



CITY OF OLATHE, KANSAS
APPLICATION FOR ISSUANCE OF INDUSTRIAL REVENUE BONDS
(IRB)
New Business to Olathe

This application is submitted in conformance with the city's tax abatement policy. It is understood that the city may require in lieu payments for property which becomes tax exempt. The attached sheet(s), if any, are submitted as Exhibit A of this application. This application must be submitted within sufficient time to meet procedural requirements of the abatement policy, (refer to the tax abatement calendar).

A non-refundable \$4,000 application / filing fee must accompany this application. *If bonds are issued, the City will require an issuance fee of .0025 of the first \$40 million of bonds issued plus .0020 of the amount of bonds issued in excess of \$40 million (issuance fee shall not be less than \$2,500). For warehouse distribution or logistics-type projects the City will require an issuance fee of .0030 of the par amount of bonds being issued (which amount shall not be less than \$2,500). Additionally, the applicant shall be responsible for bond counsel fees, trustee fees and other fees associated with the issuance of the bonds. See Section 6 of Resolution No. 20-1069 and contact Bond Council for a more detailed explanation of the fees.*

BT 175 Phase 1, LLC
Applicant's Name

jbrees@tpa-grp.com
Applicant's Email Address **Telephone Number**

1776 Peachtree Street NW, Suite 100, Atlanta, GA 30309
Applicant's Address

Jon E. Brees - Authorized Signer 816-932-5551
Name and Title of Responsible Officer/Contact **Telephone Number**

1776 Peachtree Street NW, Suite 100, Atlanta, GA 30309
Address (if other than corporate address)

Curtis M. Holland, Polsinelli PC
Attorney for Applicant

cholland@polsinelli.com 913-234-7411
Attorney's Email Address **Telephone Number**

900 W 48th Place, Suite 900, Kansas City, MO 64112
Attorney's Address

TBD
Bond Purchaser/Underwriter for Applicant

Bond Purchaser/Underwriter's Address Telephone Number

Curtis M. Holland, Polsinelli PC
Bond Counsel for Applicant

See above
Bond Counsel's Address **Telephone Number**

I. BUSINESS INFORMATION

A. In what line or lines of business is the applicant engaged?

Real estate development.

B. Is the applicant (or its parent) a proprietorship, partnership, or corporation (LLC)?

Corporation (LLC)

C. Year and State of incorporation 2021, Georgia

If proprietorship, partnership, or close corporation, list the names of owners and the approximate amounts owned by each of its principal stockholders.

D. List the names and titles of the officers of the applicant firm:

Jeb Brees, Manager

E. Are you pursuing an other incentives offered by another government entity? No
If yes, please indicate below what the other incentives are.

II. THE PROJECT

Briefly describe the nature of the proposed project, including information as to the structure itself (size of building, amount of land to be purchased, etc.), whether it is an expansion of an existing facility or the construction of a new facility, and what products or services are to be manufactured or provided there.

The project is the new construction of an approximately 1,123,470 +/- square foot building on approximately 56.1 +/- acres to be used for bulk distribution, industrial, and warehouse purposes located within the planned development located at the northwest corner of 175th Street and Hedge Lane.

A. Approximate amount requested for:

Land (Attach a legal description of property as <u>Exhibit A</u>)	\$ 6,000,000
Building	\$ 49,000,000
Machinery and Equipment	\$ 10,000,000
Pollution Control Facilities	\$ _____
Other Costs*	\$ _____
Total	\$ 65,000,000

* State other costs:

B. Does the applicant, or its parent, presently have offices or industrial facilities located in Olathe, Kansas?
No If yes, please describe below.

C. Will you be relocating from your existing Olathe facilities to new facilities constructed by this project?
N/A If yes, what will you be doing with your existing facilities after relocating?

D. Where is the location of the project?

Northwest corner of 175th Street and Hedge Lane

E. Is the prospective location properly zoned?_ Yes

If a zoning change is pending, cite application number and present status. If application has not been made, briefly describe what change will be needed and plans for submitting application:

F. Describe the type of buildings to be constructed and type of machinery and equipment to be financed:

The building will be used for bulk distribution, industrial, and warehouse purposes. Machinery and equipment will be determined by tenants.

G. Will the applicant be in direct competition with other local firms?

No

If yes, name the firms and describe the nature of the competition:

H. Are adequate public streets and utilities available to the proposed site?

Yes

I. Specify if unusual demands for water and sewer will be made:

N/A

J. Per the City IRB policy, an applicant is required to use City of Olathe solid waste service upon the start of the abatement period. Please indicate that you understand this requirement by answering yes: Yes

If you have a current existing contract with another contractor, please indicate below when that will expire. If you have any extenuating circumstances that would result in the City not being able to adequately serve your needs, please indicate those below:

Will consider using City of Olathe solid waste service based upon tenant need.

K. What percentage of usable floor space will be occupied by applicant? 0%

What percentage will be occupied by other occupants? 100% If known, indicate each occupant below:

L. Name and address of construction contractor and/or architect:

General contractor TBD.

Alan Johnson Design, LLC, 3511 Locust Street, Kansas City, Missouri 64109

M. How many persons will be employed at the project? TBD

Will this project represent an increase in employment opportunities in Olathe, Kansas? Yes

** Please complete Appendix I on page 10.*

N. Briefly describe the approximate number of persons to be employed by the project at all levels.

(e.g. - management, office, skilled and unskilled):

TBD - commensurate with other comparable uses in the area.

O. What dollar amount and percentage of the applicant's total projected annual sales for the next ten (10) years, is expected to be generate by the project?

TBD - commensurate with other comparable uses in the area.

P. What percentage of sales will be sold locally? N/A Is this percentage increasing, decreasing, or remaining stable from the current trend? Increasing

Q. What is the estimated annual amount of merchandise and services purchased locally by the applicant?

N/A

R. Is there likelihood for expansion of the proposed facility within three (3) years? No

If such expansion is contemplated, please describe below:

III. FINANCING

A. Have arrangements been for the marketing of the bonds? No

If yes, please proceed to answer 1 - 7.

If no, please proceed to answer 8 - 12.

1. Describe interest rate structure and term of bonds below:

2. Will the applicant pledge any assets other than the project itself to secure the bonds?
3. Will a bond and interest reserve be provided for? No If yes, state amount and source of funding.
4. Does the applicant have any major contractual arrangements that would tend to assure, or be a detriment to, the successful financing and marketing of the proposed bonds? No If yes, describe below:
5. Has a bond underwriter determined whether or not the bonds are marketable? No
If yes, describe its determination below:
6. Indicate whether bonds will be publicly or privately placed. Privately
7. Does the applicant, or its parent, intend to purchase all or any part of the proposed bond issue?
8. What portion of the project will be financed from funds other than bond proceeds, and what is the source of such funds?
None.
9. What will be the applicant's equity investment? Please describe:
TBD.
10. Has the applicant considered conventional financing? Yes

11. Indicate name of primary officer, institution name, and address of trustee and/or fiscal agent.

Nancy McConnell
BOKF, N.A.
2405 Grand Blvd, Suite 840
Kansas City, MO 64108

12. Proposed date of issuing bonds: 12/31/2022

B. List below previous participation in IRB financing:

None.

Prior to the contractor starting construction on the project, the applicant shall notify the City Clerk whether or not to proceed with an application for a sales tax exemption from the state of Kansas. Prior to, or at completion, of the project, the applicant shall inform the City Clerk to proceed with the issuance of the industrial revenue bonds and filing with the state board of tax appeals for a tax abatement on the project.

V. TAXES

A. What is the requested tax abatement term in years? 10 years Percentage requested 50 %

B. If a Fixed PILOT payment is proposed for the project, please outline proposed structure:

Approx. 50% - Fixed PILOT requested

- C. Under normal circumstances, the City will require payment in lieu of payments for property which becomes tax exempt. If tax abatement is requested, please describe special features or benefits of the project, which would justify tax abatements at the requested percentage and term. Include information about other local revenues associated with the project, such as sales taxes and franchise fees.

This application pertains to the initial building of this development, which is planned to be approximately 1,123,470 +/- square feet. Upon full build-out, this project will be very beneficial to the City of Olathe by creating new jobs, increasing the property tax base, and increasing sales tax revenues. The Applicant is a well-known real estate developer with the knowledge and expertise to develop this project and to bring desirable tenants to the City.

VI. CERTIFICATION OF APPLICANT

Applicant understands and agrees to pay all fees described on Page 1 of this application.

Applicant agrees to comply with the provisions of Chapter 2.82 of the Olathe Municipal Code (the "Code") regarding Public Art for the Project, or to pay the necessary payment to the City's Public Art Fund.

Applicant agrees to comply with Section 2(D) of Policy No. F-5, Resolution No. 20-1069.

It is understood that a performance agreement shall be required, as set forth in the City's tax abatement policy, for applications requesting tax abatement. I hereby swear that the foregoing and attached information dated this 21st day of June 2021, is true and correct to the best of my knowledge.

Applicant understands that the City reserves the right to ask for additional financial information, including, but not limited to financial reports, credit ratings, shareholder reports, on-going litigation information and proforma statements.

Signed _____
Name

By Authorized Signer
Title of Responsible Officer

APPENDIX I*
EMPLOYMENT INFORMATION
APPLICATION FOR ISSUANCE OF INDUSTRIAL REVENUE BONDS

State law requires a fiscal impact analysis be performed prior to the issuance of a tax abatement. Information provided in sections below of Appendix I is essential in order for the city to meet this requirement.

Current number of employees at firm's present site. N/A

Occupational Classification	Total	Average Starting Wage	Average Maximum Wage	Number By County of Residence *	
				Johnson	Other
				Johnson	Other
				Johnson	Other
				Johnson	Other
				Johnson	Other
				Johnson	Other
				Johnson	Other

EXHIBIT A

Insert or attach here:

PROPOSED 175TH STREET COMMERCE CENTRE, LOT 1

LEGAL DESCRIPTION:

All that part of Southeast 1/4 of Section 21 Township 14 South, Range 24 East, in the City of Olathe, Johnson County, Kansas, more particularly described as follows:

Commencing at the Southeast corner of said Southeast 1/4; thence N 1° 54' 33" W along the East line of said Southeast 1/4, a distance of 557.61 feet; thence S 88° 05' 59" W, a distance of 60.00 feet to a point on the West right-of-way line of Hedge Lane, as now established, to the Point of Beginning; thence S 88° 05' 59" W, a distance of 611.73 feet; thence S 1° 53' 52" E, a distance of 10.83 feet; thence S 88° 05' 55" W, a distance of 1904.99 feet to a point on the West line of said Southeast 1/4; thence N 1° 50' 37" W along said West line, a distance of 1000.16 feet; thence N 88° 06' 08" E, a distance of 2515.57 feet to a point on said West right-of-way line of Hedge Lane as now established; thence S 1° 54' 33" E along said West right-of-way line, a distance of 989.18 feet to the Point of Beginning, containing 2,509,715 SQ. FT. or 57.615 Acres more or less.

Firm Data Sheet

Information for firm that will occupy the facility and its employees

PLEASE NOTE APPENDIX TWO (BOTTOM TABS)

Use information on firm that will occupy the facility

Name of Firm

Speculative Tenants

Description of the firm's location or expansion in the community:

Northwest corner of 175th Street and Hedge Lane

Requested tax abatement term in years 10 years Abatement percentage requested 50%

Square footage of the facility 1,123,470

Acreage of land the project will occupy 56.1

NAICS or SIC Code _____

Market Value of the firm's initial new or additional investment in:

<i>Land</i>	<u>\$6,000,000</u>
<i>Building and Improvements</i>	<u>\$49,000,000</u>
<i>Furniture, Fixtures and Equipment</i>	<u>\$10,000,000</u>
<i>Other Costs</i>	<u> </u>
<i>Total</i>	<u>\$65,000,000</u>

Project expansion (if acceptable):

Year of expansion N/A

Additional investment in:

<i>Land</i>	<u>N/A</u>
<i>Building and Improvements</i>	<u>N/A</u>
<i>Furniture, Fixtures and Equipment</i>	<u>N/A</u>

Total Sales (from the most current completed fiscal year):

Year N/A *Sales* _____

New or additional sales of the firm - as a result of the project:

These amounts are highly dependent upon the tenants that occupy the facilities. As such, it is impossible to

<i>Year</i>			
1	<u>\$1,685,205</u>	6	<u>\$1,685,205</u>
2	<u>\$1,685,205</u>	7	<u>\$1,685,205</u>
3	<u>\$1,685,205</u>	8	<u>\$1,685,205</u>
4	<u>\$1,685,205</u>	9	<u>\$1,685,205</u>
5	<u>\$1,685,205</u>	10	<u>\$1,685,205</u>

Percent of those sales subject to sales tax in the:

City (Olathe) TBD

County (Johnson)	<u>TBD</u>
State (Kansas)	<u>TBD</u>

Annual net taxable income, as a percent of sales, on which state corporate income taxes will be computed: TBD

New or Additional annual purchases of the firm as a result of the project:
(items used in operations of business, not inventory that will be sold)

Year	
1	<u>\$3,000,000</u>
2	<u>\$600,000</u>
3	<u>\$600,000</u>
4	<u>\$600,000</u>
5	<u>\$600,000</u>
6	<u>\$600,000</u>
7	<u>\$600,000</u>
8	<u>\$600,000</u>
9	<u>\$600,000</u>
10	<u>\$600,000</u>

Percent of those purchases subject to sales taxes in the:

City (Olathe)	<u>15%</u>
County (Johnson)	<u>30%</u>
State (Kansas)	<u>30%</u>

Additional annual utilities that will be used by the firm as a result of the project

Water	<u>\$177,732</u>
Wastewater	<u>\$44,441</u>
Telephone	<u>\$317,434</u>
Electricity	<u>\$952,307</u>
Gas	<u>\$317,434</u>
Garbage	<u>\$25,395</u>
Cable	<u>N/A</u>

Number of new employees to be hired each year (to be used to complete Appendix II)

Year	
1	<u>196</u>
2	<u>140</u>
3	<u>95</u>
4	<u>73</u>
5	<u>56</u>
6	<u></u>
7	<u></u>
8	<u></u>
9	<u></u>
10	<u></u>

Number of new employees moving to the county each year (use numbers from above):

Year	From Out-of-State	From Another Kansas County	Will not move	Total
1	39	59	98	196
2	28	42	70	140
3	19	29	47	95
4	15	22	36	73
5	11	17	28	56
6				
7				
8				
9				
10				
Total	112	169	279	560

Average annual salary of all employees:

Year	
1	\$39,672
2	\$40,465
3	\$41,275
4	\$42,100
5	\$42,942
6	\$43,801
7	\$44,677
8	\$45,571
9	\$46,482
10	\$47,412

Household size of a typical new worker 2.83

Number of school age children in the household of a typical new worker 0.83

Construction

Initial construction or expansion

Cost of Construction at the firm's new or expanded facility	<u>\$59,000,000</u>	
If construction is by an outside contractor, estimate percent profit on the cost of construction:	<u>5.00%</u>	
Total construction salaries (A)	<u>\$20,650,000</u>	
Amount paid to average construction worker during the construction period (B)	<u>\$49,166.67</u>	A + C = B
Number of construction workers (C)	<u>420</u>	
Household size of an average construction worker	<u>2.83</u>	

Expansion II (if applicable):

Cost of Construction at the firm's new or expanded facility N/A

If construction is by an outside contractor, estimate percent profit on the cost of construction: _____

Total construction salaries (A) _____

Amount paid to average construction worker during the construction period (B) _____ $A \div C = B$

Number of construction workers (C) _____

Household size of an average construction worker _____

Visitors

Number of out-of-town visitors expected at the firm:

Year			
1	<u>200</u>	6	<u>235</u>
2	<u>210</u>	7	<u>240</u>
3	<u>220</u>	8	<u>245</u>
4	<u>225</u>	9	<u>250</u>
5	<u>230</u>	10	<u>255</u>

Number of days that each visitor will stay in the area 1.5

Number of nights that a typical visitor will stay in a local hotel or motel:

<i>In the City of Olathe</i>	<u>1</u>
<i>Anywhere in the county</i>	<u>0.5</u>

Firm Data Sheet
January 2018

Sales Tax Exemption Certificate

Prior to the contractor starting construction on the project, that applicant shall notify the City Clerk whether or not to proceed with an applicant for a sales tax exemption from the state of

Project Completion and Processing of the Tax Abatement

Prior to the completion of the project, the applicant shall inform the City and Bond Counsel to proceed with the state board of tax appeals for a tax abatement on the project.

APPENDIX II (must correspond with above information)

<i>New jobs to be created in each of the next ten years</i>																					
Occupational Classification	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	TOTAL	Average Starting Wage (use current pay scale)									
	Management																				
Office / Clerical																					
Professional																					
Skilled																					
Unskilled																					
Total																					