

September 10, 1991

The Board of Commissioners of the City of Lawrence met in regular session at 6:35 p.m., in the City Commission Chambers in City Hall with Mayor Walters presiding and members Martin-Smith, Nalbandian, Schulte and Schumm present.

With Commission approval, Mayor Walters proclaimed the period from September 13 through October 27, 1991, to be "Lawrence Indian Arts Show Days In Lawrence."

As part of the consent agenda, it was moved by Martin-Smith, seconded by Schulte, to approve the City Commission meeting minutes of September 3, 1991. Motion carried unanimously.

As part of the consent agenda, it was moved by Martin-Smith, seconded by Schulte, to receive the Historic Resources Commission meeting minutes of 8/22/91 and the Convention and Visitors Advisory Board meeting minutes of 7/25/91. Motion carried unanimously.

As part of the consent agenda, it was moved by Martin-Smith, seconded by Schulte, to approve claims in the amount of \$407,729.79 and payroll from the period of 8-25-91 to 9-7-91 in the amount of \$583,595.87. Motion carried unanimously.

The City Commission reviewed bids for a track loader for the Public Works Department. The bids were:

<u>Bidder</u>	<u>Bid</u>
Martin Tractor Company	\$59,029.00
Murphy Tractor & Equipment Company	\$56,310.00
Murphy Tractor & Equipment Company	\$60,700.00
Murphy Tractor & Equipment Company	\$72,063.00

The Murphy Tractor and Equipment Company bid in the amount of \$56,310.00 did not meet bid specifications for track width and ground pressure characteristics.

00321

As part of the consent agenda, it was moved by Martin-Smith, seconded by Schulte, to approve the bid of Martin Tractor Company in the amount of \$59,029.00 for a track loader in the Public Works Department. Motion carried unanimously.

The City Commission reviewed bids for janitorial services in City Hall. The bids were:

<u>Bidder</u>	<u>Bid</u>
E.M. Janitorial Services	\$19,020.00
Cardinal Building Services, Inc.	\$20,376.00
Basic Services, Inc.	\$22,522.76
Bob's Janitorial Services	\$22,752.00

As part of the consent agenda, it was moved by Martin-Smith, seconded by Schulte, to approve the bid of E.M. Janitorial Services for janitorial services in City Hall for an annual cost of \$19,020.00. Motion carried unanimously.

The City Commission reviewed bids for janitorial services at the Sanitation Offices. The bids were:

<u>Bidder</u>	<u>Bid</u>
E.M. Janitorial Services	\$3,120.00
Basic Services, Inc.	\$4,062.24
Cardinal Building Services, Inc.	\$4,776.00
Bob's Janitorial Services	\$5,700.00

As part of the consent agenda, it was moved by Martin-Smith, seconded by Schulte, to approve the bid of E.M. Janitorial Services for janitorial services at the Sanitation offices for an annual amount of \$3,120.00. Motion carried unanimously.

The City Commission reviewed bids for janitorial services at the Central Garage. The bids were:

<u>Bidder</u>	<u>Bid</u>
Basic Services, Inc.	\$2,469.00
E.M. Janitorial Services	\$3,120.00
Cardinal Building Services, Inc.	\$3,540.00

<u>Bidder</u>	<u>Bid</u>
Bob's Janitorial Services	\$3,576.00

As part of the consent agenda, it was moved by Martin-Smith, seconded by Schulte, to approve the bid of Basic Services, Inc. in the amount of \$2,469.00 per year for janitorial services at the Central Garage. Motion carried unanimously.

The City Commission reviewed bids for janitorial services at the Street Division Offices. The bids were:

<u>Bidder</u>	<u>Bid</u>
Basic Services, Inc.	\$3,292.32
Cardinal Building Services, Inc.	\$4,776.00
Bob's Janitorial Services	\$5,868.00
E.M. Janitorial Services	\$6,600.00

As part of the consent agenda, it was moved by Martin-Smith, seconded by Schulte, to approve the bid of Basic Services, Inc. for janitorial services at the Street Division Offices in the amount of \$3,292.32. Motion carried unanimously.

As part of the consent agenda, it was moved by Martin-Smith, seconded by Schulte, to set a bid date of September 24, 1991, 2:00 p.m., for Stone Meadows West No. 3 sanitary sewers and Stone Meadows West No. 3, storm sewers, water line, and sidewalks. Motion carried unanimously.

Ordinance No. 6249, establishing a 40 mph speed limit on 31st Street from Iowa to Kasold within the City Limits, was read a second time. As part of the consent agenda, it was moved by Martin-Smith, seconded by Schulte, to adopt the ordinance. Aye: Walters, Martin-Smith, Nalbandian, Schulte and Schumm. Nay: None. Motion carried. (1)

Schumm abstained from the discussion on the request from First Management, Inc., for annexation of approximately 43,502.06 square feet located at 4343 West 6th Street because of a business relationship with the applicant.

Moved by Martin-Smith, seconded by Schulte, to receive a request from First Management, Inc., for annexation of approximately 43,502.06 square feet located at 4343 West 6th Street, refer to the Planning Commission for consideration in conjunction with a rezoning request and approve Resolution 5430 requesting the Board of County Commissioners to determine the advisability of annexation. Aye: Walters, Martin-Smith, Nalbandian and Schulte. Nay: None. Abstention: Schumm. Motion carried. (2)

As part of the consent agenda, it was moved by Martin-Smith, seconded by Schulte, to approve Resolution No. 5428 declaring the stone barn at 3601 West 6th as unsafe and dangerous, and setting a public hearing date for October 22, 1991, at 7:00 p.m., or thereafter. Motion carried unanimously. (3)

As part of the consent agenda, it was moved by Martin-Smith, seconded by Schulte, to approve Resolution No. 5429 declaring the structure at 536 Maine as unsafe and dangerous, and setting a public hearing date for October 22, 1991, at 7:00 p.m., or thereafter. Motion carried unanimously. (4)

As part of the consent agenda, it was moved by Martin-Smith, seconded by Schulte, to receive revisions to Work Elements II and IV and Program Budget for FY 1991 Unified Work Program to reflect the application to the Urban Mass Transportation Administration for a mass transit feasibility study and digital map conversion. Motion carried unanimously. (5)

Price Banks, Planning Director, presented a text amendment to Section 20-610.5, Use Group 4, Residential-Multi-Family to allow multi-family units in RO-2 zoning districts. The amendment was initiated by the Planning Commission. Following a public hearing, the Planning Commission voted 7-2 to deny the text amendments. Banks said the text amendment was a technical amendment to add multiple family uses to the RO-2 zoning district. In reviewing RO districts, staff found that a change in RO-2 had occurred in the late 1970's and, in addition, to reducing height,

increasing lot area and the density change, the multiple family uses were taken out of RO-2. Building types were limited to single-family and duplex developments. This proposed text amendment reaffirms the manner in which City staff has interpreted the ordinance with regard to proposals for RO zoning.

Bob Lichtwardt said the intention in 1977 was to remove multiple family from the RO-2 zones. He said it was not fair to property owners surrounding RO-2 districts to now include multi-family uses in the districts. Density is not the only concern, there is also a concern for the type of structure in the RO-2 district. He urged the Commission to vote against the amendment.

Banks said if the Commission voted to approve the amendment, it would need to be referred back to the Planning Commission for review. There are eighteen RO-2 districts of various sizes within the community. Several of those tracts are fairly large and undeveloped.

Tim Fritzel said he represents a partnership that was recently granted RO-2 zoning. The original request was for RO-1 zoning. Planning staff recommended the RO-2 zoning which would include multiple family and office use. He read from the staff report on the rezoning question. If he had to rezone to RO-A, it would increase costs, time, and the density.

Schumm suggested that the discussion be tabled and the Commission hold a hearing to discuss this matter with property owners affected by the change and surrounding property owners.

Moved by Schumm, seconded by Walters, to table text amendments to Section 20-610.5, Use Group 4, Residential-Multi-Family, for four weeks and direct staff to notify property owners with RO-2 zoning and adjacent property owners of the discussion. Motion carried unanimously. (6)

Bernard Judge, Chair, Tax Incentive Task Force, Chamber of Commerce, presented the policy statement with the changes that were discussed by the City Commission

at the August 13, 1991 City Commission meeting. The Task Force concurred with the changes made by the City Commission. Judge said he thought the policy was a strong statement by the City Commission on the City's Economic Development policy.

Kirk McClure gave qualified support for the policy. He supported the annual review, the suggested contract, the individual review of the project and evaluation of the wage levels. He cautioned the Commission on the use of cost benefit analysis to determine tax abatements. Almost any new project would qualify under a cost benefit analysis. McClure thought the review should go beyond the cost benefit analysis to a detailed look into the reasons why the company may want to locate in Lawrence. He recommended the City Manager be responsible for that review to the City Commission. A policy is only as good as the administrative enforcement or implementation. The cost benefit analysis is a valuable tool but is not sufficient. A concerted effort by staff to analyze the proposal.

Allen Ford said he several problems with the policy statement. The first is the assumption the City of Lawrence is competing with other Kansas communities who offer tax abatements. There are other communities in surrounding states and across the country that did not offer tax abatements. He recommended looking at those communities to determine how they remain competitive in the economic development process. The proposed policy is going to be very expensive for the community. He said that original policy which was based on Kansas League of Municipalities Model, has been watered down to make the policy ineffective. He gave the example of the elimination of the "but for" statement from the policy. He said the League's policy said the tax abatement would not be given "but for" the availability of the tax incentive to make it feasible for the company to relocate. He expressed strong concern about the pirafina statement and felt the City should not go after any business that is currently located in the state of Kansas. He also

objected to what appeared to be a veil of secrecy concerning the application and information provided by the applicant.

Nalbandian said the changes to the "but for" section were his ideas. His proposal would change the consideration of the impact the tax exemption would have on the business from the threshold or the "but for" question to one of five target objectives. His change would restrict the new target objective to consideration of tax exemptions for new businesses. Existing businesses would not have to meet this target objective. Exempting existing businesses from this objective demonstrates the City's commitment to encourage existing businesses in non-competitive situation to expand without encouraging them to seek a relocation option that they can present to the Commission. Existing businesses seeking expansion would have to show that their expansion was in the public interest and demonstrate the value to the City through the cost benefit model. Nalbandian said he thought the original language was not enforceable. He wanted to have a policy that would work.

Gary Toebeen, Chamber of Commerce, said the language concerning the confidentiality information was taken directly from the League's Model Policy. He thought it was important to have the Commission retain the language on pirating because there are Kansas businesses that will want to relocate because their needs are no longer being met where they are located. He gave the example of Fleming Foods where they announced that they were seeking a location in another state. We solicited them to locate in Lawrence.

Jack Gaumnitz said the School Board should be a more active participant than just being advised of a tax abatement. The policy would also allow a vacant building to pay less taxes than currently on the tax roll. This would reduce the overall tax base of the community. He was also not comfortable with the fee structure. Gaumnitz thought the fee should reflect the actual costs of administering the program. He said if the actual costs were not considered, the fee should be

eliminated. The financial information needs to be improved and a process developed for accurate review of that information. He recommended a public-at-large representative on the review committee. He encouraged the annual review be made available to the public. The data and application should also be made available to the public.

Schumm supported the existing statement on vacant buildings to provide for incentives for the use of those buildings.

Nalbandian said he had a concern with the statement on vacant buildings. He suggested adding the wording "if the building is vacant for a considerable period of time." The Commission has not addressed fees in a comprehensive manner. He felt it was not appropriate to develop a fee based on cost for this application because the Commission has not done it city-wide. A public-at-large position on the review committee would be valuable as well as an accountant type person who is familiar with reading private financial statements.

Martin-Smith said the chair of the Economic Development Task Force was the appropriate person that would represent the public-at-large. That committee represents the community on economic development issues.

Walters suggested implementing the policy as recommended and observe how it works before making changes.

Moved by Schulte, seconded by Nalbandian, to adopt the policy on Tax Incentives as presented by the Chamber of Commerce Tax Incentive Task Force, dated August 30, 1991, and direct staff to develop a resolution outlining this policy. Motion carried unanimously.

Moved by Nalbandian, seconded by Schumm, to amend Section 5, General Procedure, to omit the wording "vacant buildings" and to replace that wording with "buildings vacant for a considerable period of time." Motion carried unanimously.

Moved by Nalbandian, seconded by Schumm, to amend Section 18, Administrative Review Committee, adding a professional financial analyst to the review committee. Aye: Martin-Smith, Nalbandian, Schulte and Schumm. Nay: Walters. Motion carried.

Moved by Schumm, seconded by Schulte, to amend the Section 22, Annual Review, to be more precise on the annual report provided to the Commission. Motion carried unanimously.

The Commission voted on the original motion with the three amendments. The original motion carried unanimously. (7)

At the request of Schumm, the City Commission concurred to withdraw the discussion on changing meeting times from the agenda.

The City Commission discussed the invitation from Laura Nicholl, Secretary of the Kansas Department of Commerce, for the City to join the Department of Commerce in a trade mission to Japan during November, 1991. Walters also informed the Commission of an industrial and commercial meeting in Hiratsuka on November 15-17. He recommended the City participate in that program, with the Mayor and the City Manger participating in the trade mission.

Moved by Martin-Smith, seconded by Schulte, to receive the letter from Laura Nicholl, Secretary of the Kansas Department of Commerce, and accept the invitation to have the Mayor and the City Manager participate in the trade mission to Japan. Motion carried unanimously. (8)

The Commission concurred with the request of Mayor Walters to move the study session of September 30 to Wednesday, October 2, 1991; and the Study Session of October 14 to Wednesday, October 16, 1991.

The Commission set as a date of 7:00 p.m., October 21, for public information meeting on the Eastern Parkway.

The Commission agreed to meet at 4:00 p.m. on December 30, 1991 to discuss year-end business.

Nalbandian requested the Commission attempt to clarify the expectations of the Horizon 2020 process. There seems to be confusion on whether the Horizon 2020 program will be a community goal setting process or a comprehensive land use plan. He said the expectations of the community may not be on line with what Planning staff is preparing and the statutory requirements.

Jean Milstead, Vice-Chair, Planning Commission, outlined the education process for Horizon 2020. She has appeared before groups such as the Old West Lawrence group identifying the planning process. She thought the format was good.

Nalbandian suggested the Planning Commission and staff put together a short document on land use planning and forward it to the County and City Commissions for comment.

Nalbandian requested the City Commission write a letter opposing the liquor license renewal of Los Amigos Saloon. He said it appeared the Commission's presentation before the Director of ABC was not effective.

Schumm thought the presence of the Commission was very important and the Commission should make a presentation at the Los Amigos hearing and oppose the license. Schumm suggested writing a letter to the Director of the ABC asking what information is admissible and what he would consider during the hearing.

Martin-Smith said the information presented at the hearing was based upon the previous director's comments. She said it was important to oppose the application and be present at the hearing.


Moved by Martin-Smith, seconded by Nalbandian, to request a public hearing for the renewal of the liquor license for Los Amigos and to appear at the public hearing to oppose the renewal of the license. Motion carried unanimously. (9)

Mike Wildgen, City Manger, said KDOT is currently accepting applications for Fiscal 95 funding for projects under the economic development program. He recommended the City Commission authorize the Mayor to sign a letter requesting Fiscal Year 95 funding for additional 6th Street improvements.

Moved by Schumm, seconded by Martin-Smith, to authorize the Mayor to sign a letter of support and application for Fiscal Year 95 funding for additional 6th Street improvements under the Kansas Department of Transportation Economic Development Highway Program. **Motion carried unanimously.** (10)

Moved by Schumm, seconded by Martin-Smith, to adjourn at 10:30 p.m. **Motion carried unanimously.**

APPROVED:



Robert L. Walters, Mayor

ATTEST:



Raymond J. Hummert, City Clerk

00331

1. Ordinance No. 6249, Second Reading, 40 mph, 31st Street, Kasold to Iowa.
2. Annexation, First Management, Inc., 43,000 Square Feet, 4343 West Sixth Street, Resolution 5430.
3. Resolution 5428, Public Hearing, Stone Barn, 3601 West Sixth Street.
4. Resolution 5429, Public Hearing, Demolition, Structure, 536 Maine.
5. Planning, Work Elements II and IV, FY 91, Urban Mass Transportation Administration, Unified Work Program.
6. Text Amendment, Planning RO-2 Zones.
7. Tax Amendment, Policy, Chamber of Commerce, Tax Incentive Task Force.
8. City Commission, Trade Mission to Japan, November 1991.
9. Liquor License, Los Amigo, Request Public Hearing, Oppose License.
10. Sixth Street, 1995 Funding Economic Development Program, KDOT.