



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.

KidsTLC, Inc.

Applicant's Name

edugan@kidstlc.org

(913) 764-2887

Applicant's Email Address

Telephone Number

480 S. Rogers Road, Olathe, KS 66062

Applicant's Address

Erin Dugan, President and Chief Executive Officer

(913) 324-3604

Name and Title of Responsible Officer/Contact

Telephone Number

same

Address (if other than corporate address)

Gary Church

Attorney for Applicant

gchurchl@kidstlc.org

(913) 205-5576

Attorney's Email Address

Telephone Number

480 S. Rogers Road, Olathe, KS 66062

Attorney's Address

Kansas City Financial Corporation / UMB Bank, N.A.

Bond Purchaser/Underwriter for Applicant

1010 Grand Boulevard, 2nd Floor, Kansas City, MO 64106

(816) 860-8045

Bond Purchaser/Underwriter's Address

Telephone Number

Gilmore & Bell, P.C.

Bond Counsel for Applicant

2405 Grand Boulevard, Suite 1100

(816) 218-7591

Bond Counsel's Address

Telephone Number

I. BUSINESS INFORMATION

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

KidsTLC, Inc. ("KidsTLC") is a Kansas not for profit corporation and federal tax law 501c3 organization. KidsTLC provides services addressing mental and behavioral health, developmental trauma and autism. KidsTLC also provides family support and training. Additional information regarding KidsTLC is available at <https://www.kidstlc.org/about-kidstlc/why-kidstlc/>

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

Corporation (LLC)

C. Year and State of incorporation 1970 Kansas

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

n/a

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

Erin Dugan - President and Chief Executive Officer
Mary Lynn Thomas - Chief Financial Officer
Dr. John Laffoon - Chief Operations Officer
Dr. Steve Massey - Chief Administrative Officer
Rebecca Kline Toy - Chief Clinical Officer
Rojanae Williams - Chief Development Officer

E. Are you pursuing an other incentives offered by another government entity? No
If yes, please indicate below what the other incentives are.

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 project includes paying for all or a portion of the costs related to the acquisition, construction, and equipping of certain physical and mental health facilities of KidsTLC, Inc., including acquisition, construction and equipping of land and facilities located at 15940 College Boulevard, Lenexa, Kansas 66219.

A. Approximate amount requested for:

| | |
|--|-----------------|
| Land (Attach a legal description of property as <u>Exhibit A</u>) | \$ 246,053.00 |
| Building | \$ 1,548,947.00 |
| Machinery and Equipment | \$ |
| Pollution Control Facilities | \$ |
| Other Costs* | \$ |
| Total | \$ 1,795,000.00 |

* State other costs:

Additionally, the applicant may fund issuance costs using bond proceeds or other available funds.

- B. Does the applicant, or its parent, presently have offices or industrial facilities located in Olathe, Kansas?
Yes If yes, please describe below.

KidsTLC's operations are based out of the campus facility ranging from 480 S Rogers Road, Olathe, Kansas to 620 S. Rogers Road, Olathe, Kansas 66062.

- 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?

The building to be purchased is presently leased by Applicant. No change to existing facilities is expected to result from this acquisition.

D. Where is the location of the project?

15940 College Boulevard, Lenexa, Kansas 66219

E. Is the prospective location properly zoned?_ Yes

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:

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

Acquisition of land and existing building as facilities of the applicant to be used for the applicant's mission. Building is site of The Lotus Clinics at KidsTLC offering specialized outpatient therapies to alleviate mental and behavioral health challenges facing children and their families, offering a range of services that include outpatient therapy, Intensive Outpatient Program (IOP), and medication management.

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:

KidsTLC does not believe they will be in direct competition with other local firms, as the Lotus Clinics at KidsTLC are the only local step up and step down comprehensive outpatient services in partnership with an Olathe Psychiatric Residential Treatment Facility in Johnson County that provides these services.

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:

None

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:

K. What percentage of usable floor space will be occupied by applicant? 75%

What percentage will be occupied by other occupants? 25% If known, indicate each occupant below:

American Properties of Kansas, LLC (currently landlord and owner which is selling building to Applicant and wishes to lease a portion of the building from Applicant). Current landlord runs a nonprofit - Heartland Ministries, *

* Current landlord runs a nonprofit called Heartland Ministries that will be leasing space from KidsTLC once we purchase the building.

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

N/a - existing building - not new construction

M. How many persons will be employed at the project? 40

Will this project represent an increase in employment opportunities in Olathe, Kansas? No

** 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):

2 Management Positions

4 Office Positions

34 Skilled Positions

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

Q. What is the estimated annual amount of merchandise and services purchased locally by the applicant?

n/a

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

If such expansion is contemplated, please describe below: _____

III. FINANCING

A. Have arrangements been for the marketing of the bonds? Yes

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:

Adjustable rates fixed for five year periods and reset by formula.

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

Yes, pledge certain gross revenues and certain real mortgaged property (to be determined), subject and subordinate to certain permitted encumbrances, including a lien on certain receivables granted to an existing lender.

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

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:

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

n/a private placement

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?
No

8. What portion of the project will be financed from funds other than bond proceeds, and what is the source of such funds?
none

9. What will be the applicant's equity investment? Please describe:
none

10. Has the applicant considered conventional financing? Yes

11. Indicate name of primary officer, institution name, and address of trustee and/or fiscal agent.

Doug Hare
UMB Bank, N.A.
928 Grand Boulevard, 12th Floor
Kansas City, MO 64106

12. Proposed date of issuing bonds: 6/15/2025

B. List below previous participation in IRB financing:

\$1,250,000 - March 2010
\$4,250,000 - August 2013
\$7,000,000 - June 2020

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.

V. TAXES

A. What is the requested tax abatement term in years? n/a Percentage requested
 %

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

n/a

- 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.

n/a


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 2nd ☒ day of April 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.

Signed 
Name

By President and Chief Executive Officer, KidsTLC
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. ^{n/a} _____

| Occupational Classification | Total | Average Starting Wage | Average Maximum Wage | Number By County of Residence * |
|-----------------------------|-------|-----------------------|----------------------|---------------------------------|
| | | | | Johnson |
| | | | | Other |
| | | | | Johnson |
| | | | | Other |
| | | | | Johnson |
| | | | | Other |
| | | | | Johnson |
| | | | | Other |
| | | | | Johnson |
| | | | | Other |
| | | | | Johnson |
| | | | | Other |

EXHIBIT A

Insert or attach here:

The Project is located at 15940 College Boulevard, Lenexa, Kansas 66219 and the legal description for the land upon which the Project is located is currently described as follows.

Parcel ID IF241308-4074) Lenexa, Johnson County, Kansas