



2016

City of Lawrence, Kansas

Annual Report: Economic Development Support & Compliance

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Table of Contents

| | |
|--|------------|
| Executive Summary | i |
| Introduction | 1 |
| Section 1: Property Tax Abatements | |
| Overview | 1-1 |
| Company Profiles | 1-3 |
| Abatement Performance | 1-6 |
| Performance Summary | 1-8 |
| Employment Summary | 1-10 |
| Employment History | 1-11 |
| Abatement Compliance Summary | 1-12 |
| Additional Community Benefits | 1-16 |
| Section 2: Industrial Revenue Bonds (IRB) | 2-1 |
| Section 3: Neighborhood Revitalization Areas (NRA) | 3-1 |
| Section 4: Tax Increment Financing Districts (TIF) | 4-1 |
| Section 5: Transportation Development Districts (TDD) | 5-1 |
| Section 6: Other Support Programs | |
| Economic Development Services | 6-1 |
| Support for Other Economic Development Services | 6-6 |
| Shared infrastructure | 6-10 |
| Development Grant | 6-12 |
| Relocation Assistance | 6-13 |
| Workforce Training Support | 6-17 |
| Affordable Housing Development | 6-21 |



Table of Contents

| | |
|---|------------|
| Appendix A: Regulating Documents | A-1 |
| Appendix B: Historical Assistance and Investment | B-1 |
| Appendix C: Matured or Non-Initiated Programs | C-1 |
| Appendix D: County Programs | D-1 |
| Appendix E: Supplemental Information | E-1 |
| Appendix F: Economic Snapshot | F-1 |
| Employment Growth | F-1 |
| Income Growth..... | F-5 |
| Tax Base Growth | F-11 |
| Additional Economic Indicators | F-12 |



Executive Summary

Each year, the City of Lawrence compiles information on the firms receiving property tax abatements in order to assess the effectiveness of program goals, including making good investments and providing quality wages and jobs for the community. This information is required by City Code which states that businesses receiving property tax abatements must provide certain information until their property tax abatement expires.

The report also includes information on other active incentive programs currently sponsored by the City, including Industrial Revenue Bonds (IRB), Neighborhood Revitalization Areas (NRA), Tax Increment Financing districts (TIF), Transportation Development Districts (TDD), and other support programs.

The annual report contains information on active programs for the report year. Historical information is included in the Appendices. Below is a summary of this year's report highlights:

Property Tax Abatements:

Four (4) Lawrence companies had active property tax abatements in 2016: Amarr Garage Doors, Grandstand Sportswear and Glassware (Screen-It Graphics), Sunlite Science & Technology, and Rock Chalk Park (KU facility portion). All met their compliance measures as per performance agreements signed with the City.¹

¹ KU would normally receive a 100% property tax abatement on their property for the duration of ownership. However, given the structure of the Rock Chalk Park project with KU Athletics entering into a long term lease with a private developer to construct the facilities, an automatic property tax exemption was not possible. A property tax abatement was utilized to assist KU in pursuing this project. Due to the unique nature of the project and its primary benefits related to assisting KU Athletics and drawing visitors from outside the community rather than job creation, no job creation performance or wage requirements were imposed.



Executive Summary

Investments—

- For companies receiving a property tax abatement, real property investment totaled \$10.3 million in 2016 as compared to \$6 million projected. Real property investment to date was \$9,183,997 for Grandstand and \$1,158,155 for Sunlite. Amarr did not receive a real property tax abatement and their investment numbers are not included.

| Real Property Investment | | | |
|---------------------------------|--|---------------------|---|
| Company | Total Projected (in 2016 dollars) | Total 2016 | Comparison (Projected to Actual) |
| Amarr | n/a | n/a | n/a |
| Grandstand | \$4,890,000 | \$9,183,997 | 188% |
| Sunlite | \$1,130,000 | \$1,158,155 | 102% |
| Total (2016) | \$6,020,000 | \$10,342,152 | 172% |

- Personal property investment totaled \$9,700,000 in 2016 as compared to \$9,400,000 projected. Personal property investment to date for Amarr was \$9,700,000. Grandstand and Sunlite did not receive personal property tax abatements on personal property through the City as this was automatically exempted through state law and their investment numbers are not included.²

| Personal Property Investment | | | |
|-------------------------------------|--|--------------------|---|
| Company | Total Projected (in 2016 dollars) | Total 2016 | Comparison (Projected to Actual) |
| Amarr | \$9,400,000 | \$9,700,000 | 103% |
| Grandstand | n/a | n/a | n/a |
| Sunlite | n/a | n/a | n/a |
| Total (2016) | \$9,400,000 | \$9,700,000 | 103% |

² The State of Kansas exempted commercial personal property purchased July 1, 2006 and after from taxation.



Executive Summary

Employment—

Amarr projected 40 net new positions and realized 183, Grandstand projected 86 net new positions and realized 189, and Sunlite projected 16 and met 9 full-time positions in 2016.

| Full-Time Employment | | | |
|----------------------|-----------------|----------------|----------------------------------|
| Company | Total Projected | Total 2016 | Comparison (Projected to Actual) |
| Amarr ³ | 40 | 183 | 458% |
| Grandstand | 86 | 189 | 220% |
| Sunlite | 16 | 9 ⁴ | 56% |
| Total (2016) | 142 | 372 | 262% |

³ The number of jobs projected from abatement was 40, as per COTA orders (Docket # 2010-5589-EDX, received 8-12-2010) granting the tax abatement on personal property. According to the COTA orders, "Applicant is using the subject property for manufacturing articles of commerce and its expansion has resulted in or will result in the creation of 40 new positions." During the year prior to submission of the COTA application (2009), Amarr had a total full-time workforce of 499. From the COTA orders, the company projected 40 net new full-time positions would be added during the abatement period for a total of 539 full-time jobs (499 + 40 = 539). In 2016, Amarr reported 722 actual, full-time positions and had realized 183 net new full-time positions (722-539 = 183).

⁴ FTE count does not include the company owner, who works full-time at the company, but has elected to not take a salary.



Executive Summary

Full-Time Wages—

All the companies receiving property tax abatements either met or exceeded required wage levels during 2016. As a whole, the companies achieved an average annual wage of \$39,802 for full-time positions in 2016 compared with just over \$32,094 (inflation adjusted) as originally projected. This is \$8,480 higher than the average full-time, private sector wage in Lawrence (\$31,322 per year) and \$13,594 higher than the annual 2016 wage floor rate of \$26,208. Average 2016 full-time wages was \$39,004 for Amarr, \$40,206 for Grandstand, and \$40,196 for Sunlite.

| Average Wage Comparison | | | |
|-------------------------|--------------------------------------|------------|-------------------------------------|
| Company | Total Projected (in 2016 dollars) | Total 2016 | Comparison (Projected to Actual) |
| Amarr | \$32,770 | \$39,004 | 119% |
| Grandstand | \$31,512 | \$40,206 | 128% |
| Sunlite | \$32,000 | \$40,196 | 126% |
| Total (2016) | \$32,094 | \$39,802 | 124% |

| Wage Comparisons | | |
|----------------------------|---------|----------|
| 2016 Wage Comparison | Hourly | Annual |
| Lawrence Avg. Private Wage | \$15.06 | \$31,322 |
| Lawrence Wage Floor | \$12.60 | \$26,208 |
| Company Average Wage | \$19.14 | \$39,802 |

*Wage
Difference*
\$8,480
\$13,594



Executive Summary

Tax Generation—

Based on the portion of property receiving an abatement, the companies receiving a property tax abatement for economic development purposes paid a combined \$194,837 in property taxes out of a total \$341,955 due in 2016 (\$147,117 abated).⁵ Amarr paid a total of \$120,134 in personal property tax out of \$146,666 due (\$26,533 abated); Grandstand paid a total of \$53,526 in real property tax out of \$152,933 due (\$99,407 abated); and Sunlite paid a total of \$21,178 in real property tax out of \$42,356 due (\$21,178 abated).

| 2016 Tax Generation (on portion of property receiving an abatement) | | | | |
|--|-------------------|-------------------|--------------------|--------------------------|
| Company | Taxes Paid | Tax Abated | Total Taxes | Abated % of Total |
| Amarr | \$120,134 | \$26,533 | \$146,666 | 18% |
| Grandstand | \$53,526 | \$99,407 | \$152,933 | 65% |
| Sunlite | \$21,178 | \$21,178 | \$42,356 | 50% |
| Total | \$194,837 | \$147,117 | \$341,955 | 43% |

⁵ Rock Chalk Park was not subject to economic development measures due to the unique nature of the project and taxes are not reported for that project. KU would normally receive a 100% property tax abatement on their property for the duration of ownership. However, given the deal structure of the Rock Chalk Park project with KU Athletics entering into a long term lease with a private developer to construct the facilities, an automatic property tax exemption was not possible. A property tax abatement was utilized to assist KU in pursuing this project. Due to the unique nature of the project and its primary benefits related to assisting KU Athletics and drawing visitors from outside the community rather than job creation, no job creation performance or wage requirements were imposed.



Executive Summary

Industrial Revenue Bonds (IRB):

Nine (9) companies had Industrial Revenue Bonds (IRB) in 2016. The majority of the authorized IRBs were not affiliated with a property tax abatement, but rather were utilized to obtain a sales tax exemption on construction materials for the project. It should be noted that IRBs are backed by private sources, with no obligation on the part of the City for repayment of principal or interest.

| 2016 Industrial Revenue Bonds (IRB) | | | | | |
|--|---------------|----------------|--------------|-------------------|---|
| Company | Date of Issue | Issuing Ord. # | Year Matures | Amount Authorized | Project |
| Bowersock: Series 2011B & 2011C | 2010/2011 | 8607 & 8620 | 2037 | \$27,000,000 | Hydro-Electric Facility |
| Rock Chalk Park | Oct. 2013 | 8862 | 2023 | \$40,000,000 | Commercial Recreational Facility |
| 1101 Indiana Street (HERE KS)* | Nov. 2014 | 9053 | 2017 | \$76,000,000 | Mixed-Use, Retail and Student Housing |
| 100 East 9th Street LLC (888 New Hampshire, North Project): Series 2015* | Mar. 2015 | 9093 | 2017 | \$23,000,000 | Mixed-Use Commercial/Residential |
| Dwayne Peaslee Technical Training Center, Inc.: Series 2015* | May 2015 | 9111 | 2017 | \$1,600,000 | Technical Training Center |
| 800 New Hampshire: Series 2016* | April 2016 | 9210 | 2018 | \$7,800,00 | Mixed-Use Commercial/Multi-Family Residential |
| Pioneer Ridge* | Feb. 2016 | 9184 | 2018 | \$14,500,000 | Commercial, Independent Living Facility |
| 826 Pennsylvania Street* | Dec. 2016 | 9316 | 2018 | \$3,200,000 | Mixed-Use Commercial/Multi-Family Residential |
| Dwayne Peaslee Technical Training Center, Inc.: Series 2016* | Dec. 2016 | 9321 | 2019 | \$2,000,000 | Technical Training Center |

* Stand-Alone IRB used for a sales tax exemption on construction materials



Executive Summary

Neighborhood Revitalization Areas (NRA):

Five (5) companies received NRA rebates in 2016. Rebates were not yet due for the 1101 Indiana Street and 826 Pennsylvania Street NRAs. ⁶

| 2016 NRA Distributions | |
|-----------------------------------|------------------|
| Neighborhood Revitalization Areas | Amount |
| 720 E 9th Street | \$13,537 |
| 1040 Vermont Street | \$29,568 |
| 810/812 Pennsylvania Street | \$26,286 |
| 1106 Rhode Island Street | \$11,037 |
| 900 Delaware Street | \$29,876 |
| NRA Total | \$110,304 |

These five NRAs generated an average of 18.6 % more real property tax revenues as compared to property tax revenues that would have been realized if the properties were left in original condition. Overall (for all years in which a NRA rebate was given), the five NRA revitalized properties generated an average of 12.8% more real property tax revenues as compared to property tax revenues that would have been realized if the properties were left in original condition.

| Tax Revenue Comparison: All NRAs | | | |
|----------------------------------|-----------------|-----------------|---------------|
| NRA | Base | Retained | % Gain (Loss) |
| 720 E 9th St | \$12,949 | \$14,052 | 8.5% |
| 1040 Vermont St | \$27,514 | \$29,748 | 8.1% |
| 810/812 Pennsylvania St | \$3,870 | \$5,723 | 47.9% |
| 900 Delaware St | \$1,171 | \$2,879 | 145.8% |
| 1106 Rhode Island St | \$1,160 | \$2,920 | 151.8% |
| Total | \$46,664 | \$55,321 | 18.6% |

*Unimproved
Property*

*Improved
Property*

Return

⁶ Distribution details are shown in Appendix B.



Executive Summary

Tax Increment Financing Districts (TIF):

The City currently has three (3) TIF districts: Downtown 2000, Oread, and 9th & New Hampshire (includes 900 New Hampshire and 888 New Hampshire).⁷

| 2016 TIF Distributions | |
|---|------------------|
| Tax Increment Financing | Amount |
| 901 New Hampshire Street (Downtown 2000 District) | \$28,085 |
| <i>The Oread TIF*</i> | |
| TIF Sales Tax | \$63,493 |
| TIF Property Tax | \$283,002 |
| <i>900 New Hampshire TIF (South Project)**</i> | |
| TIF Sales Tax | \$116,652 |
| TIF Property Tax | \$297,330 |
| <i>888 New Hampshire TIF (North Project)</i> | |
| TIF Sales Tax (under construction in 2016) | n/a |
| TIF Property Tax (under construction in 2016) | n/a |
| TIF Total | \$788,562 |

\$122,791 total generated in 2016

\$312,979 total generated in 2016

* For 2016, not all distributions collected had been reimbursed due to a contractual dispute.

**City retains 5%, up to \$900,000 for "Arts Common" project.

⁷ Distribution details are shown in Appendix B.



Executive Summary

- The Downtown 2000 Redevelopment TIF District was created to support the development of the parking garage at 10th and New Hampshire and other cultural, commercial, office, and apartment developments. At the end of 2016, approximately \$2.77M remained outstanding on the bond debt (originally \$8.6M).⁸
- The Oread TIF District was created to help fund public improvements supporting the multi-level lodging, hospitality, and business venue at 12th and Oread. Public improvements to streets and infrastructure, including a parking garage, were financed initially by the developer and are reimbursed annually through both TIF and TDD revenues generated within the district. In 2016, the District generated \$346,495 in reimbursable sales and property tax TIF revenues.⁹
- The 9th & New Hampshire TIF District was created in 2012 and includes two project areas: 900 New Hampshire (South Project) and 888 New Hampshire (North Project).
 - In 2016, 900 New Hampshire (South Project) generated \$435,771 in reimbursable sales and property tax TIF revenues, \$413,982 of which was reimbursed back to the property owner.¹⁰
 - At the end of 2016, 888 New Hampshire (North Project) was finishing construction and had not received any TIF reimbursements.

⁸ The Downtown 2000 TIF does not pay out to private entities except for a ~\$28,085/year reimbursement that was authorized via agreement. This amount is shown as the 901 New Hampshire Street TIF refund.

⁹ For 2016, not all distributions collected had been reimbursed due to a contractual dispute.

¹⁰ The City retains 5%, up to \$900,000, for the Arts Common project.



Executive Summary

Transportation Development Districts (TDD):

Currently, the City has three (3) authorized TDD districts: The Oread TDD District, Free-State/Bauer Farms TDD District, and the 9th & New Hampshire TDD District.¹¹ In all TDD districts, public improvements are financed initially by the developer and are reimbursed annually via a one percent (1%) transportation district sales tax on retail or taxable services occurring within the district.

| 2016 TDD Distributions | |
|--|------------------|
| Transportation Development District | Amount |
| Oread: TDD Sales Tax, State Distributions to City* | \$32,831 |
| Bauer Farms: TDD Sales Tax | \$245,863 |
| 9th & New Hampshire TDD** | |
| 900 New Hampshire (South Project) | \$0 |
| 888 New Hampshire (North Project) | n/a |
| TDD Total | \$278,695 |

\$49,424 generated in 2016

* For 2016, not all distributions collected had been reimbursed due to a contractual dispute.

**City retains first \$850,000 in TDD as contribution toward City parking garage at 10th & New Hampshire.

¹¹ Distribution details are shown in Appendix B.



Executive Summary

- In 2016, the Oread TDD District (located at W. 12th Street & Oread Avenue) generated \$32,831 in TDD reimbursable revenue.¹²
- In 2016, the Free-State (Bauer Farm) TDD District (located at West 6th Street and Wakarusa Drive) generated \$245,863 in TDD reimbursable revenue.
- The 9th & New Hampshire TDD District was created in 2014 and includes two project areas: 900 New Hampshire (South Project) and 888 New Hampshire (North Project).
 - In 2016, 900 New Hampshire (South Project) generated \$49,434 in TDD reimbursable revenue. The City retains the first \$850,000 of TDD Revenue as contribution toward City parking garage at 10th & New Hampshire. As of December 31, 2016, the City has retained the entire amount of distributed TDD tax revenue (2015 = \$21,622; 2016 = \$49,434; Total to Date = \$71,056).
 - At the end of 2016, 888 New Hampshire (North Project) was finishing construction and had not received any TDD reimbursements.

¹² For 2016, not all distributions collected had been reimbursed due to a contractual dispute.



Executive Summary

Other Economic Development Programs (Direct-Support):

The City also participates in direct-support programs to help initiate and support economic development within the community. The programs supported in 2016 include:

| 2016 Direct Support Programs | | |
|-------------------------------|---------------------------------------|---------------------------------|
| Support Program | Description | Type of Assistance |
| Economic Development Services | BTBC | Capital Investment & Operations |
| Economic Development Services | EDC/Chamber and KU-SBDC | Operations |
| Development Grant | 1106 Rhode Island Street Improvements | Grant |
| Relocation Assistance | Integrated Animal Health | Rent Subsidy |
| Workforce Training | Peaslee Technical Training Center | Operations |
| Affordable Housing | Cedarwood Sr. Cottages | Grant |

- ***Economic Development Services***—The City, along with other community stakeholders, provides support for the Bioscience & Technology Business Center (BTBC). City support to the BTBC in 2016 totaled \$393,790 for various economic development services and facilities.

City support for economic development services provided by the Lawrence Chamber of Commerce and KU Small Business Development Center totaled \$220,000 in 2016.

- ***Development Grant***—The City authorized up to \$26,100 in development assistance, primarily in the form of rebated fees, to aid the rehabilitation of historic structures and revitalization at 1106 Rhode Island Street. By the end of 2016, all of the grant had been reimbursed.



Executive Summary

- ***Relocation Assistance***—Based out of Queensland, Australia, Integrated Animal Health (IAH) is a privately owned and funded company that uses patented technology to help increase the absorption of medicine in animals, either given orally or through the skin. To help establish IAH's global headquarters in Lawrence, the City and Douglas County agreed to share equally in providing a 3-year lease subsidy for space at the BTBC main facility and provide a \$100,000 forgivable loan. The first full measurement year for calculating compliance was June 1, 2015-May 31, 2016. During this measurement period, IAH met compliance, resulting in one-third of the loan forgiven (\$33,333.10). Also during this period, the City and County contributed \$22,266 each toward the lease subsidy.
- ***Workforce Training***—Aimed at helping fill the skills gap in the local workforce, the Peaslee Technical Training Center opened August of 2015 with an enrollment of 150 students. Three semesters later, the Center had attracted 300 students. For 2016, the City and County provided operational assistance of \$100,000 each. In addition, the City waived a \$1,000 IRB application fee for additional expansion of the Center.
- ***Affordable Housing***—To assist in the development of Tenants to Homeowners' 14-unit, senior living townhouse project, the City provided neighborhood infrastructure and improvements during the construction period valued at approximately \$102,000. The project was completed at the end of 2016 and had twelve seniors living in the one and two bedroom cottages.



Introduction

The City of Lawrence provides multiple support programs for economic development opportunities designed to enhance the local economy and quality of life. As these programs involve public funding for current and future community assets, projects are viewed as an investment in which the City analyzes the risks and returns, selecting economic projects that best balance the goal of growing the local economy with the required amount of investment. The City has the below active economic development programs and projects.

| 2016 Major Economic Development Support Programs | | | |
|---|---|--------------------------------------|-------|
| Incentive Program | Description | Location | Map # |
| Tax Abatements | Amarr | 3800 Greenway circle | 1 |
| | Screen-It Graphics/Grandstand | 3840 Greenway Circle | 2 |
| | Rock Chalk Park | 6100 Rock Chalk Drive | 3 |
| | Sunlite Science & Technology, Inc. | 4811 Quail Crest Place | 4 |
| Industrial Revenue Bonds (IRB) | Bowersock (Hydro-Electric Plant) | Kansas River, east of N 2nd Street | 5 |
| | Rock Chalk Park | 6100 Rock Chalk Drive | 6 |
| | 1101 Indiana Street (HERE Kansas) | 1101/1115 Indiana Street | 7 |
| | 9th & New Hampshire--North Project | 100 E 9th Street | 8 |
| | Peaslee Technical Training Center-2015 & 2016 | 2920 Haskell Avenue | 9 |
| | Pioneer Ridge | 1000 Wakarusa Drive | 10 |
| | 800 New Hampshire | 800 New Hampshire Street | 11 |
| | 826 Pennsylvania Street | 826 Pennsylvania Street | 12 |
| Neighborhood Revitalization Areas (NRA) | 8th and Pennsylvania Street District | 720 E 9th Street | 13 |
| | 1040 Vermont (Treanor Headquarters) | 1040 Vermont Street | 14 |
| | 810/812 Pennsylvania (Cider Building) | 810/812 Pennsylvania Street | 15 |
| | 1106 Rhode Island Street (Hernly Associates) | 1106 Rhode Island Street | 16 |
| | 1101 Indiana Street (HERE Kansas) | 1101/1115 Indiana Street | 17 |
| | 900 Delaware Street (9 Del Lofts) | 900 Delaware Street | 18 |
| | 826 Pennsylvania Street | 826 Pennsylvania Street | 19 |
| Tax Increment Financing (TIF) | Downtown 2000 District | 9th & New Hampshire area | 20 |
| | 901 New Hampshire (TIF Refund) | 901 New Hampshire | 21 |
| | Oread Project | 1200 Oread Avenue | 22 |
| | 9th & New Hampshire TIF District | 900 New Hampshire, 888 New Hampshire | 23 |
| Transportation Development Districts (TDD) | Free State (Bauer Farm) | NEC 6th & Wakarusa | 24 |
| | Oread Project | 1200 Oread Avenue | 25 |
| | 9th & New Hampshire TDD District | 900 New Hampshire, 888 New Hampshire | 26 |



Introduction

| 2016 Other Support Programs | | | |
|-------------------------------|---------------------------------------|----------------------------------|-------|
| Support Program | Description | Location | Map # |
| Economic Development Services | BTBC | 2029 Becker & 4950 Research Pkwy | 27 |
| Economic Development Services | Chamber and KU-SBDC | 718 New Hampshire | 28 |
| Shared Infrastructure | Rock Chalk Park | 6100 Rock Chalk Drive | 29 |
| Development Grant | 1106 Rhode Island Street Improvements | 1106 Rhode Island Street | 30 |
| Relocation Assistance | Integrated Animal Health | 2029 Becker Drive | 31 |
| Workforce Training | Peaslee Technical Training Center | 2920 Haskell Avenue | 32 |
| Affordable Housing | Cedarwood Sr. Cottages | 2575 Cedarwood Avenue | 33 |





Property Tax Abatements

Overview

Property tax abatements are authorized by the State of Kansas to allow municipalities and other taxing jurisdictions to reduce property taxes for a limited period of time in order to spur additional investment within a community. Currently, the state automatically grants a property tax abatement on personal property (i.e. machinery and equipment), purchased July 1, 2006 and after, that is used for commercial purposes. A property tax abatement on real property applies only to land and building(s).

Each year, the City of Lawrence compiles information on the firms receiving property tax abatements in order to assess the effectiveness of the abatements at providing investments, quality jobs and good wages for the community. This information is required by City policy which requires businesses receiving property tax abatements to provide certain information until their property tax abatement expires. The information presented in this section provides profile and performance information for the companies currently receiving property tax abatements.



Property Tax Abatements

| 2016 Tax Abatements: Active | | | | | | COTA Docket # |
|--|--------------------|----------------------|---|-----------------------|---------|----------------|
| Company | Start ¹ | Expires ² | Maximum Investment Amount Subject to Abatement ³ | Abatement % | Ord/Res | |
| Amarr Garage Doors, Inc. | 2010 | 2019 | \$9,400,000 personal property | 55% personal property | O-8497 | 2010-5589-EDX |
| 3840 Greenway Circle LLC/Screen-It Graphics (Grandstand) | 2012 | 2021 | \$4,990,000 real property ⁴ | 65% on real property | R-6948 | 2012-9459-EDX |
| Sunlite Science & Technology, Inc. | 2014 | 2023 | \$2,300,000 real property ⁵ | 50% on real property | R-7042 | 2013-5409-EDX |
| Rock Chalk Park ⁶ | 2014 | 2023 | \$40,000,000 | 100% on real property | R-7014 | 2014-7320-IRBX |

For information on matured and non-initiated property tax abatements, see Appendix C, page C-1.

¹ Exemption from ad valorem taxation starts with the taxes levied in the calendar year shown.

² Exemption from ad valorem taxation expires with the taxes levied in the calendar year shown.

³ Amounts that appear in the City Ordinance authorizing the abatement.

⁴ Estimated cumulative capital investment over 10-year term as per agreement dated October, 11, 2011 between City, 3840 Greenway Circle LLC, and Screen-It Graphics of Lawrence, Inc.

⁵ Estimated cumulative capital investment over 10-year term as per agreement dated August 30, 2013 between City and Sunlite Science & Technology, Inc.

⁶ KU would normally receive a 100% property tax abatement on their property for the duration of ownership. However, given the structure of the project with KU Athletics entering into a long term lease with a private developer to construct the facilities, an automatic property tax exemption was not possible. A property tax abatement was utilized to assist KU in pursuing this project. Due to the unique nature of the project and its primary benefits related to assisting KU Athletics and drawing visitors from outside the community rather than job creation, no job creation performance requirements were imposed.

Property Tax Abatements

Company Profiles

Amarr Garage Doors

Amarr was established in 1951 by the Brenner family in Winston-Salem, NC, and has grown to have sales in excess of \$300 million, 1,200 employees, and 76 locations in the United States, Mexico, and Canada.

They are one of the world's leading designers, manufacturers, and distributors of door access systems for residential garages, warehouses, commercial buildings, shopping malls and other commercial applications. Amarr has over 17 products to offer residential customers as well a wide array of commercial doors



Amarr Garage Doors: 3800 Greenway Circle



such as sectional steel doors and rolling steel doors. Designs are inspired by some of America's leading brands and sold by over 3,000 professional independent garage door dealers worldwide.

Amarr produces garage doors in two locations: Lawrence, Kansas and North Carolina. The company came to Lawrence in 1989 as the first occupant of East Hills Business Park and currently produces the majority of their garage doors at this location. Amarr provides jobs for over 600 people, making it one of the largest private employers in the City.

Property Tax Abatements

Grandstand Sportswear & Glassware (Screen-It Graphics)

Based in Lawrence, Kansas, Grandstand is a custom screen printer specializing in sportswear, glassware and promotional items. Beginning operations as an apparel



Grandstand: 3840 Greenway Circle

company with seven employees in 1988, this local business has experienced rapid expansion, now selling products throughout the U.S., Canada, and Australia.

Company growth necessitated a move in late 2011/early 2012 from its Lawrence location at 2920 Haskell, where it occupied 30,000 square feet of space, to its new 155,000 square foot building in East Hills Business Park. The move into the larger facility gives the company the opportunity to grow and expand as it continues to respond to increasing market demand.



Property Tax Abatements

Sunlite Sciene & Technology

Sunlite Science & Technology, Inc. designs and manufactures high-efficiency LED lighting fixtures for residential and commercial uses. This home-grown company has been headquartered out of Lawrence, Kansas since 1997 and was the first graduate from the Lawrence Bioscience and Technology Business Center (BTBC) incubator. In 2013, the company purchased the property at 4811 Quail Quest Place in order to consolidate business operations and grow to the next business phase.

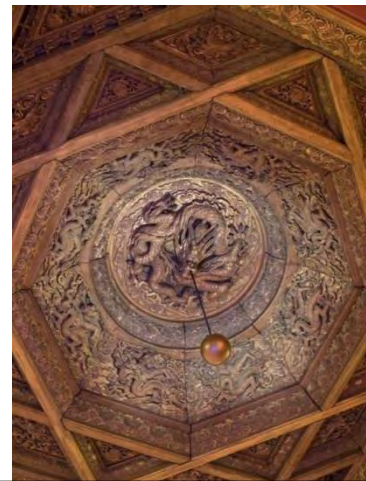
Sunlite provides innovative products both locally and nationally. In 2016, a Sunlite research and technology proposal was one of 134 SBIR Phase II General proposals (out of 323 total) selected by NASA to support the development of technologies in

the areas of aeronautics, science, human exploration and operations, and space technology. Proposals were selected according to their

technical merit and feasibility, in addition to the experience, qualifications and facilities of the submitting business.



Topeka Pocket Park Lighting



Lighting for Dragon Ceiling Exhibit,
Nelson-Atkins Museum,
Kansas City, MO



Lighting for Lydia's Restaurant,
Kansas City, MO



Property Tax Abatements

Abatement Performance

The table below compares projected investment, employment and wage milestones⁷ to actual achievement for each of the companies receiving a property tax abatement during 2016.

| 2016 Tax Abatement Performance by Company | | | |
|---|-------------|-------------|----------------------------------|
| Amarr Garage Doors, Inc. | Projected | Actual | Comparison (Projected to Actual) |
| Real Property Investment | n/a | n/a | n/a |
| Personal Property Investment | \$9,400,000 | \$9,700,000 | 103% |
| Full-Time Employees ⁸ | 40 | 183 | 458% |
| Average Wages (2016 Dollars) | \$32,770 | \$39,004 | 119% |

Continued

⁷ Each firm was required to provide projections of real property investments, personal property investments, new jobs and wages for those jobs in order to do a cost-benefit analysis. The cost-benefit analysis is required by state law in order for the Kansas Court of Tax Appeals (COTA) to grant a tax abatement.

⁸ The number of jobs projected to be added during the abatement period was 40, as per the Kansas Court of Tax Appeals orders (COTA Docket # 2010-5589-EDX, received 8-12-2010) granting the tax abatement on personal property. According to the COTA orders, "Applicant is using the subject property for manufacturing articles of commerce and its expansion has resulted in or will result in the creation of 40 new positions."

During the year prior to submission of the COTA application (2009), Amarr had a total full-time workforce of 499. From the COTA orders, the company projected 40 net new full-time positions would be added during the abatement period for a total of 539 full-time jobs (499 + 40 = 539). In 2016, Amarr reported 722 actual, full-time positions and had realized 183 net new full-time positions (722-539 = 183).

Property Tax Abatements

| 2016 Tax Abatement Performance by Company | | | |
|---|-------------|-----------------|----------------------------------|
| Grandstand/Screen-It Graphics | Projected | Actual | Comparison (Projected to Actual) |
| Real Property Investment | \$4,890,000 | \$9,183,997 | 188% |
| Personal Property Investment | n/a | n/a | n/a |
| Full-Time Employment ⁹ | 86 | 189 | 220% |
| Average Wages (2016 Dollars) | \$31,512 | \$40,206 | 128% |
| Sunlite Science & Technology | Projected | Actual | Comparison (Projected to Actual) |
| Real Property Investment | \$1,130,000 | \$1,158,155 | 102% |
| Personal Property Investment | n/a | n/a | n/a |
| Full-Time Employment ¹⁰ | 16 | 9 ¹¹ | 56% |
| Average Wages (2016 Dollars) | \$32,000 | \$40,196 | 126% |

⁹ Pre-abatement employment as of December 31, 2010 was 40 full-time positions. Per the agreement between the City and Screen-It Graphics of Lawrence, Inc./3840 Greenway Circle LLC, employment for purposes of abatement compliance is measured for the year proceeding the current tax abatement calendar year. For example, for the 2013 calendar year, employment is measured from January-December 2012.

¹⁰ Pre-abatement employment as of December 31, 2013 was 5 full-time positions.

¹¹ FTE count does not include the company owner, who works full-time at the company, but has elected to not take a salary.



Property Tax Abatements

Performance Summary

| 2016 Tax Abatement Summary | | | |
|------------------------------|-----------------|--------------|----------------------------------|
| | Total Projected | Total Actual | Comparison (Projected to Actual) |
| Real Property Investment | \$6,020,000 | \$10,342,152 | 172% |
| Personal Property Investment | \$9,400,000 | \$9,700,000 | 103% |
| Full-Time Employees | 142 | 381 | 268% |
| Average Wages (2016 Dollars) | \$32,094 | \$39,802 | 124% |

Real Property Investment

Overall, the companies receiving property tax abatements in 2016 achieved one hundred seventy-two percent (172%) of the projected amount for real property investments. Real property investment totaled approximately \$10.3 million, with company investments ranging from over \$1.15 million (Sunlite) to approximately \$9.2 million (Grandstand). Amarr did not receive a property tax abatement on real property and those investment amounts were not included.

Personal Property Investment

Overall, the companies receiving property tax abatements in 2016 achieved one hundred three percent (103%) of the projected amount for personal property investments. Personal property investment totaled approximately \$9.7 million. Grandstand and Sunlite did not receive a personal property tax abatement and those amounts were not included.



Property Tax Abatements

Job Creation:

All of the companies receiving a property tax abatement in 2016 met or exceeded full-time employment projections as per reporting requirements. Amarr Garage Doors exceeded projected employment by four hundred fifty-eight percent (458%), Grandstand exceeded projected employment by two hundred twenty percent (220%). Sunlite achieved fifty-six percent (56%) of their projected employment for the 2016 abatement year.¹² Overall, the three companies receiving a property tax abatement during 2016 met two hundred sixty-eight (268%) of new, full-time job projections.

Wages:

Employee pay is an important element for both the quality of life and for promoting other businesses indirectly. Adjusting for inflation, average wages from the companies receiving property tax abatements is approximately \$39,802 per year. This wage is about \$8,480 higher than the average private sector wage in Lawrence.¹³ This wage is also substantially above the 2016 community wage floor rate (\$12.60 per hour wage floor rate as compared to \$19.14 per hour average wage rate paid by abatement companies.)

All three companies met or exceeded wage expectations. Overall wages averaged one hundred twenty-four percent (124%) of projections. (Again, the projections provided in the application have been adjusted for inflation.)

¹² FTE count does not include the company owner, who works full-time at the company, but has elected to not take a salary.

¹³ Kansas Department of Labor, Kansas Labor Information Center, Average Private Sector Wage in Lawrence, KS (by Industry), Quarterly Census of Employment and Wages, \$31,322, data released 2016.



Property Tax Abatements

Employment Summary

Each year, a questionnaire is sent to property tax abatement companies requesting employment information such as the number of full-time and/or part-time jobs, the hourly or annual wage for each position, and 6-digit Standard Occupation Code (SOC) ¹⁴ for each job category. Employment information is then compared to targets as specified within the company's performance agreement.

| 2016 Employment Summary | |
|--|-----------------|
| Amarr Garage Doors, Inc. | |
| Total Employment | 745 |
| Total Full-Time Employment | 722 |
| % of Full-Time Jobs meeting or exceeding mean wage | 98% |
| Average Full-Time Wage | \$18.75 |
| Grandstand/Screen-It Graphics | |
| Total Employment | 189 |
| Total Full-Time Employment | 189 |
| % of Full-Time Jobs meeting or exceeding mean wage | 128% |
| Average Full-Time Wage | \$19.33 |
| Sunlite Science & Technology | |
| Total Employment | 10 |
| Total Full-Time Employment | 9 ¹⁵ |
| % of Full-Time Jobs meeting or exceeding mean wage | 133% |
| Average Full-Time Wage | \$19.33 |

¹⁴ The community average wage used was the 6-digit SOC Code mean wage as reported in the 2016 Edition of the Kansas Wage Survey for the Lawrence Metropolitan Statistical Area (MSA). Whenever a 6-digit SOC Code mean wage was not available for Lawrence, the 2016 Edition 6-digit SOC Code mean wage for the state of Kansas was used. Due to confidentiality, companies were not required to provide wage data on job categories with only one employee. For purposes of calculating the company average wage, jobs indicated as below the average wage were estimated at 10% less than the SOC community average wage for that job category. Jobs indicated as above the average wage were estimated at 3% more than the SOC Community average wage for that job category.

¹⁵ FTE count does not include the company owner, who works full-time at the company, but has elected to not take a salary.



Property Tax Abatements

Employment History

In addition to 2016 employment, the below table presents historical employment records over the past five years for the companies receiving a property tax abatement:

| 2012-2016 Employment History (year-end) | | | | | | | | | | | | | | | | | | |
|--|---------------|----------|--------------------------|----------|----------------------|----------|------|-----|------|-----|------|----|------|----|-----------------|-----------|---------------------------------|-----------|
| Company | Pre-Abatement | | Projected from Abatement | | Total Estimated Jobs | | 2012 | | 2013 | | 2014 | | 2015 | | 2016 | | 2016 Over/Under Estimated Total | |
| | FT | PT | FT | PT | FT | PT | FT | PT | FT | PT | FT | PT | FT | PT | FT | PT | FT | PT |
| Amarr (2009) ¹⁶ | 499 | 0 | 40 | 0 | 539 | 0 | 477 | 4 | 624 | 16 | 697 | 36 | 696 | 15 | 722 | 23 | 183 | 23 |
| Grandstand/Screenot Graphics ¹⁷ | 40 | 0 | 46 | 0 | 86 | 0 | 45 | 0 | 71 | 0 | 97 | 0 | 186 | 0 | 189 | 0 | 103 | 0 |
| Sunlite Science & Technology ¹⁸ | 5 | 0 | 11 | 0 | 16 | 0 | n/a | n/a | n/a | n/a | 6 | 0 | 11 | 0 | 9 ¹⁹ | 0 | (7) | 0 |
| <i>Total</i> | <i>544</i> | <i>0</i> | <i>97</i> | <i>0</i> | <i>641</i> | <i>0</i> | | | | | | | | | <i>911</i> | <i>23</i> | <i>279</i> | <i>23</i> |

¹⁶ The number of jobs projected to be added during the abatement period was 40, as per the Kansas Court of Tax Appeals orders (COTA Docket # 2010-5589-EDX, received 8-12-2010) granting the tax abatement on personal property. According to the COTA orders, "Applicant is using the subject property for manufacturing articles of commerce and its expansion has resulted in or will result in the creation of 40 new positions." During the year prior to submission of the COTA application (2009), Amarr had a total full-time workforce of 499. From the COTA orders, the company projected 40 net new full-time positions would be added during the abatement period for a total of 539 full-time jobs (499 + 40 = 539). In 2016, Amarr reported 722 actual, full-time positions and had realized 183 net new full-time positions (722 - 539 = 183).

¹⁷ Pre-abatement employment as of December 31, 2010 was 40 full-time positions. Per the agreement between the City and Screen-It Graphics of Lawrence, Inc./3840 Greenway Circle LLC, employment for purposes of abatement compliance is measured for the year preceding the current tax abatement calendar year. For example, for the 2013 calendar year, employment is measured from January-December 2012.

¹⁸ Pre-abatement employment as of December 31, 2013 was 5 full-time positions.

¹⁹ FTE count does not include the company owner, who works full-time at the company, but has elected to not take a salary.



Property Tax Abatements

Abatement Compliance Summary

In order to annually qualify for a property tax abatement, each company is subject to provisions as specified within a performance agreement signed with the City and the property tax abatement policy that was in place at the time of agreement signing. Grandstand and Sunlite, are subject to the May 2010 property tax abatement policy requirements. City agreements for the Amarr property tax abatement were signed prior to the commencement of the 2010 economic development policy. However, Amarr has substantially met their compliance targets for 2016 based on their performance agreement and referenced property tax abatement policy.

Current policy is based on the below compliance schedule:

| Compliance Schedule | |
|----------------------------|---|
| Blended Range % | Amount of Incentive to be Received |
| 90-100% | 100% |
| 80-89% | 85% |
| 70-79% | 75% |
| Below 70% | 0% |



Property Tax Abatements

Grandstand was subject to the below performance provisions for 2016.²⁰ The company met substantial compliance and was eligible for one hundred percent (100%) of their 2016 property tax abatement amount.

| 2016 Grandstand Compliance Summary | | | | | | |
|------------------------------------|---|---|-------------|------------------------------|--------|--------------------|
| Compliance Category | Description | Target | Actual | % Compliance (Actual/Target) | Weight | Overall Compliance |
| Capital Investment | Cumulative Capital Investment (as of Dec 31, 2015) | \$4,890,000 | \$9,183,997 | 188% | 0.25 | 46.95% |
| Job Creation | Full-Time Employment (FTEs) | 86 | 189 | 220% | 0.25 | 54.94% |
| Wages | 2016 Wage Floor (\$12.60/hr.) ²¹ | 100% of Employees paid above wage floor | 97% | 97% | 0.125 | 12.13% |
| | Average Company Hourly Wage | \$15.15 | \$19.33 | 128% | 0.125 | 15.95% |
| Health Benefits | Employer Provided Health Care Coverage (minimum of 70% employer paid premium) ²² | 100% | 100% | 100% | 0.25 | 25.00% |
| Blended Compliance % | | | | | | 155% |
| Eligible Incentive % | | | | | | 100% |

²⁰ Note that as per the performance agreement between Grandstand and the City, the measurement period for job creation was specified as January 1 through December 31 of the immediately preceding year. Under mutual agreement, the City and Grandstand agreed to a clarification of the measurement period that would align it to the year taxes are being levied/abated. For example, the measurement period for taxes levied in 2016 will be January 1, 2016 through December 31, 2016. This does not change targets or total job creation numbers, but rather makes compliance calculation and reporting more efficient and straightforward for both the City and Grandstand.

²¹ As per agreement (dated 10-11-11, Section 5c), Grandstand shall maintain a wage structure for its FTEs such that 100% of its regular full-time employees are paid above the annual wage floor. Wages for employees serving their initial training period of 90 days will not be included in this calculation.

²² As per agreement (dated 10-11-11, Section 5d), Grandstand shall provide a minimum of 70% of the premiums for an employer-sponsored health insurance policy for covered employees (or provide employees with a wage which is \$1.50/hr. above the wage floor). Grandstand submitted a letter stating that the company paid 100% of the healthcare premium for all covered employees in 2016. (See Appendix E.)



Property Tax Abatements

Sunlite was subject to the below performance provisions for 2016. The company met substantial compliance and was eligible for one hundred percent (100%) of their 2016 property tax abatement amount.

| 2016 Sunlite Compliance Summary | | | | | | |
|---------------------------------|---|---|-----------------|------------------------------|--------|--------------------|
| Compliance Category | Description | Target | Actual | % Compliance (Actual/Target) | Weight | Overall Compliance |
| Capital Investment | Cumulative Capital Investment (as of Dec 31, 2016) | \$1,130,000 | \$1,158,155 | 102% | 0.25 | 25.62% |
| Job Creation | Full-Time Employment (FTEs) | 16 | 9 ²³ | 56% | 0.25 | 14.06% |
| Wages | Wage Floor (\$12.60/hr) ²⁴ | 100% of Employees paid above wage floor | 100% | 100% | 0.125 | 12.50% |
| | Average Company Hourly Wage | \$15.38 | \$19.33 | 126% | 0.125 | 15.70% |
| Health Benefits | Employer Provided Health Care Coverage (minimum of 70% employer paid premium) ²⁵ | 100% | 80% | 100% | 0.25 | 25.00% |
| Blended Compliance % | | | | | | 93% |
| Eligible Incentive % | | | | | | 100% |

²³ FTE count does not include the company owner, who works full-time at the company, but has elected to not take a salary.

²⁴ As per performance agreement (dated 8-30-13, Section 4-C), Sunlite shall maintain a wage structure for its FTEs such that 100% of its regular full-time employees are paid above the annual wage floor. Wages for employees serving their initial training period of 90 days will not be included in this calculation.

²⁵ As per performance agreement (dated 8-30-13, Section 4-D), Sunlite shall provide a minimum of 70% of the premiums for an employer-sponsored health insurance policy for covered employees (or provide employees with a wage which is \$1.50/hr. above the wage floor).



Property Tax Abatements

Amarr signed their performance agreement before the 2010 policy was in place and is not subject to the same provisions as indicated in the current policy. However, Amarr substantially met 2016 compliance measures per their performance agreement and is eligible for one hundred percent (100%) of their annual incentive amount. Performance measures for Amarr, in light of current standards, are shown below for comparison.

| 2016 Amarr Compliance Summary | | | | | | |
|-------------------------------|---|-------------------|-------------|------------------------------|--------|--------------------|
| Compliance Category | Description | Target | Actual | % Compliance (Actual/Target) | Weight | Overall Compliance |
| Capital Investment | Personal Property | \$9,400,000 | \$9,700,000 | 103% | 0.25 | 25.80% |
| Job Creation | Full-Time Employment ²⁶ | 40 | 183 | 458% | 0.25 | 114.38% |
| Wages | Wage Floor ²⁷ | 100% of Employees | 100.00% | 100% | 0.125 | 12.50% |
| | Average Company Hourly Wage ²⁸ | \$15.75 | \$18.75 | 119% | 0.125 | 14.88% |
| Health Benefits | Employer Health Care Coverage ²⁹ | 100% | 100.00% | 100% | 0.25 | 25.00% |
| Blended Compliance % | | | | | | 193% |
| Eligible Incentive % | | | | | | 100% |

²⁶ Amarr was originally granted a fifty-five percent (55%) tax abatement on real and personal property via Ordinance 8470 (adopted 10-27-2009). Requirements under the performance agreement (signed 12-17-2003), referenced by Ordinance 8470 states "The approval of the tax abatement by the governing body of the City was in reliance upon the application submitted by Amarr. Specifically, the application and the approved tax abatement provided that Amarr would 1) construct a facility, new construction and modification to existing facility in the capital amount of \$7,700,000; 2) expend \$9,400,000 in the purchase of new machinery and equipment; and 3) employ eighty (80) full-time employees as the result of the project." Ordinance 8497 (authorized 4-6-2010) later repealed Ordinance 8470, and specified a fifty-five (55%) tax abatement on personal property only. In association, with this tax abatement, the COTA application submitted June 28, 2010 specified "The applicant is using the subject property exclusively for manufacturing articles of commerce and its expansion has resulted in or will result in the creation of 40 new positions."

²⁷ 2016 Wage floor is \$12.60/hour. The wage floor hourly wage is adjusted annually based upon an annual wage equal to one hundred thirty percent (130% of the Federal poverty threshold for a family of three, as established by the U.S. Department of Health and Human Services.

²⁸ \$18.75 represents Amarr's average wage for all full-time employees. Community average wages are provide by occupation through the Kansas Department of Labor, 2016 Edition Wage Survey. Amarr had 98% of all full-time positions that met or exceeded the community average wage.

²⁹ Ordinance 7706 states that the company shall make available to covered employees, an employer-sponsored health insurance policy, pursuant to employer guidelines, in which case the employer provides a minimum of seventy percent (70%) of the cost of such policy. Amarr submitted a letter stating that the company is self-insured and paid 71% of all healthcare expenses in 2016. (See Appendix E.)



Property Tax Abatements

Additional Community Benefits

Businesses provide many important benefits to the communities in which they reside. In addition to direct job creation and generation of wages, companies increase purchases within the local economy, contribute to the local tax base and bring capital into the community. They also generate a substantial social impact, including providing training and benefits to the work force, supporting community organizations, and employing environmental stewardship.

Local Expenditures & Non-Local Sales

A key objective of economic development is to bring new money into the community, and then have that money stay in the community. Firms bring new money to the community when they sell products to other geographic markets. The money then remains in the community to the extent that it is distributed in wages to local residents, paid in dividends to local owners and shareholders, or spent locally. The below table shows the share of sales made outside of Lawrence and the local expenditures made directly by the firms.

Almost all local revenue generated by products sold by the three companies is imported into the community from outside sales. Local expenditures were low, ranging from 3-14 percent (3%-14%), a likely result of the nature of manufacturing production at these facilities. (e.g. These companies create products using materials that are not produced locally, requiring larger expenditures from outside the community.)

| 2016 Local Expenditures & Outside Sales | | |
|--|---|---|
| Company | Expenditures Spent Within Lawrence | Sales Generated Outside Lawrence |
| Amarr Garage Doors Inc. | 5% | 99% |
| Grandstand/Screen-It Graphics | 3% | 99% |
| Sunlite Science & Technology | 14% | 92% |



Property Tax Abatements

Property Tax Generation

Since none of the three companies received a one hundred percent (100%) property tax abatement, all of the abated property are currently generating some level of property taxes.³⁰

| 2016 Tax Generation (on portion of property receiving an abatement) | | | | |
|---|---------------------|-------------------|-------------------------------|--|
| Company & Abatement % | Total Tax Potential | Abated Tax Amount | State Exemption ³¹ | Taxes Paid (or to be paid) by Property Owner |
| Amarr Garage Doors, Inc. | | | | |
| Personal (55%) ³² | \$146,666 | \$26,450 | \$83 | \$120,134 |
| Grandstand/Screen-It Graphics | | | | |
| Real (65%) | \$152,933 | \$99,407 | n/a | \$53,526 |
| Sunlite Science & Technology | | | | |
| Real (50%) | \$42,356 | \$21,178 | n/a | \$21,178 |
| Total | \$341,955 | \$147,035 | \$83 | \$194,837 |

Source: Douglas County

³⁰ The amounts shown for real property values are only for the portion of real property that received the abatement and may not reflect values for the entire parcel.

³¹ The state granted an additional exemption for personal property items listed that are valued for \$1,500 or less. This is not a part of the EDX exemption. The amount shown under "Abated Tax Amount" for Amarr Garage Door reflects the abated taxes attributable to the EDX. The amount under "Taxes Paid..." reflects the actual tax bill.

³² Personal property amount may not reflect the percentage of abatement, as some personal property is not included in the exemption. The State of Kansas exempted commercial personal property purchased July 1, 2006 and after from taxation. However, personal property purchased prior to that date is still taxed at a depreciated rate. Each company is required to submit an annual claim for a personal property tax abatement, listing out the equipment, value and date purchased. The County then determines the amount of personal property exempted and taxes due.

Property Tax Abatements

Social Impacts

Companies also contribute to the community by providing career enhancement for their employees and by giving to local charities. The three firms receiving abatements in 2016 have obtained substantial achievements in the areas of the environment, community engagement, and environmental practices.

Amarr Garage Doors, Inc.

Environment

Amarr participates in recycling programs that include steel, aluminum, cardboard, pallets, and paper. Over sixty-five percent (65%) of Amarr's Finished Good Product is manufactured from recycled steel.

Community Engagement

Amarr is committed to being the best corporate citizen possible and has contributed to the following organizations: Member of the Lawrence Chamber of Commerce, Tenants to Homeowners, United Way, Habitat for Humanity, Just Foods, Stroke Detention Plus, Lawrence Memorial Hospital (Breast Cancer "Pink It Up" and Catch a Break campaigns), Truity Credit Union, Meritrust Credit Union, Lawrence Parks and Recreation, Prompt Care, Lawrence Vein Center, Willow Domestic Violence Center, GaDugi Safe Center, Recovery and Hope Network, Independence, Inc, Catholic Charities, and Headquarters Counseling Center. Amarr also sponsors Softball and Basketball teams.

Amarr partners with Lawrence High School and Free State High School to encourage and educate students about Amarr and careers in manufacturing (LEAP Partners).



Property Tax Abatements

Amarr Team Members facilitated professional skills training through Junior Achievement at the College and Career Center in Lawrence. Amarr assisted with the grant process to bring the Peaslee Technical Center to the Lawrence area and donated garage doors to the both the Center and College and Career Center.

Job Training/Benefits

During the course of the year, Amarr continually offered a wide range of training, including new employee orientation, harassment training, safety training, leadership skills, on-the-job machinery equipment operation instruction, and many other general training for Amarr Team Members.



Property Tax Abatements

Grandstand (Screen-It Graphics), Inc.

Environment

During 2016, Grandstand continued to employ an aggressive environmental program to reduce, reuse, and recycle as much waste as possible. The company has an over/under policy with customers, which reduces scrap glass output substantially every year. The company worked closely with their suppliers to put branding on their boxes to allow Grandstand to ship out in the same boxes the product arrived in. Currently, Grandstand is able to cover ninety-eight percent (98%) of outbound shipping in reused boxes. The company continues to recycle scrap glass, corrugate, office paper, aluminum, and plastic waste.

Community Engagement

Grandstand sponsored the following local organizations in 2016: Arthritis Foundation, Boys & Girls Club of Lawrence, Ballard Community Services, Corpus Christi Catholic Church, Douglas County CASA, Emerald Gems Foundation, Free State High School, Lawrence Art Center, Lawrence Chamber of Commerce, Festival of Trees, Habitat for Humanity, Humane Society, Lawrence area schools, March of Dimes, University of Kansas, and Van Go, Inc. The company also adopted several local families and provided a number of gifts for Christmas.

Job Training/Benefits

The company hired and trained 60 new employees during 2016. Grandstand completed various safety trainings for all applicable employees and several employees attended continuing education for their respective fields.

Property Tax Abatements

Sunlite Science & Technology, Inc.

Environment

Sunlite installed 45 pcs of 6.5W LED security light fixtures along the side of their building to replace the six 175W HID outdoor lights. Total power consumption was reduced from 1,050W to 292W.

In 2016, Sunlite released their UV LED exposure unit and UV LED curing unit for flexography printing. Compared to the traditional mercury UV curing unit, Sunlite's UV LED does not contain mercury, does not produce ozone, consumes less energy, and reduces odors and noises at customers' working space.

Community Engagement

Over the past year, Sunlite donated and supported Douglas County Special Olympics, Free State High School Robotics Team, and Just Food of Douglas County. In addition, the company supported Civil, Environmental, and Architectural Engineering Departments by providing Smart-Controlled Light System to professors to teach lighting design courses. The system features five groups of individually controlled RGB lights, color temperature changing lights, dimming can lights arranged in a circular and other patterns, and decorative pendant lights. Sunlight supported the KU Architecture Department by donating to its prototype senior housing unit featuring high-tech devices such as dehydration sensing toilets and fall-detecting motion sensors. Sunlite provided space for Free State High School Homecoming Parade Assembly and is a sponsor of the KU Lied Center.



Property Tax Abatements

Job Training/Benefits

The company provided on-site and on the job training for all employees. Sunlite also provides job training to a KU student intern.

Industrial Revenue Bonds

K.S.A. 12-1740 permits cities to issue Industrial Revenue Bonds (IRB) for the purpose of paying the costs of purchasing, acquiring, constructing or equipping facilities for “agricultural, commercial, hospital, industrial, natural resources, recreational development and manufacturing purposes”. IRBs can be beneficial in obtaining a sales tax exemption on project construction materials, machinery and equipment and may also support favorable rate financing.

Nine (9) companies had Industrial Revenue Bonds in 2016, the majority of which were not affiliated with a tax abatement, but rather utilized for a sales tax exemption on project construction materials. The table below details the date of issue as well as the maturity date. Note that outstanding IRBs are payable solely from private sources and not backed by the City. In addition, those companies that had IRBs issued after 1995 are required to provide arbitrage and secondary disclosures.

| 2016 IRBs: Outstanding | | | | | |
|--|---------------|----------------|--------------|-------------------|---|
| Company | Date of Issue | Issuing Ord. # | Year Matures | Amount Authorized | Project |
| Bowersock: Series 2011B & 2011C | 2010/2011 | 8607 & 8620 | 2037 | \$27,000,000 | Hydro-Electric Facility |
| Rock Chalk Park | Oct. 2013 | 8862 | 2023 | \$40,000,000 | Commercial Recreational Facility |
| 1101 Indiana Street (HERE KS)* | Nov. 2014 | 9053 | 2017 | \$76,000,000 | Mixed-Use, Retail and Student Housing |
| 100 East 9th Street LLC (888 New Hampshire, North Project): Series 2015* | Mar. 2015 | 9093 | 2017 | \$23,000,000 | Mixed-Use Commercial/Residential |
| Dwayne Peaslee Technical Training Center, Inc.: Series 2015* | May 2015 | 9111 | 2017 | \$1,600,000 | Technical Training Center |
| 800 New Hampshire: Series 2016* | April 2016 | 9210 | 2018 | \$7,800,00 | Mixed-Use Commercial/Multi-Family Residential |
| Pioneer Ridge* | Feb. 2016 | 9184 | 2018 | \$14,500,000 | Commercial, Independent Living Facility |
| 826 Pennsylvania Street* | Dec. 2016 | 9316 | 2018 | \$3,200,000 | Mixed-Use Commercial/Multi-Family Residential |
| Dwayne Peaslee Technical Training Center, Inc.: Series 2016* | Dec. 2016 | 9321 | 2019 | \$2,000,000 | Technical Training Center |

* Stand-Alone IRB used for a Sales Tax Exemption on Construction Materials

For information on matured and non-initiated IRBs, see Appendix C, page C-2.

3

Neighborhood Revitalization Areas

Neighborhood Revitalization Areas (NRA) are an economic development tool established by the Kansas Neighborhood Revitalization Act (K.S.A. 12-17,114 et seq.) to promote reinvestment and revitalization of properties, which in turn have a positive economic effect upon a neighborhood and the City in general.

During 2016, the City of Lawrence had seven (7) approved Neighborhood Revitalization Areas:

| 2016 NRAs: Active | | | | | | |
|-------------------------------|----------------------------------|----------------------|-------|------------------------------|--------------------------------------|--------------------|
| NRA | Project | District Established | Ord # | % Rebate | Duration | First NRA Tax Year |
| 8th and Pennsylvania District | (720 E 9th Street) ¹ | Apr. 2007 | 8093 | 95% | Based on amount rebated ² | 2011 |
| 1040 Vermont | Treanor Architect's Headquarters | Apr. 2011 | 8625 | Declining ³ | 10 years | 2013 |
| 810/812 Pennsylvania | Cider Building Art Gallery | Jul. 2012 | 8753 | 95% | 10 years | 2014 |
| 1106 Rhode Island | Hernly Architect's Office | Aug. 2014 | 9022 | 85% | 10 years | 2016 |
| 1101 Indiana | Mixed-Use, Student Housing | Aug. 2014 | 9021 | 85% | 10 years | 2017 ⁴ |
| 900 Delaware | 9 Del Lofts | Oct. 2014 | 9040 | 95% | 15 years | 2016 |
| 826 Pennsylvania Street | 826 Pennsylvania Street | Nov. 2016 | 9304 | 85% County, 50% City and USD | 10 years | * |

*NRA Rebate starts with the first full tax year after project completion.

See Appendix B, page B-2 for NRA distribution information.

¹ Although the 8th & Pennsylvania Street NRA district expired in April 2012, the 720 E 9th Street parcel within that District remains eligible for NRA refunds.

² The 8th & Pennsylvania NRA district allows for up to 20 years of NRA rebates (subject to a capped amount correlating with costs). As per agreement with the City, rebates are due until the maximum amount of \$324,673.18 has been rebated or 12-31-2032, whichever comes first.

³ Yrs 1-4: 95%, Yrs 5-6: 85%, Yr 7: 70%, Yr 8: 50%, Yr 9:30%, Yr 10:20%.

⁴ Agreement amended for NRA rebate starts on the first full tax year after project is 100% complete. Project completion is anticipated in 2017.

Neighborhood Revitalization Areas

Five (5) properties were eligible for an NRA rebate for the property taxes levied in 2016: The remaining NRA projects were either under construction or had not commenced construction by the end of the year, and were not eligible for a rebate. Rebate amounts are shown in Appendix B.

8th & Pennsylvania Street NRA

The 8th & Pennsylvania Street NRA was established in 2007, although the only property redeveloped was the parcel located at 720 E 9th Street. The district expired in April 2012. However, this parcel remains eligible for NRA refunds.

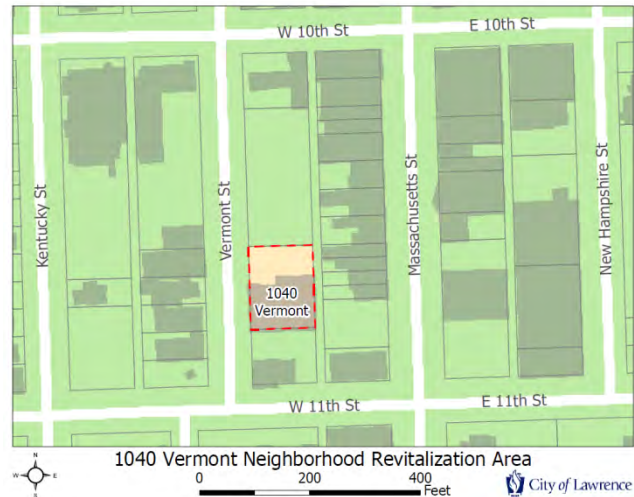


3

Neighborhood Revitalization Areas

1040 Vermont Street NRA

Treanor Architects received an NRA in order to design and build an 18,000 square foot office to relocate their associates to downtown Lawrence. The project involved renovation of a former car dealership built in 1953, which had also previously housed a grocery store and office supply company.



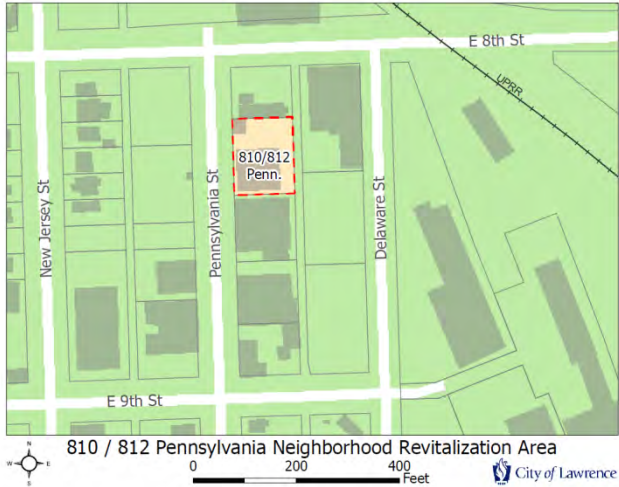
1040 Vermont Street Before Renovation

The new design reused the back half of the building to create a partial two-story space featuring an open floor plan, reception area, offices, multiple conference rooms, break areas, rooftop garden and recreation space.



1040 Vermont Street After Renovation

Neighborhood Revitalization Areas



810/812 Pennsylvania Street NRA

The 810/812 Pennsylvania Street NRA was approved in 2012 to redevelop the historic Cider building as part of an overall renovation of the East Lawrence Historic Neighborhood District. The abandoned



Cider Art Gallery

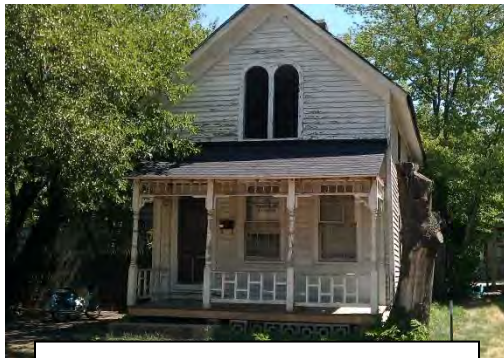
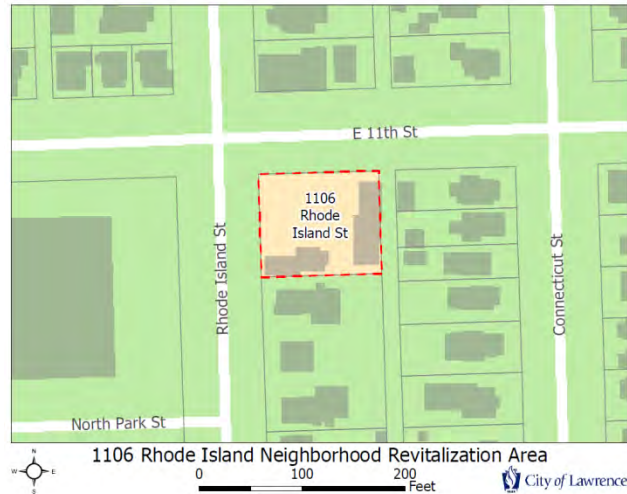
building was converted into an art gallery with event space on the lower level and office space on the upper level. The redevelopment opened in 2013 and supports art, event, and entrepreneurial needs of the East Lawrence Historic community.

Neighborhood Revitalization Areas

1106 Rhode Island Street NRA

The 1106 Rhode Island Street NRA district was established in 2014 to help redevelop the property and its historic structures to productive use. As a vacant, dilapidated, and blighted property, it presented safety, health, environmental, and economic concerns for the community. However, the existing house, large barn, and garage

were contributing structures to the North Rhode Island Street Historic Residential District and it was determined they retained sufficient integrity to be rehabilitated.



Property Before Rehabilitation

Currently, the property is under rehabilitation, converting the on-site, historic structures to productive use and adding new space to enhance the usefulness of the property. 2016 was the first NRA rebate year for the 1106 Rhode Island project.



Property After Rehabilitation

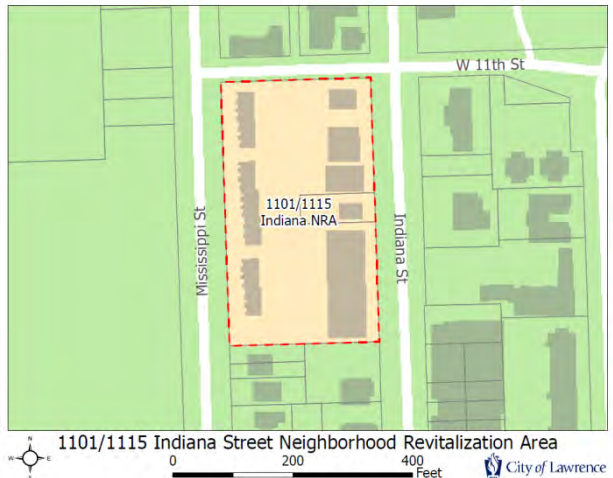
Neighborhood Revitalization Areas

1101 Indiana Street NRA (HERE KS)

The 1101 Indiana Street NRA was authorized in 2014 to support redevelopment of the property into an upscale, mixed-use, student housing community.

In 2016 a Memorandum of Understanding was executed, redefining project completion.⁵

Although a number of units were occupied in the fall of 2016, the project was not considered complete due to outstanding parking requirements. HERE KS was responsible for and paid all real property taxes in 2016 (\$259,739) on the project.



Future Mixed-Use, Student Housing

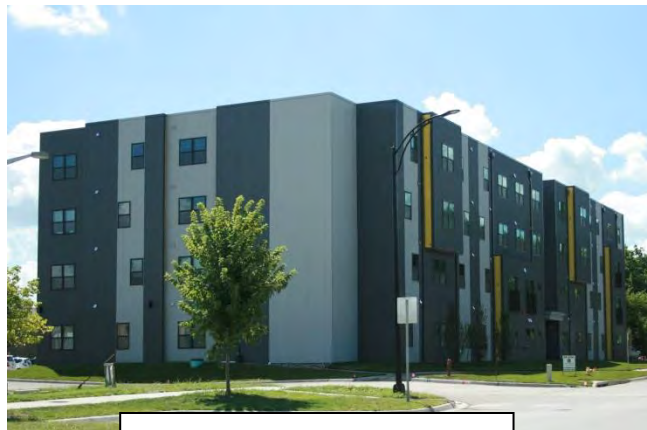
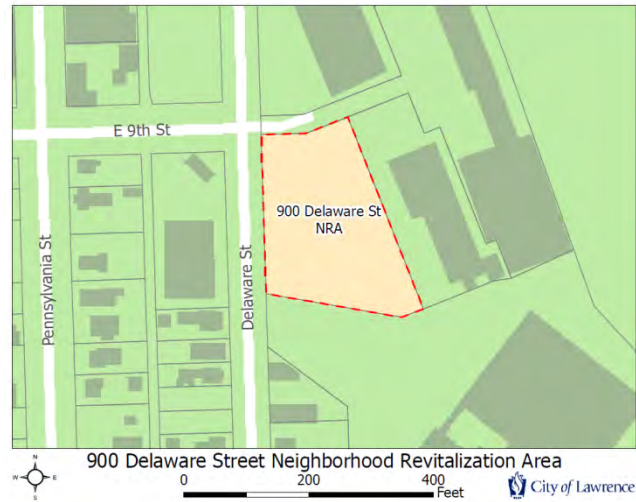
⁵ Paragraph 5: The Neighborhood Revitalization Act Performance Agreement provides that HERE shall not be entitled to receive any incentive under that agreement or the NRA until such time as it substantially completes construction. The parties acknowledge and understand that the term "substantially complete" shall mean that construction is 90% completed and HERE has provided, within its interior warehouse and/or on-site and off-site self parking that meets City Code, for 100% occupancy of the residential and commercial components of the mixed-use redevelopment of the HERE Property. HERE acknowledges and agrees that it shall not be entitled to receive any incentive under the Neighborhood Revitalization Act Performance Agreement or the NRA until the January following the time that it achieves approval by the City for 100% occupancy of the residential and commercial components of the mixed-use redevelopment of the HERE Property. Nothing in the Memorandum of Understanding shall be construed to extend the term of the NRA

3

Neighborhood Revitalization Areas

900 Delaware Street NRA

Located on the southeast corner of 9th Street and Delaware Street, adjacent to the East Lawrence Historic Warehouse District, the 9 Del Lofts project converted vacant land into a multi-family, affordable housing complex. The 900 Delaware NRA was authorized in 2014 to help support the project and add affordable housing to the community. The complex opened in 2015 with 43 apartment units:



9 Del Lofts

18, one-bedroom units; 16, two-bedroom units; and four, three-bedroom units. 2016 was the first NRA rebate year for the 900 Delaware project.

Neighborhood Revitalization Areas

826 Pennsylvania Street NRA

In 2016, the City, County and School district voted to participate in an NRA to support the redevelopment of the property at 826 Pennsylvania Street into a mixed-use commercial and residential project. The project is anticipated to add:

- Over 28,000 square feet of finished commercial and residential space (3 floors + basement)
- 14 residential rental units, two of which will be set aside for affordable housing over a 30-year period
- 33 new on-street angled parking spaces in front of the building
- 11 full-time, permanent positions at an annual average salary of just under \$32,500 to support commercial and residential operations



At the end of 2016, the City and School District authorized a 10-year, 50% NRA rebate and the County authorized a 10-year, 85% rebate to support the project. The first NRA rebate will be for the first full tax year after project completion.

Tax Increment Financing

Tax Increment Financing (TIF) Districts are an economic development tool established by the Kansas TIF Act (K.S.A. 12-1770 et seq.) to aid in financing projects for substantial public benefit. Public benefits can include creating jobs or retaining existing employment, eliminating blight, strengthening the employment and economic base of the City, increasing property values and tax revenues, reducing poverty, creating economic stability, upgrading older neighborhoods, facilitating economic self-sufficiency, promoting projects that are of community wide importance, or implementing the Comprehensive Plan and economic development goals of the City.

The City currently has three (3) active TIF districts:

| 2016 TIF: Active | | | | | | |
|---|----------------------|-----------------|------------------|----------------------|-------------|-----------------------------|
| TIF | District Established | District Ord. # | Plan Established | Expires ¹ | Plan Ord. # | Estimated Eligible Expenses |
| Downtown 2000 Redevelopment (<i>Original 9th and New Hampshire</i>) | Aug. 1999 | 7127 | April 2000 | April 2020 | 7207 | \$8,645,000 |
| The Oread | Feb. 2008 | 8234 | April 2008 | April 2028 | 8253 | \$11,000,000 ² |
| 9th & New Hampshire: South Project | Aug. 2012 | 8768 | May 2013 | May 2032 | 8865 | \$4,000,000 ³ |
| 9th & New Hampshire: North Project | | | April 2014 | April 2034 | 8971 | \$4,750,000 ⁴ |

See Appendix B, page B-3 for TIF distribution information.

¹ The 20-year TIF clock for the reimbursement period starts when the *redevelopment plan* is approved.

² Amount shown is the total reimbursement cap, which is to be reimbursed from both TIF and TDD revenues. The reimbursement cap shown does not include interest.

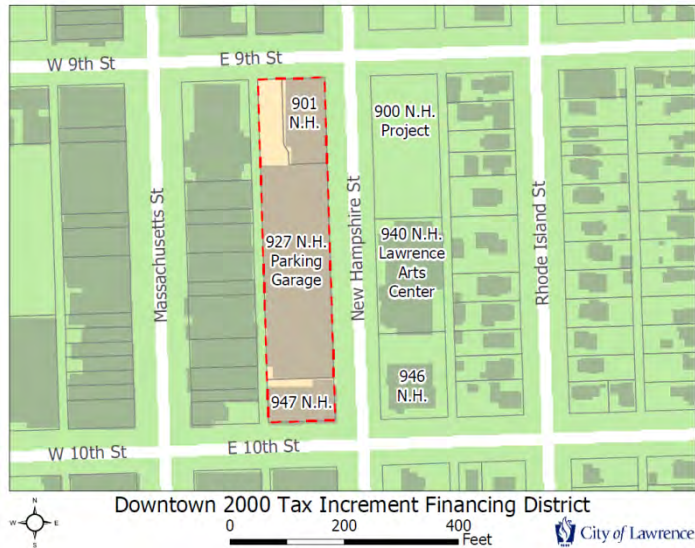
³ Amount amended from \$3,500,000 to \$4,000,000 on May 13, 2013. Amount shown is the reimbursement cap without interest. As per the redevelopment agreement, interest is subject to reimbursement from TIF revenues at the Developer's actual interest rate for borrowed funds.

⁴ Amount shown does not include interest. As per the redevelopment agreement, interest is subject to reimbursement from TIF revenues at the Developer's actual interest rate for borrowed funds.

Tax Increment Financing

Downtown 2000 Redevelopment District

The Downtown 2000 Redevelopment TIF District was created to support the development of the parking garage at 10th and New Hampshire and other cultural, commercial, office, and apartment developments. At the end of 2016, approximately \$2.77M⁵ remained outstanding on the bond debt (approximately \$8.6M).



In 2012 the 900 New Hampshire parcel was removed from the Downtown 2000 district and is now part of the 9th & New Hampshire Redevelopment district. In exchange for removal of this parcel from the Downtown 2000 district, the first \$850,000 of project generated TDD proceeds from the 9th & New Hampshire district will be contributed to bond payoffs on the parking garage.

⁵ At the beginning of 2016, approximately \$3,370,000 remained outstanding on the bond debt. After payments made on 3-1-2016 and 9-1-2016, estimated balance remaining was \$2,765,000.

901 New Hampshire Reimbursements:

In January 2012, the City Commission authorized the City Manager to execute a performance agreement allowing a reimbursement of TIF revenues generated from the original Downtown 2000 Redevelopment District to be paid for developer-paid public improvements made to 901 New Hampshire, a mixed-use retail/office/apartment project located within the district. The agreement calls for a total of \$280,852 to be paid by the City to the Developer over a 10 year period in ten equal, annual installments of \$28,085.20. The first annual reimbursement was for taxes levied in 2012.

Tax Increment Financing

12th and Oread Redevelopment

District: 1200 Oread Avenue

The Oread is a multi-level lodging, hospitality, and business venue with 10 above-ground floors and five below ground levels. Located on top of Mount Oread at the north gate of The University of Kansas, the center features 99 guest rooms and suites, two large banquet rooms, a state of the art audio/video theater, tanning salon and fitness center, and a variety of restaurants.

Public improvements to streets and infrastructure, including a parking garage, were financed initially by the Developer and are reimbursed annually through TIF revenues generated within the district. The district began generating TIF revenues in 2009. Reimbursements related to this TIF were under review at the time of this report due to a contractual dispute between the City and developer. Data related to this TIF cannot be supplied at this time.

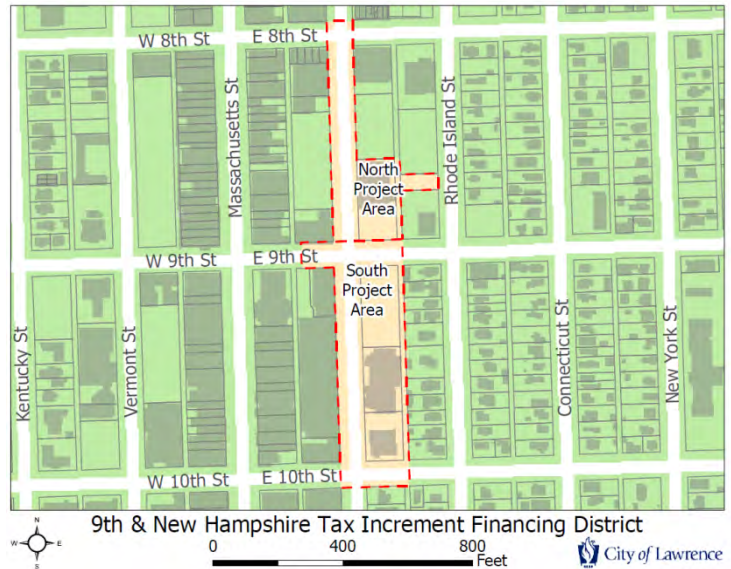


Tax Increment Financing

9th & New Hampshire

Redevelopment District

Created in 2012, this district includes two project areas: South Project Area and North Project Area. Public infrastructure for both areas is to be funded initially by the developer and reimbursed on a “pay-as-you-go” basis by project generated TIF revenues. In addition, TIF revenues will be split between the City and



Developer to fund both a public “Arts Commons” project and public infrastructure within the district, with five percent (5%) of the proceeds reserved for the “Arts Commons” project (up to a total of \$900,000) and ninety-five percent (95%) of proceeds going to reimburse the Developer for public infrastructure expenses.⁶

The district began generating TIF revenues in 2014 through the South Project (900 New Hampshire). The North Project (888 New Hampshire) was still under construction in 2016, so no TIF revenues were reimbursed for the tax year.

⁶ As per the South Area Development Agreement, if “Art Common” project does not proceed within 60 months of the date of the filing of the Certificate of Substantial Completion, 5% TIF revenues will go toward reimbursement of the property owner’s TIF project expenses. (Certificate filed December 31, 2014. City “Arts Common” project must proceed by December 31, 2019 for City to retain the 5% TIF revenues.)

Tax Increment Financing

900 New Hampshire—South Project Area

The South Project Area includes a mixed-use hotel with retail space and hotel lobby on the first floor, underground parking and related public and private infrastructure. The proposed public project is affiliated with the Lawrence Arts Center. This “Arts Commons” space is planned to be a venue for public art exhibitions, theatrical productions, music, film and art-making activities and include green space for children attending the arts-based preschool and other educational programs to work and play outside.



888 New Hampshire—North Project Area

The North Project Area is a mixed-use apartment and banking center with underground parking, water line improvements along New Hampshire Street, and related public and private infrastructure.



Transportation Development Districts

Transportation Development Districts (TDD) are an economic development tool established by the Kansas TDD Act (K.S.A. 12-17,140 et seq.) to assist with the development of transportation projects which can benefit a development and the public.

Currently, the City has three (3) authorized TDDs. In all districts, public improvements were financed initially by the developer and are reimbursed annually via a one percent (1%) transportation district sales tax on retail or taxable services occurring within the district.

| 2016 TDDs: Active | | | | | |
|--------------------------|--------------------------------|---------------|-------------------------|-----------------------|-----------------------------|
| TDD | Ordinance #, Date Authorized | TDD Sales Tax | TDD Sales Tax Commences | TDD Sales Tax Expires | Estimated Eligible Expenses |
| The Oread | #8254, April 2008 | 1% | Oct. 2009 | Oct. 2031 | \$11,000,000 ¹ |
| Free-State (Bauer Farms) | #8339, October 2008 | 1% | April 2009 | April 2031 | \$5,000,000 |
| 9th & New Hampshire | #8979, April 2014 ² | 1% | Jan. 2015 | Jan. 2037 | \$3,000,000 ³ |

See Appendix B, page B4 for TDD distribution information.

¹ Amount shown is the total reimbursement cap, which is to be reimbursed from both TIF and TDD revenues. The reimbursement cap shown does not include interest.

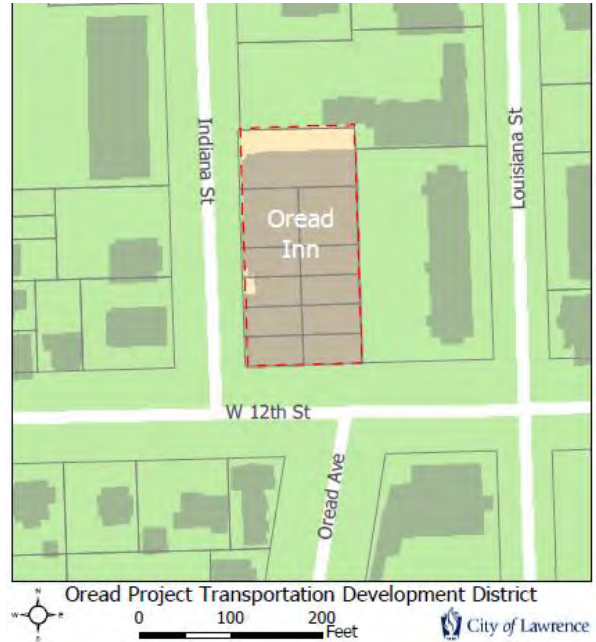
² Ordinance 8803 which originally established the TDD district was repealed due to a technicality and replaced with Ordinance 8979.

³ Amount shown is the reimbursement cap without interest. As per the redevelopment agreement, interest is subject to reimbursement at the Developer's actual interest rate for borrowed funds.

Transportation Development Districts

The Oread TDD

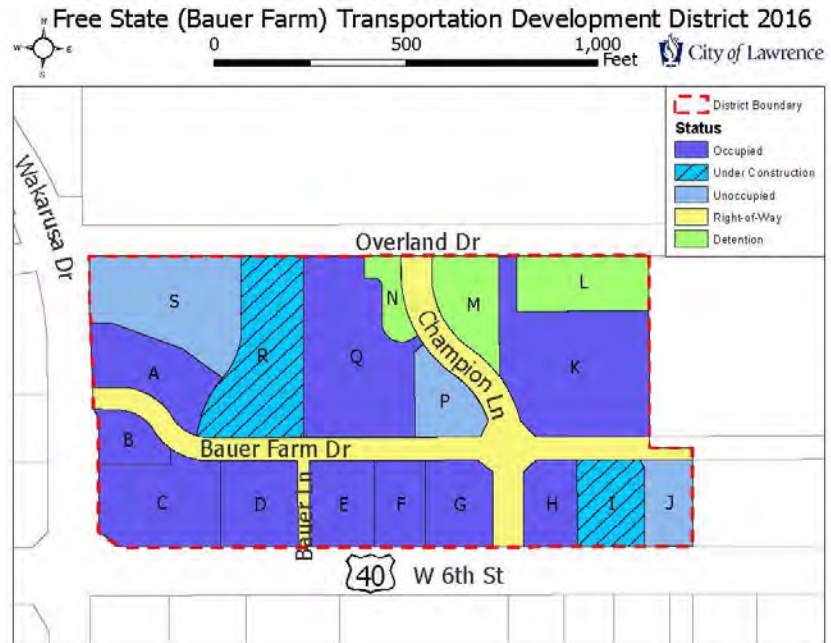
The Oread TDD (located at W. 12th Street & Oread Avenue) began generating sales tax revenues in 2009. Reimbursements related to this TDD were under review at the time of this report due to a contractual dispute between the City and developer.



Transportation Development Districts

Free-State TDD

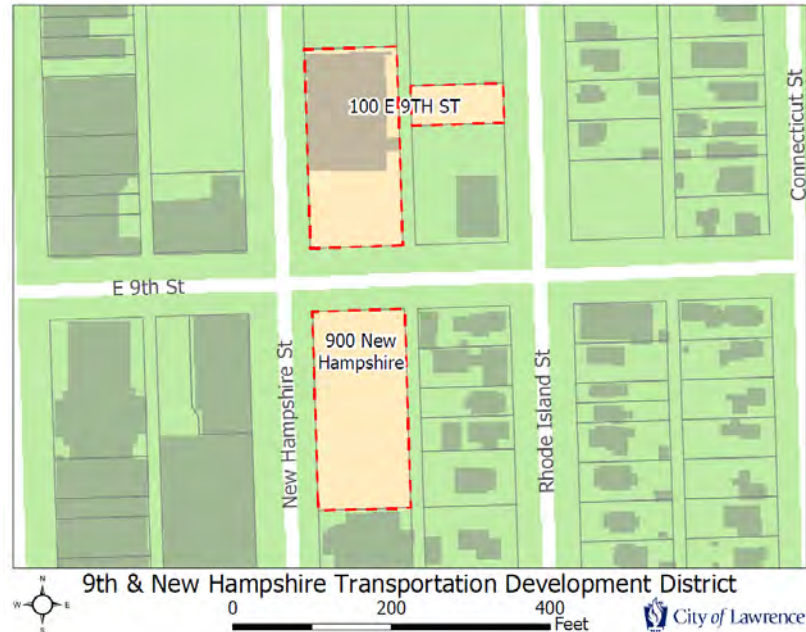
The Free-State (Bauer Farm) TDD (located at W. 6th Street and Wakarusa Drive) began generating sales tax revenues in 2009. At the end of 2016, approximately eighty-two percent (81.9 %) of the buildable area within the district was either occupied or under construction.



Transportation Development Districts

9th & New Hampshire TDD

The 9th & New Hampshire TDD was approved in July 2012. The district began generating TDD sales tax in 2015. The first \$850,000 of district TDD revenues will go toward paying back bonds for the 10th & New Hampshire parking garage. After reaching that threshold, additional TDD revenues will reimburse Developer-paid public infrastructure expenses.



Other Support Programs

Economic Development Services

The City of Lawrence annually contracts with the agencies below to provide services related to economic development in order to foster job growth within the community.



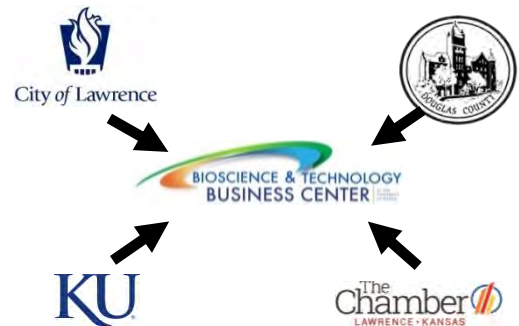
Bioscience & Technology Business Center

The BTBC creates, recruits, grows, and retains companies that produce high quality, high-paying jobs by supporting growth of the bioscience and technology industries in Lawrence, Douglas County, and Kansas City.

By producing these jobs, the BTBC is able to increase the local tax base and create wealth in the community. To help its tenant companies grow and succeed, the BTBC provides:

- Customized office and laboratory space
- Access to the BTBC's network of business and industry contacts
- Access to KU resources
- High bandwidth, low latency fiber internet connection
- Business services and support

The BTBC is a unique coalition consisting of the City, Douglas County, University of Kansas, and the local business community via the Lawrence Chamber of Commerce—the first of its kind for Lawrence. As a result



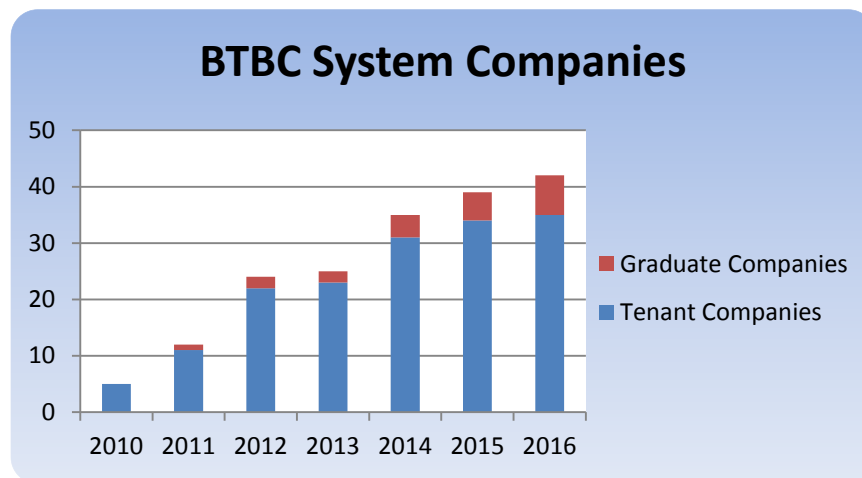
Other Support Programs

of this unique partnership, each dollar contributed by the City is leveraged by contributions by the other partners.

| BTBC Facilities | | | |
|-----------------|--------------------------------------|-------------|--|
| Facility | Location | Rentable SF | Description |
| BTBC Main | KU's West Campus | 51,400 | Office and lab space situated near several prominent KU research buildings. |
| BTBC West | 15 th Street and Wakarusa | 17,500 | Suited for incubator graduates, tenants with unique space requirements, and companies seeking GMP-ready space. |
| BTBC-KUMC | KU Medical Center Campus, KCK | 21,000 | Office and wet lab space adjacent to the KUMC and the KU Hospital. |

Source: Bioscience & Business Technology Center, data as of December 31, 2016.

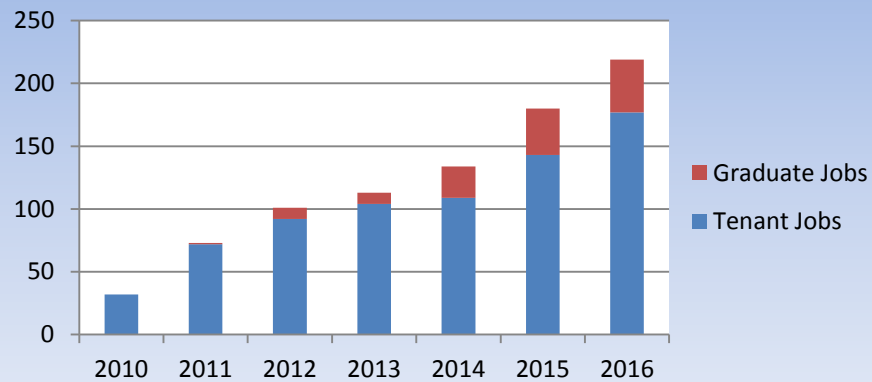
BTBC Economic Development Metrics



Source: Bioscience & Business Technology Center, data current as of 12/31/16.

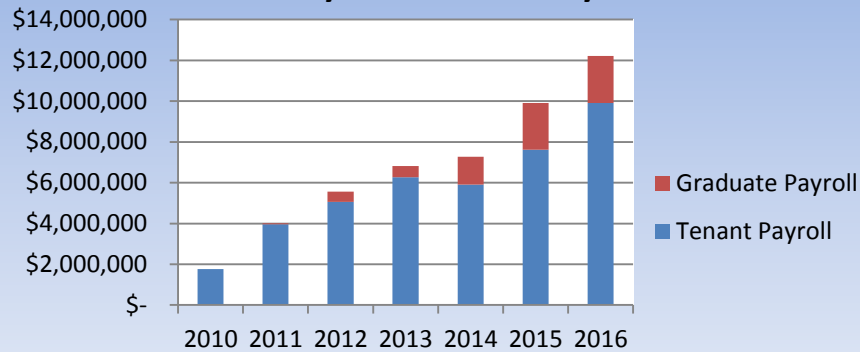
Other Support Programs

BTBC System Jobs



Source: Bioscience & Business Technology Center, data current as of 12/31/16.

BTBC System Annual Payroll



Source: Bioscience & Business Technology Center, data current as of 12/31/16.

6

Other Support Programs

By locating in Lawrence, the BTBC companies also create an indirect economic benefit to the local economy consisting of money paid to local vendors as well as take-home pay spent by tenant company employees on housing, utilities, food, child care, entertainment, etc. The following chart shows the total direct and indirect economic impact of BTBC companies:

| Metric | BTBC Companies | BTBC Graduates | BTBC System Total |
|-------------------------|----------------|----------------|-------------------|
| Companies | 35 | 7 | 42 |
| Jobs - Direct | 161 | 58 | 219 |
| Jobs – Indirect/Induced | 106 | 38 | 144 |
| Jobs - Total | 267 | 96 | 363 |
| Annual Payroll | \$16,742,748 | \$5,761,152 | \$21,784,356 |

Analysis produced using EMSI Developer Economic Development software



Construction of Phase II, an additional 30,000 square feet of office and lab space, was completed in August of 2014. The BTBC Main Facility has since reached approximately ninety-four percent (94%) occupancy, which is about two years ahead of projections. The BTBC has begun

planning for Phase III, which will likely include an anchor tenant or tenants. The BTBC's long term goal is the development of a technology park on KU's West Campus.

Other Support Programs

Overview of City Support for BTBC Services

The City of Lawrence has provided the below funding support for BTBC operations:

| Bioscience & Technology Business Center Support | | | |
|---|------------------------------------|------------|-----------|
| Year | Capital Investment – Fixed Assets* | Operations | Total |
| 2006 | -- | \$200,000 | \$200,000 |
| 2007 ¹ | -- | \$192,000 | \$192,000 |
| 2008 | -- | \$200,000 | \$200,000 |
| 2009 | \$75,000 | \$200,000 | \$275,000 |
| 2010 | \$75,000 | \$200,000 | \$275,000 |
| 2011 | \$141,540 | \$200,000 | \$341,540 |
| 2012 | \$641,540 | \$200,000 | \$841,540 |
| 2013 | \$641,540 | \$200,000 | \$841,540 |
| 2014 ² | \$141,540 | \$200,000 | \$341,540 |
| 2015 | \$196,540 | \$200,000 | \$396,540 |
| 2016 | \$193,790 | \$200,000 | \$393,790 |

Source: City Budget Office, City of Lawrence, Kansas

*Includes city funding for construction of the \$14.5MM BTBC Main Facility, of which the City has a 25% interest, and bond payments on the BTBC West facility.

¹ A 4% reduction was imposed on support for all outside agencies in 2007.

² In addition to operations support, the City and County jointly agreed to split expenses related to the roof replacement for the BTBC West (Expansion) Facility. The City's portion of the expense was \$122,855.40, which was paid in 2014.

Other Support Programs

Support for Other Economic Development Services

During 2016, the City provided approximately the same amount of financial support to local agencies for economic development services as in the previous year.

| Other Support for Economic Development Services | | | | | | |
|---|---|-----------|-----------|-----------|-----------|-----------|
| Organization | Description | 2012 | 2013 | 2014 | 2015 | 2016 |
| Chamber of Commerce | Economic development marketing services | \$199,500 | \$199,500 | \$199,500 | \$199,500 | \$200,000 |
| KU Small Business Development Center | Small business development services | \$20,000 | \$20,000 | \$20,000 | \$20,000 | \$20,000 |
| Total | | \$219,500 | \$219,500 | \$219,500 | \$219,500 | \$220,000 |

Source: City Budget Office, City of Lawrence, Kansas

Economic Development Corporation (EDC)

The Economic Development Corporation of Lawrence & Douglas County contracts with the City of Lawrence and Douglas County for the provision of economic development services throughout all of Douglas County. The EDC's mission to "...*Promote economic development in Lawrence and Douglas County through the retention of existing businesses and industries, the support and expansion of existing and new entrepreneurial business opportunities, and the attraction of new high-wage business and industry,*" goes hand in hand with that of the Chamber of Lawrence, Kansas, with which it shares office space and staff.

In 2015 alone, EDC efforts resulted in the relocation of five new businesses to the community, representing the creation of more than 500 new jobs and more than \$28.6 million in capital investment. In 2016, the EDC shepherded dozens of relocation requests and conducted several site visits with out-of-town businesses. Of these, Lawrence is actively being considered for five projects (four relocations and one local expansion), representing a combined total of more than \$150 million in capital investment and the creation of roughly 560 new jobs.

Other Support Programs



Small Business Support & Services

The EDC also supports local business growth on a smaller scale through its partnership with the Chamber. Over the course of 2016, the Chamber conducted nearly 50 ribbon cuttings, with 18 of these representing celebrations for wholly new businesses to the community.

Metropolitan E-Community Partnership

Another small business support mechanism available through the EDC is the Network Kansas Metropolitan Entrepreneurial Community program. Based on the successful Network Kansas Rural E-Community program, which spurs development in rural communities, the Metro E-Community was launched in early-2016 as one of two pilot programs to promote business growth in urban communities (the other being Wichita).

The Metro E-Community allows the EDC to directly support new and existing business through the creation of a revolving loan program. Qualifying businesses may receive up to \$45,000 in gap financing for start-up capital, business renovations, hiring staff, equipment, and construction.

To qualify for funding, a business must meet just one of five criteria below and file an application for review by the program's finance committee:

- Businesses located in a distressed area (20%+ live below poverty level)
- Owned by woman, minority, or someone of disadvantaged status
- Businesses that currently employ or will employ low-income employees
- Businesses whose products/service supports disadvantaged/underserved populations
- Businesses whose mission is to serve disadvantaged/underserved populations

Other Support Programs

Dwayne Peaslee Technical Training Center

In addition to the above, the EDC and Chamber have been key partners in the continued development of the Dwayne Peaslee Technical Training Center. Now in its second year, Peaslee Tech represents an integral piece of the workforce development plan of both organizations. In 2016, the EDC:

- Assisted with new tenant lease negotiation
- Facilitated grants totaling \$475,000
- Assisted with fundraising and development efforts for a new auto lab
- Provided strategic planning and advocacy assistance to Peaslee leadership and board.



Other Support Programs

KU-KSBDC (Small Business Development Center)

The KU-KSBDC is one of 17 Centers in Kansas and one of approximately 1100 Centers in the America's SBDC network that provides free and confidential consulting services to entrepreneurs who are starting and growing small businesses. Staffed by professionals certified in areas such as business continuity planning, business valuation, and exit planning, the center focuses on providing services for business planning, access to capital, marketplace/industry analysis, and financial benchmarking.



In 2016, the KU-KSBDC provided almost 2100 hours of one-to-one consulting and 500 hours of other community engagement. While the Center provides services throughout a 6 county area, approximately eighty-five (85%) of measured activity takes place locally.



As part of the cooperative model, economic impact is measured annually by The Docking Institute in cooperation with the Kansas Small Business Development Center. As reported in April of 2016, KU-KSBDC's services provided the below economic impacts:

| 2016 KU-KSBDC Economic Impact | |
|-------------------------------|--------------|
| Total client companies | 373 |
| Reported starting business | 88 |
| New access to capital | \$17,470,000 |
| New revenue generated | \$16,720,000 |
| Jobs impact | 473 |

Source: KU-KSBDC

Other Support Programs

Shared Infrastructure

Rock Chalk Park

Opening in the fall of 2014, Rock Chalk Park, is an 89 acre sports campus located at the northwest corner of Rock Chalk Drive and George Williams Way. Rock Chalk Park is home to the 181,000 square foot City recreation center (Sports Pavilion Lawrence) and University of Kansas (KU) athletic facilities.



In 2016, during its second full year of operation, Sports Pavilion Lawrence averaged nearly 50,000 visits monthly.

Additional usage statistics for the recreation center include:

- Over 58,000 people have registered/received key cards for use since opening. Lawrence and Douglas County residents using the facility need the free key card to use the facility and assists with determining usage at the center.
- 56 % of registered card holders are women, 44 % are men.
- The average age for key card holders is 40 years-old.
- The Lawrence zip code that uses the center the most is 66049 with 21,284 users, followed by 66044 with 18,427 users.
- Lawrence Parks and recreation staff estimate that in 2016 Sports Pavilion Lawrence generated over 5 million dollars in economic impact for the City of Lawrence.



Other Support Programs

| Sports Pavilion Lawrence: 2016 Attendance | | | | | | |
|---|--------------------|--------------------|---------|----------|--------|----------------------------------|
| Year | Avg Monthly Visits | Key Card Holders | | | | Estimated Annual Economic Impact |
| | | # Key Card Holders | Avg Age | % Female | % Male | |
| 2015 | 40,000 | 27,011 | 40 | 56.3% | 43.7% | \$5,000,000 |
| 2016 | 58,843 | 29,080 | 40 | 56% | 44% | \$5,000,000 |

Source: City Parks and Rec Department

| RCP Softball, Soccer, Track & Field Events | | |
|--|----------|-------------|
| Year | # Events | # Attendees |
| 2015 | 39 | 32,722 |
| 2016 | 47 | 52,308 |

Source: Kansas Athletics

Traditional economic development tools utilized for the project included a property tax abatement and issuance of industrial revenue bonds for the property containing the KU Athletic facilities.³ (Refer to Sections 1 and 2 for additional information.) In addition, the City authorized support for the shared infrastructure within the park (e.g. parking, walking trails, all necessary sanitary sewer, potable water, storm sewer, water detention facilities, public and private streets, sidewalk and related improvements) and a rebate of City permit and development fees. By the end of 2015, the City had reimbursed all amounts due for shared infrastructure and development fees.

³ KU would normally receive a 100% property tax abatement on their property for the duration of ownership. However, given the structure of the project with KU Athletics entering into a long term lease with a private developer to construct the facilities, an automatic property tax exemption was not possible. A property tax abatement was utilized to assist KU in pursuing this project. Due to the unique nature of the project and its primary benefits related to assisting KU Athletics and drawing visitors from outside the community rather than job creation, no job creation performance requirements were imposed.

Other Support Programs

Development Grant

1106 Rhode Island Street Historic Rehabilitation

In support of the commercial rehabilitation of historic properties at 1106 Rhode Island Street, the City authorized a development grant estimated at \$26,100 to assist with City fees and permit expenses.

The grant was authorized in July 2014 with the final grant payment made in 2016.



Garage Before Rehabilitation



Garage After Rehabilitation



Kitchen Before Rehabilitation



Kitchen After Rehabilitation

Other Support Programs

Relocation Assistance

Integrated Animal Health Global Headquarters

2920 Becker Drive, BTBC Lawrence

Originally based out of Queensland, Australia, Integrated Animal Health (IAH) is a privately owned and funded company that identifies novel, transformative technologies, tests and commercializes them, before licensing out or putting into global distribution. To aid in establishing IAH's global headquarters in Lawrence, the City and Douglas County agreed to share equally in providing a 3-year lease subsidy for space at the BTBC main facility and a \$100,000 forgivable loan.

- The rent subsidy was contingent on IAH signing a 3-year lease at the BTBC main facility. The lease was executed in April 2015, with the first lease subsidy paid for June 2015 rent.
- The forgivable loan is tied to performance and subject to the below employment targets and compliance schedule. The first full measurement year for calculating compliance on the forgivable loan was June 1, 2015-May 31, 2016.

Job Performance Targets & Loan Forgiveness Schedule

| Year | Measurement Period | Cumulative, Net New Full-Time Jobs | Average Annual Salary | Maximum Amount of Loan to be Forgiven |
|--------------|--------------------|------------------------------------|-----------------------|---------------------------------------|
| 1 | Jun 2015-May 2016 | 2 | \$113,167 | \$33,333.33 |
| 2 | Jun 2016-May 2017 | 5 | \$113,167 | \$33,333.33 |
| 3 | Jun 2017-May 2018 | 9 | \$113,167 | \$33,333.34 |
| Total | | | | \$100,000.00 |

Compliance % Schedule

| Year | Maximum Amount of Loan to be Forgiven |
|-----------|---------------------------------------|
| 90-100% | 100% |
| 80-89% | 85% |
| 70-79% | 75% |
| Below 70% | 0% |

Other Support Programs

Compliance Performance: Year 1

As shown below, IAH met performance requirements as specified in the performance agreement executed May 27, 2015 between the City of Lawrence, Douglas County, and Integrated Animal Health (IAH) for the June 2015-May 2016 measurement period.

Consequently, \$33,333.33 of the total loan amount is eligible to be forgiven.

| Year 1: IAH Compliance Summary (Period June 2015-May 2016) | | | | | | |
|--|-------------------------------|-----------|-----------|------------------------------|--------|--------------------|
| Compliance Category | Description | Target | Actual | % Compliance (Actual/Target) | Weight | Overall Compliance |
| Job Creation | Full-Time Employment (FTEs) | 2 | 2.3 | 115.00% | 0.5 | 57.50% |
| Wages | Average Company Annual Salary | \$113,167 | \$198,515 | 175.42% | 0.5 | 87.71% |
| Blended Compliance % | | | | | | 145% |
| Eligible Incentive % | | | | | | 100% |

The below table summarizes public assistance for IAH, as of the end of the first measurement period.

| Integrated Animal Health (Period June 2015-May 2016) | | |
|--|--------------------|--------------------|
| | City | County |
| Forgivable Loan | \$50,000.00 | \$50,000.00 |
| Rent Subsidy | \$22,266.00 | \$22,266.00 |
| Total | \$72,266.00 | \$72,266.00 |

Other Support Programs

Company Accomplishments:

IAH moved its headquarters to Lawrence in 2015, and has now officially moved all the shareholdings from Australia to the U.S.

company, making the Lawrence company the “parent” company.

Over the past year, the IAH has made great strides in establishing its business, adding distribution in ten countries and launching five new products.

Products launched by Integrated Animal Health in the past year



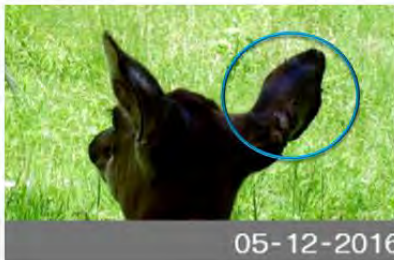
The company added multiple technologies into its portfolio, including two from KU in which the company has been working to test and develop for FDA or USDA approval within the next three years. IAH now has 33 separate technologies in the company’s portfolio.

TRIAL SUCCESS STORY



In this photo, you can see a deer in the 40 acre breeding pen that never carried a tick load. Flies are also not present after 3 weeks on the Repellion deer cookie product.

The deer to the right had a clear and massive tick burden (see the scarring), but the ticks began falling off after several weeks on Repellion. This deer carried hundreds of ticks on its ears.



Besides marketable products, the company has near stage and long term projects.

One significant near term venture involves a product that naturally repels ticks from deer – deer ticks carry Lyme Disease to humans, so the answer may come from right here in Lawrence and the testing is being done in Kansas. (See images at left.)

IAH’s CEO was selected for the Pipeline

Other Support Programs

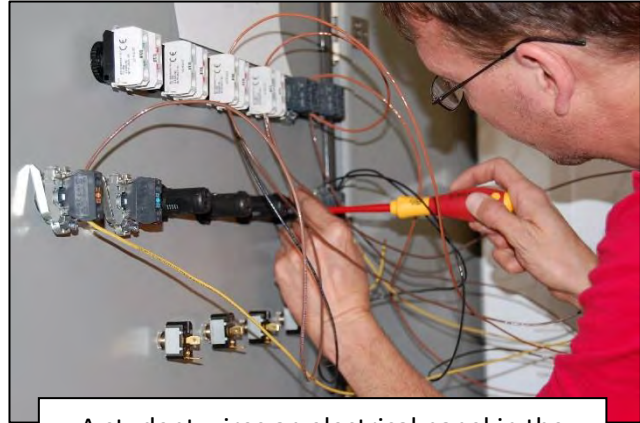
Entrepreneur program (one of only 3 in Kansas) and has been elected to the Economic Development Counsel of Lawrence and Douglas County. He is a high profile advocate of Lawrence in the Animal Health Corridor and was recently featured in the Animal Health Corridor newsletter and is a finalist for a newly established “Entrepreneur Board of Advisors Seat”.

As with any early stage company, IAH has encountered challenges, including significant delays in European approval of products for sale. (IAH did receive approval for the sale of three products in Europe in July 2016.) The company continues to pursue a major US distributor or partner and is currently in discussions with several. (IAH has five ongoing trials in place with these potential partners.) The company is also challenged with raising a Series B round of funding.

Workforce Training Support

Dwayne Peaslee Technical Training Center (Peaslee Tech)

Located at 2920 Haskell Avenue in Lawrence, Peaslee Tech was established by a consortium of partners, including the Economic Development Corporation of Lawrence and Douglas County, the City of Lawrence, Douglas County, the Chamber, local industry, and private donors. Peaslee Tech's mission is to grow a workforce, rich with technically skilled individuals, within the Lawrence and Douglas County communities.



A student wires an electrical panel in the Engineering Technology Program course.

The center opened August 2015 with an enrollment of 150 students in credit and noncredit courses. It has now completed three semesters, attracting 300 student enrollments in fall 2016. Technical programs from three area community colleges include Construction Technology, Industrial Engineering Technology, and HVAC Technology. Other courses are regularly offered in technical and business math, reading, writing, and computer literacy. Contracted education providers include Neosho County Community College, Flint Hills Technical College, and Johnson County Community College.

6

Other Support Programs

| Workforce Development: Peaslee Technical Training Center | | | | |
|--|------------|-----------------------------------|--------------------|--|
| Year | # Enrolled | Education Provider | Industry Area | Program Name |
| 2015 | 150 | Flint Hills Technical College | Manufacturing | Industrial Engineering Technology |
| | | Johnson County Community College | Varied | Computer courses, writing courses, math courses |
| | | Neosho County Community College | Heating/Cooling | HVAC Technology |
| | | Neosho County Community College | Construction | Construction Technology |
| | | Neosho County Community College | Varied | Welding |
| | | Peaslee Technical Training Center | Career Development | Building My Career (offered Free due to Emprise Bank sponsorship) |
| | | Peaslee Technical Training Center | Custom Courses | Computer Training, Hydraulics, Accountability |
| 2016 | 300 | Flint Hills Technical College | Manufacturing | Industrial Engineering Technology |
| | | Johnson County Community College | Varied | Computer courses, writing courses, math courses |
| | | Neosho County Community College | Heating/Cooling | HVAC Technology |
| | | Neosho County Community College | Construction | Construction Technology |
| | | Neosho County Community College | Varied | Welding and Allied Health |
| | | Peaslee Technical Training Center | Career Development | Building My Career (offered Free due to Emprise Bank sponsorship) |
| | | Peaslee Technical Training Center | Custom Courses | Supervision for Front Line Managers, Programmable Logic, OSHA courses, Technical Instructor Training, Entrepreneurial Training |
| | | Pittsburg State University | Noncredit courses | Technical Instructor Training in technical and instructional areas, and business training |

Peaslee Tech offers custom courses in a wide variety of areas, and have included Supervision for Front Line Managers, Accountability, Hydraulics, Electric Motor Drives, and Programmable Logic Control. These non-credit, short-course offerings are based on industry's expressed needs.

6

Other Support Programs



Trainees from Troubleshooting Electric Motor Drives Course, August 2016

Peaslee Tech offers *Building My Career*, a sequence including four course modules: Financial Literacy, Career Development (teamwork, work ethic, communication, interviewing, resume writing, career pathway decision making), Creative Problem

Solving, and Resolving Workplace Conflicts. These are offered free through a donation by Emprise Bank and support includes all course materials.

The new Belcher Family HVAC Lab was developed in Spring 2016 through a generous gift from the Smitty Belcher Family. This new facility provides students hands-on experience with furnaces, air-conditioners, roof top units, and more.

Peaslee Tech's plans include the development of an Automotive Technology Training Program, through JCCC. This certificate program will offer high school and community trainees with opportunities



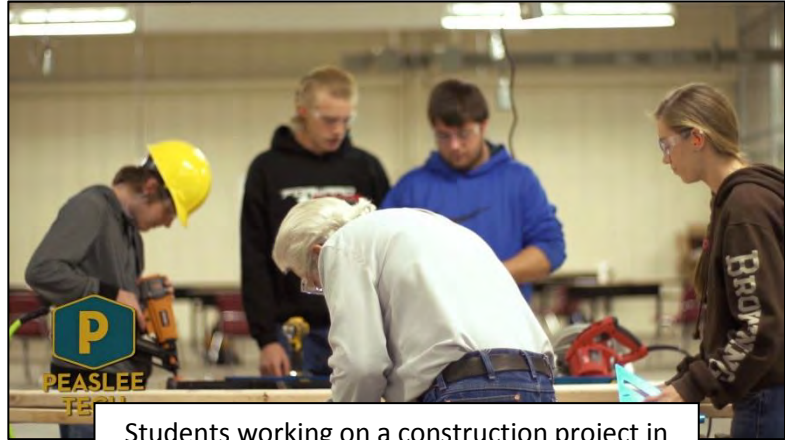
The Belcher Family HVAC Lab, December 2016

6

Other Support Programs

for entry-level careers. This effort is supported by area car dealers and independent auto-industry-related shops. A soft opening goal for the program is fall 2017.

Other programs under consideration for the future include Electrical Technology, Plumbing Technology, and Power Plant Technology.



Students working on a construction project in the Construction Technology Program course.

Public support for the Center has included:

| Peaslee Center Support | | | |
|------------------------|---|-------------|---------------|
| Year | Assistance Type | City Amount | County Amount |
| 2015 | 2014 real estate tax refund on property and improvements | \$15,533 | \$20,239 |
| | 2015 real estate tax refund on property and improvements | \$11,776 | \$15,370 |
| | One time grant for training center renovations and infrastructure | \$500,000 | \$500,000 |
| | City loan for Lawrence Workforce Center renovations | \$143,295 | \$143,295 |
| | Reimbursement of building permit fees for Peaslee Center | \$7,556 | -- |
| | Waiver of IRB application fee | \$1,000 | -- |
| | Peaslee Center Operations | \$100,000 | \$100,000 |
| Total 2015 | | \$779,160 | \$778,904 |
| Year | Assistance Type | City Amount | County Amount |
| 2016 | Peaslee Center Operations | \$100,000 | \$100,000 |
| | Waiver of IRB application fee | \$1,000 | -- |
| Total 2016 | | \$101,000 | \$100,000 |

Affordable Housing Development

Cedarwood Sr. Cottages, 2525 Cedarwood Avenue

In support of a 14-unit, senior living townhouse project, Tenants to Homeowners requested and received City assistance to cover a finance gap of up to \$101,975 for development of Cedarwood Senior Cottages.

Assistance provided was for neighborhood infrastructure and



improvements, including adding sidewalks, making storm sewer improvements, adding fire hydrants, detention pond assistance, and rebates on service development installation fees.

The \$2.3 million project was under construction in 2015 and was completed at the end of 2016. The one and two bedroom cottages are rented at below fair market rent (\$545-\$795) to eligible seniors who make under 50%, 60% and 80% Median Family Income by household size. By the end of 2016, twelve seniors were able to call Cedarwood Senior Cottages home.

Along with affordable rents, energy efficient systems and smart technology that provides medication reminders and security features, these units have a community garden house, an interior walkway, easy access to conveniences, a telehealth kiosk that can take vitals, an Amazon Echo in each unit that controls a monitoring system, rain gardens and a plan for raised bed gardens to be installed next spring.



Regulating Documents

| 2016 Tax Abatements | | | |
|------------------------------------|--|-----------------------|------------|
| | Document | Description | Dated |
| Amarr Garage Doors | Ordinance No. 8497 | Tax Abatement | 10/27/2009 |
| | Agreement | Performance Agreement | 12/17/2003 |
| | Ordinance No. 7706 | Policy | 10/28/2003 |
| | Overarching ED Policy (O-8522) | | 5/18/2010 |
| Grandstand/Screen-It Graphics | Resolution 6948 | Tax Abatement | 10/11/2011 |
| | Agreement | Performance Agreement | 9/2/2011 |
| | Overarching ED Policy (O-8522) | Policy | 5/18/2010 |
| Sunlite Science & Technology, Inc. | Resolution 7042 | Tax Abatement | 8/27/2013 |
| | Agreement | Performance Agreement | 8/30/2013 |
| | Overarching ED Policy (O-8522) | Policy | 5/18/2010 |
| Rock Chalk Park | Resolution 7014 | Tax Abatement | 3/5/2013 |
| | Agreement | Development Agreement | 7/30/2013 |
| | Overarching ED Policy (O-8522) | Policy | 5/18/2010 |



Regulating Documents

| 2016 IRBs | | | |
|-----------------------------|---|-------------------------------------|-----------------------|
| Document | Description | Dated | |
| Prosoco | Ordinance No. 7060 | IRB Issuance: Series 1998A & 1998 B | 12/8/1998 |
| Bowersock Dam | Ordinance No. 8607 & 8620 | IRB Issuance: Series 2011B, 2011C | 12/21/2010 & 3/1/2011 |
| 900 New Hampshire (South) | Ordinance No. 8804 | IRB Issuance: Series 2012 | 11/6/2012 |
| Rock Chalk Park | Ordinance No. 8862 | IRB Issuance: Series 2013 | 1/22/2013 |
| 1101/1115 Indiana Street | Ordinance No. 9053 | IRB Issuance: Series 2014 | 11/18/2014 |
| 888 New Hampshire (North) | Ordinance No. 8804 | IRB Issuance: Series 2012 | 11/6/2012 |
| Peaslee Tech. Center (2015) | Ordinance No. 9111 | IRB Issuance: Series 2015 | 5/12/2015 |
| 800 New Hampshire | Ordinance No. 9210 | IRB Issuance: Series 2016 | 4/30/2016 |
| Pioneer Ridge | Ordinance No. 9184 | IRB Issuance: Series 2016 | 2/2/2016 |
| 826 Pennsylvania Street | Ordinance No. 9316 | IRB Issuance: Series 2016 | 12/13/2016 |
| Peaslee Tech. Center (2016) | Ordinance No. 9321 | IRB Issuance: Series 2016 | 12/13/2016 |

| 2016 Active NRAs | | | |
|--------------------------|------------------------------------|---|------------|
| Document | Description | Dated | |
| 8th & Pennsylvania | Ordinance No. 8093 | Plan | 4/3/2007 |
| | Agreement | Tax Rebate Agreement for 720 E 9th Street | 4/17/2012 |
| 1040 Vermont Street | Ordinance No. 8625 | Plan | 4/12/2011 |
| | Agreement | Performance Agreement | 11/1/2011 |
| 810/812 Pennsylvania | Ordinance No. 8753 | Plan | 7/3/2012 |
| 1106 Rhode Island Street | Ordinance No. 9022 | Plan | 8/5/2014 |
| | Agreement | Performance Agreement | 10/21/2014 |
| 1101/1115 Indiana Street | Ordinance 9021 | Plan | 8/5/2014 |
| | Agreement | Performance Agreement | 8/12/2014 |
| 900 Delaware Street | Ordinance No. 9040 | Plan | 10/21/2014 |
| | Agreement | Performance Agreement | 10/21/2014 |
| 826 Pennsylvania Street | Ordinance No. 9304 | Plan & Agreement | 11/15/2016 |



Regulating Documents

| 2016 TIFs | | | |
|---------------------------|---|-------------------------------------|------------|
| | Document | Description | Dated |
| Downtown 2000 | Ordinance No. 7127 | District Established | 8/3/1999 |
| | Ordinance No. 7207 & Plan | Redevelopment Plan | 4/25/2000 |
| | Agreement | Construction Agreement | 9/18/2000 |
| The Oread | Ordinance No. 8234 | District Established | 2/19/2008 |
| | Ordinance 8253 | Redevelopment Plan | 4/8/2008 |
| | Agreement | Redevelopment Agreement | 4/8/2008 |
| 9th & New Hampshire TIF | Ordinance 8768 | District Established | 8/7/2012 |
| 900 New Hampshire (South) | Ordinance 8865 | So Project: Redevelopment Plan | 5/21/2013 |
| | South Agreement | So Project: Redevelopment Agreement | 11/30/2012 |
| 888 New Hampshire (North) | Ordinance 8971 | No Project: Redevelopment Plan | 4/15/2014 |
| | North Agreement | No Project: Redevelopment Agreement | 4/15/2014 |

| 2016 TDDs | | | |
|-------------------------|------------------------------------|-----------------------|------------|
| | Document | Description | Dated |
| The Oread | Ordinance No. 8254 | District Established | 4/8/2008 |
| Free-State (Bauer Farm) | Ordinance No. 8339 | District Established | 10/14/2008 |
| | Agreement | Development Agreement | 10/14/2008 |
| 9th & New Hampshire TDD | Ordinance 8979 | District Established | 4/15/2014 |

B

Historical Assistance & Investment

The below table is a summary of distribution totals (as of the December 31, 2016) for currently active, pay-as-you-go (PAYGO) ¹ economic development programs.

| Summary: Distributions by Year | | | | | | |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|--------------------|
| Incentive Program | 2011 Tax Year | 2012 Tax Year | 2013 Tax Year | 2014 Tax Year | 2015 Tax Year | 2016 Tax Year |
| Tax Abatement | \$66,248 | \$184,224 | \$159,464 | \$181,318 | \$149,197 | \$147,035 |
| NRA | \$12,515 | \$11,982 | \$38,975 | \$65,090 | \$68,955 | \$110,304 |
| TIF (property and sales tax) | \$626,882 | \$515,284 | \$480,458 | \$460,457 | \$524,971 | \$788,562 |
| TDD (sales tax) | \$156,334 | \$196,516 | \$182,282 | \$182,177 | \$231,312 | \$278,695 |
| Total | \$861,979 | \$908,006 | \$861,179 | \$889,042 | \$974,434 | \$1,324,596 |

Source: City of Lawrence, Kansas

Reimbursements Less TDD **\$705,644** **\$711,490** **\$678,896** **\$706,865** **\$743,122** **\$1,045,901**

¹ PAYGO programs require the property developer/owner to front expenses for project improvements. Once the project is completed and begins to generate new tax revenues, a portion of project-generated tax revenues is reimbursed back over a specified period of time, to the developer/owner to help offset the costs of improvements.

Certain PAYGO programs have restrictions on the type of improvement expenses that are eligible for reimbursement. For example, the TDD program only allows reimbursements to be made on a project's transportation related improvements. (e.g. TDD eligible improvements can be related to a bridge, street, road, highway access road, interchange, intersection, signing, signalization, parking lot, bus stop, station, garage, terminal, hangar, shelter, rest area, dock, wharf, lake or river port, airport, railroad, light rail or other mass transit facility, streetscape or any other transportation related project or infrastructure including, utility relocation; sanitary and storm sewers and lift stations; drainage conduits, channels and levees; street light fixtures, connection and facilities; underground gas, water, heating and electrical services and connections located within or without the public right-of-way; sidewalks and pedestrian underpasses or overpasses; and water main and extensions.)

B

Historical Assistance & Investment

Data by year is further broken down by project and economic development program, as shown below:

| Distributions ² by Year and ED Program | | | | | | | | |
|---|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|
| | Tax Year | | | | | | | |
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Tax Abatements | | | | | | | | |
| Amarr: Personal Property | n/a | \$31,880 | \$28,686 | \$27,525 | \$27,876 | \$27,876 | \$28,593 | \$26,450 |
| Prosoco: Real Property | \$35,146 | \$36,139 | \$36,630 | \$36,482 | \$36,966 | \$36,949 | expired | expired |
| Prosoco: Personal Property | \$1,265 | \$919 | \$932 | \$928 | \$940 | \$940 | expired | expired |
| Grandstand | n/a | n/a | n/a | \$119,289 | \$93,682 | \$96,081 | \$99,422 | \$99,407 |
| Sunlite | n/a | n/a | n/a | n/a | n/a | \$19,472 | \$21,182 | \$21,178 |
| Tax Abated Subtotal | \$36,411 | \$68,938 | \$66,248 | \$184,224 | \$159,464 | \$181,318 | \$149,197 | \$147,035 |
| Neighborhood Revitalization Areas | | | | | | | | |
| 720 E 9th Street (NRA Tax Yr 1 = 2011) | n/a | n/a | \$12,515 | \$11,982 | \$12,162 | \$12,282 | \$13,617 | \$13,537 |
| 1040 Vermont Street (NRA Tax Yr 1 = 2013) | n/a | n/a | n/a | n/a | \$26,993 | \$27,438 | \$29,718 | \$29,568 |
| 810/812 Pennsylvania Street (NRA Tax Yr 1 = 2014) | n/a | n/a | n/a | n/a | n/a | \$25,370 | \$25,620 | \$26,286 |
| 1106 Rhode Island Street (NRA Tax Yr 1 = 2016) | n/a | n/a | n/a | n/a | n/a | n/a | n/a | \$11,037 |
| 1101/1115 Indiana Street (NRA Tax Yr 1 = 2017) | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 900 Delaware Street (NRA Yr 1 = 2016) | n/a | n/a | n/a | n/a | n/a | n/a | n/a | \$29,876 |
| NRA Subtotal | | | \$12,515 | \$11,982 | \$39,155 | \$65,090 | \$68,955 | \$110,304 |

Continued

² Reimbursements are based on when distributions are received from the County and State and do not reflect when revenues were generated.

Historical Assistance & Investment

| Distributions by Year and ED Program (cont.) | | | | | | | | |
|---|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | Tax Year | | | | | | | |
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Tax Increment Financing | | | | | | | | |
| 901 New Hampshire Street (Downtown 2000 District) ³ | n/a | n/a | n/a | \$28,085 | \$28,085 | \$28,085 | \$28,085 | \$28,085 |
| The Oread TIF ⁴ | | | | | | | | |
| TIF Sales Tax | \$3,113 | \$152,978 | \$200,603 | \$264,453 | \$211,542 | \$181,813 | \$181,009 | \$63,493 |
| TIF Property Tax | n/a | n/a | \$426,278 | \$222,746 | \$240,830 | \$250,558 | \$270,490 | \$283,002 |
| 900 New Hampshire TIF (South Project) ⁵ | | | | | | | | |
| TIF Sales Tax | n/a | n/a | n/a | n/a | n/a | n/a | \$50,786 | \$116,652 |
| TIF Property Tax | | | | | | | \$22,685 | \$297,330 |
| 888 New Hampshire TIF (North Project) | | | | | | | | |
| TIF Sales Tax (under construction in 2016) | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| TIF Property Tax (under construction in 2016) | | | | | | | | |
| TIF Subtotal | \$3,113 | \$152,978 | \$626,882 | \$515,284 | \$480,458 | \$460,457 | \$524,971 | \$788,562 |

Source: City of Lawrence, Kansas

Continued

³ The Downtown 2000 TIF does not pay out to private entities except for a ~\$28,085/year reimbursement that was authorized via agreement. This amount is captured in the above table under 901 New Hampshire Street.

⁴ For 2015 & 2016, not all distributions collected had been reimbursed due to a contractual dispute.

⁵ Represents reimbursement amount to property owner. Total 900 New Hampshire TIF revenues generated in 2016 from sales and property taxes was \$485,205. The City retains 5% for the Arts Common project, up to \$900,000.

B

Historical Assistance & Investment

Distributions by Year and ED Program (cont.)

| | Tax Year | | | | | | | |
|--|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Transportation Development District | | | | | | | | |
| Oread: TDD Sales Tax, State Distributions to City ⁶ | \$1,609 | \$79,087 | \$103,774 | \$136,867 | \$109,474 | \$94,024 | \$93,559 | \$32,831 |
| Bauer Farms: TDD Sales Tax (Revenue Generation started in 2009) | \$9,472 | \$19,457 | \$52,561 | \$59,650 | \$72,809 | \$88,152 | \$137,753 | \$245,863 |
| 9th & New Hampshire TDD | | | | | | | | |
| 900 New Hampshire (South Project) ⁷ | n/a | n/a | n/a | n/a | n/a | n/a | \$0 | \$0 |
| 888 New Hampshire (North Project, under construction in 2016) | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| TDD Subtotal | \$11,082 | \$98,545 | \$156,334 | \$196,516 | \$182,282 | \$182,177 | \$231,312 | \$278,695 |
| Total | \$50,606 | \$320,461 | \$861,979 | \$908,006 | \$861,359 | \$889,042 | \$974,434 | \$1,324,596 |

Source: City of Lawrence, Kansas

⁶ For 2015 & 2016, not all distributions collected had been reimbursed due to a contractual dispute.

⁷ The City retains the first \$850,000 of TDD Revenue as contribution toward the City parking garage at 10th & New Hampshire. As of December 31, 2016, the City has retained the entire amount of distributed TDD tax revenue (2015 = \$21,622; 2016 = \$49,434; Total to Date = \$71,056).

NRA Property Taxes

Five (5) companies received NRA rebates in 2016 (720 E 9th Street, 1040 Vermont Street, 810/812 Pennsylvania Street/Cider Building, 900 Delaware Street, 9 Del Lofts, and 1106 Rhode Island Street), generating an average of 18.6 % more real property tax revenues as compared to property tax revenues that would have been realized if the properties were left in original condition. Overall (for all years in which a NRA rebate was given), the five NRA revitalized properties generated an average of 12.8% more real property tax revenues as compared to property tax revenues that would have been realized if the properties were left in original condition.

Once the NRA expires, revenues realized by the taxing jurisdictions will be substantially greater than if the property had not been redeveloped. At that time, the incremental value resulting from NRA improvements will be fully on the tax rolls.

| All NRAs: 2016 Property Taxes | | | | |
|-------------------------------|--------------------------------|------------------|-----------------|-----------------------------|
| NRA | Tax Revenues After Development | | | Tax Revenues No Development |
| | Total Taxes Paid | NRA Rebate | Retained Tax | Base Tax |
| 720 E 9th St | \$27,599 | \$13,547 | \$14,052 | \$12,949 |
| 1040 Vermont St | \$59,316 | \$29,568 | \$29,748 | \$27,514 |
| 810/812 Pennsylvania St | \$32,009 | \$26,286 | \$5,723 | \$3,870 |
| 900 Delaware St | \$32,755 | \$29,876 | \$2,879 | \$1,171 |
| 1106 Rhode Island St | \$13,957 | \$11,037 | \$2,920 | \$1,160 |
| Total | \$165,636 | \$110,315 | \$55,321 | \$46,664 |

2016

| Tax Revenue Comparison: All NRAs | | |
|----------------------------------|----------|---------------|
| Base | Retained | % Gain (Loss) |
| \$46,664 | \$55,321 | 18.6% |

Unimproved
Property

Improved
Property

Return

B

Historical Assistance & Investment

All NRAs: To-Date Property Taxes

| NRA | Tax Revenues After Development | | | Tax Revenues No Development |
|-------------------------|--------------------------------|------------------|------------------|-----------------------------|
| | Total Taxes Paid | NRA Rebate | Retained Tax | Base Tax |
| 720 E 9th St | \$158,368 | \$76,104 | \$82,263 | \$75,967 |
| 1040 Vermont St | \$231,142 | \$112,974 | \$118,169 | \$108,846 |
| 810/812 Pennsylvania St | \$95,155 | \$77,276 | \$17,879 | \$11,574 |
| 900 Delaware St | \$32,755 | \$29,876 | \$2,879 | \$1,171 |
| 1106 Rhode Island St | \$13,957 | \$11,037 | \$2,920 | \$1,160 |
| Total | \$531,377 | \$307,268 | \$224,110 | \$198,718 |

Tax Revenue Comparison: All NRAs

| | Base | Retained | % Gain (Loss) |
|---------|-----------|-----------|---------------|
| To Date | \$198,718 | \$224,110 | 12.8% |

Unimproved
Property

Improved
Property

Return

NRA Tax Revenues by Project:

720 E 9th Street NRA

NRA
Year

6

5

4

3

2

1

| | Tax Revenues After Development | | | Tax Revenues No Development |
|---|--------------------------------|-----------------|-----------------|-----------------------------|
| | Total Taxes Paid | NRA Rebate | Retained Tax | Base Tax |
| 6 | \$27,599 | \$13,547 | \$14,052 | \$12,949 |
| 5 | \$27,675 | \$13,617 | \$14,059 | \$12,951 |
| 4 | \$26,171 | \$12,282 | \$13,889 | \$12,832 |
| 3 | \$25,673 | \$12,162 | \$13,511 | \$12,506 |
| 2 | \$25,314 | \$11,982 | \$13,333 | \$12,339 |
| 1 | \$25,936 | \$12,515 | \$13,421 | \$12,390 |
| | \$158,368 | \$76,104 | \$82,263 | \$75,967 |

Tax Revenue Comparison: 720 E 9th

| | Base | Retained | % Gain (Loss) |
|---------|----------|----------|---------------|
| 2016 | \$12,949 | \$14,052 | 8.5% |
| To Date | \$75,967 | \$82,263 | 8.3% |

Unimproved
Property

Improved
Property

Return

B

Historical Assistance & Investment

NRA
Year

4

3

2

1

1040 Vermont Street NRA

| Tax Revenues After Development | | | Tax Revenues No Development |
|--------------------------------|------------------|------------------|-----------------------------|
| Total Taxes Paid | NRA Rebate | Retained Tax | Base Tax |
| \$59,316 | \$29,568 | \$29,748 | \$27,514 |
| \$59,480 | \$29,718 | \$29,762 | \$27,519 |
| \$56,789 | \$27,438 | \$29,351 | \$27,252 |
| \$55,557 | \$26,250 | \$29,308 | \$26,561 |
| \$231,142 | \$112,974 | \$118,169 | \$108,846 |

Tax Revenue Comparison: 1040 Vermont

| | Base | Retained | % Gain (Loss) |
|---------|------------------|------------------|---------------|
| 2016 | \$27,514 | \$29,748 | 8.1% |
| To Date | \$108,846 | \$118,169 | 8.6% |

Unimproved
Property

Improved
Property

Return

NRA
Year

3

2

1

810/812 Pennsylvania Street NRA

| Tax Revenues After Development | | | Tax Revenues No Development |
|--------------------------------|-----------------|-----------------|-----------------------------|
| Total Taxes Paid | NRA Rebate | Retained Tax | Base Tax |
| \$32,009 | \$26,286 | \$5,723 | \$3,870 |
| \$32,100 | \$25,620 | \$6,480 | \$3,871 |
| \$31,046 | \$25,370 | \$5,676 | \$3,833 |
| \$95,155 | \$77,276 | \$17,879 | \$11,574 |

Tax Revenue Comparison: 810/812 Penn

| | Base | Retained | % Gain (Loss) |
|---------|-----------------|-----------------|---------------|
| 2016 | \$3,870 | \$5,723 | 47.9% |
| To Date | \$11,574 | \$17,879 | 54.5% |

Unimproved
Property

Improved
Property

Return

B

Historical Assistance & Investment

NRA
Year

1

| 900 Delaware NRA | | | |
|--------------------------------|------------|--------------|-----------------------------|
| Tax Revenues After Development | | | Tax Revenues No Development |
| Total Taxes Paid | NRA Rebate | Retained Tax | Base Tax |
| \$32,755 | \$29,876 | \$2,879 | \$1,171 |
| \$32,755 | \$29,876 | \$2,879 | \$1,171 |

| Tax Revenue Comparison: 900 Delaware | | |
|--------------------------------------|-------------------|---------------|
| Base | Retained | % Gain (Loss) |
| 2016 \$1,171 | \$2,879 | 145.8% |
| To Date \$1,171 | \$2,879 | 145.8% |
| Unimproved Property | Improved Property | Return |

NRA
Year

1

| 1106 Rhode Island St. NRA | | | |
|--------------------------------|------------|--------------|-----------------------------|
| Tax Revenues After Development | | | Tax Revenues No Development |
| Total Taxes Paid | NRA Rebate | Retained Tax | Base Tax |
| \$13,957 | \$11,037 | \$2,920 | \$1,160 |
| \$13,957 | \$11,037 | \$2,920 | \$1,160 |

| Tax Revenue Comparison: 1106 Rhode Island | | |
|---|-------------------|---------------|
| Base | Retained | % Gain (Loss) |
| 2016 \$1,160 | \$2,920 | 151.8% |
| To Date \$1,160 | \$2,920 | 151.8% |
| Unimproved Property | Improved Property | Return |

Historical Assistance & Investment

9th & New Hampshire South TIF and TDD Reimbursement Splits

| | 900 New Hampshire District (South Project) | | | | | | | | | |
|---------------|--|---------------|------------------|-----------|-----------------|---------------|------------------|------------------|---------------|------------------|
| | Total Revenue | | | | Revenue to City | | | Revenue to Owner | | |
| | TDD Sales Tax | TIF Sales Tax | TIF Property Tax | Total | TDD Sales Tax | TIF Sales Tax | TIF Property Tax | TDD Sales Tax | TIF Sales Tax | TIF Property Tax |
| 2015 | \$21,622 | \$53,459 | \$23,879 | \$98,961 | \$21,622 | \$2,673 | \$1,194 | \$0 | \$50,786 | \$22,685 |
| 2016 | \$49,434 | \$122,791 | \$312,979 | \$485,205 | \$49,434 | \$6,140 | \$15,649 | \$0 | \$116,652 | \$297,330 |
| Total to Date | \$71,056 | \$176,250 | \$336,858 | \$584,166 | \$71,056 | \$8,813 | \$16,843 | \$0 | \$167,438 | \$320,015 |

Total TDD sales tax distributed within the district was \$49,434 in 2016 (\$71,056 to-date).

As per the South Area development agreement, the first \$850,000 of district TDD revenues will go toward paying back bonds for the 10th & New Hampshire parking garage. For 2016, the City received \$49,434 in TDD revenue and the owner received no TDD reimbursements.

Total TIF sales tax revenue distributed was \$122,291 (\$176,250 to-date) and total TIF property tax distributed was \$312,979 (\$336,859 to-date) in 2016. As per the South Area development agreement, the City retains five percent (5%) of the TIF revenue, up to \$900,000, to go toward a City “Arts Common” project.⁸ The property owner gets ninety-five percent (95%) of the TIF revenue (to reimburse TIF project costs), which amounted to \$116,652 in TIF sales tax (\$167,438 to-date) and \$297,330 in TIF property tax (\$320,015 to-date) in 2016.

⁸ As per the South Area Development Agreement, if “Art Common” project does not proceed within 60 months of the date of the filing of the Certificate of Substantial Completion, 5% TIF revenues will go toward reimbursement of the property owner’s TIF project expenses. (Certificate filed December 31, 2014. City “Arts Common” project must proceed by December 31, 2019 for City to retain the 5% TIF revenues.)

Tax Abatement Amounts

Three (3) Lawrence companies had active tax abatements in 2016: Amarr Garage Doors, Grandstand Sportswear and Glassware (Screen-It Graphics), and Sunlite Science & Technology. Since none of the three companies received a one hundred percent (100%) tax abatement, all of the abated property are currently generating some level of property taxes.⁹

| 2016 Tax Generation (on portion of property receiving an abatement) | | | | |
|--|----------------------------|--------------------------|--------------------------------------|---|
| Company & Abatement % | Total Tax Potential | Abated Tax Amount | State Exemption ¹⁰ | Taxes Paid (or to be paid) by Property Owner |
| Amarr Garage Doors, Inc. | | | | |
| Personal (55%) ¹¹ | \$146,666 | \$26,450 | \$83 | \$120,134 |
| Grandstand/Screen-It Graphics | | | | |
| Real (65%) | \$152,933 | \$99,407 | n/a | \$53,526 |
| Sunlite Science & Technology | | | | |
| Real (50%) | \$42,356 | \$21,178 | n/a | \$21,178 |
| Total | \$341,955 | \$147,035 | \$83 | \$194,837 |

Source: Douglas County

⁹ The amounts shown for real property values are only for the portion of real property that received the abatement and may not reflect values for the entire parcel.

¹⁰ The state granted an additional exemption for personal property items listed that are valued for \$1,500 or less. This is not a part of the EDX exemption. The amount shown under "Abated Tax Amount" for Amarr Garage Door reflects the abated taxes attributable to the EDX. The amount under "Taxes Paid..." reflects the actual tax bill.

¹¹ Personal property amount may not reflect the percentage of abatement, as some personal property is not included in the exemption. The State of Kansas exempted commercial personal property purchased July 1, 2006 and after from taxation. However, personal property purchased prior to that date is still taxed at a depreciated rate. Each company is required to submit an annual claim for a personal property tax abatement, listing out the equipment, value and date purchased. The County then determines the amount of personal property exempted and taxes due.



Historical Assistance & Investment

The following table shows amounts abated by year.

| Tax Abatements by Year (2005-2016) | | | | | | | | | | | | | |
|------------------------------------|-----------------------------|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|
| Company | Abatement Start - Ord/Res # | Abated Tax Amounts | | | | | | | | | | | |
| | | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Amarr (55% Personal) | 2010/O-8497 | -- | -- | -- | -- | -- | \$31,880 | \$28,686 | \$27,525 | \$27,876 | \$27,876 | \$28,593 | \$26,450 |
| Grandstand (65% Real) | 2012/R-6948 | -- | -- | -- | -- | -- | -- | -- | \$119,289 | \$93,682 | \$96,081 | \$99,422 | \$99,407 |
| Sunlite (50% Real) | 2014/R-7042 | -- | -- | -- | -- | -- | -- | -- | -- | -- | \$19,472 | \$21,182 | \$21,178 |
| Prosoco (55% Real) | 2005/O-7882 | \$31,386 | \$32,951 | \$33,048 | \$33,755 | \$33,881 | \$35,220 | \$35,698 | \$35,554 | \$36,026 | \$36,949 | Expired 2014 | Expired 2014 |
| Prosoco (55% Personal) | 2005/O-7882 | \$3,510 | \$3,070 | \$2,463 | \$1,890 | \$1,265 | \$919 | \$932 | \$928 | \$940 | \$940 | Expired 2014 | Expired 2014 |
| Total | | \$34,896 | \$36,021 | \$35,511 | \$35,645 | \$35,146 | \$68,019 | \$65,316 | \$183,296 | \$158,524 | \$181,318 | \$149,197 | \$147,035 |

Cumulative Total (End of 2016)

\$198,886

\$507,881

\$61,832

\$344,468

\$16,857

\$1,129,924

Note: Above does not include personal property that became exempt by State in 2006.

B

Historical Assistance & Investment

Private-Public Investment

The below table presents the amount of private and public investment made for the projects currently participating in the City's pay-as-you-go (PAYGO) economic development programs. It should be noted that private capital investment represents direct investments and does not include employment or income multiplier effects on the community. Additionally, these are active programs and do not cover projects with expired incentives.

| Active Projects: Pay-As-You-Go Private Capital Investment | | | | Public Investment (Major ED Programs) ¹² |
|---|---|-----------------------------|--|--|
| Active Projects | Private Capital Investment (as of 12-2016) | Incentive Duration in Years | 2016 Annual Private Capital Investment | 2016 |
| Tax Abatements* | | | | |
| Amarr (Tax Abatement, 2005-2013) | \$9,700,000 | 10 | \$970,000 | \$26,450 |
| Grandstand (Tax Abatement, 2011-2013) ¹³ | \$9,183,997 | 10 | \$918,400 | \$99,407 |
| Sunlite (Tax Abatement, 2014-2023) ¹⁴ | \$1,158,155 | 10 | \$115,816 | \$21,178 |

* Public investment is represented by tax abatement value.

Continued

¹² Assistance information for other programs is covered in other sections of the report. IRB sales tax exemption on project construction materials are part of a state-exemption program and tracked by the state. The state monitors compliance with this exemption, which is dependent on construction schedules.

¹³ Private capital investment per Grandstand's 2016 tax abatement questionnaire.

¹⁴ Private capital investment per Sunlite's 2016 tax abatement questionnaire. Public investment is represented by the tax abatement value.

Historical Assistance & Investment

| Active Pay-As-You-Go Projects: Private Capital Investment (cont.) | | | | Public Investment (Major ED Programs) |
|---|---|-----------------------------------|---|--|
| Active Projects | Private Capital Investment (as of 12-2016) | Incentive Duration in Years | 2016 Annual Private Capital Investment | 2016 |
| NRA* | | | | |
| 720 E 9th Street ¹⁵ | \$1,700,000 | 20 | \$85,000 | \$13,537 |
| 1040 Vermont Street ¹⁶ | \$2,150,000 | 10 | \$215,000 | \$29,568 |
| 810/812 Pennsylvania Street ¹⁷ | \$1,480,000 | 10 | \$148,000 | \$26,286 |
| 1106 Rhode Island Street ¹⁸ | \$896,585 | 10 | \$89,659 | \$11,037 |
| 900 Delaware Street ¹⁹ | \$7,200,000 | 15 | \$480,000 | \$29,876 |
| TIF** | | | | |
| The Oread (TIF) ²⁰ | | | | |
| TIF Sales Tax | \$8,941,754 | 20 | \$447,088 | \$63,493 |
| TIF Property Tax | | | | \$283,002 |
| 901 New Hampshire Street (Downtown 2000) ²¹ | \$11,472,000 | 20 | \$573,600 | \$28,085 |
| 900 New Hampshire (South Project) ²² | | | | |
| TIF Sales Tax | 8,625,000 | 20 | \$431,250 | \$116,652 |
| TIF Property Tax | | | | \$297,330 |

* Public investment is represented by NRA rebate value.

** Public investment is represented by TIF reimbursement value.

¹⁵ Private capital investment per developer.

¹⁶ Private capital investment per 2-23-11 CBA.

¹⁷ Private capital investment per Cider incentive application dated 6-8-12.

¹⁸ Private capital investment per 1106 Rhode Island Street incentive application dated 5-30-2014.

¹⁹ Private capital investment per 9 Del Lofts incentive application dated 8-19-2014.

²⁰ OREAD original permit valuation for the construction of the hotel was \$17,883,508 (value split equally between TIF and TIDD) (per Planning/Dev Services Department 1-28-15). Actual capital investment amounts are expected to be higher. For 2015 & 2016, not all distributions collected had been reimbursed due to a contractual dispute.

²¹ Private capital investment per Developer.

²² Private capital investment per Developer's PEC form (\$17,250,000) split evenly between TIF and TDD (\$8,625,000 each). City retains 5% of TIF Revenue as contribution toward a City "Arts Common" project.

B

Historical Assistance & Investment

| Active Pay-As-You-Go Projects: Private Capital Investment (cont.) | | | | Public Investment (Major ED Programs) |
|---|---|-----------------------------------|---|--|
| Active Projects | Private Capital Investment (as of 12- 2016) | Incentive Duration in Years | 2016 Annual Private Capital Investment | 2016 |
| TDD* | | | | |
| Oread: TDD Sales Tax ²³ | \$8,941,754 | 22 | \$406,443 | \$32,831 |
| Bauer Farms | \$20,800,000 | 22 | \$945,455 | \$245,863 |
| 900 New Hampshire (South Project) ²⁴ | 8,625,000 | 22 | \$392,045 | \$0 |
| Total | \$100,874,245 | | \$6,217,755 | \$1,324,596 |

* Public investment is represented by project-generated TDD revenues.

In 2016, for every \$1 in public sector assistance provided for these programs, approximately \$4.69 in private sector capital investment was realized.

| 2016 Public Return on Private Capital Investment (by Year) | |
|---|---------------|
| Public Assistance: | \$1,324,596 |
| Private Investment: | \$6,217,755 |
| Private Investment for each Dollar of Public Assistance: | \$4.69 |

²³ OREAD original permit valuation for the construction of the hotel was \$17,883,508 (value split equally between TIF and TIDD) (per Planning/Dev Services Department 1-28-15). Actual capital investment amounts are expected to be higher. For 2015 & 2016, not all distributions collected had been reimbursed due to a contractual dispute.

²⁴ Private capital investment per Developer's PEC form (\$17,250,000) split evenly between TIF and TDD (\$8,625,000 each). City retains first \$850,000 of TDD Revenue as contribution toward City parking garage at 10th & New Hampshire.



Historical Assistance & Investment

New/Future Investments

All of the below projects were under construction, had not commenced construction by the end of the year, or were not yet eligible for incentives payment. Therefore, no public reimbursements were made on these projects.

| Future Projects: Private Capital Investment | | | | Public Investment (Major ED Programs) |
|--|---------------------------------------|-----------------------------------|---|--|
| Active Projects | Private Investment (as of 12-2016) | Incentive Duration in Years | 2016 Annual Private Capital Investment | 2016 |
| TIF & TDD ²⁵ | | | | |
| 888 New Hampshire TIF (North Project) | \$11,500,000 | 20 | \$575,000 | n/a |
| 888 New Hampshire TDD (North Project) | \$11,500,000 | 22 | \$522,727 | n/a |
| NRA | | | | |
| 1101/1115 Indiana Street (NRA) ²⁶ | \$76,000,000 | 10 | \$7,600,000 | n/a |
| 826 Pennsylvania Street NRA ²⁷ | \$3,200,000 | 10 | \$320,000 | n/a |

²⁵ Capital investment is per IRB Ord. No. 9093 (\$23,000,000 total, split evenly between TIF and TDD).

²⁶ Capital Investment is per IRB Ord. No. 9053.

²⁷ Capital Investment is per IRB Ord. No. 9316. Project under construction in 2016. NRA rebate starts with the first full tax year after project completion.

B

Historical Assistance & Investment

Direct-Support Programs

The below shows the projects and programs that received assistance in 2016 to directly support economic development programs, services, and projects.

| 2016 Other Support Programs | | |
|-------------------------------|---------------------------------------|----------------------------------|
| Support Program | Description | Location |
| Economic Development Services | BTBC | 2029 Becker & 4950 Research Pkwy |
| Economic Development Services | EDC/Chamber and KU-SBDC | 718 New Hampshire |
| Shared Infrastructure | Rock Chalk Park | 6100 Rock Chalk Drive |
| Development Grant | 1106 Rhode Island Street Improvements | 1106 Rhode Island Street |
| Relocation Assistance | Integrated Animal Health | 2029 Becker Drive |
| Workforce Training | Peaslee Technical Training Center | 2920 Haskell Avenue |
| Affordable Housing | Cedarwood Sr. Cottages | 2575 Cedarwood Avenue |



Historical Assistance & Investment

IRB Sales Tax Exemption Savings

Estimated sales tax exemption savings for IRB projects completed in 2016 was \$1,164,140.

Of that total, the City contributed approximately \$275,086, the County contributed approximately \$46,779, and the State contributed approximately \$842,275. Note sales tax exemption savings are realized throughout project construction. ²⁸

| Stand-Alone IRB: Sales Tax Exemption Values (est.) | | | | | | | |
|--|----------------------|---------------------------------|------------------|---------------------------------|-----------------|------------------|--------------------|
| Project | Estimated Completion | Materials Expense ²⁹ | 1.55% City | Countywide 1% (July 2016 Rates) | | 6.5% State | Total Est Amount |
| | | | | 0.00572895 | 0.00361 | | |
| | | | | City Portion | County Portion | | |
| 1101/1115 Indiana Street | 2017 | \$27,616,342 | \$428,053 | \$158,213 | \$99,695 | \$1,795,062 | \$2,481,023 |
| 900 New Hampshire (South Project) | 2015 | \$6,755,030 | \$104,703 | \$38,699 | \$24,386 | \$439,077 | \$606,865 |
| 888 New Hampshire (North Project) | 2016 | \$12,958,077 | \$200,850 | \$74,236 | \$46,779 | \$842,275 | \$1,164,140 |
| Peaslee Tech-2015 | 2015 | \$3,200,000 | \$49,600 | \$18,333 | \$11,552 | \$208,000 | \$287,485 |
| Peaslee Tech-2016 | 2017 | \$1,000,000 | \$15,500 | \$5,729 | \$3,610 | \$65,000 | \$89,839 |
| 800 New Hampshire | 2017 | \$3,498,982 | \$54,234 | \$20,045 | \$12,631 | \$227,434 | \$314,345 |
| Pioneer Ridge | 2017 | \$5,416,977 | \$83,963 | \$31,034 | \$19,555 | \$352,104 | \$486,656 |
| 826 Pennsylvania Street | 2018 | \$2,053,090 | \$31,823 | \$11,762 | \$7,412 | \$133,451 | \$184,447 |
| Projects Completed in 2016 | | | \$200,850 | \$74,236 | \$46,779 | \$842,275 | \$1,164,140 |
| City Total 2016 | | | | | | | \$275,086 |

²⁸ IRB sales tax exemption on new construction materials (& labor for remodeling projects) is part of a state-exemption program and tracked by the state. The state monitors compliance with this exemption, which is dependent on construction schedules.

²⁹ Materials expense is estimated at 50% of total project construction costs for new construction projects. The amount for the Peaslee Tech project reflects an estimated sales tax exemption on both labor and construction materials since it was a remodeling project. Project construction cost estimates provided by applicant/property owner.

Matured or Non-Initiated Projects

Matured or Non-Initiated Property Tax Abatements

| Tax Abatement Projects | | | |
|-----------------------------|--|----------------------|---|
| Tax Abatement | Description | Location | Status |
| Menards ¹ | 50% on real property | Lawrence VenturePark | Approved 2016. Project currently on hold. |
| PROSOCO | 55% on personal and real property | 3741 Greenway circle | Matured end of 2014 |
| Allen Press | 50% on personal and real property | 810 E 10th Street | Matured End of 2011 |
| Reuter Organ | 50% on personal and real property | 1220 Timberidge Road | Matured End of 2011 |
| DST Systems | 100% existing personal property 50% new personal and | 2000 Bluffs Drive | Matured End of 2011 |
| Berry Plastics ² | 90% real property | | Approved 2006. Did not proceed. |
| API Foils ³ | 55% real property | | Approved 2008. Did not proceed. |

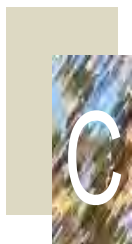
¹ To assist Menards, a nationally known home-improvement retailer, in developing a manufacturing campus with multiple production facilities on a little over 90 acres at Lawrence VenturePark, the City authorized an assistance package in 2016 valued at a little over \$2.29 million. The package included a 10-year, 50% property tax abatement (\$1,256,270 est. value); City (\$549,350) and County (\$200,000) grants to assist with defraying partial special assessment expenses, and the former Farmland Industries bulk warehouse building located on the parcel site (appraised at \$285,963).

In exchange, Menards proposed a cash transaction to purchase the land at market value and pay the total of 10 years of special assessments at the time of purchase. Anticipated capital investment for real property improvements was valued at over \$15 million (including land and building), with an estimated 100 new, full-time, permanent positions to be created.

Due to national political concerns, Menards paused the VenturePark campus, along with several other projects located throughout the U.S. As of the end of 2016, the project had not yet proceeded.

² In 2006, the City approved a ninety percent (90%) real property tax abatement for Berry Plastics for a three stage expansion at their existing plant. At this stage, two of the three phases have been completed, but there has been no material change to Berry's real property value. Berry has therefore elected not to initiate this abatement yet.

³ The City Commission approved a fifty-five percent (55%) real property tax abatement for API Foils in 2008. API Foils has not yet begun construction on this project.



Matured or Non-Initiated Projects

Matured or Non-Initiated IRBs

| IRB Projects | | | |
|---|--|--------------------------|------------------------------|
| IRB | Description | Location | Status |
| DST Systems, Inc: Series 2001 | Acquisition & Renovation of Existing Office Building | 2000 Bluffs Drive | Matured |
| Neuvant House II* | Specialty Healthcare Facility | 1216 Biltmore Drive | Matured |
| 9th & New Hampshire LLC: Series 2012 (South Project)* | Mixed Use Hotel (South Project) | 900 New Hampshire Street | Matured |
| PROSOCO, Inc: Series 1998A (\$5,800,000) & Series 1998B (\$2,240,000) | Manufacturing Facility | 3461 Greenway Circle | Matured |
| 705 Massachusetts Street* | Eldridge Hotel Expansion | 705 Massachusetts Street | Terminated by Applicant 2016 |

* = Stand-alone IRB used for a sales tax exemption on construction materials.

Matured or Non-Initiated NRAs

| NRA Projects | | | |
|-------------------------------|------------------------------|---------------------------|---|
| NRA | Description | Location | Status |
| 705 Massachusetts Street NRA | Eldridge Hotel Expansion | 705 Massachusetts Street | Terminated by Applicant 2016 |
| 1001 Massachusetts Street NRA | Masonic Temple Redevelopment | 1001 Massachusetts Street | Authorized in 2011. Did not proceed due to change in use. |

Matured or Non-Initiated Projects

Other Assistance: Matured, Terminated, or Non-Initiated

To assist Menards, a nationally known home-improvement retailer, in developing a manufacturing campus with multiple production facilities on a little over 90 acres at Lawrence VenturePark, the City authorized an assistance package in 2016 valued at a little over \$2.29 million. The package included a 10-year, 50% property tax abatement (\$1,256,270 est. value); City (\$549,350) and County (\$200,000) grants to assist with defraying partial special assessment expenses, and the former Farmland Industries bulk warehouse building located on the parcel site (appraised at \$285,963).

| Menards Public Assistance Package | |
|---|--------------------|
| Description | Value |
| 50% Tax Abatement, 10 Years | \$1,256,270 |
| City Grant (Total grant amount to be divided by 10 and paid in equal, annual installments over 10-year abatement period.) | \$549,350 |
| County Grant (Total grant amount to be divided by 10 and paid in equal, annual installments over 10-year abatement period.) | \$200,000 |
| City Bulk Warehouse | \$285,963 |
| Total package value: | \$2,291,583 |

Matured or Non-Initiated Projects

| Other Projects | | | |
|------------------------------|--|--|--|
| Other | Description | Location | Status |
| Business Expansion | PROSOCO: Special Assessment Forgiveness ⁴ | 3700 Greenway Circle | Completed 2015 |
| Employee Training Incentives | Argenta ⁵ | 2029 Becker Drive | Terminated 2014 |
| Neighborhood Infrastructure | East Lawrence Historic Warehouse District | Associated with Poehler Building | Phase I Completed in 2012 ⁶ |
| | | Associated with Cider Art Gallery Building | Phase II Completed in 2013 ⁷ |
| | | Associated with 9 Del Lofts | Phase III Completed in 2015 ⁸ |

⁴ To fully accommodate the PROSOCO's 2015 expansion, Douglas County donated the land at Lot F within East Hills Business Park. In conjunction with the land donation, the City Commission authorized forgiveness of special assessments in the amount of \$44,937.81 on the lot.

⁵ To support their operations in Lawrence, the City of Lawrence partnered with Douglas County to provide a job creation/employee training package totaling \$10,500, to be disbursed over a four year period. In 2012, the City and County each paid \$2,750 of the total to assist with up front expenses, providing support for 2012 and 2013. The company did not certify for 2014 or 2015 and no grant was given for either year.

⁶ First Phase improvements totaled \$1,051,577 and included: Providing adequate storm water services and improvements to enhance the watershed's ability to manage storm water runoff more effectively and efficiently; Replacing a 100-year old, inadequately sized waterline with the correct capacity line, completing the loop and upgrading to current design standards; Providing Complete Street aspects (e.g. pedestrian lighting, landscaping, sidewalks, and on-street parking).

⁷ Second Phase improvements total \$695,430 (plus \$22,432 of CID Special Assessments on the City-Owned Parking Lot) and included: 9th Street reconstruction & intersection improvements; Pennsylvania Street reconstruction; 8th Street & Pennsylvania Street parking; Utility and safety improvements.

⁸ Phase Three improvements total \$270,967 and included: Relocation and connection of sanitary sewer main, water line; Public street improvement plans; 9th Street drive extension and 10' public trail installation; Burying of area utility lines.



County Programs

County Property Tax Abatement & Infrastructure Assistance

Berry Plastics, a global manufacturer and marketer of plastic packaging products, is one of the largest private employers in Lawrence with 600 employed at its manufacturing facility located at 2330 Packer Road. In 2011, the company built a 600,000 square foot distribution center just outside of Lawrence at E. 700 Road in Lecompton Township to free up space at the manufacturing facility and consolidate storage operations to one location. The distribution center supports an additional 125 employees, as well as allows the company to continue to grow employment at the local manufacturing facility.

To assist with the establishment of the new distribution center, Douglas County authorized a 10-year, ninety percent (90%) property tax abatement, industrial revenue bond (IRB) financing of up to \$21 million, and contributed \$600,000 in for infrastructure improvements. The tax abatement started with the 2013 tax year and will expire with the 2022 tax year.

D

County Programs

Douglas County E-Community

Established in 2011 in cooperation with NetWork Kansas, the Douglas County E-Community is comprised of Douglas County, Baldwin City, the City of Eudora, and the City of Lecompton.

The program aims to identify and develop resources to assist local entrepreneurs in starting or growing a business within the E-Community.

One of the resources offered by the program is a locally administered revolving loan fund used to provide gap financing to entrepreneurs within the E-Community. The first loan was made in 2012. As of 2016, the County had processed a total of eight (8) loans through the program.

Douglas County E-Community Revolving Loan Program

| Recipient | Location | Loan Year | Business Description | Loan Amount | Loan Used For | Loan Status |
|-----------------------------------|--------------|-----------|-----------------------------------|-------------|--|-------------|
| Wakarusa Brewing | Eudora | 2016 | Brewery | \$26,800 | Purchase of equipment and capital improvements | Open |
| Homestead Kitchen and Bakery, LLC | Baldwin City | 2016 | Bakery/café | \$8,000 | Purchase of equipment and capital improvements | Open |
| Indie Olive | Eudora | 2014 | Letterpress & Design Studio | \$25,000 | Fund real estate acquisition and building improvements | Open |
| Heartland Perma Column | Baldwin City | 2013 | Concrete Foundation Manufacturing | \$13,500 | Purchase forklift and flatbed trailer | Paid off |
| Aunt Netters | Lecompton | 2013 | Restaurant | \$25,000 | Renovation of building to open café | Open |
| Amanda's Dance Academy | Eudora | 2012 | Dance Studio | \$7,000 | Expansion into new location | Paid off |
| Kansas Belle Dinner Train | Baldwin City | 2012 | Dinner Train | \$25,000 | Relocation of business from Nebraska to Baldwin City. | Open |
| The Lodge of Baldwin City | Baldwin City | 2012 | RV Park | \$25,000 | Develop RV park | Open |

D

County Programs

The following resources are also offered by NetWork Kansas through the E-Community program:

- Priority access to NetWork Kansas opportunities for youth entrepreneurship, networking, funding, high-powered technical assistance for second-stage businesses, and more;
- The opportunity to attend a statewide conference to participate in peer-to-peer discussion with other E-Communities focused on developing strong entrepreneurial environments;
- Materials and support for fostering the E-Community, including marketing materials, training opportunities, leadership team guidance, and more;
- Opportunities to engage with entrepreneurship experts for consulting including Kansas Entrepreneurial Communities Initiative (KECI) representatives and the national economic gardening team.



Supplemental Information

Amarr Healthcare Benefits: (Letter dated 2-2-2017)

Amarr is a Self-Insured Company. Below is the breakdown of Medical Expenses – company vs employee.

One Medical Benefit that I have added to our cost is the Expense of having an onsite Medical Clinic available for all 3 shifts. This reduces the out of pocket expense for our team members in that they can make an appointment at the clinic for a variety of treatments at no expense to them. We provide blood draws, basic everyday treatments, and a wide array of treatments that you could get with a regular visit to a physician. This reduces the amount of time an employee has to miss work and sometimes gets employees to seek treatment where if they had to miss work – they may not.

When we add all of this together – the Company paid portion is 71% as you can see from the chart below.

Please let me know if you have further questions.

| 2016 | | |
|-------------------------|------------------|-------------|
| Claims/Fees Paid | 3,915,702 | |
| Claims Reserved for | 504,412 | |
| Onsite Health Clinic | 137,595 | |
| Net Medical Expenses | <u>4,557,709</u> | |
| | | |
| Total Employee Premiums | 1,303,164 | 29% |
| Total Company Portion | 3,254,545 | 71% Company |

Thank you

Nancy Kelley
Mfg Controller / Director of Finance
785-312-6334

Supplemental Information



February 10, 2017

Britt Crum-Cano, Economic Develop Coordinator
City of Lawrence – City Manager's Office
PO Box 708
Lawrence, Kansas 66044

RE: 2016 Annual Tax Abatement Report Questionnaire – Health Benefits Compliance Category

Dear Ms. Crum-Cano:

This letter is in response to your inquiry related to Grandstand's Employer Provided Health Care Coverage.

Grandstand's health insurance plan offers medical and dental benefits to all employees, who average thirty (30) or more hours per work week, and their dependents. Employees are eligible for health/dental insurance coverage on the first of the month following the successful completion of sixty (60) days of employment.

During the calendar year 2016, Grandstand paid 100% towards the health insurance premium for the employee only coverage.

If you have any further inquiries, please do not hesitate to contact me at 785-312-7009.

Sincerely,

A handwritten signature in black ink, appearing to read 'B. Petz'.

Brandon Petz
Chief Financial Officer

Horizon 2020, the Comprehensive Plan for Lawrence and Douglas County, identifies three broad, economic development goals: employment growth, income growth, and tax base growth. Below shows economic data for the most recently available year that addresses those goals.

Information on other economic indicators is also included at the end of this section. Note the Lawrence MSA includes all of Douglas County.

Employment Growth

| Annual Labor Force, Employment and Unemployment ¹ (Lawrence MSA) | | | | |
|--|-------------|----------|------------|-------------------|
| Period | Labor Force | Employed | Unemployed | Unemployment Rate |
| 2015 | 65,273 | 62,862 | 2,411 | 3.7% |
| 2014 | 64,740 | 62,080 | 2,660 | 4.1% |
| 2013 | 63,512 | 60,443 | 3,069 | 4.8% |
| 2012 | 63,425 | 60,164 | 3,261 | 5.1% |
| 2011 | 63,747 | 60,141 | 3,606 | 5.7% |
| 2010 | 64,379 | 60,574 | 3,805 | 5.9% |
| 2009 | 63,191 | 59,579 | 3,612 | 5.7% |
| 2008 | 61,712 | 59,114 | 2,598 | 4.2% |
| 2007 | 62,110 | 59,692 | 2,418 | 3.9% |
| 2006 | 62,560 | 60,180 | 2,380 | 3.8% |
| 2005 | 63,186 | 60,679 | 2,507 | 4.0% |

¹ Source: Labor Market Information Services, Kansas Dept. of Labor in cooperation with BLS, U.S. Dept. of Labor. Annual, not seasonally adjusted Labor Force, Employment and Unemployment data for Lawrence, KS Metropolitan Statistical Area in Multiple Time Periods.

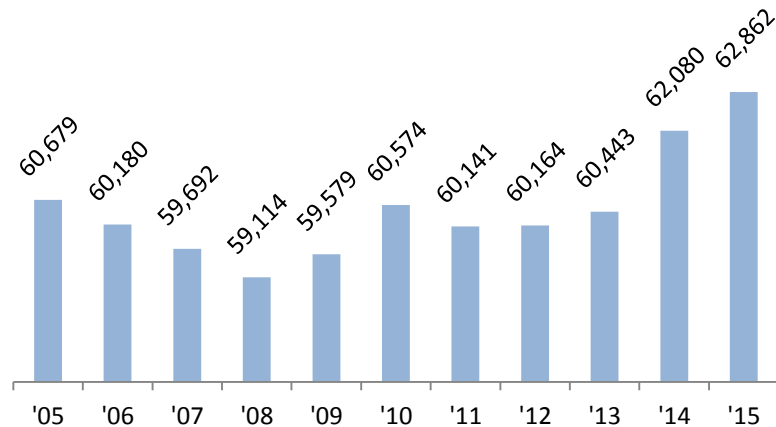


Economic Snapshot

2015 job growth was up 1.3% compared to the previous year, and up 4.5% compared to five and 10 years ago (2011).

Annual Employment Growth (Lawrence MSA)

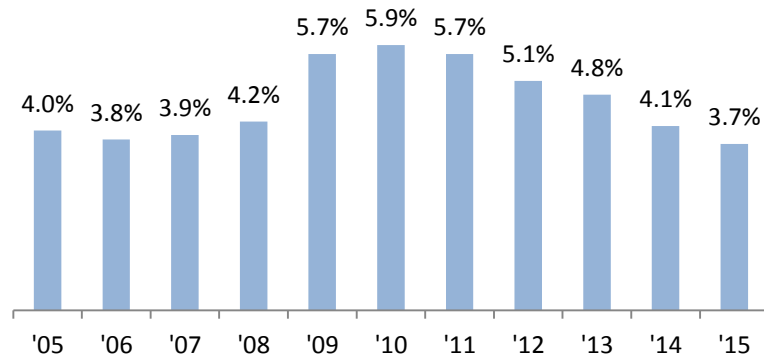
| Employment Growth (Lawrence MSA) | | |
|-------------------------------------|--------|----------|
| Period | Change | % Change |
| 1Y (2014-2015) | 782 | 1.3% |
| 5Y (2011-2015) | 2,721 | 4.5% |
| 10Y (2006-2015) | 2,682 | 4.5% |



Unemployment has been on a downward trend, steadily declining since 2010. Unemployment dropped 0.40% in 2015 from the previous year, 2% over the past 5 years (since 2011), and minimally over the past 10 years (since 2006).

Annual Unemployment Rate (Lawrence MSA)

| Unemployment Rate (Lawrence MSA) | |
|-------------------------------------|-----------------|
| Period | Absolute Change |
| 1Y (2014-2015) | -0.40% |
| 5Y (2011-2015) | -2.00% |
| 10Y (2006-2015) | -0.10% |



Commuting Workforce:

Considering all jobs, the City of Lawrence has approximately 22,000 commuting into the City for jobs as compared to 16,600 that commute out of the City for jobs. For Primary jobs, approximately 20,000 workers commute into the City for jobs as compared to 15,200 that commute to other communities for jobs.

For all job types, the County has approximately 20,200 that commute into the County for jobs as compared to approximately 22,000 that commute to communities outside the County for jobs. For Primary jobs, approximately 18,300 workers commute into the County for jobs as compared to 20,200 that commute to communities outside the County for jobs.

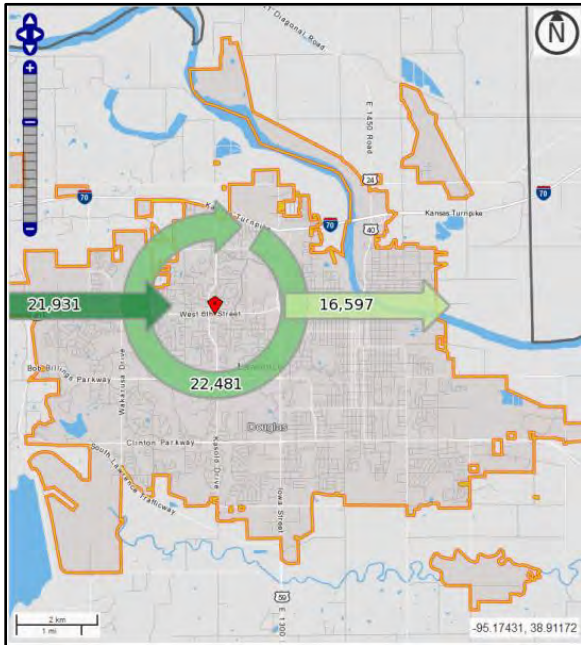
| Commuting Workforce ² | | | | | | | | |
|----------------------------------|------|--------------|------|----------|--------------------|--------------|------|---------------------------|
| Lawrence, City | | | | | Douglas County, KS | | | |
| All Jobs | | Primary Jobs | | All Jobs | | Primary Jobs | | |
| Count | % | Count | % | Count | % | Count | % | |
| 21,931 | 57% | 20,024 | 57% | 20,162 | 48% | 18,255 | 47% | Commuting In |
| 16,597 | 43% | 15,244 | 43% | 21,926 | 52% | 20,216 | 53% | Commuting Out |
| 38,528 | 100% | 35,268 | 100% | 42,088 | 100% | 38,471 | 100% | Total Commuting Workforce |

² Source: Longitudinal Employer-Household Dynamics: Inflow/Outflow Analysis.

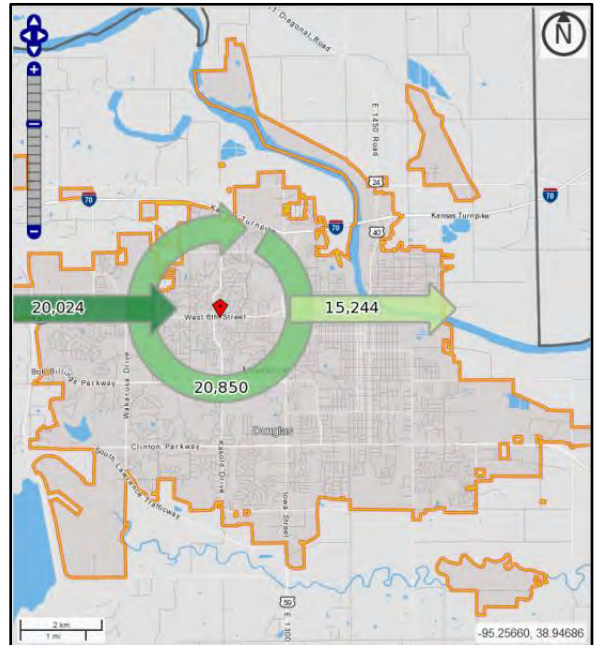
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Economic Snapshot

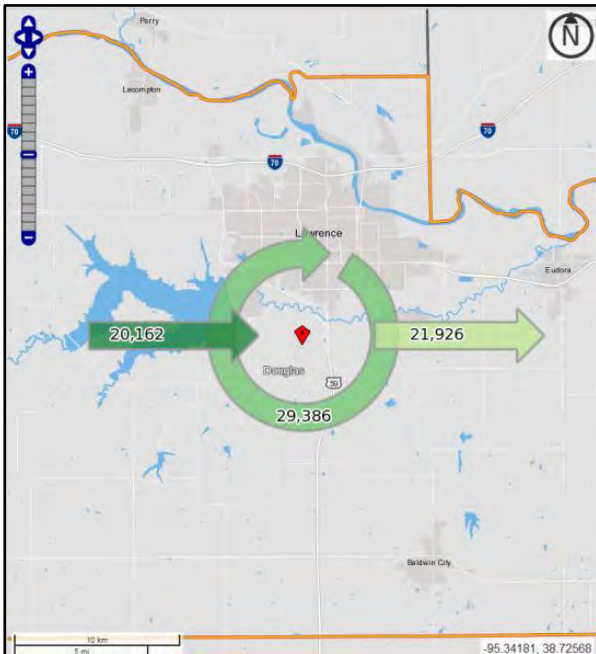
Lawrence City—All Jobs



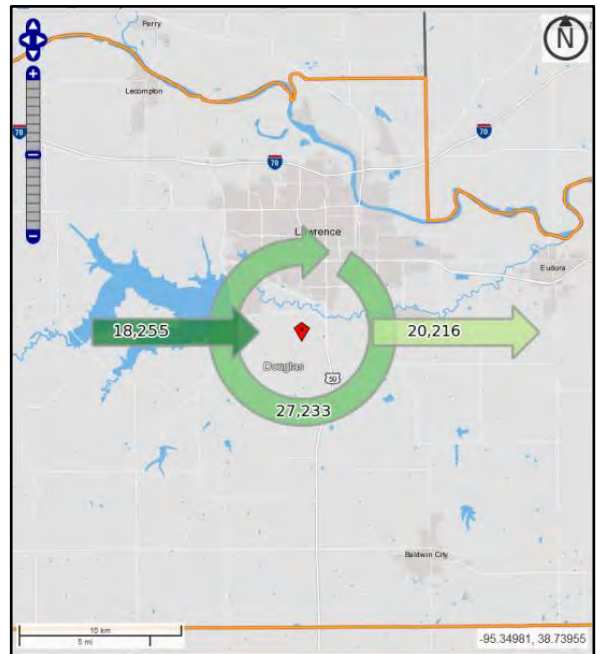
Lawrence City—Primary Jobs



Douglas County, KS—All Jobs



Douglas County, KS—Primary Jobs



Income Growth

Personal Income:

Personal income of an area represents the income received by or on behalf of the persons residing in that area.

| Personal Income & Population³ (Lawrence MSA) | | | |
|--|--------------------------------|---|--|
| Period | Population ⁴ | Personal income (\$1000s) ⁵ | Per capita personal income ⁶ |
| 2015 | 118,053 | \$4,567,016 | \$38,686 |
| 2014 | 116,463 | \$4,301,339 | \$36,933 |
| 2013 | 114,651 | \$4,214,096 | \$36,756 |
| 2012 | 113,255 | \$4,148,437 | \$36,629 |
| 2011 | 112,415 | \$4,090,616 | \$36,388 |
| 2010 | 111,242 | \$4,024,786 | \$36,180 |
| 2009 | 110,039 | \$4,068,522 | \$36,974 |
| 2008 | 109,010 | \$4,062,188 | \$37,264 |
| 2007 | 107,892 | \$3,937,391 | \$36,494 |
| 2006 | 107,187 | \$3,900,775 | \$36,392 |

³ Source: Bureau of Economic Bureau of Economic Analysis, U.S. Department of Commerce, Table CA30 Economic Profile for Lawrence, KS (Metropolitan Statistical Area). Note: All dollar estimates are in 2015 inflation adjusted dollars, U.S. City Average, All Urban Consumers CPI.

⁴ Census Bureau midyear population estimates. Estimates for 2010-2015 reflect county population estimates available as of March 2016.

⁵ Income that persons receive in return for their provision of labor, land, and capital used in current production as well as other income, such as personal current transfer receipts. In the state and local personal income accounts the personal income of an area represents the income received by or on behalf of the persons residing in that area. It is calculated as the sum of wages and salaries, supplements to wages and salaries, proprietors' income with inventory valuation (IVA) and capital consumption adjustments (CCAdj), rental income of persons with capital consumption adjustment (CCAdj), personal dividend income, personal interest income, and personal current transfer receipts, less contributions for government social insurance plus the adjustment for residence.

⁶ Per capita personal income = Personal income divided by population.

Over a one year period (2014-2015), personal income grew 6.2% and per capita income increased 4.7%. Over a 5 year period (2011-2015) personal income grew 11.6% and per capita income increased 6.3%. Over a 10 year period (2006-2015) personal income grew 17.1% and per capita income increased 6.3%.

Personal Income & Population Change

(Lawrence MSA, Inflation Adjusted 2015 Dollars, US CPI)

| Personal Income & Population Change | | | |
|-------------------------------------|--------------|--------------|---------------|
| Description | 1Y ('14-'15) | 5Y ('11-'15) | 10Y ('06-'15) |
| Population | 1.4% | 5.0% | 10.1% |
| Personal income (\$1000s) | 6.2% | 11.6% | 17.1% |
| Per capita personal income | 4.7% | 6.3% | 6.3% |



Employment Income:

| Employment Income ⁷ (Lawrence MSA) | | | |
|---|-------------------------------|--|---------------------------------|
| Period | Total employment ⁸ | Earnings by place of work (1000s) ⁹ | Avg. earnings/job ¹⁰ |
| 2015 | 70,620 | \$2,848,293 | \$40,333 |
| 2014 | 69,503 | \$2,691,519 | \$38,725 |
| 2013 | 67,825 | \$2,635,423 | \$38,856 |
| 2012 | 66,231 | \$2,542,296 | \$38,385 |
| 2011 | 66,414 | \$2,565,438 | \$38,628 |
| 2010 | 66,768 | \$2,594,012 | \$38,851 |
| 2009 | 67,683 | \$2,647,713 | \$39,119 |
| 2008 | 68,170 | \$2,628,767 | \$38,562 |
| 2007 | 69,280 | \$2,542,633 | \$36,701 |
| 2006 | 68,285 | \$2,561,144 | \$37,507 |

⁷ Source: Bureau of Economic Bureau of Economic Analysis, U.S. Department of Commerce, Tables CA30 Economic Profile for Lawrence MSA. Note: All dollar estimates are in 2015 inflation adjusted dollars, U.S. City Average, All Urban Consumers CPI.

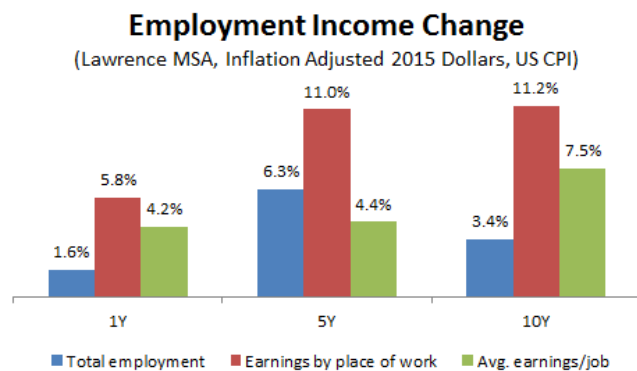
⁸ Total employment includes wage and salary employment plus proprietors employment.

⁹ Earnings by place of work includes compensation of employees and proprietors' income.

¹⁰ Average earnings per job = Earnings by place of work/ total employment.

Employment income increased 5.8% over a one year period (2014-2015) with average earnings per job increasing 4.2%. Over a 5 year period (2011-2015), employment income increased 11% with average earnings per job increasing 4.4%. Over a 10 year period (2006-2015), employment income increased 11.2%, with average earnings per job increasing 7.5%.

| Employment Income Change | | | |
|---------------------------|----------------|----------------|-----------------|
| Description | 1Y (2014-2015) | 5Y (2011-2015) | 10Y (2006-2015) |
| Total employment | 1.6% | 6.3% | 3.4% |
| Earnings by place of work | 5.8% | 11.0% | 11.2% |
| Avg. earnings/job | 4.2% | 4.4% | 7.5% |



Wage & Salary Employment:

Wage and salary employment, also referred to as wage and salary jobs, measures the average annual number of full-time and part-time jobs in each area by place of work. All jobs for which wages and salaries are paid are counted.

| Wages & Salary¹¹ (Lawrence MSA) | | | |
|---|---|---|--|
| Period | Wage & salary employment ¹² | Total wages and salaries ¹³ | Avg. wages & salaries/job ¹⁴ |
| 2015 | 55,130 | \$1,975,250 | \$35,829 |
| 2014 | 54,448 | \$1,896,349 | \$34,829 |
| 2013 | 53,127 | \$1,851,807 | \$34,856 |
| 2012 | 51,978 | \$1,814,014 | \$34,900 |
| 2011 | 52,117 | \$1,804,972 | \$34,633 |
| 2010 | 52,745 | \$1,846,664 | \$35,011 |
| 2009 | 53,804 | \$1,894,746 | \$35,216 |
| 2008 | 54,356 | \$1,871,338 | \$34,427 |
| 2007 | 55,589 | \$1,895,474 | \$34,098 |
| 2006 | 55,418 | \$1,890,581 | \$34,115 |

¹¹Source: Bureau of Economic Bureau of Economic Analysis, U.S. Department of Commerce, Tables CA30 Economic Profile for Lawrence, KS (Metropolitan Statistical Area). Note: All dollar estimates are in 2015 inflation adjusted dollars, U.S. City Average, All Urban Consumers CPI.

¹² Wage and salary employment- Wage and salary employment, also referred to as wage and salary jobs, measures the average annual number of full-time and part-time jobs in each area by place of work. All jobs for which wages and salaries are paid are counted. Although compensation paid to jurors, expert legal witnesses, prisoners, and justices of the peace (for marriage fees), is counted in wages and salaries, these activities are not counted as jobs in wage and salary employment. Corporate directorships are counted as self-employment.

¹³ The remuneration receivable by employees (including corporate officers) from employers for the provision of labor services. Includes commissions, tips, and bonuses; employee gains from exercising stock options; and pay-in-kind. Judicial fees paid to jurors and witnesses are classified as wages and salaries. Measured before deductions, such as social security contributions, union dues, and voluntary employee contributions to defined contribution pension plans.

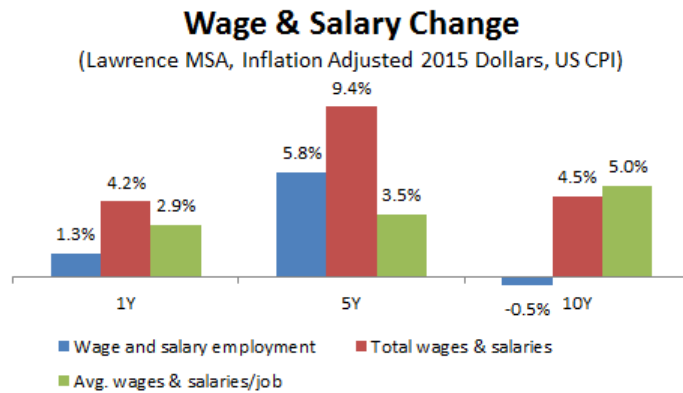
¹⁴ Average wages and salaries per job = Total wages and salaries/ Wage and salary employment.

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Economic Snapshot

Total wages and salaries for the Lawrence MSA increased 4.2% over a one year period (2014-2015) with average wages/salaries per job increasing 2.9%. Over a 5 year period (2011-2015), total wages and salaries increased 9.4% with average wages/salaries per job increasing 3.5%. Over a 10 year period (2006-2015), total wages and salaries increased 4.5%, with average wages/salaries per job increasing 5.0%.

| Wage & Salary Change | | | |
|---------------------------|-----------------------|-----------------------|------------------------|
| Description | 1Y (2014- 2015) | 5Y (2011- 2015) | 10Y (2006- 2015) |
| Wage & salary employment | 1.3% | 5.8% | -0.5% |
| Total wages and salaries | 4.2% | 9.4% | 4.5% |
| Avg. wages & salaries/job | 2.9% | 3.5% | 5.0% |





Economic Snapshot

Tax Base Growth

To lighten taxes on home owners, the County assigns a higher assessed value to commercial/industrial property (25% of appraised value) compared to residential property (11.5% of appraised value). While the City welcomes residential development, the use of local incentives is focused on growing the tax base by focusing on commercial and industrial sectors.

The below table shows the annual percentage of commercial/industrial assessed valuation to total for Lawrence and other neighboring communities.

| Commercial Real Estate Assessed Valuation (shown as percent of total) | | | | | |
|--|--------|--------|--------|--------|--------|
| | 2013 | 2014 | 2015 | 2016 | 2017 |
| Lawrence | 29.81% | 29.82% | 30.04% | 30.31% | 30.63% |
| Lenexa | 48.83% | 47.73% | 48.12% | 49.00% | 47.70% |
| Manhattan | 25.90% | 26.10% | 26.00% | 25.40% | 25.50% |
| Olathe | 28.07% | 28.25% | 28.60% | 31.51% | 31.99% |
| Overland Park | 36.94% | 37.13% | 37.19% | 38.51% | 38.08% |
| Shawnee | 22.66% | 23.49% | 24.11% | 26.41% | 25.74% |
| Topeka | 40.99% | 40.98% | 41.65% | 42.57% | 42.76% |

Sources: County Appraisers

Additional Economic Indicators

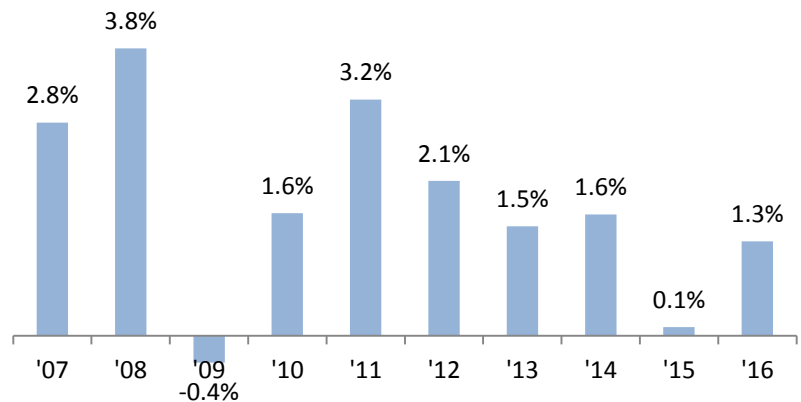
Consumer Price Index¹⁵

U.S. City Average, All Urban Consumers

| Year | CPI* | Y-Y % Change |
|------|---------|--------------|
| 2016 | 240.007 | 1.3% |
| 2015 | 237.017 | 0.1% |
| 2014 | 236.736 | 1.6% |
| 2013 | 232.957 | 1.5% |
| 2012 | 229.594 | 2.1% |
| 2011 | 224.939 | 3.2% |
| 2010 | 218.056 | 1.6% |
| 2009 | 214.537 | -0.4% |
| 2008 | 215.303 | 3.8% |
| 2007 | 207.342 | 2.8% |

Annual Inflation

(U.S. City Average, All Urban Consumers)



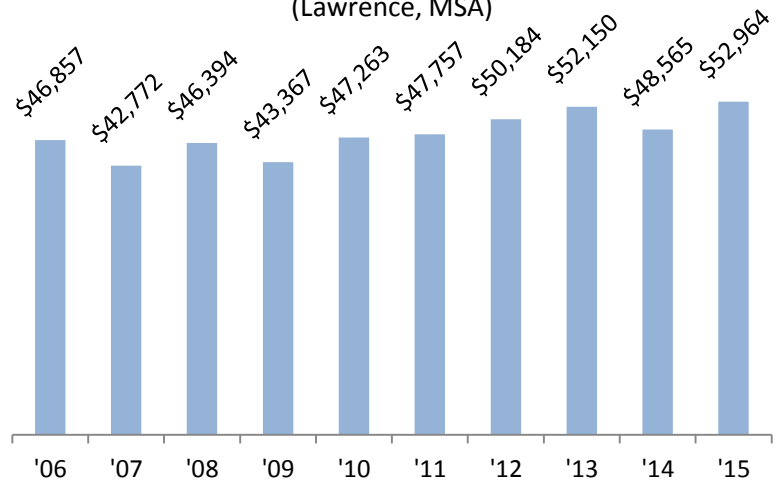
Median Household Income¹⁶

(Lawrence MSA)

| Period | Amount | Y-Y Change |
|--------|----------|------------|
| 2015 | \$52,964 | 9.06% |
| 2014 | \$48,565 | -6.87% |
| 2013 | \$52,150 | 3.92% |
| 2012 | \$50,184 | 5.08% |
| 2011 | \$47,757 | 1.05% |
| 2010 | \$47,263 | 8.98% |
| 2009 | \$43,367 | -6.52% |
| 2008 | \$46,394 | 8.47% |
| 2007 | \$42,772 | -8.72% |
| 2006 | \$46,857 | 19.56% |

Median Household Income

(Lawrence, MSA)



¹⁵ Source: U.S. Bureau of Labor Statistics. Consumer Price Index - All Urban Consumers, U.S. City Average, Not Seasonally Adjusted.

¹⁶ Source: U.S. Census Bureau, American Community Survey 1-Year Estimates, Table B19013: Median Household Income in the Past 12 Months (in Inflation-Adjusted Dollars).

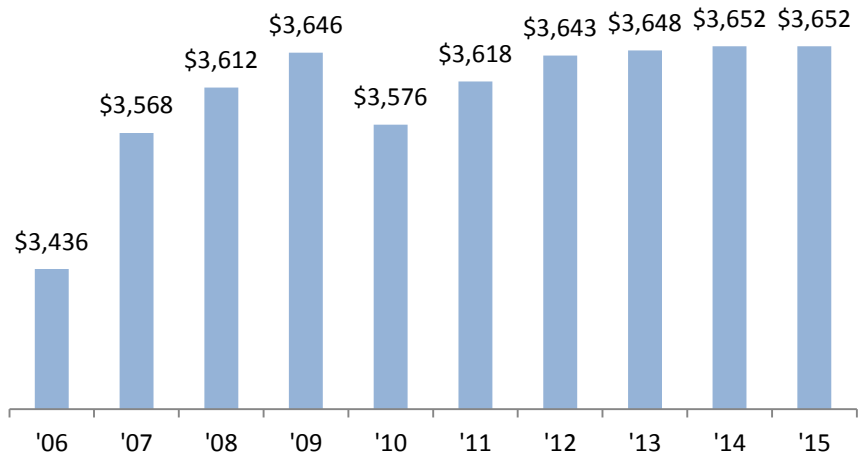
Real GDP¹⁷: Lawrence MSA

All Industries, Millions of Chained 2009 Dollars

| Year | GDP | Y-Y % Change |
|------|-------|--------------|
| 2015 | 3,652 | 0.0% |
| 2014 | 3,652 | 0.1% |
| 2013 | 3,648 | 0.1% |
| 2012 | 3,643 | 0.7% |
| 2011 | 3,618 | 1.2% |
| 2010 | 3,576 | -1.9% |
| 2009 | 3,646 | 0.9% |
| 2008 | 3,612 | 1.2% |
| 2007 | 3,568 | 3.8% |

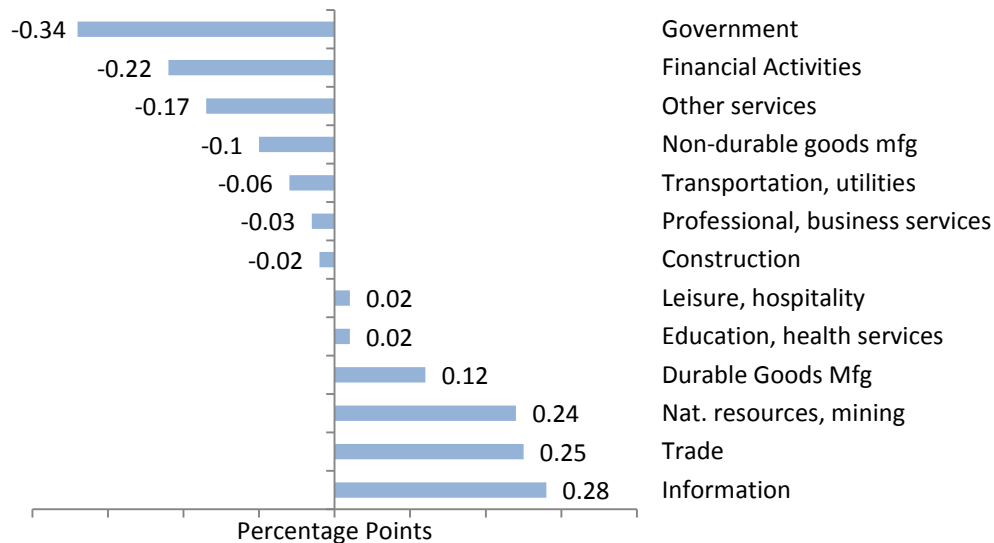
Real GDP: All Industries

(Lawrence MSA, Millions of chained (2009) Dollars)



2015 Contributors to Real GDP Change

(Lawrence MSA)

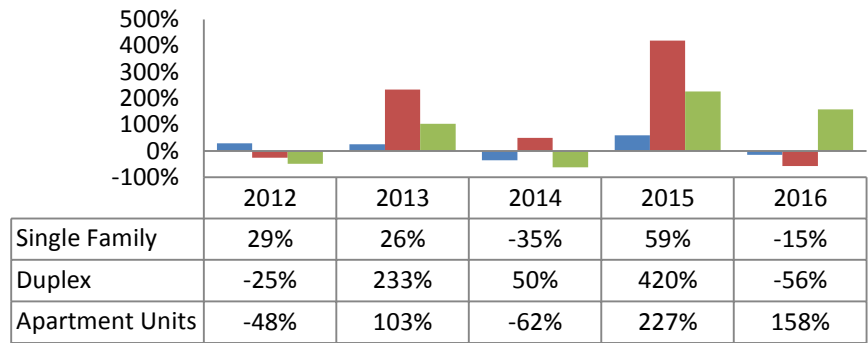


¹⁷ Source: U.S. Department of Commerce, Bureau of Economic Analysis, Table 1. Current-Dollar Gross Domestic Product (GDP) by Metropolitan Area, Table 3. Contributions to Percent Change in Real Gross Domestic Product (GDP) by Metropolitan Area, 2015. Real GDP by metropolitan area is an inflation-adjusted measure of each area's gross product that is based on national prices for the goods and services produced within the metropolitan area.

New Construction Building Permits¹⁸

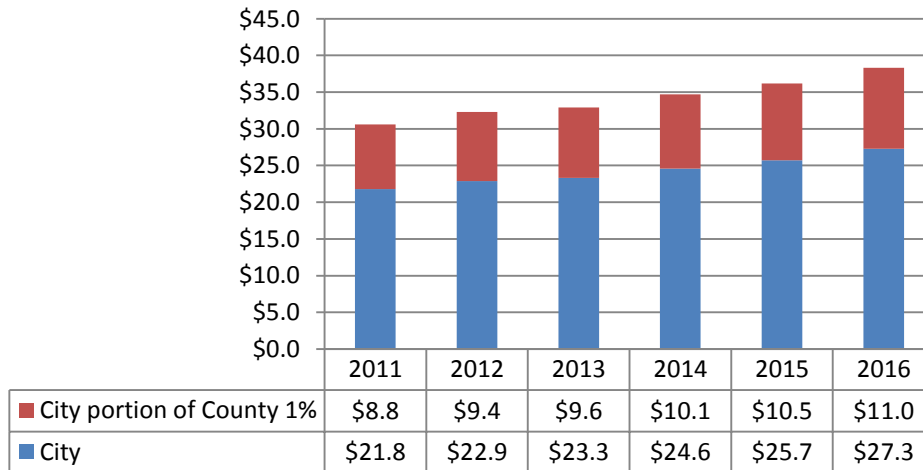
| Period | Single Family | Duplex | Multi-Family (apartment units) |
|--------|---------------|--------|--------------------------------|
| 2016 | 137 | 34 | 1,205 |
| 2015 | 161 | 78 | 467 |
| 2014 | 101 | 15 | 143 |
| 2013 | 155 | 10 | 374 |
| 2012 | 123 | 3 | 184 |

Annual Change in New Construction Building Permits



■ Single Family ■ Duplex ■ Apartment Units

City Sales Tax Revenues (millions \$)



Source: City of Lawrence, Kansas, Finance Department.

¹⁸ Source: City of Lawrence, Kansas. Neighborhood Resources Department, Valuation of Building Permits.