

# OPPORTUNITY MEETS PLANNING @ LACKMAN

Lackman Building Expanded Services  
Friends of Johnson County Library

JOHNSON COUNTY  
LIBRARY FOUNDATION



JOHNSON COUNTY  
KANSAS  
Library





# Friends: service partners with Johnson County Library for 68 years.

We founded and operated the Library. We've improved quality of life in our County, with the Library, for 3 generations.



# Friends provide valuable Library service.

We're the first, and primary, portal for Johnson County residents eager to give their **time, treasure, talent** to a government agency.



Weeds purchase from Library	\$ 50,000
Weeds management	\$ 50,000
Volunteer services	\$ 573,000
Free materials to Library services	\$ 4,000
Free materials to community partners	\$ 115,000
Low-cost books recirculated in County	\$ 500,000
Annual replacement value of Library service provided by Friends	\$ 1,292,000



Annual; 2019 \$ values

Over 10-year proposal duration: **\$ 12,920,000**



# Friends of Johnson County Library strategy: merge sales & operations sites.

5

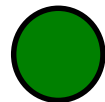
## Current Friends ops & sales sites

5 locations and related expenses of transport and storage.

1

## Merged Friends ops & sales site

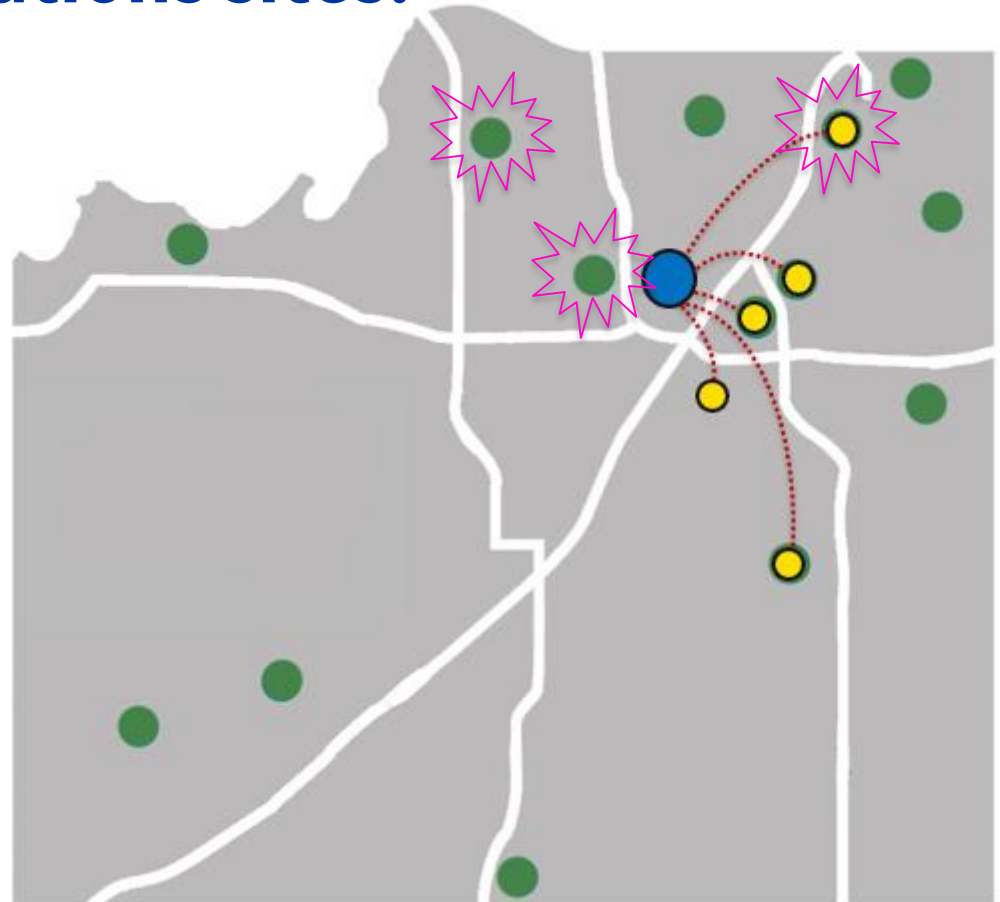
Relocate to one address expands our ability to serve Johnson County.  
Manage expenses down and profits up for Library support.



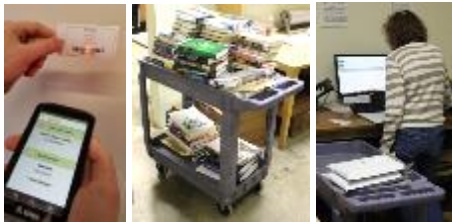
## Other Library branches



Missed opportunities for Friends' co-location at new buildings since 2015



# Friends of Johnson County Library propose to re-locate sales & operations sites at JCL.



## Proof of concept: inventory software change in 2020

New inventory management software = 250% improvement in online sales around the world.



## Proof of concept: re-opening stores post-Covid

Market responds with normal-ish habits in a proven safe space.



## Proof of concept: donations peaking post-shutdown

Waiting lists of 75-100 donors monthly to drop off materials.

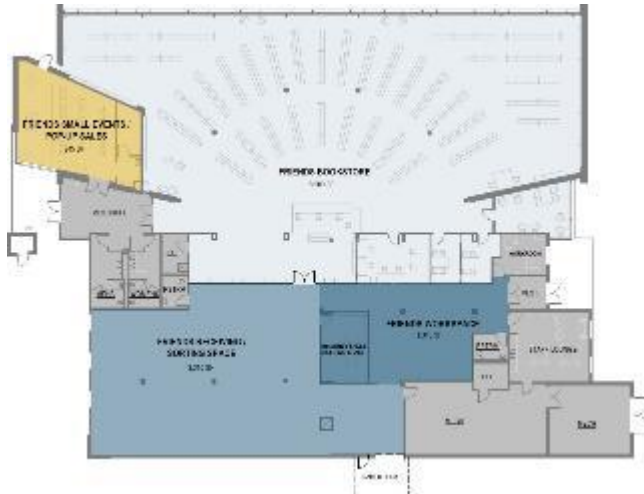
## Consolidate 3 stores, off-campus sale location, inventory processing / storage at a single address

- 3 (2 per 11/1/2020) Retail locations in libraries. *All will be closed by 2025*
- 2 Inventory management - storage locations / online sales division
- 3 / year Off-site seasonal sale locations





# Friends Store at Lackman



- **Phase 1 (2021-2022):** Friends Bookstores consolidate to Lackman
  - Field Test
  - *Evaluation / decision point* – consider extending concept to include sorting and online sales, and reinvest in the building
  - Estimated cost: \$557,500    **\$100,000 committed from JCL Foundation**



## Scenario 1 – Revenue Projection

		10 YEAR FINANCIAL PROJECTION									
		Phase I (18 Mos.)		Phase 2 (3 Years)			Phase 3 (5 Years)				
		P R O J E C T E D									
		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
Actual 2019		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Internet Sales	\$ 128,906	\$ 162,200	\$ 206,520	\$ 376,560	\$ 439,320	\$ 502,080	\$ 502,080	\$ 502,080	\$ 502,080	\$ 502,080	\$ 502,080
Bookstore	109,409	88,245	156,000	180,000	189,000	198,450	208,373	218,791	229,731	241,217	253,278
Seasonal	74,222	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Memberships & Promo.	23,532	21,400	23,540	25,894	28,483	31,332	34,465	37,911	41,703	45,873	50,460
Thriftbooks,PR, + Other	35,152	28,635	28,635	30,000	32,500	35,000	35,000	35,000	35,000	35,000	35,000
Total Revenue	\$ 371,221	\$ 350,480	\$ 464,695	\$ 662,454	\$ 739,303	\$ 816,862	\$ 829,917	\$ 843,783	\$ 858,513	\$ 874,170	\$ 890,818
Corporate	\$ 25,943	\$ 34,470	\$ 34,474	37,568	38,695	39,856	41,052	42,283	43,552	44,858	46,204
Promotional	11,800	7,245	7,462	7,686	7,916	8,154	8,399	8,651	8,910	9,177	9,453
Processing & Sales	235,026	260,765	283,332	434,863	465,453	496,433	508,360	520,705	533,482	546,707	560,394
Library Donations	53,400	48,000	53,000	53,000	53,000	53,000	53,000	53,000	53,000	53,000	53,000
Total Expense	\$ 326,169	\$ 350,480	\$ 378,268	\$ 533,117	\$ 565,064	\$ 597,443	\$ 610,810	\$ 624,639	\$ 638,944	\$ 653,742	\$ 669,051
Net	\$ 45,052	\$ -	\$ 86,427	\$ 129,337	\$ 174,239	\$ 219,419	\$ 219,107	\$ 219,144	\$ 219,569	\$ 220,428	\$ 221,768
Potential Donation: Weeds + Net											\$ 2,234,437
Typical Year (2019) Net Income & Weeds = \$98,452.											
If Friends continues to operate at the current status quo of a typical year, over a 10 year span net income and weeds = \$984,520, which is Net Growth of \$1,249,917.											





## Project Options and Recommendation @ 10 Years

Option	
Sell the Lackman location	\$1,300,000
Cost to JCL to replace value received from Friends.	\$9,100,000
Option	
Move Friends into Lackman Library - value added Cash, Goods, Services - @ 10 years.	\$14,654,000
Lackman building improvement costs to move Friends into this location.	\$6,227,500
Recommendation	
Allow JCL to use reserve funds so the Friends can occupy the Lackman location for a Friends Bookstore, net revenue and value gain.	\$8,526,500





**Supply Books. Support Library. Sustain Community.**



## Appendix

- Friends Gift History
- Proposal schedule
- Expense / Return Summary
- Scenario 1 Details
- Alternatives
  - Scenario 2a, Scenario 2b



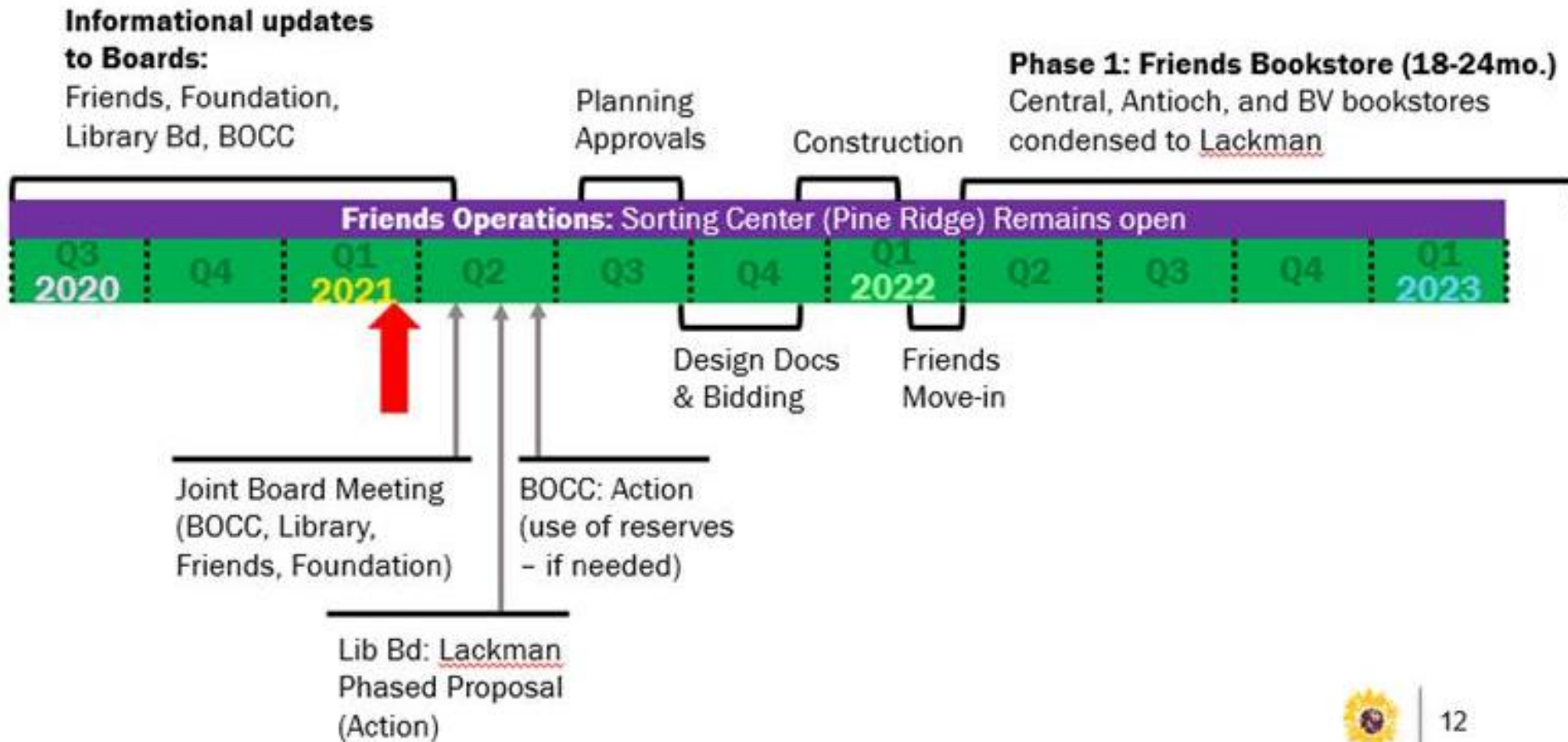
## Friends Donation History 1999-2019

	\$ Value: Donations to Library	\$ Value Volunteer Hours	\$ Value Books Donated to Outreach	Total \$\$ Value Friends Support
	<i>including weeds payments</i>			
<b>1999</b>	\$69,000	\$300,000		\$369,000
<b>2000</b>	\$73,000	\$300,000		\$373,000
<b>2001</b>	\$90,000	\$300,000		\$390,000
<b>2002</b>	\$89,700	\$300,000		\$389,700
<b>2003</b>	\$87,500	\$300,000		\$387,500
<b>2004</b>	\$101,000	\$300,000		\$401,000
<b>2005</b>	\$103,990	\$300,000		\$403,990
<b>2006</b>	\$113,576	\$300,000		\$413,576
<b>2007</b>	\$108,851	\$300,000		\$408,851
<b>2008</b>	\$210,238	\$300,000		\$510,238
<b>2009</b>	\$187,313	\$328,909	\$28,200	\$544,422
<b>2010</b>	\$226,250	\$364,957	\$60,360	\$651,567
<b>2011</b>	\$53,840	\$366,836	\$24,880	\$445,556
<b>2012</b>	\$250,575	\$404,675	\$69,405	\$724,655
<b>2013</b>	\$175,050	\$395,279	\$56,275	\$626,604
<b>2014</b>	\$109,615	\$384,531	\$64,700	\$558,846
<b>2015</b>	\$72,980	\$454,826	\$12,060	\$539,866
<b>2016</b>	\$82,725	\$417,792	\$159,220	\$659,737
<b>2017</b>	\$84,095	\$461,555	\$86,920	\$632,570
<b>2018</b>	\$53,300	\$479,584	\$81,980	\$614,864
<b>2019</b>	\$98,452	\$573,040	\$114,910	\$786,402
	<b>\$2,441,050</b>	<b>\$7,631,984</b>	<b>\$758,910</b>	<b>\$10,831,944</b>





# Anticipated Timeline: Expanded Services at Lackman – Friends store



# Unique Opportunity

The Library and Friends have a unique opportunity to share the building and to field test the Friends Bookstore concept during the coming year.

- The Lackman building has been unused since the move to Lenexa City Center.
- This location has hosted one of the most successful-ever seasonal sales.
- The building is available for JCL's usage
- This provides time and space for the Friends to test-drive this consolidated bookstore proposal.



## Scenario 1 – Revenue Projection Detail

Revised Projection	1). Phase-in plan initiated mid-year 2021 to year-end 2022. 2). New sorting software implemented mid-year 2020 providing several months of actual sales history. 3). On-line listings increased including lower priced items. Result – average sales per item is less than previously estimated.		
2019 Annual Sales Info	Donatons & Weeds Recycled Thriftbooks Potential for Sale	555,000 169,000 144,000 242,000	Processed without Automation 30% 26% 44%
	Items Currently Sold on Line	7,145	3% Generated 33% of FOJCL Revenue
10 Year Revenue	Internet Sales Bookstore Seasonal Memberships Thriftbooks	As of August 2020, listing about 2,000 items per month and sale about 65% of the items listed. 2021 remains at 2,000/mo. Automate mid 2022 and increase listing to 3,000/month. 2023 increase to 4,600; 2024 increase to 5,385; 2025 increase to 6,150. 2025 reaches max capacity at 6,150 items listed which = 4,000 items sold versus 1,300 items sold in 2021. 2021 – CRL closed and AN and BV open 5 months. Consolidate to 1 store for 6 mos. Sales are slow as customers acclimate to new location. 2022 = \$13k/month (Normal sales for 3 stores is \$8.5k/mo). 2023 = \$15k/mo. 2024 to 2030 = 5% increase per month. 2021 includes big summer sale kick-off at Lackman to introduce customers to the new location + a couple other pop-up sales. 2022 = about 6 pop-up or special event sales; no big sale; sorting center moves. 2023 to 2030 = about 7 pop-up or special event sales. 10% increase per year. Increased as a result of donation increase.	
10 Year Expense	FY 2021 FY 2022 FY 2023 FY 2024 to 2030	Close remaining two bookstores and consolidate at Lackman mid-year. Sorting operation remains at Pine Ridge. Six months sorting operation at Pine Ridge and six months at Lackman. Decrease offsite storage and courier expense. Six months rent paid to Pine Ridge and six months rent and expense paid to library at \$72k. Full year rent and expense to Lackman at \$144k. By 2023, internet listing has increased to 4,600/mo, which requires the addition of another part time staff position. Inflation factor applied including library rent and expense. Internet expense continues to increase as sales increase. Historically, internet expense is 31% of internet sales.	

### Supplemental annual inventory Information *accurate for 2019*

Current Donations & Weeds	555,000	(Processed without automation)
Recycled	169,000	30%
Thriftbooks	144,000	26%
Potential Items for Sale	242,000	44%
Items Currently Sold online	7,145	3% Generates 33% of Revenue



## Phases – Projected Cost Detail

<b>Lackman Building Improvements Detail: Phases 1, 2, 3</b>	
<b>Anticipated Project Cost</b>	
The following costs reflect phased consolidation of total Friends operations at the Lackman site, including deferred maintenance.	
<b>Phase 1 (2021-2022): Friends Bookstores consolidate to Lackman</b>	557,500
less Commitment of Foundation dollars	100,000
<b>Anticipated Phase 1 Project Cost to Library*</b>	<b>457,500</b>
Fire Suppression system	
Code-related building / parking lot repairs, incl. ADA compliance	
Roof patching and EIFS repair	
Minimal IT infrastructure work	
Rezoning costs	
Consultant costs	
*Anticipated cost, anticipated to be funded from existing Library Reserves	
<b>Phase 2 (2023-2025): Consolidation of Friends sorting center at Lackman*</b>	<b>2,357,500</b>
Tenant Improvements (partial)	
Construction of dock	
Parking lot resurfacing	
Replacement of chiller and air handling unit	
Roof patching to make it hold til 2023	
Roof replacement	
IT improvements	
Acoustical Ceiling tiles	
Consultant costs	
*Anticipated cost, anticipated to be funded from existing Library Reserves	
<b>Phase 3 (2026-2030): Continued building investment*</b>	<b>3,312,500</b>
Tenant improvements	
Exterior building improvements (windows, gutters, metal slats)	
Replacement of remainder of mechanical systems	
Electrical panel replacement	
Water distribution (HVAC and Main)	
IT improvements, updates, PA, UPS	
New carpet	
Consultant costs	
*Anticipated cost, anticipated to be funded from existing Library Reserves	
<b>Anticipated cost for all phases</b>	<b>6,127,500</b>





Lackman Building Improvements Detail, Phases 1, 2, 3 - 10 Year Projection	
Lackman Buiding Appraised Valuation July 2020	\$1,300,000
<b>Estimated Project Expenses - @ 10 Years</b>	
Phase 1 (2021-2022): Building Improvements for Bookstores	557,500
Phase 2 (2023-2025): Building Improvements for Sorting Center	2,357,500
Phase 3 (2026-2030): Progress on Deferred Maintenance	3,312,500
<b>Anticipated cost for all phases- 10 Year Projection</b>	<b>\$6,227,500</b>
<b>Project Return - @ 10 Years</b>	
Estimated Minimum Friends Cash Donation including Weeds Payments	\$2,234,000
Estimated Friends Value-added to Library / Community	\$12,420,000
Weeds management	500,000
Volunteer services	5,730,000
Free materials to Library services	40,000
Free materials to community partners	1,150,000
Low-cost books recirculated in County	5,000,000
<b>Subtotal value added by Friends, Cash, Goods + Service - @ 10 Years</b>	<b>\$14,654,000</b>
<b>Net Value to JCL of Homing Friends at Lackman - @ 10 Years</b>	<b>\$8,526,500</b>
<b>Cost to JCL for services currently provided by Friends - @ 10 Years</b>	
Weeds purchase from Library - lost revenue	500,000
Weeds handling	500,000
Volunteer services - lost value	5,730,000
Free materials to Library services - lost value	40,000
Free materials to community partners - lost value	1,150,000
Friends staff (management of above efforts) - lost value	1,180,000
Cost to JCL to replace value rendered by / received from Friends	-\$9,100,000
1-time return of Lackman buiding sale (Appraised valuation July 2020)	1,300,000
<b>Net cost to JCL for NOT Homing Friends at Lackman - @ 10 Years</b>	<b>-\$7,800,000</b>

## Phases – Projected ROI Detail

*Lackman is an opportunity for increased Friends success. In addition to more \$\$ this is a pipeline for more volunteer engagement (currently a \$450,000 annual value) and increased levels of donation – cash and goods (used books, our inventory).*

*Estimated Friends cash contributions and in-kind value-added are significant tangible and intangible assets, AND the services provided will need to be performed in Friends eventual absence.*

