



City of Lawrence

CITY COMMISSION

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MICHAEL DEVER

COMMISSIONERS
MIKE AMYX
JEREMY FARMER
DR. TERRY RIORDAN
ROBERT J. SCHUMM

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January 21, 2014

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 Dever presiding and members Amyx, Farmer, Riordan and Schumm present.

A. RECOGNITION/PROCLAMATION/PRESENTATION: None

B. CONSENT AGENDA

It was moved by Schumm, seconded by Riordan, to approve the consent agenda as below, minus consent agenda item no. 2, claims. Motion carried unanimously.

1. Approved the City Commission meeting minutes from 12/10/13.
2. **PULLED FROM THE CONSENT AGENDA FOR SEPARATE VOTE;** Approved claims to 225, vendors in the amount of \$1,455,856.35.
3. Approved licenses as recommended by the City Clerk's Office.

Drinking Establishment License

Expiration Date

8th Street Tap Room
Louise's Inc.
801 New Hampshire

January 9, 2014

Pueblo Mexican Restaurant
Cavadas Corporation
804 Iowa St.

New License

Painted Kanvas
Painted Kanvas LLC
1540 Wakarusa St. Suite H

New License

4. Bid and purchase items:

- a) Set bid opening date of February 4, 2014 for hourly tree trimming services (emergency/non-emergency).



- b) Waived bidding requirements and approve the acquisition and installation of security cameras at the Transit Operating Facility, located at 1260 Timberedge Road, by Capital Electric Integrated System Group (the University of Kansas contractor) for \$100,373. The cost of the system would be entirely paid with Kansas Department of Transportation Construction Transportation funds and there will be no cost to the City.
 - c) Approved reimbursement to Lawrence Arts Center in the amount of \$17,771.36, for installation, programming and training of new ESI phone system.
5. Adopted on second and final reading, Ordinance 8951, pertaining to the salary of City Commissioners and the Mayor of the City of Lawrence.
 6. Accepted dedication of easements and rights-of-way associated with Final Plat, PF-13-00084, Langston Heights Addition, an 80 lot subdivision that includes detached, duplex and multi-family residential lots. The property is located along the east side of K-10 highway and south of W. 6th Street, north and south of Crystal Lane and Palisades Drive extended to the west. Submitted by Landplan Engineering, for Langston Heights, LC, property owner of record. (PC Item 7; approved 8-0 on 12/18/13)
 7. Approved a temporary use of public right-of-way permit for use of various city streets, including the rolling closure of the northbound lane of Massachusetts Street downtown from 8:00 a.m. – 8:25 a.m., on Monday, May 26, 2014, for The Home Run 5K.

Amyx pulled consent agenda item no. 2 regarding claims for a separate vote.

Moved by Schumm, seconded by Riordan, to approve non-Rock Chalk Park related claims to 224 vendors in the amount of \$1,452,555.92. Aye: Amyx, Dever, Riordan and Schumm. Nay: None. Motion carried unanimously.

Moved by Schumm, seconded by Farmer, to approve Rock Chalk Park related claims to 1 vendor in the amount of \$3,300.43. Aye: Dever, Farmer, Riordan, and Schumm. Nay: Amyx. Abstain: None. Motion carried.

C. CITY MANAGER’S REPORT:

David Corliss, City Manager, presented the report.

D. REGULAR AGENDA ITEMS:

1. Received update from staff on the Santa Fe Station project.

Diane Stoddard, Assistant City Manager, presented the staff report.

Schumm said regarding the Bartlett & West schematic, he asked about the area adjacent to the building and was it part of the improvement under scope 2 or not.

Stoddard said they believed their intention was to let the City go ahead and do the existing pavement that was right adjacent to the building so the extent of the pavement shown on the schematic would not be grant eligible.

Schumm asked about the gold portion on the schematic.

Stoddard said just part of the gold portion.

Schumm said it would be pavement immediately around the building.

Stoddard said correct.

Schumm said everything to the south and east would be at a later moment, including all the way over the Kennedy's property.

Stoddard said staff would recommend designing that improvement so that they were ready to take advantage of any opportunities and that could also help with the Transportation Enhancement grant application that was coming up. She said staff recommended delaying that improvement with the immediate project.

Schumm asked about the Burrough's Trail extension. He said in the schematic the trail was on a north/south access to the lower right hand side of the schematic drawing and asked about the trail coming behind Kennedy and running along the old Black Hill's property or was it on Delaware Street.

Stoddard said the Public Works Director could address that question, but realize that this was a 2009 concept.

Chuck Soules, Public Works Director, said the committee discussed bringing that trail along the back side. Again, that was an older concept and the grant application that staff would send in would actually show the location of the trail.

Schumm said he didn't see the alignment of the trail for the grant they were submitting in February.

Soules said the grant application would come before the City Commission on February 4th. He said the grant application would show the alignment, but there were a lot of details to work out.

Amyx asked about the bus stop.

Stoddard said again, that was an early concept back in 2009. As a matter of fact, the amount of pavement might be reduced and more area for parking. Again, that was something that would come out as they proceeded with working on design.

Schumm said if the trail came in from the parallel to the tracks it might push that parking back to the south somewhat as opposed to somewhere that the trail had to get across.

Stoddard said staff needed to understand a little more about what BNSF was going to require as far as setbacks of any improvements that would go through their tracks.

Farmer said he had a concern that the list might not be all inclusive and the line that gave him pause was: "as reviews of the project plans took place it, might be determined that additional items may also be non-participating." He asked what assurance the City Commission would have with where they were headed with this if they choose either option and they wouldn't come back and say this \$200,000 was also non-participating because it seemed that the City applied for this grant with the expectation that they were going to be able to use that funding for ABC and D and they said it sounded great and were approved and now they were saying A and D you could do, but they were really not sure about B and C.

Stoddard said she asked for a listing of ineligible costs, for example, one of the things related to the west side of this garden area that wouldn't be included as part of the grant, but staff could include in other ways was irrigation. The majority of the landscape materials, the hard-scaping of that portion would be eligible. There were some things

that were on that list that might be envisioned and they could work with what they gave staff. Again, she didn't know if there was any guarantee that they wouldn't have any other surprises but staff had visited a lot with them, related to the points that were in their correspondence to make sure staff understood what was going to be included and what was not going to be included. She said for example, she talked to them about exterior improvements and explained that the exterior improvements included the BNSF area and they indicated to her that those expenses would be eligible for the grant.

Farmer asked if Stoddard had high confidence those other things they told the city was okay and were going to stay okay.

Stoddard said they were very good about helping staff understand those things and also working with staff. She felt comfortable that staff had the best estimates on what would be covered at this point.

Dever said in option 2, Stoddard said the total cost would be approximately \$35,000 above the \$350,000 that the City originally set aside. He said to make sure he understood the \$14,000 in work for Hernly and Associates regarding building plan design changes were going to be covered by some original allotment for design fees.

Stoddard said correct. The \$35,000 was just the net increase in what the City share would be for all of those things, but they certainly did envision some design costs although that line item was going up around \$10,000 from what staff originally projected.

Dever said so Stoddard still arrived at a total of \$35,000 because she had some Bartlett & West costs already covered.

Stoddard said correct. She said there were some other things in the project itself and if they backed out the parking and sidewalk improvements on the east side then the City did not have to come up with their 20% match for those costs, but there were some other pieces of the equation that staff had to take into consideration as additional cost,

the share of the systems costs. The easiest way to show it was that it was a net increase of about \$35,000 for that option 2.

Mayor Dever called for public comment.

Richie Kennedy said he was a member of the Kennedy family that owned Kennedy Glass. He said he understood the sidewalk, at this point, would be ineligible under the KDOT grant. He said currently there was no sidewalk on either side of the 700 Block of New Jersey Street. He said Marty Kennedy indicated that the City tried to put a sidewalk in on the west side but one of the neighbors on that side was opposed. He said Marty Kennedy thought that the setback requirements for BNSF would preclude the trail from going on a more diagonal path and probably would be better off going in front of Kennedy Glass. At this point, he didn't see any indication from anyone that they would be opposed to that, but would say that "if" and "when" they did put a sidewalk along that stretch, he would at the very least go all the way down to 8th Street.

Farmer said he was curious to hear from Carey regarding option 1 and 2.

Carey Maynard-Moody said it was a disappointment that they weren't getting the whole caboodle like they thought they were, but was heartened by all the work that staff had done to keep them in the running. She asked if city staff had asked BNSF if they would help with a portion that they were doing, for instance to HVAC system and a portion of the roof. She said she didn't hear that in Stoddard's presentation, but they would benefit from those improvements.

Stoddard said she had not asked BNSF directly about this particular issue. However, in previous discussions they would likely know the answer. BNSF had indicated that they weren't willing to put any funds toward the restoration project. She said her guess was that they would be reluctant to participate. They also had certain requirements in terms of giving the city the building and the no cost land lease that involved no additional cost to BNSF.

Maynard-Moody said there was a BNSF foundation and she had explored that in the past, but it was pretty small dollars that they allot in those grants such as a couple of thousand perhaps and wouldn't help much. She said they still hoping that the City would move forward with \$35,000 even though it was more, they were still getting quite a bit out of the bargain. She said hats off to staff for a good job they were doing in turning over every stone.

Farmer said he appreciated Maynard-Moody's comments.

Stoddard said there was a possibility of historic tax credits for this project. She said she visited with Lynne Zollner, City's Historic Resources Administrator, and they were able to get some funds through historic tax credits on the Carnegie Building. She said this type of building would qualify once it would be placed on the historic register which wouldn't be possible until after the City owned the building, but once the City did, staff could apply for historic tax credits and then at the end of the project they could get up to 25% of the eligible costs and her estimate was that the City had a million dollars in eligible costs and might be \$250,000 in tax credits which was a good dollar amount. She said because the city did not pay taxes, the City didn't benefit directly from the tax credits but they could market those tax credits and could get 70 or 80 cents on the dollar. She said they were talking about a good sum that the city might be able to get later in the project.

Schumm said the City had the Transportation Enhancement grant that staff would be submitting on the 14th of February for the trails. The idea was to perhaps fold into that request now some of the development on southeast side of the depot because that would most likely come right through that area. He asked if they needed to expand either the City's contribution into that request or ask for more to accommodate the additional work that the city might be able to do.

Soules said that was something the City Commission could decide when staff makes application.

Schumm asked if Soules would have some additional number to add to the estimates for next week regarding that southeast portion. He said if the City paid it and they threw it into the grant, then they could increase the match the City was willing to pay which would get the City in a better position. If the City wanted the State to pay it, then the City needed to ask for more from the State or share it in some way.

Dever said the City Commission needed to provide direction regarding staff executing the agreements with the engineering firms and presumed the City was on target with moving forward. There was an additional \$35,000 expenditure and asked if there were any comments or discussion about that.

Amyx said the City had an opportunity to do what they wanted with the building. He said the City Commission appreciated all the work that she and staff had done on this project to secure the grant to make this possible as well as Carey Maynard-Moody and her organization. He said option 2 was the City Commission's choice at this time and it was a good and sound recommendation. The \$35,000 was a wise investment.

Schumm said he agreed especially if they had the possibility of picking up some the other funds through this additional grant that City was working on. It would help resolve quite a few issues. He said he was in favor of option 2 as well.

Riordan said it was the most logical thing. He said having worked with the State several times on historic grants his experience had been that if it was non-qualified, the state would notify you promptly.

Moved by Riordan, seconded by Amyx, to receive the report and accept option 2 regarding the scope of the project and authorize staff to execute agreements

with Hernly Associates and Bartlett & West regarding the design work on the project.

Motion carried unanimously.

2. **Received a staff report on the history of investment thresholds in the property tax abatement policy.**

Diane Stoddard, Assistant City Manager, presented the staff report.

Dever asked if the City Commission recalled this issue where there were 6 favorable points for tax abatement request and clearly the way things were progressing and the fact they wanted to try and encourage small business investment, it made sense to address the City's current policy. He said he personally thought it might be a good idea to get outside assistance on this matter.

Schumm said he liked item number 2 which referred to the Public Incentive Review Committee and Joint Economic Development Council because it was a broad collection of people that represented different interests and was a pretty good sounding board of what was going on. Also, he liked item number 1 where the City had this bioscience technological business center and were trying to graduate people out of that center. Some of those would not be mammoth companies when they get their feet on the ground and to give those businesses a little bit of an advantage so they could get going quicker might be in the City's best interest as a community. He said he would like to forward all of this information on to those two groups for review and have those groups come back with some suggestions to see where they go from there.

Amyx said it was a good plan.

Dever asked if the Commission wanted to move more quickly on the policy just for the BTBC related entities and maybe prioritize it because it could take a while and there might be some opportunities that arise or they could wait and do it all together.

Schumm said they had that option independent of a final position on this matter. He said they could make amendments to their own policy and it wouldn't hamstring them in any way.

He said go ahead and send this information off and see what the comments were and then try to craft a final solution.

Amyx said at the Public Incentive Review Committee, the Small Business Development Center indicated that City had a pretty good policy in place. If the Commission had to make changes from time to time to be able to meet deadlines as long as it was within reason.

Mayor Dever called for public comment.

After receiving no public comment, Farmer said under option 2, he asked that when the City Commission received those recommendations from the Joint Economic Development Council (JEDC) since that was a joint City/County appointed body and the Public Incentive Review Committee (PIRC), he suggested having a joint meeting with the School Board, County Commission, and the City to talk about this issue. He said there was a study session done in 2009 and there would be value in having that conversation among those three bodies as opposed to just the City moving to approve it.

Mayor Dever said they could have a study session once the City Commission received the recommendations back from those bodies.

Moved by Schumm, seconded by Amyx, to receive the staff report and refer this agenda item to JEDC and PIRC for further comments and after the information was received, schedule a study session with the appropriate groups for possible revisions to the policy. Motion carried unanimously.

3. **Considered the following items related to Bethel Estates property tax abatement request:**

a) **Received a request for Industrial Revenue Bond Financing and a property tax abatement for Bethel Estates affordable senior housing project.**

b) **Considered adopting Resolution No. 7055, approving conditionally an application for low income housing tax credits from the State of Kansas for Bethel Estates of Lawrence.**

Diane Stoddard, Assistant City Manager, presented the staff report.

Riordan said with any type of tax abatement in this situation, he asked if the City Commission approved a tax abatement how would staff reassure the public that the abatement was passed on to the seniors and there was a lowering of their costs.

Stoddard said that would be something staff would need to discuss with the applicant, but staff mentioned that was one of the issues. She said staff didn't have anything to assure those savings would be passed on to the seniors in past projects. She said for example, if staff came up with a performance requirement that rent had to be based on a certain formula. She said those kinds of things could be explored.

Riordan said the other two projects that were allowed in the past was such a long time ago and wouldn't have any mechanisms in the City at this point.

Stoddard said correct. She said when those projects were done the context of senior housing was much different than it was today.

Amyx said regarding those two projects that received abatements, he asked if those were public projects or privately owned projects.

Stoddard said Vermont Towers was originally a private project and was now run by the housing authority.

Amyx said the Clinton Parkway project was run by the housing authority and didn't know if Vermont Towers in the beginning was private or not at the time of the abatement being granted.

Stoddard said the gentleman in the County Appraisers Office had indicated that it was private and was developers from Wichita.

Schumm said what specific request they were making for tax abatement. He said he saw a reference that the Appraisers Office indicated that with prior cases it began at 50% and worked down to 0% in the tenth year.

Stoddard said the developer generally requested 100% property tax abatement. As far as working through any numbers, they haven't gotten to that point yet, just trying

to get an indication of the City Commission's openness in general to considering the use of those tools for this type of a housing project.

Schumm asked if that was for 10 years.

Stoddard said yes.

Schumm asked if there was any in-lieu of agreement.

Stoddard said she would let the developer respond to that question. She said they hadn't discussed that. She said she knew that in-lieu of tax payments were a negotiated point with those Industrial Revenue Bonds at times.

Schumm said those were services that they receive from the City that they wanted to get compensated for because they were a direct cost in most cases.

Mayor Dever called for public comment.

David Rhodes, applicant for Bethel Estates, said he didn't know how familiar the Commission was with tax credit application process, but it was highly competitive. Each year a group of developers would submit applications for tax credits across the entire State of Kansas. He said they had done some market study and research and felt there was a real need for affordable housing in Lawrence for seniors. In order to be at a competitive advantage against all of those other people that made application and the tax credit process, they were looking for all sources of ways to bring the project in at a lower cost to maintain the project and operating costs so they could truly offer the most affordable project to the seniors. The senior lifestyles had changed over the years and felt there was a real need in Lawrence. Most of their people that rent their projects were the adult children that lived in the City bring their parents back closer to them and it was the 45 to 65 year old adult children bringing their parents from places like Chicago and Dodge City. Those tax credits would be awarded to someone in the state because there was an allotment every year and gave out a certain number of tax credits. He said they're attempting to put their best foot forward to receive those tax credits so they could

do this project in Lawrence because they felt Lawrence was in need of senior affordable housing.

Amyx asked if Rhodes received tax credits for their project in Gardner.

Rhodes said yes.

Amyx asked if there was 100% tax abatement on that property.

Rhodes said no because of the competitive cycle. Several years ago there weren't as many developers going through the application process at the state. There wasn't near the competition for those tax credits.

Amyx asked how many units Rhodes had in Gardner.

Rhodes said 132 units.

Amyx asked about the tax liability on that property.

Rhodes said approximately \$100,000.

Amyx said \$100,000 of 132 units versus this proposed project in Lawrence.

Rhodes said they were proposing this first phase of 48 units for a total of 90 units eventually and the first phase would be 48 units. They estimated that tax liability to be approximately \$50,000 today.

Amyx said compared to the project in Gardner, it had to have some effect on the bottom line of the rent.

Rhodes said yes. He said their one bedroom apartments would rent for \$460.

Amyx asked what effect the tax bill had on the bottom line on the rents.

Rhodes said it was squeezing the operating cost of those projects over the 10 year/15 year life of the tax credit. As taxes increased each year those operating squeeze and that was why they were asking for some consideration.

Schumm said those were subsidized housing because of the tax credits.

Rhodes said he wouldn't consider it subsidized housing. He said what the state did when awarding tax credits, they dictate the maximum income could earn to live

there. If you earn more than “x” amount, a senior would not be qualified to live there. He said they would tell them what they could rent that apartment for less utility if they were in the tax credit program.

Schumm said that was to let lower income seniors an opportunity to rent something.

Rhodes said it was geared toward the low to moderate income people and they were 100% senior, 55 and older, no families.

Farmer asked what happened after 10 years. He said there were a lot of housing projects that started out and received a partial abatement and then what happened was after that time period was over, it moved from affordable housing to regular housing.

Rhodes said no, it would stay affordable housing.

Farmer asked forever.

Rhodes said they had to sign a 30 year agreement with the state if they were going to accept the tax credits and those would be affordable apartments for 30 years.

Farmer asked what happened after 30 years.

Rhodes said they would need to advertise for a year to request that they be turned into market rate apartments, off of the tax credit program.

Farmer asked if that would be the plan for those apartments.

Rhodes said he didn't know because he would be here in 30 years, but their intention was to maintain those tax credits for the 30 year period.

Dever said there was no guarantee that they would get those tax credits.

Rhodes said absolutely not. He said it was an application process that was fairly extensive and was competitive.

Dever said the City Commission was being asked to see if they were amenable to this concept so they could work on this project. He said they could spend time

working on this and would potentially not receive those tax credits. He asked what would happen to the project if that occurred.

Rhodes said there were two questions before the City Commission. One question was a general resolution of support that stated the City was interested in pursuing this project and the second question was to continue to work with staff to see how affordable and how well they could make their application process. If they submitted the application with the general resolution of support in February, and worked with staff from February to mid-May to the first of June on whether they would receive that award or not. If they were denied that award, they couldn't offer affordable housing and had to consider whether they wanted to move forward with market rate housing at that point.

Dever asked had they thought about that yet.

Rhodes said they had thought about it, but the bottom line was that it might not pencil out.

Schumm said this selection process that took place with the state which they might be selected or not. He asked if the decision was made based on need in the community or based on how low the rent could be for a person in Lawrence as opposed to a person in Topeka or Wichita and the lower one would win.

Rhodes said the selection was made on a point process and the point system was geared off of several factors. He said affordability, location, and City support were all significant. He said if they went into a City that there was no support, then they wouldn't get points for each one of those categories and there were 30 to 40 categories that the State looked at in that point selection process. He said there were a variety of things that the State considered. If they didn't get approved, this particular round for this project, if the person they had the contract for the land, if they were willing to wait another entire year, they could reapply next year, but in most cases the landowner wasn't

willing to tie up their land under a contingent contract for another year to a year and a half. That was why they were attempting to make the best application they could at this point in time.

Amyx said there were 2 parts to the IRB request which was the sales tax exemption and then the tax abatement. He asked if Rhodes needed both.

Rhodes said no.

Amyx said he was not going to be in favor of the elimination from property tax. Under the City's policy it talked about special projects considered under IRB, multi-family or senior living projects that contained no non-residential uses and the request for IRB's must be at least 35% of all the housing units set aside for households making 80% of the area medium income or less. He asked if this project met all of those guidelines.

Rhodes said yes.

Amyx said the City Commission could issue IRB's, or grant under the IRB use, the sales tax exemption portion of that, but he would argue the loss of the tax base. It was important for the City to maintain. He said under the City policy, if he was supported of the policy, they had that opportunity.

Farmer asked if there would be any way there would be a mix use with some market rates and restricted units with this project.

Rhodes said they didn't do that and did 100% tax credit. He said they didn't mix the market rate.

Farmer asked if they had any other market rate properties in the State.

Rhodes said yes.

Amyx said Rhodes project exceeded the requirements of the City's policy. He said it was greater than 35% of all the housing units and 100% of the housing units had to meet the guidelines.

Rhodes said correct. He said they set up their project and 20% of their projects met 40% of the medium income and the remaining met 60% of the medium income. They exceeded the City requirement by quite a bit. He said they tried to deep skew those to more affordable. He said he thought there was a direct correlation to the rent. The better incentives that they could get, they could offer 20% at 40% of the medium income. If they couldn't get those additional consideration, then the project at 60% or the medium income and that made them less able to gain those point structures in the application with the state by offering the lower income rents, they would be higher on the priority then some that came in and stated that they were only achieving 60% of the medium income. He said they were trying to do 20% of their apartments in 48 units that was 10 apartments at 40%.

Riordan said one category was that Lawrence had a need for low income housing for this age group and asked how that compared to other cities that Lawrence would be in competition with.

Rhodes said he didn't have that answer for other cities. He said he had done a market study for Lawrence and there was a rising senior group in Lawrence. He said you could look at the 15,000 seniors that were 55 years and older that currently lived in Lawrence, but that wasn't necessarily their market, the market was the adult children that brought their parents back so they didn't need to travel to Chicago, California, or where ever the parent might live.

Riordan said when he saw state qualifications they give certain percentage for each one and asked what percent it was that the economic factors carry.

Rhodes said he didn't know the exact number but there were 310 points possible in the whole application process and 45% was the City and the location and were close to services, shopping, hospitals, pharmacy's, and close to the things that seniors needed.

Riordan asked about the economic benefit.

Rhodes said the economic benefits drove the entire project.

Riordan said if they were able to serve a better population or a population that had lower income, how many points did that went towards.

Rhodes said by offering the 40% to the medium income they'll get approximately 35 points in that point process by deep skewing the income status.

Riordan said that was about 10%.

Rhodes said correct.

Farmer said in the letter from Rhodes, he was pleased to see that there would be some partnership with Lawrence/Douglas County Housing Authority. He asked about conversations they have had with their Board about collaborating because they certainly did a fantastic job with affordable housing in the community.

Rhodes said it was his understanding that the Housing Authority was in the process of attempting to develop 20 units directly next door to their project. One of the reason's they felt they would be a good mix was that they attempted to bring seniors in the community and make the seniors feel like part of the community. She said by the Lawrence/Douglas County Housing Authority bringing in families next door to their proposed project, they felt it was a great partnership. He said he had talked to the Douglas County Senior Service as well and had a letter of support from them, a referral agreement from the Public Housing Authority. He said he tried to meet and get input from everyone he could to see whether this project was well received or had additional comments or things that they could alter their planning to bring the best thing forward. He said all of their apartments were all ground level and ADA adaptable, wide hallways, wide doors, turning radius in the bathroom showers. He said everything they had done was to make it very nice for the seniors, but by getting the tax credits and incentives

from the City, they could provide seniors with a very nice apartment or home that made the seniors feel good and made them feel like they were part of the community.

Mayor Dever said the Commission appreciated Rhodes input.

K.T. Welsh said they give Tony Kresnick big support for tax credits for his low to moderate income housing and also for his next project for low to moderate income housing. The difference was that it wasn't geared toward seniors in particular. She said she liked the question about what happened when the credits ran out. She said it seemed like a very worthy project and didn't know why the City would support Kresnick and not Rhodes.

Schumm said he was in favor of the resolution, the IRB, but his only hang up was the tax abatement and there were other businesses that were doing some of the similar work that didn't receive tax abatements. He said the City Commission would hear from those businesses once they find out that someone else was getting something that they hadn't been allowed to receive. He said there was service that went along with this development, which were true cost and was kind of worried about where that money would come from to service this. He said he was having trouble with the tax abatement and 100% tax abatement was a lot and didn't know if they should look at a lesser amount or decide on no tax abatement.

Amyx said the IRB application process was okay, but as far as the tax abatement, he was not in support of.

Farmer said he was in the same boat.

Rirodan said he agreed that this was a very good project and was in support of just the IRB. If that didn't work, they could come back next year and see what happened.

Dever said the sales tax on construction materials went hand and hand with the IRB's and wanted to make sure it was all inclusive.

Stoddard said there was a process with those things staff did, for example, the Neauvant house which was taken to the Public Incentive Review Committee and then there were some other requirements in terms of a Resolution of Intent on those bonds and then consider an ordinance.

Moved by Amyx, seconded by Schumm, to provide direction to developer and City staff regarding the City Commission's willingness to entertain a proposal for those incentives; and, adopted Resolution No. 7055, approving conditionally an application for low income housing tax credits from the State of Kansas for Bethel Estates of Lawrence. Motion carried unanimously.

4. **Considered approving the 2014 Comprehensive Street Maintenance Program.**

Mark Thiel presented the staff report

Riordan said that was an excellent report. He said going to and from work it was interesting to see projects that went along the City especially the curb maintenance in the Pinckney neighborhood which looked much better. He said Ted Boyle would be happy today because if he saw the map of North Lawrence and the status of those streets, Boyle would see that staff had done an excellent job. He said from time to time the Commission received letters from the public and one of the letters a person wrote the Commission a letter about the street maintenance and wasn't very happy, but sometimes the public was unhappy because they didn't have the information and if they listened to this report they would get information about how productive and how staff did take care of the streets. He said a young girl was unhappy because the City was plugging the potholes because she road on a bus and enjoyed the bus going down into those potholes.

Farmer asked what type of planning was done in relationship to sidewalks. He said they made a lot of progress on streets. He said he heard more about the City's

street issues when he walked and knocked on doors then he hears about anything else, almost as much as roundabouts. He said what sorts of things the City was doing to plan for the future in relationship to sidewalks. He said if they could get some energy around that topic, they could make some good progress.

Thiel said anytime staff looked at a project, especially a reconstruction project, they tried to incorporate those complete street elements which would involve sidewalks or recreational or multi-use paths. He said when they did mill and overlay or micro-surfacing project, it simply wasn't part of it, but staff did try to address ADA ramp issues. The City Manager had recently asked staff to look at the City's sidewalk policy and enforcement policy for hazardous sidewalks and was in the process of developing those guidelines now.

David Corliss, City Manager, said they had talked generally about sidewalks. The City Commission had been briefed by the City's Gap projects where sidewalks were built throughout the community either through neighborhood input, public input, or staff observation and determined that they wanted to have additional sidewalks such as 23rd Street, Haskell Avenue and a lot of other areas in the community. Regarding sidewalk maintenance, staff was probably not doing what they needed to do, but still followed the state law that placed that responsibility on the State property owner which continued to be problematic. In many cases it worked and was in the process of developing some additional information to show that the City's enforcement of that had some success, but it was not 100%. The sidewalk network was only as strong as its weakest link. He said staff still struggled with that whole issue of sidewalk maintenance. He said he had been involved with the Lawrence Association of Neighborhoods Pedestrian Coalition and would be talking to them in February. He said they had a list of 19 questions that they wanted to ask him regarding sidewalk issues and the Commission would see those responses. He said they made a lot of good progress regarding infill gap projects on collectors and

arterials, but not really good on maintenance and was an item staff wanted to tackle. He said staff made a lot of progress in this area, but not enough progress to where staff could say let's divert resources from street maintenance to sidewalks.

Farmer said he remember this was a hot topic growing up and from the information that he read in the packet, staff finally got a hold of that 10 to 15 years ago and had a good plan and they passed a .3 percent sales tax increase to fund this, 7 sources of revenue to fund fixing streets. He asked if there would be a way for staff to look at the sidewalk issue taking a state of the union as far as those went. He said he was interested in talking in this year's budget session in what they might be able to do to make that a priority and be more pedestrian friendly in Lawrence. He said in order to do that they needed to know where they were, but knew they weren't where they wanted to be. He asked if they could work up some sort of study or state of the sidewalk, to get a handle on where they were so they could figure out where they needed to go.

Corliss said he asked staff to give him an idea of what it would take to update the City's sidewalks. He said the city had a plan but it was dated but gave staff a good idea using some of the tools to look at streets where they were regarding sidewalks throughout the entire community to get some idea. He said it was his opinion that it would take new resources in order to take on the responsibility of sidewalk maintenance. It was much like streets because sidewalks would always need maintenance in the future. He said he didn't see they were making enough progress on street maintenance in order to divert that money away from street maintenance to sidewalks.

Farmer said from diagnosing the issue to moving toward a solution and fixing it. He said he wasn't suggesting diverting money away from streets at all and that would be a very foolish thing to do considering how far the Coty had come, but get a handle on what that might take as far as new revenue streams and talk about later the various ways

to do that during the budget session and leading up to the months to where they had that conversation.

Corliss said that was what he hoped to get out of this sidewalk inventory which was a rating of those sidewalks and based upon the lineal foot and how much it generally took to replace and repair sidewalks for those that needed it, a general idea of what those costs would be. He said they were talking about a little over a million dollars for additional debt capacity. He said when staff looked at the City's program for 2013 they really didn't have enough resources to meet what they thought they needed to do. As they were budgeting for the work at Rock Chalk Park they roughly had \$25,000,000 of debt capacity from the sales tax for parks and additional 4 million dollars of General Obligation Debt that they were going to spend in 2013 and 2014. As they knew the contracts the City had entered into for Rock Chalk Park, they thought they weren't spending all of that money. He said he was recommending that they did \$1,030,000 for this program and thought it was appropriate in this instance to keep the street maintenance strong. He said he was making the recommendation and the City Commission would make the decision.

Amyx said without approving the Resolution, the City wouldn't have a street program.

Corliss said they would have a million dollars less of a street program.

Amyx said it would be considerably less.

Corliss said they worked through a number of items and talked about doing things on New Hampshire at 9th Street, but decided not to proceed because of all the construction work that was going on. He said they talked about other projects as well that they could be deferred. He said there were a lot of projects that still needed attention.

Farmer said the City Commission authorized \$25,000,000 in General Obligation Bonds for Rock Chalk Park and would have used \$22,500,000 was what they contracted

for and were essentially \$2,500,000 that the City was going to spend, but didn't and out of that \$2,500,000, the City was going to spend \$1,030,000 on streets.

Corliss said correct but those were estimates and sometimes they go over or sometimes come under. There were some projects that came along where they didn't have a good funding source such as the 9th and Emery and 9th and Michigan project, the City applied for and was getting 90/10 money and putting in \$50,000 for that which made a lot of sense. He said they were trying to keep that General Obligation Bond debt at roughly \$5,000,000 to \$6,000,000 a year so that bond and interest mill levy could stay relatively stable as the City had relatively stable assessed valuation which was part of a judgment call that he recommended they make in this regard.

Dever said he appreciated the work on the PCI and spent about 50 million dollars over the last 8 years and it was paying off. He said it took a while to get where they were at and took a while of getting out of that position, but it was clear that things were looking better as far as the streets went. He said he agreed with Farmer that they needed to pay attentions to the sidewalks and needed to tackle as far as an on-going funding source and a strategy to try and decide what they did with those dollars once they were able to find them. He said he was in favor of moving forward with the plans as submitted.

Moved by Schumm, seconded by Riordan, to approve the 2014 Comprehensive Street Maintenance Program; and, adopt resolution No. 7054 authorizing the issuance of general obligation bonds in the amount of \$1,030,000.00. Motion carried unanimously.

5. **Received a presentation on the proposed brick street maintenance and restoration guidelines.**

Mark Thiel, Assistant Public Works Director, presented the staff report.

Riordan said when they reconstructed their house it took him a year to find handmade brick made and it was extremely important to get the right brick. He said he

was pleased that staff was going to try and do lime stone curbs. It made a lot of sense to get rid of the brick underneath the arterial streets and use that. He said they reused a lot of brick in other areas, but had to buy new brick too. He asked how long did it take for bricks to start to deteriorate.

Thiel said that was a tricky question. A lot of the brick streets in the community were some of the older streets and were still in fairly good shape. A lot of the issues with the bricks were lack of maintenance over the years. Another issue from public input was how staff plowed snow on those streets. The traditional metal carbide blades that were on the front of their plows were not very friendly to plows especially if they were getting down to the bare pavement. Those were all challenged that impacted it. He said the same with any of the other streets in the community. If staff addressed the maintenance needs while the PCI was relatively high, they could extend the life of those streets indefinitely, concrete, asphalt or brick. He said when they let the streets get in a condition such as the 2100 block of Vermont with the 13 PCI, putting an asphalt overlay on that would basically make its smooth right on for about a year and then that asphalt would be pot holed up again. He said there was really nothing staff could do to that 2100 block of Vermont, short of reconstruction. Staff's goals with the programs to make sure they were doing maintenance on the street so that once they rebuild a street whether it was concrete, asphalt or brick, it would last indefinitely.

Riordan asked what type of maintenance they did on brick.

Thiel said they had to reset when they had settlements. Sometimes with modern brick paving technology, they put a concrete or asphalt base underneath and the wearing surface was similar to a 2 inch overlay. If there was a failure to the concrete or the asphalt staff would simply remove those brick and repair that. If the City's utility department or gas company needed to do a repair, they would remove that section of

brick and stock pile it on the side, saw cut the pavement, put a patch in and then they would put the brick back.

Schumm said what was underneath the bricks at the 2100 block of Vermont.

Thiel said their database showed that it was concrete, but staff wouldn't know until they core it.

Schumm said that was probably the worse brick street.

Thiel said yes.

Dever said those rationales had been discussed with HRC as far as east/west/north/south facing or not facing and curbs. He said the rational for doing the east/west was because they were more frequently traveled or were they trying to harvest brick to have those brick for repairs.

Thiel said when they started off looking at the 24 miles of brick streets, the first decision staff made in that process was that there were certain streets that were probably never going to be brick streets again. That's where they came up with the idea of arterials and collectors. If taking the remaining number of brick streets which were the remaining residential streets, they wouldn't have enough brick to do all of them. He said that was where that philosophy came from and restore the streets that have houses facing the streets.

Dever said the same thing went with the limestone curbing and it was okay to patch here and there, but if the street was pretty much missing most of the limestone, the concrete curbing had to be the option because of the cost.

Thiel said he hoped as they started this program and started selection of maintenance that they would be able to add to the current stock pile of not only brick, but limestone curbs so that when they did restore block, they would have enough limestone curb. He said they needed to have some mechanism in place to help make that decision, if they didn't have enough limestone curb. Staff was proposing through the

guidelines for the initial design or consideration, to put back a concrete curb versus purchasing limestone.

Dever asked about the alley's and knew that many of the alleys in certain parts of the town were under laid with brick, topped with asphalt and some were exposed. He asked what the City's responsibility was as far as alley maintenance and where did that fall into all of this, related to the bricks because that would be a source for brick as well.

Thiel said alley maintenance was complaint driven, observation from street maintenance staff, or call-ins from Solid Waste Crews. Alleyways were not included as part of the City's Comprehensive Maintenance Program, simply because staff didn't have the resources to put into the alleyways, similar to the City's Comprehensive Street Maintenance Program. He said not to diminish the alleyways, but if staff did street and alley maintenance at the same time, it would significantly shrink the amount of maintenance for streets and the City Manager had mentioned that there was still a huge need for street maintenance. He said staff did some active maintenance in alleyways without being prompted to go out. A lot of the City's alleyways were gravel, but when the alleyways were at a point of needing maintenance staff would do patching.

Dever said he was thinking that it would be a good source of brick, if nothing else and tore up an alley because it was in bad condition and harvest those bricks. He said Thiel mentioned that staff had to go get new bricks to do the 2100 block of Vermont and it shocked him that they didn't have bricks locally.

Thiel said he thought they had a good number of bricks, but one of the things they didn't have was a selection tool that would allow staff to reconstruct a certain street. He said they were hoping that that balance of decision making would afford them a number of brick internally. Typically, there were usually 40 to 60 percent that were reusable.

Amyx asked if staff was going back to the HRC and the final recommendation from the HRC would be brought back to the City Commission.

Thiel said yes, staff would receive additional input from the HRC and some neighborhood associations, and based on that conversation staff would incorporate those findings into a staff report and bring back a final guideline to the City Commission at some point, hopefully this year.

Mayor Dever called for public comment.

Dennis Brown, President of the Lawrence Preservation Alliance, said they had been following this issue since last April. He said they commended the public works for recognizing the need for a plan and appreciated Thiel's efforts at Community Outreach. He said they didn't have strong comments at this point, but had a number of questions that they were trying to understand, particularly, in relationship to the brick streets that currently didn't have asphalt overlay and were trying to understand what the ramifications to those streets were, once those guidelines pass. He said would every underperforming brick street be asphalted over, the east/west warrants never to be seen again, the north/south warrants appeared here and there if the City found a pot of money. He asked if the City had the techniques to repair brick streets or did they tend to wait until the conditions worsen to the point where they needed to rebuild. The document referred to asphaltting over a brick street as preservation and thought that terminology might be a little bit of a stretch. The brick street, once asphalted, became "out of sight - out of mind." They were also concerned that the prep process was prior to the application of the asphalt if they damaged the brick surface that brick wouldn't be able to perform as a brick street again. He asked if they were sure the City's process was truly reversible, which was a key preservation term they used. He said they didn't know, but wanted to be assured. They appreciated the realization that some criteria were necessary to prioritize particular sections of brick streets that would remain so.

They saw directional priorities east-west, north-south as a general first step, but they thought further criteria was needed and the brick streets in the City's core neighborhoods were historic resources. He said they would like to see Public Works work with the Historic Resources Administrator and the HRC to further develop additional criteria that might help them make more educated choices. He said they knew that Thiel was still planning to meet with the East Lawrence Neighborhood and go back to the HRC in February and they would like for Thiel to visit with their board as well and their February board meeting was just a few days prior to the HRC that might be good timing. He said their board had seen the presentation and talked about that extensively at their January meeting. They thought that with some general discussion, many of their questions would be answered and perhaps they could make some suggestions to improve the proposal.

Stan Hernly said he wasn't present to represent the HRC, but to give the City Commission a little characterization of their review. The April meeting was really a more of an introductory presentation and review of the information similar to the information the City Commission had seen this evening. He said he would tend to agree with Brown that a more comprehensive review was really in order. He said from comments and discussions with other Commissioners at different times there wasn't really a consensus on the HRC the overall concept of north/south/east/west. It might be that could work in certain situations, but for him there was a longer process involved, not just one more meeting to give it their blessing and move it on along back to the City Commission. He said there was a good bit of review that needed to come along. One thing that he thought would be important to consider was that the cost of the brick street was quite a bit more. In their HRC discussion, Lynne Zollner, Historic Resources Administrator, indicated that the brick streets themselves could potentially be historically listed on the state register and often times in historic districts were included as a character defining

feature which could potentially bring in the tax credit issue on those projects as well and they wanted to explore that a little bit more to make sure that that was. He said a 25% state tax credit was a pretty good knock on \$500,000 block of brick streets.

K.T. Walsh said she wanted to thank Thiel and City staff because they had never had a brick street plan and she was excited. She said she liked the idea that the perception would be that it was much fairer in terms of looking at the condition and having it systematically graphed out. She said she had given the City Commission information from the Kansas Preservation Alliance and they talked about brick sidewalks and streets and the durability, but most especially they included case studies especially Holton, Kansas where they had a program every summer with high school students teaching them how to rebuild brick streets and were paid for their work. She said it was a skill that was much needed and in demand. She said some of those kids were hired right out of high school, had been going on for years and it was gorgeous in Holton. She said she brought that up because she saw an obvious tie in with the City's new Vo-tech school. She said it seemed like some of those preservation skills could be taught to young people who could then find jobs among the preservation community.

She said she was really pleased that City staff seemed to understand the durability of brick, the 100 year life cycle of brick, if the snow was scraped off correctly, the importance of brick streets was a living record of Lawrence's history and the brick streets and sidewalks were important elements of the City's new cultural district. There were 9 neighborhoods and the downtown that had portions of brick streets, the majority were in Old West and East Lawrence. She was also looking forward for Thiel returning to the Historic Resources Commission because they had many questions as was just discussed.

She said people were really concerned about the truck routes. Things seemed to be changing truck wise and other cities were able to build brick streets to handle semi's

and heavy volume of traffic and wondered about those costs and the east/west versus north/south with an overlay of truck routes. Perhaps the City Auditor needed to be pulled into the discussion to look at costs on constructing super heavy duty brick streets.

Lastly, in East Lawrence they were currently fanning out in the Neighborhood Association walking and surveying all of their sidewalks, curbs, brick, concrete, tar, stone, traditional wire fencing where wheel chair ramps were needed. They had 56 blocks and they'll share that data with the City so the City would have exact data from their neighborhood.

Amyx asked if Thiel could include the Lawrence Preservation Alliance request to meet with their committee prior to going before the HRC.

Thiel said yes.

Dever asked how the 2100 block of Vermont had gotten their bricks replaced and not pulled out and overlaid.

Thiel said that street was overlaid. He said the history that he had received was that the neighborhood had gotten together and petitioned the City and the neighborhood was going to participate and wanted to get the asphalt off of that street. That process was started and the City's Street Division went out and removed the remaining amount of asphalt.

Dever said now they were going to go back with all new brick.

Thiel said yes.

Dever asked why they decided to do that.

Corliss said it was decided because the street was in such poor condition.

Dever said staff wanted to go back with brick because there was brick at that location now.

Corliss said because that was the neighborhoods request and it seemed like the best thing to do regarding that location. He said staff put up signs at that location to

warn the public about being able to travel on that section of the street because it was in such poor condition. He said he was concerned about the ability of emergency vehicles to get through. He said staff clearly recognized that they had miles to go in order to get to brick streets, but his was one block and it seemed appropriate to recommend brick streets as part of this program.

Moved by Amyx, seconded by Farmer, to receive the presentation on the proposed brick street maintenance and restoration guidelines. Motion carried unanimously.

E. PUBLIC COMMENT: None.

F. FUTURE AGENDA ITEMS:

David Corliss, City Manager, outlined potential future agenda items.

G: COMMISSION ITEMS: None

H: CALENDAR: None

I: CURRENT VACANCIES – BOARDS/COMMISSIONS:

Existing and upcoming vacancies on City of Lawrence Boards and Commissions were listed on the agenda.

Moved by Schumm, seconded by Riordan, to adjourn at 9:03 p.m. Motion carried unanimously.

MINUTES APPROVED BY THE CITY COMMISSION ON FEBRUARY 18, 2014.


Diane M. Trybom (City Clerk)