



## Lawrence Association of Neighborhoods

*Neighborhoods Working Together*

### Memorandum on Sports Village Proposal

The Lawrence Association of Neighborhoods (LAN) supports the construction and operation of a community recreation center in the northwest section of the City. However, LAN has the following concerns and questions about the currently proposed Sports Village project:

1. **Pending rezoning vote and the expansion of retail/commercial development west of Highway K-10:** We are concerned that the pending rezoning may include; allow businesses that do not primarily support sports events slated to be held at the Sports Village site. The City's pending rezoning and recent annexation is unprecedented, and is occurring even before the project itself has received approval from the City Commission. This seems to go against the City's own policies and procedures regarding rezoning, and may leave the project site zoned with no assurance that a viable project will manifest. Further, we are concerned about the potentially negative impact of this proposed development on Downtown Lawrence. Would any businesses now in Downtown Lawrence move to the commercial area near the sports complex? Downtown Lawrence is touted as the centerpiece of the City. How will the City insure that downtown continues to thrive? We are concerned that competing commercial and retail development 6 miles west of downtown does not complement Downtown Lawrence.
2. **Proposed Sports Village competing with similar venues already in existence in Johnson County, and proposed for Wichita and the Legends in Kansas City, KS:** We feel that the City does not have enough information regarding competing regional facilities. If the Sports Village cannot attract enough events to operate in the region, what are the impacts to Lawrence taxpayers? Will competition from other venues in Wichita and Kansas City, KS limit the number of events Lawrence can attract? If all three sites are ultimately developed, we are worried that there may be bidding wars that drive taxpayer-subsidized incentives. Does the City plan to employ a full-time marketing staff person to ensure that Lawrence attracts enough events to sustain the adjacent commercial enterprises and repay the cost of infrastructure development? Would the cost of salary for this marketer, and staff related expenses and subsidies be borne by the taxpayers of the City of Lawrence? We are concerned that the amount of tax revenue projected from the complex may not meet projections, thus leaving taxpayers to bear the full burden of Sports Village bills.
3. **Conventions, Sports, and Leisure, Inc. (CS&L) consulting work:** We are concerned that the CS&L report on projected tax revenues and economic impacts are largely speculative, thus the City's reliance on this firm's analysis without independent review or corroboration is problematic. We recommend that the City thoroughly investigate CS&L's work in San Bernardino, CA; Orlando, FL; Amarillo, TX; and Minneapolis, MN. We believe that CS&L has a history of promoting projects similar to the Sports Village proposal that in the end, do not bear good community or financial outcomes. We also believe that the City should require any private sector partners to absorb more of the risk. It must be noted that nearly one-half of the sports complexes in the CS&L were

private ventures. The Lawrence Sports Village should have greater private contribution by the private sector to absorb a more significant share of the losses if the complex does not attract all of the promised events and spending projected. Finally, we are also concerned that CS&L may have a conflict of interest in promoting Lawrence's development of the sports village project, as CS&L is owned by Legends, a company that sells seating, naming rights, and sponsorships for venues such as that which is proposed for Lawrence.

4. **Inadequate financial or in-kind contributions from the University of Kansas:** The current iteration of the Sports Village proposal does not appear to require that the University of Kansas pay its fair share of the costs of infrastructure development. However, it does seem that KU will benefit enormously from this facility, thus we believe that they should fairly contribute to the infrastructure, maintenance, parking, utilities, and storm water mitigation costs. Recent disclosure that NCAA rules prohibit member institutions from marketing events such as basketball tournaments at offsite facilities raise further questions about KU's ability to adequately or fairly support the marketing and promotional needs of the proposed Sports Village project.
5. **Municipal debt and infrastructure expenditures incurred by the City of Lawrence for the project:** Through its recent budget vote, the City has committed to incur \$3 million dollars in public G.O. bond debt for 2013 to pay for the infrastructure needs of the Sports Village project. That same 2013 budget raised both the mil levy/property tax and water and waste water rates for City homeowners. Further, we are uncomfortable with the reallocation of funds from the 1994 county-wide sales tax to support what seems to be more economic development subsidy than community recreation. Lawrence faces an uncertain economy. We do not think it is prudent for the City to commit to \$1.2 million dollars in annual lease payments and annual operating costs projected to be nearly \$1 million, on top of significant subsidy for infrastructure development. If additional sales tax and user fee revenues do not materialize as projected, the Sports Village represents a very real risk to tax payers. Given pending contraction of both State and Federal budgets, we believe that this project may pose unacceptable risk, and may create an unsustainable level of long-term debt and obligation for the City and its taxpayers.
6. **Need for substantive financial information about this proposal:** To date, the City has not provided a comprehensive financial schedule to inform the public about the anticipated costs of this project. We have attached a template outlining the sort of information we believe is necessary for the City to make a fully informed decision. We are concerned that a lack of information leaves Commissioner, voters and taxpayers largely uninformed about the total costs of the Sports Village proposal. Many have suggested that the City should also provide a side-by-side comparison of costs for the Sports Village and a recreation center developed on City-owned land adjacent to Free State High School. Before this project proceeds any further, we believe that all pertinent financial information and projections should be compiled in a single document and made available in both a public forum and on the City's website.
7. **Transparency and Public Perception of the proposal:** Recent comments in the local newspaper and in other public forums raise a number of unanswered questions about the Sports Village proposal. Some citizens have asserted that community equity and access to recreational facilities will not be improved by this proposal, and that a smaller scale facility at Free State High School, and improvement at other existing facilities is a better use of tax dollars. Indeed, since its inception, the Sports Village proposal has expanded

significantly in size, scope and cost but there has not been a commensurate expansion of public input or objective or independent validation of projected benefits and costs. While some of the funding for this project will come from an existing sales tax stream, it appears that significant public subsidy and general fund drawdown will be required. We see a clear need for the City to consider alternatives and conduct independent analysis before proceeding. We are concerned that the two public meetings held at Free State High School about the Sports Village project provided advocacy for the project but did not sufficiently address concerns or alternatives. To date, it seems that project proponents have had far greater access to City Hall and thus project information, than have taxpaying citizens. We ask that the City Commission step outside of the current inner circle of developers, City staff and recreation proponents and solicit constructive ideas and alternatives to the current Sports Village proposal from taxpayers.

We urge the City Commission to slow down, and not commit to rezoning or expending further public dollars tonight. We believe that this project, in its current iteration, may pose very real risk to the economic stability of our community. Thus, we believe that additional public review and comment is warranted. The Commission should provide a side by side financial comparison of viable alternatives, and should strive for improved community consensus before proceeding.

Submitted by;

Gwendolyn L. Klingenberg  
Lawrence Association of Neighborhoods – President

Estimated Costs - West Lawrence Regional Recreation Center				
Paying Entity►	City of Lawrence	University of Kansas	Developer/Donor	
Facility/Property▼				
Land				
Recreation Center				
Sewer				
Water				
Electrical				
Streets				
Parking				
Electrical				
HVAC				
Fitness/Athletic Equip.				
Refuse Collect & Disp				
Soccer Field				
Sewer				
Water				
Electrical				
Streets				
Parking				
Refuse Collect & Disp				
Track & Field Stadium				
Sewer				
Water				
Electrical				
Streets				
Parking				
Refuse Collect & Disp				
Total Costs/Value per Paying Entity				

**Kirk McClure**  
**707 Tennessee Street**  
**Lawrence, Kansas 66044**

September 3, 2012

Mayor Bob Schumm	<a href="mailto:schummfoods@gmail.com">schummfoods@gmail.com</a>
Vice Mayor Michael Dever	<a href="mailto:mdever@sunflower.com">mdever@sunflower.com</a>
Commissioner Aron E. Comwell	<a href="mailto:aroncromwell@gmail.com">aroncromwell@gmail.com</a>
Commissioner Hugh Carter	<a href="mailto:hughcarter@sunflower.com">hughcarter@sunflower.com</a>
Commissioner Mike Amyx	<a href="mailto:mikeamyx515@hotmail.com">mikeamyx515@hotmail.com</a>

Re: **CC600 Plan Amendment, Text Amendment, Rezoning**

Commissioners,

The requested action is premature.

The decision on the sports complex has yet to be made. In the absence of the sports village, this retail complex cannot be absorbed by the city for many years to come.

*Failed Zoning in this Location*

The history of zoning in this area shows that the City has zoned far in excess of the market's capacity to fill the space. The development at the southeast corner of the intersection of 6<sup>th</sup> Street and the South Lawrence Trafficway was unable to secure sufficient leases to move forward. It was abandoned as a project. The City transferred the square footage from this project to the Mercato on the northeast corner of the intersection. The Mercato development has been unable to secure sufficient leases to move forward.

Now the City is being asked to designate the intersection as a CC600 for even more space. The market-based evidence is that this is very premature.

For many years, the City engaged in excessive zoning of retail space and developers built much more than the market could support. The real estate bubble burst in 2008, and the City's real estate markets are slowly climbing their way back out of the overhang of surplus space.

The path to a healthy market is not to zone more space than is needed. Rather, the City Commission and the Planning Commission should closely monitor the delicate balance between the growth in retail spending and the growth in retail space. If the City can maintain that balance, the result will be a healthy market. If the City continues to zone excessive amounts of space as retail and fails to adopt

other smart growth development controls, the developers will continue to build more space than the market can support. The end result of this process is the deterioration and disinvestment in our older shopping districts.

*Inability of the Sports Complex to Support this New Space*

The Conventions Sports & Leisure report indicated that, even with optimistic estimates of the new demand generated by the proposed sports complex, the projected new demand is insufficient to support a hotel and sufficient to support only a couple of fast food restaurants.

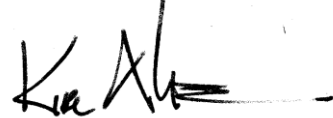
The rezoning, even if the sports complex is approved and constructed, will not support the amount of retail space envisioned in the rezoning request.

*Conclusion*

There may come a day when this intersection could be a regional commercial center with 600,000 square feet of commercial space. That day is sure to be far into the future.

Until the market demand grows significantly and the current surplus stock of space is absorbed, it is unwise to adopt the requested rezoning. The rezoning should be denied.

Yours truly,

A handwritten signature in black ink, appearing to read "Kirk McClure", with a horizontal line extending to the right.

Kirk McClure