

November 27, 2024

Mayor John Bacon
Olathe City Council Members
City of Olathe
100 E. Santa Fe Street
Olathe, Kansas 66061

Dear Mayor Bacon and City Councilmembers:

Thank you for seeking the input of the Olathe Chamber of Commerce Economic Development Council (EDC) on proposed changes to the City's Tax Abatement and Industrial Revenue Bond (IRB) Policy. The EDC, which includes a number of members who represent the development community, appreciates the City Council's invitation to review and comment on the policy when it is reviewed annually. **The EDC is fully supportive of City staff's proposed changes to the IRB policy as presented to the EDC.** The EDC Board Chair, Chris Hess, has asked me to provide the City Council this letter on behalf of the EDC Board.

The EDC discussed the policy at its November 5, 2024 Board meeting. City staff provided an overview of key elements that had been discussed by the City Council at its October 15, 2024 workshop, including employment (wages), design criteria, and annual reporting requirements. At the EDC meeting, City staff presented the idea of potentially expanding abatement adjustment percentages for desired projects, including potentially adding a job creation adjustment that would incentivize projects which pay higher wages.

After careful consideration of the policy changes proposed by City staff, the EDC concluded that the City's IRB Policy continue to be, and will remain, a vital tool for business recruitment, retention, and expansion. **The EDC supports new language being added to the IRB Policy that would provide an additional incentive for projects that are not in targeted industries but nonetheless would pay higher wages.**

The EDC believes that each of the City's financial incentive policies have been used by the City Council very effectively, resulting in the retention or attraction of numerous businesses over the years. The EDC also believes that the policies should remain as flexible as possible while not adding elements or project requirements which would put Olathe at a competitive disadvantage when compared with other cities. The EDC trusts the City Council to exercise appropriate discretion when considering an IRB application which may not be a targeted industry yet purports to pay higher wages and therefore would have a broader community benefit due to the potential additional ancillary spending in our community by virtue of those higher wage jobs.

Members of the EDC Board thank and applaud the City on its continued support of economic development and the growth of our community.

Best regards,



Tim McKee
Chief Executive Officer



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ONE VISION. ONE VOICE.

