

Bobbie Walthall

From: Bob Schumm <schummfoods@gmail.com>
Sent: Tuesday, December 06, 2016 1:20 PM
To: Bobbie Walthall
Subject: Fwd: Amendment to Application for Economic Development Application
Attachments: ED_Incentives_Application_1-27-16 - revised 12-06-16.doc

----- Forwarded message -----

From: "Bob Schumm" <schummfoods@gmail.com>
Date: Dec 6, 2016 1:09 PM
Subject: Amendment to Application for Economic Development Application
To: "Britt Crum-Cano" <bcano@lawrenceks.org>
Cc:

Britt, I changed page 4. Second line of table changed no to yes, Checked certification, and deleted "strive to" in last sentence of first narrative. This should make it very clear that the building will be built to a "certified" LEED standard. Thanks, Bob.

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:	Bob and Sandra Schumm
Title:	Developer/Owner
Organization:	Schumm Property Company
Address 1:	719 Massachusetts Street, Lawrence, Ks. 66044
Address 2:	
Phone:	(785) 766-0888
Email:	schummfoods@gmail.com
Fax:	(785) 842-4025

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)	75%	10 years
Tax Abatement (TA)		
Industrial Revenue Bonds (IRBs)	\$9,300,000	n/a
Community Improvement District (CID)		
Other (Please Describe):		

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):	Schumm Property Company	
Project Type (check one):	Expansion:	
	New Facility:	X
Company Type (check one):	Existing Local Company:	X
	Out-of-Area Company Locating Locally:	
Current Company Address:	719 Massachusetts Street	
Location of Proposed New Facility/Expansion Project:	815 Vermont Street	
Describe the Company's Plans to Develop or Expand in the Community: Five story building to include commercial, office, condos and on site parking.		
Operations Start Date at the Expansion or New Facility:	2017	
Industry NAICS # for the New or Expanded Facility (6-digit code):	531120	
Describe the Primary Industry the New or Expanded Facility Will Support: Expansion and long term stabilization of Downtown Lawrence.		

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):	50,463 sq. ft.		
Estimated Size of Land for New Facility (acres):	11,115 sq. ft.		
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		\$700,000	\$700,000
2	\$8,575,979		\$8,575,979
3			
4			
5			
6			
7			
8			
9			
10			
Total	\$8,575,979	\$700,000	\$9,275,979
Will land be leased from the City or County (Y/N):	No		
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		\$1783.00
Electricity		\$5332.50
Phone		\$600.00
Cable		\$3076.67
Operating Expenditures		
For Expansion Projects, Current Annual Operating Expenses at Existing Facility:		N/A
Annual Operating Expenses after Expansion/Relocation:		\$416,506.00
% of Additional Operating Expenses Anticipated to be Spent Locally:		100%
Revenues		
% of Revenues at the new Lawrence Facility Anticipated to Come from Non-Local Sources.		35%
Anticipated Annual Gross Profits:		Unknown

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.

Anticipated Annual Gross Profits: Please provide an estimate of anticipated Annual Gross Profits (\$). Note: For expansions, please enter anticipated gross annual profits from expansion.

IRB and Tax Abatement Request Information	
If you are seeking an IRB, please list the firm that will be receiving the IRB: Vermont Place L.L.C.	
Will your firm be leasing the building or the land in your expansion or newly constructed facility? (Y/N)	No
If you are leasing the building or land, and you are seeking a tax abatement without an IRB, please list the tenant and owner and the financial relationship between tenant and owner. Not leasing the building or land.	
Total Cost of <u>Initial</u> Construction for the Project:	\$9,275,979
Estimated Cost of Construction Materials for <u>Initial</u> Construction:	\$3,027,765

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

Environmental Information		
Will the new facility meet Energy STAR criteria? (Y/N)		Yes
Will the project seek or be designed to LEED certification standards? (Y/N)		Yes
If yes, please indicate level:	Certification	X
	Silver	
	Gold	
	Platinum	
<p>Please describe environmentally friendly features of the project:</p> <p>LED Lighting throughout. Water efficient plant scape on east side and north side of building. Energy efficient heating and air conditioning systems installed. Facility to be built to the 2012 International Energy Conservation Code. Project will achieve a "certified" LEED designation but will not be inspected and verified by the LEED association.</p>		
<p>Please describe anticipated positive environmental impacts resulting from the project:</p> <p>This project is infill development which will use existing city infrastructure ie, Streets, gutters, sidewalks, sewers, water lines, alleyway, electric, gas, phone and cable utilities. Creating more mixed use density for the downtown reduces the City's cost per capita of the maintenance and repair of these infrastructure assets.</p>		
<p>Please describe anticipated negative environmental impacts and planned remediation efforts:</p> <p>There are no apparent negative environmental impacts.</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:

Project continues to add critical mass to Downtown Lawrence. It will eliminate a vacant lot. Allows for more than 30 class A office spaces featuring high capacity fiber to be dedicated to entrepreneurship in the community. This facility will attract existing and new high tech personnel to live and work in Lawrence. Additionally, more living units will be available downtown thereby allowing for the long term sustainability of our central business district. The project will add 22 underground parking spaces on site.

Describe Other Quality of Life Benefits Resulting From Project:

Enhanced street scape on Vermont Street, adding to the overall vitality of Downtown Lawrence. The project will help promote the need for a downtown grocery store as well as the need for high speed fiber cable. Project will add ornamental street lights to Vermont Street. Project principles are long term Lawrence citizens who have contributed generously in time and work to our community.

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): \$7,569,413 total construction cost x 60% labor cost = \$4,541,647 ÷ \$45,500 = 99.82 full time construction jobs.								\$45,500	
Construction Period (months): 12 months									
For Expansion, # of Full-Time Employees Currently Working in Lawrence: 0									
New Employment Resulting from Project									
Net New Jobs (full-time, permanent)	Year	# Jobs	Avg Annual Salary	# Jobs	Avg Annual Salary	# Jobs	Avg Annual Salary	# Jobs	Avg Annual Salary
	1	.5	15600						
	2	.5	15600						
	3	.5	15600						
	4	.5	16000						
	5	.5	16000						
	6	.5	16500						
	7	.5	16500						
	8	.5	16500						
	9	.5	17000						
	10	.5	17000						
Total	.5	17000							
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:								N/A	
# of Net New Full-Time Employees Anticipated to be Relocated from Outside of Lawrence/Douglas County:								N/A	
# of Local, Full-Time Jobs Anticipated At End of Incentives Period: .5									

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	0
% of Health Care Premium Covered by Company	0
% of Employees with Company Provided Retirement Program	0
Will You Provide Job Training for Employees? (Y/N)	N/A
If Yes, Please Describe:	
What is the Lowest Hourly Wage Offered to New Employees?	\$15.00
What Percentage of Your New Employees Will Receive this Wage?	100
Will You Provide Additional Benefits to Employees? (Y/N)	No

If Yes, Please Describe:

NRA Eligibility Statement

If applying for an NRA, please describe how your project meets one of the following state statute requirements for eligibility:

(1) Project is in an area in which there is a predominance of buildings or improvements which by reason of dilapidation, deterioration, obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, the existence of conditions which endanger life or property by fire and other causes or a combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency or crime and which is detrimental to the public health, safety or welfare:

(2) Project is in an area which by reason of the presence of a substantial number of deteriorated or deteriorating structures, defective or inadequate streets, incompatible land use relationships, faulty lot layout in relation to size, adequacy, accessibility or usefulness, unsanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the actual value of the land, defective or unusual conditions of title, or the existence of conditions which endanger life or property by fire and other causes, or a combination of such factors, substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability and is detrimental to the public health, safety or welfare in its present condition and use:

The proposed project site, being the result of a devastating fire in 1990, leaves the site incompatible with the existing commercial district. The current state renders the site useless and contributes to the overall deterioration of the economic neighborhood thereby substantially impairing the sound growth of the municipality and creating an economic detriment to the public.

(3) Project is in an area in which there is a predominance of buildings or improvements which by reason of age, history, architecture or significance should be preserved or restored to productive use:

This project is located in Downtown Lawrence next to a building listed on the Federal Historic Register. The original buildings, the Lawrence House Hotel and the Miller Print Shop, were lost to a fire on December 24, 1990, thereby leaving this lot vacant and non-productive. Since the fire, this area has lost much vitality. Building on this vacant lot will greatly help to revive this part of our downtown and add definition to the long term sustainability of our downtown.

Disclosures

Company Form of Organization: L.L.C.

Please list the name(s) of each partner (or member) who owns (or will own) 5% or more capital of the company. In the case of businesses owning another business (such as an umbrella LLC that is the owner of several other LLC's), the actual partners' names need to be listed, not just the registrant's name with the Secretary of State.

Company Principals:

Robert J. Schumm

Sandra J. Schumm

List all subsidiaries or affiliates and details of ownership:

Subsidiary : N/A

Principals: Robert J. Schumm

Sandra J. Schumm

Has Company or any of its Directors/Officers been involved in or is the Company presently involved in any type of litigation?	No
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?	No

If the answer to any of the above question is yes, please explain:

City Commission 1990 – Rezoning case filed by developer J.V.J. of Cleveland, OH. for a cornfield mall. Case decided in favor of defendants in both State and Federal court. The City won big time!

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: _____
(Please Print)

Signature: _____ Date: _____