



April 9, 2018

Lawrence City Commission
City Hall
6 E. 6th Street
Lawrence, KS 66044

Mayor and Commissioners,

The Lawrence Humane Society (LHS) is requesting Industrial Revenue Bonds to obtain a Project Exemption Certificate so that we can be spared the cost of sales tax on materials purchased to construct our new animal shelter facility. The Lawrence Humane Society is designated as a non-profit animal shelter. Unfortunately, this designation is not one of the 14 designations (schools, hospitals, religious organizations, zoos, etc.) eligible for a Project Exemption Certificate at the state level. To become eligible would require a change in the law voted into effect by our state representatives.

The Need

The Lawrence Humane Society envisions a humane community where every pet has the chance for a loving home, and every pet parent has access to the resources and support they need to keep their pets in their home for life. While Lawrence Humane operates under sheltering best practices and is an animal welfare leader in the region, we are limited in our ability to meet the needs of our community due to our aging, failing facility.

The current LHS facility no longer meets industry standards for proper animal care and disease management. The housing units are significantly smaller than industry best practices and are difficult to clean. Additionally, the rooms do not have sufficient airflow and filtration to prevent the spread of disease.

The design of the current facility also contributes heavily to the stress our animals face: there is no natural light available to the animals inside the shelter, and with the cat adoption rooms located adjacent to the dog adoption area, the lack of noise control increases stress to our cats.

There is no dedicated medical clinic in which to perform exams or provide treatment. One surgery suite serves as the bedrock for all medical procedures. Furthermore, there is no means to fully isolate ill or contagious animals.

Finally, we lack the space necessary to provide resources and education to members of our community. There is no dedicated meeting space for volunteer orientations, staff trainings, field trips, humane education classes, or public dog trainings. We know that the most effective way to address community animal overpopulation is to focus on programs like these that reduce the number of animals who require the shelter safety net.

The Project

The new shelter facility, built on the Lawrence Humane Society's 4-acre property, will replace the existing shelter facility and will house all operational functions of the organization. The shelter's design allows for improved operational efficiency for current programs and services, as well as the development and enhancement of new



programs and services aimed at improving animal welfare in the community. This new facility will address all challenges currently faced, allowing the Lawrence Humane Society to fulfill longer-term goals and objectives that will ultimately save more lives.

The spaces being built include:

- Best practice animal housing and isolation for all City of Lawrence stray and owner surrendered animals;
- A shelter veterinary clinic that will serve pets in need of the shelter safety net as well as provide high-volume, low-cost spay and neuter services;
- A warm and welcoming adoption center;
- A community education center;
- And more.

The Impact to Pets and People Who Love Them

In the first five years of the new facility's operation, the Lawrence Humane Society anticipates that:

- More than 23,000 homeless, lost, and abused animals will receive shelter, care, and love
- More than 15,000 pets will be placed into new, loving homes
- More than 4,500 pets will be rescued from shelters lacking the resources to save their lives
- 2,500 pets from local underserved neighborhoods will receive high-quality, low-cost spay and neuter services, drastically reducing the number of unplanned and unwanted litters
- 16,000 residents of all ages will be engaged in community education and outreach initiatives
- And so much more.

The Greater Community Impact

The construction of the new shelter facility will result in the following economic development outcomes and quality of life benefits:

- Expansion of existing business
 - The new facility will allow the Lawrence Humane Society to care for and place more animals with community members, increasing not only business to LHS but to local pet businesses and veterinary hospitals.
- Jobs with employee healthcare and benefits
 - The Lawrence Humane Society currently employs 28 full-time employees and, with the completion of the new shelter facility, may look to add additional positions to support increased programming that will improve community animal welfare.
 - It is important to note that, in preparation for the construction and completion of the new shelter facility, the Lawrence Humane Society has been strategically growing its staff since 2016 to allow full and immediate implementation of programs and services upon occupancy of the new shelter.
- Savings in societal costs
 - The new shelter will give LHS the ability to focus on improved programming that will help keep pets and people together, provide responsible pet ownership education and low-cost services, and promote myriad health benefits, which will ultimately reduce societal costs for healthcare, animal control and enforcement, and social services.



- The new facility will allow for additional programming and formalized partnerships with other local social service agencies serving residents (homeless, victims of domestic abuse, etc.) who also have a need for pet assistance.
- Enhanced community health and safety
 - Interacting with pets is scientifically proven to provide numerous health benefits. By building a warm, welcoming new facility that can facilitate high-quality community programming, LHS will be able to connect pets and people through adoption, volunteer opportunities, and other involvement activities, and provide resources for people with pets, to create a more humane and healthy community. Additionally, by developing services and programs to benefit pets and people in the community, and building a welcoming shelter facility where residents feel comfortable bringing stray and surrendered pets, public safety will benefit as fewer animals will be running at large. This will result in a more effective use of animal control time and energy, fewer vehicle accidents involving pets, and more.

Industrial Revenue Bond Need

Construction for the new shelter is slated to begin in early-May 2018, and we hope to have the facility ready for occupancy in early-summer 2019. The total project cost is \$7,500,000 for ~22,000 square feet of space, with approximately \$3,850,000 subject to sales tax. With the commission's support, our organization can be spared the significant expense of sales tax on construction materials.

We thank the City of Lawrence for the significant investment it has made in this project, and would like to extend our gratitude to the commission for considering this request. We are available at your convenience to answer any questions you have.

With gratitude,



Kate Meghji
Executive Director
Lawrence Humane Society

Encl: Project Brochure
IRB Application

City of Lawrence, Kansas
Economic & Community Development
Application for Economic Development Assistance



The City of Lawrence considers support for economic or community development projects that will provide local public benefits. When requesting assistance for projects, please provide a request letter to the City Commission describing the project, details on the local public benefits it provides, a description of the assistance requested, and why this assistance is needed for the project to proceed. If available, project renderings and graphics are encouraged to be included along with your submission materials. Submit request letter along with the below, completed application for assistance, supporting materials, and applicable fees to:

Lawrence City Commission
Attn: City of Lawrence, Economic Development Coordinator
6 East 6th Street
Lawrence, KS 66044

*Request materials can be submitted electronically to the Economic Development Coordinator: at:
bcano@lawrenceks.org*

Please indicate which public benefits your project brings to the local community. (Mark all that go above and beyond normal City requirements. Please explain in detail the project's public benefits in the request letter.)

- Affordable Housing
- Sustainability
- Primary job creation:
 - Primary businesses typically serve customers outside of the immediate area, therefore importing dollars into the community through its sales.
 - Non-primary businesses provide goods and services to the local business and consumers, thereby circulating dollars within the community.
- Above average wages
- Jobs with employee benefits including healthcare insurance
- In-fill development
- Revitalization of dilapidated, unsafe, underutilized, or historic property
- Promotion of downtown density
- Retention or expansion of existing business
- Tax base growth
- Other (please explain):
 - Improved public safety efforts related to animal control

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

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

Applicant Contact Information	
Name:	Kate Meghji
Title:	Executive Director
Organization:	Lawrence Humane Society
Address 1:	1805 E. 19th Street
Address 2:	
Phone:	785-371-0525
Email:	kmeghji@lawrencehumane.org
Fax:	

Economic Development Support Requested		
City Incentives	Amount	Term (in years)
Tax Increment Financing District (TIF)		
Transportation Development District (TDD)		
Neighborhood Revitalization Area (NRA)		
Tax Abatement (TA)		
Industrial Revenue Bonds (IRBs)	*	n/a
Community Improvement District (CID)		
<i>Other (Please Describe):</i> * Seeking Industrial Revenue Bonds (IRBs) for a sales tax exemption on construction materials. The project total cost is approximately \$7.5 million, of which we estimate additional potential sales tax costs of approximately \$350,000.		

Project Information		
Name of Company Seeking Incentive(s):	Lawrence Humane Society, Inc.	
Project Type (check one):	Expansion:	
	New Facility:	X
Company Type (check one):	Existing Local Company:	X
	Out-of-Area Company Locating Locally:	
Current Company Address:	1805 E. 19th Street Lawrence, KS 66046	
Location of Proposed New Facility/Expansion Project:	1805 E. 19th Street Lawrence, KS 66046	
Describe the Company's Plans to Develop or Expand in the Community: The Lawrence Humane Society (LHS) plans to develop a new, ~22,000 sq. ft. facility on its existing 4-acre property to serve pets and the people who love them in Lawrence. LHS envisions a humane community where every pet has the chance for a loving home, and every pet parent has access to the resources and support they need to keep their pets in their home for life. While LHS operates under sheltering best practices and is an animal welfare leader in the region, it is limited in its ability to meet the needs of the community due to an aging, failing facility. The inviting new 22,000 sq. ft. facility will house all operational functions of LHS, replacing the existing facility. The design allows for improved operational efficiency for current programs and services, as well as the development and enhancements of new programs and services aimed at improving community animal welfare and education, and keeping pets and people together. The new facility will allow the organization to fulfill longer-term goals and objectives that will ultimately save more lives.		
Operations Start Date at the Expansion or New Facility:	Mar 2019	
Industry NAICS # for the New or Expanded Facility (6-digit code):	812910	
Describe the Primary Industry the New or Expanded Facility Will Support: Animal Shelter		

Capital Investment Information for New Facility or Expansion			
Estimated Size of New Facility (square feet):	22,000 (approx.)		
Estimated Size of Land for New Facility (acres):	4 Acres		
For the new or expanded facility, enter the amount the company anticipates spending for initial and subsequent investments in land, buildings and improvements (do not include machinery or equipment):			
Year	Buildings & Other Real Property Improvements	Land	Total
1	New Shelter Facility		\$7,500,000
2			
3			
4			

5			
6			
7			
8			
9			
10			
Total			
Will land be leased from the City or County (Y/N):		N	
If yes, Monthly Lease Rate for Land:			

Local Utility Expenses		
Utility	Current Local Monthly Expenses	Projected Local Monthly Expenses at New Facility
Gas	\$153.94	\$185.00
Electricity	\$3504.51	\$3500.00
Phone	\$957.37	\$950.00
Cable	\$0.00	\$0.00
Operating Expenditures		
For Expansion Projects, Current Annual Operating Expenses at Existing Facility:		\$1,800,000
Annual Operating Expenses after Expansion/Relocation:		\$2,000,000
% of Additional Operating Expenses Anticipated to be Spent Locally:		100%
Revenues		
% of Revenues at the new Lawrence Facility Anticipated to Come from Non-Local Sources.		<5%
Anticipated Annual Gross Profits:		\$0.00
Anticipated Annual Net Operating Income (at stabilization):		\$2,000,000
Anticipated Annual Net Operating Expenses (at stabilization):		\$2,000,000

IRB and Tax Abatement Request Information	
If you are seeking an IRB, please list the firm that will be receiving the IRB:	
Lawrence Humane Society, Inc.	
Will your firm be leasing the building or the land in your expansion or newly constructed facility? (Y/N)	N

If you are leasing the building or land, and you are seeking a tax abatement <u>without</u> an IRB, please list the tenant and owner and the financial relationship between tenant and owner.	
Total Cost of <u>Initial</u> Construction for the Project:	\$7,500,000
Estimated Cost of Construction Materials for <u>Initial</u> Construction:	\$3,850,000

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

Environmental Information		
Will the new facility meet Energy STAR criteria? (Y/N)		N (The building has not been evaluated through the Energy STAR program, but it meets the current Energy Code, and appliances are Energy STAR Rated).
Will the project seek or be designed to LEED certification standards? (Y/N)		N
If yes, please indicate level:	Certification	n/a
	Silver	n/a
	Gold	n/a
	Platinum	n/a
Please describe environmentally friendly features of the project:		
Environmentally-friendly features of the Lawrence Humane Society's new shelter project include: • Optimized energy performance for HVAC and lighting systems • Energy recovery ventilation system on the exhaust air system, which reduces heating and cooling requirements for incoming air • Energy-efficient LED lighting with daylight sensors • Water-efficient plumbing fixtures • Individual room drains and flush sinks, which will reduce water usage while making spaces cleaner and healthier for animals, staff, and visitors • Natural daylight incorporation in most spaces, including animal housing • Low-VOC finish materials and fresh air ventilation to reduce odors and improve air quality • Durable, easily cleanable building materials to make the facility easier to maintain		
Please describe anticipated positive environmental impacts resulting from the project:		
The overall building design, including floor plan, mechanical systems, lighting, and plumbing systems will work together to reduce energy and resource consumption, increase staff efficiency, reduce animal stress, and mitigate odor and disease transmission.		

Please describe anticipated negative environmental impacts and planned remediation efforts:

There are no anticipated negative environmental impacts. The Lawrence Humane Society is committed to the environment; however, due to limited funds, LHS has elected not to pursue certifications like Energy STAR or LEED at this time.

Additional Community Benefits

Describe Other Local Economic Benefits Resulting From Project:

- Increased earning power
 - In the new facility, the Lawrence Humane Society anticipates a reduction in the length of stay for animals housed in the shelter, increasing the number of animals LHS is able to care for and place into new homes in the community, increasing not only revenue to LHS but to local pet businesses and veterinary facilities
 - Additional community space within the facility will allow for new programming opportunities to help parents and families find options for their children so that they will be able to work during the summer, on teacher workdays, and more.
- Savings in societal costs
 - The ability to focus on improved programming in the new facility will help keep pets and people together, provide responsible pet ownership education and low-cost services, as well as promote myriad health benefits, which will ultimately reduce societal costs for healthcare, animal control and enforcement, and social services.
 - The new facility will allow for additional programming and formalized partnerships with other local social service agencies serving residents (homeless, victims of domestic abuse, etc.) who also have a need for pet assistance.

Describe Other Quality of Life Benefits Resulting From Project:

- Enhanced community health and safety
 - Interacting with pets is scientifically proven to:
 - Decrease blood pressure
 - Decrease cholesterol levels
 - Decrease triglyceride levels
 - Decrease feelings of loneliness
 - Increase opportunities for exercise and outdoor activities
 - Increase opportunities for socialization

By creating a warm, welcoming new facility that can facilitate high-quality community programming, LHS will be able to connect pets and people through adoption, volunteer opportunities, and other involvement activities, and provide resources for people with pets, to create a more humane community.

Additionally, by developing services and programs to benefit pets and people in the community, and building a welcoming shelter facility where residents feel comfortable bringing stray and surrendered pets, public safety will benefit as fewer animals will be running at large. This will result in a more effective use of animal control time and energy, fewer vehicle accidents involving pets, and more.

Employment Information									
Construction Employment for New Facility or Expansion									
# Full-Time, Construction Jobs:								20	
Average Annual Salary for Full-Time, Construction Workers (during construction period):								\$62,500	
Construction Period (months): 12-15 months									
For Expansion, # of Full-Time Employees Currently Working in Lawrence: 28									
New Employment Resulting from Project: Please see letter									
Net New Jobs (full-time, permanent)	Year	# Jobs	Avg Annual Salary	# Jobs	Avg Annual Salary	# Jobs	Avg Annual Salary	# Jobs	Avg Annual Salary
	1								
	2								
	3								
	4								
	5								
	6								
	7								
	8								
	9								
	10								
	Total								
Anticipated # of Employees to Be Relocated Locally as a Result of the Project									
# of Net New Full-Time Employees Anticipated to be Relocated From Outside of Kansas:								0	
# of Net New Full-Time Employees Anticipated to be Relocated from Outside of Lawrence/Douglas County:								0	
# of Local, Full-Time Jobs Anticipated At End of Incentives Period: Please see letter.									

Employee Benefits	
Description	After Expansion or Relocation
% of Employees with Company Provided Health Care Insurance	100%
% of Health Care Premium Covered by Company	50%
% of Employees with Company Provided Retirement Program	0%
Will You Provide Job Training for Employees? (Y/N)	Y
If Yes, Please Describe:	
Employees are provided with training on animal handling, risk management, customer service, safety, diversity and inclusion, and more.	
What is the Lowest Hourly Wage Offered to New Employees?	\$10.00/hr
What Percentage of Your New Employees Will Receive this Wage?	60%
Will You Provide Additional Benefits to Employees? (Y/N)	Y
If Yes, Please Describe:	
Full-time employees are eligible for insurance coverage, supplemental insurance plans, paid time off and discounts on limited veterinary services, pet food, and pet supplies. Part-time employees are eligible for benefits at a prorated rate.	

NRA Eligibility Statement

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

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

n/a

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

n/a

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

n/a

Disclosures

Company Form of Organization:

It is the policy of the City that no economic development incentive will be granted to any applicant or petitioner who owns any financial interest in any real property, anywhere within the state of Kansas, with delinquent special assessments, delinquent ad valorem taxes, or federal or state tax liens, or who is currently delinquent or in default on any debts, responsibilities, or other obligations owed to the City.

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

As a 501(c)3 non-profit organization, Lawrence Humane Society is governed by a volunteer Board of Directors, responsible for setting the direction and vision of the organization. The current board Board members are as follows:

- John Olsen, Chair
- Sandra Gautt, Vice Chair
- Dale Finnestad, Treasurer
- Al Horning, Secretary
- Paula Hatcher
- Judy Hintzman
- Katy Ibsen
- Dakota Loomis
- Alice Karakas Neumann

Are all above listed principals currently delinquent or in default on any debts, responsibilities, or other obligations owed to the City? If delinquent or in default, provide details on property owner name, property address, current property tax status, special assessment status, and outstanding obligations owed to the City, and why delinquent or in default.

No member of the Lawrence Humane Society Board of Directors is delinquent or in default on any debts, responsibilities, or other obligations owed to the city. In addition, the Lawrence Humane Society is not delinquent or in default on any debts, responsibilities, or other obligations owed to the City. Lawrence Humane Society hires an outside firm to audit financial statements and file 990 documents detailing revenue and expense on an annual basis. Our 2016 audit is available for review on our website at lawrencehumane.org/about/our-financials.

List all subsidiaries or affiliates and details of ownership:

Subsidiary :

Principals:

Has Company or any of its Directors/Officers been involved in or is the Company presently involved in any type of litigation?	N
Has the Company, developer or any affiliated party declared bankruptcy?	N
Has the Company, developer or any affiliated party defaulted on a real estate obligation?	N
Has the Company, developer or any affiliated party been the defendant in any legal suit or action?	N
Has the Company, developer or any affiliated party had judgments recorded against them?	N

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

n/a

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

Economic Development Fees

Application & Administrative Fees: The City charges the below application and administrative fees.

Application Fees		Administrative Services Fees
Tax Abatement	\$500	\$200/year
Industrial Revenue Bonds (IRB)	\$1,000	Origination Fee for sales tax only IRBs
Community Improvement District (CID)	\$2,500	For all projects involving "pay-as-you-go" financing and reimbursement through the assessment of CID sales tax collected with the CID sales tax district, it is the policy of the City to negotiate any annual administrative fee between the City and the petitioner to cover the City's administrative costs.
		For all other projects, the petitioner shall pay 0.5% of the funds reimbursed to the petitioner, or any successor in interest, each year for the life of the CID to cover the City's administrative costs.
Transportation Development District (TDD)	\$2,500	0.5% of the annual TDD revenues generated
Tax Increment Financing (TIF)	\$1,000	Where the applicant only seeks reimbursement of the property tax increment, the administrative service fee shall be 0.5% of the annual increment;
		In all other cases, the administrative service fee shall be 2.5% of the annual increment.
Neighborhood Revitalization Area (NRA)	\$500	None

If the request is not considered, half (1/2) of the application fee will be returned to the Applicant. If the request is considered, application fees are not refunded, regardless of if the project is approved.

Industrial Revenue Bond (IRB) Origination Fee:

For IRBs issued just to obtain a sales tax exemption (not a property tax abatement), Applicant, at the time of bond closing, shall pay the City an IRB origination fee of the par amount of bonds being issued on behalf of a for-profit company, unless the project will create primary jobs or add affordable housing to the community.

IRB Origination Fee	
Rate	Amounts*
0.004	First \$10M or up to \$10M
\$40,000 + 0.002	2nd \$10M
\$60,000 + 0.001	Over \$20M

*Maximum fee is \$100,000

For IRBs issued on behalf of not-for-profit organizations, the City will not charge an origination fee.

Other Fees:

Applicant is responsible for paying all expenses incurred by the City for professional services pertaining to the project, regardless of if the project is approved. This may include costs associated with research and analytical services, legal publication notices, application fees to the state Board of Tax Appeals, bond counsel and other miscellaneous costs, including but not limited to, the City reasonable costs to process any modifications. If the request proceeds the Applicant may be asked to enter into a funding agreement to cover all costs associated with processing approval for the requested assistance.

Application Submission:

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

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

Note: All economic development incentive fees are due when the application for economic development support is filed with the City. No application will be accepted until fees have been paid.

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

Applicant/Representative: *Kate Meghji*

(Please Print)

Signature: 

Date: *4-9-2018*

AFFIDAVIT

THE STATE OF Kansas)

THE COUNTY OF Douglas)

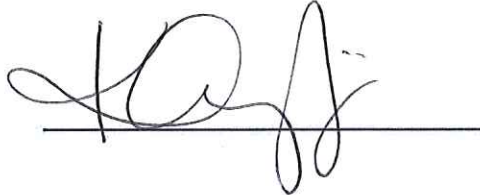
ss:

I, Khatija Meghji, being of lawful age, and having been first duly sworn upon my oath, do hereby state:

1. I am a resident of Lawrence, Kansas.

2. As of the date set forth below, I have no financial interest and no entity in which I have any interest has any financial interest in any real property, located anywhere in the state of Kansas, that is delinquent on any special assessments, delinquent on any *ad valorem* taxes, or the subject of any federal, state, or local tax lien.

3. As of the date set forth below, I am not currently delinquent or in default and no entity in which I have any interest is currently delinquent or in default on any debts, responsibilities, or other obligations owed to the City of Lawrence, Kansas.



SUBSCRIBED AND SWORN before the undersigned on this 10 day of April, 2018.


Notary Public

My Appointment Expires:

