

## **A Tax Abatement Cost-Benefit Analysis of Aspen Funds - Master Resolution**

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

**Date of Analysis:**      Thursday, April 10, 2025

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

Entire project

**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:**

<b>City:</b>	<b>Olathe</b>
<b>County:</b>	<b>Johnson</b>
<b>School District:</b>	<b>Gardner-Edgerton Schools</b>
<b>A neighboring School District:</b>	<b>Spring Hill Schools</b>
<b>Special Taxing District:</b>	<b>Johnson County Community Colleg</b>
<b>Special Taxing District:</b>	<b>School Mills 8</b>
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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

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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 its 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-

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	\$1,849,564	\$9,411,252	\$912,300			\$1,187,740	\$13,360,855
County: Johnson	\$2,832,599	\$8,231,184				\$5,966,595	\$17,030,379
S. D: Gardner-Edgerton		\$20,839,094			\$9,070,552		\$29,909,646
S. D: Spring Hill Schools		\$0			\$0		\$0
Johnson County Commu		\$3,292,636				\$1,067,156	\$4,359,792
School Mills 8		\$3,236,352				\$0	\$3,236,352
State of Kansas	\$17,256,738	\$605,113		\$29,264,863		\$3,128,211	\$50,254,926

### 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	\$1,747,874		\$4,689,502	\$0	\$6,437,376
County: Johnson	\$2,343,122		\$4,084,535	\$0	\$6,427,657
S. D: Gardner-Edgerton		\$9,070,552	\$10,406,121		\$19,476,673
S. D: Spring Hill Schools		\$0			\$0
Johnson County Commu	\$486,773		\$1,633,894		\$2,120,667
School Mills 8	\$0		\$0		\$0
State of Kansas	\$2,786,368	\$8,391,380	\$301,679	\$0	\$11,479,427

Net Benefits:

	Total Benefits	Total Costs Incentives and Taxes Abated	Net Benefits
City: Olathe	\$13,360,855	\$6,437,376	\$6,923,479
County: Johnson	\$17,030,379	\$6,427,657	\$10,602,721
S. D: Gardner-Edgerton	\$29,909,646	\$19,476,673	\$10,432,973
S. D: Spring Hill Schools	\$0	\$0	\$0
Johnson County Commu	\$4,359,792	\$2,120,667	\$2,239,124
School Mills 8	\$3,236,352	\$0	\$3,236,352
State of Kansas	\$50,254,926	\$11,479,427	\$38,775,498

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	\$4,226,988	\$2,815,912	6 Years	150.11%	1.50
County: Johnson	\$6,108,103	\$2,452,645	4 Years	249.04%	2.49
S. D: Gardner-Edgerton	\$6,262,281	\$6,248,589	10 Years	100.22%	1.00
S. D: Spring Hill Schools	\$0				
Johnson County Commu	\$1,310,388	\$981,108	8 Years	133.56%	1.34
School Mills 8	\$1,941,670	\$0	N/A	0.00%	0.00
State of Kansas	\$23,105,714	\$181,144	During construction period.	12755.44%	127.55

### The Economic Impact of the Firm

	<u>In the first year</u>	<u>Over the next ten years</u>
Number of jobs to be created	190	952
Number of new residents in the community	218	1088
Number of additional students in the local school district	18	88
Increase in local personal income	\$6,307,200	\$301,040,245
Increase in local retail sales	\$2,838,240	\$135,468,110
Increase in the community's property tax base	\$140,425,946	\$185,435,058

## 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	\$21,000	\$0	\$0	\$85,000	\$106,000
1	\$37,171	\$167,207	\$18,331	\$21,373	\$244,081
2	\$39,074	\$172,728	\$18,331	\$22,174	\$252,308
3	\$41,586	\$178,431	\$18,331	\$23,008	\$261,355
4	\$44,252	\$184,334	\$18,331	\$24,262	\$271,179
5	\$47,081	\$190,431	\$18,331	\$25,175	\$281,018
6	\$50,084	\$196,160	\$18,331	\$26,125	\$290,700
7	\$53,271	\$202,077	\$18,331	\$27,537	\$301,215
8	\$56,653	\$208,172	\$18,331	\$28,577	\$311,733
9	\$60,241	\$214,434	\$18,331	\$29,660	\$322,666
10	\$64,047	\$220,902	\$18,331	\$31,251	\$334,531
Total	\$514,459	\$1,934,875	\$183,310	\$344,142	\$2,976,786

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	\$34,441	\$83,358	\$0	\$117,799
2	\$35,724	\$85,859	\$0	\$121,583
3	\$37,053	\$88,435	\$0	\$125,487
4	\$38,930	\$91,088	\$0	\$130,018
5	\$40,371	\$93,820	\$0	\$134,192
6	\$41,864	\$96,635	\$0	\$138,499
7	\$43,957	\$99,534	\$0	\$143,491
8	\$45,574	\$102,520	\$0	\$148,094
9	\$47,248	\$105,596	\$0	\$152,844
10	\$49,580	\$108,764	\$0	\$158,344
Total	\$414,740	\$955,609	\$0	\$1,370,349

## 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	\$106,000	\$0	\$106,000	\$106,000	\$0
1	\$244,081	\$117,799	\$126,282	\$114,801	\$75,780
2	\$252,308	\$121,583	\$130,725	\$108,037	\$70,957
3	\$261,355	\$125,487	\$135,867	\$102,078	\$66,442
4	\$271,179	\$130,018	\$141,160	\$96,414	\$62,214
5	\$281,018	\$134,192	\$146,826	\$91,167	\$58,255
6	\$290,700	\$138,499	\$152,200	\$85,912	\$54,547
7	\$301,215	\$143,491	\$157,724	\$80,937	\$51,076
8	\$311,733	\$148,094	\$163,639	\$76,338	\$47,826
9	\$322,666	\$152,844	\$169,822	\$72,021	\$44,782
10	\$334,531	\$158,344	\$176,187	\$67,927	\$41,933
Total	\$2,976,786	\$1,370,349	\$1,606,437	\$1,001,632	\$573,812

Discounted payback period for taxes abated and incentives ..... 5 Years

Average annual rate of return over the next ten years on the city's investment of taxes abated and incentives for the firm ..... 174.56%

Cost-Benefit Ratio ..... 1.75



## 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	\$258,125	\$0	\$0	\$258,125
1	\$54,722	\$712,984	\$139,800	\$907,507
2	\$114,779	\$735,182	\$287,989	\$1,137,949
3	\$180,569	\$758,486	\$444,942	\$1,383,997
4	\$186,748	\$782,526	\$458,291	\$1,427,565
5	\$253,616	\$807,707	\$608,077	\$1,669,400
6	\$264,886	\$833,240	\$626,319	\$1,724,445
7	\$341,442	\$859,514	\$789,431	\$1,990,387
8	\$357,441	\$886,132	\$813,114	\$2,056,687
9	\$402,462	\$913,710	\$886,026	\$2,202,199
10	\$417,810	\$941,703	\$912,607	\$2,272,120
Total	\$2,832,599	\$8,231,184	\$5,966,595	\$17,030,379

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	\$54,890	\$356,296	\$0	\$411,186
2	\$113,074	\$366,985	\$0	\$480,059
3	\$174,699	\$377,994	\$0	\$552,694
4	\$179,940	\$389,334	\$0	\$569,275
5	\$238,791	\$401,014	\$0	\$639,806
6	\$245,955	\$413,045	\$0	\$659,000
7	\$310,042	\$425,436	\$0	\$735,478
8	\$319,343	\$438,199	\$0	\$757,542
9	\$347,974	\$451,345	\$0	\$799,319
10	\$358,413	\$464,885	\$0	\$823,298
Total	\$2,343,122	\$4,084,535	\$0	\$6,427,657

## 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	\$258,125	\$0	\$258,125	\$258,125	\$0
1	\$907,507	\$411,186	\$496,320	\$451,200	\$323,905
2	\$1,137,949	\$480,059	\$657,889	\$543,709	\$303,293
3	\$1,383,997	\$552,694	\$831,302	\$624,569	\$283,992
4	\$1,427,565	\$569,275	\$858,290	\$586,223	\$265,920
5	\$1,669,400	\$639,806	\$1,029,594	\$639,296	\$248,998
6	\$1,724,445	\$659,000	\$1,065,444	\$601,415	\$233,152
7	\$1,990,387	\$735,478	\$1,254,908	\$643,966	\$218,315
8	\$2,056,687	\$757,542	\$1,299,144	\$606,060	\$204,423
9	\$2,202,199	\$799,319	\$1,402,879	\$594,957	\$191,414
10	\$2,272,120	\$823,298	\$1,448,821	\$558,583	\$179,233
Total	\$17,030,379	\$6,427,657	\$10,602,721	\$6,108,103	\$2,452,645

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 ..... 249.04%

Cost-Benefit Ratio ..... 2.49

**Costs and Benefits for the School District where the firm is or will be located: Gardner-Edgerto**

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	\$1,815,632	\$212,623	\$2,028,255
2	\$1,870,450	\$438,003	\$2,308,453
3	\$1,927,103	\$676,715	\$2,603,818
4	\$1,985,472	\$697,016	\$2,682,489
5	\$2,045,774	\$924,454	\$2,970,227
6	\$2,107,710	\$952,187	\$3,059,897
7	\$2,171,493	\$1,199,857	\$3,371,350
8	\$2,236,998	\$1,235,853	\$3,472,850
9	\$2,304,537	\$1,346,721	\$3,651,258
10	\$2,373,925	\$1,387,123	\$3,761,048
Total	\$20,839,094	\$9,070,552	\$29,909,646

Total costs for the School District:

Year	Additional Costs	Property Taxes Abated	Total
1	\$212,623	\$907,731	\$1,120,354
2	\$438,003	\$934,963	\$1,372,966
3	\$676,715	\$963,012	\$1,639,727
4	\$697,016	\$991,902	\$1,688,919
5	\$924,454	\$1,021,659	\$1,946,113
6	\$952,187	\$1,052,309	\$2,004,496
7	\$1,199,857	\$1,083,878	\$2,283,736
8	\$1,235,853	\$1,116,395	\$2,352,248
9	\$1,346,721	\$1,149,887	\$2,496,608
10	\$1,387,123	\$1,184,383	\$2,571,506
Total	\$9,070,552	\$10,406,121	\$19,476,673

## **Net Costs and Benefits for the School District: Gardner-Edgerton Schools**

Year	Public Benefits	Total Costs and Property Taxes Abated	Net Benefits or (Costs)	Present Value of Net Benefits	Present Value of Taxes Abated
1	\$2,028,255	\$1,120,354	\$907,900	\$825,364	\$825,210
2	\$2,308,453	\$1,372,966	\$935,487	\$773,130	\$772,697
3	\$2,603,818	\$1,639,727	\$964,091	\$724,336	\$723,525
4	\$2,682,489	\$1,688,919	\$993,569	\$678,621	\$677,483
5	\$2,970,227	\$1,946,113	\$1,024,114	\$635,894	\$634,370
6	\$3,059,897	\$2,004,496	\$1,055,400	\$595,746	\$594,001
7	\$3,371,350	\$2,283,736	\$1,087,614	\$558,118	\$556,201
8	\$3,472,850	\$2,352,248	\$1,120,602	\$522,769	\$520,806
9	\$3,651,258	\$2,496,608	\$1,154,650	\$489,684	\$487,664
10	\$3,761,048	\$2,571,506	\$1,189,541	\$458,620	\$456,631
Total	29,909,646	\$19,476,673	\$10,432,973	\$6,262,281	\$6,248,589

Discounted payback period for taxes abated and incentives ..... 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 ..... 100.22%

Cost-Benefit Ratio ..... 1.00

### **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	\$285,208	\$24,966	\$310,174
2	\$294,087	\$51,430	\$345,517
3	\$303,409	\$79,459	\$382,868
4	\$313,026	\$81,843	\$394,869
5	\$323,099	\$108,741	\$431,840
6	\$333,312	\$112,003	\$445,316
7	\$343,823	\$141,295	\$485,117
8	\$354,470	\$145,533	\$500,004
9	\$365,502	\$158,564	\$524,066
10	\$376,700	\$163,321	\$540,021
Total	\$3,292,636	\$1,067,156	\$4,359,792

Total costs for the Special Taxing District:

Year	Additional Costs	Property Taxes Abated	Total
1	\$11,388	\$142,525	\$153,913
2	\$23,459	\$146,801	\$170,260
3	\$36,245	\$151,205	\$187,450
4	\$37,332	\$155,741	\$193,073
5	\$49,601	\$160,414	\$210,015
6	\$51,089	\$165,226	\$216,315
7	\$64,450	\$170,183	\$234,633
8	\$66,384	\$175,288	\$241,672
9	\$72,328	\$180,547	\$252,874
10	\$74,497	\$185,963	\$260,461
Total	\$486,773	\$1,633,894	\$2,120,667

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

Year	Public Benefits	Total Costs and Property Taxes Abated	Net Benefits or (Costs)	Present Value of Net Benefits	Present Value of Taxes Abated
1	\$310,174	\$153,913	\$156,260	\$142,055	\$129,569
2	\$345,517	\$170,260	\$175,256	\$144,840	\$121,323
3	\$382,868	\$187,450	\$195,418	\$146,820	\$113,603
4	\$394,869	\$193,073	\$201,795	\$137,829	\$106,373
5	\$431,840	\$210,015	\$221,824	\$137,735	\$99,604
6	\$445,316	\$216,315	\$229,000	\$129,265	\$93,266
7	\$485,117	\$234,633	\$250,484	\$128,538	\$87,331
8	\$500,004	\$241,672	\$258,331	\$120,513	\$81,773
9	\$524,066	\$252,874	\$271,191	\$115,011	\$76,570
10	\$540,021	\$260,461	\$279,560	\$107,782	\$71,697
Total	\$4,359,792	\$2,120,667	\$2,239,124	\$1,310,388	\$981,108

Discounted payback period for taxes abated and incentives ..... 8 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 ..... 133.56%

Cost-Benefit Ratio ..... 1.34

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

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

Year	Property Taxes	Additional Revenues	Total
1	\$280,816	\$0	\$280,816
2	\$289,481	\$0	\$289,481
3	\$298,536	\$0	\$298,536
4	\$307,874	\$0	\$307,874
5	\$317,616	\$0	\$317,616
6	\$327,531	\$0	\$327,531
7	\$337,736	\$0	\$337,736
8	\$348,116	\$0	\$348,116
9	\$358,854	\$0	\$358,854
10	\$369,792	\$0	\$369,792
Total	\$3,236,352	\$0	\$3,236,352

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 Property Taxes Abated	Net Benefits or (Costs)	Present Value of Net Benefits	Present Value of Taxes Abated
1	\$280,816	\$0	\$280,816	\$255,287	\$0
2	\$289,481	\$0	\$289,480	\$239,240	\$0
3	\$298,536	\$0	\$298,535	\$224,294	\$0
4	\$307,874	\$0	\$307,873	\$210,281	\$0
5	\$317,616	\$0	\$317,616	\$197,215	\$0
6	\$327,531	\$0	\$327,531	\$184,883	\$0
7	\$337,736	\$0	\$337,736	\$173,312	\$0
8	\$348,116	\$0	\$348,115	\$162,398	\$0
9	\$358,854	\$0	\$358,854	\$152,189	\$0
10	\$369,792	\$0	\$369,792	\$142,571	\$0
Total	\$3,236,352	\$0	\$3,236,352	\$1,941,670	\$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



## Costs and Benefits for the State of Kansas

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

Year	Sales Taxes	Property Taxes	Corporate and Personal Income Taxes	Other State Revenues	Total
Construction Period	\$2,193,750	\$0	\$3,071,669	\$0	\$5,265,419
1	\$319,042	\$52,642	\$490,790	\$73,274	\$935,748
2	\$669,381	\$54,244	\$1,051,485	\$150,945	\$1,926,055
3	\$1,053,360	\$55,907	\$1,687,327	\$233,209	\$3,029,804
4	\$1,093,474	\$57,621	\$1,802,932	\$240,206	\$3,194,233
5	\$1,484,030	\$59,397	\$2,482,282	\$318,779	\$4,344,488
6	\$1,552,013	\$61,216	\$2,646,692	\$328,342	\$4,588,264
7	\$1,999,417	\$63,089	\$3,453,047	\$413,906	\$5,929,459
8	\$2,094,661	\$65,005	\$3,675,054	\$426,323	\$6,261,043
9	\$2,350,564	\$66,983	\$4,134,066	\$464,644	\$7,016,258
10	\$2,447,046	\$69,009	\$4,769,518	\$478,584	\$7,764,156
Total	\$17,256,738	\$605,113	\$29,264,863	\$3,128,211	\$50,254,926

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

Year	State Costs for the firm and Services for New Residents	Cost of Educating New Students	Property Taxes Abated	Incentives	Total
Construction Period	\$0	\$0	\$0	\$0	\$0
1	\$65,270	\$196,733	\$26,316	\$0	\$288,319
2	\$134,455	\$405,271	\$27,105	\$0	\$566,831
3	\$207,734	\$626,144	\$27,918	\$0	\$861,795
4	\$213,966	\$644,928	\$28,756	\$0	\$887,649
5	\$283,944	\$855,159	\$29,618	\$0	\$1,168,722
6	\$292,462	\$880,814	\$30,507	\$0	\$1,203,784
7	\$368,667	\$1,109,747	\$31,422	\$0	\$1,509,836
8	\$379,727	\$1,143,040	\$32,365	\$0	\$1,555,131
9	\$413,864	\$1,246,080	\$33,336	\$0	\$1,693,280
10	\$426,280	\$1,283,463	\$34,336	\$0	\$1,744,079
Total	\$2,786,368	\$8,391,380	\$301,679	\$0	\$11,479,427

## Net costs and benefits for the State of Kansas:

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	\$5,265,419	\$0	\$5,265,419	\$5,265,419	\$0
1	\$935,748	\$288,319	\$647,429	\$588,571	\$23,923
2	\$1,926,055	\$566,831	\$1,359,223	\$1,123,324	\$22,400
3	\$3,029,804	\$861,795	\$2,168,008	\$1,628,856	\$20,975
4	\$3,194,233	\$887,649	\$2,306,583	\$1,575,427	\$19,640
5	\$4,344,488	\$1,168,722	\$3,175,765	\$1,971,900	\$18,390
6	\$4,588,264	\$1,203,784	\$3,384,479	\$1,910,450	\$17,220
7	\$5,929,459	\$1,509,836	\$4,419,622	\$2,267,964	\$16,124
8	\$6,261,043	\$1,555,131	\$4,705,911	\$2,195,342	\$15,098
9	\$7,016,258	\$1,693,280	\$5,322,977	\$2,257,461	\$14,137
10	\$7,764,156	\$1,744,079	\$6,020,077	\$2,321,000	\$13,237
Total	\$50,254,926	\$11,479,427	\$38,775,498	\$23,105,714	\$181,144

Discounted payback period for taxes abated and incentives ..... During construction period.

Average annual rate of return over the next ten years on the state's investment of taxes abated and incentives for the firm ..... 12755.44%

Cost-Benefit Ratio ..... 127.55

## Local rates and constants used in the Analysis of Aspen Funds - Master Resolution

### City:

Olathe	City name
23.317	City mill levy
\$407,000	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
20.3090	County mill levy
\$540,000	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

Gardner-Edgerton Schools	Name of school district
51.741	School district 1's local option mill levy
\$305,446	Average market value of new residential property in school district 1
\$12,155	School district 1's estimated marginal cost per child
\$8,816	State funding per child in school district 1
\$3,339.00	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

Spring Hill Schools	Name of school district
---------------------	-------------------------

59.406	School district 2's local option mill levy
\$373,000	Average market value of new residential property in school district 2
\$9,889	School district 2's estimated marginal cost per child
\$7,783	State funding per child in school district 2
\$2,106.00	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
8.124	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
\$407,000	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:

3.00%	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

\$5,350,000	Land	Sum of the firm's initial new or additional investment
\$135,000,000	Building and improvements	
\$0	Furniture, Fixtures and Equipment	
		\$140,350,000
Projected Expansions		
0	Year of 2nd Expansion	
\$0	Land	Sum of the firm's second expansion investment
\$0	Building and improvements	
\$0	Furniture, Fixtures and Equipment	
		\$0
0	Year of 3rd Expansion	
\$0	Land	Sum of the firm's third expansion investment
\$0	Building and improvements	
\$0	Furniture, Fixtures and Equipment	
		\$0
0	Year of 4th Expansion	
\$0	Land	Sum of the firm's fourth expansion investment
\$0	Building and improvements	
\$0	Furniture, Fixtures and Equipment	
		\$0

Sales and Purchases 2

New or additional sales of the firm:	Annual operating expenditures by the firm subject to sales taxes:	
Year 1: \$326,528	Year 1: \$263,399	
Year 2: \$653,055	Year 2: \$526,798	
Year 3: \$979,582	Year 3: \$790,197	
Year 4: \$979,582	Year 4: \$173,843	
Year 5: \$1,265,303	Year 5: \$404,324	
Year 6: \$1,265,303	Year 6: \$88,951	
Year 7: \$1,551,023	Year 7: \$319,432	
Year 8: \$1,551,023	Year 8: \$70,275	
Year 9: \$1,638,473	Year 9: \$1,332,624	
Year 10: \$1,638,473	Year 10: \$293,177	
Total: \$11,848,345	Total: \$4,263,020	
Percent of sales subject to sales taxes in the:	Percent of annual taxable operating expenditures in the:	% of sales on which state corporate income taxes will be computed (ie:Annual net taxable income)
City: 0.00%	City: 5.00%	0.00%
County: 0.00%	County: 30.00%	
State: 0.00%	State: 30.00%	

## Property taxes

3

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

## 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
Year 1:	\$5,432
Year 2:	\$5,432
Year 3:	\$5,432
Year 4:	\$5,432
Year 5:	\$5,432
Year 6:	\$5,432
Year 7:	\$5,432
Year 8:	\$5,432
Year 9:	\$5,432
Year 10:	\$5,432
Total:	\$54,320

Construction period	\$0
Year 1:	\$85,798
Year 2:	\$85,798
Year 3:	\$85,798
Year 4:	\$85,798
Year 5:	\$85,798
Year 6:	\$85,798
Year 7:	\$85,798
Year 8:	\$85,798
Year 9:	\$85,798
Year 10:	\$85,798
Total:	\$857,980

## 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:	\$250,000	\$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

	City	County	State
Construction period:	\$0	\$0	\$0
Year 1:	\$25,000	\$0	\$0
Year 2:	\$25,000	\$0	\$0
Year 3:	\$25,000	\$0	\$0
Year 4:	\$25,000	\$0	\$0
Year 5:	\$25,000	\$0	\$0
Year 6:	\$25,000	\$0	\$0
Year 7:	\$25,000	\$0	\$0
Year 8:	\$25,000	\$0	\$0
Year 9:	\$25,000	\$0	\$0
Year 10:	\$25,000	\$0	\$0
Total:	\$250,000	\$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:	146
Year 2:	146
Year 3:	146
Year 4:	0
Year 5:	127
Year 6:	0
Year 7:	127
Year 8:	0
Year 9:	40
Year 10:	0
Total:	732

Year 1:	29
Year 2:	29
Year 3:	29
Year 4:	0
Year 5:	25
Year 6:	0
Year 7:	25
Year 8:	0
Year 9:	8
Year 10:	0
Total:	145

Year 1:	73
Year 2:	73
Year 3:	73
Year 4:	0
Year 5:	63
Year 6:	0
Year 7:	63
Year 8:	0
Year 9:	20
Year 10:	0
Total:	365

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:	\$48,000
Year 2:	\$50,400
Year 3:	\$52,920
Year 4:	\$55,566
Year 5:	\$58,344
Year 6:	\$61,262
Year 7:	\$64,325
Year 8:	\$67,541
Year 9:	\$70,918
Year 10:	\$74,464
Total:	\$603,739

Where new employees moving to the county  
will live

60.00%
30.00%
0.00%
100.00%
100.00%

In the City.

In the school district where the firm is located.

In school district 2

In special taxing district 1.

In special taxing district 2.

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

80.00%
60.00%
40.00%

In Kansas.

Within the County.

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%



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	50.00%	50.00%	100.00%
Year2	50.00%	50.00%	100.00%
Year3	50.00%	50.00%	100.00%
Year4	50.00%	50.00%	100.00%
Year5	50.00%	50.00%	100.00%
Year6	50.00%	50.00%	100.00%
Year7	50.00%	50.00%	100.00%
Year8	50.00%	50.00%	100.00%
Year9	50.00%	50.00%	100.00%
Year10	50.00%	50.00%	100.00%

Property taxes to be abated by the following taxing entities:

- ☒ = Yes - Taxes to be abated
- ☒ City

☒ Special Taxing District 1

☒ County

☐ Special Taxing District 2

☒ School District

☒ The State

## Construction

9

	Initial construction or expansion	2nd Expansion	3rd Expansion	4th Expansion
Construction Cost	\$135,000,000	\$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:	\$67,500,000	\$0	\$0	\$0
Construction Salaries spent in:				
Kansas	\$33,750,000	\$0	\$0	\$0
The County	\$17,500,000	\$0	\$0	\$0
The City	\$6,750,000	\$0	\$0	\$0
Amt. paid to avg. cons. worker	\$60,000	\$0	\$0	\$0
HH size - avg. cons. worker:	2.83	0	0	0
Nr. cons. workers:	1125	0	0	0

## Visitors

10

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

Year 1:	146
Year 2:	292
Year 3:	438
Year 4:	460
Year 5:	587
Year 6:	616
Year 7:	743
Year 8:	780
Year 9:	820
Year 10:	861
Total:	5,743

1.75

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

Daily retail spending by a visitor, excluding lodging:

\$91

In the City

\$91

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