



July ___, 2016

VIA HAND DELIVERY

City of Lawrence, Kansas

Attn: Mr. Mike Amyx, Mayor

6 East 6th Street

Lawrence, Kansas 66044

*Re: 820-826 Pennsylvania Street (the “**Building**”)
Neighborhood Revitalization Act (“**NRA**”)*

Dear Mayor Amyx:

Williams Management, LLC (the “**Company**”) requests the City to establish an NRA district and to issue industrial revenue bonds (“**IRBs**”) to redevelop the Building as a mixed-use project (the “**Project**”). The Project will rehabilitate the Building into a vibrant addition to the area. The main floor of the Building will serve as an in-house brewery and restaurant. The restaurant will contribute to the economic viability of the 8th and Pennsylvania Redevelopment Zone, and will encourage the creation of jobs within the City of Lawrence. The Project includes restoring the second and third stories of the Building. The top two floors of the Building will be developed as residential housing units. The Company proposes to permanently reserve fifteen percent (15%) of the residential units for affordable housing. In order for the Project to proceed as proposed, the Company requests an NRA rebate on property taxes in an amount greater than 50% for a period of 10 years [*Actual request is TBD*]. The purpose of the IRBs is to obtain a sales tax exemption on taxable construction-related materials and activities.

East Lawrence has always been one of the City’s most ethnically and economically diverse neighborhoods. East Lawrence spurred much of the City’s early development through its strategic location along major transportation routes, and remains today a unique mix of residential, commercial and industrial structures. Following implementation of the *East Lawrence Neighborhood Revitalization Plan* in the early 2000’s, the City, local developers and neighborhood residents have attempted to unify efforts to maintain the unique cultural identity within the 8th and Pennsylvania neighborhood. *The 8th and Pennsylvania Urban Conservation Overlay District* and *Design Guidelines of the 8th and Penn Neighborhood Redevelopment Zone* encourage development and redevelopment within this area to foster economic viability, and also promote preservation and protection of the historic character and architectural integrity that is unique to this area.

Recent efforts for redevelopment in East Lawrence have focused primarily within the historic 8th and Pennsylvania Redevelopment Zone. Particularly, efforts have focused on the *East Lawrence Industrial Historic District* that consists of several buildings and structures listed on the National Register of Historic Places. The 8th and Pennsylvania Redevelopment Zone is a prime location for the establishment of an NRA district due to the age, history, architecture or significance of such buildings and structures that should be preserved or restored to productive use.

The City has regularly been supportive of redevelopment efforts in the area. For example, the City established an NRA district in 2012 to assist with the redevelopment of the nearby Cider Building, located at 810/812 Pennsylvania Street. The City contributed approximately \$1.3 million to provide infrastructure and help redevelop the Poehler Building, located at 619 E. 8th Street. That building, which originally housed the Theo. Poehler Mercantile Company Wholesale Grocery, was revived from its dilapidated, deteriorating state into multi-level apartments with commercial and retail space. Additional City support is needed to further complement the creative nature of the 8th and Pennsylvania neighborhood, and to enable the redevelopment of the Property in a manner that helps fulfill additional City goals of affordable housing, historic preservation, adaptive reuse, infill development, and parking.

Project Overview

820-826 Pennsylvania Street. The Barteldes Seed Company originally erected the Building approximately in 1905. The Building became a popcorn operation in approximately 1930. Several modifications have been made to the Building over time, reflecting its changing use from seed shelling and processing to warehouse distribution functions. Although the original footprint, massing and masonry walls remain intact, the majority of the original exterior openings have been modified or filled with masonry, and the original second story and a three-story elevator/machine structure were removed prior to 1950. Without redevelopment and adaptive reuse, the Building may continue to be underutilized economically, and may serve as a detriment to the overall health, safety and welfare of the 8th and Pennsylvania neighborhood. The Company desires to preserve the Building's historic character and to restore the Building to productive use.



Public Benefits

Affordable Housing. The Project will promote permanent affordable housing units for residents falling at or below eighty percent (80%) of the Lawrence, KS MSA median income by reserving fifteen percent (15%) of the residential units to low income residents. The maximum rental rates in these units would be as set forth by HUD, as applicable to Section 8 Housing guidelines. The Company plans to partner with a local non-profit organization to manage and monitor the affordable housing requirements. By providing affordable housing units within the 8th and Pennsylvania Redevelopment Zone, the Project will attract residents with unique social, economic, political and cultural backgrounds to continue the diverse heritage of the East Lawrence neighborhood. The Project will also help address the City's general policy directive to create affordable housing.

Historic Preservation and Restoration. The Project will preserve, restore and protect the historic and architectural value of the Building within the East Lawrence Industrial Historic District. According to the *Design Guidelines of 8th and Pennsylvania Redevelopment Zone*, the buildings located within the Historic District "are ideal candidates for rehabilitation into mixed adaptive uses that will allow them to retain the necessary level of historic architectural integrity to continue to contribute to an understanding of the historic district's associations with commerce and architecture in Lawrence." Design Guidelines, at 8. The Project is eligible for consideration under the NRA because, among other reasons, it is located in an area in which there is a predominance of buildings or improvements which by reason of age, history, architecture or significance should be preserved or restored to public use. K.S.A. 12-17,115(c)(3).

Elimination of Blight. There is a predominance of buildings and structures in the 8th and Pennsylvania neighborhood that should be preserved or restored to productive use because of age, history, architecture or significance. The Building remains today as a vacant, underutilized and obsolete warehouse that does not contribute to the economic viability of the 8th and Pennsylvania Redevelopment Zone. By retaining the Building's simple utilitarian design as part of its rehabilitation, the Project will continue to communicate the Building's history of seed shelling and warehouse functions, while generating increased traffic and economic development to the 8th and Pennsylvania Redevelopment Zone.

Job Creation. The Project will encourage job creation within the City of Lawrence by establishing approximately seven (7) full-time positions initially, with potential for additional job creation in subsequent years. All full-time positions will be paid an annual salary above the living wage standards. The Project will also create dozens of part-time positions. The Project will also create and support jobs during the construction phase.

Parking, Sidewalks and Utilities. The Project will construct and provide additional parking and sidewalks, and will extend necessary utilities to the Building. The Company will provide and pay for a total of thirty-three (33) additional parking spaces in the form of new, on-street angled parking in front of the Building. The residents of the Building will be provided sufficient parking separate from the parking required for consumer traffic. The Company will also provide and pay for the necessary infrastructure to extend utilities to the Building, which

shall include water, storm water, sprinkler line and sewer service. The total cost to the Company to provide and extend City infrastructure to the Building is estimated at \$190,000.00.

Infill Development. The Project is an in-fill development project that adds residential units close to the downtown area, but far enough from Massachusetts Street to avoid contributing to downtown's peak time parking demands. Currently, the mixed use structures range from residential to commercial and industrial, together with undeveloped lots. This Project may promote additional infill development in the area.

Community Support. The Company has met with representatives of the East Lawrence Neighborhood Association to discuss the progress, goals and objectives of the Project, and the Association has expressed support for the Project to this point.

Please find enclosed with this letter an *Application for Economic Development Support/Incentives*, together with applicable filing fees [*to be paid upon formal submittal*]. I look forward to working with the City in the evaluation of these requests, which I believe merit the City Commission's consideration.

Very truly yours,

DRAFT – FOR DISCUSSION PURPOSES ONLY

Adam Williams,
Member

City of Lawrence, Kansas

Application for Economic Development Support/Incentives



The information on this form will be used by the City to consider your request for economic development support and may also be used to prepare a cost-benefit or other analysis of the project. Information provided on this form will be available for public viewing and will be part of compliance benchmarks, if approved for economic development support. Prior to submission, applicant may wish to seek technical assistance from City Staff, the Chamber of Commerce, the Small Business Development Center, or others to address questions and ensure the application is complete.

Please provide data in the cells below. Applicant is encouraged to attach additional pages as necessary to fully explain and support the answers to each question. Note anything additional you wish the City to take into consideration for your request and provide supporting documentation.

Applicant Contact Information	
Name:	Adam Williams
Title:	Member
Organization:	Williams Management, LLC
Address 1:	1760 E. 1100 Road, Lawrence, Kansas 66049
Address 2:	
Phone:	785-766-1666
Email:	Awill77@hotmail.com
Fax:	c/o Barber Emerson, L.C., 785-843-8405

Application Tips:

Enter contact information for the company representative completing this application.

Economic Development Support Requested		
City Incentives	Amount	Term (in years)
Tax Increment Financing District (TIF)		
Transportation Development District (TDD)		
Neighborhood Revitalization Area (NRA)	Greater than 50% [actual percentage TBD]	10
Tax Abatement (TA)		
Industrial Revenue Bonds (IRBs)	\$3,200,000*	1-2
Community Improvement District (CID)		
<i>Other (Please Describe):</i> *IRB: Applicant requests issuance of industrial revenue bonds for the purpose of obtaining a sales tax exemption certificate for taxable construction-related activities.		

Application Tips:

Applicable Terms:

*TIF: Up to 20 years
TDD: Up to 22 years
TA: Up to 10 years
CID: Up to 22 years*

IRBs: If applying for IRBs, please enter the amount that will cover all construction costs for the project. Enter "n/a" for term.

Examples: City provided water main along ABC Street from 1st Street to 2nd Street, employee training grant for 5 years at \$500/new employee, etc.

Project Information		
Name of Company Seeking Incentive(s):	Williams Management, LLC	
Project Type (check one):	Expansion:	X
	New Facility:	
Company Type (check one):	Existing Local Company:	X
	Out-of-Area Company Locating Locally:	
Current Company Address:	1760 E. 1100 Rd., Lawrence, Kansas 66049	
Location of Proposed New Facility/Expansion Project:	826 Pennsylvania Street	
Describe the Company's Plans to Develop or Expand in the Community: Conversion of existing vacant warehouse into mixed use development consisting of brewery and restaurant on main level, and construction of two additional stories and 15 multi-family apartment units.		
Operations Start Date at the Expansion or New Facility:	TBD	
Industry NAICS # for the New or Expanded Facility (6-digit code):	531312	
Describe the Primary Industry the New or Expanded Facility Will Support: N/A		

Application Tips:

Company's Plans: e.g. ABC manufacturing is the nation's largest processors of wind turbine components. The company plans to construct a new 250,000 sf manufacturing plant in Commerce Park, initially employing 150 with an average annual salary of \$35,000 each. Another 50 employees will be hired in Year 5 and 40 in year 7. The firm expects to initially invest \$5 million in land and buildings and anticipates a 50,000 sf, \$2 million expansion in Year 5 and another 50,000 sf expansion in Year 7.

Link for NAICS code lookup:

<http://www.naics.com/search.htm>

Capital Investment Information for New Facility or Expansion			
Estimated Size of New Facility (square feet):	TBD		
Estimated Size of Land for New Facility (acres):	0.34 acres		
For the new or expanded facility, enter the amount the company anticipates spending for initial and subsequent investments in land, buildings and improvements (do not include machinery or equipment):			
Year	Buildings & Other Real Property Improvements	Land	Total
1	\$3,200,000	\$650,000	\$3,850,000
2			
3			
4			
5			
6			
7			
8			
9			
10			

Application Tips:

If expansion, only include information on size and values of the new facility, not existing facility.

If land is currently owned, enter current land value from Douglas County property tax records. Otherwise, enter the market value amount the company will pay for land.

Total			
Will land be leased from the City or County (Y/N):	Yes, during IRB		
If yes, Monthly Lease Rate for Land:	TBD		

Local Utility Expenses	
Utility	Projected Local Monthly Expenses at New Facility
Gas	\$2,491.00
Electricity	\$5,107.00
Phone	
Cable	\$2,491.00
Operating Expenditures	
For Expansion Projects, Current Annual Operating Expenses at Existing Facility:	None
Annual Operating Expenses after Expansion/Relocation:	\$121,081.00
% of Additional Operating Expenses Anticipated to be Spent Locally:	75%
Revenues	
% of Revenues at the new Lawrence Facility Anticipated to Come from Non-Local Sources.	25%
Anticipated Annual Gross Profits:	\$121,619.00

Application Tips:

Current Local Monthly Expenses: Enter 0 for an out-of-area relocation or if project involves a separate, new facility.

Projected Local Monthly Expenses: Enter expense amounts anticipated at the new facility.

Existing Facility Annual Operating Expenses: Enter 0 if project is being relocated from out-of-area or if project involves a separate, new facility.

% Additional Operating Expenses Spent Locally: Enter % of operating expenses anticipated to be spent in Lawrence/Douglas County as a result of the project.

Exports: Enter % of revenues (from the sale of goods or services) anticipated to be generated from sources outside of Lawrence/Douglas County.

Anticipated Annual Gross Profits: Please provide an estimate of anticipated Annual Gross Profits (\$). Note: For expansions, please enter anticipated gross annual profits from expansion.

IRB and Tax Abatement Request Information	
If you are seeking an IRB, please list the firm that will be receiving the IRB: Williams Management, LLC	
Will your firm be leasing the building or the land in your expansion or newly constructed facility? (Y/N)	Yes
If you are leasing the building or land, and you are seeking tax abatement <u>without</u> an IRB, please list the tenant and owner and the financial relationship between tenant and owner. N/A	
Total Cost of <u>Initial</u> Construction for the Project:	\$3,200,000
Estimated Cost of Construction Materials for <u>Initial</u> Construction:	\$1,600,000

Note: Applicant may be required to provide additional financial information for the project and company.

Environmental Information	
Will the new facility meet Energy STAR criteria? (Y/N)	No
Will the project seek or be designed to LEED certification standards? (Y/N)	No
<i>If yes, please indicate level:</i>	Certification
	Silver
	Gold
	Platinum
Please describe environmentally friendly features of the project:	
Please describe anticipated positive environmental impacts resulting from the project:	
Please describe anticipated negative environmental impacts and planned remediation efforts:	

Application Tips:

Environmentally Friendly Features: e.g. Low-energy, led lighting used throughout, pedestrian friendly elements including green space, bike paths, water saving native plantings used in landscapes, etc.

Additional Community Benefits

Describe Other Local Economic Benefits Resulting From Project:

- ✓ Creation of affordable housing units by setting aside 15% of residential units
- ✓ Restoration and rehabilitation of historic structure
- ✓ Elimination of blight
- ✓ Job creation
- ✓ New on-street public parking
- ✓ In-fill development project

All as more particularly set forth in applicant's letter dated _____, 2016.

Describe Other Quality of Life Benefits Resulting From Project:

Project will promote the welfare of low income communities by creating units for affordable housing. Project encourages and furthers the rehabilitation of the 8th and Pennsylvania Redevelopment Zone.

Project will encourage the creation of jobs within the City.

Application Tips:

Local Economic Benefits: Include additional benefits not directly related to project capital investment and direct employment (e.g. Project attracting overnight visitors that will spend on lodging, entertainment, food and beverages, shopping, etc.)

Quality of Life Benefits: Include tangible and intangible benefits; such as how company is/will be a good corporate citizen, community involvement, local philanthropy efforts, and how project/company will contribute to local well being of citizens.

Employment Information									
Construction Employment for New Facility or Expansion									
# Full-Time, Construction Jobs:								TBD	
Average Annual Salary for Full-Time, Construction Workers (during construction period):									
Construction Period (months):									
For Expansion, # of Full-Time Employees Currently Working in Lawrence:									
New Employment Resulting from Project									
Net New Jobs (full-time, permanent)	Year	Restaurant		Multi-Family					
		# Jobs	Avg Annual Salary	# Jobs	Avg Annual Salary	# Jobs	Avg Annual Salary	# Jobs	Avg Annual Salary
	1	6	32485	1	32485				
	2								
	3	1	32485						
	4								
	5	1	32485						
	6								
	7	1	32485						
	8								
	9	1	32485						
10									
	Total	10	32485	1	32485				
Anticipated # of Employees to Be Relocated Locally as a Result of the Project									
# of Net New Full-Time Employees Anticipated to be Relocated From Outside of Kansas:								0	
# of Net New Full-Time Employees Anticipated to be Relocated from Outside of Lawrence/Douglas County:								2	
# of Local, Full-Time Jobs Anticipated At End of Incentives Period:									

Part Time Employment: Approx. 37 part time positions

Employee Benefits	
Description	After Expansion or Relocation
% of Employees with Company Provided Health Care Insurance	42.85%
% of Health Care Premium Covered by Company	50%
% of Employees with Company Provided Retirement Program	0
Will You Provide Job Training for Employees? (Y/N)	Yes
If Yes, Please Describe: Two to three employees at the in-house brewery will receive specialized brewing training.	
What is the Lowest Hourly Wage Offered to New Employees?	\$12.61 per hour
What Percentage of Your New Employees Will Receive this Wage?	50%
Will You Provide Additional Benefits to Employees? (Y/N)	?

Application Tips:

Enter 0 if project is new or relocation.

Enter information by major job category (e.g. administrative, support, professional, executive, production, etc.)

For a local expansion, Net New Jobs = number of additional employees to be hired each year, excluding employees that are already employed in Lawrence.)

Average Annual Salary: Only provide wage information. Do not include the value of non-wage benefits such as insurance and time off.

Jobs at End of Incentives Period:

Enter total number of full-time employees (existing & new) anticipated to be employed at the new facility over the term of incentives (e.g. If applying for a 10-year tax abatement, this would be the total number of local Existing (if expanding) + Net New full-time jobs anticipated at the end of that 10-year period.)

If Yes, Please Describe:

DRAFT

NRA Eligibility Statement

If applying for an NRA, please describe how your project meets one of the following state statute requirements for eligibility:

(1) Project is in an area in which there is a predominance of buildings or improvements which by reason of dilapidation, deterioration, obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, the existence of conditions which endanger life or property by fire and other causes or a combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency or crime and which is detrimental to the public health, safety or welfare:

(2) Project is in an area which by reason of the presence of a substantial number of deteriorated or deteriorating structures, defective or inadequate streets, incompatible land use relationships, faulty lot layout in relation to size, adequacy, accessibility or usefulness, unsanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the actual value of the land, defective or unusual conditions of title, or the existence of conditions which endanger life or property by fire and other causes, or a combination of such factors, substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability and is detrimental to the public health, safety or welfare in its present condition and use:

(3) Project is in an area in which there is a predominance of buildings or improvements which by reason of age, history, architecture or significance should be preserved or restored to productive use:

Since the 1880's, East Lawrence has served as one of the City's most ethnically and economically diverse neighborhoods. East Lawrence spurred much of the City's early development through its strategic location along major transportation routes, and remains today as a unique mix of residential, commercial and industrial structures. Following implementation of the *East Lawrence Neighborhood Revitalization Plan* in the early 2000's, the City, local developers and neighborhood residents have attempted to unify their efforts to maintain the unique cultural identity within the 8th and Pennsylvania neighborhood. The *8th and Pennsylvania Urban Conservation Overlay District* and *Design Guidelines of the 8th and Penn Neighborhood Redevelopment Zone* further encourage development and redevelopment within this area to foster economic viability, while also preserving and protecting the historic character and architectural integrity unique to this area.

Recent efforts for redevelopment in East Lawrence have focused primarily within the historic 8th and Pennsylvania Redevelopment Zone. At the heart of the 8th and Pennsylvania neighborhood is the *East Lawrence Industrial Historic District*, which consists of several buildings and structures listed on the National Register of Historic Places. As an area predominantly consisting of historical buildings and structures, the 8th and Pennsylvania Redevelopment Zone is a prime location for the establishment of an NRA district due to the age, history, architecture or significance of such buildings and structures that should be preserved or restored to productive use. The City has regularly been supportive of redevelopment efforts in the area, including the redevelopment of the Poehler Building, located at 619 E. 8th Street, and the Cider Building, located at 810/812 Pennsylvania Street. In order to build upon the momentum created by this project and others, and to fulfill additional City goals of affordable housing, historic preservation, adaptive reuse, infill development, and parking, efforts must continue to strengthen, preserve and enhance the unique elements of this neighborhood that

contribute to the economic and cultural diversity of all Lawrence residents and consumers.

The building located at 820-826 Pennsylvania Street (the "**Building**") lies within the 8th and Pennsylvania Redevelopment Zone and is part of the East Lawrence Industrial Historic District. The Barteldes Seed Company originally erected the Building approximately in 1905, and the Building has served in numerous capacities through the 1950's. Several modifications have been made to the Building, reflecting its changing use from seed shelling and processing to housing warehouse distribution functions. Although the original footprint, massing and masonry walls remain intact, the majority of the original exterior openings have been modified or filled with masonry, and the original second story and a three-story elevator/machine structures were removed prior to 1950. As it stands today, the Building serves as an economic and social liability, and in its present condition is detrimental to the public health, safety and welfare. The historic character of the Building should be preserved and restored to productive use to benefit both the 8th and Pennsylvania neighborhood and the surrounding community redevelopment efforts.

Disclosures

Company Form of Organization: LLC

Please list the name(s) of each partner (or member) who owns (or will own) 5% or more capital of the company. In the case of businesses owning another business (such as an umbrella LLC that is the owner of several other LLC's), the actual partners' names need to be listed, not just the registrant's name with the Secretary of State.

Adam Williams

List all subsidiaries or affiliates and details of ownership:

Subsidiary :

Principals:

Has Company or any of its Directors/Officers been involved in or is the Company presently involved in any type of litigation?

No

Has the Company, developer or any affiliated party declared bankruptcy?

No

Has the Company, developer or any affiliated party defaulted on a real estate obligation?

No

Has the Company, developer or any affiliated party been the defendant in any legal suit or action?

No

Has the Company, developer or any affiliated party had judgments recorded against them?

No

If the answer to any of the above question is yes, please explain:

Note: Applicant may be required to provide additional financial information for the project and company.

DRAFT

When you have completed this form to your satisfaction, please sign and send, along with applicable application fee(s) to:

City of Lawrence
Attn: Economic Development Coordinator
6 East 6th Street
Lawrence, KS 66044
Fax: 785-832-3405
Email: bcano@lawrenceks.org

Application Fees	
Tax Abatement	\$500
Industrial Revenue Bonds (IRB)	\$1,000
Community improvement District (CID)	\$2,500
Neighborhood Revitalization Area (NRA)	n/a
Transportation Development District (TDD)	n/a
Tax Increment Financing (TIF)	n/a
Other	n/a

I hereby certify that the foregoing and attached information contained is true and correct, to the best of my knowledge:

Applicant/Representative: _____
(Please Print)

Signature: _____ Date: _____