minutes of running time to get to that location. That meant their sixty minute run times would become difficult. They would probably need to restructure or truncate routes to make that work.

Amyx said he couldn't imagine wanting to spend \$180,000 to make the improvements on 10th Street and disrupting the churches and their activities. One of the problems he had was taking away the long term parking on the 800 block of Vermont. Downtown businesses put up with a lot regarding parking, and he had a hard time removing the parking even on a temporary basis.

Schumm asked what Amyx would do?

Amyx said he didn't know.

Schumm said in August they were going to see some relief, so at least a finish line could be seen.

Dever called for public comment. None was received.

Schumm said he received a couple emails from people who asked the Commission to look at 10th Street. It seemed like they had more or less said this was where it should be. One suggested turning the west side of Vermont into long term employee parking and he didn't have a problem with that. Once the garage was opened, they'll see some surplus. It's about the best

they could do for the time being. The permanent solution was finishing the garage and finding a permanent transfer station.

Nugent said on the 25th of June staff would have the transit center analysis before the City Commission.

Corliss said you could give a preview and say it's not at this location.

Dever asked how long the hub would be moved.

Nugent said until a permanent hub was found.

Dever asked what if they didn't find one, would it be moved back?

Nugent said he didn't know. Originally, they talked about going back to 9th and Massachusetts.

Corliss said he hoped they would be at the temporary hub for a year. They needed to move with a little bit of dispatch.

Schumm said he hoped it could be less than a year.

Farmer said he thought they had asked downtown businesses for a lot. It seemed philosophically contradictory to say that they wanted to protect downtown, but then didn't do it when they did something like this. He received some emails from people that acquiesced, but others that didn't. He asked if 700 East 9th was 9th and Pennsylvania and asked if anything new was going to that location in the next year.

McCullough said it was 9th and Delaware.

Corliss said there was a plan by the Poehler development group for additional multifamily at that location.

Dever said it could take a year. They would have the question of rescheduling the busses. He didn't want to put more burdens on the businesses downtown. There was an advantage to having the bus bringing business downtown. He said 5 blocks wasn't far if you were able-bodied, but it was more substantial to some. August was around the corner and they'll have 80 more spaces than they had before.

Schumm asked if they approved the Vermont Street site, when they would move.

Nugent said not until construction started, but if they know they could start putting it into their guide to ride and getting info out to the public. Last time it took almost two months for people to know how to use the transfers after they changed.

Amyx said if they changed to the 800 block of Vermont, would we look at changing the meters on the other side to long term. He asked how many spaces they were taking out on Vermont Street.

Nugent said 16.

Amyx said they would like to see it drawn out, changing the long term parking on Vermont, and continue the discussion to next week. He asked staff to show the parking they were losing and changes.

Schumm asked if the parking on the east side of Vermont was long term.

Nugent said it was 5 hour.

Schumm said on the west side it was 2 hour.

Corliss said to accommodate Vermont Street Station.

Moved by Amyx, seconded by Schumm, to defer the item for one week to give staff the opportunity to show the proposed loss of parking and also possible changes to long term meters. Motion carried unanimously.

E. PUBLIC COMMENT: None.

F. FUTURE AGENDA ITEMS:

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

G: COMMISSION ITEMS: None.

H: CALENDAR:

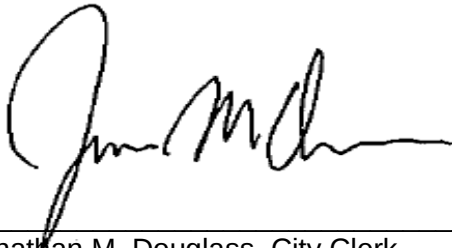
David Corliss, City Manager, reviewed calendar items

I: CURRENT VACANCIES – BOARDS/COMMISSIONS:

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

Moved by Schumm, seconded by Farmer, to adjourn at 8:59 p.m. Motion carried unanimously.

MINUTES APPROVED BY THE CITY COMMISSION ON JULY 9, 2013.

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

Jonathan M. Douglass, City Clerk