

CITY OF LEAVENWORTH PLANNING COMMISSION

COMMISSION CHAMBERS, CITY HALL
100 N 5th Street, Leavenworth, Kansas 66048
REGULAR SESSION
Monday, April 4, 2022
6:00 PM

CALL TO ORDER:

Commissioners Present

Claude Wiedower
James Diggs
Bill Waugh
Donald Homan

Commissioners Absent

Sherry Hines Whitson
Chris Murphy
Joe Burks

City Staff Present

Julie Hurley
Michelle Baragary

Chairman Wiedower called the meeting to order at 6:00 p.m. and noted a quorum was present.

APPROVAL OF MINUTES: March 7, 2022

Chairman Wiedower asked for comments or a motion on the minutes presented for approval: March 7, 2022. Commissioner Waugh moved to approve the minutes as presented, seconded by Commissioner Diggs and approved by a vote of 4-0.

OLD BUSINESS:

None

NEW BUSINESS:

1. 2022-05 REZ – 604 POTTAWATOMIE

Conduct a public hearing for Case No. 2022-05 REZ – 604 Pottawatomie. The applicant is requesting a rezoning of the property located at 604 Pottawatomie from NBD, Neighborhood Business District, to I-1, Light Industrial District.

Chairman Wiedower called for the staff report.

Planning Director Julie Hurley stated the applicant is requesting a rezoning of their property located at 604 Pottawatomie from NBD, Neighborhood Business District, to I-1, Light Industrial District. The subject property is owned by the Meyer Family Trust and is occupied by an existing one-story commercial building, which currently houses June's Northland Restaurant and Catering.

The property is under contract to be purchased by Stripes Global, which is a service-disabled veteran owned company servicing medical needs of United States veterans. The rezoning is being requested to allow for the reuse of the building as a distribution and fulfillment center for Stripes Global. No additions or new construction are proposed. Stripes Global has indicated that they intend to provide up to 60 jobs at the location. The property is located within a HUBZone, which is a classification granted by the US Small Business Administration and helps small businesses in urban and rural communities gain preferential access to federal procurement opportunities. These preferences go to small businesses that obtain HUBZone certification in part by employing at least 30% staff who live in the HUBZone.

The site is located at the northeast corner of 7th & Pottawatomie Streets. There are a number of commercial uses in close proximity to the site along the 7th Street corridor, and the site is identified as appropriate for Commercial Uses on the Future Land Use Plan. There is existing parking on the site, sufficient for any potential use.

CONDITIONS OF DETERMINATION

Whenever the Planning Commission or City Commission takes action on an application for amendment to these Development Regulations, and such proposed amendment is not a general revision of existing ordinances, but one which will affect specific property, the Planning Commission and City Commission shall consider the following factors:

a) The character of the neighborhood;

The subject property is 1.12 acres in size and is located at the northeast corner of 7th & Pottawatomie Streets, along the 7th Street corridor. There are a number of commercial uses in close proximity, along with a high concentration of single family residential neighborhoods.

b) The zoning and use of properties nearby;

The properties to the west are zoned OBD, Office Business District. The property to the north and west, across 7th Street, is occupied by Kids Connection. The property to the north along 7th Street is zoned NBD, Neighborhood Business District, and is occupied by a barber shop and tattoo/piercing studio. Other properties to the north are zoned R1-6, High Density Single Family Residential District, and are occupied by single family residences. The properties to the east are zoned R1-6 and are occupied by single family residences. The property to the south is zoned R1-6 and is occupied by the Independent Baptist Church. Properties further to the north along 7th Street are zoned OBD and are occupied by a variety of retail, office and residential uses. Properties beyond the 7th Street corridor are primarily zoned R1-6, High Density Single Family Residential District, and occupied by single family homes.

c) The suitability of the subject property for the uses to which it has been restricted;

The subject property is occupied by a large, single-story commercial building which is suitable for a variety of uses.

d) The extent to which removal of the restrictions will detrimentally affect nearby property;

The proposed rezoning should have little detrimental effect upon surrounding properties. The range of uses allowed in the I-1 zoning district are primarily low intensity in nature and suited for the building present on the site.

e) The length of time the subject property has remained vacant as zoned;

The subject property is not vacant.

- f) The relative gain to economic development, public health, safety, and welfare by the reduction of the value of the landowner's property as compared to the hardship imposed by such reduction upon the landowner;**

The proposed rezoning will have a positive effect on the economic development of the City and region by allowing for the adaptive reuse of an existing building for which the current owners plan to retire. The rezoning will allow the establishment of a veteran-owned and veteran-centered business while providing job opportunities to residents in the immediate area.

- g) The recommendations of permanent or professional staff;**

Staff recommends approval of the rezoning request.

- h) The conformance of the requested change to the adopted or recognized Comprehensive Land Use Plan being utilized by the city;**

The area is identified as appropriate for commercial uses on the Future Land Use map. Due to the low-intensity nature of uses permitted in the I-1 zoning district, many of which are also permitted within established commercial zoning districts, staff finds the proposed use to be in conformance with the overall goals of the adopted Comprehensive Plan.

- i) Such other factors as may be relevant to a particular proposed amendment. The factors considered in taking action on any proposed amendment shall be included in the minutes or otherwise be made part of the written record.**

No other factors.

After the required public notices were sent to property owners within 200' as required by Kansas State Statute, staff received one call from a notified property owner in favor of the rezoning.

REZONING ACTION/OPTIONS:

- Recommend approval of the rezoning request from NBD to I-1 to the City Commission
- Recommend denial of the rezoning request from NBD to I-1 to the City Commission
- Table the issue for additional information/consideration.

Chairman Wiedower called for questions from the commissioners about the staff report.

Commissioner Homan asked what other uses are allowed in the I-1, Light Industrial District.

Ms. Hurley responded there are a variety of uses allowed in the I-1 district such as warehousing and light manufacturing. Heavy manufacturing or trucking would not be allowed in the I-1 district.

With no further questions about the staff report, Chairman Wiedower opened the public hearing.

Mike Reilly with Reilly Real Estate is attending on behalf of the seller. The subject property was originally built and developed primarily as a grocery store. When that use expired, the building was vacant for a number of years. It was of no value to the neighborhood or to the community as a whole. The building was purchased approximately 11 years ago by the current owner, which is a restaurant and event space known as June's Northland. The current use is now expiring. The question is if our community is going to take the opportunity to reinvest and change the life cycle of the building.

Mr. Reilly further stated we now have the opportunity to bring in a service disabled veteran-owned small business that focuses mainly on providing best-in-class medical, dental and life science equipment to veterans, soldiers and those in need.

Ms. Hurley stated there has been a lot of talk about needing a grocery store in the north part of town. There have been several grocery users who have looked at the subject building and determined that for the way today's grocery stores are set up, this building does not work for a grocery store.

Tyson Schultz, CEO and founder for Stripes Global, stated he is a service disabled veteran who started this business a little over five years ago. The intent of the Veterans Benefit Act of 2011 is for veterans to open businesses and employ other veterans. Mr. Schultz wants to take the business from distribution to light manufacturing. This is important for the HUBZone designation, which requires a substantial transformational change in the project to tie the HUBZone name to it, according to the federal government.

Mr. Schultz further stated light industrial will be assembly of medical devices. The company will receive incentives from the State of Kansas, which requires the company to pay a minimum of \$22/hr. They will be looking to hire 50 to 60 from the localized area as well as veterans.

Chairman Wiedower is pleased to hear it will be assembly of medical and dental equipment and not heavy manufacturing, which could cause problems due to noise, emissions of fumes, etc.

Mr. Schultz stated it will also include veterinary devices, which are regulated as much as human devices.

Chairman Wiedower asked about the logistics of the business.

Mr. Schultz responded their drugs are moved rigidly through major carriers because they are class 3 controlled substances, which requires a chain of custody. One FedEx or UPS truck would come in the morning to drop off the product and another FedEx or UPS truck would come in the evening to pick-up for distribution. Approximately once a week or less, a large truck will come for medical devices when receiving components.

Chairman Wiedower asked the size of the larger truck that would come once a week.

Mr. Schultz is guessing a 53' semi truck. If that is a problem, they might use box trucks.

Commissioner Diggs asked what exactly is a HUBZone.

Mr. Schultz responded it is a designation from the U.S. Small Business Administration for small companies that operate and employ people in historically underutilized business zones. 10% below the national average or unemployment that exceeds the national average is designated a HUBZone. Military base closures, native American land and disaster areas create HUBZones. SBA regulations state you must be 51% business owner as an American and must hire and maintain one-third of your staff from inside the HUBZone.

Ms. Hurley asked if all of Leavenworth is in the HUBZone or just the north portion.

Mr. Schultz directed staff to go to the SBA HUBZone map online.

Ms. Hurley stated it appears to be by census tract and we have two north Leavenworth census tracts that are included.

Commissioner Diggs asked if the one-third hiring requirements are for people who live within the HUBZone.

Mr. Schultz responded they must live in that HUBZone or a nearby HUBZone.

Chairman Wiedower asked Mr. Schultz if he has experience with light manufacturing.

Mr. Schultz responded this will be the company's first time with light manufacturing. He currently is a distributor for large companies such as CAE, Millepore EMD, Beckman Coulter Danaher; and his customers include the EPA, FBI, Navy, Army, Air Force, VA, NIH, etc.

Commissioner Waugh asked Mr. Schultz if he has operated a facility similar to the one he would operate in Leavenworth.

Mr. Schultz responded in the negative.

Commissioner Waugh asked what makes this one unique.

Mr. Schultz responded his business partners has operated facilities like this. His business partners ran the pharmaceutical company Teva, which brought many drugs to market.

Commissioner Waugh asked once the facility is up and running and someone drives by at 10:00 a.m., other than a truck pulling up to drop products off, what would be seen or heard at this facility.

Mr. Schultz responded nothing but parked cars.

Commissioner Waugh asked if the parking lot will accommodate 60 employees.

Mr. Schultz stated by the time they have 60 employees will they have a second location. He does not believe the parking lot will be an issue.

Commissioner Homan asked what will happen to this facility if the company outgrows it.

Mr. Schultz responded this facility will always be maintained. They will be putting 6M of repackaging at this facility. The goal is to manufacture and press the pills at a different facility, then transport them to this facility to be brought down into 30, 60 and 90 day supplies and bottles. Mr. Schultz further stated this will be a three phase project. The first phase is getting this facility up and running, second phase is repackaging and third phase is manufacturing. The third phase will require a second location.

Chairman Wiedower asked if the assembly of the components would be in conflict with the EPA or could cause harm to anyone in the surrounding area.

Mr. Schultz responded they must adhere to strict regulations and there will absolutely not be anyone harm to the surrounding area.

Chairman Wiedower asked if there is extensive documentation to maintain for a veteran-owned small business and HUBZone status.

Mr. Schultz responded he is currently HUBZoned certified in Bremerton the naval shipyard. Must report to the SBA every five years.

Keith Baird, Sr. Vice President Stripes Global, stated he has been in the manufacturing industry for 40 years. For regulations, Stripes Global will adhere to the International Standards Organization (ISO) certifications, will

maintain two ISO 1345, which is related medical equipment, and ISO 9001, which is general quality systems. Additionally, they will be seeking FDA certification. There will be annual audits from ISO to certify your operation system in addition to annual audits from the FDA. It is a very detailed operation in terms of the systems and information they will be required to maintain, such as be able to identify every lot number, maintain details about all the components that went into the device, etc.

Commissioner Diggs asked if technical or highly skilled individuals will be hired for these positions.

Mr. Baird responded that some will be. All the positions require a certain skill set; then they will be trained to the company's procedures to be able to maintain the quality system.

Chairman Wiedower asked about personal protective equipment (PPE), modifications for air movement and if there will be any changes to the building to meet the required standards.

Mr. Baird stated changes to the building will be internal, such as a creating a special room within the building. The key is going to be the number of air changes that will be in that specific room; the heap type filtration. Most of the PPE will be anti-static, gloves and hair bonnets, etc.

Commissioner Diggs asked what the hours will be.

Mr. Baird responded typical daytime hours such as 7 a.m. to 3 p.m. or 8 a.m. to 4 p.m. Monday through Friday.

Mr. Reilly stated he wants to stress that when you look at this type of use and how it blends into the neighborhood today and then into the future, it's critical that the City looks at adapting some of these neighborhoods for these small, unintrusive uses that will provide benefit to our community.

Mr. Reilly further stated the business that is currently at this location brings in 600-900 people just for a Sunday brunch. When you think of the traffic, trucks, food delivery service, trash, etc., all of these things that have to support the business that is there currently versus what will take place for the proposed use, you could almost make the case that the proposed use is less intrusive to the neighborhood during hours when people are at home.

With no one else wishing to speak, Chairman Wiedower closed the public hearing and called for discussion among the commissioners.

Chairman Wiedower stated what Mr. Reilly alluded to is that the building needs to be used because there is nothing worse than a vacant building. To have a veteran-owned business with a light industrial use, which does not have significant noise that would be in conflict with the neighborhood, is a good thing. A veteran-owned business looking to hire veterans is a good thing. This is a win-win situation for all.

With no further questions/discussion, Chairman Wiedower called for a motion. Commissioner Homan moved to recommend for approval to the City Commission the rezoning request from NBD, Neighborhood Business District, to I-1, Light Industrial District for Case No. 2022-05 REZ – 604 Pottawatomie based upon all information presented, seconded by Commissioner Diggs and passed by a vote 4-0.

Ms. Hurley stated this rezoning request goes to the City Commission on April 26, 2022 for first consideration ordinance for the City Commission to approve.

2. 2022-06 SUB – 4820 S. 4TH STREET

Consider a final plat for U-Haul.

Chairman Wiedower called for the staff report.

Planning Director Julie Hurley stated the subject property is owned by AREC 34, LLC, plat prepared by Red Plains Surveying. The applicant is requesting approval of a one lot final plat for the U-Haul development located at 4820 S. 4th Street. The property currently consists of two previously unplatted tracts. The plat is being requested in order to combine the two existing tracts into one lot to facilitate the construction of an additional building on the site. The adopted Development Regulations require the entire property to be platted in order for any sort of combination to be approved.

The subject property is 12.9 acres in size, and is occupied by the U-Haul storage and rental facility. The Development Review Committee reviewed the preliminary plat at their March 17, 2022 meeting. Items related to utility easements were discussed, and are currently being worked through with Public Works staff. All necessary items will be addressed and shown satisfactorily prior to the plat proceeding to the City Commission for acceptance of public utility easements and final recording of the plat.

ACTION/OPTIONS:

- Approve the Final Plat for U-Haul
- Deny the Final Plat for U-Haul
- Table the issue for additional information/consideration.

Chairman Wiedower called for questions about the staff report.

Commissioner Homan asked if there will be any changes to the driveways and access roads.

Ms. Hurley responded all that will stay the same. There are no changes with the layout of the property.

Chairman Wiedower asked for verification that U-Haul owns both lots and already has the U-Haul operation in place so they just want to expand that to utilize the lot that was not platted.

Ms. Hurley responded the applicant is just combining both lots into one lot so U-Haul can add the additional building they are planning to build.

Chairman Wiedower asked if this commission is to recommend approval or denial to the City Commission.

Ms. Hurley stated the Planning Commission would approve or deny the plat. What the City Commission does is separate from the plat. The City Commission would just accept the dedication of easements.

With no further questions/discussion, Chairman Wiedower calls for a motion to approve or deny the final plat. Commissioner Diggs moves to approve the final plat for U-Haul Case No. 2022-06 SUB – 4820 S. 4th Street, seconded by Commissioner Waugh and approved by a vote of 4-0.

With no other business, Chairman Wiedower adjourned the meeting at 6:46 p.m.

Minutes taken by Administrative Assistant Michelle Baragary.