

DRAFT Minutes

City of Lawrence Public Incentives Review Committee November 14, 2017 minutes

MEMBERS PRESENT: Aron Cromwell, County Commissioner Mike Gaughan, Michelle Fales, Ken Easthouse; Jill Fincher

MEMBERS ABSENT: Bradley Burnside

STAFF PRESENT: Diane Stoddard, Britt Crum-Cano, Danielle Buschkoetter

PUBLIC PRESENT: Dan Dannenburg, Applicants Colby Wilson and Monica Dittmer with the Boys and Girls Club

Diane Stoddard called the meeting to order at approximately 3:02 p.m.

Stoddard provided an update on the approval of Ordinance No. 9397, which removes the Mayor and Vice Mayor from the Public Incentives Review Committee (PIRC) and increases its number of at-large representatives from one to three. She also mentioned that the Joint Economic Development Council (JEDC) was eliminated and their budget responsibilities to review the annual EDC/Chamber budget and provide recommendation on funding amounts to the City and County, will now be folded into PIRC's responsibilities. In addition, PIRC will also review and provide recommendation on annual budgets and City and County funding amounts for the Bioscience and Technology Business Center (BTBC) and Peaslee Tech Center.

The new ordinance requires the establishment of bylaws for PIRC and Stoddard stated that Staff will provide a draft for PIRC to review at a future meeting. Michelle Fales asked about the overarching advisory board policy and if applies to PIRC. Stoddard confirmed this policy will apply to PIRC.

Commissioner Gaughan asked about the new PIRC members and when they would be appointed. Gaughan brought up a concern about staggering terms to eliminate the situation where one mayor can appoint more members to the Committee than other mayors.

Ken Easthouse stated that he filled one of the at-large positions, so there would be two more positions to be filled. Stoddard stated that Staff would review when those appointments would be made so term limits can be staggered.

Gaughan stated he thought the PIRC Chair should be an City appointee rather than an elected member (e.g. commissioner, school board member). Stoddard indicated that could be included in the PIRC bylaws discussion.

The minutes were reviewed. Cromwell made a motion to approve the minutes from the 9-14-2017 meeting; Fincher seconded the motion. The motion was unanimously approved.

Gaughan stated he would prefer to appoint a chair once PIRC had defined the selection process and requirements within the bylaws. Until the bylaws are established, it was suggested by Gaughan that the Committee appoint a temporary chair. A motion was made by Gaughan and seconded by Cromwell to appoint Easthouse as the temporary PIRC chair until bylaws were established. Motion passed 4-0, with Easthouse abstaining.

Easthouse introduced the IRB agenda item. Crum-Cano outlined the IRB request from the Boys & Girls Club (BGC) of Lawrence for an IRB sales tax exemption on project construction materials and the estimated fiscal impact on City, County and State sales tax revenues. She stated the request is a standalone IRB and not affiliated with a tax abatement. Cromwell asked if the Boys and Girls Club was automatically sales tax exempt. Crum-Cano suggested the applicant, Colby Wilson, introduce the project and explain circumstances that required the Club to seek an IRB to get the sales tax exemption.

Wilson gave an overview of the project, which is an addition of approximately 17,500 square feet to the College and Career Center (CCC), to accommodate a new and larger teen center. The BGC has a strong record of providing programming and activities for elementary students, but once students reach 6th grade, many don't participate due to restricted space and programs offered. At this time, there is a wait list of about 30 students to participate in programs at the current teen center.

The addition of a larger teen center to the current CCC facility will allow students to connect between programs offered by both the school district and the Club. Spaces would be shared between the two with the BGC utilizing the CCC space and amenities after the school day is finished and vice-versa during school hours. (e.g. The new CCC culinary kitchen will be used to provide snacks/meals for BGC participants after school hours.)

BGC's goal is for every high-school program participant, prior to graduating from high-school, to have defined their action plan for their post high-school future. (e.g. college, community college, military service, skilled trade or craft education). The connection between the BGC and CCC space will allow for cross support of programs/services to help meet this goal. (e.g. access to college prep or exposure to skilled trade training).

As to why the Club is seeking an IRB for a sales tax exemption, Wilson explained that due to the organizational classification of the Boys and Girls Club, the State will not automatically allow a sales tax exemption on construction material for new projects. It would require a change in legislation, which is not feasible given the project time frame.

Easthouse asked about the short turnaround time between the City receiving the request and PIRC's review. Wilson indicated the BGC did not realize until very recently there might be another option for getting a sales tax exemption. They recently visited with the City to see about the feasibility of accommodating their construction timeline. (Bidding has already started on the project with construction set to start later this month.) Stoddard added that the City tries to accommodate the applicants' timeline, if possible.

Fales asked if they would be using local contractors and suppliers. Wilson indicated they would be local sourcing materials when available. The bid radius is approximately 50 miles for available materials. If materials are not available within that this radius, they will have purchase elsewhere. All sub-contractors are within the Lawrence, Topeka, Kansas City region.

Easthouse asked if this IRBs will have a performance agreement. Crum-Cano explained that since this is a state program, the State's Project Exemption Certificate (PEC) form includes an agreement, which has to be signed by applicant and City, spelling out requirements for the exemption, documentation, and administrative processes required. The BGC will report to the State, which will monitor and track the project's receipts and adherence to the program. The City remains a conduit entity (e.g. a means to obtain the PEC) in the transaction. Stoddard added this process is what has been done for previous stand-alone IRBs.

Cromwell also noted that this was a one-time program and not on-going such as other tools. Guaghn asked about the IRB origination fee. Crum-Cano noted that since the BGC was a non-profit, there was not an origination fee. However, there is an IRB application fee, which the City has already received from the applicant.

Stoddard mentioned the staff disclosure noting she had been a previous BGC board member and a capital contributor to the campaign.

Easthouse asked about what the waitlist was for the current center. Wilson noted there is a current waitlist of about 30 students. He mentioned a recent survey that indicated there are more than a thousand local, middle- and high-school students that are interested, but not involved with after school programs. The BGC can't reach out to or recruit these students due to current space limitations.

Fincher asked about transportation to the center. Wilson noted they will bus students to the site. The BGC will consider providing transportation back to a home school, if there is enough demand. Monica Dittmer stated the BGC will maintain their current routes.

Cromwell noted that many people were surprised the BGC would have to pay sales tax on materials for this project. Cromwell then made a motion to approve the request for IRB financing for the project, which was seconded by Fales. Motion passed 5-0.

Motion was made to adjourn by Fales and seconded by Guaghn. The meeting adjourned at 3:28 p.m.