



CITY OF OLATHE, KANSAS
APPLICATION FOR ISSUANCE OF INDUSTRIAL REVENUE BONDS
(IRB)
Existing Olathe Company

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 \$2,000 application / filing fee must accompany this application before we are able to process the request. The IRB application review process will not start until the application in full is received. 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 or more than \$250,000). 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 or more than \$250,000). 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.22-1080 and contact Bond Counsel for a more detailed explanation of the fees.

Lineage Logistics, LLC (or assigns, the "Applicant")

*See I.A below

Applicant's Name

rsangdahl@lineagelogistics.com

(419) 340-3793

Applicant's Email Address

Telephone Number

46500 Humboldt Drive, Novi, MI 48377

Applicant's Address

Rob Sangdahl, VP, Real Estate

(419) 340-3793

Name and Title of Responsible Officer/Contact

Telephone Number

Same as above

Address (if other than corporate address)

Kevin Lee, Polsinelli PC

Attorney for Applicant

klee@polsinelli.com

(816) 360-4323

Attorney's Email Address

Telephone Number

900 W. 48th Place, Suite 900, Kansas City, MO 64112

Attorney's Address

Applicant or its lender is expected to be the bond purchaser

Bond Purchaser/Underwriter for Applicant

N/A - private placement purchased by Applicant or its lender

Bond Purchaser/Underwriter's Address

Telephone Number

TBD

Bond Counsel for Applicant

TBD

Bond Counsel's Address

Telephone Number

I. BUSINESS INFORMATION

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

Lineage Logistics is an international refrigerated warehousing and logistics company that specializes in storage and transportation of temperature-sensitive products. It is currently anticipated that Lineage Logistics, LLC (or related assignee) will be the owner of the real estate and thus the Applicant for IRB purposes, and that an affiliated entity (Lineage Logistics Services, LLC) will be the operating company and thus employer of the associated new jobs.

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

Corporation (LLC)

C. Year and State of incorporation 2011 (DE)

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

Please see I(D) below.

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

Lineage Logistics is an international refrigerated warehousing and logistics company with numerous offices and projects across the country, including its newly-constructed facility off Erickson in Olathe.

Greg Lehmkuhl is President and CEO.

Additional information can be provided upon request.

E. Are you pursuing an other incentives offered by another government entity? **Yes**
If yes, please indicate below what the other incentives are.

The Applicant intends to pursue other state-level economic incentive tools such as Promoting Employment Across Kansas (PEAK) benefits through the Kansas Department of Commerce.

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 Applicant is considering acquiring certain real property generally located at the NEC of 175th St and Lone Elm Rd (being a portion of the larger parent parcel commonly known as 20780 W. 175th Street) in the City of Olathe, Johnson County, Kansas, and redeveloping the same to consist of an approx. 350,000 to 450,000 square foot additional refrigerated warehouse facility for storage and distribution of cold food products. Approximately 80% of the project is expected to serve a single, dedicated food producer that is headquartered out of state.

A. Approximate amount requested for:

Land (Attach a legal description of property as <u>Exhibit A</u>)	\$ 8,200,000 (est.)
Building	\$ 157,000,000 (est.)
Machinery and Equipment	\$ 134,000,000 (est.)
Pollution Control Facilities	\$ incl.
Other Costs*	\$ 10,800,000 (est.)
Total	\$ 310,000,000 (est.)

* State other costs:

Owner contingency and issuance and other soft costs.

B. Does the applicant, or its parent, presently have offices or industrial facilities located in Olathe, Kansas?

Yes If yes, please describe below.

The Applicant (or affiliate) owns and operates the recently-constructed refrigerated warehouse facility at 16650 S Erickson St in Olathe.

C. Will you be relocating from your existing Olathe facilities to new facilities constructed by this project?

No If yes, what will you be doing with your existing facilities after relocating?

N/A

D. Where is the location of the project?

The site consists of an approximately 65+/- acre portion of the existing parent parcel commonly known as 20780 W. 175th Street. The specific legal description will be finalized as the design concept and DD efforts progress.

E. Is the prospective location properly zoned? No

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:

The parent parcel was recently annexed into Olathe city limits. The project site will need to be rezoned to industrial and platted as its own separate tax parcel.

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

Warehouse/Office.

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:

Approximately 80% of the project is expected to serve a single, dedicated food producer headquartered out-of-state.

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, specific demands to-be-determined as the design concept progresses.

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:

N/A

K. What percentage of usable floor space will be occupied by applicant? 100

What percentage will be occupied by other occupants? 0 If known, indicate each occupant below:

N/A. Although 80% of the project is expected to serve a single dedicated food producer, the Applicant (or affiliate) will be the operator/occupant.

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

Architect - RKB Architects, 0 Campanelli Dr., Braintree, MA 02184

Civil Engineer - Phelps Engineering, 1270 N Winchester St #5878, Olathe, KS 66061

M. How many persons will be employed at the project? 200 (est.)

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):

Current estimates are as follows:

Management - 23 Office/Clerical - 36 Professional/Skilled Tech - 31 Unskilled - 110

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

N/A

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?

\$900,000 in consumables, sourced locally

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

If such expansion is contemplated, please describe below:

N/A

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:

TBD

2. Will the applicant pledge any assets other than the project itself to secure the bonds?

N/A

3. Will a bond and interest reserve be provided for? No If yes, state amount and source of funding.

N/A

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:

N/A

5. Has a bond underwriter determined whether or not the bonds are marketable? No
If yes, describe its determination below:

N/A

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?
The Applicant or its lender will purchase the bonds.

8. What portion of the project will be financed from funds other than bond proceeds, and what is the source of such funds?

TBD

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.
TBD

12. Proposed date of issuing bonds: 12/1/2028

B. List below previous participation in IRB financing:

Applicant and its consultants, including Polsinelli PC (legal services), have substantial experience with IRB financing across the State of Kansas (including in Olathe and Johnson County) and elsewhere throughout the country.

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.

Yes. This statement shall serve as notice of the intent to proceed with an application for a sales tax exemption from the State of Kansas.

V. TAXES

A. What is the requested tax abatement term in years? 10 Percentage requested
80 %

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

TBD

- 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.

Expected benefits to be realized by the Project include, but are not limited to:

- An estimated \$300M+ capital investment and new long-term asset for the City, along with increased quality employment opportunities through the approximately 200 projected jobs to accompany the facility.
- Advanced, high-quality industrial design optimal for the intended location.
- Promotion of innovative technology that works to eliminate waste from supply chains and connect the world to safe, high-quality food.
- Creation of synergies with surrounding businesses and development that will facilitate an environment to help support local business creation, retention, and expansion.
- Increased property tax revenue to the City.
- Other benefits to follow, both directly and indirectly, from locating an additional refrigerated warehousing facility of this size and scope in Olathe.

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. 22-1080.

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 19th day of June 2025, 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.

LINEAGE LOGISTICS, LLC

Signed Robert Sangdahl
Name

Digitally signed by Robert
Sangdahl
Date: 2025.06.19 13:52:00
-04'00'

By Rob Sangdahl, VP Real Estate
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. ⁰ _____

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

EXHIBIT A

Insert or attach here:

[TO BE PROVIDED]