

Annual Tax Abatement Report 2010



City of Lawrence

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Executive Summary

Each year, the City of Lawrence compiles information on the firms receiving tax abatements in order to assess the effectiveness of the abatements at providing good investments, quality wages and jobs for the community. The report also provides an opportunity to highlight the economic performance of each firm as well as their commitment to the community.

The information presented herein pertains to the five companies that were receiving tax abatements in Lawrence in 2010. These companies were: Allen Press, Amarr Garage Doors, DST Systems, PROSOCO, and Reuter Organ. Here is a key summary of the findings of the 2010 Tax Abatement Report:

- **Overall, the five companies have invested over \$20 million in real and personal property and created 259 jobs as the result of abatements. Wages at the five companies averaged over \$35,000, more than \$6,000 higher than the average private sector wage in Lawrence.**

Investments:

- The five active abatements were approved for up to \$15.2 million of machinery and equipment (personal property) purchases, and \$6.7 million of investment in real property, including land.
- As of 2010, the five firms had made \$13.9 million of machinery and equipment purchases, and investments in real property of \$6.2 million.
- The five companies receiving abatements have a total appraised value of around \$27.5 million on real property and around \$8.7 million on personal property. Current taxes assessed on these companies total just over \$1 million.

Employment:

- The five companies receiving tax abatements projected to add 317 full-time employees as the result of the abatements. The actual addition of full-time employees totaled 259, or 82% of projections. This number does not include part-time employees resulting from abatement.
- The five companies reported having 1,168 employees at the end of 2010, including 946 full-time and 222 part-time employees.

Wages:

- Wages were reported on about 840 of the approximately 946 full- and part-time employees. This represents about 89% of the employees in these five companies.
- Among these 840 employees, the average wage was about \$35,300 per year. On their abatement reports, these five firms projected wages of about \$41,300 per year (this is adjusted for inflation).
- Three of five companies exceeded wage expectations. Overall, the wages paid at these five firms in 2010 are 86% of the wages they projected.

Introduction

Each year, the City of Lawrence compiles information on the firms receiving tax abatements in order to assess the effectiveness of the abatements at providing good investments, quality jobs and good wages for the community. The report is required by City Code Section 1-2107, which states that businesses receiving tax abatements must provide certain information until their tax abatement expires. This information comprises the heart of the annual abatement report presented herein.

In 2010, there were a total of five businesses that had five active tax abatements. These companies were: Allen Press, Amarr Garage Doors, DST Systems, PROSOCO, and Reuter Organ.

This report provides an overview of each company and a summary of their performance to-date. The report shows that the five firms completed most of their planned real and personal property investments. Performance varies from company to company, but almost all of them are exceeding one or more of their projections for capital investment and employment. The firms appear to remain active in the community.

While there was a new economic development policy that requires certain wage and health premium payment requirements, none of the firms receiving abatements in 2010 were subject to this ordinance. All of the abatements in 2010 were granted prior to these wage and health requirements.

It should also be noted that there are two companies with tax abatements approved, that had not initiated their abatements by the end of the year. In 2006, the City approved a 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. Most recently, the City Commission approved a 55% real property tax abatement for API Foils in 2008. API Foils has not yet begun construction on this project.

About the Firms



Allen Press, 810 E. 10th Street: Allen Press provides a comprehensive offering of integrated services for scholarly journal and special-interest publication production. Since 1935, Allen Press has helped organizations disseminate research findings and other information through print media. With this experience as a foundation, Allen Press also provides web-hosting services aimed at helping organizations deliver information at a fast pace.

Through the years, the primary focus of Allen Press has been, and continues to be, serving the scholarly publishing community as well as special-interest publishers. Allen Press currently serves hundreds of organizations. The content produced is used by leading professionals, consumers, and libraries throughout the world.

Amarr Garage Doors, 3800 Greenway Circle: Amarr was established in 1951 by the Brenner family in Winston-Salem, NC, and has grown to have sales in excess of \$300 million, 1,000 employees, and 70 locations in the United States, Mexico, and Canada. They are one of the world's leading designers, manufactures, 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 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 and North Carolina. They came to Lawrence in 1989 as the first occupant of East Hills Business Park, and currently produce the majority of their garage doors here. Amarr provides jobs for almost 500 people, making it one of the largest private employers in the City.



DST Systems, 2000 Bluffs Drive: Established in 1973 as a corporate joint venture of State Street Corporation and DST Systems, Inc., Boston Financial offers consultative expertise and industry-leading investor services to the nation's most prestigious financial services companies. Boston Financial provides back-office and transfer agency services for mutual funds, 529 plans, retirement plans, class action and event administration, business continuity, real estate investment trusts (REITs), proxy services, and contractual plans.

Hundreds of full- and part-time Associates work in the Lawrence, Kansas location, and are highly trained and specialized in providing transaction and operational services for a diverse range of clients.

PROSOCO, Inc., 3741 Greenway Circle: PROSOCO's products and services are designed to improve the appearance and performance of architectural masonry. This high level of specialization makes PROSOCO unique within the construction industry.

The company has developed products for giving new life to historic buildings and monuments; maintenance and protection of existing buildings; and the cleaning and protection of new masonry and reinforced concrete structures. PROSOCO products provide superior performance over traditional methods of



cleaning commonly used for construction and industrial applications.

PROSOCO was founded in 1939 by Albert Boyer and remains under his family’s leadership to this day. They moved their headquarters to Lawrence in 1999. They have seen growth in international markets and have undertaken several green initiatives both in the products they produce and the way they produce them.



Reuter Organ, 1220 Timberedge Road: The Reuter Organ Company is an internationally known builder of pipe organs. Reuter was founded in 1917 and moved to Lawrence in 1919.

Reuter organs are predominantly built for churches, but they also on occasion construct organs for homes and concert halls. Organ building involves a wide cross section of crafts – from wood working, to metal working, structural engineering to physics, and artistry from the visual designer to those who voice the pipes themselves. Every aspect of a

Reuter instrument is custom-built right for each individual instrument in Lawrence. Amongst some of the oldest organ building firms in this country, Reuter is still often referred to as the only major builder west of the Mississippi.

Abatement Performance

Abatements Offered

The five companies with active tax abatements in 2010 are listed below:

Table 1: Abatement Information

Name of Business	Application Date	Maximum Investment Amount Subject to Abatement*	Abatement Percentage	Expiration Date
Allen Press, Inc. (Phase II)**	1-Jan-99	\$3,723,000 personal property \$1,074,500 real property	50% on personal and real property	31-Dec-11
Amarr Garage Doors Inc.	1-Jan-10	\$9,400,000 personal property	55% personal property	31-Dec-19
DST Systems^	21-Nov-00	\$2,000,000 existing personal property \$1,450,000 new personal property	100% existing personal property 50% new personal property	31-Dec-11
PROSOCO, Inc.	25-Sep-02	\$260,000 personal property \$2,348,000 real property	55% on personal and real property	31 Dec 14
Reuter Organ Co.	4-Jan-00	\$356,250 personal property \$3,327,239 real property	50% on personal and real property	31-Dec-11

*These are the amounts that appear in the City Ordinance authorizing the abatement.

** The total abatement authorized \$6,500,000 in equipment \$3,000,000 in building improvements and was approved for two phases.

^ An abatement of \$5,500,000 on real property expired in December of 2007.

All five existing abatements included personal property. Three of the five abatements were for real property as well.

Investment and Employment Projections

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 benefit-cost analysis. The benefit-cost analysis is required by state law in order to grant a tax abatement. Table 2 shows the job and investments projected by each firm as a result of their tax abatements:

Table 2: Projections Presented in Abatement Application

Name of Business	Projected Real Property Investment	Projected Personal Property Investment	Projected Full-Time Employees Added from Abatement*	Projected Wages of Employees by 2010**
Allen Press, Inc., Phase II	\$1,074,500	\$3,723,000	13	\$32,724
Amarr Garage Doors Inc.		\$9,400,000	80	\$30,284
DST Systems		\$1,450,000^	175	\$50,226
PROSOCO, Inc.	\$2,348,000	\$260,000	75#	\$27,575
Reuter Organ Co.	\$3,327,239	\$356,250	14	\$42,275
TOTAL	\$6,749,739	\$15,189,250	357	\$41,282

* This number is the additional number of employees expected as a result of the tax abatement or IRB. Total employment including existing jobs was projected by the companies to reach 1,172 after abatement projects.

**Wages have been adjusted to reflect 2010 dollars.

^ The abatement on existing personal property has expired.

PROSOCO's original projection of 75 was inaccurate as it erroneously calculated the relocation all PROSOCO employees, not just those targeted for Lawrence. According to PROSOCO, the actual base number should have been 50.

Projected real property investments ran from \$1 million to over \$3 million dollars. The largest, at Reuter Organ, involved the construction of a new manufacturing center in the Santa Fe Business Park (this business park is located at North Iowa and Lakeview Road). In total, there was approximately \$6.7 million of real property investments projected as a result of the abatements provided.

Personal property had more significant projections. There were more than \$15 million of personal property investments for which abatements were requested. This ranged from a modest amount at PROSOCO and Reuter Organ of less than half a million dollars each, to larger projections, including over \$9 million of personal property investments for Amarr Garage Doors Inc.

Projections for new job creation as the result of the five abatements were set at 357 (including 107 jobs from expansions of existing Lawrence businesses with strong employment bases). DST Systems showed the largest projected employment growth, with up to 175 new employees. PROSOCO was relocating most of their employees from Kansas City, Kansas, and showed growth of up to 75 employees here in Lawrence. In total, the five firms projected that 1,172 jobs would be in place after their construction and expansion was complete.

Employee pay is an important element for both the quality of life and for promoting other businesses indirectly. Adjusting for inflation, these firms projected average wages for jobs resulting from abatement of over \$41,000 per year. This is \$12,000 higher than the average private sector wage in Lawrence in 2009 (about

\$29,000 per year). The projected wages ranged from about \$28,000 at PROSOCO up to over \$50,000 at DST Systems. Starting with abatements that commenced in the 2010 calendar year, wages for jobs resulting from abatements must meet 130% of the Federal Poverty Rate for a family of three.

Actual Investments and Employment

Table 3 shows the actual investment and job totals resulting from the abatements:

Table 3: Actual Investments and Job Creation as of 2010

Name of Business	Real Property Investment, 2010	Actual Personal Property Investment, 2010	Actual Full-Time Employees Added from Abatement, 2010	Actual Wages of Employees, 2010
Allen Press, Inc., Phase II	\$448,170	\$1,785,847	13	\$40,123
Amarr Garage Doors Inc.		\$9,700,000	40	\$30,629
DST Systems		\$1,387,418	120*	\$37,942
PROSOCO, Inc.	\$2,397,288	\$662,312	56**	\$43,802
Reuter Organ Co.	\$3,327,239	\$389,250	30^	\$40,474
TOTAL	\$6,172,697	\$13,924,827	259	\$35,284

*Total does not include 213 part-time employees.

**Total does not include 3 part-time employees. PROSOCO’s original projection of 75 was inaccurate as it erroneously calculated the relocation all PROSOCO employees, not just those targeted for Lawrence. The actual base number should have been 50.

^Total does not include 2 part-time employees.

The total real property investments were approximately \$6.2 million. This was less than projected. The shortfall was caused by a result lower-than-expected real property investment by Allen Press in its Phase II tax abatement. Personal property investments totaled about \$13.9 million. Like real property, this was less than projected. However, three of the five firms met or exceeded their personal property investments.

Two of the five companies have met or exceeded full-time employment projections. While PROSOCO, Inc. did not meet an original projection of 75 full-time employees, the company has documented to the City that this base number was an error as it was based on total employment at PROSOCO in 1998. According to PROSOCO, this base number should have been 50, the number of employees expected to relocate to Lawrence. Based on a base of 50 full-time employees, PROSOCO would meet 112% of projections. DST Systems did not meet projections for the number of full-time employees; however, they have significantly increased part-time employees, adding 213 jobs not envisioned in original projections. Amarr Garage Doors Inc. projected 80 new employees in their 2003 performance agreement with the City, but claimed a projection of 40 employees on the City’s 2010 Tax Abatement Annual Report Questionnaire. Combined, there were 1,168 full- and part-time employees working at the five firms receiving abatements at the end of 2010.

Finally, the five firms reported wages on over 800 full-time employees. The average wage among these employees was just over \$35,000 per year. This falls short of the \$41,282 per year from the employment projections, but is more than \$6,000 higher than the average private sector wage in Lawrence. Three of the five firms exceeded their wage projections in 2010.

Table 4 provides a comparison of actuals-to-projections for each company, in percentage terms. A score of 100% or more means that the actual performance met or exceeded projections, while a score less than 100% means that the actual performance fell short of projections:

Table 4: Comparison of Performance to Projections

Name of Business	Real Property Investment, 2010	Personal Property Investment, 2010	Additional Employees from Abatement, 2010	Wages of Employees, 2010
Allen Press, Inc., Phase II	42%	48%	100%	123%
Amarr Garage Doors Inc.		103%	50%	101%
DST Systems		96%	69%*	76%
PROSOCO, Inc.	102%	255%	75%**	159%
Reuter Organ Co.	100%	109%	214% [^]	96%
TOTAL	91%	92%	82%	86%

*Total does not include 213 part-time employees.

**Total does not include 3 part-time employees. PROSOCO’s original projection of 75 was inaccurate as it erroneously calculated the relocation all PROSOCO employees, not just those targeted for Lawrence. The actual base number should have been 50.

[^]Total does not include 2 part-time employees.

In total, about 91% of real property investments were made, while 86% of the total wages of employees projected have been accomplished. This figure is impacted by lower than expected wages at DST Systems. About 92% of the total projected personal property investments were made. Two out of three companies met or exceeded real property investment projections, and three of the five abatements also saw personal property investments in excess of projections. Three of five companies exceeded wage expectations (again, the projections provided in the application have been adjusted for inflation).

The one category where performance generally did not meet projections was full-time employment. This appears to be a result of the recession. Part-time employment has increased substantially since the last report, indicating that companies may be employing a strategy to avoid worker layoffs. DST Systems alone indicated the creation of 213 part-time jobs as the result of their abatement. PROSOCO noted in their annual questionnaire that they plan to add seven full-time employees during the first quarter of 2011. Amarr’s requirement to create 80 full-time jobs was part of their performance agreement in 2003, seven years before the abatement began; the company claims a requirement of 40 jobs on their annual questionnaire. It should be noted that while most companies with abatements in 2010 either met employment projections directly related to the abatements (including corrections for error) or offset full-time employment shortfalls with significant part-time employment increases, overall employment at three of the five companies receiving 2010 abatements have decreased from pre-abatement levels. Despite this, net job growth for Lawrence from these five companies has increased by nearly 100 jobs from pre-abatement levels.

Benefits to the Community: Economic Impact

Businesses provide important benefits to the communities in which they reside. The economic benefits include not only employment and wages, but additional contributions to the local tax base, increased purchases in the local economy, and indirect impacts that occur when these expenditures are re-used within the local economy. Here we attempt to quantify some of the economic benefits that have been generated by these companies.

Property Taxes

For commercial enterprises, property taxes are based on 25% of the appraised value of real and personal property. The State of Kansas exempted commercial personal property purchased July 1, 2006 from taxation. However, personal property purchased prior to that date is still taxed at a depreciated rate. Since none of the firms received a 100% tax abatement, all of the abated property is currently generating property taxes:

Table 5: Current and Potential Property Tax Generation

Name of Business	Appraised Value of All Real Property by Abated Company, 2010*	Appraised Value of All Personal Property by Abated Company, 2010**	Real Property Taxes Assessed on Abated Company, 2010	Total Personal Property Taxes Assessed on Abated Company, 2010	Projected Real Property Taxes when Abatements Expire^
Allen Press, Inc., Phase II	\$1,030,000	\$2,112,062	\$27,944	\$59,197	\$31,825
Amarr Garage Doors Inc.	\$12,397,000	\$5,822,026	\$387,696	\$150,450	\$387,696
DST Systems	\$3,870,590	\$190,601	\$119,593	\$3,298#	\$119,593
PROSOCO, Inc.	\$7,307,905	\$460,326	\$194,279	\$13,449	\$229,499
Reuter Organ Co.	\$2,933,200	\$140,543	\$45,315	\$5,231	\$90,630
TOTAL	\$27,538,695	\$8,725,558	\$774,827	\$231,625	\$859,243

* Source: Douglas County Online Values & Taxes, 2010.

** Per Douglas County Treasurer’s Office – total appraised value for personal property for 2010.

^ Projections were not made on new personal property tax collections due to uncertainty regarding the amount of personal property exempted via the 2006 Machinery and Equipment Tax Exemptions; Assumes current mill rates and no change to real or personal property values.

DST Systems is currently subject to a payment-in-lieu-of-tax of \$2,582 in 2010 and this number is included in the total figure.

The County appraised the real property of companies receiving tax abatements at around \$27.5 million in 2010. The personal property of abated companies was appraised at about \$8.7 million. Currently assessed tax payments by the five companies total more than \$1 million for the City, County, School District (USD 497) and the State. When abatements expire, projected real property taxes of the five abated companies will total around \$850,000. Projections for personal property tax collections after the abatement periods were not made because of the uncertainty regarding the amount of personal property investment that would be subject to tax. For example, any machinery and equipment purchase after June 30, 2006 is exempt from personal property tax per Kansas statute.

Local Expenditures and 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 in 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. While we have already seen wages associated with jobs at the firms receiving abatements, Table 6 shows the share of sales made outside of Lawrence and the local expenditures made directly by the firms:

Table 6: Local Expenditures

Name of Business	Percentage of Expenditures Made Locally in Lawrence, 2010	Percentage of Non-local Sales
Allen Press, Inc	24%	99%
Amarr Garage Doors Inc.	5%	99%
DST Systems	100%	100%
PROSOCO, Inc	5%	100%
Reuter Organ	18%	97%

Almost all of the sales from the five firms receiving abatements occur outside of Lawrence. Local expenditures vary greatly among the five companies, however. DST Systems makes almost all of their expenditures locally, while Amarr Garage Doors and PROSOCO make very few of their expenditures in Lawrence. Part of the reason for this is the nature of production at these different companies. DST electronically manages mutual fund records, so most of their business purchases are likely office supplies and other items that can be purchased locally. Amarr and PROSOCO, however, create products from materials that are not produced locally. Therefore, they have to make large purchases outside of the City.

Industrial Revenue Bonds

Three companies have had Industrial Revenue Bonds (IRBs) issued on their behalf that are still outstanding. The table below details the date of issue as well as the amount of the bonds and the date of final payout. In addition, those companies that had IRBs issued after 1995 are required to provide arbitrage and secondary disclosures requirements.

Table 7: Industrial Revenue Bonds

Name of Business	Amount of the Bonds	Date of Issue	Year Matures
*RAM/Garage Doors Inc. (aka Amarr Garage Doors)	\$4,500,000	1995	2015
DST Systems, Inc.	\$7,250,000	2001	2012
PROSOCO, Inc.	\$8,040,000	1999	2019

* On March 13, 2007, the City Commission adopted Resolution 6709 approving the sale of certain real and personal property, and authorizing the Mayor to execute the Special Warranty Deed, Bill of Sale, and Termination of Documents, all related to the RAM Company project and redemption of 1995 Industrial Revenue Bonds.

Benefits to the Community: Social Impact

Companies also contribute to the community by providing career enhancement for their employees, and by giving to local charities as well. The five firms receiving abatements in 2010 have obtained substantial achievements in the areas of the environment, community engagement, and environmental practices.

Allen Press

Environment

Allen Press is pursuing several large scale environmental initiatives both internally and for clients. FSC certification is a program with the Rainforest Alliance to create a controlled forest management system for paper requirements. Allen Press has completed the certification that documents participant usage of paper purchased from organizations that practice better forest management. Allen Press stocks only FSC certified papers for its house stock and covers. The company has also purchased Green Tags from the Belleville Environmental Foundation (a collaboration with Zephyr Energy) to offset 25% of non-production electricity usage. All efforts are promoted via company seminars.

Community Engagement

Allen Press received the 2007 Pacesetter Award from the United Way of Douglas County for being the company with the largest percentage increase in contributions from the prior year. The company supported a number of community groups, including Veritas Christian School, Lawrence Arts Center, Lawrence Children's Choir, Lawrence Humane Society, and the Douglas County Senior Center.

Job Training/Benefits

Allen Press has been increasing a number of benefits recently for their employees, including a new pharmacy benefit, an increased 401(k) match, and a new employee assistance program. In 2009, Allen Press initiated free flu shots and health risk assessments annually. In 2010, the company increased its maximum annual dental benefit. Total investment in technical and management training at Allen Press exceeds \$300,000 for time and materials.

Amarr Garage Doors Inc.

Environment

Amarr participates in recycling programs that include steel, aluminum, cardboard, pallets, and paper products. Over 65% of Amarr's finished product is manufactured from recycled steel.

Community Engagement

Amarr has supported a number of community groups, including Van Gogh Mobile Arts, Tenants to Homeowners, United Way, Habitat for Humanity, Kansas Blood Services, March of Dimes, Lawrence Arts Center, and the Lawrence Memorial Hospital Campaign.

Job Training/Benefits

In addition to employee training offerings that include orientation, harassment training, safety training, leadership skill development, and machinery equipment operation instruction, Amarr offers an in-house degree program to employees designed to improve skill sets for both professional and personal growth. Tuition reimbursement is another benefit provided to employees who want to continue their education.

DST Systems, Inc.

Environment

DST Systems incorporates environmentally-sound practices into their business operations. The company established paper and aluminum recycling programs and optimizing energy consumption through conscientious heating, cooling, and electrical practices. DST Systems also takes a proactive approach to maintaining company grounds and has planted trees on company property.

Community Engagement

DST Systems participates with and supports various community organizations, including the Van Gogh Mobile Arts, the Lied Center, Ballard Center, Lawrence Community Theatre, Lawrence Arts Center, KU Athletics, and the Lawrence Chamber of Commerce. The company also supports Junior Achievement activities at local schools.

Job Training/Benefits

DST Systems provides ongoing training of staff members. Further, DST Systems has partnered with Baker University to provide college completion programs.

PROSOCO, Inc.

Environment

PROSOCO implements responsible environmental practices and publishes its “Health, Safety, and Environmental Policy” document on the front page of the company website. PROSOCO’s line includes a number of products labeled “PROSOCO’s Green Group” and “PROSOCO’s Environmentally Preferable Products.” PROSOCO works with the U.S. Green Building Council, the Consumer Specialty Products Association, and Coatings Care to support environmental principles and practices.

Community Engagement

PROSOCO has been actively involved in the Eastern Kansas branch of MS150. Since 2003, PROSOCO and its employees have participated in this annual event and have donated nearly \$20,000. In 2004, PROSOCO received the Lawrence Chamber of Commerce “Excellence in Commerce” award. Nominees were judged on categories including “community involvement” and “quality of life for employees.” Other involvement includes donations to Junior Achievement, the Kelsey Smith Foundation, and Boys and Girls Club of Lawrence. PROSOCO provides the City of Lawrence with free consultation on building renovation projects.

Job Training/Benefits

PROSOCO provides employees with internal and external education and training covering topics such as computer software, financial awareness, product training, wellness, and high-tech applications. Annual safety training is provided to employees as well as CPR/First Aid training every two years.

Reuter Organ

Environment

Many of Reuter's current and past clients organize development projects as LEED-certified projects. Reuter maintains a strong desire to use renewable products where possible in building pipe organs.

Community Engagement

Reuter and its employees are active in the Lawrence community. As part of this involvement, employees work to support the arts in whatever capacities possible. The Reuter Organ facility in Lawrence draws hundreds of guests both from the community and from out of town, resulting in increased economic development activity.

Job Training/Benefits

Building pipe organ utilizes old world craftsmanship aided where possible with modern technology. Reuter trains each employee in the art of organ building. Training can span from three months to several years. Reuter remains a recognized leader in the organ industry for its unique and reliable methods of organ building.

Appendix 1: Additional Employment Information

The 2010 Tax Abatement Annual Report Questionnaire requested information on the number of full time and part time employees in the year prior to the granting of abatement. The questionnaire also asked for the number of additional jobs that the firm projected on the abatement application. These results were compared with the number of individuals employed at the end of December 2010, per the businesses’ records. The following Table additionally presents the number of full time and part time employees for the previous five years in order to see any trends for the most recent five year period. The “over/under projection” column compares the December 2010 employment information with the “Projected on Application” information.

Name of Business	Pre-Abatement		Projected on Application		December 2006		December 2007		December 2008		December 2009		December 2010		Over/Under Projection	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Allen Press Inc.	314	8	327	0	361	8	347	5	327	3	303	2	274	0	(53)	0
Amarr Garage Doors Inc. (1998)	340	0	371*	0	681	0	660	4	469	0	499	2	466	4	95*	4*
DST Systems, Inc.	0	0	175	0	146	87	133	108	161	60	128	62	120	213	(55)	213
Prosoco, Inc.	0/50^	0	75	3	68	1	66	3	69	0	59	3	56	3	(19)	0
Reuter Organ	42	0	56	0	31	1	33	1	33	4	35	2	30	2	(26)	2

* Projection on application is the figure provided in 1998. According to the 2003 Performance Agreement between the City and Amarr Garage Doors Inc., a total of 80 jobs were to be created as the result of the abatement commencing in 2010. The applicant states that 40 jobs were projected on the application.

^ PROSOCO’s original projection of 75 was inaccurate as it erroneously calculated the relocation all PROSOCO employees, not just those targeted for Lawrence. The actual base number should have been 50.

Below is a history of PROSOCO/BIC Corporation Kansas employment totals:

Year	1998 KC	1999 Law.	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
KS Employees	50	58	64	61	60	63	63	67	68	69	69	59*	59*

*Includes three (3) part-time employees.

Appendix 2: SOC Employment Information

The questionnaire requested each business to provide occupation specific information to include a 6-digit SOC Code, full or part time status, and the hourly or annual wage for each position. The information for each occupation was then compared with a benchmark mean wage for that occupation. In the majority of cases, the benchmark used was the 6-digit SOC Code mean wage as reported in the 2010 Edition of the Kansas Wage Survey for the Lawrence Metropolitan Statistical Area (MSA). Whenever a 6-digit SOC Code mean wage was not available, the state average 6 digit SOC Code was used instead.

NOTE: In order to preserve the confidentiality of all employees’ wage information, reported job categories containing two or fewer employees are not listed in the tables below. However, the average information for those job categories is included in the bulleted, cumulative data information following the table for each business.

Allen Press, Inc						
<i>SOC and number of jobs</i>	<i>Occupation</i>	<i>FT or PT</i>	<i>Above/Below Survey Mean</i>	<i>Firm Avg.</i>	<i>KS Wage Survey Mean Wage</i>	<i>Firm Min.</i>
11-1011 (3)	Chief Executives	FT	ABOVE	\$100.72	\$59.73	\$56.49
11-1021 (7)	General and Operations Managers	FT	ABOVE	\$49.37	\$39.60	\$31.23
11-2022 (5)	Sales Managers	FT	ABOVE	\$53.74	\$44.49	\$20.76
13-1199 (23)	Business Operations Specialists, All Other	FT	ABOVE	\$26.18	\$24.80	\$18.59
15-1021 (8)	Computer Programmers	FT	BELOW	\$22.92	\$29.91	\$17.22
15-1041 (5)	Computer Support Specialists	FT	BELOW	\$18.42	\$18.56	\$14.30
15-1071 (6)	Network and Computer Systems Administrators	FT	ABOVE	\$27.69	\$22.85	\$21.52
27-1024 (5)	Graphic Designers	FT	ABOVE	\$20.61	\$16.79	\$15.04
27-3031 (3)	Public Relations Specialists	FT	BELOW	\$14.95	\$26.48	\$11.97
27-3041 (12)	Editors	FT	ABOVE	\$21.14	\$19.74	\$14.55
37-2011 (5)	Janitors and Cleaners, Except Maids and Housekeeping	FT	ABOVE	\$12.95	\$10.03	\$10.18
41-9099 (4)	Sales and Related Workers, All Other	FT	ABOVE	\$21.77	\$16.29	\$15.60
43-1011 (7)	First-Line Supervisors/Managers of Office and Administration	FT	ABOVE	\$22.00	\$19.75	\$17.77
43-3021 (5)	Billing and Posting Clerks and Machine Operators	FT	ABOVE	\$19.25	\$14.66	\$14.08
43-3031 (4)	Bookkeeping, Accounting, and Auditing Clerks	FT	ABOVE	\$20.19	\$14.36	\$14.87
43-4051 (8)	Customer Service Representatives	FT	ABOVE	\$16.00	\$14.16	\$13.33
43-4151 (3)	Order Clerks	FT	ABOVE	\$14.38	\$12.85	\$13.17

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43-5061 (13)	Production, Planning, and Expediting Clerks	FT	ABOVE	\$18.59	\$18.32	\$13.05
43-5071 (7)	Shipping, Receiving, and Traffic Clerks	FT	ABOVE	\$14.97	\$12.14	\$10.10
43-9011 (4)	Computer Operators	FT	ABOVE	\$17.87	\$13.62	\$14.69
43-9021 (3)	Data Entry Keyers	FT	ABOVE	\$15.80	\$12.03	\$14.63
43-9022 (9)	Word Processors and Typists	FT	ABOVE	\$20.60	\$13.96	\$15.71
43-9031 (20)	Desktop Publishers	FT	ABOVE	\$19.53	\$15.18	\$13.57
43-9081 (20)	Proofreaders and Copy Markers	FT	ABOVE	\$16.36	\$12.13	\$11.97
49-9042 (6)	Maintenance and Repair Workers, General	FT	ABOVE	\$25.04	\$14.85	\$22.71
51-1011 (3)	First-Line Supervisors/Managers of Production	FT	ABOVE	\$36.56	\$25.53	\$28.96
51-5011 (12)	Bindery Workers	FT	ABOVE	\$17.02	\$11.99	\$12.02
51-5021 (5)	Job Printers	FT	ABOVE	\$23.30	\$16.60	\$18.57
51-5022 (6)	Prepress Technicians and Workers	FT	ABOVE	\$21.88	\$15.65	\$12.59
51-5023 (16)	Printing Machine Operators	FT	ABOVE	\$25.53	\$18.31	\$13.28
53-7011 (3)	Conveyor Operators and Tenders	FT	ABOVE	\$17.12	\$13.12	\$14.38

Allen Press reported 58 total job categories

- 44 of 58 full time (76%) paid at or above the mean wage for the job category
- In 20 of 58 categories, specific employee salaries were not provided to the City

Amarr Garage Doors						
<i>SOC and number of jobs</i>	<i>Occupation</i>	<i>FT or PT</i>	<i>Above/Below Survey Mean[^]</i>	<i>Firm Avg.[^]</i>	<i>KS Wage Survey Mean Wage</i>	<i>Firm Min.</i>
11-1011 (3)	Chief Executives	FT	ABOVE	\$69.58	\$59.73	DNR
11-3011 (4)	Administrative Services Manager	FT	ABOVE	\$31.69	\$28.19	DNR
11-9199 (6)	Managers, All Other	FT	ABOVE	\$37.56	\$31.84	DNR
17-0000 (4)	Architecture and Engineering Occupations	FT	ABOVE	\$34.05	\$31.03	DNR
43-0000 (4)	Office and Administrative Support Occupations	FT	ABOVE	\$16.56	\$13.18	DNR
43-1011 (4)	First-Line Supervisors/Managers of Production and Operating Workers	FT	ABOVE	\$21.63	\$19.75	DNR
43-4151(19)	Order Clerks	FT	ABOVE	\$15.25	\$12.85	DNR
43-5061 (7)	Production, Planning, and Expediting Clerks	FT	ABOVE	\$18.81	\$18.32	DNR

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43-9061 (4)	Office Clerks, General	FT	ABOVE	\$12.71	\$11.37	DNR
43-9199 (5)	Office and Administrative Support Workers, Other	FT	ABOVE	\$13.59	\$11.69	DNR
49-9042 (5)	Maintenance and Repair Workers, General	FT**	ABOVE	\$21.29	\$14.85	DNR
51-2099 (5)	Assemblers and Fabricators, All Other	FT	ABOVE	\$15.42	\$11.38	DNR
51-4031 (6)	Cutting, Punching, and Press Machine Setters	FT	BELOW	\$14.14	\$14.63	\$12.32
51-9198(23)	Helpers, Production Workers	FT**	ABOVE	\$11.80	\$11.34	DNR
53-7064 (6)	Packers and Packagers, Hand	FT**	ABOVE	\$12.53	\$8.60	DNR

*Not enough company information provided to calculate based on SOC codes.

**These categories include one part time employee each.

Amarr Garage Doors, Inc. reported 30 total job categories.

- 22 of 30 full time (73%) paid at or above the mean wage for the job category.
- 6 of 30 full time (20%) were not able to be calculated by the City due to lack of information provided to the City on certain job categories.

DST Systems, Inc						
<i>SOC and number of jobs</i>	<i>Occupation</i>	<i>FT or PT</i>	<i>Above/Below Survey Mean</i>	<i>Firm Avg.</i>	<i>KS Wage Survey Mean Wage</i>	<i>Firm Min.</i>
43-4051 (82)	Customer Service Representatives	FT	ABOVE	\$14.67	\$14.16	\$11.25
43-4051 (213)	Customer Service Representatives	PT	BELOW	\$11.42	\$14.16	\$11.25
43-1011 (31)	Sales Representatives, Wholesale & Manufacturing	FT	ABOVE	\$25.19	\$19.75	DNR

DST Systems, Inc. reported 9 total job categories (8 full time and 1 part time)

- 8 of 8 full time (100%) paid at or above the mean wage for the job category
- The part time (1 of 1) did not pay at or above the mean wage for the job category

PROSOCO, Inc.						
<i>SOC and number of jobs</i>	<i>Occupation</i>	<i>FT or PT</i>	<i>Above/Below Survey Mean</i>	<i>Firm Avg.</i>	<i>KS Wage Survey Mean Wage</i>	<i>Firm Min.</i>
11-0000 & 11-9199 (14)	Management Occupations	FT	ABOVE	ABOVE*	\$34.72	DNR
19-4031 (3)	Chemical Technicians	FT	BELOW	\$20.61	\$20.91	DNR
43-4051 (4)	Customer Service Representatives	FT	ABOVE	\$19.41	\$14.16	DNR
51-1011 (3)	First-Line Supervisors/Managers of Production & Operating Workers	FT	ABOVE	\$32.80	\$25.53	DNR
51-9111 (4)	Packaging & Filling Machine Operators and Tenders	FT	BELOW	\$13.07	\$14.45	DNR

*Information not provided.

PROSOCO, Inc. reported 29 full time job categories

- 22 of 30 full time (73%) paid at or above the mean wage for the job category
- In 20 of 30 categories (67%), specific employee salaries were not provided to the City

Reuter Organ Company						
<i>SOC and number of jobs</i>	<i>Occupation</i>	<i>FT or PT</i>	<i>Above/Below Survey Mean</i>	<i>Firm Avg.</i>	<i>KS Wage Survey Mean Wage</i>	<i>Firm Min.</i>
11-1021 (7)	General & Operations Managers	FT	BELOW	\$27.97	\$39.60	\$18.41
51-7011 (23)	Cabinetmakers & Bench Carpenters	FT	ABOVE	\$16.52	\$13.41	\$13.00

Reuter Organ Company reported 3 total job categories

- 2 of 3 full time (66.7%) paid at or above the mean wage for the job category