

BOARD OF COUNTY COMMISSIONERS OF DOUGLAS COUNTY, KANSAS

*Enclosures in the packet include information requested by the County Commissioners from Planning Staff

WEDNESDAY, DECEMBER 22, 2010

4:00 p.m.

-Consider approval of the minutes of November 10, 2010.

CONSENT AGENDA

- (1) (a) Consider approval of Commission Orders;
- (b) Consider approval of 2011 Mileage Reimbursement Rate Increase (Carrie Moore);
- (c) Consider approval of Cereal Malt Beverage License for Cecil Monday's Bar & Grill located at 2229 N 1400 Rd, Eudora (Clerk's Office);
- (d) Consider approval of Cereal Malt Beverage License for Midland Farm Store located 1423 East 900 Road; (Clerk's Office);
- (e) Consider approval to waive the bidding process and authorize the Sheriff to complete the purchase of (1) 2011 Ford Crown Victoria Police Interceptor, (1) 2011 Ford Taurus and (3) 2011 Ford Explorers for the Sheriff's department. (Sheriff's Office);
- (f) Consider approve of Agreement for Housing Inmates for the City of Eudora in the Douglas County Jail (Sheriff's Office);
- (g) Consider approval of a resolution directing the County Counselor or institute a judicial tax foreclosure action in the District Court of Douglas County, Kansas; (Treasurer's) and
- (h) Acknowledge fee reports for November and December 2010.

REGULAR AGENDA

- (2) Update from the Natural and Cultural Heritage Task Force (Ken Grotewiel)-No backup
- (3) Consider approval of Employment Incentives to Plastikon Industries (to be shared with the City of Lawrence) (Craig Weinaug)
- (4) Variance associated with Site Plan (SP-11-58-10) for Berry Plastics facility, located NW of intersection of E 700 and N 1800 Roads. Variance from requirement in Section 20-811 of the Subdivision Regulations that on-site sewage management systems be provided for subdivisions within the rural portion of the county. (Mary Miller is the Planner)
- (5) Variance associated with Site Plan (SP-11-57-10) for The Woods a Corporate Retreat; NE of intersection of E 700 and N 1800 Roads. Variance from requirement in Section 20-811 of the Subdivision Regulations that on-site sewage management systems be provided for subdivisions within the rural portion of the county. (Mary Miller is the Planner)
- (6) Other Business
 - (a) Consider approval of Accounts Payable (if necessary)
 - (b) Appointments
 - (c) Miscellaneous
 - (d) Public Comment
- (7) Adjourn

WEDNESDAY, DECEMBER 29, 2010

WEDNESDAY, JANUARY 5, 2011

-Consider approval of a resolution directing the County Counselor to institute a judicial tax foreclosure action in the District Court of Douglas County, Kansas (Paula Gilchrist)

-CPA-3-1-10: Consider Comprehensive Plan Amendment to Horizon 2020 for an update to Chapter 8 – Transportation. *Initiated by Planning Commission on 2/22/10.* (PC Item 3; approved 9-0 on 9/20/10) Todd Girdler is the Planner.

MONDAY, JANUARY 10, 2011

9:00 a.m.

-Swearing in of Commission Gaughan

WEDNESDAY, JANUARY 12, 2011

-No Commission Meeting

Note: *The Douglas County Commission meets regularly on Wednesdays at 4:00 P.M. for administrative items and 6:35 P.M. for public items at the Douglas County Courthouse. Specific regular meeting dates that are not listed above have not been cancelled unless specifically noted on this schedule.*



JAMIE SHEW
DOUGLAS COUNTY CLERK
1100 Massachusetts
Lawrence, KS 66044
Phone: 785-832-5267
Fax: 785-832-5192

Carrie F. Moore
Chief Deputy Clerk

Keith D. Campbell
Deputy Clerk-Elections

MEMORANDUM

To : Board of Commissioners

From : Carrie Moore, Chief Deputy Clerk

Date : December 9, 2010

RE: Consent Agenda Approval of 2011 Mileage Reimbursement Rate Increase

The Internal Revenue Service (IRS) announced its 2011 Standard Mileage Rates on December 3, 2010.

Next year, the IRS standard mileage rate will increase (from 50 cents) to 51 cents per business mile driven. Currently, Douglas County reimburses business mileage at the IRS rate of 50 cents per mile.

Suggested action: Consent Agenda approval to increase the county's mileage reimbursement rate to be consistent with the IRS mileage reimbursement rate of 51 cents per mile effective January 1, 2011.

Attachment

IRS News Release

Media Relations Office

Washington, D.C.

Media Contact: 202.622.4000

www.irs.gov/newsroom

Public Contact: 800.829.1040

IRS Announces 2011 Standard Mileage Rates

IR-2010-119, Dec. 3, 2010

WASHINGTON — The Internal Revenue Service today issued the 2011 optional standard mileage rates used to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes.

Beginning on Jan. 1, 2011, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:

- 51 cents per mile for business miles driven
- 19 cents per mile driven for medical or moving purposes
- 14 cents per mile driven in service of charitable organizations

The standard mileage rate for business is based on an annual study of the fixed and variable costs of operating an automobile. The rate for medical and moving purposes is based on the variable costs as determined by the same study. Independent contractor Runzheimer International conducted the study.

A taxpayer may not use the business standard mileage rate for a vehicle after using any depreciation method under the Modified Accelerated Cost Recovery System (MACRS) or after claiming a Section 179 deduction for that vehicle. In addition, the business standard mileage rate cannot be used for any vehicle used for hire or for more than four vehicles used simultaneously.

Taxpayers always have the option of calculating the actual costs of using their vehicle rather than using the standard mileage rates.

Revenue Procedure 2010-51 contains additional details regarding the standard mileage rates.

RESOLUTION _____

WHEREAS, on the 22nd of December, 2010, the same being a regular session of the Board of County Commissioners of the County of Douglas, the application of **Cecil Monday's Bar & Grill** for a cereal malt beverage license came up for consideration by the above board and

WHEREAS, the Board does find that said **Cecil Monday's Bar & Grill** is qualified under the law to sell cereal malt beverages for consumption on the premises located **2229 N 1400 Rd, Eudora, KS**

WHEREAS, the Board further finds that due and legal notice has been given the **Eudora Township Board** and that ten days has expired from the giving of said notice and that no written objection has been filed by the **Eudora Township Board** protesting the granting of a cereal malt beverage license.

NOW THEREFORE, BE IT RESOLVED that the applicant, **Cecil Monday's Bar & Grill** granted a license to sell cereal malt beverage for consumption on the premises located at **2229 N 1400 Rd, Eudora, KS**

BE IT FURTHER RESOLVED, that Jameson Shew, County Clerk of Douglas County, Kansas be directed to issue said license.

Chairman

Member

Member

ATTEST:

Jameson Shew, Douglas County Clerk

KEEP THIS LICENSE POSTED CONSPICUOUSLY AT ALL TIME

RETAIL

Fee \$125.00

NO.

DEALER'S 2011 LICENSE

TO ALL WHOM IT MAY CONCERN:

License is hereby granted to: **CECIL MONDAY'S BAR & GRILL**

TO SELL CEREAL MALT BEVERAGES AT RETAIL FOR CONSUMPTION ON PREMISES

(State if for consumption on the premises, or for sale in original and unopened containers and not for consumption on premises)

2229 N 1400 RD Eudora, KS. Application therefore on file in the office of the County Clerk of Douglas County, having been approved by the governing body of said County, as provided by Laws of Kansas and the regulations of the board of County Commissioners.

This License will expire 12:00 midnight December 31, 2011 unless sooner revoked, is not transferable, nor will any refund be allowed thereon.

Done by the Board of County Commissioners of Douglas County, Kansas

This 22nd Day of December 2010

Attest: _____
County Clerk

Chairman

RESOLUTION _____

WHEREAS, on the 22nd of December, 2010, the same being a regular session of the Board of County Commissioners of the County of Douglas, the application of **Midland Farm Store** for a cereal malt beverage license came up for considerations by the above board and

WHEREAS, the Board does find that said **Midland Farm Store** is qualified under the law to sell cereal malt beverages not for consumption on the premises located **1401 N 1941 Diagonal Rd, Lawrence, Kansas**

WHEREAS, the Board further finds that due and legal notice has been given the **Grant Township Board** and that ten days has expired from the giving of said notice and that no written objection has been filed by the **Grant Township Board** protesting the granting of a cereal malt beverage license.

NOW THEREFORE, BE IT RESOLVED that the applicant, **Midland Farm Store** granted a license to sell cereal malt beverage not for consumption on the premises located at **1401 N 1941 Diagonal Rd, Lawrence, Kansas**

BE IT FURTHER RESOLVED, that Jameson Shew, County Clerk of Douglas County, Kansas be directed to issue said license.

Chairman

Member

Member

ATTEST:

Jameson Shew, Douglas County Clerk

KEEP THIS LICENSE POSTED CONSPICUOUSLY AT ALL TIME

RETAIL

Fee \$75.00

NO.

DEALER'S 2011 LICENSE

TO ALL WHOM IT MAY CONCERN:

License is hereby granted to: **MIDLAND FARM STORE**

**TO SELL CEREAL MALT BEVERAGES AT RETAIL IN ORIGINAL AND UNOPENED
CONTAINERS AND NOT FOR CONSUMPTION ON PREMISES**

(State if for consumption on the premises, or for sale in original and unopened containers and not for consumption on premises)

1401 N 1941 DIAGONAL RD, LAWRENCE, KS. Application therefore on file in the office of the County Clerk of Douglas County, having been approved by the governing body of said County, as provided by Laws of Kansas and the regulations of the board of County Commissioners.

This License will expire 12:00 midnight December 31, 2011 unless sooner revoked, is not transferable, nor will any refund be allowed thereon.

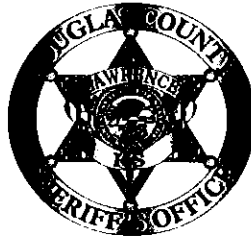
Done by the Board of County Commissioners of Douglas County, Kansas

This 22nd of December 2010

Attest: _____
County Clerk

Chairman

OFFICE OF



THE SHERIFF

Steve Hornberger, Undersheriff
111 E 11th St – Operations
Lawrence, KS 66044
(785) 841-0007, fax (785) 841-5168

Ken Massey, Undersheriff
3601 E 25th St – Corrections
Lawrence, KS 66046
(785) 830-1000, fax (785) 830-1085

KENNETH M. MCGOVERN
Sheriff

MEMORANDUM

To: The Board of County Commissioners
County Administrator Craig Weinaug

From: Sheriff Kenneth M. McGovern 

Date: December 10, 2010

Subject: Consider Recommendation of Vehicle Purchase

The Douglas County Sheriff's Office is requesting authorization to purchase one 2011 Ford Crown Victoria Police Interceptor, one 2011 Ford Taurus, and three 2011 Ford Explorers. These five vehicles would replace five other vehicles currently in service that have high mileage and likely in need of costly repairs in the near future. This purchase would total \$114,873 and is necessary to ensure the continued reliable operation of our vehicles. This purchase has not been previously approved by the Board of County Commissioners, but the funding is currently available in the 2010 Sheriff's Office budget.

The Sheriff's Office has obtained two bids for each vehicle model. Shawnee Mission Ford, who participates in the MACPP regional cooperative bidding process, offered the lowest pricing for the requested vehicle models of the dealerships located in Kansas. Shawnee Mission Ford's bids were \$72,485 for the 2011 Ford Explorers, \$23,014 for the 2011 Crown Victoria, and \$19,374 for the Taurus. Laird Noller Ford, a dealer located in Douglas County, has indicated that they will meet Shawnee Mission Ford's pricing for each vehicle model.

I recommend that given today's challenging economic climate and the difficulties facing many local businesses, that the BOCC waive the bidding process and authorize me to complete the purchase of these vehicles with Laird Noller Ford, a local Douglas County business. While there would not be any monetary savings by purchasing from Laird Noller Ford, the Sheriff's Office believes it is important to support local business when the opportunity presents itself.

Attached you will find copies of the bids submitted by both dealers. I will be available to answer any questions you may have.

Attachments

DOUGLAS COUNTY, KANSAS
PURCHASE ORDER NO.

Vendor Name/Address:

Laird Noller
935 W. 23rd St.
Lawrence, KS 66046
Attn: Dan Schmidt

Deliver To:

Douglas County Sheriff's Office
111 E. 11th Street
Lawrence, KS 66044
Attn: Lt. Gary Bunting

Bill To:

Douglas County Sheriff's Office
Attn: Kim Hertach
111 E. 11th Street
Lawrence, KS 66044

Contact: Lt. Gary Bunting (785-865-6640)

Date: 12-15-2010

FUND	DEPT	ACCT	QTY	DESCRIPTION	UNIT LIST PRICE	UNIT DISCOUNT PRICE	TOTAL PRICE
100	13000	82000	3	2011 Ford Explorer 4X4 (comply with MACPP base specifications)		\$ 23,395.00	\$ 70,185.00
100	13000	82000	3	Keys - 3 identical keys per vehicle		\$ 130.00	\$ 390.00
100	13000	82000	3	Tow - Trailer towing package, heavy duty, frame mounted hitch, 4 & 7 pin wiring		\$ 570.00	\$ 1,710.00
100	13000	82000	1	Service manual (CD)		\$ 200.00	\$ 200.00
				Exterior Color Vehicle 1: Ingot Silver, Exterior Color Vehicle 2: Tuxedo Black, and Exterior Color Vehicle 3: White Suede; Interior Color for Vehicles 1 - 3: Light Stone		\$ -	\$ -
				Warranty: 3 Years/36,000 Miles Bumper-Bumper, 5 Years/60,000 Powertrain		\$ -	\$ -
				TOTAL:			\$ 72,485.00

Approved By: _____

Kenneth McGovern, Sheriff

Date: _____

DOUGLAS COUNTY, KANSAS
PURCHASE ORDER NO.

Vendor Name/Address:

Laird Noller
935 W. 23rd St.
Lawrence, KS 66046
Attn: Dan Schmidt

Deliver To:

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111 E. 11th Street
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Attn: Lt. Gary Bunting

Bill To:

Douglas County Sheriff's Office
Attn: Kim Hertach
111 E. 11th Street
Lawrence, KS 66044

Contact: Lt. Gary Bunting (785-865-6640)

Date: 12-15-2010

FUND	DEPT	ACCT	QTY	DESCRIPTION	UNIT LIST PRICE	UNIT DISCOUNT PRICE	TOTAL PRICE
100	13000	82000	1	2010 Ford Crown Victoria Police Interceptor (comply with MACPP base specifications)		\$ 21,874.00	\$ 21,874.00
100	13000	82000	1	Floor covering - HD vinyl front and rear		\$ (80.00)	\$ (80.00)
100	13000	82000	1	Handles - inside rear door inoperative		\$ 25.00	\$ 25.00
100	13000	82000	1	Handles - inside rear window inoperative		\$ 25.00	\$ 25.00
100	13000	82000	1	Keys - vehicle keyed alike (code 1284X)		\$ 50.00	\$ 50.00
100	13000	82000	1	Mirrors - heated		\$ 35.00	\$ 35.00
100	13000	82000	1	Rear deck warning light		\$ 250.00	\$ 250.00
100	13000	82000	1	Police pig tails		\$ 25.00	\$ 25.00
100	13000	82000	1	Seat - bucket with power driver's seat		\$ 360.00	\$ 360.00
100	13000	82000	1	Seat - front cloth bucket seats, rear vinyl bench		\$ 65.00	\$ 65.00
100	13000	82000	1	Trunk opener moved to the driver's door		\$ 60.00	\$ 60.00
100	13000	82000	1	Electronic traction control		\$ 125.00	\$ 125.00
100	13000	82000	1	Service manual (CD)		\$ 200.00	\$ 200.00
				Exterior Color: Medium Titanium, Interior Color: Dark Charcoal		\$ -	\$ -
				Warranty: 3 Years/36,000 Miles Bumper-Bumper, 5 Years/60,000 Powertrain		\$ -	\$ -
				TOTAL:			\$ 23,014.00

Approved By: _____

Kenneth McGovern, Sheriff

Date: _____

DOUGLAS COUNTY, KANSAS
PURCHASE ORDER NO.

Vendor Name/Address:

Laird Noller
935 W. 23rd St.
Lawrence, KS 66046
Attn: Dan Schmidt

Deliver To:

Douglas County Sheriff's Office
111 E. 11th Street
Lawrence, KS 66044
Attn: Lt. Gary Bunting

Bill To:

Douglas County Sheriff's Office
Attn: Kim Hertach
111 E. 11th Street
Lawrence, KS 66044

Contact: Lt. Gary Bunting (785-865-6640)

Date: 12-15-2010

FUND	DEPT	ACCT	QTY	DESCRIPTION	UNIT LIST PRICE	UNIT DISCOUNT PRICE	TOTAL PRICE
100	13000	82000	1	2011 Ford Taurus (comply with MACPP base specifications)		\$ 19,244.00	\$ 19,244.00
100	13000	82000	1	Keys - 3 identical keys per vehicle		\$ 130.00	\$ 130.00
				Exterior Color: Sterling Gray, Interior Color: Light Stone		\$ -	\$ -
				Warranty: 3 Years/36,000 Miles Bumper-Bumper, 5 Years/60,000 Powertrain		\$ -	\$ -
				TOTAL:			\$ 19,374.00

Approved By: _____

Kenneth McGovern, Sheriff

Date: _____

**AGREEMENT FOR HOUSING OF INMATES IN
DOUGLAS COUNTY JAIL**

THIS AGREEMENT ("Agreement") is entered into between the **BOARD OF COUNTY COMMISSIONERS OF DOUGLAS COUNTY, KANSAS** (hereinafter referred to as "County") and **THE CITY OF EUDORA, KANSAS** (hereinafter referred to as "Eudora") effective January 1, 2011.

RECITALS

WHEREAS, County operates the Douglas County Jail (hereinafter the "Facility"); and

WHEREAS, Eudora desires to contract with and pay County to house one or more inmates in the Facility as a place of confinement; and

WHEREAS, the County is desirous of accepting and keeping in its custody such inmate(s) in the Facility for a rate of compensation mutually agreed upon by the parties hereto; and

WHEREAS, K.S.A. 12-2908, as amended, authorizes any municipality to contract with any other municipality to perform any governmental service, activity or undertaking which each municipality is authorized by law to perform; and

WHEREAS, the governing bodies of each of the parties hereto have determined to enter into this Agreement as authorized and provided for by K.S.A. 12-2908, as amended.

TERMS OF AGREEMENT

NOW, THEREFORE, in consideration of the above and foregoing recitals, the payments to be made, the mutual promises and covenants herein contained, and for other good and valuable consideration, the sufficiency of which is acknowledged, the parties hereto agree as follows:

1. **DURATION AND NUMBER OF INMATES**

This Agreement shall become effective January 1, 2011 and end December 31, 2011, subject to earlier termination as provided by Section 2 herein. This Agreement may be renewed for successive twelve-month periods by written addenda executed by the parties hereto under such terms and conditions as the parties may determine. Nothing in this Agreement shall be construed to require Eudora to have inmates housed continuously in the Facility.

2. **TERMINATION**

This Agreement and any renewals may be terminated by written notice of either party, provided that termination shall become effective 15 working days after receipt of such notice. Within said 15 working days, Eudora agrees to remove its inmate(s) from the Facility. Upon termination of this Agreement Eudora shall pay County compensation for maintenance of each of Eudora's inmates equal to the County's average cost per inmate per day that Eudora's inmates are housed at the Facility, together with all medical expenses of all of Eudora's inmates.

3. MAILING ADDRESSES

All notices, reports, and correspondence to the respective parties of this Agreement shall be sent to the following:

County: Administrative Lieutenant
Douglas County Jail
3601 E. 25th Street
Lawrence KS 66046-5616

With a Copy to: Douglas County Sheriff
Judicial and Law Enforcement Center
111 E. 11th Street
Lawrence KS 66044

Eudora: Municipal Court Clerk
P.O. Box 650
Eudora KS 66025

With Copy to: Chief of Police, Eudora
P.O. Box 650
Eudora KS 66025

4. COMPENSATION

County agrees to accept and house inmates for compensation at the daily rate equal to one-half of the County's per inmate average cost over the prior three years, which is agreed to be \$70.73 per day. The daily rate for any renewal terms of this Agreement will be determined in a similar manner, based upon the most recent three calendar years. Eudora also will pay for out-of-pocket medical expenses as set forth in Paragraph 9 below.

5. RESPONSIBILITY FOR INMATE'S CUSTODY

It shall be the responsibility of the County to confine the inmate or inmates; to provide treatment, including the furnishing of food and all necessary medical and hospital services and supplies; to provide for their physical needs; to retain them in said custody; to supervise them; to maintain proper discipline and control; to provide conditions of confinement and treatment in compliance with all constitutionally protected rights of inmates; to make certain that they receive no special privileges and that the sentence and orders of the committing court are faithfully executed, provided that nothing herein contained shall be construed to require County, or any of its agents, to provide treatment, facilities or programs for any inmate confined pursuant to this Agreement, which the County does not provide for similar inmates not confined pursuant to this Agreement.

6. FURLOUGHS AND PASSES

County agrees that no furloughs or passes shall be granted to any inmate(s) housed pursuant to this Agreement without written authorization of Eudora.

7. INMATE ACCOUNTS

County shall establish and maintain an account for each inmate received from Eudora and shall credit to such account all money which is received and shall make disbursements, debiting such account in accurate amounts for the inmate's personal needs. Disbursements shall be made in a manner consistent with all other inmates at the Facility. The County shall be accountable to Eudora for such inmate funds. At the inmate's death, release from incarceration or return to either Eudora, or indefinite release by the court, the inmate's money shall be paid to the inmate or the inmate's estate, as the case may be.

8. INSURANCE

County shall maintain a liability insurance policy with an insurance company authorized to sell policies in the State of Kansas or that is otherwise acceptable to Eudora. Said coverage shall cover the operations of the jail and law enforcement activities of County. Upon execution of this Agreement and each renewal thereof, County shall provide a Certificate of Insurance to Eudora certifying the existence of said insurance coverage in an amount not less than \$500,000 per occurrence.

9. MEDICAL SERVICES

(a) County shall provide inmates from Eudora with medical and dental treatment consistent with constitutionally protected rights of confined inmates, the financial burden of which shall be borne by Eudora. Except in the event of a medical emergency, County shall obtain consent from a representative of Eudora prior to incurring expenses with third-party medical providers, provided that if Eudora refuses to consent to such third-party treatment, Eudora shall indemnify and hold County harmless from any claim, liability, or judgment of the inmate predicated upon the failure to provide medical care and/or County may release the inmate from custody if County determines that continued confinement without medical care creates an unacceptable risk to County.

(b) An adequate record of all such services shall be kept by County for review by Eudora upon request. Any medical or dental services of major consequence shall be reported to Eudora as soon as time permits. County agrees to provide and Eudora agrees to receive and use any records containing "protected health information" (as defined in the Health Insurance Portability and Accountability Act of 1996) (the "Act") solely for purposes of payment of medical or dental services. Eudora further agrees:

- i. to implement and use appropriate safeguards to prevent the use and disclosure of protected health information for purposes except as permitted by this Agreement or the Act (determined as if the Act applies to County and/or Eudora);
- ii. to incorporate any corrections to protected health information when notified of such correction;
- iii. to not use or disclose protected health information that would violate the regulations promulgated pursuant to the Act if done by the County (determined as if the Act applies to County);
- iv. to require any subcontractor or agent by whom protected health information is received from the other party to agree to the same restrictions and conditions that apply to Eudora with respect to such information;
- v. to provide access to non-duplicative protected health information to the individuals which are the subject of that information in accordance with the regulations promulgated pursuant to the Act including the right of inspection and

copying (determined as if the Act applies to County and/or Eudora);

vi. to give the County access to data pertaining to protected health information for the purpose of auditing compliance with Eudora's obligations under this Agreement or the Act;

vii. to make available its respective internal practices, books and records relating to the use and disclosure of protected health information to the United States Department of Health and Human Services and its duly authorized representatives (determined as if the Act applies to County and/or Eudora).

(c) Should medical or dental services of third party medical providers be required, Eudora agrees to compensate County dollar for dollar any amount expended or cost incurred in providing the same; provided that nothing herein shall preclude Eudora from retaking the ill or injured inmate(s) and seeking the necessary medical attention; and provided further that Eudora is not responsible for medical or dental expenses related to injuries suffered by an inmate which were inflicted by other inmates or County personnel while in the custody of the County and attributable to gross negligence on the part of the County.

10. DISCIPLINE

County shall have physical control over and power to execute disciplinary authority over all inmates from Eudora. However, nothing contained herein shall be construed to authorize or permit the imposition of a type of discipline prohibited by the laws of the State of Kansas or the procedural and substantive due process rights guaranteed by the Constitution of the United States.

11. RECORDS AND REPORTS

(a) Eudora shall forward to County before or at the time of delivery of inmate(s): an admission classification, and any findings or indications of any special consideration or treatment programs that have been recommended or prescribed.

(b) County shall keep all necessary and pertinent records concerning such inmate(s). Subject to the provisions of Section 9, during the inmate's incarceration in the Facility, Eudora shall be entitled to receive, and upon request, be furnished with copies of any such reports or records.

12. REMOVAL FROM THE JAIL

An inmate of Eudora legally confined in the Facility shall not be removed therefrom by any person without a written order from Eudora or a court of competent jurisdiction. This paragraph shall not apply to an emergency necessitating the immediate removal of the inmate for medical, dental, psychiatric treatment or other catastrophic condition presenting an eminent danger to the safety of the inmate or to the inmates or personnel of the County. In the event of any removal for such an emergency cause, County shall inform Eudora of the whereabouts of the inmate or inmates so removed, at the earliest practicable time, and shall exercise all reasonable care for the safe keeping and custody of such inmate or inmates.

13. ESCAPES

In the event any such inmate(s) shall escape from custody, County will use all reasonable means to recapture the inmate(s). The escape shall be reported immediately to Eudora. County shall have the primary responsibility for and authority to direct the pursuit and retaking of the inmate or inmates within its own jurisdiction. Any cost in connection therewith shall be chargeable to and borne by County.

14. DEATH OF AN INMATE

(a) In the event of the death of an inmate, County shall comply with all statutory notification and investigatory requirements. Eudora shall receive copies of any records made at or in connection with such notifications.

(b) County shall immediately notify Eudora of the death of an inmate, furnish information as requested and follow the instructions of Eudora with regard to the disposition of the body. The body shall be delivered to the Douglas County Coroner for autopsy if required by then applicable state law or County jail policies. Once delivered to the Douglas County Coroner, or upon death if the body is not required to be delivered to the Douglas County Corner, the body shall not be released except on written order of the appropriate officials of Eudora, unless Eudora's written order violates County's or the Coroner's other legal obligation for disposition of the body. As between Eudora and the County, all expenses relative to any necessary preparation of the body and shipment or express charges shall be paid by Eudora. Eudora and County may arrange to have County take care of burial and all matters related to or incidental thereto, and all such expenses shall be paid by Eudora. The provisions of this paragraph shall govern only the relations between or among the parties hereto and shall not affect the liability of any relative of the person for the disposition of the deceased or for any expenses connected therewith.

(c) Eudora shall receive a certified copy of the death certificate for any of its inmates who have died while in the Facility.

15. RETAKEING OF INMATES

Eudora Police Department will retake any inmate(s), upon request of County, within ten (10) days after receipt of such request to retake. In the event the confinement under which any of the said inmate(s) is (are) terminated for any reason, Eudora agrees to accept delivery of the inmate(s) at the Facility and at Eudora's expense, return such inmate(s) to the jurisdiction of Eudora.

16. RESPONSIBILITY FOR LEGAL PROCEEDINGS

Provided the terms of this Agreement have not been breached by County, Eudora agrees to indemnify County for any judgment, liability or damages not covered by insurance arising from any action or proceeding involving the custody of any inmate(s) from Eudora, provided that any such action or proceeding does not arise from any allegations of any intentional, willful or negligent act on the part of County or any Sheriff, deputy, officer, agent or employee thereof.

17. JAIL ADMINISTRATION AND MANAGEMENT

County further represents and warrants that its jail facility and its administration and management of inmates substantially complies with all constitutionally guaranteed rights of confined inmates and will continue to comply throughout the term of this Agreement and further agree to notify Eudora of any material changes in the physical structure or policies and procedures of the operation of the jail.

18. BILLING AND PAYMENT

Following each calendar quarter, County shall provide the Eudora Municipal Court with an itemized bill, listing all names of inmates who were housed, the number of days housed, and the dollar amount due for each inmate (the "Invoice"). Eudora agrees to pay County the amount due within 30 days of receipt of the Invoice.

19. RIGHT TO REFUSE

(a) County shall have the right to refuse to accept any inmate(s) from Eudora when, in the opinion of County, its inmate census is at capacity or so near capacity that there is a substantial risk that, through usual operation of the Facility, the legal capacity limits of the Facility might be reached or exceeded.

(b) County shall further have the right to refuse to accept any inmate(s) from Eudora who, in the judgment of County, has a history of serious medical problems or who presents a substantial risk of escape from the Facility or a substantial risk of injury to other persons or property.

20. TRANSPORTATION

Eudora inmates incarcerated by the County in the Facility pursuant to this Agreement shall be transported to County by and at the expense of Eudora Police Department and shall be returned, if necessary, to Eudora by Eudora Police Department and at Eudora's expense. Except for transportation to a medical facility in the case of a medical emergency, County is not responsible for transportation of Eudora inmates under this Agreement. Eudora shall reimburse County for any actual expenses incurred in transport of an inmate if, in fact, transportation of an inmate by County personnel becomes necessary.

21. MISCELLANEOUS

This Agreement contains the entire agreement of the parties hereto and all prior agreements, negotiations and discussions are merged herein. This Agreement may not be modified except by a written modification signed by both parties hereto. Any determination by a Court that one term or provision of this Agreement is invalid or unenforceable shall not void or invalidate the entire agreement. The laws and administrative rules and regulations of the State of Kansas shall govern in any matter relating to an inmate(s) confined pursuant to this Agreement.

22. CASH BASIS LAW

The parties to this Agreement acknowledge that this Agreement is subject to the Cash Basis Law, K.S.A. 10-1101 *et seq.*, and that the obligation of Eudora to compensate the County shall be subject to and in accordance with the Cash Basis Law.

[remainder of page intentionally blank, signature page to follow]

IT WITNESS WHEREOF, the parties have executed this Agreement effective as of the day and year first above written.

COUNTY:

Board of County Commissioners of Douglas County,
Kansas

ATTEST:

By: _____
Nancy Thellman, Chair

County Clerk

EUDORA:

CITY OF EUDORA, KANSAS

By: Scott Hopson
Scott Hopson, Mayor

ATTEST:

Donna Oleson
City Clerk

RESOLUTION NO. 11 - ____

A RESOLUTION DIRECTING THE COUNTY COUNSELOR TO INSTITUTE A JUDICIAL TAX FORECLOSURE ACTION IN THE DISTRICT COURT OF DOUGLAS COUNTY, KANSAS

WHEREAS, K.S.A. 79-2801, and amendments thereto, requires that in all cases in which real estate has been or shall be sold and bid in by the county at any delinquent tax sale, and shall remain unredeemed on September 1 of the second year after such sale, or any extension thereof as provided by subsection (b) of K.S.A. 79-2401a, and amendments thereto, or whenever real estate described by subsection (a)(2) of K.S.A. 79-2401a, and amendments thereto, has been or shall be sold and bid in by the county at any delinquent tax sale and remains unredeemed on September 1 of the first year after the sale, the Board of County Commissioners shall order the County Counselor to institute a real estate tax foreclosure action in the District Court in the name of The Board of County Commissioners, to judicially foreclose on the County's real estate tax liens.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF DOUGLAS COUNTY, KANSAS:

Section 1. Action to be Instituted. The County Counselor of Douglas County, Kansas, in the name of the Board of County Commissioners of Douglas County, Kansas, is directed to institute judicial tax foreclosure action pursuant to K.S.A. 79-2801, *et seq.*, against the owners or supposed owners of such real estate and all persons having or claiming to have any interest therein or thereto, to enforce the lien of Douglas County, Kansas and its taxing authorities, for taxes, charges, assessments, interest, and penalties on unredeemed real estate bid in by Douglas County for real estate having unpaid real estate taxes and assessments for 2006 and prior years.

Section 2. Effective Date. This Resolution shall take effect and be in full force from and after its adoption by the Board of County Commissioners.

ADOPTED this ____ day of January 2011.

**BOARD OF COUNTY COMMISSIONERS OF
DOUGLAS COUNTY, KANSAS**

Attest:

Nancy Thellman, Chair

Jameson D. Shew, County Clerk

James Flory, Member

Mike Gaughan, Member

Memorandum

City of Lawrence

City Manager's Office

TO: David L. Corliss, City Manager
CC: Diane Stoddard, Assistant City Manager
FROM: Roger Zalneraitis, Economic Development Coordinator/Planner
DATE: December 8, 2010
RE: Employee Training Incentive for Plastikon

On October 26th, the City Commission received Plastikon's **incentive request** for assistance in the purchase of the Serologicals Building in East Hills Business Park. Plastikon requested Industrial Revenue Bonds ("IRBs") and an employee training incentive of \$500 per employee, paid over 5 years by the City and County, with a maximum payment of \$63,000 to Plastikon over those five years. The Commission received **a memo** on the incentives and forwarded the training incentive to PIRC for consideration. Tonight the Commission is receiving the summary of the Public Incentive Review Committee ("PIRC") meeting, and considering whether to approve the employee training incentive.

It should be noted that Plastikon has since withdrawn its request for an Industrial Revenue Bond. Plastikon has instead opted for more traditional debt financing for its project. This leaves the employee training incentive as the only local incentive that they are requesting.

Employee Training Incentive

The PIRC committee met on November 3rd to consider the employee training incentive. A **copy** of the draft minutes for the November 3rd meeting is attached. Members asked two follow-up questions regarding waste streams from the manufacturing facility, as well as whether materials were counted as part of their local purchases in the application form. Staff has sought a response from Plastikon on these two questions. There was also a discussion on whether how performance agreements should measure substantial compliance. While it was agreed that in this case a straight averaging would suffice, PIRC members indicated a desire to revisit this subject in future incentive discussions.

Subsequent to that meeting, Plastikon retained counsel to assist with local and state incentives. Counsel identified that Plastikon has supplied the City with wage numbers that included benefits in them. In our application, we ask that salaries be supplied without benefits. Plastikon issued a **clarification letter** and revised its **incentive application** to include only monetary wages and not benefits.

PIRC was convened again on December 2nd to reconsider the request in light of the wage-only numbers supplied by Plastikon. A copy of the **draft minutes** are attached, as well as the **benefit-cost model** results. PIRC unanimously recommended that the

incentive be approved by the City Commission. In this meeting, PIRC members asked what the impact would be if none of the anticipated local sales occurred. In the application, Plastikon projects \$5,000,000 of local expenditures each year. Staff did not have the answer at that time, but has since reviewed the model and found that if local purchases were zero, this would result in a loss of between \$50,000 and \$100,000 of revenue for the City over 15 years, and between \$5,000 and \$20,000 of revenue for the County over 15 years. This is about 5-10% of total revenue for the City, and around 2% for the County.

PIRC also requested that City Staff work to clarify the incentive data we were seeking with future applications and applicants. After this discussion, PIRC unanimously recommended that the incentive be approved by the City Commission.

Next Steps

The next step will be for the County to consider their portion of the employee training incentive. Once the County Commission has acted, the City Manager will finalize a performance agreement between Plastikon and the City and County for compliance with wage, hiring, and capital investment targets.

The City Commission should be aware that the Performance Agreement may refer to Plastikon or to a subsidiary of Plastikon that may be created to operate their Lawrence facility. Plastikon is investigating the possible creation of a subsidiary for corporate governance purposes.

Actions Requested

Approve the employee training incentive, and authorize the City Manager to execute a performance agreement with Plastikon, if appropriate.

DRAFT

City of Lawrence
Public Incentives Review Committee
December 3, 2010

MEMBERS PRESENT: Dennis Highberger, Cindy Yulich, Brad Burnside,
Brenda McFadden, Aron Cromwell and Mayor Mike
Amyx

MEMBERS ABSENT: Mike Gaughan and Scott Morgan

STAFF PRESENT: Diane Stoddard and Roger Zalneraitis

PUBLIC PRESENT: Beth Johnson, Matt Gough

Mayor Amyx called the meeting to order at 4:30 p.m.

Zalneraitis provided an update to the committee. He indicated that Mr. Gough had been appointed as Plastikon's representative related to the incentives and that he had confirmed that the original wages included benefits. Zalneraitis also updated the group that Plastikon will not be seeking Industrial Revenue Bond financing.

Zalneraitis stated that the correct average wage is \$46,875 average wage excluding benefits, and- \$12.26/hour excluding benefits for the low wage. Mr. Gough clarified that the average wage for employees in manufacturing would be in the \$15 range, higher than the lowest wage.

Zalneraitis also shared a draft performance agreement with Plastikon. The agreement is a draft and may be changed as is subject to approval by the City and County Commissions.

Zalneraitis highlighted the benefit-cost model changes reflecting the wages without benefits.

McFadden asked about net revenues. Zalneraitis clarified that related to property and sales tax revenue.

Highberger asked about the 100% of expenditures being spent in Lawrence. Zalneraitis indicated there was not an answer to that question. Highberger asked if that had a large effect on its benefit cost model. Zalneraitis indicated it

did not. Highberger thought that his may make a difference. Zalneraitis responded that he could run the model several ways. McFadden asked about expenditures. Gough thought the majority of that was payroll. Zalneraitis said he would follow up on this.

Vice-Mayor Cromwell asked about whether this was an error. Zalneraitis indicated that he thought there was a communication error. Beth Johnson said that they were providing wage numbers to three different entities and believed there was just a misunderstanding. Vice-Mayor Cromwell indicated a double check prior to this stage.

Burnside asked about the definition of operating expenditures. It was suggested that this be improved in the application form.

Mr. Gough also informed PIRC that Plastikon was working on the designation of its entities to operate in Kansas. They will likely form a wholly owned subsidiary in Kansas. He wanted the group to be aware that there name may change on the performance agreement and that the ~~leasing???~~lease may have a name on it of a subsidiary of Plastikon Industries.

Yulich made a motion to recommend approve of the incentive for the Plastikon project, as amended. Seconded by Highberger. Motion passed 6-0.

Vice-Mayor Cromwell made a motion to adjourn the meeting. Seconded by McFadden. Motion passed 6-0.

The meeting was adjourned at 4:46 p.m.

DRAFT

City of Lawrence
Public Incentives Review Committee
November 3, 2010 minutes

MEMBERS PRESENT: Dennis Highberger, Cindy Yulich, Mike Gaughan, Brad Burnside, Brenda McFadden, Aron Cromwell and Mayor Mike Amyx, Scott Morgan

MEMBERS ABSENT: none

STAFF PRESENT: David L. Corliss, Diane Stoddard, Roger Zalneraitis, Toni Wheeler

PUBLIC PRESENT: Hank Booth, Beth Johnson, Matt Gough

Mayor Amyx called the meeting to order at 4 pm.

Ms. Yulich moved to approve the minutes from the April 26, 2010 meeting, Mr. Highberger seconded the motion. Motion was approved with Vice Mayor Cromwell abstaining due to not being at the April 2010 meeting.

Roger Zalneraitis, the City's Economic Development Coordinator/Planner, introduced the project and Plastikon. Mr. Zalneraitis indicated that the company has requested two items from the City- industrial revenue bonds and a job training incentive of \$500 per employee up to a total of 126 employees. He explained that the industrial revenue bonds offer some financing advantages for the company, but they are not any risk to the City and no tax abatement is involved.

Mr. Highberger asked about the application and the company's statement that 100% of the materials would be purchased within the City. Mr. Highberger also asked about part of the application, question number 25, in light of his position representing the Sustainability Advisory Board. Mr. Zalneraitis indicated he would follow up with the company to answer both questions.

Mr. Zalneraitis explained the benefit cost model and explained the rationale for two models, one taking into account the change in the building value and one not taking that into account. Mr. Morgan asked if the model took into account new revenue for the school district as a result of new students. Mr. Zalneraitis confirmed that it did. Mr. Zalneraitis briefly explained the model. He then

covered the outline of the incentive agreement for Plastikon. He clarified that the table was only an example, not what was agreed to at this point. Plastikon projects that the average manufacturing job would be \$15.75 per hour. He indicated that the projected wage was in line with other manufacturing positions in Lawrence. He then covered the method of calculating compliance, which was in line with the new economic development policy adopted by the City.

Mr. Highberger indicated that he thought this was a great project and liked the job incentive, but asked about averaging each of the categories and how over-performance in one area could skew the overall target. He wondered about a safety factor to be built into the formula. Mr. Morgan suggested a weighting factor for one of the criteria. There was concern about that expressed because of how to weight one category over another. Ms. Yulich indicated that could be something that could be examined for the future. Mr. Highberger suggested that a maximum of 125% in each category could be applied to address the over-performance issue. Mayor Amyx indicated that we don't want to overcomplicate this because this is the type of company that we want. With that in mind, Mr. Highberger agreed and withdrew his suggestion.

Mayor Amyx asked if there were any further questions. Mr. Morgan was interested in getting the information about how school revenue is calculated.

Mayor Amyx complemented everyone involved in this project.

Mr. Highberger made a motion to recommend the employee training incentive and the industrial revenue bond be recommended to be approved by the City Commission as proposed. Ms. Yulich seconded the motion. The motion was approved unanimously

The meeting was adjourned at 4:18 pm.

Memorandum

City of Lawrence

City Manager's Office

TO: David L. Corliss, City Manager
CC: Diane Stoddard, Assistant City Manager
FROM: Roger Zalneraitis, Economic Development Coordinator/Planner
DATE: October 20, 2010
RE: Resolution of Intent to Issue Industrial Revenue Bonds (IRBs) for Plastikon Industries, Inc.

Plastikon Industries of Hayward, California, has announced their intention to purchase the former Serologicals Building in East Hills Business Park. Plastikon intends to use the building to manufacture medical products for Siemens Health Diagnostics. Over the next three years, the firm will hire up to 126 people at an average wage of approximately \$45,000 per year. Of note, this wage figure excludes the wages of the plant manager, quality control personnel, and engineers. Including these wages would substantially increase the average salary.

Plastikon intends to purchase the building for \$2.5 million, and invest up to \$4.5 million in renovations and new machinery and equipment. This will amount to \$7 million in total investment. The company has asked in turn for two incentives from the City:

- 1) Industrial Revenue Bonds (or IRBs) to finance the \$7.0 million in purchases and investments; and
- 2) A \$500 per employee training incentive. This incentive will be split between the City and County, and is paid over 5 years.

At this time, the Commission is being asked only to consider the Resolution of Intent to Issue for the IRBs. The resolution indicates the City's general agreement to proceed with the issuance of these bonds, but does not bind the Commission to future action to actually close the bonds, which require an ordinance to be considered at a later date. The resolution also sets a date for a public hearing for November 16, 2010. The attached Notice of Intent will be published in the official City newspaper in advance of the hearing.

The City has received both the application and the \$1,000 fee for an IRB filing. A copy of the application is attached. It should be noted that the application has incorrect average salaries for new hires. The correct average salaries will be reflected in the cost-benefit model that is being prepared for the incentive review, and more importantly in the performance agreement that will be negotiated between the City and Plastikon in order for them to receive the employee training incentive, if the incentive is approved by the City and County.

About Industrial Revenue Bonds

IRBs are a conduit financing mechanism whereby cities can assist companies in acquiring facilities, renovating structures, and purchasing machinery and equipment. IRBs provide a sales tax exemption for all construction related material for firms. Because Plastikon is using the IRBs for a manufacturing facility, the bonds will also be tax exempt at the federal level, which will allow them to receive a lower interest rate on their debt. When IRBs have been issued, the municipality owns the underlying asset and the debt is repaid through revenues earned on the property that has been financed by the bonds. IRBs are repayable solely by the firm receiving them and place no financial risk on the municipal jurisdiction. If the company defaults the bond owners cannot look to the city for payment.

As previously noted, the Resolution of Intent to Issue does not bind the City to issuing the IRBs. The Resolution primarily allows for two things. First, it schedules the public hearing that is required by the Internal Revenue Code for federal tax exempt bonds. Second, it allows expenses accrued by Plastikon to be reimbursed from the future IRB bond proceeds, should the IRBs be issued by the City.

The next public step in the application process will be for the Public Incentive Review Committee (PIRC) to consider Plastikon's employee training incentive, likely on November 3rd. After the PIRC hearing, there will be a public hearing by the City Commission on November 16th. This hearing is required by the Internal Revenue Code for federal tax exempt bonds to be issued, and will also include review of the employee training incentive proposal. Additionally, the Commission will consider first reading of a bond ordinance and the employee training incentive. Finally, the City will consider second reading of the IRB issuance in early December.

Action Requested

Approve Resolution No. 6909 indicating the City's general intent to issue up to \$7 million in industrial revenue bonds for Plastikon Industries and schedule a meeting of the Public Incentive Review Committee (PIRC) for November 3, 2010 to consider an employee training incentive for Plastikon, if appropriate.

October 7, 2010

Plastikon Industries, Inc.

688 Sandoval Way
Hayward, CA 94544
Phone (510) 400-1010
Fax (510) 400-1133
www.plastikon.com

City of Lawrence, Kansas
Attn: Mayor Mike Amyx and City Commissioners
6 East 6th Street
P. O. Box 708
Lawrence, Kansas 66044

Re: Issuance of City of Lawrence, Kansas
Industrial Revenue Bonds on behalf of Plastikon Industries, Inc.

Dear Mayor Amyx and Commissioners:

I am the Senior Vice-President of Plastikon Industries, Inc., headquartered in Hayward, California ("Plastikon"). Plastikon is a plastic and contract manufacturing firm. Plastikon intends to expand its medical and scientific plastics manufacturing business in the City of Lawrence, Kansas ("City"). Plastikon has negotiated the purchase of a building located in the East Hills Business Park at 3780 Greenway Circle and proposes to rehabilitate the building and install new equipment for its manufacturing purposes. The purchase price of the building is \$2,535,000 and we will expend approximately \$1,000,000 on building renovations. Another \$3,500,000 is expected to be used to purchase new equipment. We anticipate hiring 50 new employees for the Lawrence facility for initial operations. Over the five years after beginning operation, we plan to have a total of 126 employees at the Lawrence facility. We do not plan to transfer many employees to Lawrence from our existing facilities; the vast majority of employees for the Lawrence facility will be hired locally. We anticipate an average wage/salary for employees of \$28.14. We anticipate on hiring plant manager, engineers, quality assurance & quality control managers, technicians and team members.

The project is for manufacturing certain sterile fluid filled resin products manufactured using Blow-Fill-Seal technology ("BFS") for Siemens Healthcare Diagnostic Inc. The end products are used in clinical diagnostic labs in the States and other countries around the world.


We understand that our project qualifies under Kansas law for industrial revenue bond conduit financing by the City and request that the City issue its industrial revenue bonds on behalf of Plastikon's project in the City. We also request the employee training incentive of \$500 per employee as described in a letter dated September 16, 2010 from Beth Johnson of the Lawrence Chamber of Commerce, addressed to Lynn Parman of the Kansas City Area Development Council. We anticipate a bond issue of \$7,000,000 and have engaged Mary Carson of Triplett, Woolf & Garretson, LLC to act as Bond Counsel on the transaction. She is located in Lawrence. Our financial advisor for this transaction is Walter Vennemeyer of Progressive Capital in San Francisco and we understand we are responsible for the sale of the bonds. We hope to complete the financing by the end of 2010.



Please contact me with any additional questions and thank you for your consideration of this request.

Very truly yours,

PLASTIKON INDUSTRIES, INC.

By  _____
Kaveh Soofar

cc: Dave Corliss, Lawrence City Manager
Roger Zalneraitis, Economic Development Coordinator/Planner

LAW OFFICES
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MATTHEW D. RICHARDS*

*ADMITTED IN KANSAS AND MISSOURI

Matthew S. Gough
Email: mgough@barberemerson.com

LINDA K. GUTIERREZ
MATTHEW S. GOUGH*
CATHERINE C. THEISEN
KRISTOPHER S. AMOS*
MATTHEW B. TODD

RICHARD A. BARBER
(1911-1998)

GLEE S. SMITH, JR.
OF COUNSEL

November 18, 2010

VIA REGULAR MAIL AND E-MAIL

Mr. David Corliss
City Manager – City of Lawrence
PO Box 708
Lawrence, KS 66044-2268

*Re: Plastikon Industries, Inc.
Revised Incentive Application Form*

Dear Dave:

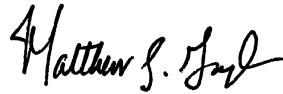
On behalf of Plastikon Industries, Inc. (the “**Company**”), and at the request of City staff, please accept for consideration the enclosed Incentive Application Form (the “**Application**”). The Company submitted the first version of the Application early in the process of considering Lawrence, Kansas as a potential site for its proposed manufacturing facility. At that time, and until only recently, the Company did not have local representation to oversee local incentives. In connection with the proposed Performance Agreement presently being drafted by City staff, I had a conversation with Company representatives to confirm the accuracy of certain wage and salary information provided in the original Application. As a result of that inquiry, and through no act of bad faith, the Company realized that the original wage and salary information included benefits such as 401k, medical, dental, vacation, etc.

The revised Application, enclosed with this letter, removes those benefits from wage and salary data, which results in lower numbers. The Company believes annual salaries will be approximately \$46,875.00 for each of the first five years of operations. To be conservative, the revised Application does not include merit increases or bonuses that may be paid at the Company’s discretion. Although not as high paying as originally believed, these are still good jobs for Lawrence. If the Company decides to locate a major portion of its operations in Lawrence, the Company desires to be perceived as a good corporate citizen. Consequently, the Company has no objection to a second PIRC hearing to consider proposed employment incentives in light of the revised wage and salary information contained in the enclosed Application.

Mr. David Corliss
City Manager – City of Lawrence
November 18, 2010
Page 2

If you have any additional questions or concerns about the Application, please let me know.

Very truly yours,

A handwritten signature in black ink, appearing to read "Matthew S. Gough". The signature is written in a cursive style with a large initial "M".

Matthew S. Gough
of Barber Emerson, L.C.

MSG:plh

cc: Roger Zalneraitis
Plastikon Industries, Inc.

Plastikon Industries, Inc.
Incentive Application Form

- 1. Name of Company** Plastikon Industries, Inc.
- 2. Current Address** 688 Sandoval Way
Hayward, CA 94544
United States
- 3. Contact Person for Application** John Low
- 3a) Title** Global Chief Financial Manager
- 3b) Phone** (510) 400-1113
- 3c) Fax** (510) 400-1114
- 3d) E-mail Address** jlow@plastikon.com
- 3e) Is the Contact's address the same as the Company's address?** Yes
- 4) Please provide a brief description of the Company.** Plastikon is the single source for your plastic and contract manufacturing needs specializing in the manufacturing of high tolerance parts & accessories in the health care, automotive and green technologies industries. Plastikon has been the preferred supplier of manufactured services for Fortune 500 companies for over 27 years. The Lawrence facility will manufacture sterile fluid filled resin products for Siemens Healthcare Diagnostic, Inc. The end products are used in clinical diagnostic labs in the U.S. and other countries.
- 5) What is the NAICS code for that operation that you are locating or expanding in Lawrence?** TBD
- 5a) If the NAICS code is unknown, please describe the primary line of business for the Lawrence operation.** To manufacture sterile fluid filled resin for Siemens Healthcare Diagnostic, Inc.
- 6) Please list the Public Incentive/s that you are seeking as well as the amount of each public incentive.** Sales tax abatement on new equipment and on the tenant improvements (if applicable 100%).
- 6a) Please tell us why you are seeking these Incentives.** Maximize the company's equity for product development and ultimately job creation.
- 7) Will your firm be leasing the building or the land in your expansion or newly constructed facility?** Depends on the use of IRB's.

7a) If you are leasing the building or land, and you are seeking a tax abatement without an IRB, please list the owner and any financial relationship between you and the owner.

7b) If you are seeking an IRB, please list the firm that will be receiving the IRB.

8) Is your firm Relocation or Expanding? Note: If an Expansion, please proceed to question 10.

Relocating

8a) If you are relocating, please let us know why you are considering Lawrence for Relocation.

Plastikon proposes to expand operations to Kansas.

9) Will this Relocation involve your whole Company or part?

Whole Company.

10) For Expansion, briefly describe the purpose and activities of the new facility.

The Lawrence facility will manufacture sterile fluid filled resin products for Siemens Healthcare Diagnostic, Inc. The end products are used in clinical diagnostic labs in the U.S. and other countries. The products represent an expansion into a related field utilizing our plastic injection molding expertise.

11) When do you plan to begin operation of the new facility?

Sunday, May 1, 2011

12) How many Employees currently work in Lawrence (0 for Relocation)?

0

12a) How many will work in Lawrence after Expansion/Relocation?

126

12b) How many Employees do you anticipate hiring from *outside* the Local Labor Market?

5

12c) How many do you plan to hire or relocate from *outside* Kansas?

5

13) Current Operating Expenditures per Year (Enter 0 for Relocation)

0

13a) Anticipated Operating Expenditures after expansion/relocation

\$5,000,000

13b) Estimated % of <i>additional</i> expenditures made in Lawrence	100%
14) If you are seeking a tax abatement or an IRB, please provide an estimate of anticipated Annual Gross Profits (\$). Note: For expansions, please enter anticipated gross annual profits from expansion.	\$5,000,000
15) What is the size of the new facility being constructed (square feet)?	44,500
16) What is the estimated Value of the new construction?	\$2,500,000
17a) Size of the Parcel on which the building will be located (acres)	12.5
17b) What is the Value of the land?	\$227,000
18) About what % of new Goods produced in Lawrence, will be sold outside of Lawrence and/or Douglas County?	75%
19) Please provide a breakdown of a) Employees hired, b) Average Salaries, and c) Capital Investments by year:	
a) New Employees, Year 1	34
a) New Employees, Year 2	12
a) New Employees, Year 3	20
a) New Employees, Year 4	25
a) New Employees, Year 5	35
a) New Employees, Year 6	0
a) New Employees, Year 7	0
a) New Employees, Year 8	0
a) New Employees, Year 9	0
a) New Employees, Year 10	0
b) Average Salary of New Employees Hired in Year 1	\$46,875

b) Average Salary of New Employees Hired in Year 2	\$46,875
b) Average Salary of New Employees Hired in Year 3	\$46,875
b) Average Salary of New Employees Hired in Year 4	\$46,875
b) Average Salary of New Employees Hired in Year 5	\$46,875
b) Average Salary of New Employees Hired in Year 6	\$0
b) Average Salary of New Employees Hired in Year 7	\$0
b) Average Salary of New Employees Hired in Year 8	\$0
b) Average Salary of New Employees Hired in Year 9	\$0
b) Average Salary of New Employees Hired in Year 10	\$0
c) Capital Investment in Building, Year 1	\$3,500,000
c) Capital Investment in Building, Year 2	\$0
c) Capital Investment in Building, Year 3	\$0
c) Capital Investment in Building, Year 4	\$0
c) Capital Investment in Building, Year 5	\$0
c) Capital Investment in Building, Year 6	\$0
c) Capital Investment in Building, Year 7	\$0
c) Capital Investment in Building, Year 8	\$0
c) Capital Investment in Building, Year 9	\$0

**c) Capital Investment in Building,
Year 10** \$0

20) Please provide the following information on benefits:

% of Health Care Premium Covered: 100%
% of Employees with Company Health Care: 100%
% of Employees with Retirement Program: 100%

**20a) Will you provide Job Training
for Employees?** Yes

20b) If yes, please describe. Pharma/GMP training, equipment training, packaging and product handling, warehouse and distribution handling.

**20c) What is the lowest Hourly
Wage offered to Employees
associated with this Expansion or
Relocation?** \$12.26

**20d) What percentage of your new
Employees will receive this Wage?** 60

**21) Will you provide Additional
Benefits to Employees?** Yes

**21a) If Yes, please briefly list the
Additional Benefits** 401K, medical, dental, vacation, etc.

**22) How much do you currently pay,
on average for the following utilities
each month?**

22a) Gas: \$300

22b) Electricity \$300

22c) Cable Television: \$300

22d) Telephone Service: \$300

**23) Will the Building meet Energy
STAR criteria?** No

**24) Will the Building seek LEED
Certification?** No

**24a) If you seek LEED
Certification, what level will you
seek?** Certified

25) Please describe any environmental impacts, positive or negative, your operations have as well as any remedial actions your firm may take to address negative impacts.

0-There are no known environmental impacts. All manufacturing will utilize clean energy sources (as available) and recycled water and materials.

26) Please describe any additional benefits or costs you believe your business will bring to the City of Lawrence and Douglas County, KS.

The project will upgrade and place back in service a currently vacant building as well as create new jobs from the local economy, employ clean manufacturing technology and increase the tax base.

Model: Project Plastic

Project Summary

Capital Investment in Plant:	\$3,500,000
Annual Local Expenditures by Firm:	\$5,000,000
New Jobs:	126
Average Wage per Job:	\$46,875
Indirect Jobs Created:	92
Average Wage of Indirect Jobs:	\$34,113
Total New Households:	91
Average Value of Home Purchased:	\$250,410
Discount Rate:	6.87%
Cost and Revenue Escalation:	1.00%
Number of Years Evaluated:	15

Incentives

IRB Offered	No
Value of IRB Construction Sales Tax:	\$0
Tax Abatement:	0%
Length of Tax Abatement/s:	0 Years
Value of Tax Abatements, Total:	\$0
Other Incentives	
Site Infrastructure:	\$0
Facility Construction:	\$0
Loans/Grants:	\$63,000

Value of All Incentives Offered: \$63,000

Value of All Incentives per Job per Year:	\$33
Value of Incentives in Hourly Pay:	\$0.02
Value of Incentives per Dollar Invested:	\$0.02

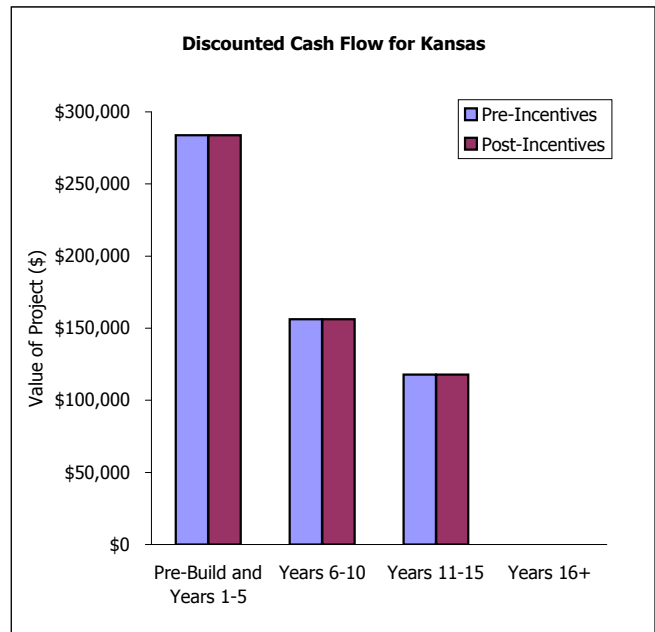
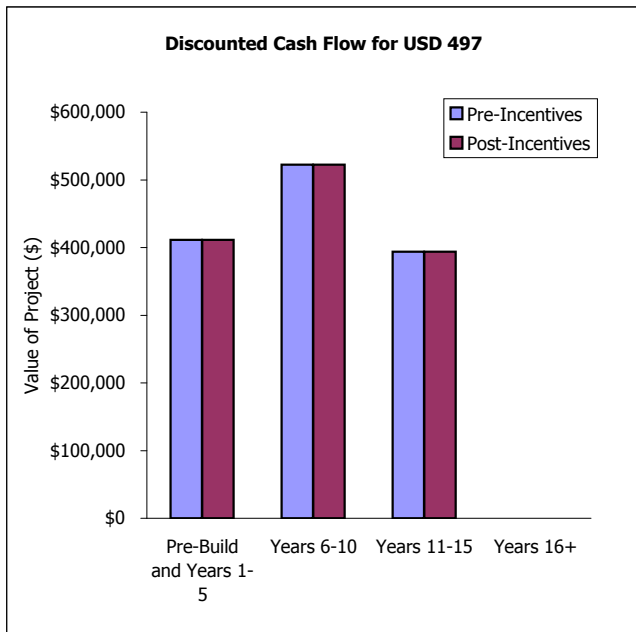
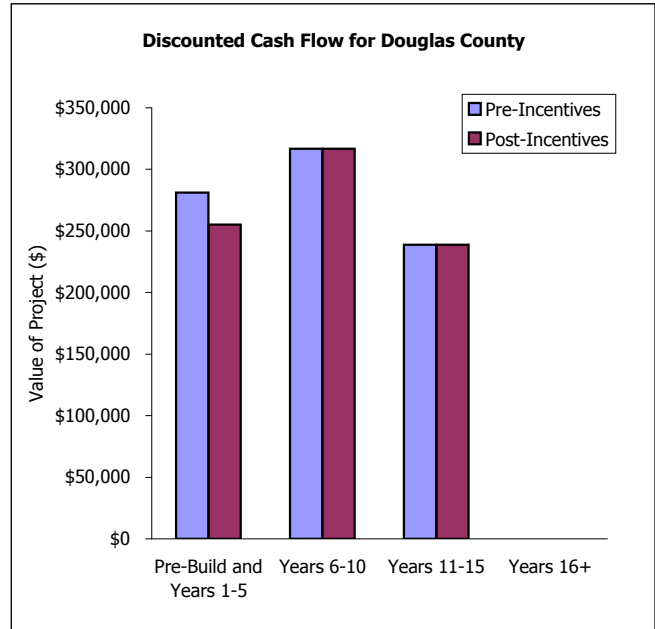
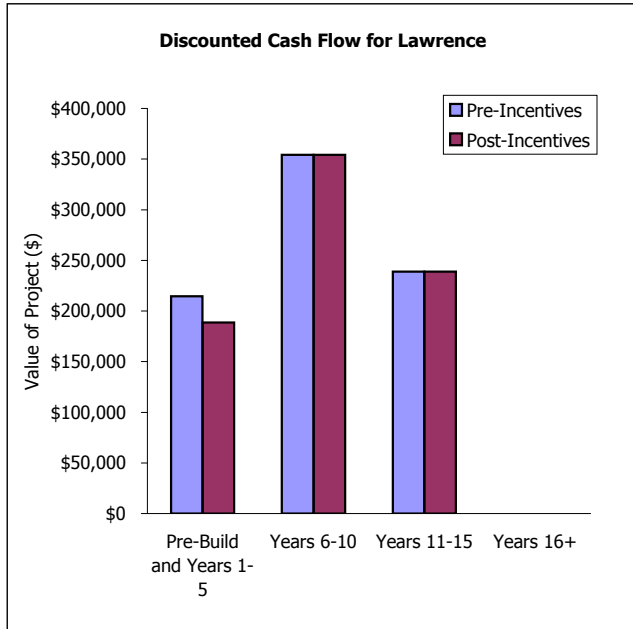
Summary of Results

Returns for Jurisdictions	Lawrence	Douglas County	USD 497	State of Kansas
Revenues	\$4,005,865	\$2,499,474	\$2,982,228	\$1,380,768
Costs	\$2,578,538	\$1,047,931	\$648,377	\$503,833
<i>Revenue Stream, Pre-Incentives</i>	<i>\$1,427,327</i>	<i>\$1,451,543</i>	<i>\$2,333,851</i>	<i>\$876,935</i>
Value of Incentives Offered	\$31,500	\$31,500	\$0	\$0
Revenue Stream with Incentives	\$1,395,827	\$1,420,043	\$2,333,851	\$876,935

Returns for Jurisdictions, Discounted	Lawrence	Douglas County	USD 497	State of Kansas
Discount Rate	6.87%			
Discounted Cash Flow, Without Incentives	\$807,507	\$836,566	\$1,327,556	\$557,760
<i>Benefit/Cost Ratio, Without Incentives</i>	<i>1.53</i>	<i>2.39</i>	<i>4.50</i>	<i>2.96</i>
Discounted Cash Flow, With Incentives	\$781,588	\$810,646	\$1,327,556	\$557,760
Benefit/Cost Ratio, With Incentives	1.52	2.35	4.50	2.96

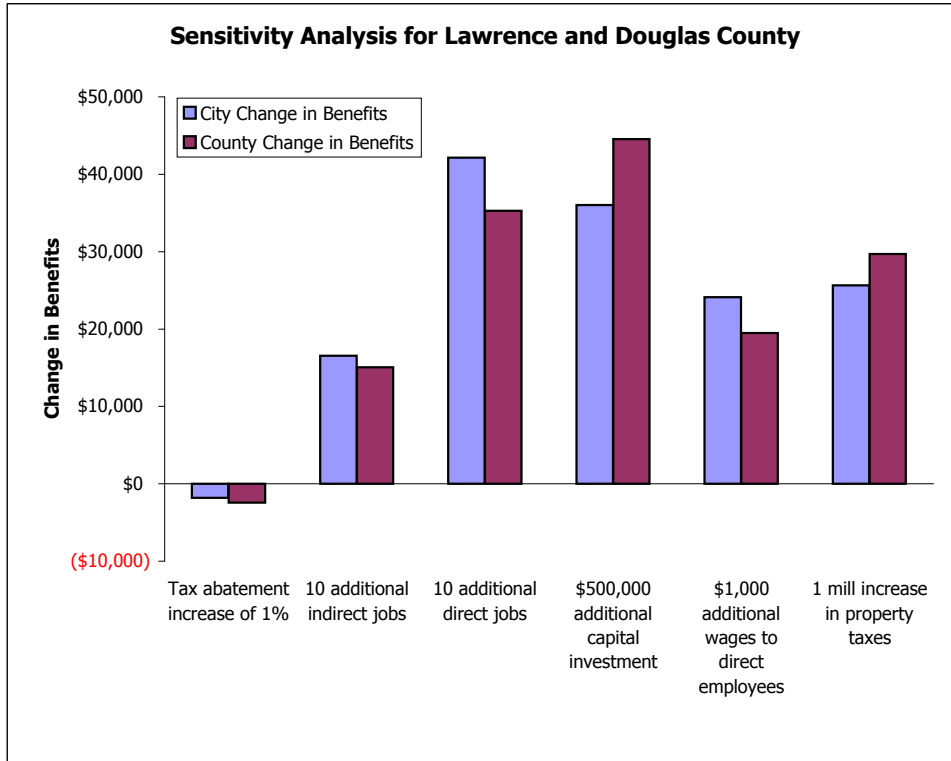
Model: Project Plastic

Graphs of Benefits and Costs by Time Period, with and Without Abatement



Model: Project Plastic

Sensitivity Analysis



Model: Project Plastic

APPENDIX 1: Annual Results (not Discounted)

<i>Lawrence</i>					
Year	Revenues	Costs	Incentives	Net	Cumulative
Pre-Operation	\$0	\$0	\$0	\$0	\$0
1	\$142,483	(\$107,755)	(\$6,300)	\$28,427	\$28,427
2	\$124,490	(\$84,157)	(\$6,300)	\$34,033	\$62,460
3	\$183,010	(\$127,170)	(\$6,300)	\$49,541	\$112,001
4	\$245,175	(\$172,218)	(\$6,300)	\$66,657	\$178,658
5	\$304,364	(\$241,576)	(\$6,300)	\$56,488	\$235,146
6	\$307,408	(\$176,412)	\$0	\$130,996	\$366,142
7	\$310,482	(\$178,176)	\$0	\$132,306	\$498,448
8	\$294,003	(\$179,958)	\$0	\$114,045	\$612,493
9	\$290,350	(\$181,758)	\$0	\$108,592	\$721,085
10	\$293,253	(\$183,575)	\$0	\$109,678	\$830,763
11	\$296,186	(\$185,411)	\$0	\$110,775	\$941,538
12	\$299,148	(\$187,265)	\$0	\$111,883	\$1,053,421
13	\$302,139	(\$189,138)	\$0	\$113,002	\$1,166,422
14	\$305,161	(\$191,029)	\$0	\$114,132	\$1,280,554
15	\$308,212	(\$192,939)	\$0	\$115,273	\$1,395,827

<i>Douglas County</i>					
Year	Revenues	Costs	Incentives	Net	Cumulative
Pre-Operation	\$0	\$0	\$0	\$0	\$0
1	\$78,310	(\$29,158)	(\$6,300)	\$42,853	\$42,853
2	\$85,127	(\$30,153)	(\$6,300)	\$48,675	\$91,527
3	\$112,816	(\$44,496)	(\$6,300)	\$62,020	\$153,547
4	\$144,151	(\$61,215)	(\$6,300)	\$76,635	\$230,182
5	\$179,744	(\$85,720)	(\$6,300)	\$87,724	\$317,906
6	\$181,541	(\$76,197)	\$0	\$105,345	\$423,251
7	\$183,357	(\$76,959)	\$0	\$106,398	\$529,649
8	\$185,190	(\$77,728)	\$0	\$107,462	\$637,111
9	\$187,042	(\$78,506)	\$0	\$108,537	\$745,647
10	\$188,913	(\$79,291)	\$0	\$109,622	\$855,269
11	\$190,802	(\$80,084)	\$0	\$110,718	\$965,988
12	\$192,710	(\$80,885)	\$0	\$111,825	\$1,077,813
13	\$194,637	(\$81,693)	\$0	\$112,944	\$1,190,757
14	\$196,583	(\$82,510)	\$0	\$114,073	\$1,304,830
15	\$198,549	(\$83,335)	\$0	\$115,214	\$1,420,043

Model: Project Plastic

APPENDIX 1: Annual Results (not Discounted) (Continued)

USD 497

Year	Revenues	Costs	Incentives	Net	Cumulative
Pre-Operation	\$0	\$0	\$0	\$0	\$0
1	\$83,003	(\$25,231)	\$0	\$57,772	\$57,772
2	\$100,310	(\$20,646)	\$0	\$79,665	\$137,437
3	\$129,050	(\$31,062)	\$0	\$97,988	\$235,425
4	\$165,357	(\$42,187)	\$0	\$123,171	\$358,596
5	\$216,525	(\$59,158)	\$0	\$157,367	\$515,963
6	\$218,690	(\$44,933)	\$0	\$173,758	\$689,721
7	\$220,877	(\$45,382)	\$0	\$175,495	\$865,216
8	\$223,086	(\$45,836)	\$0	\$177,250	\$1,042,466
9	\$225,317	(\$46,294)	\$0	\$179,023	\$1,221,488
10	\$227,570	(\$46,757)	\$0	\$180,813	\$1,402,301
11	\$229,846	(\$47,225)	\$0	\$182,621	\$1,584,922
12	\$232,144	(\$47,697)	\$0	\$184,447	\$1,769,369
13	\$234,465	(\$48,174)	\$0	\$186,292	\$1,955,661
14	\$236,810	(\$48,656)	\$0	\$188,155	\$2,143,815
15	\$239,178	(\$49,142)	\$0	\$190,036	\$2,333,851

State of Kansas

Year	Revenues	Costs	Incentives	Net	Cumulative
Pre-Operation	\$0	\$0	\$0	\$0	\$0
1	\$154,766	(\$9,743)	\$0	\$145,023	\$145,023
2	\$48,776	(\$13,314)	\$0	\$35,462	\$180,485
3	\$65,931	(\$19,294)	\$0	\$46,637	\$227,122
4	\$81,483	(\$26,868)	\$0	\$54,615	\$281,736
5	\$89,032	(\$37,574)	\$0	\$51,457	\$333,194
6	\$89,922	(\$37,950)	\$0	\$51,972	\$385,166
7	\$90,821	(\$38,329)	\$0	\$52,492	\$437,657
8	\$91,729	(\$38,713)	\$0	\$53,017	\$490,674
9	\$92,647	(\$39,100)	\$0	\$53,547	\$544,221
10	\$93,573	(\$39,491)	\$0	\$54,082	\$598,303
11	\$94,509	(\$39,886)	\$0	\$54,623	\$652,926
12	\$95,454	(\$40,285)	\$0	\$55,169	\$708,095
13	\$96,408	(\$40,687)	\$0	\$55,721	\$763,816
14	\$97,372	(\$41,094)	\$0	\$56,278	\$820,094
15	\$98,346	(\$41,505)	\$0	\$56,841	\$876,935

Model: Project Plastic

APPENDIX 2: Annual Results (Discounted)

<i>Lawrence</i>					
Year	Discounted Revenues	Discounted Costs	Discounted Incentives	Net	Cumulative
Pre-Operation	\$0	\$0	\$0	\$0	\$0
1	\$133,320	(\$100,826)	(\$5,895)	\$26,599	\$26,599
2	\$108,993	(\$73,681)	(\$5,516)	\$29,796	\$56,395
3	\$149,925	(\$104,179)	(\$5,161)	\$40,584	\$96,980
4	\$187,934	(\$132,011)	(\$4,829)	\$51,095	\$148,075
5	\$218,301	(\$173,267)	(\$4,519)	\$40,516	\$188,590
6	\$206,305	(\$118,392)	\$0	\$87,913	\$276,503
7	\$194,968	(\$111,886)	\$0	\$83,082	\$359,584
8	\$172,747	(\$105,738)	\$0	\$67,009	\$426,594
9	\$159,630	(\$99,927)	\$0	\$59,702	\$486,296
10	\$150,858	(\$94,436)	\$0	\$56,421	\$542,718
11	\$142,568	(\$89,247)	\$0	\$53,321	\$596,039
12	\$134,733	(\$84,342)	\$0	\$50,391	\$646,430
13	\$127,329	(\$79,708)	\$0	\$47,622	\$694,051
14	\$120,332	(\$75,327)	\$0	\$45,005	\$739,056
15	\$113,720	(\$71,188)	\$0	\$42,532	\$781,588

<i>Douglas County</i>					
Year	Discounted Revenues	Discounted Costs	Discounted Incentives	Net	Cumulative
Pre-Operation	\$0	\$0	\$0	\$0	\$0
1	\$73,274	(\$27,283)	(\$5,895)	\$40,097	\$40,097
2	\$74,530	(\$26,399)	(\$5,516)	\$42,615	\$82,712
3	\$92,420	(\$36,452)	(\$5,161)	\$50,808	\$133,520
4	\$110,496	(\$46,924)	(\$4,829)	\$58,743	\$192,263
5	\$128,919	(\$61,482)	(\$4,519)	\$62,919	\$255,182
6	\$121,835	(\$51,137)	\$0	\$70,698	\$325,880
7	\$115,139	(\$48,327)	\$0	\$66,813	\$392,693
8	\$108,812	(\$45,671)	\$0	\$63,141	\$455,834
9	\$102,833	(\$43,161)	\$0	\$59,672	\$515,506
10	\$97,182	(\$40,789)	\$0	\$56,393	\$571,898
11	\$91,842	(\$38,548)	\$0	\$53,294	\$625,192
12	\$86,795	(\$36,430)	\$0	\$50,365	\$675,557
13	\$82,025	(\$34,428)	\$0	\$47,597	\$723,154
14	\$77,518	(\$32,536)	\$0	\$44,982	\$768,136
15	\$73,258	(\$30,748)	\$0	\$42,510	\$810,646

Model: Project Plastic

APPENDIX 2: Annual Results (Discounted) (Continued)

<i>USD 497</i>					
Year	Discounted Revenues	Discounted Costs	Discounted Incentives	Net	Cumulative
Pre-Operation	\$0	\$0	\$0	\$0	\$0
1	\$77,666	(\$23,608)	\$0	\$54,057	\$54,057
2	\$87,824	(\$18,076)	\$0	\$69,748	\$123,805
3	\$105,719	(\$25,446)	\$0	\$80,273	\$204,078
4	\$126,751	(\$32,337)	\$0	\$94,414	\$298,492
5	\$155,299	(\$42,430)	\$0	\$112,869	\$411,362
6	\$146,765	(\$30,155)	\$0	\$116,611	\$527,972
7	\$138,700	(\$28,498)	\$0	\$110,203	\$638,175
8	\$131,078	(\$26,932)	\$0	\$104,147	\$742,322
9	\$123,875	(\$25,452)	\$0	\$98,424	\$840,745
10	\$117,068	(\$24,053)	\$0	\$93,015	\$933,761
11	\$110,635	(\$22,731)	\$0	\$87,904	\$1,021,664
12	\$104,555	(\$21,482)	\$0	\$83,073	\$1,104,737
13	\$98,810	(\$20,302)	\$0	\$78,508	\$1,183,246
14	\$93,380	(\$19,186)	\$0	\$74,194	\$1,257,440
15	\$88,249	(\$18,132)	\$0	\$70,117	\$1,327,556

<i>State of Kansas</i>					
Year	Discounted Revenues	Discounted Costs	Discounted Incentives	Net	Cumulative
Pre-Operation	\$0	\$0	\$0	\$0	\$0
1	\$144,813	(\$9,116)	\$0	\$135,696	\$135,696
2	\$42,704	(\$11,656)	\$0	\$31,048	\$166,744
3	\$54,012	(\$15,806)	\$0	\$38,206	\$204,950
4	\$62,459	(\$20,595)	\$0	\$41,864	\$246,814
5	\$63,857	(\$26,950)	\$0	\$36,907	\$283,721
6	\$60,348	(\$25,469)	\$0	\$34,879	\$318,600
7	\$57,031	(\$24,069)	\$0	\$32,962	\$351,562
8	\$53,897	(\$22,746)	\$0	\$31,151	\$382,713
9	\$50,936	(\$21,496)	\$0	\$29,439	\$412,152
10	\$48,137	(\$20,315)	\$0	\$27,821	\$439,973
11	\$45,491	(\$19,199)	\$0	\$26,293	\$466,266
12	\$42,991	(\$18,144)	\$0	\$24,848	\$491,114
13	\$40,629	(\$17,147)	\$0	\$23,482	\$514,596
14	\$38,396	(\$16,204)	\$0	\$22,192	\$536,788
15	\$36,286	(\$15,314)	\$0	\$20,972	\$557,760

**REQUEST FOR VARIANCES
BOARD OF COUNTY COMMISSIONERS STAFF REPORT
FOR DECEMBER 22, 2010 MEETING**

**Variance associated with Rockwall Farms Addition [PF-11-10-10]
and site plans for Berry Plastics [SP-11-58-10] and The Woods [SP-11-57-10]**

A. SUMMARY:

Section 20-811(d) of the Subdivision Regulations requires wastewater disposal systems, which can be provided by municipal service, an on-site sewage management system, or a community system not municipally managed. On-site sewage management systems are required, by Subdivision Regulations, to be located on the platted lot it serves and shall be on a lot no less than 3 acres. The subject request associated with Lots 1 and 2 of Rockwall Farms Addition is using the equivalent of an on-site system, but desires to have the option of locating the system off of the platted property. This variance is associated with the site plans for Berry Plastics and The Woods.

B. GENERAL INFORMATION

The property included in the Berry Plastics site plan (Lot 2) is zoned I-2 (Light Industrial) and the property included in The Woods site plan (Lot 1) is zoned A (Agriculture) with a rezoning to the B-2 (Light Business with conditions) District pending the recording of the final plat. A preliminary plat for Rockwall Farms Addition has been approved and the dedications have been accepted by the Board. A final plat, which is processed administratively, has been submitted to the Planning Office and site plans for Berry Plastics [SP-11-58-10] and The Woods [SP-11-57-10] have been submitted. These site plans will be placed on the County Commission's agenda for consideration and action.

C. STAFF RECOMMENDATION:

Planning staff recommends approval of the requested variance subject to the following condition:

Easements, or other mechanisms acceptable to the Health Department and County Counselor, for property containing the off-site sewage management system and its connection to the platted lot(s) shall be dedicated by separate instrument or recorded with the Register of Deeds.

D. ANALYSIS

The site plan for Berry Plastics, Lot 2 Rockwall Farms Addition, shows the drip-irrigation system on the platted lot; however, as the applicant indicated in his request for a variance, it may be necessary to locate the system off the lot. While they will attempt to provide the system on the lot, having the ability to locate off-site, if necessary, will provide flexibility for the development of this property.

The lagoon for the Woods was shown on a Conditional Use Permit application, which was withdrawn, and on a site plan which was approved for a country club. The uses being proposed with the CUP and site plan were permitted uses within the A District; therefore, it was not necessary to plat the property. These two applications did not come under the purview of the Subdivision Regulations. With the rezoning to the B-2 District a plat was submitted for this property. With the submittal of the plat the requirements of the Subdivision Regulations became applicable to this development.

The Subdivision Regulations requirement that the sewage management systems be 'on-site' are intended to insure that they will remain available for the facility's use regardless of any property ownership changes and to ensure that an adequate area of land is available to accommodate the system. While including the sewage system on a platted lot is the most straightforward method for

insuring this, in some cases flexibility to develop the lots is desirable as long as the intent and purpose of the Subdivision Regulations and Health Code are met. In the case of the Berry Plastic's lot, it may be determined that the proposed sewage field is not appropriate and it may be necessary to relocate or to expand off the site. This variance will provide the applicant the flexibility to install the sewage management system in the optimal location. In the case of the Wood's lot, staff did not track on the change in requirements for the sewage management system when the zoning changed and platting became necessary so the applicant continued to move forward with plans for an off-site sewage management system. While it may be more straightforward to have the sewage system on-site, staff acknowledges that the applicant has moved forward on this project under the assumption that the off-site system was acceptable. Additionally, the applicant for both lots currently controls the surrounding property and is able to complete the necessary assurances to accommodate the systems.

Section 20-813(g)(2) requires that a variance request meet the following criteria:

1. *Strict application of these regulations will create an unnecessary hardship upon the subdivider.*

In both cases, the exact location and type of the sewage management systems are not known at this time. The property owner owns large areas of surrounding property so additional land is available for the off-site sewage systems. Allowing the use of the easement or other mechanism for the 'off-site' system allows more flexibility in the location of the systems. Requiring the applicant to replat the property in order to keep the sewage system on site would also require the rezoning of additional land. These steps would create an unnecessary hardship in this case, as additional land is readily available and currently under the same ownership.

2. *The proposed variance is in harmony with the intended purpose of these regulations.*

The purpose of the requirement for on-site sewage management systems is to insure that the land for the sewage management system and for an additional system in the event the primary system fails, remains available to the facility. While platting the property to include the sewage management system is the most straightforward process, the easement or other mechanism proposed in this case will result in the same assurance.

3. *The public health, safety and welfare are protected.*

The drip irrigation system being utilized for Lot 2 would be permitted by the Douglas County Health Department if used. The lagoon system being utilized for Lot 1 would be permitted and regulated by the Kansas Department of Health and Environment if used. The Health Department has indicated that they would approve both these methods for providing sewage management. The Health Department indicated that an easement or other mechanism such as a long term lease would be acceptable to insure the land needed for the off-site system would remain available to the facility.

E. SUMMARY

In Staff's opinion, the 3 criteria have been met, and staff recommends the granting of the variance with the following condition: Easements, or other mechanisms acceptable to the Health Department and County Counselor, for property containing the off-site sewage management system and its connection to the platted lot(s) shall be dedicated by separate instrument or recorded with the Register of Deeds.

paulwerner
ARCHITECTS

December 15, 2010

Mary Miller
City of Lawrence Planning Dept.
6 East 6th Street
Lawrence, KS 66044

Dear Mary,

On behalf of the owners of Rockwall Farms Addition, Lots 1 & 2, we are requesting a variance from Section 20-811(d)(3) which states "Community sewage collection and treatment facilities (including lagoons) must be provided for subdivided or newly created lots or parcels in the Urban Growth Areas or for any other newly created lots not suitable for an on-site sewage management system."

We are requesting a variance from this requirement for both proposed lots in Rockwall Farms Addition. Two previously approved site plans for "The Woods a Corporate Retreat" included the approval of off-site sanitary sewage management by both the Lawrence/Douglas County Planning Dept. and the Douglas County Health Department.

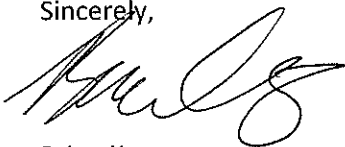
From the very beginning of site planning and platting both lots in this subdivision we operated under the premise, and in agreement with the Douglas Co. Dept. of Health, that off-site sewage management would be allowed as long as proper agreements were drawn and recorded at the Register of Deeds to allow for future maintenance, access, and use of the ground in which these systems would be installed.

We have attempted, on the latest site plan submittal, to move the sewage management system for Lot 2 to a location on the lot. The planned location we have shown is not ideal as it doesn't allow much space between the laterals for maintenance, and it doesn't allow for size fluctuation or expansion of the system if needed. These reasons are enough, in my opinion, to warrant the variance.

Ideally it would be great to revise the plat and site plans for the entire subdivision to accommodate these systems on-site, but due to several issues related to timing for the project on Lot 2 it simply can't happen. Granting the variance from the requirement for Lots 1 and 2 would protect the viability of the projects and keep them moving forward.

If you have any questions or need additional information, please don't hesitate to call me.

Sincerely,



Brian Kemp

Office : 123 W. 8th Street Suite B2 : Lawrence, Kansas : 66049
Mail : PO BOX 1536 : Lawrence, Kansas : 66044-8536
PHONE: 785.832.0804 FAX: 785.832.0890

Memorandum

Lawrence-Douglas County

Metropolitan Planning Office

TO: Board of County Commissioners

FROM: Mary Miller, Planner

**CC: Craig Weinaug, County Administrator
Scott McCullough, Planning Director**

Date: December 7, 2010

RE: Effect of change in Build Out Plans from the 'lot' to the 'block' level on the preparation costs for a Certificate of Survey within the UGA.

Five Certificates of Survey for property within the UGA have been submitted since the adoption of the 2006 Subdivision Regulations (Figure 1 and Table 1). In September of 2008, following the completion of a few Certificates of Survey in the UGA, the County Commission requested information on the preparation cost of a Build Out Plan in relation to the overall cost of the Certificate of Survey. Taylor Design Group had recently completed a Certificate of Survey [CSU-4-1-08] which included a build out plan. The property owners for that application indicated that the charge for the Build Out Plan was roughly the same as for the Certificate of Survey. In October of 2008, the County Commission initiated a text amendment [TA-10-17-08] to allow the Build Out Plans to be designed at the 'block' level rather than the 'lot' level with the intention of reducing the cost of the Build Out Plan while maintaining the planning function it provides. This memo will outline the Code requirements for a Build Out Plan, discuss the planning function of the build out plan and discuss various options for further reducing the relative cost of the Build Out Plan.

Code Requirements for a Build Out Plan

The requirements for Build Out Plans are found in Sections 11-104 and 11-105 of the County Code. A Build Out Plan must be submitted with a Certificate of Survey application for property within the UGA. The Build Out Plan must illustrate the following:

- A realistic future urban block layout,
- The layout of future street/roads,
- Block level easements, and
- Locations of building envelopes for each RDP that are respective of the future urban street and block layout.

Certificates of Survey for property within the UGA must contain dashed lines showing the block layout of the Build Out Plan

The Code also requires that a Restrictive Covenant be filed with the Certificate of Survey for properties within the Urban Growth Area. The Restrictive Covenants are required to:

- Incorporate the Build Out Plan by reference
- Include the Build Out Plan as an exhibit
- Require future division of the Residential Development Parcels to conform to the Build Out Plan, and

- Restrict the location of structures to building envelopes that avoids interference with planned future street/roads, easements and setbacks.

Planning Function of the Build Out Plan

The purpose of a Build Out Plan is to provide a feasible arrangement for subdivision of the subject property which will accommodate future division into an urban layout. Build Out Plans will limit the placement of structures to insure the ability to extend local, collector and arterial streets throughout the area. When a Build Out Plan is included with the Certificate of Survey, either shown on the Survey with dashed lines or recorded as a second page of the Survey, the plan will be linked to the County GIS map. It is possible for Planning staff to select a certificate of survey on the GIS map and pull up the Build Out Plan. This will be very useful as additional Certificates of Survey are completed through the Urban Growth Area. Using the Build Out Plans, development in the area can be coordinated and designed so that streets can be laid out in a reasonable and continuous fashion. This allows the property to develop as it is currently zoned while insuring that the current development will not hinder or negatively impact future urban development on the property.

Change in the Price of a Build Out Plan when Designed to the Block Level

In response to the Board's request for additional information on the impact of the change in regulations on the cost of the Build Out Plan, staff contacted Dean Grob of Grob Engineering as Grob Engineering prepared all the Certificates of Survey in the UGA since the regulations were revised. Mr. Grob confirmed that designing to the 'block' rather than the 'lot' level reduced the cost of the Build Out Plan. He indicated that where formerly a Build Out Plan cost approximately the same as the Certificate of Survey to prepare; designing to the block level reduced the cost to approximately 50% of the cost of the Certificate of Survey.

Mr Grob stated that the cost of the Build Out Plan could be reduced further if the Build Out Plan was not required to be an engineered document which is shown on the Certificate of Survey and recorded on a separate mylar sheet. He felt the cost could be reduced to as low as 25% of the Certificate of Survey if the Build Out Plan was designed as a conceptual document and included in the restrictive covenants but not included with the Certificate of Survey.

Options:

- 1) Continue with the current regulations which require that the Build Out Plan be shown on the Certificate of Survey and included as an exhibit with the Restrictive Covenants and continue with the current policy of requiring a separate mylar sheet which shows the build out plan separately.**
- 2) Continue with the current regulations but change policy requiring a separate mylar sheet for the Build Out Plan. The Build Out Plan would still be shown on the mylar for the Certificate of Survey and would still be included in the Restrictive Covenants.**
- 3) Revise the regulations to allow the Build Out Plan to be a conceptual document which is included in the Restrictive Covenants, but not shown on the Certificate of Survey or included as a separate mylar sheet.**

In staff's opinion, showing the Build Out Plan on the Certificate of Survey is important, as the information is then readily available to staff as well as the property owner, or potential buyers. The Build Out Plans are important as they provide for future street layouts by allowing staff to determine if Build Out Plans being designed on adjoining or nearby properties are compatible and allows property owners to properly locate structures on the property. Staff does not recommend

removing the requirement to show the street and block layout on the Certificate of Survey but would have no objection to revising the current policy of requiring a separate mylar sheet for the Build Out Plan to be recorded with the Certificate of Survey; however, this change would have minimal effect on the overall cost of the Certificate of Survey.

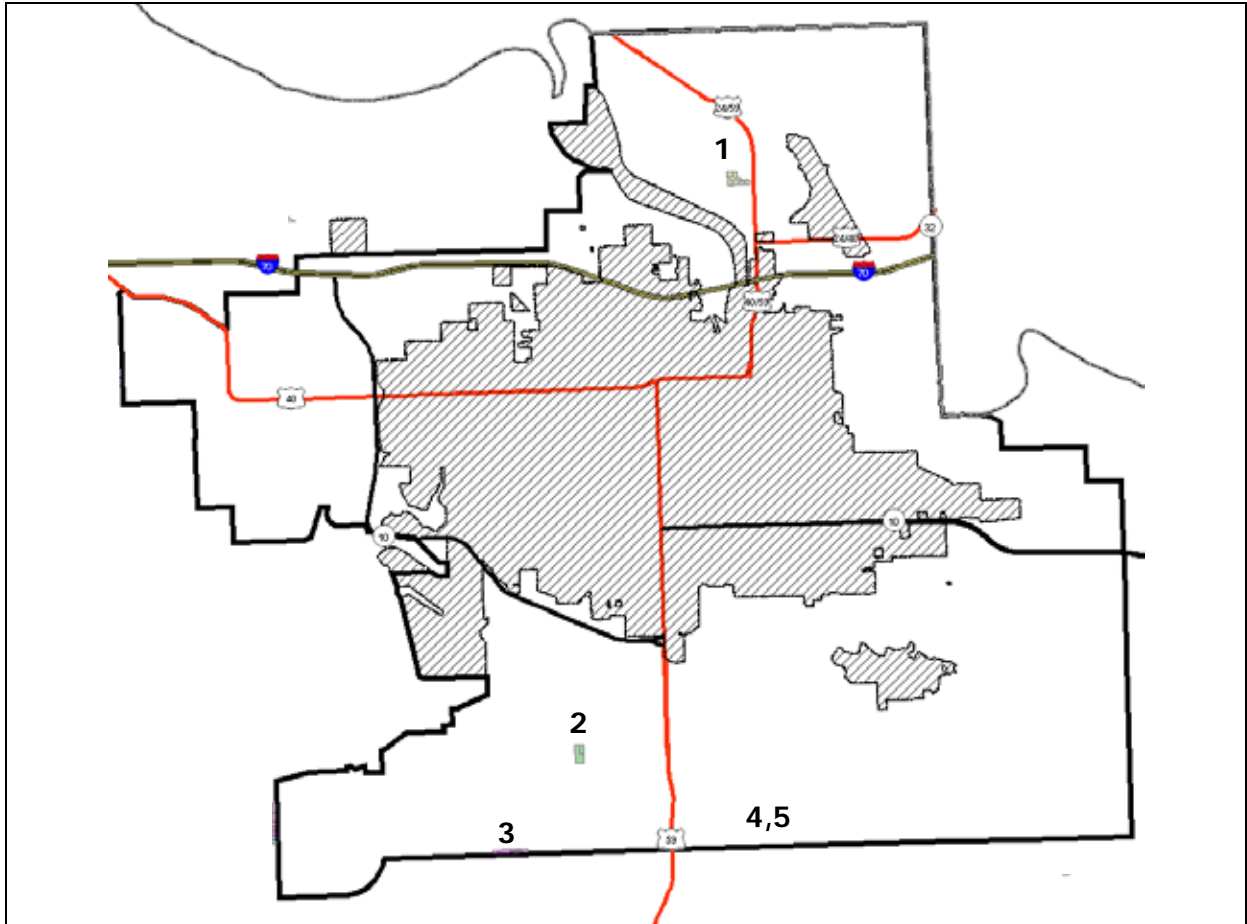
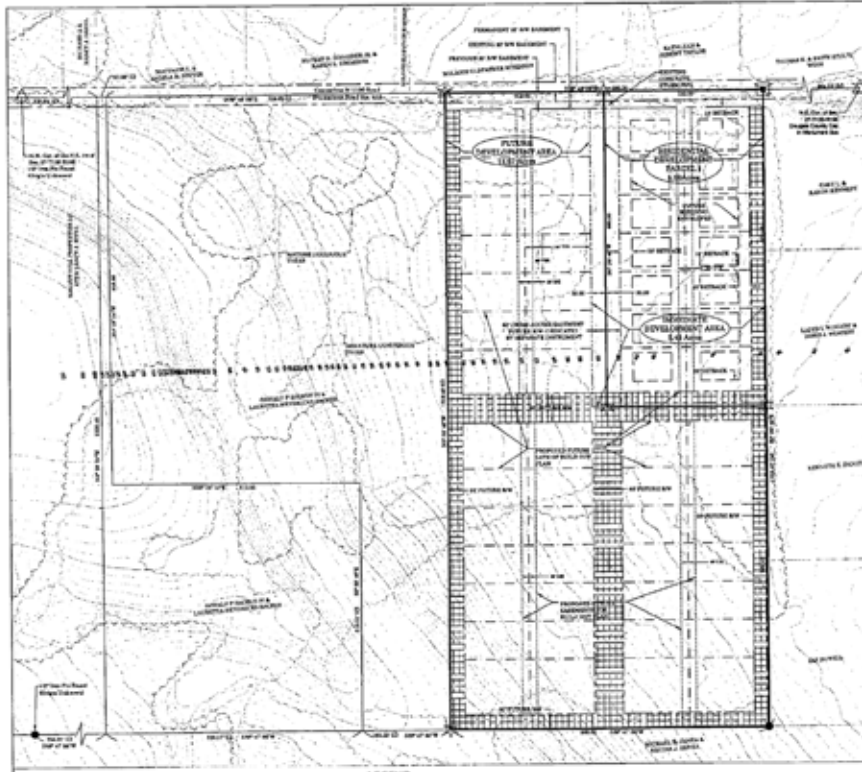


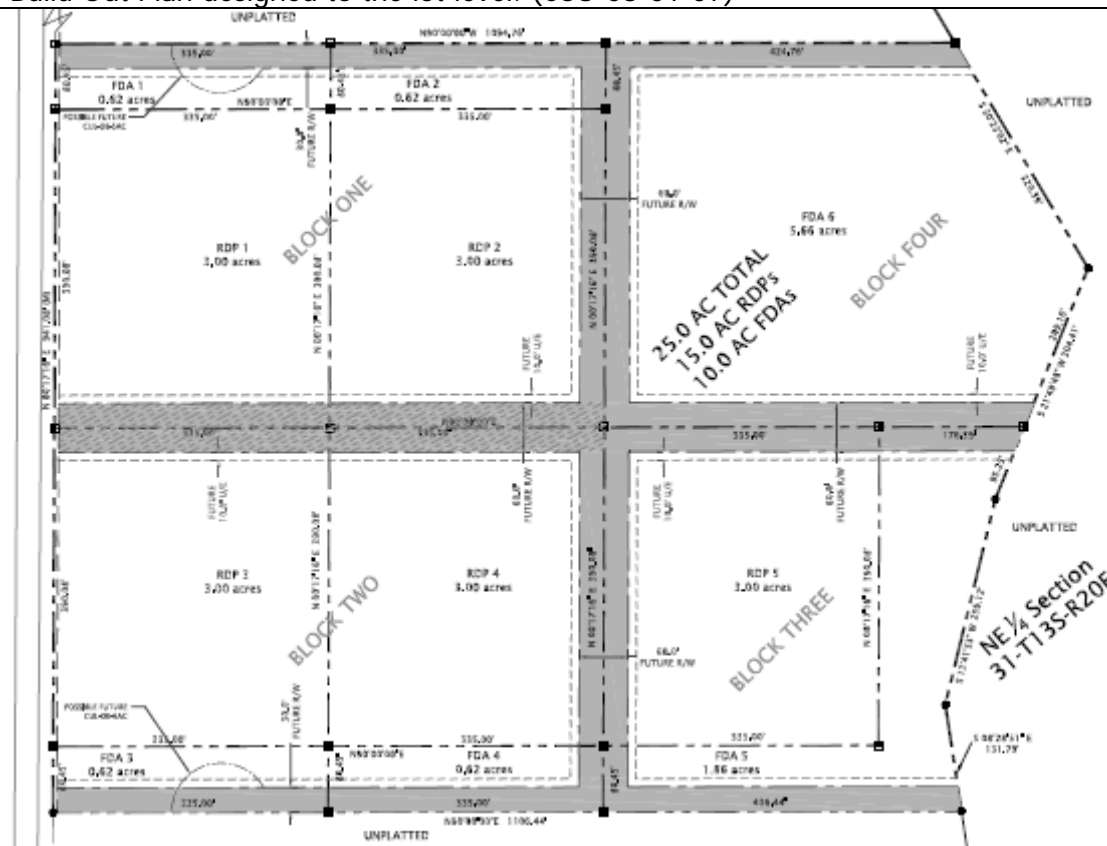
Figure 1. Map of UGA showing approved Certificates of Survey
1=CSU-3-2-07; **2**=CSU-8-1-07; **3**=CSU-4-1-08
4 and **5** marks the location of Certificates of Survey that have not yet been recorded

YEAR	FILE ID	TYPE	# OF RDP	TOTAL ACREAGE	FIRM
2006	--	--	--	--	--
2007	CSU-3-2-07	Cluster	5	25.72	Grob Engineering
	CSU-8-1-07	Cluster	1	20.13	Grob Engineering
2008	CSU-4-1-08	Cluster	1	20.16	Taylor Design Group
2009	--	--	--	--	
TA adopted in Feb 2009 to revise build-out plans to require design at BLOCK rather than LOT level.					
2010	CSU-3-1-10	Cluster	5	25	Grob Engineering
	CSU-3-2-10	Cluster	4	20	Grob Engineering
TOTAL			16	~111	

Table 1. Certificates of Survey within the UGA



Build Out Plan designed to the lot level. (CSU-08-01-07)



Out Plan designed to the block level (CSU-3-1-10).

Figure 2. Examples of Build out Plans