



**CITY OF OLATHE, KANSAS**  
 APPLICATION FOR ISSUANCE OF INDUSTRIAL REVENUE BONDS  
 (IRB)  
 New Business to Olathe

*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 \$4,000 application / filing fee must accompany this application. 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.**

**Cherry Santa Fe, LLC**

**Applicant's Name**

mberenbom@lane4group.com

816-216-8996

*Applicant's Email Address*

*Telephone Number*

4705 Central Street, Kansas City, MO 64112

*Applicant's Address*

Michael Berenbom, Manager

816-216-8996

*Name and Title of Responsible Officer/Contact*

*Telephone Number*

*Address (if other than corporate address)*

Chris Kline

**Attorney for Applicant**

chris.kline@huschblackwell.com

816-983-8285

*Attorney's Email Address*

*Telephone Number*

4801 Main Street, #1000, Kansas City, MO 64112

*Attorney's Address*

**Bond Purchaser/Underwriter for Applicant**

*Bond Purchaser/Underwriter's Address*

*Telephone Number*

**Bond Counsel for Applicant**

*Bond Counsel's Address*

*Telephone Number*

# I. BUSINESS INFORMATION

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

The redevelopment of the existing building at 114-126 N Cherry Street in Downtown Olathe into a multi-tenant restaurant/retail project with a rooftop patio.

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

Corporation (LLC)

C. Year and State of incorporation 2024, Kansas

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

L4 Cherry, LLC (50%, owned by principals of LANE4 Property Group)  
Austin's Angels, LLC (50%, owned by principals of Austin's Bar & Grill)

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

Michael Berenbom, Manager

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.

A redevelopment of the approximately 10,859 square foot existing building at 114-126 N Cherry Street in Downtown Olathe into a multi-tenant restaurant/retail project with a rooftop patio. Austin's Bar & Grill will lease the south end cap, and the applicant is in negotiations with other retailers to lease the balance of the building. The redevelopment will include a rooftop patio on the south end of the building.

### A. Approximate amount requested for:

Land (Attach a legal description of property as <u>Exhibit A</u> )	\$ 6,100
Building	\$ 4,464,058
Machinery and Equipment	\$ 1,000,000
Pollution Control Facilities	\$ _____
Other Costs*	\$ 1,561,471
Total	\$ 7,031,629

### \* State other costs:

Soft Costs (including design, legal and interest expenses) and Contingency.

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

Yes If yes, please describe below.

Austin's Bar & Grill has two additional Olathe locations. There are no plans to relocate either location.

### 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?

Austin's Bar & Grill will continue operating the existing two restaurants in Olathe.

D. Where is the location of the project?

114-126 N Cherry Street

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:

Renovation of existing structure.

G. Will the applicant be in direct competition with other local firms? Yes

If yes, name the firms and describe the nature of the competition:

Yes, to the extent that all restaurants compete with one another, the tenants in the project will compete with other restaurants in Olathe.

H. Are adequate public streets and utilities available to the proposed site? No

I. Specify if unusual demands for water and sewer will be made:

No unusual demands, however, current utilities are being evaluated and may require upgrade.

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? None

What percentage will be occupied by other occupants? 100% If known, indicate each occupant below:

Austin's Bar & Grill will occupy approximately 3,634 square feet and the applicant is in negotiations with other retailers to lease the balance of the building. The owners of Austin's are also partners in the applicant entity.

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

Slaggie Architects, Inc., 4600 Madison Ave, KC, MO 64112  
Harmon Construction, Inc. 18989 W 158th Street, Olathe, KS 66062

M. How many persons will be employed at the project? 150

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):

Management - 15

Office - 0

Skilled - 50

Unskilled - 85



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?

100%

P. What percentage of sales will be sold locally? 100% 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?

50%

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? 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:

2. Will the applicant pledge any assets other than the project itself to secure the bonds?
3. Will a bond and interest reserve be provided for? Yes 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? Yes If yes, describe below:
5. Has a bond underwriter determined whether or not the bonds are marketable? Yes  
If yes, describe its determination below:
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?
8. What portion of the project will be financed from funds other than bond proceeds, and what is the source of such funds?  
Approximately 69% of the project will be privately funded. This is composed of tenant investment and both debt and equity sourced by the Applicant.
9. What will be the applicant's equity investment? Please describe:  
Applicant's equity investment is approximately \$800,000, or 30% of the Applicant's total capital investment.
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: 4/1/2026

B. List below previous participation in IRB financing:

N/A

**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? 10 Percentage requested 100%

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

10-year, 100% real property tax abatement (excluding school capital outlay levy).

- 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.

In an effort to attract top tier restaurants to a speculative project in Downtown, the gross rent must be competitive with the rents for comparable restaurant space in the surrounding Olathe market. The extraordinary costs of the renovation of an older building and the construction of the rooftop patios would require rents significantly above competing options but for the proposed real estate tax abatement.



## 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 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 12th day of February 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 \_\_\_\_\_  
*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. \_\_\_\_\_

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

**EXHIBIT A**

Insert or attach here: