

2019

**City of Lawrence, Kansas**

ANNUAL ECONOMIC DEVELOPMENT REPORT

Britt Crum-Cano, Economic Development Administrator



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# Executive Summary

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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.

The City supports a variety of economic development projects that utilize one or more economic development programs. Following is a summary of the active projects for the year. Historical and additional information is included in the report's appendices.

## **Property Tax Abatements:**

The City supported four (4) projects via the "Catalyst" program, a temporary incentive program for providing real property tax abatements to help spur industrial development.

- VanTrust's Phase I development, part of a three-phase development project in Lawrence VenturePark, was completed in 2019, delivering more than 153,000 square feet in new industrial space and \$10.2 million in capital investment. Its 70%, 10-year abatement started with the 2019 tax year.
- Plastikon substantially completed a Phase I & II expansion project at its facility in East Hills Business Park in 2018, providing approximately 50,000 square feet of additional space at \$3.2 million in building capital investment. Its 70%, 10-year abatement started with the 2019 tax year.
- Grandstand received authorization in 2018 to participate in the Catalyst program to add a 112,000 square feet expansion to their main facility in East Hills Business Park. Construction started in 2019 and is anticipated to be complete in 2020.



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- In September 2019, the City Commission authorized US Engineering to participate in the Catalyst program to build a 100,000 square foot industrial building, expandable to 150,000 square feet, in Lawrence VenturePark. Since that date, the project proceeded through planning processes, necessitating consideration of several additional actions. As of report publication, the Company was seeking an additional, adjacent lot to accommodate constructing a larger facility and to meet planning requirements.



# Executive Summary

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The City had four (4) Lawrence companies with non-Catalyst property tax abatements: 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 per performance agreements signed with the City. <sup>1</sup>

## *Investments*

- Real property (land and building) investment was just over \$20.6 million compared to \$6 million projected. To date, real property investments include just under \$19.5 million for Grandstand and approximately \$1.16 million for Sunlite. Amarr did not receive a real property tax abatement.

<b>Real Property Investment</b>			
<b>Company</b>	<b>Total Projected (in 2019 dollars)</b>	<b>Total 2019</b>	<b>Comparison (Projected to Actual)</b>
Amarr	n/a	n/a	n/a
Grandstand	\$4,890,000	\$19,498,784	399%
Sunlite	\$1,130,000	\$1,158,155	102%
<b>Total (2019)</b>	<b>\$6,020,000</b>	<b>\$20,656,939</b>	<b>343%</b>

- Personal property (machinery and equipment) investment totaled \$9.7 million compared to \$9.4 million projected. Amarr was the only company receiving a

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<sup>1</sup> 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

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personal property abatement since the other two companies received personal property tax exemptions through state law.<sup>2</sup>

<b>Personal Property Investment</b>			
<b>Company</b>	<b>Total Projected (in 2019 dollars)</b>	<b>Total 2019</b>	<b>Comparison (Projected to Actual)</b>
Amarr	\$9,400,000	\$9,700,000	103%
Grandstand	n/a	n/a	n/a
Sunlite	n/a	n/a	n/a
<b>Total (2019)</b>	<b>\$9,400,000</b>	<b>\$9,700,000</b>	<b>103%</b>

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



# Executive Summary

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## *Employment*

Overall job creation greatly exceeded targets for the year with Amarr supporting 234 full-time positions (40 projected), Grandstand supporting 211 full-time positions (110 projected), and Sunlite supporting eight (8) full-time positions (36 projected)<sup>3</sup>.

Full-Time Employment			
Company	Total Projected (in 2019 dollars)	Total 2019	Comparison (Projected to Actual)
Amarr <sup>4</sup>	40	234	585%
Grandstand	110	211	192%
Sunlite <sup>5</sup>	36	8	23%
<b>Total (2019)</b>	<b>186</b>	<b>453</b>	<b>244%</b>

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<sup>4</sup> 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 2019, Amarr reported 773 actual, full-time positions and had realized 234 net new full-time positions (773-539 = 234).

<sup>5</sup> Sunlites's pre-abatement employment at the end of December 2013 was five FTEs. At that time, the company planned to expand into manufacturing LED lamps for general lighting areas and FTEs were projected based on their estimated production talent needs. However, after a few years, that market proved unprofitable and Sunlite decided to change company focus to research and development of specialized LED lighting products and fixtures. This market change reduced the need for production labor, lowering the number of FTEs, but increased the need for highly educated engineering and research talent, which substantially raised the average salary.





# Executive Summary

## *Full-Time Wages*

All companies receiving property tax abatements exceeded required wage levels during the year. As a whole, the companies achieved an average annual wage of approximately \$52,400 for full-time positions compared to approximately \$33,900 projected (inflation adjusted). This is approximately \$17,800 higher than the average full-time, private sector wage in Lawrence and approximately \$24,700 higher than the 2019 wage floor rate.

Average Wages			
Company	Total Projected (in 2019 dollars)	Total 2019	Comparison (Projected to Actual)
Amarr	\$34,700	\$41,962	121%
Grandstand	\$33,446	\$50,898	152%
Sunlite	\$33,500	\$64,339	192%
<b>Total Average Wage (2019)</b>	<b>\$33,882</b>	<b>\$52,399</b>	<b>155%</b>

Wage Comparisons		
2019 Wage Comparison	Hourly	Annual
Lawrence Average Private Wage	\$16.63	\$34,589
Lawrence Wage Floor	\$13.33	\$27,726
Company Average Wage	\$25.19	\$52,399

### Wage Difference

\$17,810

\$24,673



# Executive Summary

## ***Tax Generation***

Companies receiving traditional property tax abatements for the year paid a combined \$194,267 in property taxes out of a total of \$357,257 due (\$162,949 abated).<sup>6</sup>

<b>2019 Tax Generation</b> (on portion of property receiving an abatement)				
<b>Company</b>	<b>Taxes Paid</b>	<b>Tax Abated</b>	<b>Total Taxes</b>	<b>Abated % of Total</b>
Amarr	\$110,621	\$24,748	\$135,409	18%
Grandstand	\$63,647	\$118,202	\$181,850	65%
Sunlite	\$19,999	\$19,999	\$39,998	50%
<b>Total</b>	<b>\$194,267</b>	<b>\$162,949</b>	<b>\$357,257</b>	<b>46%</b>

Companies receiving Catalyst property tax abatements for the year paid a combined \$201,314 in property taxes out of a total of \$395,755 due (\$194,441 abated).

<b>2019 Catalyst Tax Generation</b> (on portion of property receiving an abatement)				
<b>Company &amp; Abatement %</b>	<b>% of Real Property Abatement</b>	<b>Total Tax Potential</b>	<b>Abated Tax Amount</b>	<b>Taxes Paid (or to be paid) by Property Owner<sup>7</sup></b>
VanTrust Phase I <sup>8</sup>	70%	\$202,403	\$123,778	\$78,625
Plastikon Phase I & II Expansion	70%	\$193,352	\$70,663	\$122,689
<b>Total</b>		<b>\$395,755</b>	<b>\$194,441</b>	<b>\$201,314</b>

Source: Douglas County, March 2020

<sup>6</sup> 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.

<sup>7</sup> Amount shown excludes the capital outlay mill levy, which is shielded from exemption per SB19.

<sup>8</sup> Under agreement with the City, Van Trust Phase I is subject to pre-determined Payment in Lieu of Tax (PILOT) payments. Total Tax Potential represents the amount of tax liability without the PILOT.



# Executive Summary

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## Industrial Revenue Bonds (IRB):

Four (4) companies had Industrial Revenue Bonds (IRB) outstanding for the year. It should be noted that IRBs are backed by private sources, with no obligation on the part of the City for repayment.

2019 IRBs: Outstanding					
Company	Date of Issue	Issuing Ord. #	Year Matures	Amount Authorized	Project
Bowersock: Series 2011A	Dec. 2010	8607	2037	\$14,060,000	Hydro-Electric Facility
Bowersock: Series 2011B	Mar. 2011	8620	2025	\$8,720,000	Hydro-Electric Facility
Rock Chalk Park	Oct. 2013	8862	2023	\$40,000,000	Commercial Recreational Facility
VanTrust-Phase I	Dec. 2018	9573	2028	\$10,200,000	Industrial Building
USE Engineering (USE Real Estate Holding LLC) **	ROI 7297 issued 9-17-19			\$15,000,000	Industrial Building

*\*\*Resolution of Intent authorized but bonds not yet issued.*



# Executive Summary

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## Neighborhood Revitalization Areas (NRA):

The below companies received NRA rebates for the tax year. This was the first year 1101 Indiana Street was eligible to receive a rebate.

2019 NRA Rebates	
NRA	Amount
720 E 9th St	\$16,286
1040 Vermont St	\$24,613
810 Pennsylvania St	\$26,264
900 Delaware St	\$32,984
1106 Rhode Island St	\$11,860
826 Pennsylvania St	\$69,634
1101 Indiana St	\$504,936
<b>Total</b>	<b>\$686,576</b>



# Executive Summary

Even after rebates, taxing jurisdictions retained more than twice the amount of tax revenues from NRA properties compared to if the properties had been left in original condition.

2019 Tax Revenue Comparison: All NRAs			
NRA	Base	Retained	% Gain (Loss)
720 E 9th St	\$13,423	\$14,571	8.5%
1040 Vermont St	\$28,525	\$39,954	40.1%
810/812 Pennsylvania St	\$4,010	\$10,188	154.0%
900 Delaware St	\$2,635	\$2,876	9.1%
1106 Rhode Island St	\$2,816	\$3,619	28.5%
826 Pennsylvania St	\$11,114	\$14,213	27.9%
1101 Indiana St	\$49,044	\$144,937	195.5%
<b>Total</b>	<b>\$111,568</b>	<b>\$230,357</b>	<b>106.5%</b>

*Unimproved Property*
*Improved Property*
*Return*

Overall (for all years in which an NRA rebate was given), the NRA revitalized properties generated an average of forty-nine percent (49%) more real property tax revenues as compared to property tax revenues that would have been realized if the properties were left in original condition.

Tax Revenue Comparison: All NRAs			
	Base	Retained	% Gain (Loss)
2019	\$111,568	\$230,357	106.5%
To Date	\$426,493	\$635,488	49.0%

*Unimproved Property*
*Improved Property*
*Return*



# Executive Summary

## Tax Increment Financing Districts (TIF):

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

2019 TIF Distributions			
TIF District	Description		Total
Downtown 2000	901 New Hampshire		\$28,085
Oread	TIF Sales Tax	\$146,547	\$516,351
	TIF Property Tax	\$369,804	
9th & New Hampshire: South Project	900 New Hampshire: TIF Sales Tax	\$132,221	\$460,494
	900 New Hampshire: TIF Property Tax	\$305,249	
	City Retained TIF (5%) <sup>9</sup>	\$23,025	
9th & New Hampshire: North Project	888 New Hampshire: TIF Sales Tax	\$271	\$274,410
	888 New Hampshire: TIF Property Tax	\$260,419	
	City Retained TIF (5%) <sup>10</sup>	\$13,720	
<b>TIF Total</b>			<b>\$1,279,340</b>

- The Downtown 2000 Redevelopment TIF District was created to support the development of the parking garage at 10<sup>th</sup> and New Hampshire and other cultural, commercial, office, and apartment developments. The District does not pay out to private entities except for 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 12<sup>th</sup> and Oread. Public improvements to

<sup>9</sup> The City retains 5% of 9th & New Hampshire TIF revenue for the Arts Common project, up to \$900,000.

<sup>10</sup> The City retains 5% of 9th & New Hampshire TIF revenue for the Arts Common project, up to \$900,000.



# Executive Summary

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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.

- The 9<sup>th</sup> & New Hampshire TIF District was created in 2012 and includes two project areas: 900 New Hampshire (South Project) and 888 New Hampshire (North Project).

At the end of 2019, the City had retained approximately \$122,700 in 9<sup>th</sup> & New Hampshire TIF revenues generated to date.<sup>11</sup>

<b>Annual City Retained 5% TIF Distribution</b>	
<b>Year</b>	<b>City 5% TIF</b>
2015	\$3,880
2016	\$21,789
2017	\$24,386
2018	\$35,920
2019	\$36,745
<b>Total</b>	<b>\$122,720</b>

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<sup>11</sup> The City retains 5% for the Arts Common project, up to \$900,000.



# Executive Summary

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## Transportation Development Districts (TDD):

The City has three (3) active TDDs: The Oread TDD, Free-State/Bauer Farms TDD, and the 9<sup>th</sup> & New Hampshire TDD. 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.

2019 TDD Distributions	
Oread	\$75,708
Free State (Baure Farms)	\$283,752
9th & New Hampshire TDD	\$0
City Retained 5%	\$56,103
<b>Total</b>	<b>\$415,563</b>

At of the end of 2019, the City had retained all 9<sup>th</sup> & New Hampshire TDD revenues generated to date.<sup>12</sup>

Annual City Retained TDD Distributions	
Year	TDD Revenues
2015	\$21,622
2016	\$49,434
2017	\$50,829
2018	\$47,664
2019	\$56,103
<b>Total</b>	<b>\$225,652</b>

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<sup>12</sup> The City retains the first \$850,000 of TDD revenues from the 9<sup>th</sup> & New Hampshire district as a contribution toward the 10th & New Hampshire City parking garage.





# Executive Summary

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## Other Economic Development Programs (Direct-Support):

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

2019 Other Support Programs			2019 Assistance	
Support Program	Description	Location	City	County
Economic Development Services	BTBC	2029 Becker & 4950 Research Pkwy	\$341,009	\$516,009
Economic Development Services	Chamber and KU-SBDC	718 New Hampshire	\$220,000	\$195,000
Workforce Training	Peaslee Technical Training Center	2920 Haskell Avenue	\$200,000	\$400,000
<b>Total</b>			<b>\$761,009</b>	<b>\$1,111,009</b>



# Introduction

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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 District (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.<sup>1</sup>

### **Economic Development Policy**

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<sup>1</sup> During 2018, 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

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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 that 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. The City analyzes the risks and returns of potential projects, selecting ones that best balance the City’s economic development goals (stated in the 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 conducts an annual review of all projects 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 following active economic development programs and projects.

2019 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	2325 VenturePark Dr	5
	Plastikon Healthcare Phase I & II Expansion	3780 Greenway Circle	6
	Grandstand Phase I Expansion	3840 Greenway Circle	7
	US Engineering	2000 Venture Park Dr.	8
Industrial Revenue Bonds (IRB)	Bowersock (Hydro-Electric Plant)	Kansas River, east of N 2nd Street	9
	Rock Chalk Park	6100 Rock Chalk Drive	10
	VanTrust-Phase I	2325 VenturePark Dr	11
	US Engineering	2000 Venture Park Dr.	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
Tax Increment Financing (TIF)	Downtown 2000 District	9th & New Hampshire area	20
	901 New Hampshire (TIF Refund)	901 New Hampshire	21
	Oread Project	1200 Oread Avenue	22
	9th & New Hampshire TIF District	900 New Hampshire, 888 New Hampshire	23

Continued



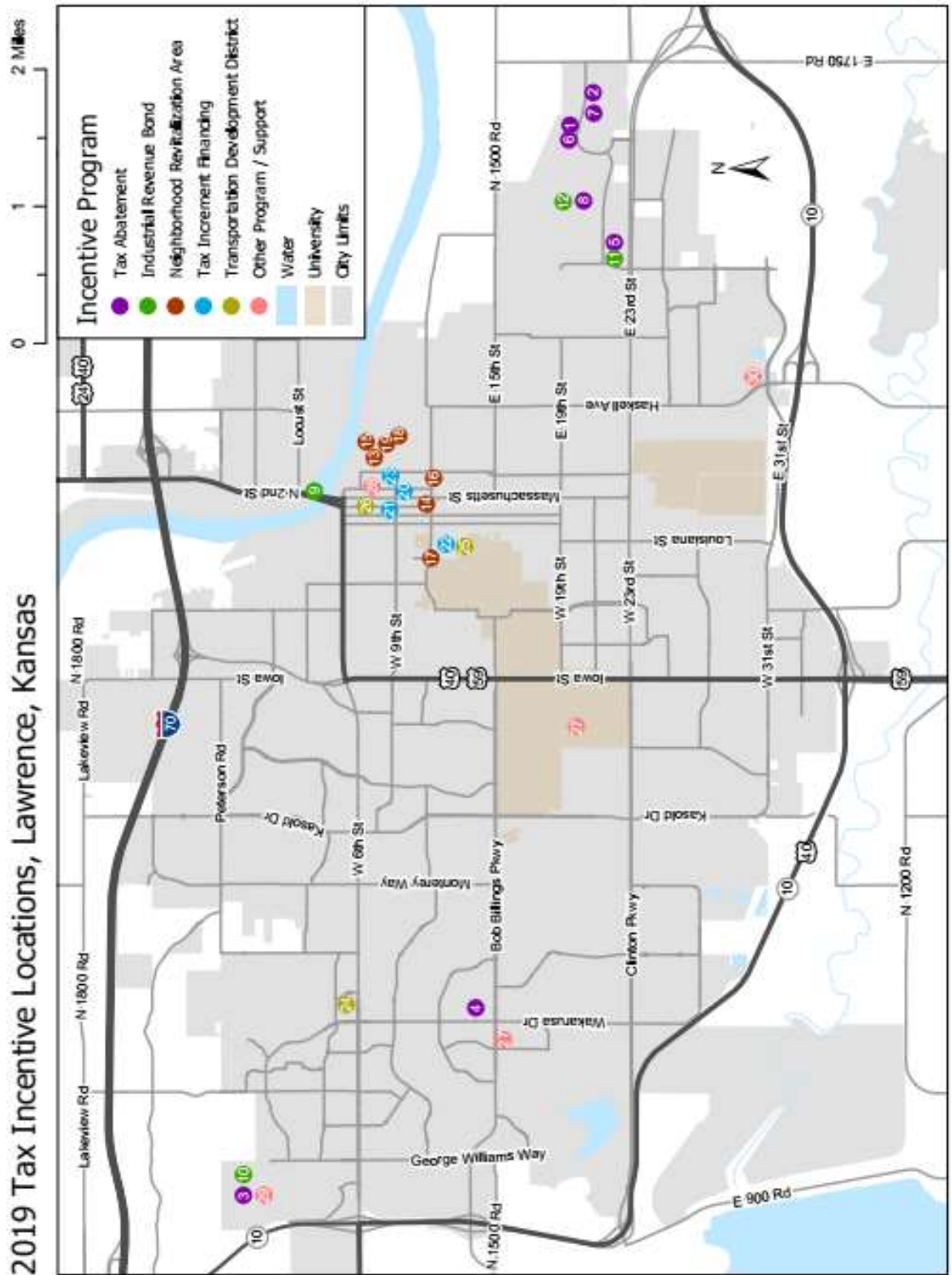
# Introduction

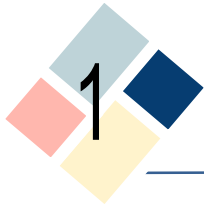
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<b>Transportation Development Districts (TDD)</b>	Free State (Bauer Farm)	NEC 6th & Wakarusa	24
	Oread Project	1200 Oread Avenue	25
	9th & New Hampshire TDD District	900 New Hampshire, 888 New Hampshire	26
<b>2019 Other Support Programs</b>			
<b>Support Program</b>	<b>Description</b>	<b>Location</b>	<b>Map #</b>
Economic Development Services	BTBC	2029 Becker & 4950 Research Pkwy	27
Economic Development Services	Chamber and KU-SBDC	718 New Hampshire	28
Shared Infrastructure	Rock Chalk Park	6100 Rock Chalk Drive	29
Workforce Training	Peaslee Technical Training Center	2920 Haskell Avenue	30



# Introduction





# Property Tax Abatements

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## Overview

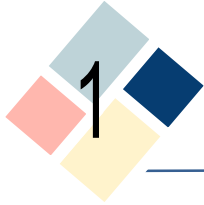
Property tax abatements are authorized by the State of Kansas to allow municipalities and other taxing jurisdictions to reduce property taxes for a limited period to spur investment within a community. Currently, the state automatically grants a property tax abatement on personal property (i.e. machinery 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 buildings 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 abatement<sup>1</sup>:

- 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. Projects granted a traditional tax abatement are subject to annual reporting and compliance requirements throughout 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.
- 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 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.

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



# Property Tax Abatements

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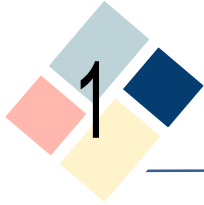
The program was set to expire in April 2019. However, due to its success, the City Commission voted to extend the Catalyst program until April 2022, added a minimum investment level for real property, and included eligibility for expansion projects proposed for VenturePark or on industrial zoned private property throughout the community. Note the minimum investment requirement was not in place at the time the following Catalyst projects were approved.

<b>Catalyst Assistance Package</b>
10-Year real property tax abatement: 50%; 70% if project built to LEED Silver equivalent
IRB Sales tax exemption on project construction materials
City/County owned business park land provided for projects located in LVP or EHBP.
State provided personal property tax exemption (machinery/equipment)
City application fees and IRB bond origination fees waived by the City

Because Catalyst is a special program, the regular provisions and processes 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.

See Appendix E for additional Catalyst program information.





# Property Tax Abatements

## Catalyst Property Tax Abatements

As of the end of 2019, the City had approved the following projects for participation in the Catalyst program.

2019 Catalyst Tax Abatements: Authorized					
Company	Start	Expires	Maximum Investment Amount Subject to Abatement	Abatement %	Ord/Res
VanTrust (Phase I) <sup>2</sup>	2019	2028	\$10,200,000	70%	9573
Plastikon (Phase I & II Expansion) <sup>3</sup>	2019	2028	\$3,200,000	70%	9430
Grandstand (Phase I Expansion) <sup>4</sup>	2020	2029	\$5,000,000	50% or 70%	9608
US Engineering <sup>5</sup>	TBD	TBD	\$15,000,000	50% or 70%	Res. 7297

Two Catalyst projects were completed and eligible for abatement on property taxes in 2019.

2019 Catalyst Tax Generation				
(on portion of property receiving an abatement)				
Company & Abatement %	% of Real Property Abatement	Total Tax Potential	Abated Tax Amount	Taxes Paid (or to be paid) by Property Owner <sup>6</sup>
VanTrust Phase I <sup>7</sup>	70%	\$202,403	\$123,778	\$78,625
Plastikon Phase I & II Expansion	70%	\$193,352	\$70,663	\$122,689
<b>Total</b>		<b>\$395,755</b>	<b>\$194,441</b>	<b>\$201,314</b>

Source: Douglas County, March 2020.

<sup>2</sup> Project completed in 2018 earning 51 LEED equivalent points, qualifying it for the 70% abatement level.

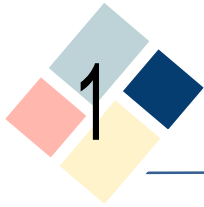
<sup>3</sup> Project completed in 2018 earning 51 LEED equivalent points, qualifying it for the 70% abatement level.

<sup>4</sup> Tax abatement to start the first full year after project completion. Project completion anticipated in 2020.

<sup>5</sup> Project was approved for Catalyst participation in 2019, but bonds had not yet been issued by the end of the year. The first full year after project completion will be the first year of the tax abatement.

<sup>6</sup> Amount shown excludes the capital outlay mill levy, which is shielded from exemption per SB19.

<sup>7</sup> Under agreement with the City, Van Trust Phase I is subject to pre-determined Payment in Lieu of Tax (PILOT) payments. Total Tax Potential represents the amount of tax liability without the PILOT.



# 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.



### Phase I

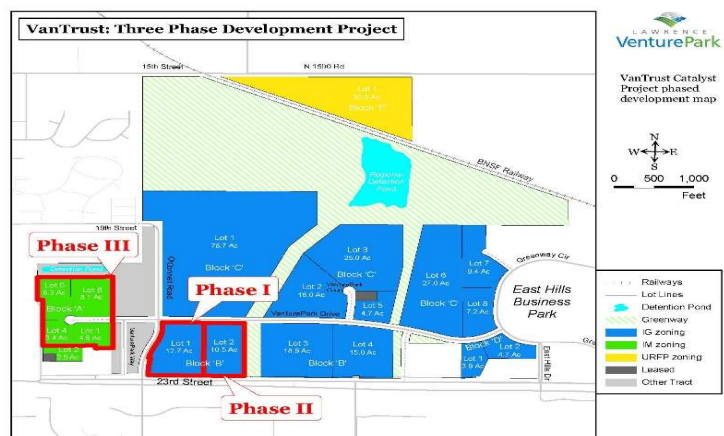
The first phase building was finished at the end of 2018, delivering over 153,000 square feet of new industrial space. The building was finished as a warm-shell, to accommodate custom finishes for future tenants, with a capital investment of \$10.2 million. The project met LEED Silver equivalency, qualifying it for the 70% tax abatement level.

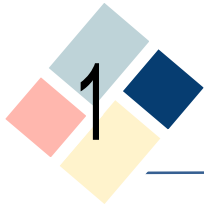
Future development phases include:

- 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 square feet of industrial space within the park at an estimated capital investment of \$31 million.





# 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.

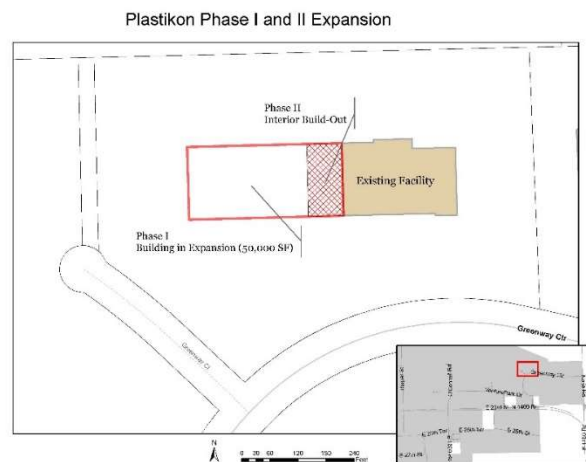


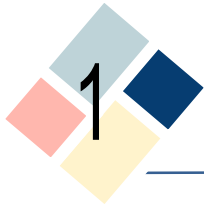
Plastikon is a contract manufacturing organization that specializes in the formulation and packaging of liquid medical devices and pharmaceuticals. The Company acquired and initiated



operations at its current facility in East Hills Business Park in 2011. In 2019, the expansion project was completed.

The building achieved LEED Silver equivalency, qualifying it for the 70% tax abatement level. Total capital investment for buildings, machinery, and equipment was approximately \$7.3 million.





# Property Tax Abatements

## Grandstand Expansion, Phase I: East Hills Business Park

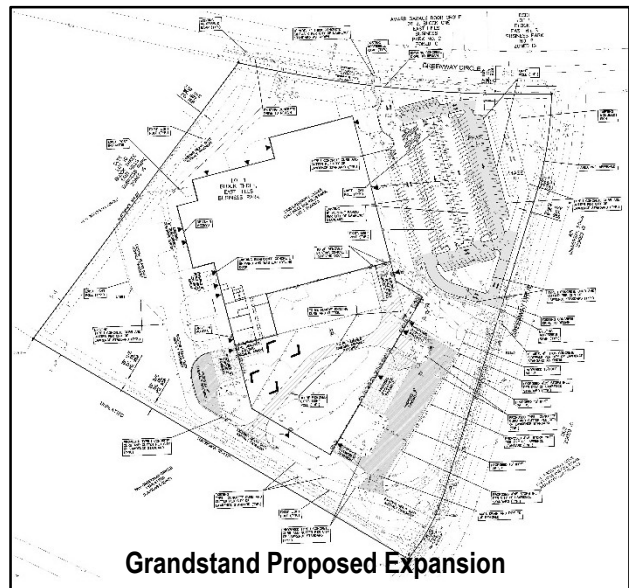
In December 2018, the City authorized a request from Grandstand Glassware + Apparel (Screen-It Graphics of Lawrence, Inc.) for participation in the City's Catalyst incentive program for a 112,000 square foot expansion to their existing facility in East Hills Business Park.

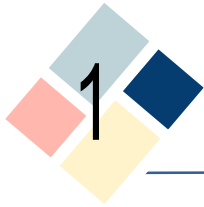


Started in 1988 in Lawrence, Grandstand manufactures and distributes decorated glassware, apparel, and promotional products nationwide and in 12 countries. In 2018, the company had grown to 218 full-time employees with an annual payroll of more than \$9 million, which prompted the need for additional manufacturing and warehousing space.

Participation in the program allows the expansion to be eligible for a 10-year, 50% property tax abatement (70% if built to LEED Silver equivalency). 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.

Construction on the expansion started in 2019 and is expected to be completed in 2020.





# Property Tax Abatements

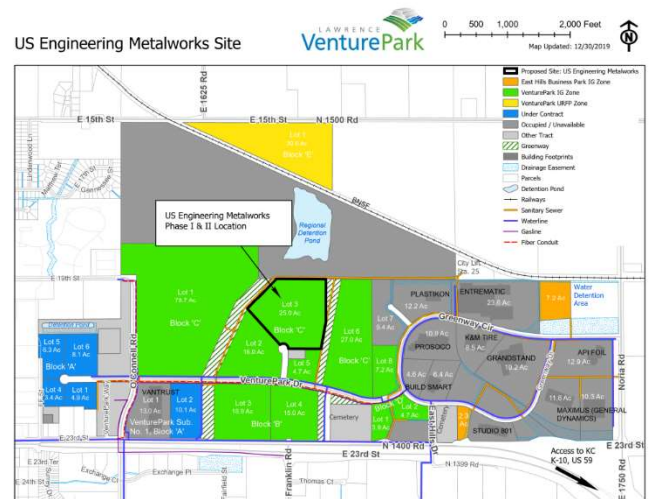
## US Engineering Development: Lawrence VenturePark

In September 2019, the City Commission authorized US Engineering participation in the Catalyst program for a new construction, industrial development project. Approval covers two phases of development, each with its own property tax abatement and 10-year incentive period.

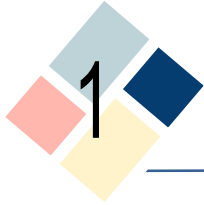


US Engineering and its subsidiaries have been in business for over 125 years. Originally started in Germany, the family-owned company was established in the U.S. in 1893 and continues to provide mechanical contracting services locally, regionally and nationwide.

The first phase of the project is for construction of a 100,000 square foot industrial building to be located on Block C, Lot 3 in Lawrence VenturePark. The second phase of development would include an expansion to the main facility, adding up to another 50,000 square feet to support company growth. Total capital investment for both phases is estimated at \$15,000,000.



The first phase is anticipated to start construction in 2020 and be completed the following year.



# Property Tax Abatements

## Traditional (non-Catalyst) Property Tax Abatements

The City did not add any new abatements under its traditional tax abatement program in 2019. Four previously approved companies continued to receive property tax abatements for the tax year.

2019 Traditional Tax Abatements: Active						
Company	Start <sup>8</sup>	Expires <sup>9</sup>	Maximum Investment Amount Subject to Abatement <sup>10</sup>	Abatement %	Ord/Res	BOTA Docket #
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 <sup>11</sup>	65% on real property	R-6948	2012-9459-EDX
Sunlite Science & Technology, Inc.	2014	2023	\$2,300,000 real property <sup>12</sup>	50% on real property	R-7042	2013-5409-EDX
Rock Chalk Park <sup>13</sup>	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.

<sup>8</sup> Exemption from ad valorem taxation starts with the taxes levied in the calendar year shown.

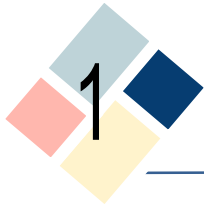
<sup>9</sup> Exemption from ad valorem taxation expires with the taxes levied in the calendar year shown.

<sup>10</sup> Amounts that appear in the City Ordinance authorizing the abatement.

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

<sup>12</sup> Estimated cumulative capital investment over 10-year term per agreement dated August 30, 2013 between City and Sunlite Science & Technology, Inc.

<sup>13</sup> KU would normally receive a 100% property tax abatement on their property for the duration of ownership. However, given the structure of the project with KU Athletics entering into a long term lease with a private developer to construct the facilities, an automatic property tax exemption was not possible. A property tax abatement was utilized to assist KU in pursuing this project. Due to the unique nature of the project and its primary benefits related to assisting KU Athletics and drawing visitors from outside the community rather than job creation, no job creation performance requirements were imposed.



# Property Tax Abatements

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## Company Profiles

### **Amarr Garage Doors**

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



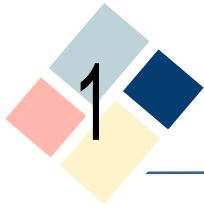
They are one of the world's leading designers, manufacturers, and distributors of door access systems for residential garages, warehouses, commercial buildings, shopping malls and other commercial applications. Amarr has over 17 products to offer residential customers as well a wide array of commercial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



America's leading brands and sold by over 3,000 professional independent garage door dealers worldwide.

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





# Property Tax Abatements

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## **Grandstand Sportswear & Glassware (Screen-It Graphics)**

Based in Lawrence, Kansas, Grandstand is a screen printing company that specializes in serving the craft beverage industry with

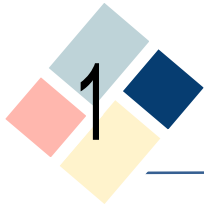


custom decorated glassware, apparel, promotional items and creative services from their in-house design agency, 88 Design Group. Launched in 1988 as a t-shirt and sports bottle printing shop with seven employees, this local business has experienced rapid expansion, now selling products throughout the U.S., Canada and internationally. It is the #1 provider of printed amber growlers in North America.

In 2012, company growth necessitated a move from its 30,000 square foot location at 2920 Haskell to its present 155,000 square foot building in East Hills Business Park. Moving into the larger facility allowed Grandstand to grow and expand to meet rising market demand. This growth also resulted in increased job creation, and Grandstand currently employs more than 200 area people. Grandstand's position as an industry leader and innovator of decoration methods, sustainable processes and retail and marketing solutions has once again led to the need for additional space. A 112,000 square foot expansion project is planned for the main facility, with construction completion anticipated in 2020.







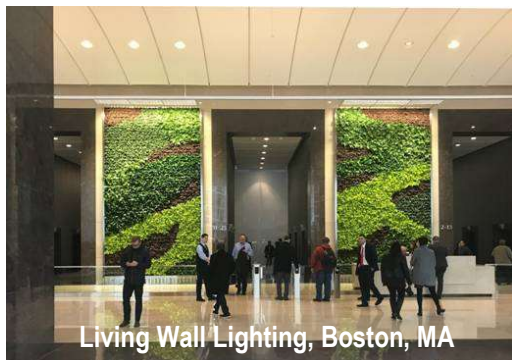
# Property Tax Abatements

## Sunlite Science & Technology

Sunlite Science & Technology, Inc. designs and manufactures high-efficiency LED UV curing systems and LED lighting fixtures for residential and commercial uses. Sunlite 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 to consolidate and grow business operations.



US LED Curing System for Flexo Press  
Los Angeles, CA



Living Wall Lighting, Boston, MA

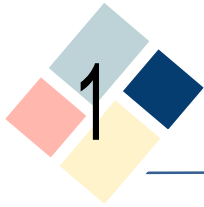
In 2016, a Sunlite research and technology proposal was one of 134 SBIR Phase II General proposals (out of 323 total) selected by NASA to support development of aeronautics, science, human exploration and operations, and space technologies.

### Proposals

were selected according to their technical merit and feasibility, in addition to the experience, qualifications and facilities of the submitting business. The NASA Phase II project was successfully completed in 2018. The CPARS rating of the project was "exceptional".



Living Wall Lighting, Athens, Greece



# Property Tax Abatements

## Abatement Performance

The table below compares projected investment, employment and wage milestones<sup>14</sup> to actual achievement for each of the companies receiving a property tax abatement during 2019.

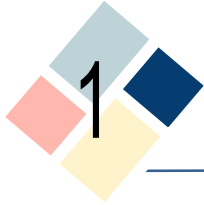
2019 Tax Abatement Performance by Company			
Amarr Garage Doors, Inc.	Projected	Actual	Comparison (Projected to Actual)
Real Property Investment	n/a	n/a	n/a
Personal Property Investment	\$9,400,000	\$9,700,000	103%
Full-Time Employees <sup>15</sup>	40	234	585%
Average Wages (2019 Dollars)	\$34,700	\$41,962	121%

Continued

<sup>14</sup> Each firm was required to provide projections of real property investments, personal property investments, new jobs and wages for those jobs in order to do a benefit-cost analysis. The benefit-cost analysis is required by state law in order for the Kansas Court of Tax Appeals (COTA) to grant a tax abatement.

<sup>15</sup> 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 2019, Amarr reported 773 actual, full-time positions and had realized 234 net new full-time positions (773-539 = 234).

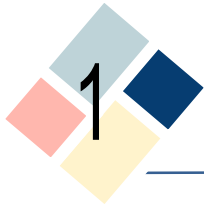


# Property Tax Abatements

2019 Tax Abatement Performance by Company			
Grandstand/Screen-It Graphics	Projected	Actual	Comparison (Projected to Actual)
Real Property Investment	\$4,890,000	\$19,498,784	399%
Personal Property Investment	n/a	n/a	n/a
Full-Time Employment <sup>16</sup>	110	211	192%
Average Wages (2019 Dollars)	\$33,446	\$50,898	152%
Sunlite Science & Technology	Projected	Actual	Comparison (Projected to Actual)
Real Property Investment	\$1,130,000	\$1,158,155	102%
Personal Property Investment	n/a	n/a	n/a
Full-Time Employment <sup>17</sup>	36	8	23%
Average Wages (2019 Dollars)	\$33,500	\$64,339	192%

<sup>16</sup> 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 2019 will be January 1, 2019 through December 31, 2019. 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.

<sup>17</sup> Sunlites's pre-abatement employment at the end of December 2013 was five FTEs. At that time, the company planned to expand into manufacturing LED lamps for general lighting areas and FTEs were projected based on their estimated production talent needs. However, after a few years, that market proved unprofitable and Sunlite decided to change company focus to research and development of specialized LED lighting products and fixtures. This market change reduced the need for production labor, lowering the number of FTEs, but increased the need for highly educated engineering and research talent, which substantially raised the average salary.



# Property Tax Abatements

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## Performance Summary

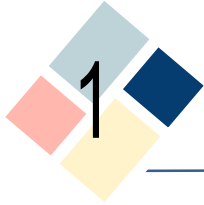
2019 Tax Abatement Summary			
	Total Projected	Total Actual	Comparison (Projected to Actual)
Real Property Investment	\$6,020,000	\$20,656,939	343%
Personal Property Investment	\$9,400,000	\$9,700,000	103%
Full-Time Employees	186	453	244%
Average Wages (2019 Dollars)	\$33,882	\$52,399	155%

### **Real Property Investment**

Overall, the companies receiving property tax abatements in 2019 achieved three hundred forty-three percent (343%) of the projected amount for real property investments. Real property investment totaled over \$20.6 million, with company investments ranging from approximately \$1.16 million (Sunlite) to over \$19.4 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 2019 achieved one hundred three percent (103%) of the projected amount for personal property investments. Personal property investment totaled approximately \$9.7 million. Grandstand and Sunlite did not receive a personal property tax abatement and those amounts were not included.



# Property Tax Abatements

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## **Job Creation:**

Amarr Garage Doors exceeded projected employment by five hundred eighty-five percent (585%), Grandstand exceeded projected employment by one hundred ninety-two percent (192%). Sunlite achieved twenty-three percent (23%) of their projected employment for the 2019 abatement year. Sunlite continues to transition into new markets, requiring fewer, lower paying production jobs than originally projected and more higher paying professional jobs, which resulted in lower FTE numbers, but higher average company wages.<sup>18</sup> Overall, the three companies receiving a property tax abatement during 2019 met two hundred forty-four percent (244%) of new, full-time job projections.

## **Wages:**

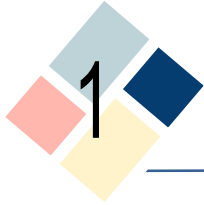
Employee pay is an important element for both the quality of life and for promoting other businesses indirectly. Adjusting for inflation, annual average wages for the companies receiving property tax abatements is approximately \$52,399 per year. This wage is about \$17,810 higher than the annual average private sector wage in Lawrence of \$34,589<sup>19</sup> and approximately \$24,673 higher than the annual 2019 community wage floor rate of \$27,726 per year.

All three companies met or exceeded wage expectations. Overall wages averaged one hundred fifty-five percent (155%) of projections (inflation adjusted).

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<sup>18</sup> Sunlites's pre-abatement employment at the end of December 2013 was five FTEs. At that time, the company planned to expand into manufacturing LED lamps for general lighting areas and FTEs were projected based on their estimated production talent needs. However, after a few years, that market proved unprofitable and Sunlite decided to change company focus to research and development of specialized LED lighting products and fixtures. This market change reduced the need for production labor, lowering the number of FTEs, but increased the need for highly educated engineering and research talent, which substantially raised the average salary.

<sup>19</sup> Kansas Department of Labor, Kansas Labor Information Center, Average Private Sector Wage in Lawrence, KS (by Industry), Quarterly Census of Employment and Wages, \$34,589, data released 2019.



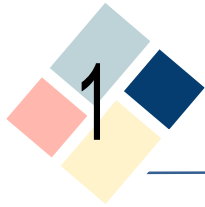
# Property Tax Abatements

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## 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.

<b>2019 Employment Summary</b>	
<b>Amarr Garage Doors, Inc.</b>	
Total Employment	779
Full-Time Employment	703
% of Full-Time Jobs (meeting or exceeding target wage)	121%
Average Full-Time Wage	\$20.17
<b>Grandstand/Screen-It Graphics</b>	
Total Employment	211
Full-Time Employment	211
% of Full-Time Jobs (meeting or exceeding target wage)	152%
Average Salary	\$24.47
<b>Sunlite Science &amp; Technology</b>	
Total Employment	8
Full-Time Employment	8
% of Full-Time Jobs (meeting or exceeding target wage)	192%
Average Salary	\$30.93



# Property Tax Abatements

## Employment History

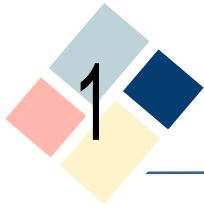
The below table presents historical employment over the past five years for the companies receiving a property tax abatement:

2015-2019 Employment History (year-end)																			
Company	Pre-Abatement		Projected Due to Abatement		Total Estimated Jobs		2015		2016		2017		2018		2019		2019 Over (Under) Estimated Total		
	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT	
Amarr (2009) <sup>20</sup>	499	0	40	0	539	0	696	15	722	23	749	22	803	18	773	6	234	6	
Grandstand/Screen-it Graphics <sup>21</sup>	40	0	70	0	110	0	186	0	189	0	190	0	195	0	211	0	101	0	
Sunlite Science & Technology <sup>22</sup>	5	0	26	0	31	0	11	0	9*	0	9	0	9.3	0	8.4	0	(23)	0	
<i>Total</i>	<i>544</i>	<i>0</i>	<i>136</i>	<i>0</i>	<i>680</i>	<i>0</i>									<i>992</i>	<i>6</i>	<i>312</i>	<i>6</i>	

<sup>20</sup> The number of jobs projected to be added during the abatement period was 40, 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 2019, Amarr reported 773 full-time positions which equates to 234 net new full-time positions (773-539 = 234).

<sup>21</sup> Pre-abatement employment for Grandstand as of December 31, 2010 was 40 full-time positions.

<sup>22</sup> Sunlites's pre-abatement employment at the end of December 2013 was five FTEs. At that time, the company planned to expand into manufacturing LED lamps for general lighting areas and FTEs were projected based on their estimated production talent needs. However, after a few years, that market proved unprofitable and Sunlite decided to change company focus to research and development of specialized LED lighting products and fixtures. This market change reduced the need for production labor, lowering the number of FTEs, but increased the need for highly educated engineering and research talent, which substantially raised the average salary.



# Property Tax Abatements

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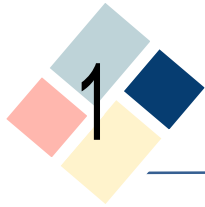
## **Abatement Compliance Summary**

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. 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 2019 based on their performance agreement and referenced property tax abatement policy.

Current policy is based on the below compliance schedule:

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





# Property Tax Abatements

Grandstand was subject to the below performance provisions for 2019.<sup>23</sup> The company met substantial compliance and was eligible for one hundred percent (100%) of their 2019 property tax abatement amount.

2019 Grandstand Compliance Summary						
Compliance Category	Description	Target	Actual	% Compliance (Actual/Target)	Weight	Overall Compliance
Capital Investment	Cumulative Capital Investment (as of Dec 31, 2019)	\$4,915,000	\$19,498,784	397%	0.25	99.18%
Job Creation	Full-Time Employment (FTEs)	110	211	192%	0.25	47.95%
Wages	2019 Wage Floor (\$13.33 per hour) <sup>24</sup>	100% of Employees paid above wage floor	99.50%	99.5%	0.125	12.44%
	Average Company Hourly Wage	\$16.08	\$24.47	152%	0.125	19.02%
Health Benefits	Employer Provided Health Care Coverage (minimum of 70% employer paid premium) <sup>25</sup>	100% of Employees	100%	100%	0.25	25.00%

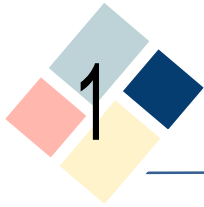
*Blended Compliance %* 204%

***Eligible Incentive %* 100%**

<sup>23</sup> 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 2019 will be January 1, 2019 through December 31, 2019. 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.

<sup>24</sup> 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.

<sup>25</sup> 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). Per letter submitted by Grandstand dated 1-15-19 (see Appendix E), for workers averaging 30 or more hours per week, "During the calendar year 2019, Grandstand paid 100% towards the health insurance premium for employee only coverage."



# Property Tax Abatements

Sunlite was subject to the below performance provisions for 2019. The company met substantial compliance and was eligible for one hundred percent (100%) of their 2019 property tax abatement amount.

2019 Sunlite Compliance Summary						
Compliance Category	Description	Target	Actual	% Compliance (Actual/Target)	Weight	Overall Compliance
Capital Investment	Cumulative Capital Investment (as of Dec 31, 2019)	\$1,130,000	\$1,158,155	102.49%	0.25	25.62%
Job Creation	Full-Time Employment (FTEs) <sup>26</sup>	36	8.4	23.33%	0.25	5.83%
Wages	2019 Wage Floor (\$13.33 per hour) <sup>27</sup>	100%	100%	100.00%	0.125	12.50%
	Average Company Hourly Wage	\$16.11	\$30.93	192.06%	0.125	24.01%
Health Benefits	Employer Provided Health Care Coverage (minimum of 70% employer paid premium) <sup>28</sup>	100%	100%	100.00%	0.25	25.00%

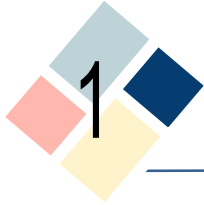
*Blended Compliance %* 93%

*Eligible Incentive %* 100%

<sup>26</sup> Sunlites's pre-abatement employment at the end of December 2013 was five FTEs. At that time, the company planned to expand into manufacturing LED lamps for general lighting areas and FTEs were projected based on their estimated production talent needs. However, after a few years, that market proved unprofitable and Sunlite decided to change company focus to research and development of specialized LED lighting products and fixtures. This market change reduced the need for production labor, lowering the number of FTEs, but increased the need for highly educated engineering and research talent, which substantially raised the average salary.

<sup>27</sup> 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.

<sup>28</sup> Per performance agreement (dated 8-30-13, Section 4-D), Sunlite shall provide a minimum of 70% of the premiums for an employer-sponsored health insurance policy for covered employees (or provide employees with a wage which is \$1.50/hr. above the wage floor).



# Property Tax Abatements

Amarr signed their performance agreement before the 2010 policy was in place and is not subject to the same provisions as indicated in the current policy. However, Amarr substantially met 2019 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.

2019 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 <sup>29</sup>	40	234	585.00%	0.25	146.25%
Wages	2019 Wage Floor (\$13.33 per hour)	100% of Employees paid above wage floor	100.00%	100.00%	0.125	12.50%
	Average Company Hourly Wage <sup>30</sup>	\$16.68	\$20.17	120.93%	0.125	15.12%
Health Benefits	Employer Provided Health Care Coverage <sup>31</sup>	100% of Employees	100.00%	100.00%	0.25	25.00%

*Blended Compliance %* 225%

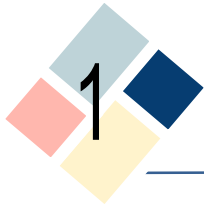
***Eligible Incentive %* 100%**

<sup>29</sup> Amarr was originally granted a 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 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."

<sup>30</sup> \$20.17 represents Amarr's average wage for all full-time employees. \$16.68 represents Amarr's inflation adjusted wage target for 2019. Currently, Amarr has 40 abated jobs, all of which exceed the community average wage based on SOC code per the Kansas Department of Labor, 2019 Edition Wage Survey.

<sup>31</sup> 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 70% of the cost of such policy. Amarr submitted a letter stating that the company is self-insured and paid 77% of all healthcare expenses in 2019. (See Appendix E.)



# Property Tax Abatements

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## **Additional Community Benefits**

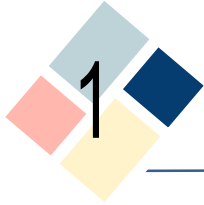
Businesses provide many important benefits to the communities in which they reside. In addition to direct job creation and generation of wages, companies increase purchases within the local economy, contribute to the local tax base and bring capital into the community. They also generate a substantial 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.)

<b>2019 Local Expenditures &amp; Outside Sales</b>		
<b>Company</b>	<b>Expenditures Spent Within Lawrence</b>	<b>Sales Generated Outside Lawrence</b>
Amarr Garage Doors Inc.	5%	95%
Grandstand/Screen-It Graphics	1%	99%
Sunlite Science & Technology	9%	99%



# 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.<sup>32</sup>

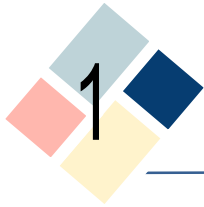
<b>2019 Tax Generation</b> (on portion of property receiving an abatement)				
<b>Company &amp; Abatement %</b>	<b>Total Tax Potential</b>	<b>Abated Tax Amount</b>	<b>State Exemption<sup>33</sup></b>	<b>Taxes Paid (or to be paid) by Property Owner</b>
<b>Amarr Garage Doors, Inc.</b>				
Personal (55%) <sup>34</sup>	\$135,409	\$24,728	\$59	\$110,621
<b>Grandstand/Screen-It Graphics</b>				
Real (65%)	\$181,850	\$118,202	n/a	\$63,647
<b>Sunlite Science &amp; Technology</b>				
Real (50%)	\$39,998	\$19,999	n/a	\$19,999
<b>Total</b>	<b>\$357,257</b>	<b>\$162,929</b>	<b>\$59</b>	<b>\$194,267</b>

Source: Douglas County, December 2019.

<sup>32</sup> 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.

<sup>33</sup> 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.

<sup>34</sup> Personal property amount may not reflect the percentage of abatement, as some personal property is not included in the exemption. The State of Kansas exempted commercial personal property purchased July 1, 2006 and after from taxation. However, personal property purchased prior to that date is still taxed at a depreciated rate. Each company is required to submit an annual claim for a personal property tax abatement, listing out the equipment, value and date purchased. The County then determines the amount of personal property exempted and taxes due.



# Property Tax Abatements

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## **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 2019 have obtained substantial achievements in the areas of the environment, community engagement, and environmental practices.

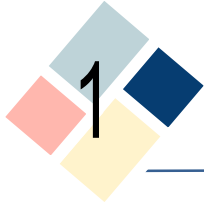
### **Amarr Garage Doors, Inc.**

#### **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 worldwide.

#### **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, Toys 4 Tots, United Way, Big Brothers, Big Sisters, Meals on Wheels, Boys & Girls Clubs, Habitat for Humanity, Lawrence Memorial Hospital (Breast Cancer "Pink It Up" and Catch a Break campaigns), Just Food, Homeless Shelter, Stroke Detention Plus, Truity Credit Union, Meritrust Credit Union, 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 and 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 and assisted with the grant process to



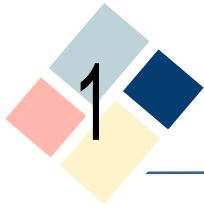
# Property Tax Abatements

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bring the Peaslee Technical Training Center to Lawrence. Amarr donated garage doors to the both organizations.

## **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.



# Property Tax Abatements

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## **Grandstand (Screen-It Graphics), Inc.**

### **Environment**

Grandstand employs 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 works closely with its suppliers to put branding on their boxes, allowing 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.

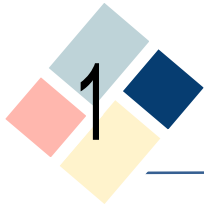
### **Community Engagement**

Grandstand sponsored the following local organizations in 2019: Big Brothers Big Sisters of Lawrence, Boys & Girls Club of Lawrence, Cottonwood, Inc, Douglas County CASA, Emerald Gems Foundation, Habitat for Humanity, Lawrence Humane Society, Lawrence Chamber of Commerce, Lawrence Memorial Hospital, Operation Warm Coat, 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 34 new employees during 2019. Grandstand completed various safety trainings for all applicable employees and several employees attended continuing education for their respective fields.





# Property Tax Abatements

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## **Sunlite Science & Technology, Inc.**

### **Environment**

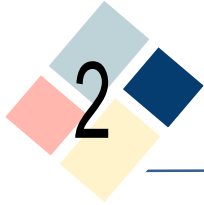
In 2019, Sunlite manufactured UV LED curing systems for flexo, offset and screen-printing presses. Compared to traditional UV lamps, Sunlite's UL LED curing systems provide approximately ninety percent (90%) in energy savings. Sunlite continuously supplies energy efficient and environmentally friendly LED lighting for growing vertical plants. The company was awarded another phase I SBIR research project to design Linear Regulators for efficiently driving a deformable mirror.

### **Community Engagement**

In 2019, Sunlite donated to the Lawrence Aquahawks Swim Team. Sunlite also provided support for a University of Kansas' architectural engineering professor's research work and the Dirtwork Studio project.

### **Job Training/Benefits**

The company provided training for one University of Kansas student intern. Sunlite also provided onsite and on-the-job training for all its employees.



# Industrial Revenue Bonds

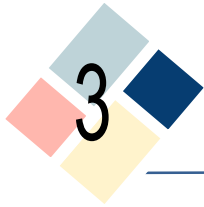
K.S.A. 12-1740 permits cities to issue Industrial Revenue Bonds (IRB) for the purpose of paying the costs of purchasing, acquiring, constructing or equipping facilities for “agricultural, commercial, hospital, industrial, natural resources, recreational development and manufacturing purposes”. IRBs can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

The City had the following Industrial Revenue Bonds outstanding at the end of 2019. 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.

2019 IRBs: Outstanding					
Company	Date of Issue	Issuing Ord. #	Year Matures	Amount Authorized	Project
Bowersock: Series 2011A	Dec. 2010	8607	2037	\$14,060,000	Hydro-Electric Facility
Bowersock: Series 2011B	Mar. 2011	8620	2025	\$8,720,000	Hydro-Electric Facility
Rock Chalk Park	Oct. 2013	8862	2023	\$40,000,000	Commercial Recreational Facility
VanTrust-Phase I	Dec. 2018	9573	2028	\$10,200,000	Industrial Building
USE Engineering (USE Real Estate Holdings LLC)	Resolution of Intent No. 7297 issued 9-17-19			\$15,000,000	Industrial Building

\* IRB used for a sales tax exemption on construction materials and not affiliated with a tax abatement.

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



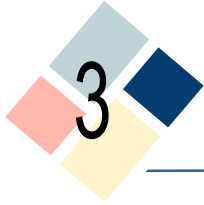
## Neighborhood Revitalization Areas

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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.

The NRA tool provides an annual property tax rebate (during a specified NRA rebate period) to the property owner based on a percentage of the incremental increase in property value resulting from improvements. The base property value (property valuation prior to improvements) is shielded from the rebate so during the NRA rebate period, taxing jurisdictions receive at least the same amount of property tax that would have been generated by the property had it not been improved.

As most NRAs are not approved at the one hundred percent (100%) level, typically taxing jurisdictions enjoy an increase in property tax revenues during the NRA period. After NRA expiration, taxing jurisdictions receive property tax revenues based on total property valuation, and consequently enjoy significantly more revenue as a result of property improvement.



# Neighborhood Revitalization Areas

During 2019, the City had seven (7) approved Neighborhood Revitalization Areas, all of which were eligible for an NRA rebate on the property taxes levied in 2019.

## 2019 NRAs: Active

NRA	Project	District Established	Ord #	% Rebate	Duration	First NRA Tax Year
8th and Pennsylvania District	(720 E 9th Street) <sup>1</sup>	Apr. 2007	8093	95%	Based on amount rebated <sup>2</sup>	2011
1040 Vermont	Treanor Architect's Headquarters	Apr. 2011	8625	Declining <sup>3</sup>	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 <sup>4</sup>
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	2018

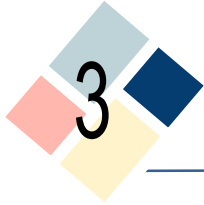
See Appendix B for NRA distribution information.

<sup>1</sup> 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.

<sup>2</sup> 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.

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

<sup>4</sup> Project eligibility for rebate started on the first full year after project completion. The project did not meet substantial completion requirements until 2018. Therefore, the project was not eligible for a rebate on 2017 or 2018 taxes.



# Neighborhood Revitalization Areas

## 8<sup>th</sup> & Pennsylvania Street NRA

The 8<sup>th</sup> & Pennsylvania Street NRA was established in 2007, although the only property redeveloped was the parcel located at 720 E 9<sup>th</sup> 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.



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.



# 3

## Neighborhood Revitalization Areas



### 810/812 Pennsylvania Street NRA

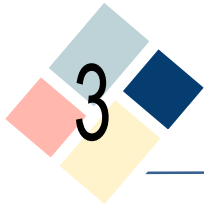
The 810/812 Pennsylvania Street NRA was approved in 2012 to redevelop the historic Cider building as part of an overall renovation of the East Lawrence Historic Neighborhood District. The abandoned building was converted into an art gallery with event space on the lower level and office space on the upper level. The

redevelopment opened in 2013 and supports art, event, and entrepreneurial needs of the East Lawrence Historic community.



Cider Art Gallery & Offices





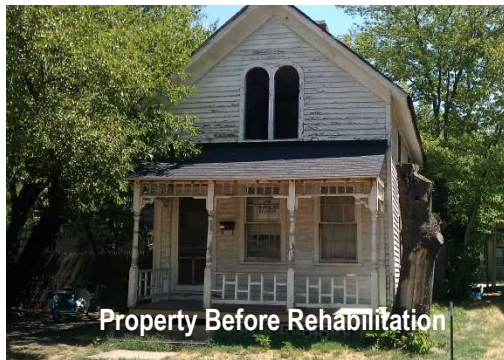
# Neighborhood Revitalization Areas

## 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.

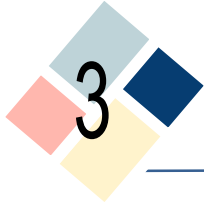


Property Before Rehabilitation



Property After Rehabilitation





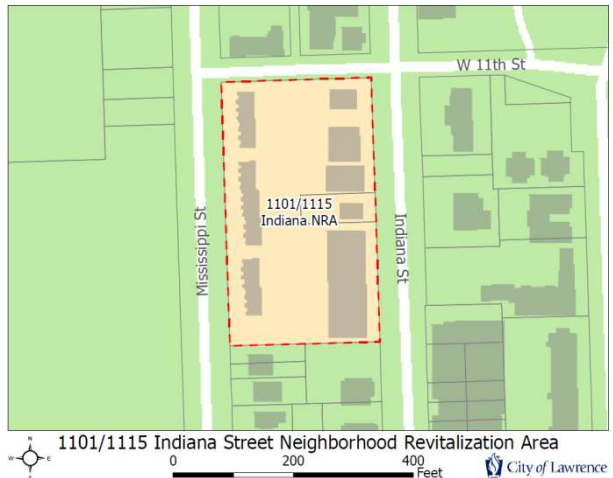
# 3 Neighborhood Revitalization Areas

## 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.

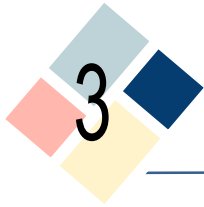
In 2016 a Memorandum of Understanding was executed, redefining project completion.<sup>5</sup>

Although construction on the residential



facility was completed in 2016, the project was not considered complete until 2018 due to outstanding parking requirements. The first year the project became eligible for rebate reimbursement was in 2019.

<sup>5</sup> 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 9<sup>th</sup> 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.



# 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.

In September 2017, the Lawrence Beer Company opened on the first floor of the redeveloped project and was fully completed in 2018. The project includes:

- 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

2018 was the first tax year the property became eligible for an NRA rebate.





# 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:

2019 TIF: Active						
TIF	District Established	District Ord. #	Plan Established	Expires <sup>1</sup>	Plan Ord. #	Estimated Eligible Expenses
Downtown 2000 Redevelopment (Original 9th and New Hampshire)	Aug. 1999	7127	Apr-00	Apr-20	7207	\$8,645,000
The Oread	Feb. 2008	8234	Apr-08	Apr-28	8253	\$8,500,000 <sup>2</sup>
9th & New Hampshire: 900 New Hampshire (South Project)	Aug. 2012	8768	May-13	May-32	8865	\$4,000,000 <sup>3</sup>
9th & New Hampshire: 888 New Hampshire (North Project)			Apr-14	Apr-34	8971	\$4,750,000 <sup>4</sup>

See Appendix B for TIF distribution information.

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

<sup>2</sup> 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).

<sup>3</sup> 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.

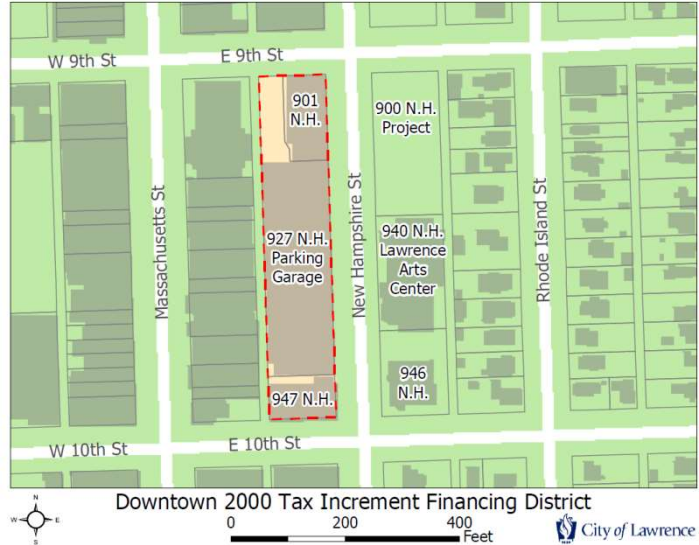
<sup>4</sup> Amount shown does not include interest. As per the redevelopment agreement, interest is subject to reimbursement from TIF revenues at the Developer's actual interest rate for borrowed funds.



# Tax Increment Financing

## Downtown 2000 Redevelopment District

The Downtown 2000 Redevelopment TIF District was created to support the development of the parking garage at 10<sup>th</sup> and New Hampshire and other cultural, commercial, office, and apartment developments. At the end of 2019, just under \$675,600 remained outstanding on the parking garage bond obligation.



In 2012 the 900 New Hampshire parcel was removed from the Downtown 2000 district and is now part of the 9<sup>th</sup> & 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 9<sup>th</sup> & New Hampshire district will be contributed to bond payoffs on the parking garage.



# Tax Increment Financing

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## 901 New Hampshire Reimbursements:

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

period in ten equal, annual installments of \$28,085.20. The first annual reimbursement was for taxes levied in 2012.





# Tax Increment Financing

## 12<sup>th</sup> 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.

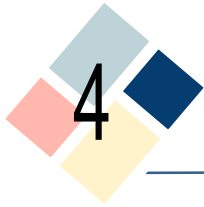


Public improvements to streets and infrastructure, including a parking garage, were

financed initially by the Developer and are reimbursed annually through TIF revenues generated within the district.<sup>5</sup>

<sup>5</sup> 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.

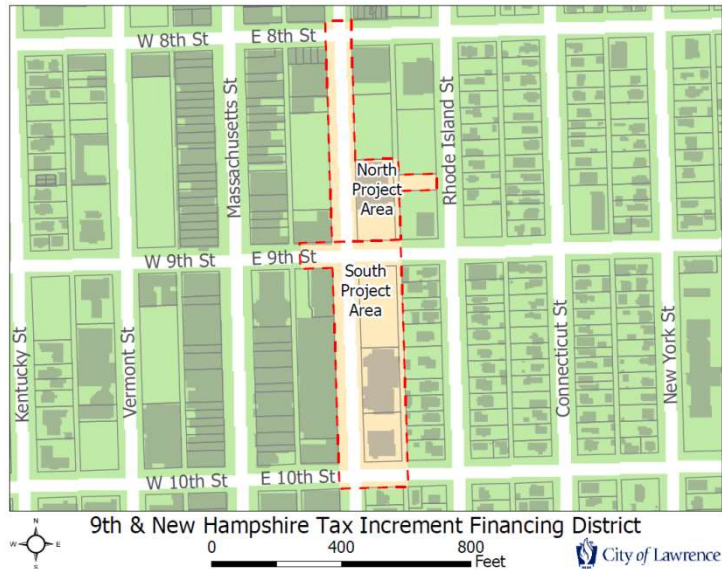
After the City retains \$650,000 from TIF/TDD funds, it will disburse the remaining funds according to the amended development agreement (executed April 27, 2017). Under the terms of the amendment, the TIF/TDD reimbursement maximum was reduced from \$11 million to \$8.5 million (excluding interest). 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.



# Tax Increment Financing

## 9<sup>th</sup> & 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

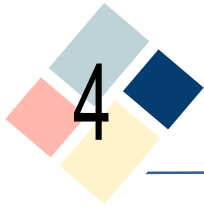


five percent of the proceeds reserved for the “Arts Commons” project (up to a total of \$900,000) and 95 percent of proceeds going to reimburse the developer for public infrastructure expenses.<sup>6</sup>

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 began generating TIF revenues in 2017. At the current pace of TIF revenue generation in the district, both the 900 New Hampshire & 888 New Hampshire projects are projected to be reimbursed before the end of their 20-year incentive periods.

<sup>6</sup> 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.





# Tax Increment Financing

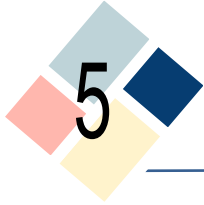
## 900 New Hampshire–South Project Area

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 District

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Transportation Development District (TDD) is an economic development tool established by the Kansas TDD Act (K.S.A. 12-17,140 et seq.) to assist in financing public transportation improvements.

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.

2019 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 <sup>1</sup>
Free-State (Bauer Farms)	#8339, October 2008	1%	April 2009	April 2031	\$5,000,000
9th & New Hampshire	#8979, April 2014 <sup>2</sup>	1%	Jan. 2015	Jan. 2037	\$3,000,000 <sup>3</sup>

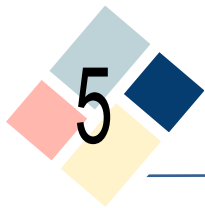
See Appendix B for TDD distribution information.

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<sup>1</sup> 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).

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

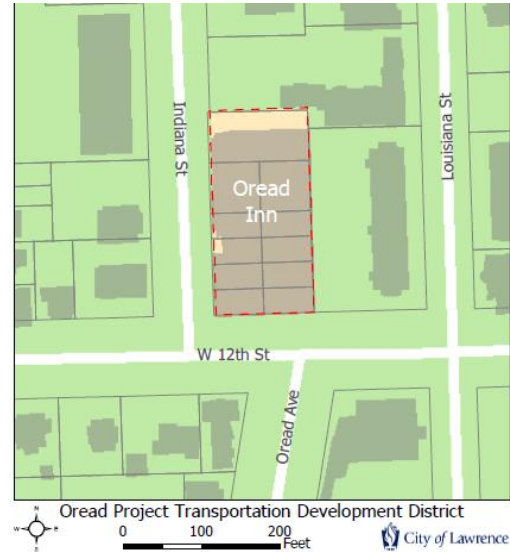
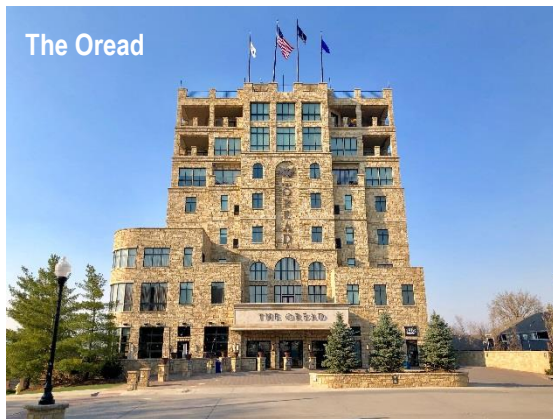
<sup>3</sup> Amount shown is the reimbursement cap without interest. As per the redevelopment agreement, interest is subject to reimbursement at the developer's actual interest rate for borrowed funds.



# 5 Transportation Development District

## The Oread TDD

The Oread TDD (located at W. 12<sup>th</sup> 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.<sup>4</sup>



<sup>4</sup> 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.

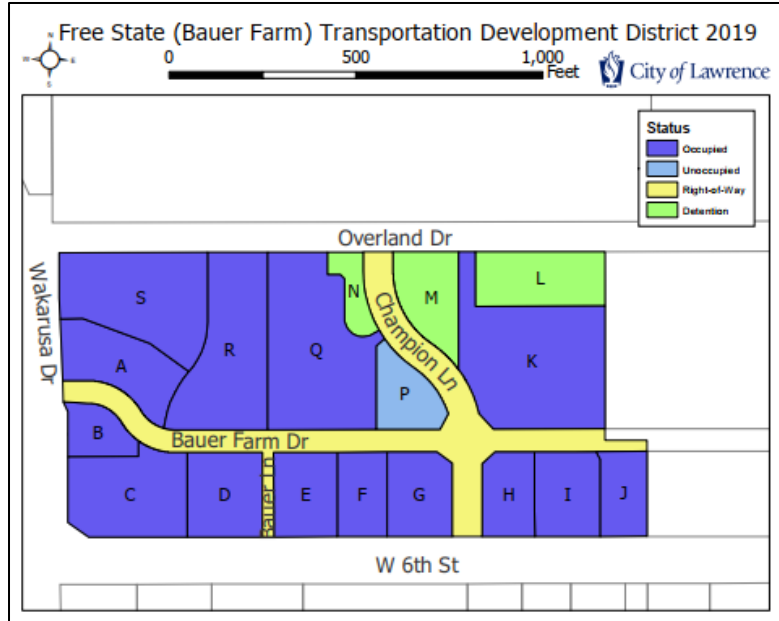
After the City retains \$650,000 from TIF/TDD funds, it will disburse the remaining funds according to the amended development agreement (executed April 27, 2017). Under the terms of the amendment, the TIF/TDD reimbursement maximum was reduced from \$11 million to \$8.5 million (excluding interest). 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.

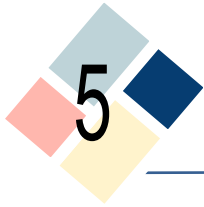
# 5

# Transportation Development District

## Free-State TDD

The Free-State (Bauer Farm) TDD (located at W. 6<sup>th</sup> Street and Wakarusa Drive) began generating sales tax revenues in 2009. At the end of 2019, over ninety-six percent (96.4%) of the buildable area within the district was either occupied or under construction.

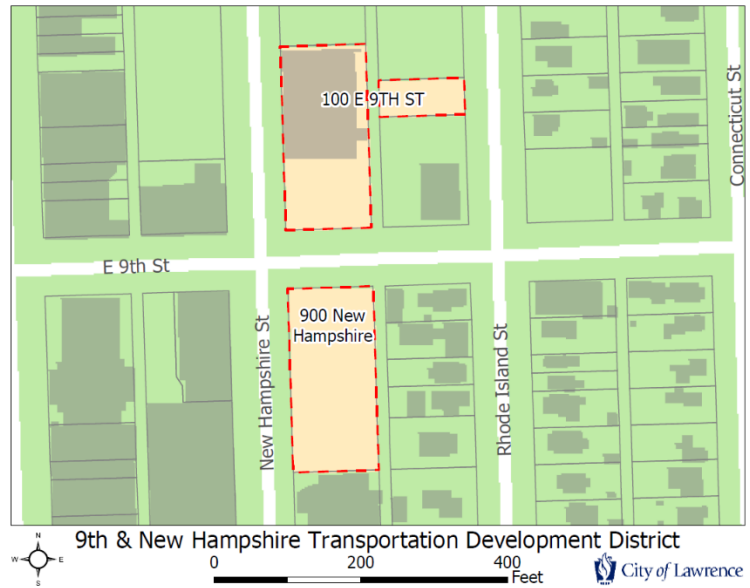


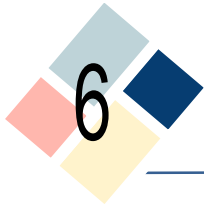


# 5 Transportation Development District

## 9<sup>th</sup> & New Hampshire TDD

The 9<sup>th</sup> & 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 10<sup>th</sup> & New Hampshire parking garage. After reaching that threshold, additional TDD revenues will reimburse developer-paid public infrastructure expenses.





# Other Support Programs

## Economic Development Services

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



BTBC Main Facility

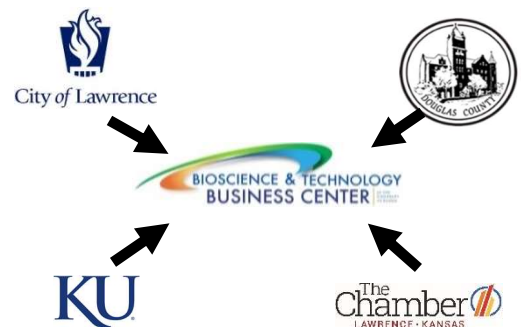
### **Bioscience & Technology Business Center**

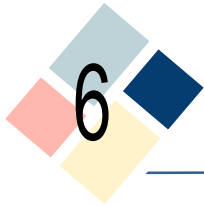
The BTBC creates, recruits, grows, and retains companies that produce high quality, high-paying jobs by supporting growth of the bioscience and technology industries in the City of Lawrence, Douglas County, and Kansas City. By producing these jobs, the BTBC increases the local tax base and creates wealth

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



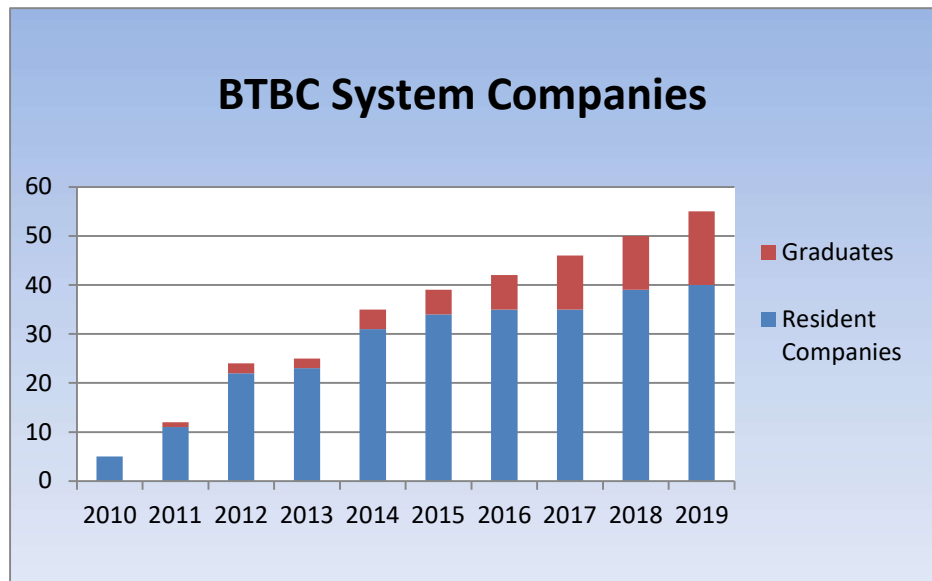


# 6 Other Support Programs

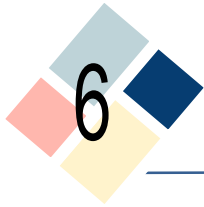
BTBC Facilities			
Facility	Location	Building SF	Description
BTBC Main	KU's West Campus	51,400	Office and lab space situated near several prominent KU research buildings.
BTBC West	15 <sup>th</sup> Street and Wakarusa	17,500	Suited for incubator graduates, tenants with unique space requirements, and 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 current as of 12/31/19.

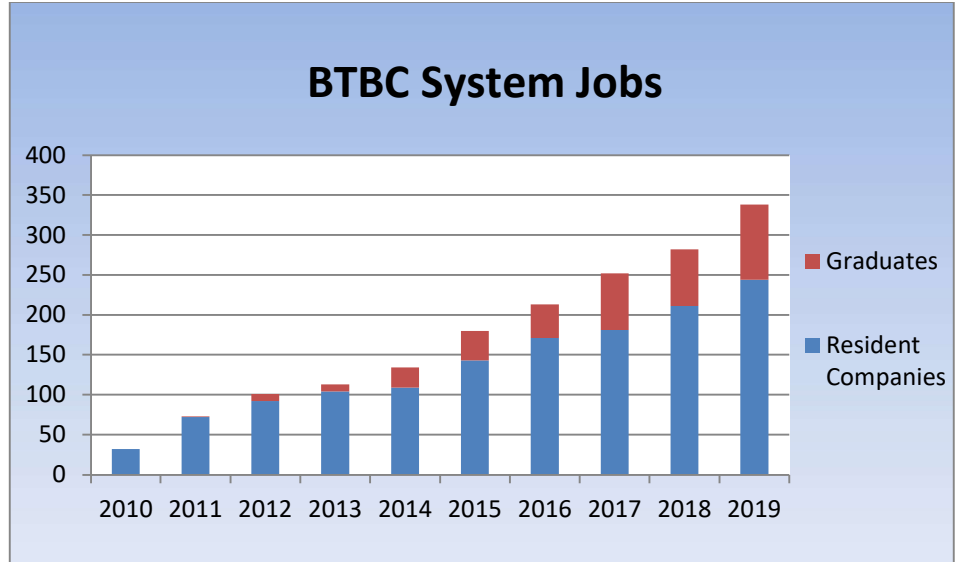
## BTBC Economic Development Metrics



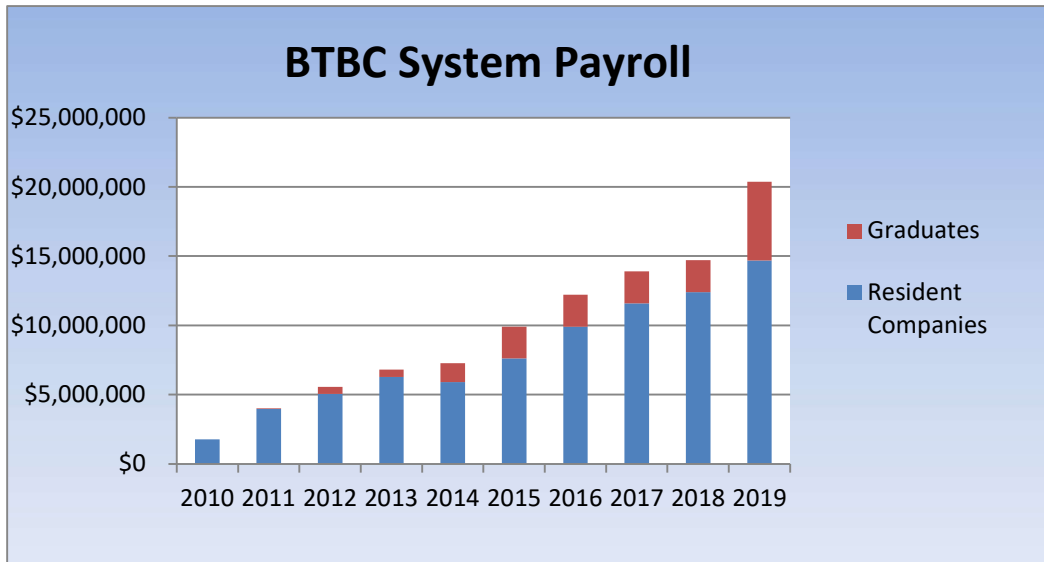
Source: Bioscience & Business Technology Center, data current as of 12/31/19.



# 6 Other Support Programs

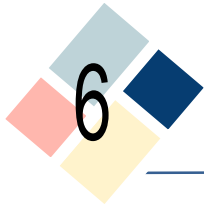


Source: Bioscience & Business Technology Center, data current as of 12/31/19.



Source: Bioscience & Business Technology Center, data current as of 12/31/19.





## Other Support Programs

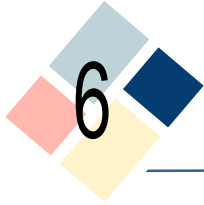
By locating in Lawrence, the BTBC companies also create an indirect economic benefit to the local economy consisting of money paid to local vendors as well as take-home pay spent by tenant company employees on housing, utilities, food, childcare, entertainment, etc. The following chart shows the total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

Metric	BTBC Companies	BTBC Graduates	BTBC System Total
Companies	40	15	55
Jobs - Direct	244	94	338
Jobs - Indirect/Induced	200	77	277
Jobs - Total	444	171	615
Annual Payroll	\$19,106,225	\$7,360,595	\$26,466,820

*Analysis produced using Chmura Economics & Analytics*



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 full occupancy, which is about two years ahead of projections. The BTBC has begun planning for Phase III, which will likely include 12-18 companies and is estimated to produce 200-250 jobs. The BTBC's long term goal is the development of a research and business park on KU's West Campus.

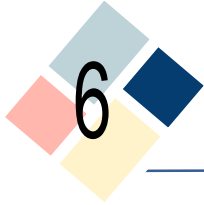


# Other Support Programs

## Overview of City & County Support for BTBC Services

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	\$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[5]	\$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	\$225,000	\$193,540	\$418,540	\$275,000	\$293,540	\$568,540
2018	\$225,000	\$191,096	\$416,096	\$275,000	\$291,596	\$566,596
2019	\$225,000	\$116,009	\$341,009	\$225,000	\$291,009	\$516,009
<b>Total</b>	<b>\$2,867,000</b>	<b>\$2,607,135</b>	<b>\$5,474,135</b>	<b>\$2,975,000</b>	<b>\$2,579,755</b>	<b>\$5,554,755</b>

Sources: City Budget Office, City of Lawrence, Kansas. Douglas County Budget Manager, November 2019



# Other Support Programs

## The Chamber and Economic Development Corp.

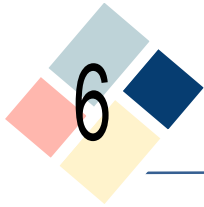
The City of Lawrence and Douglas County contract annually with the Chamber/EDC and Small Business



Development Center for the provision of specialized economic development services. The following provides information on annual accomplishments for those agencies and funding support provided for their services.

Chamber/EDC & SBDC Support				
Year	Chamber/EDC		Small Business Development Center	
	City	County	City	County
2012	\$199,500	\$200,000	\$20,000	\$18,140
2013	\$199,500	\$200,000	\$20,000	\$18,140
2014	\$199,500	\$200,000	\$20,000	\$18,000
2015	\$199,500	\$200,000	\$20,000	\$18,000
2016	\$200,000	\$200,000	\$20,000	\$20,000
2017	\$200,000	\$200,000	\$20,000	\$20,000
2018	\$200,000	\$200,000	\$20,000	\$20,000
2019	\$200,000	\$175,000	\$20,000	\$20,000

Sources: City Budget Office, City of Lawrence, Kansas and Douglas County Budget Manager, November 2019



## Other Support Programs

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### **Economic Development Corporation (EDC):**

The EDC's economic development program is intentionally multi-faceted. Produced in collaboration with its strategic partners (City, County, Peaslee Tech, BTBC, community stakeholders), it is designed to serve a variety of community constituents and to impact economic growth on several fronts. The EDC's five strategic priorities are as follows:



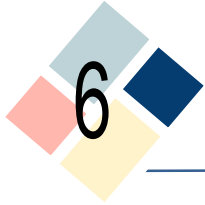
- Business Retention & Expansion
- Workforce Development
- Business Recruitment & Marketing
- Entrepreneurial & Startup Support
- Site & Infrastructure Capacity

Like the BTBC in the previous section, through these strategies the EDC endeavors to recruit, grow and retain companies to and within the broader community to produce jobs, expand the tax base and ensure economic prosperity for the citizens of Lawrence and Douglas County.

### **Business Retention & Expansion (BRE)**

Existing industry forms the backbone of the local economy and reflects the community's greatest strengths. It determines cluster development, drives innovation, informs workforce training programs, influences recruitment targets, and generates as much as eighty percent (80%) of a community's job growth. As a result, BRE forms the foundation of the EDC's economic development efforts.

Over the course of 2019, EDC staff conducted several, in-depth facility tours with some of Lawrence's largest employers, engaging city, county, university and state representatives in the process. These efforts build familiarity with local industry, identify growth challenges and open a two-way dialog between industry and community leaders. In 2019, the EDC was actively



## Other Support Programs

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involved in several expansion projects which are on track for successful completion. One of these is an expansion of more than 100,000 square feet which is currently under construction and should be completed in the first quarter of 2020, and another expansion projected to be approximately 100,000 square feet is currently in the design and engineering phase and appears poised to move forward in 2020. Both projects, in addition to adding industrial space in our community, will also add jobs and additional investment in the Lawrence area.

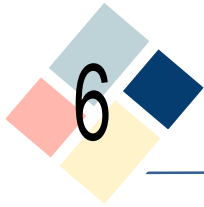
### **Workforce Development**

Workforce availability, cost and quality are primary considerations in business relocation and expansion decisions. To set Lawrence apart in these considerations, the Chamber and EDC have undertaken several initiatives. Foremost among them has been the coordinated efforts to establish the Dwayne Peaslee Technical Training Center in 2015. With its ever-expanding programs and enrollments over 1,500, Peaslee Tech has proven to be an invaluable community resource with growing enrollment, expanding programs, and curriculum designed to meet the needs of local employers.

The University of Kansas (KU) is another such resource. The EDC has structured partnerships with the university's various career services departments and the KU Alumni Association to promote student internship and employment opportunities to local industry. In 2019 the EDC sponsored/hosted two Lawrence/Douglas County career networking events in partnership with the KU Alumni Association and KU Career Services.

### **Business Recruitment & Marketing**

Perhaps the most recognizable of economic development efforts, business recruitment is by far the most demanding of time and financial resources, but also the most tantalizing for its immediate potential impact on tax base and job growth. The EDC serves as the first point of



## Other Support Programs

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contact in responding to outside business recruitment inquiries, leveraging partnerships with state and regional entities, like the Kansas City Area Development Council and the Kansas Department of Commerce to extend its marketing reach.

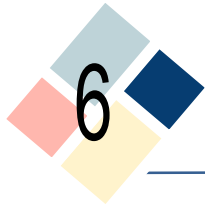
Throughout 2019, EDC staff responded to approximately 45 business recruitment and expansion opportunities. Probably the most noteworthy of these is US Engineering which has committed to establishing a substantial facility in Lawrence Venture Park. At the time of this report, there are nine additional projects considered active, with at least two considering Lawrence as a finalist. EDC staff also undertook a comprehensive target industry analysis of the community. Analysis identified *Advanced Manufacturing, Engineering and Design Services, Scientific Research and Development, and Information Technology* industries as having the greatest recruitment potential for the community. In response, the EDC developed marketing materials to target those industries.

### **Entrepreneurship and Start-ups**

The EDC collaborates with various partners and programs to support start-ups, small business growth and entrepreneurship in the community (e.g. Bioscience Technology and Business Center, KU Small Business Development Center, 1 Million Cups, NetWork Kansas, etc.).

The EDC puts resources to work in support of development of a more robust entrepreneurial ecosystem to enhance entrepreneurial development and economic success for Lawrence and Douglas County. The Chamber/EDC committed funds to this effort and is collaborating with a variety of partners, both within and outside of the community, to develop an entrepreneurial environment that is better equipped to foster entrepreneurs, enhance entrepreneurial success and generate greater community impact.

The Chamber/EDC also administers a revolving loan program, via its partnership with NetWork Kansas ([networkkansas.com](http://networkkansas.com)), called the Lawrence Metropolitan E-Community. This program



# Other Support Programs

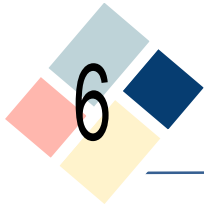
allows the EDC to partner with local lending institutions to provide “gap financing” to small businesses and start-ups. The program issued four loans in 2019 for a total of \$160,000. To date, nine businesses have received support through this program.

Lawrence Metro E-Community Revolving Loan Program						
Recipient	Location	Loan Year	Business Description	Loan Amount	Loan Used For	Loan Status
Guitarma	1325 Jonathan	2019	Retail Music Store	\$25,000	Business Launch	Approved
Breakaway Indoor	2525 Iowa St.	2019	Children's Play Place	\$45,000	Business Launch	Approved
Integrated Clinical Services	2500 West 31st St.	2019	Mental Health Services	\$45,000	Expansion	Approved
Kelli's Coffee & Wine Bar	624 North 2nd. St.	2019	Coffee and Wine Shop	\$45,000	Business Launch	Approved
Hilary's Eat Well	2205 Haskell Ave.	2018	Food Manufacturer	\$10,000	Expansion	Approved (Grant)
Chiropractic Element	3109 W. 6th, Ste. A	2018	Chiropractic Office/Medical	\$33,000	Business Purchase	Approved
Central Grazing Co.	106 Riverfront Rd.	2018	Food/Ag/Leather Goods	\$35,000	Expansion	Approved
Leeway Franks	935 Iowa St.	2018	Restaurant/Butcher Shop	\$45,000	Expansion	Approved
Lucky Berry	845 Mass.	2018	Restaurant/Juice/Retail/Dist.	\$45,000	Expansion	Approved

### Site and Infrastructure Capacity

The EDC and Lawrence Chamber, in collaboration with several other local partners, is working with the University of Kansas and KU Endowment on a plan for potential development of a research and technology park on KU’s West Campus. We anticipate presentation of this plan to KU officials for review and consideration sometime during the first half of 2020.

We also believe that Lawrence could benefit from additional office development both in downtown and throughout the community and have been working in support of efforts to attract and locate additional office opportunities and tenants for Lawrence. This is a market segment which should benefit from the talented workforce that currently exists and is being educated in the community. The local quality of life and amenities should also prove attractive to this market segment.



# Other Support Programs

## ASBDC-Kansas (Small Business Development Center):

The KU Small Business Development Center is one of 13 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 valuation, and exit planning, the Center focuses on providing services for business planning, access to capital, marketplace/industry analysis, and financial benchmarking. The Center also partners MBA candidates at the University of Kansas with local small businesses for specific project engagements.



In 2019, the KU Small Business Development Center provided more than 2200 hours of one-to-one consulting and 500 hours of other community engagement. While the Center provides services throughout a six-county area, approximately eighty-five percent (85%) of measured activity takes place locally in Lawrence.

As part of the cooperative model, economic impact is measured annually by The Docking Institute in cooperation with the Kansas Small Business Development Center.

2019 KU-KSBDC Economic Impact	
Total client companies	386
Reported starting business	62
New access to capital	\$13,125,615
New revenue generated	\$34,159,630
Jobs impact	596

Source: Docking Institute 2019 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.<sup>1</sup> In addition, the City authorized support for the shared infrastructure within the park (e.g. parking, walking trails, all necessary sanitary sewer, potable water, storm



<sup>1</sup> 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

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
2019	46,258	59,748
2018	49,669	39,599
2018	49,669	39,599
2017	40,369	34,167
2016	50,731	29,080

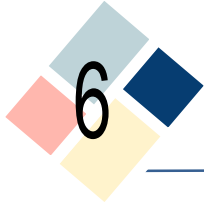
Source: City Parks and Rec Department



Sports Pavilion Lawrence: Events		
Year	# Events	# Attendees
2019	40	160,167

Source: City Parks and Rec Department





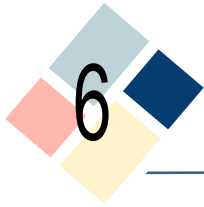
# 6 Other Support Programs

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RCP Softball, Soccer, Tennis, Track & Field Events			
Year	# Events	# Attendees	% Attendee Change
2019	64	56,757	10%
2018	64	51,669	-21%
2017	48	65,568	25%
2016	47	52,308	60%
2015	39	32,722	

Source: Kansas Athletics, January 2020





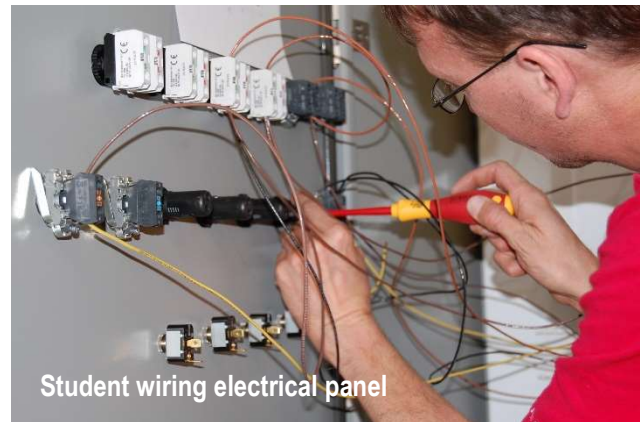
## Other Support Programs

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### 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



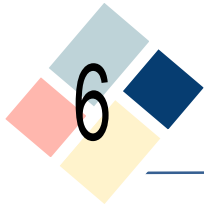
skilled individuals, within the Lawrence and Douglas County communities.

The center opened in August of 2015 and now offers 26 career training preparation programs. Peaslee Tech offers programs and courses to support several sectors, including Transportation, Building Trades, Skilled Trades, and Healthcare. Additionally, Peaslee Tech offers

apprenticeships in Industrial Maintenance, Automotive Technology, Electrical, Plumbing, HVAC, and Facilities Maintenance.

***In 2019 Peaslee Tech became the largest provider of apprenticeship programs in Kansas***

*Source: Peaslee Technical Center, December 2019*



## Other Support Programs

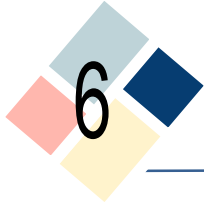
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Peaslee Tech offers custom courses in a wide variety of areas, and has included Supervision for Front Line Managers, Accountability, Hydraulics, Electric Motor Drives, Programmable Logic Control, and Environmental Health & Safety. These professional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

The new welding lab was opened in August 2019. The program combined the equipment resources of Free State & Lawrence High Schools into a state-of-the-art welding laboratory.



Additional expansion of Peaslee Tech's partnership with the Lawrence Public Schools resulted in the school districts Adult Basic Education program (GED and ESL) moving to Peaslee Tech.



# 6 Other Support Programs

Public support for Peaslee Tech has included:

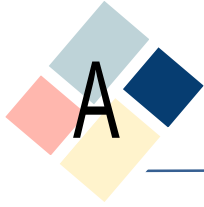
Peaslee Center Support			
Year	Assistance Type	City Amount	County Amount
2015	2014 real estate tax refund on property & improvements	\$15,533	\$20,239
	2015 real estate tax refund on property & improvements	\$11,776	\$15,370
	Grant for training center renovations and infrastructure	\$500,000	\$500,000
	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
	<b>Total 2015</b>	<b>\$779,160</b>	<b>\$778,904</b>
2016	Peaslee Center Operations	\$100,000	\$100,000
	Waiver of IRB application fee	\$1,000	--
	<b>Total 2016</b>	<b>\$101,000</b>	<b>\$100,000</b>
2017	Peaslee Center Operations	\$125,000	\$195,105
	Growth and Security Upgrades	\$25,000	--
	<b>Total 2017</b>	<b>\$150,000</b>	<b>\$195,105</b>
2018	Peaslee Center Operations	\$200,000	\$195,105
	Peaslee Mortgage	\$0	\$200,000
	<b>Total 2018</b>	<b>\$200,000</b>	<b>\$395,105</b>
2019	Peaslee Center Operations	\$200,000	\$200,000
	Peaslee Mortgage	\$0	\$200,000
	<b>Total 2019</b>	<b>\$200,000</b>	<b>\$400,000</b>

Sources: City of Lawrence, Kansas, City Budget Office; Budget Manager, Douglas County, Kansas. November 2019



# Regulating Documents

2019 Tax Abatements			
	Document	Description	Dated
Amarr Garage Doors	<a href="#">Ordinance No. 8497</a>	Tax Abatement	10/27/2009
	<a href="#">Agreement</a>	Performance Agreement	12/17/2003
	<a href="#">Ordinance No. 7706</a>	Policy	10/28/2003
	<a href="#">Overarching ED Policy (O-8522)</a>		5/18/2010
Grandstand/Screen-It Graphics	<a href="#">Resolution 6948</a>	Tax Abatement	10/11/2011
	<a href="#">Agreement</a>	Performance Agreement	9/2/2011
	<a href="#">Overarching ED Policy (O-8522)</a>	Policy	5/18/2010
Sunlite Science & Technology, Inc.	<a href="#">Resolution 7042</a>	Tax Abatement	8/27/2013
	<a href="#">Agreement</a>	Performance Agreement	8/30/2013
	<a href="#">Overarching ED Policy (O-8522)</a>	Policy	5/18/2010
Rock Chalk Park	<a href="#">Resolution 7014</a>	Tax Abatement	3/5/2013
	<a href="#">Agreement</a>	Development Agreement	7/30/2013
	<a href="#">Overarching ED Policy (O-8522)</a>	Policy	5/18/2010
VanTrust: Lawrence VenturePark	<a href="#">Catalyst Program</a>	Specialized Tax Abatement Program	4/4/2017
	<a href="#">Ordinance 9573</a>	Phase I Tax Abatement	8/1/2017
	<a href="#">Agreement</a>	Land Transfer Agreement	8/1/2017
	<a href="#">Phase 1 Agreement</a>	Performance Agreement	11/1/2018
Plastikon-Phase I & II Expansion	<a href="#">Catalyst Program</a>	Specialized Tax Abatement Program	4/4/2017
	<a href="#">Ordinance 9430</a>	Tax Abatement	1/8/2018
	<a href="#">Agreement</a>	Performance Agreement	4/2/2018
Grandstand-Phase I Expansion	<a href="#">Catalyst Program</a>	Specialized Tax Abatement Program	4/4/2017
	<a href="#">Ordinance 9608</a>	Tax Abatement	12/4/2018
	<a href="#">Agreement</a>	Performance Agreement	9/17/2019
US Engineering	<a href="#">2020-Catalyst Program</a>	Specialized Tax Abatement Program	1/1/2020
	Ordinance	Tax Abatement	Est. 2020
	Agreement	Performance Agreement	Est. 2020



# Regulating Documents

2019 IRBs			
	Document	Description	Dated
Bowersock Dam	<a href="#">Ordinance No. 8607</a>	IRB Issuance: Series 2011B, 2011C	12/21/2010
	<a href="#">Ordinance No. 8620</a>		3/1/2011
Rock Chalk Park	<a href="#">Ordinance No. 8862</a>	IRB Issuance: Series 2013	1/22/2013
Van Trust: Lawrence VenturePark	<a href="#">Resolution No. 7210</a>	Master IRB Resolution of Intent	8/1/2017
	<a href="#">Ordinance No. 9573</a>	IRB Issuance: Series 2018	8/1/2017
US Engineering	<a href="#">Resolution No. 7297</a>	IRB Resolution of Intent	9/17/2019

2019 NRAs			
	Document	Description	Dated
8th & Pennsylvania	<a href="#">Ordinance No. 8093</a>	Plan	4/3/2007
	<a href="#">Agreement</a>	Tax Rebate Agreement for 720 E 9th Street	4/17/2012
1040 Vermont Street	<a href="#">Ordinance No. 8625</a>	Plan	4/12/2011
	<a href="#">Agreement</a>	Performance Agreement	11/1/2011
810/812 Pennsylvania	<a href="#">Ordinance No. 8753</a>	Plan	7/3/2012
1106 Rhode Island Street	<a href="#">Ordinance No. 9022</a>	Plan	8/5/2014
	<a href="#">Agreement</a>	Performance Agreement	10/21/2014
1101 Indiana Street	<a href="#">Ordinance 9021</a>	Plan	8/5/2014
	<a href="#">Agreement</a>	Performance Agreement	8/12/2014
900 Delaware Street	<a href="#">Ordinance No. 9040</a>	Plan	10/21/2014
	<a href="#">Agreement</a>	Performance Agreement	10/21/2014
826 Pennsylvania Street	<a href="#">Ordinance No. 9304</a>	Plan/Agreement	11/15/2016
	<a href="#">NRA Plan &amp; Agreement</a>	Plan/Agreement	11/15/2016
	<a href="#">Ordinance No. 9688 Amended NRA Plan</a>	Plan/Agreement	7/16/2019



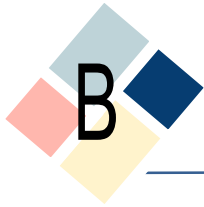


# Regulating Documents

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2019 TDDs			
	Document	Description	Dated
The Oread	<a href="#">Ordinance No. 8254</a>	District Established	4/8/2008
Free-State (Bauer Farm)	<a href="#">Ordinance No. 8339</a>	District Established	10/14/2008
	<a href="#">Agreement</a>	Development Agreement	10/14/2008
9th & New Hampshire TDD	<a href="#">Ordinance 8979</a>	District Established	4/15/2014

2019 TIFs			
	Document	Description	Dated
Downtown 2000	<a href="#">Ordinance No. 7127</a>	District Established	8/3/1999
	<a href="#">Ordinance No. 7207 &amp; Plan</a>	Redevelopment Plan	4/25/2000
	<a href="#">Agreement</a>	Construction Agreement	9/18/2000
The Oread	<a href="#">Ordinance No. 8234</a>	District Established	2/19/2008
	<a href="#">Ordinance 8253</a>	Redevelopment Plan	4/8/2008
	<a href="#">Agreement</a>	Redevelopment Agreement	4/8/2008
	<a href="#">Agreement Amendment</a>	1st Amendment to Redevelopment Agreement	4/27/2017
9th & New Hampshire TIF	<a href="#">Ordinance 8768</a>	District Established	8/7/2012
900 New Hampshire (South)	<a href="#">Ordinance 8865</a>	So Project: Redevelopment Plan	5/21/2013
	<a href="#">South Agreement</a>	So Project: Redevelopment Agreement	11/30/2012
888 New Hampshire (North)	<a href="#">Ordinance 8971</a>	No Project: Redevelopment Plan	4/15/2014
	<a href="#">North Agreement</a>	No Project: Redevelopment Agreement	4/15/2014



# Historical Assistance & Investment

The below table is a summary of economic development assistance totals for currently active, pay-as-you-go (PAYGO) <sup>1</sup> economic development programs.

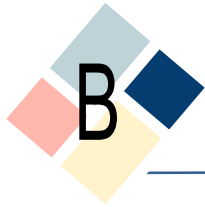
Assistance Summary					
Tax Year	Tax Abatement	NRA	TIF	TDD	Total
2009	--	--	\$3,113	\$11,081	\$14,194
2010	\$31,880	--	\$152,978	\$98,544	\$283,402
2011	\$28,686	\$12,515	\$626,881	\$156,335	\$824,417
2012	\$146,814	\$11,982	\$515,284	\$196,517	\$870,597
2013	\$121,558	\$39,155	\$480,457	\$182,283	\$823,453
2014	\$143,429	\$65,090	\$460,456	\$182,176	\$851,151
2015	\$149,197	\$68,955	\$557,191	\$252,934	\$1,028,276
2016	\$147,035	\$110,304	\$810,350	\$328,129	\$1,395,818
2017	\$153,794	\$112,587	\$980,987	\$371,358	\$1,618,726
2018	\$150,210	\$172,048	\$1,276,944	\$382,898	\$1,982,100
2019	\$357,370	\$686,576	\$1,279,340	\$415,563	\$2,738,848
<b>Total</b>	<b>\$1,429,973</b>	<b>\$1,279,212</b>	<b>\$7,143,981</b>	<b>\$2,577,817</b>	<b>\$12,430,983</b>

Source: City of Lawrence, Kansas

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

<sup>1</sup> 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.)



# Historical Assistance & Investment

Tax Abatements <sup>2</sup>								
Year	Traditional Abatement Program			Catalyst Abatement Program <sup>3</sup>				Total
	Amarr	Grandstand	Sunlite	VanTrust Phase I <sup>4</sup>	Plastikon Phase I & II	Grandstand Expansion	US Engineering	
2010	\$31,880	--	--	--	--	--	--	\$31,880
2011	\$28,686	--	--	--	--	--	--	\$28,686
2012	\$27,525	\$119,289	--	--	--	--	--	\$146,814
2013	\$27,876	\$93,682	--	--	--	--	--	\$121,558
2014	\$27,876	\$96,081	\$19,472	--	--	--	--	\$143,429
2015	\$28,593	\$99,422	\$21,182	--	--	--	--	\$149,197
2016	\$26,450	\$99,407	\$21,178	--	--	--	--	\$147,035
2017	\$27,082	\$103,715	\$22,997	--	--	--	--	\$153,794
2018	\$25,238	\$102,575	\$22,398	--	--	--	--	\$150,210
2019	\$24,728	\$118,202	\$19,999	\$123,778	\$70,663	--	--	\$357,370
<b>Total</b>	<b>\$275,934</b>	<b>\$832,373</b>	<b>\$127,226</b>	<b>\$123,778</b>	<b>\$70,663</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,429,973</b>

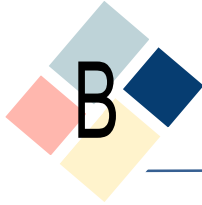
Source: City of Lawrence, Kansas

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<sup>2</sup> 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.

<sup>3</sup> Catalyst abatements start the first full year after project completion. At the end of 2019, only the VanTrust Phase I project had been completed.

<sup>4</sup> Under agreement with the City, Van Trust Phase I is subject to pre-determined Payment in Lieu of Tax (PILOT) payments.



# Historical Assistance & Investment

TIF Distributions										
Year	901 New Hampshire <sup>5</sup>	Oread <sup>6</sup>		900 New Hampshire (South)			888 New Hampshire (North)			Total
		Sales Tax	Property Tax	Sales Tax	Property Tax	City Retained 5% <sup>7</sup>	Sales Tax	Property Tax	City Retained 5% <sup>8</sup>	
2009	--	\$3,113	--	--	--	--	--	--	--	\$3,113
2010	--	\$152,978	--	--	--	--	--	--	--	\$152,978
2011	--	\$200,603	\$426,278	--	--	--	--	--	--	\$626,881
2012	\$28,085	\$264,453	\$222,746	--	--	--	--	--	--	\$515,284
2013	\$28,085	\$211,542	\$240,830	--	--	--	--	--	--	\$480,457
2014	\$28,085	\$181,813	\$250,558	--	--	--	--	--	--	\$460,456
2015	\$28,085	\$181,009	\$270,490	\$51,041	\$22,685	\$3,880	--	--	--	\$557,191
2016	\$28,085	\$63,493	\$283,002	\$116,652	\$297,330	\$21,789	--	--	--	\$810,350
2017	\$28,085	\$169,259	\$295,932	\$119,925	\$304,136	\$22,319	\$0	\$39,265	\$2,067	\$980,987
2018	\$28,085	\$168,467	\$361,989	\$112,208	\$341,644	\$23,887	\$329	\$228,303	\$12,033	\$1,276,944
2019	\$28,085	\$146,547	\$369,804	\$132,221	\$305,249	\$23,025	\$271	\$260,419	\$13,720	\$1,279,340
<b>Total</b>	<b>\$224,680</b>	<b>\$1,743,277</b>	<b>\$2,721,628</b>	<b>\$532,046</b>	<b>\$1,271,045</b>	<b>\$94,899</b>	<b>\$600</b>	<b>\$527,987</b>	<b>\$27,820</b>	<b>\$7,143,981</b>

Source: City of Lawrence, Kansas

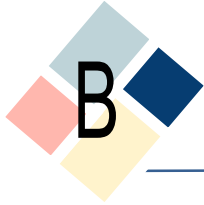
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<sup>5</sup> The Downtown 2000 TIF does not pay out to private entities except for a ~\$28,085/year reimbursement that was authorized via agreement. This amount is captured in the above table under 901 New Hampshire Street.

<sup>6</sup> 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 Section 4 for additional details.

<sup>7</sup> Per development agreements, the City retains 5% of all TIF revenue generated within the 9th & New Hampshire TIF district, up to \$900,000, for a future "Arts Common" project.

<sup>8</sup> Per development agreements, the City retains 5% of all TIF revenue generated within the 9th & New Hampshire TIF district, up to \$900,000, for a future "Arts Common" project.



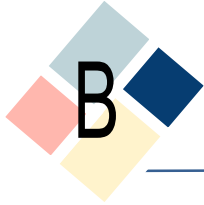
# Historical Assistance & Investment

TDD Distributions						
Year	Oread <sup>9</sup>	Free State (Bauer Farms)	9th & New Hampshire			Total
			900 New Hampshire (South)	888 New Hampshire (North)	City Retained 5% <sup>10</sup>	
2009	\$1,609	\$9,472	--	--	--	\$11,081
2010	\$79,087	\$19,457	--	--	--	\$98,544
2011	\$103,774	\$52,561	--	--	--	\$156,335
2012	\$136,867	\$59,650	--	--	--	\$196,517
2013	\$109,474	\$72,809	--	--	--	\$182,283
2014	\$94,024	\$88,152	--	--	--	\$182,176
2015	\$93,559	\$137,753	\$0	\$0	\$21,622	\$252,934
2016	\$32,831	\$245,863	\$0	\$0	\$49,434	\$328,129
2017	\$87,538	\$232,990	\$0	\$0	\$50,829	\$371,358
2018	\$87,049	\$248,184	\$0	\$0	\$47,664	\$382,898
2019	\$75,708	\$283,752	\$0	\$0	\$56,103	\$415,563
<b>Total</b>	<b>\$901,521</b>	<b>\$1,450,644</b>	<b>\$0</b>	<b>\$0</b>	<b>\$225,652</b>	<b>\$2,577,817</b>

Source: City of Lawrence, Kansas

<sup>9</sup> 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 in Section 4 for additional details.

<sup>10</sup> Per development agreements, the City retains the first \$850,000 of TDD Revenue as a contribution toward the City parking garage at 10th & New Hampshire.

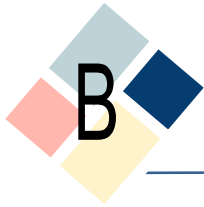


# Historical Assistance & Investment

NRA Distributions <sup>11</sup>								
Year	720 E 9th	1040 Vermont (Treanor)	810/812 Pennsylvania (Cider Building)	1106 Rhode Island	900 Delaware	826 Pennsylvania	1101 Indiana St (HERE KS) <sup>12</sup>	Total
2011	\$12,515	--	--	--	--	--	--	\$12,515
2012	\$11,982	--	--	--	--	--	--	\$11,982
2013	\$12,162	\$26,993	--	--	--	--	--	\$39,155
2014	\$12,282	\$27,438	\$25,370	--	--	--	--	\$65,090
2015	\$13,617	\$29,718	\$25,620	--	--	--	--	\$68,955
2016	\$13,537	\$29,568	\$26,286	\$11,037	\$29,876	--	--	\$110,304
2017	\$14,624	\$27,636	\$26,763	\$10,504	\$33,061	--	--	\$112,587
2018	\$14,117	\$26,512	\$26,460	\$11,753	\$32,416	\$60,791	--	\$172,048
2019	\$16,286	\$24,613	\$26,264	\$11,860	\$32,984	\$69,634	\$504,936	\$686,576
<b>Total</b>	<b>\$121,122</b>	<b>\$192,478</b>	<b>\$156,762</b>	<b>\$45,153</b>	<b>\$128,337</b>	<b>\$130,424</b>	<b>\$504,936</b>	<b>\$1,279,212</b>

<sup>11</sup> 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.

<sup>12</sup> Due to a delay in project completion, 1101 Indiana Street did not receive an NRA rebate for the 2017 or 2018 tax year.



# Historical Assistance & Investment

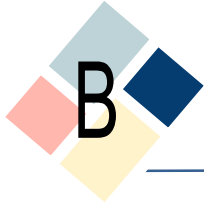
## NRA Property Taxes

Seven (7) companies received NRA rebates in 2019, more than doubling the amount of real estate property tax revenues received by taxing jurisdictions compared to if the properties had been left in original condition. Overall (for all years in which a NRA rebate was given), the seven NRA revitalized properties generated an average of forty nine percent (49%) 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: 2019 Property Taxes				
NRA	Tax Revenues After Development			Tax Revenues No Development
	Total Taxes Paid	NRA Rebate	Retained Tax	Base Tax
720 E 9th St	\$30,857	\$16,286	\$14,571	\$13,423
1040 Vermont St	\$64,566	\$24,613	\$39,954	\$28,525
810 Pennsylvania St	\$36,451	\$26,264	\$10,188	\$4,010
900 Delaware St	\$35,860	\$32,984	\$2,876	\$2,635
1106 Rhode Island St	\$15,478	\$11,860	\$3,619	\$2,816
826 Pennsylvania St	\$83,847	\$69,634	\$14,213	\$11,114
1101 Indiana St	\$649,873	\$504,936	\$144,937	\$49,044
<b>Total</b>	<b>\$916,933</b>	<b>\$686,576</b>	<b>\$230,357</b>	<b>\$111,568</b>

2019 Tax Revenue Comparison: All NRAs			
	Base	Retained	% Gain (Loss)
2019	\$111,568	\$230,357	106.5%
	<i>Unimproved Property</i>	<i>Improved Property</i>	<i>Return</i>

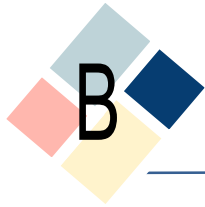


# Historical Assistance & Investment

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	\$247,183	\$121,131	\$126,051	\$116,135
1040 Vermont St	\$418,911	\$191,734	\$227,176	\$193,894
810 Pennsylvania St	\$202,443	\$156,762	\$45,681	\$23,531
900 Delaware St	\$140,884	\$128,337	\$12,547	\$10,433
1106 Rhode Island St	\$59,736	\$45,153	\$14,583	\$11,146
826 Pennsylvania St	\$194,937	\$130,424	\$64,513	\$22,311
1101 Indiana St	\$649,873	\$504,936	\$144,937	\$49,044
<b>Total</b>	<b>\$1,913,967</b>	<b>\$1,278,479</b>	<b>\$635,488</b>	<b>\$426,493</b>

Tax Revenue Comparison: All NRAs			
	Base	Retained	% Gain (Loss)
To Date	\$426,493	\$635,488	49.0%
	<i>Unimproved Property</i>	<i>Improved Property</i>	<i>Return</i>





# Historical Assistance & Investment

## NRA Tax Revenues by Project:

720 E 9th Street NRA					
Tax Revenues After Development				Tax Revenues No Development	
NRA Year	Total Taxes Paid	NRA Rebate	Retained Tax	Base Tax	
2019	9	\$30,857	\$16,286	\$14,571	\$13,423
2018	8	\$28,633	\$14,117	\$14,515	\$13,522
2017	7	\$29,325	\$14,624	\$14,702	\$13,097
2016	6	\$27,599	\$13,547	\$14,052	\$13,099
2015	5	\$27,675	\$13,617	\$14,059	\$12,974
2014	4	\$26,171	\$12,282	\$13,889	\$12,648
2013	3	\$25,673	\$12,162	\$13,511	\$12,481
2012	2	\$25,314	\$11,982	\$13,333	\$12,532
2011	1	\$25,936	\$12,515	\$13,421	\$12,358
		<b>\$247,183</b>	<b>\$121,131</b>	<b>\$126,051</b>	<b>\$116,135</b>

Tax Revenue Comparison: 720 E 9th			
	Base	Retained	% Gain (Loss)
2019	\$13,423	\$14,571	8.5%
To Date	<b>\$116,135</b>	<b>\$126,051</b>	<b>8.5%</b>

*Unimproved Property*

*Improved Property*

*Return*

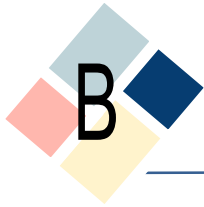
1040 Vermont Street NRA					
Tax Revenues After Development				Tax Revenues No Development	
NRA Year	Total Taxes Paid	NRA Rebate	Retained Tax	Base Tax	
2019	7	\$64,566	\$24,613	\$39,954	\$28,525
2018	6	\$60,767	\$26,512	\$34,256	\$28,734
2017	5	\$62,435	\$27,636	\$34,798	\$27,831
2016	4	\$59,316	\$29,568	\$29,748	\$27,836
2015	3	\$59,480	\$29,718	\$29,762	\$27,569
2014	2	\$56,789	\$27,438	\$29,351	\$26,877
2013	1	\$55,557	\$26,250	\$29,308	\$26,522
		<b>\$418,911</b>	<b>\$191,734</b>	<b>\$227,176</b>	<b>\$193,894</b>

Tax Revenue Comparison: 1040 Vermont			
	Base	Retained	% Gain (Loss)
2019	\$28,525	\$39,954	40.1%
To Date	<b>\$193,894</b>	<b>\$227,176</b>	<b>17.2%</b>

*Unimproved Property*

*Improved Property*

*Return*



# Historical Assistance & Investment

810 Pennsylvania Street NRA					
Tax Revenues After Development				Tax Revenues No Development	
<i>NRA Year</i>	Total Taxes Paid	NRA Rebate	Retained Tax	Base Tax	
2019	6	\$36,451	\$26,264	\$10,188	\$4,010
2018	5	\$34,988	\$26,460	\$8,529	\$4,040
2017	4	\$35,848	\$26,763	\$9,085	\$3,913
2016	3	\$32,009	\$26,286	\$5,723	\$3,913
2015	2	\$32,100	\$25,620	\$6,480	\$3,876
2014	1	\$31,046	\$25,370	\$5,676	\$3,779
		<b>\$202,443</b>	<b>\$156,762</b>	<b>\$45,681</b>	<b>\$23,531</b>

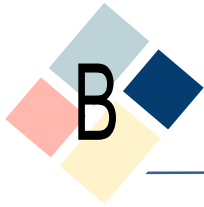
Tax Revenue Comparison: 810/812 Penn			
	Base	Retained	% Gain (Loss)
2019	\$4,040	\$10,188	152.2%
To Date	<b>\$23,531</b>	<b>\$45,681</b>	<b>94.1%</b>

*Unimproved Property*      *Improved Property*      *Return*

900 Delaware NRA					
Tax Revenues After Development				Tax Revenues No Development	
<i>NRA Year</i>	Total Taxes Paid	NRA Rebate	Retained Tax	Base Tax	
2019	4	\$35,860	\$32,984	\$2,876	\$2,635
2018	3	\$35,787	\$32,416	\$3,371	\$2,655
2017	2	\$36,482	\$33,061	\$3,421	\$2,571
2016	1	\$32,755	\$29,876	\$2,879	\$2,572
		<b>\$140,884</b>	<b>\$128,337</b>	<b>\$12,547</b>	<b>\$10,433</b>

Tax Revenue Comparison: 900 Delaware			
	Base	Retained	% Gain (Loss)
2019	\$2,635	\$2,876	9.1%
To Date	<b>\$10,433</b>	<b>\$12,547</b>	<b>20.3%</b>

*Unimproved Property*      *Improved Property*      *Return*



# Historical Assistance & Investment

1106 Rhode Island St. NRA					
Tax Revenues After Development				Tax Revenues No Development	
NRA Year	Total Taxes Paid	NRA Rebate	Retained Tax	Base Tax	
2019	4	\$15,478	\$11,860	\$3,619	\$2,816
2018	3	\$15,359	\$11,753	\$3,607	\$2,836
2017	2	\$14,941	\$10,504	\$4,438	\$2,747
2016	1	\$13,957	\$11,037	\$2,920	\$2,748
		<b>\$59,736</b>	<b>\$45,153</b>	<b>\$14,583</b>	<b>\$11,146</b>

Tax Revenue Comparison: 1106 Rhode Island		
Base	Retained	% Gain (Loss)
\$2,816	\$3,619	28.5%
<b>\$11,146</b>	<b>\$14,583</b>	<b>30.8%</b>
<i>Unimproved Property</i>	<i>Improved Property</i>	<i>Return</i>

2019  
To Date

826 Pennsylvania St. NRA					
Tax Revenues After Development				Tax Revenues No Development	
NRA Year	Total Taxes Paid	NRA Rebate	Retained Tax	Base Tax	
2019	2	\$83,847	\$69,634	\$14,213	\$11,114
2018	1	\$111,090	\$60,791	\$50,299	\$11,196
		<b>\$194,937</b>	<b>\$130,424</b>	<b>\$64,513</b>	<b>\$22,311</b>

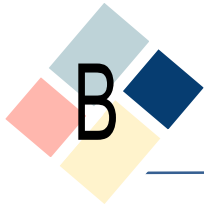
Tax Revenue Comparison: 826 Penn St.		
Base	Retained	% Gain (Loss)
\$11,114	\$14,213	27.9%
<b>\$22,311</b>	<b>\$64,513</b>	<b>189.2%</b>
<i>Unimproved Property</i>	<i>Improved Property</i>	<i>Return</i>

2019  
To Date

1101 Indiana St. NRA					
Tax Revenues After Development				Tax Revenues No Development	
NRA Year	Total Taxes Paid	NRA Rebate	Retained Tax	Base Tax	
2019	1	\$649,873	\$504,936	\$144,937	\$49,044
		<b>\$649,873</b>	<b>\$504,936</b>	<b>\$144,937</b>	<b>\$49,044</b>

Tax Revenue Comparison: 1101 Indiana St.		
Base	Retained	% Gain (Loss)
\$49,044	\$144,937	195.5%
<b>\$49,044</b>	<b>\$144,937</b>	<b>195.5%</b>
<i>Unimproved Property</i>	<i>Improved Property</i>	<i>Return</i>

2019  
To Date



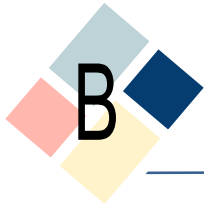
# Historical Assistance & Investment

## 9th & New Hampshire TIF and TDD Distribution Splits

9th & New Hampshire: 900 New Hampshire (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	\$53,727	\$23,879	\$99,229	\$21,622	\$2,686	\$1,194	\$0	\$51,041	\$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
2018	\$47,525	\$118,113	\$359,625	\$525,263	\$47,525	\$5,906	\$17,981	\$0	\$112,208	\$341,644
2019	\$55,992	\$139,180	\$321,315	\$516,486	\$55,992	\$6,959	\$16,066	\$0	\$132,221	\$305,249
<b>Total</b>	<b>\$225,403</b>	<b>\$560,048</b>	<b>\$1,337,942</b>	<b>\$2,123,392</b>	<b>\$225,403</b>	<b>\$28,002</b>	<b>\$66,897</b>	<b>\$0</b>	<b>\$532,046</b>	<b>\$1,271,045</b>

9th & New Hampshire: 888 New Hampshire (North 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	
2017	\$0	\$0	\$41,332	\$41,332	\$0	\$0	\$2,067	\$0	\$0	\$39,265
2018	\$139	\$346	\$240,319	\$240,665	\$139	\$17	\$12,016	\$0	\$329	\$228,303
2019	\$110	\$285	\$274,125	\$274,410	\$110	\$14	\$13,706	\$0	\$271	\$260,419
<b>Total</b>	<b>\$250</b>	<b>\$631</b>	<b>\$555,776</b>	<b>\$556,407</b>	<b>\$250</b>	<b>\$32</b>	<b>\$27,789</b>	<b>\$0</b>	<b>\$599</b>	<b>\$527,987</b>

In 2019, total TDD sales tax revenues generated between both district projects was \$56,103, with \$734,904 generated in total TIF revenues.



# Historical Assistance & Investment

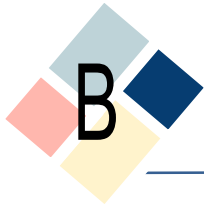
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Per development agreements, the City retains all TDD revenue, up to \$850,000 as a contribution toward the 10<sup>th</sup> & New Hampshire parking garage and five percent (5%) of TIF revenue, up to \$900,000, for a City “Arts Common” project.

9th & New Hampshire TDD Distributions	
Year	City Retained TDD Revenues
2015	\$21,622
2016	\$49,434
2017	\$50,829
2018	\$47,664
2019	\$56,103
<b>Total</b>	<b>\$225,652</b>

9th & New Hampshire TIF Distributions	
Year	City 5% TIF
2015	\$3,880
2016	\$21,789
2017	\$34,352
2018	\$35,920
2019	\$36,745
<b>Total</b>	<b>\$132,686</b>

In 2019, the City signed a reimbursement agreement with the Arts Center to transfer past retained 5% TIF funds and future received 5% TIF funds, up to the \$900,000 maximum. Conditions for the Arts Center to receive retained and future 5% TIF funds for this project include a property closing on or before November 1, 2024 and all TIF eligible expenses to be incurred by November 30, 2027. At the end of 2019, neither of these conditions had occurred and the City continued to retain the 5% TIF revenues for the district.



# Historical Assistance & Investment

## Tax Abatement Amounts

Three (3) Lawrence companies had active traditional tax abatements in 2019: 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 abated property is currently generating some level of property taxes.<sup>13</sup>

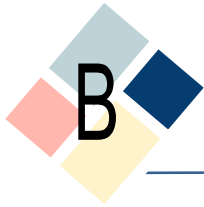
<b>2019 Tax Generation</b> (on portion of property receiving an abatement)				
<b>Company &amp; Abatement %</b>	<b>Total Tax Potential</b>	<b>Abated Tax Amount</b>	<b>State Exemption<sup>14</sup></b>	<b>Taxes Paid (or to be paid) by Property Owner</b>
<b>Amarr Garage Doors, Inc.</b>				
Personal (55%) <sup>15</sup>	\$135,409	\$24,728	\$59	\$110,621
<b>Grandstand/Screen-It Graphics</b>				
Real (65%)	\$181,850	\$118,202	n/a	\$63,647
<b>Sunlite Science &amp; Technology</b>				
Real (50%)	\$39,998	\$19,999	n/a	\$19,999
<b>Total</b>	<b>\$357,257</b>	<b>\$162,929</b>	<b>\$59</b>	<b>\$194,267</b>

Source: Douglas County, December 2019.

<sup>13</sup> 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.

<sup>14</sup> 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.

<sup>15</sup> Personal property amount may not reflect the percentage of abatement, as some personal property is not included in the exemption. The State of Kansas exempted commercial personal property purchased July 1, 2006 and after from taxation. However, personal property purchased prior to that date is still taxed at a depreciated rate. Each company is required to submit an annual claim for a personal property tax abatement, listing out the equipment, value and date purchased. The County then determines the amount of personal property exempted and taxes due.

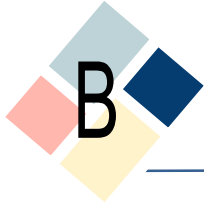


# Historical Assistance & Investment

The following table shows amounts abated by year.

Tax Abatements by Year						
Year	Amarr Ord. 8797 55% Pers.	Grandstand Res. 6948 65% Real	Sunlite Res. 7042 50% Real	Prosoco Ord. 7882 55% Real	Prosoco Ord. 7882 55% Pers.	Total
2005	--	--	--	\$31,386	\$3,510	\$34,896
2006	--	--	--	\$32,951	\$3,070	\$36,021
2007	--	--	--	\$33,048	\$2,463	\$35,511
2008	--	--	--	\$33,755	\$1,890	\$35,645
2009	--	--	--	\$33,881	\$1,265	\$35,146
2010	\$31,880	--	--	\$35,220	\$919	\$68,019
2011	\$28,686	--	--	\$35,698	\$932	\$65,316
2012	\$27,525	\$119,289	--	\$35,554	\$928	\$183,296
2013	\$27,876	\$93,682	--	\$36,026	\$940	\$158,524
2014	\$27,876	\$96,081	\$19,472	\$36,949	\$940	\$181,318
2015	\$28,593	\$99,422	\$21,182	--	--	\$149,197
2016	\$26,450	\$99,407	\$21,178	--	--	\$147,035
2017	\$27,082	\$103,715	\$22,997	--	--	\$153,794
2018	\$25,238	\$102,575	\$22,398	--	--	\$150,210
2019	\$24,728	\$118,202	\$19,999	--	--	\$162,929
<b>Total</b>	<b>\$275,934</b>	<b>\$832,373</b>	<b>\$127,226</b>	<b>\$344,468</b>	<b>\$16,857</b>	<b>\$1,596,857</b>

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



# Historical Assistance & Investment

Two (2) Lawrence companies had active Catalyst tax abatements in 2019: VanTrust Building 1 in Lawrence VenturePark and Plastikon Phase I & II expansion in East Hills Business Park.

<b>2019 Catalyst Tax Generation</b> (on portion of property receiving an abatement)				
<b>Company &amp; Abatement %</b>	<b>% of Real Property Abatement</b>	<b>Total Tax Potential</b>	<b>Abated Tax Amount</b>	<b>Taxes Paid (or to be paid) by Property Owner <sup>16</sup></b>
VanTrust Phase I <sup>17</sup>	70%	\$202,403	\$123,778	\$78,625
Plastikon Phase I & II Expansion	70%	\$193,352	\$70,663	\$122,689
<b>Total</b>		<b>\$395,755</b>	<b>\$194,441</b>	<b>\$201,314</b>

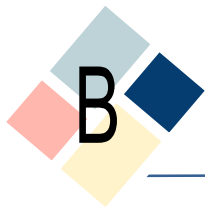
Source: Douglas County, March 2020

<b>Catalyst Tax Abatements by Year</b>					
<b>Year</b>	<b>VanTrust Phase I (1) Ord. 9573 70% Real</b>	<b>Plastikon Phase I &amp; II Ord. 9430 70% Real</b>	<b>Grandstand Expansion Ord. 9608 50% or 70% Real</b>	<b>US Engineering Res. 7297 50% or 70% Real</b>	<b>Total</b>
2019	\$123,778	\$70,663	--	--	\$194,441

<sup>16</sup> Amount shown excludes the capital outlay mill levy, which is shielded from exemption per SB19.

<sup>17</sup> Under agreement with the City, Van Trust Phase I is subject to pre-determined Payment in Lieu of Tax (PILOT) payments. Total Tax Potential represents the amount of tax liability without the PILOT.





# 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 investment 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) <sup>18</sup>
Active Projects	Private Capital Investment (as of 12-2019)	Incentive Duration in Years	2019 Annual Private Capital Investment	2019
<b>Tax Abatements*</b>				
Amarr (Tax Abatement, 2005-2013)	\$9,700,000	10	\$970,000	\$24,728
Grandstand (Tax Abatement, 2011-2013) <sup>19</sup>	\$12,218,889	10	\$1,221,889	\$118,202
Sunlite (Tax Abatement, 2014-2023) <sup>20</sup>	\$1,158,155	10	\$115,816	\$19,999
VanTrust Phase I (2019-2029) <sup>21</sup>	\$10,200,000	10	\$1,020,000	\$123,778
Plastikon Phase I & II Expansion (2019-2028) <sup>22</sup>	\$6,208,477	10	\$620,848	\$70,663

\* Public investment is represented by tax abatement value.

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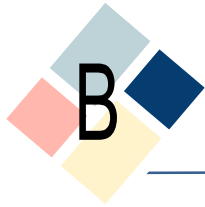
<sup>18</sup> Assistance information for other programs is covered in other sections of the report. IRB sales tax exemption on project construction materials are part of a state-exemption program and tracked by the state. The state monitors compliance with this exemption, which is dependent on construction schedules.

<sup>19</sup> Private capital investment per Grandstand’s annual tax abatement questionnaire.

<sup>20</sup> Private capital investment per Sunlite’s annual tax abatement questionnaire. Public investment is represented by the tax abatement value.

<sup>21</sup> Private capital investment amount per Ord. 9573.

<sup>22</sup> Private investment amount per annual certification.



# Historical Assistance & Investment

Active Projects: Pay-As-You-Go Private Capital Investment				Public Investment (Major ED Programs)
Active Projects	Private Capital Investment (as of 12-2019)	Incentive Duration in Years	2019 Annual Private Capital Investment	2019
<b>NRA*</b>				
720 E 9th Street <sup>23</sup>	\$1,700,000	20	\$85,000	\$16,286
1040 Vermont Street <sup>24</sup>	\$2,150,000	10	\$215,000	\$24,613
810/812 Pennsylvania Street <sup>25</sup>	\$1,480,000	10	\$148,000	\$26,264
1106 Rhode Island Street <sup>26</sup>	\$896,585	10	\$89,659	\$11,860
900 Delaware Street <sup>27</sup>	\$7,200,000	15	\$480,000	\$32,984
826 Pennsylvania Street <sup>28</sup>	\$3,200,000	10	\$320,000	\$69,634
1101 Indiana Street (HERE KS) <sup>29</sup>	\$76,000,000	10	\$7,600,000	\$504,936

\* Public investment is represented by NRA rebate value.

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<sup>23</sup> Private capital investment per developer.

<sup>24</sup> Private capital investment per 2-23-11 Benefit-Cost Analysis.

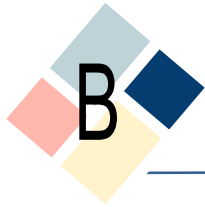
<sup>25</sup> Private capital investment per Cider incentive application dated 6-8-12.

<sup>26</sup> Private capital investment per 1106 Rhode Island Street incentive application dated 5-30-2014.

<sup>27</sup> Private capital investment per 9 Del Lofts incentive application dated 8-19-2014.

<sup>28</sup> Private capital investment per 826 Pennsylvania Street project completion certificate.

<sup>29</sup> Capital Investment per IRB Ord. No. 9053.



# Historical Assistance & Investment

Active Projects: Pay-As-You-Go Private Capital Investment				Public Investment (Major ED Programs)
Active Projects	Private Capital Investment (as of 12-2019)	Incentive Duration in Years	2019 Annual Private Capital Investment	2019
<b>TIF*</b>				
The Oread (TIF) <sup>30</sup>				
TIF Sales Tax	\$8,941,754	20	\$447,088	\$146,547
TIF Property Tax				\$369,804
901 New Hampshire Street (Downtown 2000) <sup>31</sup>	\$11,472,000	20	\$573,600	\$28,085
900 New Hampshire (South Project) <sup>32</sup>				
TIF Sales Tax	\$8,625,000	20	\$431,250	\$132,221
TIF Property Tax				\$305,249
City Retained 5%				\$23,025
888 New Hampshire (North Project) <sup>33</sup>				
TIF Sales Tax	\$11,500,000	20	\$575,000	\$271
TIF Property Tax				\$260,419
City Retained 5%				\$13,720

\* Public investment is represented by TIF reimbursement value.

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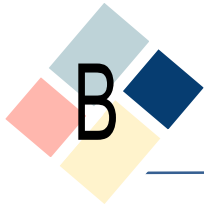
<sup>30</sup> OREAD original permit valuation for the construction of the hotel was \$17,883,508 (value split equally between TIF and TIDD), per Planning/Dev Services Department 1-28-15. Actual capital investment amounts expected to be higher.

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 in Section 4 for additional details.

<sup>31</sup> Private capital investment per developer.

<sup>32</sup> 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.

<sup>33</sup> 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.



# Historical Assistance & Investment

Active Projects: Pay-As-You-Go Private Capital Investment				Public Investment (Major ED Programs)
Active Projects	Private Capital Investment (as of 12-2019)	Incentive Duration in Years	2019 Annual Private Capital Investment	2019
<b>TDD*</b>				
Oread: TDD Sales Tax <sup>34</sup>	\$8,941,754	22	\$406,443	\$75,708
Bauer Farms	\$20,800,000	22	\$945,455	\$283,752
900 New Hampshire (South Project) <sup>35</sup>	8,625,000	22	\$392,045	\$55,992
888 New Hampshire (North Project) <sup>36</sup>	11,500,000	22	\$522,727	\$110

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

In 2019, for every \$1 in public sector assistance provided for these programs, approximately \$6.27 in private sector capital investment was realized.

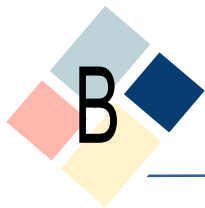
2019 Public Return on Private Capital Investment (by Year)	
Public Assistance:	\$2,738,848
Private Investment:	\$17,179,819
<b>Private Investment for each Dollar of Public Assistance:</b>	<b>\$6.27</b>

<sup>34</sup> 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 in Section 4 for additional details.

<sup>35</sup> 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.

<sup>36</sup> 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.



# Historical Assistance & Investment

## New/Future Investments

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: Pay-As-You-Go Private Capital Investment				Public Investment (Major ED Programs)
Active Projects	Private Capital Investment	Incentive Duration in Years	Annual Private Capital Investment	2019
Catalyst-Grandstand Expansion <sup>37</sup>	\$5,000,000	10	\$500,000	n/a
Catalyst-US Engineering <sup>38</sup>	\$15,000,000	10	\$1,500,000	n/a

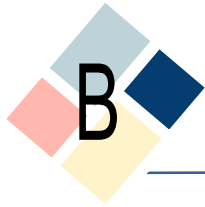
## Direct-Support Programs

Direct support was provided to the below in 2019 for economic development programs, services, and projects.

2019 Other Support Programs			2019 Assistance	
Support Program	Description	Location	City	County
Economic Development Services	BTBC	2029 Becker & 4950 Research Pkwy	\$341,009	\$516,009
Economic Development Services	Chamber and KU-SBDC	718 New Hampshire	\$220,000	\$195,000
Workforce Training	Peaslee Technical Training Center	2920 Haskell Avenue	\$200,000	\$400,000

<sup>37</sup> Private capital investment amount per application.

<sup>38</sup> Private capital investment amount per Res. 7297.



# Historical Assistance & Investment

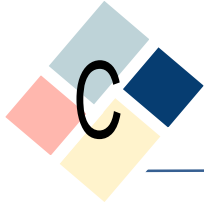
## IRB Sales Tax Exemption Savings

Estimated sales tax exemption savings for IRB projects completed in 2019 was approximately \$561,600.<sup>39</sup>

Stand-Alone IRB: Sales Tax Exemption Values (est.)							
Project	Estimated Completion	Materials Expense <sup>40</sup>	1.55% City	Countywide 1% (July 2018 Rates)		6.5% State	Total Est Amount
				0.00571559	0.00364157		
				City Portion	County Portion		
Peaslee Tech-2015	2015	\$3,200,000	\$49,600	\$18,290	\$11,653	\$208,000	\$287,543
900 New Hampshire (South Project)	2015	\$6,755,030	\$104,703	\$38,609	\$24,599	\$439,077	\$606,988
888 New Hampshire (North Project)	2016	\$12,958,077	\$200,850	\$74,063	\$47,188	\$842,275	\$1,164,376
800 New Hampshire	2017	\$3,498,982	\$54,234	\$19,999	\$12,742	\$227,434	\$314,409
Pioneer Ridge	2017	\$5,416,977	\$83,963	\$30,961	\$19,726	\$352,104	\$486,754
1101/1115 Indiana Street	2017	\$27,616,342	\$428,053	\$157,844	\$100,567	\$1,795,062	\$2,481,526
826 Pennsylvania Street	2018	\$2,053,090	\$31,823	\$11,735	\$7,476	\$133,451	\$184,485
Boys & Girls Club	2018	\$2,500,000	\$38,750	\$14,289	\$9,104	\$162,500	\$224,643
VanTrust-Phase I	2018	\$5,100,000	\$79,050	\$29,150	\$18,572	\$331,500	\$458,272
<b>Peaslee Tech-2016</b>	<b>2019</b>	<b>\$1,000,000</b>	<b>\$15,500</b>	<b>\$5,716</b>	<b>\$3,642</b>	<b>\$65,000</b>	<b>\$89,857</b>
<b>Lawrence Humane Society</b>	<b>2019</b>	<b>\$3,750,000</b>	<b>\$58,125</b>	<b>\$21,433</b>	<b>\$13,656</b>	<b>\$243,750</b>	<b>\$336,964</b>
<b>Heritage Tractor</b>	<b>2019</b>	<b>\$1,500,000</b>	<b>\$23,250</b>	<b>\$8,573</b>	<b>\$5,462</b>	<b>\$97,500</b>	<b>\$134,786</b>
<b>City Total 2019</b>							<b>\$132,597</b>
<b>County Total 2019</b>							<b>\$22,760</b>
<b>State Total 2019</b>							<b>\$406,250</b>
<b>Total Est. Sales Tax Savings- Projects Completed 2019</b>							<b>\$561,607</b>

<sup>39</sup> 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.

<sup>40</sup> Materials expense is estimated at 50% of total project construction costs for new construction projects. The amount for the Peaslee Tech project reflects an estimated sales tax exemption on both labor and construction materials since it was a remodeling project. Project construction cost estimates provided by applicant/property owner.



# Matured/Non-Initiated Projects

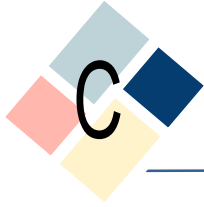
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## Property Tax Abatements

Matured or Not Initiated: Tax Abatement Projects			
Tax Abatement	Description	Location	Status
Menards <sup>1</sup>	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 <sup>2</sup>	90% real property		Approved 2006. Did not proceed.
API Foils	55% real property		Approved 2008. Did not proceed.

<sup>1</sup> 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. At the end of 2016, Menards paused the project and has since elected to not proceed.

<sup>2</sup> 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. Two of the three phases were completed, but there was no material change to Berry's real property value and the company elected not to initiate the abatement.



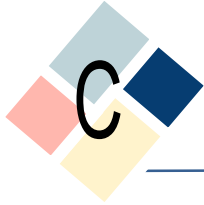
# Matured/Non-Initiated Projects

## Industrial Revenue Bonds

Matured or Not Initiated: IRBs					
Company	Date of Issue	Issuing Ord #	Matures	Amount Authorized	Project
Dwayne Peaslee Technical Training Center, Inc.: Series 2016*	Dec. 2016	9321	2019	\$2,000,000	Technical Training Center
Lawrence Humane Society*	Jun. 2018	9447	2019	\$7,500,000	New Animal Shelter
Heritage Tractor*	Dec. 2018	9572	2019	\$3,000,000	Commercial Facility (rebuild)
Boys & Girls Club*	Dec. 2017	9431	2019	\$5,000,000	Teen Facility Addition to College & Career Center
PROSOCO, Inc: Series 1998A (\$5,800,000) & Series 1998B (\$2,240,000)	1999	7060	2019	\$8,040,000	Manufacturing Facility
826 Pennsylvania Street*	Dec. 2016	9316	2018	\$3,200,000	Mixed-Use Commercial/Multi-Family Residential
1101 Indiana Street (HERE KS)*	Nov. 2014	9053	2017	\$76,000,000	Mixed-use, retail and student Housing
800 New Hampshire: Series 2016*	April 2016	9210	2018	\$7,800,00	Mixed-Use Commercial/Multi-Family Residential
100 East 9th Street LLC (888 New Hampshire, North Project): Series 2015*	Mar. 2015	9093	2017	\$23,000,000	Mixed-Use Commercial/Residential
Dwayne Peaslee Technical Training Center, Inc.: Series 2015	May 2015	9111	2017	\$1,600,000	Technical Training Center
Pioneer Ridge*	Feb. 2016	9184	2017	\$14,500,000	Commercial, Independent Living Facility
Bowersock: Series 2011C	Mar. 2011	8620	2016	\$1,035,000	Hydro-Electric Facility
9th & New Hampshire LLC: Series 2012 (South Project)*	2012	8804	2015	\$17,250,000	Mixed Use Hotel (900 New Hampshire Street: South Project)
Neuvant House II*	2013	8901	2014	\$2,500,000	Specialty Healthcare Facility
DST Systems, Inc: Series 2001	2001	7331	2012	\$9,000,000	Acquisition & Renovation of Existing Office Building
Eldridge Expansion (705 Massachusetts Street)*	Oct. 2015	9161	n/a	\$12,500,000	Hotel expansion. Terminated by applicant in 2016.

\* IRB used for a Sales Tax Exemption on Construction Materials





# Matured/Non-Initiated Projects

## Neighborhood Revitalization Area

Matured or Not Initiated: NRAs			
NRA	Description	Location	Status
800-815 Vermont Street NRA	Vermont Place Mixed-Use Development	800-815 Vermont St.	Project did not proceed
705 Massachusetts Street NRA	Eldridge Hotel Expansion	705 Massachusetts Street	Terminated by Applicant 2016
1001 Massachusetts Street NRA	Masonic Temple Redevelopment	1001 Massachusetts Street	Did not proceed due to change in use.

## Other Projects

Matured or Not Initiated: Other Projects			
Other	Description	Location	Status
Business Expansion	PROSOCO: Special Assessment Forgiveness <sup>3</sup>	3700 Greenway Circle	Completed 2015
Employee Training Grant	Argenta <sup>4</sup>	2029 Becker Drive	Terminated 2014
Neighborhood Infrastructure	East Lawrence Historic Warehouse District Improvements <sup>5</sup>	Associated with Poehler Building	Phase I Completed in 2012
		Associated with Cider Art Gallery	Phase II Completed in 2013
		Associated with 9 Del Lofts	Phase III Completed in 2015
Development Grant	1106 Rhode Island Street	1106 Rhode Island Street	Development Completed 2015 <sup>6</sup>
Affordable Housing	Cedarwood Sr. Cottages public Improvements	2575 Cedarwood Avenue	Completed 2016 <sup>7</sup>
Business Relocation	Integrated Animal Health <sup>8</sup>	2029 Becker Drive	Approved 2015. Terminated.

<sup>3</sup> Douglas County donated East Hills Business Park land. City authorized forgiveness of \$44,937.81 in special assessments on the lot.

<sup>4</sup> The City and County provided a four-year, \$10,500 job training grant. Company certified and received grant for the first two years only.

<sup>5</sup> Phase I \$1.05 million, Phase II \$695,430, plus \$22,432 in special assessment contributions, Phase III \$270,967.

<sup>6</sup> \$26,100 development grant to assist with City fees and permit expenses to support commercial rehabilitation of historic properties.

<sup>7</sup> \$101,975 for neighborhood infrastructure, improvements and rebates on service development installation fees.

<sup>8</sup> \$100,000 grant, forgivable over a 3-year period based on compliance, and split equally between the City and County. Compliance was met for the first two years, but the company ceased operations and did not meet compliance for the third year. In June 2018, the City and County filed a lawsuit against IAH for breach of contract for failing to meet compliance standards for loan forgiveness during the third year. In March 2019 the Douglas County District Court granted default judgment in favor of the City and County (plaintiffs) and against IAH (defendant), concluding that defendant is in breach of contract and is liable to plaintiffs for the sum of \$33,333.33, together with interest at the statutory rate. The City understands that IAH is now defunct and that collection of the judgment is unlikely.



# County Programs

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## **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, 90% property tax abatement, industrial revenue bond (IRB) financing of up to \$21 million and contributed \$600,000 for infrastructure improvements. The tax abatement started with the 2013 tax year and will expire at the end of the 2022 tax year (December 31, 2022).

## Douglas County E-Community

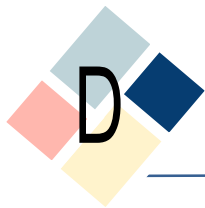
Established in 2011 in cooperation with NetWork Kansas, the Douglas County E-Community is comprised of Douglas County, Baldwin City, the City of Eudora, and the City of Lecompton.

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 2019, the County had processed a total of 16 loans through the program.

2019 Douglas County E-Community Revolving Loan Program						
Recipient	Location	Loan Year	Business Description	Loan Amount	Loan Used For	Loan Status
Cassandra Roller	Baldwin City	2019	Restaurant	\$20,000	Improvements to leased space, purchase of equipment	Open
Flatlanders Pizza	Baldwin City	2019	Restaurant	\$22,000	Improvements to leased space, purchase of equipment	Open
The Nook	Baldwin City	2019	Book store/wine and & coffee bar	\$16,500	Improvements to leased space, purchase of equipment	Open
Schaper Hardware	Baldwin City	2018	Hardware store	\$75,000	Inventory, store improvements	Open
JAW Bats	Baldwin City	2018	Custom baseball bats	\$30,000	Purchase of CNC lathe and MLB certification	Open
Empty Nesters Wine	Lecompton	2018	Winery and storefront	\$75,000	Purchase and improvements to storefront	Open
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.	Paid off

Continued



# County Programs

2019 Douglas County E-Community Revolving Loan Program						
Recipient	Location	Loan Year	Business Description	Loan Amount	Loan Used For	Loan Status
Wakarusa Brewing	Eudora	2016	Brewery	\$26,800	Purchase of equipment and capital improvements	Open
Homestead Kitchen and Bakery, LLC	Baldwin City	2016	Bakery/café	\$8,000	Purchase of equipment and capital improvements	Open
Indie Olive	Eudora	2014	Letterpress & Design Studio	\$25,000	Fund real estate acquisition and building improvements	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	Paid off

Source: Douglas County

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.



# Supplemental Information

## Catalyst Program for Industrial Development

For new spec development or full build-out industrial development in Lawrence, Kansas, the City provides the Catalyst incentive program—a special assistance package offering expedited approval for projects meeting minimum eligibility criteria.

<b>Catalyst Assistance Package</b>
10-Year real property tax abatement: 50%; 70% if project built to LEED Silver equivalent*
IRB Sales tax exemption on project construction materials
City/County owned business park land provided for projects located in LVP or EHBP.
State provided personal property tax exemption (machinery/equipment)
IRB and property tax abatement application fees and bond origination fees waived by the City.

*\*Certification not required*

Since this is a special, temporary program, regular provisions and processes associated with the City of Lawrence’s Economic Development Policy will not apply. Instead, project participation in the Catalyst program is granted directly through the City Commission.

***\*\*\*The Catalyst program is limited in duration and will sunset April 1, 2022, unless extended by the City Commission. \*\*\****

<b>Catalyst Eligibility Requirements</b> <i>(updated 12-3-2019)</i>			
Location	Construction Type (Industrial Use)	Min. Building Size (sf)	Min. Building Capital Investment
Lawrence VenturePark	New Building	75,000	\$5,000,000
	Building Expansion*	25,000	\$1,600,000
East Hill Business Park	New Building	25,000	\$1,600,000
	Building Expansion*	15,000	\$1,000,000
IG zoned land within the City	New Building	25,000	\$1,600,000
	Building Expansion*	25,000	\$1,600,000

*\*For expansion projects, the abatement will only apply to the expansion portion of the building.*



# Supplemental Information

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<b>General Program Requirements</b>
Applicant must be a taxable entity and the project must be a taxable use.
Applicant must complete a brief application describing parameters of the project. Applications are available on the City website at <a href="https://lawrenceks.org/ed">https://lawrenceks.org/ed</a> 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.
Applicant must be current on all property tax, special assessments or any obligations to the City of Lawrence.
Applicant pays special assessments (if applicable) on land provided as part of The Catalyst assistance package.
County-owned land provided as part of assistance package will be subject to Douglas County approval.
Project participation in the Catalyst program to be approved by the City Commission.
If City-owned land is provided as part of the assistance package, applicant must execute a land transfer agreement with the City within the two-year period following approval by City Commission of project Catalyst program participation. Agreement is to outline terms of land transfer and other program eligibility requirements.
City-owned land is not transferred to applicant until a building permit is issued for the project.
Building permit must be issued within 18 months of execution of land transfer agreement.
Project must break ground within 12 months of building permit being issued or the land will revert to the City.
Project must meet applicable zoning and building codes, compliance with City regulations, and eligibility requirements for the duration of the incentive period in order to maintain program benefits.
Building/expansion must be constructed, maintained and operated in accordance with applicable federal, state and local laws.
Benefits under this program are subject to applicant remaining in compliance with all eligibility requirements.

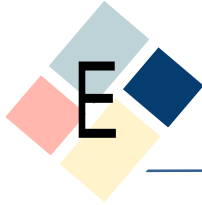


# Supplemental Information

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## *Additional Program Information:*

- Property tax abatements are 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.
- Catalyst package includes 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 in order to access these enhancements.
- Payments in Lieu of Taxes (PILOT payments) may be negotiated with the applicant on a case by case basis.
- Applicant is responsible for paying all bond counsel and bond issuance costs associated with the IRB issuance, if applicable. Applicant is responsible for paying all expenses incurred by the City for professional services pertaining to the project, regardless of if the project is approved. This may include costs associated with research and analytical services, legal publication notices, application fees to the state Board of Tax Appeals, bond counsel and other miscellaneous costs, including but not limited to, the City reasonable costs to process any modifications.



# Supplemental Information



01/14/2020

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 73% as you can see from the chart below.

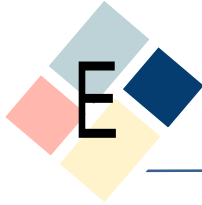
Please let me know if you have further questions.

2019		
Claims/Fees Paid	6,523,984	
Claims Reserved for	450,754	
Onsite Health Clinic	154,397	
Net Medical Expenses	<u>7,129,135</u>	
Total Employee Premiums	1,673,584	23%
Total Company Portion	5,455,551	77% Company

Thank you

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





# Supplemental Information



January 15, 2020

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

RE: 2019 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.

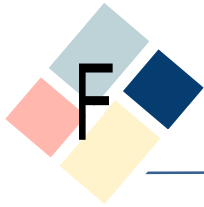
Grandstand's health insurance plan offers medical and dental benefits to all employees, who average thirty (30) or more hours per work week, and their dependents. Employees are eligible for health/dental insurance coverage on the first of the month following the first day of employment.

During the calendar year 2019, 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



# Economic Snapshot

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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.

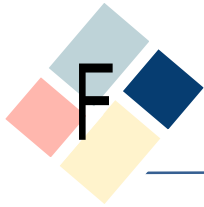
Information on other economic indicators is also included at the end of this section. Note the Lawrence MSA includes all of Douglas County.

## Employment Growth

<b>Annual Labor Force, Employment and Unemployment</b> (Lawrence MSA) <sup>1</sup>				
<b>Period</b>	<b>Labor Force</b>	<b>Employed</b>	<b>Unemployed</b>	<b>Unemployment Rate</b>
2018	65,199	63,204	1,995	3.1%
2017	65,186	63,093	2,093	3.2%
2016	65,276	62,968	2,308	3.5%
2015	64,800	62,411	2,389	3.7%
2014	64,653	62,013	2,640	4.1%
2013	63,535	60,479	3,056	4.8%
2012	63,496	60,235	3,261	5.1%
2011	63,749	60,141	3,606	5.7%
2010	64,379	60,574	3,805	5.9%
2009	63,191	59,579	3,612	5.7%

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<sup>1</sup> 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. Data retrieved October 2019.



# Economic Snapshot

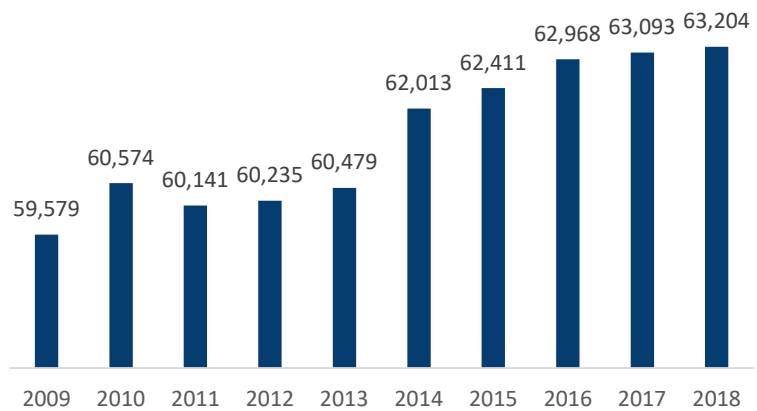
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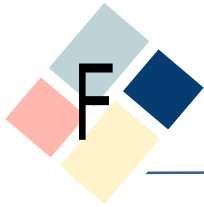
2018 job growth was up 0.2% compared to the previous year, up 1.9% compared to five years ago (2014), and up 6.1% compared to 10 years ago (2009).

Employment Growth (Lawrence MSA)		
Period	Change	% Change
1Y (2017-2018)	111	0.2%
5Y (2014-2018)	1,191	1.9%
10Y (2009-2018)	3,625	6.1%

## Annual Employment Growth

(Lawrence MSA)





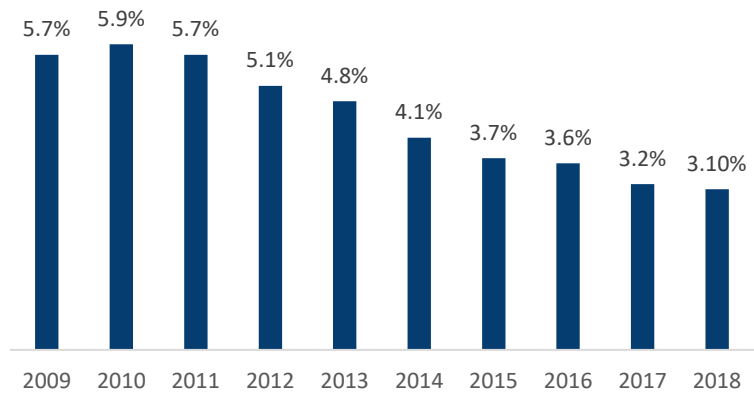
# Economic Snapshot

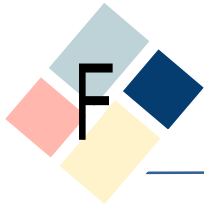
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Unemployment dropped slightly in 2018 compared to the previous year, decreasing 1.0% over the past 5 years (since 2014), and decreased 2.6% over the past 10 years (since 2009).

**Annual Unemployment Rate**  
(Lawrence MSA)

Unemployment Rate (Lawrence MSA)	
Period	Absolute Change
1Y (2017-2018)	-0.1%
5Y (2014-2018)	-1.0%
10Y (2009-2018)	-2.6%





# Economic Snapshot

## Commuting Workforce:

Considering all jobs, the City of Lawrence has approximately 19,600 commuting into the City for jobs as compared to 22,477 that commute out of the City for jobs. For Primary jobs, approximately 20,900 workers commute into the City for jobs as compared to 17,900 that commute to other communities for jobs.

For all job types, the County has approximately 20,700 that commute into the County for jobs as compared to approximately 23,800 that commute to communities outside the County for jobs. For Primary jobs, approximately 18,800 workers commute into the County for jobs as compared to 20,000 that commute to communities outside the County for jobs.

Commuting In  
Commuting Out  
Total Commuting Workforce

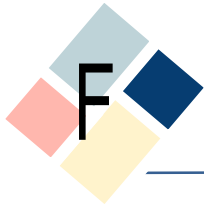
Commuting Workforce							
Lawrence, City				Douglas County, KS			
All Jobs		Primary Jobs		All Jobs		Primary Jobs	
Count	%	Count	%	Count	%	Count	%
19,620	47%	17,902	46%	20,693	46%	18,783	48%
22,477	53%	20,859	54%	23,826	54%	20,002	52%
<b>42,097</b>	<b>100%</b>	<b>38,761</b>	<b>100%</b>	<b>44,519</b>	<b>100%</b>	<b>38,785</b>	<b>100%</b>

Source: Longitudinal Employer-Household Dynamics: 2017 Inflow/Outflow Analysis. Data retrieved 11-7-19.

Employed & Living in Area  
Commuting In  
Total Area Workforce

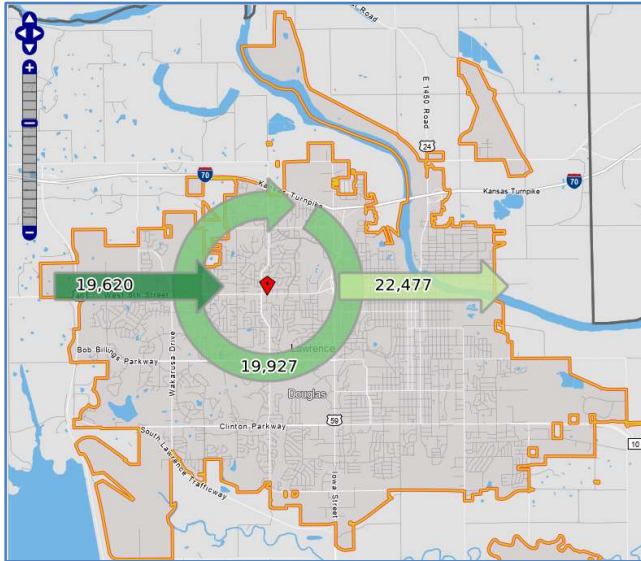
Area Workforce							
Lawrence, City				Douglas County, KS			
All Jobs		Primary Jobs		All Jobs		Primary Jobs	
Count	%	Count	%	Count	%	Count	%
19,297	50%	18,216	50%	30,521	60%	28,124	60%
19,620	50%	17,902	50%	20,693	40%	18,783	40%
<b>38,917</b>	<b>100%</b>	<b>36,118</b>	<b>100%</b>	<b>51,214</b>	<b>100%</b>	<b>46,907</b>	<b>100%</b>

Source: Longitudinal Employer-Household Dynamics: 2017 Inflow/Outflow Analysis. Data retrieved 11-7-19.

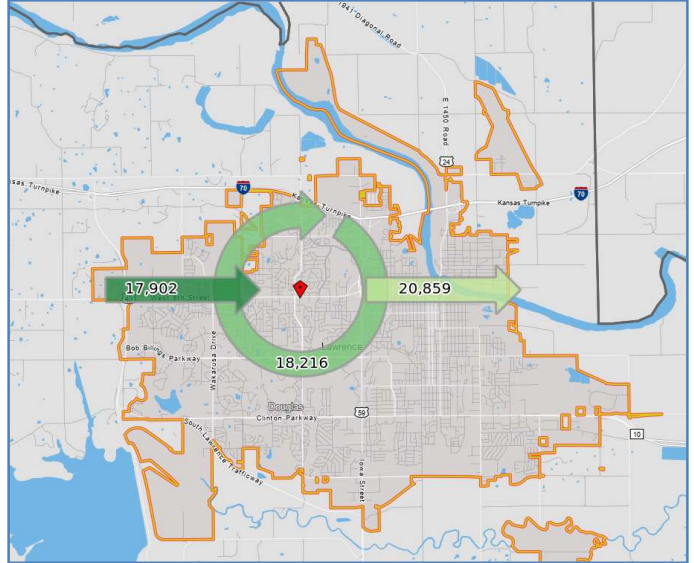


# Economic Snapshot

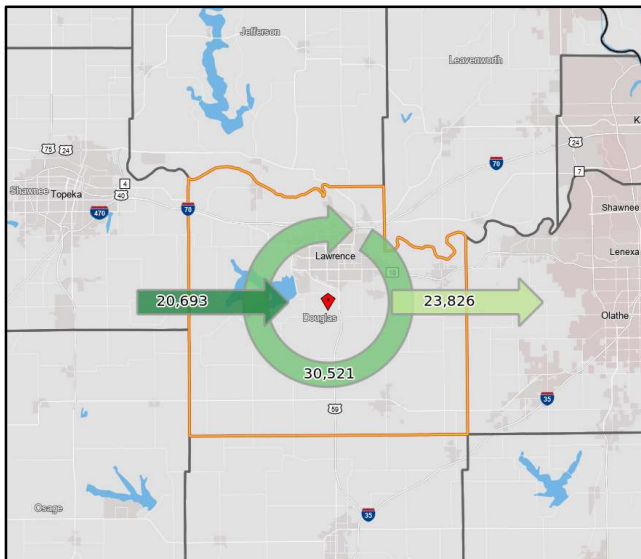
### Lawrence City—All Jobs



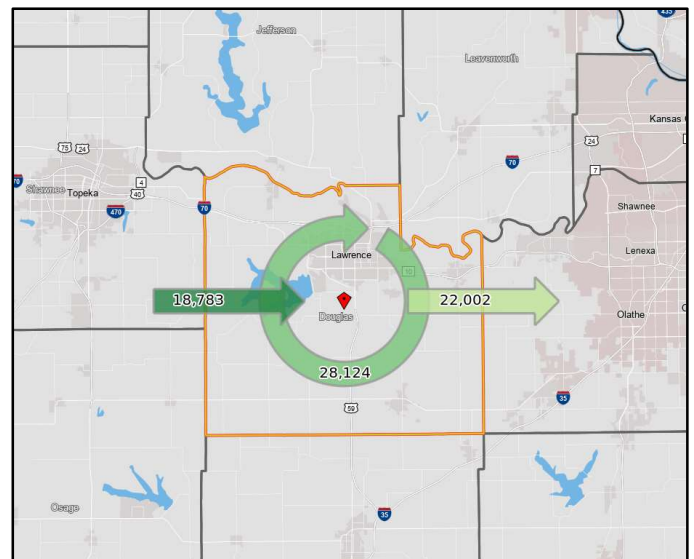
### Lawrence City—Primary Jobs

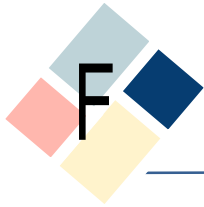


### Douglas County, KS—All Jobs



### Douglas County, KS—Primary Jobs





# Economic Snapshot

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## Income Growth

### Personal Income:

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

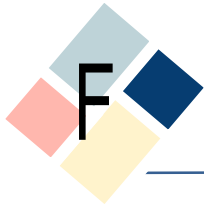
Personal Income & Population <sup>2</sup> (Lawrence MSA)			
Period	Population <sup>3</sup>	Personal income (millions \$)	Per capita personal income <sup>4</sup>
2018	121,436	\$5,300	\$43,642
2017	120,793	\$5,118	\$42,370
2016	119,492	\$5,033	\$42,118
2015	117,866	\$4,954	\$42,029
2014	116,323	\$4,671	\$40,152
2013	114,554	\$4,526	\$39,511
2012	113,215	\$4,470	\$39,478
2011	112,381	\$4,388	\$39,042
2010	111,224	\$4,317	\$38,813
2009	110,039	\$4,329	\$39,342

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<sup>2</sup> Source: Bureau of Economic Bureau of Economic Analysis, Table MAINC4 Personal Income and Employment by Major Component, Lawrence, KS (Metropolitan Statistical Area). Note: All dollar estimates are in 2018 inflation adjusted dollars.

<sup>3</sup> Census Bureau midyear population estimates. Estimates for 2010-2018 reflect county population estimates available as of March 2019.

<sup>4</sup> Per capita personal income = Personal income divided by population.

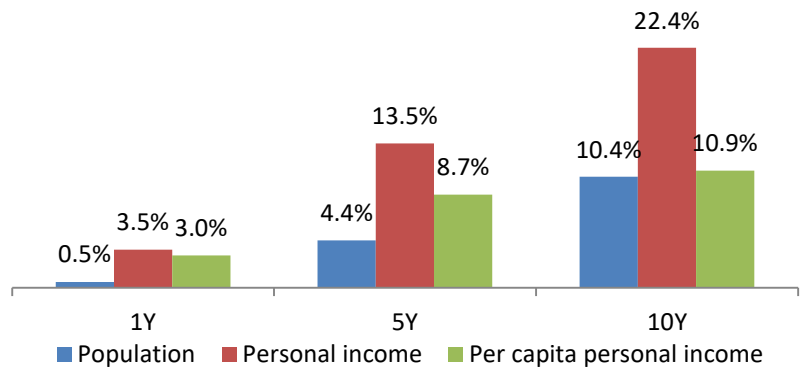


# Economic Snapshot

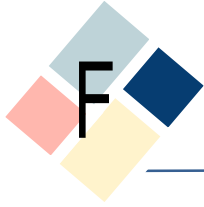
Over a one-year period (2017-2018), personal income grew 3.5% and per capita income increased 3%. Over a 5-year period (2014-2018) personal income grew 13.5% and per capita income increased 8.7%. Over a 10-year period (2009-2018) personal income grew 22.4% and per capita income increased 10.9%.

Personal Income & Population Change			
Description	1Y ('17-'18)	5Y ('14-'18)	10Y ('09-'18)
Population	0.5%	4.4%	10.4%
Personal income	3.5%	13.5%	22.4%
Per capita personal income	3.0%	8.7%	10.9%

**Personal Income & Population Change**  
(Lawrence MSA, Inflation Adjusted 2018 Dollars, US CPI)







# Economic Snapshot

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## Employment Income:

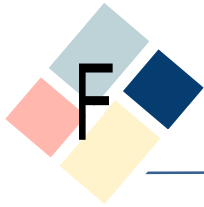
<b>Employment Income <sup>5</sup> (Lawrence MSA)</b>			
<b>Period</b>	<b>Total employment <sup>6</sup></b>	<b>Earnings by place of work (millions \$) <sup>7</sup></b>	<b>Avg. earnings/job <sup>8</sup></b>
2018	74,274	\$3,196	\$43,024
2017	72,384	\$3,177	\$43,885
2016	71,511	\$3,119	\$43,615
2015	70,420	\$3,041	\$43,186
2014	69,517	\$2,891	\$41,588
2013	67,805	\$2,813	\$41,493
2012	66,197	\$2,709	\$40,930
2011	66,327	\$2,728	\$41,123
2010	66,702	\$2,755	\$41,300
2009	67,419	\$2,789	\$41,364

<sup>5</sup> Source: Bureau of Economic Bureau of Economic Analysis, Table MAINC4 Personal Income and Employment by Major Component, Lawrence, KS (Metropolitan Statistical Area). Note: All dollar estimates are in 2018 inflation adjusted dollars.

<sup>6</sup> Total employment includes wage and salary employment plus proprietors employment.

<sup>7</sup> Earnings by place of work includes compensation of employees and proprietors' income.

<sup>8</sup> Average earnings per job = Earnings by place of work/total employment.

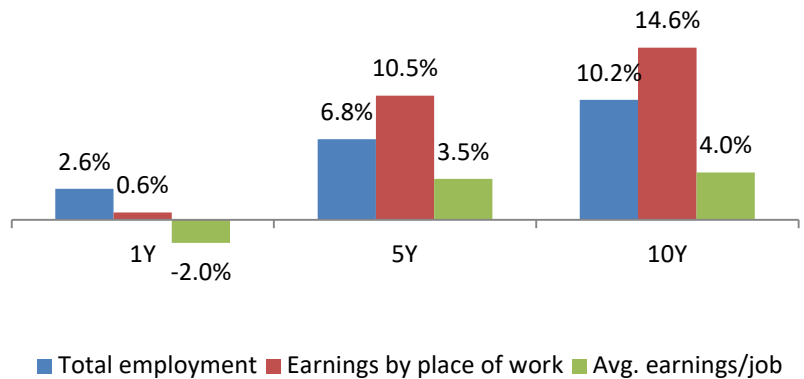


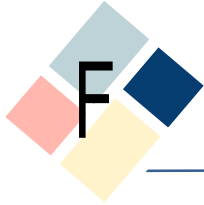
# Economic Snapshot

Employment income increased 0.6% over a one-year period (2017-2018) with average earnings per job decreasing 2%. Over a 5-year period (2014-2018), employment income increased 10.5% with average earnings per job increasing 3.5%. Over a 10-year period (2009-2018), employment income increased 14.6%, with average earnings per job increasing 4%.

Employment Income Change			
Description	1Y ('17-'18)	5Y ('14-'18)	10Y ('09-'18)
Total employment	2.6%	6.8%	10.2%
Earnings by place of work	0.6%	10.5%	14.6%
Avg. earnings/job	-2.0%	3.5%	4.0%

**Employment Income Change**  
(Lawrence MSA, Inflation Adjusted 2018 Dollars, US CPI)





# Economic Snapshot

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## 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.

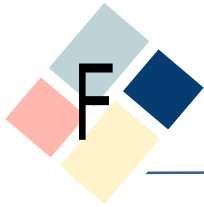
<b>Wages &amp; Salary</b> <sup>9</sup> (Lawrence MSA)			
<b>Period</b>	<b>Wage &amp; salary employment</b> <sup>10</sup>	<b>Total wages and salaries (millions \$)</b> <sup>11</sup>	<b>Avg. wages &amp; salaries/job</b> <sup>12</sup>
2018	57,753	\$2,175	\$37,655
2017	56,476	\$2,159	\$38,228
2016	55,877	\$2,138	\$38,261
2015	55,062	\$2,092	\$37,995
2014	54,406	\$2,007	\$36,898
2013	53,104	\$1,961	\$36,932
2012	51,941	\$1,921	\$36,984
2011	52,035	\$1,910	\$36,705
2010	52,680	\$1,955	\$37,105
2009	53,535	\$2,007	\$37,481

<sup>9</sup> Source: Bureau of Economic Bureau of Economic Analysis, Table MAINC4 Personal Income and Employment by Major Component, Lawrence, KS (Metropolitan Statistical Area). Note: All dollar estimates are in 2018 inflation adjusted dollars.

<sup>10</sup> 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.

<sup>11</sup> 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.

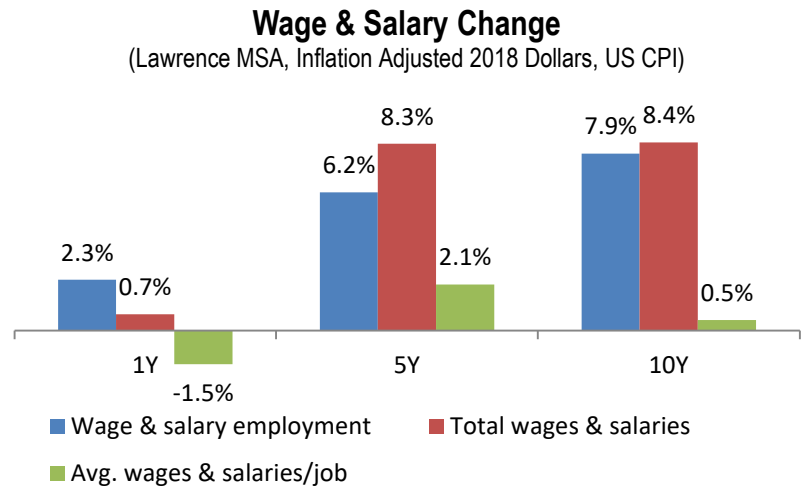
<sup>12</sup> Average wages and salaries per job = Total wages and salaries / Wage and salary employment.

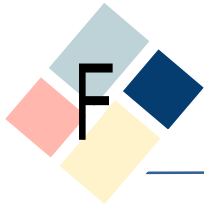


# Economic Snapshot

Total wages and salaries for the Lawrence MSA increased 0.7% over a one-year period (2017-2018) with average wages & salaries per job decreasing 1.5%. Over a 5-year period (2014-2018), total wages and salaries increased 8.3% with average wages/salaries per job increasing 2.1%. Over a 10-year period (2009-2018), total wages and salaries increased 8.4%, with average wages/salaries per job increasing 0.5%.

Wage & Salary Change			
Description	1Y ('17-'18)	5Y ('14-'18)	10Y ('09-'18)
Wage & salary employment	2.3%	6.2%	7.9%
Total wages and salaries	0.7%	8.3%	8.4%
Avg. wages & salaries/job	-1.5%	2.1%	0.5%





# Economic Snapshot

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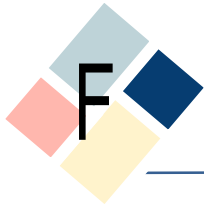
## Tax Base Growth

To lighten taxes on homeowners, 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.

<b>Commercial Real Estate Assessed Valuation</b> (shown as percent of total)						
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Lawrence	29.8%	30.0%	30.3%	30.3%	29.6%	30.0%
Lenexa	47.7%	48.1%	49.0%	47.7%	47.0%	46.6%
Manhattan	28.0%	28.0%	28.0%	27.0%	28.0%	28.8%
Olathe	28.3%	28.6%	31.5%	32.0%	30.3%	30.1%
Overland Park	37.1%	37.2%	38.5%	38.1%	37.5%	34.8%
Shawnee	23.5%	24.1%	26.4%	25.7%	25.5%	34.9%
Topeka	41%	41.7%	42.5%	42.7%	44.5%	43.0%

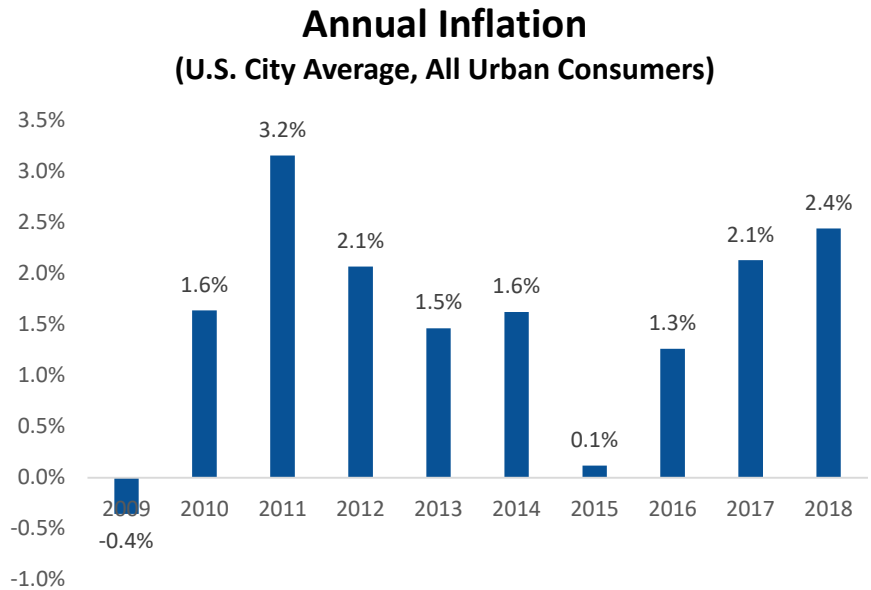
Sources: County Appraisers



# Economic Snapshot

## Additional Economic Indicators

<b>Consumer Price Index<sup>13</sup></b>		
U.S. City Average, All Urban Consumers		
Year	CPI	Y-Y % Change
2018	251.107	2.4%
2017	245.120	2.1%
2016	240.007	1.3%
2015	237.017	0.1%
2014	236.736	1.6%
2013	232.957	1.5%
2012	229.594	2.1%
2011	224.939	3.2%
2010	218.056	1.6%
2009	214.537	-0.4%

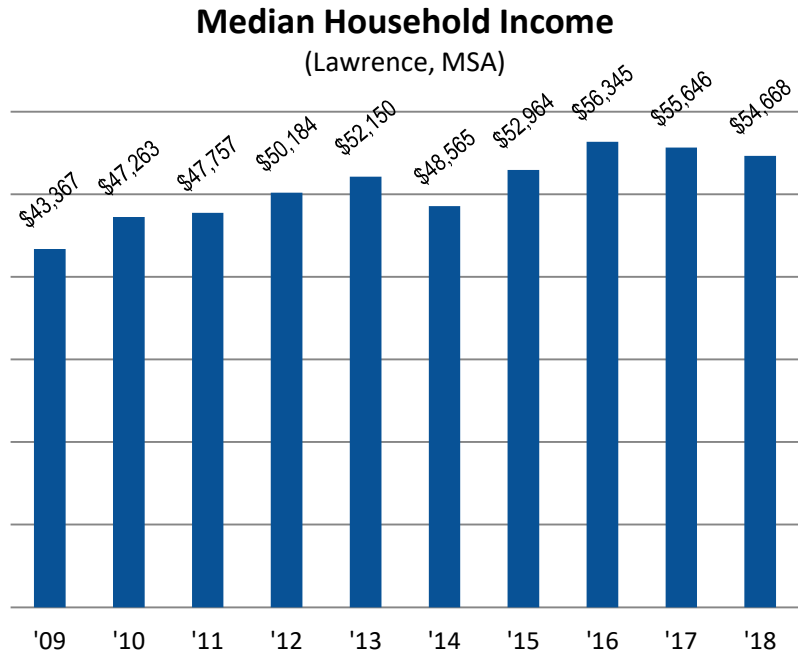


<sup>13</sup> Source: U.S. Bureau of Labor Statistics. Consumer Price Index - All Urban Consumers, U.S. City Average, Not Seasonally Adjusted. Data retrieved November 2019.

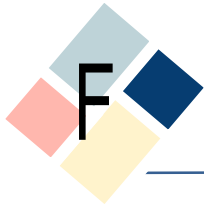


# Economic Snapshot

Median Household Income (Douglas County, KS) <sup>14</sup>		
Year	Amount	Y-Y Change
2018	\$54,668	-1.76%
2017	\$55,646	-1.24%
2016	\$56,345	6.38%
2015	\$52,964	9.06%
2014	\$48,565	-6.87%
2013	\$52,150	3.92%
2012	\$50,184	5.08%
2011	\$47,757	1.05%
2010	\$47,263	8.98%
2009	\$43,367	-6.52%



<sup>14</sup> 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).



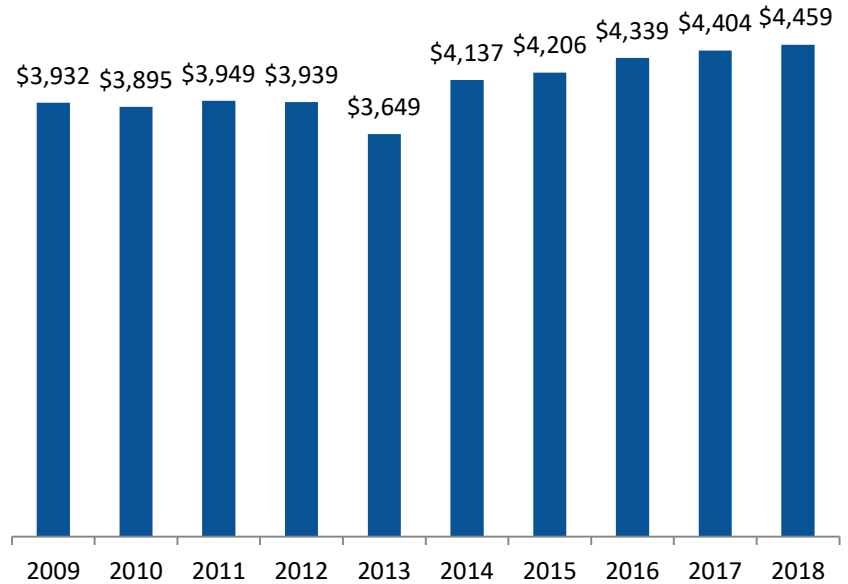
# Economic Snapshot

## GDP Data

### Real GDP: All Industries

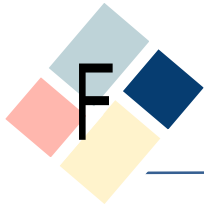
(Lawrence MSA, Millions of chained (2012) Dollars)

Real GDP: Lawrence MSA		
Year	GDP	Y-Y % Change
2018	\$4,459	1.2%
2017	\$4,404	1.5%
2016	\$4,339	3.2%
2015	\$4,206	1.7%
2014	\$4,137	2.3%
2013	\$4,043	2.6%
2012	\$3,939	-0.2%
2011	\$3,949	1.4%
2010	\$3,895	-0.9%
2009	\$3,932	-1.3%



Source: Bureau of Economic Analysis, Table CAGDP9 Real GDP by Metropolitan Area. Data retrieved Dec. 2019. Real GDP for all industries in millions of chained 2012 dollars.

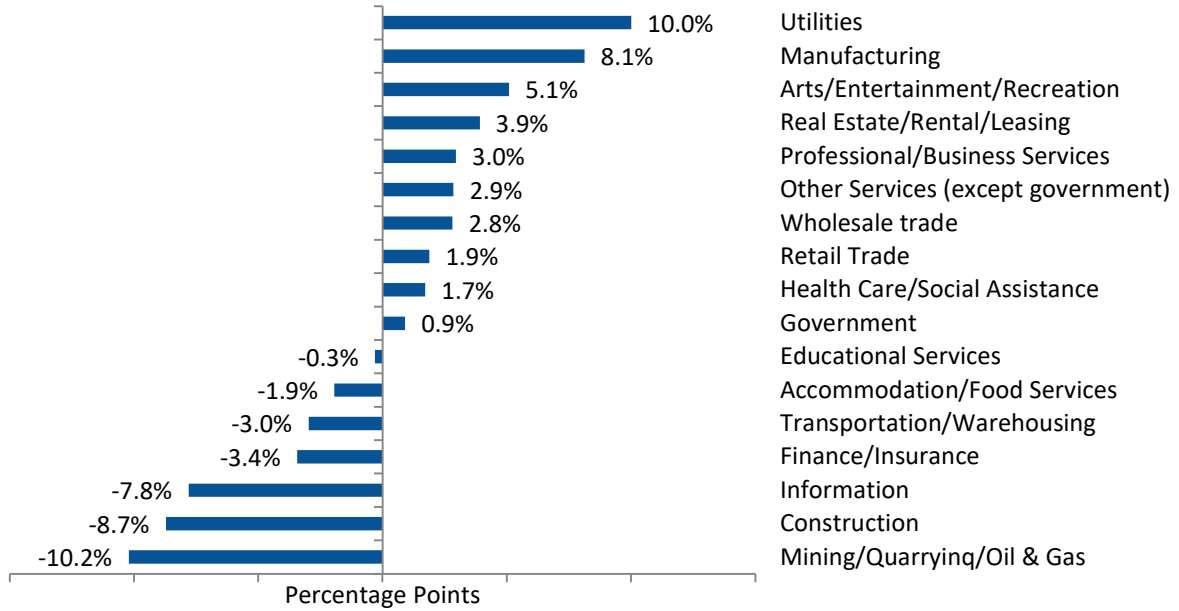




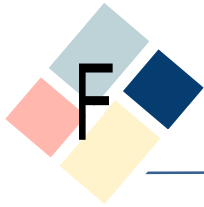
# Economic Snapshot

## Percent Change to Real GDP by Industry

(Lawrence MSA, 2018-2019)

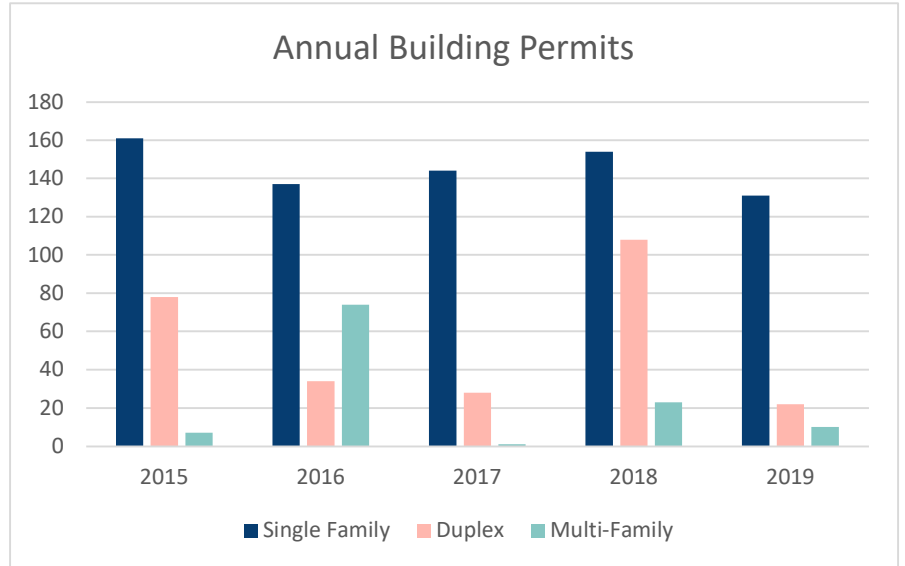


Source: Bureau of Economic Analysis, Table CAGDP9 Real GDP by Metropolitan Area. Data retrieved Dec. 2019. Real GDP for all industries in millions of chained 2012 dollars.



# Economic Snapshot

New Construction Building Permits			
Period	Single Family	Duplex	Multi-Family
2019	131	22	10
2018	154	108	23
2017	144	28	1
2016	137	34	74
2015	161	78	7



## City Sales Tax Revenues (millions \$)

