

**APPLICATION FOR RECOVERY ZONE
FACILITY BOND REALLOCATION**



FACILITY BONDS

FOR COMMERCE USE ONLY

Bond Issuer

Name: City of Lawrence
Address: 6 East 6th St.
City: Lawrence, KS
Zip Code: 66044
County: Douglas
Telephone: 785-832-3400
E-mail: _____

Date Received:

Application No.

Bond Issuer's Spokesperson

Name: Diane Stoddard
Title: Assistant City Manager
Address: 6 East 6th St.
City: Lawrence, KS
Zip Code: 66044
Telephone: (785) 832-3400
E-mail: dstoddard@ci.lawrence.ks.us

Bond Counsel

Firm: Gilmore & Bell
Attorney: Gina Riekhoff
Address: 2405 Grand Boulevard, Suite 1100
City: Kansas City, MO
Zip Code: 64108-2521
Telephone: 816-218-7536
E-mail: GRIEKHOF@GilmoreBell.com

Facility Bonds

Qualified Economic Development Purpose:

- ☒ Capital expenditures for property in the zone
☐ Other _____

To be issued as:

- ☒ Industrial Revenue Bonds
☐ Industrial Development Bonds
☐ Other _____

Target Industry:

- ☐ Professional services
☒ Logistics/Distribution
☐ Energy/Alternative energy
☐ Bioscience
☒ Advanced manufacturing/Aerospace
☒ Rural/Ag Processing/manufacturing
☐ Other _____

1.) Amount of allocation requested (Minimum necessary) **\$ 20,900,000 less amount provided from local Douglas County Facility Bond Financing**

2.) Name and location of project (Project Name, Street, P.O. Box, City, State, Zip, Code)

Berry Plastics Distribution Facility
Sites under consideration are all within Douglas County.

3.) Population of community in issuing jurisdiction 115,000 in Douglas County
4.) List the principal beneficiary of the project to be financed with the proceeds of bonds (include parent company and d/b/a where applicable) PackerWare Corporation PackerWare Corporation, a wholly owned subsidiary of Berry Plastics Corporation 2330 Packer Rd. Lawrence, KS 66049 contact: Ross Freese rossfreese@berryplastics.com (785)-842-3000
5.) Resolution number and date this area was declared a recovery zone or date the governing body is expected to consider this area a recovery zone Douglas County, Kansas declared a recovery zone on August 26, 2009 (Resolution No. 09-29).
6.) Date inducement resolution or other commitment to issue was adopted December 15th, 2009
7.) If the county is issuing within a city, has the city confirmed they are in support of this project? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
8.) Describe the business activity at the facility with specific details PackerWare Corporation is a wholly owned subsidiary of Berry Plastics Corporation. PackerWare is a manufacturer of injection and thermoformed plastic packaging products which are sold to customers in the consumer goods, retail, restaurant, and food service markets. PackerWare has one manufacturing location at 2330 Packer Road in Lawrence, Kansas. Berry Plastics is a leading manufacturer and marketer of plastic packaging products. Berry Plastics is a major producer of a wide range of products, including open top and closed top packaging, polyethylene-based plastic films, industrial tapes, medical specialties, packaging, heat-shrinkable coatings and specialty laminates. The company's 13,000 plus customers range from large multinational corporations to small local businesses. Headquartered in Evansville, Indiana, the company has 80+ manufacturing facilities worldwide and approx. 15,000 employees.
9.) Describe why the location is an area of economic distress On August 24, 2009 Douglas County was declared a recovery zone, primarily due to the 6.1% unemployment rate and decreasing property values. Douglas County has limited industry, which exacerbates the tax revenue impacts of declining property values.

10.) Provide any compelling information that should be considered when evaluating this request

The need for additional warehousing and distribution space is a result of the success of an aggressive investment in novel advanced processing technology began in 2006. Recovery Zone Facility Bond financing is being sought to construct a 600,000 square foot warehouse and distribution facility in Lawrence / Douglas County in close proximity to our current manufacturing location. This financing will be a critical factor in determining the overall cost of the project and achieving financial justification to proceed with the project.

Additional information to be considered regarding the need for financing incentives from the technology investment began in 2006 includes capital spending of \$75 million and creation of 450 new jobs (approximately 300 beyond the original projections for this project). The addition of the warehouse facility in close proximity to the current manufacturing site will also create opportunities for future manufacturing expansion at the Lawrence location.

11.) Is the project facility (check all that apply)

- ☒ New Construction
- ☐ Renovation
- ☒ Expansion

INVESTMENT				
			LEVERAGED PUBLIC INVESTMENT	
	TOTAL INVESTMENT	PRIVATE INVESTMENT	SOURCE	AMOUNT
LAND & SITE PREPARATION	\$3,900,000	\$3,900,000		\$
BUILDING	\$14,500,000	\$14,500,000		\$
EQUIPMENT	\$500,000	\$500,000		\$
OTHER	\$2,000,000	\$2,000,000		\$
TOTAL INVESTMENT	\$20,900,000	\$20,900,000		\$

JOBS & WAGES			
Provide the number of retained jobs for this project: 44		NUMBER OF RETAINED JOBS 44	AVERAGE WAGE OF RETAINED JOBS \$14.75/hr
Estimate the number of permanent new jobs for this project: 11 within Douglas County	WITHIN 1 YEAR 0	CUMULATIVE OVER 5 YEARS 11 (44 retained and 11 new for 55 total jobs)	AVERAGE WAGE OR RETAINED JOBS \$14.75/hr
Provide the number of relevant construction jobs for this project: 350		NUMBER OF CONSTRUCTION JOBS 350	

CLOSING INFORMATION	
Anticipated date of closing (needs to be as accurate as possible) Q3 2010	
Describe activities that have occurred to support bond closing on the above date 	

ATTESTATION	
<i>I CERTIFY THAT THE ABOVE INFORMATION IS ACCURATE TO THE BEST OF MY KNOWLEDGE AND THAT I AM AUTHORIZED TO SUBMIT THIS APPLICATION ON BEHALF OF THE BOND ISSUER</i>	
SIGNATURE OF ISSUER'S REPRESENTATIVE 	DATE 12/15/09
Submit to:	Ed Serrano Kansas Department of Commerce 1000 S.W. Jackson Street, Suite 100 Topeka, KS 66612-1354 Phone: (785) 368-7293