



Scott A. O'Neill
Dr. Lori A. Boyajian-O'Neill
13003 Walmer Street
Overland Park, KS 66209

10/24/25

City of Olathe City Council
100 Santa Fe Street
Olathe, KS 66061

To the City of Olathe City Council,

Business Garage Authority appreciates the opportunity to provide information about our business and to discuss the IRB and Sales Tax Exemption application.

Business Garage Authority will provide FLEX industrial business garage units specifically designed to meet the day-to-day needs of Johnson County entrepreneurs, contractors and owners of growing small businesses. We will provide an easy, affordable expansion of business operations beyond homes and neighborhood spaces. We target innovative business owners and CEOs who demand space that meet their requirements at cost effective pricing. Our business garage is not your father's storage facility. These FLEX garage units are specifically designed by business owners for business owners who need more than just storage. These units are made up of a "garage area" and "storefront/workspace area". The "garage area" (starting at 1200 square feet) has a tall 14ft custom garage door and perimeter area for shelf storage. The strategically designed "storefront/workspace area" (200-400 square feet), includes a lavatory, A/C-Heat, and business signage above the front entry door

The key amenities of this project is the large Community Meeting Room with kitchenette, lavatory, media area and WIFI. This allows the growing small business to gather in a professional area to discuss short term business activities and long term future goals. Other Amenities include: upscale landscaping, fire alarm system, 24/7 surveillance, large waste receptacle and more.

We are very excited to work with the members of the City of Olathe Council and to continue the expansion of the City of Olathe.

Respectfully,


Scott O'Neill

Dr. Lori Boyajian O'Neill



CITY OF OLATHE, KANSAS
APPLICATION FOR ISSUANCE OF INDUSTRIAL REVENUE BONDS
(IRB)
Master Park Resolution - New Business to Olathe

This application is being submitted under a Master Resolution of Intent approved for Mahaffie Business Park by the Council on May 3, 2016. City

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. 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). 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). 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. 19-1071 and contact Bond Council for a more detailed explanation of the fees.

SCOTT O'NEILL

Applicant's Name

ONEILLCITY@GMAIL.COM

9139159885

Applicant's Email Address

Telephone Number

13003 WALMER ST OVERLAND PARK, KS 66209

Applicant's Address

SCOTT O'NEILL / CEO

9139159885

Name and Title of Responsible Officer/Contact

Telephone Number

13003 WALMER ST OVERLAND PARK, KS 66209

Address (if other than corporate address)

Attorney for Applicant

Matthew Gough

785-843-8405

Attorney's Email Address

Telephone Number

MGOUGH@BARBEREMERSON.COM

Attorney's Address

1211 MASSACHUSETTS LAWRENCE, KS 66044

Bond Purchaser/Underwriter for Applicant

Bond Purchaser/Underwriter's Address

Telephone Number

Bond Counsel for Applicant

Bond Counsel's Address

Telephone Number

II. THE PROJECT

Briefly describe the nature of the proposed project, including information as to the structure itself (size of building, amount of land to be purchased, etc.), whether it is an expansion of an existing facility or the construction of a new facility, and what products or services are to be manufactured or provided there.

THE APPLICANT PURPOSES TO DEVELOP AND OPERATE AN INDUSTRIAL FLEX SPACE BUILDING (PHASE 2) WHICH WILL ADD TO THE EARLIER COMPLETED PHASE 1. THIS WILL CONTINUE TO PROVIDE COST EFFECTIVE OPTIONS FOR START-UPS/SMALL/INTERMEDIATE BUSINESS. THIS PROJECT WILL PROVIDE MANY HIGH END FEATURES SUCH AS: WIFI, COMMUNITY MEETING ROOM WITH KITCHENETTE AND BATHROOM, OPTIONAL A/A AND HEAT, ADDITIONAL PARKING, FIRE ALARM SYSTEM, SECURITY/SURVEILLANCE SYSTEM, FACILITY DUMPSTER, AND PO BOX UNIT.

PHASE 2: 1 BUILDING 33,000 SQ FT, 14 FLEX UNITS. DIMENSIONS RANGE FROM 1200 SQ FT TO 3000 SQ FT

A. Approximate amount requested for:

Land (Attach a legal description of property as <u>Exhibit A</u>)	\$ _____
Building	\$ 3,200,000
Machinery and Equipment	\$ _____
Pollution Control Facilities	\$ _____
Other Costs*	\$ _____
Total	\$ 3,200,000

* State other costs:

THIS ONLY FOR PHASE 2

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

Yes If yes, please describe below.

BUSINESS GARAGE AUTHORITY, PHASE 1

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?

I. BUSINESS INFORMATION

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

LEASING FLEX UNITS TO SMALL TO INTERMEDIATE SIZE BUSINESSES.

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

Corporation (LLC)

C. Year and State of incorporation 2019 KANSAS

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

SCOTT A O'NEILL 51%

LORI A. BOYAJIAN-O'NEILL 49%

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

SCOTT A. O'NEILL - PRESIDENT/CEO/TREASURER

LORI A. BOYAJIAN-O'NEILL - VICE PRESIDENT/SECRETARY

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

D. Where is the location of the project?

15571 SOUTH MAHAFFIE ST OLATHE,KS 66062

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:

NO ZONING CHANGES REQUIRED

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

PRE-MANUFACTURED STEEL BUILDING WITH FACADE MADE UP OF STUCCO, BRICK, STONE, AND PROFILE METAL PANELS. NO EQUIPMENT OR MACHINERY WILL BE FINANCED.

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:

SIMILAR TO CONTRACTORS GARGAE CONCEPT, ON THE CORNER OF 159TH AND S. MAHAFFIE. THE MAJOR DIFFERENCE ARE :

1. MANY UNIT SIZES AVAILABLE. FROM 800SQ FT TO 3000SQ FT.
2. MORE AMENITIES: COMMUNITY MEETING ROOM W/BATHROOM, MEDIA CTR AND KITCHENETTE, WIFI, FIRE ALARM SYSTEM, 24/7 SURVEILLANCE, LARGE DUMPSTER, PO BOX, ETC.

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? 0%

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

ESPURSUITS 9000 SQ FT

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

WOODY PALMER - GENERAL CONTRACTOR 5439 W 164TH PLACE OVERLAND PARK, KS 66085

M. How many persons will be employed at the project? APPROX. 80

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):

THIS FACILITY WILL PROVIDE THE AFFORDABLE, FLEXIBLE SPACE FOR BUSINESS OWNERS. BUSINESSES HIRE NEW EMPLOYEES AS THE BUSINESS GROWS. SKILL LEVELS VARY, BASED ON THE TYPE OF BUSINESS THAT LEASE OUT THE UNITS. ALL TYPE OF WORKERS WILL BE HIRED INCLUDING PROFESSIONALS, MANAGEMENT, OFFICE, ADMIN, SKILLED AND UNSKILLED LABOR.

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

BUSINESS GARAGE AUTHORITY (PHASE 2) PLANS TO LEASE FLEX UNITS TO TENANTS. THE APPLICANT ESTIMATES THE TENANTS WILL GENERATE APPROXIMATELY \$32,000,000 IN REVENUE OVER THE NEXT 10 YEARS.

P. What percentage of sales will be sold locally? 95 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?

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:

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. Publicly

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?

IRB'S WILL BE PURCHASE BY THE APPLIACANT TO FULLY FINANCE ALL IMPROVEMENTS. THE APPLICANT WILL USE EQUITY AND CONSTRUCTION FINANCING TO PURCHASE IRB'S.

9. What will be the applicant's equity investment? Please describe:

APPLICANT ADDITIONAL EQUITY INVESTMENT WILL BE \$546,000.

10. Has the applicant considered conventional financing? Yes

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

SECURITY BANK OF KANSAS CITY, AS BOND TRUSTEE.

12. Proposed date of issuing bonds: 11/1/2024

B. List below previous participation in IRB financing:

BUSINESS GARAGE AUTHORITY - PHASE 1

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
50 %

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

NO FIXED PILOT

- 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.

A BENEFIT OF BUSINESS GARAGE AUTHORITY (PHASE 2) WOULD BE THE SALES GENERATED. THE NEW TENNANTS WOULD GENERATE \$32,000,000 IN REVENUE OVER THE NEXT 10 YEARS. SALES TAX GENERATED FROM THOSE SALES WOULD BE \$3,880,000 ($\$32,000,000 * 9.48\%$).

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.

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 9th day of October 20 24, 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 SCOTT O'NEILL
Digitally signed by SCOTT O'NEILL
Date: 2024.10.09 16:30:38 -05'00'
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. 48

Occupational Classification	Total	Average Starting Wage	Average Maximum Wage	Number By County of Residence *
Various	48	25,000	60,000	Johnson 48
				Other 0
				Johnson
				Other
				Johnson
				Other
				Johnson
				Other
				Johnson
				Other
				Johnson
				Other

EXHIBIT A

Insert or attach here:

Business Garage Authority, INC

10/24/24

Firm Data Sheet

Information for firm that will occupy the facility and its employees

PLEASE NOTE APPENDIX TWO (BOTTOM TABS)

Use information on firm that will occupy the facility

Name of Firm

Business Garage Authority, Inc. (PHASE 2)

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

15571 South Mahaffie Olathe, KS 66062

Requested tax abatement term in years

10 Abatement percentage req 50%

Square footage of the facility

33,000

Acerage of land the project will occupy

0.68

NAICS or SIC Code

4225

Market Value of the firm's initial new or additional investment in:

Land	\$0
Building and Improvements	\$3,200,000
Furniture, Fixtures and Equipment	0
Other Costs	0
Total	\$3,200,000

Project expansion (if acceptable):

Year of expansion 2024

Additional investment in:

Land	
Building and Improvements	\$3,200,000
Furniture, Fixtures and Equipment	\$0

Total Sales (from the most current completed fiscal year):

Year 0 Sales \$0

New or additional sales of the firm - as a result of the project:

** Other companies will be leasing out the flex units, so this would be an estimate.

Year		Year	
1	\$0	6	\$3,500,000
2	\$1,000,000	7	\$3,500,000
3	\$3,000,000	8	\$3,500,000
4	\$3,500,000	9	\$3,500,000
5	\$3,500,000	10	\$3,500,000

Percent of those sales subject to sales tax in the:

City (Olathe)	90%
County (Johnson)	90%
State (Kansas)	90%

Annual net taxable income, as a percent of sales, on which state corporate income taxes will be computed:

\$2,880,000

** Other companies will be leasing out the flex units, so this would be an estimate.

New or Additional annual purchases of the firm as a result of the project:

(items used in operations of business, not inventory that will be sold)

** Other companies will be leasing out the flex units, so this would be an estimate.

Year	include all leased units
1	\$0
2	\$50,000
3	\$50,000
4	\$50,000
5	\$75,000
6	\$75,000
7	\$75,000
8	\$100,000
9	\$100,000
10	\$100,000

Percent of those purchases subject to sales taxes in the:

** Other companies will be leasing out the flex units, so this would be an estimate.

City (Olathe)	90%
County (Johnson)	90%

State (Kansas)	90%
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Additional annual utilities that will be used by the firm as a result of the project

** Other companies will be leasing out the flex units, so this would be an estimate.

Water	\$40,000
Wastewater	\$20,000
Telephone	\$20,000
Electricity	\$120,000
Gas	\$80,000
Garbage	\$12,000
Cable	\$12,000

Number of new employees to be hired each year (to be used to complete Appendix II)

** Other companies will be leasing out the flex units, so this would be an estimate.

Year	
1	0
2	12
3	58
4	2
5	2
6	2
7	2
8	2
9	2
10	2

Number of new employees moving to the county each year (use numbers from above):

Year From Out-of-State From Another Kansas County Total Will not move

** Other companies will be leasing out the flex units, so this would be an estimate.

1	0	0	0	0
2	2	2	8	12
3	1	2	55	58
4	1	1	56	58
5	1	1	58	60
6	1	1	60	62
7	1	1	62	64
8	1	1	64	66
9	1	1	66	68
10	1	1	68	70
Total	10	11		

Average annual salary of all employees:

** Other companies will be leasing out the flex unit, so this would be an estimate.

Year	
1	\$40,000
2	\$42,000
3	\$44,000
4	\$45,000
5	\$46,000
6	\$47,000
7	\$48,000
8	\$49,000
9	\$50,000
10	\$51,000

Household size of a typical new worker

** Other companies will be leasing out the flex unit, so this would be an estimate

Number of school age children in the household of a typical new worker

Construction

Initial construction or expansion

Cost of Construction at the firm's new or expanded facility

\$3,200,000

If construction is by an outside contractor, estimate percent profit on the cost of construction:

20%

Total construction salaries (A)

\$1,400,000

Amount paid to average construction worker during the construction period (B)

A + C = B

\$35,000

Number of construction workers (C)

50

Household size of an average construction worker

4

Expansion II (if applicable):

Start approx

Cost of Construction at the firm's new or expanded facility

If construction is by an outside contractor, estimate percent profit on the cost of cor

Total construction salaries (A)

Amount paid to average construction worker during the construction period (B)

$$A + C = B$$

Number of construction workers (C)

Household size of an average construction worker

Visitors

Number of out-of-town visitors expected at the firm:

** Other companies will be leasing out the flex units, so this would be an estimate.

Year	OOT Visitors	Year	OOT Visitors
1	10	6	40
2	30	7	40
3	30	8	60
4	30	9	60
5	40	10	60

Number of days that each visitor will stay in the area

1-3 days

Number of nights that a typical visitor will stay in a local hotel or motel:

In the City of Olath 1
Anywhere in the cc 1

Firm Data Sheet OCT 1, 2024

Sales Tax Exemption Certificate

Prior to the contractor starting construction on the project, that applicant shall notify the City Clerk whether or not to proceed with an applicant for a sales tax

Project Completion and Processing of the Tax Abatement

Prior to the completion of the project, the applicant shall inform the City and Bond Counsel to proceed with the state board of tax appeals for a tax abatement

REQUEST FOR PROJECT EXEMPTION CERTIFICATE

Kansas Department of Revenue
Tax Policy Group
915 SW Harrison St.
Topeka, KS 66612-1588

Date 10/25/24
Telephone: 785-296-3041
Fax: 785-296-7928

It is requested that a Certificate of Exemption be issued to the Petitioning Authority for the following described project if it is determined by the Department of Revenue that the proposed project qualifies for exemption from sales tax under the provisions of K.S.A. 79-3606(d) – public or private nonprofit hospital, elementary or secondary school, educational institution, political subdivisions of the state of Kansas and state correctional institutions; K.S.A. 79-3606(e) – United States Government, its agencies or instrumentalities; K.S.A. 79-3606(xx) – 501(c)(3) nonprofit zoo; K.S.A. 79-3606(aaa) – 501(c)(3) religious organization; K.S.A. 79-3606(ccc) – 501(c)(3) primary care clinic; K.S.A. 79-3606(iii) non-profit food distribution center; K.S.A. 79-3606(qqq) – TLC for Children and Families, Inc.; K.S.A. 79-3606(sss) non-profit charitable family providers; K.S.A. 79-3606(ttt) museum within a designated qualified hometown or K.S.A. 79-3606(uuu) Kansas Children's Service League.

- (A) Type of project: Approx. 33,000 square foot industrial facility (Flex Units)
Describe work to be done
1. Present use of facility: vacant land
2. Proposed use of facility after project: Flex industrial space
- (B) Project location: 15571 S. Mahaffie, Olathe, KS 66062
Building Number, Street Address, City, State, and Zip Code
- (C) Is this project being constructed as part of a business enterprise whose sales are subject to sales tax (e.g., municipal water, electric or gas companies)? ☐ Yes ☒ No
- (D) Is the Petitioning Authority authorized to levy ad valorem taxes on tangible property? ☒ Yes ☐ No
- (E) 1. Is this project being totally financed by industrial revenue bonds? ☒ Yes ☐ No
2. Is this project being partially financed by industrial revenue bonds? ☐ Yes ☒ No
3. Amount of bonds being issued for project: \$3,200,000 Phase 2

If you answered "Yes" to (E)1 or (E)2, you must complete the agreement on the back of this form and **enclose a copy of the letter of intent or resolution of intent to issue bonds.**

If you answered "No" to (E)1 or (E)2, how is the project being financed (explain type of tax, bonds, etc.)?
IRBs purchased by the beneficiary

- (F) Name of claimant owner of project: Business Garage Authority, Inc.
- (G) Starting date: 10/25/24
- (H) Estimated completion date: 11/30/25
- (I) Estimated project cost: \$3,200,000
- (J) List names and addresses of prime contractors:
Woody Palmer, 5439W164thPl, Overland Park KS
- (K) Contract date: 10/25/24
- (L) Contract number: BGA001
- (M) Project number: BGA001A

City of Olathe, Kansas
Petitioning Authority

Scott A. O'Neill
Signature of Authorized Representative

Scott A. O'Neill
Type or Print Name

Tax Exempt Entity No.

100 E. Santa Fe. St.
Mailing Address

Olathe, Kansas 66061
City, State & Zip Code

President
Title

913-915-9885
Phone Number

ONLY COMPLETE THIS PAGE IF YOU ANSWERED YES TO LINE (E) ON PAGE 1.

This agreement is made and entered into between and by the City of Olathe, Kansas

(name of political subdivision), hereinafter referred to as
Exempt Entity; and Flex industrial space (name of beneficiary of industrial revenue bond proceeds),
hereinafter referred to as Beneficiary.

It is hereby agreed by all parties to this agreement that the construction project for which the request for an exemption certificate is being made would be exempt from sales tax solely due to the fact that it is being financed by industrial revenue bonds. It shall be the duty of the Exempt Entity to notify the Kansas Department of Revenue when the industrial revenue bonds have actually been issued.

Whereas, the Kansas Department of Revenue deems it necessary to ensure that sales or compensating tax is paid should the project not be financed by industrial revenue bonds, it is hereby further agreed by the Beneficiary that if the industrial revenue bonds have not been issued by the time the project is completed then the Beneficiary will remit to the Kansas Department of Revenue the sales or compensating tax and applicable interest on tax which is due based upon the cost of tangible personal property or services used or consumed in the construction of the project. It is agreed that the Secretary of Revenue shall determine when the project has been completed.

The Secretary of Revenue shall have the right to demand from the Beneficiary payment of the sales and compensating tax and applicable interest due the state should the Kansas Department of Revenue not receive such payment within thirty (30) days after the project has been completed.

Any and all notices required herein shall be mailed and addressed as follows:

- A. Notices to the Department of Revenue shall be addressed to: Secretary of Revenue, Kansas Department of Revenue, 915 SW Harrison St., Topeka, Kansas 66612-1588
- B. Notices to the Exempt Entity shall be addressed to: City of Olathe, Kansas
100 E. Santa Fe St., Olathe, Kansas 66061 Attn: Clerk
- C. Notices to the Beneficiary shall be addressed to: _____

This agreement shall be binding upon all parties hereto and any and all their successors.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by persons authorized to do so lawfully and with full corporate authority.

POLITICAL SUBDIVISION

BENEFICIARY OF INDUSTRIAL REVENUE BOND
PROCEEDS

Authorized Signature

Authorized Signature

Type or Print Name and Title

Type or Print Name and Title

DATED: _____

DATED: _____