

May 19, 2026

Single-Series Bond Request under a Master Resolution
Scannell #798, LLC and assigns
Industrial Revenue Bond & Tax Phase-In Project
Executive Summary



Located on a total of 60% the following parcels:
DF231408-3003

Introduction

The City has received a \$55,000,000 industrial revenue bond application from Scannell #798, LLC and assigns ("Applicant") for the construction of an industrial building on 32.47-acres located on the northwest quadrant of 159th Street & Clare Road. The Applicant anticipates construction of a 646,380 square foot facility to accommodate industrial uses. The Applicant seeks a property tax phase-in with a single series of bonds under a master resolution for an approximate 10-year, 80% 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 business under a master resolution, Resolution 25-1099 and Policy F-5 with an investment of over \$3 million.

Bonds for this single phase project are expected to be one series. The bonds to be issued would allow the Applicant to construct a 646,380 square foot industrial facility on a 32.47-acre site. The Applicant requests issuance of an amount not to exceed \$55,000,000 of industrial revenue bonds for construction of the building. The proceeds from the bonds would be divided as follows: \$3,900,000 of the bonds would cover costs to acquire the land and \$51,100,000 of the bonds would cover costs to construct the building.

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

Employment

The project is expected to create 461 new direct jobs over the next 10 years. The average salaries are expected to be \$48,000 in the first year, growing to \$74,464 in year 10. These jobs would create approximately \$34 million in new wages to the Olathe economy in the final year of the abatement.

Machinery & Equipment

This application does not include any bond proceeds to purchase furniture, fixtures and equipment in this request. It is expected that the tenant would make these purchases subject to sales taxes increasing the benefit to Olathe.

IRB Request

This request is to issue industrial revenue bonds in a single series not to exceed \$55,000,000 for the construction of 646,380 square foot industrial 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, 80% property tax-phase in for its project, under the City's Tax Abatement Resolution 25-1099 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 business in a business park under a master resolution under the City's tax abatement policy as the industrial facility will result in a total investment of over \$5 million.

Taxes

The City of Olathe currently collects \$6,936 in property taxes from this site. Future property taxes generated by this project have been computed using a targeted level of real property estimated appraised value at build out that is \$33,215,000 (This is based on appraised value of similar projects in the area). This investment will result in approximately \$870,000 in annual property taxes at full value for all taxing jurisdictions, and \$193,750 in property taxes to the City. With a 80% property tax abatement, the tax revenue will be approximately \$174,000 each year for all jurisdictions (excluding the 8 mills for schools that is exempt) over the 10-year abatement period, and \$38,750 to the City each year of the 10-year abatement period.

Sales

The project will increase new annual sales throughout the duration of the project for the tenant and are projected to be \$969,571 in the first year growing to \$1,178,520 in the final year of the 10-year abatement. A total of \$10,714,986 million in additional sales in attributed to this project.

Special Assessments

There are currently no special assessments associated with this property.

Franchise Fees

It is expected that the project will generate \$46,104 in new franchise fees each year of the 10-year period.

Water, Wastewater & Garbage

The applicant anticipates generating an additional \$113,950 in revenue from increased water, trash and sewer service during the 10-year abatement period.

Local Competition

The applicant will be in competition with other local development projects of similar nature.

Annual Purchases

The applicant has projected that the project would generate approximately \$5,723,600 in new operating expenditures over the life of the tax phase-in.

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 districts, 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 .87 to 1 for the City of Olathe, which translates into an annual rate of return on the City's investment of taxes abated of 86.51%. The payback period for incentives and taxes abated will be more than 10 years.

County & School District Impact

It is expected that the project will bring approximately 599 total new jobs (direct and in-direct) to the City, with 388 new residents moving into Johnson County over the next 10 years. This project will be located in the Gardner-Edgerton School District. Of the new residents, 20% are expected to move into the Gardner-Edgerton School District. The impact on the school district would be about 21 new students over the next 10 years. Per Kansas law, the City will provide written information to the County and the School Districts 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 60% of parcel DF231408-3003. The minimum targeted expenditures would be approximately 80% of the projected bond issuance for this project, or \$44,000,000.