

2017

City of Lawrence, Kansas

Annual Economic Development Report

Britt Crum-Cano, Economic Development Coordinator

Table of Contents

Executive Summary	i
Introduction	1
Section 1: Property Tax Abatements	
Overview.....	1-1
Catalyst Property Tax Abatements.....	1-3
Traditional Property Tax Abatements	1-5
Company Profiles.....	1-6
Abatement Performance	1-9
Performance Summary	1-11
Employment Summary	1-14
Employment History	1-15
Abatement Compliance Summary.....	1-16
Additional Community Benefits	1-20
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	6-11
Relocation Assistance	6-14
Workforce Training Support.....	6-17
Expansion Assistance	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 IndicatorsF-12

Executive Summary

Each year, the City of Lawrence reviews and reports information on performance and compliance for active economic development programs, including participation in property tax abatements, Industrial Revenue Bonds (IRB), Neighborhood Revitalization Areas (NRA), Tax Increment Financing districts (TIF), Transportation Development Districts (TDD), and other supported programs. This information is summarized within an annual economic development report, published by the City, as required by City Code.

For 2017, the City supported a variety of economic development projects that utilized one or more economic development programs. Below is a summary of the active projects for the year. Historical information is included in the report's appendices.

Property Tax Abatements:

In addition to providing traditional property tax abatements in 2017, the City adopted the "Catalyst" program, a new temporary incentive program for providing real property tax abatements to help spur industrial development.

In August 2017, the City authorized a request from VanTrust Real Estate, LLC to participate in the Catalyst program for a three-phase development project in Lawrence VenturePark. Once completed, the development will provide over 555,000 square feet of industrial space within the park. Phase I development is anticipated to begin in 2018.

In December 2017, the City authorized a request from Plastikon Healthcare, LLC to participate in the Catalyst program for a two-phase expansion project in East Hills Business Park. Plastikon's Phase I & II expansions are anticipated to begin in 2018.

Executive Summary

Four (4) Lawrence companies had active property traditional tax abatements in 2017: 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

Investments

- For companies receiving a property tax abatement, real property investment totaled \$11.4 million in 2017 as compared to \$6 million projected. Real property investment to date was almost \$10.3 million for Grandstand and over \$1.1 million 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 2017 dollars)	Total 2017	Comparison (Projected to Actual)
Amarr	n/a	n/a	n/a
Grandstand	\$4,890,000	\$10,274,531	210%
Sunlite	\$1,130,000	\$1,160,820	103%
Total (2017)	\$6,020,000	\$11,435,351	190%

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

- Personal property investment totaled \$9.7 million in 2017 as compared to \$9.4 million projected. Personal property investment to date for Amarr was \$9.7 million. 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 2017 dollars)	Total 2017	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 (2017)	\$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 210, Grandstand projected 94 net new positions and realized 190, and Sunlite projected 23 and met 9 full-time positions in 2017.³

Full-Time Employment			
Company	Total Projected (in 2017 dollars)	Total 2017	Comparison (Projected to Actual)
Amarr ⁴	40	210	525%
Grandstand	94	190	202%
Sunlite	23	9	39%
Total (2017)	157	409	261%

³ Per Sunlite, FTE projections for 2017 was originally based on the manufacturing of LED lighting fixtures for general lighting. However, in 2016 the price of LED replacement bulbs and linear tubes dropped dramatically, making the general light area no longer profitable for US companies. Several US company sold their LED lighting divisions to overseas companies. Sunlite has since moved away from general lighting and is successfully transitioning into high-end design lighting fixtures and the LED curing industry. The Company's scientific research is also going well. Because of this market adjustment, Sunlite requires less full-time production jobs than projected and more higher wage professional jobs than projected. This has resulted in a higher percentage of compliance on average hourly wages and a lower percentage of compliance on FTEs.

⁴ The number of jobs projected from abatement was 40, as per Kansas Court of Tax Abatement (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 2017, Amarr reported 749 actual, full-time positions and had realized 210 net new full-time positions (749-539 = 210).

Executive Summary

Full-Time Wages

All the companies receiving property tax abatements either met or exceeded required wage levels during 2017. As a whole, the companies achieved an average annual wage of over \$44,000 for full-time positions in 2017 compared with just over \$32,600 (inflation adjusted) as originally projected. This is \$12,003 higher than the average full-time, private sector wage in Lawrence (\$32,248 per year) and \$17,711 higher than the annual 2017 wage floor rate of \$26,541. Average 2017 full-time wages were approximately \$38,700 for Amarr, \$45,100 for Grandstand, and \$48,900 for Sunlite.

Average Wage Comparison			
Company	Total Projected (in 2017 dollars)	Total 2017	Comparison (Projected to Actual)
Amarr	\$33,270	\$38,697	116%
Grandstand	\$32,157	\$45,122	140%
Sunlite	\$32,500	\$48,935	151%
Total Average Wage (2017)	\$32,642	\$44,251	136%

Wage Comparisons		
2017 Wage Comparison	Hourly	Annual
Lawrence Average Private Wage	\$15.50	\$32,248
Lawrence Wage Floor	\$12.76	\$26,541
Company Average Wage	\$21.27	\$44,251

**Wage
Difference**

\$12,003
\$17,711

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 \$203,300 in property taxes out of a total \$357,200 due in 2017 (\$153,900 abated).⁵ Amarr paid a total of \$124,495 in personal property tax out of \$151,649 due (\$27,152 abated); Grandstand paid a total of \$55,847 in real property tax out of \$159,562 due (\$103,715 abated); and Sunlite paid a total of \$22,997 in real property tax out of \$45,994 due (\$22,997 abated).

2017 Tax Generation (on portion of property receiving an abatement)				
Company	Taxes Paid	Tax Abated	Total Taxes	Abated % of Total
Amarr	\$124,495	\$27,152	\$151,649	18%
Grandstand	\$55,847	\$103,715	\$159,562	65%
Sunlite	\$22,997	\$22,997	\$45,994	50%
Total	\$203,339	\$153,864	\$357,205	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):

Five (5) companies had Industrial Revenue Bonds (IRB) outstanding in 2017.⁶ 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.

2017 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
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
Boys & Girls Club*	Dec. 2017	9431	2020	\$5,000,000	Teen Facility Addition to College & Career Center

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

⁶ IRBs for Vermont Place were authorized but had not yet been issued by the end of 2017.

Executive Summary

Neighborhood Revitalization Areas (NRA):

Five (5) companies received NRA rebates for the 2017 tax year. Rebates were not yet due for the 1101 Indiana Street, 826 Pennsylvania Street or Vermont Place NRAs.⁷

2017 Tax Year NRA Rebates	
NRA	Amount
720 E 9th St	\$14,624
1040 Vermont St	\$27,636
810/812 Pennsylvania St	\$26,763
900 Delaware St	\$33,061
1106 Rhode Island St	\$10,504
Total	\$112,587

These five NRAs generated an average of 32.5% more real property tax revenues as compared to property tax revenues that would have been realized if the properties were left in original condition.

2017 Tax Revenue Comparison: All NRAs			
NRA	Base	Retained	% Gain (Loss)
720 E 9th St	\$13,097	\$14,702	12.3%
1040 Vermont St	\$27,831	\$34,798	25.0%
810/812 Pennsylvania St	\$3,913	\$9,085	132.2%
900 Delaware St	\$2,571	\$3,421	33.1%
1106 Rhode Island St	\$2,747	\$4,438	61.5%
Total	\$50,159	\$66,445	32.5%

*Unimproved
Property*

*Improved
Property*

Return

⁷ Distribution details are shown in Appendix B.

Executive Summary

Overall (for all years in which a NRA rebate was given), the five NRA revitalized properties generated an average of 15.3% 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 Increment Financing Districts (TIF):

The City has three (3) active TIF districts: Downtown 2000, Oread, and 9th & New Hampshire, which includes 900 New Hampshire (South project) and 888 New Hampshire (North project).⁸

2017 TIF Distributions		
TIF District	Description	Total
Downtown 2000	901 New Hampshire	\$28,085
Oread	TIF Sales Tax \$169,259	\$465,191
	TIF Property Tax \$295,932	
9th & New Hampshire: South Project (1)	900 New Hampshire: TIF Sales Tax \$119,925	\$424,061
	900 New Hampshire: TIF Property Tax \$304,136	
9th & New Hampshire: North Project	888 New Hampshire: TIF Sales Tax \$0	\$0
	888 New Hampshire: TIF Property Tax \$0	
TIF Total		\$917,337

- 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. The District does not pay out to private entities except for

⁸ Distribution details are shown in Appendix B.

Executive Summary

the 901 New Hampshire Street property which receives an annual reimbursement of \$28,085 that was authorized via agreement.

- 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 2017, the District generated approximately \$465,200 in reimbursable sales and property tax TIF revenues.
- 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 2017, 900 New Hampshire Street (South Project) generated \$446,380 in reimbursable sales and property tax TIF revenues, \$424,061, of which was reimbursed back to the property owner.⁹
 - At the end of 2017, 888 New Hampshire Street (North Project) had not reported retail sales and no reimbursements were provided for TIF sales tax revenues. The property had generated TIF property tax revenues for the 2016 tax year, but reimbursement was dependent on certification of TIF receipts, which had not proceeded by the end of 2017.

⁹ Total TIF revenues generated in 2017 from sales and property taxes was \$446,380. The City retains 5% for the Arts Common project, up to \$900,000.

Executive Summary

Transportation Development Districts (TDD):

The City has three (3) active TDDs: The Oread TDD, Free-State/Bauer Farms TDD, and the 9th & New Hampshire TDD.¹⁰ In all TDDs, public improvements are financed initially by the developer and reimbursed annually via a one percent (1%) transportation district sales tax on retail or taxable services occurring within the district.

2017 TDD Distributions	
Oread: TDD Sales Tax	\$87,538
Bauer Farms: TDD Sales Tax	\$232,990
9th & New Hampshire TDD	
900 New Hampshire (South Project)	\$0
888 New Hampshire (North Project)	\$0
TDD Total	\$320,528

The City retains the first \$850,000 of TDD revenues from the 9th & New Hampshire district as a contribution toward the 10th & New Hampshire City parking garage. As of the end of 2017, the City had retained the entire amount of 9th & New Hampshire TDD revenues.

9th & New Hampshire TDD Distributions	
Year	City Retained TDD Revenues
2015	\$21,622
2016	\$49,434
2017	\$50,829
Total	\$121,885

¹⁰ Distribution details are shown in Appendix B.

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 2017 include:

2017 Other Support Programs			2017 Assistance	
Support Program	Description	Location	City	County
Economic Development Services	BTBC	2029 Becker & 4950 Research Pkwy	\$418,540	\$568,540
Economic Development Services	Chamber and KU-SBDC	718 New Hampshire	\$220,000	\$220,000
Relocation Assistance	Integrated Animal Health	2029 Becker Drive	\$11,766	\$11,766
Workforce Training	Peaslee Technical Training Center	2920 Haskell Avenue	\$150,000	\$195,105
Expansion Assistance	Special Assessment Forgiveness (donated County property)	3780 Greenway Circle	\$40,648	\$270,240

- ***Economic Development Services***—The City, along with other community stakeholders, provides support for the Bioscience & Technology Business Center (BTBC) for various economic development services and facilities. 2017 BTBC support from the City was just over \$418,500 and just over \$568,500 from the County.

2017 support for economic development services provided by the Lawrence Chamber of Commerce and KU Small Business Development Center totaled \$220,000 each from the City and County.

- ***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

Executive Summary

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 second full measurement year for calculating compliance was June 1, 2016-May 31, 2017. 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 \$11,766 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. In 2017 the Center had increased enrollment to approximately 600 students. 2017 support included \$150,000 from the City and just over \$195,000 from the County.
- ***Expansion Assistance***—To assist in future expansions of the Plastikon Healthcare manufacturing facility in East Hills Business Park, the County Commission authorized donation of adjacent land valued at approximately \$270,200 and the City forgave approximately \$40,600 in special assessments on the donated parcel.

Introduction

The City of Lawrence provides multiple support programs for economic development opportunities designed to enhance the local economy and quality of life. Local economic development programs available include:

- Industrial Revenue Bonds (IRB)
- Property Tax Abatement
- Neighborhood Revitalization Area (NRA)
- Tax Increment Financing (TIF)
- Transportation Development District (TDD)
- Community Improvement Districts (CID)
- Loans or Grants
- Creation of Benefit Districts
- Construction or Installation of Infrastructure

Guiding Documents:

Economic development programs are guided by the City's comprehensive plan and economic development policy.

Horizon 2020 Comprehensive Plan

Economic development goals are outlined in Chapter 13 of *Horizon 2020, The Comprehensive Plan for Lawrence and Unincorporated Douglas County* and include: 1) Employment Growth, 2) Tax Base Growth, and 3) Income Growth.¹

¹ During 2017, the City was in the process of reviewing and updating the Comprehensive Plan, but it was not finalized by the end of the year.

Introduction

Economic Development Policy

Eligibility and requirements for program participation are detailed within the City's economic development policy. It should be noted that in January 2017, the City adopted a revised economic development policy (Resolution 7184) that outlines local economic development tools the City, County and School District can utilize to assist economic development projects. The revised policy is not retroactive and states, "Any existing economic development incentive shall be governed by the policy and procedures in existence at the time of the inception of that particular economic development incentive."

Compliance & Reporting:

As economic development programs involve public funding for current and future community assets, projects participating in these programs are viewed as an investment in which the City analyzes the risks and returns, selecting economic projects that best balance the goals, as set forth within the City's comprehensive plan and policy, of growing the local economy with the required amount of investment.

To monitor the success of local economic development assistance programs, the City annually examines performance of projects that are actively participating in these programs. Information on participating projects, public investment provided, and compliance is published each year in the City's *Annual Economic Development Report*.

Introduction

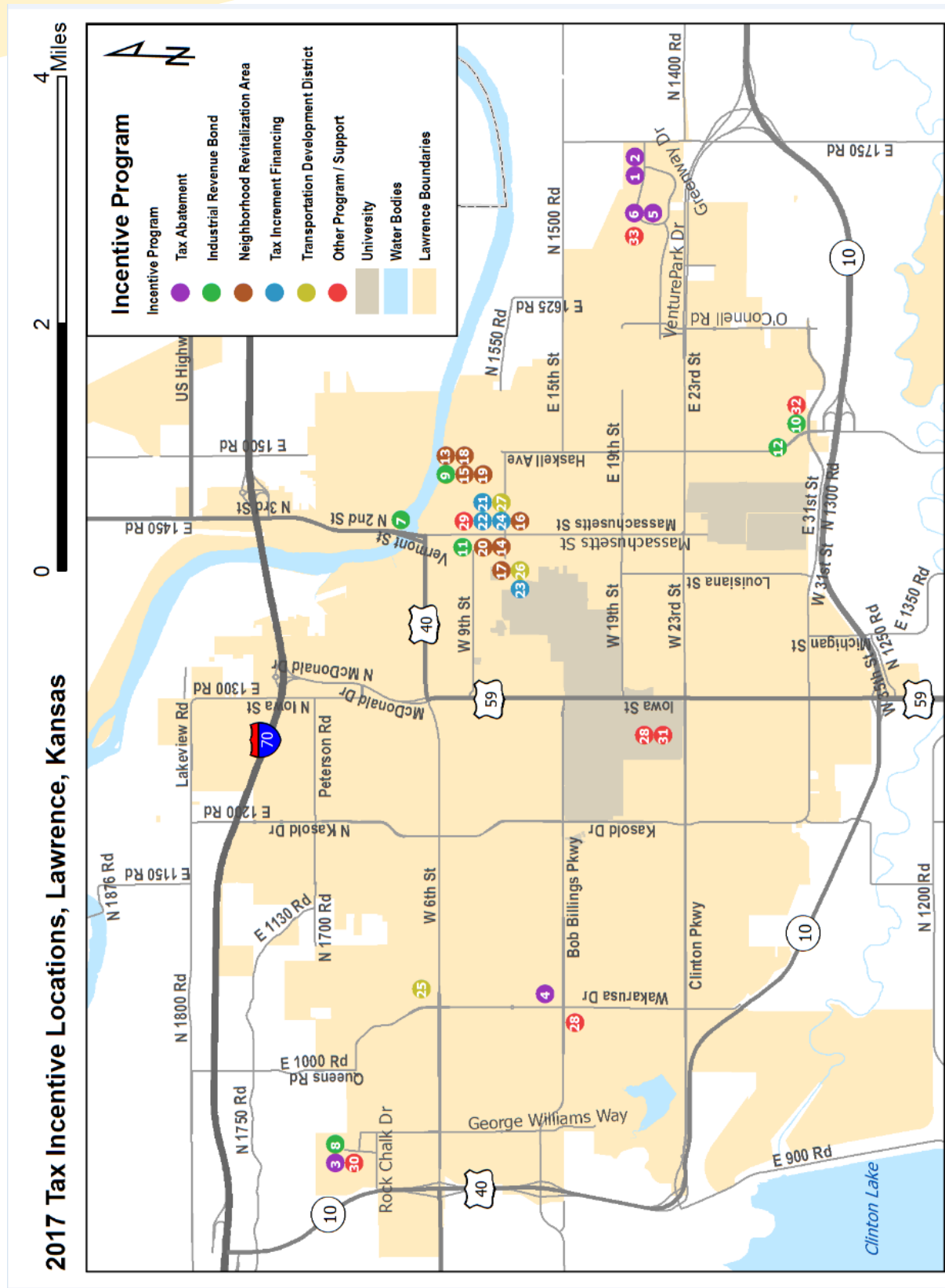
Currently, the City has the below active economic development programs and projects.

2017 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
Catalyst Tax Abatements	VanTrust Phase I	Lawrence Venture Park, Lot B1	5
	Plastikon Healthcare Expansion	3780 Greenway Circle	6
Industrial Revenue Bonds (IRB)	Bowersock (Hydro-Electric Plant)	Kansas River, east of N 2nd Street	7
	Rock Chalk Park	6100 Rock Chalk Drive	8
	826 Pennsylvania Street	826 Pennsylvania Street	9
	Peaslee Technical Center-2016	2920 Haskell Avenue	10
	Vermont Place	800-815 Vermont Street	11
	Boys & Girls Club	2910 Haskell Avenue	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 Assocs.)	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
	Vermont Place	800-815 Vermont Street	20
Tax Increment Financing (TIF)	Downtown 2000 District	9th & New Hampshire area	21
	901 New Hampshire (TIF Refund)	901 New Hampshire	22
	Oread Project	1200 Oread Avenue	23
	9th & New Hampshire TIF District	900 New Hampshire, 888 New Hampshire	24
Transportation Development Districts (TDD)	Free State (Bauer Farm)	NEC 6th & Wakarusa	25
	Oread Project	1200 Oread Avenue	26
	9th & New Hampshire TDD District	900 New Hampshire, 888 New Hampshire	27

Introduction

2017 Other Support Programs			
Support Program	Description	Location	Map #
Economic Development Services	BTBC	2029 Becker & 4950 Research Pkwy	28
Economic Development Services	Chamber and KU-SBDC	718 New Hampshire	29
Shared Infrastructure	Rock Chalk Park	6100 Rock Chalk Drive	30
Relocation Assistance	Integrated Animal Health	2029 Becker Drive	31
Workforce Training	Peaslee Technical Training Center	2920 Haskell Avenue	32
Expansion Assistance	Special Assessment Forgiveness (donated County property)	3780 Greenway Circle	33

Introduction



1 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 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) and can be authorized for up to 10 years by state statute.

The City has two paths for seeking approval of a real property tax abatement¹:

1. **Traditional Property Tax Abatement**—Eligibility and other criteria for seeking a tax abatement through the traditional process is outlined within the City’s economic development policy. In addition, projects granted a traditional tax abatement are subject to annual reporting and compliance requirements during the duration of the incentive period. This information is used by the City to assess the effectiveness of the projects in bringing capital investment, quality jobs and wages, and other benefits to the community. Project performance results are reported within the City’s annual economic development report during the incentive period. The majority of projects presented in this section had property tax abatements authorized via the traditional approval process.
2. **Catalyst Property Tax Abatement**—Beginning spring of 2017, a real property tax abatement for industrial development projects could be processed through the Catalyst program, a special, temporary incentive program designed to spur economic development activity within the community. Originally authorized in April 2017 for new industrial projects

¹ Note all property tax abatements are subject to final approval by the Kansas Board of Tax Appeals.

1 Property Tax Abatements

constructed in Lawrence VenturePark or East Hills Business Park, the program was further expanded in June 2017 to include industrial development throughout the City of Lawrence.

The program is limited in duration and will sunset two years from adoption, at which time it may be considered for extension after evaluation. Because this is a special program, the regular provisions and process associated with the City's economic development policy do not apply. Expedited approval is granted directly through the City Commission for projects that meet the program's eligibility requirements.

Catalyst Program	
Offers	Requires
No cost City-owned land in VenturePark. County-owned land subject to County approval.	When City or County-owned land provided, applicant to cover special assessments on applicable parcel(s).
Real Property Tax Abatement: * 10-year, 50%. * 10-year, 70% if constructed to LEED silver equivalent	Minimum Building Size (sf): * 75,000 for new construction in VenturePark * 25,000 for new construction or 15,000 for building expansion in East Hills Business Park
IRB sales tax exemption on project construction materials	* 25,000 for new construction on IG zoned land within the City
Waiving of City IRB application & bond origination fees	Applicant to pay for bond counsel and bond issuance costs
Waiving of City tax abatement application fee and annual City tax abatement renewal fees.	Applicant to pay for State application fees

See **Appendix E** for additional Catalyst program information.

1 Property Tax Abatements

Catalyst Property Tax Abatements



VanTrust Catalyst Development: Lawrence VenturePark

In August 2017, the City authorized a request from VanTrust Real Estate, LLC to participate in the Catalyst program for a three-phase development project in Lawrence VenturePark.

Phased development plans include:

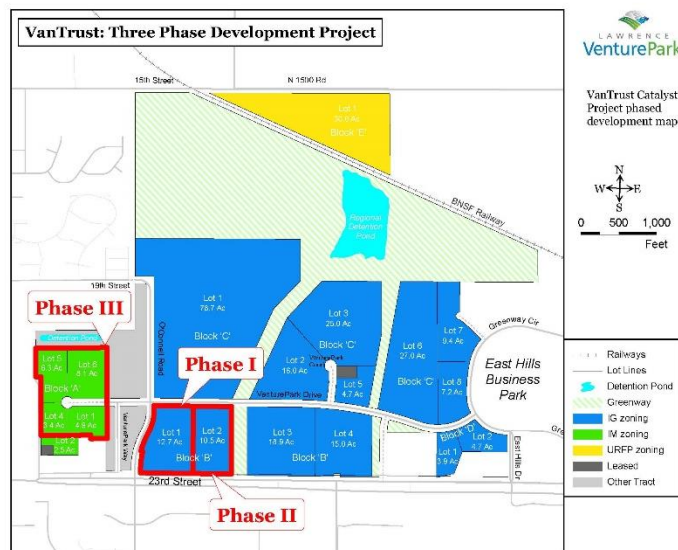
Phase I: 152,250 square foot spec building on Lot B1

Phase II: 152,250 square foot spec building on Lot B2

Phase III: 250,784 square foot spec building on Lots A1, A4, A5, & A6

Once completed, the three phases will provide over 555,000 s.f. of industrial space within the park. Total construction investment for all three phases is estimated at \$31 million.

At the end of 2017, the company was conducting Phase I due diligence.



1 Property Tax Abatements



Plastikon Expansion, Phases I & II: East Hills Business Park

In December 2017, the City authorized a request from Plastikon Healthcare, LLC to

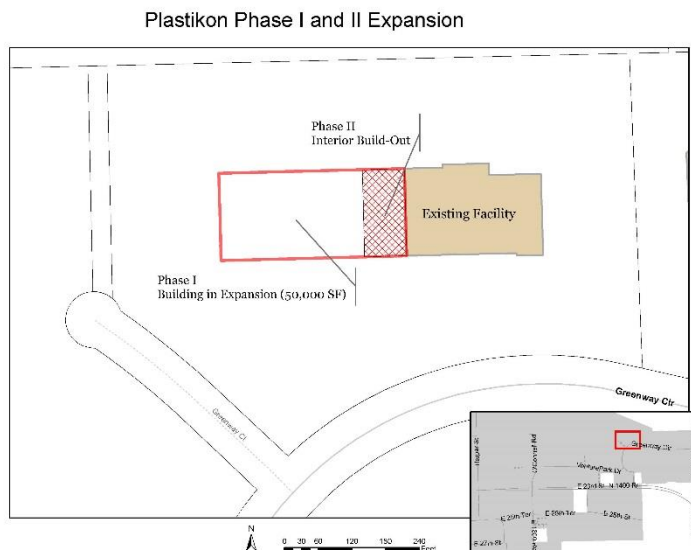
participate in the Catalyst program for a two-phase expansion project in East Hills Business Park.

Plastikon is a contract manufacturing organization that specializes in the formulation and packaging of liquid medical

devices and pharmaceuticals. The Company acquired and initiated operations at its current facility in East Hills Business Park in 2011.

At the end of 2017, the City authorized up to a 70%, 10-year property tax abatement for Phase I & II under the Catalyst program. The building addition will be built on company-owned land, so there was no land component included in the Catalyst package. In addition, the Company obtained a sales tax exemption for project construction materials through a state incentive program, so they did not pursue Internal Revenue Bonds (IRB) through the Catalyst program.

Completion of both phases is scheduled for 4th quarter 2018, with total capital investment for buildings, machinery, and equipment estimated at \$7.3 million



1 Property Tax Abatements

Traditional Property Tax Abatements

2017 Tax Abatements: Active						COTA Docket #
Company	Start ²	Expires ³	Maximum Investment Amount Subject to Abatement ⁴	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 ⁵	65% on real property	R-6948	2012-9459-EDX
Sunlite Science & Technology, Inc.	2014	2023	\$2,300,000 real property ⁶	50% on real property	R-7042	2013-5409-EDX
Rock Chalk Park ⁷	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.

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

³ Exemption from ad valorem taxation expires with the taxes levied in the calendar year shown.

⁴ Amounts that appear in the City Ordinance authorizing the abatement.

⁵ 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.

⁶ Estimated cumulative capital investment over 10-year term as per agreement dated August 30, 2013 between City and Sunlite Science & Technology, Inc.

⁷ 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.

1 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.



Amarr Garage Doors: 3800 Greenway Circle

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



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.

1 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.



1 Property Tax Abatements

Sunlite Science & 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

1 Property Tax Abatements

Abatement Performance

The table below compares projected investment, employment and wage milestones⁸ to actual achievement for each of the companies receiving a property tax abatement during 2017.

2017 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 ⁹	40	210	525%
Average Wages (2017 Dollars)	\$33,270	\$38,697	116%

Continued

⁸ 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.

⁹ 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 2017, Amarr reported 749 actual, full-time positions and had realized 210 net new full-time positions (749-539 = 210).

1 Property Tax Abatements

2017 Tax Abatement Performance by Company			
Grandstand/Screen-It Graphics	Projected	Actual	Comparison (Projected to Actual)
Real Property Investment	\$4,890,000	\$10,274,531	210%
Personal Property Investment	n/a	n/a	n/a
Full-Time Employment ¹⁰	94	190	202%
Average Wages (2017 Dollars)	\$32,157	\$45,122	140%
Sunlite Science & Technology	Projected	Actual	Comparison (Projected to Actual)
Real Property Investment	\$1,130,000	\$1,160,820	103%
Personal Property Investment	n/a	n/a	n/a
Full-Time Employment ¹¹	23	9	39%
Average Wages (2017 Dollars)	\$32,500	\$48,935	151%

¹⁰ 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.

¹¹ Pre-abatement employment as of December 31, 2013 was 5 full-time positions.

1 Property Tax Abatements

Performance Summary

2017 Tax Abatement Summary			
	Total Projected	Total Actual	Comparison (Projected to Actual)
Real Property Investment	\$6,020,000	\$11,435,351	190%
Personal Property Investment	\$9,400,000	\$9,700,000	103%
Full-Time Employees	157	409	261%
Average Wages (2017 Dollars)	\$32,642	\$44,251	136%

Real Property Investment

Overall, the companies receiving property tax abatements in 2017 achieved one hundred ninety percent (190%) of the projected amount for real property investments. Real property investment totaled approximately \$11.4 million, with company investments ranging from approximately \$1.16 million (Sunlite) to \$10.3 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.

1 Property Tax Abatements

Job Creation:

Amarr Garage Doors exceeded projected employment by five hundred twenty-five percent (525%), Grandstand exceeded projected employment by two hundred two percent (202%). Sunlite achieved thirty-nine percent (39%) of their projected employment for the 2017 abatement year. Sunlite was in the process of transitioning into new markets, requiring less lower paying production jobs than projected and more higher paying professional jobs, which resulted in lower FTE compliance (39%), but higher average wage compliance (151%).¹² Overall, the three companies receiving a property tax abatement during 2017 met two hundred sixty-one (261%) 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 \$44,251 per year. This wage is about \$12,003 higher than the average private sector wage in Lawrence.¹³ This wage is also substantially above the 2017 community wage floor rate (\$12.76 per hour 2017 wage floor rate as compared to \$21.27 per hour average wage rate paid by abatement companies.)

¹² ¹² Per Sunlite, FTE projections for 2017 was originally based on the manufacturing of LED lighting fixtures for general lighting. However, in 2016 the price of LED replacement bulbs and linear tubes dropped dramatically, making the general light area no longer profitable for US companies. Several US company sold their LED lighting divisions to overseas companies. Sunlite has since moved away from general lighting and is successfully transitioning into high-end design lighting fixtures and the LED curing industry. The Company's scientific research is also going well. Because of this market adjustment, Sunlite requires less full-time production jobs than projected and more higher wage professional jobs than projected. This has resulted in a higher percentage of compliance on average hourly wages and a lower percentage of compliance on FTEs.

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.

1 Property Tax Abatements

All three companies met or exceeded wage expectations. Overall wages averaged one hundred thirty-six percent (136 %) of projections. (Again, the projections provided in the application have been adjusted for inflation.)

1 Property Tax Abatements

Employment Summary

Each year, a questionnaire is sent to property tax abatement companies to gather information, including employment data (number of FTEs, wage & occupational information). Employment information is then compared to targets as specified within the company's performance agreement.

2017 Employment Summary	
Amarr Garage Doors, Inc.	
Total Employment	771
Full-Time Employment	749
% of Full-Time Jobs (meeting or exceeding target wage) ¹⁴	116%
Average Full-Time Wage	\$18.60
Grandstand/Screen-It Graphics	
Total Employment	190
Full-Time Employment	190
% of Full-Time Jobs (meeting or exceeding target wage)	140%
Average Salary	\$21.69
Sunlite Science & Technology	
Total Employment	9
Full-Time Employment	9
% of Full-Time Jobs (meeting or exceeding target wage)	151%
Average Salary	\$23.53

¹⁴ Amarr's 2017 inflation adjusted target wage was \$16.00. Amarr's average company hourly wage reported for all 739 full-time employees was \$18.80 in 2017, or 116% of the inflation adjusted target wage. For the 40 jobs to be created as a result of the current abatement (specified in COTA Docket #210-5589-EDX), Amarr reported each based on SOC code per the Kansas Department of Labor, 2017 Edition Wage Survey for the Lawrence MSA. All 40 jobs met or exceeded the community average wage based on SOC code.

1 Property Tax Abatements

Employment History

In addition to 2017 employment, the below table presents historical employment records over the past five years for the companies receiving a property tax abatement:

2013-2017 Employment History (year-end)																		
Company	Pre-Abatement		Projected from Abatement		Total Estimated Jobs		2013		2014		2015		2016		2017		2017 Over/Under Estimated Total	
	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT
Amarr (2009) ¹⁵	499	0	40	0	539	0	624	16	697	36	696	15	722	23	749	22	210	22
Grandstand/Screen-ot Graphics ¹⁶	40	0	54	0	94	0	71	0	97	0	186	0	189	0	190	0	96	0
Sunlite Science & Technology ¹⁷	5	0	18	0	23	0	n/a	n/a	6	0	11	0	9*	0	9	0	(14)	0
<i>Total</i>	<i>544</i>	<i>0</i>	<i>112</i>	<i>0</i>	<i>656</i>	<i>0</i>									<i>948</i>	<i>22</i>	<i>292</i>	<i>22</i>

¹⁵ 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 2017, Amarr reported 749 actual, full-time positions and had realized 210 net new full-time positions (749-539 = 210).

¹⁶ 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.

¹⁷ Pre-abatement employment as of December 31, 2013 was 5 full-time positions.

1 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 2017 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%

1 Property Tax Abatements

Grandstand was subject to the below performance provisions for 2017.¹⁸ The company met substantial compliance and was eligible for one hundred percent (100%) of their 2017 property tax abatement amount.

2017 Grandstand Compliance Summary						
Compliance Category	Description	Target	Actual	% Compliance (Actual/Target)	Weight	Overall Compliance
Capital Investment	Cumulative Capital Investment (as of Dec 31, 2017)	\$4,890,000	\$10,274,531	210%	0.25	52.53%
Job Creation	Full-Time Employment (FTEs)	94	190	202%	0.25	50.58%
Wages	2017 Wage Floor (\$12.76/hr.) ¹⁹	100% of Employees paid above wage floor	96%	96%	0.125	12.00%
	Average Company Hourly Wage	\$15.46	\$21.69	140%	0.125	17.54%
Health Benefits	Employer Provided Health Care Coverage (minimum of 70% employer paid premium) ²⁰	100% of Employees	100%	100%	0.25	25.00%
Blended Compliance %						158%
Eligible Incentive %						100%

¹⁸ 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 2017 will be January 1, 2017 through December 31, 2017. 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.

¹⁹ 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.

²⁰ 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 2017. (See Appendix E.)

1 Property Tax Abatements

Sunlite was subject to the below performance provisions for 2017. The company met substantial compliance and was eligible for one hundred percent (100%) of their 2017 property tax abatement amount.

2017 Sunlite Compliance Summary						
Compliance Category	Description	Target	Actual	% Compliance (Actual/Target)	Weight	Overall Compliance
Capital Investment	Cumulative Capital Investment (as of Dec 31, 2017)	\$1,130,000	\$1,160,820	102.73%	0.25	25.68%
Job Creation	Full-Time Employment (FTEs) ²¹	23	9	39.15%	0.25	9.79%
Wages	2017 Wage Floor (\$12.76/hr.) ²²	100% of Employees paid above wage floor	100%	100.00%	0.125	12.50%
	Average Company Hourly Wage	\$15.63	\$23.53	150.57%	0.125	18.82%
Health Benefits	Employer Provided Health Care Coverage (minimum of 70% employer paid premium) ²³	100%	100%	100.00%	0.25	25.00%

Blended Compliance % 92%

Eligible Incentive % 100%

²¹ Per Sunlite, FTE projections for 2017 was originally based on the manufacturing of LED lighting fixtures for general lighting. However, in 2016 the price of LED replacement bulbs and linear tubes dropped dramatically, making the general light area no longer profitable for US companies. Several US company sold their LED lighting divisions to oversee companies. Sunlite has since moved away from general lighting and is successfully transitioning into high-end design lighting fixtures and the LED curing industry. The Company's scientific research is also going well. Because of this market adjustment, Sunlite requires less full-time production jobs than projected and more higher wage professional jobs than projected. This has resulted in a higher percentage of compliance on average hourly wages and a lower percentage of compliance on FTEs.

²² 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.

²³ 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).

1 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 2017 compliance measures per their performance agreement and is eligible for one hundred percent (100%) of their annual incentive amount. Performance measures for Amarr, considering current standards, are shown below for comparison.

2017 Amarr Compliance Summary						
Compliance Category	Description	Target	Actual	% Compliance (Actual/Target)	Weight	Overall Compliance
Capital Investment	Personal Property	\$9,400,000	\$9,700,000	103.19%	0.25	25.80%
Job Creation	Full-Time Employment ²⁴	40	210	525.00%	0.25	131.25%
Wages	2017 Wage Floor (\$12.76/hr.)	100% of Employees paid above wage floor	100.00%	100.00%	0.125	12.50%
	Average Company Hourly Wage ²⁵	\$16.00	\$18.60	116.31%	0.125	14.54%
Health Benefits	Employer Provided Health Care Coverage ²⁶	100% of Employees	100.00%	100.00%	0.25	25.00%

Blended Compliance % 209%

Eligible Incentive % 100%

²⁴ 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."

²⁵ \$18.60 represents Amarr's 2017 company average wage for all 739 full-time employees. \$16.00 represents Amarr's inflation adjusted wage target for 2017. Currently, Amarr has 40 abated jobs, all of which exceed the community average wage based on SOC code per the Kansas Department of Labor, 2017 Edition Wage Survey for the Lawrence MSA.

²⁶ 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 2017. (See Appendix E.)

1 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 1-13 percent (1%-13%), 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.)

2017 Local Expenditures & Outside Sales		
Company	Expenditures Spent Within Lawrence	Sales Generated Outside Lawrence
Amarrr Garage Doors Inc.	5%	99%
Grandstand/Screen-It Graphics	1%	99%
Sunlite Science & Technology	13%	97%

1 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.²⁷

2017 Tax Generation (on portion of property receiving an abatement)				
Company & Abatement %	Total Tax Potential	Abated Tax Amount	State Exemption ²⁸	Taxes Paid (or to be paid) by Property Owner
Amarr Garage Doors, Inc.				
Personal (55%) ²⁹	\$151,649	\$27,082	\$70	\$124,495
Grandstand/Screen-It Graphics				
Real (65%)	\$159,562	\$103,715	n/a	\$55,847
Sunlite Science & Technology				
Real (50%)	\$45,994	\$22,997	n/a	\$22,997
Total	\$357,205	\$153,794	\$70	\$203,339

Source: Douglas County

²⁷ 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.

²⁸ 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.

²⁹ 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.

1 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 2017 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.

Amarr also participates in several "green" initiatives throughout the company World Wide.

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, Lawrence Memorial Hospital (Breast Cancer "Pink It Up" and Catch a Break campaigns), Just Food, Stroke Detention Plus, 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 local Softball and Basketball teams.

1 Property Tax Abatements

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

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 training for machinery operation, and many other general training programs for Amarr Team Members.

1 Property Tax Abatements

Grandstand (Screen-It Graphics), Inc.

Environment

During 2017, 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 can 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 2017: Arthritis Foundation, Boys & Girls Club of Lawrence, Corpus Christi Catholic Church, Douglas County CASA, Douglas County Special Olympics, Emerald Gems Foundation, Free State High School, Festival of Trees, Habitat for Humanity, Humane Society, Just Food, Kansas Big Brothers Big Sisters, Lawrence Chamber of Commerce, Lawrence Area Schools, Lawrence Old Fashioned Christmas Parade, March of Dimes, The Sexual Trauma & Abuse Care Center, University of Kansas, and Van Go, Inc. The company also adopted several local families and provided gifts for Christmas.

Job Training/Benefits

The company hired and trained 79 new employees during 2017. Grandstand completed various safety trainings for all applicable employees and several employees attended continuing education for their respective fields.

1 Property Tax Abatements

Sunlite Science & Technology, Inc.

Environment

Sunlite's lighting products are designed for environmental sustainability and energy efficiency. Sunlite's UV lamps contain no mercury, do not produce ozone, consumes less energy, and reduces odors and noises at the worksite. Over the past year, Sunlite manufactured UV LED exposure units and UV LED curing units for screen printing and flexography printing applications. The company also released a UV LED pinning lamp for digital printing. These UV lamps use approximately 90% less energy compared to traditional mercury UV curing units. Sunlite also produced LED grow lights for promoting plant growth. One 65W LED grow light can replace a 400W HID (High Intensity Discharge) lamp.

Community Engagement

Over the past year, Sunlite donated to Just Foods of Douglas County and provided design support for lighting the Van Go, Inc., sign. Sunlite also supported the University of Kansas' Civil, Environmental, and Architectural Engineering Departments by providing research resources for professors. In addition, Sunlite supported the School of Architecture's Studio 804 project and Dirt Works Studio.

Job Training/Benefits

The company provided onsite and on-the-job training for all its employees and also sponsored training for its employees through the Peaslee Tech Training Center.

2 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.

Five (5) Industrial Revenue Bonds were outstanding at the end of 2017, 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.

2017 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
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
Boys & Girls Club*	Dec. 2017	9431	2020	\$5,000,000	Teen facility addition to College & Career Center

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

2 Industrial Revenue Bonds

In 2017, the City Commission had authorized the below IRB, but bonds had not been issued by the end of the year.

2017 IRBs: Authorized, Not Issued		
Company	Description	Project
Vermont Place*	Resolution of Intent No. 7173 authorized 10-3-2017. Bonds had not been issued as of 12-31-2017.	Mixed-Use Commercial/Residential

* 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 2017, the City of Lawrence had eight (8) approved Neighborhood Revitalization Areas:

2017 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	2019 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	*
800-815 Vermont Street	Vermont Place	Nov. 2017	9303	75%	10 years	*

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

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%.

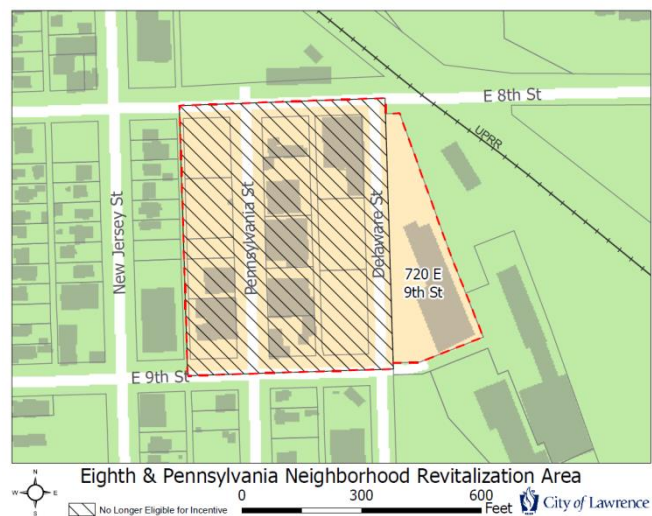
⁴ Agreement amended for NRA rebate starts on the first full tax year after project is 100% complete. Project completion is anticipated in 2018.

3 Neighborhood Revitalization Areas

Five (5) properties were eligible for an NRA rebate for the property taxes levied in 2017. 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. See Appendix B, page B-2 for NRA distribution information.

8th & Pennsylvania Street NRA

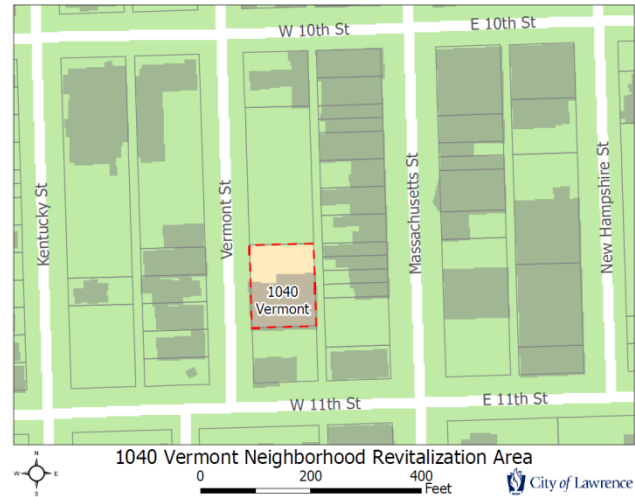
The 8th & Pennsylvania Street NRA was established in 2007, although the only property redeveloped was the parcel located at 720 E 9th Street. The district expired in April 2012. However, this parcel remains eligible for NRA refunds.



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.



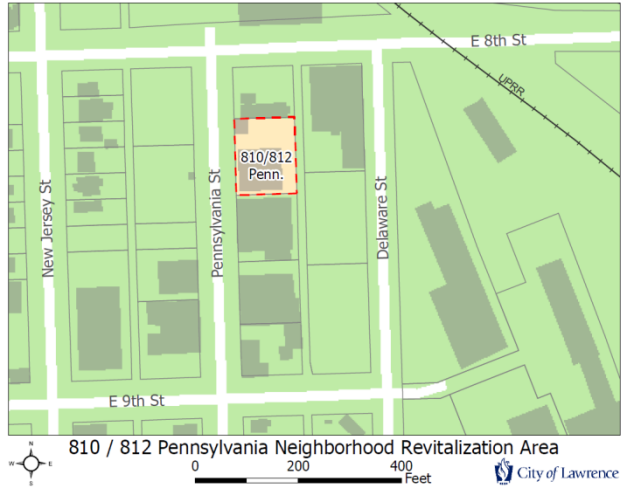
1040 Vermont Street Before Renovation

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

3 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 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.

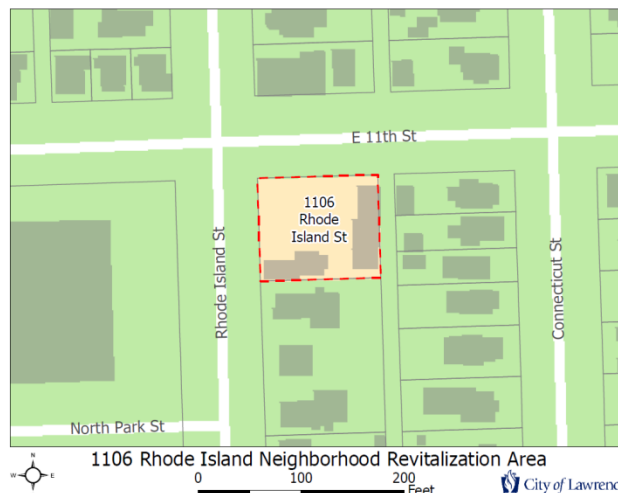


Cider Art Gallery

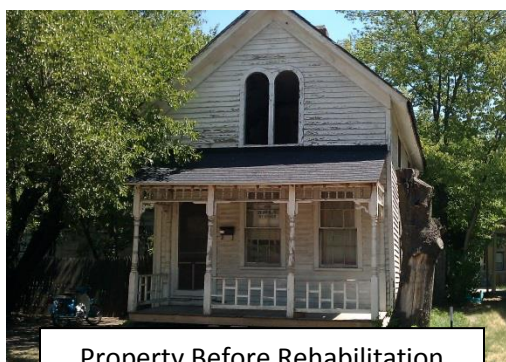
3 Neighborhood Revitalization Areas

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.



2016 was the first NRA rebate year for the 1106 Rhode Island project.



Property Before Rehabilitation



Property After Rehabilitation

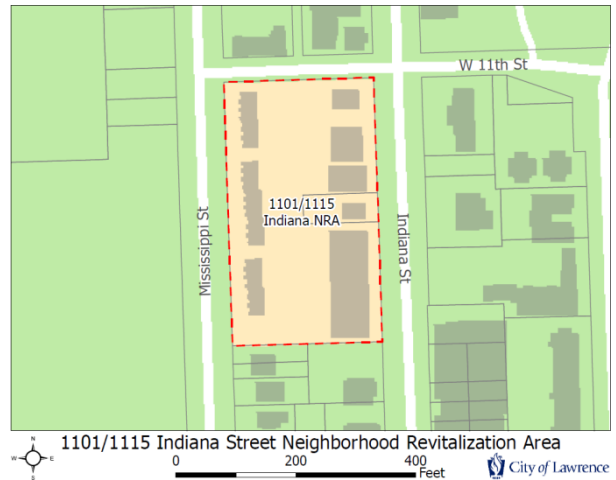
3 Neighborhood Revitalization Areas

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 construction on the residential facility was completed in 2016, the project was not considered complete in 2017 due to outstanding parking requirements. HERE KS was responsible for and paid all real property taxes in 2017 (\$259,739) on the project.



Future Mixed-Use, Student Housing

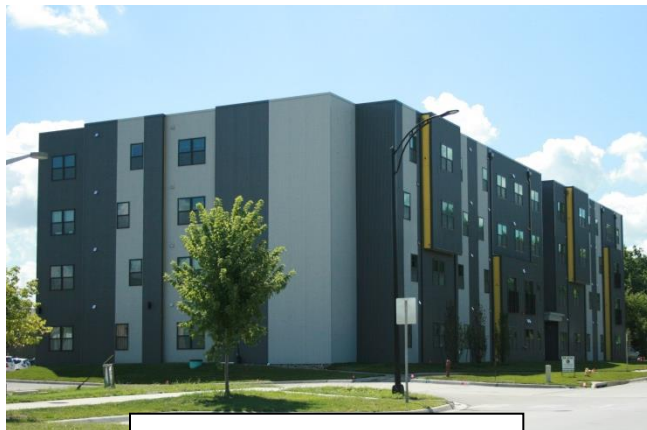
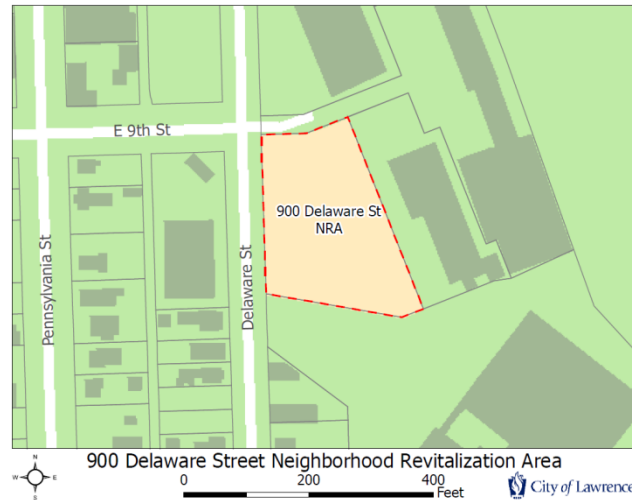
⁵ Paragraph 5: The Neighborhood Revitalization Act Performance Agreement provides that HERE shall not be entitled to receive any incentive under that agreement or the NRA until such time as it substantially completes construction. The parties acknowledge and understand that the term "substantially complete" 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:

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.



9 Del Lofts

3 Neighborhood Revitalization Areas

826 Pennsylvania Street NRA

In 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 redevelopment of the property at 826 Pennsylvania Street into a mixed-use commercial and residential project. At the end of 2017, the project was almost completed and included:



- Over 28,000 square feet of finished commercial and residential space (3 floors + basement)
- 14 residential rental units, two of which are set aside for affordable housing
- 33 new, on-street angled parking spaces in front of the building

In September 2017, the Lawrence Beer Company opened on the first floor of the redeveloped project. By the end of the year, residential construction was substantially completed. Per

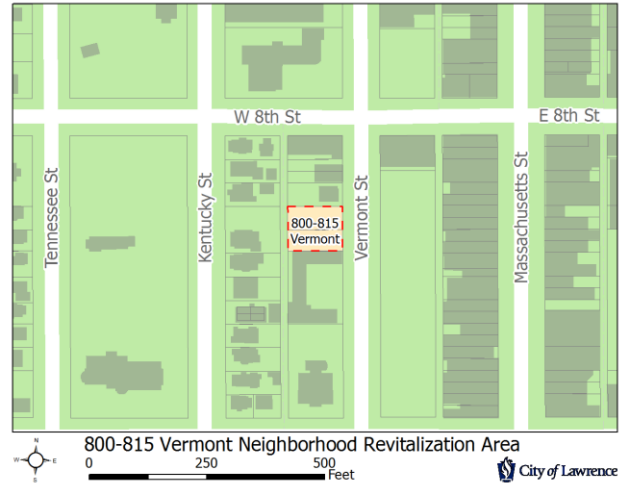


agreement, the project will be eligible for its first NRA rebate on the first full tax year after the project is substantially completed. As the project was considered substantially finished in 2017 by the Douglas County Appraiser's office, the first tax year the project is anticipated to be eligible for an NRA rebate will be 2018.

3 Neighborhood Revitalization Areas

800-815 Vermont Street NRA: Vermont Place

In November of 2017, the City, County and School district voted to participate in a 10-year, 75% NRA to support the redevelopment of two vacant lots, located at approximately 800-815 Vermont Street in the Downtown Lawrence business district, into a mixed-use, project. The City also supported a request for Industrial Revenue Bond financing (IRB) for the project to access a sales tax exemption on construction materials.



Rendering of Vermont

Project plans call for retail/commercial use on the first floor, entrepreneurial offices on the second floor, and residential for sale” condominiums on floors 3-5. An underground parking garage will provide parking for condominium residents. The Developer will dedicate ownership of one fully-finished, 1-

bedroom condominium to be held in perpetuity as affordable housing.

The project will become eligible for NRA rebates on the first full tax year after the project is completed. Project construction had not commenced by the end of 2017.

4 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:

2017 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	Apr-00	Apr-20	7207	\$8,645,000
The Oread	Feb. 2008	8234	Apr-08	Apr-28	8253	\$8,500,000 ²
9th & New Hampshire: South Project	Aug. 2012	8768	May-13	May-32	8865	\$4,000,000 ³
9th & New Hampshire: North Project			Apr-14	Apr-34	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 maximum reimbursement amount (not including interest) specified in the original development agreement, to be reimbursed from TIF and TDD revenues. As part of a 2017 settlement agreement, the Development Agreement was amended, reducing the maximum from \$11 million to \$8.5 million (not including 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.

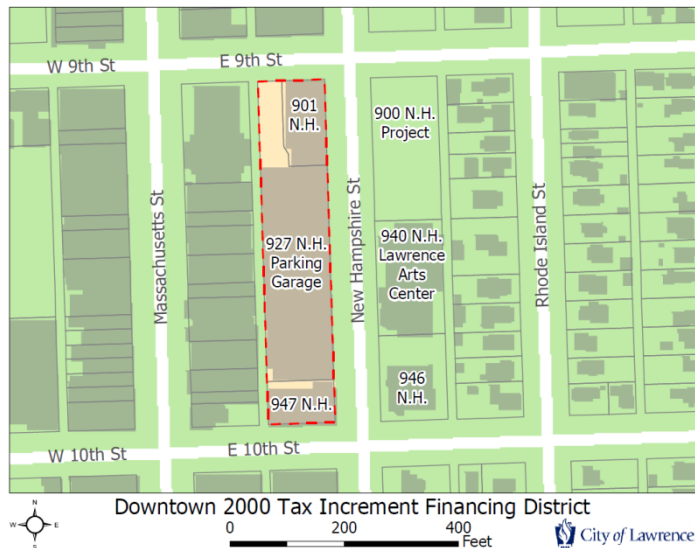
4 Tax Increment Financing

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 2017, approximately \$2.13 million⁵

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 2017, approximately \$2,765,000 remained outstanding on the bond debt. After payments made on 3-1-2017 and 9-1-2017, estimated balance remaining was \$2,130,000.

4 Tax Increment Financing

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.

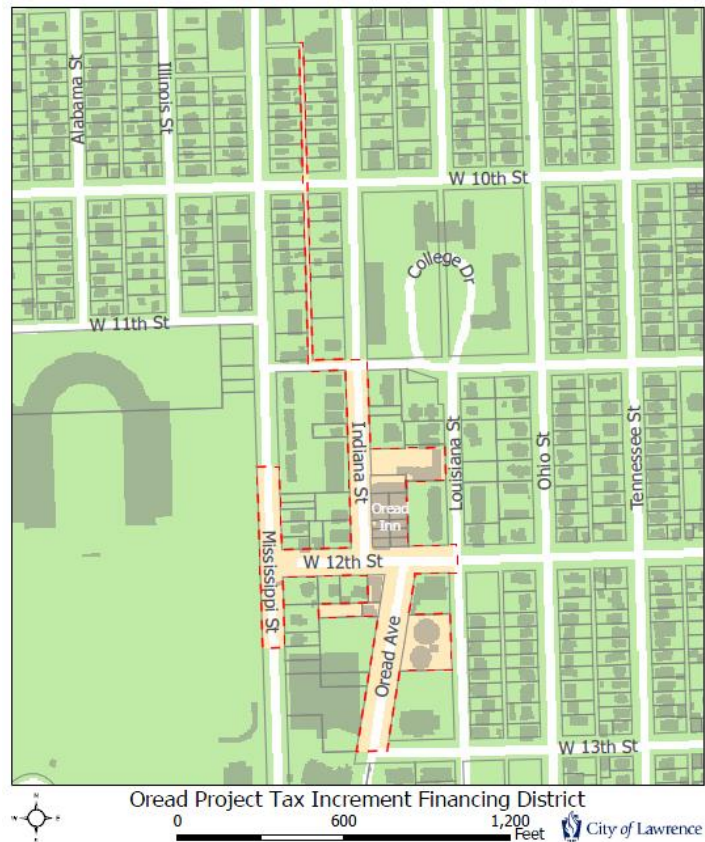
4 Tax Increment Financing

12th and Oread Redevelopment

District: 1200 Oread Avenue

Located on top of Mount Oread at the north gate of The University of Kansas, The Oread is a hospitality and business venue with 99 guest rooms/suites, two large banquet rooms, a state of the art audio/video theater, tanning salon/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.⁶



⁶ Reimbursements were subject to a contractual dispute between the City and the developer, which was settled through a Settlement Agreement and Mutual Release dated April 13, 2017. This agreement stipulated that the City would retain \$650,000 plus interest out of retained TIF/TDD revenues to cover the amount the City overpaid Oread Inn, L.C., with interest (\$492,914.86), plus the City's estimated out-of-pocket costs incurred from its investigation of the dispute in 2015 through the start of the court ordered mediation.

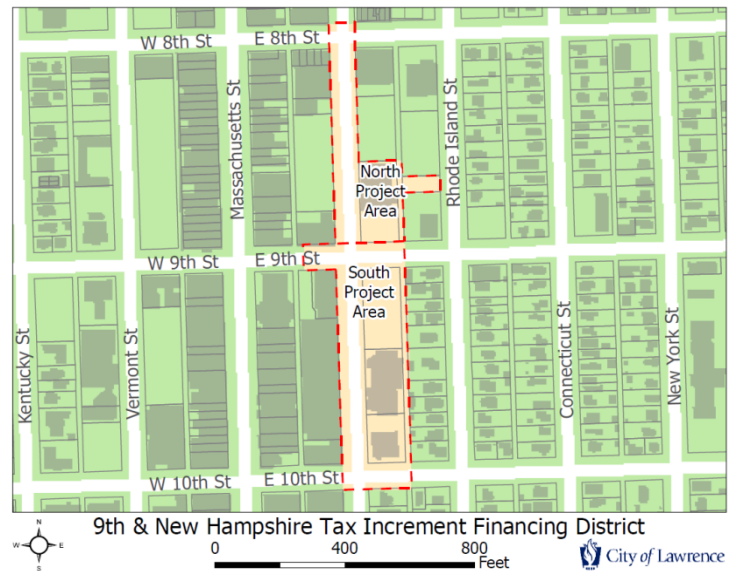
After the City retains \$650,000 from TIF/TDD funds, it will disburse the remaining funds according to the amended development agreement (executed April 27, 2017). Under the terms of the amendment, the TIF/TDD reimbursement maximum was reduced from \$11 million to \$8.5 million (excluding interest). In addition, once the developer is reimbursed \$5.7 million (reduced from \$7.1 million) plus interest, TIF revenues available for reimbursements are reduced to 50% of real property tax revenues and 50% of sales tax revenues. TDD reimbursements remain at 100% throughout the duration of the agreement, subject to the reimbursement cap.

4 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.⁷

The district began generating TIF revenues in 2014 through the South Project (900 New Hampshire). The North Project (888 New Hampshire) finished construction in 2016 and was eligible for TIF reimbursements on the 2017 tax year. However, as of the end of the year, the developer had not submitted project TIF receipts for certification to the City, which is required under the performance agreement before reimbursements can be given.

⁷ Per the South Area Development Agreement, if the “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.

4 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.



5 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.

2017 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 maximum reimbursement amount (not including interest) specified in the original development agreement, to be reimbursed from TIF and TDD revenues. As part of a 2017 settlement agreement, the Development Agreement was amended, reducing the maximum from \$11 million to \$8.5 million (not including interest).

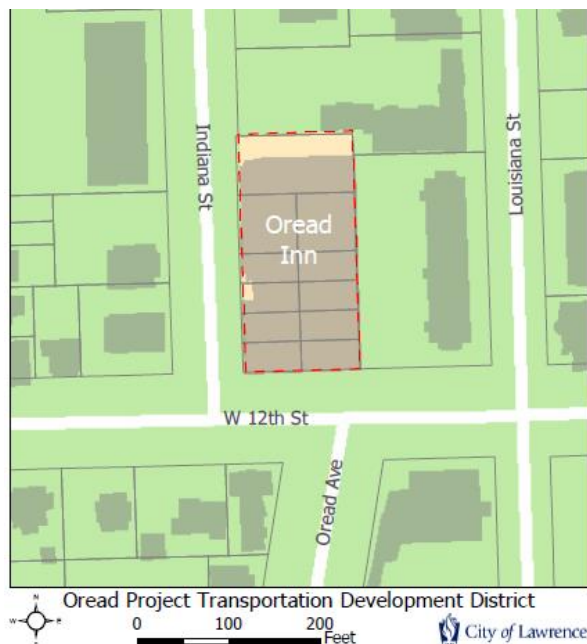
² Ordinance 8803 which originally established the TDD district was repealed due to a technicality and replaced with Ordinance 8979.

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.

5 Transportation Development Districts

The Oread TDD

The Oread TDD (located at W. 12th Street & Oread Avenue) began generating sales tax revenues in 2009. The project's transportation-related public improvements were financed initially by the Developer and are reimbursed annually through TDD revenues generated within the district.⁴



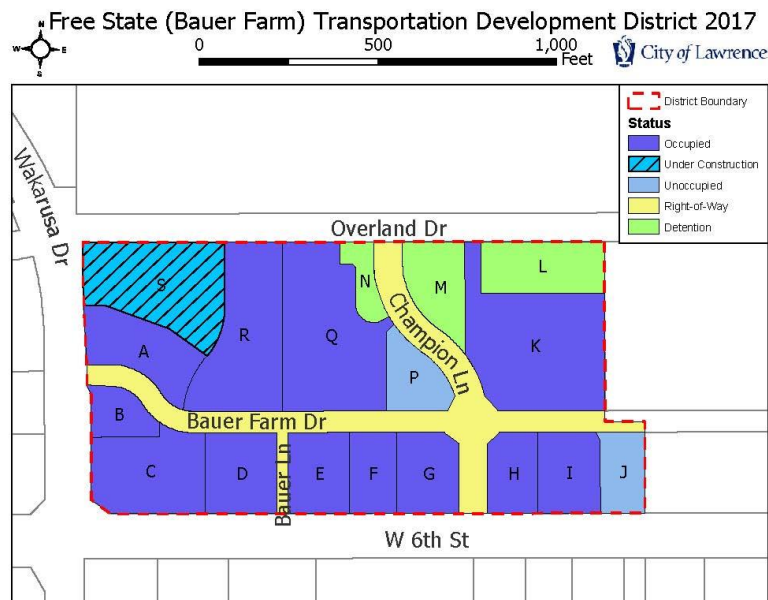
⁴ Reimbursements were subject to a contractual dispute between the City and the Developer, which was settled through a Settlement Agreement and Mutual Release dated April 13, 2017. This agreement stipulated that the City would retain \$650,000 plus interest out of retained TIF/TDD revenues to cover the amount the City overpaid Oread Inn, L.C., with interest (\$492,914.86), plus the City's estimated out-of-pocket costs incurred from its investigation of the dispute in 2015 through the start of the court ordered mediation.

After the City retains \$650,000 from TIF/TDD funds, it will disburse the remaining funds according to the amended development agreement (executed April 27, 2017). Under the terms of the amendment, the TIF/TDD reimbursement maximum was reduced from \$11 million to \$8.5 million (excluding interest). In addition, once the developer is reimbursed \$5.7 million (reduced from \$7.1 million) plus interest, TIF revenues available for reimbursements are reduced to 50% of real property tax revenues and 50% of sales tax revenues. TDD reimbursements remain at 100% throughout the duration of the agreement, subject to the reimbursement cap.

5 Transportation Development Districts

Free-State TDD

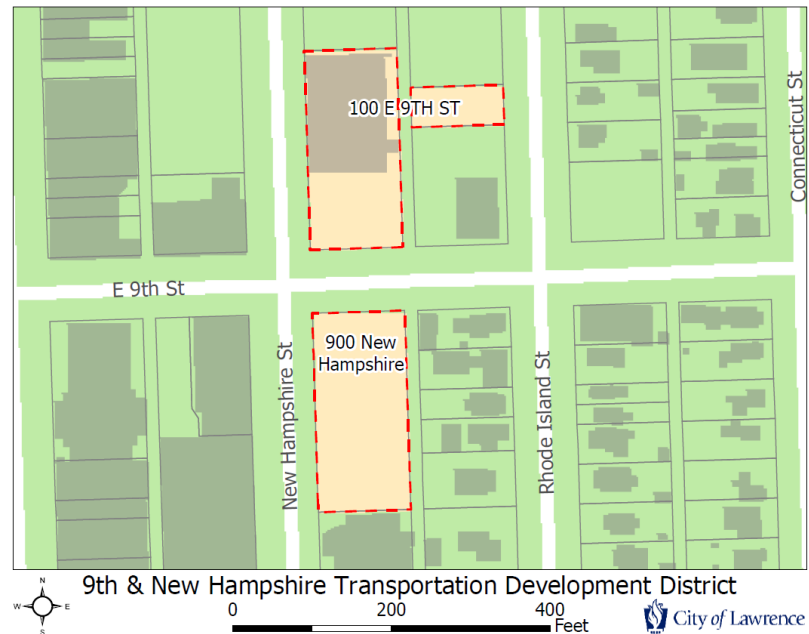
The Free-State (Bauer Farm) TDD (located at W. 6th Street and Wakarusa Drive) began generating sales tax revenues in 2009. At the end of 2017, approximately ninety-three percent (93%) of the buildable area within the district was either occupied or under construction.



5 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.



6 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.



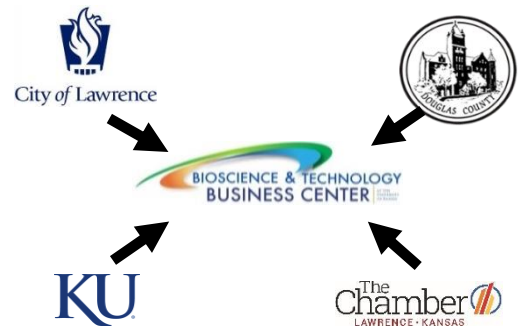
Bioscience & Technology Business Center

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



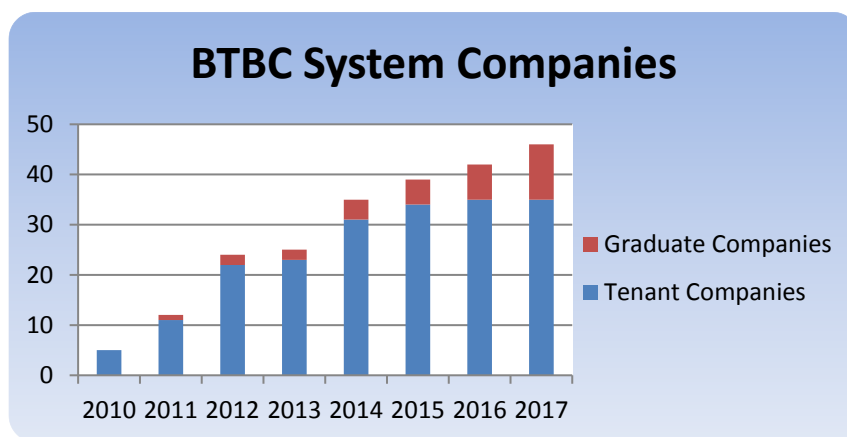
6 Other Support Programs

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

BTBC Facilities			
Facility	Location	Building 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.

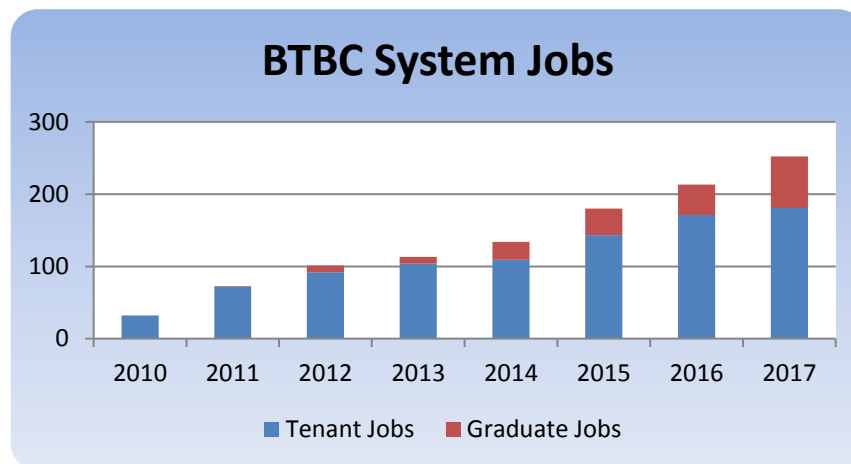
Source: Bioscience & Business Technology Center, data as of December 31, 2017.

BTBC Economic Development Metrics

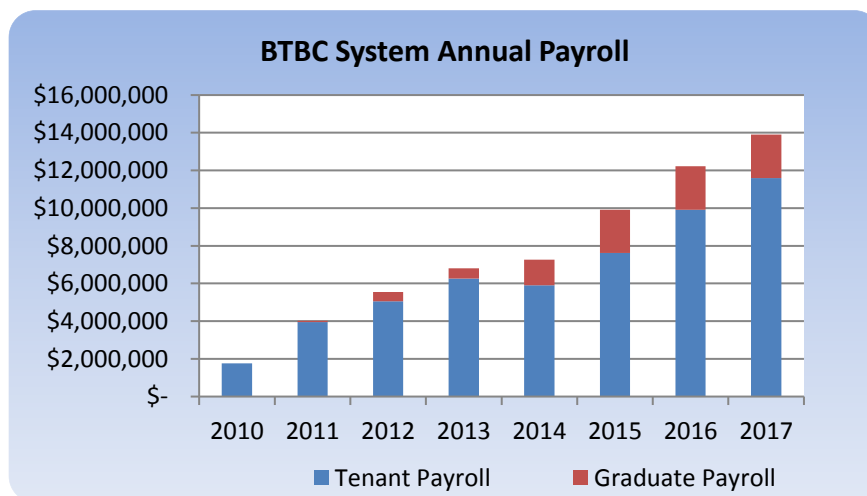


Source: Bioscience & Business Technology Center, data current as of 12/31/17.

6 Other Support Programs



Source: Bioscience & Business Technology Center, data current as of 12/31/17.



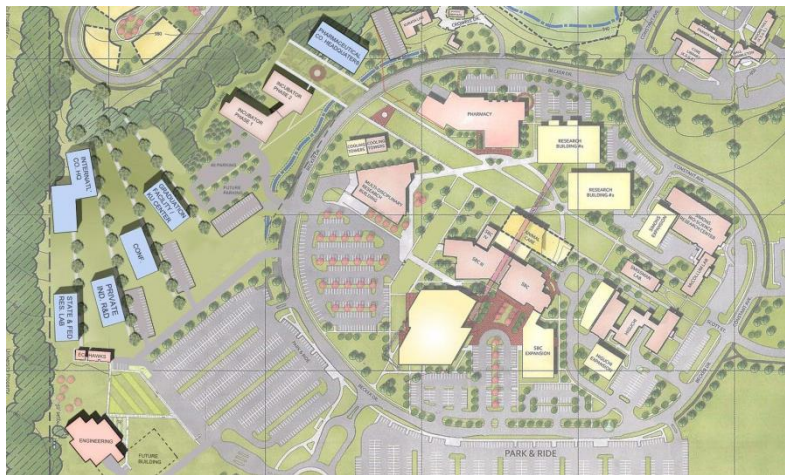
Source: Bioscience & Business Technology Center, data current as of 12/31/17.

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	11	46
Jobs - Direct	175	71	246
Jobs – Indirect/Induced	109	44	153
Jobs - Total	284	115	399
Annual Payroll	\$17,106,456	\$6,926,910	\$24,033,366

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-seven percent (97%) 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.

6 Other Support Programs

Overview of City & County Support for BTBC Services

The City of Lawrence and Douglas County, Kansas has provided the below funding support for BTBC operations:

City & County BTBC Support						
Year	City			County		
	Operations	Capital Investment	Total	Operations	Capital Investment	Total
2006	\$200,000	\$0	\$200,000	\$200,000	\$0	\$200,000
2007 ¹	\$192,000	\$0	\$192,000	\$200,000	\$0	\$200,000
2008	\$200,000	\$0	\$200,000	\$200,000	\$75,000	\$275,000
2009	\$200,000	\$75,000	\$275,000	\$200,000	\$75,000	\$275,000
2010	\$200,000	\$75,000	\$275,000	\$200,000	\$124,620	\$324,620
2011	\$200,000	\$141,540	\$341,540	\$200,000	\$141,540	\$341,540
2012	\$200,000	\$641,540	\$841,540	\$200,000	\$241,540	\$441,540
2013	\$200,000	\$641,540	\$841,540	\$200,000	\$241,540	\$441,540
2014 ²	\$200,000	\$141,540	\$341,540	\$200,000	\$241,540	\$441,540
2015	\$200,000	\$196,540	\$396,540	\$200,000	\$269,040	\$469,040
2016	\$200,000	\$193,790	\$393,790	\$200,000	\$293,790	\$493,790
2017 ³	\$225,000	\$193,540	\$418,540	\$275,000	\$368,540	\$643,540

Sources: City of Lawrence & Douglas County, Kansas Budget Offices

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.

³ Per Lease Agreement dated January 1, 2010, (Article V) and amended August 7, 2017 between the City, County and BTBC, the basic rent payment due from BTBC is held to \$25,000 annually through 2018. The City and County split the remaining amount required to make the annual bond payment. In 2019, the BTBC will assume the payments, unless there is any shortfall in revenue. In which case, the shortfall amount will be split equally between the City and County. As per the Cooperation Agreement between the City of Lawrence and Douglas County, Dated January 1, 2010 (Section 3.2c) "To the extent that the Basic Rent paid by LDCBA (BTBC) pursuant to the Lease is insufficient to pay all of the debt service on the Bonds coming due, the County hereby agrees, subject to Section 3.4 hereof, to pay to the City one half of the amount of any shortfall (the 'County Shortfall')."

6 Other Support Programs

Support for Other Economic Development Services

Annually, the City and County partner with the Chamber/EDC and Small Business Development Center for specialized economic development services. The following provides information on annual accomplishments for those agencies and funding support provided for their services.

Support for Economic Development Services				
Year	Chamber/EDC		Small Business Development Center	
	City	County	City	County
2017	\$200,000	\$200,000	\$20,000	\$20,000
2016	\$200,000	\$200,000	\$20,000	\$20,000
2015	\$199,500	\$200,000	\$20,000	\$18,000
2014	\$199,500	\$200,000	\$20,000	\$18,000
2013	\$199,500	\$200,000	\$20,000	\$18,140
2012	\$199,500	\$200,000	\$20,000	\$18,140

Sources: City Budget Office, City of Lawrence, Kansas; Budget Manager, Douglas County, Kansas

Economic Development Corporation (EDC):

The EDC 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 *"...achieve job and wage growth, workforce development, an expanded tax base, and economic prosperity for the citizens of Lawrence and Douglas County,"* goes hand in hand with that of the Chamber of Lawrence, Kansas, with which it shares office space and staff.

To further this mission, the EDC recently developed a five-year strategic plan comprised of the following core initiatives and actions steps to achieve them: business retention & expansion; workforce development; business attraction & marketing; entrepreneurship & start-ups; site & infrastructure capacity.

6 Other Support Programs

Business Retention & Expansion (BRE)

Generally, 80 percent of a community's employment growth stems from its existing businesses.

As such, BRE efforts represent the foundation of the EDC's economic development efforts.

Throughout 2017, the EDC made direct outreach to more than 300 local businesses and conducted 11, in-depth facility tours with some of Lawrence's largest employers. Known as "community tours," these visits engage City, County, Chamber, EDC, KS Department of Commerce, Peaslee Tech, and University officials with local businesses to discuss pertinent challenges and opportunities for growth.

The EDC also works directly with existing business as liaison during expansion projects, maintaining crucial confidentiality for the business as it navigates the development and financial assistance process. One such project was recently announced for Plastikon Healthcare LLC, which will be breaking ground on the first of a two-phased, \$7 million project in 2018. In the works currently are three additional projects, with potential for dozens of new jobs and millions of dollars in capital investment.

On a smaller scale, the EDC also administers the Metropolitan E-Community Loan Program, a revolving loan program that provides gap funding to small businesses and entrepreneurs. In 2017, the program issued its first loan, allowing a local acupuncturist to purchase her own building, expand services and hire additional staff.

Workforce Development

The availability, cost and quality of a community's workforce are some of the primary decision factors in business relocation and expansion decisions. To set Lawrence apart in these considerations, the Chamber and EDC coordinated the efforts to establish the Dwayne Peaslee Technical Training Center in 2015.

6 Other Support Programs

Since its inception, the EDC has granted more than \$2 million to Peaslee to ensure its long-term sustainability, providing \$50,000 in 2017, for the hiring of a new program manager, Kevin Kelley (who has since become the new director). With ever-expanding programs and enrollment nearing 600, Peaslee represents an invaluable resource for the community.

Business Recruitment & Marketing

Just as it does with local expansion projects, the EDC also serves as the first point of contact for business attraction efforts, fielding inquiries from regional partners (e.g. Kansas City Area Development Council), the KS Dept. of Commerce, site selectors and, occasionally, direct from the relocating business itself.

In 2017, the EDC announced two successful relocation projects (both from international markets); Sterna Composite Aircraft, Inc., from China, and Polymeric Labels, from the United Kingdom. Together, these projects represent 55 new jobs and nearly \$1.7 million in new wages.

Also under this effort, the EDC worked closely with the City of Lawrence and Douglas County to create the streamlined incentive and development Catalyst Program. Since its creation in early-2017, the program has already landed two projects - VanTrust Real Estate will commence construction on roughly 550,000 square feet of industrial speculative buildings in VenturePark and Plastikon's project (mentioned above) will both break ground in 2018.

6 Other Support Programs

Entrepreneurship and Start-ups

In addition to the Metropolitan loan program mentioned above, the EDC partners extensively with the Bioscience Technology and Business Center (BTBC), KU Innovation & Collaboration (KUIC) as well as the KU Small Business Development Center (KUSBDC) to support start-ups and entrepreneurship in the community.

Under potential development for 2018 is a mentorship program, linking KU Honors students with local industry leaders, a Youth Entrepreneurship Challenge for students in grades 9-12, and a “Start-Up School,” conducted by the University and open to the community.

Site and Infrastructure Capacity

A critical factor in both new and existing business growth is the availability of industrial land, buildings and infrastructure, the creation of which is time consuming and costly. While Lawrence has VenturePark and a few small lots in East Hills Business Park, it would take only a few industrial projects to wipe out all currently available land. As such, the EDC is working closely with City, County and private business leaders to evaluate opportunities for the next industrial site—a process which can often take years to complete.

In addition to the already proven marketing strength of the new Catalyst Program, site location consultants often limit their searches to what are known as “certified sites.” While there is no national certification, the term is commonly understood that a site is construction-ready and will allow for an expedited development schedule. The Kansas Dept. of Commerce has recently created a process for site certification and the EDC will be working to get VenturePark, and potentially other available properties, certified in early-2018.

6 Other Support Programs

ASBDC-Kansas (Small Business Development Center):

The KU Small Business Development Center is one of 15 Centers in Kansas and one of approximately 1,100 Centers in the America's SBDC network. The Center 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. The Center is also engaged in a cybersecurity initiative to provide assistance to small businesses across Kansas.



In 2017, the KU Small Business Development Center provided almost 2000 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.

2017 KU-KSBDC Economic Impact	
Total client companies	322
Reported starting business	31
New access to capital	\$38,245
New revenue generated	\$19,648,380
Jobs impact	328

Source: Docking Institute 2017 Survey,
Fort Hays State University

6 Other Support Programs

Shared Infrastructure

Rock Chalk Park

Rock Chalk Park, is an 89 acre sports campus located at the northwest corner of Rock Chalk Drive and George Williams Way.

Opened in the fall of 2014, Rock Chalk Park is home to the 181,000 square foot City recreation center (Sports Pavilion Lawrence) and University of Kansas (KU) athletic facilities.



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.⁴ (Refer to Sections 1 and 2 for additional information.) In addition, the City authorized support for the shared infrastructure within the park

⁴ 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.

6 Other Support Programs

(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.

Sports Pavilion Lawrence: Annual Usage					
Year	Avg. Monthly Visits	Key Card Holders			
		# Key Card Holder To-Date ⁵	Avg. Age	% Female	% Male
2017	40,369	64,167	40	53%	47%
2016	50,731	29,080	40	56%	44%
2015	41,753	27,011	40	56%	44%

Source: City Parks and Rec Department



RCP & SPL: Other 2017 Events				
Event	Attendees ⁶	Total Jobs Supported ⁷	Total Business Sales ⁸	Local Taxes Generated ⁹
Heart of America Volleyball Tournaments	53,522	11,710	\$16,895,836	\$473,974
USATF Junior Olympics	5,280	934	\$4,307,189	\$150,823
Other Youth Amateur Sports	12,473	898	\$2,753,472	\$83,711
2017 Total	71,275	13,542	\$23,956,497	\$708,508

Source: eXplore Lawrence and Destination Marketing Association International

⁵ Lawrence and Douglas County residents need the free key card to use the facility. The card also helps track center usage.

⁶ Includes day and overnight attendees.

⁷ Includes direct and indirect jobs supported by events.

⁸ Includes employment supported by all event-related business sales, including direct, indirect, and induced spending.

⁹ Sum of direct, indirect, and induced local taxes and assessments generated by events, including income, bed, sales, and other local taxes.

6 Other Support Programs

KU RCP Softball, Soccer, Track & Field Events			
Year	Events	Attendees	% Attendee Change
2017	48	65,568	25%
2016	47	52,308	60%
2015	39	32,722	

Source: Kansas Athletics



KU RCP Events: Local Economic Impact			
Year	Total Jobs Supported ¹⁰	Total Business Sales ¹¹	Local Taxes Generated ¹²
2017	8,456	\$31,277,687	\$1,011,984

Source: eXplore Lawrence and Destination Marketing Association International

¹⁰ Includes direct and indirect jobs supported by events.

¹¹ Includes employment supported by all event-related business sales, including direct, indirect, and induced spending.

¹² Sum of direct, indirect, and induced local taxes and assessments generated by events, including income, bed, sales, and other local taxes.

6 Other Support Programs

Relocation Assistance

Integrated Animal Health Global Headquarters

2920 Becker Drive, BTBC Lawrence, Kansas

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 requirements as specified in the performance agreement (executed May 27, 2015 between the City of Lawrence, Douglas County, and Integrated Animal Health) and subject to the below employment targets and compliance schedule.

Job Performance Targets & Loan Forgiveness Schedule				
Year	Measurement Period	Cumulative, Net New Full-Time Jobs	Average Annual Salary	Max. Loan Amount 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%

6 Other Support Programs

Compliance Performance: Year 1

The first full measurement year for calculating compliance on the forgivable loan was June 1, 2015-May 31, 2016. IAH met all performance requirements for this measurement period and \$33,333.33 of the loan was forgiven in 2016.

Compliance Performance: Year 2

The second full measurement year for calculating compliance on the forgivable loan was June 1, 2016-May 31, 2017. IAH met all performance requirements for this measurement period and an additional \$33,333.33 of the loan was forgiven in 2017.

Year 2: IAH Compliance Summary (Period June 2016-May 2017)						
Compliance Category	Description	Target	Actual	% Compliance (Actual/Target)	Weight	Overall Compliance
Job Creation	Full-Time Employment (FTEs)	5	4.2	83.29%	0.5	41.64%
Wages	Average Company Annual Salary	\$113,167	\$150,879	133.32%	0.5	66.66%

Blended Compliance % 108%

Eligible Incentive % 100%

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

IAH Assistance to Date		
	City	County
Forgivable Loan: Year 1	\$50,000	\$50,000
Rent Subsidy: Year 1	\$16,141	\$16,141
Rent Subsidy: Year 2	\$11,766	\$11,766
Total	\$77,907	\$77,907

6 Other Support Programs

Update on Incentive Status:

The below is an update on incentive status at the time of report publication (April 2018).

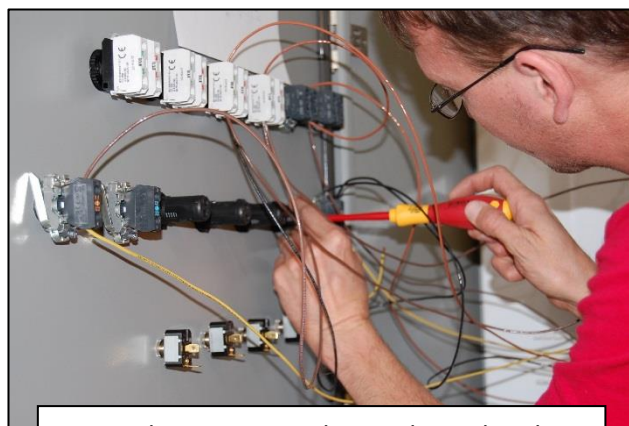
Integrated Animal Health (IAH) was an animal health startup with high growth promise that established its headquarters at the Bioscience Technology Business Center (BTBC) in 2015. The City and County approved an incentive agreement to assist the startup based on a three year performance requirement. In late 2017, the City became aware there was potential concern with the status of operations. The city now understands the company is no longer operating and their performance of the third year is questionable. Under the incentive agreement, the City and County equally shared in a \$100,000 grant that was forgivable over a three-year period based on performance of the company and also a rent subsidy equally supported by the City and County. Rent payments were suspended by both the City and County in late 2017 pending more information about the status. The \$100,000 grant was paid upfront and IAH met compliance for the first two years of the grant, thus there is no performance claw back applicable for those years. The City and County are currently reviewing options related the potential claw back related to the third year of performance. More information will be available in the future as options are determined.

6 Other Support Programs

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, 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 five semesters, attracting 300 student enrollments in fall 2016 and nearly 600 through fall 2017. Peaslee Tech programs include *Introduction to*

In 2017, Peaslee Tech was officially recognized as a school of higher education, earning designation by the Kansas Board of Regents as a private, postsecondary institution.

Manufacturing, Pharmacy Technician, Commercial Driving, Cisco Computer Networking, as well as apprenticeships. In addition, programs from three area community colleges include, Industrial Engineering Technology, HVAC, Automotive Technology, Welding, and Allied Health.

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	303	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	Varied	Welding and Allied Health
		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
2017	579	Flint Hills Technical College	Manufacturing	Industrial Engineering Technology
		Johnson County Community College	Automotive & Varied	Computer courses, writing courses, math courses. Auto tech program
		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
		Peaslee Technical Training Center	Training Programs	CISCO Computer Networking, Pharmacy Technician, Industrial Maintenance Mechanic Apprenticeship, and Commercial Driving
		Pittsburg State University	Noncredit courses	Technical Instructor Training in technical and instructional areas, and business training

Source: Peaslee Technical Center, March 2018

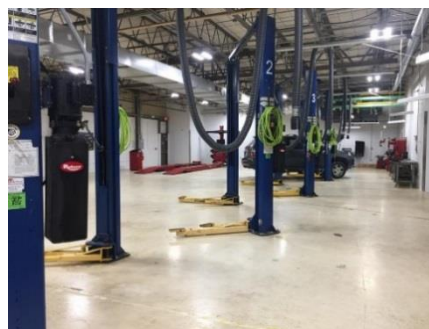
6 Other Support Programs

Annual Enrollment: Peaslee Technical Training Center			
Programs	2015	2016	2017
Community College Programs	134	242	258
Peaslee Tech Programs	16	61	300
High School Students	0	0	21
Total Enrollment	150	303	579

Source: Peaslee Technical Center, March 2018

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

The new Lawrence Auto Dealers training facility opened in August 2017 through generous gifts from area new car dealerships; Briggs Auto Plaza, Crown Automotive, Dale Willey Automotive, Laird Noller Lincoln Mazda Hyundai, Lawrence KIA, and Jack Ellena Honda.



This new facility provides students hands-on experience with furnaces, air-conditioners, roof top units, and other commercial equipment.

New programs under consideration for the future include Electronics, Electrical Technology, Plumbing Technology, and Facilities Maintenance.

6 Other Support Programs

Public support for Peaslee Tech has included:

Peaslee Center Support			
Year	Assistance Type	City Amount	County Amount
2015	2014 real estate tax refund on property & improvements	\$15,533	\$20,239
	2015 real estate tax refund on property & improvements	\$11,776	\$15,370
	Grant for training center renovations and infrastructure	\$500,000	\$500,000
	Loan for Lawrence Workforce Center renovations	\$143,295	\$143,295
	Reimbursement of Peaslee building permit fees	\$7,556	--
	Waiver of City IRB application fee	\$1,000	--
	Peaslee Center Operations	\$100,000	\$100,000
	Total 2015	\$779,160	\$778,904
2016	Peaslee Center Operations	\$100,000	\$100,000
	Waiver of IRB application fee	\$1,000	--
	Total 2016	\$101,000	\$100,000
2017	Peaslee Center Operations	\$125,000	\$195,105
	Growth and Security Upgrades	\$25,000	--
	Total 2017	\$150,000	\$195,105

Sources: City of Lawrence, Kansas, City Budget Office. Douglas County, Kansas, Budget Manager.

6 Other Support Programs

Expansion Assistance

Plastikon Healthcare LLC—3780 Greenway Circle

Plastikon requested the County Commission donate the County-owned lot adjacent to its facility at 3780 Greenway Circle in East Hills Business Park to accommodate their future expansion.

The company also requested the City of Lawrence forgive outstanding special assessments on the property. On April 26, 2017, the County Commission authorized the donation of the land, with the stipulation that the City waive the special assessments on the property. On May 2, 2017, the City Commission voted to waive the special assessments on the lot, which were valued at \$40,648.17.

A Regulating Documents

2017 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
VanTrust: Lawrence VenturePark	Catalyst Program	Specialized Tax Abatement Program	4/4/2017
	Resolution 7211	Phase I Tax Abatement	8/1/2017
	Agreement	Land Transfer Agreement	8/1/2017

A Regulating Documents

2017 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
Van Trust: Lawrence VenturePark	Resolution No. 7210	Master IRB Resolution of Intent	8/1/2017
	Resolution No. 7211	Phase I IRB Resolution of Intent	8/1/2017
800-815 Vermont St.	Resolution No. 7173	Resolution of Intent-Bonds not yet issued	10/3/2017
Boys & Girls Club Teen Center	Resolution No. 7230	Resolution of Intent-Bonds not yet issued	11/21/2017

A Regulating Documents

2017 Active NRAs			
	Document	Description	Dated
8th & Pennsylvania	Ordinance No. 8093	Plan	4/3/2007
	Agreement	Tax Rebate Agreement: 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
826 Pennsylvania Street	NRA Plan & Agreement	Plan/Agreement	11/15/2016
800-815 Vermont Street	Ordinance No. 9303	Plan/Agreement	11/7/2017
	Agreement	Performance Agreement	12/4/2017

2017 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 economic development assistance totals for currently active, pay-as-you-go (PAYGO) ¹ economic development programs.

Summary: Economic Development Assistance by Year									
Incentive Program	2009 Tax Year	2010 Tax Year	2011 Tax Year	2012 Tax Year	2013 Tax Year	2014 Tax Year	2015 Tax Year	2016 Tax Year	2017 Tax Year
Tax Abatement	\$36,411	\$68,938	\$66,248	\$184,224	\$159,464	\$181,318	\$149,197	\$147,035	\$153,794
NRA	0	0	\$12,515	\$11,982	\$38,975	\$65,090	\$68,955	\$110,304	\$112,587
TIF (property and sales tax)	\$3,113	\$152,978	\$626,882	\$515,284	\$480,458	\$460,457	\$524,971	\$788,562	\$917,337
TDD (sales tax)	\$11,082	\$98,545	\$156,334	\$196,516	\$182,282	\$182,177	\$231,312	\$278,695	\$320,528
Total	\$50,606	\$320,461	\$861,979	\$908,006	\$861,179	\$889,042	\$974,434	\$1,324,596	\$1,504,246

Source: City of Lawrence, Kansas

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

Assistance by Tax Year and ED Program ²									
	Tax Year								
	2009	2010	2011	2012	2013	2014	2015	2016	2017
Tax Abatements									
Amarr: Personal Property	n/a	\$31,880	\$28,686	\$27,525	\$27,876	\$27,876	\$28,593	\$26,450	\$27,082
Prosoco: Real Property	\$35,146	\$36,139	\$36,630	\$36,482	\$36,966	\$36,949	expired	expired	expired
Prosoco: Personal Property	\$1,265	\$919	\$932	\$928	\$940	\$940	expired	expired	expired
Grandstand	n/a	n/a	n/a	\$119,289	\$93,682	\$96,081	\$99,422	\$99,407	\$103,715
Sunlite	n/a	n/a	n/a	n/a	n/a	\$19,472	\$21,182	\$21,178	\$22,997
Tax Abated Subtotal	\$36,411	\$68,938	\$66,248	\$184,224	\$159,464	\$181,318	\$149,197	\$147,035	\$153,794
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	\$14,624
1040 Vermont Street (NRA Tax Yr 1 = 2013)	n/a	n/a	n/a	n/a	\$26,993	\$27,438	\$29,718	\$29,568	\$27,636
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	\$26,763
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	\$10,504
1101 Indiana Street (HERE KS, NRA Tax Yr 1 = 2017)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a (2)
900 Delaware Street (NRA Yr 1 = 2016)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$29,876	\$33,061
NRA Subtotal			\$12,515	\$11,982	\$39,155	\$65,090	\$68,955	\$110,304	\$112,587

Source: City of Lawrence, Kansas

Continued

² Amounts shown reflect eligible amounts by tax year. NRA refunds are paid after the City receives applicable County's distributions, which are typically the following year.

B Historical Assistance & Investment

Distributions by Year and ED Program (cont.)									
	Tax Year								
	2009	2010	2011	2012	2013	2014	2015	2016	2017
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	\$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	\$169,259
TIF Property Tax	n/a	n/a	\$426,278	\$222,746	\$240,830	\$250,558	\$270,490	\$283,002	\$295,932
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	\$119,925
TIF Property Tax							\$22,685	\$297,330	\$304,136
888 New Hampshire TIF (North Project)									
TIF Sales Tax ⁶	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$0
TIF Property Tax ⁷									\$0
TIF Subtotal	\$3,113	\$152,978	\$626,882	\$515,284	\$480,458	\$460,457	\$524,971	\$788,562	\$917,337

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 Reimbursements were subject to a contractual dispute between the City and the developer, which was settled through a Settlement Agreement and Mutual Release dated April 13, 2017. Refer to footnote 6 in Section 4, page 4-4 for additional details.

⁵ Represents disbursement amount to property owner. Total TIF revenues generated in 2017 from sales and property taxes was \$446,380. The City retains 5% for the Arts Common project, up to \$900,000..

⁶ As of the end of 2017, the 888 New Hampshire Project had not reported any retail sales.

⁷ Amount of property owner distribution earned on 2016 property taxes for 888 New Hampshire totaled \$39,265. No TIF distribution was made to the property owner in 2017 since they had not certified project TIF receipts as of the end of 2017.

B Historical Assistance & Investment

Distributions by Year and ED Program (cont.)									
	Tax Year								
	2009	2010	2011	2012	2013	2014	2015	2016	2017
Transportation Development District									
Oread: TDD Sales Tax, State Distributions to City ⁸	\$1,609	\$79,087	\$103,774	\$136,867	\$109,474	\$94,024	\$93,559	\$32,831	\$87,538
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	\$232,990
9th & New Hampshire TDD									
900 New Hampshire (South Project) ⁹	n/a	n/a	n/a	n/a	n/a	n/a	\$0	\$0	\$0
888 New Hampshire (North Project) ¹⁰	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$0
TDD Subtotal	\$11,082	\$98,545	\$156,334	\$196,516	\$182,282	\$182,177	\$231,312	\$278,695	\$320,528
Total	\$50,606	\$320,461	\$861,979	\$908,006	\$861,359	\$889,042	\$974,434	\$1,324,596	\$1,504,216

Source: City of Lawrence, Kansas

⁸ Reimbursements were subject to a contractual dispute between the City and the developer, which was settled through a Settlement Agreement and Mutual Release dated April 13, 2017. Refer to footnote 6 in Section 4, page 4-4 for additional details.

⁹ City retains first \$850,000 of TDD Revenue as contribution toward City parking garage at 10th & New Hampshire. As of December 31, 2017, the City has retained the entire amount of distributed 900 New Hampshire TDD tax revenue (2015 = \$21,622; 2016 = \$49,434; 2017 = \$50,829, Total to Date = \$121,885).

¹⁰ City retains first \$850,000 of TDD Revenue as contribution toward City parking garage at 10th & New Hampshire. The 888 New Hampshire Project reported no retail sales in 2017.

B Historical Assistance & Investment

NRA Property Taxes

Five (5) companies received NRA rebates in 2017 (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 32.5% 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 15.3% 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: 2017 Property Taxes				
NRA	Tax Revenues After Development			Tax Revenues No Development
	Total Taxes Paid	NRA Rebate	Retained Tax	Base Tax
720 E 9th St	\$29,325	\$14,624	\$14,702	\$13,097
1040 Vermont St	\$62,435	\$27,636	\$34,798	\$27,831
810/812 Pennsylvania St	\$35,848	\$26,763	\$9,085	\$3,913
900 Delaware St	\$36,482	\$33,061	\$3,421	\$2,571
1106 Rhode Island St	\$14,941	\$10,504	\$4,438	\$2,747
Total	\$179,032	\$112,587	\$66,445	\$50,159

2017 Revenue Comparison: All NRAs			
	Base	Retained	% Gain (Loss)
2017	\$50,159	\$66,445	32.5%
	<i>Unimproved Property</i>	<i>Improved Property</i>	<i>Return</i>

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	\$187,693	\$90,728	\$96,965	\$89,189
1040 Vermont St	\$293,577	\$140,610	\$152,967	\$136,635
810/812 Pennsylvania St	\$131,004	\$104,039	\$26,964	\$15,481
900 Delaware St	\$69,237	\$62,937	\$6,300	\$5,143
1106 Rhode Island St	\$28,898	\$21,541	\$7,357	\$5,495
Total	\$710,409	\$419,855	\$290,554	\$251,942

Tax Revenue Comparison: All NRAs			
2017	Base	Retained	% Gain (Loss)
To Date	\$251,942	\$290,554	15.3%
	<i>Unimproved Property</i>	<i>Improved Property</i>	<i>Return</i>

NRA Tax Revenues by Project:

720 E 9th Street NRA				
NRA Year	Tax Revenues After Development			Tax Revenues No Development
	Total Taxes Paid	NRA Rebate	Retained Tax	Base Tax
7	\$29,325	\$14,624	\$14,702	\$13,097
6	\$27,599	\$13,547	\$14,052	\$13,099
5	\$27,675	\$13,617	\$14,059	\$12,974
4	\$26,171	\$12,282	\$13,889	\$12,648
3	\$25,673	\$12,162	\$13,511	\$12,481
2	\$25,314	\$11,982	\$13,333	\$12,532
1	\$25,936	\$12,515	\$13,421	\$12,358
	\$187,693	\$90,728	\$96,965	\$89,189

Tax Revenue Comparison: 720 E 9th			
2017	Base	Retained	% Gain (Loss)
To Date	\$13,097	\$14,702	12.3%
	\$89,189	\$96,965	8.7%
	<i>Unimproved Property</i>	<i>Improved Property</i>	<i>Return</i>

B Historical Assistance & Investment

1040 Vermont Street NRA				
NRA Year	Tax Revenues After Development			Tax Revenues No Development
	Total Taxes Paid	NRA Rebate	Retained Tax	Base Tax
5	\$62,435	\$27,636	\$34,798	\$27,831
4	\$59,316	\$29,568	\$29,748	\$27,836
3	\$59,480	\$29,718	\$29,762	\$27,569
2	\$56,789	\$27,438	\$29,351	\$26,877
1	\$55,557	\$26,250	\$29,308	\$26,522
	\$293,577	\$140,610	\$152,967	\$136,635

Tax Revenue Comparison: 1040 Vermont			
	Base	Retained	% Gain (Loss)
2017	\$27,831	\$34,798	25.0%
To Date	\$136,635	\$152,967	12.0%
	<i>Unimproved Property</i>	<i>Improved Property</i>	<i>Return</i>

810/812 Pennsylvania Street NRA				
NRA Year	Tax Revenues After Development			Tax Revenues No Development
	Total Taxes Paid	NRA Rebate	Retained Tax	Base Tax
4	\$35,848	\$26,763	\$9,085	\$3,913
3	\$32,009	\$26,286	\$5,723	\$3,913
2	\$32,100	\$25,620	\$6,480	\$3,876
1	\$31,046	\$25,370	\$5,676	\$3,779
	\$131,004	\$104,039	\$26,964	\$15,481

Tax Revenue Comparison: 810/812 Penn			
	Base	Retained	% Gain (Loss)
2017	\$3,913	\$9,085	132.2%
To Date	\$15,481	\$26,964	74.2%
	<i>Unimproved Property</i>	<i>Improved Property</i>	<i>Return</i>

B Historical Assistance & Investment

NRA Year	900 Delaware NRA			
	Tax Revenues After Development			Tax Revenues No Development
	Total Taxes Paid	NRA Rebate	Retained Tax	Base Tax
2	\$36,482	\$33,061	\$3,421	\$2,571
1	\$32,755	\$29,876	\$2,879	\$2,572
	\$69,237	\$62,937	\$6,300	\$5,143

Tax Revenue Comparison: 900 Delaware		
Base	Retained	% Gain (Loss)
\$2,571	\$3,421	33.1%
\$5,143	\$6,300	22.5%
<i>Unimproved Property</i>	<i>Improved Property</i>	<i>Return</i>

NRA Year	1106 Rhode Island St. NRA			
	Tax Revenues After Development			Tax Revenues No Development
	Total Taxes Paid	NRA Rebate	Retained Tax	Base Tax
2	\$14,941	\$10,504	\$4,438	\$2,747
1	\$13,957	\$11,037	\$2,920	\$2,748
	\$28,898	\$21,541	\$7,357	\$5,495

Tax Revenue Comparison: 1106 Rhode Island		
Base	Retained	% Gain (Loss)
\$2,747	\$4,438	61.5%
\$5,495	\$7,357	33.9%
<i>Unimproved Property</i>	<i>Improved Property</i>	<i>Return</i>

B Historical Assistance & Investment

9th & New Hampshire South TIF and TDD Reimbursement Splits

	900 New Hampshire District: South Project Area									
	Total Revenue				Revenue to City			Revenue to Owner		
	TDD Sales Tax	TIF Sales Tax	TIF Property Tax	Annual 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
2017	\$50,829	\$126,237	\$320,143	\$497,209	\$50,829	\$6,312	\$16,007	\$0	\$119,925	\$304,136
Total	\$121,886	\$302,487	\$657,002	\$1,081,375	\$121,886	\$15,124	\$32,850	\$0	\$287,362	\$624,151

Total TDD sales tax distributed within the district was \$50,829 in 2017 (\$121,886 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 2017, the City received \$50,829 in TDD revenue and the owner received no TDD reimbursements.

Total TIF sales tax revenue distributed was \$126,237 (\$302,487 to-date) and total TIF property tax distributed was \$320,143 (\$497,209 to-date) in 2017. 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.¹¹ The property owner gets ninety-five percent (95%) of the TIF revenue (to reimburse TIF project costs), which amounted to \$119,925 in TIF sales tax (\$287,362 to-date) and \$304,136 in TIF property tax (\$624,151 to-date) in 2017.

¹¹ 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.)

B Historical Assistance & Investment

Tax Abatement Amounts

Three (3) Lawrence companies had active tax abatements in 2017: 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.¹²

2017 Tax Generation (on portion of property receiving an abatement)				
Company & Abatement %	Total Tax Potential	Abated Tax Amount	State Exemption ¹³	Taxes Paid (or to be paid) by Property Owner
Amarr Garage Doors, Inc.				
Personal (55%) ¹⁴	\$151,649	\$27,082	\$70	\$124,495
Grandstand/Screen-It Graphics				
Real (65%)	\$159,562	\$103,715	n/a	\$55,847
Sunlite Science & Technology				
Real (50%)	\$45,994	\$22,997	n/a	\$22,997
Total	\$357,205	\$153,794	\$70	\$203,339

Source: Douglas County

¹² 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.

¹³ 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.

¹⁴ 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.

B Historical Assistance & Investment

The following table shows amounts abated by year.

Tax Abatements by Year (2005-2017)								
Company	Abatement Start - Ord/Res #	Abated Tax Amounts						
		2005	2006	2007	2008	2009	2010	2011
Amarr (55% Personal)	2010/O-8497	--	--	--	--	--	\$31,880	\$28,686
Grandstand (65% Real)	2012/R-6948	--	--	--	--	--	--	--
Sunlite (50% Real)	2014/R-7042	--	--	--	--	--	--	--
Prosoco (55% Real)	2005/O-7882	\$31,386	\$32,951	\$33,048	\$33,755	\$33,881	\$35,220	\$35,698
Prosoco (55% Personal)	2005/O-7882	\$3,510	\$3,070	\$2,463	\$1,890	\$1,265	\$919	\$932
Total		\$34,896	\$36,021	\$35,511	\$35,645	\$35,146	\$68,019	\$65,316

Tax Abatements by Year (2005-2017, cont.)								
Company	Abatement Start - Ord/Res #	Abated Tax Amounts						Cumulative Total (End of 2017)
		2012	2013	2014	2015	2016	2017	
Amarr (55% Personal)	2010/O-8497	\$27,525	\$27,876	\$27,876	\$28,593	\$26,450	\$27,082	\$225,968
Grandstand (65% Real)	2012/R-6948	\$119,289	\$93,682	\$96,081	\$99,422	\$99,407	\$103,715	\$611,596
Sunlite (50% Real)	2014/R-7042	--	--	\$19,472	\$21,182	\$21,178	\$22,997	\$84,829
Prosoco (55% Real)	2005/O-7882	\$35,554	\$36,026	\$36,949	Expired 2014	Expired 2014	Expired 2014	\$344,468
Prosoco (55% Personal)	2005/O-7882	\$928	\$940	\$940	Expired 2014	Expired 2014	Expired 2014	\$16,857
Total		\$183,296	\$158,524	\$181,318	\$149,197	\$147,035	\$153,794	\$1,283,718

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) ¹⁵
Active Projects	Private Capital Investment (as of 12-2017)	Incentive Duration in Years	2017 Annual Private Capital Investment	2017
Tax Abatements*				
Amarr (Tax Abatement, 2005-2013)	\$9,700,000	10	\$970,000	\$27,082
Grandstand (Tax Abatement, 2011-2013) ¹⁶	\$10,274,531	10	\$1,027,453	\$103,715
Sunlite (Tax Abatement, 2014-2023) ¹⁷	\$1,160,820	10	\$116,082	\$22,997

* Public investment is represented by tax abatement value.

Continued

¹⁵ 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.

¹⁶ Private capital investment per Grandstand's 2017 tax abatement questionnaire.

¹⁷ Private capital investment per Sunlite's 2017 tax abatement questionnaire. Public investment is represented by the tax abatement value.

B Historical Assistance & Investment

Active Projects: Pay-As-You-Go Private Capital Investment				Public Investment (Major ED Programs)
Active Projects	Private Capital Investment (as of 12-2017)	Incentive Duration in Years	2017 Annual Private Capital Investment	2017
NRA*				
720 E 9th Street ¹⁸	\$1,700,000	20	\$85,000	\$14,624
1040 Vermont Street ¹⁹	\$2,150,000	10	\$215,000	\$27,636
810/812 Pennsylvania Street ²⁰	\$1,480,000	10	\$148,000	\$26,733
1106 Rhode Island Street ²¹	\$896,585	10	\$89,659	\$10,504
900 Delaware Street ²²	\$7,200,000	15	\$480,000	\$33,061

* Public investment is represented by NRA rebate value.

Continued

¹⁸ Private capital investment per developer.

¹⁹ Private capital investment per 2-23-11 Benefit-Cost Analysis.

²⁰ Private capital investment per Cider incentive application dated 6-8-12.

²¹ Private capital investment per 1106 Rhode Island Street incentive application dated 5-30-2014.

²² Private capital investment per 9 Del Lofts incentive application dated 8-19-2014.

B Historical Assistance & Investment

Active Projects: Pay-As-You-Go Private Capital Investment				Public Investment (Major ED Programs)
Active Projects	Private Capital Investment (as of 12-2017)	Incentive Duration in Years	2017 Annual Private Capital Investment	2017
TIF*				
The Oread (TIF) ²³				
TIF Sales Tax	\$8,941,754	20	\$447,088	\$169,259
TIF Property Tax				\$295,932
901 New Hampshire Street (Downtown 2000) ²⁴	\$11,472,000	20	\$573,600	\$28,085
900 New Hampshire (South Project) ²⁵				
TIF Sales Tax	\$8,625,000	20	\$431,250	\$119,925
TIF Property Tax				\$304,136
888 New Hampshire (North Project) ²⁶				
TIF Sales Tax	\$11,500,000	20	\$575,000	\$0
TIF Property Tax				\$0

* Public investment is represented by TIF reimbursement value.

Continued

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 expected to be higher.

Reimbursements were subject to a contractual dispute between the City and the developer, which was settled through a Settlement Agreement and Mutual Release dated April 13, 2017. Refer to footnote 6 in Section 4, page 4-4 for additional details.

²⁴ Private capital investment per Developer.

²⁵ Private capital investment per Developer's Project Exemption Certificate (\$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.

²⁶ Private capital investment per Ord 9303 (\$23,000,000) split evenly between TIF and TDD (\$11,500,000 each). City retains 5% of TIF Revenue as contribution toward a City "Arts Common" project. Amount of property owner distribution earned on 2016 property taxes for 888 New Hampshire totaled \$39,265. No TIF distribution was made to the property owner in 2017 since they had not certified project TIF receipts as of the end of 2017.

B Historical Assistance & Investment

Active Projects: Pay-As-You-Go Private Capital Investment				Public Investment (Major ED Programs)
Active Projects	Private Capital Investment (as of 12-2017)	Incentive Duration in Years	2017 Annual Private Capital Investment	2017
TDD*				
Oread: TDD Sales Tax ²⁷	\$8,941,754	22	\$406,443	\$87,538
Bauer Farms	\$20,800,000	22	\$945,455	\$232,990
900 New Hampshire (South Project) ²⁸	8,625,000	22	\$392,045	\$0
888 New Hampshire (North Project) ²⁹	11,500,000	22	\$522,727	\$0

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

In 2017, for every \$1 in public sector assistance provided for these programs, approximately \$4.94 in private sector capital investment was realized.

2017 Public Return on Private Capital Investment (by Year)	
Public Assistance:	\$1,504,216
Private Investment:	\$7,424,802
Private Investment for each Dollar of Public Assistance:	\$4.94

²⁷ 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.

Reimbursements were subject to a contractual dispute between the City and the developer, which was settled through a Settlement Agreement and Mutual Release dated April 13, 2017. Refer to footnote 6 in Section 4, page 4-4 for additional details.

²⁸ 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.

²⁹ Private capital investment per Ordinance 9093 (\$23,000,000) split evenly between TIF and TDD (\$11,500,000 each). City retains first \$850,000 of TDD Revenue as contribution toward City parking garage at 10th & New Hampshire.

B 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 Capital Investment (as of 12-2017)	Incentive Duration in Years	2017 Annual Private Capital Investment	2017
NRA				
1101/1115 Indiana Street (NRA) ³⁰	\$76,000,000	10	\$7,600,000	n/a
826 Pennsylvania Street NRA ³¹	\$3,200,000	10	\$320,000	n/a
800 Vermont Street NRA ³²	\$8,500,000	10	\$850,000	n/a

³⁰ Capital Investment is per IRB Ord. No. 9053.

³¹ Capital Investment is per IRB Ord. No. 9316. Project under construction in 2016 and finished at the end of 2017. NRA rebate starts with the first full tax year after project completion.

³² Amount per Res of Intent 7173. As of the end of 2017, the project had not commenced construction.

B Historical Assistance & Investment

Direct-Support Programs

The below shows the projects and programs that received assistance in 2017 to directly support economic development programs, services, and projects.

2017 Other Support Programs			2017 Assistance	
Support Program	Description	Location	City	County
Economic Development Services	BTBC	2029 Becker & 4950 Research Pkwy	\$418,540	\$568,540
Economic Development Services	Chamber and KU-SBDC	718 New Hampshire	\$220,000	\$220,000
Relocation Assistance	Integrated Animal Health	2029 Becker Drive	\$11,766	\$11,766
Workforce Training	Peaslee Technical Training Center	2920 Haskell Avenue	\$150,000	\$195,105
Expansion Assistance	Special Assessment Forgiveness (donated County property)	3780 Greenway Circle	\$40,648	\$270,240

B Historical Assistance & Investment

IRB Sales Tax Exemption Savings

Estimated sales tax exemption savings for IRB projects completed in 2017 was just under \$3.3 million. Of that total, the City contributed approximately \$774,000, the County contributed approximately \$133,400, and the State contributed approximately \$2.4 million. Note sales tax exemption savings are realized during project construction.³³

Stand-Alone IRB: Sales Tax Exemption Values (est.)							
Project	Estimated Completion	Materials Expense ³⁴	1.55% City	Countywide 1% (July 2017 Rates)		6.5% State	Total Est Amount
				0.00568622 City Portion	0.00365188 County Portion		
1101/1115 Indiana Street	2017	\$27,616,342	\$428,053	\$157,033	\$100,852	\$1,795,062	\$2,481,000
900 New Hampshire (South Project)	2015	\$6,755,030	\$104,703	\$38,411	\$24,669	\$439,077	\$606,859
888 New Hampshire (North Project)	2016	\$12,958,077	\$200,850	\$73,682	\$47,321	\$842,275	\$1,164,129
Peaslee Tech-2015	2015	\$3,200,000	\$49,600	\$18,196	\$11,686	\$208,000	\$287,482
Peaslee Tech-2016	2019	\$1,000,000	\$15,500	\$5,686	\$3,652	\$65,000	\$89,838
800 New Hampshire	2017	\$3,498,982	\$54,234	\$19,896	\$12,778	\$227,434	\$314,342
Pioneer Ridge	2017	\$5,416,977	\$83,963	\$30,802	\$19,782	\$352,104	\$486,651
826 Pennsylvania Street	2018	\$2,053,090	\$31,823	\$11,674	\$7,498	\$133,451	\$184,446
City Total 2017							\$773,981
County Total 2017							\$133,412
State Total 2017							\$2,374,600
Total Est. Sales Tax Savings-Projects Completed 2017							\$3,281,993

³³ 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.

³⁴ 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.

C Matured/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 & 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 & 50% new personal property	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 the year, 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.

C Matured/Non-Initiated Projects

Matured or Non-Initiated IRBs

2017 IRBs: Matured (no longer outstanding)					
Company	Date of Issue	Issuing Ord #	Matured	Amount Authorized	Project
800 New Hampshire: Series 2016* ⁴	April 2016	9210	2017	\$7,800,00	Mixed-Use Commercial/Multi-Family Residential
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 ⁵	May 2015	9111	2017	\$1,600,000	Technical Training Center
DST Systems, Inc: Series 2001	2001	7331	2012	\$9,000, 000	Acquisition & Renovation of Existing Office Building
Neuvant House II*	2013	8901	2014	\$2,500,000	Specialty Healthcare Facility
9th & New Hampshire LLC: Series 2012 (South Project)*	2012	8804	2015	\$17,250,000	Mixed Use Hotel (900 New Hampshire Street: South Project)
PROSOCO, Inc: Series 1998A (\$5,800,000) & Series 1998B (\$2,240,000)	1999	7060	2019	\$8,040,000	Manufacturing Facility
Pioneer Ridge*	Feb. 2016	9184	2017	\$14,500,000	Commercial, Independent Living Facility
Eldridge Expansion (705 Massachusetts Street)*	Oct. 2015	9161	n/a	\$12,500,000	Hotel expansion, did not proceed. Terminated by applicant in2016.

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

⁴ As a provision for issuing bonds for an IRB sales tax exemption on construction materials, Resolution No. 7135 required the 800 New Hampshire development project to provide a letter, signed by the project's licensed architect, certifying that the building has been constructed to LEED certified standards, along with a LEED scorecard indicating which of the building's components met LEED certification standards. On November 2, 2017, Staff received a letter and LEED scorecard, from the project's lead architect at TreanorHL architects, indicating the project had meet this requirement by earning 54 LEED points.

⁵ Amended by Ordinance 9321 on December 2016 for \$2,000,000 (Series 2016).

C Matured/Non-Initiated Projects

Matured or Non-Initiated NRAs

NRAs Non-Initiated			
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.

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

C Matured/Non-Initiated Projects

Other Projects			
Other	Description	Location	Status
Business Expansion	PROSOCO: Special Assessment Forgiveness ⁶	3700 Greenway Circle	Completed 2015
Employee Training Incentives	Argenta ⁷	2029 Becker Drive	Terminated 2014
Neighborhood Infrastructure	East Lawrence Historic Warehouse District	Associated with Poehler Building	Phase I Completed in 2012 ⁸
		Associated with Cider Art Gallery Building	Phase II Completed in 2013 ⁹
		Associated with 9 Del Lofts	Phase III Completed in 2015 ¹⁰
Development Grant	1106 Rhode Island Street Improvements	1106 Rhode Island Street	Development Completed 2015 ¹¹
Affordable Housing	Cedarwood Sr. Cottages public improvements	2575 Cedarwood Avenue	Completed 2016 ¹²

⁶ To 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 \$44,937.81 in special assessments on the lot.

⁷ 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 either year.

⁸ First Phase improvements totaled \$1,051,577 and included: Providing adequate storm water services and improvements to enhance the watersheds 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).

⁹ 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.

¹⁰ 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.

¹¹ 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.

¹² 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.

D 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 560,000 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 2017, the County had processed a total of ten (10) loans through the program.

2017: Douglas County E-Community Revolving Loan Program						
Recipient	Location	Loan Year	Business Description	Loan Amount	Loan Used For	Loan Status
Eudora Yoga Studio	Eudora	2017	Yoga studio	\$45,000	Purchase of building.	Open
Dr. Ethan James	Baldwin City	2017	Chiropractor	\$8,000	Build out of leased space, purchase of equipment.	Open
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	Paid off
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, and high-powered technical assistance for second-stage businesses;
- 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, and leadership team guidance;
- Opportunities to engage with entrepreneurship experts for consulting including Kansas Entrepreneurial Communities Initiative (KECI) representatives and the national economic gardening team.

E Supplemental Information



Catalyst Incentive Program for Industrial Development

The Catalyst program is a special, temporary incentive program for new industrial projects meeting certain minimum criteria that locate within Lawrence, Kansas. Spec development or full build-out projects meeting eligibility criteria are **automatically qualified** for the basic assistance package and provided quick, streamlined approval.

Two assistance packages are offered through this program, based on project location:

Catalyst Business Park Assistance for new industrial projects locating within either Lawrence VenturePark or East Hills Business Park. The assistance package includes:

- 50%, 10-year Real Property Tax Abatement or 70%, 10-year Real Property Tax Abatement for projects constructed to LEED (Leadership in Energy & Environmental Design) Silver equivalent or higher. (LEED certification not required.)
- Sales tax exemption on project construction materials
- Business Park land provided at no cost
- State provided 100% tax abatement on business machinery and equipment

Catalyst Community Assistance for new industrial projects locating within the City of Lawrence on IG (Industrial General) zoned land. The assistance package includes:

- 50%, 10-year Real Property Tax Abatement or 70%, 10-year Real Property Tax Abatement for projects constructed to LEED Silver equivalent or higher. (LEED certification not required.)
- Sales tax exemption on project construction materials
- State provided 100% tax abatement on business machinery and equipment

E Supplemental Information

Catalyst Business Park Assistance Package:

The City of Lawrence Catalyst Program is a temporary, special incentive program for projects meeting certain minimum criteria that locate within Lawrence VenturePark or the East Hills Business Park. The intention of this program is to spur economic development activity within these targeted areas. The program is limited in duration. The program will sunset two years from adoption (adopted April 2017), at which time it may be considered for extension after evaluation.

In order to be eligible, a project must be approved and a land transfer agreement executed within the two year period and a building permit and any other City approvals must be issued within 18 months of execution of a land transfer agreement. A project must break ground within 12 months of the issuance of a building permit for the project.

Because this is a special program, the regular provisions and process associated with the City of Lawrence's Economic Development Policy will not apply and expedited approval directly with the City Commission will be granted to projects that meet the special incentive program eligibility requirements.

Program benefits:

- Industrial Revenue Bond (IRB) financing (including a sales tax exemption on construction materials) with a base 50% 10-year property tax abatement. An additional 20% 10-year property tax abatement above the base award will apply for projects that are built to LEED Silver equivalent standards as certified in writing by a licensed architect at time of permit issuance. A project may also qualify for additional property tax abatement enhancements above the 50% abatement base if the project will generate significant job creation at wages above the community average, however the applicant will have to adhere to the City's adopted economic development policy,

E Supplemental Information

process and performance requirements to access these enhancements. Payments in Lieu of Taxes (PILOT payments) may be negotiated with the applicant on a case by case basis. Applicant will be responsible for paying all bond counsel and bond issuance costs associated with the IRB issuance, if applicable.

- The IRB and property tax abatement application fees and bond origination fees will be waived by the City.
- Land provided at no cost to applicant. (County-owned property will be subject to Douglas County approval.)

General eligibility requirements:

- Construct a new building of at least 75,000 square feet in Lawrence VenturePark or 25,000 square feet in East Hills Business Park; or expand an existing building at least 15,000 square feet in which case the abatement would only be applicable to the expanded portion of the building.
- Applicant must be a taxable entity and the project must be a taxable use.
- Land is not transferred to applicant until a building permit for the project is issued. Building permit must be issued within 18 months of execution of land transfer agreement and project must break ground within 12 months of building permit issuance or the land will revert to the City. Project must meet all zoning and building codes and be in compliance with City regulations and meet eligibility requirements for the duration of the incentive period in order to maintain program benefits.
- Program subject to applicant executing an agreement with the City outlining terms of land transfer and other eligibility requirements of this program. Benefits under this program are subject to an applicant remaining in compliance with these eligibility requirements.

E Supplemental Information

- Applicant must be current on all property tax, special assessments or any other obligations to the City of Lawrence.
- Applicant must complete brief application describing parameters of the project. Applications are available on the City website at <https://lawrenceks.org/ed> or by contacting the City Manager's Office at 785-832-3400.
- Applicant must provide sufficient evidence to the City of its financial and marketing capacity to complete a successful project. Additionally, the City reserves the right to work with the applicant regarding the property that would best meet the proposed use and prioritize work with applicants that the City believes would best meet the goals of adding tax base and employment.
- Building must be constructed, maintained and operated in accordance with applicable federal, state and local laws.

Notes: Property tax abatements subject to final approval by the Kansas Board of Tax Appeals. Lawrence VenturePark property is a brownfield site- the former site of Farmland Industries and is subject to a Kansas Department of Health and Environment consent order for which the City will retain ongoing remediation responsibility. Each lot has been significantly environmentally characterized. Records and additional information can be obtained upon request. The brownfield site location may also be advantageous toward LEED certification equivalency.

E Supplemental Information

Catalyst Community Assistance Package:

The Catalyst Community Assistance Program is a temporary, special incentive program for new industrial projects meeting certain minimum criteria that locate within the City of Lawrence, Kansas. The intention of this program is to spur economic development activity within the community. The program is limited in duration and will sunset two years from adoption (adopted June 2017), at which time it may be considered for extension after evaluation.

Because this is a special program, the regular provisions and process associated with the City of Lawrence's Economic Development Policy will not apply and expedited approval directly with the City Commission will be granted to projects that meet the special incentive program eligibility requirements.

Program benefits:

- Industrial Revenue Bond (IRB) financing (including a sales tax exemption on construction materials) with a base 50% 10-year property tax abatement. An additional 20% 10-year property tax abatement above the base award will apply for projects that are built to LEED Silver equivalent standards as certified in writing by a licensed architect at time of permit issuance. A project may also qualify for additional property tax abatement enhancements above the 50% abatement base if the project will generate significant job creation at wages above the community average, however the applicant will have to adhere to the City's adopted economic development policy, process and performance requirements to access these enhancements. Payments in Lieu of Taxes (PILOT payments) may be negotiated with the applicant on a case by case basis. Applicant will be responsible for paying all bond counsel and bond issuance costs associated with the IRB issuance, if applicable.

E Supplemental Information

- The IRB and property tax abatement application fees and bond origination fees will be waived by the City.

General eligibility requirements:

- Construct a new building of at least 25,000 square feet on IG zoned land within the City of Lawrence, Kansas
- Applicant must be a taxable entity and the project must be a taxable use.
- A building permit and any other City approvals must be issued within 18 months of City approval of the assistance package. A project must break ground within 12 months of the issuance of a building permit for the project.
- Project must meet all zoning and building codes and be in compliance with City regulations and meet eligibility requirements for the duration of the incentive period in order to maintain program benefits.
- Program subject to applicant executing an agreement with the City outlining development terms and other eligibility requirements of this program. Benefits under this program are subject to an applicant remaining in compliance with these eligibility requirements.
- Applicant must be current on all property tax, special assessments or any other obligations to the City of Lawrence.
- Applicant must complete a brief application describing parameters of the project. Applications are available on the City website at <https://lawrenceks.org/ed> or by contacting the City Manager's Office at 785-832-3400.
- Applicant must provide sufficient evidence to the City of its financial and marketing capacity to complete a successful project.

E Supplemental Information

- Building must be constructed, maintained and operated in accordance with applicable federal, state and local laws.

Notes: Property tax abatements subject to final approval by the Kansas Board of Tax Appeals.

E Supplemental Information



January 15, 2018

Britt

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.

2017		
Claims/Fees Paid	4,366,075	
Claims Reserved for	445,818	
Onsite Health Clinic	156,717	
Net Medical Expense:	<u>4,968,610</u>	
Total Employee Prem	1,435,917	29%
Total Company Portio	3,532,693	71% Company

Thank you

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



Entrematic
Sectional Doors Americas
185 Carriage Court
Winston-Salem, NC 27105
Tel +1-336-744-5100
ask.amarr@entrematic.com
www.entrematic.us

E Supplemental Information



January 16, 2018

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

RE: 2017 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 2017, 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,

Brandon Petz
Chief Financial Officer

F Economic Snapshot

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
2016	65,556	63,205	2,351	3.60%
2015	65,286	62,887	2,399	3.70%
2014	64,733	62,090	2,643	4.10%
2013	63,578	60,513	3,065	4.80%
2012	63,496	60,235	3,261	5.10%
2011	63,747	60,141	3,606	5.70%
2010	64,379	60,574	3,805	5.90%
2009	63,191	59,579	3,612	5.70%
2008	61,712	59,114	2,598	4.20%
2007	62,110	59,692	2,418	3.90%
2006	62,560	60,180	2,380	3.80%

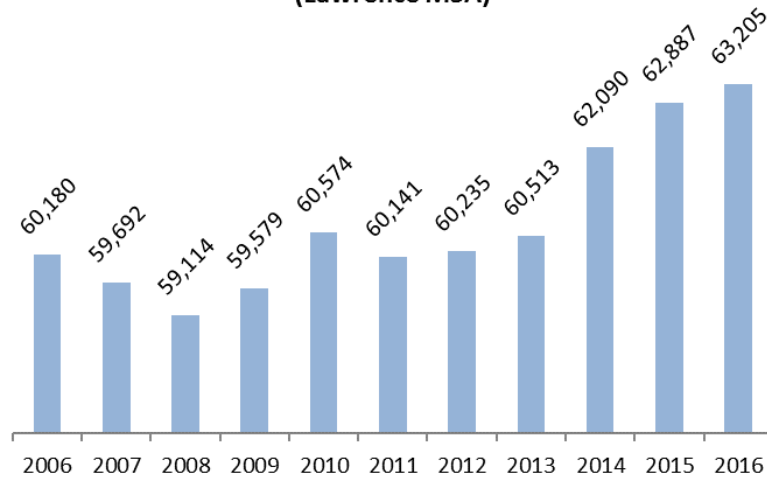
¹ Source: Labor Market Information Services, Kansas Dept. of Labor in cooperation with BLS, U.S. Dept. of Labor. Annual, not seasonally adjusted Labor Force, Employment and Unemployment data for Lawrence, KS Metropolitan Statistical Area in Multiple Time Periods.

F Economic Snapshot

2016 job growth was up 0.5% compared to the previous year, up 4.9% compared to five years ago (2012), and up 5.9% compared to 10 years ago (2007).

Annual Employment Growth (Lawrence MSA)

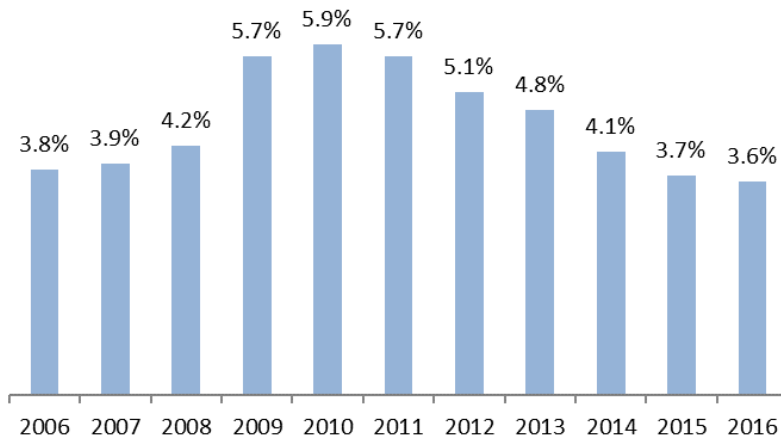
Employment Growth (Lawrence MSA)		
Period	Change	% Change
1Y (2015-2016)	318	0.5%
5Y (2012-2016)	2,970	4.9%
10Y (2007-2016)	3,513	5.9%



Unemployment has been on a downward trend, steadily declining since 2010. Unemployment dropped 0.10% in 2016 from the previous year, 1.50% over the past 5 years (since 2012), and minimally over the past 10 years (since 2007).

Annual Unemployment Rate (Lawrence MSA)

Unemployment Rate (Lawrence MSA)	
Period	Absolute Change
1Y (2015-2016)	-0.10%
5Y (2012-2016)	-1.50%
10Y (2007-2016)	-0.30%



F Economic Snapshot

Commuting Workforce:

Considering all jobs, the City of Lawrence has approximately 21,000 commuting into the City for jobs as compared to 17,400 that commute out of the City for jobs. For Primary jobs, approximately 19,000 workers commute into the City for jobs as compared to 16,000 that commute to other communities for jobs.

For all job types, the County has approximately 19,100 that commute into the County for jobs as compared to approximately 22,300 that commute to communities outside the County for jobs. For Primary jobs, approximately 17,200 workers commute into the County for jobs as compared to 20,600 that commute to communities outside the County for jobs.

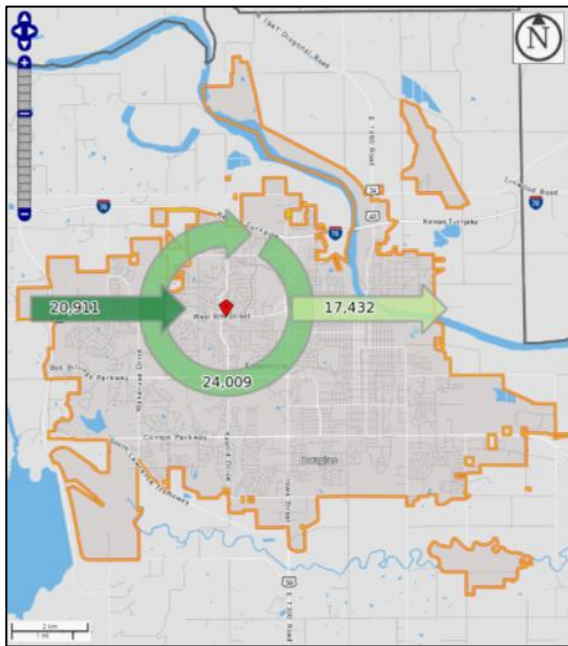
Commuting Workforce ²								
Lawrence, City					Douglas County, KS			
All Jobs			Primary Jobs		All Jobs		Primary Jobs	
Count	%		Count	%	Count	%	Count	%
20,911	55%		19,028	54%	19,106	46%	17,236	46%
17,432	45%		16,070	46%	22,294	54%	20,633	54%
38,343	100%		35,098	100%	41,400	100%	37,869	100%

Commuting In
Commuting Out
Total Commuting
Workforce

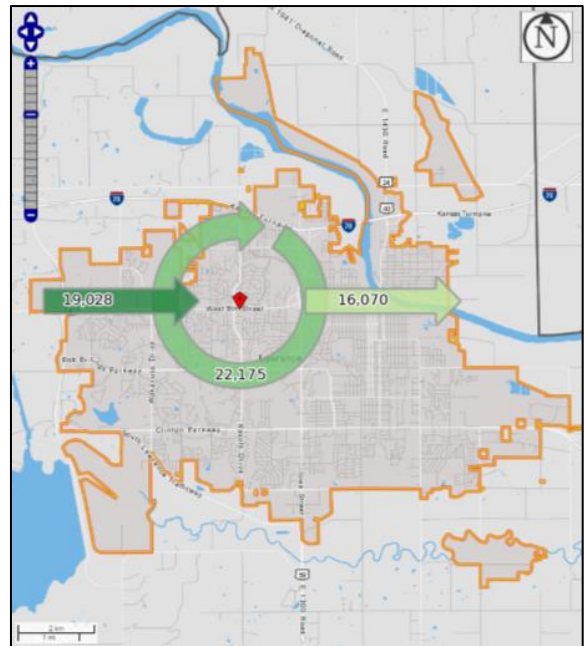
² Source: Longitudinal Employer-Household Dynamics: Inflow/Outflow Analysis.

F Economic Snapshot

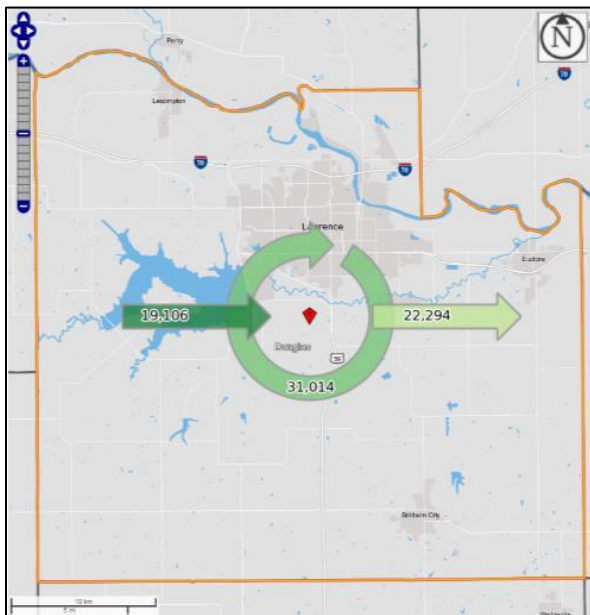
Lawrence City—All Jobs



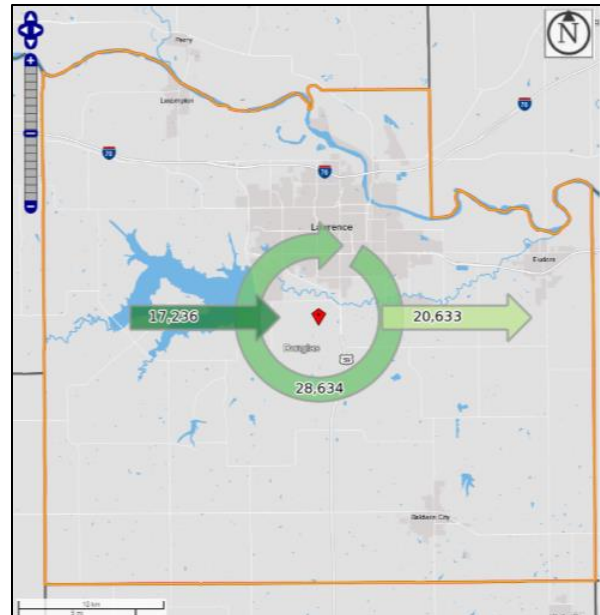
Lawrence City—Primary Jobs



Douglas County, KS—All Jobs



Douglas County, KS—Primary Jobs



F Economic Snapshot

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 & Population ³ (Lawrence MSA)			
Period	Population ⁴	Personal income (\$1000s) ⁵	Per capita personal income ⁶
2016	119,440	\$4,710,732	\$39,440
2015	117,915	\$4,636,506	\$39,321
2014	116,430	\$4,371,082	\$37,543
2013	114,672	\$4,267,257	\$37,213
2012	113,304	\$4,200,770	\$37,076
2011	112,424	\$4,142,220	\$36,844
2010	111,245	\$4,075,559	\$36,636
2009	110,039	\$4,119,847	\$37,440
2008	109,010	\$4,113,433	\$37,734
2007	107,892	\$3,987,062	\$36,955

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 2016 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 November 2017.

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 (CCAAdj), 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.

F Economic Snapshot

Over a one-year period (2015-2016), personal income grew 1.6% and per capita income increased 0.3%. Over a 5-year period (2012-2016) personal income grew 12.1% and per capita income increased 6.4%. Over a 10-year period (2007-2016) personal income grew 18.2% and per capita income increased 6.7%.

Personal Income & Population Change			
Description	1Y ('15-'16)	5Y ('12-'16)	10Y ('07-'16)
Population	1.3%	5.4%	10.7%
Personal income (\$1000s)	1.6%	12.1%	18.2%
Per capita personal income	0.3%	6.4%	6.7%

Personal Income & Population Change

(Lawrence MSA, Inflation Adjusted 2016 Dollars, US CPI)



F Economic Snapshot

Employment Income:

Employment Income ⁷ (Lawrence MSA)			
Period	Total employment ⁸	Earnings by place of work (1000s) ⁹	Avg. earnings/job ¹⁰
2016	71,594	\$2,940,302	\$41,069
2015	70,448	\$2,827,064	\$40,636
2014	69,552	\$2,687,396	\$39,173
2013	67,825	\$2,590,279	\$39,346
2012	66,231	\$2,462,675	\$38,870
2011	66,414	\$2,434,707	\$39,115
2010	66,768	\$2,386,495	\$39,341
2009	67,683	\$2,396,589	\$39,613
2008	68,170	\$2,387,936	\$39,048
2007	69,280	\$2,224,290	\$37,164

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 2016 inflation adjusted dollars, U.S. City Average, All Urban Consumers CPI.

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

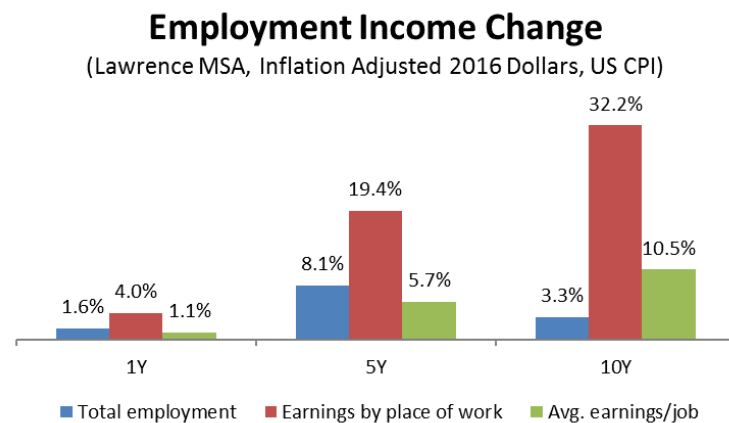
⁹ Earnings by place of work includes compensation of employees and proprietors' income.

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

F Economic Snapshot

Employment income increased 4.0% over a one-year period (2015-2016) with average earnings per job increasing 1.1%. Over a 5-year period (2012-2016), employment income increased 19.4% with average earnings per job increasing 5.7%. Over a 10-year period (2007-2016), employment income increased 32.2%, with average earnings per job increasing 10.5%.

Employment Income Change			
Description	1Y ('15-'16)	5Y ('12-'16)	10Y ('07-'16)
Total employment	1.6%	8.1%	3.3%
Earnings by place of work	4.0%	19.4%	32.2%
Avg. earnings/job	1.1%	5.7%	10.5%



F Economic Snapshot

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 & Salary ¹¹ (Lawrence MSA)			
Period	Wage & salary employment ¹²	Total wages and salaries ¹³	Avg. wages & salaries/job ¹⁴
2016	55,905	\$2,044,092	\$36,564
2015	55,091	\$1,976,140	\$36,323
2014	54,441	\$1,893,323	\$35,258
2013	53,127	\$1,820,086	\$35,296
2012	51,978	\$1,757,202	\$35,340
2011	52,117	\$1,712,994	\$35,070
2010	52,745	\$1,698,934	\$35,453
2009	53,804	\$1,715,038	\$35,660
2008	54,356	\$1,699,898	\$34,862
2007	55,589	\$1,658,157	\$34,528

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 2016 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.

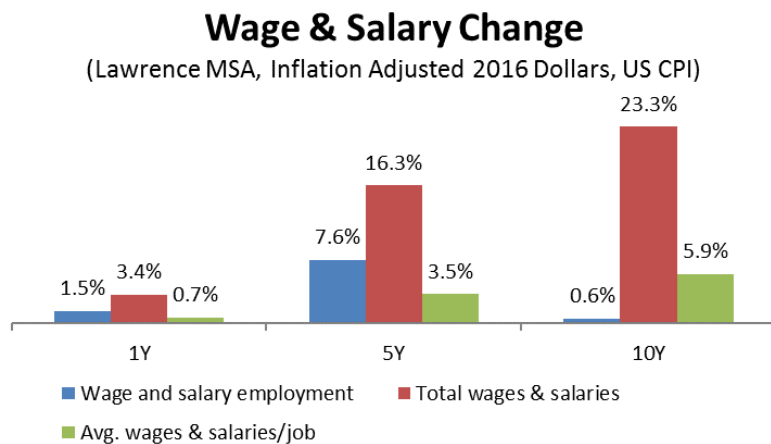
¹³ The remuneration receivable by employees (including corporate officers) from employers for the provision of labor services. Includes commissions, tips, and bonuses; employee gains from exercising stock options; and pay-in-kind. Judicial fees paid to jurors and witnesses are classified as wages and 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.

F Economic Snapshot

Total wages and salaries for the Lawrence MSA increased 3.4% over a one-year period (2015-2016) with average wages/salaries per job increasing 0.7%. Over a 5-year period (2012-2016), total wages and salaries increased 16.3% with average wages/salaries per job increasing 3.5%. Over a 10-year period (2007-2016), total wages and salaries increased 23.3%, with average wages/salaries per job increasing 5.9%.

Wage & Salary Change			
Description	1Y ('15-'16)	5Y ('12-'16)	10Y ('07-'16)
Wage & salary employment	1.5%	7.6%	0.6%
Total wages and salaries	3.4%	16.3%	23.3%
Avg. wages & salaries/job	0.7%	3.5%	5.9%



F 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)					
	2014	2015	2016	2017	2018
Lawrence ¹⁵	29.82%	30.04%	30.31%	30.63%	30.32%
Lenexa	47.73%	48.12%	49.00%	47.70%	46.98%
Manhattan	28%	28%	28%	27%	28%
Olathe	28.25%	28.60%	31.51%	31.99%	30.26%
Overland Park	37.13%	37.19%	38.51%	38.08%	37.47%
Shawnee	23.49%	24.11%	26.41%	25.74%	25.45%
Topeka	40.97%	41.66%	42.45%	42.74%	44.53%

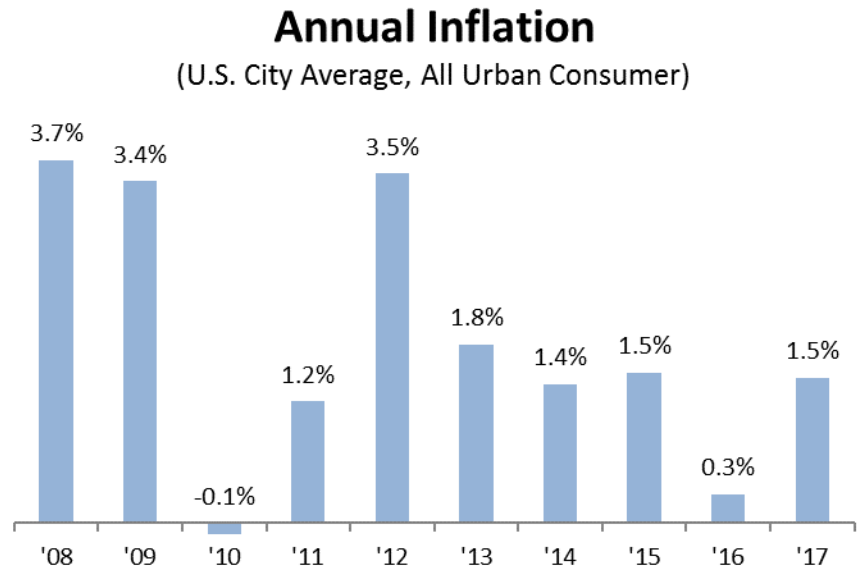
Sources: County Appraisers

¹⁵ Commercial Real Estate Assessed Valuation are shown as a percent of total and are subject to valuation appeals and corrections.

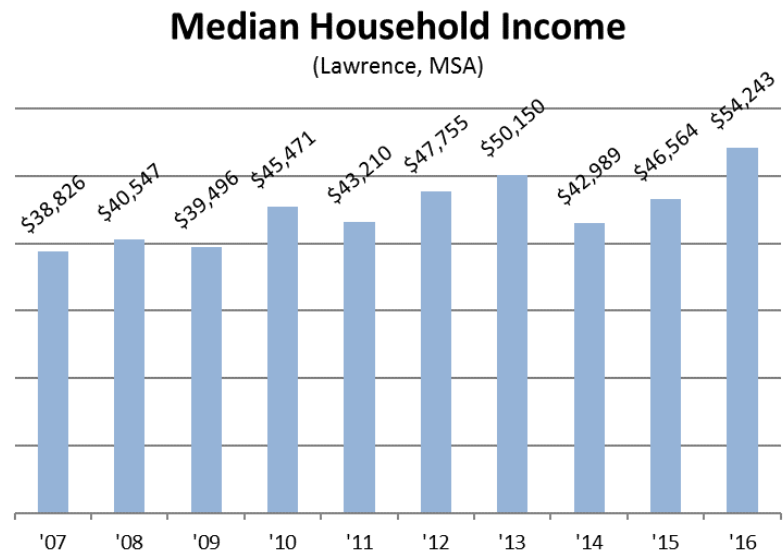
F Economic Snapshot

Additional Economic Indicators

Consumer Price Index ¹⁶ U.S. City Average, All Urban Consumers		
Year	CPI*	Y-Y % Change
2017	241.237	1.5%
2016	237.769	0.3%
2015	237.088	1.5%
2014	233.548	1.4%
2013	230.338	1.8%
2012	226.280	3.5%
2011	218.576	1.2%
2010	215.935	-0.1%
2009	216.177	3.4%
2008	208.976	3.7%



Median Household Income ¹⁷ (Lawrence MSA)		
Period	Amount	Y-Y Change
2016	\$54,243	16.49%
2015	\$46,564	8.32%
2014	\$42,989	-14.28%
2013	\$50,150	5.02%
2012	\$47,755	10.52%
2011	\$43,210	-4.97%
2010	\$45,471	15.13%
2009	\$39,496	-2.59%
2008	\$40,547	4.43%
2007	\$38,826	-6.04%



¹⁶ Source: U.S. Bureau of Labor Statistics. Consumer Price Index - All Urban Consumers, U.S. City Average, Not Seasonally Adjusted.

¹⁷ 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).

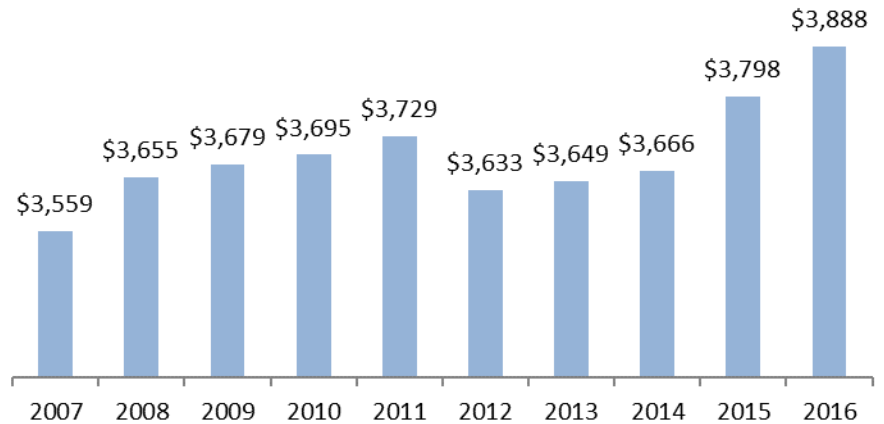
F Economic Snapshot

Real GDP¹⁸: Lawrence MSA
All Industries, Millions of Chained 2009 Dollars

Year	GDP	Y-Y % Change
2016	3,888	2.4%
2015	3,798	3.6%
2014	3,666	0.5%
2013	3,649	0.4%
2012	3,633	-2.6%
2011	3,729	0.9%
2010	3,695	0.4%
2009	3,679	0.7%
2008	3,655	2.7%

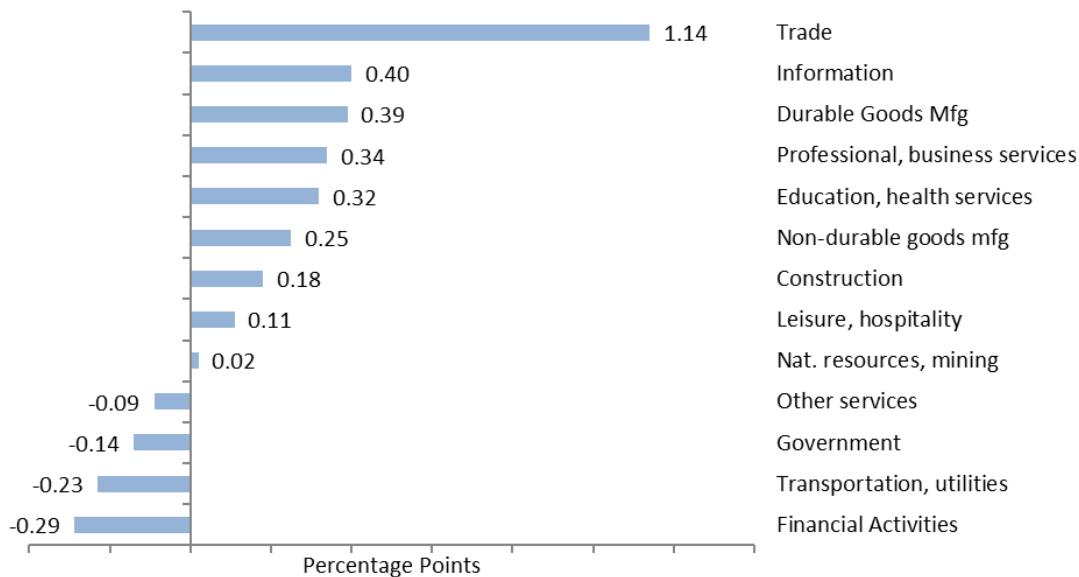
Real GDP: All Industries

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



2016 Contributors to Real GDP Change

(Lawrence MSA, 2016)

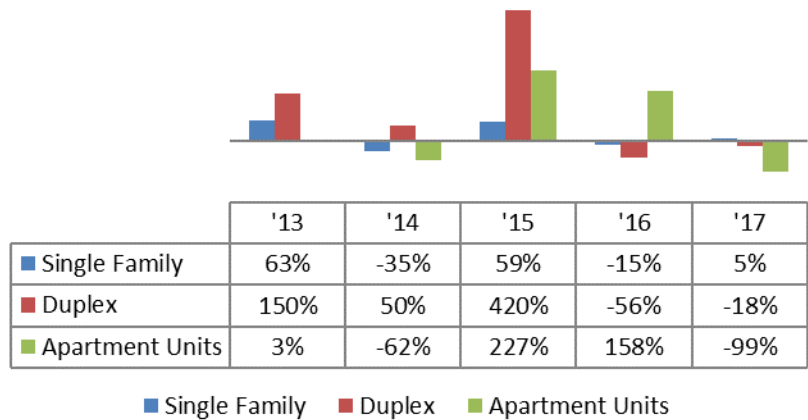


¹⁸ Source: U.S. Department of Commerce, Bureau of Economic Analysis, Table 1. Current-Dollar Gross Domestic Product (GDP) by Metropolitan Area, Table 3. Contributions to Percent Change in Real Gross Domestic Product (GDP) by Metropolitan Area, 2016. Real GDP by metropolitan area is an inflation-adjusted measure of each area's gross product that is based on national prices for the goods and services produced within the metropolitan area.

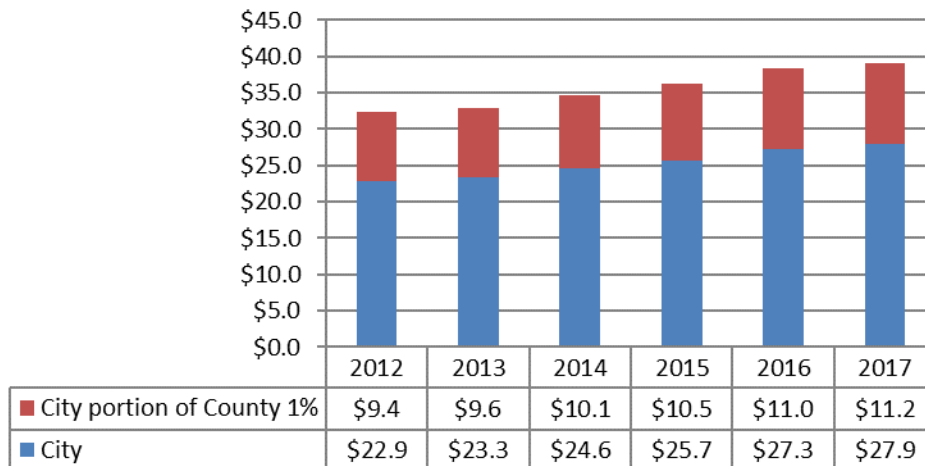
F Economic Snapshot

New Construction Building Permits ¹⁹			
Period	Single Family	Duplex	Multi-Family (apartment units)
2017	144	28	8
2016	137	34	1,205
2015	161	78	467
2014	101	15	143
2013	155	10	374

Annual Change New Construction Building Permits (Lawrence, Kansas)



City Sales Tax Revenues (millions \$)



Source: City of Lawrence

¹⁹ Source: City of Lawrence, Kansas. Neighborhood Resources Department, Valuation of Building Permits.