



City of Lawrence

CITY MANAGER'S OFFICE

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CITY COMMISSION

MAYOR
MIKE AMYX

COMMISSIONERS
LESLIE SODEN
STUART BOLEY
MATTHEW J. HERBERT
LISA LARSEN

December 15, 2015

The Board of Commissioners of the City of Lawrence met in regular session at 5:45 p.m., in the City Commission Chambers in City Hall with Mayor Amyx presiding and Commission members Boley, Herbert, Larsen and Vice Mayor Soden present.

A. RECOGNITION/PROCLAMATION/PRESENTATION:

1. None

B. CONSENT AGENDA

It was moved by Commissioner Herbert, seconded by Commissioner Larsen to approve the consent agenda as below. Motion carried unanimously.

1. Approve City Commission meeting minutes from 09/29/15 and 10/01/15.
2. Receive minutes from various boards and commissions:

Board of Zoning Appeals meeting of 11/05/15
Community Development Advisory Committee meeting of 09/24/15
Human Relations Commission meeting of 08/20/15
Mental Health Board meeting of 10/27/15
Sign Code Board of Appeals meetings of 10/02/14 and 05/07/15
Traffic Safety Commission meeting of 11/02/15
3. Approve claims to 214 vendors in the amount of \$5,533,063.28 and longevity payments in the amount of \$593,667.21.
4. Approve licenses as recommended by the City Clerk's Office.

Drinking Establishment

Replay Lounge
Carroll's Management Inc.
946 Massachusetts St.

Expiration

December 14, 2015

Sidewalk Dining & Hospitality-Renewals

Aladdin Café, Mohammed Iskandrani, 1021 Massachusetts St.

Sidewalk Dining & Hospitality -New

Jazz A Louisiana Kitchen, Future Notions Inc, 1012 Massachusetts St.

Cereal Malt Beverage-Renewals

Circle K Stores Inc, Circle K Store, 602 W 9th St



Circle K Stores Inc, Circle K Store, 1802 W 23rd St
South Mountain LLC, Cork & Barrel, 2000 W 23rd St
Hy-Vee Gas #1, Hy-Vee Gas #1, 3905 Clinton Pkwy
Kwik Shop Inc, Kwik Shop #718, 3440 W 6th St
Kwik Shop Inc, Kwik Shop #721, 845 Mississippi St
Kwik Shop Inc, Kwik Shop #784, 1420 Kasold
Kwik Shop Inc, Kwik Shop #785, 1611 E 23rd St
Kwik Shop Inc, Kwik Shop #786, 4841 W 6th St
Maceli Holdings LLC, Maceli Market & Deli, 3300 W 6th St
Clinton Stop Inc, Miller Mart, 2301 Wakarusa Dr
Quiktrip Corporation, Quiktrip #167, 1020 E 23rd St
Shafeen Retail LLC, Tobacco Bazaar, 14 E 8th St
900 New Hampshire LLC, Towneplace Suites, 900 New Hampshire St

5. Approve appointments as recommended by the Mayor.
6. Bid and purchase items:
 - a) Award bid for two (2) rear load refuse bodies for the Public Works Department to Downing Sales and Service for \$230,164.
 - b) Award the bid for two (2) half ton trucks for the Public Works Department to Laird Noller Ford, for \$45,118, following the City's one percent local preference purchasing policy.
 - c) Approve payment for the 2016 annual maintenance for the Harris ERP Software (Innoprise) in the amount of \$84,261.87
 - d) Award City Bid No. B1566 for 14 2016 Ford Police Utility Interceptors for the Police Department to Laird Noller Ford for \$378,559.
 - e) Award City Bid No. B1562 for one (1) half ton 4X4 extended cab truck for the Police Department to Laird Noller Ford for \$26,008.
 - f) Award City Bid No. B1563 for one (1) 2016 Ford Transit Prisoner Transport Van for the Police Department to Shawnee Mission Ford for \$43,813.
 - g) Award City Bid No. B1565 for one (1) 2016 Ford Transit Van for the Police Department to Laird Noller Ford for \$23,972.
7. Adopt Resolution No. 7147, declaring the boundaries of the City of Lawrence, Douglas County, Kansas.
8. Accept dedications of utility and access easements, for Bethel Estates of Lawrence No. 1 associated with Minor Subdivision, MS-15-00370, Bethel Estates of Lawrence No. 1, located at 2101 Exchange Ct. Submitted by CFS Engineers for Southwind Capital, LLC, and BJ North County medical Dental Center, LLC, the property owners of record.
9. Accept dedication of easements and rights-of-way for Final Plat, 24th Place Addition, PF-15-00585. This final plat includes 14 residential lots and one commercial lot. Submitted by BG Consultants, Inc., for RPI LLC, property owner of record.

10. Approve Site Plan SP-15-00214 for a use of a right-of-way permit to use the adjacent sidewalk as a hospitality area for The Bottleneck, 737 New Hampshire Street. Submitted by Hernly Associates for Seven3seven, LLC, property owner of record. Approve a sidewalk dining and hospitality license for The Bottleneck, 737 New Hampshire Street.
11. Concur with the recommendation from the Traffic Safety Commission to deny the request to establish a STOP sign on southbound Indiana Street at Sunflower Road; or, to establish Indiana Street as a ONE-WAY Street northbound, between Sunflower Road and Sunnyside Avenue (TSC item #2; denied 7-0 on 11/02/15).
12. Authorize a partial reimbursement of \$11,776.30 for the City's share of 2015 Property Taxes on the Dwayne Peaslee Technical Training Center.
13. Approve the donation of property at 826 Oak Street for the Lawrence Douglas County Housing Authority.
14. Authorize the Interim City Manager to settle a claim in the amount of \$18,000, and to forego collection of a Lawrence Douglas County Fire/Medical ambulance bill in the amount of \$586.31.
15. Authorize staff to bind coverage of Excess Workers Compensation Insurance with Safety National for the insurance period of January 1, 2016 through December 31, 2016 in the amount of \$78,169.
16. Receive draft outside agency agreements for City 2016 funds and authorize distribution of agreements to outside agencies.
17. Authorize the Mayor to sign a Release of Mortgage for Steven C. Watts, 1649 Edgehill Road.

C. CITY MANAGER'S REPORT:

Diane Stoddard, Interim City Manager, presented the report regarding important dates from the Solid Waste Division; the 2015 City of Lawrence United Way Campaign; and, Lawrence Featured in December Issue of American Society of Engineers Civil Engineering Magazine.

Mayor Amyx: Any questions or comments? Diane, pass along our thanks for all the work done by the employees in both the United Way Campaign and also the engineering report that was a good report.

Diane Stoddard: I will do that. Thank you Mayor.
Interim City Manager

D. PUBLIC COMMENT: None.

E. REGULAR AGENDA ITEMS:

1. **Conduct public hearing to consider the vacation of pedestrian easement described as Lots 3, Block 2 and Lot 4, Block 2 both a final plat of Hanscom-Tappan Addition (aka 1511 Hanscom Road and 1515 Hanscom Road), as requested by property owners, Jackie Juhl, and Jason and Joanna Bonee.**

David Cronin, City Engineer, presented the staff report.

- Mayor Amyx: Just one question. This is the last platted easement that goes back to the trail, correct, on the west side?
- David Cronin:
City Engineer: This is on the east side of the Burroughs Creek Rail Trail just south of 15th Street and this addition, it's the last one. There were 2.
- Mayor Amyx: The only other point of entrance is up 15th Street to get on to the trail there, correct?
- David Cronin:
City Engineer: That's correct.
- Mayor Amyx: Okay. Any questions of David? So I will open the public comment at this time. I'd entertain the motion to open public comment or open the public hearing.

Moved by Vice Mayor Soden, seconded by Commissioner Boley, to open the public hearing. Motion carried unanimously.

- Mayor Amyx: Public hearing is open. Is the applicant here this evening? Please, if you have a comment that you'd like to make or pretty straightforward. Is there any other public comment on this item then? Hearing none, I'd entertain a motion to close a public hearing.

Moved by Commissioner Herbert, seconded by Commissioner Boley, to close the public hearing. Motion carried unanimously.

Moved by Vice Mayor Soden, seconded by Commissioner Herbert, to approve the vacation of pedestrian easement described as Lots 3, Block 2 and Lot 4, Block 2, both a final plat of Hanscom-Tappan Addition (aka 1511 Hanscom Road and 1515 Hanscom Road). Motion carried unanimously.

2. **Consider the following distance limitation waivers:**

- a) **Conduct a public hearing regarding a distance limitation waiver request for the issuance of a Drinking Establishment License for Bayleaf Restaurant at 947 New Hampshire Street, Suite 120.**

Brandon McGuire, Assistant to the City Manager, presented the staff report.

Mayor Amyx: Okay, we're doing these as two different items?

Brandon McGuire:
Assistant to the City Manager Two separate items, yes sir.

Mayor Amyx: Just making sure I understood that right.

Brandon McGuire:
Assistant to the City Manager We did notify the school district offices, Lawrence High School and the superintendent of schools for the Wingstop establishment which is item B. Then we've also heard from and received correspondence from the Salvation Army on item A which is Bayleaf, that's in the former Pepper Jack's premises.

Mayor Amyx: Okay. Questions of Brandon? Brandon, when Pepper Jack's was there, do they have a drinking establishment license?

Brandon McGuire:
Assistant to the City Manager That's a good question. I believe they did as opposed to a CMB, a Cereal Malt Beverage license. Yeah.

Mayor Amyx: Okay, any other questions? I would entertain a motion then we open the public hearing

Moved by Commissioner Boley, seconded by Commissioner Larsen, to open the public hearing. Motion carried unanimously.

Mayor Amyx: Okay the public hearing is open. Are there any public comments on the distance limitation waiver for the Bayleaf Restaurant at 947 New Hampshire St., Suite 20, 120 I'm sorry. Any public comment? Entertain motion to close the public hearing.

Moved by Vice Mayor Soden, seconded by Commissioner Herbert, to close the public hearing. Motion carried unanimously.

Mayor Amyx: Public hearing is closed. I do believe that there was a drinking establishment license given at that location prior to the restaurant that was in there. I don't think that there were ever any problems with proximity to Salvation Army across the street. I think it is fine to go ahead and approve this. Is there any other questions or comments? I would entertain a motion that we have conducted a public hearing that we have found that the proximity of the sale of alcohol by the Bayleaf Restaurant is not adverse to the public welfare, safety and grant a distance limitation waiver.

Moved by Commissioner Boley, seconded by Commissioner Herbert, to find that the proximity of the sale of alcohol by Bayleaf Restaurant is not adverse to the public welfare or safety and grant a distance limitation waiver. Motion carried unanimously.

b) **Conduct a public hearing regarding a distance limitation waiver request for the issuance of a Drinking Establishment License for Wingstop, 2233 Louisiana Street, Suite G.**

Brandon McGuire, Assistant to the City Manager, presented the staff report.

Mayor Amyx: Next item then is to conduct a public hearing regarding a distance limitation waiver request for the issuance of a drinking establishment license for Wingstop at 2233 Louisiana St. and this is Suite G. Brandon, do you have anything else on this item?

Brandon McGuire: No sir, just we've notified the school district and have heard no comments about it.
Assistant to the City Manager

Mayor Amyx: That shopping area, do we have any other drinking establishment licenses along that?

Brandon McGuire: I don't believe we do. I'd have to check on ... I think there's a Pizza Hut there. I'd have to check on that but, I would assume that would be a CMB. I'm sorry I don't have that information for you tonight.
Assistant to the City Manager

Mayor Amyx: I think you're right. I think that is what is at that location.

Brandon McGuire: I believe, I think La Familia was in there at one point in the past.
Assistant to the City Manager

Commissioner Herbert: I think the closest we would come, was it Club Magic? It's quite a ways off but ...

Brandon McGuire: And there are several restaurants around that corridor.
Assistant to the City Manager

Mayor Amyx: So the reason we're notifying the school district is because the baseball field is right there?

Brandon McGuire: Exactly. It's pretty much adjacent to the property there.
Assistant to the City Manager

Mayor Amyx: Okay, any questions to Brandon? Then I would entertain a motion to open the public hearing and find that the proximity of the sale of alcohol by Wingstop is not adverse to the public welfare and safety and grant a distance limitation waiver. Entertain a motion to open a public hearing.

Moved by Commissioner Herbert, seconded by Commissioner Boley, to open the public hearing. Motion carried unanimously.

Mayor Amyx: Public hearing is open. Any questions of staff at this point? Is there any public comment on the proximity of the sale of

alcohol, by Wingstop? This is located at 2233 Louisiana Street, Suite G and to discuss whether or not it's adverse to the public welfare safety and to consider granting a distance limitation waiver. Is there any public comment on this item? Any public comment? Entertain the motion to close the public hearing.

Moved by Commissioner Herbert, seconded by Commissioner Larsen, to close the public hearing. Motion carried unanimously.

Mayor Amyx: Again, I'm not sure that this particular case, the only one that I can think of is probably La Familia. I think they were in that area that may have had the drinking establishment license and obviously, we've gone through the notification school district that would've been the one that would've come back and have said that they really thought the problem would exist so I think we're probably fine at that location.

Commissioner Boley: If only we knew someone that worked at Lawrence High.

Commissioner Herbert: I received no comments on this. I don't think it's an issue.

Mayor Amyx: Okay. Any other questions or comments? Okay, I would entertain a motion that we have held the public hearing and we found that the proximity of the sale of alcohol by Wingstop is not adverse to the public welfare or safety and that we're granting the business limitation waiver. I'd entertain that motion.

Moved by Vice Mayor Soden, seconded by Commissioner Herbert, to find that the proximity of the sale of alcohol by Wingstop is not adverse to the public welfare or safety and grant a distance limitation waiver. Motion carried unanimously.

3. **Receive presentation from Lawrence Chamber of Commerce on economic development.**

Larry McElwain, Chief Executive Officer, Lawrence Chamber of Commerce, gave a slide presentation on economic development.

Larry McElwain:
Chief Executive Officer,
Lawrence Chamber of
Commerce

Thank you for your attention. It's our intent, commissioners, to come to you now at least once a year with a report of what we're doing. We meet more often. We meet monthly with the staff and one of your commissioners, sometimes two. That's important but we also think it's important that the community through the commission here be able to see total transparency in what we're doing here. Next week, we have the JEDC meeting which is created by ordinance that gives the public input into what we're doing economic development wise and we'll begin the process of developing the next budget which you will probably see in March or April, but it will go through several vetting's before it's given out. I would be glad to answer any questions you may have about anything you see, but we are very grateful for the partnership that we have with the City, County, University,

BTBC, the KU Small Business Development Center and all the things that go together to make this program vibrant. Questions?

Mayor Amyx:

Questions? So you got our next project coming?

Larry McElwain:
Chief Executive Officer,
Lawrence Chamber of
Commerce

We are working on it. Brady's with me. Brady spends a lot of time working these projects and finding out what's next. I ask him today and there were about five projects that were listed by the Kansas City Area Development Council. He was able to answer to one of those. The others, we didn't have the assets that we needed for what they were looking for, the companies. I will tell you also that yesterday I gave an accomplishment sheet for the Peaslee Center. Marvin is teaching a class tonight out at the Peaslee Tech and he was unable to be here. He asked me to deliver that accomplishment sheet. I would direct any specific questions to Marvin. We consider Peaslee Tech as one of our greatest accomplishments in 2015 and really, the city and the county have stepped up to workforce training in an immeasurable way and we're very grateful to that. There're 150 students out there. I was out there yesterday and it's buzzing what's going on out there and we're hopeful to really help educate our workforce. Thank you again for what you've done in that regard too.

Mayor Amyx

Larry, thank you for all the work that you've done and Brady all the work that you do on a daily basis in helping to recruit and bring new businesses in. It's an ongoing deal and I say a little bit tongue-in-cheek about our next project coming, but I know that you can't sit back. You got to constantly be up, beating the bushes and see what's there. One of the things that I do, and I bring up since I'm a board member of Peaslee Tech, is I appreciate the hard work of former Commissioner Hugh Carter. Hugh was there little bit ago, that he's done in making that place of education, what it is. You look at Lawrence Kansas and it truly is about education. I mean it really is. When we start talking about our workforce and the amount of training that really needs to happen. I mean it is a gold mine, it really is and making sure that we are able to help our workforce and being able to get that better job.

Larry McElwain:
Chief Executive Officer,
Lawrence Chamber of
Commerce

It's really Peaslee Tech is really the missing piece to the economic development puzzle that we have not had here that we now have that along with College and Career Center and the Kansas Workforce Center so we have a campus now of three organizations that are working together. We think it's great. We're glad to be a part of it.

Mayor Amyx:

Having the school district next-door is pretty good. It works out pretty well.

Larry McElwain:

Very good.

Chief Executive Officer,
Lawrence Chamber of
Commerce

Mayor Amyx:

Anyway, I'm going to ask for public the comments so don't go away in case somebody has question, that way, we can answer, okay?

Larry McElwain:
Chief Executive Officer,
Lawrence Chamber of
Commerce

Okay.

Mayor Amyx:

Thank you. Is there anything else of Larry?

Commissioner Larsen

On the slide, I saw one that said that the average wage was what, \$17, \$18 an hour. Does that come from the projects that the Chamber's brought in or was that all of Lawrence?

Larry McElwain:
Chief Executive Officer,
Lawrence Chamber of
Commerce

I think that's more a statistical. Again we went to four or five different places to get that and those aren't necessarily the jobs that are coming in, it's collective jobs in the county. A lot of that comes through the Department of Labor statistics. You see sometimes in the Journal World, they report on that kind of thing too. We believe that the more jobs that we bring here, there are two issues, it will help drive up the average wage which we really want that to occur for the businesses to pay more so the workers made more, but also we got to address ourselves to the affordable housing issue by bringing in more workforce. So we know that we have to move on several different fronts there, but the affordable housing issue is very important to us. As we bring jobs in here, we want to have these people that may be come from somewhere else or people that live here to have a place where they can call home. It's a big task but there are a lot of people right now. The most I know of, working on the issue at the same time and I think we will find a solution to it, but thank you.

Mayor Amyx:

Okay, thank you Larry.

Mayor Amyx:

Public comment.

Steve Watts:

I live at 1649 Edgehill Road, Lawrence, Kansas with respect to the question that Commissioner Larsen just asked with the \$17-\$18 per hour average pay. I'm interested in knowing if that \$17-\$18 per hour average is just that? We take the guys making \$250,000 a year, we take the guys making \$3.50 an hour, we add them together and that's how we come up with our average or is it genuinely that the vast majority of people who will be getting these jobs are going to be making \$17 and \$18 an hour? Because it's come to my attention that there are some groups in

town that believe, \$1200 a month for a two bedroom apartment is affordable housing. If \$1200 a month for a two bedroom apartment is affordable housing, I think you need a little bit more money than that in order to live in affordable housing. I'm just curious what the Chamber of Commerce has in relation to real numbers as to what the vast majority of the working force in these jobs that they brought to town. I think that it's great that they brought these jobs to town. I just wonder are the people that are going to be in these jobs going to be in line for Snap benefits and childcare benefits and all of the other benefits that are necessary for working families to operate when they're underpaid or are they genuinely going to get \$17 and \$18 an hour? That's what my question is.

Mayor Amyx: We'll get an answer for you Mr. Watts.

Steve Watts: Thank you.

Mayor Amyx: Larry, you want to answer that one or Brady, you want to answer?

Brady Pollington:
Economic Development
Project Manager
Lawrence Chamber of
Commerce

I think there's two questions actually the, reference to the slide that said average hourly wage increasing from \$17 to \$18. Forgive me, I don't remember what the cents were on the other side of the decimal point but that is an aggregate number provided by Kansas Department of Labor for the Lawrence MSA which is Douglas County itself. In regards to the gentleman's question about the wages coming in for these new jobs, some of which we don't know what they're going to be yet. We heard in Menard's speak last week I believe it was in regards to the level of wage that they're going to bring in. They're planning at I believe well over living wage starting around \$14-\$15 an hour but that is a ballpark estimate because they're competing for labor in this community just like all the other companies are.

Mayor Amyx: Any other public comment on this item? Any questions?

Diane Stoddard:
Interim City Manager

I might add as well in response to Mr. Watts' question, there is 183 page economic development report on the city's website that I would refer the public to or anyone that's interested in this issue because we do have a lot of information about the jobs that have been created which then relate to the numbers that the chamber are talking about. These are actually after an incentive package is approved for any of the companies. They are required to perform and we look at them every year and a lot of categories one of which is wages. There's a lot of detail by company. We look at the different types of jobs that are created by category and then we also have them in aggregate and one of the things that Britt does, who is our Economic Development Coordinator is she looks at the comparison of the jobs that are created to what the community wages are. I was just going to

look here in the report. Give me a second. Now again, this is looking back at jobs that have been created in the past with other economic development opportunities. In 2014, the companies are having an average annual wage that far exceed the average full-time private sector wage in Lawrence by about \$7500 a year so we look at it in terms of an average but we also look at it in terms of a wage floor. The City of Lawrence for property tax abatements has a wage floor and so none of the jobs can be created under that wage floor which is just shy of \$13 now. These wages are also over that amount. Anyway, I just wanted to make sure that people were aware of this report because it is very comprehensive and can answer a lot of questions. We'd be happy to answer any as well.

Mayor Amyx:

Any questions of staff? Yes sir, no please come to the microphone.

Steve Watts:

I haven't heard any numbers in answer to my question. I heard a lot of "rim ram" going around in circle about it although the Interim City Manager did come up with a number which was \$13 an hour. That's five ... Let's see if I can do my gazintas, 13 and 5 is 18 so that's a \$5 difference. The bottom line is we, really don't know what the wage is that is going to be paid to the common man and common woman that is going to be taking these jobs nor do we know what the benefit package is in terms of whether or not they're going to have affordable healthcare, whether or not they're going to have days of sick leave, whether or not they're going to have paternity leave or maternity leave. I've read the report that the Interim City Manager refers to and I continue back to it and I'm always amazed that the double speak that is in these articles because there are never any hard numbers that are created. It would just be nice to know, this guy's going to make \$20 an hour. If you beg the moment, when Vangent which is now owned by General Dynamics came into being in East Hills as a call center for Medicare, their wages were so low that the federal government mandated they boost the check and I work for Vangent for a few months just so I could find out a little bit about Medicare and so I could understand how they paid people. You got a base wage which is what Vangent paid and then you got some type of I forget what they call it, it was a premium pay that was on top of that because the federal government had determined that the rate of pay at Vangent was below that of a clerk for the federal government and Vangent had a similar agreement to what Ms. Stoddard is saying in relation to metrics and monitoring. The solution was is that Vangent had to come up with the money to pay people. It's just that it wasn't part of their salary and it was called some other number. I don't care how people are paid in terms of what you call it provided that they're paid a living wage. We are particularly reminded in this community of the number of college graduates that live here and that are qualified for many

positions and who are under employed. It sure would be nice for all of these fine institutions that are looking for employers and bringing people into town to bring in employment where people are being paid, oh I don't know maybe what Google pays its people. Maybe that's a little bit of a fantasy, but we can all have a little dream, and maybe they'll have work environments where people can play foosball for a half hour while they take a break. But at any rate, I just like to point out that in answer to my specific question, no hard numbers were given.

Mayor Amyx: Let's see if we can provide for Mr. Watts the information that he's looking for and also the supporting information that we require companies that especially are going through the incentive process on healthcare and all the things that go along with it because I think he'll find and others will find that we are pretty strict on those requirements.

Diane Stoddard:
Interim City Manager Yeah, I want to say very clearly that there are pages of very hard numbers in this report so all of it's there and people can access them online or I'm happy to provide a copy to anybody who would like to see it.

Mayor Amyx: Any other questions? And the other comment? Okay, so do we need to take an action and to receives the presentation or it's just automatically ...

Diane Stoddard:
Interim City Manager I don't think any motion is needed Mayor.

Mayor Amyx: Okay. Nothing else? Okay.

Commissioner Herbert: I'll just make a quick comment in regards to McElwain's, your comment about that more jobs we can bring here, the more we can leverage companies to be forced, the market forces them to pay more. The story I have to relate to that. I had the opportunity just the other day to go tour Advantage Metals Recycling in North Lawrence and talk to I believe Scott Brown out there, or Seth and Scott, two guys that are on the show out there. Seth the guy who runs the yard told me they've got operations in Kansas City, in Columbia Missouri and some other places around. When they came to Lawrence, they talked about their intention was to pay people \$12-\$14 an hour. When they got to Lawrence, they quickly found they were losing employees left and right because the availability of jobs that were greater than \$12-\$14 an hour so if you go out to Advantage Metals right now, the lowest paying worker makes \$16 an hour and it wasn't because the city forced them to pay that, it wasn't because of economic development package, it was because the market forced that to happen. Without offering \$16 an hour, they had to constantly retrain people because they would go anywhere else. I think there's a real benefit to us bringing jobs in quantity

because it forces the market's hand, to adjust wages accordingly.

Mayor Amyx

Okay. Very good. Anything else? Thank you all very much. Mr. Watts, thank you for your questions and comments.

4. **Consider authorizing the Lawrence Douglas County Housing Authority to acquire property at 1725 New Hampshire Street for affordable housing.**

Shannon Oury:
Lawrence Douglas County
Housing Authority

I'm not going to reiterate all the information that I put in the memo, but just a short refresher on how we got here. The Housing Authority had the opportunity to purchase a piece of property that is adjacent to a piece of property it already owns. This is Babcock Place which is a senior midrise that the Housing Authority owns and the piece of property we're talking about, 1725 New Hampshire is right here. This project became attractive to us because it does a couple of things for us. First, we have reserves and we have been trying to purchase additional affordable housing with our reserves. This property, as most people know, we're paying 485 or intend to pay for \$485,000 for this property. The county appraisal was much less. The first time we were before this body, you requested that we get a commercial appraisal which we did. That commercial appraisal came out at \$290,000 and that information was presented to you. We would love to pay \$290,000 for this property. Unfortunately, we can't do that because we're competing against another bidder which is Dillon's which of course is right here. What makes this property attractive to us? One is the vast majority of the Housing Authority's stock of housing which is about 428 units, all has subsidy attached. The Federal Government provides us a certain amount of funds per unit. We own one other piece of property that we built with the help of the city. We refer to it as Peterson Acres II. It's off Peterson Road and we purchased that property or built that property and it has no subsidy. So it's important for us to be able to run a project efficiently, particularly if there's no subsidy attached. The proximity of this piece of property to Babcock increases our efficiencies because the Housing Authority has both maintenance and management staff on site at Babcock's. The cost for taking care of this piece of property is significantly less than if it were scattered or in a different location. The other advantage to the tenants is what we provide at Babcock. We have a computer lab that is used for the residents and we also provide transportation. We have a person on site that provides case management. When we started looking at if we were willing to pay this amount for this property, we compared it to what we paid on a per-unit cost for building eight units at Peterson Acres. As you can see, this cost significantly less per unit for us to purchase this property than to build property. I should

mention that with Peterson Acres, we already own the land. We had no cost for the land. We don't currently have any additional land that we could build a six unit property on. When you compare it to things that are going on, Tenants to Homeowners is building a 14 unit piece of project, also they received donation of the land and they're spending \$2.3 million for 14 units which works out to \$164,000 per unit. That property has some specific features, but the point here is that it's impossible for us to build six units somewhere because one, we'll have to buy the land and two, it just cost more to build these types of units. We've also received HUD approval. HUD sets a total development cost limit for any sort of purchase or construction for the use of Housing Authority funds and for property. We had to provide all of this information to HUD and received HUD approval because we were well within their limit on what they say you can spend per unit. This property is five one-bedrooms and one studio so I've broken that out. The other thing that this property does for us is it will help us address a parking issue. We have 57 vehicles with permits. Unfortunately, we have 44 parking spaces at Babcock. A bunch of them are taken up with a bus that we use to provide service and we have a shortage of about 18 slots. What this does is it causes our tenants there and all of our tenants at Babcock are seniors, it forces them out into neighborhood so they have to go out into the neighborhood to park. It's particularly based on the comments we received for them if basically, they get back late at night, they had to walk in the dark to get back to the property and they're very concerned. We've had a lot of support from the Babcock tenants for this project due to their parking problem and concern. Finally, the highest demand we have, this is based on our waiting list, the highest demand we have is for zero which is a studio and one-bedroom unit. This piece of property has just those types of units. Finally, the last thing is one of the things that we as an agency have realized is that we are not serving youth aging out of foster care. It hasn't been a focus. It is an increasing focus of ours and it's our intent for this property to set a preference which means that as a unit becomes available, the first preference will be offered to someone who meets that category. We've had meetings with Kaw Valley, DCF and the Shelter Inc. to talk about how we're going to make that happen and get referrals for that. We think it's a perfect project for that one because of the location, that proximity to KU, proximity to public transportation and the size of the units and the fact that it's close enough to Babcock that we will have staff who can access and support this property. Again, the prices seem to be the big issue and based on what we were trying to compare, I understand the appraisal is lowered based on a commercial interest in renting this property, that's very different from the interest that the Housing Authority has because our goal is to have our properties be self-sustaining, not to make a certain

amount of profit. We will rent this property on a sliding scale based on the incomes of the tenants who live there, so it will be well below market. That was our concern with this property is, can we make it self-sustaining and we believe we can. We've run Peterson II since 2007. It is self-sustaining. It has been self-sustaining every single year because we have a lot of the in-house management and maintenance and we believe we're capable of doing that. Also, joining us here tonight is Josh Powers. He's on our board. I asked him to give perspective from the board because we have the board support and the board has asked me to go forward with this and bring this back to you.

Josh Powers:
Public Transportation
Manager State of Kansas
Housing Authority Board
Commissioner

Mr. Mayor, Commissioner, City staff good evening, thank you for the opportunity to come here and speak in regard to the 725 New Hampshire project. I just want to make a couple points and try not to reiterate what Shannon's already brought before you. As of October 5 of this year, the housing authority is serving 1,225 clients. Of those 1,225 people, 724 of them are making less than 30% of the area median income. That's 60% of the authority's total clients. In a similar vein, 71% of those 1,225 people are single mothers. I mentioned these numbers because it's illustrative of how the Housing Authority is serving the population in our community in a manner that only it can. These folks that are benefiting are men, women and children who are being provided access to stable, safe, affordable housing and trying to build a better life locally here. This property 725 New Hampshire is especially desirable for all of the reasons that Shannon mentioned. I'll try to not duplicate what she said. Centrally located in the downtown corridor, accessible to public transportation, necessities and groceries are easily accessible to residents via Dillon's right there. University of Kansas is within walking and biking distance and by virtue of the properties proximity at Babcock Place, the efficiencies that Shannon mentioned can be realized, keeps staff and manage maintenance cost down. To end with some of the already mentioned points, the configuration of property directly addresses the housing authority's most pressing concern which is the availability of one-bedroom units. The price comparison per unit is favorable compared to previous projects. She mentioned Peterson II. I won't reiterate those numbers. As you are aware, the Department of Housing and Urban Development has approved this purchase which leads the deliberation of this body as the final step moving forward. As you are also aware but what I think bears repeating is that these are Federal HUD dollars. These are not local dollars. These are dollars that have already been collected in our national federal taxes and they will be expended if not in Lawrence, then in Columbia or Manhattan or Ames or Austin. I think that this particular project offers us a great opportunity to make sure that those tax dollars are spent here for the benefit

of our community. In closing, I'd like to mention that affordable housing obviously has recently come to the fore both locally and nationally and identified as a priority by voters and stakeholders. The property at 1725 New Hampshire is that opportunity for us in Lawrence and Douglas County to continue to serve a population that is in serious need of assistance. With that, I would ask respectfully that you vote in the affirmative in regard to this project and give the Lawrence Douglas County Housing Authority the support that it needs to move forward. Thanks very much.

Mayor Amyx:

Mr. Powers, question.

Josh Powers:
Public Transportation
Manager State of Kansas
Housing Authority Board
Commissioner

Yes sir.

Mayor Amyx:

The \$485,000, is it only allowed to be used on this one piece of property?

Josh Powers:
Public Transportation
Manager State of Kansas
Housing Authority Board
Commissioner

Honestly, Mr. Mayor I have to defer to Shannon with that answer.

Shannon Oury:
Lawrence Douglas County
Housing Authority

There are no strings specifically tied. It is the only HUD approved expenditure that we have right now. There would be nothing that would keep us from asking HUD for approval for another property.

Male:

How much do we have in reserve right now, total?

Shannon Oury:
Lawrence Douglas County
Housing Authority

We have about 2 million. This is what we consider MTW reserves. We have a separate reserve for public housing which is take care of the stock that we already have. In our MTW reserves, we have a little over 2 million. The board has earmarked 1 million to be used to acquire new units at this point. We're also required to keep a certain amount for 4 months of operating expenditure on hand.

Female:

Shannon Oury:
Lawrence Douglas County
Housing Authority

Is that all HUD money?

Yes. All of these reserves were built because the Lawrence Douglas County Housing Authority is moving toward a demonstration agency. We're one of only 39 in the United States which allows us to keep our reserves. These have been building up. We've been an MTW agency for 15 years, and we have been building these reserves up year-by-year. I think Mayor Amyx, when we purchased Clinton Place that was done

with the same type of funds. We've been building up trying to operate in a fashion to build reserve so that we can add to our affordable housing inventory.

Commissioner Larsen: Is there a chance to lose these funds through any sort of a sweep or any...Josh said something about being spent in Columbia or somewhere else.

Shannon Oury:
Lawrence Douglas County
Housing Authority

Right. What is happening is HUD is instituting what they considered cash management. They are transitioning all Housing Authority reserves back to HUD so that it will be held at HUD and what happened in 2013 for non-MTW agencies was net restricted position is what they referred to it as we're swept and so when the federal government, like in the sequestration year has an issue with funding, it's very possible that the reserves get swept. Public housing happen in 12 and the section 8 which these would be considered happen in 13.

Commissioner Herbert: How long if we look at the reserve as 1 million instead of 2 million because you said the 1 million is really what we have to spend MTW funds. How long have we had that kind of reserve balance?

Shannon Oury:
Lawrence Douglas County
Housing Authority

We have been working on this project. We spent the first part of it on acquiring Clinton Place. We purchased Clinton Place for little over 1 million and then we totally re-did Clinton Place for another 1.1 million so we spent that money, build it back up. On the Peterson II property that we built, that was built with the MTW funds so that \$850,000, about \$200 came from the city and the grant to the Housing Authority and the remainder of that was built with MTW funds. We sort of had a history. We built them up and then we try to spend them to add to our affordable inventory.

Commissioner Herbert: Have we purchased anything recently with that money?

Shannon Oury:
Lawrence Douglas County
Housing Authority

We have not. We attempted to do a tax credit project out on O'Connell and we worked on that for two years and then the interest rate moved and it created a gap in that project that we just weren't comfortable going forward with.

Commissioner Herbert: On the specific piece of property, is this property currently being used as a residential rental property?

Shannon Oury:
Lawrence Douglas County
Housing Authority

Yes it is.

Commissioner Herbert: Okay my question then would be, as I look over the cost of the city, it's referred to as minor renovations. As I look at the cost, the property requires the installation of GFCI circuits in all unit bathrooms and kitchens. Why is that cost being put on us when

if it's currently being used as a residential rental? Those GFCI outlets are part of rental registration code. Those ought to be their map if it's being used as a residential rental. My question will be why is that cost being borne upon us when legally that should've already been taken care of by the landlord?

Shannon Oury:
Lawrence Douglas County
Housing Authority

All I could say is the Housing Authority isn't the enforcement body.

Male:

Maybe, I should ask planning. Why is that being borne upon us and not the owner of the property? I mean every rental property I own, you guys hit me with a fine if I don't have the GFCI's. Clearly, there are no GFCI's.

Amy Miller:
Assistant Director
Planning & Development
Services

I'd have to look and see where he entered the program.

Commissioner Herbert:

GFCI's have been a code since forever. That's the first thing they look for.

Kurt Schroeder:
Assistant Director
Planning and Development
Services

Commissioner, Kurt Schroeder. One of the things that could have happened with this particular property but on a multifamily side of things, they may or may not even been required to have an inspection this year yet. Remember that's a three-year inspection cycle depending on your name and how the property is licensed under what name. So that's possible but you are correct, I mean there should be GFCI's in the kitchen and bathroom areas and laundry areas.

Mayor Amyx:

Kurt we had a question, your title just so that people know what it is.

Kurt Schroeder:
Assistant Director
Planning and Development
Services

Yes, Assistant Director of Planning and Development Services.

Mayor Amyx:

Thank you. Other questions?

Commissioner Larsen:

I have a question about zoning. I tried to go back and read a little bit of history on the zoning of this property. I know back in 2009/2010, they try to go commercial, tried to get commercial zoning on this and then it was pulled. Do you know the history on that as to why it was pulled?

Amy Miller:
Assistant Director
Planning & Development

I'm not sure. The property owner is here and he may be able to address that.

Services

Commissioner Larsen: Yeah, I would appreciate that, if he could help me out.

Mayor Amyx: Mr. Farha.

Amy Miller:
Assistant Director
Planning & Development
Services

On the rental license question, they are multi-family so they weren't required to come to the program until this past year. They do have a rental license and they are not due for inspection until 2017.

Commissioner Larsen: Is that something we should ask because when I buy a property ...

Commissioner Herbert: I don't think you need to inspect. I can tell you right now what the problem is, there're no GFCL's in the bathroom.

Mayor Amyx: Your question to Mr. Farha.

Amy Miller:
Assistant Director
Planning & Development
Services

On the zoning, could you give me a little history on the zoning on this?

Rob Farha:
Managing Partner
Blue Dock Investments

I'm the managing partner of Blue Dock Investments that owns this property. For the history of it, this is why I came down here just in case. My files are in storage. In 2009/2010, I was approached, this is an unsolicited property. It works fine for us the way it is. I was approached by a broker who didn't identify himself, and offered us to buy the property, gave us the purchase price. Being around the city for a while, I knew exactly what he was and I said I know you're with Dillon's. They're remodeling 6th Street, 23rd Street. Topeka. I said if you guys really want the property make us an offer to make us want to sell. We had three contracts with them. Just to let you know it's for \$500,000. They pulled the first one due to their project on 23rd Street, it was taking some time. We pulled the second one due to they were still working on two models in Topeka so the timing wasn't right. The third one instead of their broker doing it since I work with Scott McCullough in the city on different things, I went through the process on the zoning change. In the contract, first of all, we don't want to have a nonconforming use. They have to get it to commercial to do the demolition. It's a residential property so we're trying to simultaneously do it. It's contingency in the contract that the zoning be changed. I went through HRC, it passed. No one spoke against it. Went through planning commission, I think one person showed up, passed. It came to city commission and went through the first reading. A week later, it was supposed to be the second reading, they had a clause. Kroger's a very big Corporation and they pulled it between the

first and second reading which did cause us a couple tenants because we're trying to be up front with the tenants what was going on, for displacement and such. They went silent with us. I happened to be on some mailing list. Neighborhood Associations get a notification, not from Dillon's, they went silent. Went to New York elementary school, they have a presentation and the whole project changed because as I saw plans, the original Dillon's plans with our building gone with a facemask, berm in the back for parking. They change their plans, ideas. They left the building there and you have what you have today with the building sideways where they went and got the variances for less parking which I had many discussions with Mr. Corliss who isn't with us anymore. They were afraid Dillon's was going somewhere else, but Dillon's owns the dirt underneath, they weren't going on anywhere. Anyway, three years went by and they came back to us again. About simultaneously, the Housing Authority approached us as well. That's why the zoning is what it is. I don't know. Scott's not here. I have to ask them if it set precedence if we go back to Dillon's. I do have a contract in hand from Dillon's, can't negotiate or talk about it until this one's terminated or if you guys choose to go with the Housing Authority. There's some email's, will they change zone again? It's gone through once all the way, I don't know if there's a statute of limitations or what. We'll see what happens there, if this doesn't go through.

Commissioner Larsen: You have contract, in hand, from Dillon's?

Rob Farha:
Managing Partner
Blue Dock Investments

I do.

Mayor Amyx:

Other questions for Mr. Farha? Thanks.

Rob Farha:
Managing Partner
Blue Dock Investments

I will add one note. To me again, I mean my name is thrown around there. This is an unsolicited deal that came to us so the price is what it is. It's what they came to us. In fact, if you go in front of these grocery stores and big boxes, the common price of the pad site to build fast food thing or anything is about half million so that's where again, like she gave numbers. I don't think you can build. I'm not a builder. My partner does some developing. I mean, it is \$75 to \$100,000, depending on what you're doing to try to build something. Any other, questions?

Commissioner Herbert:

When did you expect to close this deal with Dillon's, if it doesn't go through tonight?

Rob Farha:
Managing Partner
Blue Dock Investments

It just came to me two days ago. I can't even look at it till my attorney says we have to terminate. I can't have two active contracts. So one would have to be terminated. We've given them...If we have...

Commissioner Herbert: The current contract with Dillon's came to you two days ago?

Rob Farha:
Managing Partner
Blue Dock Investments

Mm-hmm, or maybe 3 days.

Commissioner Herbert: So back in May when we first discussed this-

Rob Farha:
Managing Partner
Blue Dock Investments

They've been watching this. I have emails from ... They know the Housing Authority has...

Commissioner Herbert

Right, but back in May when it first came here and we deferred it until the appraisal is done, we were told that you had a contract with Dillon's.

Rob Farha:
Managing Partner
Blue Dock Investments

I've had three different ones in the past. This is a new one.

Commissioner Herbert: So you had one pulled since May.

Rob Farha:
Managing Partner
Blue Dock Investments

Actually, this is the fifth contract. We have three in 2009 and 10. I had one in May which they sent me, but I didn't execute. The Housing Authority came with one as well. I didn't go through with the Dillon's one because there was some terminology and then theirs came and my partner and I would rather work with the city, if this is something they want.

Commissioner Herbert: So the original ... I shouldn't say original if there's been five, but the contract you had in May is not the same contract you have today?

Rob Farha:
Managing Partner
Blue Dock Investments

That is correct.

Commissioner Herbert

Rob Farha:
Managing Partner
Blue Dock Investments

But the price hasn't changed or you can't even tell us that?
I'm not going to reveal what the one in May was and what the one now is.

Commissioner Herbert: Okay, so we're negotiating at 485 based on 475 contract but we don't actually know that the contract is 475.

Rob Farha:
Managing Partner
Blue Dock Investments

What, the Dillon's one?

Commissioner Herbert: Correct.

Rob Farha:
Managing Partner
Blue Dock Investments

The new one?

Commissioner Herbert:

Correct.

Rob Farha:
Managing Partner
Blue Dock Investments

It's 485. I gave them an email showing that they will match the offer. Actually, it's \$15,000 less than in 2009 and 10 and it can change, there's some negotiation pieces. Do I want to go through the zoning change or make them go through it? There's a lot of moving parts on these contracts.

Mayor Amyx:

Other questions of Rob? Thank you. Shannon and I have a question. It came from a constituent. It has to do with efficiencies that would be gained. You talked about the 44 parking spaces that you currently have. If there are 44, why do we issue 57 permits?

Shannon Oury:
Lawrence Douglas County
Housing Authority

Well because if you live at Babcock and you need a parking permit, you get one. What our parking permits do is they say they are allowed to park in this lot. We won't tow your car if you have one of these stickers, doesn't guarantee anybody a parking spot because we quite frankly don't have enough.

Mayor Amyx:

Okay other questions to Shannon? Or anyone else right now.

Commissioner Larsen:

I have one more question. I just want to understand I know this summer there was \$150,000 of money that was set aside by the County/City; I believe the combination of money for transitional living. This is something that's totally different, is that correct?

Shannon Oury:
Lawrence Douglas County
Housing Authority

This is totally different.

Commissioner Larsen:
Shannon Oury:
Lawrence Douglas County
Housing Authority

Okay. Now it's for the shelter?
Correct.

Commissioner Larsen:

But that wasn't HUD money. This was from the city right?

Shannon Oury:
Lawrence Douglas County
Housing Authority

Correct.

Mayor Amyx:

Other questions? Don't go away. Public comment on this item. Any public comment?

Dennis Constance:

Those of you who know me know that I have been interested in the livability of Lawrence for a long time. I've always said that we need to look at Lawrence as a place as home before we look at it as anything else where people are going to build their lives. To do that, you got to have somewhere to live and because of that interest in that philosophy, I've been involved in housing issues for some time but I'm here wearing my own hat tonight and not into the other hats that I've occasionally worn. I think this is a meritorious project. I think yes there is a discrepancy between the assessed valuation and the asking price but there's a value received that has been clearly outlined tonight for that. One of the things that particularly motivated me to go ahead and address this issue is the target audience for this. This property seems ideally suited for a target audience, target residences that we don't serve very well right now. One of the things that we're interested in as a community is creating opportunities for young people to grow up and mature and move in to being productive members of the community. Stable housing is one of the ways that can contribute to that. I can't imagine if I were 18 and I've been in foster care and I was about to be ... It's been great having you but you have to leave now and not knowing where I was going to go. I think this property represents great opportunity to address that potential problem before it ever happens. I think you've heard great presentations. I think you guys frankly have asked a lot of the right questions, but I would encourage you to go ahead and authorize the purchase.

Mayor Amyx:

Questions? Thanks Mr. Constance.

Steve Watts:

That house has been in my family since the early 50's. I'm a 1975 graduate of the School of Social Welfare here in Lawrence. I'm also a graduate, 1974 BSW graduate from the University of Kansas here in Lawrence. I've spent my entire working life, working with the disenfranchised and working with child abuse and neglect programs and foster care programs and adult and abuse programs, among others. I have to disagree with the gentleman that indicated that this is meritorious based upon the information that we've received from the Director of the Housing Commission. We are not getting the full picture. There was a meeting that was held on July 23rd by the Housing Commission wherein they noted that everything was hunky-dory and all the people who attended were in total support of the city going ahead and making this purchase. There were only four people from the public that attended that meeting. They made it sound like there was a whole bevy of people supporting it. Basically, people don't pay attention to these things. We've been throwing around language, MTW. Does anybody know what MTW is? Does anybody know how HUD arranges MTW? Does anybody know how long the City of Lawrence has had this money available to

spend but it's just been sitting while people have been twiddling their thumbs and now because HUD is saying you better do something with that money or we're going to take it back, all of a sudden we decided to spend it and we want to spend it on something that's a couple of hundred thousand dollars more than it's worth. I don't know if that's prudent or if it's wise. Now let's go back to the foster children. If anybody is an advocate for foster children, it's me. I put my job on the line several times in enforcing the rules and regulations which most states don't want to do. I rebuilt the foster care program in Hawaii to the point where they pass federal audits but the rest of the state the other islands failed. I was on the Island of Maui and Hawaii, each island is called a County, it's not an island, it's a County. I rebuilt the foster program in Mississippi where there was a two-tiered foster care system, one for children of color, one for white children. In the regulations set down by the federal government, the states are required when a child enters foster care and it reaches the age of 14, states are required to begin working with those children and build into the case plan independent living components. That is to say that they are to be able to go to program Happy Valley school where they are taught how to comparison shop, how to do check booking, basic things, just at the age of 14 and it's built into the plan. We don't have that here in Kansas. We have just a paragraphical statement that says the bare minimum. Our state is failing in providing the services that the federal government insists be provided in order to make foster care board payments. I have been in contact with ACF, the Administration for Children and Families which oversees what goes on in Kansas in Kansas City and I'm waiting to hear back from Gary Allen in terms of some other issues that will be late in coming after this meeting in terms of how things are running but the continuation of the service plan when children are in foster care, when they are 90 days out, when they are 90 days from being released from foster care, the regulations read during the 90 day period, immediately prior to the date on which the child will attain 18 years of age or such greater age as the state may elect under paragraph legal "mumbo-jumbo" whether during that period foster care and maintenance payments are being made on the child's behalf while the child is receiving benefits and services under 477. A caseworker on the staff of the state agency and as appropriate other representatives of the child provide the child with assistance and support in developing a transition plan that is personalized at the direction of the child, includes specific options on housing, health insurance, education, local opportunities for mentors and continuing support services and workforces, work for supports and employment services, dry reading I know. It's kind of like the report that Ms. Stoddard was referring to that I go back to and I have to reread over and over because it's so in-depth and it is a very good report that they have for that

money situation. What I'm saying is that the State of Kansas has a responsibility to provide these independent living services. The State of Kansas is the only state in the nation that has privatized foster care. In the section of Kansas, Kaw Valley Center is the organization that is paid to do this. The executive director of Kaw Valley services is one B Wayne Sims who made over \$600,000 last year off of the misery of children in foster care and yet Kaw Valley has no independent living programming. I'm not talking about transitional programming which is moving into apartments. I'm talking about programming of how to balance a checkbook, how to comparison shop, how to use coupons, how to go over where the day-old bread is, just basic stuff that you don't get in foster care. I think that Lawrence enters a slippery slope when it begins to promise housing for children that are coming out of the foster care system. We take the burden of responsibility away from those agencies that are receiving tens of millions of dollars to provide these services. It's dangerous to do that because they'll see that we did it once and they'll expect us to keep doing it. Whether or not the City of Lawrence is in the business of providing those kinds of social services, I don't know. It is a hard pill to swallow for me to have to say that I can't support the purchase of this property under the guise of its good for foster kids. Now it really isn't, what we're doing is we're systematically disempowering these children as they leave the system and we're showing them that here after you get out of foster care, we're going to give you the subsidized housing. Oh by the way, this is how you apply for food stamps etc. etc. etc. I can't stress enough that the responsibilities for housing for children as they leave the foster care system is the responsibility of the state and not that of the city. There's no reason we can't partner with them but there's no reason that we should be paying the lion's share of the bill. Thank you.

Mayor Amyx:

Thank you Mr. Watts. Yes sir?

Pat Benabe:

I'm one of the people whose income is under 30% of the median guidelines. I'm totally in support of the purchase of this building. Six may not sound a lot but I spent the last three years volunteering at the shelter and six does mean a lot. I also supported it because these six individuals will be eligible for the Move to Work Program which has helped many people move into homeownership and up and out of ... I live in Edgewood by the way, to move up. Unfortunately, I'm stuck there at this point in time but we need more housing stock. We have a big problem with poverty in the city and I don't think it's been fully addressed. But housing should be a human right, I think, so that's all for now.

Mayor Amyx:

Thanks Pat. Yes sir?

Graham Kreicker:

Commissioners, my name is Graham Kreicker. I know most of you, I'm happy to say and it's a pleasure to be here today to speak in favor of purchase of this property. I notice on the sign up here on the graphic that 204 people are interested in living in this kind of a place and it really doesn't matter to me if they're 18 or 28, 38 or 88, these people have a need for housing and it's been clearly demonstrated by the Housing Authority that this property can be purchased at a cost less than it would be required to create new property on new land somewhere else so I'm less concerned about the fact that we're paying more than we might like to pay than I am with the fact that we'd be paying less than we would if we had to re-create six units some other place in town. I urge you to please go ahead and approve this no matter who's going to live there. We need the housing stock and we cannot as a community and you cannot as commissioners be held responsible for the failings of state government in Topeka. Thank you.

Mayor Amyx:

Other comment? Other public comment?

Joe Douglas:

I just want to say I'm thrilled that the Housing Authority is working on this project. It's only nibbling at the edges of affordable housing for Lawrence. The housing situation is a critical issue for our city despite all the lots of other wonderful features but this is a disgrace that really needs to be dealt with and certainly bringing in better jobs that are better paying is part of the solution. Perhaps getting people better wages for the jobs that are here for very low-paying jobs. Not all the people in those jobs are going to be able to move in to a well-paid manufacturing job. Just to put a face on what's happening, just this morning, I work at Bert Nash and I met with a woman who I originally saw while she was in treatment at first step. She's about 34. The last 10 years of her life basically or until the last year, 9 years were basically wiped out because of heavy drug abuse. She got into treatment. She decided she was going to die if she didn't change and she was correct. Got into treatment, she's been sober, clean and sober now for 14 months. She left First Step in January of this year and got a job. She's been working ever since. If she could work full-time, she would still not be able to afford a commercially available apartment and she doesn't get to work full-time. She rarely gets a full 40 hours. Because of her background, she is really limited in the kind of jobs she can get but this project if this goes through, she's at least in some way of thinking, she's 6 steps closer to being able to get a decent place to live. Right now just living in an Oxford house, she rents a room, shares a kitchen, shares a bathroom, shares everything else but she can afford it right now. Thank you very much.

Mayor Amyx:

Thank you Joe. Other public comment? Any other comment on this item? Back to the commission. Are there any other

questions this hour, Joshua, anybody else that spoke this evening?

Commissioner Larsen:

I have one more question for Shannon. This house is going to be used for transition for teenagers that are out of foster care, is that correct? Can you discuss or explain to me how the transition works? Are they there forever or how does that work?

Shannon Oury:
Lawrence Douglas County
Housing Authority

No, this property will run similar to the Peterson II property we have. It will not have a time limit on it, unless they're using some of our other MTW funds, we are creating in 2016 some new vouchers also for minors aging out of foster care. We will allow them to live in this unit or any other unit that they can find in town with those vouchers. The vouchers work. For those of you who don't know it, it's a three-way deal between us, the Housing Authority, a private landlord and the tenant. We pay part of the rent, the tenant pays 30% of their income and we pick up the rest. We are creating those vouchers because as I said this has become a priority for the Housing Authority to try to address this population and so we want to be able to address this population either with a voucher, this property or any way that we could figure out how to do it. Those vouchers will be at limited 24 months like all of our transitional programs, we have a city HOME program which we receive the HOME funds from the city and we run that program. The other one you referred to is the one that we're specifically directing to shelter guests. The way those programs work is that they're for a limited 24 month time period. The tenant agrees to participate. We have a service provider involved. We partner with 12 agencies in town, Bert Nash, Catholic charities, The Willow just everybody in town who provides the service and we match, we marry the housing and the service to try to help that population get back up on their feet. At the end of 24 months, if they successfully complete, meaning they didn't get evicted, then we graduate them to a regular section 8 voucher. Those programs, so the five vouchers that we'll create for foster youth, with those vouchers, they will graduate to a regular section 8 and again section 8 is used all over town, every sector of town.

Commissioner Larsen:

Do they graduate to the point to where they can rent a house or buy a house or what sort of programs are available for that?

Shannon Oury:
Lawrence Douglas County
Housing Authority

As the Housing Authority, we really try to serve the spectrum so we serve people coming out of homelessness with this transitional program, with these transitional programs. In that program, we match the housing with the service to try to help those individuals become employed and be stably housed. Once you get into a regular section 8 or public housing, you have access also to our full resident services program.

Because we're MTW, we have a more robust resident services program than your standard Housing Authority. We have computer labs at every single one of our locations. We help individuals find employment. We have various different funds that will pay for CNA licenses. If you want to become an HVAC repair person, we will pay for that. A lot of people work at AMARR and they have to have steel toe boots and we buy those for our tenants. Because we're trying to move people to self-sufficiency, that is our goal, and that is the goal of MTW. As they move along that continuum, this year we'll have 10 people purchase a home, exit our programs and become regular homeowners. We have a down payment match. We match \$3000 for every tenant who is ready to graduate our program in to home ownership and we also have people who go off our program, graduate off our program because all of the sudden their incomes are so much, they really don't qualify for programs. So we try to serve that entire spectrum and it is our goal to move people along on that spectrum, understanding that a third of the people we serve are seniors and the third are disabled and we may be their permanent housing solution but particularly for the third that's in what we consider our family category, our goal for them is to increase their self-sufficiency.

Mayor Amyx:

Shannon, I have a question also. This is something that we were asked. The reserve funds that you have, how can those be used?

Shannon Oury:
Lawrence Douglas County
Housing Authority

Our MTW goals are to increase self-sufficiency and to increase housing choice and to improve the efficiencies of operation. When we want to spend any of these funds, we put it in our MTW plan. So just like these vouchers that I was telling you we're creating, we've created in 2016 were trying to create some for minors aging out of foster care. We're also creating 10 vouchers for victims of domestic violence. That will be directed just towards that population. We write that up in her plan and we submitted to HUD and HUD says yes you can do that with your funds or no you can't. A long time ago we wrote up in our plan that we wanted to expand our affordable housing inventory. As I said, over time, we added 58 units at Clinton Place, we added 8 at Peterson II and now we're trying to add this. We have specific permission in our plan to do that. Again, with this particular property because they have a limit on what you can spend per unit, we still have to get permission for any particular deal but we have permission from HUD to expand our inventory.

Mayor Amyx:

Another part of this question has to do with could we have used or could we have asked you to use or come forward and use your reserve funds for like the \$150,000 transitional housing monies that we gave the shelter?

Shannon Oury:
Lawrence Douglas County
Housing Authority

Yeah. I mean obviously what we could do with that and what we're doing with the domestic violence and with the foster care, we're doing basically exactly the same thing as what you were talking about but it wasn't in our plan for 2015 so we would've needed to apply to HUD to amend our plan to do that. But going forward, there's certainly nothing that keeps us from creating a very similar thing.

Mayor Amyx:

I'm starting to think like you. Any other question for Shannon?

Commissioner Boley:

I think I have a question for Tony. Maybe Shannon you can answer this, may this is Tony. Can you explain why since this is money that is reserves in the Housing Authority that have been generated by them that HUD essentially has the approval over the expenditure, why is it that we are being asked to approve this?

Shannon Oury:
Lawrence Douglas County
Housing Authority

In the ordinance that created the joint Lawrence Douglas County Housing Authority, there's a specific provision that the Housing Authority does not have the power to buy or sell property and it requires approval of the city commission.

Diane Stoddard:
Interim City Manager

Additionally Commissioner, I believe that all of the property that the Housing Authority maintains is in the name of the City of Lawrence.

Shannon Oury:
Lawrence Douglas County
Housing Authority

Correct, so almost all of the property is deeded to the City of Lawrence in the care of or to the Housing Authority and the agency of the City of Lawrence. You are on all of our deeds.

Commissioner Herbert:

You said they were required to keep four months operating expense in that reserve. Do you have an idea of the ballpark of what that would be?

Shannon Oury:
Lawrence Douglas County
Housing Authority

You might have to help me with the math but our average HAP which is housing payment basically is about \$380,000 a month. It always depends on the sizes of your families but somewhere in the \$380, \$390,000 a month.

Commissioner Herbert:

So you have to maintain that times 4.

Shannon Oury:
Lawrence Douglas County
Housing Authority

Mm-hmm (affirmative).

Commissioner Herbert:

Does that count against that 2 million?

Shannon Oury:
Lawrence Douglas County
Housing Authority

Yes.

Commissioner Herbert: So that comes out to \$1,520,000 so effectively we have \$480,000 with which to spend to avoid ...

Shannon Oury:
Lawrence Douglas County
Housing Authority We earmarked all of that money so the million that the board has set, we have that, I should say that it separate line so we have 1 million that the board has earmarked to try to develop new units so it's outside.

Commissioner Herbert: It doesn't count, I guess. You have \$1 million that you could spend essentially in any way you see fit? Let me rephrase that. Assuming you get HUD approval and assuming you get City Commission approval, you have \$1 million that you can spend any way you see fit?

Shannon Oury:
Lawrence Douglas County
Housing Authority Correct.

Mayor Amyx: Shannon, last question that has to do with the property. Come up to \$485,000 that's what they want. That's what we're offering. Did we stop and think okay it's about numbers, can we do and provide more numbers or is it the location next to Babcock that makes this such a value in your mind?

Shannon Oury:
Lawrence Douglas County
Housing Authority I think it's a little bit of both in the sense of I don't have ... I have one lot and so I have no land that I can build on.

Mayor Amyx: Did the board ever think about and maybe this is for Josh but did we ever think about going out and look and see what else was available if it's about numbers?

Shannon Oury:
Lawrence Douglas County
Housing Authority Actually I did go out and look and have constantly monitored what's out there because if I came up with a similar property, I mean I'm not silly, I'm going to try to get as many units I can for the money I can. Right now, in the market there's one additional six unit but all of them are four-bedroom, that's the last thing we want. We don't want any more 4 bedrooms. We have trouble filling our 4 bedrooms. It's really important that we be able to fill these because these are unsubsidized units. It's very important that the efficiencies really work for us. Where this is located is really important because otherwise I'm not really positive how we're going to solve our parking problem there. That's just a plus. As I said, we did an RFQ in 2012 to try to get developers to work with us. We had one developer who completed the RFQ. We had another one. He wanted to come and work with us but they couldn't find land and so they withdrew. We really have looked around. We try to do a tax credit property that would've been 90 units and a lot bigger, we just couldn't make it work.

Commissioner Herbert: Is there anything about the 6 plex that is particularly attractive? I'm thinking that because as I look at what's available on the market, you see a lot of 4 plex properties come up that can be purchased with a per-unit cost of about \$56,000 apiece. Some of these are located relative to one another. I think if two 4 plexes that were for sale on 25th and Alabama across the street from one another, ultimately that gets you 8 properties to combine if you paid asking price would be \$15,000 more than we're getting for a 6 plex. Is there a reason why the 4 plex model doesn't work?

Shannon Oury:
Lawrence Douglas County
Housing Authority No there's nothing magical about six plex.

Commissioner Boley: You wouldn't have the same operational cost savings there.

Shannon Oury:
Lawrence Douglas County
Housing Authority No, yeah I mean it depends on where they were.

Commissioner Herbert: How much are we talking saving not having to drive a mile across town?

Shannon Oury:
Lawrence Douglas County
Housing Authority And what condition they were in because the other part where I was willing to pull out of this deal was we did the inspection and if inspection came back that this would require a lot of money, then I would've pulled out at that point because as I said this property has got to support it.

Mayor Amyx: Thank you. Okay anything else? Any comments?

Commissioner Boley: I think it was a very good presentation. I think is important that we pay attention to that chart and I support the proposal.

Commissioner Herbert: Here's a problem I have Mike. Everyone that came up talked about the need for affordable housing. I agree 100%. We have an absolute need for affordable housing which is why we have an absolute need to efficiently use the dollars that we have. We have \$1 million to spend. At the time, this first came before us in May, I ran an MLS listing and if we pay the 485 that would've made it per-unit, the single most expensive multiunit property in the City of Lawrence, the single most expensive per unit. I'll give you a couple counterexamples. That May, I went out driving and went and looked at properties. There was a 4 plex on Holiday Drive, \$225,000. You do the math on that, that's \$56,000 a unit. I asked to view the property. The realtor took me to it. We open the lockbox to get the key to look at the unit that was the show unit. Wrong key in the lock box. They literally hadn't had a single human being come look at it because they have the wrong key in the lockbox and it had

been for sale for six months at that point. What I'm telling you is we've got a 4 plex for sale, \$56,000 per unit. Nobody's looking at it which tells me it can be negotiated down. At the same time we had two 4 plexes across the street from one another. I'm talking about shared maintenance cost. They're across the street from one another, 25th and Alabama. \$400,000 gets them both. It's being sold out of a trust. Somebody's passed and left in the trust and wanted to dump it. You got eight units, \$400,000. Do the math, you pay asking price. You don't even negotiate, you pay asking. You end up with 12 units, eight of which are across the street from each other for 625. Here we're getting 6 for after we do the GFCI and everything else, you get six for 500. I 100% support affordable housing but I also see that we have 373 families on the waiting list which means we can't spend every dime we have housing 6 of them. I understand that 6 is a real number. I absolutely get that but when we're talking about that quantity with 400, we have to use our money as efficiently as possible. I don't see paying the single most expensive property. The City of Lawrence at some point is going to have to get into the housing industry if we want to get into affordable housing but at the same time, we are not real estate firm and it's not the job of city government to be doing competing bids. If Mr. Farha has \$485,000 offer from Dillon's, that's wonderful. For him to have a piece of property that company is willing to pay 167% of the appraised value, well that's a dream come true. Sell it. I don't think it's our job to pay 167% of the appraised value.

Mayor Amyx:

Okay thank you. Other comments?

Commissioner Larsen:

I like the project. I toss and turn about it quite a bit, went back and forth. My biggest concern is that we're going to get locked into this well we know the city will be more. Do we set a precedent? That's something that really concerns me. However the proximity of this property to everything we need for affordable housing, shopping, buses, facility that's already there that we can use with the services for it, everything is right there. It's in a great neighborhood and I don't understand the appraisal part of it because I'm just going to tell you little story because I know of a property that's one block from there, one block from there. It's a triplex and it's got a single family home on it. It's a big lot in Barker neighborhood. The county got that at \$563,000. I don't understand how this came out at 290, I don't. It seems like everything came together on this. Everything that we need for affordable housing other than the price, I don't like the price at all I'd be the first to admit, I don't like the price but at the same time I think that this is a location that would warrant spending the money.

Mayor Amyx:

Vice Mayor do you have anything?

Vice Mayor Soden: I agree with Lisa. I'm just going to stick to that since my voice is bothering me.

Mayor Amyx: Well I have to tell you I'm a little bit concerned about spending \$485,000. Lisa, I'm glad you brought it up that if we were setting a precedent that we're willing to pay more and I think that's one of my main concerns here. We look at a piece of property that's \$485,000 that's valued at \$290,000 and realizing that extra \$200,000 you go to buy another four units somewhere in this community and probably somewhere in the area that if it's about numbers to be able to take care of that 373 and realize it's going to go up. I'm a little bit hesitant obviously to spend an extra \$200,000. I'm not going to second-guess how the county appraises, that may have been income approach to be able to establish that value of the property. Maybe the rents aren't as high as what they should be. They base them on those rather than really what they could be. I don't have any idea what they did there but we do have a professional appraisal. It came in at \$290,000. Shannon, I asked the question about the hundred and a half for the transitional housing, you can bet I'll come back and ask it again here in the future about how those monies can be made available to help us okay if we're going to make a deal with transitional housing or some other kind of housing project, there's a better justification in my mind maybe that we can make a deal and spend a little bit more money on something if we're able to be this partnership to take care of housing needs. I think I would rather have us look at, in this particular case, the amount of money being able to get the greatest number of units that we can but I think I know where we're going.

Commissioner Boley: I guess I'd like to add one or couple other things. I'm really interested in having the residents of this building have easy access to the facilities at Babcock Place and also for the Babcock Place folks to be able to have more parking. I think that's a big deal for those folks. This will do that where in remote location will not.

Commissioner Herbert: It's interesting a lot of times when we talk about projects unaffiliated with affordable housing, let's take 9th Street Corridor, one of the arguments that comes up in opposition is that we're going to drive up property values in that area. It's going to cost people with fixed income, their homes. I'm curious to see what happens when we take a property, appraise at 290 and we pay 485 for it. I'm curious to see what happens to property values in the neighborhood.

Commissioner Larson: I was reading the minutes of the Douglas County Housing Authority from January 29. That was a concern I had to is it going to drive property values and Mr. Fleming who's on the board had indicated and I'll quote him he said, "the actual real

estate value would remain lower than the price paid should the property be purchased and should not cause a negative impact on the value of other properties.”

Commissioner Herbert: Say that one more time.

Commissioner Larsen: Mr. Fleming said “the actual real estate value would remain lower than the price paid should the property be purchased and should not cause a negative impact on the value of other properties.” That’s Mr. Fleming.

Commissioner Herbert: How does he know that?

Commissioner Larsen: I was hoping he’d be here tonight.

Commissioner Herbert: So Fleming said it, so it’s true. That’s the same guy that told us \$1200 for a two bedroom was affordable rent though, just so we’re clear, while we’re making Bill Fleming quotes.

Mayor Amyx: I suppose we could dance around this all night. Okay, other questions or comments? Well the item before us is to authorize the Lawrence Douglas County Housing Authority to acquire property at 1725 New Hampshire St.

Moved by Commissioner Boley, seconded by Vice Mayor Soden, to authorize the Lawrence Douglas County Housing Authority to acquire property at 1725 New Hampshire Street. Aye: Boley, Larsen and Soden. Nay: Amyx and Herbert. Motion carried.

5. **Conduct public hearing to allow the owner of the property at 1231 Pennsylvania Street to show cause why the enforcing officer should not be directed to raze and remove the unsafe and dangerous single family house and accessory storage building, and to remove accumulated debris, scrap and storage from the exterior yard and front porch within 60 days and failure to comply would result in abatement of the conditions by the City.**

Kurt Schroeder, Assistant Director, Planning and Development Services Director, presented the staff report.

Commissioner Herbert: At the current time, would you describe the structure as dangerous?

Kurt Schroeder:
Assistant Director
Planning & Development
Services Director

Yes, there're portions of the pictures in there that I would show them but I'm sure you've looked at them, parts of the back porch are collapsing, falling down. A lot of the floors have actually started to fall in. In fact, part of a floor collapsed when we were in there last January while we were there. There're significant issues and holes in the roof. You can see daylight through the roof and things of that nature.

Mayor Amyx: Hmm, okay.

Commissioner Boley: One of the questions that Mayor Amyx had for you last time we talked about this was whether the property was secure. Is the property secure?

Kurt Schroeder:
Assistant Director
Planning & Development
Services Director
The buildings are secure from entry as best we could tell. The buildings are being locked and closed off to the main parts of the structure. You get into the yard, but not the buildings.

Mayor Amyx: My question, just to expand on it just a little bit and, Stewart, I appreciate you bringing it up, if a kid gets on that property, he or she is going to have to work at trying to get into it, right?

Kurt Schroeder:
Assistant Director
Planning & Development
Services Director
That's correct. They can get up onto that rear porch, as one of those pictures, it's in pretty bad shape, but beyond that it would be really difficult, I think, to get into that property. They'd have to break something.

Commissioner Herbert: Just to clarify, that's my initial question. That's what I was asking. I realize that "publicly accessible" is kind of a loose term because you'd have to trespass either way, but without breaking into the actual home, if I'm just on his property, is it dangerous?

Kurt Schroeder:
Assistant Director
Planning & Development
Services Director
I think portions of it are because of the porches, the condition of the porches, yes.

Mayor Amyx: Okay. Any other questions? Okay.

Kurt Schroeder:
Assistant Director
Planning & Development
Services Director
Ms. Wakeman is here to speak on his behalf.

Mayor Amyx: Do we need an action to reopen the public hearing? May as well? Entertain a motion to re-open the public hearing?

Moved by Vice Mayor Soden, seconded by Commissioner Herbert, to re-open the public hearing.

Shelly Wakeman:
Attorney representing
Mr. Kimball
Thanks for bringing this matter back for discussion. I think I'll just respond real quickly to a couple of the questions. The property is secured with a fence around the perimeter. The fence is pretty difficult to get into. The gates are not just regular lift gates and walk right in. You have to have a pair of pliers to get a wire out so that you can get in. It really is secure. I think one of Mr. Kimball's lifelong occupations has been taking care of kids and he's very concerned about any child or even an animal that, you know a dog or something that might come onto

the property. He would be devastated if somebody were hurt on his property. That's why he secures it as well as he does. The structure itself, the house is actually... You have to have a hammer to remove boards to get in the doors. You cannot do it without tools. Somebody would have to really work at it to get in that building. I feel like it's not a danger to the public at its present state. As you know, we removed a ton of material from the yard. It looks a lot better. It's not completely cleared out but it's pretty close. What Mr. Kimball is really hoping to do and what his plan to you would be is that he is prepared, at this time, to demolish the main structure of the house and hire a company to do that, remove all of the debris related to that demolition and then any remaining debris that's on the premises that he doesn't plan to keep. There's a few more, there's some buckets and things like that that probably will go with the demolished house. He would like to reside the garage that is there. The accessory structure. He built that. By his estimation there's nothing wrong with it. You know, we do agree it needs new siding. There's places where siding is missing. He would do that and ensure it is structurally sound. Obviously, that would be, we'd welcome the city, Kurt or anyone from his department to come and take a look as we're working on that. Eventually, he would build another structure on that site, whether it's a manufactured home or a home that is built. The economics of that may not work out, and if they don't then he would sell the property at some point in the future. Kurt very helpfully indicated that you can't have a secondary structure or an accessory structure without a primary residence on the land. I think within a year or two it would be obvious whether or not the house is going to be rebuilt or whether the property would need to be sold at that point. It wouldn't happen simultaneously but I think it would happen in, let's say, twelve to twenty four months. Finally, he has plans to have a fencing company install a new, nice-looking commercial chain link fence around the perimeter once the demolition work is done. Right now, we have to have the fence as it is, which you can move big trucks and so forth in the property. That is the plan. Again, just to recap, we demolish the house using a commercial demolishing company. Apply for a permit, would take thirty days once that permit is applied for to be advertised in the newspaper. Once that permit is then issued, we would proceed with the demolition of the primary structure and remove all the debris. Second, we would re-side and rehabilitate, basically, the secondary structure, his garage. Then thirdly, build a higher-built, new chain link fence around the entire perimeter that looks nice. That's our plan. I guess your biggest question is going to be "Well, gee, Shelly, you've been talking about this since April. How much more time is this going to take?" You know, I think the sixty days that's in the memorandum from your staff is probably a little unrealistic given that we'll have a thirty day window there where we'll have

to be published, but I think we could have somebody hired, we should have that permit applied for within that sixty days and publishing underway. That would be a fair expectation for the city to have of us and I think one we could meet.

Mayor Amyx: Questions? Okay. Sixty days is too close. Ninety would probably cover it, right?

Shelly Wakeman:
Attorney representing
Mr. Kimball I believe so, yes.

Mayor Amyx: Okay. Just thinking.

Shelly Wakeman:
Attorney representing
Mr. Kimball I mean, we've got Christmas, where nobody does anything.

Mayor Amyx: We're going to have wintertime too, I can feel it coming.

Shelly Wakeman:
Attorney representing
Mr. Kimball Yeah. So those are the challenges, but we feel like we can press forward with the main tasks that we have.

Mayor Amyx: Well, you know, Shelly, I appreciate all the work that you've done on behalf of Mr. Kimball. I think one of the things that we've seen; I think that we've seen Mr. Kimball. He has pretty much kept his word throughout all of this, so I don't know, I mean, I don't have any problems with looking at a ninety-day period just to give him the time to make sure that it's all done. That would be my suggestion, but we could take more comments.

Shelly Wakeman:
Attorney representing
Mr. Kimball Thank you.

Mayor Amyx: Like I say, I appreciate the work that you've done.

Shelly Wakeman:
Attorney representing
Mr. Kimball I mean, this was a hard decision for him. He's owned this property for a long time, thirty years, so it's hard to say goodbye like this, I think, for anyone.

Mayor Amyx: Okay. Any other questions? Okay. Thank you. Don't go away. Any other public comment on this item?

K.T. Walsh:
Representing East Lawrence
Neighborhood Association I've said it before but it needs to be said again that Leon is a beloved person in our neighborhood. He's from a huge and multi-generational Lawrence family, a proud family. He has raised so many children, especially in East Lawrence, and I think one of his babies is here tonight. He also has done

handyman work and carpentry work all over the city and county but especially in East Lawrence. Know that we all care about Leon. We also talk about how we can help at every east Lawrence meeting because everybody would like to do whatever is best for Leon. I'm so grateful to Ms. Wakeman for all the work that she's doing. It's pretty wonderful. I appreciate your discussion that maybe you'd allow more time, because if you've seen the before and after pictures of the cleanup that he has done with the cooperation of the city, it's amazing. I also know, we've talked with tenants to homeowners along the way and I know that they would love to help if they could with their budget cycle. They can acquire the land for the community land trust, which makes rebuilding on the site much cheaper. They would love to work with Leon if he chooses to stay in the same place. I'm telling you that, so that's an option. Lastly, everyone wants to help physically, because we have all these talented carpenters and people, preservationists and whatever in the neighborhood. We could do a demo. I could get fifty people out to do the demo. My question is; is Leon required to hire a professional demo company? That can cost fifteen thousand dollars or so. Could we do it as a neighborhood if we ... We can do things very safely. We can get everything to the landfill. Can we help?

Mayor Amyx: My suggestion on that would be to put together a proposal, work with Leon and Shelly on that to see if contractual arrangements can be made. Bring that to Kurt and staff and see if that's something that we would generally allow. I just don't want anybody hurt.

K.T. Walsh:
Representing East Lawrence
Neighborhood Association

No, but demo is fun.

Mayor Amyx: No, I understand demo is fun, but ...

K.T. Walsh:
Representing East Lawrence
Neighborhood Association

Okay.

Mayor Amyx: A bunch of people out there with sledgehammers.

K.T. Walsh:
Representing East Lawrence
Neighborhood Association

We can give a plan and we can talk about it and figure something out.

Mayor Amyx: That would generally be something that we could allow, plan to be brought forward, wouldn't it, Kurt?

Kurt Schroeder: The code does allow an owner/occupant to pull their own permit for demolition of their own structures on their property.

There are some things that would have to be done outside of that, like capping and abandoning sewers and all that stuff. It can probably be worked out.

Commissioner Amyx: Okay. We could be of assistance in that, correct? We could assist. Yeah, okay.

K.T. Walsh: We'll all talk and we'll talk with you, Leon and Ms. Wakeman.
Representing East Lawrence Neighborhood Association Thank you.

Moved by Vice Mayor Soden, seconded by Commissioner Herbert, to close the public hearing. Motion carried unanimously.

Mayor Amyx: Public hearing is closed. The item, back to us, do we have to approve another resolution, Diane, or Kurt, or just extend what we already have in place?

Diane Stoddard: If we can just extend that based on your direction and motion
Interim City Manager this evening.

Mayor Amyx: Okay. my suggestion would be that we extend the resolution for an additional ninety days given the property owner the opportunity to come up and fill the plan that is presented through his attorney, also to work with KT and the East Lawrence Neighborhood Association or friends about coming up with a demolition plan, work with our staff to see if all that can be put together. We'll see in ninety days.

Commissioner Boley: I'm just real interested in the security of the yard. I admire Leon's devotion to the children of East Lawrence, and that's a wonderful thing. I'd like for Kurt to concur with the analysis of Shelly on the security of the yard and that's an important consideration that the Mayor identified for me the last time we talked. Kurt, I'd be interested in whether you concur with that analysis of the security of the yard with the fence.

Kurt Schroeder: There is a fence around the property. That's true. The one in
Assistant Director the back is not extremely strong, but it is bent up and they
Planning & Development probably would have to climb over it. Yeah.
Services Director

Commissioner Boley: As long as we're not having kids on the property.

Commissioner Herbert: We've seen this play out with the school district. We don't need that here.

Mayor Amyx: Let's face it, there are times kids will be kids but they're literally going to have to climb up that fence to get over it. As Kurt just said, I mean, it's as secure, I think, and you can probably make

it with everything that's there.

Moved by Vice Mayor Soden, seconded by Commissioner Boley, to extend this item for 1231 Pennsylvania Street for an additional ninety days. Motion carried unanimously.

6. **Consider approving Greyhound bus stop at the turnout at 6th Street and New Hampshire Street for a temporary period of time of six (6) months.**

David Cronin, City Engineer, presented the staff report. Greyhound representatives were working to find a good location in Lawrence.

Mayor Amyx: When could we start?

Dave Cronin:
City Engineer We could start really as soon as possible. I think within a week I would notify Greyhound and see if they could update their webpage and ticket sale information that said "This is the new location." That may take a couple of days, but certainly I think by Monday at the latest, this could be the new location, if not sooner. We would work to expedite that.

Mayor Amyx: Even though it doesn't appear that there's that many riders, I do think bus travel is still an important part for people that need to travel via the bus system. Works for me. You guys have any question for Dave?

Commissioner Larsen: Will we be working with them to make sure they are moving forward to try to find a place versus just waiting for six months?

David Cronin:
City Engineer Yeah. I will continue to touch base with them and see if they can work towards finding a new location. They've tried a lot of locations, a lot of locations I think would make sense and that logistically would work for them. They just don't have a lot to offer as far as funds. Certainly, we're going to keep trying. Hopefully even through having this memo on the agenda, someone saw that and contacted us and we forward them on to Greyhound. Hopefully someone in the community can step up and help them out.

Commissioner Larsen: Great.

Mayor Amyx: Okay. Other questions?

Vice Mayor Soden: I mentioned to Dave, yesterday, too, to not forget that we have a third turnpike exit, which is the west side, you know, where we have Wal-Mart at 6th and Wakarusa and even Rock Chalk Park is out there to use.

Mayor Amyx: Anything else? Public comment? Okay. Back to the commission. So we have a temporary bus stop at 6th and New Hampshire to cut out over there for six months. Do we have to have any signed agreements? What all do we have to have?

Diane Stoddard:
Interim City Manager

I think just your authorization in the form of a motion would be appropriate and then we can provide the updates as we happen to hear them from Greyhound about their progress.

Vice Mayor Soden:

Thank you for working on getting another temporary bus stop, too. I appreciate it. I'm sure Van Go appreciates it, too.

Diane Stoddard:
Interim City Manager

Ideally, it would be great, I think, for them to find a place where their customers can have access to rest rooms and then convenience items. I think that's why they like to locate by convenience stores and it works out well, having been a passenger at one time before, it's nice to be able to buy something and take a break and not have to go too far or worry about getting lost if you're on a stop.

Mayor Amyx:

Okay. Anything else? Okay, then I'd entertain a motion to approve the Greyhound bus stop at the turnout at 6th and New Hampshire for a temporary period of time at six months.

Moved by Vice Mayor Soden, seconded by Commissioner Larsen, to approve Greyhound bus stop at the turnout at 6th Street and New Hampshire Street for a temporary period of time of six (6) months. Motion carried unanimously.

7. **WITHDRAWN BY APPELLANT ~~Consider Site Plan Appeal, SP-15-00368, for redevelopment of the site for a car wash, located at 900 & 914 Iowa Street.~~**
8. **Review and adopt the 2016 City of Lawrence Legislative Priority Statement.**

Diane Stoddard, Interim City Manager, presented the 2016 City Of Lawrence Legislative Priority Statement.

Diane Stoddard:
Interim City Manager

This item statement you discussed at a meeting in early November and we took the direction that you all provided. There were a number of ideas that you had. I included that in the draft here and so we wanted to see if that responded to your direction. Just one thing I would note is related to the food sales item, there was some discussion last time about taking the position on being favorable toward food sales and exempting that from sales tax, as I understood. I just wanted to make sure that the commission was aware of the potential magnitude related to the city budget implications on that. We include in that information the memo here for you that our finance department put together, that we would estimate about 5.6 million dollars is generated in 2016 from the grocery food sales. I just wanted you all to be aware that that is a big dollar amount and obviously something that would be a significant item for us to fill a hole if that did get changed. We would use this document, once finalized by you all, to share with our legislative delegation and others. We use it also as an official statement on the city if there's something in here and then

there's corresponding legislation, this is our direction that we can go ahead and proceed on those items. As happens oftentimes with legislative issues that come up during the session that aren't contemplated in this, typically then what we would do is come to you all and make you aware of the issue and get your direction on responding to that potential legislative item. We'd be happy to respond to any questions that you have.

Mayor Amyx:

Diane, I appreciate the memo that you all put together, Brian put together, on the sales tax. Maybe one of the things that may be cleared up a little bit, you know, the new sales tax that was put on by the legislature this last session, that increase, which was, I think, three tenths of a percent, whatever it was. Maybe we ought to look at just that. I do know that Brian was talking yesterday that the law is pretty clear that it's kind of like it's all or nothing. That may be something that might be hard to have them consider. I don't know. It doesn't hurt to put a bug in their ear from time to time.

Diane:

If that's the intention, I mean, we can certainly write it that way and make that suggestion.

Mayor Amyx:

Would anybody have any objections to doing that? The latest sales tax, just that last portion that they've added?

Casey Toomay:
Assistant City Manager

Repeal it altogether or just as it relates ...

Mayor Amyx:

Well, I know that's not going to happen.

Casey Toomay:
Assistant City Manager

I think that was Brian's plan.

Mayor Amyx:

Just on the food portion, because that's taking it up to \$9.05 and, golly molly, it's kind of hard to go buy a week's worth of groceries and get hit, you know, you spend a \$100 and you're hit with \$10 or \$9.05. Pretty ugly. Oh well, just hearing me vent tonight, I guess, on how fast it goes.

Vice Mayor Soden:

I would vent with you, if I had the voice for it.

Commissioner Larsen:

I think it would be good to at least mention that, at least pull out that part of it, because I think it's ridiculous, the grocery sales tax. It's very frustrating.

Mayor Amyx:

Yeah. It's unfair to so many people. I mean, it really is. I think anything or any time that we have the stage that we can talk a little bit about it, I don't think it hurts. If we could at least include that portion that was recently raised, I think it would be a good idea because I do believe that there was even talk during the

session last year that that wouldn't remain on food forever ...

Commissioner Boley: That would be a lower rate on food.

Mayor Amyx: Yeah, exactly. Why not bring it back up again? Okay. I think that we've covered a number of things that we've brought up as a commission. Is there anything that you all feel that we've forgotten? No? Okay. Public comment.

K.T. Walsh I'm sorry I was jumping the gun there, Mayor. I wish I'd brought this up last time you talked about it. I talked to Senator Francisco about this last year. The state of Kansas does not yet allow Corporation B type corporations, which this is happening in a lot of states. What it is, it allows you to equally weigh the profits to your investors and your company and the public good. You may be able to address this better, Commissioner, but it would take years to get this in Kansas, I think, but it is a way to bring more of that money to social programs, programs for the environment. All kinds of good programs that corporate money can be used for in your state. Senator Francisco, of course, is for this but she said "Don't get excited, the more you can keep it in the public, the better." She'll work on it at the state house level but she's in quite a minority. I think every time it gets mentioned that we would like this type of corporation to be allowed in Kansas, it's helpful so we can move towards that goal. Anyway, thank you.

Mayor Amyx: Thank you. Other public comment? Okay. You want to tell me what ...

Commissioner Boley: I don't know.

Mayor Amyx: You don't know? Diane? Corporation B? What?

Diane Stoddard:
Interim City Manager This is the first I've heard about that issue. We can certainly look into it and provide some text if that's something that the commissioners are interested in.

Mayor Amyx: Yeah. I'd like to see kind of what all was entailed before we include it in our legislative statement, no offense or anything but as something that we could, if asked to go testify and Senator Francisco or whoever was going to bring something up, the majority of the commission was in favor of looking at it.

Diane Stoddard:
Interim City Manager If it's something that the majority of the commission would like us to look at, we could provide ...

Commissioner Larsen: Yeah. I'd like that.

Vice Mayor Soden: Sure.

Mayor Amyx:: So just provide us information on it. K.T., I appreciate you

bringing it up. I don't know if we can do it, but we can add anything we want to our legislative statement, but I think before we do that, before we add it, I want to have the entire commission have the opportunity to at least understand it. Okay? Provide us information on that. Any other questions about the legislative statement? Okay, so we need at this time an adoption of the 2016 City of Lawrence Legislative Priority Statement. Can you provide us information about corporate B's and we can look at that and see if it's something that we can either add later or do whatever in helping Senator Francisco and others. Okay?

Diane Stoddard:
Interim City Manager

Then did you also want to clarify on the sales tax issue?

Mayor Amyx:

My recommendation to the commission is that the extra, and I think it's three tenths, that was added this last session, that consideration be given to removing that from food sales. Just that portion.

Commissioner Herbert:

I don't mind looking at grocery as a whole. I just think that we have to be prepared. I mean, Diane's absolutely right. We have to be prepared that if, in some world in which Topeka actually listened to what we had to say, don't the all laugh at once, but we just have to be prepared that that may very well put us in a position to have to be more efficient with our dollars and, well, that's another discussion for another day, I suppose. It might just be a direction we need to go in in the future, if we get our way.

Commissioner Boley:

I think this is kind of a response to that hike that they put on us. I think that's entirely appropriate that we ask them to consider taking the food part off on that one.

Mayor Amyx:

Okay. Fair enough?

Commissioner Larsen

I agree.

Mayor Amyx:

Okay. So, with that then, and the addition of the clearing of the sales tax removal, I would entertain a motion to adopt the 2016 City of Lawrence Legislative Priority Statement.

Moved by Commissioner Boley, seconded by Commissioner Herbert, to adopt the 2016 City of Lawrence Legislative Priority Statement. Motion carried unanimously.

9. **Consider a motion to recess into executive session for approximately 30 minutes to discuss confidential data relating to the financial affairs or trade secrets of a corporation. The justification for the executive session is to protect the confidentiality of the corporation's data related to its financial affairs or trade secrets. The City Commission will resume its regular meeting in the City Commission room at the conclusion of the executive session.**

Moved by Commissioner Boley, seconded by Commissioner Herbert, to recess into executive session at 8:35 p.m., for approximately 30 minutes to discuss confidential data relating to the financial affairs or trade secrets of a corporation. The justification for the executive session is to protect the confidentiality of the corporation's data related to its financial affairs or trade secrets. Motion carried unanimously.

The City Commission reconvened at approximately 9:05 p.m.

Mayor Amyx: Okay, we are back in session. The commission has received a briefing from AGH covering confidential data of a corporation related to the 12th and Oread Tax Increment Financing District Redevelopment Agreement. The final report has been prepared by AGH concerning sales tax reimbursements in connection with the 12th and Oread Tax Increment Financing District Redevelopment Agreement between the city and Oread Inn LC.

Moved by Vice Mayor Soden, seconded by Commissioner Larson, to direct staff to provide a copy of appropriate portions of the final report to Oread Inn LC and Oread Wholesale LC and seek reimbursement from Oread Inn for amounts overpaid to Oread Inn under the redevelopment agreement. Staff is further directed to make appropriate portions of the final report available on the city's website on December 16th at 3:00 PM or as soon thereafter as possible. Motion carried unanimously.

F. FUTURE AGENDA ITEMS:

Diane Stoddard, Interim City Manager, outlined potential future agenda items.

G: COMMISSION ITEMS:

Any commission items? Just wanted to wish everybody the merriest of Christmases and a great holiday season for everyone.

H: CALENDAR:

Diane Stoddard, Interim 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.

10. **At the conclusion of the regular meeting, the City Commission should recess the December 15, 2015 City Commission meeting until 11:45 a.m. on Friday, December 18 in the City Manager's Conference room on the 4th Floor of City Hall, at which time the City Commission will reconvene into executive session for the purpose of discussion of non-elected personnel matters. The justification for the executive session is to protect the privacy of non-elected personnel. The City Commission**

will resume its regular meeting at approximately 4:00 p.m., December 18, 2015 and will adjourn the meeting.

Moved by Commissioner Boley, seconded by Commissioner Herbert, to recess the December 15, 2015, City Commission meeting until 11:45 a.m. on Friday, December 18, at which time the City Commission will reconvene into executive session for the purpose of discussion of non-elected personnel matters and resume its regular meeting at approximately 4:00 p.m., December 18, 2015 to adjourn the meeting. Motion carried unanimously.

MINUTES APPROVED BY THE CITY COMMISSION ON FEBRUARY 2, 2016.



Brandon McGuire, Acting City Clerk