

Memorandum

City of Lawrence

City Manager's Office

TO: David L. Corliss, City Manager
CC: Diane Stoddard, Assistant City Manager
FROM: Britt Crum-Cano, Economic Development Coordinator
DATE: January 15, 2013
RE: Neighborhood Infrastructure Requests Related to Cider Building Redevelopment

Introduction

Tony Krsnich (project Developer) is currently working on multiple renovation projects within the Warehouse Arts District (aka East Lawrence Historic District), including the redevelopment of 810/812 Pennsylvania Street ("Ciderworks" or Cider Building) into an arts gallery with events space on the lower level and office space on the upper level.

To support the redevelopment of the Cider building and other on-going district redevelopment efforts, Mr. Krsnich submitted a [request](#) for supporting neighborhood infrastructure and public improvements on July 24, 2012.

Overview of Current Warehouse Arts District Revitalization Efforts

Public and private improvements are transforming what was once a dilapidated neighborhood, into a catalyst for future development. In addition to redevelopment of the Cider Building, Mr. Krsnich has been and continues to be involved in multiple improvements within the historic neighborhood. Mr. Krsnich has recently redeveloped the historic Poehler building at 8th and Delaware Streets, which lies adjacent to the Cider Building, into affordable housing, loft-style apartments. This complex opened in July 2012, and has enjoyed strong interest and success. The building touts environmentally friendly features such as one of the largest solar arrays per square feet of any affordable, historic housing district in the nation, and a universal electric car charging station for building tenants' use free of charge.

To spur additional investment in the neighborhood, the City provided first phase supporting infrastructure, including multiple area improvements such as design & construction of area streets and parking, storm water improvements, fire sprinkler system reimbursement, and water line replacement.

According to Mr. Krsnich, "The redevelopment not only saved one of the largest blighted historic structures in the state, but also spurred the redevelopment of East Lawrence and the formation of the Warehouse Arts District."

On August 21st, staff received [correspondence](#) from Mr. Krsnich that summarized his development team's on-going efforts for revitalization of the district, including removing the salvage yard across the street from the Cider Building, construction of organic, above ground gardens on vacant lots, improvements to the Duplex located at 800 Pennsylvania Street and installation of a new roof on the "Seed or Seedco Building" (located at 826 Pennsylvania Street).

Recently, Mr. Krsnich requested and received approval of a 95% NRA (Neighborhood Revitalization Area) for the redevelopment of the Cider building. This incentive calls for up to \$500,000 to be rebated back to the development team over a 10-year period, based on the property tax increment. The City Commission approved the NRA on July 3, 2012 via [Ordinance 8753](#).

Project Concept: Cider Building Redevelopment



Source: Developer & Rosemann & Associates

Request for Neighborhood Improvements (Phase II)

Staff has compiled a breakdown of the requested items for the next phase of improvements, estimated expenses and possible funding sources, as shown on the following table.

Two line items are identified to be funded through a CID (Community Improvement District) special assessment. The Applicant wishes to use this funding mechanism to cover the expense of burying Westar and Knology utility lines since a traditional benefit district can't be used for funding privately owned utilities. Should the Applicant present the City with a valid **petition**, the petition would be considered at a future meeting and the City Commission would decide whether to create the CID to levy these special assessments.

Note that a special assessment CID does not impose an additional sales tax within the district. The two methods for funding a CID include:

- 1) Sales Tax CID—Imposes an additional sales tax within the district.
- 2) Special Assessment CID—Special assessments collected over a specified period of time on benefiting properties in the district. Does not impose additional sales tax.

Staff has advised property owner to circulate the required CID petition, obtaining signatures from 100 percent of the property owners within the proposed CID district.

Should the CID district be created, the City-owned parking lot (adjacent to the Poehler Building) will be located within the district. Including this parcel within the CID district requires the City Commission to authorize the City Manager to sign the petition, on behalf of the City as a property owner, for the parking lot parcel.

(Refer to Attachments A & B at the end of this memo for additional details and map of improvements.)

Requested Public Assistance: Warehouse Arts District		
Description	Estimate	Funding Sources
Fire Sprinkler System (Reimburse 75% of actual expenses up to: \$29,363)		
Design & Installation: \$34,950	\$29,363	General Fund
Fire line: \$4,200		
Pennsylvania Street Improvements		
Brick Street--620 LF ,1800 SY	\$263,837	2013 Street Maintenance
Angled Parking: 125 LF	\$49,637	
New Sidewalk: 340 SY, 6'	\$16,510	
Pedestrian Lighting	\$48,850	
Storm Sewer	\$111,340	Storm Water Utility
9th Street Reconstruction & Intersection Improvements		
Delaware to Pennsylvania and intersections of 8th & Penn, 9th & Penn, 9th & Delaware	\$279,290	2013 Street Maintenance
8th Street Parking		
Angled Parking: 52 LF	\$8,410	2013 Street Maintenance
Utility Improvements		
Utility Improvements: Water service Service from Public Water tap to meter (1"): \$525 System development charges/fees: \$6,800 Water line from meter to building (1.5"): \$500	\$7,825	Utilities
Relocating/Burying Utility lines (Westar, Knology)	\$109,000	CID Special Assessment
Subtotal	\$815,062	
10% Contingency	\$81,506	
TOTAL	\$896,568¹	

¹ Total does not include CID special assessment amount.

Proposed Timeline for Improvements

Mr. Krsnich has requested improvements be completed by May 2013 in order to accommodate currently booked wedding events at the building. However, Staff feels this deadline cannot be supported. After further discussions with Mr. Krsnich, Staff suggests the following timeline for improvements, if approved.

Early 2013:	Bid improvements
March-May 2013:	9 th Street reconstruction
May-August 2013:	Pennsylvania Street reconstruction

Staff further suggests that black-out dates can be implemented to work around major events such as weddings.

Staff Recommendation

Staff recommends funding up to \$896,568 for improvements, from the City's 2013 Street Maintenance Program, general and utilities funds, related to the on-going revitalization of the East Lawrence Historic district/Warehouse Arts District.

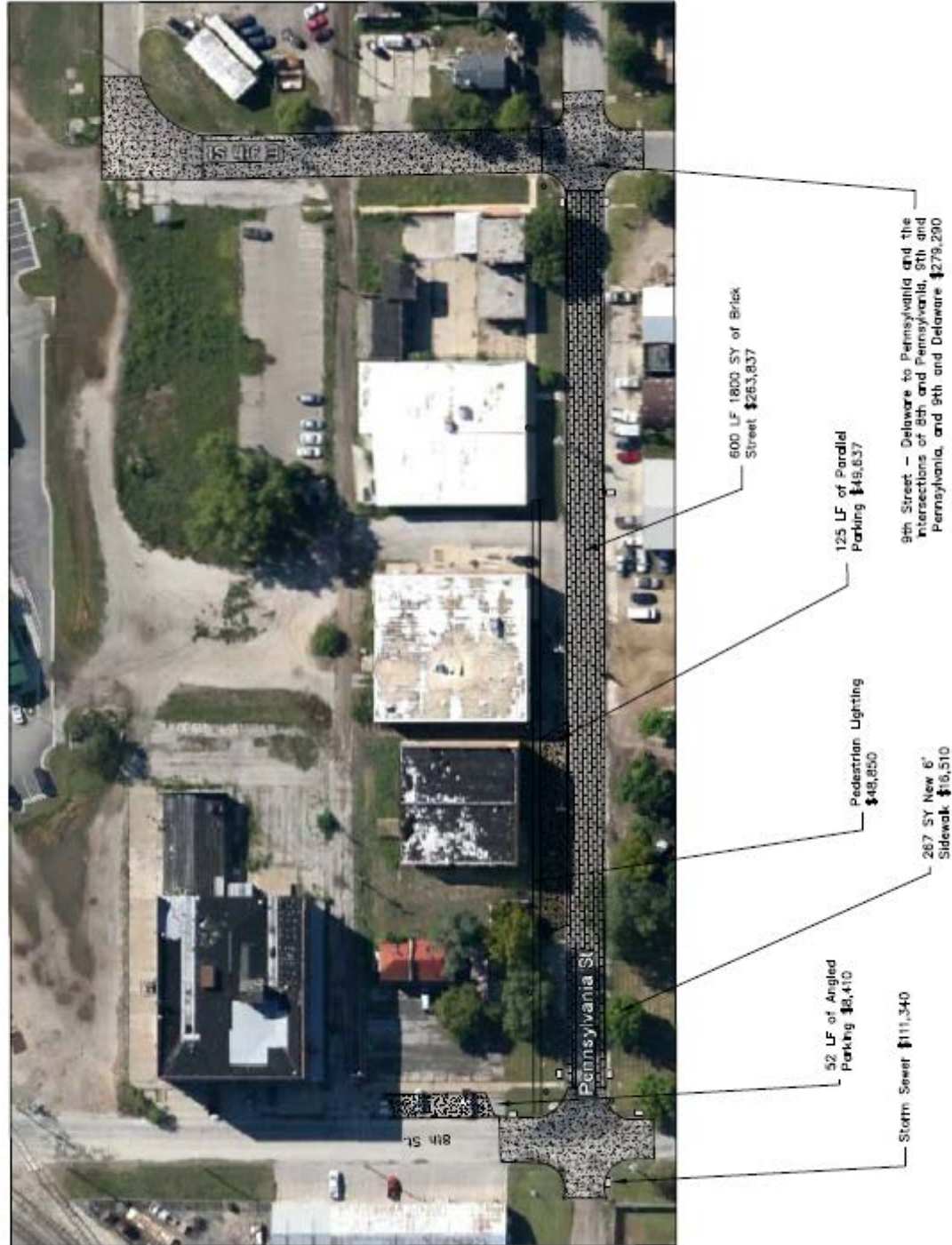
In anticipation of receiving a future petition for creating CID special assessments to fund expenses related to burying utilities, Staff recommends the City Commission authorize the City Manager to sign the CID petition on behalf of the City as property owner of the City-owned parking lot located adjacent to the Poehler Building.

Actions Requested:

- City Commission to authorize funding for improvements to support the on-going revitalization of the Warehouse Arts District/East Lawrence Historic District, if appropriate.
- City Commission to authorize the City Manager to sign the Cider CID petition, on behalf of the City as a property owner, for the parking lot parcel.

Attachment A:
Map of Public Improvements

Pennsylvania Street Brick Reconstruction Price Estimate



**Attachment B:
Cost Estimates for Public Improvements**

RECAPITULATION OF QUANTITIES				
ITEM	QUANTITY	UNIT	UNIT COST	TOTAL
MOBILIZATION	1	L.S.	\$ 25,000.00	\$ 25,000.00
CONTRACTOR STAKING	1	L.S.	\$ 15,000.00	\$ 15,000.00
CLEARING AND GRUBBING	1	L.S.	\$ 4,000.00	\$ 4,000.00
DEMO	1	L.S.	\$ 20,000.00	\$ 20,000.00
EARTHWORK	1	L.S.	\$ 25,000.00	\$ 25,000.00
FLY ASH (16% CLASS C)	305	TONS	\$ 90.00	\$ 27,450.00
AGG BASE	663	SY	\$ 9.00	\$ 5,967.00
SAND	68	TONS	\$ 30.00	\$ 2,040.00
CONCRETE CURB AND GUTTER	2706	L.F.	\$ 25.00	\$ 67,650.00
ASPHALT BASE COURSE	882	TONS	\$ 65.00	\$ 57,330.00
BRICK PAVEMENT (REMOVAL)	30432	SQ. FT	\$ 2.00	\$ 60,864.00
BRICK PAVEMENT (INSTALLATION)	16200	SQ. FT	\$ 4.00	\$ 64,800.00
SEEDING, MULCHING, FERTILIZING	1	L.S.	\$ 10,000.00	\$ 10,000.00
TRAFFIC CONTROL	1	L.S.	\$ 15,000.00	\$ 15,000.00
CONCRETE PAVEMENT (10") (NRDJ)	2351	SY	\$ 65.00	\$ 152,815.00
CONCRETE PAVEMENT (8") (NRDJ)	287	SY	\$ 55.00	\$ 15,785.00
CONCRETE PAVEMENT (8") (REINFORCED)	115	SY	\$ 55.00	\$ 6,325.00
CONCRETE PAVEMENT (8") (REINFORCED) (HIGH EARLY)	392	SY	\$ 65.00	\$ 25,480.00
SIDEWALKS (CONCRETE) (4")	267	SY	\$ 30.00	\$ 8,010.00
EXPOSED AGGREGATE CONCRETE (2'X4")	26	SY	\$ 50.00	\$ 1,300.00
SIDEWALK RAMP (6")	9	EACH	\$ 800.00	\$ 7,200.00
STORM SEWER STRUCTURE (STANDARD CURB INLET) (6'X4')	3	EACH	\$ 4,000.00	\$ 12,000.00
STORM SEWER STRUCTURE (STANDARD CURB INLET) (5'X4')	1	EACH	\$ 4,000.00	\$ 4,000.00
STORM SEWER STRUCTURE (STANDARD CURB INLET) (6'X7')	1	EACH	\$ 4,000.00	\$ 4,000.00
STORM SEWER STRUCTURE (JUNCTION BOX) (4'X4')	1	EACH	\$ 4,000.00	\$ 4,000.00
STORM SEWER STRUCTURE (JUNCTION BOX) (5'X5')	1	EACH	\$ 4,000.00	\$ 4,000.00
STORM SEWER STRUCTURE (JUNCTION BOX) (4'X6')	2	EACH	\$ 4,000.00	\$ 8,000.00
STORM SEWER STRUCTURE (JUNCTION BOX) (9'X9')	1	EACH	\$ 10,000.00	\$ 10,000.00
STORM SEWER PIPE (CLASS III RCP) (15")	193	LF	\$ 27.00	\$ 5,211.00
STORM SEWER PIPE (CLASS III RCP) (30")	627	LF	\$ 55.00	\$ 34,485.00
STORM SEWER PIPE (CLASS III RCP) (36")	42	LF	\$ 71.00	\$ 2,982.00
STORM SEWER PIPE (CLASS III RCP) (72")	50	LF	\$ 150.00	\$ 7,500.00
STORM SEWER PIPE (CLASS III RCP) (78")	43	LF	\$ 170.00	\$ 7,310.00
FLOWABLE FILL	103	CY	\$ 70.00	\$ 7,210.00
INLET PROTECTION	5	EACH	\$ 120.00	\$ 600.00
PULL BOX CLASS 1	2	EACH	\$ 355.00	\$ 710.00
POWER SULLY (LIGHTING CONTROLLER)	1	EACH	\$ 6,400.00	\$ 6,400.00
#10 WIRE	700	LF	\$ 2.00	\$ 1,400.00
CONDUIT (2")	700	LF	\$ 1.50	\$ 1,050.00
STREET LIGHTS	10	EACH	\$ 3,000.00	\$ 30,000.00
STREET LIGHT INSTALLATION	10	EACH	\$ 1,000.00	\$ 10,000.00
UPGRADE WATER & SEWER AND BRING TO BUILDING	1	L.S.	\$ 7,825.00	\$ 7,825.00
WESTAR UTILITY RELOCATION	1	L.S.	\$ -	\$ -
KNOLOGY UTILITY RELOCATION	1	L.S.	\$ -	\$ -
FIRE SPRINKLER SYSTEM	1	L.S.	\$ 29,363.00	\$ 29,363.00

TOTAL \$ 815,062.00