

August 5, 2025

**Single Series Bonds Request**  
CB Holdings Olathe LLC (Char Bar) and assigns  
Industrial Revenue Bond & Tax Phase-In Project  
Executive Summary



Located on the following Parcels:  
DP13520000 0001 and DP13520000 0002

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**Introduction**

The City has received a \$10,521,660 industrial revenue bond application from CB Olathe Holdings LLC (Char Bar) and assigns ("Applicant") for the redevelopment and construction of a 26,271 square foot restaurant and entertainment venue on 2.93-acres at 200 W. Santa Fe Street. The Applicant anticipates construction of an additional 22,209 square feet of space on to the existing 4,062 square foot structure. The Applicant seeks to have the project receive a 10-year, 100% property tax phase-in in conjunction with the issuance of the City's industrial revenue bonds. This project is applying for and falls under the City's tax abatement policy for a new business abatement in a targeted area (Downtown Olathe), Resolution 24-1075 and Policy F-5.

Bonds for this single-phase project are expected to be issued in one series. This series of bonds to be issued would allow the Applicant to redevelop the existing facility and significantly upgrade it from the current property use. The Applicant requests issuance of an amount not to exceed \$10,521,660 of industrial revenue bonds for the construction. The proceeds from the bonds would be divided as follows: \$42,525 of the bonds would cover the property, \$8,479,135 of the bonds would cover costs to redevelop the building and \$2,000,000 of the bonds would cover furniture, fixtures and equipment.

The following information about this request relates to the projected impacts of the project and was derived from the attached application materials.

**Employment**

The project is expected to create 370 new jobs over the next 10 years. The salaries are expected to average \$50,000 in the first year, growing to an average of \$65,239 in year 10. These jobs would create approximately \$138 million in total new wages to the Olathe economy over the next 10 years.

## **Machinery & Equipment**

The application does include funds for furniture, fixtures and equipment. These items will include kitchen equipment along with furniture for the facility.

## **IRB Request**

This series request is to issue industrial revenue bonds in a single series not to exceed \$10,521,660 for the redevelopment and construction of a 26,271 square foot sit-down restaurant space. It is anticipated that the bonds will be taxable industrial revenue bonds backed by the revenue generated from the facility. The applicant plans to purchase the bonds.

## **Tax Abatement Request**

The Applicant is requesting an approximate 10-year, 100% property tax phase-in for its project, under the City's Tax Abatement Resolution 24-1075 and Policy F-5. The abatement would be for the new investment in improvements associated with the request to issue bonds for the project. The level of capital investment meets the criteria for a 10-year property tax abatement for a new business under the City's tax abatement policy in a targeted area.

## **Taxes**

The City of Olathe will be forgoing property taxes over the 10-year period, however the increased sales tax collections of the project will help to offset the tax loss during the life of the abatement. This facility is currently tax exempt as it was owned and occupied by the City of Olathe.

## **Sales**

The project will increase new annual sales throughout the duration of the project for the tenant and are projected to be \$4,000,000 in the first year, growing to \$4,780,370 million in the final year of the abatement. A total of \$43.7 million in additional sales are attributed to this project.

## **Annual Purchases**

The applicant has projected that the project would generate approximately \$2.45 million in new operating expenditures over the life of the tax phase-in.

## **Franchise Fees**

It is expected that the project will generate \$16,800 in new franchise fees over the 10-year period.

## **Water, wastewater & Garbage**

The applicant anticipates generating an additional \$26,880 in revenue from increased water, sewer and garbage service during the 10-year abatement period.

## **Special Assessments**

There are currently no special assessments associated with this property.

### **Local Competition**

The applicant will potentially be in competition with other local area eating establishments with similar product. However the hope is this project will bring a synergy to the downtown area and increase overall visibility to the area.

### **Cost-Benefit Analysis**

As required by Kansas law, staff completed a cost-benefit analysis of the project on the City of Olathe. The Kansas, Inc. model reflects the impact upon the city, county, school district, and state. A variety of information concerning the firm, the construction, and the community was input into the model.

The cost-benefit model shows that the facility will have a benefit to cost ratio of 1.55 to 1 for the City of Olathe, which translates into an annual rate of return on the City's investment of taxes abated of 155.90%. The payback period for incentives and taxes abated will be approximately 6 years.

### **County & School District Impact**

It is expected that the project will bring approximately 185 total new jobs (direct and in-direct) to the City, with 148 new residents moving into Johnson County over the next 10 years. This project will be located in the Olathe School District. Of the new residents, 70% are expected to move into the Olathe School District. The impact on the school district would be 69 new students over the next 10 years. Per Kansas law, the City will provide written information to the County and the School District pertaining to this request.

### **Performance Agreement**

The applicant has been informed that a performance agreement will be required as part of a tax abatement for the project which is locating on parcels DP13520000 0001 and DP13520000 0002. The minimum targeted expenditures would be approximately 80% of the projected bond issuance for this project, or \$8,417,000.