



THE ELDRIDGE
EST. 1925

701 Massachusetts St.
Lawrence, KS 66044
785-749-5011
eldridgehotel.com

January 13, 2015

Dear Lawrence City Commissioners:

The Eldridge hotel has been an important and integral part of Lawrence history and the Lawrence community since the original hotel was built in 1855. The existing Eldridge is the fourth hotel on the most historic corner in Kansas and underwent a major renovation in 2005. The current hotel is on the National Register of Historic Places and remains a premiere hotel in the Midwest. The current owners have invested significantly in the property and in delivering the very best in customer service, enhancing the hotel's value to the community.

When the original Free State Hotel was rebuilt in 1856, after being burned down by the infamous Sheriff Sam Jones and again in 1863 after Quantrill's raid, it stood as an example of the Kansas Territory's commitment to Kansas entering the Union as a free state. When Billy Hutson and a group of investors rebuilt The Eldridge hotel in 1925, they demonstrated the Lawrence community's commitment to this historic property, and to our downtown.

Why NRA (Neighborhood Revitalization Act) for The Eldridge?

Parade Magazine has referred to Massachusetts Street in Lawrence, Kansas, as the number one attraction in the State of Kansas. On the corner of 7th and Massachusetts, The Eldridge has always been the cornerstone for this community; we could not be better situated for an expansion. The lot next to The Eldridge is vacant, unproductive, and underutilized, and this expansion provides the opportunity to remove this vacancy in exchange for a quality project, while maintaining the integrity of The Eldridge on Massachusetts Street.



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Additionally, The Eldridge has the ability to add considerable tax dollars to the city of Lawrence; we are proud to be a contributing business helping to enrich the quality of life in Lawrence.

We see the proposed expansion as the perfect example of a Neighborhood Revitalization Plan, plans for which Neighborhood Revitalization Grants are intended; we are asking for your support as we move forward.

Project Overview:

The Eldridge is proposing an expansion of the historic Eldridge hotel, located at 701 Massachusetts, in Lawrence, Kansas. The proposed \$12.5 million dollar construction project consists of 50,000 square feet, on a .17-acre lot in Downtown Lawrence. Included will be approximately 54 new hotel rooms, a multi-purpose space, expansion of the current Eldridge hotel kitchen, and added restaurant and bar space. Not only will the project enhance the vitality of The Eldridge hotel, it also develops a vacant lot on Massachusetts Street – both of which help to strengthen one of our community’s most treasured assets...downtown Lawrence.

Both the nature of our business and the patrons we serve bring new business and new spending dollars into our community – numbers that will only increase with the expansion of this property and its features. We have a team of sales managers enticing corporate businesses outside of Lawrence to use our facilities for conferences and as getaway retreats. The Eldridge provides the perfect setting for these business gatherings, while also offering close proximity to a myriad of amenities Downtown Lawrence has to offer. Other local merchants and restaurateurs will also enjoy the commerce generated by hotel traffic; this is a winning scenario for all!

Our request for support:

The Eldridge is requesting a Neighborhood Revitalization Act (NRA) be placed on this property. Our Neighborhood Revitalization Plan (the proposed project) will establish this as a neighborhood revitalization area, encouraging both reinvestment and improvements to this property in the community. (As defined by the City of Lawrence, a “neighborhood revitalization area” is “An area in which there is a predominance of buildings or improvements which by reason of age, history, architecture or significances should be preserved or restored to productive use.”) We request economic developmental support in the form of a 95% rebate of property tax for a period of 15 years. This period would begin once the certificate of occupancy is completed.



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The Eldridge is requesting a stand-alone IRB for a sales tax exemption on construction materials. This is a one-time benefit of materials and forgiveness of sales tax estimated to be approximately \$435,500.00.

During construction, this project will realize many jobs, both part- and full-time.

The Eldridge is proud to take this next step in expanding and protecting our development, and we look forward to working closely with the City Commission, the City of Lawrence, and the community.

Sincerely,



Nancy H. Longhurst
General Manager



The Eldridge | 701 Massachusetts St. | Lawrence, KS 66044 | 785-749-5011 | eldridgethotel.com

City of Lawrence, Kansas Application for Economic Development Support/Incentives



The information on this form will be used by the City to consider your request for economic development support and may also be used to prepare a cost-benefit or other analysis of the project. Information provided on this form will be available for public viewing and will be part of compliance benchmarks, if approved for economic development support. Prior to submission, applicant may wish to seek technical assistance from City Staff, the Chamber of Commerce, the Small Business Development Center, or others to address questions and ensure the application is complete.

Please provide data in the cells below. Applicant is encouraged to attach additional pages as necessary to fully explain and support the answers to each question. Note anything additional you wish the City to take into consideration for your request and provide supporting documentation.

Applicant Contact Information	
Name:	Nancy Longhurst
Title:	General Manager
Organization:	Eldridge Hotel
Address 1:	701 Massachusetts
Address 2:	
Phone:	785-749-5011
Email:	nancy@oliviacollection.com
Fax:	785-830-3959

Application Tips:

Enter contact information for the company representative completing this application.

Economic Development Support Requested		
City Incentives	Amount	Term (in years)
Tax Increment Financing District (TIF)		
Transportation Development District (TDD)		
Neighborhood Revitalization Area (NRA)		
Tax Abatement (TA)	95%	15
Industrial Revenue Bonds (IRBs)	\$12,500,000.00	*
Community Improvement District (CID)		
<i>Other (Please Describe):</i>		
<p>*The Eldridge is requesting a standalone IRB for sales tax exemption on construction materials.</p>		

Application Tips:

Applicable Terms:

- TIF: Up to 20 years*
- TDD: Up to 22 years*
- TA: Up to 10 years*
- CID: Up to 22 years*

IRBs: If applying for IRBs, please enter the amount that will cover all construction costs for the project. Enter "n/a" for term.

Examples: City provided water main along ABC Street from 1st Street to 2nd Street, employee training grant for 5 years at \$500/new employee, etc.

Project Information		
Name of Company Seeking Incentive(s):	Eldridge Hotel	
Project Type (check one):	Expansion:	X
	New Facility:	
Company Type (check one):	Existing Local Company:	X
	Out-of-Area Company Locating Locally:	
Current Company Address:	701 Massachusetts Lawrence, KS 66044	
Location of Proposed New Facility/Expansion Project:	705 Massachusetts Lawrence, KS 66044	
Describe the Company's Plans to Develop or Expand in the Community:		
To add 54 hotel rooms and 5000 sq. ft. of multi-purpose space to compliment the existing Historic Eldridge Hotel.		
Operations Start Date at the Expansion or New Facility:	12/31/16	
Industry NAICS # for the New or Expanded Facility (6-digit code):	721120	
Describe the Primary Industry the New or Expanded Facility Will Support:		
Hotel Hospitality Industry.		

Application Tips:

Company's Plans: e.g. ABC manufacturing is the nation's largest processors of wind turbine components. The company plans to construct a new 250,000 sf manufacturing plant in Commerce Park, initially employing 150 with an average annual salary of \$35,000 each. Another 50 employees will be hired in Year 5 and 40 in year 7. The firm expects to initially invest \$5 million in land and buildings and anticipates a 50,000 sf, \$2 million expansion in Year 5 and another 50,000 sf expansion in Year 7.

Link for NAICS code lookup:
<http://www.naics.com/search.htm>

Capital Investment Information for New Facility or Expansion			
Estimated Size of New Facility (square feet):	50,000.00 approx.		
Estimated Size of Land for New Facility (acres):	.17 acres		
For the new or expanded facility, enter the amount the company anticipates spending for initial and subsequent investments in land, buildings and improvements (do not include machinery or equipment):			
Year	Buildings & Other Real Property Improvements	Land	Total
1	\$12,500,000.00	zero	12.5 M
2			
3			
4			
5			
6			
7			
8			
9			
10			
Total			
Will land be leased from the City or County (Y/N):	No		
If yes, Monthly Lease Rate for Land:	N/A		

Application Tips:

If expansion, only include information on size and values of the new facility, not existing facility.

If land is currently owned, enter current land value from Douglas County property tax records. Otherwise, enter the market value amount the company will pay for land.

Local Utility Expenses		
Utility	Current Local Monthly Expenses	Projected Local Monthly Expenses at New Facility
Gas	\$2,004.00/mo.	\$2,254.50/mo
Electricity	\$7,270.00/mo.	\$8,179.00/mo
Phone	\$2,466.00/mo.	\$2,774.00/mo
Cable	\$1,388.00/mo.	\$1,562.00/mo
Operating Expenditures		
For Expansion Projects, Current Annual Operating Expenses at Existing Facility:		\$2,013,505.60
Annual Operating Expenses after Expansion/Relocation:		\$4,228,702.40
% of Additional Operating Expenses Anticipated to be Spent Locally:		80%
Revenues		
% of Revenues at the new Lawrence Facility Anticipated to Come from Non-Local Sources.		95%
Anticipated Annual Gross Profits:		\$553,799.00

Application Tips:

Current Local Monthly Expenses: Enter 0 for an out-of-area relocation or if project involves a separate, new facility.

Projected Local Monthly Expenses: Enter expense amounts anticipated at the new facility.

Existing Facility Annual Operating Expenses: Enter 0 if project is being relocated from out-of-area or if project involves a separate, new facility.

% Additional Operating Expenses Spent Locally: Enter % of operating expenses anticipated to be spent in Lawrence/Douglas County as a result of the project.

Exports: Enter % of revenues (from the sale of goods or services) anticipated to be generated from sources outside of Lawrence/Douglas County.

Anticipated Annual Gross Profits: Please provide an estimate of anticipated Annual Gross Profits (\$). Note: For expansions, please enter anticipated gross annual profits from expansion.

IRB and Tax Abatement Request Information		
If you are seeking an IRB, please list the firm that will be receiving the IRB: The Eldridge Hotel		
Will your firm be leasing the building or the land in your expansion or newly constructed facility? (Y/N)	No	
If you are leasing the building or land, and you are seeking a tax abatement <u>without</u> an IRB, please list the tenant and owner and the financial relationship between tenant and owner. N/A		
Total Cost of <u>Initial</u> Construction for the Project:	\$12,500,000.00	
Estimated Cost of Construction Materials for <u>Initial</u> Construction:	\$ 5,000,000.00	
Environmental Information		
Will the new facility meet Energy STAR criteria? (Y/N)	Yes	
Will the project seek or be designed to LEED certification standards? (Y/N)	No	
If yes, please indicate level:	Certification	Certifiable
	Silver	
	Gold	

Note: Applicant may be required to provide additional financial information for the project and company.

Please describe environmentally friendly features of the project:

The Eldridge will provide the following environmentally friendly features:

- Low-E coated insulated glass windows
- Florescent and LED lighting.
- Environmentally safe and effective cleaning products.
- The Eldridge recycles all recyclable glass, plastic, paper, tin and aluminum

Application Tips:

Environmentally Friendly Features: e.g. Low-energy, led lighting used throughout, pedestrian friendly elements including green space, bike paths, water saving native plantings used in landscapes, etc.

Please describe anticipated positive environmental impacts resulting from the project:

There are NO environmentally bad impacts that will be the result of this project.

Please describe anticipated negative environmental impacts and planned remediation efforts:

To infill the vacant lot, which is currently gravel, will be an environmentally positive impact on the downtown area and adjacent neighboring properties. Removing a gravel area which cannot be maintained or cleaned properly in a downtown environment is a positive outcome. The expansion will allow for upgrading the kitchen exhaust system to be more environmentally friendly.

Additional Community Benefits

Describe Other Local Economic Benefits Resulting From Project:

The economic benefits include: Strengthening of our downtown...the Core of the City. Major economic increases include: retail sales tax, liquor tax, transient guest tax, gasoline purchases.

Local additional benefits: Direct spending for entertainment, food and beverage, shopping, increasing overall livability of Lawrence, enhance awareness of new students to KU and assist's our Chamber of Commerce when selling our community to new employers.

Describe Other Quality of Life Benefits Resulting From Project:

The Eldridge has always been a great corporate partner supporting many local charities. The more revenue for the company, the more we can "give back" and become active in strengthening the missions of different organizations in our city.

Groups include the Old Fashioned Christmas Parade, Big Brothers Big Sisters, Cottonwood, LMH Endowment Association, to name a few.

Application Tips:

Local Economic Benefits: Include additional benefits not directly related to project capital investment and direct employment (e.g. Project attracting overnight visitors that will spend on lodging, entertainment, food and beverages, shopping, etc.)

Quality of Life Benefits: Include tangible and intangible benefits; such as how company is/will be a good corporate citizen, community involvement, local philanthropy efforts, and how project/company will contribute to local well being of citizens.

Employment Information									
Construction Employment for New Facility or Expansion									
# Full-Time, Construction Jobs:								3 to 5	
Average Annual Salary for Full-Time, Construction Workers (during construction period):								\$40,000.	
Construction Period (months): 18 months									
For Expansion, # of Full-Time Employees Currently Working in Lawrence:									
New Employment Resulting from Project									
Net New Jobs (full-time, permanent)	Year	# Jobs	Avg Annual Salary	# Jobs	Avg Annual Salary	# Jobs	Avg Annual Salary	# Jobs	Avg Annual Salary
	1	2	\$40k	3	\$35K	1	\$50K	12	\$29,120
	2								
	3								
	4								
	5								
	6								
	7								
	8								
	9								
	10								
Total	2	\$80	3	\$105	1	\$50	12	\$378,560	
Anticipated # of Employees to Be Relocated Locally as a Result of the Project									
# of Net New Full-Time Employees Anticipated to be Relocated From Outside of Kansas:								ZERO	
# of Net New Full-Time Employees Anticipated to be Relocated from Outside of Lawrence/Douglas County:								ZERO	
# of Local, Full-Time Jobs Anticipated At End of Incentives Period:									

Application Tips:

Enter 0 if project is new or relocation.

Enter information by major job category (e.g. administrative, support, professional, executive, production, etc.)

For a local expansion, Net New Jobs = number of additional employees to be hired each year, excluding employees that are already employed in Lawrence.)

Average Annual Salary: Only provide wage information. Do not include the value of non-wage benefits such as insurance and time off.

Jobs at End of Incentives Period:

Enter total number of full-time employees (existing & new) anticipated to be employed at the new facility over the term of incentives (e.g. If applying for a 10-year tax abatement, this would be the total number of local Existing (if expanding) + Net New full-time jobs anticipated at the end of that 10-year period.)

Note: We will have 10 – 15 other part time hourly employees

That could work anywhere from 20 to 36 hours dependent

On business needs.

Employee Benefits	
Description	After Expansion or Relocation
% of Employees with Company Provided Health Care Insurance	Potential 30%
% of Health Care Premium Covered by Company	50%
% of Employees with Company Provided Retirement Program	0
Will You Provide Job Training for Employees? (Y/N)	Y
If Yes, Please Describe:	
The company has training documents and job descriptions for all positions.	
What is the Lowest Hourly Wage Offered to New Employees?	\$14.00/hr.
What Percentage of Your New Employees Will Receive this Wage?	10%
Will You Provide Additional Benefits to Employees? (Y/N)	Y

If Yes, Please Describe:

All employees receive 50% discount on food in our restaurants. Discounts are given on hotel rooms to family members dependent upon occupancy of the hotel.

NRA Eligibility Statement

If applying for an NRA, please describe how your project meets one of the following state statute requirements for eligibility:

(1) Project is in an area in which there is a predominance of buildings or improvements which by reason of dilapidation, deterioration, obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, the existence of conditions which endanger life or property by fire and other causes or a combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency or crime and which is detrimental to the public health, safety or welfare:

See #3

(2) Project is in an area which by reason of the presence of a substantial number of deteriorated or deteriorating structures, defective or inadequate streets, incompatible land use relationships, faulty lot layout in relation to size, adequacy, accessibility or usefulness, unsanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the actual value of the land, defective or unusual conditions of title, or the existence of conditions which endanger life or property by fire and other causes, or a combination of such factors, substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability and is detrimental to the public health, safety or welfare in its present condition and use:

See #3

(3) Project is in an area in which there is a predominance of buildings or improvements which by reason of age, history, architecture or significance should be preserved or restored to productive use:

The expansion of the Eldridge is in an area which there IS a predominance of buildings that are significant in regards to architecture age and history and should be preserved, restored and in this case, put back in to productive use.

Note: City Staff report

Lawrence's Downtown Commercial Historic District was listed in the National Register of Historic Places in 2004 for its significance in Commerce, Architecture, and Community Planning and Development. The identified period of significance for the district is 1856-1953, according to the nomination. This area has served as the center of Lawrence's historic downtown central business core since the platting of the city in 1854. It is generally located along Massachusetts Street between 6th and South Park. There are wide concrete sidewalks with curbs, light standards, and stop

lights at intersections. Most buildings in this district have identical setbacks, usually constructed to the edge of the property line along sidewalks. The primary building materials of the district are brick and stone. Larger, anchored buildings with a more monumental appearance are found at the end of the blocks with smaller one- to two-story buildings situated in the center. The vast majority of buildings in the district are commercial with a distinction between the storefront level and the upper zone. Most of the storefront levels have large display windows flanking an entry which is generally recessed. Second story windows are usually narrower than those on the first floor. Most buildings also have flat roofs with symmetrically arranged facades (Lawrence's Downtown Commercial Historic

District Nomination).

New Structure Comments:

As proposed, the structure contains many valuable elements compatible with the historic fabric of Lawrence's Downtown Commercial Historic District. The zero setback at the sidewalk is consistent with the District. The building also contains a storefront window system, symmetry in façades, a flat roof, and narrower second story windows. The building floors align with the floors of the Eldridge. The modern window systems help to identify the structure as new construction but are compatible with the overall façade of the structure. Decorative detailing and the storefront systems are compatible with the district.

Downtown Urban Conservation Overlay District and Guidelines

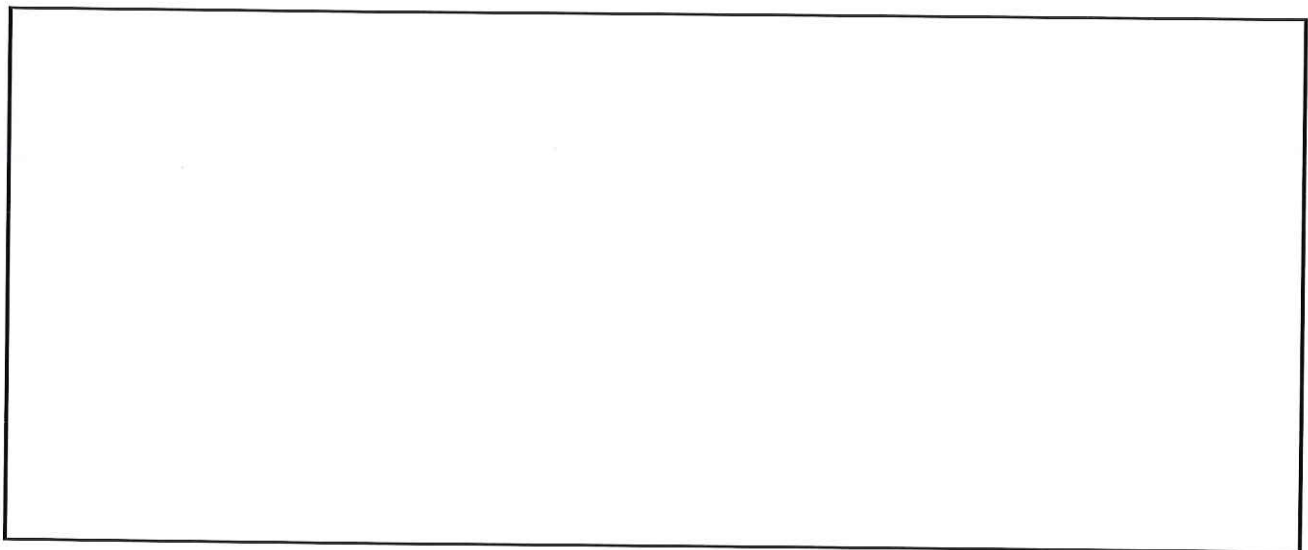
The City Commission established the Downtown Urban Conservation Overlay district and its associated Design Guidelines in 2001. The Design Guidelines were revised and adopted by the City Commission in 2009. The intent of the Downtown Urban Conservation Overlay District and Downtown Design Guidelines is to provide the regulatory authority to ensure that new construction and renovation of existing structures in the Downtown Area is 1) consistent with Downtown Lawrence's character-defining elements; and 2), compliant with National, State, and Local laws regulating the protection of historic properties against adverse impact. The guidelines are not meant to dictate design choices or serve as a checklist for "good" design. They are not meant to force new development into narrowly-defined molds that would recreate only turn of the century architectural forms. Nor are they intended to be applied in such a stringent manner as to prevent creative or contemporary design alternatives. They are intended to be used as a holistic document to achieve the overall goal. It is the intent of these architectural and urban design guidelines to "promote density in Downtown while preserving the established scale and character, recognizing that Massachusetts is the established primary street." The promotion of downtown density while protecting historic resources is identified in Horizon 2020. It is possible to meet the intent of the Design Guidelines while not meeting each specific guideline in the document. Again, staff reviewed this proposal as infill new construction and not as an addition to the Eldridge. While there will be a connection through the party wall, the structure is stand alone and visually separate.

The proposed building at 705-709 Massachusetts Street meets the majority of the design guidelines that pertain to new infill construction in the Urban Conservation Overlay District. It also meets the majority of the General Urban Design Principles and the Street and Landscape Elements. The proposed structure is an urban form that maximizes connectivity and access and uses a creative, architectural style that is both compatible with the existing built environment and recognizable as a new design. The proposed project maintains the existing Downtown vehicular, streetscape, and pedestrian traffic patterns and promotes safety and appeal through appropriate boundaries and transitions. While the site plan has not been submitted or approved, the proposed plan maintains the existing street patterns. The project does not propose the closure of existing streets or alleyways.

Block elements identified in the Design Guidelines and achieved by the proposed construction include commercial use at street level, the main or primary entrance to building is oriented toward a primary street, and the proposed location for the building has a zero front setback from the front property line.

Guidelines for new construction in the Downtown Conservation Overlay District are identified in Section 7 of Chapter 2. Additional guidelines throughout the document identify appropriate materials and design elements that new construction should achieve. The proposed project is multi-story, as recommended by the guidelines. The width of the proposed building's façade fills the entire available space while the divisions of the storefront and upper stories correspond with the traditional divisions of the downtown area. The mass of the new building's facade is broken into a number of smaller bays to maintain a rhythm similar to surrounding buildings. This is particularly true for storefront level facade elements. The new structure is multi story in height and follows the floor level patterns of the adjacent Eldridge. The height does not vary greatly from the Eldridge, but it is taller than the Eldridge. Typically the corner building should be taller and larger in scale. While it is taller than the Eldridge, it is not more than one story taller than the Eldridge. It is, however, four stories taller than 715 Massachusetts Street. The applicant has created a setback for the fourth through sixth floors to help mitigate this impact. The buildings overall proportions are consistent with historic buildings in the overlay district. This infill project fills the entire available space as prescribed by 7.8.

Overall, the building meets the intent of the Downtown Design Guidelines. The only concern for staff is the material selection for the structure. The ARC should work with the applicant on the final material selection for the structure.



When you have completed this form to your satisfaction, please sign and send, along with applicable application fee(s) to:

City of Lawrence
Attn: Economic Development Coordinator
6 East 6th Street
Lawrence, KS 66044
Fax: 785-832-3405
Email: bcano@lawrenceks.org

Application Fees	
Tax Abatement	\$500
Industrial Revenue Bonds (IRB)	\$1,000
Community improvement District (CID)	\$2,500
Neighborhood Revitalization Area (NRA)	n/a
Transportation Development District (TDD)	n/a
Tax Increment Financing (TIF)	n/a
Other	n/a

I hereby certify that the foregoing and attached information contained is true and correct, to the best of my knowledge:

Applicant/Representative: Amy H. Longhurst
(Please Print)

Signature:  Date: 1/14/15