

Public Incentives Review Committee Meeting

Date: 11-14-2017

Time: 3:00-4:00 PM

City Commission Room

AGENDA

1. Approve minutes from 11-4-2017 meeting
2. Select Public Incentives Review Committee chair.
3. Consider and provide recommendation on the Boys and Girls Club of Lawrence request for IRB financing to obtain a sales tax exemption on construction materials for the Center for Great Futures, to be located at the College and Career Center. *(Attachments for this item include the Request Letter and Application, a Brochure, and a Staff Disclosure Statement. The staff memo will be posted as soon as it is available)*
4. Adjourn

DRAFT Minutes

City of Lawrence Public Incentives Review Committee September 14, 2017 minutes

MEMBERS PRESENT: Mayor Leslie Soden, Vice Mayor Stuart Boley, Aron Cromwell, Bradley Burnside, County Commissioner Mike Gaughan, Michelle Fales, Ken Easthouse; Jill Fincher

MEMBERS ABSENT: None

STAFF PRESENT: Tom Markus, Britt Crum-Cano, Tom Jackson (National Development Council), Danielle Buschkoetter

PUBLIC PRESENT: Bob Schumm, Stan Hernly, Chris Kollman, Dan Dannenberg, Qin He, Rochelle Valverde

Mayor Soden called the meeting to order at approximately 12:59 pm. The Board introduced themselves to the audience members and the Vermont Place applicant.

The minutes were reviewed. County Commissioner Gaughan made a motion to approve the minutes from the 4-17-2017 meeting; Easthouse seconded the motion. The motion was unanimously approved.

Crum-Cano provided a brief history of the Vermont Place project and original request, which included a 10-year, 75% Neighborhood Revitalization Act (NRA) rebate and Industrial Revenue Bonds (IRB) for obtaining a sales tax exemption on construction materials. When the request was originally considered, the City's economic development policy was under review for substantial revisions. Consequently, it was unclear what policy requirements would apply to this request and consensus could not be reached on project feasibility. The Commission asked the Applicant to research changes that would allow the project to proceed. In response, the Applicant is now asking for reconsideration of the request, given proposed changes.

Crum-Cano described the changes from the initial proposal to the current proposal. The following characteristics are the same: affordable housing unit and NRA/IRB eligibility. The following characteristics have changed: any unit used by the Applicant for personal, residential use will be exempted from the NRA rebate. Additionally, all assumptions used in the analysis were updated to reflect current market trends.

Schumm introduced the updated project and discussed the new economic development policy and rationale for exempting personal residential property from the NRA request. He also outlined why he is seeking reconsideration and mentioned that the property has been vacant since 1990 due to a fire.

Schumm said the project has not changed substantially since the initial proposal. The project will still provide 22 underground parking spaces for residential use. Parking spaces will be owned by Vermont Place LLC and all residents will be given access via their sales agreement. Schumm noted that the rebate is generally being used to offset the cost of providing underground parking.

Crum-Cano outlined the two economic development tools being requested: an NRA and IRB. She noted the primary purpose of a NRA is to revitalize properties; it is not used to create primary jobs. NRAs assistance is based on property tax rebates. The percentage of rebate authorized via the NRA is applied to the incremental increase in property value due to project improvements. The base value, or what the property was originally generating before improvements, is shielded from rebates, so taxing jurisdictions continue to receive at least the same level of revenues after as they received before redevelopment. In addition, unless a 100% NRA rebate is authorized, taxing jurisdictions typically enjoy substantially more property tax revenues during the NRA rebate period than would have been realized if the property remained undeveloped. Significant returns are realized by the taxing jurisdictions after the NRA rebate period expires.

Crum-Cano also noted that the Vermont Place request includes an IRBs to obtain a sales tax exemption on project construction materials. This is a state program in which the City serves as a conduit for the program, but is not held liable.

Crum-Cano added that there was both a cost-benefit analysis and pro forma/gap analysis conducted. Burnside asked for the financial breakdown of the incentives between the City, County, State, and School District. Crum-Cano went through the breakdown for each jurisdiction and the estimated return on the public investment. Jackson added that the total project cost is slightly different (\$2,000) between the cost-benefit analysis and the gap analysis since the cost-benefit model does not consider IRB sales tax savings attributed to other Douglas county municipalities.

Crum-Cano outlined the projected tax revenues over the 10-year NRA rebate period as well as the 5-years following NRA expiration. She noted the life-span for a project like Vermont Place is well beyond the 15-years included in the projections and would be anticipated to generate substantially more tax revenues over the life of the property. She then outlined the difference in property tax generated if the property was not developed compared to if the proposed project were to move forward.

Crum-Cano went into additional details of the cost-benefit analysis noting that the City likes a project to generate at least a 1.25 cost-benefit ratio, meaning that for every \$1.00 of public investment there is a return of \$1.25 or more.

Jackson discussed the pro forma analysis, the updated assumptions and the changes made from the initial project. He also noted that the recent changes in Kansas law have been accounted for in the analysis.

Jackson explained that a financing gap equals the cost of the project less the bank loan, less equity in the project. Project costs are reviewed to ensure they are in line with industry standards. Bank loans are also reviewed to ensure the terms are reasonable and appropriate given the project and economy. Finally, equity is looked at to determine if the property is projected to generate a fair return. A fair return is determined by the market.

Jackson noted that the IRB and NRA are being used to finance that gap. The pro forma analysis concluded that the returns are reasonable given the market. Jackson also went through the pro forma analysis of the original project compared to the updated project.

Jackson concluded that returns for the Vermont Place project are slightly below the industry for similar projects, but reasonable. Schumm noted that he did not include a project development fee, typically included within the pro forma, which would have increased the gap and level of incentive needed.

Jackson noted that the project includes a white box build, meaning that the purchaser will decide on the final finishes which will determine the final cost per square foot. He added that the affordable unit does include all finishes.

Easthouse asked if the affordable unit also included a parking space. Schumm replied that the affordable unit would be finished and include a parking space. Schumm reminded the Committee that units would not be assigned a parking place, but would have access to the underground parking structure.

Fales asked if the condominiums would be presold or have letters of intent. Kollman noted that the bank will require a certain number of condominiums be presold with a letter of intent. Schumm added that the bank has changed since the start of the project. Fales asked if there was a preset percentage that would be required to be presold by the bank. Kollman noted that the bank would like 70% of the condominiums presold, but that percentage had not been solidified.

Crum-Cano wrapped up the presentation by presenting staff's position, which is generally favorable toward the project since it supports several community goals: downtown viability, infill development, environmentally friendly design (project be built to LEED certification standards), the addition of a permanent, "for sale" affordable housing unit, and projected increases in the tax base. Jackson added that many alternatives were reviewed in the past year but none of the options were feasible to move the project forward.

Mayor Soden asked about the 10% affordable housing as stated in the economic development policy and how the rounding would work given the Vermont Place project will have 11 units. Crum-Cano noted that the current policy does not give guidance on how to round the percentage of affordable units. However, the City Commission decided

at their July 11, 2017 meeting to allow the project to proceed under the same affordable housing parameters that were originally proposed (i.e. one "for sale" unit set aside in perpetuity as affordable housing).

County Commissioner Gaughan asked about the costs used in the analysis for the return on investment ratio. Crum-Cano noted that the model takes into account the cost to each taxing jurisdictions as well as the capital costs and debt service costs. Those variables, among others, are built into the model that is used for the analysis.

County Commissioner Gaughan asked about the rebate amount associated with the personal residential unit. Jackson noted that the if the applicant purchases that unit, approximately \$110,436 would be excluded from the NRA rebate.

Easthouse asked what the cost for the retail space would be. Schumm noted that approximately \$24 per square foot would be charged for the retail space. Jackson added that there is currently a low vacancy rate. Schumm noted that there were some small spaces with a 1-year lease which can have higher rates per square foot.

Schumm highlighted that he has already been contacted by parties interested in the commercial space. Jackson noted that the shared environment is becoming more popular.

County Commissioner Gaughan asked if Jackson's time was included in the cost. Jackson replied that his analysis is paid for by the City and reimbursed by the applicant therefore that cost is included in the analysis.

Mayor Soden asked for public comment. No public comment was provided.

Easthouse moved to accept the Vermont Place project as proposed, the motion was seconded by Fales. The motion passed 7-1 with Mayor Soden in opposition.

Mayor Soden noted that changes to the Public Incentives Review Committee (PIRC) are being recommended by staff to the City Commission on September 19, 2017. The recommendation includes merging the Joint Economic Development Council (JEDC) and PIRC into one board. Crum-Cano noted the duplication of functions between the two boards.

Mayor Soden added that as part of that merger, it is recommended that the Mayor and Vice Mayor no longer serve on PIRC. Adding that if the recommendation passes as written, the Mayors and Vice Mayors seats would be filled with at-large members.

Motion was made to adjourn by Fales and seconded by Cromwell. The motion was unanimously approved. Meeting adjourned at 2:01 pm.



BOYS & GIRLS CLUB OF LAWRENCE

November 2nd, 2017

Lawrence City Commission
City Hall
6 East 6th St
Lawrence, KS 66044

Mayor Soden and Commissioners,

The Boys & Girls Club of Lawrence is requesting Industrial Revenue Bonds to obtain a Project Exemption Certificate so that we are spared the cost of sales tax on the materials we purchase to construct the new Center for Great Futures. As you know, we are building the Center for Great Futures to reach five times as many middle school and high school youth than we are currently serving at our small, outdated Teen Center at 1520 Haskell Ave. Currently, we have a wait list for our Teen Center and we are only able to provide after school and summer programs for 60 middle school and high school students daily. With over 1,400 elementary school students attending the Club everyday, it's critical that we provide the opportunity for more middle school and high school students to stay involved with the Club after 5th grade. Middle school and high school students are facing pressures and decisions that could potentially affect the rest of their lives. This a time when mentorship and participation in the Boys & Girls Club is critical to help teens make good decisions about drugs, alcohol and relationships, as well as expose them to career and college programs. Expanding our services to more middle school and high school students will result in the following economic development outcomes:

- Increased earning power
 - 200-250 more working parents and families will be able to work after school and during summer knowing that their kids are involved in a safe, positive program.
 - The Center for Great Futures will be attached to the Lawrence College and Career Center and on the same campus as the Peaslee Technical Training Center. These partnerships and programs will result in more young people graduating high school career ready and ultimately earning more money.
- Savings in societal cost
 - Providing Boys & Girls Clubs programs to more Teens will help them become productive, caring, responsible citizens. More productive citizens means less societal costs for health care, public assistance, incarceration, etc.
- More jobs
 - When completed, the Center for Great Futures will support three additional full-time and four part-time positions adding jobs to the community.

GREAT FUTURES START HERE.

1520 Haskell Ave. • P.O. Box 748 • Lawrence, KS 66044
785-841-5672 • bgclk.org



**BOYS & GIRLS CLUB
OF LAWRENCE**

Construction on the Center for Great Futures is beginning this month and we hope to have the facility completed in August 2018. The cost of construction is \$4,520,000 (including \$195,000 for sales tax on materials) for 17,433 square feet of new space. Adding soft costs (\$249,000) and FFE costs (\$223,250) the total project cost is \$4,992,250. The spaces being built include an arts and makerspace, audio and video production rooms, a gymnasium, a performing arts center, rooftop gardens, and offices. Add these new spaces to the existing education and career exploration space in the College and Career Center, and Boys & Girls Club members will have access to over 50,000 square feet of program space after school and during summer.

We have exhausted our efforts at the state level to obtain a Project Exemption Certificate (PEC). Statewide, Boys & Girls Clubs are designated as nonsectarian comprehensive multidiscipline youth development organizations. Unfortunately, this designation is not one of the 14 designations (schools, hospitals, religious organizations, zoos, etc.) that are eligible for a PEC. To become eligible would require a change in the law voted on by our state representatives.

We thank the Commission for considering this request and we are available to answer any questions you might have.

Sincerely,

Colby Wilson
Chief Executive Officer
Boys & Girls Club of Lawrence

GREAT FUTURES START [HERE.](#)

1520 Haskell Ave. • P.O. Box 748 • Lawrence, KS 66044
785-841-5672 • bgclk.org

City of Lawrence, Kansas
Economic & Community Development
Application for Economic Development Assistance



The City of Lawrence considers support for economic or community development projects that will provide local public benefits. When requesting assistance for projects, please provide a request letter to the City Commission describing the project, details on the local public benefits it provides, a description of the assistance requested, and why this assistance is needed for the project to proceed. If available, project renderings and graphics are encouraged to be included along with your submission materials. Submit request letter along with the below, completed application for assistance, supporting materials, and applicable fees to:

Lawrence City Commission
Attn: City of Lawrence, Economic Development Coordinator
6 East 6th Street
Lawrence, KS 66044

Request materials can be submitted electronically to the Economic Development Coordinator: at: bcano@lawrenceks.org

Please indicate which public benefits your project brings to the local community. *(Mark all that go above and beyond normal City requirements. Please explain in detail the project's public benefits in the request letter.)*

- Affordable Housing
- Sustainability
- Primary job creation:
 - Primary businesses typically serve customers outside of the immediate area, therefore importing dollars into the community through its sales.
 - Non-primary businesses provide goods and services to the local business and consumers, thereby circulating dollars within the community.
- Above average wages
- Jobs with employee benefits including healthcare insurance
- In-fill development
- Revitalization of dilapidated, unsafe, underutilized, or historic property
- Promotion of downtown density
- Retention or expansion of existing business
- Tax base growth
- Other (please explain):
 - Increased earning power
 - 200-250 more working parents and families will be able to work after school and summer knowing that their kids are involved in a safe, positive program.
 - The Center for Great Futures will be attached the Lawrence College and Career Center and on the same campus as the Peaslee Technical Training Center. These partnerships and programs will result more young people graduating high school career ready and ultimately earning more money.
 - Savings in societal cost

- Providing Boys & Girls Clubs programs to more Teens will help them become productive, caring, responsible citizens. More productive citizens means less societal costs for health care, public assistance, incarceration, etc.
- More jobs in the community
 - When completed, the Center for Great Futures will support 3 additional full-time and 4 part-time positions adding jobs to the community.

The information on this form will be used by the City to consider your request for development support and may also be used to prepare a cost-benefit or other analysis of the project. Information provided on this form will be available for public viewing and will be part of compliance benchmarks, if approved for assistance. Prior to submission, applicant may wish to seek technical assistance from City Staff, the Chamber of Commerce, the Small Business Development Center, or others to address questions and ensure the application is complete.

Please provide data in the cells below. Applicant is encouraged to attach additional pages as necessary to fully explain and support the answers to each question. Note anything additional you wish the City to take into consideration for your request and provide supporting documentation.

Applicant Contact Information	
Name:	Colby Wilson
Title:	Executive Director
Organization:	Boys & Girls Club of Lawrence
Address 1:	1423 Haskell Ave.
Address 2:	PO Box 748
Phone:	785-841-5672
Email:	cwilson@bgclk.org
Fax:	785-841-3911

Economic Development Support Requested		
City Incentives	Amount	Term (in years)
Tax Increment Financing District (TIF)		
Transportation Development District (TDD)		
Neighborhood Revitalization Area (NRA)		
Tax Abatement (TA)		
Industrial Revenue Bonds (IRBs)	*	n/a
Community Improvement District (CID)		
<i>Other (Please Describe):</i> *Seeking Industrial Revenue Bonds (IRBs) for a sales tax exemption on construction materials. The project total cost is approximately \$4.52 million of which we estimate a potential tax cost of \$195,000.		

Project Information		
Name of Company Seeking Incentive(s):	Boys & Girls Club of Lawrence	
Project Type <i>(check one)</i> :	Expansion:	X
	New Facility:	
Company Type <i>(check one)</i> :	Existing Local Company:	X
	Out-of-Area Company Locating Locally:	
Current Company Address:	1423 Haskell Ave/PO Box 748 Lawrence, KS 66044	
Location of Proposed New Facility/Expansion Project:	2910 Haskell Ave Lawrence, KS 66046	
Describe the Company's Plans to Develop or Expand in the Community:		
<p>As an expansion to the current USD 497 College & Career Center, we are building the Center for Great Futures to reach 5 times as many middle school and high school youth than we are currently serving at our small, outdated Teen Center at 1520 Haskell. Currently, we have a wait list for our Teen Center and we are only able to provide after school and summer programs for 60 middle school and high school students daily. With over 1400 elementary school students attending the Club everyday, it's critical that we provide the opportunity for more middle school and high school students to stay involved with Club after 5th grade. Middle School and High School students are facing pressures and decisions that could potentially affect the rest of their lives. This a time when mentorship and participation in the Boys & Girls Club is critical to help teens make good decisions about drugs and alcohol, relationships, as well as expose them to career and college programs. Once the Center is complete, we will increase from 6,000 square feet at our current Teen Center to close to 50,000 square feet.</p>		
Operations Start Date at the Expansion or New Facility:	October 2017	
Industry NAICS # for the New or Expanded Facility (6-digit code):	610000	
Describe the Primary Industry the New or Expanded Facility Will Support:		
Youth Development, Economic Development, Workforce Development		

Capital Investment Information for New Facility or Expansion			
Estimated Size of New Facility <i>(square feet)</i> :	17,433 sq ft		
Estimated Size of Land for New Facility <i>(acres)</i> :	1 acre		
For the new or expanded facility, enter the amount the company anticipates spending for initial and subsequent investments in land, buildings and improvements (do not include machinery or equipment):			
Year	Buildings & Other Real Property Improvements	Land	Total
1	\$4.52 million		\$4.52 million
2			
3			
4			

5			
6			
7			
8			
9			
10			
Total	\$4.52 million		\$4.52 million
Will land be leased from the City or County (Y/N):		N	
If yes, Monthly Lease Rate for Land:		n/a	

Local Utility Expenses		
Utility	Current Local Monthly Expenses	Projected Local Monthly Expenses at New Facility
Gas	\$500	\$0 (cost to be covered by USD 497)
Electricity	\$50	\$0 (cost to be covered by USD 497)
Phone	\$200	\$250
Cable	\$0	\$0 (cost to be covered by USD 497)
Operating Expenditures		
For Expansion Projects, Current Annual Operating Expenses at Existing Facility:	\$165,000	
Annual Operating Expenses after Expansion/Relocation:	\$300,000	
% of Additional Operating Expenses Anticipated to be Spent Locally:	100%	
Revenues		
% of Revenues at the new Lawrence Facility Anticipated to Come from Non-Local Sources.		
Anticipated Annual Gross Profits:	As a non-profit, we will rely primarily on private and governments grants as well as contributions from individuals and businesses in the community to operate the Center for Great Futures.	
Anticipated Annual Net Operating Income (at stabilization):		
Anticipated Annual Net Operating Expenses (at stabilization):		

IRB and Tax Abatement Request Information
If you are seeking an IRB, please list the firm that will be receiving the IRB: Boys & Girls Club of Lawrence

Will your firm be leasing the building or the land in your expansion or newly constructed facility? (Y/N)	Y
If you are leasing the building or land, and you are seeking a tax abatement <u>without</u> an IRB, please list the tenant and owner and the financial relationship between tenant and owner. n/a	
Total Cost of <u>Initial</u> Construction for the Project:	\$4.52 million
Estimated Cost of Construction Materials for <u>Initial</u> Construction:	\$2 million

Note: Applicant may be required to provide additional financial information for the project and company.

Environmental Information		
Will the new facility meet Energy STAR criteria? (Y/N)	Y	
Will the project seek or be designed to LEED certification standards? (Y/N)	N	
<i>If yes, please indicate level:</i>	Certification	n/a
	Silver	n/a
	Gold	n/a
	Platinum	n/a
Please describe environmentally friendly features of the project: Project will be designed and built to exceed current Mechanical, Electrical and Energy conservations codes. With these attributes, this translates to a mechanical and electrical system that will meet LEED baseline for certification standards. The building is not seeking LEED certification.		
Please describe anticipated positive environmental impacts resulting from the project: The project is being connected to an existing building rather than being developed in a greenfield site / property.		

Please describe anticipated negative environmental impacts and planned remediation efforts:

No negative impacts are noted.

Additional Community Benefits

Describe Other Local Economic Benefits Resulting From Project:

- Increased earning power
 - 200-250 more working parents and families will be able to work after school and summer knowing that their kids are involved in a safe, positive program.
 - The Center for Great Futures will be attached the Lawrence College and Career Center and on the same campus as the Peaslee Technical Training Center. These partnerships and programs will result more young people graduating high school career ready, dropping rates for under employed and unemployed citizens in Lawrence.
- Savings in societal cost
 - Providing Boys & Girls Clubs programs to more Teens will help them become productive, caring, responsible citizens. More productive citizens means less societal costs for health care, public assistance, incarceration, etc.
- More jobs
 - When completed, the Center for Great Futures will support 3 additional full-time and 4 part-time positions adding jobs to the community.

Describe Other Quality of Life Benefits Resulting From Project:

n/a

Employment Information									
Construction Employment for New Facility or Expansion									
# Full-Time, Construction Jobs:								60	
Average Annual Salary for Full-Time, Construction Workers (during construction period):								\$65,000	
Construction Period (months): 10 months									
For Expansion, # of Full-Time Employees Currently Working in Lawrence: 1									
New Employment Resulting from Project									
Net New Jobs (full-time, permanent)	Year	# Jobs	Avg Annual Salary	# Jobs	Avg Annual Salary	# Jobs	Avg Annual Salary	# Jobs	Avg Annual Salary
	1	4	\$40,000						
	2								
	3								
	4								
	5								
	6								
	7								
	8								
	9								
	10								
Total		4	\$40,000						
Anticipated # of Employees to Be Relocated Locally as a Result of the Project									
# of Net New Full-Time Employees Anticipated to be Relocated From Outside of Kansas:								0	
# of Net New Full-Time Employees Anticipated to be Relocated from Outside of Lawrence/Douglas County:								1-2	
# of Local, Full-Time Jobs Anticipated At End of Incentives Period: 5									

Employee Benefits	
Description	After Expansion or Relocation
% of Employees with Company Provided Health Care Insurance	100%
% of Health Care Premium Covered by Company	50%
% of Employees with Company Provided Retirement Program	100%
Will You Provide Job Training for Employees? (Y/N)	Y
<i>If Yes, Please Describe:</i>	
Youth development best practices, CPR/first aid, Praesidium risk management (to include sexual harassment, bloodborne pathogens, mandated reporting, etc), safety and supervision, regional and national youth development conferences, diversity and inclusion, behavior management	
What is the Lowest Hourly Wage Offered to New Employees?	\$14.42/hr.
What Percentage of Your New Employees Will Receive this Wage?	50%
Will You Provide Additional Benefits to Employees? (Y/N)	Y

If Yes, Please Describe:

Full time employees are eligible for insurance coverage, IRA retirement plans, and PTO

NRA Eligibility Statement

If applying for an NRA, please describe how your project meets one of the following state statute requirements for eligibility:

(1) Project is in an area in which there is a predominance of buildings or improvements which by reason of dilapidation, deterioration, obsolescence, inadequate provision for ventilation, light, air, sanitation, 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:

n/a

(2) Project is in 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:

n/a

(3) Project is in 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:

n/a

Disclosures

Company Form of Organization:

It is the policy of the City that no economic development incentive will be granted to any applicant or petitioner who owns any financial interest in any real property, anywhere within the state of Kansas, with delinquent special assessments, delinquent ad valorem taxes, or federal or state tax liens, or who is currently delinquent or in default on any debts, responsibilities, or other obligations owed to the City.

List the full name(s) of each principal (partner or member) who owns (or will own) 5% or more capital of the company. In the case of businesses owning another business (such as an umbrella LLC that is the owner of several other LLC's), the actual partners' names need to be listed, not just the registrant's name with the Secretary of State.

As a non-profit, the Boys & Girls Club of Lawrence is governed by a volunteer Board of Directors, responsible for setting the direction and vision of the organization. Current Board of Directors is as follows:

Al Hack (Past President), Amy Kelly, Andy Pitts (Secretary), Anna Stubblefield, Anne Koprince, Bryan Culver (Treasurer), Chris Dodds, Doug Dawson, Duane LaFrenz (Past President), Erica Hill (Vice President), Gale Lantis, Julius Leary, Kevan Vick, Matt Eichman, Matt Llewellyn, Mike Bourneuf (President), Ranelle Fischer, Pat McCandless

Are all above listed principles currently delinquent or in default on any debts, responsibilities, or other obligations owed to the City? If delinquent or in default, provide details on property owner name, property address, current property tax status, special assessment status, and outstanding obligations owed to the City, and why delinquent or in default.

As a non-profit, The Boys & Girls Club of Lawrence is exempt from property taxes and sales on operational goods and materials. We hire an outside firm annually to audit our financial statements and file our 990 document that details all revenue and expense. Our 2016 audit

List all subsidiaries or affiliates and details of ownership:

Subsidiary :

Principals:

Has Company or any of its Directors/Officers been involved in or is the Company presently involved in any type of litigation?	N
Has the Company, developer or any affiliated party declared bankruptcy?	N
Has the Company, developer or any affiliated party defaulted on a real estate obligation?	N
Has the Company, developer or any affiliated party been the defendant in any legal suit or action?	N
Has the Company, developer or any affiliated party had judgments recorded against them?	N

If the answer to any of the above question is yes, please explain:

n/a

Note: Applicant may be required to provide additional financial information for the project and company.

Economic Development Fees

Application & Administrative Fees: The City charges the below application and administrative fees.

Application Fees		Administrative Services Fees
Tax Abatement	\$500	\$200/year
Industrial Revenue Bonds (IRB)	\$1,000	Origination Fee for sales tax only IRBs
Community Improvement District (CID)	\$2,500	For all projects involving “pay-as-you-go” financing and reimbursement through the assessment of CID sales tax collected with the CID sales tax district, it is the policy of the City to negotiate any annual administrative fee between the City and the petitioner to cover the City’s administrative costs.
		For all other projects, the petitioner shall pay 0.5% of the funds reimbursed to the petitioner, or any successor in interest, each year for the life of the CID to cover the City’s administrative costs.
Transportation Development District (TDD)	\$2,500	0.5% of the annual TDD revenues generated
Tax Increment Financing (TIF)	\$1,000	Where the applicant only seeks reimbursement of the property tax increment, the administrative service fee shall be 0.5% of the annual increment;
		In all other cases, the administrative service fee shall be 2.5% of the annual increment.
Neighborhood Revitalization Area (NRA)	\$500	None

If the request is not considered, half (1/2) of the application fee will be returned to the Applicant. If the request is considered, application fees are not refunded, regardless of if the project is approved.

Industrial Revenue Bond (IRB) Origination Fee:

For IRBs issued just to obtain a sales tax exemption (not a property tax abatement), Applicant, at the time of bond closing, shall pay the City an IRB origination fee of the par amount of bonds being issued on behalf of a for-profit company, unless the project will create primary jobs or add affordable housing to the community.

IRB Origination Fee	
Rate	Amounts*
0.004	First \$10M or up to \$10M

\$40,000 + 0.002	2nd \$10M
\$60,000 + 0.001	Over \$20M

*Maximum fee is \$100,000

For IRBs issued on behalf of not-for-profit organizations, the City will not charge an origination fee.

Other Fees:

Applicant is responsible for paying all expenses incurred by the City for professional services pertaining to the project, regardless of if the project is approved. This may include costs associated with research and analytical services, legal publication notices, application fees to the state Board of Tax Appeals, bond counsel and other miscellaneous costs, including but not limited to, the City reasonable costs to process any modifications. If the request proceeds the Applicant may be asked to enter into a funding agreement to cover all costs associated with processing approval for the requested assistance.

Application Submission:

When you have completed this form to your satisfaction, please sign and send, along with applicable application fee(s) to:

City of Lawrence
Attn: Economic Development Coordinator
6 East 6th Street
Lawrence, KS 66044
Fax: 785-832-3405
Email: bcano@lawrenceks.org

Note: All economic development incentive fees are due when the application for economic development support is filed with the City. No application will be accepted until fees have been paid.

I hereby certify that the foregoing and attached information contained is true and correct, to the best of my knowledge:

Applicant/Representative: Colby Wilson, Boys & Girls Club of Lawrence
(Please Print)

Signature: 

Date: 11-3-17

AFFIDAVIT

THE STATE OF KS)
THE COUNTY OF Douglas) ss:

I, COLBY WILSON, being of lawful age, and having been first duly sworn upon my oath, do hereby state:

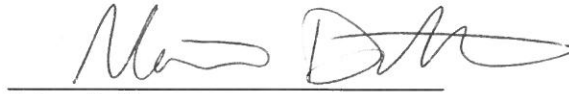
1. I am a resident of Lawrence, Kansas.

2. As of the date set forth below, I have no financial interest and no entity in which I have any interest has any financial interest in any real property, located anywhere in the state of Kansas, that is delinquent on any special assessments, delinquent on any *ad valorem* taxes, or the subject of any federal, state, or local tax lien.

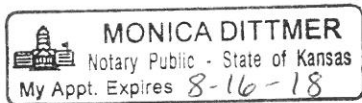
3. As of the date set forth below, I am not currently delinquent or in default and no entity in which I have any interest is currently delinquent or in default on any debts, responsibilities, or other obligations owed to the City of Lawrence, Kansas.



SUBSCRIBED AND SWORN before the undersigned on this 3rd day of November, 2017.


Notary Public

My Appointment Expires:



GREAT FUTURES START HERE.



BOYS & GIRLS CLUB
OF LAWRENCE

3,000 of Lawrence's
K-5th graders belong to
Boys & Girls Club

Boys & Girls Club of
Lawrence serves
kids of **all**
ethnic and
socioeconomic
backgrounds



If just 10
Club members
graduate from
high school,
who otherwise
wouldn't, we will add
\$2 million
to our local economy
over their lifetimes

GREAT FUTURES

Boys & Girls Club has an
impact in **all** of Lawrence's
elementary schools

The current Teen Center has room for
only 70 middle school members

Boys & Girls Club serves **63%** of
Lawrence's elementary students
but is able to accommodate
less than 1% of its middle and
high school students

30% of Boys & Girls
Club members improved
their math grades

33% improved
their grades in
reading

25% showed
improvement
in behavior
at school



START HERE.



EXECUTIVE SUMMARY

More than 3,000 of Lawrence's K–5th graders belong to the Boys & Girls Club, which represents 63% of all elementary students.

Every week day, the Club serves approximately 1,500 students. Those remarkably high numbers underscore the fact that the Boys & Girls Club of Lawrence provides safe, positive, healthy places for children at all of the city's public elementary schools.

In partnership with the school district and other local agencies, the Club has produced significant academic outcomes for Lawrence youth, including:

- decreasing the achievement gap,
- diminishing summer learning loss,
- improving behavior at school, and
- improving grades and test scores.

Unfortunately, two weeks into the 2016–17 school year, the Boys & Girls Club Teen Center was forced to establish a wait list because the current facility cannot accommodate the demand of middle school members. Despite the demand, the teen program can serve only 70 (3%) of the school district's 2,300 6th–8th graders on a daily basis, and even fewer high school students.

For these reasons, the Boys & Girls Club Board of Directors is eager to create a larger citywide facility for teens. The **Don and Beverly Gardner Center for Great Futures** will offer a positive place to provide age-appropriate supervision and programming, and it will accommodate the increasing number of young people who would like to be members of the Club. Space for a new building is available adjacent to the school district's new College and Career Center in southeast Lawrence.

The Boys & Girls Club of Lawrence is launching the **GREAT FUTURES START HERE** capital campaign to realize this goal. The benefits will be ongoing — in the lifetimes of these young people, and in the life of our community.

YOUR QUESTIONS AND COMMENTS ARE WELCOME AND ENCOURAGED.

Please contact Colby Wilson, Executive Director, cwilson@bgclk.org or 785-424-5211.

WHO WE SERVE AND WHY

ALL LAWRENCE KIDS

Boys & Girls Club of Lawrence is unique — we serve a wide range of students, with different ethnic and socioeconomic backgrounds. We serve all Lawrence youth, kindergarten through age 18.

KIDS OF COLOR

In addition to serving a high-risk segment of Lawrence youth, Boys & Girls Club serves a disproportionately high number of minorities.

WORKING FAMILIES

The gap between work and school schedules amounts to as much as 25 hours per week, presenting a challenge for working parents. Boys & Girls Club has an impact on our community's economic development.

HIGH-RISK KIDS

60% of Boys & Girls Club members qualify for free or reduced lunch, compared with the school district average of 33%.

The positive programs and mentorship offered by Boys & Girls Club help young people achieve academic success, develop good character and citizenship, and learn healthy lifestyles.



OUR K-5th GRADE PROGRAM ROCKS

Boys & Girls Club and the Lawrence Public Schools have a strong partnership and will continue to work together to meet the needs of all students in Lawrence. By providing space in all the elementary schools after school and during the summer free of charge to Boys & Girls Club, the district is invested in the importance of out-of-school time. And the Club has grown exponentially — from 150 members in 1999 to more than 3,000 in 2016. Over the years, the partnership has contributed to some tremendous youth development outcomes.

The research is clear. Early intervention works. So, for the last 16 years, Boys & Girls Club of Lawrence has focused on serving more elementary school students.

The results are equally clear. Teachers tell us repeatedly that youngsters in our Club have academic success, improved behavior, and better life skills. Their success has been noticed by more and more parents, leading to the phenomenal growth of the program.

- The achievement gap between all students and students of color has decreased significantly.
- Boys & Girls Club's Summer Enrichment Program diminishes summer learning loss by 10–12% for the 1,100 kids enrolled.
- 25% of Club members showed improvement in behavior at school, according to teacher surveys.
- 30% of Club members improved their grades in math, and 33% improved their grades in reading.
- Office referrals were reduced by 80% at Kennedy Elementary in the spring of 2012, after a full-year of Positive Behavioral Instructional Support.

THEN WHAT'S THE PROBLEM?



The current Teen Center has capacity to serve just 3% of the school district's 6th–8th graders, and even fewer high school students.

Our middle and high school students need options.

With the expansion and success of our Club's elementary programs, the majority of 5th grade members will not be able to continue coming to the Club in middle school because there is not enough room.

The current Teen Center, located at 1520 Haskell Avenue, has capacity to serve only 70 of the school district's 2,300 6th–8th graders (that's just 3% of them, as compared with our ability to serve 63% of K–5th graders). It is simply too small and outdated to provide the same level of quality, interest-based educational programs for students past 5th grade.

There are few affordable, structured programs available for middle and high school youth after school and during the summer. These years are critical times for young people who are making decisions that will affect the rest of their lives. Experimenting with drugs and alcohol, gangs, poor choices in school, unhealthy eating and exercise habits, and premature sexual activity are all potential behaviors that students can develop when they are not in a safe, positive environment after school and during the summer.

While some participate in sports or have jobs, there remains a large number of middle school youth who go home alone after school or hang out with friends in mostly unsupervised places.

Local police report increased nuisance calls and criminal activity by middle school youth in Lawrence during after-school hours, especially on Wednesdays when middle schools release early.

WHAT'S THE ANSWER?

Our Youth of the Year participants show us the impact of remaining active in the Club through middle and high school. Boys & Girls Club of Lawrence has produced six state Youth of the Year champions and one national winner. All credit the Club with helping them overcome obstacles, setting goals for the future, and understanding the importance of giving back to their community.

We need to build on this strong legacy of youth development and support more teen members. Boys & Girls Club leaders plan a facility tailored to be inspiring and appealing for middle school and high school students, which will include the following:

- quiet, larger study spaces for homework and tutoring
- a teaching kitchen with cooking stations where kids can learn to make healthy meals
- studios for members interested in performing arts (dance, music and audio/video production)
- a full-size gymnasium for indoor activities that promote exercise and fitness
- outdoor maker space for gardening and large-scale construction projects.
- efficient administrative space
- other multipurpose indoor and outdoor space

WHY BUILD A NEW FACILITY?

The partnership between the schools and Boys & Girls Club is key to the long-term sustainability of the Club, as there would be no way the Club could serve 1,500 elementary-aged children every day without the in-kind space the district provides. Conversely, teaching and learning spaces at the Center for Great Futures could be used during the day as needed by USD 497.

Boys & Girls Club also has excellent partnerships with other organizations that offer programs for youth such as Lawrence Parks & Recreation, the Lawrence Public Library, the Lawrence Police Department, and the Lawrence Arts Center. The Club will continue to coordinate efforts with these and other youth-centered organizations to serve young people.

Lawrence needs to build the Center for Great Futures because no facility currently exists that provides all the spaces and programs needed to impact the youth we need to serve.

- Sports Pavilion Lawrence at Rock Chalk Park is a great sports complex, but it doesn't offer quiet rooms for homework help and tutoring, computer labs, or art and music rooms. Rock Chalk Park is also a 30-minute bus ride each way for many of our high-risk youth.
- Similarly, neighborhood recreation centers do not offer the diversity of programming needed for the Club to meet its mission for local teens. These places are already full with scheduled classes or neighborhood free play. There simply is not room.
- The Club has tried operating after-school programs in middle schools in the past, but found that middle school kids do not want to stay in the same school all day. Middle schools also lack consistent access to high-demand spaces like computer labs, the theater and the gym during after-school hours.
- The new public library and the Lawrence Arts Center are dynamic facilities, but they don't provide consistent access to space or meet the recreational and social requirements of the Club's programs.

"USD 497 is committed to the ongoing partnership with Boys & Girls Club. They provide an invaluable resource for our youth. The middle level students would greatly benefit from a facility specifically designed to meet their needs." —Dr. Rick Doll, Former USD 497 Superintendent

"We see a new Boys & Girls Club Teen Center as a great opportunity to engage and encourage a large group of kids who currently have no supervision after school. This is a vital service that Boys & Girls Club is providing." —Tarik Khatib, Chief of Police

THE CENTER FOR GREAT FUTURES WILL HELP ALL OF US

INCREASE GRADUATION RATES

While the overall graduation rate (90%) in Lawrence is above the 80% national rate, not all our youth succeed.

Below are some examples of groups who are not as successful:

- Hispanic males: 70%
- Hispanic females: 83%
- African-American males: 77%
- Males on free lunch at school: 66%
- Females on free lunch at school: 80%

IMPROVE THE LOCAL ECONOMY

If just 10 Club members graduate from high school, who otherwise wouldn't, we will add \$2 million to our economy over their lifetimes. The economic impact of healthy, productive high school graduates is astounding, and it's within Lawrence's reach. And, in the meantime, parents can be more productive at work knowing their kids are in a safe environment after school.

INSPIRE LIFE GOALS

Young adults with bachelor's degrees earn more than twice as much as those without high school diplomas and 59% more than those with high school diplomas.¹

DECREASE YOUTH OBESITY

Nationwide, 33% of high school students are overweight or obese and 75% of them are not physically active for at least an hour each day. Over a lifetime, the medical costs associated with childhood obesity total about \$19,000 more per child than those for a child of normal weight.² Boys & Girls Club addresses this by providing exercise, fitness, and healthy eating opportunities every day.



PROMOTE CIVIC ENGAGEMENT AND VOLUNTEERISM

Boys & Girls Club improves character and citizenship in young people. When compared with their peers, youth who participated in civic engagement programs were:

- less likely to become pregnant or use drugs during their teen years
- observed to have higher rates of school engagement and attendance
- more likely to attend college
- more likely to have positive attitudes toward work
- more likely to vote as young adults.⁵

DECREASE JUVENILE CRIME RATES

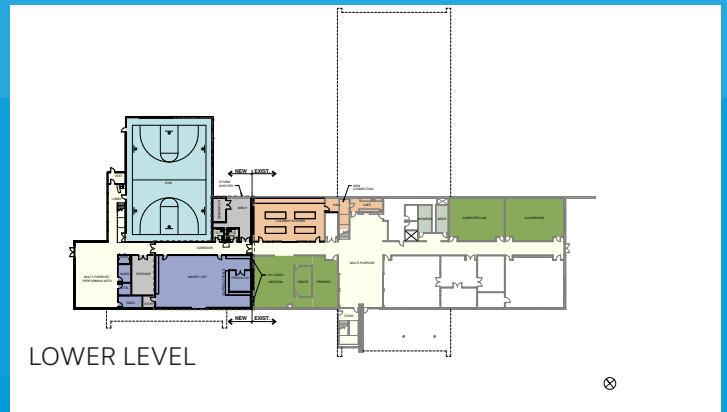
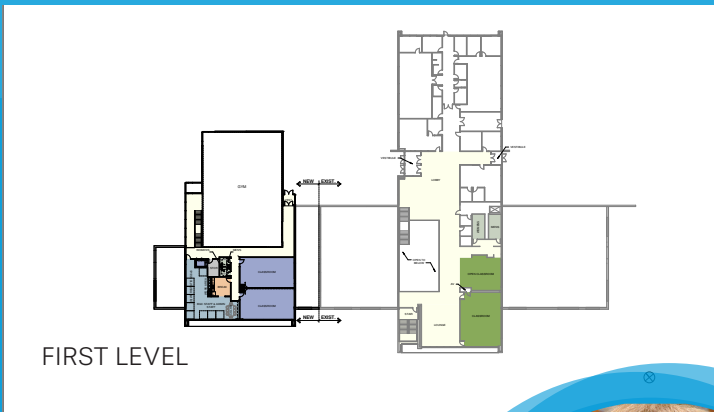
Nationwide, 29% of all violent crime committed by juvenile offenders occurs between 3–7pm. Violent crimes by juveniles peak in the afternoon between 3–4pm, the hour school is released.³ By providing a safe, positive environment after school, we minimize opportunity for teens to commit crime.

DECREASE COSTS BY PREVENTING CRIME

Correctional facilities in the U.S. spend \$241 per day per incarcerated youth.⁴ By keeping Lawrence's youth productive and safe, Boys & Girls Club is preventing juvenile crime and associated costs. Operating the new Teen Center is projected to cost only \$10 per day per young person served.

GREAT FUTURES START HERE

The proposed Center for Great Futures will be located adjacent to the school district's new College and Career Center in southeast Lawrence. The district has offered to provide land, and the situation is ideal: The partnership between the schools and Boys & Girls Club is already strong, some key spaces can be shared rather than being duplicated, and young teens will be exposed to the opportunities offered by the College and Career Center, inspiring them to think about what's next after high school. The fact that the new Dwayne Peaslee Technical Training Center (Peaslee Tech) is on the same campus is also a plus, as kids can see more possibilities down the road.



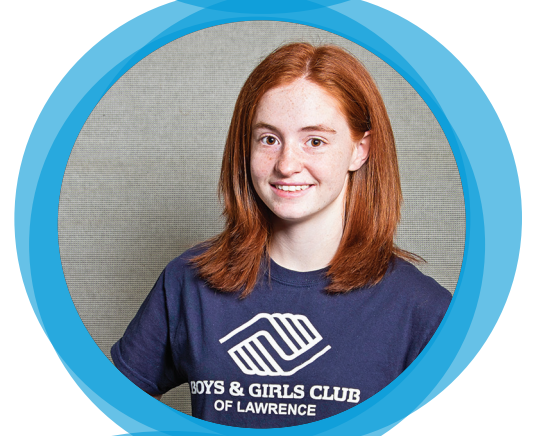
With the completion of the new trafficway, our buses will efficiently pick up and return youth who need transportation to and from all four middle schools. We currently operate four buses and can transport more than 200 students per day. Additionally, there will be easy access to local transportation from this location.

The facility will be designed with teen interests and needs in mind. We are surveying all middle school students in the district, and Club members will be actively involved on fundraising, design, and construction teams. We will hire and train professional staff to create a quality Club experience that will include:

- a positive and safe environment,
- supportive relationships,
- opportunities and expectations,
- recognition
- and lots of fun, so the students who need our support most will have it as they develop healthy life skills.

Our first commitment is to Lawrence kids and to expanding our proven success to reach more teens.

We currently charge an annual membership fee of \$25 but will not turn anyone away because of inability to pay. The Board of Directors is taking special care to anticipate both capital and annual operating expenses so that we do not "over build" something we cannot afford to maintain.



LAUNCH A GREAT FUTURE

There are many ways you can invest in the **GREAT FUTURES START HERE** campaign.

Make a pledge. Make a gift to the campaign, pledged over a five-year giving period. You may choose to fulfill your pledge through monthly, quarterly, or annual payments. Or structure your own pledge payment schedule. You can satisfy your pledge through payments by check, direct deposit, or credit card. We gladly accept VISA, Master Card, and Discover. And we will be happy to send you reminders of pledge payments as they become due.

Make a gift of securities. Gifts of highly appreciated assets, such as stock with a very low basis, make excellent charitable gifts. By donating stock, you avoid costly gains and significantly help Lawrence teens at the same time. We will be happy to assist you in transferring assets to complete your gift.

Make a customized gift of other property. Boys & Girls Club of Lawrence appreciates other — more customized — types of gifts such as items donated in-kind, and real and personal property. We will be glad to visit with you about our guidelines for accepting special gifts.

Make a deferred gift. For some donors, a planned gift — or other type of deferred giving arrangement — may better suit your financial and planning needs. These can be structured through a variety of vehicles, including a bequest in a will, a trust arrangement, and other income-producing vehicles such as life insurance and annuities. In considering a planned gift, it is best to consult your tax, legal, and financial advisor(s). We will be happy to work with you and your advisor(s) to structure a gift that best suits your tax and estate planning needs.

NOTES

- 1 U.S. Bureau of Labor Statistics, July 7, 2014, http://www.bls.gov/emp/ep_chart_001.htm
- 2 Centers for Disease Control and Prevention, "Youth Risk Behavior Surveillance — United States, 2013", <http://www.cdc.gov/mmwr/pdf/ss/ss6304.pdf>
- 3 OJJDP Statistical Briefing Book
- 4 Petteruti, Velasquez, and Walsh: "The Costs of Confinement: Why Good Juvenile Justice Policies Make Good Fiscal Sense."
- 5 http://www.childtrends.org/wp-content/uploads/2013/03/Child_Trends-2002_10_01_RB_CivicEngagement.pdf

For more information, contact:
Colby Wilson, Executive Director,
at cwilson@bgclk.org
or 785-424-5211.



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BOYS & GIRLS CLUB
OF LAWRENCE

P.O. Box 748
1423 Haskell Ave.
Lawrence, KS 66044
785-841-5672
bgclk.org

Memorandum
City of Lawrence
City Manager's Office

TO: Thomas M. Markus, City Manager

FROM: Diane Stoddard, Assistant City Manager

Date: November 9, 2017

**CC: Britt Crum-Cano, Economic Development Coordinator
Toni Wheeler, City Attorney**

**RE: Public Disclosure regarding Boys and Girls Club Industrial
Revenue Bond Request**

The Boys and Girls Club of Lawrence has recently applied to the City for Industrial Revenue Bonds to access a sales tax exemption for their Center for Great Futures Project. I have a role, in addition to the City's Economic Development Coordinator, in facilitating these requests in my work as a City employee.

In order to be fully transparent, I wanted to disclose that I am a former member of the board of directors for Boys and Girls Club of Lawrence. I do not currently serve on the board of directors. Also, I am a capital campaign contributor for the Center for Great Futures Project and have made contributions to the agency through the United Way. I understand from consultation with the City Attorney that I do not have a legal conflict with assisting with handling this matter in my staff role; nonetheless I thought it was important to publicly note my previous and current connection with the agency.