LAW OFFICES

BARBER EMERSON, L.C.

1211 MASSACHUSETTS STREET

POST OFFICE BOX 667

LAWRENCE, KANSAS 66044

(785) 843-6600

FACSIMILE (785) 843-8405

LINDA K. GUTIERREZ MATTHEW J. ROGERS*

RICHARD A. BARBER

Matthew S. Gough Email: mgough@barberemerson.com

May 3, 2019

VIA E-MAIL ONLY

RICHARD L. ZINN

CALVIN J. KARLIN

JANE M. ELDREDGE

MARK A. ANDERSEN*

MATTHEW S. GOUGH*

CATHERINE C. THEISEN

TERRENCE .L. CAMPBELL*

City Commission, City of Lawrence, Kansas Attn: Mayor Lisa Larsen 6 East 6th Street Lawrence, Kansas 66044

Re: The Hub at Lawrence Mixed Use Development & New Parking Structure;

DR-18-00503 – 1040 Massachusetts Street; 1041 New Hampshire Street; 1000 Block New Hampshire Street Certificate of Appropriateness, Downtown Area Design Guidelines, and Demolition; and

SUP-18-00502 and SUP-19-00033 (collectively, the "SUPs")

(collectively referred to as the "Project")

Hon. Mayor Larsen and Commissioners:

On May 7, 2019, the City Commission intends to consider several agenda items related to the Project. Core Lawrence Massachusetts LLC (the "Applicant") requests that the City Commission make the findings set forth below. Enclosed with this letter is a packet of information prepared by the Applicant and its representatives. Part I of the packet contains excerpts from applicable City Code sections. Part II of the packet is the Applicant's March 21, 2019 presentation to HRC. Part III of the packet is the Applicant's March 27, 2019 presentation to the Planning Commission. Part IV is a financial report prepared by SB Friedman Development Advisors, summarizing the Project's economic benefits to the City. In addition to this information and the materials and correspondence in your packet, the Applicant intends to provide additional information on May 7.

PROPOSED FINDINGS

Finding #1 The City Commission finds that the Project does not significantly encroach upon, damage or destroy any Historic Properties, and grants the Project's Certificate of Appropriateness.

Applicable Standard: The definition of "Environs" means any structure, object, or site that directly contributes to the architectural and/or historical significance of a landmark or historic district and located within 250 feet of such landmark or district. City Code § 22-105(E). Projects in the environs of a landmark or historic district are subject to "the least stringent evaluation," and "[t]here shall be a presumption that a certificate of appropriateness should be approved in this category unless the proposed construction or demolition would significantly encroach on, damage, or destroy the landmark or historic district." City Code § 22-504. The City or other interested persons have the burden to affirm the HRC's denial of a certificate of appropriateness. *Id*.

Background: On November 15, 2018, the Lawrence Historic Resources Commission ("HRC") referred the Project to the Architectural Review Committee ("ARC") for design review. The Applicant met with ARC on January 8, 2019 and February 7, 2019. On March 21, 2019, HRC denied the Certificate of Appropriateness for DR-18-00503 and found that the proposed project will encroach on, damage, and destroy the listed properties at 1047 Massachusetts Street, 1100 Massachusetts Street, and 1040 New Hampshire Street (together with any other listed properties described in the Planning Staff's Report to HRC, collectively referred to as the "Historic Properties"). On March 28, 2019, Lynne Braddock Zollner delivered an action letter to the Applicant, notifying the Applicant of HRC's decision. The Applicant timely appealed HRC's decision by filing notice of appeal on April 3, 2019. In response to the Applicant's appeal of HRC's denial of the Project's Certificate of Appropriateness, on April 16, 2019 the City Commission opened a public hearing and continued the same until May 7, 2019, per the Applicant's request.

Summary of Supporting Facts: The Project's height and massing has been reduced and modified to be compatible with the Douglas County Courthouse, Watkins Museum, and other downtown structures. The Project's overall "floor area ratio" or "FAR" is below other new downtown structures and consistent with other buildings downtown. The design of the Project utilizes a recessed fifth floor on Massachusetts Street to preserve key sightlines to the Douglas County Courthouse clock tower. The existing improvements and structures at the proposed Project are blighted and underutilized, and detract from the both the vibrancy of south Massachusetts Street and the significance of nearby structures. The Project is not a designated landmark and is not within a historic district. The Project's location has been a target for redevelopment for at least twenty-five (25) years. Construction of the Project will not cause any physical damage or destruction to any Historic Properties. The Project would be constructed entirely within its own property lines and would be separated from applicable landmarks by 80' to 100' road rights of way, and therefore the Project does not significantly encroach upon any Historic Properties.

Finding #2 The City Commission finds that the Project meets the intent of the Downtown Area Design Guidelines.

Applicable Standard: The City Commission is the final decision-making authority in determining whether a proposed project meets the adopted Development/Design Standard. City Code § 20-308(g)(2). The guidelines are not meant to dictate design choices or serve as a checklist for "good" design. Guidelines at p. 8. It is understood that a project might not meet every guideline in order to conform to the document's intent. Guidelines § 1.9, p. 25. The most stringent level of evaluation is applied when projects directly involve properties that are individually listed on the National or State Registers, and less scrutiny is applied to projects in their environs or to non-contributory structures. Guidelines at p. 11.

<u>Background</u>: On November 15, 2018, the Lawrence Historic Resources Commission ("**HRC**") referred the Project to the Architectural Review Committee ("**ARC**") for design review. The Applicant met with ARC on January 8, 2019 and February 7, 2019. On March 21, 2019, HRC found that the Project, as proposed, while meeting some of the downtown design guidelines, did not meet the guidelines for new construction. On March 28, 2019, Lynne Braddock Zollner delivered an action letter to the Applicant, notifying the Applicant of HRC's decision. The Applicant timely appealed HRC's decision by filing notice of appeal on April 3, 2019.

Summary of Supporting Facts: The Project meets approximately 93% of applicable Guidelines. Numerous revisions to the Project's design occurred between the first and second HRC meeting, to increase compliance with the Guidelines and to incorporate design changes requested by ARC. For example, the Applicant: (a) removed one floor from the proposed building; (b) raised the first floor to grade elevation on New Hampshire Street; (c) relocated the residential lobby area and the rooftop pool to the north end of the building on the west side of New Hampshire Street; (d) relocated all ground floor residential units to eliminate frontage on New Hampshire Street; (e) added a 15' setback above the alley on 11th Street; (f) eliminated all balconies on Massachusetts Street, 11th Street and New Hampshire Street; (g) removed and replaced all structural canopies with awnings; (h) changed exterior siding materials; (i) modified the design and variation of roof cornices at the top of the building; (j) modified the parking structure north of the former English Lutheran Church to increase buffer and a insert a mixed use building; (k) increased the setback from the alley on the east side of New Hampshire from zero to 2'-7" as requested by representatives of the East Lawrence neighborhood association; and (l) eliminated the front yard setback along New Hampshire.

The Project consists of four (4) visible floors on Massachusetts Street, with a fifth (5th) floor recessed and not perceived at ground level, and six (6) floors on New Hampshire Street. The height of the Project is comparable to the roof lines of the Douglas County Courthouse, Watkins Museum, and other downtown structures, and well below the maximum height established by City Code.

Finding #3 The City Commission approves and grants the SUPs.

Applicable Standard: Multi-Dwelling Structures require a Special Use Permit in the CD District when Ground Floor residential uses are proposed along numbered streets, Vermont or New Hampshire Street. City Code § 20-517(3)(ii). Special Use applications are approved in accordance with the procedure outline in City Code § 20-1306.

<u>Background</u>: On March 21, 2019, HRC forwarded a comment to the Planning Commission recommending approval of the Applicant's proposed ground floor residential units. On March 28, 2019, the Planning Commission approved the SUPs on an 8-1 vote. No protest petition was filed.

<u>Summary of Supporting Facts</u>: City Staff recommends approval of the SUPs, for the reasons set forth in the Staff Report. The SUPs include a condition prohibiting units from facing New Hampshire Street and, in the case of the west side of New Hampshire, a condition limiting the area of ground floor residential space.

Finding #4 The City Commission finds that the demolition of existing structures is appropriate and approved.

<u>Applicable Standard</u>: Approval by the City Commission of a Certificate of Appropriateness includes approval of the demolition of existing structures.

<u>Background</u>: The City Commission's consideration of the demolition of existing structures follows the same process as review of the Certificate of Appropriateness.

<u>Summary of Supporting Facts</u>: City Staff found that the existing structures no longer retain architectural integrity, and are not suitable for rehabilitation or reuse.

Finding #5

The City Commission finds that construction over the alley between Massachusetts Street and New Hampshire Street as proposed by the Applicant is appropriate, and directs Staff to negotiate an airspace easement or license for consideration and approval by the City Commission.

Summary of Supporting Facts: Construction of the Project requires bridging the alley between Massachusetts Street and New Hampshire Street. There is no longer a continuous alley system downtown, because the alleys in the 600 block of Massachusetts Street have been vacated in connection with the Journal-World production facility to the east and the redevelopment of the west side of Massachusetts Street in that block. Building over the alley will occur at the upper floors and will not diminish the functionality of the alley or cause injury or damage to the public.

We look forward to the opportunity to present additional information in furtherance of these proposed findings, and appreciate your consideration.

Sincerely,

BARBER EMERSON, L.C.

Hatthew J. Hvagh

Matthew S. Gough

Encl.

cc: Scott McCullough, Planning Director (via e-mail only)

Randall F. Larkin, Senior Assistant City Attorney (via e-mail only)

Lynne Braddock Zollner, Historic Resources Administrator (via e-mail only)

Part I

City Code Excerpts

Finding # 1 – Certificate of Appropriateness:

City Code § 22-105(E):

(E) Environs - Any structure, object, or site that directly contributes to the architectural and/or historical significance of a landmark or historic district. The environs area shall not include structures, objects, or sites which are not located in part, or in their entirety, within 250 feet of the boundaries of a landmark or historic district designated pursuant to this Chapter.

The environs is not an extension of the boundaries of an historic district or landmark. For this reason, an application for a certificate of appropriateness for a project within the environs area shall receive the least stringent scrutiny when the Commission applies its Standards for Review as set forth in section 22-504, and there shall be a presumption that the application should be approved. "Interim control" shall not apply to the environs area of a nominated landmark or historic district.

City Code § 22-505(A)(4):

(4) The least stringent evaluation is applied to the environs area of a landmark or historic district. There shall be a presumption that a certificate of appropriateness should be approved in this category unless the proposed construction or demolition would significantly encroach on, damage, or destroy the landmark or historic district. If the Commission denies a certificate of appropriateness in this category, and the owner(s) appeals to the City Commission, the burden to affirm the denial shall be upon the Commission, the City or other interested persons.

City Code § 22-504(B):

(B) Any person dissatisfied with a determination by the Commission concerning a certificate of appropriateness may file an appeal to the City Commission within fifteen (15) days of the date of notification of that determination. The City Commission must act on this request within thirty (30) days of receipt and must hold a public hearing on the appeal. (Ord. 5950, Sec. 1)

(g) Appeals

- (1) Notwithstanding the procedure set forth in Section 20-1311, a person aggrieved by a decision of the City staff, determining whether the Development/Design Standards have been met, may file a written appeal with the Historic Resources Commission. The appeal shall be filed within ten (10) Working Days after the decision has been rendered.
- (2) A person aggrieved by a decision of the Historic Resources Commission, determining whether the Development/Design Standards have been met, may file a written appeal with the City Commission. The appeal shall be filed within ten (10) Working Days after the decision has been rendered.
- (3) the City Commission is the final decision-making authority in determining whether a proposed project meets the adopted Development/Design Standards.
- (4) the Board of Zoning Appeals has no authority to grant interpretations, exceptions or variances from the adopted Development/Design Standards.
- (5) within thirty days after the City Commission's final decision, in passing upon an appeal pursuant to this Section, any person aggrieved by the decision may file an action in District Court to determine the reasonableness of the decision.

Downtown Area Design Guidelines, p. 8:

The guidelines are not meant to dictate design choices or serve as a checklist for "good" design. They are not meant to force new development into narrowly-defined molds that would recreate only turn of the century architectural forms. Nor are they intended to be applied in such a stringent manner as to prevent creative or contemporary design alternatives.

Downtown Area Design Guidelines, p. 11:

Levels of Review

Typically, the most stringent level of evaluation is applied when projects directly involve properties that are individually listed on the National or State Registers. Less scrutiny is applied to projects in their environs. A property's proximity to a listed property is factored into the evaluation.

In turn, standards for evaluation typically decrease if a property is considered a "non-contributing" resource (see maps and Appendix).

DESIGN REVIEW PRINCIPLES AND APPLICABILITY



- 1.7. While economic costs are not a primary factor in the review process, economic cost will be considered in relation to the adherence to these guidelines.
- 1.8. Individual guidelines are often stated in absolute terms such as "Buildings ... shall be constructed to zero front and side lot lines." Just as compatible design consists of individual building elements in a larger building envelope, these design guidelines are viewed as a collective document and not as independent statements.
- 1.9. It is understood that a project might not meet every guideline in order to conform to the document's intent.
- 1.10. It is not the intent of this document to require existing buildings to always be in full compliance with these guidelines. Existing buildings that contain nonconforming elements are encouraged to make alterations that will improve the overall appearance of the building. As nonconforming buildings are altered, the proposed alterations shall be in compliance with this document.
- 1.11. Designs and changes approved or rejected elsewhere in the Conservation Overlay District do not necessarily act as a precedent for other designs or changes under consideration. All proposals will be considered individually based on their own merit and unique situation within the zoning district.
- 1.12. City Staff and the Historic Resources Commission have the authority and discretion to examine the whole situation, or extenuating circumstances, and approve projects that do not meet the letter of these guidelines. Where exceptions are granted, staff will clearly document the reasons.
- 1.13. Staff and the commission will attempt to be consistent and non-arbitrary in rulings pertaining to Certificates of Appropriateness.

Finding #3 – SUPs:

City Code § 20-517(3)(ii)

- 20-517 MULTI-DWELLING STRUCTURE, NON-GROUND FLOOR DWELLING UNITS AND WORK/LIVE UNITS
 - (3) Standards that Apply in CD District
 - (ii) A Multi-Dwelling Structure and Work/Live Units require a Special Use Permit in the CD District when Ground Floor residential uses are proposed along numbered streets, Vermont or New Hampshire Streets.

Part II Applicant's Presentation to HRC on March 21, 2019



HRC #1 COMMENTS / FEEDBACK

1. Design Guidelines:

Sections 7.1, 7.2 and 7.3.

2. Bulk + Massing

- Reduction in height/density requested and provided for.
- Connection and alley.

3. Special use Permit for Ground Floor Residential

- Rowhouses fronting New Hampshire Street.
- Floor Elevation of 1st floor along New Hampshire Street.
- Front yard set back along New Hampshire Street.

4. Impact on English Lutheran Church Building

SUMMARY OF REQUESTED CHANGES BY THE LAWRENCE HISTORIC RESOURCES COMMISSION AND ARCHITECTURAL REVIEW COMMITEE WHICH HAVE BEEN INCORPORATED INTO THE PROJECT

- Remove a floor from the building.
- 2. Raise the first floor to grade elevation on New Hampshire Street.
- 3. Relocate the residential lobby at the 1st floor and rooftop pool to the North end of the building on the west side of New Hampshire Street.
- 4. Eliminate Rowhouses fronting New Hampshire Street on the west side of the street and replace with commercial spaces.
- 5. Recess the building 15' above the alley on 11th street.
- 6. Eliminate balconies on Massachusetts Street, 11th Street and New Hampshire Street.
- 7. Change canopies to awnings at retail and commercial locations.
- 8. Change cementitious siding to stucco.
- 9. Provide variation in the heights of roof cornices at the top of the building.
- 10. Change to Rowhouses from the parking structure to the north of the English Lutheran Church Building and increase the distance between the buildings from 10' to 20'.
- 11. Increase the alley setback on the east side of New Hampshire by 2'-7".

SUMMARY OF SIGNIFICANT CHANGES

	HRC 1	HRC 2	DELTA
HEIGHT (MASS)	60'	54'	6' (10%)
HEIGHT (NH)	76'	65' - 6"	10' - 6" (13.8%)
MASS OF PRIMARY BUILDING	3,313,689 Cu Ft	2,775,939 Cu Ft	537,750 Cu Ft (14.6%)
GROSS SF REDUCTION	277,790 SF	246,500 SF	31,290 SF (11.2%)
CHURCH BUFFER	10'	20'	10' (100%)
ALLYWAY CONNECTION SETBACK	O'	15'	15' (100%)
UNITS/BEDS	250/665	216/559	34 51 (13.6% 16%)
NH FRONT YARD SETBACK	6'	0'	6' (100%)



SECTION 1.

| Design Guidelines Compliance |

- Guideline Sections 7.1, 7.2 and 7.3

ADHERENCE TO DOWNTOWN GUIDELINES | LHRC COMMENTS

4. General Urban Design Principles:

Project satisfies 75% (6 of 8) of section 4 guidelines

5. Street and Landscape Elements:

Project satisfies 100% (8 of 8) of section 5 guidelines

6. Block Elements:

Project satisfies **92%** (12 of 13) of section 6 guidelines

7. New Construction:

Project satisfies **80%** (10.4 of 13) of section 7 guidelines

10. Building Materials:

Project satisfies **100%** (5 of 5) of section 10 guidelines

11. Commercial Storefronts and Street Level Facades:

Project satisfies 100% (7 of 7) of section 11 guidelines

12. Upper Story Facades:

Project satisfies 100% (2 of 2) of section 12 guidelines

13. Secondary and Retail Facades:

Project satisfies 100% (4 of 4) of section 13 guidelines

15. Architectural Details, Ornamentation, Cornices:

Project satisfies 100% (1 of 1) of section 15 guidelines

16. Roofing and Parapets:

Project satisfies 100% (1 of 1) of section 16 guidelines

17. Awnings, Canopies and Marquees:

Project satisfies 93% (13 of 14) of section 17 guidelines

18. Signs and Signage:

Project satisfies 100% (1 of 1) of section 18 guidelines

19. Lighting:

Project satisfies **100%** (3 of 3) of section 19 guidelines

20. Parking:

Project satisfies 100% (12 of 12) of section 20 guidelines

22. Utilities and Energy Retrofit:

Project satisfies 100% (6 of 6) of section 22 guidelines

23. Demolition:

Project satisfies 100% (3 of 3) of section 23 guidelines

PROJECT SATISFIES 93% (94.4 OF 101) GUIDELINE SECTIONS

DESIGN GUIDELINES

- Section 7.1: New infill buildings should be multistory in height, up to and within appropriate limits.

Compliance:

- The HUB at Lawrence is a multistory building similar in height to other buildings in the downtown zone. We are proposing a height of 54' 0" along Massachusetts Street and 65'-6" along New Hampshire Street.
- Section 7.2: The height of a new building must be acceptable proportion to its width, following patterns and proportions established by existing structures: likewise, story to story heights must be appropriate.

Compliance:

- The height of the building is only 1/4 the buildings width along Massachusetts and 1/3 the buildings width along New Hampshire Street, which is similar in its horizontal proportion to neighboring buildings
- The 25'-50' existing pattern and proportion as established on Massachusetts is respected in this building.
- Section 7.3: The height of new building and additions shall relate to the prevailing heights of nearby buildings. New construction that greatly varies in height from adjacent building shall not be permitted.

Compliance:

- The building height is similar to and does not greatly vary from prevailing heights of nearby buildings in the Downtown district.



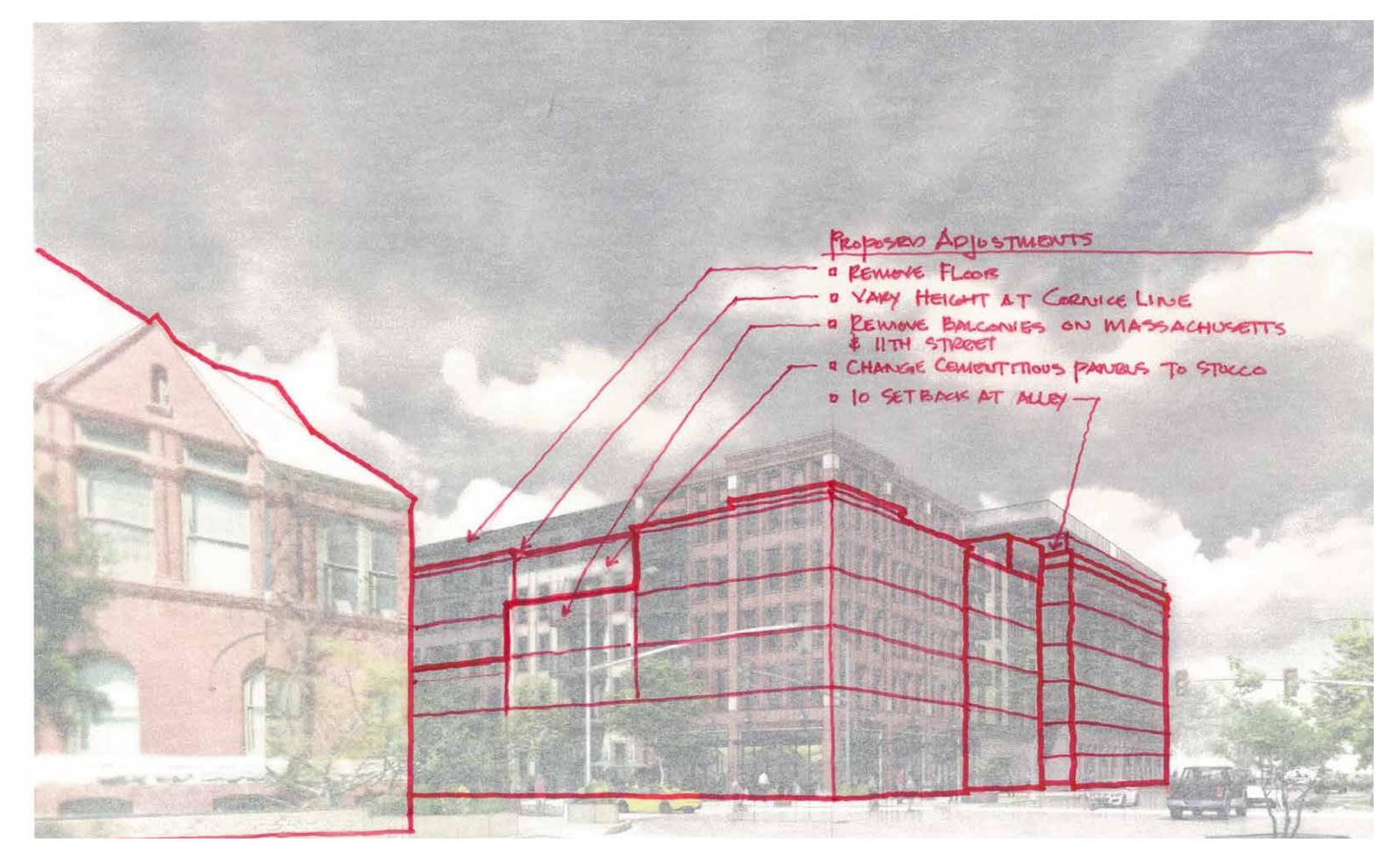


SECTION 2.

| Bulk + Massing |

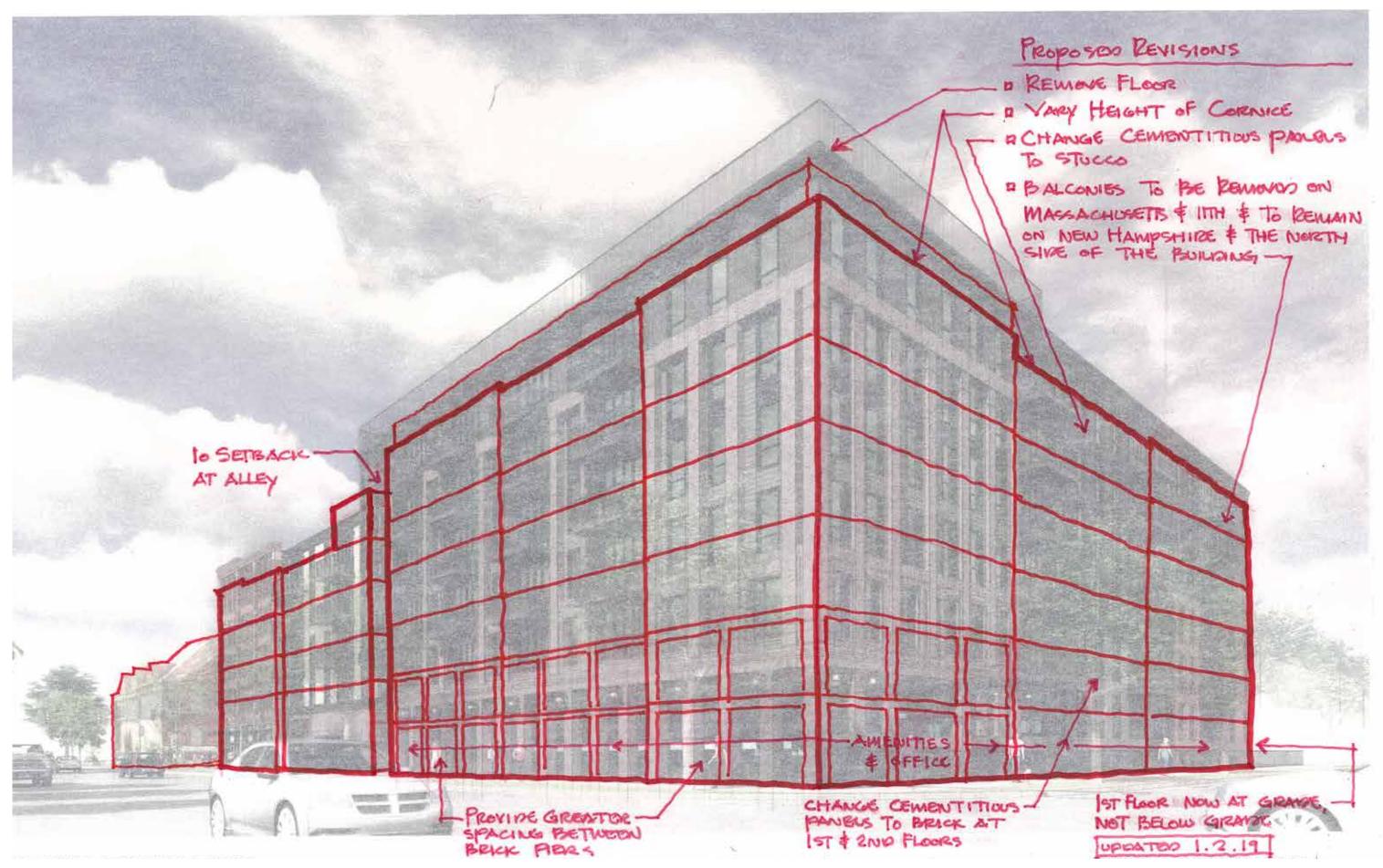
- Reduction in height/density requested
- Connection and alley







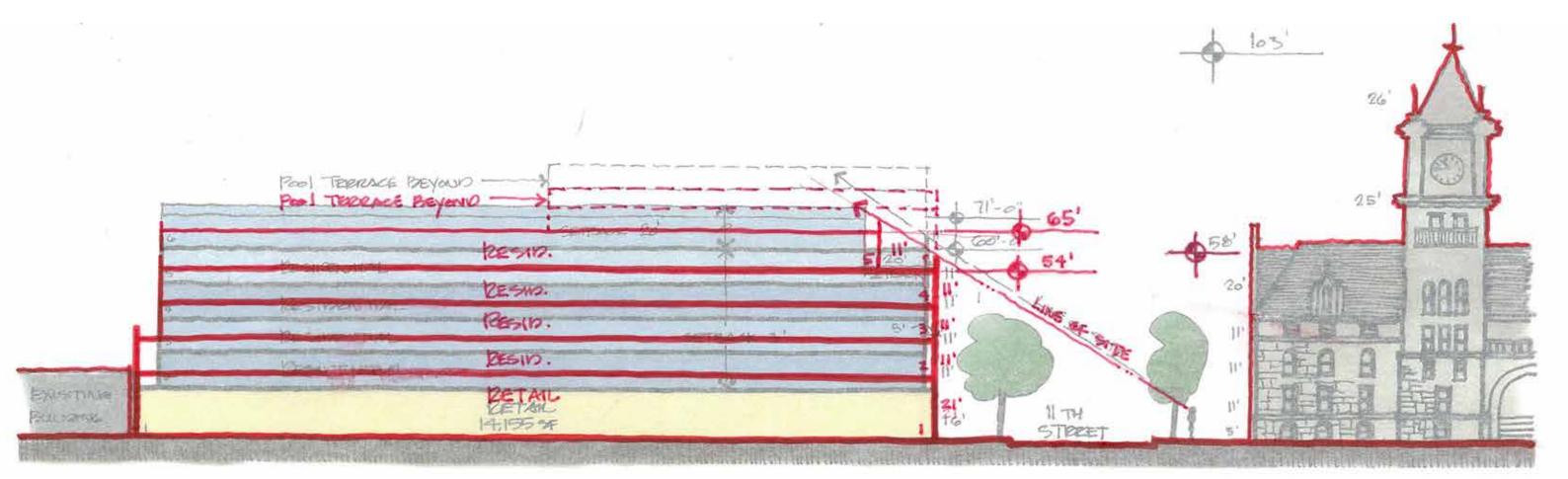




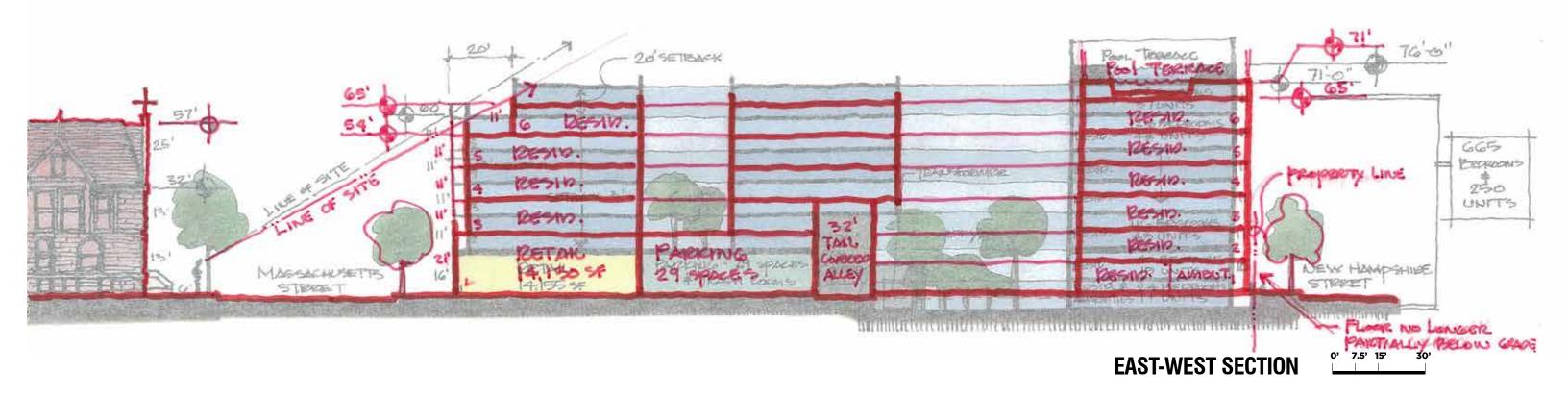


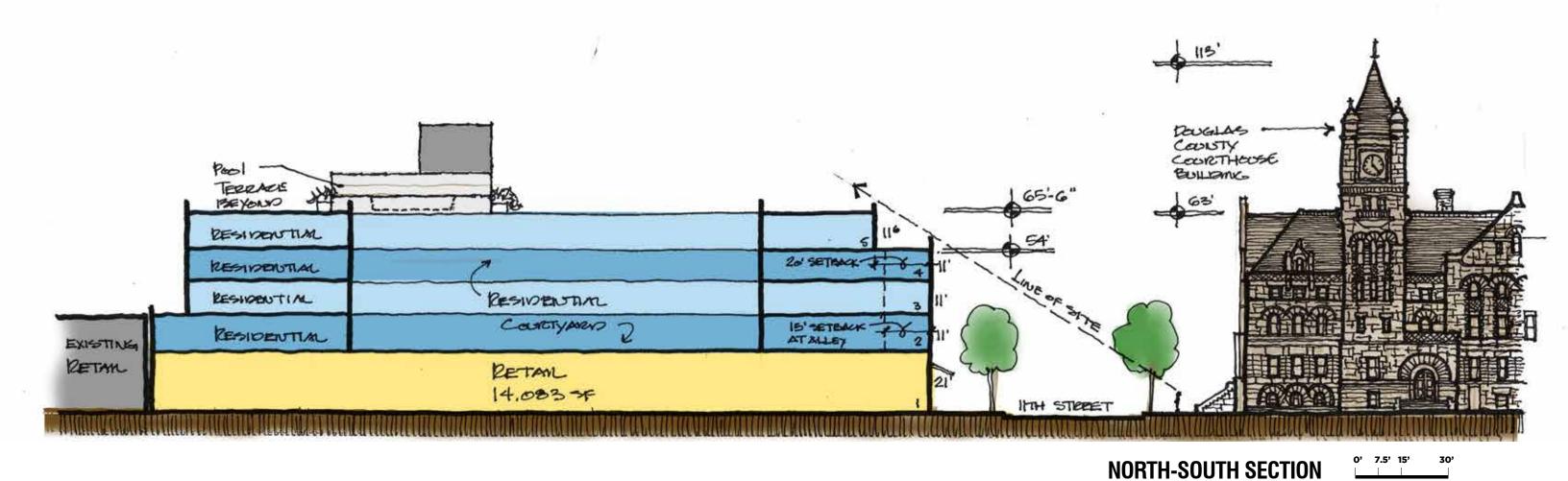


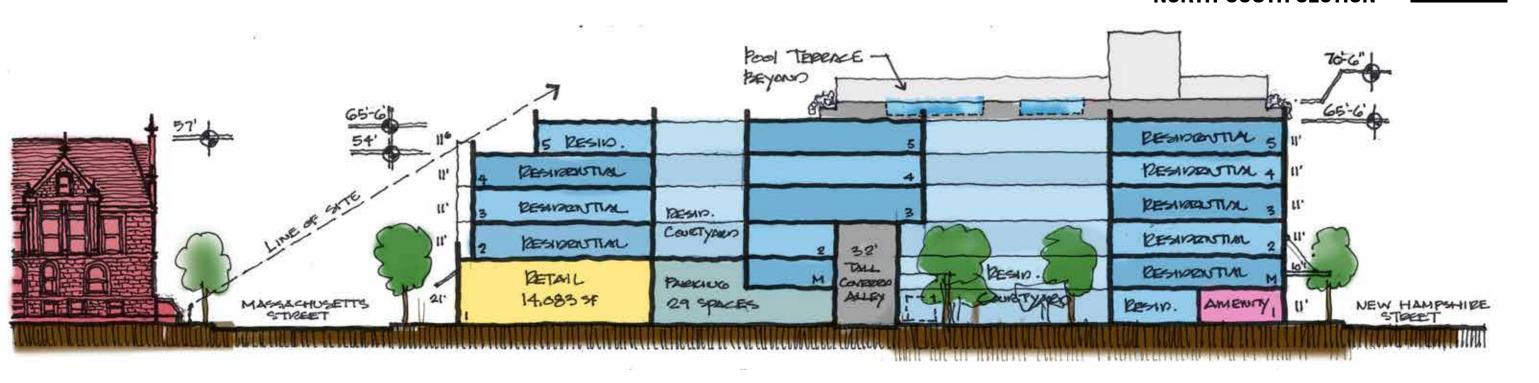




NORTH-SOUTH SECTION 0' 7.5' 15'







EAST-WEST SECTION

0' 7.5' 15' 30'





SECTION 3.

| Special Use Permit for Ground Floor Residential |

- Rowhouses along New Hampshire
- Floor Elevation of 1st floor along New Hampshire
- Front yard set back along New Hampshire







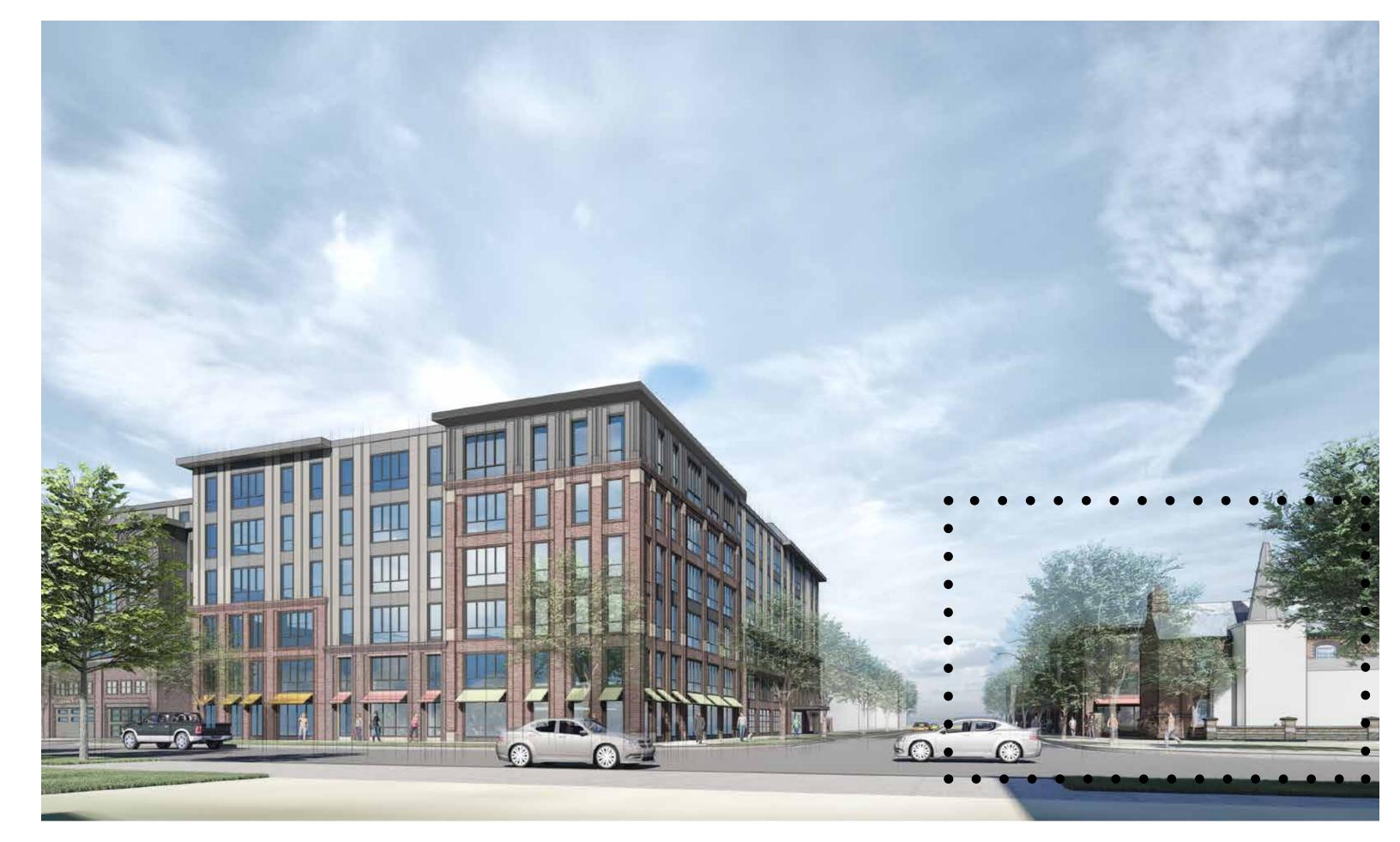
SECTION 4.

| Impact on English Lutheran Church Building |



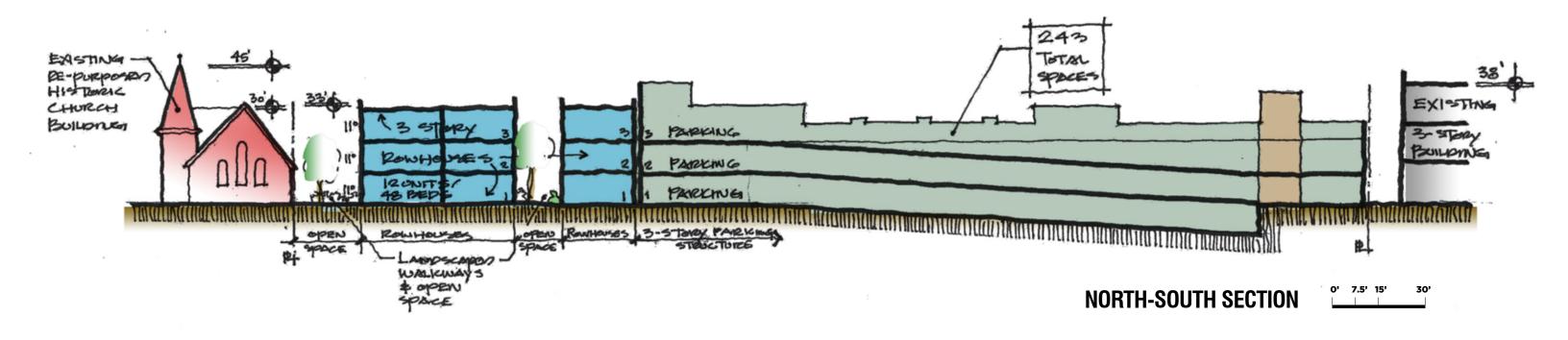


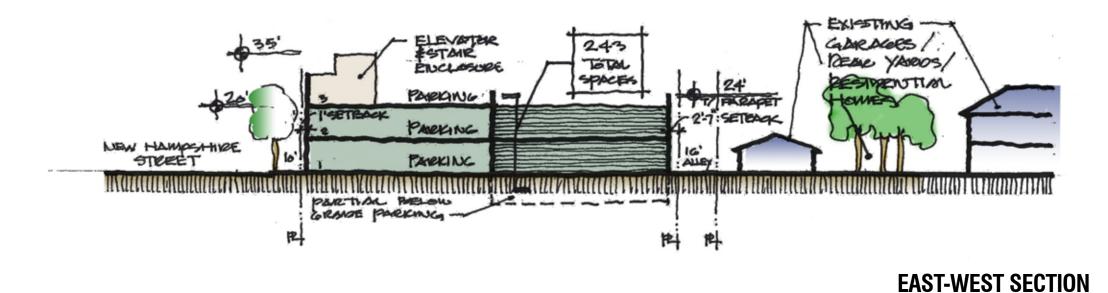


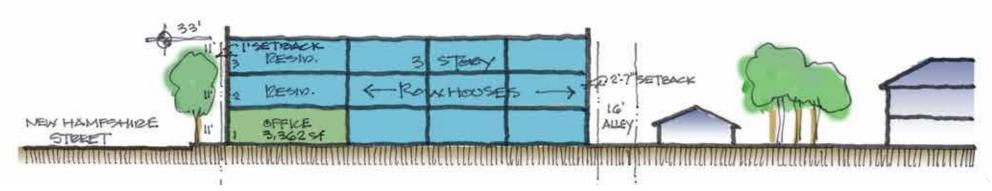












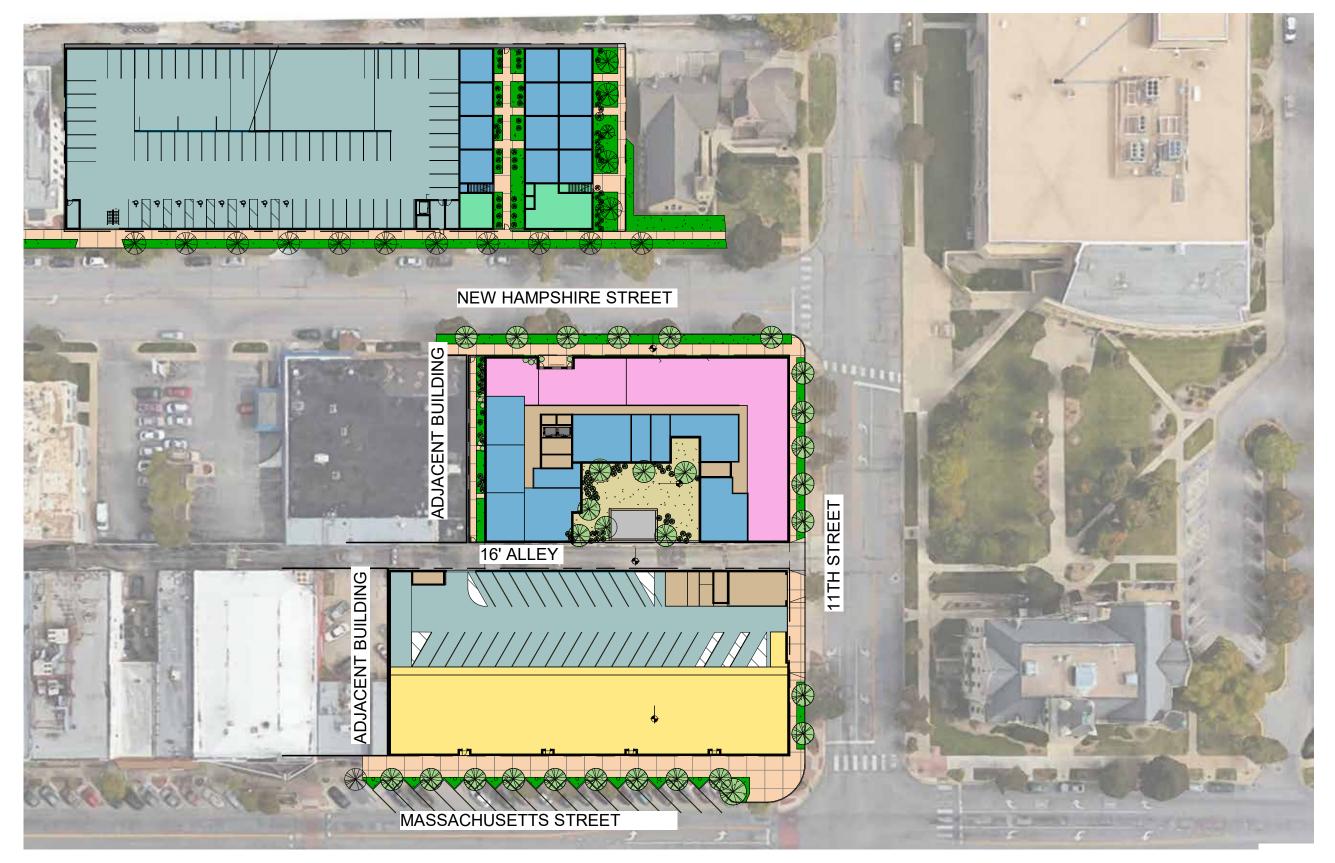
EAST-WEST SECTION AT OFFICE / RESIDENTIAL BUILDING

0' 7.5' 15' 30'



SECTION 5.

|Overall building revisions |





























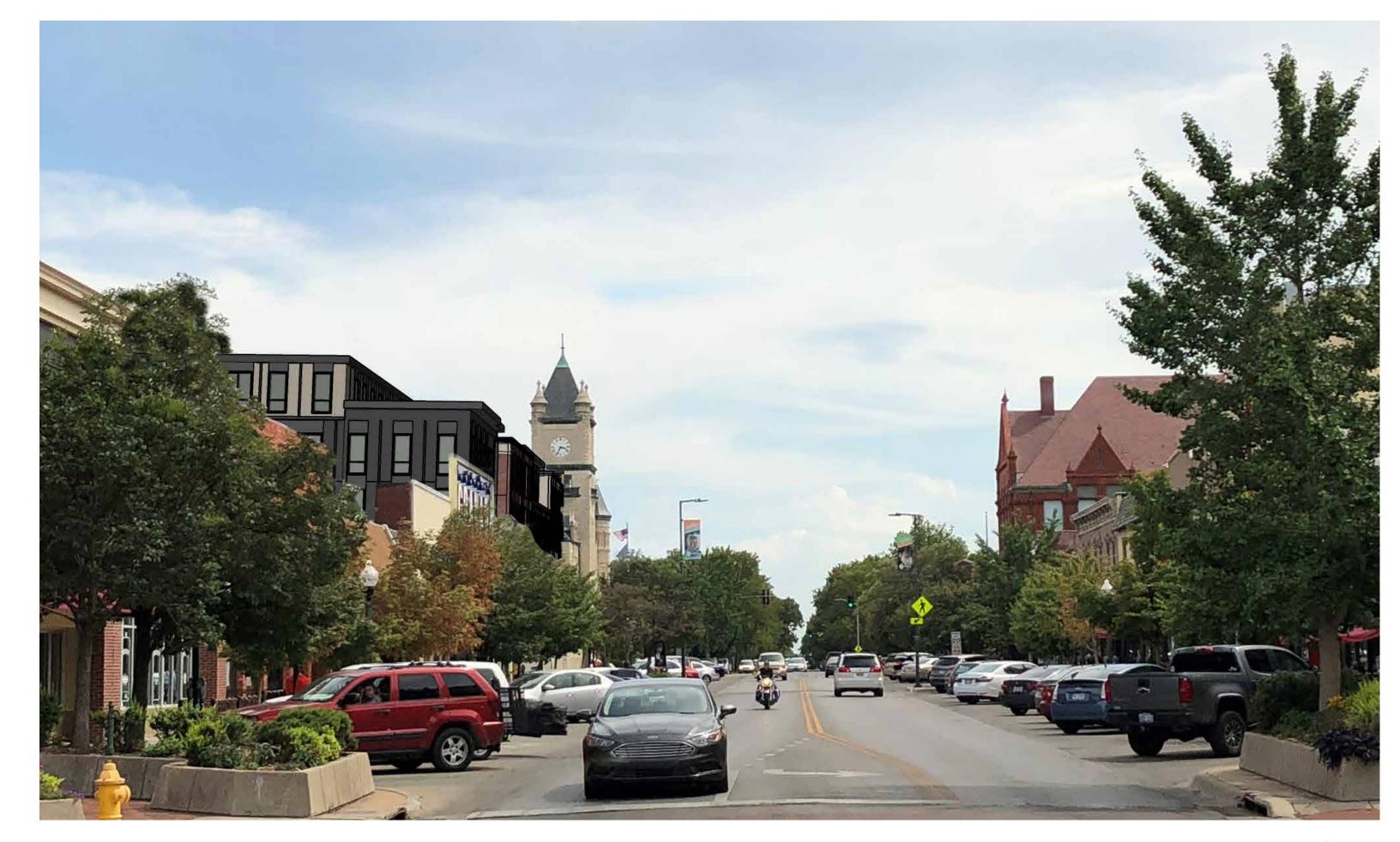




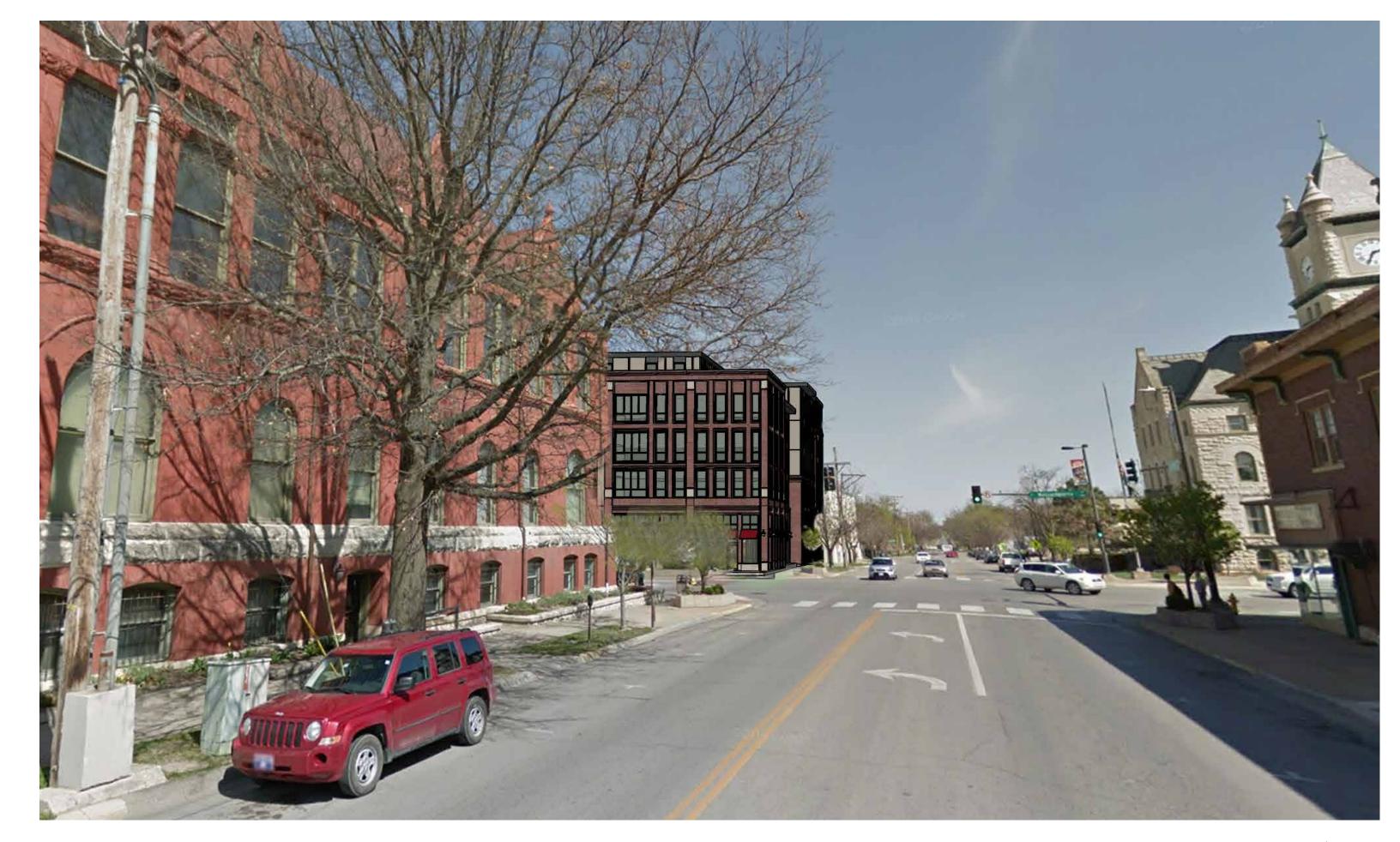












STANDARDS OF GUIDELINES REVIEW.

The guidelines are not meant to dictate design choices or serve as a checklist for "good" design. They are not meant to force new development into narrowly-defined molds that would recreate only turn of the century architectural forms. Nor are they intended to be applied in such a stringent manner as to prevent creative or contemporary design alternatives. Guidelines, Page 8.

DESIGN REVIEW PRINCIPLES.

Guideline § 1.7: "While economic costs are not a primary factor in the review process, economic costs will be considered in relation to the adherence to these guidelines."

Guideline § 1.8: The design guidelines are viewed as a collective document and not as independent statements.

Guideline § 1.12: HRC has "the authority and discretion to examine the whole situation, or extenuating circumstances, and approve projects that do not meet the letter of these guidelines."

GROUND FLOOR USE.

§ 6.1: "Buildings should have retail and commercial uses at street level."

- Staff indicates only partial compliance Indicates amenity space is not "commercial" space.
- Amenity space is not "residential" or "office" space and is therefore considered "commercial" space.
- "Commercial" is not synonymous with "retail."
- The Project fully satisfies this Guideline.

STOREFRONTS.

- Although storefronts are required on Massachusetts (see § 14.1), §14.2 does not extend that obligation to numbered streets, Vermont or New Hampshire.
- § 6.13: Storefronts should respect the 25-foot or 50-foot development pattern ratios that prevail. Upper story facades may vary from this pattern but must unify the building as a whole.
- . Staff indicates only partial compliance and interprets this Guideline to require a strict adherence to a 25/50 foot development pattern.
- . The Guideline recommends "respect for" that pattern, and the Project makes deliberate effort to comply as to all elements which actually comprise a "storefront."
- Staff determined that the Project is not in compliance with §§ 11.4 and 11.6 (applicable to storefronts) due to the absence of storefronts on 11th Street and New Hampshire, but storefronts are not required.

ADHERENCE TO DOWNTOWN GUIDELINES | LHRC COMMENTS

4. General Urban Design Principles:

Project satisfies 75% (6 of 8) of section 4 guidelines

5. Street and Landscape Elements:

Project satisfies 100% (8 of 8) of section 5 guidelines

6. Block Elements:

Project satisfies **92%** (12 of 13) of section 6 guidelines

7. New Construction:

Project satisfies **80%** (10.4 of 13) of section 7 guidelines

10. Building Materials:

Project satisfies 100% (5 of 5) of section 10 guidelines

11. Commercial Storefronts and Street Level Facades:

Project satisfies 100% (7 of 7) of section 11 guidelines

12. Upper Story Facades:

Project satisfies 100% (2 of 2) of section 12 guidelines

13. Secondary and Retail Facades:

Project satisfies 100% (4 of 4) of section 13 guidelines

15. Architectural Details, Ornamentation, Cornices:

Project satisfies 100% (1 of 1) of section 15 guidelines

16. Roofing and Parapets:

Project satisfies 100% (1 of 1) of section 16 guidelines

17. Awnings, Canopies and Marquees:

Project satisfies 93% (13 of 14) of section 17 guidelines

18. Signs and Signage:

Project satisfies 100% (1 of 1) of section 18 guidelines

19. Lighting:

Project satisfies 100% (3 of 3) of section 19 guidelines

20. Parking:

Project satisfies 100% (12 of 12) of section 20 guidelines

22. Utilities and Energy Retrofit:

Project satisfies 100% (6 of 6) of section 22 guidelines

23. Demolition:

Project satisfies 100% (3 of 3) of section 23 guidelines

PROJECT SATISFIES 93% (94.4 OF 101) GUIDELINE SECTIONS

STANDARD OF ENVIRONS REVIEW.

|Definition § 22-105(E) |

Environs - Any structure, object, or site that directly contributes to the architectural and/or historical significance of a landmark or historic district. The environs area shall not include structures, objects, or sites which are not located in part, or in their entirety, within 250 feet of the boundaries of a landmark or historic district designated pursuant to this Chapter. The environs is not an extension of the boundaries of an historic district or landmark. For this reason, an application for a certificate of appropriateness for a project within the environs area shall receive the least stringent scrutiny when the Commission applies its Standards for Review as set forth in section 22-504, and there shall be a presumption that the application should be approved.

STANDARD OF ENVIRONS REVIEW.

|City Code § 22-505(A)(4) |

The least stringent evaluation is applied to the environs area of a landmark or historic district. There shall be a presumption that a certificate of appropriateness should be approved in this category unless the proposed construction or demolition would **significantly** encroach on, damage, or destroy the **landmark or historic district.**



<u>Part III</u>

Applicant's Presentation to Planning Commission on March 27, 2019





SUP #1 - 1040 Massachusetts Street & 1041 New Hampshire:

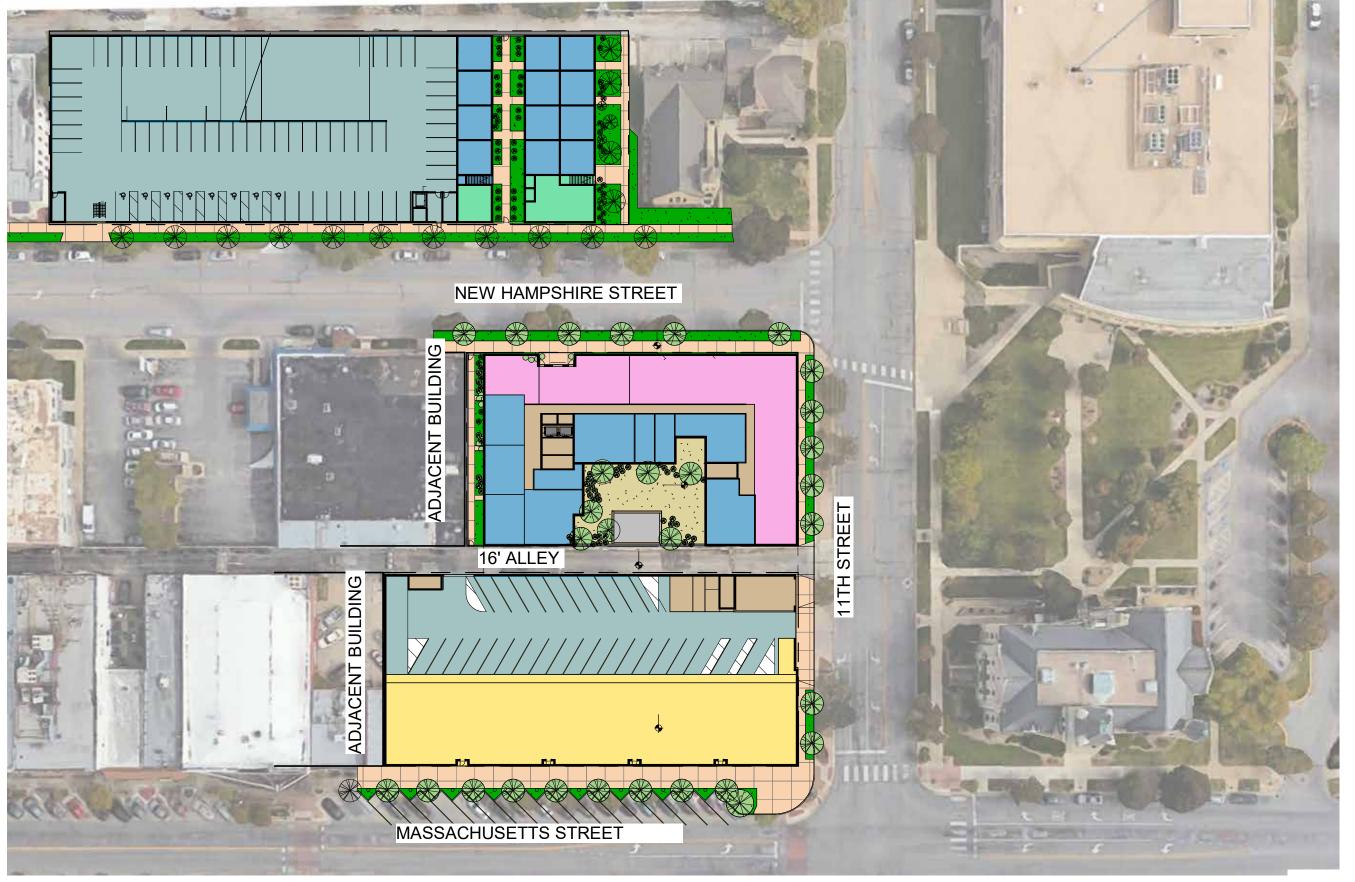
Approve ground floor dwelling units at the Hub at Lawrence project, and forwarding the request to the City Commission with a recommendation for approval, subject to the following conditions:

- 1. There shall be no ground floor dwelling units with exterior frontage on New Hampshire Street and E. 11th Street.
- 2. The total square footage of the first floor residential shall not exceed 50% of interior square footage of the first floor structure on New Hampshire Street.

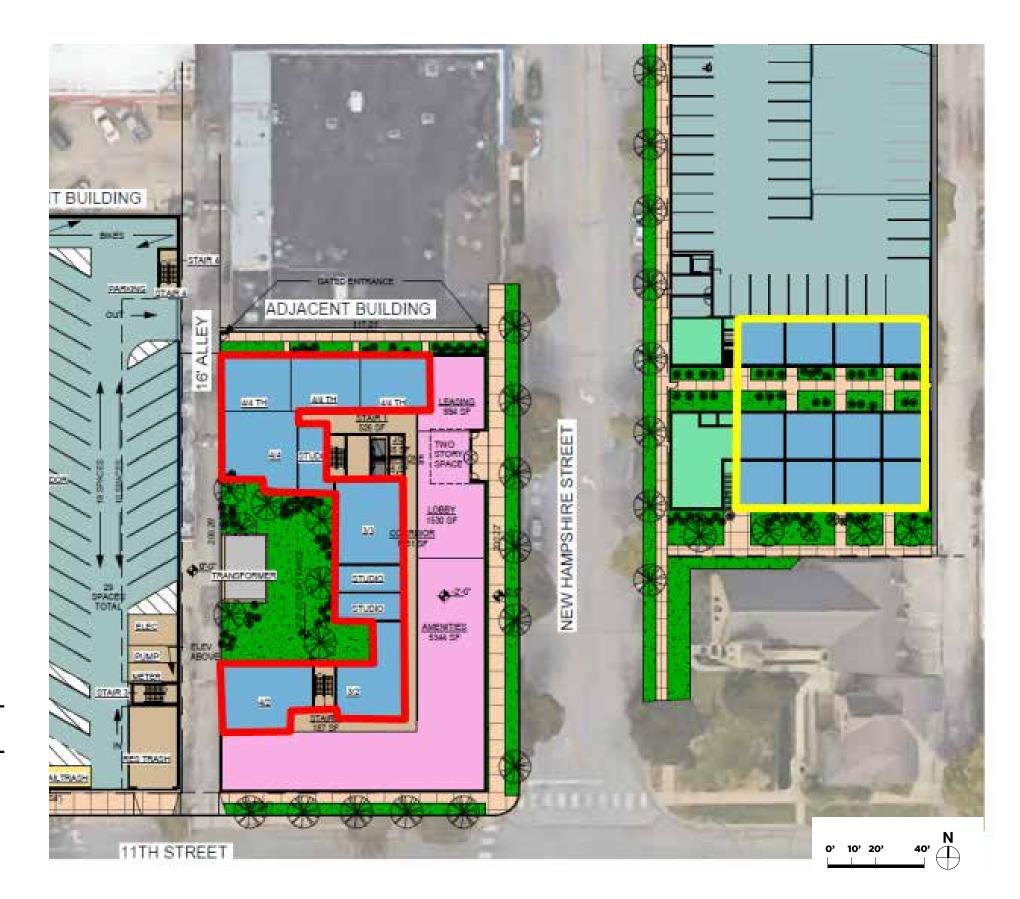
SUP #2 - 1000 New Hampshire Street:

Approve ground floor dwelling units at the Hub at Lawrence project, and forwarding the request to the City Commission with a recommendation for approval, subject to the following conditions:

1. There shall be no ground floor dwelling units with exterior frontage on New Hampshire Street.







RESIDENTIAL

NON-RESIDENTIAL

NON-RESIDENTIAL

1. Does the proposed use comply with the applicable provisions of the Development Code?

With approval of the special use permit application, the ground floor dwelling units would be permitted in the CD District. All other applicable provisions of the Land Development Code will be reviewed with a future site plan application.

2. Is the proposed use compatible with adjacent uses in terms of scale, site design, operating characteristics, including hours of operation, traffic generation, lighting, noise, odor, dust, and other external impacts?

The proposed ground floor dwelling units are compatible with the adjacent uses. The Historic Resource Commission will review the proposed project in terms size, scale, massing, materials, and building design.



3. Will the proposed use cause a substantial dimunition in value of other property in the neighborhood in which it is located?

Substantial diminution of other property values in the area is not anticipated with approval of the ground floor dwelling units.

4. Will public safety, transportation and utility facilities and services will be available to serve the subject property while maintaining sufficient levels of service for existing development?

Adequate public facilities and transportation access is accommodated for this development. The uses do not preclude the ability to service the existing uses with respect to public safety, transportation, and utilities.

5. Will the proposed use cause a substantial dimunition in value of other property in the neighborhood in which it is located?

Substantial diminution of other property values in the area is not anticipated with approval of the ground floor dwelling units.

6. Have adequate assurances of continuing maintenance been provided?

The proposed development is subject to regulatory controls to protect the significant natural features. This property is free from regulatory floodplain encumbrances.

7. Is it appropriate to place a time limit on the period of time the proposed use is to be allowed by special use pemrit and, if so, what that time period should be?

If approved, staff does not recommend a time limit on the special use permit.

HISTORIC RESOURCES COMMISSION COMMENT

On March 21, 2019, the Historic Resources Commission forwarded a comment to the Planning Commission and City Commission that the ground floor residential units as shown on the revised plans do not harm the environs of the listed properties.

Because the ground floor units are not adjacent to the primary street (New Hampshire Street) and are only minimally visible from the primary street, the ground floor units as shown on the revised drawings meet the intent of the Downtown Design Guidelines.

<u>Part IV</u> <u>Summary Report by SB Friedman Development Advisors</u>



Core Spaces – The Hub Lawrence

Economic Impact

City Commission Meeting | May 7, 2019



VISION
ECONOMICS
STRATEGY
FINANCE
IMPLEMENTATION

The Hub Lawrence Development Program





216 residential units



272 parking spaces



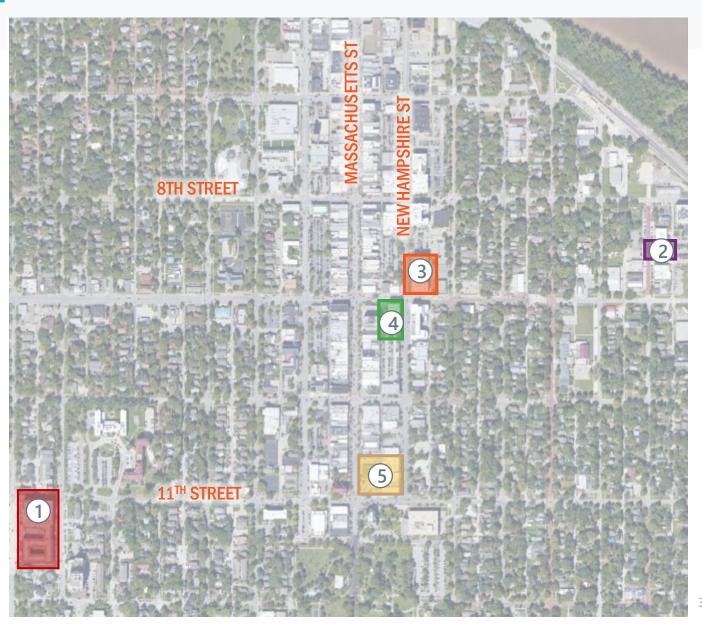
14,100 SF of retail



1,800 SF of office

Recent Residential Development in Lawrence

		Units	Year Built
1	HERE Kansas	237	2016
2	826 Pennsylvania	14	2017
3	888 New Hampshire	114	2016
4	901 New Hampshire	55	2011
5	Hub Lawrence	216	2020



Projected Taxes at the Hub Lawrence

The Hub is projected to generate over \$4.4 million in new property taxes in the first 10 years of full operations

	TOTAL TAXES [1]			CITY TAXES			COUNTY TAXES		
Year	Base Taxes, Frozen	Projected HUB Taxes	Projected Incremental Taxes	Base Taxes, Frozen	Projected HUB Taxes	Projected Incremental Taxes	Base Taxes, Frozen	Projected HUB Taxes	Projected Incremental Taxes
2022	\$66,169	\$450,000	\$383,831	\$16,284	\$110,746	\$94,462	\$22,517	\$153,134	\$130,617
2023	\$66,169	\$461,250	\$395,081	\$16,284	\$113,515	\$97,230	\$22,517	\$156,962	\$134,445
2024	\$66,169	\$472,781	\$406,612	\$16,284	\$116,353	\$100,068	\$22,517	\$160,886	\$138,369
2025	\$66,169	\$484,601	\$418,432	\$16,284	\$119,262	\$102,977	\$22,517	\$164,908	\$142,391
2026	\$66,169	\$496,716	\$430,547	\$16,284	\$122,243	\$105,959	\$22,517	\$169,031	\$146,514
2027	\$66,169	\$509,134	\$442,965	\$16,284	\$125,299	\$109,015	\$22,517	\$173,257	\$150,740
2028	\$66,169	\$521,862	\$455,693	\$16,284	\$128,432	\$112,147	\$22,517	\$177,588	\$155,071
2029	\$66,169	\$534,909	\$468,740	\$16,284	\$131,642	\$115,358	\$22,517	\$182,028	\$159,511
2030	\$66,169	\$548,281	\$482,112	\$16,284	\$134,933	\$118,649	\$22,517	\$186,579	\$164,062
2031	\$66,169	\$561,988	\$495,819	\$16,284	\$138,307	\$122,022	\$22,517	\$191,243	\$168,726
TOTAL	\$661,690	\$5,041,522	\$4,379,832	\$162,844	\$1,240,732	\$1,077,888	\$225,171	\$1,715,616	\$1,490,445
		Property Taxes , Undiscounted (2022-2031)	\$4,379,832		City Taxes Over , Undiscounted (2022-2031)	\$1,077,888		inty Taxes Over , Undiscounted (2022-2031)	\$1,490,445

Sources: City of Lawrence; Core Spaces; CoStar; Douglas County; Ryan, LLC; SB Friedman [1] Combination of City, County, State and School taxes

Stimulating the Downtown Area

Increased downtown spending is projected to generate \$7.0 million in sales taxes over 10 years

Key Assumptions:

• New Retail SF: **14,100**

• Sales/SF: **\$540**

• Share of SF Generating Sales Tax: **75**%

 Estimated Hub Resident Spending at Completion (annual): \$4,320,000

Estimated Hub Resident Spending
 Downtown at Completion: \$860,000

Estimated Hub Resident Spending
 Downtown, Outside Hub at
 Completion: \$690,000

	TOTAL TAXES			CITY TAXES			COUNTY TAXES		
Year	Annual Sales Tax from Retail Space	Annual Sales Tax from Resident Spending Downtown	Total Estimated Sales Tax	Annual Sales Tax from Retail Space	Annual Sales Tax from Resident Spending Downtown	Total Estimated Sales Tax	Annual Sales Tax from Retail Space	Annual Sales Tax from Resident Spending Downtown	Total Estimated Sales Tax
2022	\$556,227	\$64,282	\$620,509	\$92,705	\$10,714	\$103,418	\$74,762	\$8,640	\$83,402
2023	\$570,133	\$65,918	\$636,051	\$95,022	\$10,986	\$106,009	\$76,631	\$8,860	\$85,491
2024	\$584,386	\$67,555	\$651,941	\$97,398	\$11,259	\$108,657	\$78,547	\$9,080	\$87,627
2025	\$598,996	\$69,341	\$668,337	\$99,833	\$11,557	\$111,389	\$80,510	\$9,320	\$89,830
2026	\$613,971	\$70,978	\$684,948	\$102,328	\$11,830	\$114,158	\$82,523	\$9,540	\$92,063
2027	\$629,320	\$72,763	\$702,083	\$104,887	\$12,127	\$117,014	\$84,586	\$9,780	\$94,366
2028	\$645,053	\$74,698	\$719,751	\$107,509	\$12,450	\$119,958	\$86,701	\$10,040	\$96,741
2029	\$661,179	\$76,483	\$737,663	\$110,197	\$12,747	\$122,944	\$88,868	\$10,280	\$99,148
2030	\$677,709	\$78,418	\$756,126	\$112,951	\$13,070	\$126,021	\$91,090	\$10,540	\$101,630
2031	\$694,652	\$80,352	\$775,004	\$115,775	\$13,392	\$129,167	\$93,367	\$10,800	\$104,167
TOTAL	\$6,231,626	\$720,787	\$6,952,413	\$1,038,604	\$120,131	\$1,158,735	\$837,584	\$96,880	\$934,464
	Total Sale	Downtown s Taxes Due evelopment (2022-2031)	\$6,952,413	City Sales T Hub D	Downtown Taxes Due to evelopment (2022-2031)	\$1,158,735	County Sale	Downtown s Taxes Due evelopment (2022-2031)	\$934,464

Sources: Affordable Colleges Online; College Board; College Tuitions Compare; Core Spaces; E-Marketer; SB Friedman

Comparison of Recent Deliveries

The Hub taxes over a 10-year period are projected to be double recent incentivized projects in Lawrence

	Hub Lawrence	HERE Kansas	826 Pennsylvania	888 New Hampshire	901 New Hampshire
Units	216	237	14	114	55
Incentive Structure	NONE	85% abatement of incremental property taxes for 10 years	Incremental property tax abatement for 10 years	Reimbursement of incremental property taxes up to \$4,750,000	Reimbursement of incremental property taxes up to \$280,852 over 10 years
10-Year Window of Tax Collection	2022-2031	2018-2027	2019-2028	2018-2027	2013-2022
10-Year Incremental Property Taxes	\$4,380,000	\$6,575,000	\$1,147,000	\$2,974,000	\$1,802,000
10-Year Subsidy	\$0	\$4,700,000	\$619,000	\$2,826,000	\$281,000
10-Year Net Taxes	\$4,380,000	\$1,875,000	\$528,000	\$711,000	\$1,861,000

Summary of Economic Benefits

The Hub moves Lawrence closer to a standard of development without incentives

\$4.4 M Estimated New Property Taxes (2022 to 2031)

\$7.0 M

Estimated Total Sales Taxes from Project (2022 to 2031)

+ \$1.4 M

Sales Taxes on Construction Materials

Subsidy to Hub development

\$12.8 M Tax Collections from Hub and Hub Residents

216 New Units

616 Beds

New Office SF

14,100 New Retail SF

\$4.3 M Annual Downtown Spending Potential at Completion Potential at Completion

\$1.9 M Potential Annual Grocery
Spending at Completion Spending at Completion

Limitations of Our Engagement

Our report is based on estimates, assumptions and other information developed from research of local government fiscal policies, knowledge of the industry and meetings during which we obtained certain information. The sources of information and bases of the estimates and assumptions are stated in the report. While sources used are ones which we deem reliable, no guarantee can be made as to their accuracy. Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from those described in our report and the variations may be material.

The terms of this engagement are such that we have no obligation to revise the report to reflect events or conditions which occur subsequent to the date of the report. These may include changes in local fiscal policy or other factors.

Our report is intended for your information and for submission to the City of Lawrence for the purposes of evaluating the proposed project, and should not be relied upon for any other purposes. Otherwise, neither the report nor its contents, nor any reference to our firm, may be included or quoted in any offering circular or registration statement, appraisal, sales brochure, prospectus, loan or other agreement or document without our prior written consent.