

2018

# ECONOMIC DEVELOPMENT INCENTIVES

ACTIVITY REPORT

Prepared by Resource  
Management April 2019

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## Executive Summary

Nationally identified as one of the most desirable places to live in the central U.S., Olathe is a progressive city utilizing innovative strategies to produce efficient, responsive government for its residents and business community. Growing and sustaining our economic base is a key priority for the City of Olathe.



The goal of the City is to sustain long-term economic health and vitality of the City through the retention, expansion and attraction of businesses and development that enhance property values, increase personal income, and make a positive contribution to the quality of life of the citizens of Olathe.

The Olathe Economic Development Program is based on a cooperative relationship between the City of Olathe and the Olathe Chamber of Commerce maintaining strong ties with the Johnson County Workforce Partnership, the Kansas City Area Development Council, and the Kansas Department of Commerce.

In partnership with the City, the Olathe Chamber of Commerce works closely with commercial property owners, business owners and developers to assure that all our businesses are functioning at their highest and best use, contributing to the City's tax base and helping us achieve the City's economic development goals. In addition, the Olathe Chamber of Commerce works to actively market the City, recruit new businesses, and help existing businesses thrive.

The Resource Management Department provides annual reports to the Olathe City Council regarding Olathe's economic development activity. These reports provide general information regarding new economic development activity as it relates to the City's industrial revenue bond, tax increment financing, transportation development district, community improvement district, and benefit district programs. The report may also contain other economic development information requested by the City Council from time to time.

## Summary of 2018 Economic Development Incentives Activity

Incentive Type	Action
<b>Industrial Revenue Bonds</b>	<ul style="list-style-type: none"> <li>• Resolution of Intent for 4 projects with tax phase in for 10 years</li> <li>• Bond Authorization for 8 sales tax exemption only projects</li> <li>• Bond Authorization for 7 projects with total investment of \$197,724,000</li> <li>• 7 projects completed. (Attached report provides additional details.)</li> </ul>
<b>Community Improvement District</b>	<ul style="list-style-type: none"> <li>• 1 New CID (West Market) Created</li> </ul>
<b>Tax Increment Financing District</b>	<ul style="list-style-type: none"> <li>• 1 TIF District (Southgate) retired</li> </ul>

## Industrial Revenue Bond Tax Phase In (IRB)

The City of Olathe may provide qualified businesses a tax phase in of up to 100% of the new real property taxes for up to 10 years by the issuance of industrial revenue bonds. The issuance of IRBs also allows the City to offer a sales tax exemption on the purchase of building materials in Kansas.



### Resolution of Intent Projects in 2018

Project	Investment	Phase In	Term	Classification
AP Multifamily Investors	\$53,925,000	100%	10 yrs	Apartments
Bedrock Concrete	\$6,500,000	50%	10 yrs	Warehouse-Office
Pac Sun Building #2	\$28,450,000	50%	10 yrs	Warehouse
Fremato (TVH Warehouse)	\$15,850,000	50%	10 yrs	Warehouse

### IRBs Issued in 2018

Project	Investment	Phase In	Term	Classification
OSC, LLC (Soccer Fields)	\$12,400,000	100%	10 yrs	Athletic Fields
TSVC, Inc. (Terracon)	\$23,000,000	65%	10 yrs	Office
Opus Building II	\$16,524,000	50%	10 yrs	Warehouse
Fremato (TVH Office)	\$8,000,000	55%	10 yrs	Office
Garmin Realty, LLC	\$102,000,000	75%	10 yrs	Warehouse
I-35 Logistic Park Building C	\$30,000,000	50%	10 yrs	Warehouse
Ace Properties, LLC Lot 1	\$5,800,000	50%	10 yrs	Warehouse

### Sales Tax Exemptions Issued in 2018

Project	Investment	Classification
OSC, LLC	\$16,000,000	Commercial/Office
MoKan Hospitality, LLC	\$20,000,000	Hotel
RoKC Olathe Property	\$3,000,000	Athletic Facility
Blackbob KC Self-Storage, LTD	\$3,780,000	Storage Facility
Grayson Enterprise, LLC	\$2,000,000	Warehouse/Office
Holmes 111, LLC	\$14,000,000	Commercial
Bala, LLC/Olathe Plaza, LLC	\$8,500,000	Hotel
Woodsonia Real Estate, INC	\$2,500,000	Commercial

### Completed IRB's in 2018

Project	Location	Phase In	Appraised Value	Classification
Corporate Ridge, LLC	18103 W. 106 <sup>th</sup> St.	55%	\$11,730,000	Office
ICS Blackbob 127, LLC A&B	12718 S. Black Bob Road	55%	\$13,780,000	Office
Garmin Int'l, Inc (Tower and Warehouse)	1700 S. Mahaffie Circle	75%	\$99,097,000	Warehouse-Office
Garmin Int'l, Inc. (Manufacturing)	1700 S. Mahaffie Circle	75%	\$97,641,000	Manufacturing
Sun Life Assurance	22101 W. 167 <sup>th</sup> St.	50%	\$29,912,000	Warehouse
Karbank Enterprises, LLC (Building 4)	16850 W. 119 <sup>th</sup> St.	55%	\$10,887,000	Office
US Bank National Association	24101 W. Valley Pkwy	55%	\$40,851,980	Office

## Active IRB's in 2018

Project	Business Park	Address	% Tax Phase In	Effective	Completed	Term
RKDBD (Delka Designs)	Parkside	618 N CENTRAL ST, OLATHE, KS	50%	2011	2020	10 yrs
Deere and Company	Corporate Ridge	10789 S RIDGEVIEW RD, OLATHE, KS	55%	2012	2021	10 yrs
Logics Control (DVR2)	KC Road	890 N MART-WAY CT, OLATHE, KS	50%	2012	2021	10 yrs
TVH	Standalone	16355 S LONE ELM RD, OLATHE, KS	50%	2013	2022	10 yrs
Webco	Standalone	20575 W 161ST ST, OLATHE, KS	50%	2013	2022	10 yrs
Sun Life Assurance	I-35 Logistics Park	15250 S GREEN RD, OLATHE, KS	50%	2014	2023	10 yrs
Grayson Enterprises, LLC	Deerfield	1320 S ENTERPRISE ST, OLATHE, KS	50%	2015	2023	10 yrs
Grayson Enterprises, LLC	Deerfield	1330 S ENTERPRISE ST, OLATHE, KS	50%	2015	2024	10 yrs
JCOO Holdings, LLC (Custom Store Fronts)	ERL	1490 W IRONWOOD ST, OLATHE, KS	50%	2015	2024	10 yrs
JCKR Properties, LLC (Customer Store Fronts)	ERL	1432 W IRONWOOD ST, OLATHE, KS	50%	2015	2024	10 yrs
Precision Manifold Systems	Standalone	700 W FRONTIER LN, OLATHE, KS	50%	2015	2024	10 yrs
Gunze	Standalone	1400 S HAMILTON CIR, OLATHE, KS	50%	2016	2025	10 yrs
DCI INC (Elecsys)	OPUS KC Road	846 N MART-WAY CT, OLATHE, KS	50%	2016	2025	10 yrs
JDC Olathe, LLC	Standalone	22525 W 167TH ST, OLATHE, KS	50%	2016	2025	10 yrs
TransAmTrucking Inc.	Standalone	19865 W 156TH ST, OLATHE, KS	50%	2016	2025	10 yrs
Garmin Int'l	Standalone	1200 E 151ST ST, STE #1, OLATHE, KS	75%	2017	2026	10 yrs
Himoinsa Power Systems INC	Standalone	16600 S THEDEN ST, OLATHE, KS	50%	2017	2026	10 yrs
Lone Em 716	Standalone	16575 S THEDEN ST, OLATHE, KS	50%	2017	2026	10 yrs
Odyssey Lone Elm	Standalone	16231 S LONE ELM RD, OLATHE, KS	50%	2017	2026	10 yrs
Orizon	56 Commerce Industrial Park	801 W OLD 56 HWY, OLATHE, KS	50%	2018	2027	10 yrs
Builder's Stone	Standalone	665 N LINDENWOOD DR, OLATHE, KS	50%	2018	2027	10 yrs
Contrator's Garage	Mahaffie Business Park	15845 S MAHAFFIE ST, OLATHE, KS	50%	2018	2027	10 yrs
William R. Miller	Mahaffie Business Park	15520 S MAHAFFIE ST, OLATHE, KS	Fixed Pilot	2018	2023	6 yrs

## Tax Increment Financing Projects (TIF)

TIF is a development tool which allows cities to pay a portion of redevelopment costs for a new development which is located in the state Enterprise Zone, in a Blighted Area, or a Conservation Area. The redevelopment costs are paid from the new incremental property and sales tax revenue generated by the new development. The existing property and sales tax revenue is “frozen” until the project generates sufficient revenue to pay for redevelopment costs agreed upon between the City and the developer of the Project. Under Kansas law, these redevelopment costs may go toward public infrastructure improvements, including road and utility construction, as well as demolition of existing structures, but may not go toward private building construction.



The following TIF District began in 2018; Ridgeview Marketplace.

### Active TIF Projects as of 12-31-18

Project Name	Project Plan Approval Date	Sales Tax Captured***	Total TIF Bonds Issued***	Total Project Costs***	TIF/TDD/CID Reimb. Costs	TIF Elig. Cost Cap***	Revenues to date (Less Administrative Fee)	% Public Investment of Total Project Cost	TERM of TIF***
Heritage Crossing TIF	April 25, 2006	50% City General	Pay-As-You-Go	\$16,441,300	\$3,160,300	\$3,160,300	\$477,867	19.2%	20 years
West Village Center TIF	June 6, 2006	100% City General	\$17,250,000 TIF Bonds	\$58,107,263	\$13,928,302	\$13,928,302	\$12,387,733	24%	20 years
Olathe Gateway TIF Area 1	November 28, 2006	100% City General	\$13,030,000 TIF Bonds	\$88,847,597	\$21,759,819	\$12,771,602	\$6,940,611	14.4%	20 years
Olathe Gateway TIF Area 2A	--	--	--	--	\$0	\$0	\$1,635,806	--	20 years
Olathe Gateway TIF Area 2B	--	--	--	--	\$0	\$0	\$489,230	--	20 years
Olathe Entertainment District TIF (3)	--	--	--	--	\$0	\$0	\$31,327	--	20 years
Santa Fe and Ridgeview TIF	--	50% City General	--	--	\$0	\$0	\$336,798	--	--
Heart of America TIF (Hilton)	December 7, 2010	100% City General	Pay-As-You-Go	\$17,795,000	\$4,250,000	\$3,750,000	\$1,484,408	21.1%	20 years
Ancona TIF	November 20, 2012	100% Ad Valorem Property Tax	Pay-As-You-Go	5,902,160	\$1,561,239	\$2,500,000	\$148,886	42.4%	20 years
Heart of America TIF (Conference Center & Hotel)	August 20, 2013	100% City General Sales Tax and 100% of TGT	Pay-As-You-Go	\$51,000,000	\$19,580,262	N/A	\$3,371,637	38.4%	20 years
Ridgeview Marketplace	August 1, 2017	100% City General	Pay-As-You-Go	59,950,000	\$12,500,000	\$8,500,000	\$9,002	20.9%	15 years

\*At the time of project financing

\*\*Date of creation

\*\*\*Pre-Development agreement

## Transportation Development Districts (TDD)

TDD is a special taxing district whereby a petitioner of 100% of the landowners in an area request either the levy of special assessments or the imposition of a sales tax of up to 1% on goods and services sold within a given area.

Under Kansas law, the revenue generated by TDD special assessments or sales tax may pay the costs of transportation infrastructure improvements in and around new development



### Active TDD Projects as of 12-31-18

Project Name	Project Plan Approval Date	Sales Tax Captured	Total TDD Bonds Issued	Total Project Costs	TIF/TDD/CID Reimb. Costs	TDD Eligible Cost Cap	Revenues to date (Less Administrative Fee)	% Public Investment of Total Project Cost	Term of TDD
Olathe Pointe TDD Phase I	November 8, 2005	1% TDD Sales Tax	Pay-As-You-Go (50% to Developer/50% to City)				\$4,772,177		22 years
Olathe Pointe TDD Phase II	November 8, 2005	1% TDD Sales Tax	Pay-As-You-Go (100% to Developer)	\$30,000,000	N/A	\$15,000,000	\$756,909	50%	22 years
Olathe Gateway TDD No. 1A	November 28, 2006	1% TDD Sales Tax	\$9,195,000	\$88,847,597	\$21,759,819	\$8,988,217	\$3,339,953	10.1%	22 years
Olathe Gateway TDD No. 1B	November 28, 2006	1% TDD Sales Tax	--	--	\$ -		\$716,548	0	22 years
ORED TDD Area 2	January 10, 2006	1% TDD Sales Tax	--	--	\$ -		\$112,076	0	22 years
Ridgeview Falls TDD	April 1, 2008	1% TDD Sales Tax	Pay-As-You-Go (75% to Developer/25% to City)	10,000,000	N/A	\$5,000,000	\$83,362	50%	22 years

\*At the time of project financing

\*\*Date of creation

\*\*\*Pre-development agreement



## Community Improvement Districts (CID)

CID's allows a commercial property owner to petition the City to levy special assessments or impose up to an additional 2% sales tax within a CID to fund eligible project costs.



In accordance with City policy, eligible project costs may include land acquisition and construction costs but may not include ongoing operational costs.

The following CID's began in 2018; Ridgeview Marketplace, Olathe Station, West Market

### Active CID Projects as of 12-31-18

Project Name	Project Plan Approval Date**	Sales Tax Captured	Total CID Bond Issued***	Total Project Costs*	TIF/TDD/CID Eligible Cost Cap***	CID Eligible Cost Cap	Revenues to date (Less Administrative Fee)	Incentive of Total Project Cost	Term of CID
Heart of America CID (Hilton)	October 12, 2010	1% CID Sales Tax	Pay-As-You-Go	\$17,795,000	\$4,250,000	\$500,000	\$323,503	2.8%	20 years
Heart of America CID (Conference Center & Hotel)	May 7, 2013	2% CID Sales Tax	Pay-As-You-Go	\$51,000,000	\$19,580,262	N/A	\$749,898	38.4%	20 years
Heart of America CID (Conference Center & Hotel)*****	May 7, 2013	Special Assessment	\$12,000,000	\$51,000,000	N/A	\$12,000,000	\$2,284,560	23.5%	20 years
WIN LLC (Furniture Mall of KS) CID	January 6, 2015	1% CID Sales Tax	Pay-As-You-Go	\$9,300,000	N/A	\$1,200,000	\$139,241	12.9%	20 years
Santa Fe Square Shopping Area****	May 17, 2016	1% CID Sales Tax	Pay-As-You-Go	\$11,371,333	N/A	\$2,690,000	\$235,594	23.7%	20 years
Ridgeview Marketplace	August 1, 2017	100% City General	Pay-As-You-Go	\$59,950,000	\$12,500,000	\$4,000,000	\$105,294	20.9%	22 years
Olathe Station	August 11, 2017	100% City General	Pay-As-You-Go	\$33,766,170	N/A	\$2,416,000	\$56,836	7.2%	20 years
West Market	May 15, 2018	100% City General	Pay-As-You-Go	\$8,498,000	N/A	\$2,800,000	\$46,790	32.9%	15 years

\*At the time of project financing

\*\*Date of creation

\*\*\*Pre-development agreement

\*\*\*\* Bond Ordinance sets max amt of costs

\*\*\*\*\*\$3.8 m in capital improvements excluded from Total Project Costs due to being ineligible for CID reimbursements.

\*\*\*\*\*Revenues are used to pay the bonds issued for the project.

Active City of Olathe  
TIF/TDD/CID PROJECTS

## *Heritage Crossing TIF*

- Project Plan Approval: April 25, 2006
- City Sales Tax Captured: 50% City General
- Pay-As-You-Go
- TIF Reimbursement Costs: \$3,160,300
- Total Project Costs: \$16,441,300
- Inception-to-Date Revenues: \$477,867



City of Olathe Active  
TIF/TDD/CID PROJECTS

# *West Village Center TIF*

- Project Plan Approval: June 6, 2006
- City Sales Tax Captured: 100% City General
- \$17,250,000 TIF Bonds
- TIF Reimbursement Costs: \$13,928,302
- Total Project Costs: \$58,107,263
- Inception-to-Date Revenues: \$12,387,733



City of Olathe Active  
TIF/TDD/CID PROJECTS

***Olathe Gateway TIF & TDD Area 1,  
No. 1B, ORED 2***

TIF

- Project Plan Approval: Nov 28, 2006
- City Sales Tax Captured: 100% of City General
- \$13,030,000 TIF Bonds
- TIF Reimbursement Costs: \$12,771,602
- Total Project Costs: \$88,847,597
- Inception-to-Date Revenues: \$9,096,973



TDD

- Date of Creation: Nov 28, 2006
- City Sales Tax Captured: 1% TDD Sales Tax
- \$9,195,000 TDD Bonds
- TDD Reimbursement Costs: \$8,988,217
- Total Project Costs: \$88,847,597
- Inception-to-Date Revenues: \$4,168,577



City of Olathe Active  
TIF/TDD/CID PROJECTS

*Heart of America Hilton Garden Inn*  
*TIF & CID*

TIF

- Project Plan Approval: December 7, 2010
- City Sales Tax Captured: 100% City General
- Pay-as-You-Go
- TIF Reimbursement Costs: \$3,750,000
- Total Project Costs: \$17,795,000
- Inception-to-Date Revenues:  
\$1,484,408



CID

- Project Plan Approval: October 12, 2010
- City Sales Tax Captured: 1% CID Sales Tax
- Pay-as-You-Go
- CID Reimbursement Costs: \$500,000
- Total Project Costs: \$17,795,000
- Inception-to-Date Revenues: \$323,503



City of Olathe Active  
TIF/TDD/CID Projects

***Embassy Suites Hotel & Conference Center  
TIF & CID***



TIF

- Project Plan Approval: Aug 20, 2013
- City Sales Tax Captured: 100% City General & 100% Transient Guest Tax
- Pay-as-You-Go
- TIF & CID Reimbursement Costs: \$19,580,262
- Total Project Costs: \$51,000,000
- Inception-to-Date Revenues: \$3,371,637

CID

- Project Plan Approval: May 7, 2013
- City Sales Tax Captured: 2% CID Sales Tax
- Pay-as-You-Go
- CID & TIF Reimbursement Costs: \$19,580,262
- Total Project Costs: \$51,000,000
- Inception-to-Date Revenues: \$749,898
- \$12,000,000 GO CID Bonds
- Special Assessment



City of Olathe Active  
TIF/TDD/CID Projects

# *Ancona Honda TIF*

- Project Plan Approval: Nov 20, 2012
- 100% of Ad Valorem Property Tax Increase
- Pay-as-You-Go
- TIF Reimbursement Costs: \$2,500,000
- Total Project Costs: \$5,902,160
- Inception-to-Date Revenues: \$148,886



City of Olathe Active  
TIF/TDD/CID Projects

## *Olathe Pointe Phase I & II TDD*

- Date of Creation: November 8, 2005
- City Sales Tax Captured: 1% TDD Sales Tax
- Pay-as-You-Go (Phase I 50% to Developer/50% to City; Phase II 100% to Developer)
- TDD Reimbursement Costs: \$15,000,000
- Total Project Costs: \$30,000,000
- Inception-to-Date Revenues: \$5,529,085





City of Olathe Active  
TIF/TDD/CID Projects

# *Ridgeview Falls TTD*

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- 
- Date of Creation: April 1, 2008
- City Sales Tax Captured: 1% TDD Sales Tax
- Pay-as-You-Go (75% to Developer/25% to City)
- TDD Reimbursement Costs: \$5,000,000
- Total Project Costs: \$10,000,000
- Inception-to-Date Revenues: \$83,362



City of Olathe Active  
TIF/TDD/CID Projects

# *Win, LLC CID*

- Date of Creation: January 6, 2015
- City Sales Tax Captured: 1% CID Sales Tax
- Pay-as-You-Go
- CID Reimbursement Costs: \$1,200,000
- Total Project Costs: \$9,300,000
- Inception-to-Date Revenues: \$139,241



City of Olathe Active  
TIF/TDD/CID Projects

## *Santa Fe Square Shopping Area CID*

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- 
- 
- Date of Creation: May 17, 2016
- City Sales Tax Captured: 1% CID Sales Tax
- Pay-as-You-Go
- CID Reimbursement Costs: \$2,690,000
- Total Project Costs: \$11,371,333
- Inception-to-Date Revenues: \$235,594



City of Olathe Active  
TIF/TDD/CID Projects

## *Ridgeview Soccer TIF & CID*

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- 
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### TIF

- Date of Creation: August 1, 2017
- City Sales Tax Captured: 100% City General and 50% transient guest tax
- Pay-as-You-Go
- TIF Reimbursement Costs: \$8,500,000
- Total Project Costs: \$59,950,000
- Inception-to-Date Revenues: \$9,002

### CID

- Date of Creation: August 1, 2017
- City Sales Tax Captured: 1% CID Sales Tax
- Pay-as-You-Go
- CID Reimbursement Costs: \$4,000,000
- Total Project Costs: \$59,950,000
- Inception-to-Date Revenues: \$105,294



City of Olathe Active  
TIF/TDD/CID Projects

# *Olathe Station CID*

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- 
- Date of Creation: August 11, 2017
- City Sales Tax Captured: 100% City General
- Pay-as-You-Go
- CID Reimbursement Costs: \$2,416,000
- Total Project Costs: \$33,766,170
- Inception-to-Date Revenues: \$56,836



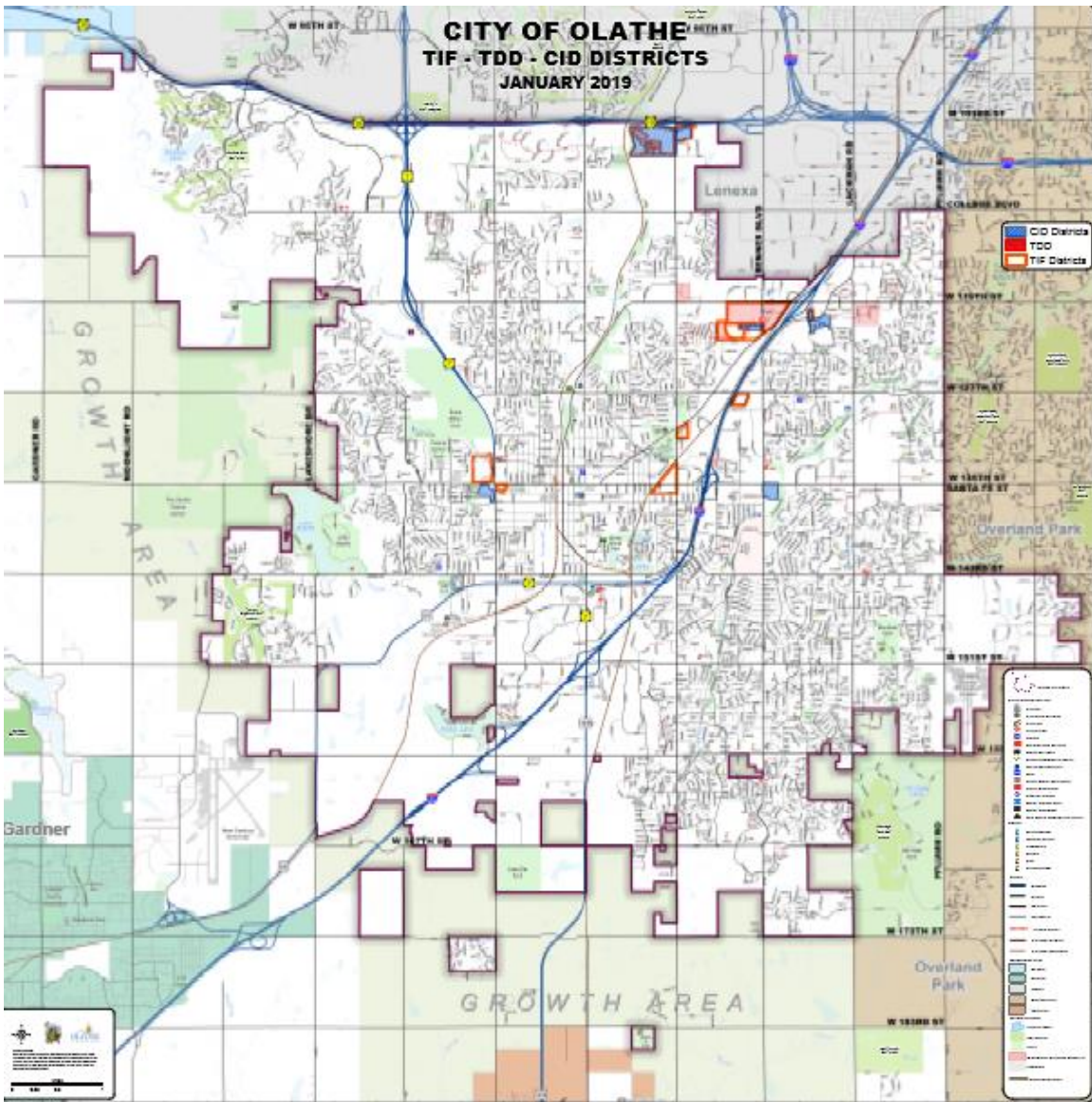
City of Olathe Active  
TIF/TDD/CID Projects

# West Market CID

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- Date of Creation: May 15, 2018
- City Sales Tax Captured: 100% City General
- Pay-as-You-Go
- CID Reimbursement Costs: \$2,800,000
- Total Project Costs: \$8,498,000
- Inception-to-Date Revenues: \$46,790



### Active TIF/TDD/CID's



**Benefit Districts** are a financing and development tool whereby cities can issue general obligation bonds for construction of public improvements and assess the cost to properties that benefit.

In 2018, 29 Benefit Districts were active which included 7 combination projects, 9 sanitary sewer projects, 12 street projects and 1 waterline project. See table below for detailed listing of all levied Benefit Districts.

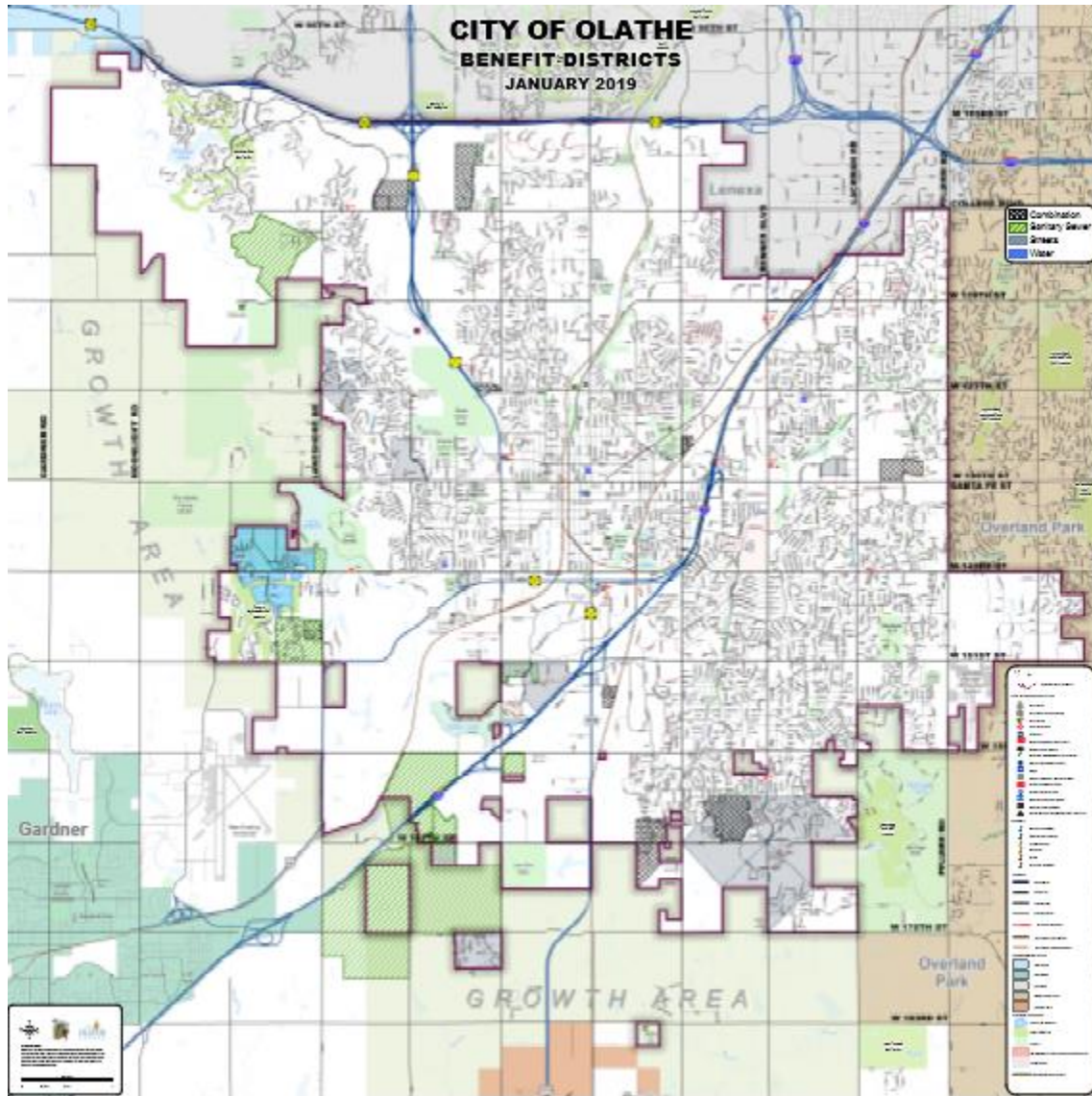


Active Benefit Districts in 2018

ACTIVE BENEFIT DISTRICTS - TAX YEARS 2018-2032									
From	To	Project #	District ID #	Project Name	Final Cost	Final Impr Dist Cost	Final City Cost	Project Type	Tax Years
2009	2018	30207	264	Aurora Street	639,000.00	639,000.00	0.00	Combination Project	2009-2018
2009	2018	31506	266	Parkside Business Park	1,105,000.00	1,105,000.00	0.00	Combination Project	2009-2018
2009	2018	31606	267	Robben Industrial Park	904,000.00	904,000.00	0.00	Combination Project	2009-2018
2010	2019	30906	310	167th St Ridgeview West	2,063,248.00	1,560,640.79	502,607.21	Combination Project	2010-2019
2010	2019	33405	311	148th Lakeshore West	812,615.00	812,615.00	0.00	Combination Project	2010-2019
2010	2019	3-B-031-0	309	Greenwood Drive	546,302.00	546,302.00	0.00	Combination Project	2010-2019
2010	2029	3-B-043-0	235	K-State Bioscience	6,590,113.00	6,590,113.00	0.00	Combination Project	2010-2029
<b>COMBINATION PROJECTS SUBTOTAL</b>					<b>12,660,278.00</b>	<b>12,157,670.79</b>	<b>502,607.21</b>		
2009	2018	13503	268	Prairie View	1,349,441.05	1,349,441.05	0.00	Sanitary Sewer	2009-2018
2010	2019	16205	290	NE Quadrant of 143rd	1,203,000.00	1,203,000.00	0.00	Sanitary Sewer	2010-2019
2010	2019	1-B-001-0	294	143rd Sanitary Sewer	1,202,790.00	1,202,790.00	0.00	Sanitary Sewer	2010-2019
2010	2024	17406	232	OMC North Sewer	155,000.00	155,000.00	0.00	Sanitary Sewer	2010-2024
2010	2024	1-B-040-0	291	Life Church	262,000.00	262,000.00	0.00	Sanitary Sewer	2010-2024
2012	2021	1-B-009-0	332	Lakeshore Meadows	632,408.00	632,408.00	0.00	Sanitary Sewer	2012-2021
2013	2022	1-B-052-0	337	Highlands of Southglen	1,200,877.00	1,200,877.00	0.00	Sanitary Sewer	2013-2022
2013	2027	1-B-077-0	335	South Cedar Creek Phase I	3,789,014.00	3,289,014.00	500,000.00	Sanitary Sewer	2013-2027
2013	2027	1-B-086-0	336	South Cedar Creek Phase II & III	1,487,845.00	1,487,845.00	0.00	Sanitary Sewer	2013-2027
<b>SANITARY SEWER PROJECTS SUBTOTAL</b>					<b>11,282,375.05</b>	<b>10,782,375.05</b>	<b>500,000.00</b>		
2010	2019	35504	293	Murlen Rd 175th to 164th	6,147,287.82	4,884,545.21	1,262,742.61	Streets	2010-2019
2010	2019	3-B-048-0	288	Woodland Road	446,000.00	446,000.00	0.00	Streets	2010-2019
2011	2020	33605	323	167th St Ridgeview to Blackbob	6,925,875.00	5,820,860.18	1,105,014.82	Streets	2011-2020
2010	2024	33106	289	Blackfoot Drive	613,000.00	613,000.00	0.00	Streets	2010-2024
2010	2024	33604	296	127th St Clare East	2,505,270.00	943,745.69	1,561,524.31	Streets	2010-2024
2011	2025	33504	321	South Clare Rd for 127th	3,950,530.00	3,950,530.00	0.00	Streets	2011-2025
2011	2025	36706	320	OMC 153rd Street	1,217,988.00	1,183,682.55	34,305.45	Streets	2011-2025
2011	2025	36806	319	OMC North/South Street	2,361,801.97	2,361,801.97	0.00	Streets	2011-2025
2011	2025	3-B-076-0	322	152nd Street	1,269,515.00	1,269,515.00	0.00	Streets	2011-2025
2017	2026	1-B-032-0	351	South Cedar Creek Phase IV	840,000.00	840,000.00	0.00	Streets	2017-2026
2010	2029	33505	287	Lone Elm Rd 175th South	993,000.00	993,000.00	0.00	Streets	2010-2029
2017	2031	3-B-080-0	350	Hedge Lane Relocation	6,345,000.00	6,345,000.00	0.00	Streets	2017-2031
<b>STREETS PROJECTS SUBTOTAL</b>					<b>33,635,267.79</b>	<b>29,671,680.60</b>	<b>3,963,587.19</b>		
2009	2018	53405	265	143rd St Waterline	378,000.00	378,000.00	0.00	WaterLine	2009-2018
<b>29 Total Projects</b>					<b>57,955,320.84</b>	<b>52,989,726.44</b>	<b>4,966,194.40</b>		
<b>Benefit District Cost vs. City Cost</b>						91%	9%		
<b>Sum of bonds outstanding today</b>									
					Total	% of Total			
Benefit District (including Benefit District City Cos					31,442,103.00	17%			
City-at-Large (Non-Benefit District)					155,292,897.00	83%			
<b>Grand Total</b>					<b>186,735,000.00</b>	<b>100%</b>	<b>Total</b>		



### Active Benefit Districts



## Neighborhood Revitalization Program

The Neighborhood Revitalization Act (the Act) was passed by the Kansas Legislature in 1994 and amended in 1996 to provide a tool for municipalities to use in fighting blight and deterioration in residential neighborhoods and commercial districts. The Act authorizes municipalities to enact a tax rebate program as a way of providing an incentive to property owners to make improvements. The Act may be applied to either designated areas or to specific properties.

The intent of the Act is to encourage private investment in areas of the city that face deterioration or economic decline. The program is designed to encourage partnerships between private citizens, businesses, and municipal and county government. Additionally, it is hoped that the resulting improvements might lead to a ripple effect of improvements on neighboring properties.

The City of Olathe launched its Neighborhood Revitalization Area Tax Rebate Program (NRP) in 2008, including interlocal agreements with other participating taxing jurisdictions.

### Interlocal Agreements

Because the NRP involves the rebate of taxes resulting from new improvements, and taxes are collected by Johnson County and distributed to the various taxing entities, it is essential that each taxing entity be involved early in the process. The joint effort among the entities maximizes the benefits of the NRP.

The following are the mill levies for recent years:

<b>Mill Rates by Participating Taxing Jurisdictions</b>			
	Tax Year 2016/ Rebate Year 2017	Tax Year 2017/ Rebate Year 2018	Tax Year 2018/ Rebate Year 2019
Johnson County	19.590	19.318	19.024
JoCo Parks & Recreation	3.102	3.112	3.088
Johnson County Community College	9.473	9.503	9.266
City of Olathe	24.708	24.700	24.406
USD 233	67.774	71.174	70.665
<b>Total Participating Mill Levy</b>	<b>124.647</b>	<b>127.807</b>	<b>126.449</b>

### Eligibility

One of Olathe's NRP districts is consistent with the City's Community Development Block Grant (CDBG) eligible area, and known as the Original Town Area. The Original Town NRP area covers 5 square miles including approximately 6,839 parcels, of which 75% are residentially zoned. The average build date for the district is 1963. Original Town begins at Harold/127th Street and continues south to Old Highway 56. To the east the boundary starts at Parker Street/K-7 Highway eastward to Interstate-35.

Both residential and commercial properties located in the Original Town area of Olathe are eligible to participate in the rebate program. A map of the Original Town NRP area is included in Appendix A.

A minimum investment of \$5,000 for residential and \$10,000 for commercial properties is required to participate. Also, the proposed improvements must increase the assessed value of the property by a minimum of 5% for residential and 10% for commercial properties. The plan states that any improvements begun on or after June 6, 2008 may be eligible for the incentive. However, an application for rebate must be filed prior to, or at the same time as the issuance of a building permit.

Olathe's second NRP district is for commercial, multi-family residential, and industrial properties. The Commercial NRP area covers 180.47 acres of which is zone 26% commercial and of the residential units, 42% are multifamily units. The Commercial NRP area begins at West Virginia Lane and continues south to railroad tracks just north of West Marley Road. To the west the boundary starts at South Pitt Street and continues east to South Parker Street. A map of the Commercial NRP area is included in Appendix A.

A minimum investment of \$10,000 is required to participate. Also, the proposed improvements must increase the assessed value of the property by a minimum of 10%. The plan states that any improvements beginning after March 31, 2017 may be eligible for the incentive. The application for rebate must be filed prior to, or at the same time as the issuance of a building permit.

### **Rebate**

When improvements are made to residential or commercial property, the appraised and assessed value of the property will normally increase. The increase in assessed value leads to an increase in the property taxes paid by the owner. The idea behind the NRP is that a rebate of a portion of the tax increase lessens the total cost of the improvements to the property owner, and encourages private investment in the community. The rebate applies only to taxes paid on the increase in the value related to the improvements, and not to the taxes related to the property value before the improvements.

Eligibility criteria established in Olathe will return 90% of the incremental increase in property taxes on residential properties and 80% for commercial, for up to ten (10) years and is transferable with the property. The retained portion of the increment will remain in the NRP fund for Original Town area public improvements as recommended by the Olathe Downtown Master Plan and the Original Town Enhancement Plan, and mandated by Kansas statutes.

A flowchart of the NRP application process is included as Appendix B.

## 2018 Program Activity

The Summary of Activity report for 2017 is included Appendix C. The summary details the applications processed, the aggregate improvement values, and rebates paid. In 2018, the program paid out rebates to 31 property owners for a total of \$75,717. The summary also details activity for the program from its start in 2008 through 2018. The number of rebates paid is dependent upon the status of the application and where it is in the process. Various stages of the process include: applicant has not completed improvements, certificate of occupancy not issued, and increased property value did not meet program requirements to receive rebate. Appendix D details the breakdown of rebates paid by taxing entity. The total rebate payments to the property owners in Appendix C is less than the total amount subject to rebate by taxing jurisdiction in Appendix D, because the owners are receiving only 90% for residential or 80% for commercial of the total amount subject to rebate

## Conclusion

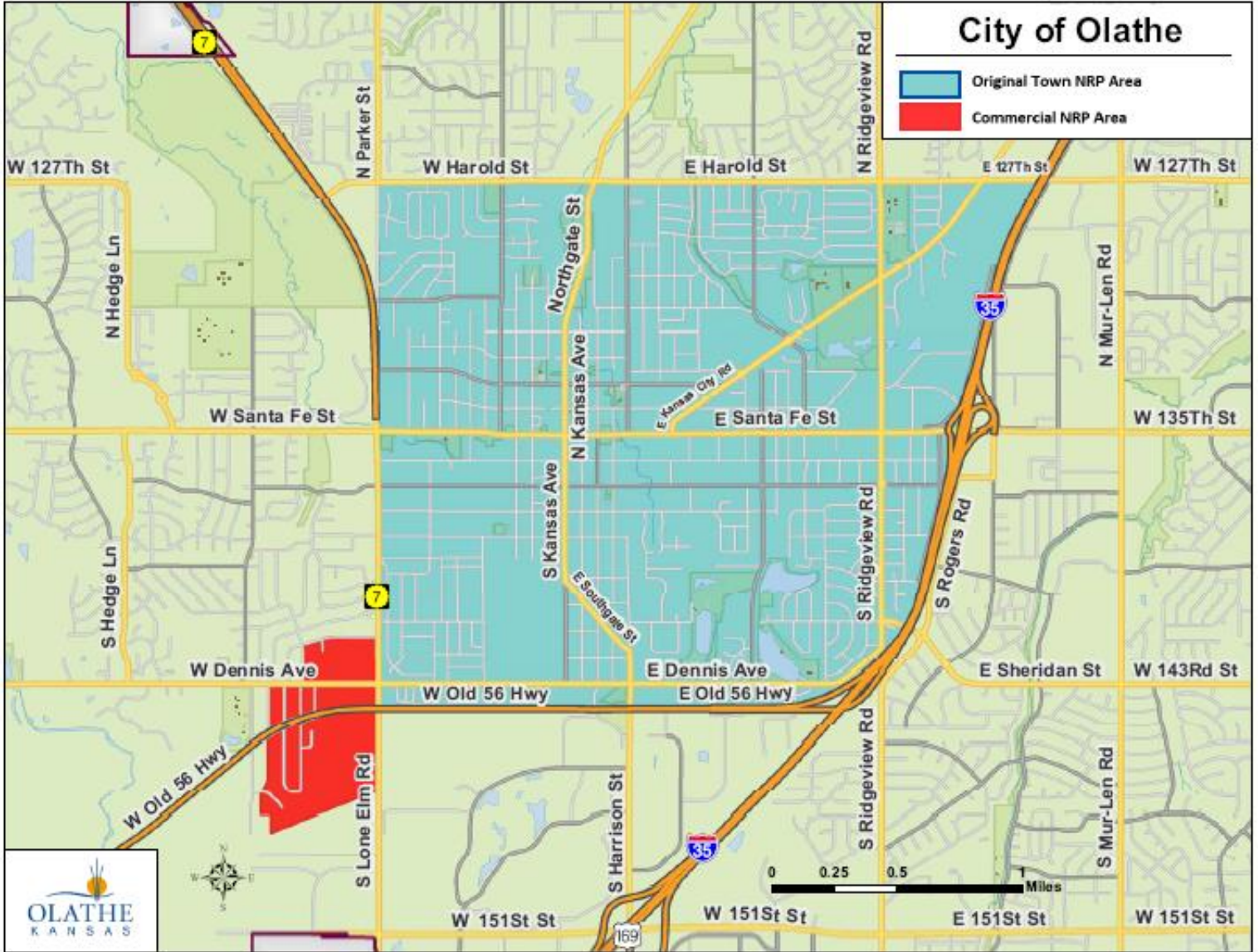
Many participants in the NRP have been single-family residential properties. The program is an attractive incentive to these property owners, because there are currently no other rehabilitation programs available in Olathe that are not income-based or regulated. The number and type of participants is summarized in Appendix E.

The use of the NRP to help stimulate and revitalize areas in need of physical, aesthetic and economic improvement has proven to be a legitimate and viable tool for communities since its inception. The City of Olathe looks forward to continued success and benefits of revitalization as a result of this rebate program.

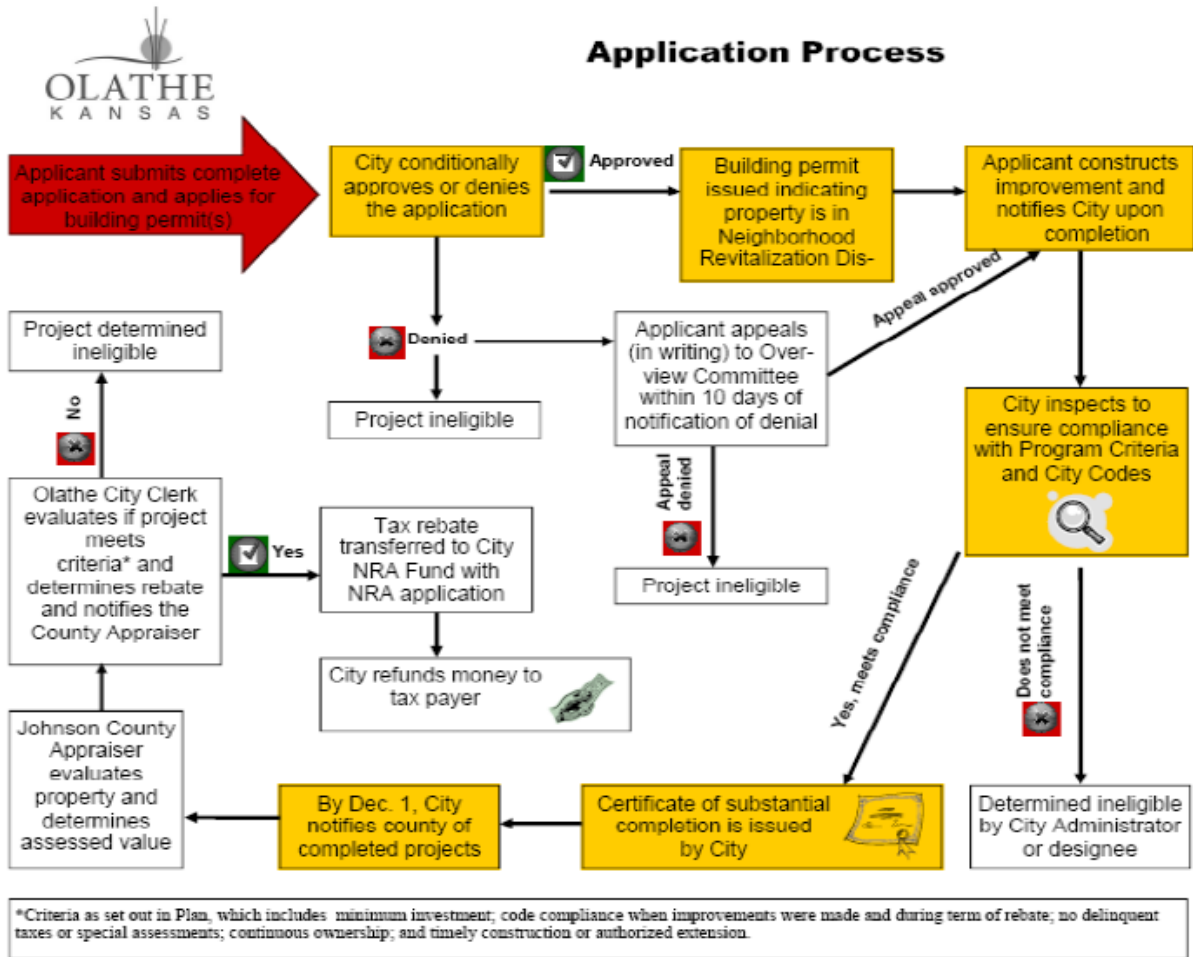
Please direct any questions regarding the Neighborhood Revitalization Tax Rebate Program to Amy Tharnish, Assistant Director of Finance Services, at [atharnish@olatheks.org](mailto:atharnish@olatheks.org) or (913) 971-8539.

### Appendix A

## Map of Neighborhood Revitalization Districts



## Appendix B



## Appendix C

### Summary of Activity

2018

#### Original Town NRP District

	Residential	Commercial	Total
Applications received	2	1	3
Value of Proposed Improvements	\$ 19,000	\$ 1,700,000	\$ 1,719,000
Properties receiving first rebate payment	-	-	-
Total properties receiving rebates	23	8	31
Total rebate payments to property owners	\$ 43,864	\$ 31,854	\$ 75,717
Total to Olathe NRP Fund	\$ 3,655	\$ 6,968	\$ 10,623

#### Commercial NRP District

	Total
Applications received	-
Value of Proposed Improvements	\$ -
Properties receiving first rebate payment	-
Total properties receiving rebates	-
Total rebate payments to property owners	\$ -
Total to Olathe NRP Fund	\$ -

Program to Date (2008-2018)

#### Original Town NRP District

	Residential	Commercial	Total
Applications received	46	29	75
Value of Proposed Improvements	\$ 5,173,548	\$ 16,830,337	\$ 22,003,885
Total properties receiving rebates	23	8	31
Total rebate payments to property owners	\$ 207,010	\$ 165,569	\$ 372,579
Total to Olathe NRP Fund	\$ 17,279	\$ 35,013	\$ 52,292

#### Commercial NRP District

	Total
Applications received	1
Value of Proposed Improvements	\$ 2,000,000
Total properties receiving rebates	-
Total rebate payments to property owners	\$ -
Total to Olathe NRP Fund	\$ -

## Appendix D

### Rebates by Taxing Jurisdiction

	<b>Residential</b>	<b>Commercial</b>	<b>Total</b>
Johnson County	\$ 7,366.64	\$ 6,018.39	\$ 13,385.03
JoCo Parks & Recreation	1,186.72	969.53	2,156.25
Johnson County Community College	3,623.83	2,960.60	6,584.43
City of Olathe	9,418.95	7,695.11	17,114.06
USD 233	27,141.14	22,173.75	49,314.89
Total Tax Rebate	\$ 48,737.28	\$ 39,817.38	\$ 88,554.66



## Appendix E

### Summary of Participating Activity – Application Received

	<b>Residential</b>	<b>Commercial</b>	<b>Total</b>
2008	5	2	7
2009	9	3	12
2010	5	2	7
2011	4	2	6
2012	10	5	15
2013	1	1	2
2014	5	-	5
2015	-	-	-
2016	4	4	8
2017	1	10	11
2018	2	1	3
<b>Total</b>	<b>46</b>	<b>30</b>	<b>76</b>