



The Community Shares Standard Mark is awarded by the Community Shares Unit to offers that meet national standards of good practice. For more information about community shares, the Community Shares Standard Mark and the Community Shares Unit go to: [communityshares.org.uk](http://communityshares.org.uk)

# Kirkstall Valley

## DEVELOPMENT TRUST

### EARLY STAGE

# COMMUNITY SHARE OFFER DOCUMENT

Amount sought ▶ Minimum amount: £10,000 ▶ Optimum target amount: £40,000 ▶ Maximum target amount: £60,000

Launch Date: Mon 27th Feb 2017 | Closing Date: Fri 20th April 2017

Kirkstall Valley Development Trust, c/o ODI, 3rd Flr Munro House, Duke St, Leeds, LS9 8AG. [www.kvdt.org.uk](http://www.kvdt.org.uk)

# SUMMARY

The purpose of this Early Stage Share Issue is to raise £40K as our optimum target and £60K as our maximum target in community shares which will be unrestricted cash to pay for the early development costs associated with our aim of turning Abbey Mills, Kirkstall into a community, education and living centre.

Kirkstall Valley Development Trust is a community benefit society set up in September 2016 to develop a learning and leisure park over 200 acres of inner Leeds ([www.kvdt.org.uk](http://www.kvdt.org.uk)). It is owned and run by its members on a basis of one member one vote and has an asset lock. All profits will be put back in the business or invested in its educational objectives. We are not a government or council initiative. We are a community group, but proud to be working with Kirkstall Valley Park Board, Leeds City Council, the University of Leeds, Leeds Beckett University and the Centre for Alternative Technology to make Kirkstall Valley a focus of leisure activity and environmental education.

Leeds City Council is looking for a solution to the empty mill and we need early stage development funding to build our case.

*Community shares are fully at risk. You could lose some or all of the money you invest. You have no right to compensation from the Financial Services Compensation Scheme, nor any right of complaint to the Financial Ombudsman Service.*

*This is an early-stage offer, which is not supported by a business plan. Your share capital is fully at risk, and you could lose some, or all, of the money you invest. Your right to withdraw your share capital is suspended for the foreseeable future, and there is currently no prospect of you receiving any interest on your share capital until the Mill is open and trading for 3 years. However, at this stage, if the business is successful, we may be able to restore your rights to withdrawal and share interest payments and would aim to pay 4% interest to early stage investors in recognition of the high-risk nature of this investment. This will be dependent on our ability to recover any early-stage losses incurred in developing our plans and getting started.*

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An aerial photograph of the Kirkstall Valley Park area in Leeds, UK. The image shows a mix of urban development, including residential buildings and industrial structures, interspersed with green spaces and trees. A large, dark, semi-transparent rectangular box is overlaid in the center of the image, containing white text. The background shows a wide expanse of the city and surrounding countryside under a cloudy sky.

# OUR VISION

The aspiration to create a new Kirkstall Valley Park and linked green spaces down the river Aire has been around for many years, fostered by the Kirkstall Valley Park Board, but to date St Anns and Abbey Mills remain almost empty and the green space largely inaccessible and underused.



**We want to protect that green space, but open it up for people to enjoy. Our full plan is to create:**

- **A Centre for Future Cities teaching practical and high level skills for sustainable living, focusing on water, energy, food and housing.**
- **Environmental education particularly aimed at young people**
- **Energy, growing and nature projects**
- **On site power sourced from the river and solar panels**
- **New parkland and wildlife areas**
- **Improved access, with cycle and walk ways**
- **Two refurbished heritage mills**
- **Workspace for sympathetic small businesses**
- **Flexible community space**
- **A public café / bar, events and exhibition space**

# OUR VISION

The starting point is Abbey Mills (LS5 3HP), where we should be able to create the community events space and launch the Future Cities Centre. We are also working with Leeds Community Homes to see if any of the mill can be used for accommodation.

Abbey Mills is a 30,000 sq. Ft. Grade II listed mill that lies just south of Grade I listed Kirkstall Abbey. The Abbey Mills complex consists of a number of mill buildings dating back to the early 16th Century. The mills were rebuilt after a fire in 1797 and by 1847 most of the present buildings were in existence. By the 1820s Ephraim Elsworth worked a corn and oil mill here; parts were used for the production of woolen cloth from the 1820s until 1961 when Leeds City Council bought it. The 10-bay range with small windows is perhaps part of the corn mill, while the tall western range, former drying house and finishing shops relate to woolen manufacture.

The mill and surrounding land has been largely empty since 2003, with attempts to market it failing because of poor access, adjacent pathways, the listed status and its proximity to the Abbey. We believe our plan for the mill, to be worked up and adapted in 2017, offers a social and financial solution.

With the timescales for releasing Lottery funding, we would envisage the first phase of Abbey Mills opening for trading in 2020, with construction work taking approximately one year prior to the opening.

**Further information can be found at [www.kvdt.org.uk](http://www.kvdt.org.uk)**

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# WE WILL PROVIDE

## Community Facilities

The community will be consulted on how the mix of meeting, event space and café should be shaped and shared with the Centre for Future Cities to make the facilities financially viable.

## Education

The Centre for Future Cities and the Centre for Alternative Technology will be delivering education at all levels from MSc research to school visits and practical skills training in house building and low carbon adaption. CAT particularly, as they do in Wales, will be working to involve local schools and residents.

## Employment and Volunteering

The Centre will probably start with two or three employees and a range of sessional educational workers, but this will expand as courses grow in number.

CAT has a strong record of building and running a volunteering model (8 x 6 month volunteers in 2015 with numerous short term volunteers) and will use its experience to support the development of volunteering programmes in the Kirkstall Valley.

The Centre for Future Cities and the Trust will have a similar approach to encouraging local volunteers in the café, grounds, marketing, administration and exhibition areas, building confidence and skills

## Heritage appreciation

The exhibition hall of the Centre for Future Cities will have examples of future sustainable city living and that will be tied back to the history of the mill e.g. comparing extraction of energy from the Aire via heat pump to the water wheel that used to be attached to the mill.

The project is also starting with an local history project led by local volunteers about the mill and the valley in partnership with Leeds Beckett University. The product of the work will be permanently housed in the mill. Exact space needs and configuration are to be decided. The business model is that rents, events income and contracted service delivery will cover all the costs at Abbey Mills. Tenants and users will pay a commercial rent. The community area will include a self-financing café. Meeting and event areas will charge at a level to make a surplus (at variable rates to keep it affordable).

We see the Centre for Future Cities having regional and national significance as a place that will showcase inspiring examples from across the world of how cities are meeting problems, bringing together the public, researchers and innovators in identifying, and prototyping city solutions.

# MEET THE TEAM

Board members have a mix of relevant interest and skills and they will be supported by a team of business planning and construction professionals.

**Chris Hill, Development Director.** Co-operative property developer leading developments at: Unity Works Wakefield, Roco Sheffield, Shine Leeds and Headingley Enterprise and Arts Centre (voluntary capacity). Fellow of Leeds Sustainability Institute

**Paul Chatterton.** Developer of Lilac co-housing and Professor of Urban Futures at University of Leeds. Local resident

**Tahira Hamid.** Chartered Architectural Technologist and Course Leader of Architectural Technology at Leeds Beckett University. Local resident

**Cllr John Illingworth.** Local Kirkstall Councillor for 36 years and current secretary of the Kirkstall Valley Park Board

**Claire Bastin.** Sustainability Manager at the University of Leeds

**Adele Rae.** Chair Burley Community Association. Local resident.

**Sam Meadley.** Kirkstall in Bloom. Local resident

**Co-opted: Adrian Ramsay.** Chief Executive of the Centre for Alternative Technology, Machynlleth, Wales

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# EARLY DEVELOPMENT COSTS

The share issue will meet the following costs

Task	Cost
Community Share Standard Mark Assessment	£840
Web site, aerial photography	£4300
Architect	£15000
Surveys of the building and site	£4000
Marketing, community involvement, scoping Future City Centre possibilities	£6000
Office costs	£860
Project Management	£9000
<b>TOTAL</b>	<b>£40000</b>

We will work with our architects, in tandem with consulting the community, to understand the options and possibilities better.

**All work over £10,000 will be tendered.**



Income from this share issue will feed into a six to eight month development plan work programme that will deliver:

- a. An outline, costed refurbishment scheme and development plan for Abbey Mills
- b. A business plan that shows how initial capital can be raised and the complex run in a financially sustainable way
- c. A heads of terms agreement with Leeds City Council on the transfer of the mill

As well as using share issue money we have applied to the Architectural Heritage Fund (max grant £25,000) and Heritage Lottery's Resilience grant (maximum locally decided awards £100,000) to support the development plan. Neither of these applications is guaranteed to be successful.

# THE NEXT STEPS

If these bids are successful they will cover:

- Additional architectural and master planning work
- Project management
- Business planning support
- Quantity surveyor and structural survey work
- Mechanical and Electrical Review
- Legal support

Our aim is that the development plan will be presented both as a complete refurbishment of the mill and as staged development options to match our likely budget of £3.3m. When the business and development plan for Abbey Mills is complete we intend to negotiate a transfer of the mill and land from Leeds City Council on freehold or peppercorn long lease terms.

The intention is to proceed to planning permission and agree the terms of an asset transfer of Abbey Mills in late 2017.

Once a land transfer deal has been agreed, the Trust will apply to Heritage Enterprise Lottery for £2m grant (maximum decided locally delivered in two stages) and is likely to apply to Triodos Bank (or similar) for a £1m. loan. Positive discussions have taken place with both organisations. Additional revenue and capital funding of £300,000 will be sought from other grant funders and a second community share issue. Likely total budget for the first phase of development - £3.3m.



# FUNDRAISING TARGETS

## **Our optimum fundraising target for the Early Stage share issue is £40,000.**

This will be added to the amount raised through the Resilience Grant to fund the development work. No community share money will be used on the two largest elements of spend – architect fees and project management - prior to knowing the outcome of the Resilience application.

There may be some spending on marketing, community involvement, office costs and Standard Mark assessment between the end of the share issue and decision day of the Resilience grant, but this will be less than £5,000

If no Resilience grant at all is received from Heritage Lottery (result likely in May 2017), indicating that they would not award an Enterprise Grant either, the Board will consider whether the project is any longer viable. If it is not, any money remaining unspent from the share issue at that point will be returned to shareholders. That is expected to be 80% of what you invested.

As the offer is to provide unrestricted cash flow that can contribute to the development process there is a low minimum target of £10,000 because we will continue to try and fund the development process from other sources. In the event of raising more than £10,000 but less than £40,000 priority costs will be

- Architects - £6,000
- Project Management - £3,000
- Standard mark assessment - £840

If we reached our £60,000 stretch target, the additional money will be spent on expanding the Centre for Future Cities work - developing projects and partnerships and producing promotional literature. Contracting specialists to develop work and learning programmes with leading companies in the field of sustainability e.g. Ecotricity or Good Energy in the energy field.

## **Offer Period**

The share offer will be open from February 27th to April 20th 2017.



## MINIMUM AND MAXIMUM INVESTMENT

The minimum amount that can be invested by an individual or organisation in this share offer is £100.

The maximum amount that can be invested by an individual is £6,000 – equivalent to 10% of the capital we are seeking to raise. You can invest any amount between £100 and £6,000.

For Organisations the maximum that can be invested is £9,000 – equivalent to 15% of the capital we are seeking to raise. They can invest any amount between £100 and £9,000. If you are an organisation seeking to invest larger amounts you should contact Kirkstall Valley Development Trust direct to discuss further.

Institutional investors will be subject to the same terms and conditions as individual members, except for its right to withdraw share capital, which will be restricted to a pro-rata amount

# FINANCIAL

## Financial Returns

The Board aims to offer 4% interest to Early Stage shareholders when trading income allows

However, payment of interest is at the discretion of the Board and will be paid into your share account only when the financial position of the Society allows it. Both payment of interest and withdrawal will be suspended until three years after Abbey Mills opens and is trading. The Mill is unlikely to open before 2020, so you will not be able to withdraw shares or accrue interest until 2023.

The Board aims to give Early Stage investors priority in their ability to withdraw capital ahead of investors in any later community share offers.

## Financial Risk

Early Stage investors are essential to the Trust's success, but you are taking the most risk. If the project does not proceed, you will lose some and potentially all of your capital.

### The key risk factors are that

- 1. Development grants will not be awarded at a high enough level to complete the development and business plan**
- 2. We will not be offered the freehold of Abbey Mills on acceptable terms by Leeds City Council**
- 3. We will not achieve construction grant funding of sufficient level. The application to the Lottery's Heritage Enterprise Scheme is critical in this respect and the final result will not be known until 2018**

We are in detailed discussion with both organisations and in the case of the Lottery are hoping for an initial Resilience Grant to help us work up the scheme. Nonetheless, the risk of the project not proceeding is real.



## TYPE OF SHARE CAPITAL

Community shares are withdrawable shares in our society that has an asset lock. Shares are withdrawable i.e. you can withdraw your initial investment and any interest that might have accrued but only if the organisation is in a financial position to do so. However to give the Society time to reach profitability the withdrawal of shares will be suspended and interest not payable until the end of the third year of trading once the Mill has opened. This will be subject to the discretion of the Directors, especially if there are insufficient funds to make repayments.

**Early Stage investors will be given priority to withdraw their capital over any future community share investors.**



# YOUR RIGHTS

## Democratic Rights Of Members And Eligibility

Any UK based individual over 16 years of age or organisation can apply to join the Society, subject to the approval of the Board.

All shareholders are members and all members shareholders. The Society is run on the basis of one member, one vote (irrespective of how many shares you hold) and members are responsible for electing five of the eight Board members at the annual general meeting (the other three places are reserved for Leeds Beckett University, University of Leeds and the Centre for Alternative Technology).

The rules of the Society are available on [www.kvdt.org.uk](http://www.kvdt.org.uk)

We aim to provide all communications with members by electronic means. Your approval to this will be automatic if you invest via Crowdfunder.

## Conflict Of Interest

We have a Register of Interest – and all Board members have declared their current interests. Board members are asked to inform their fellow directors of any new potential conflicts of interest.

Chris Hill has a conflict of interest as being both a director of the Society and service provider (development consultant). However, as the initiator of the Society, paid in part on success fees, he can guarantee at all times to act in accordance with the best interests of the Society and is working to a Board approved contract that is available for inspection.



## HOW TO APPLY

All money will be taken in through Crowdfunder - [www.crowdfunder.co.uk](http://www.crowdfunder.co.uk) - a crowdfunding site that specialises in community share offers. A link is provided from our web site [www.kvdt.org.uk](http://www.kvdt.org.uk)

Money will only be taken from your account at the end of the offer period and only if the minimum target of £10,000 has been achieved. No monies will be taken from your card or bank account if the project is unsuccessful.

Crowdfunder charges are 5% + VAT of funds invested via the platform; 1.4% for payments made using credit or debit cards, 1.4% plus 20p via

STRIPE or 0.5% for payments made via Direct Debits through GoCardless. Investors will make this payment, and the society will receive the funds less these charges. The investor's capital account with the society will reflect the sums they have paid before charges, so the society can account for the charges as expenditure for the year in which the investment is made.

You will be informed by Crowdfunder when the money is being drawn down and you will be subsequently sent a share certificate by Kirkstall Valley Development Trust.