



# City of Lawrence

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## CITY COMMISSION

**MAYOR**  
MIKE AMYX

**COMMISSIONERS**  
JEREMY FARMER  
DR. TERRY RIORDAN  
ROBERT J. SCHUMM  
MICHAEL DEVER

February 10, 2015

The Board of Commissioners of the City of Lawrence met in regular session at 5:45 p.m., in the City Commission Chambers in City Hall with Mayor Amyx presiding and members Dever, Farmer, and Riordan. Schumm was absent.

**A. RECOGNITION/PROCLAMATION/PRESENTATION: None**

**B. CONSENT AGENDA**

**It was moved by Riordan, seconded by Dever,** to approve the consent agenda as below. Aye: Amyx, Dever, Farmer and Riordan. Nay: None. Absent: Schumm. Motion carried.

1. Approved City Commission meeting minutes from 01/06/15.

2. Received minutes from various boards and commissions:

Joint Economic Development Council meeting of 12/19/14

Mental Health Board meeting of 12/02/14

Public Incentive Review Committee meeting of 09/09/14

3. Approved claims to 394 vendors in the amount of \$3,709,874.25 and payroll from January 25, 2015 to February 7, 2015, in the amount of \$1,966.583.21.

4. **REMOVED FROM THE CONSENT AGENDA FOR SEPARATE DISCUSSION. (DEFERRED).** Approved licenses as recommended by the City Clerk's Office.

5. Approved appointments as recommended by the Mayor.

**Convention and Visitors Bureau Advisory Board:**

Appoint Brandon Young to a position that expires 07/01/16.

**Lawrence Cultural Arts Commission:**

Appoint Sean Reardon (785.766.7585) to a position that expires 01/31/16. Reappoint Richard Renner and Patrick Kelly to additional terms that expire 01/31/18.

6. Bid and purchase items:

- a) Reset bid date of February 17, 2015 to February 24, 2015 for Bid No. B1467, Project UT1304 – Contract No. 4 Wakarusa Wastewater Treatment Plant and Conveyance Corridor.



- b) Set a bid date of March 3, 2015 for the Burcham Park River Trail project.
  - c) Approved purchase of one (1) Police Utility Vehicle from Laird Noller Ford, for \$26,702. This unit replaces a unit that was totaled in an accident and the prices are based off a previous bid for police vehicles in January.
  - d) Approved the purchase of US Army Corp of Engineers (USACE) approved rip-rap from Mid States Materials not to exceed \$50,000.
  - e) Authorized the Utilities Department to sole source purchase meters for the 2015 15-Year Large Water Meter Replacement Program, from Midwest Meter, Inc. in the amount of \$20,476.
7. Adopted on second and final reading, the following ordinances:
- a) Ordinance No. 9071, establishing No Parking along the west side of Quail Creek Drive between 22<sup>nd</sup> Street and the northerly drive to Quail Creek Apartments.
  - b) Ordinance No. 9072, establishing No Parking along the west side of Tennessee Street for 50 feet north of the exit from Melrose Court, 1605 Tennessee Street.
  - c) Ordinance No. 9074, establishing 5:45 p.m. as the time for the beginning of City Commission meetings.
8. Approved Special Use Permit, SUP-14-00509, for Lawrence Creates, a multi-use facility that includes the following: Personal Improvement and Limited Manufacturing and Production uses, located at 512 E. 9<sup>th</sup> Street. Submitted by Lawrence Creates Inc., for Hill Family Investments LLC, property owner of record. Adopt on first reading, Ordinance No. 9082, for Special Use Permit (SUP-14-00509) for Lawrence Creates, a multi-use facility that includes the following: Personal Improvement and Limited Manufacturing and Production uses, located at 512 E. 9<sup>th</sup> Street. (PC Item 2; approved 8-0 on 1/26/15)
9. Authorized staff to execute a contract with Pre-Qualified Plumbing Contractors to complete I/I Defect Removal on private property.
10. **REMOVED FROM THE CONSENT AGENDA FOR SEPARATE DISCUSSION.** Authorized staff to send Request for Proposals to engineering firms for the engineering design of the Baldwin Creek Trail Project.
11. Authorized the City Manager to execute license agreements for the use of city property for agricultural use in the Common Ground Program for: 1313 Pennsylvania, 1304 Pennsylvania, and Douglas County Parcel Number(s) N08024-10.
12. Approved as "signs of community interest", a request from the Lawrence Home Builders Association to place directional signs in specified rights-of-way throughout the City for the 2015 Lawrence Annual Home Show, for the period February 16 – February 23, 2015.
13. Authorized the Mayor to sign the a Release of Mortgage for Tristan A. Westphal and Papri B. Westphal (Barman), 255 N. Michigan #3-12.

Brian Sorrenson removed the approval of licenses as recommended by the City Clerk's Office. Sorrenson stated, "The reason why I'm concerned about this is, in the two years that I've owned this company, the City now approved, this would be the number 8<sup>th</sup> taxi cab company in Lawrence. It says in Article 6-604 that when a license, before it's approved, that the City Commission would look into the fact as to whether or not there was a need for another taxi company as to how much transportation that is needed. I'm the largest taxi company in town and I'm not running at full capacity and I spoke with the 2<sup>nd</sup> largest taxi company in town but they're not running at full capacity either. What I'd like to see is maybe if they would just table this to let the Commission maybe look into this matter to see if we need to keep approving. It just seems like in the last two years everybody that has applied for one, you just approved them. I think the taxi cab company is growing faster than the City's growing so I don't know if there is a need to just keep adding more and more on there. There are 7 currently on right now."

Amyx stated, "So there are 7 companies that are out there right now. Do you know about how many vehicles that is?"

Sorrenson stated, "I have 9. I think the second largest one is 4. I would say at least 20 to 25 taxis total."

Amyx stated, "This is part of the responsibility that we have in looking at this. Do we actually ever make any type of inquiry into the number of cabs that we need for the City of Lawrence."

David Corliss, City Manager, stated, "I'm going to ask Brandon to respond to that. I do not know that we do. Our primary focus has been on consumer protection, safety issues in regards to taxi cabs that someone to be able to request that service would know that the vehicle is safe and it's insured and those types of things. Brandon I don't know if you want to add anything else?"

Brandon McGuire stated, "There are a number of requirements that are in the code, it is a little bit dated, so we don't strictly enforce necessarily all of those requirements. In terms of evaluating the market, the City Clerk's Office doesn't do a market analysis and we sort of leave it up to the City Commission to make that judgment call."

Amyx stated, "One of the things I know myself, I can't remember if the Vice Mayor was there, is we had discussions with staff, Mr. Sorrenson and others about the need for updating our ordinances. I think we really need to talk about that and what we're going to do. We have people challenging us on something that we obviously aren't doing. I can tell you, I didn't do a market analysis on if we need another cab company. If it's a requirement, I suppose I'm going to be in violation of my own ordinance because I didn't do it. I think we need to be pretty careful about our responsibility here with the ordinance we have and what we need to correct the problem. My suggestion is to figure out a way to correct the problem now and before we start doing other stuff. Open it up for discussion."

Schumm arrived at 5:51 p.m.

Farmer stated, "Is it just with taxi cab licenses or is it with alcohol licenses?"

Corliss stated, "We have a separate City Code section Commissioner. It's in Chapter 6 of the City Code, Article 6, for taxi cabs. It's been some time when we looked at it. It's on our list of items that we want to try and modernize, update and give you any number of different policy issues; whether or not you want to be involved in the economic regulations, how many taxi cabs are there, the rates, to some extent, although in some cases is printed by either Federal or State Law with some of the safety issues, insurance and those types of things as well. We do need to look at that license provision and see if it can't be updated."

Farmer asked, "Why were we even involved in that in the first place? I mean, it almost seems like regulation of the free market. If a taxi cab comes here and there's too many and they can't get enough business."

Corliss stated, "When I looked at it, Commissioner, it had its genesis in Lawrence after World War II. We had a number of taxi cabs providing service within the community. There was a shortage of vehicles, those types of things. The rationale at that time was very similar; consumer protection, safety, a little bit of economic regulation. It certainly would be those number of taxi cabs understanding if there is too many, they might starve each other out from an economic standpoint. You've got a number of different policy issues here and it has a lot to do with what you all think the appropriate role of the City is. We've enforced the code as we have on the books knowing that we need to get at the issue of trying to modernize it and see if we can't adjust it accordingly."

Amyx stated, "I guess I personally think that the things that we should be involved with is making licenses required and we need to make sure that the vehicle is safe, make sure it has insurance, make sure it has all the things he needs to operate. Brian, don't take this wrong, I don't know if it's our responsibility on a Tuesday night to come forward and make a decision on whether or not we need another taxi cab. I think the market is clearly going to take care of that one way or another. The good are going to be there for the long haul. Anyway, I just think that is our responsibility, the public safety portion of the deal. This Mr. Wilder has obviously applied for the program that we currently have in place, based on the information and request that Mr. Sorrenson has. Is it safe to say that we should proceed without making some kind of investigation at this point on whether another cab company is needed?"

McGuire stated, "I would just say that that's really your call Mayor. It would be the first time of the current license cab companies that we would have conducted that type of analysis. I'm honestly not sure how we would assess the demand in the community for a new cab company. I will say the clerk's office, just recently, undertook an effort to communicate with cab companies that are out there in the community. There are a number of independent operators and a couple of the new, recently issued licenses were issued as a result of that effort so that added a couple of extra licenses to the list to currently licensed companies."

Riordan stated, "I guess I'm just wondering if we are not following the law and I think the question I would ask would be to our legal. Are we able to pass this because we haven't done any investigation?"

Randy Larkin, Senior Staff Attorney, stated, "Basically, what we've been doing is once they file application, make sure that public safety has been involved and then we've been granting them. The City Code, as drafted, requires us to look into things like the moral and physical fitness of the applicant. This is going back to the 40's as the City Manager stated. We don't necessarily look into that. With your direction, we can possibly change the language and the things that are required. There is also a number of other things that should be taken into consideration such as the system of transportation already operating, the probable congestion of traffic that would be caused by additional taxi cabs, the questions of whether or not the existing systems of transportation are rendering the services that are required to meet the needs of the community and a couple of other things like that. Anyway, that's how the code is written right now. It's outdated and I don't know that it's been basically followed."

Corliss stated, "Clearly, we need to move it up toward the top of the list as far as modernization because I think it is easier. You could grant the license provisionally for a couple of months. We'll come back with code changes and see if that still works and from then on you could put it in abeyance for a few weeks until we come back. There are a number of things in here that I don't think we can legally make some of these inquiries right now."

Larkin stated, "Really, if we did some of these inquiries we might be violating the law. Just by doing what the law tells us to do, there might be other laws there might be a problem with."

Riordan stated, "I guess I would feel more comfortable if we had a regulation that was brought up to code and we followed that regulation because if we have a regulation and we're not following it, it's not appropriate. I would say I would defer recommending this license, get the updated regulations and then relook at it."

Amyx stated, "And, all other applications until new regulations are brought in, new licensure. We won't place it on the agenda."

Corliss stated, "What we'll do is come back, quickly look at what other communities are doing. I think they may have some similar language as well but I think it's really going to be focused on public safety and insurance requirements and if there are other things you want us to look at for an economic regulation standpoint, you can direct us to do that. We've got some significant legal challenges with our ability to do that."

Riordan stated, "I would only be interested in public safety and that aspect of it, not looking at whether this is a competitive necessity."

Amyx stated, "I guess I would entertain a motion to defer this item until such time as staff brings back a new ordinance that deals with licensure of taxi cabs."

Farmer asked, "Is Mr. Wilder here?"

Amyx stated, "I didn't think I saw him."

Farmer stated, "Can we make sure we let him know."

Corliss stated, "Yes."

**Moved by Riordan, seconded by Dever,** to defer the license as recommended by the City Clerk's Office.

Michael Almon removed from the consent agenda authorizing staff to send Request for Proposals to engineering firms for the engineering design of the Baldwin Creek Trail Project. Almon stated, "I would like to recommend a modification to the RFQ for engineering services to change that to a concrete surface rather than a crushed limestone surface. The reason I'm saying this is that this is a great opportunity for Lawrence to extend much of our bicycle and pedestrian transportation needs. As it is right now crushed limestone is not an all-weather surface. It isn't necessarily ADA, although in some circumstances, it is. It's not good for all the users of any kind such as skateboarder and in-line skaters. It makes it more difficult for wheelchair people whereas concrete surface will handle all users all the time. Right now

Lawrence is poised to extend a lot of our bicycle transportation infrastructure. We're looking at various ways to do that and of course not all trails in Lawrence have a map that says 'bike trails'. It doesn't differentiate what the service material is. Not all trails, like the levy for instance, are going to be concrete and not all trails are appropriate to be concrete, but when Parks and Recreation brings forth a proposal like this, they don't necessarily follow the ASHTO (American Association of State Highway and Transportation) guidelines like Public Works does when they're building transportation infrastructure. Parks and Recreation is proposing seven-tenths of a mile and fresh limestone for \$400,000 with 5 bridges. If we do that in limestone, the limestone cost \$56,000, \$15 per linear foot approximately. If we do it in concrete, 10 feet wide 6 inches thick, its \$333,000, quite a difference, yes. How can we really feasible do that, by eliminating 4 of the 5 bridges? Each bridge is approximately \$50,000. Right now, on the south side of the creek and contouring the creek itself, 5 times, whereas if the trail in this case were located on the north side of the street...incidentally it's following a sanitary sewer easement and so it's just been expedient for Parks and Recreation to use that easement, but instead of following the easement along here, with the sanitary sewers and crossing the creek twice and following the easement of the sanitary sewer here, crossing the creek twice, if we instead angle north of the creek there and angle north of the creek there, we can save \$200,000. That would leave approximately \$77,000 that we would have to come up with to have an all-purpose trail that would provide infrastructure needs for all users. I think this is a great opportunity because that terrain is completely flat. It could connect from Queens Road all the way over the SLT bicycle trail, be part of the loop trail that we're talking about, but as it is, it would just be a footpath so I'm just presenting that as an option. I think if we want to further the transportation needs of bicyclist and other wheel users, this might be one of those key moments where we can make that change without that much more money. I appreciate your time."

Schumm asked, "Michael, have you walked that area?"

Almon stated, "I did."



Schumm stated, "I have as well, but we only have an easement in there for 50 feet and it looks like your route takes us north of the easement so that means you've got land procurement in there also."

Almon stated, "Well, we don't own any of that land anyway. This is Compton Farms LLC and this is Rebecca Finney Trustees so we have an easement through those properties for the sewer."

Schumm stated, "In the pedestrian easement as well?"

Corliss stated, "That's correct."

Almon stated, "So they may be willing, I'm not saying they will, but they may be willing to provide an easement to save this money and provide a better facility."

Schumm stated, "You're absolutely right, if we could do it in concrete that would be the best of all worlds. In fact, when we looked at the trail behind Sports Pavilion Lawrence, we said that we would really like to have that all in concrete just because of the durability and the functionality of it so more people could use it. It came out of the budget though and had to be a different material. You're right that if we could do it in concrete, that would be the best of all worlds. I'm just not sure. I'll wait to hear what Mark Hecker, Parks and Rec Assistant Director, has to say about how much of that is outside the easement. That would be my guess is that it's going to require us to buy more land or deem more easement in order to do that."

Almon stated, "Mark Hecker presented this at the Healthy Build Environment, you were there I believe."

Schumm stated, "Yes."

Almon stated, "He said he prefers to start in limestone, get the trail in place and then come back later to make it concrete with the exact same protocol that he proposed for the Burroughs Creek Trail. Everybody, all the stakeholders said we want it concrete from the start and he agrees that it's cheaper, instead of doing it twice, it's cheaper actually in the long run to do it with concrete from the beginning. Right now, we have one of the jewels of Lawrence's

bicycle trail systems, Burroughs Creek. This is another great opportunity at Rock Chalk Park. It just seems like why throw away the opportunity, that's all. At least you could look at the possibility that we could get those easements."

Mark Hecker, Parks and Recreation, stated, "I don't disagree with anything he said there. It would be nice to avoid some of the creek crossings. Unfortunately, we're in a limited space. What we did is deal with what we knew. Here's the easement we have, here's the money we have, and here's what we can do in that easement. It would be nice to have a little wider swath through there, we don't have that and we recognize the cost of acquiring additional land. It might be something to look at. I don't mind throwing that to our engineering firm, whoever we hire and say, let's look at the surfacing, let's look if there's a cheaper way to do this. Would it be cheaper to acquire more easement as opposed to crossing a creek? I don't think that's out of the realm of what we'll ask the engineers to look at. I think at this point, we're still able to do that. I would prefer concrete, if we could, but I don't know if the dollars are there to do all that and we're dealing with a grant. They would allow that type of service; it's just a matter of what we can afford to match."

Schumm stated, "You said 'they would' or 'if they would'?"

Hecker stated, "They would, however, they've given us \$400,000 total so it may be 20 max, and we have \$80,000 of that."

Schumm stated, "Are we under a time constraint to use that, a certain drop dead date?"

Hecker stated, "I'd have to look at the date. I think it goes into 2016, but they need to see us progressing through this summer to know we're actually going to use the grant money or they will pull it and give it to somebody else."

Riordan stated, "So we have enough time then, to look at this and see if this is an option?"

Hecker stated, "Sure. In our RFP we're going to request the engineers getting a hold of adjacent property owners and talk to them about what we're planning and what we're trying to do to make sure everybody's good with what the plan is."

Mayor Amyx called for public comment. None.

Amyx stated, "What we're saying is part of the RFP we sent out is to have the successful engineering firm look at and make comparisons or whatever changes by using concrete as an alternative and possibly what it would take to either acquire, trade or whatever it takes to get additional easement to be able to accommodate that or doing away with the bridge crossings."

Corliss stated, "We'll modify the language that goes out to the engineering firms and we'll make it clear that that needs to be part of the eventual analysis for the firm."

**Moved by Schumm, seconded by Riordan,** to authorize staff to send Request for Proposals to engineering firms for the engineering design of the Baldwin Creek Trail Project as amended. Motion carried unanimously.

**C. CITY MANAGER'S REPORT:**

David Corliss, City Manager, presented the report regarding the Legislative update; indoor soccer at Sports Pavilion Lawrence takes off; November 2014 Rental Licensing and Inspection Report; and, Sports Pavilion Lawrence.

Farmer stated, "Two things, the rental licensing report, great job. I hope you all see the average time that a property has active violations is 17 days and you guys actually solved more than 100% of the cases that existed so your solvency rate was over 100% which compared to 32 last year about this time. That's a pretty good improvement so kudos to the staff for that. Gentlemen, I'm troubled by, and I appreciate Mayor your letter to the State Legislature, the governor's recent decision to basically say that State Employees can be discriminated against and I'm not sure. I'm going to send a letter and an email and I'm going to call the governor's office, but I think it would be important since we have ordinances on the books here stating that all people in our community are equal regardless of race, gender, sexual orientation, etc... That

would be good for us to send that message to the governor's office as well. I just wanted to throw that out for discussion to see if you guys might be okay with that. I'm extremely frustrated and I can't even believe it that that kind of stupidity. I mean I can believe it but it's certainly frustrating. I just wanted to throw that out there to see what you guys thought about that."

Schumm stated, "Can you explain the circumstances around where the governor's allowing discrimination to State employees."

Farmer stated, "He basically rescinded all the protection for LGBT (lesbian, gay, bisexual and transgender) State employees. If you're a State employee, essentially, you can now be discriminated against and you're not protected so unfathomable stupidity out of Topeka, once again."

Riordan stated, "I was unaware of that and that's something that I would be totally against. People have different thoughts and have different life styles that are certainly part of our society needing protection. I would agree with you Jeremy, I think that's something we can state that we're certainly against. There's more than that that I disagree with, not allowing Medicaid. I really want to state that I liked the bill that just came out of committee that will look at offering Medicaid and there are many things that are happening that I disagree with. I would disagree with not giving Medicaid to our citizens, especially our children. We need that desperately and not protection people's rights, is simply the wrong thing to do?"

Farmer stated, "There's an executive order in 2007 that gave State Employees protection from discrimination based upon sexual orientation or sexual identity, under Governor Sebelius and then Governor Parkinson, that's now been rescinded."

Amyx stated, "We as a community have discussed sexual relations ordinance at great length and we have made changes. We have each one voted on our participation on whether or not we thought it was necessary to make changes. My vote has been generally in the negative there, but I'm somebody who supports our code, once those discussions, those debates have ended. I believe we have the responsibility, as Commissioners, to always carry

out the ordinance in the end and so to allow for discrimination of any kind is absolutely wrong. I would sign that letter. I believe that we should do whatever that we can because you know the debates over, it is our policy of the City and we should support those ordinances that we have. I would suggest that we direct staff to prepare whatever letter is necessary to pass it on. Fair enough? We can all sign.”

Riordan stated, “Yes.”

Amyx stated, “Dave, thank you for the letter to Senator Holmes was right, I do believe that that is against something that as elected officials locally allows us to identify and the issues that we bring forward to the City. Let’s make sure that we follow this. I think it’s important to Lawrence Kansas and every other municipality and school district throughout the State that we don’t get into partisan politics.”

Riordan stated, “I would just like to add one other thing to Jeremy’s comment about rental registration. The majority of the items cost less than \$20 to fix and a majority of those items were simple things like smoke detectors, GFCI’s, things that are extremely important for safety, very inexpensive that would have not been fixed without this rental registration so I think it really is working, we’re decreasing time, we’re improving the lives of citizens and that was what it was meant to do and not to tremendously increase costs.”

**D. REGULAR AGENDA ITEMS:**

1. **Received a briefing from Dan Partridge, Director of the Lawrence-Douglas County Health Department, on a recent accreditation site visit.**

Dan Partridge stated, “I just want to make a few points about our accreditation site that was held January 22<sup>nd</sup> and 23<sup>rd</sup>. We had some of our peers from Ohio, Oregon and New York come and spend two days looking at the work that your Health Department is doing. The two points I want to make are why are we taking this path of trying to pursue accreditation and then to say thank you to you and to your staff. Why accreditation? I’ll distill a very long discussion of that to just this point; pursuing accreditation helps us achieve our aim of combating chronic

disease. Chronic disease in Douglas County, Kansas, United States, is killing our quality of life. When we pursue accreditation we're better equipped to address the conditions of our community that can help mitigate chronic disease so that's why we're in this game. I'm pretty confident we're going to be accredited, although that day is probably going to be July as far as hearing our official word. At our exit interview though, they shared with us some strengths that I want to share with you. Their model is to give us 3 strengths and 3 areas for improvement so these were the high points. The first point is the quality of our Health Board; you're engaged in that and you appoint these members. Shirley Martin Smith, Dr. David Ambler, Maley Wilkins, and Dr. Kevin Stuever, those are your representatives on our Health Board and we owe them all a great debt of thanks because they have spearheaded the charge to change the Health Department that you have working for you today, along with the counter parts as well. They're engaged, they're committed, they're informed and they help direct and guide your Health Department in ways that you should be proud of. So, that's my first thanks. Thank you for appointing those members. Their second strength was around the quality of our prerequisite materials, that's our Community Health Assessment, our Community Health Plan and our Strategic Plan. They held them up as some of the best they've seen in this entire accreditation process. We're proud of them as well. Many of you participated in the community health assessment, the forums that we held, the decision making that we partook in to get down to our five priority areas of poverty, access to health care, mental health, physical activity and healthy foods. You participated in that dialogue, you helped facilitate it, you and your staff helped draw in the community into that conversation, a community health plan. Many of you were on those work groups that help put together those strategies so thank-you for that as well. Then our strategic plan, not so much at direct involvement, but Dave provides great, excited inspiration. One of the things that I look at is how he tries to manage an organization through performance management and quality improvement. Those are tools and expectations of accreditation and we use him as our model. Our third strength was around donating for which is engaging the

community. They were very impressed that we not only work with our community but through our community to make change happen. So, many of you I see at different meetings, Chris, Charlie and Audrey are here and see a heck of a lot more than I do, but the Safe Routes to School initiative for example, the market match program that you adopted. You're with us in many more ways than you might realize so I thank you again for that. Those strikes, our areas for improvement, primarily revolve around quality improvement, establishing a deeper better culture of quality improvement with our organization, linking our strategic plan to our performance score card that's where I'm looking to have Dave do it. Finally, we do a great job in getting our name out and getting media recognition but we don't do a good job of evaluating that impact so they encouraged us to evaluate as well. Those are our strengths, those are our weaknesses. Right now there are 60 health departments out of over 3,000 that are accredited. If we are to be in that next cohort in which a decision will be made in March, hopefully that will happen and if not then, it will be in July. I thank you very much for your part in getting us where we are today so I'll stand for questions."

Farmer stated, "You guys are awesome. Thanks for all your hard work and Charlie, Chris and Audrey than you guys for all the work that you do and countless meetings. Most of which I don't go to, but a few I do, but I know you guys are there and our communities health is in great hands and great job to you and your team Dan."

Amyx stated, "Dan, thank you for the hard work and one of the things, we borrowed Charlie a little bit with the update of Horizon 2020 and very pleased with the work that he's providing there, making sure that we understand that maybe there are better ways of doing things. Anyway, we do appreciate that and we appreciate the work of the entire Health Department."

The Commission received the briefing.

2. **Considered a request from Lawrence Habitat for Humanity to transfer a city owned lot at 815 Oak Street.**

Scott McCullough, City Manager, presented the request.

Schumm asked, "Does the whole lot transfer over to Habitat for Humanity or just a portion where the house is?"

McCullough stated, "Just the portion where the house would be. Through the minor subdivision process, divide off a lot similar to what you see established here."

Schumm stated, "About a third of it?"

McCullough stated, "Yes."

Schumm asked, "So what can you do with the rest of it, just leave it common ground and utility easement?"

McCullough stated, "It's essentially needed for that utility purpose and for the Common Ground Program. I think what we did is we sort of bought the whole property not knowing exactly how much we would need for the pump station project. Now we know that we're able to let go of some of it."

Riordan stated, "This is a great opportunity for a great organization and reduce the price and create housing there in North Lawrence. Wow, win/win situation."

Farmer stated, "Ted wanted RS-5 Zoning right?"

McCullough stated, "Yes, he is satisfied through the letter you have in your packet."

Mayor Amyx called for public comment. None.

**Moved by Schumm, seconded by Riordan,** to authorize the Mayor and City Manager to sign documents necessary to transfer city property to Habitat for Humanity. Motion carried unanimously.

3. **Considered authorizing the creation of and membership framework for a Citizen Advisory Committee for the 9th Street Corridor/ArtPlace Project.**

Diane Stoddard, Assistant City Manager, presented the report



Riordan stated, "I think it's great to have 3 representatives from East Lawrence Neighborhood Association. Would there be any benefit to having one East Lawrence, not representing that group, an independent?"

Schumm stated, "Point of information here. We talked about that. That doesn't mean that those 3 people would be board members of ELNA, it's just 3 members from East Lawrence so it could be either or. In addition to that, you then have the opportunity, if you don't get the broad spectrum of people that you want then you do have the at-large method to pull in some more people that may be representatives. You've got a little bit of flexibility."

Riordan stated, "As long as there's flexibility there, I think that's fine."

Schumm, "I would just say that of the group there which was a pretty broad based representation of the stakeholders, it was pretty much general consensus on the way it all ended up. I thought it was a very good meeting and it was very productive."

Riordan stated, "I like harmony."

Mayor Amxy called for public comment.

Michael Almon stated, "From the very start the 9<sup>th</sup> Street Corridor Project has been billed and recommended by pretty much all parties as an arts corridor and a complete streets corridor. I mean it's in the Cultural District recommendations, it's in the Art Place Grant Application, and it's in the RFQ for the design team. You find it in many places in El Dorado's perspective. We all know that that is a multi-faceted project of course, but primarily it's a bilateral project that has always talked about complete streets and arts as the defining characteristics of this corridor. So considering that, I'm surprised that one of these organizations in the Citizen Advisory Committee is not a bicycle advocate or a pedestrian advocate. I would recommend Sustainability Action Network of course of which I'm a member. We have 45 members. If you don't like the kind of interjection that I put into the process sometimes, maybe it will be one of our other members, but I think we do need somebody who understands the actual transportation design parameters. It's not just a couple of lanes for bicycles and then calls it

good. There's a whole lot that goes into intersections, a whole lot into pavement marking, width of the street, parking arrangement, there's so many different design parameters and El Dorado themselves have said, as I recall, that each block of the corridor is going to require different design parameters. This isn't a slam dunk. We'll just call it a complete street and have a bus go there and people can walk on it. I really think it would be important to have a representative who understands those kinds of design parameters for bicycles and pedestrians."

Schumm stated, "In all fairness Michael, you're absolutely correct that that's an integral part of this project, is the complete streets component. When we tried to figure out who the stakeholders are, it was the proverbial board and chalk and write things down. We didn't just get a specific person from bicycle or pedestrian coalitions or it wasn't through any intent to exclude them, we just didn't do it. One of the things we did say though, once again, is that the 3 representatives of the City at large gives us an opportunity to pick some people with specialties that we really think we need to round out that group and that very well could be one of the people that the Mayor would appoint. In fact, I would recommend they do that because that's very important to have that expertise and have it integral to the design process."

Almon stated, "I actually thought of that as a possibility to maybe request that I be one of those and I hate to take away the slot from trying to create that broad spectrum like you said for the East Lawrence people too and it's how do you balance it all but yeah that's one possibility for sure."

Schumm stated, "We'll visit about it here in a minute."

Almon stated, "Alright."

Schumm stated, "The simple way to correct that is make 15 members, which we threw that number around anyway, 13,14,15 members, add a bicycle advocate, complete street person and leave it the way it is. I really do think that would be valuable to have a person with that expertise involved in this because it's part of the project."

Farmer stated, "Maybe we could recommend, since we've adopted the Community Health Improvement Plan as a way for us to essentially allow us to have decisions be governed by, maybe the 15<sup>th</sup> representative could be a member of the Healthy Built Environment Group that the Health Department has because there's a lot of good folks, Mike Myers among other's that are a part of that group. I think Tim Herndon is going to be the chair this year so that would be my recommendation, since that group is talking about a lot of stuff in relationship to complete streets, we could probably get some good recommendations from them in relationship to... Is that a fair assessment, Charlie and Chris?"

Charlie Bryant stated, "Tim Herndon is the chair elect so he'll take his position in July and then serve as a chair and then the chair becomes the past chair after one year. So, he'll be in that position. Basically it's a three year stint."

Farmer stated, "If we were to say like the 15<sup>th</sup> member would be a member from this work group, that would be something that on that sub-groups agenda you guys can talk about and that sort of thing, right?"

Charlie Bryant, "They're not scheduled to meet again until April but I'm sure they'd be honored and probably find a way to make a recommendation to the Mayor."

Amyx asked, "Charlie can we get your name for the record."

Bryant stated, "I'm Charlie Bryant, Lawrence Douglas County Health Department."

Amyx stated, "Charlie and his organization do a great job but are we going to limit it to one specific group or can they make recommendation from anyone and I'm just asking that as a question."

Schumm asked, "Charlie, what did you say about April?"

Bryant stated, "That work group routinely meets every two months."

Schumm stated, "I think we have scheduled, I don't have my schedule with me but maybe Diane can help me out, don't we have that group trying to get together prior to April."

Stoddard stated, "They were planning on meeting, I believe, the last week of March. March 25<sup>th</sup> I think."

Schumm stated, "That wouldn't preclude you from naming someone."

Bryant stated, "Honestly, I think they would appreciate an opportunity so we could let them know and have them plan a meeting to discuss that. The Executive Committee for the LiveWell Coalition would probably also be appropriate to ask them for their recommendation. They meet every month."

Schumm stated, "What Michael suggested, and I agree with, is it would be important to have someone who's well-grounded in the complete streets concept to really be an advocate for that particular discipline to be included in the overall design. Is there people that are in your group that are in that kind of category?"

Bryant stated, "There are several that were involved in the complete streets committee. I think someone in that group would probably feel competent to do that."

Farmer stated, "The Health Department really pushed us to do complete streets. It largely came from that."

Joe Patterson stated, "We're having a problem hearing back there like Jeremy when he's leaning back, we can't hear him. We need a long stem mic here and you guys mic's need to be up so we can hear what's going on. We're missing about a third of it."

Amyx stated, "Okay, sorry. Okay, the suggestion is, Bob, you want to add one more slot, taking the group to 15 and a recommendation will come from Charlie's group as a complete streets advocate. Any other changes in the advisory committee or anything?"

Riordan stated, "No."

**Moved by Schumm, seconded by Riordan,** authorizing the creation of a membership framework for a Citizen Advisory Committee for the 9<sup>th</sup> Street Corridor/ArtPlace Project; and, direct staff to notify the organizations that are listed and what their recommendations are. Motion carried unanimously.

4. **Continue discussion on proposed City Fiber Policy and fiber leasing framework. CTC representative presentation and consider adopting Resolution No. 7097, adopting the city fiber policy and fiber leasing framework.**

Diane Stoddard, Assistant City Manager, presented the staff report

Joanne Hovis, CTC, stated, "It's always a pleasure to be in Lawrence and it's nice to be here before you again. I watched the web stream of your last meeting in which you discussed this issue. I watched it with interest and with quite a bit of admiration. I think, it may have not been apparent from my memo and I apologize if this is the case, but I was actually very respectful of the policy goals you were trying to reach which is to say that you are trying to incent more competition to enable better pricing, better customer service and better opportunity for low income residents of this community. I have enormous respect for that and share those goals quite frankly. This is the work I do. I watched the discussion with admiration because I thought that what you are trying to accomplish here is extremely important and, frankly, I wish we were having a similar conversation in Washington and in more communities around the country. We would be better off as a nation if we were doing so. At the same time, I want to offer you some perspective. Again, coming from what I believe, and I can state bona fides around this, around open access, net neutrality and these issues in which my company has been very active for 18 years. I want to offer you some perspective about why I think that some of what you were considering doing was actually not likely to facilitate the policy goals you have and might actually be counterproductive from that standpoint. It's not necessarily intuitive why that is the case, but I think it's worth understanding, given the economics of the industry we're talking about which is the broadband industry. Let me start with just a few overall thoughts related to what I saw of the discussion that you had at the last meeting and then I hope that I can answer some questions, maybe clarify some of what I was saying in the memo. The first thing is that I really respect the inclination and the interest here in network neutrality. I was incredibly interested to see that President Obama had actually been here and had been talking about network neutrality. Network neutrality has a very broad set of meanings but generally it

means that an entity providing service cannot treat different content differently. That is something that I could see as of real concern and interest to this Commission. That is a battle that, I am happy to say, is being waged in Washington and it is frankly about to be won. This is something that, whatever happens in Lawrence, or whatever happens in Kansas, is going to be imposed by the Federal Communications Commission. The FCC has indicated, at its February 26<sup>th</sup> meeting, it will do something called reclassifying broadband as a service under title 2 of the Communication Act which will give it the regulatory authority, subject to review by the courts because it will be sued, but it will give it the regulatory authority to impose network neutrality conditions. And, as a result, it is something that will be imposed on all broadband providers. My company has been active in doing engineering and advocacy work around network neutrality since before that term existed. The first time we did work in this area was in 1999. We wrote a paper on it and, most recently, we've written a paper on how wireless network neutrality can be achieved. I'm going to stand by my bona fides on this but I would suggest to you that your fiber policy does not have to address the network neutrality issue because it's something that's being addressed at the national level and a lot of the debate that has happened over the past year. I'm sure you've read about and heard about, and the Presidents statement last November, publically, that he supported net neutrality, and that he supported reclassification under title 2, and much of the activity since then, has been around that issue. It's a matter of national policy that is to the best, in my opinion, and if that's one of your concerns, I think it's something to set aside. What you were talking about in the last meeting, in my understanding, you used the term 'common carriage' and that has a very specific legal meaning. I'd like to, for purposes of tonight, so I'm not stepping into legal areas, use the term open access. What you were talking about, in terms of asking a provider who invests in fiber in this community to enable access by other providers to that fiber, I call that open access, and that is a different matter, related, but different to network neutrality. Network neutrality is about once a provider is providing service over a network, any network, can they treat content from Joanne's Video Streaming Company

differently to content from Diane's Video Streaming Company because Joanne pays them more money. Under network neutrality principles, they can't. They have to deliver both equally to the end user and the end user gets to decide what they're going to watch, as opposed to the network owner serving as a gate keeper and benefitting from the fact that they own that network. Open access is a somewhat different matter. It's a question of, are we going to ask network owners to give access to that infrastructure, to their competitors, for a fee. I would suggest to you a number of things about that policy. The first one is if it's something you are going to address; I would strongly recommend a legal review. I am not an attorney practicing in this space. I can't give you legal guidance but it's not clear to me that regulatory authority to impose open access rests with any State or Local entity. Part of the debate in Washington right now about reclassification is whether even the FCC has that authority and it has essentially said that if it does reclassify under title 2, it will forbear, it will decide not to, deal with open access or common carriage principles and broadband, that it will not impose those requirements. I would be concerned about whether there is any kind of legal exposure for the City if you were going to impose that. Putting that aside, if we were, for purposes of tonight's conversation, to assume that you have the legal authority to do this, and that's entirely possible, as I said, I don't know about the legal issues, but if we were to assume that you have the legal authority to do it, my suggestion to you is that it is not necessarily going to result in what you are hoping for here. The reason is that the economics of broadband deployment and broadband operations don't enable it. So, let me suggest this. If the FCC wants open access on all broadband providers, in the entire country, any broadband provider investing in fiber in Lawrence, in Ann Arbor, in Madison, or in any other community in America, would be subject to that same requirement. If they are subject to that requirement, however, only in Lawrence, essentially the requirement that they make their infrastructure available to their competitors, what, necessarily, makes Lawrence a more attractive investment opportunity than another community where all of the things are equal but they're not subject to that requirement. That is my concern. At the same

time as I respect, and really admire, the idea of open access, and I've done advocacy work around open access for a long time, I'm not sure that it benefits your community. I'm not sure that it accomplishes what you want to do here because it potentially makes investors, looking at your market, see it as something that will make your market less profitable, all of the things being equal, then other markets. So, why do the economics work this way? Because, if I invest a certain amount to build fiber in a neighborhood of Lawrence, and I can earn  $x$  number of dollars as a retail service provider on that network, but I have to lease access to my network to my competitor at  $x$  minus sum amount, I can still make money on it, presumably, depending on what that lease fee is that I'm leasing to my competitor, but my margin is smaller than it would be if I were the only retail provider over that network. It's just pure economics of broadband. We're talking about smaller margins for the network owner under those circumstances then there would be if they did not have that requirement. So, the question is, again, why would they invest here rather than elsewhere if what they're looking at here is reduced margins. Now, the incentive of having access to the City's fiber, and the remarkably competitive pricing that you have put around that fiber, and the very reasonable terms, it's a terrific fiber policy, it's extremely attractive, I think, for a provider. Maybe that incentive is enough that they might be willing to do it, but it is important to realize that it is just not the same kind of economic proposition for them, if what you do is require them to lower their profit margins, essentially. Part of the reason why this concerns me is because when I watched the web stream it was clear to me that part of the consideration here is, wanting to be sure that low income residents of Lawrence are as well served, and benefit as much from you, infrastructure development and competition as high income residence. I really, really respect that. The concern I have is what is the incentive for a provider to invest in a low income area where, presumably, margins might be lower anyway, if they're going to see their margins shrunk even more by this requirement. Are we essentially creating a disincentive to investment? That would be the way I would approach this. What are the chances of those low income neighborhoods actually being built in an environment where



there is an additional requirement on the provider? This is not coming from some kind of deregulatory zeal or some kind of anti-regulatory approach. That's not at all my approach. It has nothing to do with any feeling, one way or another, about regulation; rather, it's an understanding of how the market and the economics of this industry work. It is so challenging to attract that investment to begin with. You are, realistically, competing with, primarily every college town, but lots of other towns throughout the Midwest and the rest of the country and I talked to the small providers who are looking at these markets. I talk to them all the time to get a sense of what they're looking at. Every community that is interested in fiber to the home that is watching what google is doing, is competing for those investment dollars and I just want to be sure that you understand that sometimes when you impose requirements, you're potentially making the investment that much less attractive. I'm not suggesting or implying that you back off from trying to enable parity for low income areas, quite to the contrary. I just would recommend that you look at strategies that are more likely to benefit those low income areas. Realistically, what we are seeing in this new era of fiber to the home deployment is that investment dollars, we're in the era of cherry picking, we are past the area, as we talked about last time I was here, of the cable franchising world where communities were able to require 100% build out, much more challenging to do that these days, almost impossible. In an era of cherry picking, what we are likely to see is that private investment dollars are going to go to the areas where there's going to be most profit. In some cases that is going to be the higher income areas, but it's not just that, it's a formula that's different in each community, but it's a mix of costs, so density helps, and sometimes that benefits low income areas, but also disposable income levels. It's a combination of those two things. It's essentially how companies make these determinations. I think I should stop there, that's sort of a broad framework for my thoughts coming from having watched the stream and the conversation that you had last time. I hope I can answer your questions and potentially address some of your considerations and maybe suggest alternative strategies which, frankly, may require public investment because it's

not clear that private investment is going to solve the competition problem in our low income areas. Let me make one more point. The push toward competition, which is a major focus of what the Federal Communications Commission is doing right now, to its credit, and a focus of what you're looking at the moment, I want to suggest to you that, unfortunately, and I don't like this, I would like to think that an open access environment is going to enable the greatest level of competition. I am not sure that is going to happen but I would suggest that you consider the fact that if a third provider, or a fourth provider, enters any of your markets, any of your neighborhoods, you will have accomplished not an optimal level of competition, not what we ideally like, not what we see in the taxi cab industry, but a greater level of competition than we have had in the broadband space or the phone industry in a very, very long time. Given that you have a phone, copper based competitor in this market, and you have a very able cable based competitor in this market, if using the City's fiber, you are able to incent competitive providers to come in and compete with those too, and you have neighborhoods and, ideally, the entire City, served by 3 competitors, competing to provide wire line broadband service, you will be in a better position than most communities in the United States, and that is not perfect competition, but I think it's, frankly, more likely and more viable than what will happen if you ask any investor coming into this market to enable their own competitors because they're simply less likely to come into this market."

Riordan stated, "If I were to summarize what you're saying, is that it would be counterproductive to regulate this in a way that we require them, but rather create incentives that would bring fiber to the City, especially if we do incentives for parts of town where it's not as attractive so that they will come and do those, also."

Hovis stated, "I think that it's much easier to see that strategy having tangible concrete results than the regulatory strategy that relies on private investment reacting to, frankly, disincentive. Yes, I agree with the way you framed it, Commissioner."

Riordan stated, "The fact that we're an attractive community, that we have a lot of people who would want this, is not enough, by itself, we need other things. Because, there are a lot of other cities, very similar to us, although we don't like to admit it, that has the same abilities, so we have to compete with them."

Hovis stated, "I think that is frankly, yes. We're in an era when communities are aware of fiber to the home and gigabit services in a way they weren't five years ago, and this is partially a credit to Google, but also to the municipal providers out there, and communities are interested in this, and want this, are very concerned that they're being left behind, by the Kansas Cities and the Austin, Texas's and the Raleigh, North Carolina's and the Chattanooga's that are all getting these kinds of services, and there is competition for a very limited pool of private investment dollars right now. We're certainly hoping that that pool of private investment dollars expands dramatically over time but we're in the early seeing new private capital come in to this market and 5 years ago there was none whatsoever."

Riordan stated, "So, if we were a hundred years ago, and wanted the railroad to come near us to help the City, we're in a very similar situation because that's what made many cities grow."

Hovis stated, "Yes, I think that's a good analogy, canals, railroads, electricity, as you pointed out in the earlier conversation. I don't disagree with the point that this is the electricity of the 21<sup>st</sup> Century, it's incredibly important to our economic future and, frankly, our democratic futures. But, if we're relying on private investment to make it happen, we have to try to shape, and attract, and incentivize that private investment."

Amyx stated, "Joanne, thank you for attending this evenings meeting and your comments you brought to us and opinions. The fiber policy that we have, and I do want to go back and make a point, I thought the meeting we had several weeks ago was probably one of the best meetings that we have had, and discussing an item, I agree it's the electricity of 100 years ago, but one of the things that is important here is that you had talked about our fiber

policy and how important it is to have that right. Does our fiber policy, as written, and going back to something that you said a little bit ago, is it written in such a way as to allow that next company, whoever it may be, to come in and be able to compete in this market, and be able to provide that service at the best rate.”

Hovis stated, “I think it’s a very good policy. It’s comprehensive and it’s sound. The pricing it offers is exceptional. It is very reasonable in the requirements it imposes on the private companies, at the same time, it is very prudent in protecting the City’s assets and the City’s interest through things like, not allowing companies to just go splice into your fiber, which I’ve seen happen in other markets which is destructive in a variety of ways including public safety, privacy and other things. I think it’s a balanced and thoughtful policy and I think it’s a very good way to take your existing fiber asset, which you’ll also continue to grow over time, based on what I saw when we did this work here a couple of years ago. There are all kinds of very innovative plans to grow that asset. This is a good way to take that asset and make it available to private providers. I want to be honest though, and I think I said this when I was here last time a while ago, it is not a magic bullet. Again, coming to the economics of fiber to the home, this is just an extraordinary costly infrastructure to build, depending on the market, and depending on the level of competition, relatively modest revenues. Your fiber makes it far more cost effective for a provider to reach Lawrence and to get into certain neighborhoods of Lawrence, but that’s only one piece of the economic puzzle for them because they still have all that last mile build out cost and that’s pretty considerable set of costs, but you are a very friendly community from the standpoint of welcoming those companies, and facilitating their entry into this market, and so on. I think you’re doing all the right things as far as processes and availability in making your fiber available.”

Schumm stated, “We’ve been on this awhile and we’ve had a lot of great discussions and we looked at a lot of things. What if the City were to say, we want to build out the middle mile and then ask for people who would be interested in building out the final mile. Is that a

strategy to pursue if funds aren't a consideration? Would that act as a catalyst to provide more competition in the market place in hence, the pricing down?"

Hovis stated, "You already have built outs of the middle mile, the fiber that you've already made available is a significant start on that, but you could build more. You could drive that fiber deeper into the neighborhood. You could get it that much closer to homes and businesses and the more the public sector builds, the closer a private sector entity can get to the end user so the more modest, the lower, their last mile investment has to be. It would make a difference. It is, again, not a magic bullet. We are in the early days of seeing how these kinds of public/private partnerships emerge. The best analog I know, I wrote a little bit about in the memo, was Champaign-Urbana who did exactly that. They built an extremely robust middle mile that came close to every home and business in the two cities. The other thing they did, which I think also kind of addresses some of Commissioner Farmer's concerns around low income communities, is they built infrastructure that passed about 8 percent of the lowest income homes in the community. There's a bit of a history about why that happened, but they essentially assumed that's the last place the private sector is going to go so that's the place where we're going to invest our funds and then they used all of that existing publically funded infrastructure and they had State and Federal partners in public funding. So, I don't want to suggest that it was all funded locally, they were very fortunate in their timing, but they used that publically funded infrastructure as an incentive to attract a private partner who made a commitment to build other parts of the city and made commitment to open access as part of the enticement of getting free access to this enormous mass of fiber that Champaign-Urbana had built. So, a quicker way of saying what I just said is, I think, the more fiber you have the more leverage you have, without question, but it's still not necessarily a guarantee because I can't point to 30 projects like that and say, if you follow this path it will definitely emerge this way. I can only point to that 1 project, essentially."

Schumm stated, "In terms of incentives, and we kind of realize through our discussion, on-going and information that we get, that somewhere along the lines the City is going to have to be involved in it financially, either through incentive or through doing some installation of more hardware, things like that. Would that incent to build out the middle mile be at the top of the incentive list, in your opinion, or are there other incentives that would be more palatable to people trying to come in to make a living on the final mile?"

Hovis stated, "Different companies approach this differently. So, there's a company that's very active in Indiana and is looking at the whole Midwest which builds fiber to the home, in partnership with localities, based on the award of traditional economic development tax credits that are used for other kinds of projects and that are applicable under Indiana law too, to provide fiber to the home networks and for them that's the ingredient that helps. There is a company that I actually just concluded a deal with in Maryland where the city built the middle mile but also the last mile. The city wants to just own the fiber entirely and then it's leasing access and being paid back. It's covering its principle and interest payments to a company that's agreed to provide service over it, and to meet certain performance measurements, and to allow competition. It's because we're in such an early stage of seeing what these partnerships look like, it's hard to point to one thing because different companies will look for different things but it's easier when we understand what their pain points are. You make assess to the right-of-way very available, and that shouldn't be a pain point here, but a consistent issue that I hear from companies all over the country is access to poles. That's not usually a municipal function, or a county function that's frequently a function of pole owners who are usually phone companies, and investor owned utilities. That's a constant challenge for companies is to get on to those poles at an affordable rate and to get through with the process of what's called 'make ready' which is actually getting access to the poles without having to pay an enormous amount to move things around or to replace the pole itself. That's an area in which communities can advocate on behalf of competitive providers coming into their market and try to facilitate but you

don't own the poles so there's only so much you can do in that space. That's what of their pain points. There's a whole mix of different things that they look for and I think you've adopted many of those things over the past few years. The fiber access, the rights-of-way access, and looking at your internal processes here to just make sure that things move smoothly and are facilitated and that it's not a very, very slow process for a provider who wants to come into the market or get permits and so on. I wish I could give you a definitive answer about 'the' thing that would make a difference."

Schumm stated, "So, the pole access is for the final mile where it's above ground, it's not trenched in?"

Hovis stated, "Sometimes the middle mile is underground and sometimes it's aerial. It just depends on what the situation is in a community. A lot of communities will require a lot of new infrastructure to be underground in which case pole access is not an issue, then it's access to rights-of way because that's public property and the cost of accessing the rights-of-way. In communities where the opportunity is aerial, it's usually cheaper to build aerial then to go underground, but it's only cheaper so long as the pole owner actually helps. I've seen lots of places where providers, including public providers, will go underground because they have such a challenge getting onto poles that are owned by private companies."

Farmer stated, "Joanne, do you thing the proposed policy as it stands, right now, will result in 100% build out or 'cherry picking' because it seems to me, as it stands, I'm just struggling with that?"

Hovis stated, "Commissioner, it is hard to think of any scenario other than the City building itself that will result in 100% build out. We don't have a regulatory environment at the State or the Federal level that enables requirements on providers that they build out 100%. In the new era of fiber to home construction, I have not seen any community, or any provider, has built 100%. Google is not building 100%. It is building in neighborhoods where it reaches certain penetration levels. It's building on a lot of neighborhoods but, inevitably, in the

neighborhoods where there's not a lot of demand, it's not building because it can't make money there."

Farmer stated, "So, there's going to be 'cherry picking' regardless is kind of what you're saying."

Hovis stated, "Every provider out there that I know of is cherry picking with the exception of the municipal providers, frankly, because when you are the public sector there is a political imperative potentially to serve everyone. But, I won't be surprised if, in the next few years, we see public sector providers doing a certain amount of cherry picking too. I don't mean that as a negative. Realistically, we're not going to see investment, unless there is money to be made. That's not an unreasonable thing for a company to expect that they'll make money. I don't mean cherry picking as a really negative thing but I think what it suggests is that there is, potentially, a role for the public sector to make sure that those neighborhoods that don't meet the ROI (Return on Investment) requirements of private entities, that we try to change that ROI in those neighborhoods. One of the things that happened in Kansas City is that the neighborhood non-profits went door to door trying to increase interest in the infrastructure, to increase the take rate, in low income neighborhoods in the hopes that it would get high enough that Google would build in those neighborhoods. That's a great role for the community non-profits and that's a potential role for cities in an environment like the one that Google created. In other places like in Champaign-Urbana, the public sector may step up and build the infrastructure in the low income neighborhoods but I don't think we're going to see 100% deployment. It's important to note that you already have something close to 100% deployment by the cable company. The reason why we're not seeing Washington interested in pushing that full deployment model is because these are competitive providers, or at least that's part of it, that's my projection as to one of the many reasons why Washington won't do that. These are competitive providers. It's not that there's no access whatsoever in Lawrence, it's just that there is not vibrant competition. I started to make a point about public sector providers of fiber to the



home and I'm sorry I didn't finish it. When I said I wouldn't be surprised if we see public sector providers cherry picking, I don't mean to suggest that they won't serve low income neighborhoods but what I do mean to suggest is that they will start phased approaches and they'll start in the places where there are revenues to be had so that the business model works because it's just going to be much more challenging to build first in the neighborhoods where revenues are going to be extremely minimal, relative to costs, to make the model work and make it viable to keep building. It's not unreasonable for a public sector provider to say, we've got a phased approach, we plan to get to everybody eventually, but we're going to start with the place where we're going to see revenues coming in and we'll use those revenues to then expand. With private sector providers, it's harder to see them having a comprehensive full City approach. It's a very long answer to your question."

Riordan asked, "Have you seen any cities or municipalities where they have made it less expensive by providing increased fiber access to certain neighborhoods with lower income to make it more profitable, potentially, for those companies, doing just the opposite of what you're talking about in some ways, and then letting them build out because it's economically viable in the other parts of the neighborhood? Has anybody tried that that's you're aware of."

Hovis stated, "Champaign and Urbana are the only one that I know of. It's important for me to say that my data set here is maybe countable on two hands. We don't have hundreds of examples yet. You're cutting edge, what you're doing here. What happened in Champaign and Urbana is that they had a partnership with the University. The University was providing service to these low income homes where they had built, as a broader community, and they were providing up to 20 megabits per second for \$20. The private provider, who is now building out the other parts of the other two cities, committed in the contract that they would respect those existing service agreements. So, they would continue to provide service for \$20 even though that was not a service tier or a price that they had. I think for that private provider that's very viable because the fiber was already there. Their investment to start servicing those customers

was much lower. In some cases, they had to build the drop from the curb into the home, they had to provide equipment, and there was installation, and so on, but they didn't have to actually build the fiber down the street on which those homes were. It was viable for them to offer lower costs. It was a very flexible and entrepreneurial company that was willing to work with Champaign and Urbana and I said they had a pretty big incentive to do so because they got access to this very robust fiber network at no cost."

Dever stated, "Thanks for coming tonight and I appreciate you watching the meeting, trying to get a feel for where we stand before you came. I appreciated all your insight and it helped me cut through some of the issues and understand a little bit more about the challenges we face. I guess the question that Dr. Riordan brought up about using incentives to promote open access networks as opposed to requiring it as a policy, or as a legislative requirement by our community, I'd like to know if you think that by offering it as an incentive whether or not you think that would have the same legal issue that you brought up, subsequent to your discussing your description of open access, and do you think the incentive, making it incentivized option, as opposed to a mandatory requirement for access to the fiber, would skirt some of those legal issues?"

Hovis stated, "I would frankly be committing malpractice if I tried to guess at the legal implications. I'm sorry. My intuition is to say 'no', but I'm really not qualified."

Dever stated, "You did bring up legal issues so I thought since you're commenting on it, I feel like you'd feel comfortable to answer that question."

Hovis stated, "However you approach it, intuitively it seems like that would not be the case, but again, I'm not qualified and I would just say whether you go with the mandatory approach or the incentive based approach, I'd just make sure to do a legal review to make sure that the City is not at any risk and it may turn out that there's none whatsoever, but I had to raise a red flag on that just because I know there's a debate in Washington right now about whether the FCC even has authority to require this."

Dever stated, "Right, and given it's a public asset, and the people of Lawrence own this asset, and we want to make sure that we protect from wild liabilities associated with that, I bring that up."

Hovis stated, "I'm not concerned about requiring open access on the publically owned asset. Like the US Department of Commerce did that with the Recovery Act funded fiber infrastructure that they built over the past 5 years, they required open access. It's publically funded infrastructure and I think that's the difference once you step into the privately funded, does it change things. It's just worth looking at."

Dever stated, "You mentioned the network neutrality action and traction that's going on in Washington right now. Basically, you indicated and my understanding is that carriers would not allow to throttle, or to alter, how they serve their customers. Is that right? That there would be a standard to carrying no matter who that customer would be."

Hovis stated, "We haven't seen the detailed rules yet. The chairman has sort of laid out the framework for what he is recommending to his colleagues so, we won't to see them until sometime after February 26<sup>th</sup> when they're published, but essentially that's right what we anticipated is they will say that content has to be treated neutrally. You can't prioritize Google over Yahoo or Democratic Party over Republican Party or Wal-Mart over Target because you have some kind of financial relationship, or for any other reason. It's for the user to decide what content they want rather than for the network owner to throttle, or hold back, or discriminate."

Dever stated, "The question I have then, as it relates to our policy, and I wanted to ask you this while you were here, you are entrenched in this, and one of our incentives is that we would waive the first 5 years of companies payments to lease access to our fiber if they provide free service to families that are 'at' or 'below' 140% of the net income eligible for food assistance so that we've created a standard, and we've required them to offer service. Then, previously in the document we require them, if they want to have access to this, to provide symmetrical high-speed internet service of at least 100 megabits per second. By having that one standard

saying, if you want access you have to provide 100 megabits per second, symmetrical, and then also stating that you have to give it away to people at a certain level, does that take away their ability to, in essence, offer a free service at a lower speed or a lower rate? Do we need to worry because I can see some people wanting to offer that service, but not necessarily 100 megabits per second? Clearly, there is a limit in certain areas, especially we'll never touch it right away, but there's going to be some incentive for them to offer reduced rate, and one of the things we want with an open access network, is for people to choose a speed, and pay less, based on that. So, if they choose to offer it, I guess what I'm getting at, are we digging ourselves in the corner where we're going to require somebody to give this away to low income families. I don't want to give them anything less, but if they really don't need it, I guess what I'm trying to get at, is there some conflict in this standard that we're composing tonight."

Hovis stated, "It's a really interesting question. It seems to me that you can require the users of your fiber to offer a 100 megabit symmetrical tier so that customers who are interested in purchasing that reasonably high end product have it available, but at the same time they can also offer other services. There is a cost difference for them in what it takes to offer those services and a lower tier product, at a lower cost, will be of interest to some people. But, I think what I really admire about the policy is that you are trying to make sure that products that are not currently on the market, there's nothing like a symmetrical 100 megabit product right now in this community, and you're trying to make sure that that product emerges for the people who are interested in it and willing to pay for it. I'm hoping what you'll see is that the pricing is aligned with what we're seeing in the municipal networks and the Google deployments. Google sort of set the price for a symmetrical gigabit at around \$70 to \$100 a month and we're seeing that emerge in other markets. I hope you'll see that emerge here as well but at least that product will be available to the power users who really need it but not everybody needs it. I think that's fair to say."

Amyx asked, "Do you believe our policy does not allow a company to come in and sell a different speed of product?"

Dever stated, "I'm wondering that. That's some of the conflict I saw when we added this and then I understand how some people might want to subscribe to and utilize less for a lower cost if we do offer open access, at some point in time. And, if their giving it away, how much are they giving away, and the person could offer to use less if they're not using it, they could monitor the service, and then lower it, and sell that capacity elsewhere and not have to commit to a high level of service when it's unnecessary."

Hovis stated, "Also, wireless deployments, I mean one of the things that you may see is that you'll be stimulating some wireless last mile as a result of making the background fiber available. Wireless would be more challenged, the symmetrical 100 megabits is only really feasible in the lab. It's definitely, I would say, worth looking at that. I respect what you're trying to accomplish there."

Dever stated, "I agree and so I just wanted to touch on that one before we move forward."

Amyx asked, "The FCC and what they're considering on the 26<sup>th</sup> of February, based on your knowledge of what they're considering and the fiber policy that we're looking at putting in place, does it stop any portion of this that you've been able to see?"

Hovis stated, "I don't think they're in conflict, at all. Actually, what I think the FCC is doing hopefully alleviates some of the concerns that you had, that you were trying to address, with the common carriage thing and that's the issue the President was talking about when he was here, net neutrality, non-discrimination, a neutral internet and so on. Hopefully, your fiber policy in trying to incent investment here and their policy of trying to make sure that the entities, because it's not many entities who do own the networks, are not in a position to discriminate. They're both very pro-consumer and complement each other well."

Mayor Amxy called for public comment. None.

Amyx stated, "We do have the fiber policy that is before us tonight and consideration of adopting Resolution 7097 that's been on our agenda. Are there any other questions that we need to have answered? Mike, you bring up a very good question on what's for sale out there, what potentially be for sale by a company and I do think that we need to answer that question. Do we have any questions about any of the changes that have been put into place in the policy, based on our discussion several weeks ago? Is it appropriate, at this time, to go ahead and consider the approval of this policy or do we want to get an answer, or at least an opinion, about the question that you asked before we do that?"

Dever stated, "I understand we put this on the agenda to try and coordinate input from Joanne so I think we moved it quicker than we would have thought. I don't want, necessarily, to hold up the approval or adoption of this policy without the addition of incentives, perhaps, for open access. And, we need to talk more about that, over time, but I do think we might want to table this to make sure that we're not limiting ourselves with this language in here and maybe by adding some sort of clarification on the availability, as Joanne pointed out, of a 100 megabits per second but that the user can choose to utilize or pay for less. If we really truly want to incentivize and get people to use this at a lower cost, there's a cost associated with that provision, and I want to make sure I understand what that is, and what the cut-off might be, and that if somebody was going to use our fiber, it would not preclude them from doing so because we're making them use it all for 100 megabit symmetrical service to everyone. So, that's what I'd like to find out. If they're going to give it away, does that same standard hold true?"

Amyx stated, "We can take the Resolution and ask for that additional information making sure we have an answer to that. We'll place it back on the agenda in the next several weeks with those answers."

Dever stated, "If no one objects, that would be good because that's something that jumped out at me the last couple of days and I just wanted to make sure I understood what that meant for somebody who wants to use it."

Amyx stated, "One of the things that I would like for you to do, if any of you have any other questions that you want staff to look at or anything else we need to answer, please get those in immediately."

Dever stated, "Unless you guys don't want to allow somebody to offer a lower level service because theoretically, we can only afford 20 Megs for \$20, then we're automatically knocking people out of the market to use this product."

Amyx stated, "The goal is to make sure that we have something that is affordable to everyone. It seems to me that that's the backbone of what we've been trying to do."

Riordan stated, "I agree with Mike. One other thing I would like to consider, in building on that, would be when we incentive that, and when we say that they need to provide free service, that the free service could be at a lesser amount. Not just for the people who will pay for it, but the free service so we don't handcuff the companies coming in and creating an environment where they say that's too costly. I think that should be part of that too."

Dever stated, "Not to take away from people who need it but, I think, Joanne pointed out, and I think it's widely known and it's stated of course, the internet companies want to say that you don't need faster high-speed internet but we all know there's tons of people that do need it. It's a question of; if it's for free, what kind of burden do we put on them?"

Riordan stated, "Correct. I'd agree."

**Moved by Dever, seconded by Riordan,** to defer the City's Fiber Policy and fiber leasing framework and the adoption of Resolution 7097, to be placed on a future agenda. Motion carried unanimously.

5. **Considered adopting Resolution No. 7103, authorizing the issuance of up to \$14.5 million in industrial revenue bonds for the Pioneer Ridge project for the purpose of obtaining a sales tax exemption on acquiring, construction and equipping a senior independent living facility near Harvard Road and Wakarusa Drive.**

Kevyn Gero, City Manager Intern, introduced the item.

Kurt Peterson, speaking on behalf of the applicant stated, "First, the applicant is Midwest Health Inc. This is a Kansas company based in Topeka. With me tonight is Jim Klausman, the CEO and President of Midwest Health. Their products consist of 3 types: assisted living, independent living, and skilled nursing. There are 4 states including Kansas with approximately 50 facilities. The project, right now, consists of 2 or 3 pieces and had been built since 2001 when we opened at the southeast corner of Wakarusa and Howard. The skilled nursing facility goes by Pioneer Ridge Health Center. The assisted living goes by Pioneer Ridge Assisted. Since 2001 we've owned the land just to the south. You see the open green space that is where we patiently waited for the right demand, and the right financial climate, to launch the independent living facility that we're talking about here today. The independent living facility that we're proposing would be 76 units. This would be high end independent living. It would be really, without any debate about it, would be the nicest in the County. There are lots of amenities, everything from a movie theater, to pub, to transportation and the like. The project would be 12 million dollars, plus 1.5 million dollars of FFE as well as ½ million dollars in the land itself, putting us at about a 14 million dollar project. In addition to the project, I just want to briefly touch on the impact to the City. At the PIRC committee meeting when we, as a team, present to you this, as a project, that has great benefits to the City, we divide it up into two categories. The first really goes to reinvest, retirement Lawrence, or to the taskforce from several years ago and their report, the Retiree Attraction and Retention Task Force, all the things that were really touched on by that task force, and those approaches, really fits squarely with this project. One, this is high quality for seniors. As the staff memo had some excerpts from that taskforce memo that was one of the items, to provide high quality provisions for seniors. Also, it has a campus environment. We're offering 3 different kinds of continuum of care aspects for the senior's in Lawrence. That is something that the taskforce called out as age in one place and that is really what this campus is about. We have walkability at 6<sup>th</sup> and Wakarusa with the grocery store, and different places to eat, that no matter your age, it's not a



long walk and there's a nice sidewalk there on the east side of the street. So, walkability is something that the taskforce called out that we're also able to achieve. Finally, not giving an exhausted list, but transportation; a facility with its continuum of care does provide various transportation. For example, one of them belongs to the Lied Center for cultural events for the seniors. In general, that first category is squarely down the middle of what the City has said that their after, with respect to senior care, and we're proud to offer that with this third component to the campus. The other area of impact really is strictly economic. We did spend a little bit more time and detail at PIRC on this, but I think I quickly divided it up into 3 pieces: sales tax, property tax, and jobs. On sales tax, to start with even the name of the taskforce is Retiree Attraction and Retention. In terms of attraction, a facility of this caliber, especially when you have the whole campus, is able to pull people into somewhere like Lawrence where you have alum that have gone away, and done whatever, and is looking to spend the last and great chapter of their life back in their alma mater. We really feel like that will play out with this facility. Also, in terms of attraction, you have kids, adult children, that want to have their parents closer to them. You're going to get plenty of that at this facility; bringing seniors into this community that otherwise wouldn't have been here except they have children here and a great facility to attract them. In terms of retention, this is a key component because you not only keep seniors here but what you do is bring them out of neighborhoods where they've been often times for whatever decades in a single family house and you open up the single family homes for reinvestment by younger families coming in so it's really a dual benefit to the community at-large. When it goes to sales tax because that's what this is about, and I'm talking about attraction and retention, these seniors, especially the independent living component of the campus, are seniors, by and large, that have a disposable income, and they have time, and they have the ability, since they're in independent living, to move about the community and spend money so that translates to tax dollars which is good for the City of Lawrence. On property tax, it's probably obvious; the only request that's here tonight for assistance for financing that project has to do with sales tax

exemption on construction materials for the project. This 14 million dollar project will achieve additional property tax for the City of Lawrence and the other taxing jurisdictions. Finally, in terms of jobs, we estimate approximately 19 full time equivalent new jobs in the community that would be several thousand dollars above the average job in the City of Lawrence. I think the only thing I'd touch on now Mayor is just answering a question that was asked several weeks ago when I was here and you were just formally receiving the application that's before you tonight and that had to do with more low income accessibility etc. I think the best way to address that, and the way we talked about it at the PIRC committee, is the independent living facility, in of itself, is not really targeting that market, there's nothing else really to say other than, as Jim would say, it is achieving to offer, for the quality that will be offered, the goal is that they're going to offer the best price possible obviously. An important component to note about this campus is that, we just took a snap shot, I said what about December, what about the end of the year, what percentage of your skilled nursing, one of the three components on the campus, had folks in December that were participating in Medicaid, and the answer was just about a third. So, the answer is this component, independent living, is truly a high end finish that isn't probably checking that particular box. But, the project, as a whole, on the campus absolutely addresses that component of the policy. I would stand and Jim would stand ready for any questions."

Dever stated, "You don't have to answer this question but it begs to be asked. I'm very familiar with this type of housing, very familiar with what is adjacent to it. The question is, the demand for this product in this community and the success of similar product located north and east of this site, can you speak to the viability of this project as it relates to the demand in the market place for independent living, specifically, and if there's truly a demonstrated need at this point in time."

Peterson stated, "It's kind of interesting going back to the reason I anticipated, because that's a natural good question to ask, and referring to the 2001 opening of the other two components of the campus, I did that, and Jim and I talked about it, because it shows that, while

the third component has always been a component of the company, it didn't come in 2002, 2003, or 2004 because we had to wait until, I mean, it's not a small investment as you know. So, we had to be sure, based on our proprietary ways that we figure out in a community whether there's sufficient demand to support this kind of facility, we had to be sure of it. Standing here in 2015, with a shovel ready project, we're sure of that Commissioner and the lender is sure of it. We believe that the demand is there now. Maybe not in the past, which is why we let this sit but it is today."

Dever stated, "I've been involved in these types of projects for this specific land use for almost 20 years and have seen them go up, and go down, and go in business, and go out of business, and get traded multiple times because of marketing conditions and because of the quality of good product. I don't question that your quality would be excellent, I just want to make sure I ask that questions because we're, in essence, funding the tax bill for construction material and I'm 100% always willing to listen to that but I also know there are other products in the community and that this needs to be able to be viable and that it doesn't become an issue, down the road, because it is a very important part of the town and we're going to be interrupting your construction process with our construction process of our own. Hopefully, we'll coordinate those two efforts because it's going to get messy over there if we tear up the street right in front of your new construction project."

Peterson stated, "By the way, the fact that this is part of a campus does help. I would contend, humbly suggest, that this helps that it isn't a standalone, not backing away from our feeling of market demand, but it is woven into an overall campus that has thrived really for the last 14 years."

Riordan stated, "I guess I have a slightly different concept of aging in place. The traditional one is what you're offering, which I think is fine, but the one that I'm consistent with is, aging in place means that you stay in the same room, stay in the same building, as independent

living as you go to the next step and the next step you're able to stay there. That's a small point. How was this walkable again? I didn't understand that."

Peterson stated, "I'd answer in two ways. By the way, good point. There's different concepts, and some people like the one idea of aging in place and some people like to stay in a room. On terms of walkability, really where we're coming from is saying one, it is a campus. So, no, it's not 3 miles across but there is, for some seniors, walking across the 'campus', the site that we had up there, it's what's walkable. And, we do offer programs amidst the 3 buildings. In that sense, that's walkable. The other example I just gave, given that it is close to a commercial center there at 6<sup>th</sup> St., that's the other main, walkable component with an existing sidewalk that easily connects seniors up to the grocery store, which a lot of seniors like to still be able to do when they're in independent living, and some assisted living so those 2 components."

Riordan asked, "Is there anything built within the community that's actually walkable though?"

Peterson stated, "I haven't seen on the plan any particular trail that we know of. I don't know if Jim knows off the top of his head but I know that wouldn't be unprecedented in other projects when we have the campus feel. I just don't know off the top of my head."

Riordan stated, "It's a fairly large piece of land, and I don't know how much this takes of it, but I assume there's a lot less. I would encourage you to create some walkable space within that that they can go to and I think that would be to your benefit for a high end project. I think you'll probably do that anyway. It would just be a suggestion."

Kevyn Gero, City Manager Intern, presented the staff report.

Farmer asked, "Kevyn, in the chart, under 50% construction material costs we've got \$54,170 but we get two-thirds of that, right? So, we would actually be forgoing an additional \$36,000 in revenue."

Kevyn stated, "Correct."

Farmer stated, "I think, because we kind of dealt with this, I think for, and this is for the both of you, it's helpful to get a picture because it's kind of, you know, with the old spreadsheets and the PIRC report, like what we'll hear next with the Eldridge, the County 1 cent sales tax. Because we get two-thirds of that, I think that needs to be somehow included in the City's perspective in the future because even though, technically that's accurate, the County is actually only forgoing \$18,000 and we're forgoing an additional \$36,000 which takes it to a total of \$119,000."

Stoddard stated, "We can certainly do that."

Riordan stated, "During your presentation, you said \$3600 worth of taxes, did you mean \$36,000."

Kevyn stated, "No, it's just on the land since it was a vacant lot."

Mayor Amxy called for public comment. There was none.

Amyx stated, "This looks like a very good project and I want you to know that. But, it seems to me that the \$470,000 is a very small amount when you consider the price of this project. What does that amount of money allow you to do in this project?"

Peterson stated, "What it does, and I kind of alluded to this when we were all together several weeks ago, like you always do you get more and more specific with what exactly you're going to build, what your finish is going to be like, you go to your lender and you finance and you move. This, really, when you get this kind of assistance near the end, it ends up almost acting like equity. So, as a percentage, it's not overly impressive to the naked eye, you just look at it, it is pretty impressive when you're working on your financing, and it's a reduction like that, and it really does get seen as somewhat like equity. I can assure you that this sort of benefit, not just on this project but other project that I'm involved in right now, it really does make a difference."

Amyx stated, "It seems to me that the sales tax and the comments that we did have a couple of weeks ago in the PIRC committee, it made a lot of sense to proceed with the sales tax

as we've done on some of the projects that we've had in the past. Especially, the most recent one was Neuvant that we did and provides a very special care so it's something I would be supportive of. Jeremy, thank you for pointing out that we get two-thirds of the 1% of the County money."

**Moved by Farmer, seconded by Dever,** to adopt Resolution No. 7103, authorizing the issuance of up to \$14.5 million in industrial revenue bonds for the Pioneer Ridge project for the purpose of obtaining a sales tax exemption on acquiring, construction and equipping a senior independent living facility near Harvard Road and Wakarusa Drive. Motion carried unanimously.

6. **Considered the following items related to 705 Massachusetts Street:**

- a) **Receive request from Eldridge Hotel, LLC, for a Neighborhood Revitalization Area and Industrial Revenue Bond financing for a hotel expansion project and receive recommendation from Public Incentives Review Committee.**
- b) **Conduct public hearing on the establishment of a Neighborhood Revitalization Area (NRA) at 705 Massachusetts Street and consider adopting on first reading, Ordinance No. 9086, establishing the revitalization area and approving the NRA plan, and consider adopting Resolution No. 7104, authorizing Industrial Revenue Bond (IRB) financing for the purpose of accessing a sales tax exemption on project construction materials.**

Schumm stated, "I happen to own property within a 200 foot ring of this request. I didn't realize it until I was thinking about things yesterday and I got a notice a couple of days ago stating, from the architect, that I was in that distance. I was in consultation with staff today and I'm going to sit this one out on a conflict of interest. It could be construed that by approving an incentive to the Eldridge and the Eldridge expanding that it would enhance the value of my properties. That's a stretch, but for the sake of being completely open and fair about it, I think I'll withdraw from this particular issue at this time." Commission Schumm recused himself at 8:02 p.m.

Britt Crum-Cano, Economic Development Coordinator, introduced the item.

Nancy Longhurst, General Manager of the Eldridge Hotel, stated, "I'll introduce my team David Longhurst, Paul Werner, Stephanie, she's my front desk manager at the Eldridge and my daughter Natalie who actually works for us. As you all know, we're here tonight to talk about the Eldridge expansion and the NRA and the IRB request for our wonderful property and we're excited to be able to visit with you about this this evening. In order for us to look to the future we have to understand first our past, so we're just going to take a little time, some of you already saw part of this at PIRC, but it's relevant and we'd like to share it again for those also watching. Where are we going? As many of you know this is the most historic building in actually, in my opinion, in the State of Kansas. In 1856, the Free State Hotel was built by the New England Immigrant Aid Society. It was burnt to the ground actually one month after it was opened. The Eldridge brothers actually bought the former site and rebuilt it and called it the Eldridge House. Well, for us, the Eldridge Hotel does continue to uphold the principles of tenacity, pride and hospitality. We are in the hospitality business. That's what we do. That's what we enjoy every single day and one of the reasons why we want to have the expansion is because we want to take care of more people. We actually really enjoy just spending time and getting to know people. We have so many people that come and stay at our properties just because they know us and they know that we'll take care of them. With our expansion, it's exactly that. We can take care of more people. We're actually also on the national register of historic places which is a wonderful designation for our property and that is outside proudly on our hotel. In 2005, there was a group of us that purchased the Eldridge at auction and, at that time, it underwent a major renovation. We put a new elevator in, in 2005. Most of the staff had been here at least 5 years or more. So, what's next for us? The expansion to the south. We have approximately 54 new hotel rooms that we'd like to construct; 12.5 million dollars is the actual construction project; 50,000 square foot building. It expands our current Eldridge kitchen. For those of you that have never been in our kitchen, it's very narrow, it's very small, so we're excited to be able to provide our chef's an opportunity to work in a more state-of-the-art kitchen.

It's very tiny. Expansion of the current offerings in our restaurant and bar and we want to add a meeting room for corporate and wedding events. Paul will be more than pleased to answer any questions that you might have about the actual construction of the building but this is done by Paul Werner, who always does a fabulous job for us, and this gives you another rendering street scape. Our request, as you will note, is a Neighborhood Revitalization Act of 15 years, 95% rebate of the increase in property taxes, and IRB's during the construction only, no sales tax on construction materials. That is our request. I love this definition because it really meant a lot to me. The definition is to authorize for the state and it's intended to encourage reinvestment and revitalization of properties which in turn have a positive economic effect upon a neighborhood and the City in general. So, for me, having that lot sitting there since 1973 vacant, wow, what a perfect fit for an NRA in our neighborhood of downtown. Why do we want to expand? As I just mentioned, the actual lot has been unproductive since 1973. We want to provide more hotel rooms and meeting room's downtown so more people will come downtown. I mean why not, everybody wants to be downtown. So, what's good for the Eldridge is good for the community. We have 3 sales people on our staff that actually go out, so we can say, in some instances, that we're just replacing some other people that might be coming but that's really not the case for our company. Our company actually goes out and gets business because we have meeting room spaces, both in the Eldridge and also actually down the street. That's what we do. We send 3 of our sales people out, 5 days a week, to go bring new people into our community. She said you can see the building at 705 that's 3 stories tall, it was torn down in 1973. We don't know if it was from a fire or what it was from so if anybody out here knows, we'd love to find out more, but that's the actual lot that shows the building. This is a picture of it today. It's very blighted looking as you can tell. It's just not very pretty and people come and talk to us all the time wanting to know what's going to be happening in that south lot so we're excited to have the opportunity to tell them that we have great plans. Why do we want to expand? The efficiencies gained by operating with the existing hotel make it possible for us to pursue the expansion at



this time. Combined with the NRA, which we have demonstrated is a good fit, it makes it possible for us to move forward. We would never have purchased this lot if we did not have the Eldridge Hotel. We just wouldn't do it. It was always in our business plan to purchase it. We are committed to long-term of the Eldridge and to Downtown Lawrence. Just so you know, we're not in it for immediate cash returns, as evident by our pro-forma, but we know that Lawrence will continue to grow, There will be other events coming to town, other corporate business opportunities, and people love to come to Lawrence, as you all know, and they love to be downtown. Our pro-forma is based on a standalone expansion. There will be efficiencies with the main hotel which complements our business. We're considered, currently, a boutique hotel. You may have heard that term, especially with historic hotels that are throughout the United States, but you don't really see people build boutique hotels anymore because they're very hard to pencil out. It's very difficult to make it all go. Especially if you're a full service hotel, which we are, which means we offer food, we have a bar, we have banquet facilities, we have valet, and we have all these other things. If you were a motel you can just drive up and get out and go to your room and you're done. Boutique hotels are quite a bit more expensive. By adding the additional rooms, this makes it more feasible to work the two projects together, and then we do gain those efficiencies. It just makes common sense for us. We discussed this about 5 years ago. The climate wasn't right for us to move forward at that time but we feel that it is now. The economy is good, things are going very well, and we're excited for the opportunity. We understand that the NRA isn't looking at this project in this manner. We knew that but as investors we have to view it in this manner or the lot would have to stay vacant. With the PIRC meeting, which was actually a really great meeting, you all had questions about parking so we did some homework over this past week and so I want to share that with you. Currently, as I said at the PIRC, we have a lot down the street to the north. It's a service lot and it has 50 spaces in it. We park approximately 40% of our guests who decide they want to actually valet park; you drive up, we offer them valet parking, they'll say 'yes' or they'll say 'no' and about 40%

say yes. After the expansion is open, we will continue to valet also in that particular lot. After we left the PIRC meeting, I went to our bell man and I said, every hour we're going to go to the City lot and we're going to count cars. So, we're going to just kind of see, you know, kind of how we're doing so we have some information that we can share. There are 378 spaces in the actual City garage and our guys, every hour, ran to the garage and counted. So, this is from Tuesday, when we left the meeting, at 5:30 until today at 4:00. We have logged every hour from about in the morning early until about 9:00 or 10:00 at night. The green bar is where there are not cars. If you're running about, you know, almost, half, it's never full yet. Of course this is a snap shot. This is one week, and we understand that, but it's good to at least get some feel for, you know, what's happening with the parking that's going on. So, those are counts, again, from February 3<sup>rd</sup> to February 10<sup>th</sup> and then we also showed you what the weekend looked like as well. So, then I got to thinking, okay, let's think about this a little bit more, since we're a hotel our business is a little bit different from other people's business, so who decides to have valet? If we're occupied, combining both the Eldridge Hotel and the expansion, and if we are at 50% occupancy that tells me 20 people are going to be parked in our valet lot, okay? Five people will have a shuttle or they will be picked up from somebody like the University or somewhere like that, okay? We have a lot of people that constantly ask us okay, what shuttle service to use? I'm at the airport and I need you to come pick me up. So, it's about 10% of people that actually are dropped off so no cars are needed for that, so that is our drop off shuttle part. Fifteen that actually self park before 6 pm, we ran a report and we can tell when people check in, so we have the data of when people arrive. Check-in is at 4:00 but not everybody comes at 4:00, it depends if it's a game weekend they come at noon. So, we have good data on when people come and then we have 11 people that self park after 6:00 pm. Well after 6:00 pm, you've got all your stores are closed, your restaurant's are all open but, you know, it drops off significantly because people aren't shopping anymore at that point. So, you have that yin and yang going on there. So, it just kind of gave us a good feel for, you know, our business, how we use the

parking. Now if we're at 100% occupancy, this would be the breakdown: 41 cars we'd park in our valet lot, 10 would be dropped off shuttle services, 30 would be before 6, and 21 would be after 6. I want to thank you for everything that you've done for us. We hope that this will happen. We want it to happen. We're excited about it. We'll work hard for it and we look forward to working with the City and the community. I have visited with people as well. At this point, 2 different people about it, specifically next door to Matt Cullen, I visited with him about 715 and their support. Doug at Biggs, he's very supportive. So, as things progress, we'll get out and we'll talk to everybody in the neighborhood as well but we want to thank you right now and we look forward to the opportunity."

Amyx stated, "Nancy, I do want to thank you for the reports you did on the parking. Dave mentioned that he had a concern about it so I appreciate the work that you did."

Longhurst stated, "You bet, thank you."

Corliss stated, "You had 378 in the Vermont Street parking garage."

Longhurst stated, "Yes, that's when they park, they counted. Is that right or wrong? Are we wrong?"

Corliss stated, "The number that I remember was 324."

Longhurst stated, "Well, we actually went over there and counted each one."

Crum-Cano went over some of the analytics that were done for this request.

Amyx stated, "Questions of Britt?"

Riordan stated, "No, I think that was an excellent presentation, thank you."

Amyx stated, "The school district and the County had specific dates that they've already set to hear these so we must take an action tonight, right?"

Crum-Cano stated, "Just on first reading is my understanding."

Corliss stated, "You've set tonight as the public hearing date. We've done that by the appropriate notice that's required by the State law. I don't know, does, in those provisions also require that for the school district and for the County? I don't think so. All you have to do is

conduct the public hearing this evening and we've scheduled it with the County and the school district. If that schedule needs to move back, then we would obviously work with those governing bodies to see when it's convenient to make the presentations before them again. They don't have a statutorily required public hearing, that's what this is this evening. What we've done is just set a schedule as to when it will come back. As long as you conduct the public hearing tonight, which you're about ready to do, you don't have to conclude it tonight, but if you do then that concludes that statutory requirement and the rest of it is really up to you and the other two governing bodies about how you want to proceed and what time table you want to proceed. I think that's all accurate."

Amyx stated, "The only reason I asked that, if there is some negotiation that has to be done, Nancy, you had said in the PIRC committee, that you have to take that back to the investment group, if it's anything other than the 15 year."

Longhurst stated, "Yes, we need the 15 years."

Amyx stated, "If I could Britt, go back to something that you said it was after the 15 years with incentives, did you say that the profit, and was this to the business, after 15 years was 2 million dollars during the incentive time?"

Crum-Cano stated, "I believe so. We are talking about the cash flow."

Amyx stated, "It talks about the profit after 15 years of operation is 2 million dollars. Is that during the time that the incentive is in place?"

Crum-Cano stated, "Yes."

Amyx stated, "Just making sure I understood that right."

Crum-Cano stated, "One of the things I did forget to mention, when it came to the cash flow, this is basically an averaged cash flow. What I did was I looked at both a best case and a worst case scenario. The best case being that the expansion could take advantage of total efficiencies from the existing hotel. The worst case was that it would stand alone and couldn't

and then I averaged those two together and so I just wanted to let you know that we did look at kind of the average of those two.”

David Longhurst stated, “It’s important to understand what the numbers mean because 2 million dollars might sound like a lot of money, and it is, but if you look at this, and these numbers are all the same as Britt had done, it’s broken down here. This first column is showing the annual return with a 15 year NRA rebate. The annual return for each year and the next column is the accumulative return, the total return over that period of time. And, the third column is, what is that percent return over that period of time? So, over 15 years the percent return on a 12.5 million dollar investment is 1.43 percent. So, if you took that 12.5 million dollars and invested it in the S&P over 2005 to 2014, you get a 9.37 percent return. If you invested it in treasury bonds, you’d get a 5.31 percent return. We’re choosing to invest it in the hotel and get a 1.43 percent return. So, it’s not a very appealing investment but if you believe in our downtown, and if you believe in the Eldridge and if you’re committed, we’re willing to make that investment. But, that’s why the NRA incentive is so critically important to make this thing work. It’s not an easy deal. It’s not an easy project. But, it’s important for you all, I don’t want you to look at it and say, oh my god, they’re going to make 2 million dollars, what the hell they need our help for? It’s not that simple. So, as part of the process, and this wasn’t for your purposes so much as it was for us to understand what’s going on here, we had to think this through, and put it together and say, are we sure we really want to do this. All the things Nancy talked about, well efficiencies combined in the two operations, efficiency drawing in more guest from out of town, all those kinds of things are key integral parts of the project. It’s not just let’s go throw a hundred hotel rooms on the market and see what happens but it’s much more involved in that but I just want you to make sure you understand that it’s not a huge money maker. There are other considerations that are very important to all the partners in this group.”

Amyx stated, "I appreciate you clearing that up because I think a lot of times, I see this right here, these words, and to the public standpoint they're saying, well there's 2 million bucks. We've got to be able to answer for that."

David Longhurst stated, "It is important to understand. And, it's not only 2 million dollars, but also, you got to understand, for the first 6 years its negative cash flow. Then, finally, it begins to turn the corner, cumulatively. Again, it's our commitment to the Eldridge and our commitment to downtown. That's really what's driving this for us."

Farmer asked, "David, can this be sent to us and made part of the public record?"

David Longhurst stated, "Sure."

Mayor Amxy opened the public hearing.

Mathew Herbert, teacher at Lawrence High School, stated, "I come before you today, I spend my days teaching basic economics and basic laws of governance, and now I come before you tonight to try and reinforce some of the things that I teach to teenagers to the City Commission before me. There are two reasons specifically. I'm not going to refer to the IRB request. The IRB request is not what I'm speaking to. I'm speaking rather to the 15 year abatement with 95 percent abatement to that. There are two reasons I want to talk to you about that; first of all historically and second of all philosophically. It actually fed quite well into Nancy's presentation. She opened hers with a historical look at the Eldridge Hotel which is certainly something this community embraces. It's a wonderful hotel. It's a wonderful piece of our history. But, I want to look historically at the use of tax abatements. What historically have communities used these for? Historically, communities used these to lure an industry that does not presently exist. Earlier tonight, we talked about fiber policy, using incentives to lure something that does not presently exist here. That is most certainly something that ought to be considered. What I ask you to consider though is, is hotel an industry that does not presently exist? I think the answer is pretty obvious there. Secondly, historically, the use of property tax abatements have been used for massive job creation within our own community we look at

things like AMARR Garage Door Group which presented 264 new jobs as a result of their tax abatement. When we look at this one, I think the number was 18 or 19 full time equivalent positions. This is not a massive job creator within our community. But, more importantly, I want to look at the philosophical angle. Vice Mayor Farmer made some comments earlier that I applauded when looking at the taxi cab issue. His comments were and I quote, 'Why are we even involved, it almost seems like regulation of the free market?' I would love to reuse his quotes in this situation. Why are we even involved? It almost seems like regulation of the free market. When we look at the scope, our audit report from the City shows a 2 million dollar profit at the end of 15 years. They obviously demonstrate that's a 1.43 percent gain which they show, compared to the S&P 500, is not substantial, but ultimately their own numbers actually generate a 2.677 cumulative million dollar number which is higher than our City's own number. By their own admission, this is going to generate a greater degree of profit than even our own analysis shows. My question would be simply this, is it the job of a City Commissioner to pick winners and losers? If we assume, under a free market system, that we're going to have a set number of hotel occupants in a given weekend, the reality becomes this, what your tax abatement does is that it enables The Eldridge Hotel to massively expand, to make their product even better, and therefore compete with their competitors. Essentially, you are subsidizing competition in a free market system. You're essentially creating winners and choosing losers. I don't think that's your role. Secondly, when you look at their own business model, and I use quotes from her own presentation, these are not from me these are from hers, she talks about, 'This expansion would allow us to serve more people. We gain a lot more efficiencies through this expansion. Boutique hotels are far more expensive to operate. It just makes common sense for us.' Those are 4 separate quotes from her presentation, and I agree with all 4. And, agreeing with all 4, I think the business model makes sense. I ask you to look back to HERE, Kansa LLC; they said if you don't give us the parking spots we leave. You didn't give them the parking spots and a week later they built."

Dever stated, "No they didn't."

Herbert stated, "They pulled a building permit."

Dever stated, "They didn't say they were leaving."

Dan Dannenberg stated, "Just three or four questions. Who owns Eldridge Hotel LLC? I don't know that that's been disclosed this evening, perhaps it has been. What has been the average occupancy of the Eldridge Hotel for the past three years and what do they project to be the occupancy when the addition is built and opened for business? What is the average occupancy of all hotel/motel rooms in Lawrence over the past three years and are there any projections as to how that occupancy will go in the next three years? Is there space in the market for additional rooms? Finally, the hotel at Oread had a bar called a Cave, or something and one year, I believe, there were 200 police calls to that facility because of alcohol incidents, shall we say. I think in issuing tax abatements we need to, as a city, have some assurance that none of that happens. I would suggest that there would be no tax abatement to any portion of the business that is selling alcoholic beverages. I know the City of Lawrence is somewhat addicted to these sales tax on alcoholic beverages but I think we need to start taking some measures to control the very unattractive and, frankly, dangerous activities that result from excessive consumption of alcohol."

Amyx stated, "Dan, we'll attempt to get the answers to your questions. The ownership, I know, was addressed in the PIRC Committee so we'll get that question answered in a little bit."

Stephanie Garrison, front desk manager at the historic Eldridge stated, "I've been there for 3 years. In addition, I live in Lawrence for over 12 years. I just wanted to, as a community member and an employee of the Eldridge, speak to you personally about my opinions about the expansion. I know that, although we think that a lot of the reason that our guests return are for our service, the comfortable rooms and the great food that we serve, in reality, a lot of the reason why our guests return to us is because of our location. To be honest with you, I think that a couple of the concerns here that Mr. Herbert made, for instance, some questions he



asked about why the City or the State would be concerned with giving an incentive to a hotel, like ours, to expand. One answer to that would be, obviously, the history of our property but also our location and the fact that the lot itself has been vacant for many decades shows you, in pictures obviously that Nancy showed, of the use of the space at this time, we could obviously benefit from a space downtown being revitalized. So, although I understand the concerns would be, why would the City be interested in giving an incentive for a company to expand like ours, but because our building is a historic building, and because it is located in a downtown area, because the goal of the expansion would be to revitalize the area, bring in new guests into the City and those guests be spending money downtown, be spending time in our area and be returning again to spend time and money in the downtown area, I think that it could be a good benefit to the City, and to downtown, and to that neighborhood itself. As Mr. Schumm explained when he excused himself, even properties in the area could be improved, even the values of those properties. Downtown could be improved just from the sake of the lot being improved upon, being expanded and then used in a way that's positive to the community versus sitting there being vacant. I don't think the question is whether or not hotels, in general, should expand or be helped to expand; I think the question is whether or not we could use these funds to help revitalize the area, which I think we certainly could. At this time, the vacant lot, I can attest to its use and it's definitely not positive. I think that there are times when it's not used at all but when people are visiting the area, there have been many instances when pets or humans defecating there. The gravel itself is not the most inviting space so people that are using the area, it's not a positive use of space. I do think that expanding the property and allowing it to be positive for downtown areas and then, as Nancy said, to help with efficiencies at the historic location itself, should be considered as reasons why we would need the funds to help improve it."

Nancy Longhurst stated, "I have one more comment and it has to do with the property tax. Just one thing I wanted to bring to your attention and to first of all make sure we're also thinking about. Currently, the property tax on the vacant lot is \$4,942. Over a 15 year time

period it is \$75,159. Additional tax property with the NRA, we add over a 15 year period an amount of \$106,526. You put those two together and you get \$181,696. So, we also have to ask, does the City, it's in the best interest of the City too because, if the lot remains vacant, its \$75,169 is what the City gets. Otherwise, the City gets \$181,000. So, right there, you're seeing an increase to the coffers of the City of Lawrence with this project. I just want to put that front and center."

**Moved by Riordan, seconded by Farmer,** to close the public hearing.

Amyx stated, "We will ask questions if necessary so everybody knows. I've been beating myself up silly over this over the last couple of weeks. Nancy and David, I do want you to know that I appreciate your work on identifying parking at your business. I really do. I really appreciate that and that was one of my main concerns. I think folks need to realize that, as we look at this, we can do nothing on that lot and we can collect \$4900, almost \$5,000 a year by having a blighted lot. That's, essentially, it if nothing happens there. Or, if you find it somewhere to go ahead and proceed without an incentive, which it doesn't sound like that is even something that can even be considered. The real part of the deal is, is that we have to look at this as we're going to receive \$4900 a year. The advantages are real as you pointed out. There is an increase of approximately \$181,000 over the next 15 years in just the property tax segment alone, if I understood that right. You've explained the idea that there is a 2 million dollar accounting there but understand that it's a cumulative and the return is 1.43 percent over the same period of time so I appreciate that. I guess the part that I'm kind of beating myself up over this is I'm a huge supporter of downtown. I'm a huge supporter of downtown."

Dever stated, "Do you need to recuse yourself then?"

Amyx stated, "No, I do not. You know Commissioner, I appreciate that. I'm hoping there is a benefit, but the truth of the matter is this is a huge decision. I asked the question earlier about dates specific to the County and School District because I want to make sure that the vote that I'm going to be asked to take on this is the correct vote for the community. This is a

community decision. Is this hard? Absolutely, it's hard because you're talking about a public incentive for something that I believe all of us believe in and we want to make sure that as we look at this project it is truly worthy of the public's incentive to invest in that property. There's a lot to take in here. There is a lot of information. You all are to be commended on the amount of work that you've done. Britt, you should be commended for the amount of work that you've done on behalf of the community to make sure that we have that understanding. Now I know some of you are ready to make a decision one way or another on this but really there is a lot here and I, again, I want to make sure that I've taken the time to go through this a piece at a time and to really understand. I voted against in the PIRC. I voted against it primarily from the parking and the concern of adjacent businesses and business throughout the downtown. You add 54 rooms and there's no additional parking that tells me somebody's parking, that we all share, is being taken. Here again, that's one piece of the deal, but again, I want to make sure that this is a right decision. You know I look at numbers and should I spend. It's leaning that way, I suppose, but again, I'm asking you all to put up with my decision making process and it may be a little bit slower than others."

Dever stated, "This is real interesting. I can't remember the last time, over the last 8 years that we've had two requests for public incentives come before this Commission. In fact, it's been slim pickings here in the City of Lawrence for a long time. These comments, and the paper, and from people here and other places, the community saying that were giving away all of the tax dollars. I wish that we had had many opportunities to weigh in on huge projects in our community prior to 2014 but we really haven't. There's been very few public incentives given out over the last few years that have materialized, as of yet, and most of them have been for purposes which, I believe, but for the incentive, would not have occurred. This one's difficult. Some people call it gambling. They want to call their bluff and see what happens at the table and for me, as a representative of the community, I don't want to be a gambler, I don't want to gamble with the City's tax dollars. I want a partner, and I want to invest in people and their

business. If I'm a leader in this community, that's what I want to do. And, 'but for' the investment the City would make in this, the Eldridge House is not as healthy, and therefore not as viable. You know, we talk about making money, and numbers jumping out at you, and for me, this amounts to enabling the hotel to continue to exist, and to thrive. And, I say that because if you look at the facts here, this hotel was in bankruptcy. It was sold at auction and before that, in the 80's, the City had to subsidize an on-going opportunity here. So, clearly, the building itself, the foot print itself, its infrastructure, its capability is unable to survive as a modern hotel and serve the kinds of food and clientele that they want to serve. And, for me, why would we not want to invest in one of the most historical buildings in our downtown. Whether or not you believe in gambling or giving away tax dollars really doesn't matter. What it really amounts to is what do you want this downtown to be? If you want it to be about a hotel that continues to every 15 or 20 year struggle, and then change hands, and basically be a break even or barely winning proposition, or do you want to see it thrive, and bring people to the community, and to anchor downtown. Mike, I know that you're struggling with its impact on downtown but, for me, this is like, I don't see how anyone can find fault with the idea that we want to strengthen a building, and a service, and a part of our community that's been here as long as this towns been here in pieces and or name alone. I don't know what an NRA is for but I certainly know that an NRA is suitable in this location and I don't think anyone could question that. If they had a good argument, bring it to me, because I'd like to hear it. I don't want to gamble with the City's dollars, I want to gamble with investment dollars. I don't want to say, ah well, we'll see if you really need the money or not, come back later and see if we call your bluff and things go smoothly. That's not my personality, I'm not a gambler. But, I am somebody that wants to see investment in this community. I believe that the few number of incentives that we've given away has all been for good purposes and I believe that they're all based on solid facts and by the assessment of our in-house staff and by the Commissioners that sit at this table. I'm not going to second guess anybody whether they vote for it or against it, I don't care. But, I want to say

that the rhetoric that's been thrown around about the tax incentives are being given away, the rhetoric thrown around whether or not businesses are going to come or go or stay or walk away, that's not my problem. That's not my job. My job is to weigh these things on their merit and make a good decision. I think every single thing that's pointed to in the material that's given to us triggers a positive investment in downtown Lawrence. Which every time I sit here, somebody in this board talks about how important downtown is and how important it is we invest in downtown and I can't see a better way to do so then strengthening a landmark in our community and making it better, and making it more viable. And, hopefully, we won't have to offer incentives in the future to bail it out again because it happened in the 80's, it happened in the 2000's, and it's likely going to happen again if we can't make it a thriving business and it can't occupy the right square footage for the current environment that people expect from a lodging enterprise. I'm going to say that I don't have any hesitancy whatsoever as to whether or not we should grant this based on both standards and frankly I struggle with people who question whether or not this is a good investment because the people who are investing 12, 15 or 75 million dollars in our community, they're taking a risk and why would we not share that risk, slightly. I believe without sharing risk that people will not be willing to make some of the investments in our community."

Farmer stated, "I want to address a couple of things because I agree that rhetoric surrounding the entirety of tax incentives in this whole idea that the City just kind of gives out money to the tune of millions of dollars every year is pretty inaccurate. I want to talk about, specifically, how to address some of Mr. Herbert's comments about the City picking winners and losers. I think what we need to make sure to keep in our focus, in our line of sights, is the capital costs like you were talking about of unprecedented natures. These aren't numbers that Britt's just making up. And, I want to say that in relationship to questions that I've been asked by people about the integrity of the Eldridge's numbers, if they're inflating numbers, first of all they're not inflating numbers about property tax because we got those numbers from the

Douglas County Appraisers Office so those are our numbers. If they're inflating numbers about sales tax and guest tax, I want to address the guest tax comment. The average guest tax is about \$130,000 a year which I did the math earlier and I'm going to do it again, just sitting here, but 6 percent is 7800 hotel rooms booked over the course of the year which is an average of 21 per night, so about half. You're going to have weekends where it's going to be totally packed and then, I don't know when your slow nights are, probably Tuesday's because nobody wants to come here because we're meeting. The bottom line is to me those numbers have integrity and for the Eldridge to inflate those numbers what that would have done on the back side was given them a more positive cash flow and basically showed that we wouldn't necessarily have had to give them a 15 year abatement in order to make this thing fly. So, in relationship to the city picking winners and losers, I want to make sure to address something, and I've got to thank Dave and Scott for their hard work because I'm sitting here emailing them, but the capital cost of investment is going to be north of 12 million dollars. Let's look at the last hotel that was built that wasn't downtown, The Comfort Inn and Suites, out by the Holidome, does anybody have any idea what that capital investment was in our community; 3 million dollars? Of course, they didn't need incentives because that cash flowed year one. They're making money in the first year. If you guys were doing a 3 million dollar investment, there's no way you would be here asking for incentives because you'd be making a significant profit. And, so, I don't think this is necessarily about us picking winners and loser. I think it's about understanding that, in relationship to the numbers, and in relationship to capital investment, and in relationship to any way you slice the pie in looking at these things, you know, strictly from a business perspective, you know Britt said that the numbers are a little bit closer after 15 years then they are going out the full 20, but I've been working with these spreadsheets and with these numbers because I've been trying to make a case and justify to myself, just how, if this is a good deal for the City or not. After year 15, so we're talking if these bodies approve a 15 year NRA, and I'm looking just strictly at the City numbers here, not County investment or School District investment or State

investment, the spreadsheet looks great by the way. You did a hell of a job thank you. It is perfect information and I think its great information for the public to have, but just in relationship to, let's just take property and sale tax, projected sales tax for the City, projected property tax for the City. We will be getting, over the course of 15 years, \$759,477 and I'm just going out 15 years here, not 20. I took the numbers in your spreadsheet and summed them up after 15 years. We will forgive \$491,024 in property taxes so for a net gain, after 15 years, of \$268,454. Which, by the way, is a 54 percent return on investment for the City's money? If you add guest tax in there, your net after 15 years is \$3,280,000, you're still talking about a \$491,000 investment and your return on investment become 566 percent. If I were to tell you, this sounds like a Ponzi scheme on paper because there's no way that these types of return on investment actually happen, but strictly from a numbers perspective in looking at this is to whether or not we're being good stewards of the City's tax dollars and the City's tax coffers. To me, this is extremely important to look at these numbers because the property tax revenues, I feel comfortable with. The guest tax revenues I feel comfortable with. I hope you can get 21 people to stay in your hotel room every night. If you can't get that, you shouldn't be in business. We'd all agree with that, right? So, strictly from a numbers perspective, I definitely want to point that out, but the last thing that I want to say, and Mike this may make you feel a little bit better, the comments that I've gotten have said, does the City have essentially a way to go back and audit, or look at, the fact of these numbers being true or not true. The State of Kansas does what they call a legislative post audit with incentives that they give out where they go back, and they don't give specific numbers because we don't want to necessarily tell people how much your sales tax revenues are for you specific locations, but we can go back and say they were within, plus or minus, 1 to 10 percent, 11 to 19 percent, I think it's 20 to 29, whatever that is or a net loss. I think that we have a responsibility to the tax payers when it comes to all these reports, and Britt's doing all of her analysis, and we're getting all these numbers from developers, which by the way, speaking of the HERE project, these numbers at the end of 15 years, I think we gave

them a 10 year, 85 percent abatement, were even larger than this and our return on investments were even larger than this in my opinion. I think we have a responsibility to the tax payers to do that. I think what we should do is suggest that City staff sit down and figure out after a year if their projecting year one, guest tax revenues in the amount of \$129,171 for us to be able to show our community, with integrity that, not just for this project, but all future one's going forward, the HERE project included. I'm not sure if we can amend that language for that particular agreement, but we need to go back and show the community that we have integrity in the fact that these numbers are put together, restore the public's trust in confidence in our ability to have these numbers mean something and show that we're making fiscally responsible and good decisions for our community and I think going forward, when we say we're going to have a net gain of 2.789 million dollars after 15 years, which is 566 percent return on investment, we can go back after 15 years and say our net gain wasn't 2.7 it was 2.1 or it was 3.5 and that way we can continue to build the public's trust up with us having integrity with our numbers. Sorry for all that, I had to distinguish the difference between a 12 million dollar investment and a 3 million dollar investment, talk about the 15 year revenues, irrespective of the guest tax, it's still a net gain win for the City of Lawrence and it's still putting money into our coffers. In going back to whether or not, you know I asked Nancy in the PIRC meeting, if you don't get these incentives will you do this anyway, and she said no, I'd have to go back and talk to my investors. The bottom line is we're talking about a difference, if we give them incentives or we give them no incentives, over 20 years of \$400,000 which is an average of \$20,000 per year and in the grand scheme of \$181,000,000 budget, \$20,000 is nothing. I look at that, is that worth gambling \$20,000 a year? The answer to me, when 2.7 million is on the line, is a clear and resounding no."

Riordan stated, "This is a good example of some excellent statements. I don't think I have listened to more cogent discussion and I just hope lots of people listen to Mike's analysis tonight and Jeremy's analysis tonight because I came here thinking that this was an excessive



amount, that it was too long, but when you bring in some of the very good comments of, this is a business and a business is here to make money. When you look at their net of return, you think, and even when I did it I got a little bit more, but when you look at that, you say, 'Why on earth would you invest in something with such a small return?' I wouldn't do that with my retirement. I wouldn't even think about it. The other thing is we say that we're a big supporter of downtown. Well, let's put our money where our mouth is. If you're going to support the downtown, that's good to give lip service, everybody gives lip service, I'm going to hear a lot of that in the next month, but if you're going to support the downtown, sometimes you got to support the downtown. You've got to actually do it. And, when you think about the fact that this has been in receivership, I think that's an excellent point. When you look at the fact that you have a business that is here to provide a service for the downtown, and provide a service for the City, of housing people in a safe way, in a way that makes them want to come back, you're looking at this particular project, and in our economy, in our situations, I don't know that you can do it with a boutique hotel anymore. It's very difficult. When you add that together, all the things that were said tonight, like I said, if the entire citizens of Lawrence are listening to this, I don't think there would be a big argument with people tomorrow morning, or in the newspaper, that would say, this is a bad deal, this is giving away money. Because, we're going to benefit by it, but we're going to benefit by it by the downtown, we're going to benefit by having a blighted place, that I look at every time I go by and say that's a shame that that's like that. It looks awful. I have to say that I'm re-evaluating how I think about this particular project because the arguments have been such excellent arguments by Jeremy and Michael tonight. I applaud you and I appreciate you."

Farmer stated, "We hear about lining the developer's pockets with money. Your accumulative after 15 years is 2.2 million dollars. Our accumulative after 15 years is 2.7 million dollars. We're actually lining our own pockets more than we're lining yours, which I think is an important distinction to make."

Dever stated, "Lining the taxpayer's pockets."

Farmer stated, "Well right, I mean not ours, we don't benefit, the taxpayers of the community."

Riordan stated, "I do not have a problem with delaying this tonight if it's not ready. At the same time, I think some very good arguments, that I hope the entire City studies, and feels much better, with this proposal."

Amyx stated, "Gentlemen, I do appreciate both your comments and Terry, I want to say that I do appreciate your comments also. We talk about lip service in support of downtown. I'm one of the people that can tell you about voting for a 1980's tax abatement on the Eldridge Hotel because I made that vote. When you make those votes and here you are 20 years later, however long it is, you better damn well make sure it's right this time. That's the deal. I will take my time in making that decision. I appreciate you all giving me that opportunity. I want to make sure it's right for our community because I don't want to hear it again, but lord knows I won't. I would like to ask, and Britt you can do this with the numbers that they have, and I'm going to ask it, and see, just so that we can look at whatever that other piece would be, why can't a 10 year, 95 work? In looking at those figures, Nancy you say you just can't. If you can show us the 10 year, 95 percent rebate, if you can work with Nancy and tell us why that can't work. I don't want us making money off the deal if we can take the risk of the public down 5 years, everybody still makes out ahead. I understand the 1.4, I mean there's not a whole lot of room there, but I think we have to go through that step to be able to see why it can't work."

Farmer stated, "You're talking about a difference, by the way, over the 20 year period from 2015 to 2036, between 10 year and 15 year of \$180,000."

Crum-Cano asked, "Are you looking at the difference between the 15 and the 10 year for the City?"

Dever stated, "A net loss of property tax revenue."

Amyx stated, "Britt, I want you to work with the ownership through and be able to tell us why a 10 year can't work and it has to be a 15 year. One of the things that you had in your presentation was discussion between the 10 and the 15, the period of time. I think that's something that we need to ask and be able to have the group show us that it can't work. I would also, Nancy, you've got Mr. Dannenberg's questions, if you could respond to those also in the next week that would be fine. You're probably ready to do it now."

Farmer stated, "\$180,000 that's what."

Amyx stated, "That's the difference?"

Farmer stated, "Yes."

Amyx stated, "Total."

Corliss stated, "For the City."

Dever stated, "The City's loss of tax revenue."

Amyx stated, "So, there's \$180,000?"

Farmer stated, "That's gross, that's not net with all the others, but that's what we would, essentially, not get in that last 5 years."

Corliss stated, "It looks like it's what, \$36,000?"

Farmer stated, "\$34,791 in year 11."

Corliss stated, "It's a difference between those 2 columns there, the 10 year 95 percent and the 15 year."

Amyx stated, "So, here's what I'm going to do, gentlemen, if you indulge me and give me the week to look at this. Nancy, if you can provide the information, you and David, on the difference between the 10 and the 15. If you say 10 can't work, just show me why. It just can't be no. There's a dollar deal that says it can happen, that's fine. Britt, any additional information that I can find, I'll visit with you about that. We'll place the item back on the agenda for final decision, next Tuesday evening. That will still give it time to meet the dates of the County and the School District."

Diane Stoddard stated, "The second reading will come back to you all.

Amyx stated, "After they had their deal."

Stoddard stated, "Right."

Amyx asked, "Is that okay gentlemen."

Farmer stated, "Sure."

Dever stated, "Whatever makes you comfortable."

Amyx stated, "Like I said, this is only for me. I know you gentlemen are ready to go, and I appreciate you giving me the time to look at this thing, because I am hesitant?"

Dever stated, "Just think about it. They would have probably demolished that building in the 80's without all the rhetoric and the investment. Seriously, think about it, and you saved that building, let's help save it some more, come on. Back then, you guys were bulldozing stuff left and right."

**Moved by Farmer, seconded by Riordan**, to receive the request from Eldridge Hotel, LLC and recommendation from the Public Incentives Review Committee. Conducted a public hearing and deferred for one week the first reading of Ordinance No. 9086, establishing a revitalization area; the NRA Plan; the adoption of Resolution No. 7104; and the Industrial Revenue Bond financing for the purpose of accessing a sales tax exemption on project construction materials. Motion carried unanimously.

7. **Consider approving Comprehensive Plan Amendment, CPA-14-00516, to Horizon 2020: Chapter 14 (An Area Plan for the Intersection Area of West 6th Street & Wakarusa Drive) to revise the maximum retail cap from 127,487 square feet to 137,490 square feet to permit a commercial/retail development, located at 525 Wakarusa Drive. Submitted by Schwerdt Design Group, Inc., for CPC Ventures, Inc., property owner of record. Consider adopting on first reading, Ordinance No. 9083, for Comprehensive Plan Amendment (CPA-14-00516) to Horizon 2020: Chapter 14 (An Area Plan for the Intersection Area of West 6th Street & Wakarusa Drive) to revise the maximum retail cap from 127,487 square feet to 137,490 square feet to permit a commercial/retail development, located at 525 Wakarusa Drive. (PC Item 3; approved 7-1 on 1/26/15)**
8. **Considered approving a request to rezone, Z-14-00515, approximately 2.982 acres from CO (Office Commercial) District to CC600-PD (Community Commercial with Planned Development Overlay) District, located at 525 Wakarusa Drive. Submitted**

**by Schwerdt Design Group, Inc. for CPC Ventures, Inc., property owner of record. Consider adopting on first reading, Ordinance No. 9084, to rezone (Z-14-00515) approximately 2.982 acres from CO (Office Commercial) District to CC600-PD (Community Commercial with Planned Development Overlay) District, located at 525 Wakarusa Drive. (PC Item 4A; approved 8-0 on 1/26/15) Staff Report Map of Area PC Minutes**

9. **Considered approving, Preliminary Development Plan, PDP-14-00517, for a Restaurant and Retail use located on approximately 2.982 acres at 525 Wakarusa Dr. Submitted by Schwerdt Design Group, Inc., for CPC Ventures, Inc., property owner of record. (PC Item 4B; approved 8-0 on 1/26/15)**

Jeff Crick, Planner, presented the staff report.

Mary Miller, Planner, asked "I believe you already listed any ex parte communications that you've had, is that correct?"

Amyx stated, "Not yet."

The City Commissioners indicated they all had no ex parte communications.

Mary Miller, Planner, presented the staff report.

Amyx stated, "Mary, on the preliminary development plan, I want to make sure I'm understanding this right, there's going to be businesses in here?"

Miller stated, "There could be several businesses. It will be two restaurants and then retail stores in the middle."

Amyx asked, "So, as I see it, the tenant, tenant, tenant, there could be as many as 5 different spaces in that building then?"

Miller stated, "Right. When they apply for their building permit, they'll put in how many tenants they would be interested in because that could vary."

Riordan stated, "Mary, let's say that this project goes away, never comes, never happens, can more retail space or anything be put on this? Can it be expanded again?"

Miller stated, "It could only be expanded again..."

Riordan stated, "Because of parking and everything else."

Miller stated, "It has a preliminary development plan. So, let's say it went through, and they got their final development plan approval, that's what it's limited to, is retail and restaurant."

If that went away, they would have to do a new development plan, they'd be limited to the amount of commercial space that's listed in our zoning, the 16,150 square feet, unless they came back to you with a comprehensive plan amendment. They could always request to increase the amount of commercial area again."

Riordan asked, "Could this property support increased commercial development, if this goes away, this particular plot of land?"

Scott McCullough, Planning Director, stated, "Probably not with the parking. This is probably the most intense this gets because restaurant uses is our most intense use."

Riordan stated, "It looks like to me that it cannot expand further and the reason I asked that is because so many times I've seen, when I was on the Planning Commission and afterword, that it will be increased by a small amount, 16,000, this goes away, then we want just 16,000 more, and it didn't look like to me that that would be possible."

McCullough stated, "Not for this specific site. We'll let you know that we've had some discussions with the development group on the out lots for Wal-Mart and they've tracked this process a little bit and there's been some indication that they may request some increase on their property in the future and we'll address that when that comes in, but his particular property probably is reaching its capacity for that."

Amyx asked, "So, with the approval of this lot, how much retail commercial square footage is left at this corner?"

Miller stated, "With the Comprehensive Plan Amendment, I believe, it would be at zero."

McCullough stated, "What's approved is for about 26,000 square feet on those 4 out lots on Wal-Mart. So, that's what's approved today."

Amyx stated, "So, we're at the max right now."

McCullough stated, "We're at the max with this development and what's planned and approved for those out lots. Those out lots are kind of the variable for the reset of that corner of

the node in that they're not developed yet. They do have planning approval, zoning entitlements, but they could come in and request an increase on those lots."

Amyx asked, "It would be a process just like this?"

McCullough stated, "Yes sir, just exactly like this, and I'm comfortable telling you that because the developer wanted me to convey that at some point to let you know that that was a probability."

Randy Larkin, Senior City Attorney, stated, "Commissioners, before you take public comment would you disclose ex parte communication on the rezoning portion."

Schumm stated, "Still nothing."

Farmer stated, "Nothing as well."

Dever stated, "Nada."

Riordan stated, "Nada again."

Mayor Amyx stated, "I didn't have any."

Mayor Amxy called for public comment.

Mike Hampton, Senior Project Manager with Schwerdt Design Group, representing the applicant and the owner, stated, "I appreciate the opportunity to bring this project in front of you tonight. Back in July of last year, we met with staff with an idea of how we could use this property having two restaurants and some retail and through many meetings with them, we felt like the rezoning with a PD overlay would be the best process but then we found out we need to increase the amount of square footage in the quadrant. It's a three pronged approach for our project and working for them diligently, that we've come up with this floor plan and we feel that the PD overlay gives the community, the neighborhood, and the City of Lawrence, the insurance of what you're going to get at this property. Through our planning, we interfaced with the West Lawrence Neighborhood Association and got their concurrence on our project with no objections. We have 2 quality, high-end restaurants that we're planning on putting here. They're presently not in the City of Lawrence so there will be 2 new businesses coming in. One of them

has an accessory bar component to it but is a small square footage of that footprint of that particular restaurant. We have met with the Superintendent of Schools and Assistant Superintendent of Schools and we are the proper distance away from school and church property so we're in compliance with the ordinance on that. This is an alcohol component that is a compliment to the meal. It's not a sports bar or anything like that. It's a very small component, footprint of the actual restaurant itself. So, I wanted to stay that the component is an accessory and not the main purpose of the establishment. We also have gone through, and I think have exceeded, the design standards for our project. We have a 4 sided building with the proper materials on all 4 sides and I think that you would, when you see the elevations that they would be a very attractive building and an enhancement to the particular neighborhood and that particular part. I'd like to entertain any questions you might have."

Joe Patterson asked, "My question would be of these restaurants, are they owned by the same organization?"

Schumm asked, "I guess the question I have is, what difference it makes?"

Patterson stated, "It makes a big difference Mr. Schumm."

Schumm stated, "We're dealing with zoning. We don't deal with individual businesses. That's kind of a market situation."

Patterson stated, "There are a lot of people in this town that would like to know what business is coming in when you talk about what business is coming in."

Schumm stated, "Okay."

Patterson stated, "I think it would be beneficial, yes."

Amyx asked, "Mr. Hampton, do you want to answer that question?"

Hampton stated, "I guess at this time, we're not willing to divulge the names of the restaurants at this time."

Schumm stated, "My comment is, it's pretty straight forward. It looks good."



Amyx stated, "It seems to be that Planning Commission and Planning Staff did a great job. Thank you."

**Moved by Schumm, seconded by Farmer,** to approve the Comprehensive Plan Amendment (CPA-14-00516) to Horizon 2020, Chapter 14 and adopt on first reading, Ordinance No. 9083. Motion carried unanimously.

**Moved by Schumm, seconded by Dever,** to approve rezoning (Z-14-00515) approximately 2.982 acres from CO (Office Commercial) District to CC600-PD (Community Commercial with Planned Development Overlay) District, located at 525 Wakarusa Drive. Adopt on first reading, Ordinance No. 9084. Motion carried unanimously.

**Moved by Schumm, seconded by Riordan,** to approve Preliminary Development Plan (PDP-14-00517) for a Restaurant and Retail use located on approximately 2.982 acres at 525 Wakarusa Dr. Motion carried unanimously.

**E. PUBLIC COMMENT:**

Joe Patterson stated, "Just going back to the Eldridge program, I'd like to say I've been here since 1948 and I can remember when the trolley cars use to run down the street in front of the Eldridge. And, just listening to the presentation tonight, and looking at the tax dollars that it generates today versus what it will generate even with the abatement, if you pass this proposal, there are several things to look at. I'm not saying I'm for it or against it at this point because I don't know. But, looking at the taxes that you are receiving now like \$4,000 a year in round numbers, even with the abatements you're going to be bringing in a little extra income once that project is done. My question and concern is, at this point, if we say no and we keep reading all these comments in the paper about that ugly lot, do we want to leave it as an ugly lot and continue to bring in \$4,000 a year or do we want to go ahead and give the abatements and start generating a little more, at lease have a nice looking building there and then down the road, have a nice facility? Plus, there were some concerns about the 2 million dollar profit. Well you stop and think about 2 million dollars profit on a building or an enterprise, the value of that

versus your income. You're not talking about a big percentage. Any business looks at what they've got in overhead versus their profit and they look at the percentage factor and that percentage factor would not be that high, but I hadn't thought about this until I seen those fact figures tonight because I've never seen them before. Even if we approve it, we're not taking a cut in taxes, it's going to be a little income, but it's going to take a while to reach the potential."

Amyx stated, "Jo, I appreciate that and I think the Commissioners and the applicant in this particular case pointed out, very clear, that the increases are substantial, the risk is in the investment by the applicant in this case. There is 2 million dollars, but as was pointed out, and I appreciate Mr. Longhurst presenting those figures that that return is 1.43 percent over 15 years. That's a risk."

**F. FUTURE AGENDA ITEMS:**

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

**G: COMMISSION ITEMS:**

Farmer stated, "Lots of talk in relationship to jail fees for inmates; they're charged \$74.07 a day which is what the County charges us. We had just north of \$750,000 worth of jail fees assessed to us in 2014. We collected \$112,000 in revenue for that so what I'm going to have some conversations about, and hopefully get on the agenda, at some point, maybe next week or the week after, for us to talk about is striking that part of our code, it's 12-105.1, and I'll have Dave send it out to you guys, that would eliminate the recoupment fees for those staying in our prison system. Namely because we're talking about \$112,000, but secondly, when you're in the system and when you're poor, it's the same kind of thing that once you're in there and you're assessed fees and then you have to go back or you miss a court date and then a warrant is issued for your arrest and then you're assessed more fees. We've got the ability for somebody to work it off via community service but a lot of our clients have 2 and 3 jobs and they're not able to volunteer. You can't volunteer at Just Food at 10:00 at night; you've got to volunteer during the day. Well that's when most people are working and we're not open on the weekends.

It's difficult for somebody once they're kind of in that system for them to kind of spiral down instead of climbing out. This is a policy that I think we could work to change, with minimal impact rather to our budget, and I'm looking forward to having that conversation with you all, next week or the week after."

Amyx stated, "I'll work with you and the City Manager on setting a date for that. Everybody would like to hear that, right?"

Dever stated, "Yes. What's the average? Is that the way it is always? Is that how much we typically recover or is that just a down year."

Amyx stated, "Is this our third year of collection?"

Corliss stated, "This will be, I think, our third full year. We just enacted it a couple of years ago."

Farmer stated, "So, in 2013, \$493,000 in jail expenditures, we recouped \$88,000. So, percentage wise, 2013, 17.9 percent, 2014, 16.1 percent."

Amyx stated, "Well, let's do this. Let's put this on the agenda the next couple of weeks and we'll have a discussion."

**H: CALENDAR:**

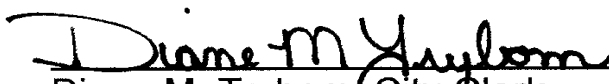
David Corliss, City Manager, reviewed calendar items

**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 9:52 p.m. Motion carried unanimously.

**MINUTES APPROVED BY THE CITY COMMISSION ON APRIL 7, 2015.**

  
Diane M. Trybom (City Clerk)