

December 28, 2014

Mr. David Corliss
City Manager

Re: 2014 Real Estate Taxes Refund Request

Dear Mr. Corliss:

As you know, the Economic Development Corporation of Lawrence and Douglas County (“EDC”) purchased certain property from Hiper Real Estate Holdings, L.L.C. (“Hiper”) on December 20, 2013. The EDC is a Kansas not-for-profit corporation committed to supporting and enabling economic growth, and to bringing high quality jobs to the region. As an allied partner of the City of Lawrence, Douglas County, and the Lawrence Chamber of Commerce, the EDC works diligently to encourage job creation and capital investment, while fostering the industrial and commercial growth and development of our community.

The EDC is currently in the process of converting the building located at 2920 Haskell Avenue in Lawrence, Kansas (the “Building”) into condominium units. The EDC has leased approximately 15,000 square feet of the Building to Hiper. Except for the space leased to Hiper, the entirety of the Building is used exclusively for educational and charitable purposes, namely the Dwayne Peaslee Technical Training Center (the “Peaslee Center”). We believe the condominium conversion will entitle the Peaslee Center to a tax exemption for the use of the Building (except for the Hiper space). Such a tax exemption is vital to maintaining the EDC’s role in the community and to the success of the Peaslee Center. Until the conversion is completed, the entirety of the Building, including the space currently being leased to Hiper, is subject to taxation and will remain on the tax roll. These real estate taxes assessed against the entirety of the Building constitute a substantial sum that creates a challenge for the EDC and the Peaslee Center in conducting its educational and charitable purposes.

The EDC requests that the City Commission agree to refund the sum of \$15,533.20 with respect to the 2014 tax year, which sum approximates the City’s tax revenue derived from the Building, except the Hiper space – the EDC does not request reimbursement on taxes related to the Hiper space. I enclose a summary of the real estate taxes on the Building. To the extent real estate taxes are assessed in year 2015 (e.g., until such time as the condo conversion is complete), the EDC also intends to request reimbursement of real estate taxes, calculated in the same manner as the enclosed. Any support the City Commission is willing to provide to the EDC will assist in the furtherance of the EDC’s educational and charitable mission. The EDC is forwarding a similar request to the other local taxing authorities.

Very truly yours,

Cynthia Yulich
Chairperson of the Board