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July 3, 2007

David Corliss
City Manager – City of Lawrence
P.O. Box 708
Lawrence, Kansas 66044

Re: Downtown Redevelopment

Dear Dave:

As we move forward with plans to continue our redevelopment efforts along Vermont Street in downtown Lawrence's Historic Eldridge Redevelopment District, we applaud your recent message to the city commission regarding vertical expansion in downtown Lawrence. In addition to your comments, it was reported that during the goal-setting session, several commissioners said they see a need to "take action in some way to draw more people to downtown." Mayor Hack said there needs to be a "movement to re-energize" Lawrence's downtown. Commissioner Highberger said that efforts should be focused on "encouraging more residential development" downtown. Commissioner Dever said that "the private sector is the one that needs to step up to the plate."

We agree with every one of those assessments. We own businesses and real estate in downtown Lawrence, and so we know the importance of drawing more people to downtown. We want downtown Lawrence to become a true destination. That is the reason we are pushing for redevelopment in the District, to include construction of numerous, additional residential, retail, office, conference and lodging offerings. We are proud to be a contributing member of the downtown Lawrence private sector, and intend to continue our twenty-year tradition of stepping up to initiate and support various developments within the downtown District.

In those twenty years, we have never asked the city for anything, but to actualize the commissioners' visions from the goal-setting session, the city will need to be involved in a number of ways – many of which are non-financial. First and foremost, the city should work to encourage additional private investment in downtown. Secondly, the city should form TIF and TDD boundaries to take advantage of the redevelopment that will occur within those boundaries. To assist in that effort, we will submit our proposed TIF and TDD boundaries in the next few weeks for the city's review. The city also may need to help encourage the relocation of occupants of certain under-developed downtown footprints (including, as an example, the USPS distribution facility), so land can be redeveloped with the type of vertical, multi-use, foot-traffic-attracting redevelopment you and the commissioners envision. The city will likely need to abandon some parking spaces to allow for the expansion of buildings in downtown Lawrence, with the

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understanding that those spaces will be replaced through the construction of new parking facilities to be built in conjunction with the redevelopment. Those new parking facilities are already necessary to serve the aquatic center, the library and the senior center, and will become even more necessary to serve the redevelopment.

With that in mind, we are requesting that the city allow us to use eight public parking spaces immediately adjacent to the building at 123 W. 8th Street, on the south side of the building. Our plan to add a stair and elevator tower (for life/safety and accessibility reasons) and additional office space to the south side of that building, as part of a complete renovation, has been approved by the Historic Resources Commission. Our request for those parking spaces is to facilitate that expansion, and I am asking that you place this request on the July 10th city commission agenda. Those parking spaces will be replaced through the construction of a new parking facility in the northwest quadrant of downtown Lawrence within the next five years. If, for some reason, the facility is not either under construction or built in that time, we will agree to pay the city \$25,000.00 for each space.

Our company already has a long history of development and redevelopment in downtown Lawrence, and we are committed to advancing your vision and the vision of the commissioners by stepping up and investing millions more of our own private development dollars in this effort. Hopefully, our actions will encourage others in Lawrence to similarly invest in the kind of redevelopment that will be extremely beneficial to the long-term viability of downtown Lawrence, through the generation of considerable additional sales, real estate and transient guest taxes, and increased foot-traffic. Downtown Lawrence can "re-energize" its status in this community as the major destination point, but not without true cooperation between the city and the private sector.

Please contact me with any questions or comments regarding this request.

Sincerely,

Thomas Fritzel