# A Tax Abatement Cost-Benefit Analysis of
# 167 Olathe 3, LLC

**City or County where the firm is or will be located:** **City of Olathe**

Date of Analysis: Thursday, May 07, 2026

Description of the firm's location or expansion in the community:

Building for Faith Technologies

**This report includes an analysis of costs and benefits from the firm for the following taxing entities, where the firm is or will be located. These taxing entities, with the exception of a neighboring school district, if shown, are considering tax abatements or incentives for the firm:**

| | |
|---|---|
| **City:** | **Olathe** |
| **County:** | **Johnson** |
| **School District:** | **Spring Hill Schools** |
| **A neighboring School District:** | **Olathe Schools** |
| **Special Taxing District:** | **Johnson County Community Colleg** |
| **Special Taxing District:** | **School Mills 8** |
| **State of Kansas** | |

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Costs and Benefits for:

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Data Used in this Analysis, if included , follows the Costs and Benefits for the State of Kansas

## About this Cost-Benefit Analysis Report

This cost-benefit analysis report was prepared using the Kansas Tax Abatement Cost-Benefit Model - a computer program that analyzes economic and fiscal impact. The pages that follow, in this report, show the impact that the firm included in this analysis, the firm's employees and workers in spin-off jobs will have on the community and the state.

The economic impact over the next ten years is calculated along with the accompanying public costs and benefits for the State of Kansas and the taxing entities included in this analysis.

This analysis also shows the effect of tax abatements and incentives that may be considered for the firm.

Here is how the analysis was performed:

1. Data was entered for the state and community's tax and other rates; the firm and it's employees; tax abatements and other incentives being considered for the firm; construction activity; and expected visitors.

2. Using the data entered, as well as some rates built into the computer program, calculations were made of the economic impact of the firm along with the related costs and benefits.

The calculations of impact include direct, indirect and induced impact. Regional economic multipliers, specific to the firm's industry group, were used by the program to calculate the direct and induced or spin-off jobs and earnings in the community.

These are the report sections:

**Summary of Costs and Benefits for all Taxing Entities** This report page summarizes the costs and benefits for all taxing entities resulting from the firm and from new direct, indirect and induced jobs.

**The Economic Impact that the Firm will have on the Community** This report page shows the number of direct, indirect and induced jobs that will be created in the community, the number of new residents and additional school children, and increases in local personal income, retail sales, economic activity and the property tax base in the first year and over the next ten years.

**Costs and Benefits for Each Taxing Entity** These report pages summarize the costs and benefits for the State of Kansas and for each taxing entity as a result of the firm locating or expanding in the Kansas community.

The public benefits include additional revenues from the firm and employees for your taxing entities - - - sales taxes, property taxes, utilities, utility franchise fees, other payments by new residents, payments by the firm and additional school funding. Public costs include the additional costs of public services for new residents and the firm, costs of educating new students that move to the school district, along with tax abatements and incentives provided to the firm.

In addition to a presentation of public costs and benefits, this report also computes the present value of net benefits to be received by each taxing entity; the payback period for incentives and taxes to be abated; the rate of return on investment for each entity and cost-benefit ratios.

## Present Value

The present value of the expected cash flow over the next ten years - the excess of benefits over cost - for each entity was computed. Present value is a way of expressing in today's dollars, dollars to be paid or received in the future. Today's dollar and a dollar to be received or paid at differing times in the future are not comparable because of the time value of money. The time value of money is the interest rate or each taxing entity's discount rate. The analysis uses a discount rate that is entered to make the dollars comparable--by expressing them in today's dollars or in present value.

Generally, a positive present value indicates an acceptable investment.

## Payback Period

The investment payback period for each taxing entity was computed. This analysis views the financial incentives, including tax abatement, that the taxing entities are considering for the firm as an investment that the public will be making in the company. The payback period, therefore, is the number of years that it will take each taxing entity to recover the cost of incentives from the net annual benefits that they will receive. This payback period also shows the point in time where the cost and benefits are equal for the level and length of tax abatements and incentives being granted.

The payback period is a basis for judging the appropriateness of providing incentives to a firm. Generally, the shorter the payback period the better the investment.

## Rate of Return on Investment

The rate of return on investment for each taxing entity was also computed. As with the computation of payback, the rate of return analysis views the incentives that each taxing entity is considering as an investment that the public will be making in the company. The rate of return, therefore, is annual rate of return, over the next ten years, on each taxing entity's investment in the firm.

Generally, a rate of return in excess of the taxing entity's cost of capital is considered desirable.

## Cost-Benefit Ratio

The cost-benefit ratio for each taxing entity was also computed. This ratio compares public benefits over a ten year period from the new or expanding firm to public costs during the same period. For example, a cost-benefit ratio of 1.55 (or 1.55 to 1) shows that ten year benefits are 155 percent of public costs. Conversely, a cost-benefit ratio of .75 shows that public benefits are only 75 percent of public costs -- costs exceed benefits.

Generally, a cost-benefit ratio of 1.30 to 1 is considered acceptable for a taxing entity to grant tax abatements and other financial incentives to a firm.

**Data Used in this Analysis** These report pages, if included, show the data used in this cost-benefit analysis.

## Summary of Costs and Benefits for all Taxing Units

Benefits:

| | Sales Taxes | Property Taxes | Utilities and Utility Franchise Fees | Corporate and Personal Income Taxes | Additional School Funding | Other Revenues | Total Benefits |
|---|---|---|---|---|---|---|---|
| City: Olathe | $1,989,997 | $2,358,008 | $164,710 | | | $242,015 | $4,754,730 |
| County: Johnson | $2,948,539 | $2,055,800 | | | | $936,508 | $5,940,846 |
| S. D: Spring Hill Schools | | $5,935,960 | | | $410,182 | | $6,346,141 |
| S. D: Olathe Schools | | $0 | | | $0 | | $0 |
| Johnson County Commu | | $796,619 | | | | $433,361 | $1,229,980 |
| School Mills 8 | | $808,975 | | | | $0 | $808,975 |
| State of Kansas | $17,366,350 | $151,558 | | $29,095,143 | | $714,675 | $47,327,727 |

Costs, Incentives and Taxes Abated:

| | Costs of Services for the Firm and New Residents | Costs of Educating New Students | Taxes Abated | Incentives | Total Costs, Incentives and Taxes Abated |
|---|---|---|---|---|---|
| City: Olathe | $369,118 | | $1,883,549 | $0 | $2,252,666 |
| County: Johnson | $439,047 | | $1,639,690 | $0 | $2,078,737 |
| S. D: Spring Hill Schools | | $410,182 | $4,746,730 | | $5,156,911 |
| S. D: Olathe Schools | | $0 | | | $0 |
| Johnson County Commu | $197,674 | | $635,518 | | $833,192 |
| School Mills 8 | $0 | | $0 | | $0 |
| State of Kansas | $619,609 | $728,051 | $121,082 | $0 | $1,468,741 |

Net Benefits:

| | Total Benefits | Total Costs Incentives and Taxes Abated | Net Benefits |
|---|---|---|---|
| City: Olathe | $4,754,730 | $2,252,666 | $2,502,063 |
| County: Johnson | $5,940,846 | $2,078,737 | $3,862,109 |
| S. D: Spring Hill Schools | $6,346,141 | $5,156,911 | $1,189,229 |
| S. D: Olathe Schools | $0 | $0 | $0 |
| Johnson County Commu | $1,229,980 | $833,192 | $396,788 |
| School Mills 8 | $808,975 | $0 | $808,975 |
| State of Kansas | $47,327,727 | $1,468,741 | $45,858,985 |

Other:

| | Present Value of Net Benefits to be Received Over the next 10 Years | Present Value of Incentives and Taxes Abated Over the next 10 Years | Payback Period for Incentives and Taxes Abated | Rate of Return over the next 10 years on Investment of Incentives and Taxes Abated | Cost-Benefit Ratio |
|---|---|---|---|---|---|
| City: Olathe | $1,541,531 | $1,129,301 | 7 Years | 136.50% | 1.37 |
| County: Johnson | $2,351,240 | $983,089 | 4 Years | 239.17% | 2.39 |
| S. D: Spring Hill Schools | $712,887 | $2,845,959 | More than 10 years. | 25.05% | 0.25 |
| S. D: Olathe Schools | $0 | | | | |
| Johnson County Commu | $235,767 | $381,033 | More than 10 years. | 61.88% | 0.62 |
| School Mills 8 | $484,941 | $0 | N/A | 0.00% | 0.00 |
| State of Kansas | $28,012,786 | $72,591 | During construction period. | 38589.89% | 385.90 |

## The Economic Impact of the Firm

| | In the first year | Over the next ten years |
|---|---|---|
| Number of jobs to be created | 780 | 920 |
| Number of new residents in the community | 67 | 67 |
| Number of additional students in the local school district | 4 | 4 |
| Increase in local personal income | $51,520,000 | $588,450,400 |
| Increase in local retail sales | $23,184,000 | $264,802,680 |
| Increase in the community's property tax base | $38,911,753 | $46,502,951 |

## Costs and Benefits for the City of: Olathe

Benefits to the city from the firm, its employees and spin-off benefits:

| Year | Sales Taxes | Property Taxes | Utilities and Utility Franchise Fees | Other Municipal Revenues | Total |
|---|---|---|---|---|---|
| Construction Period | $42,000 | $0 | $0 | $45,000 | $87,000 |
| 1 | $170,626 | $203,569 | $16,471 | $15,660 | $406,327 |
| 2 | $173,743 | $210,161 | $16,471 | $16,446 | $416,821 |
| 3 | $177,209 | $216,966 | $16,471 | $17,274 | $427,921 |
| 4 | $190,296 | $223,992 | $16,471 | $18,139 | $448,898 |
| 5 | $193,953 | $231,245 | $16,471 | $19,041 | $460,710 |
| 6 | $200,945 | $238,645 | $16,471 | $19,992 | $476,053 |
| 7 | $204,681 | $246,282 | $16,471 | $20,993 | $488,427 |
| 8 | $208,424 | $254,163 | $16,471 | $22,038 | $501,095 |
| 9 | $212,177 | $262,296 | $16,471 | $23,137 | $514,081 |
| 10 | $215,943 | $270,689 | $16,471 | $24,295 | $527,398 |
| Total | $1,989,997 | $2,358,008 | $164,710 | $242,015 | $4,754,730 |

The City's costs, property taxes abated and incentives provided to the firm:

| Year | City Costs for the firm and Municipal Services for New Residents | Property Taxes Abated | Incentives | Total |
|---|---|---|---|---|
| Construction Period | $0 | $0 | $0 | $0 |
| 1 | $29,594 | $162,795 | $0 | $192,390 |
| 2 | $31,042 | $168,005 | $0 | $199,047 |
| 3 | $32,552 | $173,381 | $0 | $205,933 |
| 4 | $34,127 | $178,929 | $0 | $213,056 |
| 5 | $35,769 | $184,655 | $0 | $220,424 |
| 6 | $37,481 | $190,564 | $0 | $228,045 |
| 7 | $39,267 | $196,662 | $0 | $235,929 |
| 8 | $41,128 | $202,955 | $0 | $244,083 |
| 9 | $43,068 | $209,450 | $0 | $252,518 |
| 10 | $45,090 | $216,152 | $0 | $261,243 |
| Total | $369,118 | $1,883,549 | $0 | $2,252,666 |

## Net Costs and Benefits for the City of: Olathe

| Year | Public Benefits | Public Costs, Property Taxes Abated and Incentives | Net Benefits or (Costs) | Present Value of Net Benefits | Present Value of taxes abated and incentives |
|---|---|---|---|---|---|
| Construction Period | $87,000 | $0 | $87,000 | $87,000 | $0 |
| 1 | $406,327 | $192,390 | $213,936 | $194,487 | $147,995 |
| 2 | $416,821 | $199,047 | $217,774 | $179,978 | $138,847 |
| 3 | $427,921 | $205,933 | $221,988 | $166,782 | $130,263 |
| 4 | $448,898 | $213,056 | $235,842 | $161,083 | $122,211 |
| 5 | $460,710 | $220,424 | $240,286 | $149,198 | $114,656 |
| 6 | $476,053 | $228,045 | $248,007 | $139,993 | $107,568 |
| 7 | $488,427 | $235,929 | $252,498 | $129,571 | $100,918 |
| 8 | $501,095 | $244,083 | $257,011 | $119,897 | $94,680 |
| 9 | $514,081 | $252,518 | $261,563 | $110,928 | $88,827 |
| 10 | $527,398 | $261,243 | $266,155 | $102,614 | $83,336 |
| Total | $4,754,730 | $2,252,666 | $2,502,063 | $1,541,531 | $1,129,301 |

Discounted payback period for taxes abated and incentives .................... 7 Years

Average annual rate of return over the next ten years on the city's investment of taxes abated and incentives for the firm .................... 136.50%

Cost-Benefit Ratio .................................................................................... 1.37

## Costs and Benefits for Johnson County

Benefits to the county from the firm, its employees and spin-off benefits:

| Year | Sales Taxes | Property Taxes | Other County Revenues | Total |
|---|---|---|---|---|
| Construction Period | $82,600 | $0 | $0 | $82,600 |
| 1 | $251,345 | $177,279 | $76,792 | $505,416 |
| 2 | $255,728 | $183,086 | $80,150 | $518,964 |
| 3 | $260,791 | $189,083 | $83,643 | $533,517 |
| 4 | $280,041 | $195,277 | $87,278 | $562,596 |
| 5 | $285,379 | $201,674 | $91,060 | $578,112 |
| 6 | $295,631 | $208,127 | $94,995 | $598,753 |
| 7 | $301,074 | $214,787 | $99,088 | $614,949 |
| 8 | $306,522 | $221,660 | $103,346 | $631,528 |
| 9 | $311,980 | $228,753 | $107,775 | $648,508 |
| 10 | $317,447 | $236,074 | $112,381 | $665,902 |
| Total | $2,948,539 | $2,055,800 | $936,508 | $5,940,846 |

The County's costs, property taxes abated and incentives provided to the firm:

| Year | County Costs for the firm and County Services for New Residents | Property Taxes Abated | Incentives | Total |
|---|---|---|---|---|
| Construction Period | $0 | $0 | $0 | $0 |
| 1 | $35,643 | $141,719 | $0 | $177,362 |
| 2 | $37,283 | $146,254 | $0 | $183,537 |
| 3 | $38,992 | $150,934 | $0 | $189,926 |
| 4 | $40,772 | $155,764 | $0 | $196,535 |
| 5 | $42,625 | $160,748 | $0 | $203,373 |
| 6 | $44,556 | $165,892 | $0 | $210,448 |
| 7 | $46,566 | $171,201 | $0 | $217,767 |
| 8 | $48,660 | $176,679 | $0 | $225,339 |
| 9 | $50,840 | $182,333 | $0 | $233,172 |
| 10 | $53,109 | $188,167 | $0 | $241,277 |
| Total | $439,047 | $1,639,690 | $0 | $2,078,737 |

## Net Costs and Benefits for Johnson County

| Year | Public Benefits | Public Costs, Property Taxes Abated and Incentives | Net Benefits or (Costs) | Present Value of Net Benefits | Present Value of taxes abated and incentives |
|---|---|---|---|---|---|
| Construction Period | $82,600 | $0 | $82,600 | $82,600 | $0 |
| 1 | $505,416 | $177,362 | $328,053 | $298,230 | $128,835 |
| 2 | $518,964 | $183,537 | $335,426 | $277,211 | $120,870 |
| 3 | $533,517 | $189,926 | $343,591 | $258,145 | $113,398 |
| 4 | $562,596 | $196,535 | $366,061 | $250,024 | $106,388 |
| 5 | $578,112 | $203,373 | $374,739 | $232,683 | $99,811 |
| 6 | $598,753 | $210,448 | $388,304 | $219,187 | $93,641 |
| 7 | $614,949 | $217,767 | $397,182 | $203,817 | $87,852 |
| 8 | $631,528 | $225,339 | $406,189 | $189,490 | $82,422 |
| 9 | $648,508 | $233,172 | $415,335 | $176,142 | $77,326 |
| 10 | $665,902 | $241,277 | $424,625 | $163,711 | $72,546 |
| Total | $5,940,846 | $2,078,737 | $3,862,109 | $2,351,240 | $983,089 |

Discounted payback period for taxes abated and incentives .................... 4 Years

Average annual rate of return over the next ten years on the county's investment of taxes abated and incentives for the firm ............... 239.17%

Cost-Benefit Ratio .................................................................................... 2.39

## Costs and Benefits for the School District where the firm is or will be located:  Spring Hill Schoo

Benefits to the school district from the firm, its employees and spin-off benefits:

| Year | Property Taxes | Additional State, Federal and Other School Funding | Total |
|---|---|---|---|
| 1 | $512,879 | $35,452 | $548,332 |
| 2 | $529,347 | $36,587 | $565,933 |
| 3 | $546,343 | $37,757 | $584,100 |
| 4 | $563,885 | $38,966 | $602,851 |
| 5 | $581,990 | $40,212 | $622,203 |
| 6 | $600,614 | $41,499 | $642,113 |
| 7 | $619,833 | $42,827 | $662,661 |
| 8 | $639,668 | $44,198 | $683,866 |
| 9 | $660,138 | $45,612 | $705,750 |
| 10 | $681,262 | $47,072 | $728,334 |
| Total | $5,935,960 | $410,182 | $6,346,141 |

Total costs for the School District:

| Year | Additional Costs | Property Taxes Abated | Total |
|---|---|---|---|
| 1 | $35,452 | $410,261 | $445,713 |
| 2 | $36,587 | $423,389 | $459,976 |
| 3 | $37,757 | $436,938 | $474,695 |
| 4 | $38,966 | $450,920 | $489,885 |
| 5 | $40,212 | $465,349 | $505,561 |
| 6 | $41,499 | $480,240 | $521,739 |
| 7 | $42,827 | $495,608 | $538,435 |
| 8 | $44,198 | $511,467 | $555,665 |
| 9 | $45,612 | $527,834 | $573,446 |
| 10 | $47,072 | $544,725 | $591,796 |
| Total | $410,182 | $4,746,730 | $5,156,911 |

## Net Costs and Benefits for the School District: Spring Hill Schools

| Year | Public Benefits | Total Costs and PropertyTaxes Abated | Net Benefits or (Costs) | Present Value of Net Benefits | Present Value of Taxes Abated |
|---|---|---|---|---|---|
| 1 | $548,332 | $445,713 | $102,618 | $93,289 | $372,964 |
| 2 | $565,933 | $459,976 | $105,957 | $87,568 | $349,908 |
| 3 | $584,100 | $474,695 | $109,405 | $82,198 | $328,278 |
| 4 | $602,851 | $489,885 | $112,965 | $77,157 | $307,984 |
| 5 | $622,203 | $505,561 | $116,641 | $72,425 | $288,945 |
| 6 | $642,113 | $521,739 | $120,373 | $67,947 | $271,083 |
| 7 | $662,661 | $538,435 | $124,225 | $63,747 | $254,325 |
| 8 | $683,866 | $555,665 | $128,200 | $59,806 | $238,603 |
| 9 | $705,750 | $573,446 | $132,303 | $56,109 | $223,853 |
| 10 | $728,334 | $591,796 | $136,537 | $52,641 | $210,015 |
| Total | $6,346,141 | $5,156,911 | $1,189,229 | $712,887 | $2,845,959 |

Discounted payback period for taxes abated and incentives .................... More than 10 years.

Average annual rate of return over the next ten years on the school district's investment of taxes abated and incentives for the firm ............... 25.05%

Cost-Benefit Ratio .................................................................................... 0.25

## Costs and Benefits for a neighboring School District: Olathe Schools

Benefits to the school district from the firm, its employees and spin-off benefits:

| Year | Property Taxes | Additional State, Federal and Other School Funding | Total |
|---|---|---|---|
| 1 | $0 | $0 | $0 |
| 2 | $0 | $0 | $0 |
| 3 | $0 | $0 | $0 |
| 4 | $0 | $0 | $0 |
| 5 | $0 | $0 | $0 |
| 6 | $0 | $0 | $0 |
| 7 | $0 | $0 | $0 |
| 8 | $0 | $0 | $0 |
| 9 | $0 | $0 | $0 |
| 10 | $0 | $0 | $0 |
| Total | $0 | $0 | $0 |

Total costs for the School District:

| Year | Additional Costs |
|---|---|
| 1 | $0 |
| 2 | $0 |
| 3 | $0 |
| 4 | $0 |
| 5 | $0 |
| 6 | $0 |
| 7 | $0 |
| 8 | $0 |
| 9 | $0 |
| 10 | $0 |
| Total | $0 |

## Net Costs and Benefits for the School District: Olathe Schools

| Year | Public Benefits | Total Costs | Net Benefits or (Costs) | Present Value of Net Benefits |
|---|---|---|---|---|
| 1 | $0 | $0 | $0 | $0 |
| 2 | $0 | $0 | $0 | $0 |
| 3 | $0 | $0 | $0 | $0 |
| 4 | $0 | $0 | $0 | $0 |
| 5 | $0 | $0 | $0 | $0 |
| 6 | $0 | $0 | $0 | $0 |
| 7 | $0 | $0 | $0 | $0 |
| 8 | $0 | $0 | $0 | $0 |
| 9 | $0 | $0 | $0 | $0 |
| 10 | $0 | $0 | $0 | $0 |
| Total | $0 | $0 | $0 | $0 |

Discounted payback period for taxes abated and incentives .................... N/A

Average annual rate of return over the next ten years on the school district's investment of taxes abated and incentives for the firm ............ N/A

Cost-Benefit Ratio .................................................................................... N/A

## Costs and Benefits for Special Taxing District: Johnson County Community College

Benefits to the special taxing district from the firm, its employees and spin-off benefits:

| Year | Property Taxes | Additional Revenues | Total |
|---|---|---|---|
| 1 | $68,707 | $34,200 | $102,907 |
| 2 | $70,954 | $36,000 | $106,954 |
| 3 | $73,274 | $37,881 | $111,155 |
| 4 | $75,670 | $39,845 | $115,515 |
| 5 | $78,144 | $41,896 | $120,040 |
| 6 | $80,645 | $44,037 | $124,682 |
| 7 | $83,226 | $46,272 | $129,498 |
| 8 | $85,889 | $48,606 | $134,495 |
| 9 | $88,637 | $51,041 | $139,679 |
| 10 | $91,474 | $53,583 | $145,057 |
| Total | $796,619 | $433,361 | $1,229,980 |

Total costs for the Special Taxing District:

| Year | Additional Costs | Property Taxes Abated | Total |
|---|---|---|---|
| 1 | $15,600 | $54,928 | $70,528 |
| 2 | $16,421 | $56,686 | $73,107 |
| 3 | $17,279 | $58,500 | $75,779 |
| 4 | $18,175 | $60,372 | $78,546 |
| 5 | $19,110 | $62,303 | $81,414 |
| 6 | $20,087 | $64,297 | $84,384 |
| 7 | $21,107 | $66,355 | $87,461 |
| 8 | $22,171 | $68,478 | $90,649 |
| 9 | $23,282 | $70,669 | $93,951 |
| 10 | $24,441 | $72,931 | $97,372 |
| Total | $197,674 | $635,518 | $833,192 |

## Net Costs and Benefits for Special Taxing District: Johnson County Community College

| Year | Public Benefits | Total Costs and PropertyTaxes Abated | Net Benefits or (Costs) | Present Value of Net Benefits | Present Value of Taxes Abated |
|---|---|---|---|---|---|
| 1 | $102,907 | $70,528 | $32,378 | $29,435 | $49,934 |
| 2 | $106,954 | $73,107 | $33,846 | $27,972 | $46,848 |
| 3 | $111,155 | $75,779 | $35,376 | $26,579 | $43,952 |
| 4 | $115,515 | $78,546 | $36,968 | $25,250 | $41,235 |
| 5 | $120,040 | $81,414 | $38,626 | $23,984 | $38,686 |
| 6 | $124,682 | $84,384 | $40,297 | $22,747 | $36,294 |
| 7 | $129,498 | $87,461 | $42,036 | $21,571 | $34,050 |
| 8 | $134,495 | $90,649 | $43,845 | $20,454 | $31,946 |
| 9 | $139,679 | $93,951 | $45,727 | $19,393 | $29,971 |
| 10 | $145,057 | $97,372 | $47,684 | $18,384 | $28,118 |
| Total | $1,229,980 | $833,192 | $396,788 | $235,767 | $381,033 |

Discounted payback period for taxes abated and incentives .................... More than 10 years.

Average annual rate of return over the next ten years on the taxing district's investment of taxes abated and incentives for the firm .......... 61.88%

Cost-Benefit Ratio ..................................................................................... 0.62

## Costs and Benefits for Special Taxing District: School Mills 8

Benefits to the special taxing district from the firm, its employees and spin-off benefits:

| Year | Property Taxes | Additional Revenues | Total |
|---|---|---|---|
| 1 | $69,805 | $0 | $69,805 |
| 2 | $72,077 | $0 | $72,077 |
| 3 | $74,423 | $0 | $74,423 |
| 4 | $76,845 | $0 | $76,845 |
| 5 | $79,346 | $0 | $79,346 |
| 6 | $81,885 | $0 | $81,885 |
| 7 | $84,505 | $0 | $84,505 |
| 8 | $87,210 | $0 | $87,210 |
| 9 | $90,000 | $0 | $90,000 |
| 10 | $92,880 | $0 | $92,880 |
| Total | $808,975 | $0 | $808,975 |

Total costs for the Special Taxing District:

| Year | Additional Costs | Property Taxes Abated | Total |
|---|---|---|---|
| 1 | $0 | $0 | $0 |
| 2 | $0 | $0 | $0 |
| 3 | $0 | $0 | $0 |
| 4 | $0 | $0 | $0 |
| 5 | $0 | $0 | $0 |
| 6 | $0 | $0 | $0 |
| 7 | $0 | $0 | $0 |
| 8 | $0 | $0 | $0 |
| 9 | $0 | $0 | $0 |
| 10 | $0 | $0 | $0 |
| Total | $0 | $0 | $0 |

## Net Costs and Benefits for Special Taxing District: School Mills 8

| Year | Public Benefits | Total Costs and PropertyTaxes Abated | Net Benefits or (Costs) | Present Value of Net Benefits | Present Value of Taxes Abated |
|---|---|---|---|---|---|
| 1 | $69,805 | $0 | $69,804 | $63,458 | $0 |
| 2 | $72,077 | $0 | $72,076 | $59,567 | $0 |
| 3 | $74,423 | $0 | $74,422 | $55,914 | $0 |
| 4 | $76,845 | $0 | $76,844 | $52,485 | $0 |
| 5 | $79,346 | $0 | $79,346 | $49,268 | $0 |
| 6 | $81,885 | $0 | $81,885 | $46,222 | $0 |
| 7 | $84,505 | $0 | $84,505 | $43,364 | $0 |
| 8 | $87,210 | $0 | $87,209 | $40,684 | $0 |
| 9 | $90,000 | $0 | $90,000 | $38,169 | $0 |
| 10 | $92,880 | $0 | $92,880 | $35,809 | $0 |
| Total | $808,975 | $0 | $808,975 | $484,941 | $0 |

Discounted payback period for taxes abated and incentives .................... N/A

Average annual rate of return over the next ten years on the taxing district's investment of taxes abated and incentives for the firm .......... 0.00%

Cost-Benefit Ratio ..................................................................................... 0.00

# Local rates and constants used in the Analysis of
# 167 Olathe 3, LLC

## City:

| | |
|---|---|
| Olathe | City name |
| 23.334 | City mill levy |
| $488,000 | Average market value of new residential property in the city |
| 1.500% | City sales tax rate |
| 6.000% | City transient guest tax rate |
| $103 | Annual net revenues per household for city owned utilities |
| $303 | Average annual utility franchise fees collected per household |
| $103 | Annual revenues per resident, in addition to property, transient guest and sales taxes, utilities and utility franchise fees |
| $133 | The city's annual marginal cost of providing municipal services, excluding utilities, to each new resident |
| $50 | Annual per worker revenues for the city from businesses -- in addition to property,transient guest and sales taxes and utilities |
| $121 | Annual marginal cost, per worker, of providing city services, excluding utilities, to businesses |

## County:

| | |
|---|---|
| Johnson | Name of county |
| 20.3130 | County mill levy |
| $583,000 | Average market value of new residential property in the county |
| 1.475% | County sales tax rate |
| 0.000% | County transient guest tax rate |
| $496 | The county's annual revenues per resident, excluding property; transient guest and sales taxes |
| $171 | The county's annual marginal cost of providing municipal services to each new resident |
| 1.00 | Regional economic multiplier adjustment for the County |
| $218 | Annual per worker revenues for the county from businesses -- in addition to property,transient guest and sales taxes and utilities |
| $121 | The county's annual marginal cost, per worker, of providing services to businesses |

## School District 1 -- Where the firm is or will be located

| | |
|---|---|
| Spring Hill Schools | Name of school district |
| 58.804 | School district 1's local option mill levy |
| $415,000 | Average market value of new residential property in school district 1 |
| $9,889 | School district 1's estimated marginal cost per child |
| $7,783 | State funding per child in school district 1 |
| $2,106.00 | Federal and other annual funding per child in school district 1 |

## School District 2 -- A neighboring school district where some of the firms's new employees will live

| | |
|---|---|
| Olathe Schools | Name of school district |

| | |
|---|---|
| 53.948 | School district 2's local option mill levy |
| $430,000 | Average market value of new residential property in school district 2 |
| $11,929 | School district 2’s estimated marginal cost per child |
| $11,287 | State funding per child in school district 2 |
| $640.00 | Federal and other annual funding per child in school district 2 |

## Special Taxing District 1 -- Where the firm is or will be located:

| | |
|---|---|
| Johnson County Community College | Special tax district 1 |
| 7.873 | Special tax district 1's mill levy |
| $540,000 | Average market value of new residential property in special tax district 1 |
| $0.00 | Special tax district 1’s cost per resident |
| $0.00 | Special tax district 1’s annual addl. revenues (excl prop taxes) from each new resident |
| $78 | The district's annual marginal cost, per worker, of providing services to businesses |
| $171 | Annual per worker revenues for the district from businesses -- in addition to property sales taxes and utilities |

## Special Taxing District 2 -- Where the firm is or will be located:

| | |
|---|---|
| School Mills 8 | Special tax district 2 |
| 8 | Special tax district 2's mill levy |
| $421,875 | Average market value of new residential property in special tax district 2 |
| $0.00 | Special tax district 2’s cost per resident |
| $0.00 | Special tax district 2’s annual addl. revenues (excl prop taxes) from each new resident |
| $0 | The district's annual marginal cost, per worker, of providing services to businesses |
| $0 | Annual per worker revenues for the district from businesses -- in addition to property sales taxes and utilities |

## State of Kansas:

| | |
|---|---|
| 1.5 | State mill levy |
| 0.065 | State sales tax rate |
| $508.00 | State's annual marginal revenues per new resident (excl property, income and sales taxes) |
| $468.00 | State's annual marginal cost of providing services to each new resident |
| 0.115 | State tax classification for residential real property |
| 0.25 | State tax classification for commercial and industrial real property |
| 0 | State tax classification for commercial and industrial machinery and equipment (7 years or more life) |
| 0.3 | State tax classification for all other tangible personal property: |
| 7 | Economic life, in years for straight line depreciation of commercial and industrial machinery & equipment |
| 0 | Minimum taxable value as a percent of retail cost of commercial and industrial machinery & equipment |
| $180 | The state's annual marginal cost, per worker, of providing services to businesses |
| $212 | Annual per worker revenues for the state from businesses, excluding property, income and sales taxes |
| 45.00% | Percent of gross salary that a typical Kansas worker spends on taxable goods and services |

### Personal Income Taxes:

| Income > | Over | But Not Over | = | Tax | + | Tax Rate |
|---|---|---|---|---|---|---|
| | $0 | $30,000 | | $0 | | 3.50% |
| | $30,000 | $60,000 | | $0 | | 5.25% |
| | $60,000 | | | $0 | | 5.70% |
| | | | | | | |
| | | | | | | |

| | |
|---|---|
| Standard Deduction > | $8,000 |
| Allowance per: Exemption > | $2,250 |

### Corporate Income Taxes:

| | |
|---|---|
| Corporate Income Tax Rate > | 4.00% |
| Surtax Rate > | 3.00% |
| Amount Over Which Surtax Applies > | $50,000.00 |

## Other Rates:

| | |
|---|---|
| 3.20% | Inflation |
| 10.00% | Discount rate for calculating the present value of costs and benefits |

## Comments:

UPDATED 11/24 Updated 8/17 to account for the now excluded prorated 8 mills from the general school fund at

## Market or retail value of the firm's initial new or additional investment in: 1

| | |
|---|---|
| $2,883,742 | Land |
| $32,000,000 | Building and improvements |
| $4,000,000 | Furniture, Fixtures and Equipment |

**Sum of the firm's initial new or additional investment**

$38,883,742

**Projected Expansions**

| | |
|---|---|
| 0 | Year of 2nd Expansion |
| $0 | Land |
| $0 | Building and improvements |
| $0 | Furniture, Fixtures and Equipment |

**Sum of the firm's second expansion investment**

$0

| | |
|---|---|
| 0 | Year of 3rd Expansion |
| $0 | Land |
| $0 | Building and improvements |
| $0 | Furniture, Fixtures and Equipment |

**Sum of the firm's third expansion investment**

$0

| | |
|---|---|
| 0 | Year of 4th Expansion |
| $0 | Land |
| $0 | Building and improvements |
| $0 | Furniture, Fixtures and Equipment |

**Sum of the firm's fourth expansion investment**

$0

## Sales and Purchases 2

| | New or additional sales of the firm: | Annual operating expenditures by the firm subject to sales taxes: |
|---|---|---|
| Year 1: | $15,886 | $190,637 |
| Year 2: | $31,773 | $38,686 |
| Year 3: | $32,408 | $38,686 |
| Year 4: | $33,057 | $38,686 |
| Year 5: | $33,718 | $38,686 |
| Year 6: | $63,546 | $38,686 |
| Year 7: | $64,817 | $38,686 |
| Year 8: | $66,113 | $38,686 |
| Year 9: | $67,435 | $38,686 |
| Year 10: | $68,784 | $38,686 |
| Total: | $477,537 | $538,811 |

| | Percent of sales subject to sales taxes in the: | Percent of annual taxable operating expenditures in the: |
|---|---|---|
| City: | 0.00% | 15.00% |
| County: | 0.00% | 30.00% |
| State: | 0.00% | 30.00% |

**% of sales on which state corporate income taxes will be computed (ie:Annual net taxable income)**

0.00%

## Property taxes 3

**Will the Firm be located within City property tax jurisdiction ? ( Y or N ):** Y

## Revenues from utilities and franchise fees

| | Net revenues from city-owned utilities provided to the firm | City utility franchise fees to be collected on the firm's utility usage |
|---|---|---|
| Construction period | $0 | $0 |
| Year 1: | $693 | $15,778 |
| Year 2: | $693 | $15,778 |
| Year 3: | $693 | $15,778 |
| Year 4: | $693 | $15,778 |
| Year 5: | $693 | $15,778 |
| Year 6: | $693 | $15,778 |
| Year 7: | $693 | $15,778 |
| Year 8: | $693 | $15,778 |
| Year 9: | $693 | $15,778 |
| Year 10: | $693 | $15,778 |
| Total: | $6,930 | $157,780 |

## Payments by the firm and the cost of providing other services to the firm 4

**Extra payments that the firm will make to the city, county and state -- those payments over and above property, sales and income taxes and utilities and other on-going payments made by all firms**

| | City | County | State |
|---|---|---|---|
| Construction period: | $45,000 | $0 | $0 |
| Year 1: | $0 | $0 | $0 |
| Year 2: | $0 | $0 | $0 |
| Year 3: | $0 | $0 | $0 |
| Year 4: | $0 | $0 | $0 |
| Year 5: | $0 | $0 | $0 |
| Year 6: | $0 | $0 | $0 |
| Year 7: | $0 | $0 | $0 |
| Year 8: | $0 | $0 | $0 |
| Year 9: | $0 | $0 | $0 |
| Year 10: | $0 | $0 | $0 |
| Total: | $0 | $0 | $0 |

**Extra cost of providing public services to the firm -- those services that are over and above incentives, utilities and typical services provided to all firms in the city, county and state**

| | City | County | State |
|---|---|---|---|
| Construction period: | $0 | $0 | $0 |
| Year 1: | $0 | $0 | $0 |
| Year 2: | $0 | $0 | $0 |
| Year 3: | $0 | $0 | $0 |
| Year 4: | $0 | $0 | $0 |
| Year 5: | $0 | $0 | $0 |
| Year 6: | $0 | $0 | $0 |
| Year 7: | $0 | $0 | $0 |
| Year 8: | $0 | $0 | $0 |
| Year 9: | $0 | $0 | $0 |
| Year 10: | $0 | $0 | $0 |
| Total: | $0 | $0 | $0 |

## Employee information

5

| | Number of new employees to be hired each year | Number of new employees moving to the county each year from out of state | Total number of new employees moving to the county each year |
|---|---|---|---|
| Year 1: | 200 | 10 | 20 |
| Year 2: | 4 | 0 | 0 |
| Year 3: | 4 | 0 | 0 |
| Year 4: | 4 | 0 | 0 |
| Year 5: | 4 | 0 | 0 |
| Year 6: | 4 | 0 | 0 |
| Year 7: | 4 | 0 | 0 |
| Year 8: | 4 | 0 | 0 |
| Year 9: | 4 | 0 | 0 |
| Year 10: | 4 | 0 | 0 |
| Total: | 236 | 10 | 20 |

**New indirect employees who will be moving to the county, as a per cent of new direct employees:**

| | |
|---|---|
| From out-of-State: | 2.00% |
| Total moving to the county: | 5.00% |

## Employee salary and household information

6

**Average annual salaries of employees**

| | |
|---|---|
| Year 1: | $56,000 |
| Year 2: | $56,000 |
| Year 3: | $56,000 |
| Year 4: | $59,000 |
| Year 5: | $59,000 |
| Year 6: | $60,000 |
| Year 7: | $60,000 |
| Year 8: | $60,000 |
| Year 9: | $60,000 |
| Year 10: | $60,000 |
| Total: | $586,000 |

**Where new employees moving to the county will live**

| | |
|---|---|
| 60.00% | In the City. |
| 20.00% | In the school district where the firm is located. |
| 0.00% | In school district 2. |
| 100.00% | In special taxing district 1. |
| 100.00% | In special taxing district 2. |

**Where employees will shop, as a percent of their total shopping:**

| | |
|---|---|
| 80.00% | In Kansas. |
| 60.00% | Within the County. |
| 40.00% | In the City. |

| | |
|---|---|
| Household size of a typical new worker at the firm. | 2.8 |
| Number of school age children in the household of a typical new worker at the firm. | 0.75 |
| Percent of new workers who move to the community that will (1) buy new homes or mobile homes within the first five years or (2) require the building of new residential units. | 2.00% |

## Incentives



**Value of incentives being offered to the firm:**

| | By the City | By the County | By the State |
|---|---|---|---|
| **Construction period:** | $0 | $0 | $0 |
| **Year 1:** | $0 | $0 | $0 |
| **Year 2:** | $0 | $0 | $0 |
| **Year 3:** | $0 | $0 | $0 |
| **Year 4:** | $0 | $0 | $0 |
| **Year 5:** | $0 | $0 | $0 |
| **Year 6:** | $0 | $0 | $0 |
| **Year 7:** | $0 | $0 | $0 |
| **Year 8:** | $0 | $0 | $0 |
| **Year 9:** | $0 | $0 | $0 |
| **Year 10:** | $0 | $0 | $0 |
| **Total:** | $0 | $0 | $0 |

## Percent of property taxes to be abated on:



| | Land | Buildings and Improvements | Furniture, Fixtures & Equipment |
|---|---|---|---|
| **Year1** | 80.00% | 80.00% | 100.00% |
| **Year2** | 80.00% | 80.00% | 100.00% |
| **Year3** | 80.00% | 80.00% | 100.00% |
| **Year4** | 80.00% | 80.00% | 100.00% |
| **Year5** | 80.00% | 80.00% | 100.00% |
| **Year6** | 80.00% | 80.00% | 100.00% |
| **Year7** | 80.00% | 80.00% | 100.00% |
| **Year8** | 80.00% | 80.00% | 100.00% |
| **Year9** | 80.00% | 80.00% | 100.00% |
| **Year10** | 80.00% | 80.00% | 100.00% |

**Property taxes to be abated by the following taxing entities:**

☑ **= Yes - Taxes to be abated**

- ☑ **City**
- ☑ **County**
- ☑ **School District 1**
- ☑ **Special Taxing District 1**
- ☐ **Special Taxing District 2**
- ☑ **The State**

## Construction

9

| | Initial construction or expansion | 2nd Expansion | 3rd Expansion | 4th Expansion |
|---|---|---|---|---|
| **Construction Cost** | $28,000,000 | $0 | $0 | $0 |
| **Construction Profit Percentage** | 4.00% | 0.00% | 0.00% | 0.00% |
| **Taxable materials purchased in:** | | | | |
| **Kansas** | $0 | $0 | $0 | $0 |
| **The County** | $0 | $0 | $0 | $0 |
| **The City** | $0 | $0 | $0 | $0 |
| **Taxable FFE purchased in:** | | | | |
| **Kansas** | $0 | $0 | $0 | $0 |
| **The County** | $0 | $0 | $0 | $0 |
| **The City** | $0 | $0 | $0 | $0 |
| **Total Construction Salaries:** | $14,000,000 | $0 | $0 | $0 |
| **Construction Salaries spent in:** | | | | |
| **Kansas** | $8,400,000 | $0 | $0 | $0 |
| **The County** | $5,600,000 | $0 | $0 | $0 |
| **The City** | $2,800,000 | $0 | $0 | $0 |
| **Amt. paid to avg. cons. worker** | $65,435 | $0 | $0 | $0 |
| **HH size - avg. cons. worker:** | 2.83 | 0 | 0 | 0 |
| **Nr. cons. workers:** | 214 | 0 | 0 | 0 |

## Visitors

10

**Number of out-of-town visitors expected at the firm each year**

| | |
|---|---|
| **Year 1:** | 200 |
| **Year 2:** | 210 |
| **Year 3:** | 221 |
| **Year 4:** | 232 |
| **Year 5:** | 243 |
| **Year 6:** | 255 |
| **Year 7:** | 268 |
| **Year 8:** | 281 |
| **Year 9:** | 295 |
| **Year 10:** | 310 |
| **Total:** | 2,515 |

1.75 **Average number of days that each visitor will stay in the city**

**Daily retail spending by a visitor, excluding lodging:**

| | |
|---|---|
| $90 | **In the City** |
| $90 | **Anywhere in the County** |

**The number of nights that a typical visitor will stay in a local hotel or motel:**

| | |
|---|---|
| 1 | **In the City** |
| 0.75 | **Anywhere in the County** |

**Average daily hotel / motel room rates:**

| | |
|---|---|
| 127 | **In the City** |
| 115 | **Anywhere in the County** |