



November 17, 2015

City Commission, City of Lawrence, Kansas
Attention: Diane Stoddard, Interim City Manager
6 East 6th Street
Lawrence, Kansas 66044

RE: Project Plan for Menards/Midwest Manufacturing – Lawrence Venture Park

Dear Mayor and Members of the City Commission,

I have been authorized on behalf of Menard, Inc. (“Menards”) to submit the following project plan with respect to the acquisition and development of an approximately 90-acre parcel within Lawrence Venture Park. The following is a summary of Menards’ proposal, including a brief history of the company, a description of the project and facilities envisioned, and a summary of the benefits that the project would have for the community. Menards is proposing to purchase the property for its appraised value and to pay the appropriate share of assessments for the Venture Park infrastructure in full at the time of closing on the property. In order for the project to proceed, Menards is requesting that the Commission consider a 10-year, 50% tax abatement, a \$549,350 grant, and transfer of ownership of the existing bulk warehouse building on the site at no cost to help offset a portion of the development costs of the project.

Company Overview

Menard, Inc. is a family-owned home improvement retail company founded in 1960. It is headquartered in Eau Claire, Wisconsin and currently operates “Menards” stores in approximately 295 locations in fourteen midwestern and plains states. The company has over 55,000 employees nationwide. It is the third largest home improvement store chain in the United States by sales volume.

In addition to typical warehousing and distribution operations, Menards also owns and operates manufacturing facilities to support its retail store network under its Midwest Manufacturing division. Midwest Manufacturing operations include wooden truss, concrete block, countertop, steel siding and roofing and door manufacturing, among others. Midwest Manufacturing operates industrial campuses located throughout Menards’ current store range, including major facilities in Eau Claire, WI; Plano, IL; Holiday City, OH; Shelby, IA; and Valley, NE as well as smaller campuses in Iron Ridge, WI; Saginaw, MI; Terre Haute, IN; Shell Rock, IA; Rapid City, SD and Chester, MN.

The continued success of Menards’ retail stores has resulted in steady expansion throughout the company’s history on both the retail and manufacturing fronts. In the past 12 years, the company has added over seventy-five new stores and entered five new states. It has also developed eight new industrial campuses in this same time period. Midwest Manufacturing currently has new industrial campus under development in North Dakota, Missouri and Iowa and is also in the process of expanding several of its existing facilities. Because the company still has a large number of new markets to enter and develop, all indications are that this growth will continue into the foreseeable future.

Menards prides itself on its commitment to the communities it calls home and has a long history of reinvesting in and expanding its retail and industrial facilities once it becomes a corporate resident. Menards is also committed to its employees and has a “promote from within” philosophy, which is demonstrated by the multitude of team members who have begun their careers as part-time workers in the stores or production workers at a manufacturing plant, and who have turned a school or entry-level job into a lifelong career.

Project Description

Menards is proposing to develop the Venture Park site with three primary operations: a concrete block manufacturing plant, a truss plant and a distribution cross dock building. The project would also include construction of a new rail spur into the property to bring in lumber both as a raw material for its truss manufacturing facility and for transloading of lumber from rail cars to semitrailers. The site would also include some ancillary functions, including a fleet repair shop, a wood recycling operation, a visitors/hiring center and administrative offices. Approximately 60 acres of the subject property are proposed to be developed with buildings, product storage areas, parking and driveways. The balance of the property will be used for buffer and screening purposes, landscaping, and storm water collection, with approximately 20 acres set aside for future expansion and development of additional manufacturing and/or distribution functions as the need arises.

The above-described industrial campus will serve current and future Menards store locations throughout Kansas and western Missouri, and may ultimately provide products to future locations farther west and south as Menards' store range continues to expand. The facility will also be able to package and ship materials directly to construction sites throughout this same area. By development of campuses such as this one, Menards is able to reduce the distances trucks must travel to store locations and job sites as well as the total number of truck loads because of the efficiency in loading various products together, thereby decreasing costs and service times to its customers.

The proposed operations are designed to minimize the possibility of negative impacts to surrounding properties and the environment. Grass berms will be used to screen views of storage yards and other operations and to minimize light and sound impacts. The truss and block plants utilize sound dampening technology to prevent sounds of the manufacturing process from emanating beyond the immediate vicinity of the buildings. There are no process water discharges from the facility, it does not handle or utilize dangerous materials or contaminants, and it does not produce significant amounts of waste or other by-products. The manufacturing operations are designed to conserve raw materials and recycle them wherever possible. Small amounts of waste wood from truss manufacturing and broken pallets will be recycled on site or back-hauled to other Menards facilities where they can be turned into mulch or fuel for wood fired boilers. Defect concrete blocks are ground and reintroduced into the manufacturing process. In fact, the site will be nearly zero-waste, with the largest source of landfill bound material coming from consumer waste of employees and truck drivers (food packaging, etc.).

Menards' tentative schedule is to commence construction of the project in the summer of 2016 with the first of the facilities starting operation in the summer of 2017. The proposed project would be fully complete and operational by the end of 2017 under this timeline. This schedule would require all due diligence, design and permitting to be completed over the course of this winter, with permits ready for issuance by next spring.

Menards would self-finance the project and has the ability to complete the investment described herein without the use of third party financing. As mentioned above, the company operates numerous industrial facilities throughout the Midwest and beyond and has a dedicated team of in-house site planners, engineers and project managers with extensive experience in the development of this type of facility. A Menards representative will personally attend all City meetings for review of the project, will meet with planning and engineering staff members to review project plans and answer questions, and will be available to the City and the community at large to help coordinate the completion of the site acquisition, permitting and necessary planning and zoning approvals. A Menards project manager will also be assigned for the construction phase of the development to oversee all construction activities and to be responsive to any needs or questions that may arise.

Summary of Project Benefits

Menards will commit to creating at least 100 full time jobs at the project location and investing at least \$24,820,094 to develop the facilities described herein. These new jobs will pay an estimated average hourly wage of \$14.61 and estimated average annual salary of \$35,978.62. Employees will be offered a full package of benefits including health insurance, dental insurance, paid vacation and holidays, and annual profit sharing. Detailed wage, benefit and project cost information have been provided in the Incentive Application accompanying this letter. Based on County estimates, the facility will have a projected property tax value of ±\$7,800,000, adding significant tax base revenue for the City, the local school district and other taxing authorities. Because the property is owned by the City, the purchase price funds of over \$750,000 will represent an additional direct benefit to the City and its residents.

The proposed project will also result in numerous ancillary benefits to the community and its residents. The construction phase of the development will support around 100 construction jobs on the property for a period of approximately 18 months. The facility will also purchase goods and services from area businesses, including raw materials for the manufacturing processes, hotel rooms, fuel, auto parts and services, and utilities. Permanent trucking and site security jobs will also be created to support the facility, which are not included in the above numbers. Menards will also agree to allow other future users in the Venture Park to access the rail line installed as part of the project, which should add value to the remaining lots in the City-owned park and will open the park to additional development opportunities.

Proposed Economic Assistance

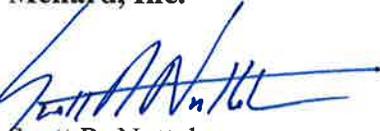
Menards is requesting a 50% property tax abatement for a period of ten years, a grant of \$549,350, and transfer of ownership of the existing bulk warehouse building on the site at no cost to assist with the development of the Venture Park site as described herein. This assistance package would offset a projected \$2,291,583 out of the total of the \$24,820,094 minimum investment in the project, or roughly 9% thereof. Public assistance with the cost of the project is required to provide a positive rate of return on the large up-front investment involved in developing a project of this magnitude.

Generally speaking, all of Menards' industrial projects are evaluated versus a "no build" scenario. The Menards retail store locations in Kansas and Western Missouri could continue to be served from existing industrial facilities in the Omaha area or from the new campus being developed in the greater St. Louis area. The annual freight savings from having a facility closer to these store locations is the main source of "revenue" used to offset the costs of constructing and operating a new industrial site in Lawrence. Menards has completed a cost and benefit analysis of the project evaluating the average reduction in distance to stores, the number of stores to be served in the near and long term and the projected costs of the project. This cost versus benefit equation is particularly challenging in the case of the project in Lawrence, because the number and density of stores to be served is lower than for other facilities that Menards has developed in the past. Based upon this analysis, the proposed public assistance from the City, in addition to incentives being offered by Douglas County and the State of Kansas, will be vital to provide a positive return on the investment in land, buildings, equipment and infrastructure.

Menards is excited to work with the City of Lawrence, Douglas County, the State of Kansas and the entire community to make the proposed project a reality. The public-private partnership represented by the requested tax abatement will produce over 100 new jobs, millions of dollars of new tax base and numerous other benefits to the community as described herein. The project will also represent a major first step toward completing the renewal of former Farmlands site and the start of a new economic engine in the Lawrence Venture Park. For all of these reasons, Menards requests that the City Commission approve the proposed incentive application to allow the development to move forward.

Thank you for your time and your consideration of this request. If you have any questions or need any additional information to complete your review of the application, please do not hesitate to contact me directly using the information provided below.

Very truly yours,
Menard, Inc.

A handwritten signature in blue ink, appearing to read "Scott R. Nuttelman", with a stylized flourish extending to the right.

Scott R. Nuttelman
Real Estate Representative
Phone: (715) 876-2383
Fax: (715) 876-5998
Mobile: (715) 577-0363
snuttelm@menard-inc.com

Enclosures

**City of Lawrence, Kansas
Application for Economic Development
Support/Incentives**



The information on this form will be used by the City to consider your request for economic development support and may also be used to prepare a cost-benefit or other analysis of the project. Information provided on this form will be available for public viewing and will be part of compliance benchmarks, if approved for economic development support. Prior to submission, applicant may wish to seek technical assistance from City Staff, the Chamber of Commerce, the Small Business Development Center, or others to address questions and ensure the application is complete.

Please provide data in the cells below. Applicant is encouraged to attach additional pages as necessary to fully explain and support the answers to each question. Note anything additional you wish the City to take into consideration for your request and provide supporting documentation.

| Applicant Contact Information | |
|-------------------------------|----------------------------|
| Name: | Scott R. Nuttelman |
| Title: | Real Estate Representative |
| Organization: | Menard, Inc. |
| Address 1: | 5101 Menard Drive |
| Address 2: | Eau Claire, WI |
| Phone: | (715) 876-2383 |
| Email: | snuttelm@menard-inc.com |
| Fax: | (715) 876-5998 |

Application Tips:

Enter contact information for the company representative completing this application.

| Economic Development Support Requested | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|--------|-----------------|
| City Incentives | Amount | Term (in years) |
| Tax Increment Financing District (TIF) | -- | -- |
| Transportation Development District (TDD) | -- | -- |
| Neighborhood Revitalization Area (NRA) | -- | -- |
| Tax Abatement (TA) | 50% | 10 years |
| Industrial Revenue Bonds (IRBs) | -- | -- |
| Community Improvement District (CID) | -- | -- |
| <i>Other (Please Describe):</i> | | |
| \$549,350 City Grant, paid over 10 years \$200,000 County Grant, paid over 10 years Transfer of "Bulk Warehouse Building" at no additional cost. | | |

Application Tips:

Applicable Terms:

- TIF: Up to 20 years*
- TDD: Up to 22 years*
- TA: Up to 10 years*
- CID: Up to 22 years*

IRBs: If applying for IRBs, please enter the amount that will cover all construction costs for the project. Enter "n/a" for term.

Examples: City provided water main along ABC Street from 1st Street to 2nd Street, employee training grant for 5 years at \$500/new employee, etc.

| Project Information | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| Name of Company Seeking Incentive(s): | Menard, Inc. |
| Project Type (check one): | Expansion: |
| | New Facility: X |
| Company Type (check one): | Existing Local Company: |
| | Out-of-Area Company Locating Locally: X |
| Current Company Address: | |
| Location of Proposed New Facility/Expansion Project: | Venture Park Block C, Lot 1 |
| Describe the Company's Plans to Develop or Expand in the Community: The company plans to develop a new industrial campus to support its retail store network, including distribution, concrete block and truss manufacturing and lumber transloading facilities. | |
| Operations Start Date at the Expansion or New Facility: | July 2017 |
| Industry NAICS # for the New or Expanded Facility (6-digit code): | 327331, etc. |
| Describe the Primary Industry the New or Expanded Facility Will Support: All products manufactured and distributed will be supplied exclusively to current and future Menards retail store locations in Kansas, Missouri and other surrounding states. | |

Application Tips:

Company's Plans: e.g. ABC manufacturing is the nation's largest processors of wind turbine components. The company plans to construct a new 250,000 sf manufacturing plant in Commerce Park, initially employing 150 with an average annual salary of \$35,000 each. Another 50 employees will be hired in Year 5 and 40 in year 7. The firm expects to initially invest \$5 million in land and buildings and anticipates a 50,000 sf, \$2 million expansion in Year 5 and another 50,000 sf expansion in Year 7.

Link for NAICS code lookup:
<http://www.naics.com/search.htm>

| Capital Investment Information for New Facility or Expansion | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|------------------|---------------------|
| Estimated Size of New Facility (square feet): | ±184,000 sq. ft. total | | |
| Estimated Size of Land for New Facility (acres): | ±90.5 Acres | | |
| For the new or expanded facility, enter the amount the company anticipates spending for initial and subsequent investments in land, buildings and improvements (do not include machinery or equipment): | | | |
| Year | Buildings & Other Real Property Improvements | Land | Total |
| 1 | \$7,269,212 | \$794,328 | \$8,063,540 |
| 2 | \$7,208,091 | | \$7,208,091 |
| 3 | | | |
| 4 | | | |
| 5 | | | |
| 6 | | | |
| 7 | | | |
| 8 | | | |
| 9 | | | |
| 10 | | | |
| Total | \$14,477,303 | \$789,574 | \$15,271,631 |
| Will land be leased from the City or County (Y/N): | N | | |
| If yes, Monthly Lease Rate for Land: | N/A | | |

Application Tips:

If expansion, only include information on size and values of the new facility, not existing facility.

If land is currently owned, enter current land value from Douglas County property tax records. Otherwise, enter the market value amount the company will pay for land.

| Local Utility Expenses | | |
|----------------------------------------------------------------------------------------|--------------------------------|--------------------------------------------------|
| Utility | Current Local Monthly Expenses | Projected Local Monthly Expenses at New Facility |
| Gas | 0 | \$3650 |
| Electricity | 0 | \$30,000 |
| Phone | 0 | \$1000 |
| Cable | 0 | \$0 |
| Operating Expenditures | | |
| For Expansion Projects, Current Annual Operating Expenses at Existing Facility: | | \$0 |
| Annual Operating Expenses after Expansion/Relocation: | | \$5,850,000 |
| % of Additional Operating Expenses Anticipated to be Spent Locally: | | 57% |
| Exports | | |
| % of Revenues at the new Lawrence Facility Anticipated to Come from Non-Local Sources. | | 94% |

Application Tips:

Current Local Monthly Expenses: Enter 0 for an out-of-area relocation or if project involves a separate, new facility.

Projected Local Monthly Expenses: Enter expense amounts anticipated at the new facility.

Existing Facility Annual Operating Expenses: Enter 0 if project is being relocated from out-of-area or if project involves a separate, new facility.

% Additional Operating Expenses Spent Locally: Enter % of operating expenses anticipated to be spent in Lawrence/Douglas County as a result of the project.

Exports: Enter % of revenues (from the sale of goods or services) anticipated to be generated from sources outside of Lawrence/Douglas County.

| IRB and Tax Abatement Request Information | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| If you are seeking an IRB, please list the firm that will be receiving the IRB: | |
| | |
| Will your firm be leasing the building or the land in your expansion or newly constructed facility? (Y/N) | N |
| If you are leasing the building or land, and you are seeking a tax abatement <u>without</u> an IRB, please list the tenant and owner and the financial relationship between tenant and owner. | |
| | |
| Total Cost of <u>Initial</u> Construction for the Project: | \$14,477,303 |
| Estimated Cost of Construction Materials for <u>Initial</u> Construction: | \$5,790,921 |
| Anticipated Annual Gross Profits: | \$0* |

Application Tips:

Anticipated Annual Gross Profits: If you are seeking a tax abatement or an IRB, please provide an estimate of anticipated Annual Gross Profits (\$). Note: For expansions, please enter anticipated gross annual profits from expansion.

This question helps estimate the impact of your incentive request on the State of Kansas, which is required for all tax abatements and IRBs.

*All sales internal to Menard, Inc.

| Environmental Information | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| Will the new facility meet Energy STAR criteria? (Y/N) | Y |
| Will the project seek or be designed to LEED certification standards? (Y/N) | N |
| If yes, please indicate level: | Certification |
| | Silver |
| | Gold |
| | Platinum |
| <p>Please describe environmentally friendly features of the project:</p> <p>The project will utilize energy star certified steel roofing, doors and lighting fixtures. Heat will be provided using efficient radiant floor heating from a boiler system fueled in part by recycled waste wood generated by the facility. Defect and returned concrete blocks produced by the facility will be recycled and reintroduced into the manufacturing process. The facility will produce zero waste water and virtually no other waste (primarily limited to small amounts of post-consumer waste from employees). A large portion of inbound raw materials are delivered by rail, reducing road congestion and CO² emissions.</p> | |
| <p>Please describe anticipated positive environmental impacts resulting from the project:</p> <p>One of the primary goals of the project is to reduce transportation distances to Menards store locations throughout the region. This reduces truck traffic and resulting emissions. Given the project site's history of environmental contamination, the development of the facility will also serve to "cap" any remaining contaminants, preventing infiltration of water and potential access to contaminants by the public at large.</p> | |
| <p>Please describe anticipated negative environmental impacts and planned remediation efforts:</p> <p>There is the potential for an increase in total storm water volume resulting from an increase in impervious area as well as possible water quality concerns. Because the site was previously developed and contains a substantial amount of impervious surface already, this potential impact is greatly reduced. A large portion of the storm water will be conveyed using grass swales instead of underground pipe, which will significantly improve water quality. The City has also designed Venture Park to include a regional detention facility to assure appropriate flood volume control.</p> | |

Application Tips:

Environmentally Friendly Features: e.g. Low-energy, led lighting used throughout, pedestrian friendly elements including green space, bike paths, water saving native plantings used in landscapes, etc.

Additional Community Benefits

Describe Other Local Economic Benefits Resulting From Project:

The projected employment numbers do not include security and trucking jobs which are contracted with local third party companies and owner/operators. This will create an additional 10-15 full time jobs supporting the facility. The concrete plant will also use sand, gravel and cement purchased from local suppliers, amounting to approximately \$500,000 in new raw materials sales. The trucking component of the operation will benefit local gas stations and truck sales and service businesses and will likely spur construction of new businesses of this type. The facility will also require frequent visits from Menards' corporate management and administrative staff, who will utilize local hotels, restaurants and other services.

Describe Other Quality of Life Benefits Resulting From Project:

The project will be the first major redevelopment of the former Farmland Industries site, and will constitute the start of a renewal of this area of the City with significant aesthetic and psychological benefits for the community, particularly after the City's investment of time and resources into this area. Menards will be a strong corporate citizen with a 60+ year history of commitment to and continual reinvestment in the communities it calls home. Menards participates in many community projects and is a regular sponsor of local events and groups, particularly those related to athletics.

Application Tips:

Local Economic Benefits: *Include additional benefits not directly related to project capital investment and direct employment (e.g. Project attracting overnight visitors that will spend on lodging, entertainment, food and beverages, shopping, etc.)*

Quality of Life Benefits: *Include tangible and intangible benefits; such as how company is/will be a good corporate citizen, community involvement, local philanthropy efforts, and how project /company will contribute to local well being of citizens.*

| Employment Information | | | | | | | | | |
|-------------------------------------------------------------------------------------------------------|--------------|------------|-------------------|--------------|-------------------|---------------|-------------------|-----------------|-------------------|
| Construction Employment for New Facility or Expansion | | | | | | | | | |
| # Full-Time, Construction Jobs: | | | | | | | | ±100 | |
| Average Annual Salary for Full-Time, Construction Workers (during construction period): | | | | | | | | ±\$35,000 | |
| Construction Period (months): | | | | | | | | ±18 months | |
| For Expansion, # of Full-Time Employees Currently Working in Lawrence: | | | | | | | | | |
| New Employment Resulting from Project | | | | | | | | | |
| Net New Jobs (full-time, permanent) | Year | Management | | Professional | | Mech./Superv. | | Production | |
| | | # Jobs | Avg Annual Salary | # Jobs | Avg Annual Salary | # Jobs | Avg Annual Salary | # Jobs | Avg Annual Salary |
| | 1 | 0 | | 0 | | 0 | | 0 | |
| | 2 | 14 | \$55,883 | 8 | \$43,444 | 13 | \$33,944 | 65 | \$30,999 |
| | 3 | 0 | | 0 | | 0 | | 0 | |
| | 4 | 0 | | 0 | | 0 | | 0 | |
| | 5 | 0 | | 0 | | 0 | | 0 | |
| | 6 | 0 | | 0 | | 0 | | 0 | |
| | 7 | 0 | | 0 | | 0 | | 0 | |
| | 8 | 0 | | 0 | | 0 | | 0 | |
| | 9 | 0 | | 0 | | 0 | | 0 | |
| 10 | 0 | | 0 | | 0 | | 0 | | |
| | Total | 14 | \$55,883 | 8 | \$43,444 | 13 | \$33,944 | 65 | \$30,999 |
| Anticipated # of Employees to Be Relocated Locally as a Result of the Project | | | | | | | | | |
| # of Net New Full-Time Employees Anticipated to be Relocated From Outside of Kansas: | | | | | | | | 5 | |
| # of Net New Full-Time Employees Anticipated to be Relocated from Outside of Lawrence/Douglas County: | | | | | | | | 5 (incl. above) | |
| # of Local, Full-Time Jobs Anticipated At End of Incentives Period: | | | | | | | | 100 | |

Application Tips:

Enter 0 if project is new or relocation.

Enter information by major job category (e.g. administrative, support, professional, executive, production, etc.)

For a local expansion, **Net New Jobs** = number of additional employees to be hired each year, excluding employees that are already employed in Lawrence.)

Average Annual Salary: Only provide wage information. Do not include the value of non-wage benefits such as insurance and time off.

Jobs at End of Incentives Period:

Enter total number of full-time employees (existing & new) anticipated to be employed at the new facility over the term of incentives (e.g. if applying for a 10-year tax abatement, this would be the total number of local Existing (if expanding) + Net New full-time jobs anticipated at the end of that 10-year period.)

| Employee Benefits | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| Description | After Expansion or Relocation |
| % of Employees with Company Provided Health Care Insurance | 100% (eligible) |
| % of Health Care Premium Covered by Company | 50% + HSA Contrib. |
| % of Employees with Company Provided Retirement Program | 0% |
| Will You Provide Job Training for Employees? (Y/N) | Y |
| <i>If Yes, Please Describe:</i> | |
| On the job and computer based training will be provided on the subjects of safety, equipment operation, maintenance, management skills and other job skills varying by position. | |
| What is the Lowest Hourly Wage Offered to New Employees? | \$13.84* |
| What Percentage of Your New Employees Will Receive this Wage? | 1% |
| Will You Provide Additional Benefits to Employees? (Y/N) | Y |
| <i>If Yes, Please Describe:</i> | |
| Employees are also eligible for dental and life insurance benefits (50% paid by Menards). All employees who work at least 1000 hours in a calendar year also receive profit sharing, which is calculated at 2.5% of W2 earning for each year employed up to a maximum of 15%. | |

*See attached wage information

| Disclosures | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| Company Form of Organization: "S" Corporation | |
| Company Principals: John Menard, Jr. - President Scott Collette - Chief Operating Officer John Menard, III - Exec. Vice President/Treasurer | |
| List all subsidiaries or affiliates and details of ownership: | |
| Subsidiary : N/A | |
| Principals: | |
| | |
| Has Company or any of its Directors/Officers been involved in or is the Company presently involved in any type of litigation? | Yes |
| Has the Company, developer or any affiliated party declared bankruptcy? | No |
| Has the Company, developer or any affiliated party defaulted on a real estate obligation? | No |
| Has the Company, developer or any affiliated party been the defendant in any legal suit or action? | Yes |
| Has the Company, developer or any affiliated party had judgments recorded against them? | Yes |
| <i>If the answer to any of the above question is yes, please explain:</i> | |
| Menards is involved in various legal proceedings which are of a type and magnitude as would typically be expected with the operation of a large business. No current or pending legal actions or previous judgments have the potential to threaten the company's ability to complete the project as proposed. | |

Note: Applicant may be required to provide additional financial information for the project and company.

When you have completed this form to your satisfaction, please sign and send, along with applicable application fee(s) to:

City of Lawrence
Attn: Economic Development Coordinator
6 East 6th Street
Lawrence, KS 66044
Fax: 785-832-3405
Email: bcano@lawrenceks.org

| Application Fees | |
|-------------------------------------------|---------|
| Tax Abatement | \$500 |
| Industrial Revenue Bonds (IRB) | \$1,000 |
| Community improvement District (CID) | \$2,500 |
| Neighborhood Revitalization Area (NRA) | n/a |
| Transportation Development District (TDD) | n/a |
| Tax Increment Financing (TIF) | n/a |
| Other | n/a |

I hereby certify that the foregoing and attached information contained is true and correct, to the best of my knowledge:

Applicant/Representative: Scott N. Nuttelman ; Real Estate Rep. ; Menard, Inc.
(Please Print)

Signature:  Date: 11/17/15

Employment & Earnings Projections

Phase 1

| Job Category | No. of Jobs | Created or Retained | Starting Wage* | Estimated W2 Earnings^ | Earnings/2080 hrs |
|---------------------|--------------------|----------------------------|-----------------------|-------------------------------|--------------------------|
| Site Manager | 1 | C | \$18.19/hour | \$72,996 | \$35.09 |
| HR Coordinator | 1 | C | \$13.84/hour | \$41,652 | \$20.03 |
| Plant Manager | 3 | C | \$17.22/hour | \$65,223 | \$31.36 |
| Asst. Plant Manager | 10 | C | \$16.71/hour | \$51,371 | \$24.70 |
| Controller | 2 | C | \$15.17/hour | \$47,519 | \$22.85 |
| Manager Trainee | 5 | C | \$16.20/hour | \$44,519 | \$21.40 |
| Maintenance | 3 | C | \$14.91/hour | \$33,469 | \$16.09 |
| Area Supervisors | 10 | C | \$15.17/hour | \$34,086 | \$16.39 |
| Production | 65 | C | \$13.88/hour | \$30,999 | \$14.90 |
| Total | 100 | C | | \$3,597,862 | \$17.30 |

All positions will be paid hourly plus time and a half for overtime, hourly bonuses for weekends, holidays, 2nd and 3rd shift hours, and equipment certifications, as well as production, management and other bonuses.

*Starting wage is the average of 1st and 2nd shift hourly wages plus 2.5% profit sharing.

^Estimated W2 earnings is the historical average of actual earnings for new hires in their first full year.