



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 _____ by the City Council on _____.

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 sheets, if any, are submitted as Exhibits A-G 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. 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. 18-1111 and contact Bond Council for a more detailed explanation of the fees.

JDC North Olathe Properties, L.L.C.

Applicant's Name

njones@jonesdevco.com

913-638-7307

Applicant's Email Address

Telephone Number

4520 Madison Avenue, Suite 100, Kansas City, MO 64111

Applicant's Address

Nick Jones, Manager

913-638-7307

Name and Title of Responsible Officer/Contact

Telephone Number

Address (if other than corporate address)

Curtis M. Holland

Attorney for Applicant

cholland@polsinelli.com

913-234-7411

Attorney's Email Address

Telephone Number

6201 College Blvd, Suite 500, Overland Park, KS 66211

Attorney's Address

TBD

Bond Purchaser/Underwriter for Applicant

TBD

Bond Purchaser/Underwriter's Address

Telephone Number

Bond Counsel for Applicant

Curtis M. Holland

Bond Counsel's Address

Telephone Number

I. BUSINESS INFORMATION

If the applicant corporation, or its parent, is a publicly-held corporation and regularly files annual reports on Form 10-K, respectively attach as a part of this application: Exhibit A - a copy of the most recent Form 10-K, and Exhibit B - the applicant's most recent annual report to shareholders.

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

Real Estate Development (own, operate, lease)

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

Corporation (LLC)

- C. Year and State of incorporation 2016, Missouri

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

N/A

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

Kevin R. Jones, Manager

Nicholas C. Jones, Manager

- E. List the name of the certified public accounting firm (or firms) which has performed audits of the applicant's (or its parent's) books and records for the past three (3) years. Attach financial reports (income statements, retained earnings statements, changes in working capital, balance sheets, etc.) for same years as Exhibit C.

N/A

- F. Have the applicant's credit instruments been rated by a rating service? No
Indicate name of rating service and types of instruments. Attach most recent copy of credit rating report as Exhibit D.

G Describe all outstanding or threatened litigation:

The Applicant is unaware of any pending or threatened litigation.

II. THE PROJECT

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

The project is the development of 5 lots and 5 tracts on a total of approximately 60 acres to be used for industrial/warehouse/manufacturing and all other uses permitted in the M-2 zoning district. The project is located north of Dennis Avenue at future Pine Street.

A. Approximate amount requested for:	<u>Entire Project</u>	<u>First Phase Project</u>
Land*	\$ 3,798,738	\$ 567,000
Building	\$ 35,173,000	\$ 2,433,000
Machinery and Equipment	\$	\$
Pollution Control Facilities	\$	\$
Other Costs**	\$ 2,710,182	\$
Total	\$ 41,681,920	\$ 3,000,000

* Attach a legal description of property as Exhibit E

** State other costs:

Costs to improve Pine Road, site preparation work (grading, utilities, landscaping, storm detention, etc.) and improvements to Dennis Avenue.

B. Does the applicant, or its parent, presently have offices or industrial facilities located in Olathe, Kansas? No If so, describe.

N/A

C. Where is the location of the project?

The location of the project is North of Dennis Avenue at future Pine Street

D. 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:

N/A

E. Describe the type of buildings to be constructed and type of machinery and equipment to be financed?

Uses permitted in the M-2 District

F. Will the applicant be in direct competition with other local firms? No If so, name the firms:

N/A

Describe the nature of the competition:

N/A

G. Are adequate public streets and utilities available to the proposed site? Yes _____

H. Specify if unusual demands for water and sewer will be made?

None

I. Does the applicant plan to use the City of Olathe solid waste service? Yes . If not, please identify special solid waste requirements or arrangements already made:

J. What percentage of usable floor space will be occupied by applicant? 0% What percentage will be occupied by other occupants? 100% Indicate each occupant, if known.

Phase 1 of the project will be owned by Carrier Services Plus, LLC and will be occupied under Leased to a related entity called HP Distribution, LLC. Occupation of the remaining Phases are yet to be determined.

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

TBD

L. How many persons will be employed at the project? _____ Will this project represent an increase in employment opportunities in Olathe, Kansas? Yes
* Please complete Appendix I on page 10.

M. Briefly describe the approximate number of persons to be employed by the project at all levels (e.g. - management, office, skilled and unskilled):

TBD

N. 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?

TBD

O. What percentage of sales will be sold locally? TBD Is this percentage increasing, decreasing, or remaining stable from the current trend? Increasing

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

TBD

Q. Is there likelihood for expansion of the proposed facility within three (3) years? Yes
If such expansion is contemplated, please describe:

R. Has, or will, an environmental audit be performed for the site? Yes

III. FINANCING

A. Will the applicant pledge any assets other than the project itself to secure the bonds? No
If so, what?

N/A

B. Will a bond and interest reserve be provided for? No State amount and source of funding.
N/A

C. What portion of the project will be financed from funds other than bond proceeds?
None.

What is the source of such funds?
N/A

D. What will be the applicant's equity investment? Please describe:
Approx. 20%

E. Does the applicant have any major contractual arrangements that would tend to assure, or be a detriment to, the successful financing and marketing of the proposed bonds? No
If so, please describe:
N/A

F. List previous participation in IRB financing:
FedEx Building - 22525 W 167th Street

G. Has a bond underwriter determined whether or not the bonds are marketable? No If so, describe its determination and attach statement as Exhibit F.
N/A

H. Have arrangements been made for the marketing of the bonds? No Describe interest rate structure and term of bonds.
TBD based on market conditions

- I. Indicate whether bonds will be publicly or privately placed.
Privately placed.
- J. Has the applicant considered conventional financing?
Yes
- K. Does the applicant, or its parent, intend to purchase all or any part of the proposed bond issue?
TBD
- L. Indicate name of primary officer, institution name, and address of trustee and/or fiscal agent.
TBD
- M. Proposed date of issuing the bonds: Will be issued in phases. First phase bonds issued in 2019.
- N. ***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 appropriate filing with the state board of tax appeals for a tax abatement on the project.***

IV. FINANCIAL PLAN

Attach, as Exhibit G of this application, **projected proforma statements** for the first ten (10) years of operations which include revenue projections, operating expense projections, and debt amortization schedule.

V. TAXES

- A. What is the requested tax abatement term in years? 10 years Percentage requested 50%
- B. If a Fixed PILOT payment is proposed for the project, please outline proposed structure:
Based on estimated assessed value as determined by appraisals.

- 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.

This project will enable Developer to bring new businesses to the area, producing additional property tax revenue, creating an environment that will attract employers and employees.

This project enhances the economic climate of the City by bringing new businesses to the area, producing additional property tax revenue, creating an environment that will attract employers and employees, and in turn generating income tax for the City. This project is part of the larger CityPlace development which is a mixed-use, in-fill project in one of the City's most important corridors. Further, this project will adhere to the highest development standards as outlined in the City's development process, design guidelines, and ordinances.

VI. CERTIFICATION OF APPLICANT

It is agreed that the applicant will be responsible for any legal fees incurred by the city relating to this application.

It is understood that a performance agreement shall be required as set forth in the city's tax abatement policy. I hereby swear that the foregoing and attached information dated this 14th day of May, 2019, is true and correct to the best of my knowledge.

Further, it is understood that additional information may be requested by the city to assist the Governing Body in its consideration of this matter.

Signed



Name

By

Manson

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
				Johnson
				Other