

BOARD OF COUNTY COMMISSIONERS OF DOUGLAS COUNTY, KANSAS

WEDNESDAY, JUNE 20, 2012

4:00 p.m.

-Consider approval of the minutes of May 30, 2012

CONSENT AGENDA

- (1) (a) Consider approval of Commission Orders; and
(b) Consider approval to use Lone Star Lake and Marina for the 7th Annual Midwest Mayhem Triathlon to be held July 15, 2012 (Craig Weinaug);

REGULAR AGENDA

- (2) Issue request from City of Lawrence to plat county owned property at East Hills (Dave Corliss/ Representative from Bartlett and West);
-PowerPoint backup-Link with City of Lawrence Website
- (3) Consider participation in the proposed Neighborhood Revitalization Area (NRA) for 810/812 Pennsylvania (the Cider Building and authorize staff to finalize and the Chair to execute a cooperation agreement with the City of Lawrence, USD 497 and the County regarding the NRA. (Diane Stoddard)
- (4) Discussion on proposed Joint Economic Development Council (JEDC)(Craig Weinaug)
- (5) Consider recommendation for GPS/ AVL fleet management system for Public Works (Keith Browning, Doug Stephens, Jackie Waggoner)
- (6) Consider Recommendation to Purchase a New Boiler for the United Way Building (Jackie Waggoner/Doug Stephens)
- (7) Other Business
 - (a) Consider approval of Accounts Payable (if necessary)
 - (b) Appointments
 - (c) Public Comment
 - (d) Miscellaneous

RECESS

RECONVENE

6:35 p.m.

- (8) Presentation from Fair Grounds CIP Committee - Backup to follow on Monday

- (9) Adjourn

WEDNESDAY, JUNE 27, 2012

4:00 p.m.

6:35 p.m.

-Conduct Public Hearing to consider adoption of Assessment Resolution for Yankee Tank dam improvements

WEDNESDAY, JULY 4, 2012 – Cancelled

MONDAY, JULY 9, 2012

8:00 a.m. – 12:00 p.m. – Budget Hearings

TUESDAY, JULY 10, 2012

8:00 a.m. – 12:00 p.m. – Budget Hearings

WEDNESDAY, JULY 11, 2012

FRIDAY, JULY 13, 2012

12:00-1:00 P.M. – Annual Orientation/Training Session (luncheon) with the City Commission to discuss role and expectations of the Planning Commission (City Hall)

MONDAY, JULY 16, 2012

8:00 a.m. – 12:00 p.m. – Budget Hearings

TUESDAY, JULY 17, 2012

8:00 a.m. – 12:00 p.m. – Budget Hearings

WEDNESDAY, AUGUST 8, 2012

6:35 p.m. -Public Hearing for the 2013 Budget

***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.*

Midwest Mayhem Triathlon L.L.C.

Douglas County Commissioners
C/O Craig Weinaug

RE: 7th Annual Midwest Mayhem Triathlon, July 15th, 2012

Dear Commissioners,

The Midwest Mayhem Triathlon L.L.C. would like to request permission for the use of Lone Star Lake and Marina. The use of the Lake and Marina will be for the 7th Annual Midwest Mayhem Triathlon. This would be the 7th year that the Midwest Mayhem Triathlon has been hosted at Lone Star Lake. We would like to request full closure of the Marina from Saturday, July 14th, 2012 starting at 8:00 A.M. until Sunday, July 15th, 2012 at 1:00 P.M.

We will provide the proper signage to be posted at Lone Star Lake prior to the event to ensure that the general public is aware of the closure. This signage has been very affective in previous years. We have spoke with Under Sheriff Steve Hornberger about the details of the event for 2012 and the Douglas County Sheriff's Office is on board to work with this event again. Steve will confirm the exact number of officers for the County Commissioners. All event maps and details can be found at www.midwestmayhemtriathlon.com Feel free to contact me any time. Thank you for your time and consideration.

Sincerely,

Bill Marshall
Race Director
Midwest Mayhem Triathlon
bill@thewi2.com
(913) 638-2166

CERTIFICATE OF INSURANCE

DATE: 5/17/2012

CERTIFICATE NUMBER: 20120517082963

AGENCY:

Entertainment & Sports Insurance eXperts (ESIX)
5660 New Northside Drive, Suite 640
Atlanta, Georgia 30328
Phone: 678-324-3300 Fax: 678-324-3303

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

NAMED INSURED:

USA Triathlon Bill Marshall
5825 Delmonico Drive
Colorado Springs, Colorado 80919-2401

INSURERS AFFORDING COVERAGE:

INSURER A: AXIS Insurance Company (NAIC# 37273)

EVENT INFORMATION:

Midwest Mayhem Triathlon (7/15/2012 - 7/15/2012)

POLICY/COVERAGE INFORMATION:

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INS	TYPE OF INSURANCE:	POLICY NUMBER(S):	EFFECTIVE:	EXPIRES:	LIMITS:
A	GENERAL LIABILITY				
	X COMMERCIAL GENERAL LIABILITY	AXGL04100260-11	12/1/2011 12:01 AM	12/1/2012 12:01 AM	GENERAL AGGREGATE (Applies Per Event) \$2,000,000
	X Occurrence				EACH OCCURRENCE \$1,000,000
	X Participant Legal Liability				DAMAGE TO RENTED PREMISES (Each Occ.) \$1,000,000
					MEDICAL EXPENSE (Any one person) EXCLUDED
					PERSONAL & ADV INJURY \$1,000,000
					PRODUCTS-COMP/OP AGG \$2,000,000

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS:

The certificate holder is an additional insured, as required by written contract or written agreement, but only for liability arising out of the negligence of the named insured, but only with respect to the USAT sanctioned or approved event specified on this certificate.

CERTIFICATE HOLDER:

Douglas County
1100 Mass Street
Lawrence, Kansas 66049

NOTICE OF CANCELLATION:

Should any of the above described policies be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions.

AUTHORIZED REPRESENTATIVE:



July 15th, 2012, Lone Star Lake, Lawrence, Kansas

Driving Directions [\[View Map\]](#)
 Transition [\[View Map\]](#)
 Event Parking [\[View Map\]](#)

*All courses and distances are subject to change. The distances listed are pending per city and county approval.

Long Course Tri

Swim: 1.5 KM [\[View Map\]](#)
 Bike: 40 KM [\[View Map\]](#)
 Run: 5.96 Miles [\[View Map\]](#)

Long Course Relay Tri

Swim: 1.5 KM [\[View Map\]](#)
 Bike: 40 KM [\[View Map\]](#)
 Run: 5.96 Miles [\[View Map\]](#)

For the safety of each athlete cut-off times have been set in place for all Long Course Events. Each athlete will be given a set time that they must complete each portion of the event. If an athlete exceeds the time limit set for any portion of the event, the event staff reserves the right to remove the athlete from the course.

All Long Course Cut-Off Times

- Swim: 1 hour from start of your respective heat. Each athlete will be given 1 hour to complete the swim.
- Bike: 2 hours from the start of when the athlete leaves transition to start the bike portion of the event.
- Run: 1.5 hours from the start of when the athlete leaves transition to start the run portion of the event.

Short Course Tri

Swim: 500 Meters [\[View Map\]](#)
 Bike: 11.4 Miles (2 laps) [\[View Map\]](#)
 Run: 3.1 Miles [\[View Map\]](#)

Short Course Relay Tri

Swim: 500 Meters [\[View Map\]](#)
 Bike: 11.4 Miles (2 laps) [\[View Map\]](#)
 Run: 3.1 Miles [\[View Map\]](#)

SCHEDULE OF EVENTS

- 5:30 A.M. Athlete Body Marking & Chip Pick-up begins.
- 6:30 A.M. Swim Course open.
- 7:00 A.M. Full closure of the entrance in and out of Lake Miola. Traffic will not be allowed in or out of the venue after this time until the races are completed. All spectators will need to arrive at the proposed time due the road being closed for the event and safety reasons.
- 7:15 A.M. Swim Course will close. Athlete Body Marking & Chip Pick-up ends.
- 7:30 A.M. Long Course Triathlon start. The Short Course Triathlon and Short Course Relay will start immediately following the last heat of the long course. This will be approximately at 8:00 A.M.
- Please follow all parking signs and all parking attendants.

AWARDS AND AGE GROUP RANKINGS

Overall Awards

All athletes are eligible for Overall Awards that are provided by the event sponsors. If any athlete places in the Top 5 Overall all they are no longer eligible for their respective age group rankings. They will be taken out of their respective age groups at that time. If an athlete places in the top three of their respective age group they will be eligible for age group rankings.

- Overall Awards: 1st – 5th Place Male & Female
- Long Course Triathlon, Short Course Triathlon
- All Overall prizes will be mailed to each athlete when the results become final. Results become final the Monday following the event at 5:00 P.M. CST.

Age Group Rankings

Age Group Rankings: 1st – 3rd Place: Male & Female / Long Course Triathlon, Short Course Triathlon & Duathlon
There are NO AGE GROUP AWARDS OR PRIZES. There are however Age Group Rankings only.

Clydesdale Rankings: 1st – 3rd Place: Male Only / Long Course Triathlon, Short Course Triathlon & Duathlon

Team Competition Rankings: 1st – 3rd Place: Male Only Team, Female Only Team & Co-ed Team
Long Course Triathlon & Short Course Triathlon

The age groups are as follows (Male & Female):

13-19, 20-24, 25-29, 30-34, 35-39, 40-44, 45-49, 50-54, 55-59, 60-64, 65-69, 70-74, 75-79, 80-84, 85+

*Awards are not provided for the age group rankings.



DOWNLOAD USAT RACE RULES (PDF)

WEATHER / CHECK RETURN POLICIES

In the event of weather that may cause any events to be delayed or canceled the following protocol will be followed.

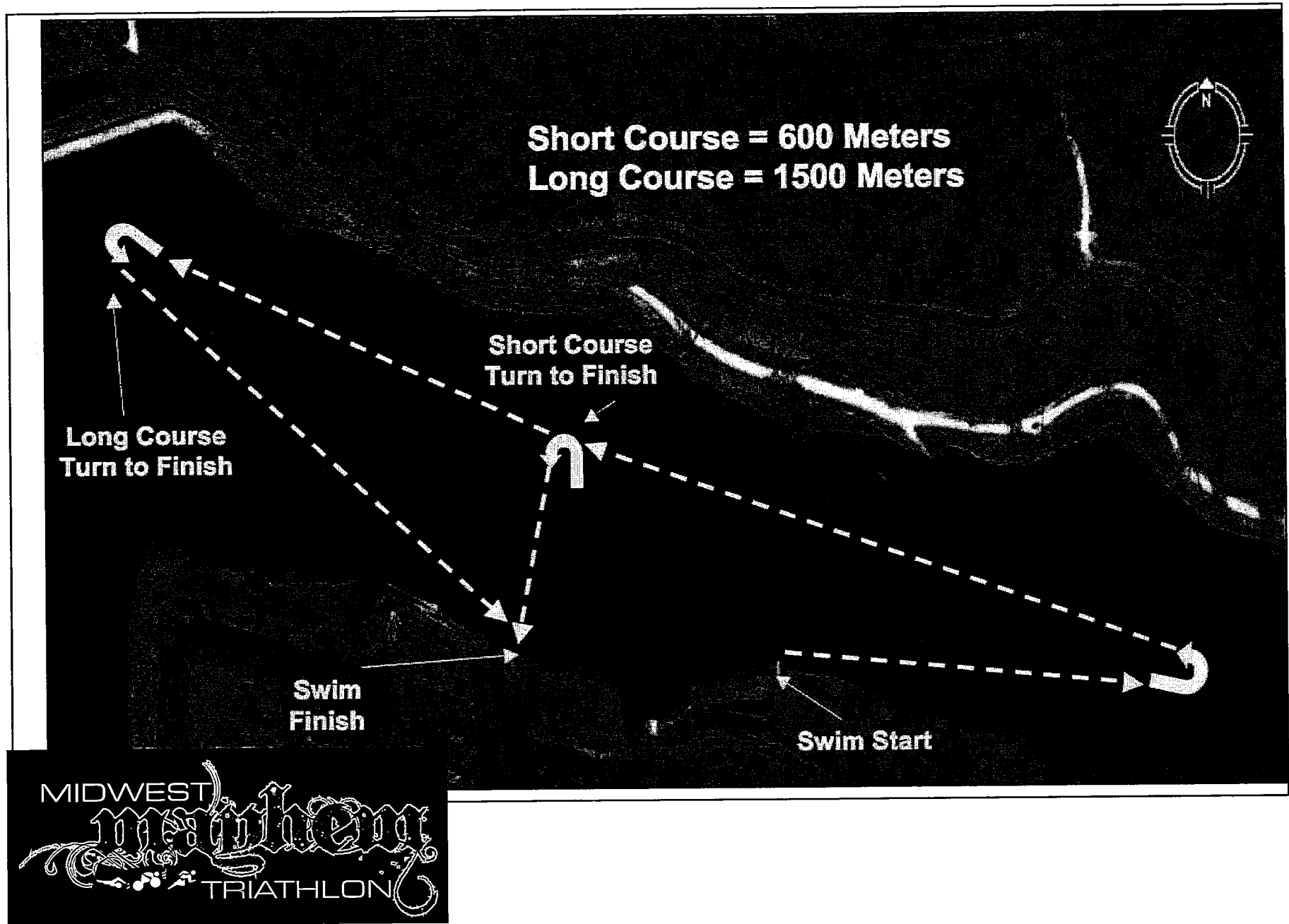
- A safety assessment of the weather at race time will be determined by our staff and local law enforcement.
- If the our staff or local law enforcement agencies feel it is unsafe to compete, the race will be delayed 15 min.
- After the 15 mins has passed another assessment will be conducted at that time.
- If our staff and local law enforcement agencies feel it is safe the race will then be started.
- In the event that the weather does not allow the event to start after the first 15 min delay and second and final 15 min delay will be put in place.
- After the second 15 min delay has passed and it is safe to compete the race will then be started.
- In the event that the weather does not allow the event to start after the second 15 min delay the race will then be canceled.
- Upon the cancellation of the event it will not be rescheduled for that calendar year.
- Under no circumstances will refunds be offered due to an event being canceled because of weather.

NO REFUNDS WILL BE ALLOWED FOR ANY OF OUR EVENTS, REGARDLESS OF THE REASONS. IF AN ATHLETE REGISTERS FOR ANY OF OUR EVENTS AND CAN NOT ATTEND DUE TO ILLNESS, INJURIES OR PERSONAL REASONS YOUR REGISTRATION FEE WILL NOT BE TRANSFERRED TO ANOTHER OF OUR EVENTS, NOR WILL A REFUND BE ALLOWED. PLEASE READ EACH REGISTRATION STEP THOROUGHLY BEFORE PROCEEDING TO THE NEXT STEP. THIS IS A STANDARD OPERATION PROCEDURE OF ALL OF OUR EVENTS AND BIKE REG.COM.

- **Return Check Policy:** In the event of an athlete having a returned check because of insufficient funds the following will occur.
- A \$30 Fee will be assessed in addition to the registration fee.
- The total amount due will need to be in the form of a Money Order or Certified Check.
- Athletes have 30 days to resolve the issue or an additional fee of \$30 will be assessed.

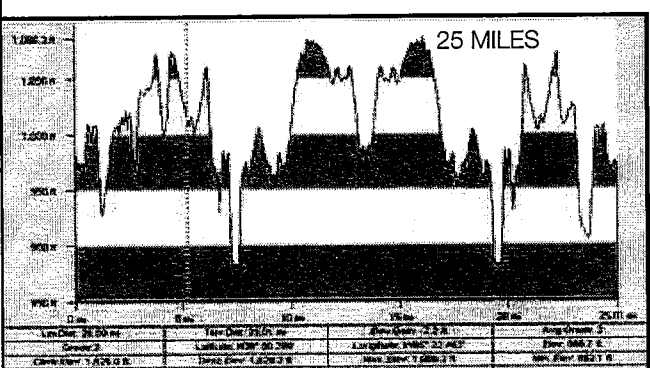
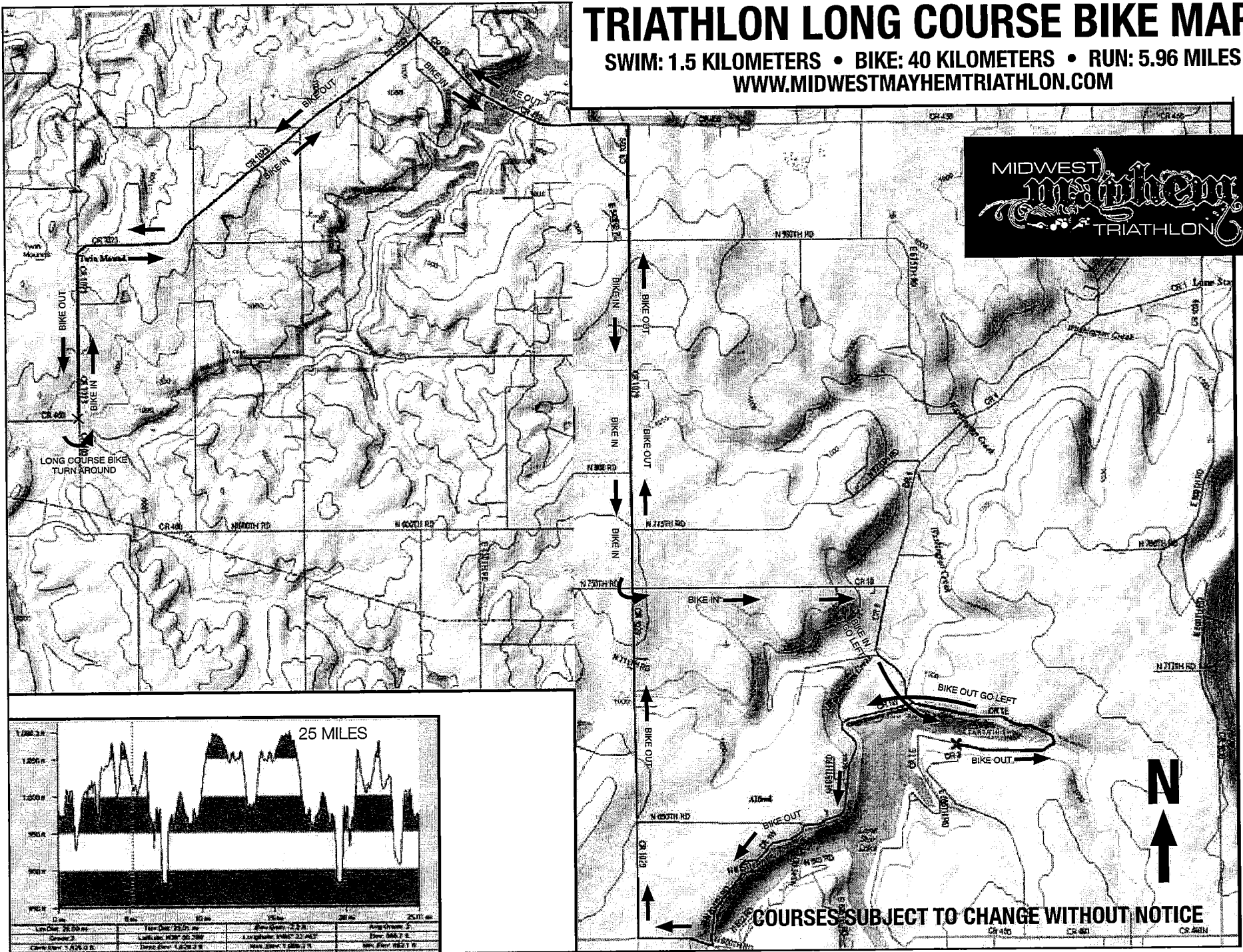


SWIM COURSE MAP



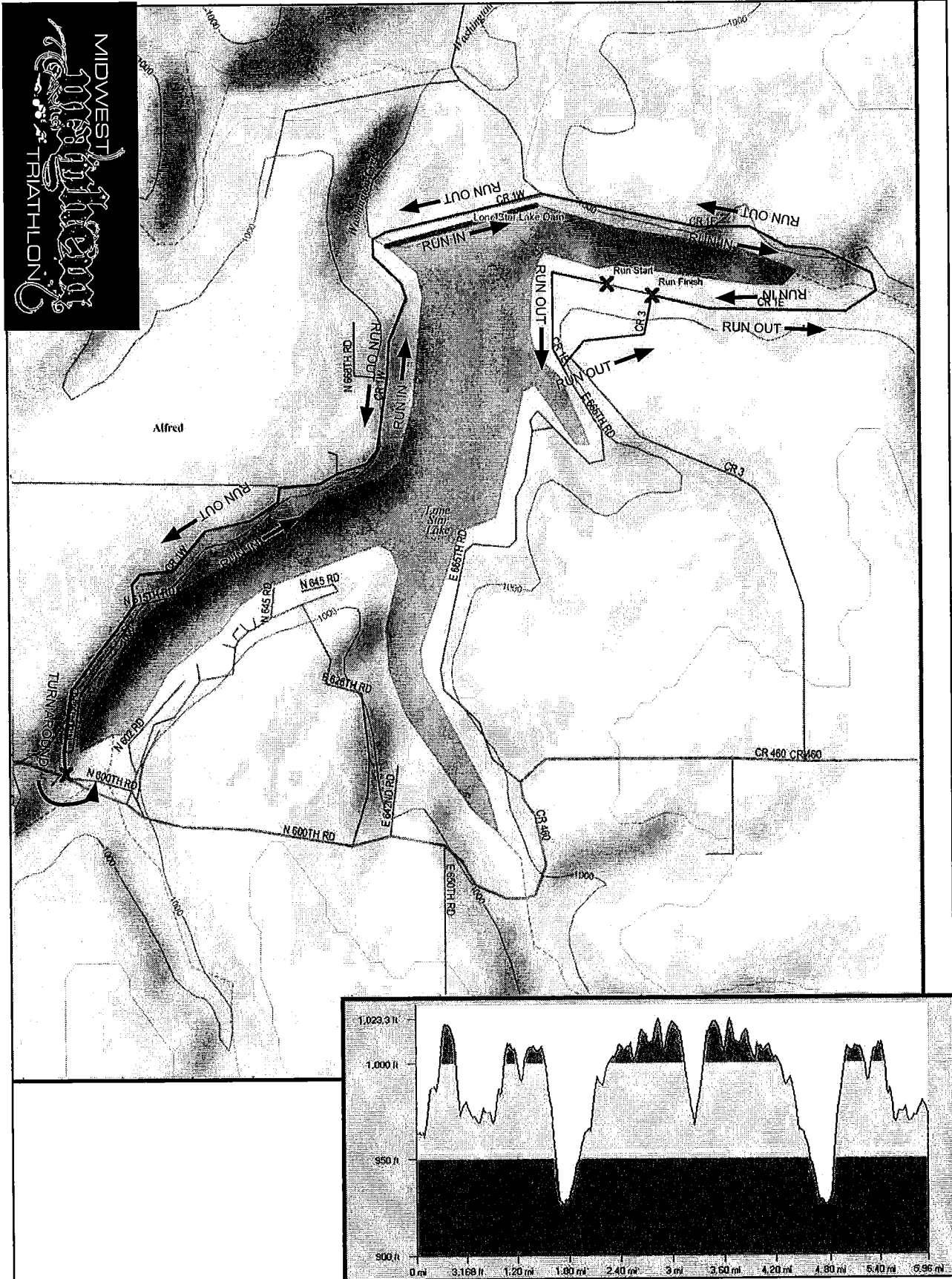
TRIATHLON LONG COURSE BIKE MAP

SWIM: 1.5 KILOMETERS • BIKE: 40 KILOMETERS • RUN: 5.96 MILES
WWW.MIDWESTMAYHEMTRIATHLON.COM



COURSES SUBJECT TO CHANGE WITHOUT NOTICE

TRIATHLON LONG COURSE RUN MAP



SWIM: 1.5 KILOMETERS • BIKE: 40 KILOMETERS • RUN: 5.96 MILES

WWW.MIDWESTMAYHEMTRIATHLON.COM • COURSES SUBJECT TO CHANGE WITHOUT NOTICE

AD - Weinaug, Craig

From: PW - Browning, Keith
Sent: Monday, February 06, 2012 12:00 PM
To: AD - Weinaug, Craig
Cc: PW - Stephens, Doug
Subject: RE: Schedule

Craig,

We have no projects scheduled this year along the proposed routes. However, as you said we will need to inspect roads following winter to determine what or if any maintenance is required. I would think we'll be able to work around those dates.

Keith

Keith A. Browning, P.E.
Douglas County Public Works Director/County Engineer
1242 Massachusetts
Lawrence, KS 66044
785-832-5293
browning@douglas-county.com

From: AD - Weinaug, Craig
Sent: Monday, February 06, 2012 11:43 AM
To: PW - Browning, Keith; SH - McGovern, Ken
Subject: FW: Schedule

Keith and Ken:

Any preliminary comments on this route or date? Note that I told Bill we could not approve the route for sure until the winter weather was over.

Craig

From: BILL MARSHALL [<mailto:bill@thewi2.com>]
Sent: Monday, February 06, 2012 11:22 AM
To: AD - Weinaug, Craig
Subject: Re: Schedule

Thanks Craig. Below is the date of the event and links to the course maps. The courses would remain the same, times would remain the same, officer locations would stay the same unless the Sheriff's Department state otherwise. Per one of our chats one thing I'm changing on my end is I will have trash dumpster delivered for the event to minimize the amount of trash overflow from the event. In the past we always clean-up but, Mother Natures creatures get into the barrels. I have also attached the official request letter for you. Thanks.

Midwest Mayhem Triathlon
July 15th, 2012
Lone Star Lake

Maps: <http://www.midwestmayhemtriathlon.com/RACEINFO/index.html>

On 2/6/12 10:59 AM, "Craig Weinaug" <Weinaug@douglas-county.com> wrote:

Why don't we start with a summary of your preferred date and course. I'll talk to public works and the Sheriff to identify any issues. We won't know all of planned road maintenance activities until later this spring when the threat of winter weather has passed, but we may be able to get some preliminary approvals.

Craig

From: BILL MARSHALL [<mailto:bill@thewi2.com>]

Sent: Friday, February 03, 2012 7:01 PM

To: AD - Weinaug, Craig

Subject: Schedule

C,

What's your schedule like next week to chat about the Midwest Mayhem. I know we've been trying to link up but, it's been tough getting to Lawrence because work and the kiddos. If I can save my self the drive and time it would be a big help. Hope all is well for you and I look forward to chatting with you.

This_email_has_been_scanned_by_the_MessageLabs_Email_Security_System.

Status Report: Opportunities for sustainability and green design elements at Farmland –June 2012

The redevelopment of the former Farmland Industries site represents an opportunity for the City to simultaneously remediate a contaminated industrial site, while creating economic development opportunities and primary jobs. The master planning process currently includes a focus on renewable energy opportunities for on-site green power, and best practices for stormwater management.

The redevelopment of Farmland into a “green” business park also provides significant opportunity for the City to expand our vision to include pilot projects of various sustainable building and design elements. By piloting these projects out at the Farmland site, the City will have the opportunity to study sustainable building practices for incorporation into future City projects. Also, many of these elements will provide LEED credits for interested business park occupants, and could support their green-building plans as well.

Below is an overview of the sustainability projects currently being researched for the former Farmland site, and a list of potential pilot projects to consider as well.

Projects Currently in Research or Design Stage:

1. Renewable energy for on-site green power:

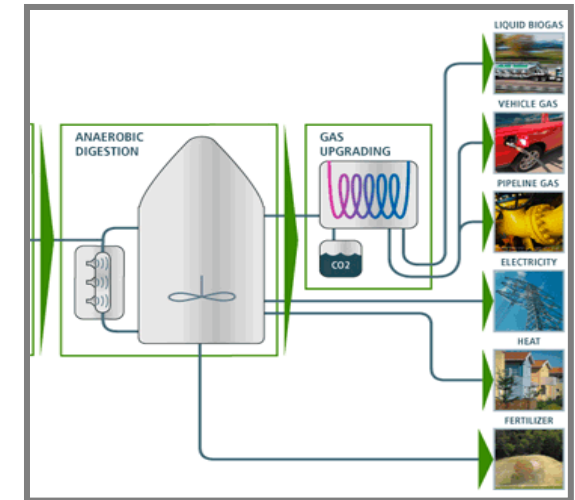
Solar photovoltaic panels for electricity generation on site.

- **Scale:** Depends upon future tenants and power needs. Options include sizing system to current load of stormwater and mitigation pumps, or building a larger system and entering a Purchase Power Agreement with Westar Energy (currently paying 2.9cents/kWh).
- Current annual load used by mitigation/stormwater pumps: 264,000 kWh (\$32,920)
Utilities’ pump station #25: 40,000 kWh (\$5,000)
- **Location Options:**
 - SE of water tank (1.7 MW array) \$10.5 million
 - Over capped ponds (1.1 MW array and 1.5 MW array options) \$7-9.5 million
- **Lead Contact:** CDM-Smith Mike Beezhold & Cambridge Office
- **Next Steps:** Eileen will continue to research PPA options, and potential for selling commercial tax credits. CDM-Smith will propose a system sized to city-owned loads (irrigation pumps, pump station #25).



Biogas production at wastewater treatment plant.

- **Scale:** Two options: (1) Utilize biogas from existing biosolids at plant (generates 200-250 kW), or (2) increase biogas by adding food waste to biosolids (adds approximately 20-30kW).
- **Source of biomass:** Identified industrial partners (i.e. Del Monte) or institutional food service providers (i.e. KU Dining Services or County Correctional Facility or Haskell University).
- **Considerations:** The building for the microturbines exist, but would need to purchase generators and gas clean-up equipment. Adding food waste adds significant logistical challenges with transport and processing and additional receiving facilities.
- **Capital Cost Estimates:** Processing only biosolids (\$2 mil). Biosolids + food waste (\$5.5 mil).
- **Lead Contact:** CDM-Smith Scott Carr
- **Next Steps:** B&W and CDM-Smith will research feasibility of industry/WWTP partnership, and calculate Return on Investment for two scenarios.



Algae to biofuels research project on mitigation ponds.

- **Description:** Would utilize nitrogen-rich water in mitigation ponds to grow algae for eventual processing into biofuels. Nearby phosphorous (ICL) also an asset.
- **Scale:** Would be a collaboration b/t City and KU for scaling up of research at WWTP.
- **Lead Contact:** KU Engineering, Dr. Belinda Sturm
- **Next Steps:** Eileen & Dr. Sturm will continue to assess feasibility/funding.



Biomass plant for production of steam heat/electricity or biomass pellets.

- **Scale:** Depends upon future tenants and uses. Options include a biomass steam plant or biomass pelletizing manufacturer.
- **Lead Contact:** Gregg Tomberlin, NREL
- **Next Steps:** NREL will conduct a feasibility analysis of biomass power and provide final written report to city by November (although we can review drafts sooner).



**Note: It is against state law for an entity to provide power in another utility's service territory. The City cannot generate electricity and provide it to business park tenants. However, the option exists to enter into a Purchase Power Agreement with Westar Energy. Further research on this topic remains a key priority.*

2. Complete Streets design elements :

- All streets through business park will be designed with complete streets elements such as bike lanes and sidewalks.
- The main E-W road will also include a 10' recreational path both for commuting and recreational use.
- The N-S road (extension of O'Connell) will include a divided street and landscaped median.



3. Stormwater management best practices:

- Property will include regional detention basin to manage stormwater from site.
- Grass filter strips, sediment forebays, and bioretention (i.e. rain gardens) and other stormwater sustainability best practices will be considered.
- Greenbelt that runs N-S through site will include include vegetation and terracing to slow water flow and improve water quality.
- Water elements and fountains are under consideration for K-10 frontage.



Additional Sustainability Projects for Consideration:

Many of these elements will provide LEED credits for interested business park occupants, and could support their green-building plans.

Transportation:

- Provide a Park-n-Ride lot on site for carpooling commuters.
- Promote alternative fueled vehicles in these lots by providing preferred parking for low emissions and fuel efficient vehicles.
- Promote electric vehicles by providing EV charging stations in the lot.
- Promote bicycle commuting by providing covered bike lockers.
- Provide a T-stop with a covered shelter to encourage bus ridership.



Site Design and Management:

- Protect habitat by leaving undeveloped areas as habitat for wildlife. Establish corridors for wildlife to move through site, and encourage restoration of native prairie habitat.
- Minimize water usage in landscaping design by utilizing xeriscape or other low-water usage techniques.
- Use reflective paving materials to reduce the heat island effect.
- Use open grid pavement in parking lots (aka porous pavers) to allow for infiltration of stormwater.
- Use permeable asphalt on bike paths or commuter lot to reduce stormwater runoff.

- Reduce light pollution by reducing the lighting power density of streetlights, and ensure that all light is cast downward toward street surfaces. Utilize small-scale renewable energy for streetlights (i.e. solar PV).



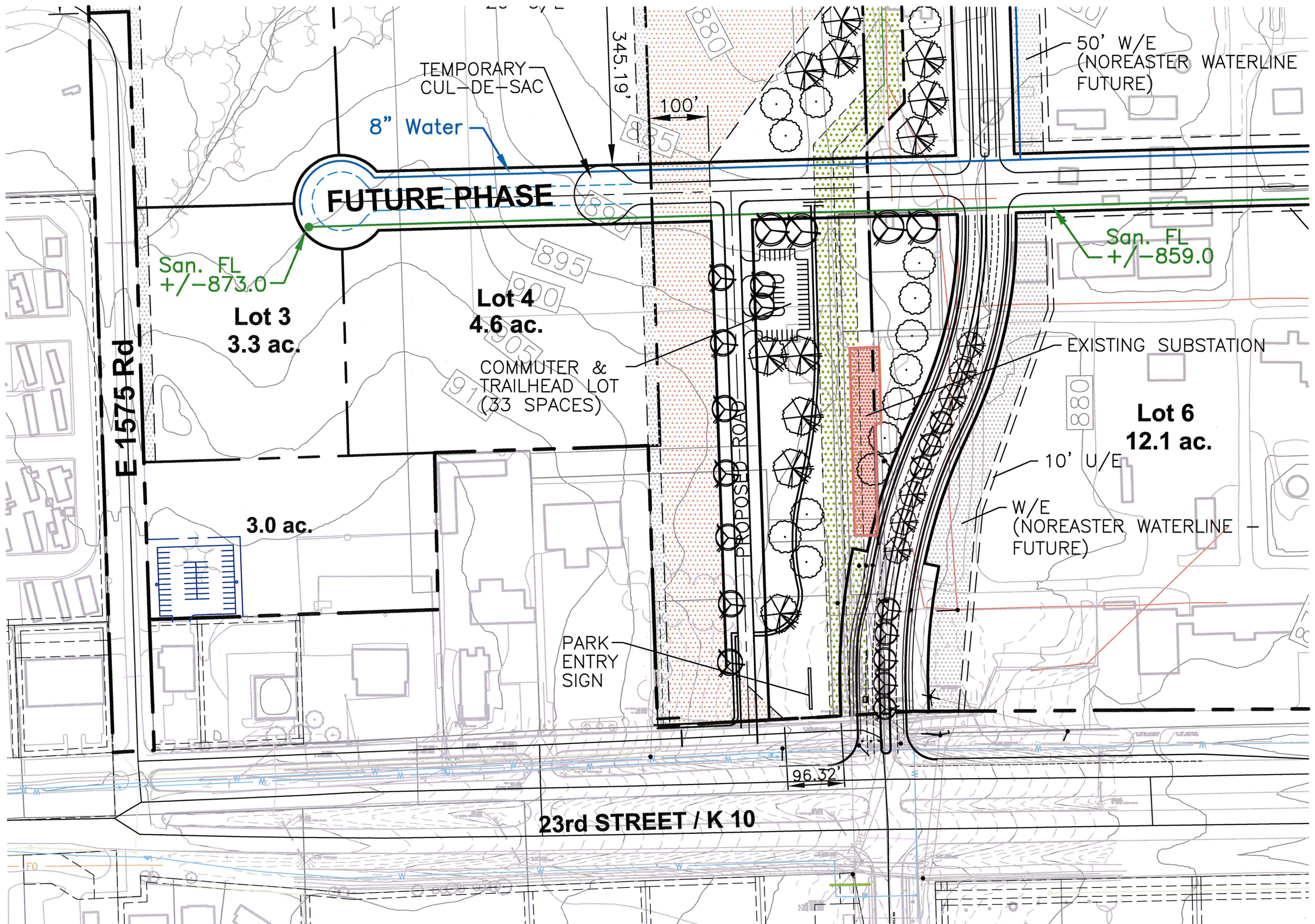
Waste Reduction and Recycling:

- Manage construction and demotion (C&D) waste by builders. Require a C&D Waste Management Plan that identifies:
 - The construction and demolition waste materials that will likely be generated on a building site
 - The procedures that will be used to collect and sort the waste materials
 - Who will haul away the waste material
 - The location to which the materials will be hauled
 - How the materials will be reused or recycled
- Build an on-site recycling aggregation center to encourage business park tenants to recycle.

Miscellaneous:

- Engage community members and recreation path users in sharing the story of the Farmland cleanup and redevelopment. Include signage around the business park educating passersby on the stormwater practices, renewable energy usage, etc.
- Consider providing incentives for businesses locating within the park to be LEED-certified.
- Partner with KU to offer opportunities for research and incubator businesses.
- Build a spec building that is built to LEED standards, and showcases best practices in green buildings.
- Consider small-scale renewable energy:
 - Wind turbine to power front fountain and signage lighting.
 - Solar PV streetlights for streets throughout complex.





FUTURE PHASE

TEMPORARY
CUL-DE-SAC

8" Water

San. FL
+/-873.0

Lot 3
3.3 ac.

Lot 4
4.6 ac.

COMMUTER &
TRAILHEAD LOT
(33 SPACES)

3.0 ac.

PARK
ENTRY
SIGN

PROPOSED ROAD

23rd STREET / K 10

50' W/E
(NOREASTER WATERLINE
FUTURE)

San. FL
+/-859.0

EXISTING SUBSTATION

Lot 6
12.1 ac.

10' U/E

W/E
(NOREASTER WATERLINE
FUTURE)

345.19'

100'

96.32'

895

900

905

910

880

880

880

880

900

F0

Memorandum

City of Lawrence

City Manager's Office

TO: Mayor and City Commission

FROM: City Manager David L. Corliss

Date: May 31, 2012

RE: Update on Infrastructure planning for former Farmland property

As the Commission knows, City staff and the consulting engineering firm of Bartlett and West have been devoting substantial efforts this year in the master planning for the former Farmland property. These efforts have included analysis of possible green/sustainable uses of the property. At this time we would like for the City Commission to review the general concept layout of the property, and if appropriate initiate the platting process for the property. Additional information on the green/sustainable reuses of the property, including green energy analysis, will be provided to the City Commission at a later date.

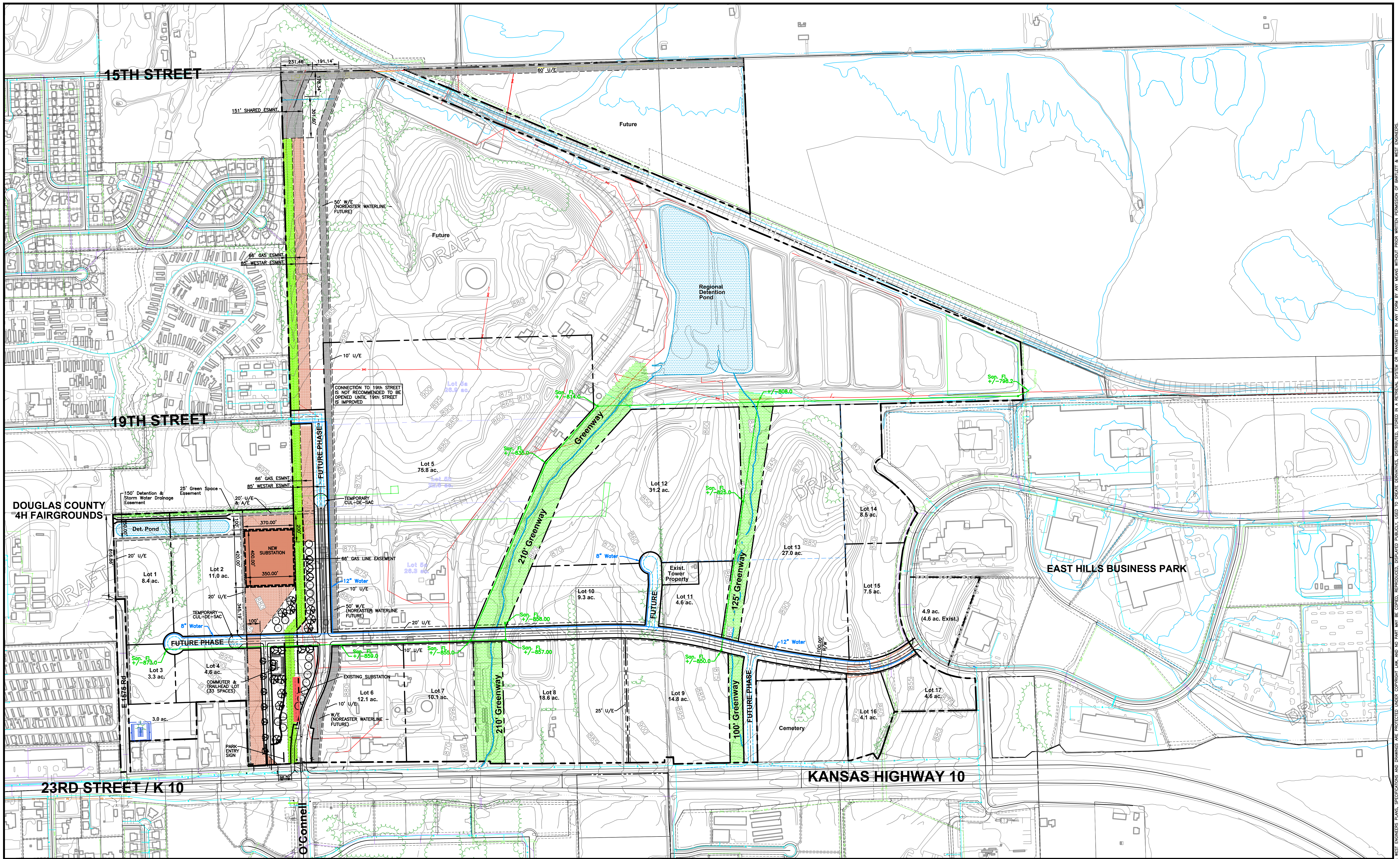
Staff and consultants have conducted a number of public meeting sessions with adjacent property owners, neighborhood representatives and individuals involved in the marketing of industrial/business parks. As a result of these meetings, we believe that the general layout presented meets a number of objectives related to lot sizes, access to 23rd Street, access to infrastructure, and other issues which will make the property an excellent location for future primary job businesses to locate and thrive.

Staff would like Commission views on the proposed concept layout. We have informally presented this information to Douglas County, which owns property to the east of the former Farmland property, and would like to present this general layout to them in a formal setting as their partnership in the platting process will be necessary for the east-west road planning and construction.

Additionally, staff is in discussions with Westar Energy on a possible land exchange to facilitate the replacement of an existing aged substation on the property with a newly located substation. Staff would like to brief the Commission about this project as well.

Action items to be discussed at the June 5 meeting, including permission to discuss the layout with Douglas County, direction to proceed with Westar on the possible land exchange, initiation of the public platting process, and direction to prepare a special assessment benefit district resolution for the construction of the first phase of improvements on the property.

Drawing name: W:\Proj\17000\17586\17586.001\AutoCad\Exhibits for meetings\Neighborhood Exhibit.dwg Layout name: LAYOUT Plotted on: May 31, 2012 - 2:27pm
Last edit on: EDITDATE



BARTLETT & WEST
544 COLUMBIA DRIVE - LAWRENCE KS 66049
PHONE 785.749.9452 - FAX 785.749.5961
WWW.BARTWEST.COM



PROPOSED BUSINESS PARK AT FARMLAND PROPERTY

LAWRENCE, KANSAS

SCALE: 1"=300'
DATE: 05-08-12

ALL RIGHTS RESERVED. ALL BARTLETT & WEST ENGINEERS PLANS, SPECIFICATIONS AND DRAWINGS ARE PROTECTED UNDER COPYRIGHT LAW, AND NO PART MAY BE COPIED, REPRODUCED, DISPLAYED PUBLICLY, USED TO CREATE DERIVATIVES, DISTRIBUTED, STORED IN A RETRIEVAL SYSTEM OR TRANSMITTED IN ANY FORM BY ANY MEANS WITHOUT PRIOR WRITTEN PERMISSION OF BARTLETT & WEST ENGINEERS.

Memorandum

City of Lawrence

City Manager's Office

TO: David L. Corliss, City Manager;

FROM: Diane Stoddard, Assistant City Manager

CC: Cynthia Wagner, Assistant City Manager
Britt Crum-Cano, Economic Development Coordinator

Date: June 15, 2012

RE: Proposal from Tony Krsnich to Establish a Neighborhood Revitalization Area at 810/812 Pennsylvania (the Cider Building)

The City is in receipt of a request from Tony Krsnich to establish a neighborhood revitalization area at 810/812 Pennsylvania, a building known as the Cider Building. This request was received by the City Commission at its June 12, 2012 meeting. Mr. Krsnich has requested that his item be expedited to allow for the creation of the district as soon as possible as to enable construction crews currently at the Poehler building site to continue to remain mobilized in the area. Remobilization will require additional unanticipated expense for the project.

Background:

Kansas Law enables cities to establish neighborhood revitalization areas in order to encourage redevelopment under the Neighborhood Revitalization Act (NRA). The establishment of a revitalization area enables a property owner to receive a rebate on a portion of the incremental increase of property taxes associated with an improvement project within the area.

Tony Krsnich plans to restore the Cider building. Plans include developing an arts gallery on the lower level that can host events, and the upper level will be converted into offices for entrepreneurs. Mr. Krsnich is requesting a 10 year 95% rebate on the incremental tax revenues. He is requesting that the City, Douglas County and USD 497 all participate in the revitalization program. Douglas County and USD 497 will need to determine its level of participation and information has been forwarded to the County Administrator and Superintendent of Schools regarding the request.

Benefit Cost Analysis

Britt Crum-Cano, the City's Economic Development Coordinator, has completed an analysis of the proposal, in accordance with the City's NRA policy. The policy requires completion of a benefit-cost ratio calculation. Her analysis indicates that the project would meet the required benefit-cost ratio threshold for all of the taxing jurisdictions.

Draft Neighborhood Revitalization Plan

Staff has prepared a **draft Neighborhood Revitalization Plan**, which is required by State statute, which mirrors the Mr. Krsnich's request. This plan should be reviewed by the City Commission, the Public Incentive Review Committee, and the taxing jurisdictions. The plan includes the rebate schedule referenced earlier in this memo. The plan also includes provisions for Douglas County to retain \$100 annually as an administrative fee for the duration of the rebate program.

Next Steps/Calendar

A **draft calendar** has been prepared to consider items related to this request. The calendar envisions a meeting of the Public Incentive Review Committee on June 19 and a public hearing to be scheduled with the City Commission for June 26, 2012. Discussion with the County Commission is scheduled for June 20 and the School Board item is scheduled for June 25.

NRA Policy

The City of Lawrence adopted an updated NRA policy in the fall of 2011. Ms. Crum-Cano's memo summarizes the policy issues as it relates to this particular NRA request. It appears that the request would meet the parameters of the policy and based upon the analysis and projections provided by Mr. Krsnich, the project could qualify for the 95% rebate level he is requesting.

Requested Action

The Public Incentive Review Committee should consider the request and make a recommendation to the City Commission regarding action on the request.

The County Commission and the School District should determine its participation in the proposed district and authorize the execution of a City-County-School District cooperation agreement regarding the administration of the NRA plan.

Memorandum

City of Lawrence

City Manager's Office

TO: David L. Corliss, City Manager
CC: Diane Stoddard, Assistant City Manager
FROM: Britt Crum-Cano, Economic Development Coordinator
DATE: June 19, 2012
RE: NRA Request: 812 Pennsylvania Street, Lawrence, Kansas (Ciderworks building)

Project Overview

Tony Krsnich (project Developer) is considering redevelopment of 812 Pennsylvania Street (Ciderworks Building) into an arts gallery with events space on the lower level and office space on the upper level. Mr. Krsnich is also currently redeveloping the historic Poehler building at 8th and Delaware Streets, which lies adjacent to the Ciderworks Building.

An **Incentives Application** was received on June 8, 2012 from the Developer. In order to pursue this project, he is requesting financial incentive aid from the City totaling \$500,000, which is to be rebated back to the developer through the use of a 95% Neighborhood Revitalization Area (NRA) rebate over a 10 year period. As per Mr. Krsnich, redevelopment of the Ciderworks building will complement the overall plan for the historic district and continue to enhance the creative nature of East Lawrence. It should be noted that the he is also requesting additional public infrastructure be provided by the City that will support the entire historic district neighborhood. This value was not provided as part of this request and was not part of the below analysis.

Review of Neighborhood Revitalization Area (NRA) and City Policy

a. Description of NRA and Purpose

The NRA, or Neighborhood Revitalization Area, is one of several economic development tools utilized by municipalities to promote economic growth through neighborhood enhancement. Authorized by the state, NRAs are intended to encourage the reinvestment and revitalization of properties which in turn have a positive economic effect upon a neighborhood and the City in general. The use of an NRA is particularly applicable for use in areas where rehabilitation, conservation, or redevelopment is necessary is to protect the public health, safety or welfare of the residents of the City.

Resolution 6954 outlines the City's policy for establishing an NRA. Typically, a percentage of the incremental increased value in property taxes (resulting from increased property

values due to new improvements) is rebated back to the developer/applicant over a period of time to help offset redevelopment costs and make the project financially feasible.

b. Typical Rebate Amounts & Duration

As per NRA policy, the City typically follows the below standard practice and does not:

- provide more than 50% rebate on incremental property taxes
- establish an NRA for a period of time longer than 10 years.

However, there is an exception provision within the policy which allows the City to *"consider a greater rebate and/or a longer duration if sufficiently justified in the "but for" analysis."*⁴

¹ Resolution 6954, Section 4: Amount of Rebate

c. Project Eligibility

Project eligibility for NRA consideration is governed by both State (KSA 12-17,114 et seq.) and City (Resolution 6954) criteria.

State Requirements

Statutory Criteria	Governing Body determines that rehabilitation, conservation or redevelopment of the area is necessary to protect the public health, safety or welfare of residents and the proposed project meets at least one of the below criteria:	
	1	An area in which there is a predominance of buildings or improvements which by reason of dilapidation, deterioration, obsolescence, inadequate provision of ventilation , light, air or open spaces, high density of population and overcrowding, the existence of conditions which endanger life or property by fire and other causes or a combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency or crime and which is detrimental to the public health, safety or welfare.
	2	An area which by reason of the presence of a substantial number of deteriorated or deteriorating structures, defective or inadequate streets, incompatible land uses relationships, faulty lot layout in relation to size, adequacy, accessibility or usefulness, unsanitary or unsafe conditions deterioration of site or other improvements, diversity of ownership, tax, or special assessment delinquency exceeding the actual value of the land, defective or unusual conditions of title, or the existence of conditions which endanger life or property by fire and other causes or a combination of such factions substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations, or constitutes an economic or social liability and is detrimental to the public health, safety or welfare in its present condition and use.
	3	An area in which there is a predominance of buildings or improvements that should be preserved or restored to productive use because of age, history, architecture or significance should be preserved or restored to productive use.

Health Liability

Economic Liability

*Community/
Historical
Asset*

City Requirements

City Policy Criteria	When considering the establishment of a NRA, the City shall consider not only the statutory criteria, but if the project meets a majority of the below criteria:	
	1	The opportunity to promote redevelopment activities which enhance downtown
	2	Provides the opportunity to promote redevelopment activities for properties which have been vacant or significantly underutilized.
	3	Provides the opportunity to attract unique retail and/or mixed use development which will enhance the economic climate of the City and diversify the economic base.
	4	Provides the opportunity to enhance neighborhood vitality as supported by the City's Comprehensive Plan or other sector planning document(s).
	5	Provides the opportunity to enhance community stability by supporting projects which embrace energy efficiency, multi-modal transportation options, or other elements of sustainable design.
	Project must meet or exceed a 1:1.25 cost-benefit ratio.	

Project Feasibility

Estimated economic impact is examined through a benefit-cost analysis and project financial feasibility is examined through a "But For" analysis (pro-forma), both of which are required by current NRA policy.

a. Cost-Benefit Analysis

The Ciderworks building is a vacant, dilapidated property located within the East Lawrence Industrial Historic District in Lawrence, Kansas. Containing historical structures dating back to 1883, the District is bounded by 8th Street on the north, 9th Street on the south, Pennsylvania Street on the west, and the lot lines that run parallel to the historic Delaware Street alignment on the east.

The property's most recently appraised value (2011) is approximately \$126,000 (\$65,760 for improvements, \$60,240 for land). According to the incentives application received, over \$1.6 million will be invested in purchasing and redeveloping the property. Project completion is anticipated in September 2012. Once redeveloped, the development team estimates new job creation at 26 full-time positions over the NRA time period (10 years) with full-time salaries averaging \$30,000-\$40,000 annually.

Based on information received through the incentives application, staff conducted a cost-benefit analysis of the costs and benefits associated with the project. The **analysis** shows that the 1.25 threshold for the benefit-cost ratio will be met as the City will realize a benefit-cost ratio of 1.29, the County will realize a ratio of 1.50 and the School District will realize a ratio of 4.78. This means that for every dollar of additional costs and tax abatements, the City will receive \$1.29, the County will receive \$1.50 and USD 497 will receive \$4.78 of revenue. The State does not have a benefit-cost ratio as there are no costs involved.

Overall, the model estimates the total value of incentives at \$559,280 with the project delivering positive returns for all jurisdictions over the ten year abatement period. The model estimates that there will be approximately \$419,000 in total discounted (present value) dollars of additional revenue for all jurisdictions.²

Discounted Returns for Jurisdictions (w/incentives)		
Jurisdiction	Amount	B-C Ratio
Lawrence	\$82,069	1.29
Douglas County	\$72,198	1.50
USD 497	\$190,941	4.78
State of Kansas	\$73,816	N/A
Total	\$419,024	

Assuming the project is completed, property tax revenues realized by taxing jurisdictions are approximate \$400,000 less when incentives are provided.

Cash Flow Comparisons	
Total cash to all jurisdictions--no Incentives	\$818,811
Total cash to all jurisdictions--with incentives	\$419,024
Difference in Revenues	\$399,787

b. "But For" Analysis

In order for the City to agree to provide an NRA rebate, it must be determined that the need for public assistance is necessary for the project to proceed. In other words, the City must be convinced that without public assistance, the project will not be financially feasible. Commonly referred to as the "But For" test, the developer's project pro forma and supporting financial documents are examined to compare cash flow and developer returns with and without public assistance.

The need for public assistance is estimated at \$500,000 by the Developer. This gap is supported by a letter submitted by Great Southern Bank stating their financing commitment is dependent upon the developer being able to obtain funds for this amount. (Further elaboration on these financing restrictions can be made by the Developer.)

² 5.34% Discount Rate, based on U.S. Treasury Department's average LT Composite (>10 yrs) treasury bill rates, June1-11, 2012,

The “But For” test for the Ciderworks Building utilized project program information, estimated cash flow³ and assumptions provided by the Developer on June 11, 2012. Taxes were estimated using property information from Douglas County Appraiser’s Office. A pro-forma analysis was performed based on the Developer’s projected costs and revenues, and additional assumptions, including:

Project Assumptions	
Vacancy Rate (year 1) ⁴	35%
Cap Rate ⁵	7%
Assessment Rate ⁶	25%
Total Costs ⁷	\$1,668,686
Permanent Loan ⁷	\$1,400,000
Equity ⁷	\$268,686
Income Growth Rate ⁷	2%
Expense Growth Rate ⁷	3%
Mill Levy Escalation: ⁸	0.001930
NRA Rebate %	0.95
Base Assessed Value ⁶	\$31,500

Analysis shows that without the NRA rebate, the project realizes a negative cash flow during operating years 1-4 and modest returns for the remainder of the 10 year request period. Average return on investment over the 10 year request period is 1.15%, a return so low, it is reasonable to assume the project is unlikely to proceed without public assistance.⁹

Analysis indicates that with the NRA rebate, the project realizes a positive, but modest cash flow throughout the 10 year request period. Return on investment ranges from 4.88%-31% through this period, with an average return on investment of 21.4%. It is reasonable to assume that this average return rate would allow the developer to proceed with the project.

³ Cash flow amounts provided by Developer were not discounted and analytical results reported are undiscounted.

⁴ Vacancy rates provided by Developer ranged from 20%-35%. According to the Developer, these vacancy rate assumptions are required by their bank’s underwriting controls due to the market being untested. Analysis assumes an initial rate of 35%, declining 2% annually until stabilizing at 20% per year.

⁵ Developer information indicated a cap rate of 7%, which appears to be in line with Douglas County’s estimated cap rates 6.84%-7.29% for comparable properties (*Douglas County 2012 Cap Rate Study, Cap Rate Model by Uses*, blended rates by use, Class A)

⁶ Source: Douglas County, Kansas, Appraiser’s Office

⁷ Source: Developer provided

⁸ Based on average change in Mill Levy Rate over previous 5 years. Source: Douglas County, Kansas, Appraiser’s Office.

⁹ Information provided was not adequate for performing an Internal Rate of Return (IRR) analysis.

Performance Agreement

Per City policy, the developer/development team would be required to enter into a performance agreement with the City in order to receive NRA rebates. The most significant reason for this is to make sure that the developer coordinates with the City and County at the beginning of the establishment of the district and to ensure that there are no delinquent property taxes during any of the years of the NRA plan. Other performance requirements could be provided in the agreement. For example, agreements for several other properties receiving NRA rebates recently within the City have included a "use provision" placing limitations on the type of property use allowed for eligibility of rebates. For example, the agreement for the 1040 Vermont property requires the property to be an office use for an architectural firm headquarters, and the Masonic Temple NRA requires the property to be a catering/banquet hall facility to be eligible under the program.

Whether to include a use provision is a policy issue for the governing bodies to decide.

Conclusion

Given the City's policy guidelines as outlined in Resolution 6954, including eligibility requirements, cost-benefit thresholds, and "but for" provisions, the project is qualified for a 10 year, 95% NRA.

Eligibility Summary:

In its present state, the building is vacant and severely dilapidated, which is arguably a detriment and risk to public health and safety. In addition, the building is part of the **East Lawrence Industrial Historic District**¹⁰ with documented historical significance, further meeting statutory eligibility requirements.

For an NRA to be established, the project must not only meet statutory requirements, but also a majority of City criteria.

Eligibility	City Criteria
n/a	Provides the opportunity to promote redevelopment activities which enhance downtown
Yes	Provides the opportunity to promote redevelopment activities for vacant or significantly underutilized properties
Yes	Provides the opportunity to attract unique retail or mixed use development which will enhance the economic climate of the City and diversify the economy
Yes	Provides the opportunity to enhance neighborhood vitality as supported by the City's Comprehensive Plan or other sector planning document
n/a	Provides the opportunity to enhance community stability by supporting projects embracing energy efficiency, multi-modal transportation, or other elements of sustainable design

¹⁰ National Register of Historic Places, United States Department of the Interior, National Park Service, Kansas Fruit & Vinegar Company Building

CBA Summary:

Part of meeting city eligibility criteria is the project must meet a cost-benefit threshold of 1:1.25 (e.g. for every \$1 of cost incurred as a result of the project, \$1.25 is received as benefit). Based on information submitted by the applicant, the cost-benefit threshold required by City policy has been met.

"But For" Summary:

Examination of estimated cash flows with and without public assistance (i.e. NRA rebate) indicates the "but for" test has been met for the project. In addition, returns without assistance are not likely to support proceeding with the project. The amount of assistance requested is \$500,000, a gap that the Developer's bank has indicated must be supported with additional funds before the bank will provide financing commitments.


Requested Action

Public Incentives Review Committee to consider applicant's request and make a recommendation to the City Commission regarding the establishment of an NRA for 812 Pennsylvania Street. If an NRA is recommended to be established, PIRC to further recommend the duration period and rebate percentage for the NRA.

In addition, if establishing an NRA for the property is recommended, PIRC to discuss and provide recommendations to the City Commission and Staff regarding the inclusion of a "use provision" in a performance agreement to be executed between the City and the developer/development team.

Britt Crum-Cano

From: City of Lawrence KS [no-reply@wufoo.com]
Sent: Friday, June 08, 2012 2:54 PM
To: Britt Crum-Cano; Diane Stoddard
Subject: Incentive Application [#9]

1) Name of Company *	Cider Partners, LLC
2) Current Address *	 13420 Sante Fe Trail Drive Lenexa, KS 66215 United States
3) Contact Person for Application *	Tony Krsnich
3a) Title *	Member
3b) Phone *	(913) 904-6747
3d) E-mail Address *	tonyk@landmarkigllc.com
3e) Is the Contact's address the same as the Company's address?	Yes
5) What is the NAICS code for the operation that you are locating or expanding in Lawrence? *	Unknown
5a) If the NAICS code is unknown, please describe the primary line of business for the Lawrence operation	Art gallery/office space
6) Please list the Public Incentive/s that you are seeking as well as the amount of each public incentive *	We need a 95% tax rebate for a 10 year period.
6a) Please tell us why you are seeking these Incentives	Historic buildings are approximately 30% more to redevelop than new construction. We have a large finance gap which can only be filled by taking on additional debt which would be impossible to repay without reducing operation expenses, such as net property tax.
7) Will your firm be leasing the building or the land in your expansion or newly constructed facility?	No
8) Is your firm Relocating or Expanding? Note: If an Expansion, please proceed to question 10 *	Expanding
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 facility will be an art gallery and offices. The common theme of this building and the other buildings in the area is they are being driven by creative qualities and businesses.

11) When do you plan to begin operation of the new facility? *	Saturday, September 1, 2012
12) How many Employees currently work in Lawrence (0 for Relocation)? *	0
12a) How many total employees will work in Lawrence after Expansion/Relocation *	100
12b) Of these total Employees, how many do you anticipate hiring from <i>outside</i> the Local Labor Market? *	5
12c) How many do you plan to hire or relocate from <i>outside</i> Kansas? *	2
13) Current Operating Expenditures per Year (Enter 0 for Relocation) *	0
13a) Anticipated Operating Expenditures after expansion/relocation *	90000
13b) Estimated % of <i>additional</i> operating expenditures made in Lawrence *	20000
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 *	40000
15) What is the size of the new facility being constructed (square feet)? *	15000
16) What is the estimated Value of the new construction? *	1000000
17a) Size of the Parcel on which the building will be located (acres) *	.2
17b) What is the Value of the land? *	280000
18) About what % of new Goods produced in Lawrence, will be sold outside of Lawrence and/or Douglas County: *	50
a) New Employees, Year 1 *	5
a) New Employees, Year 2 *	4
a) New Employees, Year 3 *	3
a) New Employees, Year 4 *	2

a) New Employees, Year 5 *	2
a) New Employees, Year 6 *	2
a) New Employees, Year 7 *	2
a) New Employees, Year 8 *	2
a) New Employees, Year 9 *	2
a) New Employees, Year 10 *	2
b) Average Salary of New Employees Hired in Year 1 *	30000
b) Average Salary of New Employees Hired in Year 2 *	30000
b) Average Salary of New Employees Hired in Year 3 *	30000
b) Average Salary of New Employees Hired in Year 4 *	40000
b) Average Salary of New Employees Hired in Year 5 *	40000
b) Average Salary of New Employees Hired in Year 6 *	40000
b) Average Salary of New Employees Hired in Year 7 *	40000
b) Average Salary of New Employees Hired in Year 8 *	40000
b) Average Salary of New Employees Hired in Year 9 *	40000
b) Average Salary of New Employees Hired in Year 10 *	40000
c) Capital Investment in Building, Year 1 *	20000
c) Capital Investment in Building, Year 2 *	20000
c) Capital Investment in Building, Year 3 *	20000
c) Capital Investment in Building, Year 4 *	20000
c) Capital Investment in Building, Year 5 *	20000
c) Capital Investment in Building, Year 6 *	20000

c) Capital Investment in Building, Year 7 *	20000
c) Capital Investment in Building, Year 8 *	20000
c) Capital Investment in Building, Year 9 *	20000
c) Capital Investment in Building, Year 10 *	20000
% 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	The gallery and offices will provide job training to operate and maintain the highest level of business.
20c) What is the lowest Hourly Wage offered to Employees associated with this Expansion or Relocation? *	12
20d) What percentage of your new Employees will receive this Wage? *	10
21) Will you provide Additional Benefits to Employees?	Yes
a) Gas *	50
b) Electricity *	1000
c) Cable Television *	100
d) Telephone Service *	200
23) Will the Building meet Energy STAR criteria? *	Yes
24) Will the Building seek LEED Certification? *	No
24a) If you will 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. *	We are saving a historic building from demolition. We are cleaning up environmental issues inside and outside the building.
26) Please describe any additional benefits or costs you believe your business will bring to the City of Lawrence and Douglas County, KS.	With the redevelopment of the Cider Building, we will have saved every historic building in East Lawrence. This has created over 100 construction jobs and will be responsible for the creating of over 30 permanent jobs. Six months ago this area was desolate and blighted. Today it is the hottest area in Lawrence and an area people are already calling

the Arts District.

RESOLUTION NO. 6954

A RESOLUTION ESTABLISHING A POLICY OF THE CITY OF LAWRENCE, KANSAS RELATING TO NEIGHBORHOOD REVITALIZATION AREAS.

WHEREAS, the City of Lawrence, Kansas (the “City”) is committed to the high quality and balanced growth and development of the community while preserving the City’s unique character and broadening and diversifying the tax base; and

WHEREAS, the economic development goals of the City include the expansion of existing businesses, development of new businesses, economic development activities which are environmentally sound, diversification of the economy, quality in-fill development, historic preservation, and the creation of quality jobs; and

WHEREAS, neighborhood revitalization areas are an economic development tool established by K.S.A. 12-17,114 et seq. (the “Neighborhood Revitalization Act”) which can assist with spurring reinvestment and revitalization of properties which can benefit a neighborhood and the general public; and

WHEREAS, the City finds it in the best interest of the public to establish certain policies and guidelines for the consideration of requests to utilize the Neighborhood Revitalization Act (“NRA”) within the City of Lawrence.

NOW, THEREFORE, THE GOVERNING BODY OF THE CITY OF LAWRENCE, KANSAS DOES HEREBY RESOLVE;

SECTION ONE: This policy shall be entitled the Neighborhood Revitalization Act Policy of the City of Lawrence.

SECTION TWO: POLICY STATEMENT: It is the policy of the City to consider the establishment of Neighborhood Revitalization areas in order to promote reinvestment and revitalization of properties which in turn have a positive economic effect upon a neighborhood and the City in general. An applicant may request the City consider the establishment of a Neighborhood Revitalization area under the NRA either for a specific property, group of properties or neighborhood area. In considering the establishment of an NRA, the Governing Body shall consider the criteria outlined in Section Three. In determining the amount of a rebate, the Governing Body may balance the desirability of the project versus the amount and duration of the rebate and the requirements set forth in Section Four. It is the policy of the City to only consider the establishment of Neighborhood Revitalization areas which yield a benefit/cost ratio of at least 1.25.

SECTION THREE: CRITERIA:

1. ELIGIBLE AREAS: Eligible areas may include a defined geographic area which encompasses more than one property, or it may be a single property/lot.

2. STATUTORY FINDINGS AND OTHER CRITERIA:

A. STATUTORY CRITERIA. It shall be the policy of the City to create a Neighborhood Revitalization area, if, in the opinion of the Governing Body, the rehabilitation, conservation or redevelopment of the area is necessary to protect the public health, safety or welfare of the residents of the City of Lawrence, it is in the best interest of the City to do so, and if, in the opinion of the Governing Body, one of the following findings, set forth in K.S.A. 12-17,115 can be made:

1. An area in which there is a predominance of buildings or improvements which by reason of dilapidation, deterioration, obsolescence, inadequate provision of ventilation, light, air or open spaces, high density of population and overcrowding, the existence of conditions which endanger life or property by fire and other causes or a combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency or crime and which is detrimental to the public health, safety or welfare;
2. an area which by reason of the presence of a substantial number of deteriorated or deteriorating structures, defective or inadequate streets, incompatible land use relationships, faulty lot layout in relation to size, adequacy, accessibility or usefulness, unsanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the actual value of the land, defective or unusual conditions of title, or the existence of conditions which endanger life or property by fire and other causes, or a combination of such factors, substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability and is detrimental to the public health, safety or welfare in its present condition and use; or
3. an area in which there is a predominance of buildings or improvements which by reason of age, history, architecture or significance should be preserved or restored to productive use.

B. OTHER CRITERIA. Additionally, the Governing Body will consider whether a project meets the Policy Statement outlined in Section Two, and the project meets a majority of the following criteria when considering the establishment of a Neighborhood Revitalization area:

1. the opportunity to promote redevelopment activities which enhance Downtown Lawrence;
2. the opportunity to promote redevelopment activities for properties which have been vacant or significantly underutilized;
3. the opportunity to attract unique retail and/or mixed use development which will enhance the economic climate of the City and diversify the economic base;
4. the opportunity to enhance the vitality of a neighborhood within the City as supported by the City's Comprehensive Plan and/or other sector planning documents;
5. the opportunity to enhance the community's sustainability by supporting projects which embrace energy efficiency, multi-modal transportation options, or other elements of sustainable design.

SECTION FOUR: AMOUNT OF REBATE:

As a standard practice, the City will not provide a rebate amount in excess of 50% of the incremental property taxes and will not establish an NRA for a period of time longer than 10 years. The City may consider a greater rebate and/or a longer duration if sufficiently justified in the “but for” analysis required by Section Five. The determination of the rebate amount and duration of the NRA is the sole discretion of the Governing Body.

SECTION FIVE: PROCESS:

1. An applicant wishing to request that the City to create a Neighborhood Revitalization Area in the City of Lawrence shall submit a request to the City. The request shall include information that would be required for a revitalization plan. Such requirements are set forth in K.S.A. 12-17,117. The applicant shall also submit a “but for” analysis to the City demonstrating the need for the NRA and the purpose for which the NRA revenue will be used. The analysis should support that “but for” the NRA, the project will be unable to proceed. The applicant shall provide City Staff with pro forma cash flow analysis and sources and uses of funds in sufficient detail to demonstrate that reasonably available conventional debt and equity financing sources will not fund the entire cost of the project and still provide the applicant a reasonable market rate of return on investment.

The applicant shall furnish such additional information as requested by the City in order to clarify the request or to assist staff or the Governing Body with the evaluation of the request.

2. The Governing Body shall receive the request and determine whether to consider the request or deny the request. If the Governing Body wishes to consider the request, the request shall be referred to the City’s Public Incentive Review Committee for review and a recommendation. Staff will perform a benefit/cost analysis on the project. The Governing Body may also set a date for a public hearing to consider the establishment of a revitalization area and a revitalization plan.

3. Douglas County and USD 497 are also important parties related to a NRA request. When an NRA is considered, the City and the applicant will work with Douglas County and USD 497 to seek concurrence from these entities regarding the establishment of an NRA.

4. The Governing Body will determine whether one of the findings set forth in Section Three can be made regarding the request. Additionally, the Governing Body shall consider the other criteria outlined in Section Three.

5. The Governing Body shall hold a public hearing, after the required statutory notice is provided, and consider adoption of the revitalization plan to establish the revitalization area.

6. The City will require a performance agreement with the property owner to require adherence to the adopted Neighborhood Revitalization Plan.

7. The merits of the proposal under this policy shall guide the decision on the application without regard to the applicant.

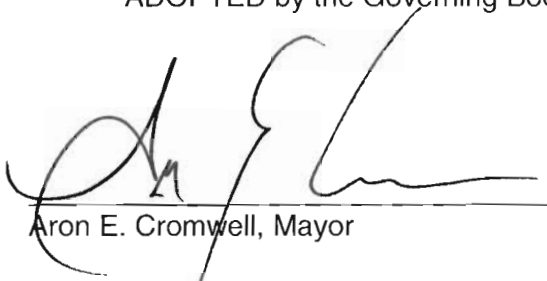
SECTION SIX: PUBLIC INCENTIVES REVIEW COMMITTEE AND GOVERNING BODY ANNUAL REVIEW OF THIS POLICY: Annually, the Public Incentives Review Committee and the Governing Body shall review this policy.

SECTION SEVEN: AUTHORITY OF GOVERNING BODY: The Governing Body reserves the right to deviate from any policy, but not any procedure set forth in state law, when it considers such action to be of exceptional benefit to the City or extraordinary circumstances prevail that are in the best interests of the City. Additionally, the Governing Body, by its inherent authority, reserves the right to reject any proposal or petition for creation of a NRA at any time in the review process when it considers such action to be in the best interests of the City.

SECTION EIGHT: REPEAL OF RESOLUTION 6921. Resolution 6921 is hereby repealed.

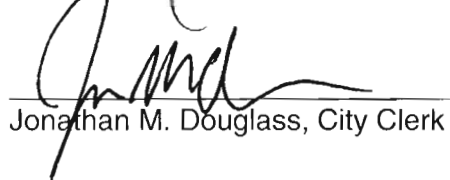
SECTION NINE: EFFECTIVE DATE: This Resolution shall take effect immediately.

ADOPTED by the Governing Body this 25th day of October, 2011.



Aron E. Cromwell, Mayor

ATTEST:



Jonathan M. Douglass, City Clerk

Model: Ciderworks NRA (95% Rebate, 10 Years)

Project Summary

Capital Investment in Plant:	\$1,388,686
Annual Local Expenditures by Firm:	\$19,800
Retained Jobs:	26
Average Wage per Retained Job:	\$35,385
Indirect Jobs Created:	8
Average Wage of Indirect Jobs:	\$39,766
Total New Households:	15
Discount Rate:	5.34%
Cost and Revenue Escalation:	1.00%
Number of Years Evaluated:	15

Incentives

IRB Offered	No
Value of IRB Construction Sales Tax:	\$0
Tax Rebate:	95% annually over 10 years
Length of Tax Abatement/s:	10 Years
Value of Tax Abatements, Total:	\$559,280
Other Incentives	
Site Infrastructure:	\$0
Facility Construction:	\$0
Loans/Grants:	\$0

Value of All Incentives Offered: \$559,280

Value of All Incentives per Job per Year:	\$1,434
Value of Incentives in Hourly Pay:	\$0.69
Value of Incentives per Dollar Invested:	\$0.40

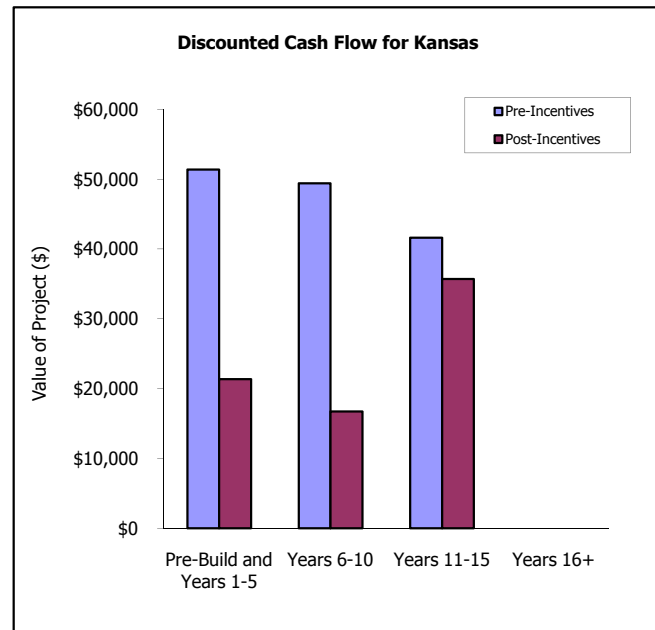
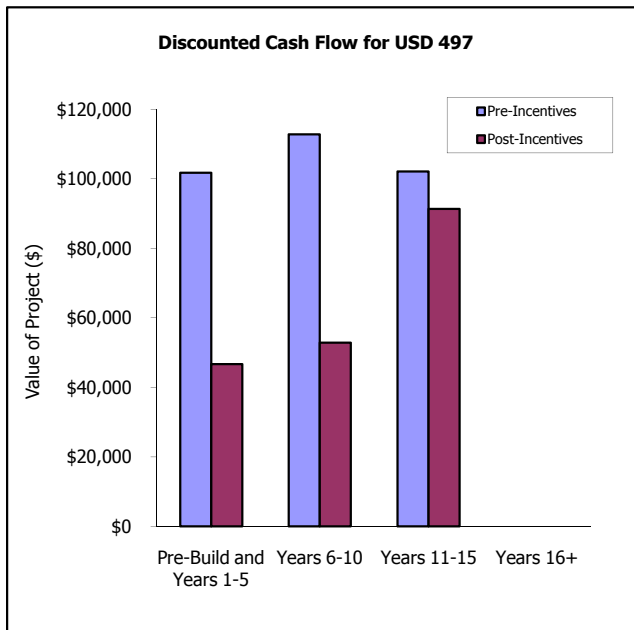
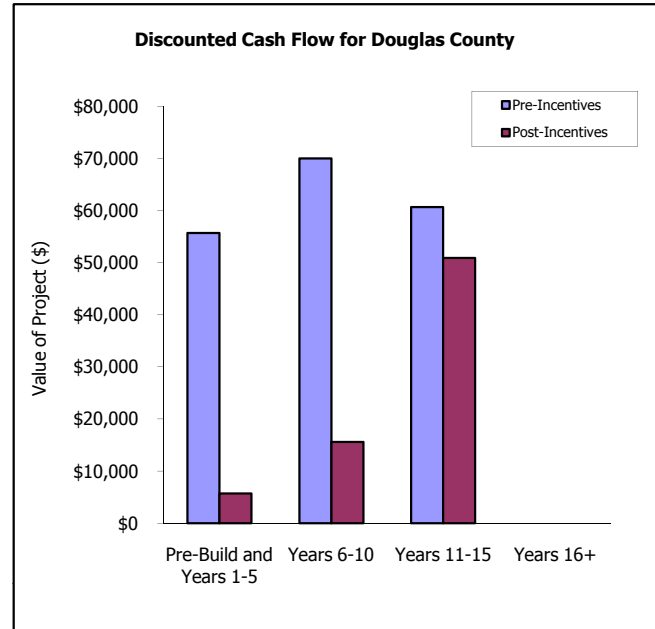
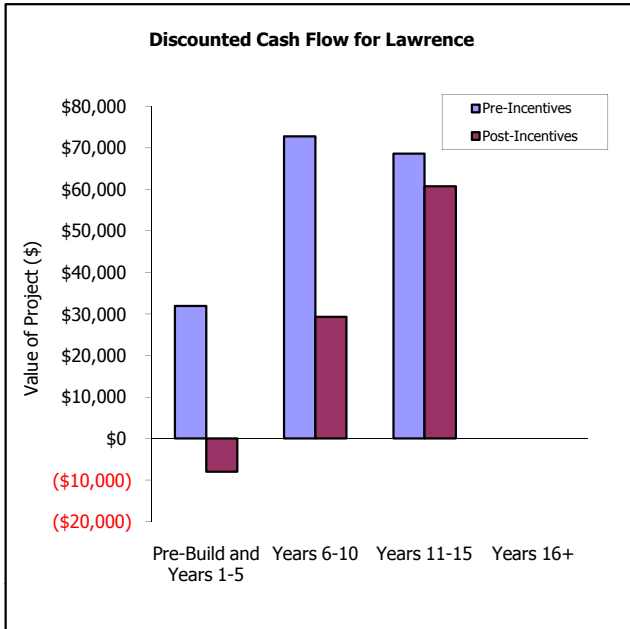
Summary of Results

Returns for Jurisdictions	Lawrence	Douglas County	USD 497	State of Kansas
Revenues	\$707,452	\$512,208	\$571,423	\$216,883
Costs	\$420,786	\$219,741	\$79,392	\$0
<i>Revenue Stream, Pre-Incentives</i>	<i>\$286,665</i>	<i>\$292,468</i>	<i>\$492,031</i>	<i>\$216,883</i>
Value of Incentives Offered	\$127,687	\$159,644	\$176,000	\$95,948
Revenue Stream with Incentives	\$158,979	\$132,823	\$316,031	\$120,935

Returns for Jurisdictions, Discounted	Lawrence	Douglas County	USD 497	State of Kansas
Discount Rate	5.34%			
Discounted Cash Flow, Without Incentives	\$173,343	\$186,315	\$316,751	\$142,402
<i>Benefit/Cost Ratio, Without Incentives</i>	<i>1.62</i>	<i>2.30</i>	<i>7.27</i>	<i>N/A</i>
Discounted Cash Flow, With Incentives	\$82,069	\$72,198	\$190,941	\$73,816
Benefit/Cost Ratio, With Incentives	1.29	1.50	4.78	N/A

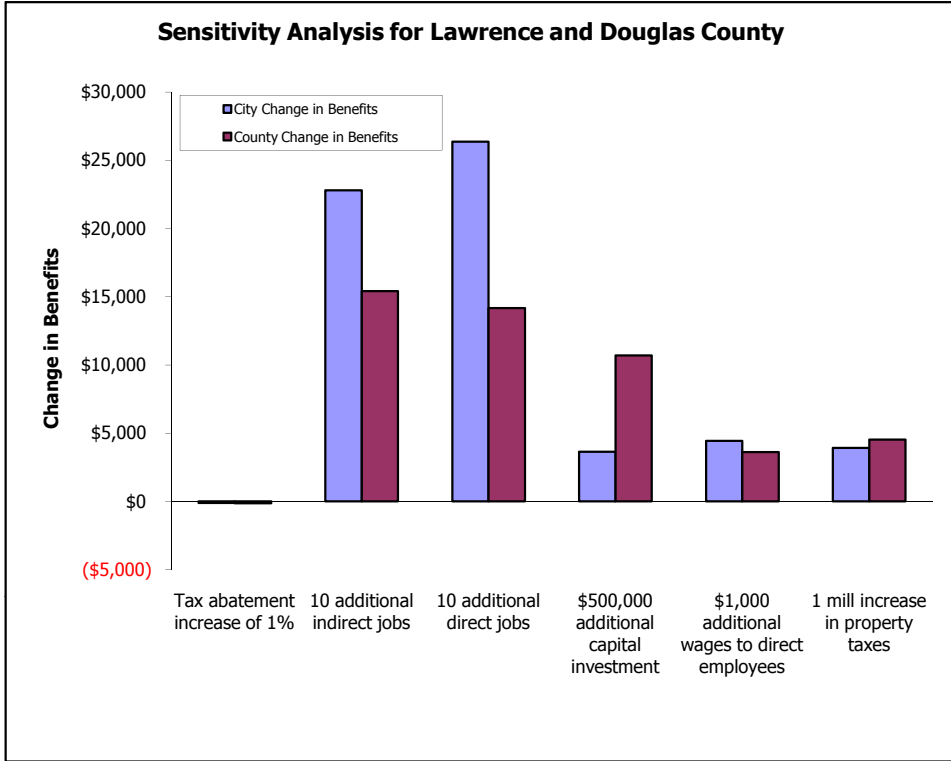
Model: Ciderworks NRA (95% Rebate, 10 Years)

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



Model: Ciderworks NRA (95% Rebate, 10 Years)

Sensitivity Analysis



Model: Ciderworks NRA (95% Rebate, 10 Years)

APPENDIX 1: Annual Results (not Discounted)

<i>Lawrence</i>					
Year	Revenues	Costs	Incentives	Net	Cumulative
Pre-Operation	\$0	\$0	\$0	\$0	\$0
1	\$22,564	(\$42,765)	\$0	(\$20,200)	(\$20,200)
2	\$26,702	(\$16,364)	(\$11,590)	(\$1,252)	(\$21,453)
3	\$32,634	(\$18,241)	(\$11,845)	\$2,549	(\$18,904)
4	\$36,740	(\$19,047)	(\$12,103)	\$5,590	(\$13,314)
5	\$41,107	(\$21,474)	(\$12,365)	\$7,267	(\$6,047)
6	\$45,557	(\$23,948)	(\$12,632)	\$8,977	\$2,930
7	\$48,033	(\$26,469)	(\$12,903)	\$8,661	\$11,591
8	\$51,169	(\$29,039)	(\$13,177)	\$8,953	\$20,544
9	\$54,139	(\$31,657)	(\$13,456)	\$9,026	\$29,570
10	\$56,698	(\$34,324)	(\$13,739)	\$8,634	\$38,204
11	\$57,265	(\$30,868)	(\$13,877)	\$12,520	\$50,725
12	\$57,838	(\$31,177)	\$0	\$26,661	\$77,385
13	\$58,416	(\$31,489)	\$0	\$26,928	\$104,313
14	\$59,000	(\$31,803)	\$0	\$27,197	\$131,510
15	\$59,590	(\$32,121)	\$0	\$27,469	\$158,979

<i>Douglas County</i>					
Year	Revenues	Costs	Incentives	Net	Cumulative
Pre-Operation	\$0	\$0	\$0	\$0	\$0
1	\$18,793	(\$20,964)	\$0	(\$2,171)	(\$2,171)
2	\$22,238	(\$6,608)	(\$14,491)	\$1,139	(\$1,032)
3	\$25,234	(\$8,300)	(\$14,809)	\$2,125	\$1,093
4	\$27,405	(\$9,400)	(\$15,132)	\$2,873	\$3,966
5	\$29,617	(\$10,754)	(\$15,460)	\$3,402	\$7,368
6	\$31,871	(\$12,135)	(\$15,793)	\$3,942	\$11,311
7	\$34,166	(\$13,541)	(\$16,132)	\$4,493	\$15,804
8	\$36,367	(\$14,975)	(\$16,475)	\$4,917	\$20,721
9	\$38,400	(\$16,436)	(\$16,824)	\$5,140	\$25,861
10	\$40,331	(\$17,925)	(\$17,178)	\$5,228	\$31,089
11	\$40,734	(\$17,389)	(\$17,350)	\$5,995	\$37,084
12	\$41,142	(\$17,563)	\$0	\$23,579	\$60,663
13	\$41,553	(\$17,738)	\$0	\$23,815	\$84,478
14	\$41,969	(\$17,916)	\$0	\$24,053	\$108,530
15	\$42,388	(\$18,095)	\$0	\$24,293	\$132,823

Model: Ciderworks NRA (95% Rebate, 10 Years)

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

USD 497

Year	Revenues	Costs	Incentives	Net	Cumulative
Pre-Operation	\$0	\$0	\$0	\$0	\$0
1	\$20,910	(\$2,452)	\$0	\$18,458	\$18,458
2	\$24,920	(\$3,114)	(\$15,975)	\$5,831	\$24,290
3	\$28,099	(\$3,559)	(\$16,326)	\$8,214	\$32,503
4	\$30,420	(\$3,783)	(\$16,682)	\$9,955	\$42,458
5	\$32,785	(\$4,287)	(\$17,044)	\$11,454	\$53,912
6	\$35,194	(\$4,801)	(\$17,411)	\$12,981	\$66,893
7	\$37,648	(\$5,325)	(\$17,784)	\$14,538	\$81,432
8	\$40,148	(\$5,859)	(\$18,163)	\$16,125	\$97,557
9	\$42,694	(\$6,404)	(\$18,548)	\$17,743	\$115,300
10	\$45,287	(\$6,958)	(\$18,938)	\$19,390	\$134,690
11	\$45,739	(\$6,440)	(\$19,127)	\$20,172	\$154,863
12	\$46,197	(\$6,504)	\$0	\$39,693	\$194,555
13	\$46,659	(\$6,569)	\$0	\$40,090	\$234,645
14	\$47,125	(\$6,635)	\$0	\$40,491	\$275,136
15	\$47,597	(\$6,701)	\$0	\$40,895	\$316,031

State of Kansas

Year	Revenues	Costs	Incentives	Net	Cumulative
Pre-Operation	\$0	\$0	\$0	\$0	\$0
1	\$10,576	\$0	\$0	\$10,576	\$10,576
2	\$11,310	\$0	(\$8,709)	\$2,601	\$13,177
3	\$12,211	\$0	(\$8,900)	\$3,311	\$16,488
4	\$12,786	\$0	(\$9,095)	\$3,692	\$20,180
5	\$13,372	\$0	(\$9,292)	\$4,080	\$24,260
6	\$13,967	\$0	(\$9,492)	\$4,475	\$28,735
7	\$14,574	\$0	(\$9,695)	\$4,878	\$33,613
8	\$15,042	\$0	(\$9,902)	\$5,141	\$38,754
9	\$15,519	\$0	(\$10,111)	\$5,408	\$44,161
10	\$15,853	\$0	(\$10,324)	\$5,528	\$49,690
11	\$16,011	\$0	(\$10,427)	\$5,584	\$55,273
12	\$16,171	\$0	\$0	\$16,171	\$71,444
13	\$16,333	\$0	\$0	\$16,333	\$87,777
14	\$16,496	\$0	\$0	\$16,496	\$104,274
15	\$16,661	\$0	\$0	\$16,661	\$120,935

Model: Ciderworks NRA (95% Rebate, 10 Years)

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	\$21,421	(\$40,598)	\$0	(\$19,177)	(\$19,177)
2	\$24,064	(\$14,748)	(\$10,445)	(\$1,128)	(\$20,305)
3	\$27,920	(\$15,606)	(\$10,134)	\$2,181	(\$18,125)
4	\$29,840	(\$15,470)	(\$9,830)	\$4,540	(\$13,584)
5	\$31,695	(\$16,557)	(\$9,534)	\$5,603	(\$7,981)
6	\$33,346	(\$17,529)	(\$9,246)	\$6,571	(\$1,410)
7	\$33,377	(\$18,393)	(\$8,966)	\$6,018	\$4,608
8	\$33,755	(\$19,156)	(\$8,693)	\$5,906	\$10,514
9	\$33,904	(\$19,825)	(\$8,427)	\$5,652	\$16,166
10	\$33,707	(\$20,406)	(\$8,168)	\$5,133	\$21,299
11	\$32,319	(\$17,421)	(\$7,832)	\$7,066	\$28,365
12	\$30,988	(\$16,704)	\$0	\$14,284	\$42,650
13	\$29,712	(\$16,016)	\$0	\$13,696	\$56,346
14	\$28,488	(\$15,356)	\$0	\$13,132	\$69,478
15	\$27,315	(\$14,724)	\$0	\$12,591	\$82,069

<i>Douglas County</i>					
Year	Discounted Revenues	Discounted Costs	Discounted Incentives	Net	Cumulative
Pre-Operation	\$0	\$0	\$0	\$0	\$0
1	\$17,841	(\$19,902)	\$0	(\$2,061)	(\$2,061)
2	\$20,041	(\$5,956)	(\$13,059)	\$1,026	(\$1,035)
3	\$21,589	(\$7,101)	(\$12,670)	\$1,818	\$784
4	\$22,258	(\$7,635)	(\$12,290)	\$2,333	\$3,117
5	\$22,836	(\$8,292)	(\$11,920)	\$2,623	\$5,740
6	\$23,328	(\$8,882)	(\$11,560)	\$2,886	\$8,626
7	\$23,741	(\$9,410)	(\$11,210)	\$3,122	\$11,748
8	\$23,990	(\$9,879)	(\$10,868)	\$3,243	\$14,992
9	\$24,048	(\$10,293)	(\$10,536)	\$3,219	\$18,211
10	\$23,977	(\$10,656)	(\$10,212)	\$3,108	\$21,319
11	\$22,989	(\$9,814)	(\$9,792)	\$3,384	\$24,702
12	\$22,043	(\$9,410)	\$0	\$12,633	\$37,335
13	\$21,135	(\$9,022)	\$0	\$12,113	\$49,448
14	\$20,265	(\$8,651)	\$0	\$11,614	\$61,062
15	\$19,430	(\$8,294)	\$0	\$11,136	\$72,198

Model: Ciderworks NRA (95% Rebate, 10 Years)

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	\$19,851	(\$2,328)	\$0	\$17,523	\$17,523
2	\$22,459	(\$2,806)	(\$14,397)	\$5,255	\$22,778
3	\$24,040	(\$3,045)	(\$13,968)	\$7,027	\$29,805
4	\$24,707	(\$3,072)	(\$13,549)	\$8,086	\$37,891
5	\$25,279	(\$3,306)	(\$13,142)	\$8,831	\$46,722
6	\$25,761	(\$3,514)	(\$12,745)	\$9,502	\$56,224
7	\$26,161	(\$3,701)	(\$12,358)	\$10,102	\$66,327
8	\$26,484	(\$3,865)	(\$11,982)	\$10,637	\$76,964
9	\$26,736	(\$4,010)	(\$11,615)	\$11,111	\$88,075
10	\$26,923	(\$4,137)	(\$11,259)	\$11,528	\$99,603
11	\$25,814	(\$3,634)	(\$10,795)	\$11,385	\$110,987
12	\$24,751	(\$3,485)	\$0	\$21,266	\$132,254
13	\$23,732	(\$3,341)	\$0	\$20,391	\$152,645
14	\$22,755	(\$3,204)	\$0	\$19,551	\$172,195
15	\$21,818	(\$3,072)	\$0	\$18,746	\$190,941

<i>State of Kansas</i>					
Year	Discounted Revenues	Discounted Costs	Discounted Incentives	Net	Cumulative
Pre-Operation	\$0	\$0	\$0	\$0	\$0
1	\$10,040	\$0	\$0	\$10,040	\$10,040
2	\$10,193	\$0	(\$7,849)	\$2,344	\$12,384
3	\$10,447	\$0	(\$7,615)	\$2,833	\$15,217
4	\$10,385	\$0	(\$7,387)	\$2,998	\$18,216
5	\$10,310	\$0	(\$7,164)	\$3,146	\$21,361
6	\$10,224	\$0	(\$6,948)	\$3,276	\$24,637
7	\$10,127	\$0	(\$6,737)	\$3,390	\$28,027
8	\$9,923	\$0	(\$6,532)	\$3,391	\$31,418
9	\$9,719	\$0	(\$6,332)	\$3,386	\$34,804
10	\$9,424	\$0	(\$6,138)	\$3,287	\$38,091
11	\$9,036	\$0	(\$5,885)	\$3,151	\$41,242
12	\$8,664	\$0	\$0	\$8,664	\$49,906
13	\$8,307	\$0	\$0	\$8,307	\$58,213
14	\$7,965	\$0	\$0	\$7,965	\$66,179
15	\$7,637	\$0	\$0	\$7,637	\$73,816

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**East Lawrence Industrial Historic District
Douglas County, Kansas**

STATEMENT OF SIGNIFICANCE

The East Lawrence Industrial Historic District, located in the City of Lawrence, Douglas County, Kansas, is locally significant under National Register Criterion A in the areas of COMMERCE, INDUSTRY, and COMMUNITY PLANNING AND DEVELOPMENT. The District has important associations with the patterns of economic development in the City and contains rare surviving examples of the City's late nineteenth and early twentieth century manufacturing, warehouse, and wholesale distribution buildings and structures. Composed of commercial buildings relating to the processing and distribution of agricultural products and wholesale distribution of manufactured goods to retail outlets in the region, the District has important associations with the continuum of industrial and associated commercial enterprises that operated in the community during its development in the late nineteenth and early twentieth centuries. The District is locally significant in the area of Community Planning and Development for its associations with significant City development patterns relating to the commercial industrialization. Specifically, the District represents the establishment of sizable commercial processing and distribution businesses in East Lawrence in the late nineteenth and early twentieth centuries in response to the establishment of railroad freighting facilities and local economic growth. As such, the District reflects the shift from river access and power to rail freight lines located away from the industries clustered along the Kansas River on both sides of Massachusetts Street in the late nineteenth century, and the continued reliance on proximity to rail lines for the gathering and distribution of agricultural products and manufactured goods in the early twentieth century.

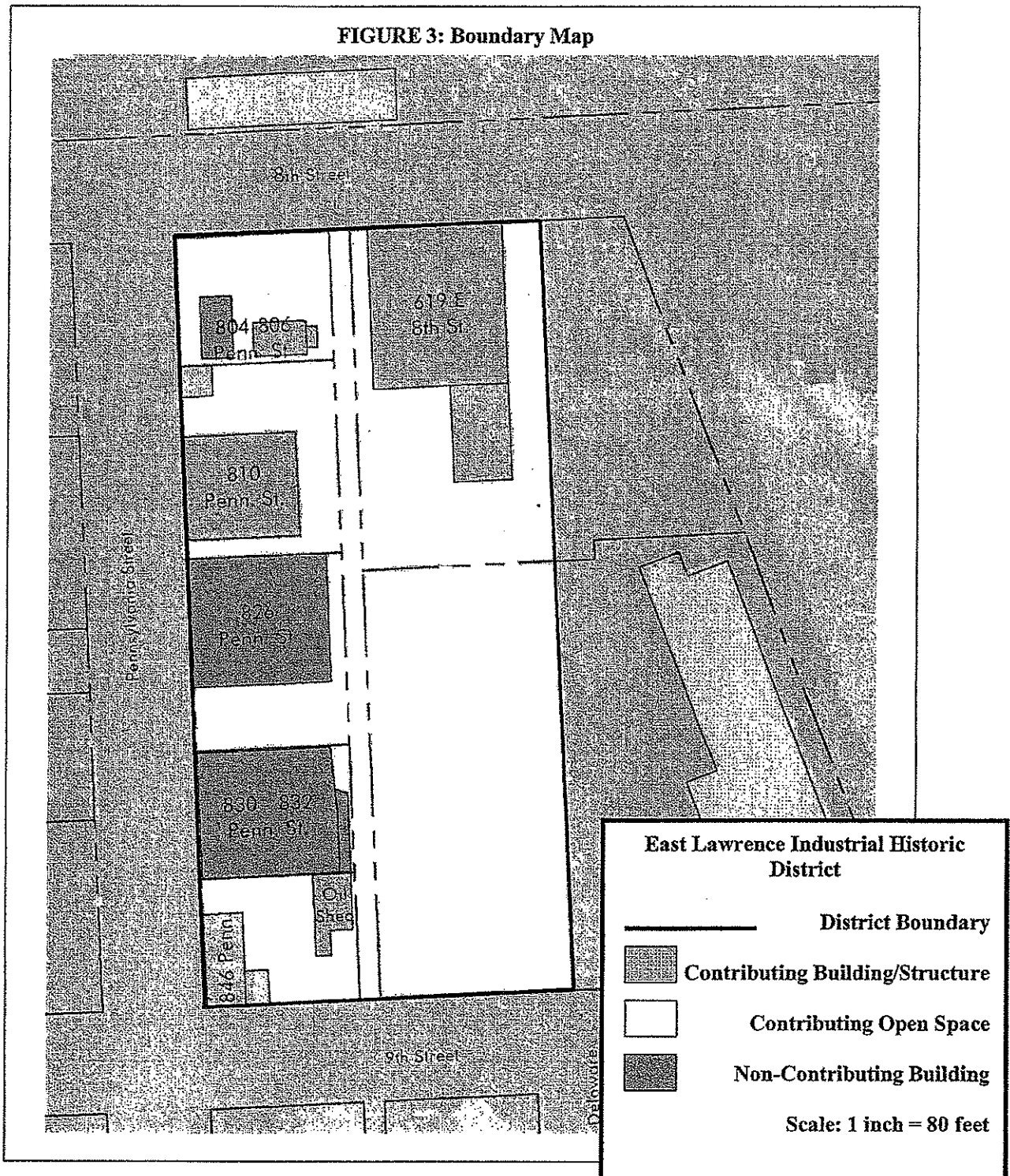
Because of its historic architectural integrity, the District visually conveys a sense of historic cohesiveness through its design, setting, materials, workmanship, and associations. As a grouping, the late nineteenth and early twentieth century brick and stone industrial buildings successfully communicate the features common to industrial manufacturing and distribution buildings and structures of that era. Some of the buildings are rare surviving examples of their property type and provide insight into the technology of their period of construction and pattern of features common to their property type, as well as the particular circumstances of their location and associations. The District contains five contributing buildings, two contributing structures, one contributing site, and three non-contributing buildings. The District's period of significance begins in 1883 with the estimated construction date of the earliest extant building and ends in 1955, the arbitrary fifty-year cutoff date for National Register eligibility established by the National Park Service as a reasonable date from which to evaluate the significance of resources.

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**East Lawrence Industrial Historic District
Douglas County, Kansas**



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**East Lawrence Industrial Historic District
Douglas County, Kansas**

linear distribution near the south bank of the Kansas River and along the Santa Fe Railroad right-of-way to the east. Like the majority of the manufacturing, processing, and distribution industrial buildings erected in Lawrence in the late nineteenth and early twentieth centuries, the buildings in the District are also located near transportation services apart from the town's retail and service center. Because of the grouping of buildings of the same property type on one block and the continued historic architectural integrity, the District's appearance reflects its historic development. With the exception of two small buildings and the use of both brick and stone on one building, the remaining buildings have dark red brick load-bearing walls and are of wood post and beam construction. As noted in Section 7, the remaining natural and man-made features in the larger environment surrounding the District that date to the period of significance provide a larger setting that references the general industrial area occupied by the District and underscore the rarity of the resources within it

SUMMARY

The East Lawrence Industrial Historic District is historically significant for its role in the commercial development of Lawrence and as a surviving collection of representative examples of late nineteenth and early twentieth century industrial architecture in the City. As rare surviving concentration of late nineteenth and early twentieth century industrial and commercial buildings, the District reflects the period in Lawrence's history in which industrial activity was at its height. The buildings are architecturally intact, retaining sufficient integrity to convey feelings and associations with their period of construction, industrial design, and commercial functions. They visually document an area originally designated for warehouse and manufacturing that continued to function well into the twentieth century. Moreover, the size and visual cohesiveness of the extant manufacturing complex reflect the important manufacturing businesses associated with the processing, storage, and distribution of farm-to-market goods. The District's historic integrity and importance in commerce defines a rare, concentrated, and intact area of industrial resources dating from the 1880s through the Great Depression.

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**East Lawrence Industrial Historic District
Douglas County, Kansas**

EAST LAWRENCE INDUSTRIAL HISTORIC DISTRICT

The East Lawrence Industrial Historic District contains the buildings and structures associated with manufacturing, processing, and distributing raw goods and manufactured materials in Lawrence. As such, they are a unique assembly, reflecting a variety of commercial associations with the economic history of Lawrence. Two of the principal contributing buildings have associations with important commercial enterprises in the region and the State of Kansas.

**The Kansas Fruit Vinegar Company Building
808-810 Pennsylvania Street**

One of the important Lawrence businesses represented in the District is the Kansas Fruit Vinegar Company facility, which incorporated with a capital stock of \$15,000 on May 10, 1882 with the purpose of manufacturing pure cider vinegar. At this time, there were three cider works in Lawrence. In 1881, W. R. Fowler established the Lawrence Cider and Vinegar Works, which produced several hundred barrels of vinegar, most of which were exported to the Colorado market. Another vinegar-making establishment began operations around this time in a large building in North Lawrence, across the Kansas River. Of the Douglas County apple crop of 1883, Fowler's Lawrence Cider and Vinegar Works consumed 2,500 barrels, the Kansas Fruit Vinegar Company used 3,800 barrels, a local cannery used 1,063 barrels, and an evaporator plant used 500. The remaining 50,000 barrels of apples were shipped to wholesale houses in the region.²²

The Kansas Fruit Vinegar Company had a local retail outlet, but sold the vast majority of its products wholesale throughout the region. The company manufactured cider, cider vinegar, and vinegar. The members of its board of directors were D. B. Hunnicutt, President; F. H. Osborne, secretary; R. Carpenter, Treasurer; M. Flora, Superintendent. The company initially employed twenty men and manufactured one hundred barrels of cider vinegar a day. The company's first plant was a three-story frame building measuring 40 feet by 100 feet, located on Pennsylvania Street between 8th Street (Henry Street) and 9th Street (Warren Street) that was previously a soap factory. In 1883, a fire destroyed this building and the business immediately erected a brick facility and remained in operation at the same location. The company expanded its operations to include making pickles, catsups, jellies, and boiled cider in large quantities and also made dried apples. Ownership of the company changed hands several times. The brick and stone building on Pennsylvania Street variously housed the Kansas Fruit Vinegar Company in

²² Middleton, 132-133.

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**East Lawrence Industrial Historic District
Douglas County, Kansas**

the 1890s, the Pendleton Elevator & Vinegar Works in circa 1905, and the Lawrence Grain and Produce Company in circa 1912. After a fire in 1917, J. W. Krum, an orchard owner, became the owner and manager and the factory operated into the 1950s as the Lawrence Cider and Vinegar Company.²³

A review of the Sanborn Fire Insurance Company maps from 1883 through 1927 and on-site inspection reveals that then northern portion of the building appears to date from 1883 and the building erected after a fire destroyed the three-story frame cider mill. The 1880 Sanborn map shows a recessed drive-through section with an internal loading dock and storage areas. By 1905, the building has the footprint that it retains today, with the exception of a small wing on the north elevation at the northeast corner of the building.

**Theo. Poehler Mercantile Company Wholesale Grocery Building
619 East 8th Street**

One of the most lucrative businesses found in the industrial freight areas of towns and cities in the Midwest in the late nineteenth and early twentieth centuries were the wholesale houses of middlemen merchants who purchased manufactured goods and raw materials from factories throughout the country and sold them (with a mark-up in price) to retailers. In Lawrence, Theodore Poehler established what would become one of the largest wholesale houses in the State of Kansas.

Theodore Poehler Sr. was born in the German principality of Lippe-Detmold in 1832. He received a business education in Germany and emigrated to the United States in 1850, locating in New Orleans. Shortly thereafter, he settled in Burlington, Iowa where he engaged in farming. In 1855, he established a wholesale grocery business and continued there until 1866, when he moved to Lawrence, Kansas with his brother, August Poehler.²⁴ The brothers established a large wholesale and retail grocery business. The firm dissolved in 1869 and Theodore established a grain business²⁵ and retail grocery business in Lawrence. An account of the business written by Theodore's daughter notes that when the Ridenour and Baker Company and Nathan Frank wholesale grocers moved to Kansas City, Mr. Poehler added the wholesale department. A listing of businesses in 1883 lists the "Theo. Poehler and Company"²⁶ as "wholesale grocers" at 146-148 Massachusetts Street. Cutler's 1883 history lists "Theodore Poehler & Co" as wholesale grocers and proprietors of the "Kaw Valley" elevator, noting the firm included F.

²³ Middleton, 132-133,135.

²⁴ William G. Cutler, *History of the State of Kansas* [book online] (Chicago: A. T. Andreas, 1883) available from http://www.kancoil.org/books/cutler/douglas/douglas-co-p23.html#BIOGRAPHICAL_SKETCHES_PALM-REYNOLDS; Internet; accessed 10 October 2005.

²⁵ Known as the "Kaw Valley Elevator."

²⁶ Also known as Theodore Poehler & Company.

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**East Lawrence Industrial Historic District
Douglas County, Kansas**

808-810 Pennsylvania Street — Outbuilding

(Contributing Building, Photograph Numbers 14 and 15)

Located north of the building at 810 Pennsylvania Street and having zero setback from the sidewalk on Pennsylvania Street, this rectangular brick outbuilding dates to the period between 1905 and 1912. The original wood front-gabled roof and sliding wood doors in the west elevation remain intact. The south elevation has four bays defined by three small windows at the eave line and a pedestrian entrance. A similar arrangement of windows occurs on the north elevation. The east (rear) elevation has no openings. The lower three-fourths of the building is parged and the parging pattern remains consistent on all elevations. The roof is corrugated galvanized metal.

808-810 Pennsylvania Street — Kansas Fruit Vinegar Company Building

(Contributing Building, Photograph Numbers 16, 17, 18, 19, and 20)

The north portion of this vinegar processing plant and warehouse dates to circa 1883 and the southern half dates to the turn of the twentieth century. The two-story masonry building has a flat roof with a low, single slope to the east with parapet walls on the south, west, and north elevations. Tile coping caps the parapet. The west (primary) façade has two distinct halves, each with a central loading dock opening flanked by tall narrow single windows at the first story and corresponding windows at the second story. The first-story windows have segmental brick arches. All of the windows contain concrete cement block infill. The rubble limestone foundation is visible. A thin coat of paint covers the brick wall. The east (rear) elevation faces the alley and rail spur and the entire load-bearing wall is uncoursed limestone. An asymmetrical arrangement of openings, all of which now contain concrete cement block infill, distinguishes this elevation. As on the west (primary) façade, the first-story window openings have segmental brick arches. The large square dock opening in the east (rear) elevation does not appear to be original, but corresponds to an enlargement of an opening that in the west (primary) façade. Another such opening in the southern half of the east elevation contains concrete cement block infill. The bottom half of the north (side) elevation is uncoursed limestone and the upper half is brick. A large central loading dock door does not appear to have been original, but may date to its historic period of operation. On the west side of this opening are a pedestrian entrance and two windows with segmental brick arches. Another window opening occupies the first bay of the west side of the loading dock. The second story has four original window openings with brick lintels. All of the window openings contain concrete cement block infill. The bottom half of the south (side) elevation is uncoursed limestone and the upper half is brick. Two tall windows with segmental brick arches flank an at-grade loading door. The second story has four window openings. All of the openings contain concrete cement block infill. The interior structural system is wood frame and decking supported by heavy timber joists and trusses, columns, and beams.

United States Department of the Interior
National Park Service

**NATIONAL REGISTER OF HISTORIC PLACES
CONTINUATION SHEET**

Section 7 Page 7

**East Lawrence Industrial Historic District
Douglas County, Kansas**

This building contains all of its original materials and continues to communicate the essential physical features of its historic industrial uses of processing and distribution during the late nineteenth and early twentieth centuries. The footprint remains unchanged since the beginning of the twentieth century, reflecting changes during its period of historic operation. The essential physical features that convey its historic identity are visible. The building's historic openings — loading dock doors and windows — are visible although they contain cement concrete block infill. The infill can be removed without damaging the openings. Of note is the fact that all of the elevations are utilitarian, with the west (primary) façade differing only in the exclusive use of brick, whereas the secondary side elevations feature a combination of limestone and brick, and the east (rear) alley elevation using limestone exclusively. Today, this building continues to communicate its historic function and period of construction.

**826-828 Pennsylvania Street — Kansas Seed Headquarters, F. Barteldes & Company Building
(Non-Contributing Building, Photograph Number 21)**

This building occupies lots 18, 20, and 22 and has a large rectangular plan. Approximately seven feet of the original second story and a three-story elevator/machine structure are both no longer extant, the alterations occurring after 1950. The flat roof slopes to the east with parapet walls on the south, west, and north elevations. The majority of the original exterior openings have been modified or filled with masonry. Their dimensions and locations are still visible. Ancillary buildings and structures to the south and east of the building that are no longer extant include a three-story elevator, a small dust house, and several corn/grain silos. The roof is supported by a modern steel truss system. This building was erected by the Barteldes Seed Company and served in numerous capacities up to and through the 1950s. As such, the modifications reflect changes in the building's use during this period from seed shelling and processing to housing warehouse distribution functions. Its retention of its original footprint, massing, and masonry walls, as well as its simple utilitarian design continue to communicate the building's processing and warehouse function and is preferable to the void its demolition would create. Nevertheless, based on comparisons with historic photographs from the early 1950s, the architectural integrity is not sufficient to communicate its historic appearance during the District's period of significance.

City of Lawrence Neighborhood Revitalization Plan and Program: Cider Building, 810/812 Pennsylvania Street

Definition:

Area - used interchangeably with "Property", referring to the property located at 810/812 Pennsylvania Street, the Cider Building, which includes 8th and Pennsylvania Neighborhood Redevelopment Block A Lot 2 Less N 109.27 FT (U00087A & 97A DIV 2009), Lawrence, Douglas County, Kansas

Plan:

The Cider Building, at 810/812 Pennsylvania, southwest of the Poehler Building, is located in East Lawrence. Mr. Anthony Krsnich has proposed converting the lower level of the Cider Building into an arts gallery and event space, while the second level will be converted into office spaces. Mr. Krsnich believes these plans complement the creative nature of the East Lawrence neighborhood. This complements the overall plan and continues to enhance the creative nature of East Lawrence. Mr. Krsnich estimates the costs for these renovations to the Cider Building to be \$1.2 million to \$1.4 million. Mr. Krsnich has requested a Neighborhood Revitalization Act (NRA) be placed on the property. The following is the Neighborhood Revitalization Plan ("Plan") for this area.

This Plan is required by the Kansas Neighborhood Revitalization Act (the "Act") (see Appendix 1) in order to create a neighborhood revitalization area intended to encourage both reinvestment and improvements to a specific area or Property of the community. The governing body of the City of Lawrence (the "Governing Body" has determined that the a "neighborhood revitalization area" as described in K.S.A. 12-17,115(c) (3):

An area in which there is a predominance of buildings or improvements which by reason of age, history, architecture or significances should be preserved or restored to productive use.

The Governing Body has also determined that the rehabilitation, conservation, and redevelopment of the Property is necessary to protect the public health, safety and welfare of the residents of the City of Lawrence, as required by K.S.A. 12-17,116.

In accordance with K.S.A. 12-17,117, the components of this Plan include:

1. A general description of the Plan's purpose;
2. A legal description and map of the Property (Area);
3. The existing assessed valuation of the real estate comprising the Property;
4. A list of the name and address of the owner of record within the Property;
5. The existing zoning classifications and Property boundaries and the existing and proposed land uses of the Property;
6. The proposals for improving or expanding municipal services within the Property;
7. The term of the Plan;

8. The criteria used to determine what property is eligible for revitalization, including a statement specifying that property, existing buildings, and new construction is eligible for revitalization;
9. The contents, procedure and standard of review for an application for a rebate of property tax increments;
10. A statement specifying the maximum amount and years of eligibility for a rebate of property tax increments; and
11. A section regarding the establishment of a Neighborhood Revitalization Fund.

Section 1: Purpose

Establish a property revitalization tax rebate program (the "Program" or "Revitalization") to provide incentives for property owners to build public and private infrastructure. The Program is intended to revitalize the Cider Building at 810/812 Pennsylvania Street.

The Program will provide a valuable incentive to private developers/property owners to redevelop the Area and will accomplish the following city goals including, but not limited to, the following:

- The opportunity to promote redevelopment activities which enhance east Lawrence
- The opportunity to promote redevelopment activities for properties which have been vacant or significantly underutilized on site around Lawrence
- The opportunity to attract unique retail and/or mixed use development which will enhance the economic climate of the City and diversify the economic base

For Purposes of this Plan, the term "improvements" shall include the private and public infrastructure for remodeling and redeveloping the Property to achieve the foregoing goals.

Section 2: Legal Description & Map of Neighborhood Revitalization Property

The Property shall include the Area described herein:

8th and Pennsylvania Neighborhood Redevelopment Block A Lot 2 Less N 109.27 FT (U00087A & 97A DIV 2009), Lawrence, Douglas County, Kansas

As depicted below:

Pennsylvania Street Redevelopment District



Section 3: Value of Real Properties

The appraised value of the real estate in the Area is:

2011 Appraised Values

Land: \$60,240
Building: \$65,760
Total Value: \$126,000

The assessed value of the real estate in the Area is:

2011 Assessed Values

Land: \$15,060
Building: \$16,440
Total Value: \$31,500

Total Taxes: \$3,947.70 (not including special assessments)

Section 4: Owner of Record of the Lots

East Lawrence Historic Partners, LLC
10334 Lee Boulevard
Leawood, KS 66206

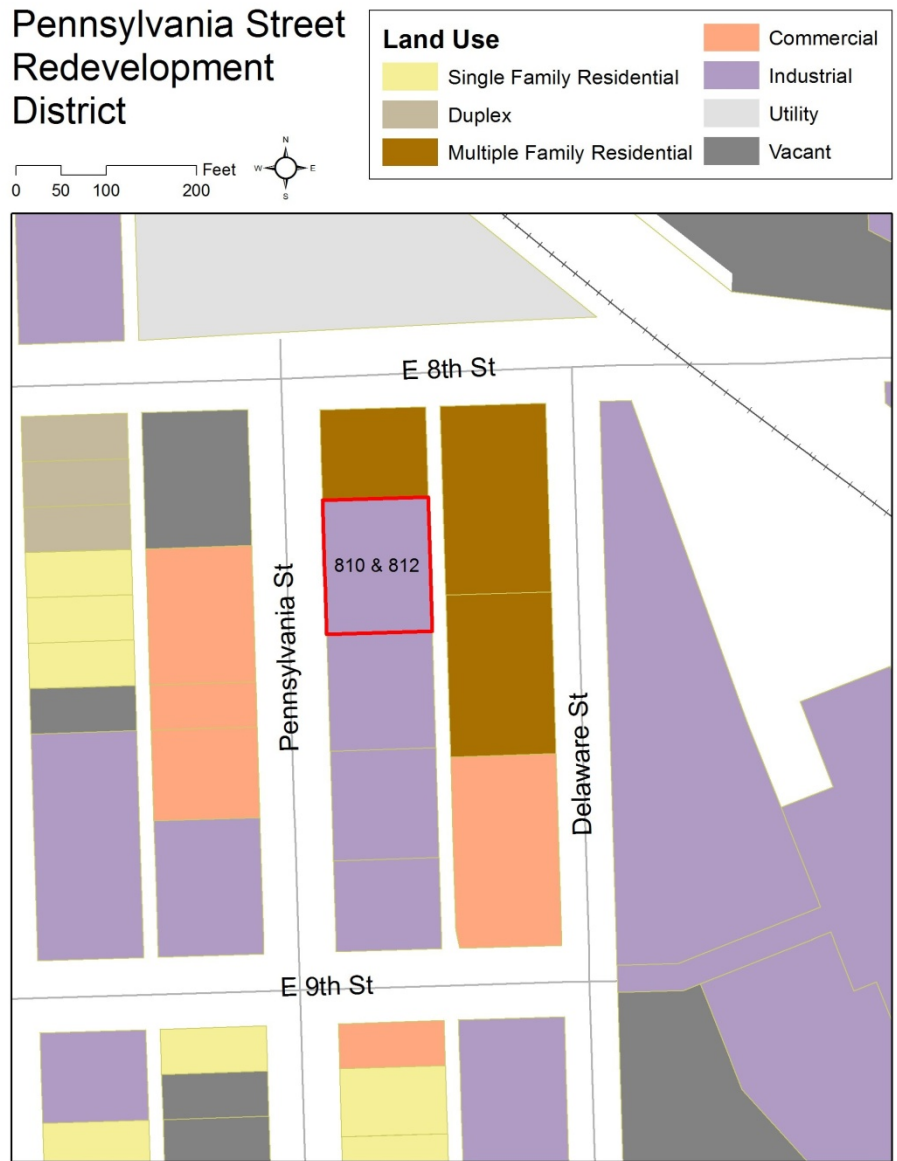
Section 5: Existing Zoning Classifications and Property Boundaries; Existing and Proposed Land Uses

The Area is located in the previously designated 8th and Pennsylvania Neighborhood Redevelopment District created in 2007; however, the district expired in April 2012. The land use is designated as industrial. No changes are being proposed to the existing zoning. Please see the Existing Zoning Map and Existing Land Use Map below.

Existing Zoning Map.



Existing Land Use Map.



Section 6: Proposals for Improving Municipal Services in the Property

There are no proposals currently for improving municipal services or infrastructure in the Area with this Plan.

Section 7: Term of the Plan

1. This Plan and tax rebate Program shall be effective upon the adoption of this Plan by ordinance of the Governing Body of the City of Lawrence.
2. This Plan and tax rebate program (the "Term") shall expire after **ten (10) years** from the date of adoption unless extended by the ordinance of the Governing Body prior to its expiration. The Governing Body reserves the right to evaluate the Program at any time.

The owner of the property at the time the property taxes are paid will be eligible for a property tax rebate on the incremental taxes associated with improvements to the Property (the "tax increment"). The Tax Increment will equal the property tax assessment against the Property for the first year after the improvements are completed (i.e. determined including the value that such improvements add to the assessed value of the Property) reduced by the property tax assessed against the Property for the base year (the year this Plan is approved) (i.e. determined without the value that the improvements add to the assessed value of the Property). The Tax Increment will then remain constant throughout the Term of the rebate program. The tax rebate will be determined based on the Tax Increment and the following table:

Table 1

Year	Rebate % to be refunded to property owner
2013	95% of increment
2014	95% of increment
2015	95% of increment
2016	95% of increment
2017	95% of increment
2018	95% of increment
2019	95% of increment
2020	95% of increment
2021	95% of increment
2022	95% of increment

3. This Plan and the Program is subject to approval of each taxing unit, including Douglas County and USD 497 and the City entering into an agreement with such other taxing units relating to the implementation and payment of tax rebates provided for under this plan.

Section 8: Contents of an Application for Rebate, Application Procedures and Standards of Criteria Used to Review an Application

The Letter of Proposal submitted by Mr. Krsnich shall serve as the application for the Program under this Plan. **No further applications are anticipated related to the Property. Please refer to Exhibit A.**

1. The improvements must result in an assessed value increase for the Property within twelve months of completing the improvements. Some improvements, regardless of cost, may not result in an increase in assessed value and thus would not make the property eligible for a property tax rebate. Such determinations will be made solely and independently by the Douglas County Appraiser's Office and the County Clerk.
2. Property eligible for tax incentives under any other program adopted pursuant to statutory or constitutional authority, including, but not limited to historic tax credits, housing tax credits, Tax Increment Financing, and Industrial Revenue Bonds, shall not be eligible for the Program.
3. General Provisions Applicable to all Rebate Applications on Eligible Property
 - a) Any otherwise eligible Property with delinquent real property or special assessments shall not be eligible for a rebate until such time as all taxes and assessments have been paid. If delinquency occurs after entry into the Program, the rebate will be suspended until such time as all taxes are paid in full. The County Treasurer will monitor real estate tax delinquencies for Property participating in the Program. The County Treasurer will notify the City if a Property becomes ineligible for the program due to tax or special assessment delinquencies.
 - b) The Property owner shall notify the City when all improvements covered under the application have been completed and the city shall inspect the improvements for compliance with the required building, health and safety codes of the City. The City shall notify the County Appraiser by December 1st that the improvements have been substantially completed.
 - c) The County Appraiser shall conduct an on-site appraisal as a part of the normal valuations following completion of the Improvements and determine the increase in the taxable valuation due to the Improvements. On or before December 1st of each calendar year, the City shall notify the County Appraiser, in writing, of each property in the Area for which Improvements have been determined to be substantially completed so that the County Appraiser may conduct on-site inspections as a part of the normal valuations to determine the increase in taxable valuations due to the Improvements. The County Appraiser will notify the City and the County Clerk of the valuation.
 - d) A tax rebate will be based on the Tax Increment as provided in Section 7.3.
 - e) Upon payment in full of the real estate tax (first and second installments) for the Property for the year following the completion of the improvements provided for in Section 7.3 and within thirty (30) days after

the County distributes property tax collections to the City, The City shall pay the owner the amount determined under the Plan. If the owner appeals the appraised value of the Property to the County Appraiser, no payment will be made until the appeal is resolved.

- f) For any improvements that are only partially completed as of December 1st of each year, the Property owner shall file a written document with the City indicating the status of construction as of December 1st. The City shall share that document with the County Appraiser.
- g) If this Plan is repealed or the rebate criteria changed, any approved applications shall be eligible for rebates for the remaining Term of the rebate originally provided in the plan
- h) Any taxes paid under protest for a eligible property will suspend the rebate until the protest has been resolved.
- i) Construction of an Improvement must begin on or after the date of the designation of the District and be located within the District.

4.

Section 9: Amount of Tax Rebate, Rebate Term, and Maximum Rebate Limit

- 1. The eligible tax rebate is set forth in Table 1, Section 7. If there is no Tax Increment generated for a specific property due to a diminution of assessed values, no tax rebate shall be provided for the Property.
- 2. Douglas County will retain an annual administrative fee of \$100 from the Increment of the rebate program. The remaining Increment for any given year shall be distributed to the taxing jurisdictions in accordance with regular property tax distribution procedures.
- 3. The maximum rebate shall be the sum of all incremental increases in taxes for the duration of the ten year period as further defined in the Table 1, Section 7.

Section 10: Neighborhood Revitalization Fund

Upon Governing Body approval of the Plan, the Cider Building 810/812 Pennsylvania Street Neighborhood Revitalization Fund will be established.

Section 11: Other City Requirements

- 1. The Improvements must conform to all codes, rules, and regulations that are in effect at the time the improvements are made. Improvements must be authorized by public improvement plans or building permit when applicable.
- 2. Any otherwise eligible property with delinquent taxes or special assessments shall not be eligible for a rebate until such time as all delinquent taxes and assessments have been paid.

Appendix I: Summary of the Kansas Neighborhood Revitalization Act

The Kansas Neighborhood Revitalization Act (NRA) allows the governing body of any municipality to pass an ordinance designating an area within that municipality as a "Neighborhood Revitalization Area" if it finds that "the rehabilitation, conservation or redevelopment of the area is necessary to protect the public health, safety or welfare of the residents of the municipality." K.S.A. 12-17,116.

KSA 12-17,115(b) and 12-17,116 provide that all municipalities are authorized to participate in Neighborhood Revitalization Area programs. In addition, KSA 12-17,119, provides that two or more (i.e. all) taxing jurisdictions within a Neighborhood Revitalization Area are specifically authorized to enter into interlocal agreements pursuant to 12-2901 to exercise the powers authorized by the Act (including utilizing all or a part of the other taxing jurisdictions tax increment). The interlocal agreement(s) must be submitted to and approved by the Kansas Attorney General.

The Neighborhood Revitalization Area Act expressly provides for additional home rule provisions which are not in conflict with this act. KSA 12-17,120 permits cities to enact and enforce additional laws and regulations on the same subject of revitalization, provided they are not in conflict with the Act. This would mean, for example, that cities should be able to adopt provisions permitting use of some of the increment which is not returned to taxpayers, to be used instead for other infrastructure improvements within the NRA Property, and conceivably, even for revitalization grants or other incentives that would spur revitalization and rehabilitation in the NRA Property. The ability of cities to go beyond the statutes will depend in a large part upon the scope of their agreement with the other taxing jurisdictions.

Exhibit A: Mr. Krsnich's Letter of Proposal

June 7, 2012

I am requesting a Neighborhood Revitalization Area be established for the Cider Building at 810/812 Pennsylvania. I am planning to convert the Cider Building into an arts gallery on the lower level which can host events. The upper level will be converted into offices for entrepreneurs. This complements the overall plan and continues to enhance the creative nature of East Lawrence. The Cider Building will have to request the full amount of abatement for the entire term.

Finally, this project is unique in the fact that we are able to save one of the most historic structures in Lawrence. On the Poehler Building, we estimated over 140 people will have received a paycheck by the time it is completed. This NRA request is a jobs generator and we estimate another 100 jobs will be created/sustained by these efforts, not to mention the catalytic effects these projects will continue to have on the surrounding area.

Please let me know if you need additional information.

Thank you,

Tony Krsnich

June 7, 2012

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Finally, this project is unique in the fact that we are able to save one of the most historic structures in Lawrence. On the Poehler Building, we estimated over 140 people will have received a paycheck by the time it is completed. This NRA request is a jobs generator and we estimate another 100 jobs will be created/sustained by these efforts, not to mention the catalytic effects these projects will continue to have on the surrounding area.

Please let me know if you need additional information.

Thanks you,

Tony Krsnich

**Cider Building (810/812 Pennsylvania) Neighborhood Revitalization Act Request
CALENDAR OF EVENTS 2012**

<u>Date/Location</u>	<u>Event</u>	<u>Parties</u>	<u>Status/Notes</u>
June 6	Draft Calendar	City	Complete
June 7	Notify USD 497 and Douglas County of NRA item discussions and determine how they wish to process request	City	Completed
June 6	Items due for June 12 agenda	City and Applicant	Completed
June 12 City Commission Room, City Hall 6:35 pm	City Commission meeting: action to receive request, refer to PIRC and set date for public hearing (June 26, 2012) on proposed NRA and Revitalization Plan	City and Applicant	Completed
June 15	Publish Notice of Public Hearing (2 consecutive weeks)	City	
June 14	Deadline for plan completion and staff report completion for the PIRC agenda	City and Applicant	
June 22	Public Notice of Public Hearing	City	
June 19 PIRC 3 pm City Commission Room, City Hall	Public Incentive Review Committee: Discuss proposed NRA project and make recommendation to the City Commission	City and Applicant	
June 20 County Commission meeting 4 pm	County Commission meeting: County Commission considers participation in NRA plan and participation in cooperation agreement	City and Applicant	Agenda items due June 15
June 25 School Board meeting 7 pm	School Board meeting: School Board considers participation in NRA plan and participation in cooperation agreement	City and Applicant	

June 26 City Commission Room, City Hall 6:35 pm	City Commission meeting: hold a public hearing on the NRA project, receive PIRC recommendation, approve NRA plan, and adopt first reading of an ordinance establishing the NRA	City Applicant and	
July 2 City Commission Room, City Hall 6:35 pm	City Commission meeting: adopt second reading of an ordinance establishing the NRA (consent agenda)	City Applicant and	
July 9	Construction Commences	Applicant	

Memorandum

City of Lawrence

City Manager's Office

TO: David L. Corliss, City Manager

FROM: Diane Stoddard, Assistant City Manager
Britt Crum-Cano, Economic Development Coordinator

CC: Cynthia Wagner, Assistant City Manager

Date: June 14, 2012

RE: Creation of a Joint Economic Development Council (JEDC)

Please place the following item on the June 19, 2012 City Commission agenda:

Receive follow up information regarding the creation of a Joint Economic Development Council (JEDC) and direct staff to draft an ordinance to create the JEDC, if appropriate.

Background and Discussion:

At the City Commission meeting on May 8, 2012, the City Commission received a request from the Lawrence Chamber of Commerce to consider the establishment of a Joint Economic Development Council (JEDC). The City Commission discussed the item and requested that staff answer various questions regarding the proposal.

Since the May 8 meeting, staff of the partner organizations have met and developed a Frequently Asked Questions (FAQ) document to address various questions and concerns about the creation of the JEDC, and to provide general information about economic development activities. Also, the proposed membership of the JEDC has been refined to include some modifications to the original proposal, such as the addition of two community representatives appointed by the City Commission and two community representatives appointed by the County Commission.

The next steps, should the City Commission wish to proceed, is the consideration of an ordinance to formally establish the JEDC. If direction to proceed is provided, staff will draft the ordinance for consideration at a future City Commission meeting.

Requested Action:

Receive follow up information regarding the creation of a Joint Economic Development Council (JEDC) and direct staff to draft an ordinance to create the JEDC, if appropriate.

- June 14, 2012 DRAFT-

Questions/Issues from City Commission discussion on proposed formation of the JEDC May 8, 2012 and General Economic Development FAQs

- What is the JEDC and the purpose for its creation?
 - *The JEDC (Joint Economic Development Council) is a community economic development partnership. The purpose of the partnership is to facilitate primary job creation and retention within Douglas County. The JEDC will review budget requests submitted by the Chamber Board to the City and County for economic development. The JEDC will provide oversight of the funds allocated by the City and County for these activities and will monitor results. The group will also be involved with making recommendations regarding policies for economic development initiatives, promotional strategies, benchmarks and performance measures.*
 - *The group includes the President/CEO of the Chamber, the Chair of the Chamber Board, the Vice Chair of the EcoDevo Committee of the Chamber (ex officio), a Lawrence City Commissioner, the Lawrence City Manager (ex officio), a County Commissioner, the County Administrator (ex officio), the KU Chancellor or designee, the Executive Chair of the Bioscience and Technology Business Center or designee, the City Administrator of Eudora or designee (ex officio), the City Administrator of Baldwin City or designee (ex officio), two representatives from the business community appointed by the Chamber President, two community representatives appointed by the Lawrence City Commission, and two community representatives appointed by the Douglas County Commission. The representatives from the Chamber, City and County will be appointed for three-year terms on a staggered basis. The ex-officio members do not have a formal vote on matters before the JEDC.*

- Will the JEDC have policy-making authority?
 - *The JEDC will regularly evaluate and review economic development policies. From time to time, the JEDC will make recommendations regarding proposed changes to these policies to the City and/or County Commission.*

- What is the rationale behind the proposed membership of the JEDC?
 - *The JEDC membership includes representation from the Chamber, City of Lawrence, County, Eudora, Baldwin City, the Bioscience and Technology Business Center (BTBC), KU, the business community, and the community at-large. This group reflects a broad base of stakeholders in local economic development activities.*

- Is the JEDC more than just an advisory group? Can it take action in areas where the governing bodies would normally make the decisions?
 - *The JEDC is not a policy-making committee. It is only advisory.*

- Will the meetings of the JEDC be open meetings? Will public comment be allowed?
 - *As a board created by a governmental entity, the JEDC will be subject to the Kansas Open Meetings Act. Comment will be allowed at the prerogative of the Chair of the JEDC.*

- What is JEDC's approach to retail or commercial development?
 - *As a general view, the local governing bodies believe that retail and other commercial development follows growth in any community, large or small. The private sector development community in Lawrence and Douglas County will continue to take the lead in the attraction of new, quality retail development to the marketplace.*

- What will be the specific responsibilities of the JEDC?
 - *The JEDC will be involved in budget oversight, including approval of budget requests sent to the Chamber Board of Directors, the City Commission and the County Commission, and any others. The JEDC will also be involved in recommending policies for economic development.*

- What are the advantages and disadvantages of the creation of the JEDC?
 - *Advantages include developing a more formalized partnership structure, increased oversight on the economic development funds, and increased transparency. There appear to be no disadvantages to the creation of the JEDC.*

- How will the JEDC be funded and from what sources?
 - *Attached is the 2013 budget request from the Chamber of Commerce for economic development activities. This document provides a good outline of sources utilized to fund economic development activities.*

- Can the JEDC spend tax money? Would this have authorization from our elected officials? If so, what provision would be made for public input?
 - *The JEDC will only have public money for economic development that has previously been authorized by either the City or County and will only have the authority to authorize economic*

development expenditures that have been allocated to the JEDC by governing bodies for that purpose. Expenditures will be limited to economic development activities. Expenditures and results from expenditures will be publicly reported.

- What other economic development activities are government funded?
 - *The City of Lawrence and Douglas County help fund the Bioscience and Technology Business Center (BTBC) operations and capital. \$200,000 annually from each the City of Lawrence and Douglas County goes to the BTBC for operations. \$75,000 annually from each government organization is committed over a ten-year period as the City and County contributions toward the capital expenses for the existing facility. The City and County have also made a commitment to help fund the next phase of the BTBC expansion. The City and Douglas County jointly own the BTBC expansion facility, located near the intersection of Bob Billings Parkway and Wakarusa Drive. This facility is operated by the BTBC. The City contributes \$20,000 annually to the Small Business Development Center, as does Douglas County.*

- What have been the results of local economic development efforts?
 - *The 2011 joint economic development report provides an overview of the results of recent economic development efforts. Of particular mention are the local retention and expansion projects highlighted in the report. These successes include the construction of a new 600,000 square foot warehouse facility for Berry Plastics, bringing 11 new jobs, \$20 million in investment and positioning Berry Plastics for growth and additional manufacturing at the production facility. Plastikon, a manufacturer of plastic vials for the health care industry, expanded its operations from California to a location in the East Hills Business Park, creating 50 new jobs. Grandstand Sportswear and Glassware, a locally-grown screen-printing and specialty glassware manufacturer expanded to an existing building in the East Hills Business Park, positioning itself for future growth opportunities.*
 - *The former-Farmland nitrogen plant was acquired by the City of Lawrence and is now being master-planned to bring over 200 new acres of industrial development opportunity to the community, adding jobs and tax base.*
 - *Annually, the City provides a tax abatement and incentive performance report to the Public Incentive Review Committee and the City Commission.*
 - *The BTBC is now the largest business incubator program in the State of Kansas, consisting of 70,000 square feet and four facilities (<http://www.btbcu.com/>).*

- Will the Public Incentive Review Committee still exist and what will their role be?
 - *The Public Incentive Review Committee (PIRC) will still exist and its role will continue to be providing recommendations to the City Commission on economic development incentives, and*

policies related to economic development activities. Also, PIRC will continue its review of the annual economic development report, including the review of outstanding tax abatements.

- How will confidentiality be addressed for businesses?
 - *Issues of confidentiality will be addressed by City, County and Chamber staff working cooperatively. As Kansas law allows, local governing bodies can enter into executive sessions for certain matters.*

- Will the Economic Development Board currently established in City code still exist?
 - *The Economic Development Board currently established in the City code is proposed to be deleted from the code.*

- Why do government agencies get involved in funding economic development activities?
 - *Most cities and counties across the country and in Kansas are involved in funding economic development efforts in their communities because they desire to grow jobs and tax base. Many Kansas communities have dedicated sales taxes or other revenues for these purposes. Economic development is highly competitive as jobs and capital investment are in great demand. Many communities also have private sector investment in economic development activities, as well, which is the case in Lawrence with the FocusED private fund campaign for economic development.*

- What are primary jobs?
 - *Primary jobs are those jobs for which a majority of the products or services are ultimately exported to regional, stateside, national or international markets, infusing new dollars into the local economy. Examples of jobs created in this type of business enterprise include, but are not limited to: manufacturing, transportation and warehousing, financial services, scientific research and development, and corporate headquarters.*

- Can the JEDC enter into contracts and under what circumstances?
 - *The JEDC will not be entering into any contracts. The governing bodies of the partnership may enter into contracts.*

- What are other communities doing for economic development?

- *Structures for economic development activities differ from community to community. In some communities, economic development is entirely a governmental function. In other communities, it is entirely a private sector function. In many communities, it is a public/private effort.*

The following are examples of structures in other nearby communities.

In Topeka, the GO Topeka Economic Partnership, the economic development arm of the Greater Topeka Chamber of Commerce, implements economic development programs and markets the community nationally and internationally. A county-wide half-cent sales tax, of which \$5 million annually is dedicated to economic development, helps fund economic development initiatives and incentives for projects meeting certain job creation, wage and investment targets. The Joint Economic Development Organization (JEDO), made up of the three county commissioners, the Topeka Mayor and three city council members, oversees the expenditure of the sales tax dollars and contracts with GO Topeka annually to deliver a comprehensive economic development program for the city and county through new capital investment, business creation and recruitment of "primary" jobs as well as retention and expansion of existing businesses. GO Topeka has developed a unique array of partnerships between the city, county, private businesses, the entrepreneurial and minority communities and educational institutions.

Many communities in Johnson County also have public-private partnerships that are Chamber-led but involve City participation and funding. Johnson County also has a county-wide one-eighth cent sales tax that funds the Johnson County Research Triangle. This effort generates approximately \$15 million annually to support education-related activities within Johnson County, including support for the KU Edwards Campus, the KU Center for Research, and the K-State Innovation Center as well as other endeavors.

The City of Wichita has both in-house economic development staff and participates in a partnership with the Greater Wichita Economic Development Coalition.

The City of Manhattan receives a portion of a county-wide half-cent sales tax to support its economic development efforts. This source generates a little over \$2 million annually for economic development. The sales tax sunsets in 2012 and will be up for renewal consideration by the voters in November 2012. Manhattan has a partnership with the Manhattan Area Chamber of Commerce for economic development activities.

Proposed Reorganization of Economic Development Partnership

Purpose of Partnership

The purpose of the partnership is to facilitate primary job creation and retention. Primary jobs are those jobs for which a majority of the products or services are ultimately exported to regional, stateside, national or international markets, infusing new dollars into the local economy. Examples of jobs created in this type of business enterprise include, but are not limited to: manufacturing, transportation and warehousing, financial services, scientific research and development, and corporate headquarters.

Joint Economic Development Council Responsibilities

1. Supervision of budget, including approval of budget requests to Chamber Board, City Commission and County Commission. (The expenditure of any public funds must be approved by the governing body that provides the public funds to be spent, consistent with the policies of the respective local government.)
2. Recommend policies for economic development initiatives.
3. Review of policies with regard to promotional strategies, benchmarks and performance measures, as appropriate.

Joint Economic Development Council

President/CEO of Chamber

Chair of Chamber Board

Vice Chair of EcoDevo Committee of Chamber (Ex Officio)

Lawrence City Commissioner

City Manager (Ex Officio)

County Commissioner

County Administrator (Ex Officio)

KU Chancellor or designee

Executive Chair of BTBC or designee

City Admin of Eudora or designee (Ex Officio)

City Admin of Baldwin or designee (Ex Officio)

Two representatives from the business community appointed by the Chamber President

Two community representatives appointed by City Commission

Two community representatives appointed by the County Commission

Representatives from the Chamber, City and County will be appointed for three-year terms on a staggered basis



DOUGLAS COUNTY ADMINISTRATIVE SERVICES

Division of Purchasing

1100 Massachusetts Street
Lawrence, KS 66044-3064
(785) 832-5286 Fax (785) 838-2480
www.douglas-county.com

MEMO TO: The Board of County Commissioners
Craig Weinaug, County Administrator

FROM: Jackie Waggoner, Purchasing Director
Doug Stephens, Public Works Operations Manager
Eileen Horn, Sustainability Coordinator

SUBJECT: Consider Recommendation for GPS/AVL Fleet Management System

DATE: June 14, 2012

Over the past two years we have been researching and testing multiple GPS/AVL (Global Positioning System/Automatic Vehicle Location) Fleet Management Systems for Public Works. Initially we were interested in developing better routes and ensuring safety for county employees. This has evolved to our Sustainability Plan to incorporate sustainable practices into road operations, and be more efficient with fuel consumption.

Many of the providers offer systems that provide vehicle performance data, location tracking, and operations monitoring. There is a local supplier, Location Technologies (LT), with 80% of their customer base being governments. In addition to providing similar monitoring capabilities, LT offers additional functions that could assist us in becoming more efficient. The list below identifies a number of their benefits:

General

- Reduce idle times that will decrease fuel consumption and emissions
- Monitor unauthorized use
- Monitor speed/location
- Reports will assist computing project costs (e.g. snow and ice events)
- Coordinate and track material delivered to job sites (i.e. asphalt, aggregate, sand/salt)
- Track deteriorating conditions which will assist with coordinating snow and ice control strategies

Liability

- Noxious weed treatment and sensitive crops: track location/speed direction of travel/wind speed/ air temperature/application rate and type of chemical being applied. This is important due to the number of registered sensitive crops in Douglas County.
- During snow and ice events their system monitors truck routes, speed time, location, plow position, including amount and type of material being applied.

Safety

- All units will be equipped with a tilt sensor and panic button. The sensor will automatically send out a distress message when activated due to extreme equipment angle or by manually activating the panic button.

Sustainability

- Annually 12,535 gallons of fuel could be saved through avoided unauthorized use and reduced idling time. This would avert 111 metric tons of greenhouse gas emissions which are the same as taking 22 cars off the road, emissions to power 14 homes, or planting 2,857 trees.
- Potential reduction in chemical or material (i.e. salt, sand) applications based on more precise data.

For your information, we have attached an ROI (Return on Investment) based on our projected cost. These resulted in a significant cost savings of \$4,037 monthly or \$48,444 annually. Below summarizes cost submitted by Location Technologies to equip the entire fleet (except heavy equipment) for Public Works:

Equipment Cost	\$38,808.00
Annual Data Plan	\$ 3,216.00
WebMap Subscription/Hosting Services	\$ 1,632.00
Training & Installation	<u>\$ 1,500.00</u>
First Year Project Total	\$45,156.00
Recurring (after 1st Year) Total	\$ 5,848.00
For Data Plan & Subscription/Hosting Services	

In accordance to our Purchasing Policy, approval of this expenditure would require the Commissioners to waive our formal bidding process. Changes to this contract would be approved by a Department Head if under \$7,500, or with administrative approval from \$7,501 - \$20,000. Any changes exceeding \$20,000 would be brought back to the commissioners for approval.

Funds are available in the Equipment Reserve fund for the first year cost. The on-going expense may need to be added to the 2014 Budget. Doug and I will be available at the commissioner meeting to discuss this acquisition and answer any questions you may have.

RECOMMENDATION: Waives the formal bidding process and approves a contract for a GPS/AVL Fleet Management System with Location Technologies in the amount of \$45,156.

Return On Investment (ROI) Calculator Worksheet

Instructions:

1. Double-click on the calculator you wish you use and open the editable worksheet
2. Enter your operations values into the grey Input Fields
 - Cells that are not indicated as Input Fields are locked for editing
3. The Calculator will automatically update the calculated fields when your operations values are entered
4. Click outside of the active editable worksheet to close your selected calculator

Color Key	
Input Field	
Calculated Costs (locked)	
Calculated Savings (locked)	

Calculator #1

Unauthorized Use Savings		
# of Vehicles	34.00	
Operating cost per mile (per vehicle)	\$2.61	(fuel rate, hourly wage, etc.)
Non-business miles per week (per vehicle)	5.00	(unauthorized use estimation)
Average business days per month	22.00	
Cost reduction per month (whole fleet)	\$1,952.28	(calculated savings)
Cost reduction per month (per vehicle)	\$57.42	(calculated savings)

Calculator #2

Idle Time Savings (@1.2 gal/hour idle*)		
Number of Vehicles	40	
Current Idle time per day (minutes, per vehicle)	48.00	(idle time estimation)
Idle time goal per day (minutes, per vehicle)	20.00	(idle time objective)
Fuel price (per gallon)	\$3.50	
Average business days (per month)	22.00	
Current Cost for Idle Fuel (per month, whole fleet)	\$2,956.80	(calculated costs)
Goal Cost for Idle Fuel (per month, whole fleet)	\$1,232.00	(calculated costs)
Current Cost for Idle Fuel (per month, per vehicle)	\$73.92	(calculated costs)
Goal Cost for Idle Fuel (per month, per vehicle)	\$30.80	(calculated costs)
Monthly Savings at Goal (whole fleet)	\$1,724.80	(calculated savings)
Monthly Savings at Goal (per vehicle)	\$43.12	(calculated savings)

Calculator #3

Number of drivers	16	(personnel, not vehicles)
Normal hourly rate per driver (hours)	\$15.00	
Overtime rate (% per hour)	150.00%	
Average overtime hours per month (per driver)	1.00	
Cost reduction per month (whole organization)	\$360.00	(calculated savings)
Cost reduction per month (per driver)	\$22.50	(calculated savings)

• Institute of Transportation Studies, University of California, Lutsey, Nicholas, Christie-Joy Brodrick, Daniel Sperling, Carollyn Oglesby, [Heavy-Duty Truck Idling Characteristics](#). Transportation and Air Quality Committee, 2003.



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MEMO TO: The Board of County Commissioners
Craig Weinaug, County Administrator

FROM: Jackie Waggoner, Purchasing Director
Bill Bell, Building & Grounds Director
Eileen Horn, Sustainability Coordinator

SUBJECT: Consider Recommendation to Purchase a New Boiler for the United Way Building

DATE: June 14, 2012

In August 2011, the County utilized a Resourceful Kansas grant to conduct a free energy audit of the United Way building. The audit, conducted by GBA Architects and Engineers, revealed energy-saving projects to help the United Way building reduce its energy usage and costs. One key recommendation was to replace the boiler (which is likely 50+ years old). GBA estimated the current operating efficiency of that boiler is 75%, and deemed it past its useful life. The energy audit recommended replacing the boiler with a 90% efficient boiler. This was estimated to reflect an estimated energy savings of 139,100 Mbtu per year, resulting in \$1,210 in annual cost savings. Additionally, United Way estimates that they spend \$1,500 per year on repairs of the aging boiler.

Bill Bell recommends replacing the boiler with a 95%+ efficient Aerco boiler (similar to the one installed in the Courthouse in 2010, which has achieved a 47% energy use reduction). This would not only be a more efficient model, but would be beneficial to have uniformity with our equipment. Based on the results of the Courthouse boiler we estimate a potential annual savings of \$3,400 (40% of their annual natural gas expenditure of \$8,519).

This project will save energy and money for the United Way. The United Way pays their own utility costs; therefore the savings will not come back to the County. However, the utility costs are factored into the rent cost charged to the 20+ nonprofit agencies housed there, which presents the opportunity to pass savings on to the nonprofit partners.

The Aerco boiler has a proven history to be the best boiler available on the market. Our intent is to purchase the equipment directly from the authorized distributor (sole source for Kansas and Missouri), Blackmore & Glunt, at a not-to-exceed cost of \$34,174. Chaney Inc., has submitted a quote for the installation (includes removal of existing boiler) at a not-to-exceed cost of \$16,000.

The United Way's capital improvement budget can pay \$29,000 of the project cost. The Sustainability and Energy Savings Reinvestment Fund, our equipment reserve fund set up to support energy-saving projects, will pay the remaining \$21,174. Bill Bell and I will be available at the meeting to answer any questions you may have.

RECOMMENDATION: Approve the purchase of an Aerco boiler from Blackmore & Glunt in the amount of \$34,174, and the installation with Chaney Inc. for a cost of \$16,000, at a combined cost of \$50,174.

Douglas County
Fairgrounds

Capital Improvement Plan

Committee Report

June 20, 2012

- Douglas County Government
- Douglas County Commission
- Community Member
- Douglas County Fairboard
 - User Group
 - User Group
- Douglas County Master Gardeners
- Douglas County Extension
 - Douglas County Extension Executive

Board

Committee Members

User Groups

- **Youth organizations**
 - B&G Club, Boy Scouts
- **Animal groups**
 - Jayhawk Kennel Club
- **Trade Shows**
 - Home Shows
- **Auto Clubs**
 - Volkswagen Club, Swap Meet
- **Family events**
 - Reunions, weddings
- **Commercial events**
 - Tools, fabric sales, auctions
- **Community & Non-Profit organizations**
 - Sierra Club, Baker Wetlands, square dance groups, Audio Reader, Christmas Horse Parade, Kaw Valley Seed Fair
- **Government Departments**
 - Health Dept flu shots, Hwy Patrol driving courses, Police & Fire Training, Parks & Rec
- **Educational Organizations**
 - Home school groups, KU, Science Fair

Building Use 2011	# of Reservations	# of Participants
1 & 2	250	15,000
21 N & S	183	21,960
Community Building	172	17,200
Judging Arena/ Livestock Barns	31	2,170

These numbers do not include the Auto Swap Meet or the Douglas County Fair

- **History**
- **Identify**
 - current uses
 - current needs
 - future needs

Goals

- Buildings should
 - be **serviceable** but **not elaborate**
 - **meet the needs** of a **variety** of user groups
 - **complement** other facilities available in Douglas County, **not duplicate**
- **Condition** of current structures
- **Recommendations** meet the needs of community user groups for next **20-25 years**

Considerations

Signage



Commercial Kitchen Building 21



Completed Projects

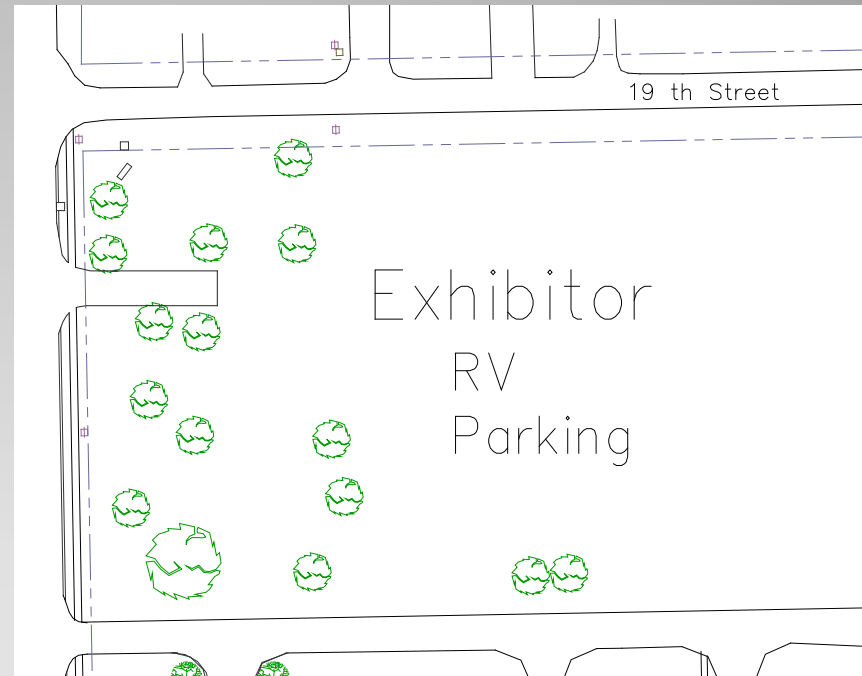
Dreher 4-H Building



- Built in 2008 with funds designated from the will of Helen K. Dreher

Completed Projects

- 20-25 pull through stalls
- Bathroom Facilities
- Hookups

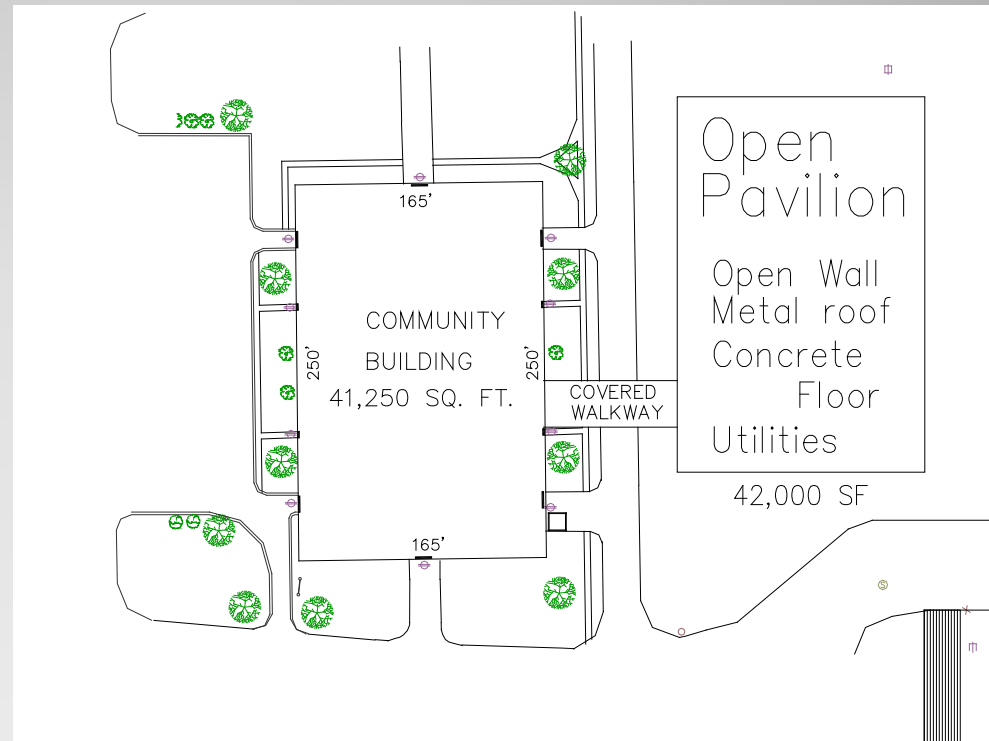


Exhibitor RV Parking
\$291,000 - \$322,000

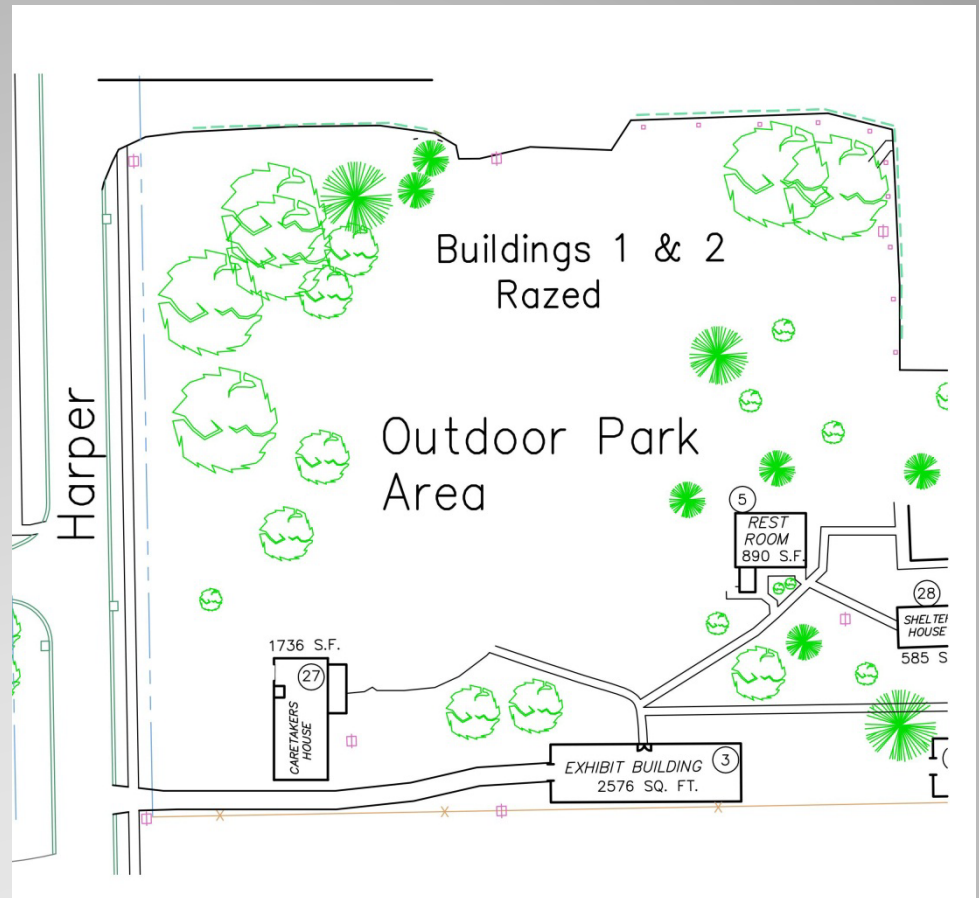
Open Pavilion

\$1,528,800 - \$1,690,000

- Community Events
- Fair Livestock
- Dog Shows
- Auctions
- Horse Shows



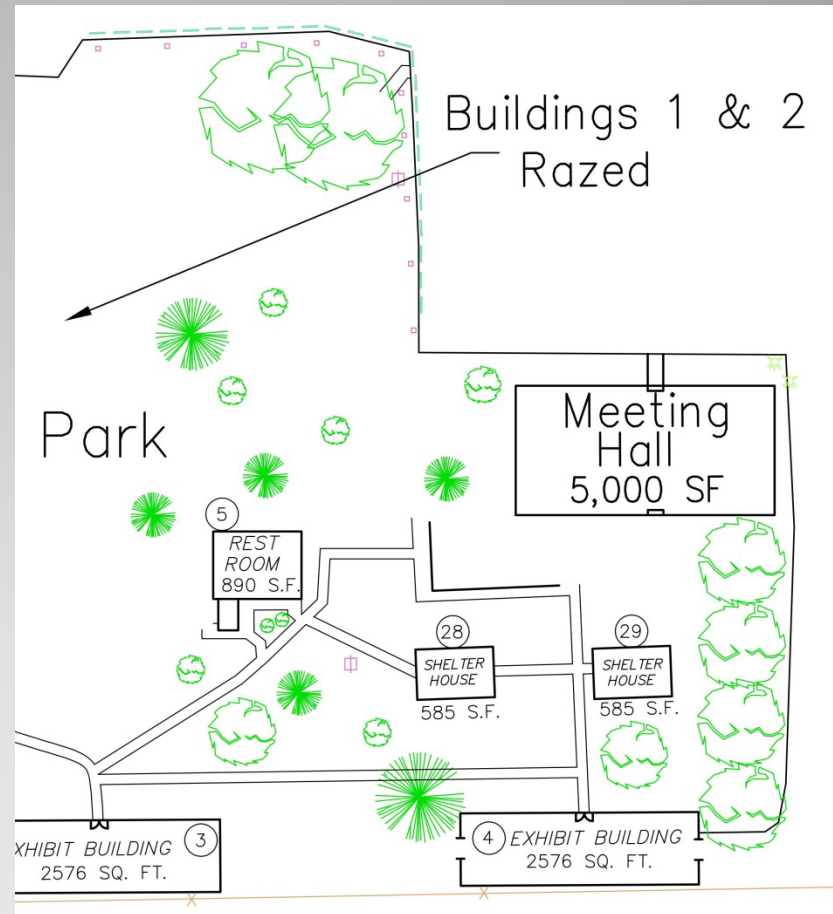
- Demonstration Landscaping
- Outdoor seating
- Stage
- Restrooms
- Outdoor Weddings



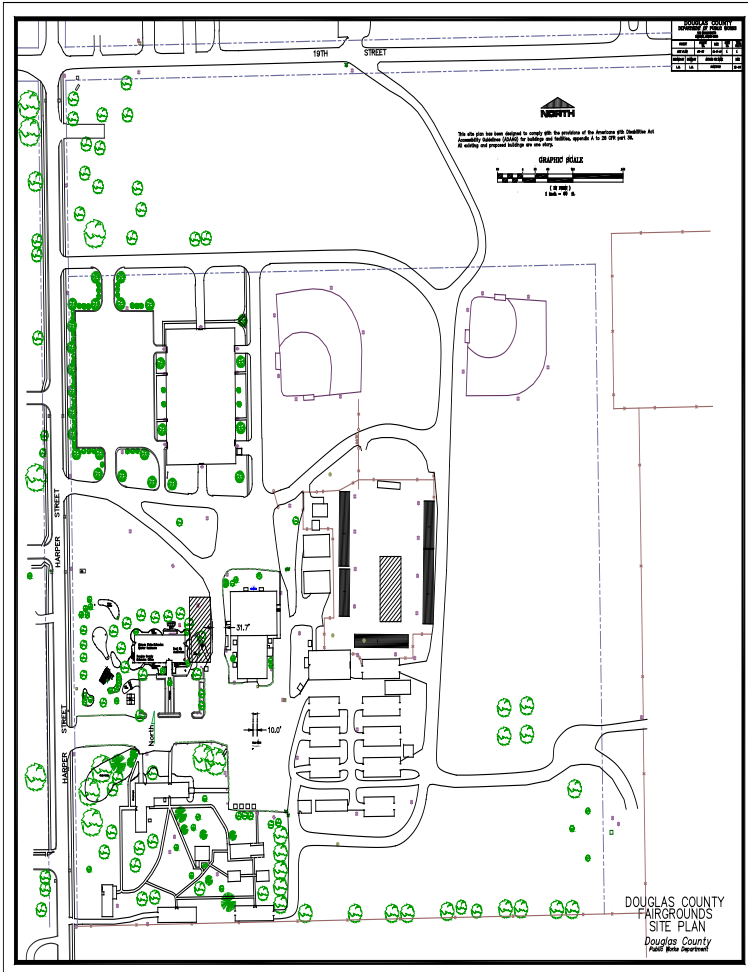
Outdoor Park Area
\$151,000 - \$166,400

- Family Events
- Weddings
- Public Meetings
- Business Ventures

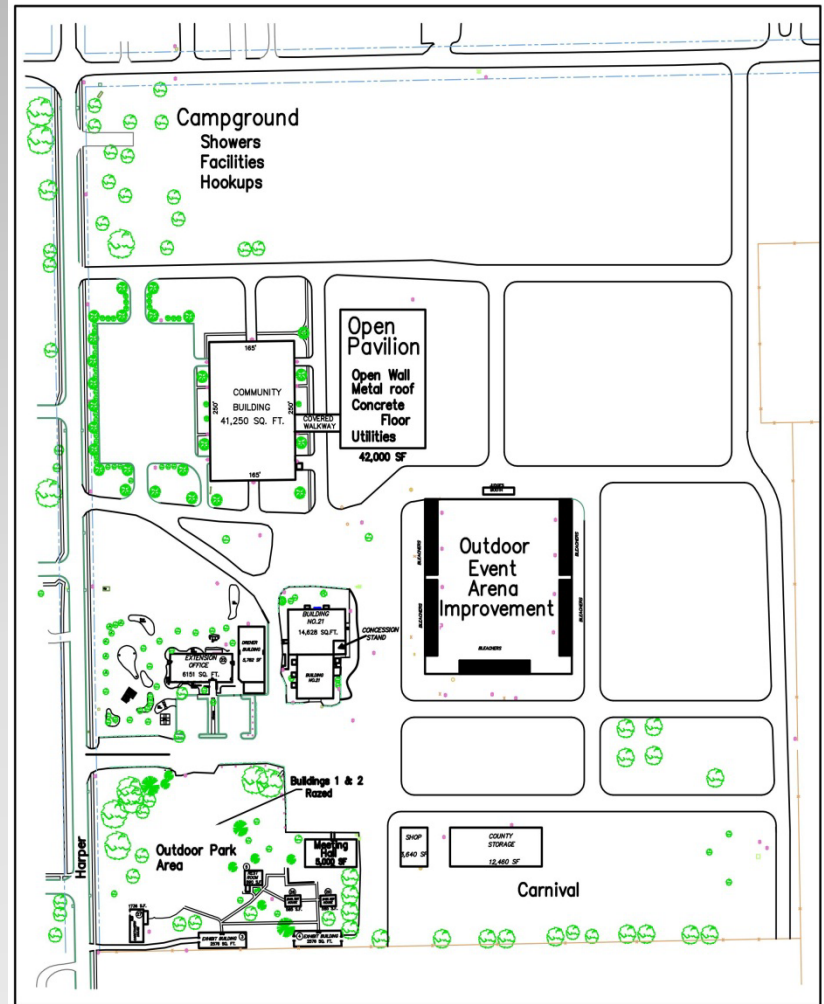
Would include
bathrooms and kitchen



Meeting Hall
\$613,000 - \$676,000



Current



Proposed

• Exhibitor Parking & Facilities	\$ 291,000 - \$322,000
• Open Pavilion	\$1,528,800 - \$1,690,000
• Outdoor Park	\$ 151,000 - \$166,400
• Meeting Hall	\$ 613,600 - \$676,000
• Misc. Site Improvements & Utilities	\$ 743,600 - \$816,400

TOTAL BUDGET ESTIMATES **\$3,328,000 - \$3,670,800**
Estimates updated in 2012

Estimates
MarLan Construction, Treanor Architects and
Landplan Engineering



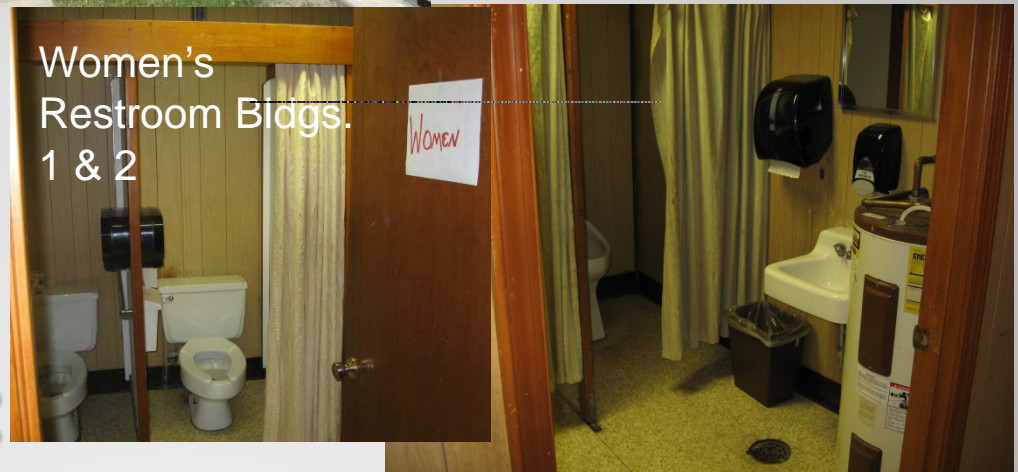
Back of Bldgs. 1 & 2



Kitchen in Bldg. 1



1950's Pole Barns



Women's Restroom Bldgs. 1 & 2

Men's Restroom in Bldgs. 1 & 2

Some Current Maintenance Needs

Maintenance and Improvement to Meet Code

vs.

Long Range Improvement Plan

Current approach

- Building 1 and 2 improvements: \$150,127
- Livestock barns: \$106,189
- Derby Arena: \$73,087
- Total: \$329,403

Proposed approach

- Annual Debt Service of about \$244,000 over 20 years

Options