



# City of Lawrence

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## CITY COMMISSION

**MAYOR**  
MICHAEL DEVER

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

May 14, 2013

The Board of Commissioners of the City of Lawrence met in regular session at 6:35 p.m., in the City Commission Chambers in City Hall with Mayor Dever presiding and members Amyx, Farmer, Riordan and Schumm present.

## **A. RECOGNITION/PROCLAMATION/PRESENTATION**

1. Proclaimed the week of May 12 – 18, 2013 as Police Week and Wednesday, May 15, 2013 as Peace Officers' Memorial Day.
2. Proclaimed the week of May 18 – 20, 2013 as Lawrence-Douglas County Fire Medical Fill the Boot Days for MDA.
3. Proclaimed the week of May 19 – 25, 2013 as Public Works Week.
4. Proclaimed the month of May, 2013 as Mental Health Month.

## **B. CONSENT AGENDA**

Commissioner Schumm removed item numbers 4c and 12 from the consent agenda for separate discussion

**It was moved by Amyx, seconded by Farmer,** to approve the consent agenda as below, minus items 4c and 12. Motion carried unanimously.

1. Received minutes from the Board of Zoning Appeals meeting of 03/07/13, the Cultural District Task Force meeting of 04/15/13 and the Homeless Issues Advisory Committee meeting of 04/09/13
2. Approved claims to 173 vendors in the amount of \$2,010,520.50.
3. Approved Retail Liquor License for Mom & Pop's Liquor, 1906 Massachusetts.
4. Bid and purchase items:
  - a) Awarded bid for two (2) ½ ton pickups for the Parks and Recreation Department to Laird Noller Automotive for \$35,392.
  - b) Awarded bid for a hybrid sedan for the Public Works Department Solid Waste Division to the low bidder, Crown Toyota, for \$24,163.



- c) THIS ITEM WAS PULLED FROM THE CONSENT AGENDA FOR SEPARATE DISCUSSION. Authorized the City Manager to sign an agreement with Manpower for an amount not to exceed \$50,272 and approved the rental of equipment from Pavement Maintenance Supply Inc., in the amount of \$8,400, for the in-house pavement marking and garage maintenance program.
  - d) Authorized the City Manager to approve a change order for Bid No. B1313, project UT1211 Clinton Filter Media Replacement in the amount of an additional \$99,700 and increased the engineering contract by \$12,316 due to the change in scope.
5. Adopted on second and final reading, Ordinance No. 8860, to rezone (Z-13-00057) approximately 2.54 acres from CS (Commercial Strip) District and RS7 (Single-Dwelling Residential) District to CS (Commercial Strip), located at 750 N. 3<sup>rd</sup> Street. (PC Item 1; approved 10-0 on 4/22/13)
  6. Approved a Special Event request, SE-13-00167, for a fundraiser BBQ cook-off located at 1803 W 6th Street. Submitted by Mount Oread Aerie #309 FOE, Inc., property owner of record.
  7. Authorized staff to negotiate an Engineering Services Agreement with TREKK Design Group, LLC for Project UT1305 - Rapid Inflow and Infiltration Reduction.
  8. Authorized City Manager to bind coverage for Public Official Liability and Law Enforcement Liability Insurance Coverage with AIG.
  9. Approved a Temporary Use of Public Right-of-Way Permit allowing the closure of a portion of the 900 block of New Hampshire Street for the Arts Center Final Friday event and Art Tougeau Parade decorating event from noon, Friday, May 31 until 1:00 p.m. Saturday, June 1, 2013; approved a Temporary Use of Public Right-of-Way Permit for the Lawrence Art Guild allowing the closure of the 100 block of E 10<sup>th</sup> Street from 1:00 p.m. – 5:00 p.m. on Saturday, June 1, 2013 for the Art Tougeau Parade after party event.
  10. Approve a Temporary Use of Public Right-of-Way Permit for the Lawrence Busker Fest for the use of the sidewalk and 10 parking stalls in front of 900 Massachusetts Street, and the closure of the 100 block of E 7<sup>th</sup> Street and the 100 block of E 8<sup>th</sup> Street, on August 23-25, 2013; adopted on first reading Ordinance No. 8866, allowing the possession and consumption of alcohol on the public right-of-way on the 100 block of E 7<sup>th</sup> Street and the 100 block of E 8<sup>th</sup> Street during the event.
  11. Authorized the City Manager to execute a license for the use of city property for agricultural use for Michael Morley, on behalf of the Pearl Clark Community Garden in Old West Lawrence at 639 Illinois Street.
  12. THIS ITEM WAS PULLED FROM THE CONSENT AGENDA FOR SEPARATE DISCUSSION. Approved free parking on Massachusetts Street from 6<sup>th</sup> Street to 11<sup>th</sup> Street and on the 100 blocks of East and West 7<sup>th</sup>, 8<sup>th</sup>, 9<sup>th</sup>, 10<sup>th</sup>, and 11<sup>th</sup> streets on Tuesday, June 11, 2013 for a Lawrence GiveBack event.

13. Approved a sign permit for a mural installation on the rear of the building occupied by the Burger Stand at 803 Massachusetts Street.
14. Authorized the Mayor to sign a Subordination Agreement for Jill E. Jevens, 1301 Prospect Avenue.
15. Received request from Wicked Broadband for economic development funds; referred to staff for a report.
16. Approved request from Douglas County Historical Society for \$20,000 (guest tax reserve funds) for the new permanent exhibit on Quantrill's raid/Lawrence's history during the Bleeding Kansas period.
17. Approved as signs of community interest, a request from the K-State Research & Extension Master Gardener to place signs in various rights-of-way to advertise the Douglas County Extension Master Gardeners' 2013 garden tour from May 31 through June 2.
18. Authorized the Mayor to sign Authority to Award Contract and commitment of \$67,545.80 in city funds for improvements to 9<sup>th</sup> and Tennessee.

Regarding item 4c, related to the in-house pavement marking program, Schumm said he looked through the memo, and he was concerned that they were getting behind on the striping.

Corliss said staff was following through on what the Commission put in this year's budget for striping. This project included some of that work as well as some contract work. If staff was allowed to proceed, staff could draft another report on their progress regarding pavement striping.

Schumm said he recognized there was record snowfall in March.

Chuck Soules said the money allocated in the budget was for paint materials. Manpower staff would be holding signs so their crews would be safe while painting. Work was being done at 19<sup>th</sup> and Barker with concrete stamping that helped staff not have to come back with more painting. Staff could report back to the City Commission with a report of all pavement marking projects planned.

Schumm said he would like that.

Dever called for public comment. None received.

**Moved by Schumm, seconded by Amyx**, to authorize the City Manager to sign an agreement with Manpower for an amount not to exceed \$50,272 and to approve the rental of equipment from Pavement Maintenance Supply Inc., in the amount of \$8,400, for the in-house pavement marking and garage maintenance program. Motion carried unanimously.

Regarding item 12, related to the Lawrence GiveBack event, Schumm said it was a nice gesture and idea. It had good intentions but it didn't work well. He heard a number of comments from downtown merchants last year that sales were down. He said it was unbelievable how fragile downtown was because as soon as you change the traffic patterns and the way business was done, it affected the outcome of the average sales. He asked if Downtown Lawrence, Inc. had commented on this event.

Douglass said he notified DLI, Inc., but did not hear back from them.

Schumm said the Commission could move forward with the approval of the event, but wanted to note the comments he had heard. He said he applauded the fact that they were trying to do something to help downtown, but in his opinion, it was misguided.

Corliss said he suggested, given Schumm's comments, to proceed this year and monitor the event and then place this item back on a June agenda while it was fresh in the Commissioners' minds and decide whether or not they wanted this event to proceed in the future.

Dever called for public comment. None received.

Dever suggested taking Corliss' suggestion and see how it worked out and then come back and discuss this item afterwards.

**Moved by Schumm, seconded by Amyx**, to approve free parking on Massachusetts Street from 6th Street to 11th Street and on the 100 blocks of East and West 7th, 8th, 9th, 10th, and 11th streets on Tuesday, June 11, 2013 for a Lawrence GiveBack event. Motion carried unanimously.

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

David Corliss, City Manager, presented the report.

Schumm said he would like to discuss the retail market study in a study session or goal setting session. The City Commission heard comments and questions about the market study often and they should discuss whether they bought into it before using that study in planning discussions.

**D. REGULAR AGENDA ITEMS:**

1. **Conduct public hearing regarding the sale, possession and consumption of alcohol at the Arts Center Street Final Friday/Art Tougeau Parade decorating event, the Art Tougeau Parade After Party event, the Tour of Lawrence, and the Bike MS event, in downtown Lawrence at various dates in 2013.**

Jonathan Douglass, Assistant to the City Manager/City Clerk, presented the staff report.

**Moved by Farmer, seconded by Amyx**, to open the public hearing. Motion carried unanimously.

No public comment was received.

**Moved by Amyx, seconded by Schumm**, to close the public hearing. Motion carried unanimously.

Amyx said regarding the bike races that would be held on a Sunday, he asked if the churches were all notified.

Douglass said everyone along the route had been notified when the original right-of-way permit was considered. He said he had also recently been in contact with Peter Luckey at Plymouth Congregational Church about all of the upcoming downtown events, and Luckey was going to share that information with his colleagues. He said he thought they had gotten the word out and would try and do a good job in the future.

Schumm said the Commission was granting the right for those operations to sell alcohol on the sidewalk, but if someone went into a bar and purchased a drink could they carry the drink outside on the sidewalk.

Douglass said that would not be allowed. The permit for having alcohol on the streets and sidewalks would be issued to a specific entity for a temporary liquor license for each of those events. Those specific entities would be responsible for controlling the alcohol in that event area. The liquor licensee establishments were responsible for the alcohol within their premises. The ABC would probably frown on alcohol moving in and out.

**Moved by Schumm, seconded by Riordan**, to find that the proximity of the sale of alcohol for the events is not adverse to the public welfare or safety; grant distance limitation waivers for the events; and adopt on first reading, Ordinance No. 8863, allowing the possession and consumption of alcoholic liquor on certain public rights-of-way during the events. Motion carried unanimously.

2. **Receive request from the developers of 9<sup>th</sup> & New Hampshire to amend the South Redevelopment Plan to increase the tax increment reimbursement cap from \$3.5 million to \$4 million; conduct a public hearing and consider adopting on first reading, Ordinance No. 8865, approving a revised South Area Redevelopment Project Plan for the Ninth and New Hampshire Redevelopment District, authorizing corresponding changes in the redevelopment agreement, and authorizing consent to the assignment of the redevelopment agreement.**

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

Dever said Stoddard said the impact of this change would be negligible, and he wanted to make sure he understood that statement.

Stoddard said she meant in terms of the effect on the City as far as the City's ability to receive any additional revenue at the end of the project because the current projections for revenue didn't pan out that there was enough revenue to cover the current expenses that were outlined. In that case, then the revenue flowed as she had indicated and if adding more expenses to the ledger, it increased that gap. The impact on City as far as their potential to get any more revenue, at the end of the project, was not likely to begin with, and less likely under increasing the cap. Certainly, if the revenue was available and the cap was increased, then the developer, as long as they had documented expenses, could receive additional monies. She

said that was just a factor of how the actual revenues came in versus the projects that were done.

Dever asked about the point of increasing the cap if the revenue wasn't going to be there.

Stoddard said the developer wanted to have the ability to receive the reimbursements if the revenues did come in at that level. She said the developer would need to explain more about their reasons for making the request. Based on the current projects the City had, it didn't appear there was available revenue to cover the current expenses.

Riordan said he thought the first 5 percent went to the City and the next 95 percent went to the developer.

Stoddard said correct.

Riordan said if there was excess money that the Commission authorized there would be money left.

Stoddard said the City's project, included in the south plan, was the Arts Common project so it was the possible acquisition of the Salvation Army property. It was estimated that that would be about \$900,000 to complete that project. If they looked at the projections of the increment in the north and south project and look at 5 percent, which generated approximately \$520,000, there was a potential shortfall for the City. There was an opportunity for the City to receive the difference between the actual 5 percent up to the \$900,000 at the very end, but that was after all the developer's expenses were paid.

Schumm said regarding the second chart where the numbers were changed somewhat based on the new information from the developer, he said the shortfall was 2.4 million in revenue over expenses, not including the Transportation Development District (TDD) because it wasn't factored into the equation.

Stoddard said the TDD was indicated on that chart. Staff continued to have the TDD on the chart even though it was not directly related to this question today, which was how the

feasibility study was analyzed because they were all part of the same revenues. She said staff thought it would be helpful to continue to have that on the chart.

Schumm said they were going to have to come up with an addition 2.4 million in revenue to not be short on the project, and begin to claim an additional \$500,000 of new money. They had to best it by about \$3 million?

Stoddard said it had to be taken into context that those numbers were all projections. It could be possible the estimates came in lower and revenues might come in a little higher. Based on what was seen today with the numbers, there was a gap which was pointed out in the Springsted Feasibility Study. The developers indicated that that did not affect their ability to proceed with the project and make up that potential shortfall.

Schumm said there were only two revenue sources, sales tax and the increment on the property tax.

Stoddard said the Tax Increment Finance (TIF) revenue which was made up of the property tax increment and the sales tax increment and then the Transportation Development District (TDD) revenue.

Schumm said he thought the TDD was a separate issue in that it was going to repay the City for the original TIF District, the parking garage.

Stoddard said correct, except if the funds go above the \$850,000 which was the first monies the City was guaranteed to receive for the parking garage, then there was an opportunity for some additional TDD revenues and those could go to TDD eligible expenses.

Schumm said under this scenario they would flow first until the new cap was capped out and then came back to them.

Stoddard said correct.

Schumm said it seemed that those estimates had to change an awful lot for them to participate in that new revenue.

Stoddard said that was staff's assessment of the numbers.

Schumm said he would let the developer answer that question.

Amyx said with everything the City Commission approved in the fall, he asked if those revenues and projections were where they were supposed to be.

Stoddard said yes and their request would not affect revenues and projections because the City was guaranteed the 5 percent of the TIF revenue and the first \$850,000 of the TDD revenue.

Amyx said the only two things that changed were whether or not there would be money available at the end of the project to cover shortfalls and the anticipated monies the City might receive to finish the Arts Common's project.

Stoddard said that was a way to look at this issue. She said again, they had to show that they actually expended to that level and those expended had to be eligible expenses to be reimbursed.

Amyx asked if the City Commission approved what the eligible expenses were.

Stoddard said that was approved in the Development Agreement and nothing had changed. It was the underground and site improvements that the City Commission approved. Both items had gone up in costs based on the developer's new estimates.

Farmer said the initial projection had a 2.3 million deficit with eligible reimbursements of \$3.5 million?

Stoddard said they were only looking at the south project compared to the current new estimates. There was a gap in the south project in which the revenue went from \$124,000 under the original estimates to \$310,000 under the new estimates. There was always a shortfall in the south project as well as the north project in the approved feasibility study.

Micah Kimball, Treanor Architects, presented an update with current renderings for both projects.

Bill Fleming, Treanor Architects, said the commission's questions were very good. The way he thought about it was as two buckets. The south bucket had two garden hoses. One was

retail sales taxes and the increment that was rebated. The other hose was the property tax increment. The sales tax bucket gets full faster. If there was any spillage it went to the north project bucket, and the north project bucket only had one tiny hose and that was the property tax increment. The north project bucket probably would never get more than half full, so there would probably be no spillover to the city bucket at the bottom. They had the same project costs roughly in the north project but smaller revenues from the increments. Why does that matter? The north bucket and south bucket were owned by different people, different investors. It was important to have the correct allocation. The original costs projects they did were before soil borings and found rock that needed to be removed. The number of parking spaces in the garage had also increased which contributes to the higher costs. The \$4 million wasn't a blank check, they had to come in and demonstrate to the city that they had spent that money on eligible costs.

Dever asked if the spreadsheet on the screen reflected the information about construction costs.

Fleming said it was a comparison between the original estimates and the new estimates that showed the increased cost by category.

Amyx said on the cost per space in the parking garage, what was the estimate.

Fleming said about \$42,000/space, which included site improvements. If wanting more of a parking garage cost, it was probably around \$30,000/space.

Amyx said in the fall during the discussions of the development there were a lot of questions about the Social Service League. He asked would those improvements still be made.

Fleming said yes.

Amyx asked if there were contracts.

Doug Compton said they stood by that commitment and negotiated space to move the Social Service League and a lease was drafted.

Schumm said \$42,000/space was a lot for the garage. He asked if the parking garage became part of the structure supporting the hotel.

Fleming said yes.

Schumm said there was some duplication and part of that should be allocated to parking and part to the building that would normally take place without the parking.

Fleming said correct.

Schumm said it was hard to separate because it was one in the same building, but it seemed that if there was no parking there would need to be some structure costs to support the building. This structure costs was part of the parking garage itself.

Fleming said correct.

Schumm asked if they were over allocating to the parking garage as opposed to the building.

Fleming said no, it was their additional cost to build that structure. If that structure served two purposes which were their foundation and the parking garage, it was still an eligible cost per the statute and per the requirements of the development agreement. He said he was not sure they could separate that out because it was serving both functions, but the point was that they were eligible to receive reimbursement for parking garage costs. He said at the end of the project they would provide information to the City to prove up those costs and show how those allocations were made and the amounts.

Compton said the exact number was about \$31,000/space. There was still some shoring that had to be done. There were about half a million of costs included in that per space cost.

Dever asked what a solid foundation without a garage would be.

Compton said you could do slab on grade with four floors.

Dever said there wouldn't be any major subgrade reinforcement then.

Compton said that was correct.

Farmer asked if they had the spreadsheet or was it in two separate documents.

Stoddard said yes, it was in the packet. There was an exhibit of eligible expense costs comparing the development agreement and the new estimates.

Riordan said the old exhibit G and the new exhibit G was the difference they were talking about.

Stoddard said the old exhibit G was in the approved redevelopment agreement and then new exhibit G was in the newly submitted plan which reflected the updated estimates that the developer provided.

Riordan asked why the heat and ventilation estimates changed.

Kimball said some of it was building code that they had not accommodated for in the original estimates. He said fire proofing and exhausting CO2 was not allocated for in the previous budget. He said the allocation was undersized and when they did the calculations with the engineers that equipment was upsized in order to accommodate that which came in more expensive than what they had budgeted for previously.

Riordan said in addition to the new spots they also included those costs.

Kimball said yes, and the garage was larger.

Riordan said steel beams, stairs, went to zero. He asked if the stairs were removed.

Kimball said those stairs were able to be done out of concrete now and they could use the same contractor for some efficiencies.

Riordan asked about the dry sprinkler and safety systems.

Kimball said they were absorbed into another subcontractors bid.

Riordan asked about ceiling caulking.

Fleming said that was broken out separately now.

Dever said they were evaluating the cost received, identifying those items that were associated with transportation or parking related improvements that would be eligible and because those number were clearly lined out, he asked if they felt those allocations were reasonable under the rules. He said originally they might not have been included because they

were stuck into another estimate in the building. He said part of it looked like they miscalculated, but in reality those were related to those improvements that were eligible for reimbursement.

Fleming said it was not quite that scientific. When going through the subcontractor bidding process there was one lump number and it didn't translate that well. When they received the bids back, they might be bidding two or three of those items and only one number. It was a matter of reallocation, which was why it sometimes didn't line up line item by line item.

Farmer said there were costs associated with making sure there were no burial sites and asked if those costs were reflected in the spreadsheet.

Fleming said no.

Farmer asked about the cost that was incurred for that.

Fleming said close to ten thousand.

Schumm asked where they planned to get the extra revenue to warrant the higher cap.

Fleming said the revenues hadn't changed. The issue was how they allocated between the north and south project. It didn't change how much it was. If there wasn't enough money at the end of the day, the developer paid for it because it was a pay as you go TIF. If the revenue came in higher, the developer gets back a little more.

Schumm said it seemed funny that they were going into this project with a revenue shortfall and the projections indicate that the developer would not get paid back everything that was cost out.

Fleming said that was true, but that was an issue on the north project, but understand the north project was large and could support that better because it had more units and rooms. He said they still had to make the numbers work obviously from financing and lender standpoints. He said on the north project, they were going to need to pay for some of their parking costs either through charging their tenants some parking charges or absorb that in their rent structure. That would be part of the cost of the project which was paying for their parking

garage. He said they were not going to get 100% paid for through this TIF mechanism. He said his number showed they would get paid less than half.

Schumm said when they discussed the foundation of the Oread Hotel, he asked if they had a similar way to look at the allocations with the Oread Hotel garage.

Corliss said they had a similar issue and not only had the issue of what was the appropriate part of the garage to allocate to the hotel, but there were also elements in the garage, such as a bar that they had to exclude as well. He said they looked at the square footage calculations of that and the rest of the structure talking to their architects and the City's Public Works Department and made a judgment on the appropriate allocation.

Schumm said that would be the case in this case as well.

Corliss said staff would talk to architects once they came back with their expenses. One key element was those were estimates on costs. He said they now had quotes from subcontractors and should be close on those costs. He said they had incentive to drive down costs and have a more productive project.

He said the Vice Mayor asked at the agenda review what the cost was for the library project for the parking spaces. He said 250 spaces plus the additional 72 spaces was a total of 322 spaces and the total cost of those spaces was about 6.1 million which came to about \$18,973 per space. He said there was quite a bit of excavation on the Vermont side, but not so much on the Kentucky side. He said this was a different project and was going down 2 stories.

Fleming said it was a smaller number of spaces as well so the cost per space was higher.

**Moved by Schumm, seconded by Amyx,** to open the public hearing. Motion carried unanimously.

Leslie Soden, East Lawrence Neighborhood Association, said the current item on the agenda was to raise the TIF cap. The neighborhood was against the TIF in the first place and was against increasing the cap. The developer was thinking of charging for parking, which might

drive parking onto the street, which defeated the purpose of public subsidy for their parking. She said the neighborhood was not against development, they were only against tall buildings right next to two story homes and public money for private parking. The neighborhood wanted the item to be referred back to PIRC for more financial analysis.

KT Walsh said she agreed with the letter that the proper process was to go back to PIRC. She would like all the steps to be followed and the process to be fair. She thanked everyone for the exploration of the burial sites issue. With the new information from the soil borings, the neighbors who could afford lawyers got an agreement with the developer in case there was damage to the homes. Now that we know there was more rock to be excavated they should open it up for more properties to come to that kind of agreement. Also, they would like to know where the Social Service League was going.

**Moved by Schumm, seconded by Amyx,** to close the public hearing. Motion carried unanimously.

Dever said they had learned a little more about the changes to the numbers over the last few months.

Amyx said he had thought about whether this item needed to go back to PIRC. With the change just being the increase to the cap, what kind of consideration of that was given by staff?

Stoddard said PIRC reviewed the creation of the district and the original feasibility study in the summer. She said there were but/for analysis that looked at the developers need for incentives to do this project that PIRC also looked at in July. After that took place and the district was created then the south plan came forward which was when the cap figure of 3.5 million was put into place in the development agreement. At that time, staff did not take that plan back to PIRC. The thought was that PIRC had looked at the feasibility study overall and the creation of the overall district which were the numbers that were shown on the screen and looked at the entire project plan for the entire area. Certainly process was the prerogative of the City Commission and how they wished to handle it. They did not do a benefit cost analysis for

this project originally, that was not what Springsted did for the City, they just did the feasibility study and the but/for analysis.

Dever said regarding the benefit cost analysis, he asked why was that brought up.

Stoddard said there were comments brought up that it should go back to PIRC for that.

Dever said from the public, not from the commission?

Stoddard said correct.

Dever said they followed the process, but there was not a benefit cost analysis, which would actually be the only thing that changed dramatically from the original time that PIRC analyzed that situation. He said he wanted staff's opinion on whether or not they needed that process.

Britt Crum-Cano said cost benefit analysis was not required by state statute. A feasibility study was. The feasibility study did talk about costs and benefits and that was probably why a cost benefit study was not required on top of the feasibility study. In terms of analytics, she had not been very involved. It was decided right from the beginning that they needed to have a 3<sup>rd</sup> party consultant to perform all the analytics, one for confidentiality reasons and because it would take up much of her time and she would not have time to work with other projects. In terms of seeing exactly what the analytics would be, she could not speak to that. She said it logically made sense the way the revenues flow, the way that Stoddard presented it. The impact to the City likely would be minimal, if any at all, because it came at the very end of the north project. They didn't have all the specifics on that north project which made it harder to forecast a projection ahead of time. She said she thought the rationale was logical. The numbers that the developer provided and their reasoning sounded logical.

Dever said based on Crum-Cano involvement with PIRC, he asked if there was enough substantive change to this to bring about the need for an analysis by PIRC.

Crum-Cano said the only way PIRC could analyze it was if the original consultants redid the feasibility study.

Dever said so they would need to pay for another feasibility study.

Crum-Cano said correct.

Dever said it needed to be clarified that really what this was doing was reapportioning revenue between the projects so that two different owners could share more equally the benefits. He said he would like to hear from someone with the city whether they agreed with that characterization.

Stoddard said she agreed with Fleming's comments that it basically presented the opportunity for there to be additional reimbursements on the south that would have possibly flowed into the north. Staff wanted to look at the project as one large district because of the relationship with the revenues. She said as Crum-Cano indicated, because they didn't have all the North Project, it hadn't been negotiated and there was no redevelopment plan. She said they would need to rely on the estimates that were provided to staff.

She said she agreed with Fleming's comment about the money being shifted. She said she was concerned whether or not it would affect the feasibility of the north project and the ability to move forward with the north project. She said Fleming had indicated that the North Project would not be affected negatively by this change.

Dever asked if there was anything inappropriate under the statutes with the reapportionment of the revenues.

Stoddard said no.

Riordan said when the initial feasibility study was completed he asked if there was any concept that there would be a revenue shortfall. If that was the case, if there was a revenue shortfall then that wasn't covered to have a higher revenue shortfall, it shouldn't make any difference. He said if more money was brought in, the City or no one had been negatively affected and the developer was able to recover the cost.

Schumm said the fact that they had showed an interest number that was less than the original submittal lent credibility to the numbers.

Corliss said one of the reasons for support of this change in the staff memo was that they wanted to talk about the terms of the benefits and cost, which they didn't need to do that level of analysis. He said they didn't want to overstep one of the key benefits, which was that it would be beneficial to downtown. It would bring more people downtown and this was one of the few projects that would bring that many people downtown. They talked a lot about the finance, but he didn't want to overstep that benefit.

Farmer asked if the Social Service League would go back where they were.

Compton said yes, they were building them a new facility. In the interim they would go to 11<sup>th</sup> and Vermont.

Dever asked for comment on the issue of charging for parking.

Fleming said right now we don't have a plan to do that. Even if they did in the future there was the public parking garage on the north side of the street and they didn't ever see people needing to park in the neighborhoods.

Schumm said the logic was that you would want hotel guests to park at the hotel. If you charge so much that they were going to park elsewhere they probably weren't going to come back to your hotel.

Dever said the City was enjoying some reduced rates for construction activities in recent building activities. He asked if Compton was receiving those same benefits.

Compton said if taking the existing budget that was provided to the City Commission, times 89 spaces and multiplied it to 103 spaces, then added the rock removal and shoring of some of the public infrastructure, it increased the costs. They did a lot of value engineering and reduced a lot of costs too.

Riordan said there had been good comments from the public and from staff. He said you couldn't send something back to PIRC that never went there. He didn't see that this significantly changed what was a positive result already. He was not convinced that there were enough

negative things about this project that would cause him to vote against it. The issues that had been raised had been answered for him.

Amyx said he agreed with Riordan. One thing he liked was the work done on the Social Service League. He appreciated that work.

Farmer said to have that be part of this project was incredible. He was happy it would be relocated in close proximity. He didn't think they stood to lose anything with this. He said they should be grateful to have people in this community that were willing to invest in this community. This was a way to make sure if there were enough revenues the city would recoup their money and the project would gain 14 spaces. He said they stood to gain a lot.

Dever said he was comfortable moving forward. The structures were an investment in the cornerstone of our community. He said hopefully they were ready to start turning dirt. He was disappointed that they had to come back to this but he understood that things change.

**Moved by Amyx, seconded by Riordan**, to adopt on first reading, Ordinance No. 8865, approving a revised South Area Redevelopment Project Plan for the Ninth and New Hampshire Redevelopment District, authorizing corresponding changes in the redevelopment agreement, and authorizing consent to the assignment of the redevelopment agreement. Motion carried unanimously.

3. **Consider authorizing the Mayor to sign a letter to the Kansas Attorney General and the Lawrence Police Department exempting all City buildings from the provisions of Senate Substitute for House Bill 2052 regarding firearms until January 1, 2014.**

Toni R. Wheeler, City Attorney, presented the staff report.

Dever said if he understood it correctly, the law didn't allowed people to bring guns if they didn't have adequate security?

Wheeler said beginning July 1<sup>st</sup>, if public buildings didn't have adequate security in place, they could not prohibit people who had the permits to bring their handguns into the buildings, unless they had proper security.

Dever said people could bring their guns to work if they worked here anyway under Kanas law.

Wheeler said they had the ability under the general home rule authority to establish regulations for City buildings and they prohibited employees from bringing in handguns to their place of employment.

Dever asked if this law would change that.

Wheeler said yes. If they didn't have the security measures that the legislature said they should have in place, then they couldn't prohibit employees from bringing guns into the buildings.

Farmer asked what the consensus was among staff that people could be packing heat.

Corliss said staff had discussed that issue. He said City Hall and City offices were very open with the public in so many different ways and they wanted to keep it that way. Most days it was not an issue for most city workers other than public safety. They were an odd conglomerate. There were places where you get a permit for a building and then they had court, where people don't necessarily want to be. They had all kinds of buildings around town and they weren't going to be able to put metal detectors and security staff. There were some buildings where there was more public interaction where there might be more issues to be of concern. The judicial law enforcement center where they had the police department has those types of security measures which were provided by the Sheriff's Department. The security of the public and City employees was important. There were different views on whether safety was heightened or not.

Farmer said he was not at City Hall every day. He would be curious to see the comfort level of staff with this issue.

Corliss said staff needed to look at that idea. He said there were differing views. The Commission's action tonight basically gave staff until the end of the year to look at that in a fair way.

Mayor Dever called for public comment. None was received.

Schumm said we should go ahead and authorize the letter. He said he had seen some concerning instances at City Hall, and thankfully nothing bad has happened, but you wonder. There were sites where people are routinely unhappy about outcomes. There were rooms where tough decisions were made and not everyone was pleased with the outcome.

**Moved by Schumm, seconded by Amyx**, to authorize the Mayor to sign a letter to the Kansas Attorney General and the Lawrence Police Department exempting all City buildings from the provisions of Senate Substitute for House Bill 2052 regarding firearms until January 1, 2014. Motion carried unanimously.

**4. Consider authorizing the Mayor to sign a letter to the city's Congressional delegation in support of the Marketplace Fairness Act, regarding sales tax on internet purchases.**

David L. Corliss, City Manager, presented the staff report.

Amyx said sales tax was used in our budget for public safety personnel. They had to take that into consideration and the amount of money it took to fund public safety operations. It was a wise move to send that letter.

Mayor Dever called for public comment.

Sven Alstrom said two months ago the owner of a bio company at Fort Collins starting selling a product online that would be used in Kansas. He said they should think about those incubator types of businesses that might not even be on our radar now.

**Moved by Schumm, seconded by Amyx**, to authorizing the Mayor to sign a letter to the city's Congressional delegation in support of the Marketplace Fairness Act, regarding sales tax on internet purchases. Motion carried unanimously.

**E. PUBLIC COMMENT:**

Sven Alstrom said he would really encourage the City Commission to study the gun issue. He said at the federal district court he saw great security. He said the issue of employees having guns deserved study too. It was good policy to have unidentified law enforcement in

addition to people in uniform. He would encourage using the next six months to really study this issue and maybe work in concert with the sheriff's office.

**F. FUTURE AGENDA ITEMS:**

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

**G: COMMISSION ITEMS:**

None.

**H: CALENDAR:**

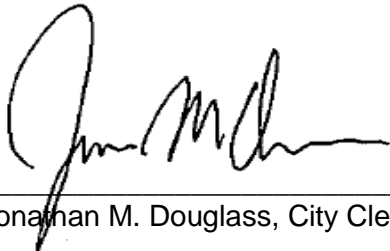
David Corliss, City Manager, reviewed calendar items

**I: CURRENT VACANCIES – BOARDS/COMMISSIONS:**

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

**Moved by Amyx, seconded by Riordan,** to adjourn at 8:48 p.m. Motion carried unanimously.

**MINUTES APPROVED BY THE CITY COMMISSION ON MAY 28, 2013.**



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Jonathan M. Douglass, City Clerk