

August 26, 2016

Jason Gage, City Manager  
Mike Schrage, Deputy City Manager  
City of Salina  
300 W Ash Street  
Salina, KS 67401

Gentlemen:

Please accept this letter and accompanying documents as Blue Beacon's application to establish a Community Improvement District in the City of Salina in conformance with The Community Improvement District Policy adopted by Resolution #10-6700. This application is specific to establishment of the proposed Alley CID as part of the larger downtown redevelopment project. Blue Beacon is submitting this as the current property owner. The Alley Entertainment Center will be developed and operated by a third-party and The Salina STAR Bond Project Plan is the source of all information contained herein.

Pursuant to Section VI Subsection D of the policy, included with this application is a check in the amount of \$7,500. This represents payment of the \$2,500 Initial Application Fee and \$5,000 for the Out-of-Pocket Professional Services Fees.

Attached are the following exhibits:

<b>Exhibit A</b>	Legal Description
<b>Exhibit B</b>	Map of the District Area with Tax Parcel I.D. Information
<b>Exhibit C</b>	Description of the Project
<b>Exhibit D</b>	Plans and Renderings
<b>Exhibit E</b>	Estimated Project Costs
<b>Exhibit F</b>	Estimated Market and Assessed Value
<b>Exhibit G</b>	CID Petition
<b>Exhibit H</b>	Proposed Financing

The general nature of the CID Project and costs eligible for CID reimbursement are described with specificity in the CID Petition submitted in conjunction with this application. Any service costs reimbursed through CID proceeds produced by the CID Project are anticipated to be directly related to the construction and/or ongoing maintenance, operation, promotion and administration of the CID Project in order to ensure its ongoing viability. Additionally, we have been advised by the third party developer that without CID funding The Alley Entertainment Center would not be feasible and would not be undertaken.

Thank you for your consideration.

Sincerely,



Guy D. Walker  
Vice President

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## BLUE BEACON

P.O. BOX 856  
SALINA, KANSAS 67402 0856  
(785) 825 2221 / FAX (785) 825 0801  
www.BlueBeacon.com

DELIVERIES TO: 500 GRAVES BOULEVARD / SALINA, KANSAS 67401



**Exhibit A**

**ALLEY ENTERTAINMENT CENTER**

**LEGAL DESCRIPTION**

COMMUNITY IMPROVEMENT DISTRICT – ALLEY ENTERTAINMENT CENTER:

COMMUNITY IMPROVEMENT DISTRICT – ALLEY ENTERTAINMENT CENTER:

ALL OF LOTS 65, 67, 69, 71, 73, 75 AND 77 ON SANTA FE, AND  
ALL OF LOTS 70, 72, 74, 76, AND 78 ON 5TH STREET,  
ALL IN ORIGINAL TOWN (NOW CITY) OF SALINA, SALINE COUNTY, KANSAS



742 DUVALL AVENUE  
SALINA, KANSAS 67401  
PH. (785) 823-3400 | FAX (785) 823-3411  
sa@kveng.com | www.kveng.com

**KAW VALLEY ENGINEERING**



2 OF 2 E15S1183 AUG. 19, 2016  
11B3EXB-CID ALLEY LRR

**Exhibit B**

**COMMUNITY IMPROVEMENT DISTRICT – ALLEY ENTERTAINMENT CENTER**

**TAX PARCEL IDENTIFICATION NUMBERS**

Lots 65 & 67 on Santa Fe -

TAX ID – 03994

Parcel Number 081-12-0-30-08-007.00-0

Lots 69, 71, 73, 75, 77 on Santa Fe -

TAX ID – 31556

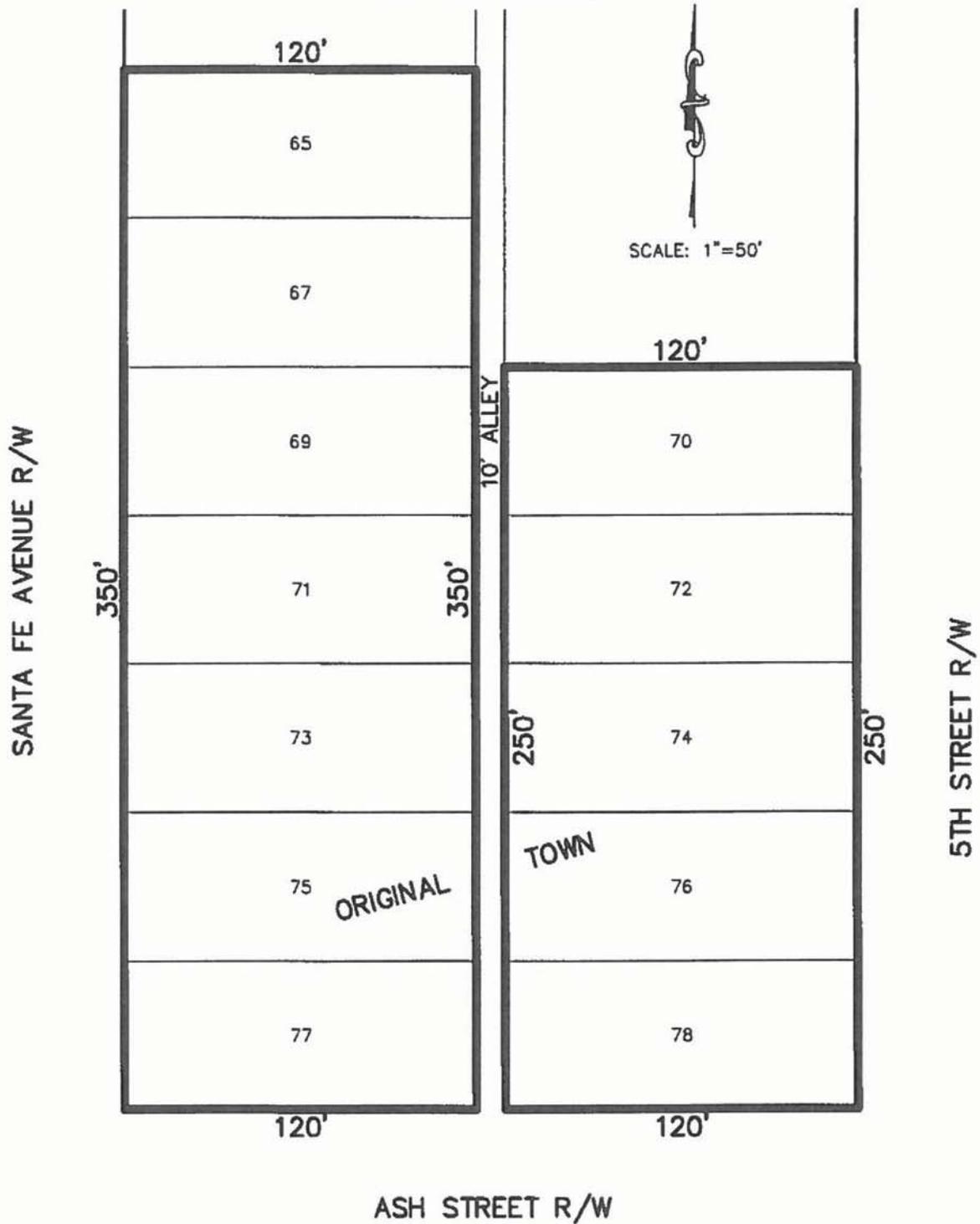
Parcel Number 081-12-0-30-08-007.01-0

Lots 72, 74, 76, 78 on 5<sup>th</sup> Street –

TAX ID – 03976

Parcel Number 081-12-0-30-07-010.00-0

COMMUNITY IMPROVEMENT DISTRICT – ALLEY ENTERTAINMENT CENTER:  
CITY OF SALINA



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**KAW VALLEY ENGINEERING**

## **Exhibit C**

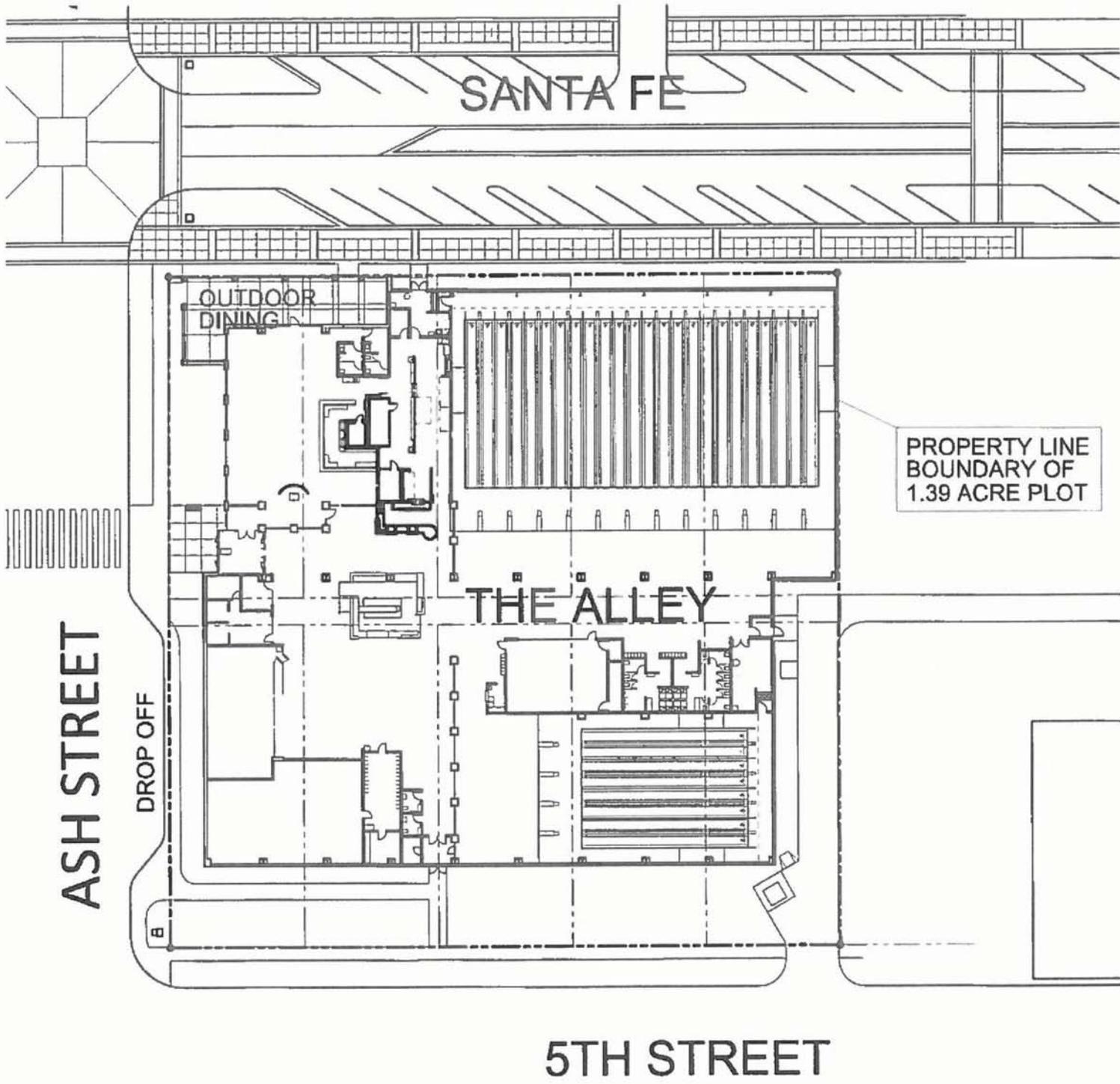
### **Description of the Project – Alley Entertainment Center**

Located at the intersection of Santa Fe and Ash Street will be a 47,000 square foot family entertainment center that offers a diverse array of indoor entertainment including a state of the art bowling center with 24 standard bowling lanes and an 8-lane “boutique” specialty bowling facility, game room and video arcade, laser tag, concessions and a full service bar and restaurant and meeting space. The 24 lane bowling facility is qualified to host state and regional college and high school bowling tournaments and is anticipated to draw such tournaments to the District. Bowling tournaments, meetings, events, special occasions and local entertainment traffic will be principal drivers of business with a trade area that extends north into Nebraska and to the east and west up to a two hour drive. This family entertainment center will be designed to be the finest bowling facility between Kansas City and Denver and will attract professional and semi-professional bowlers. Preliminary conceptual plans for The Alley are attached hereto as Exhibit D.

**Exhibit D**

**ALLEY ENTERTAINMENT CENTER**

**PLANS AND RENDERINGS**





## Exhibit E

### ALLEY ENTERTAINMENT CENTER

#### ESTIMATED PROJECT COSTS

Land	\$ 715,000
Design	\$ 150,000
General Conditions	\$ 255,496
Temp Construction	\$ 71,805
Infrastructure	\$ 502,726
Concrete	\$ 382,770
Masonry	\$ 248,906
Metals	\$ 950,646
Wood & Plastics	\$ 145,433
Thermal & Moisture	\$ 82,938
Doors & Windows	\$ 161,055
Finishes	\$ 720,397
Specialties	\$ 40,463
Equipment	\$ 2,500
Furnishings	\$ 445,000
Special Construction	\$ 0
Plumbing	\$ 266,495
Mechanical	\$ 381,492
Fire Protection	\$ 92,871
Electrical	\$ 484,340
<b>TOTAL</b>	<b>\$ 6,100,333</b>

**Exhibit F**

**ALLEY ENTERTAINMENT CENTER**

**Estimated Market and Assessed Value of the Improvements**

Estimated Market Value - \$6,100,333

Basis of Value - Cost

Estimated Assessed Value - \$140,919

Basis of Value – Downtown Salina TIF Plan Estimate

**Exhibit G**

**ALLEY ENTERTAINMENT CENTER**

**CID PETITION**

**PETITION FOR THE CREATION OF A  
COMMUNITY IMPROVEMENT DISTRICT  
(THE ALLEY)**

**TO:** City Commission,  
City of Salina, Kansas

The undersigned (the "Petitioners"), being the owners of record, whether resident or not, of the following:

1. Not less than fifty-five percent (55%) of the land area contained within the hereinafter described community improvement district; and
2. Not less than fifty-five percent (55%) by assessed value of the land area contained within the hereinafter described community improvement district.

hereby petition the City of Salina, Kansas (the "City") to create The Downtown Salina Community Improvement District ("CID") and authorize the proposed CID project (the "CID Project") hereinafter set forth, all in the manner provided by K.S.A § 12-6a26, *et seq.* (the "Act"). In furtherance of such request, the Petitioners state as follows:

**1. GENERAL NATURE**

The general nature of the proposed project (the "CID Project") is to promote the redevelopment and revitalization of the downtown Salina business district, as is more particularly described herein, by providing community improvement district financing in accordance with this petition and the Act to finance the demolition, construction, maintenance, and procurement of certain improvements, costs, and services within the District related to a family entertainment center development, including, but not limited to: land acquisition, infrastructure related items, streets, sidewalks, parking lots and/or structures, buildings, facilities, tenant improvements, water management and drainage related items, utilities, landscaping, lighting, art, water features and other cultural amenities, ongoing maintenance of the District, marketing, advertisement and economic development, promotion of activities and special events, training, cleaning and maintenance, and administrative costs in establishing and maintaining the District and the CID Project, and any other items permitted to be financed within the District under the Act.

**2. ESTIMATED COST**

The estimated cost of the CID Project is \$628,676 plus interest.

**3. PROPOSED METHOD OF FINANCING**

The proposed method of financing the CID Project is from the CID Sales Tax described in paragraph 5 of the Petition through Pay-as-you-go financing or through issuance of special obligation, general obligation or full faith and credit CID bonds/notes, at the sole election of the City, as defined in the Act.

**4. PROPOSED METHOD AND AMOUNT OF ASSESSMENT**

Petitioners do not propose that the CID Project be financed through the levying of assessments.

**5. PROPOSED AMOUNT OF SALES TAX**

Petitioners propose that the CID Project be financed through the levying of a CID sales tax in the amount of 1.0% as authorized by the Act.

**6. MAP AND LEGAL DESCRIPTION OF THE PROPOSED CID**

A map of the CID is attached hereto at EXHIBIT A.

The legal description of the CID is attached hereto at EXHIBIT B.

**7. NOTICE TO PETITION SIGNER**

Petitioners hereby acknowledge that signatures may not be withdrawn from this Petition by the signers hereof after the Governing Body of the City commences consideration of this Petition, or later than seven (7) days after the filing hereof with the City Clerk, whichever occurs first.

**8. PETITION BINDING ON FUTURE OWNERS**

Petitioners hereby acknowledge that if this Petition is not properly withdrawn as permitted by the Act, any future owners of the property within the CID shall be bound by this Petition.

**9. COUNTERPARTS**

This Petition may be executed in one or more counterparts and by each signer hereof on a separate counterpart, each of which when so executed and delivered shall be an original, and all of which shall constitute one instrument.

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IN WITNESS WHEREOF, the undersigned petitioners have executed the above foregoing petition to create the district at the dates set forth opposite their respective signatures below:

**BLUE BEACON INTERNATIONAL, INC.**  
a Kansas Corporation

By:   
Signature of Authorized Agent for Entity

Name: Guy D. Walker

Title: Vice President of Real Estate Development  
(Type or print)

Date: August 19, 2016

**ACKNOWLEDGMENT**

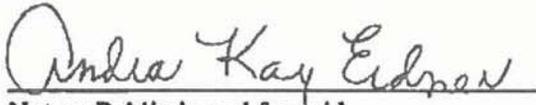
STATE OF KANSAS        )  
                                  ) ss.  
COUNTY OF SALINE    )

This instrument was acknowledged before me on August 19<sup>th</sup>, 2016, by Guy D. Walker, as the Vice President of Real Estate Development of Blue Beacon International, Inc., a Kansas Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in Saline County the day and year last above written.

(Seal)





Notary Public in and for said  
County and State: Saline County, Kansas

My Commission Expires:  
2-04-2019

**Exhibit H**

**ALLEY ENTERTAINMENT CENTER**

**Proposed Financing**

STAR Bonds	\$1,642,726
Alley CID	\$ 628,676
Non-Incentive Sources	\$3,828,931