

# DRAFT Minutes

## City of Lawrence Public Incentives Review Committee May 10, 2019 minutes

MEMBERS PRESENT: Bradley Burnside, Ken Easthouse, Shannon Kimball, County Commissioner Patrick Kelly, Rebekah Gaston; Michelle Fales

MEMBERS ABSENT: Eric Kirkendall, Aron Cromwell

STAFF PRESENT: Diane Stoddard, Britt Crum-Cano,

PUBLIC PRESENT: Adam Handshy, Steve Kelly, G.R. Underwood, Adam Courtney, LaVerne Epp, Kevin Kelley, Sarah Plinsky, Dan Dannenberg, Melinda Henderson, and other members of the public.

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Eastman called the meeting to order at approximately 10:00 am and announced that PIRC meetings will be recorded going forward.

The Committee selected a new chair and vice-chair, with Burnside making a motion to nominate Michelle Fales as Chair and Ken Eastman as Vice-Chair. The motion was seconded by Kimball and passed unanimously.

A motion was made by Kimball and seconded by Burnside to approve the minutes from the August 13, 2018 meeting. Motion passed 5-0 with one abstention.

Kevin Kelley presented the 2020 funding request for both the City and County from the Peaslee Tech Center. PIRC asked questions about enrollment and diversity in the student population. Kevin Kelly mentioned enrollment has grown from 300 to over 1000 students. Diversity is a challenge based on both gender and race. Approximately 10% of students are female. He would like to see that at 20%. Burnside made a motion to recommend the funding request and Eastman seconded. The motion passed 4-0, with Kimball and Kelly recusing themselves.

G.R. Underwood presented the 2020 funding request for both the City and County from the Bioscience and Technology Business Center (BTBC). Underwood explained the proposed BTBC Phase III building and why it is needed. Both the main and west BTBC facilities are at capacity now. The new facility would bring additional needed space for developing companies as well as amenities such as a new day care center. PIRC asked if the day care center would be only for PIRC employees or open to the community. Underwood stated the facility would be open to the community. Eastman made a motion to recommend the funding request and Kimball seconded. The motion passed 4-0, with Burnside & Kelly recusing themselves.

Steve Kelly and Adam Handshy presented the 2020 funding request for both the City and County from The Chamber, EDC, and Small Business Development Center. Fales asked about the \$20,000 that the Small Business Development Center would receive out of the \$220,000 total being requested. Steve Kelly confirmed that amount is passed through and not going to the Chamber.

Eastman asked about the services the EDC provides to local companies. Kelly mentioned they often act as the intermediary between the company and state for seeking state level incentives. Kelly also mentioned the role the EDC played when County land was provided for expanding existing businesses in East Hills Business Park. Retention visits, which are on-going efforts to take care of existing businesses, were also mentioned.

Dan Dannenberg asked about focusing on attracting companies involved in the film industry, especially in light of the Oscar award to Kevin Wilmont, professor at the University of Kansas, and the notoriety brought to the community as a result. Adam Handshy remarked on the difficulty of targeting that particular industry without providing incentives. The industry is highly motivated by incentives and will tend to relocate to other communities as soon as the incentives are no longer available in the current area. Steve Kelly mentioned the state's past programs to attract the film industry.

Gaston made a motion to recommend the funding request for the Chamber, EDC & Small Business Development Center and Kimball seconded. The motion passed 4-0, with Burnside & Kelly recusing themselves.

Stoddard went over the City's ethics policy (Resolution No. 7269) pertaining to advisory boards. Kimball brought up a concern with paragraph three being overly broad when applied to City advisory board members, which could lead to inadvertently violating the policy. (e.g. A PIRC member sits next to a friend at a fundraiser table, unaware that the company sponsoring the table does business with the City.)

Burnside asked if City employees and Commissioners annually certify a conflict of interest. Stoddard stated that elected officials file a conflict of interest statement, which is updated regularly. City employees are informed regarding conflict of interest but are not required to sign a statement.

Burnside made a motion recommending the governing body tighten the language in paragraph three of the City's ethics policy, so it does not extend beyond the role of the advisory board. Eastman seconded. Motion passed 6-0.

Crum-Cano presented the results of the 2018 Economic Development & Compliance Report.

During public comment on the report, Melinda Henderson asked if the HUB project would have qualified for any incentives. Stoddard mentioned that a project that is mixed

used could qualify for incentives if it was determined that it met policy requirements. For example, an NRA has been applied to similar properties that were blighted.

Henderson asked if there is a better way to calculate company wages rather than using the average or if the City could look at NAICS wages for various positions. Crum-Cano mentioned company average wages by occupation are compared to NAICS code average wages by occupation for the Lawrence MSA. Eastman mentioned the economic development policy calls for average wage data.

Henderson stated employee zip code data should be asked of companies receiving incentives to find out where their employees live. It was mentioned that Crum-Cano requests this information, but employment by zip code was not provided by companies this year. Stoddard mentioned Lawrence is part of a regional economy where businesses will always have some level of workers that commute. That is true for Lawrence companies as well as for companies in Topeka and Kansas City, which employ workers coming from Lawrence. Access to the wider pool of talent is necessary for companies, especially given a very tight labor market.

Burnside made a motion to recommend approval of the report to both the City and County. The motion was seconded by Kelly and passed 6-0.

The Committee opened the meeting to general public comments on topics not on the current agenda. There were no additional public comments.

A motion was made to adjourn by Eastman, seconded by Kelly. Motion passed unanimously. Meeting adjourned at approximately 12:20 pm.