



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

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 \$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.18-1111 and contact Bond Council for a more detailed explanation of the fees.

K/H Jensen as agent for Sun Life Assurance Company of Canada

Applicant's Name

Djensen@Kessingerhunter.com

816 936 8505

Applicant's Email Address

Telephone Number

2600 Grand Blvd, 7th Floor , Kansas City, Missouri

Applicant's Address

Dan Jensen , Developer

816 936 8505

Name and Title of Responsible Officer/Contact

Telephone Number

2600 Grand Blvd, 7th Floor , Kansas City, Missouri

Address (if other than corporate address)

Eric Holmberg

Attorney for Applicant

eric@holmberglaw.com

703 591 4996

Attorney's Email Address

Telephone Number

Attorney's Address

Bond Purchaser/Underwriter for Applicant

816-218-7523

Bond Purchaser/Underwriter's Address

Telephone Number

Gary Anderson of Gilmore & Bell

Bond Counsel for Applicant

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

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

Corporation (LLC)

- C. Year and State of incorporation 2007 Kansas

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

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

Dan Jensen/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:

None

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.

600,000 SF , state-of-the-art bulk distribution facility to be built either to suit for a specific user or possibly on a speculative basis. on 36+/- acres in I-35 Logistics Park. This will be the third of ultimately six buildings totaling approximately 4.5 million SF.

A. Approximate amount requested for:

Land (Attach a legal description of property as <u>Exhibit E</u>)	\$ 3,192,077
Building	\$ 24,620,000
Machinery and Equipment	\$
Pollution Control Facilities	\$
Other Costs*	\$ 2,806,819
Total	\$ 30,618,896

* State other costs:

Soft cost, carry, operating expense

B. Does the applicant, or its parent, presently have offices or industrial facilities located in Olathe, Kansas? ☒ Yes If so, describe.

K/H Jensen developed I-35 Logistics Park building B (821,000 SF) & building C (567,155SF)

C. Where is the location of the project?

155th & 159th & Old 56 Hwy

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:

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

High Cube bulk distribution/ logistics and/or manufacturing facility

F. Will the applicant be in direct competition with other local firms? Yes _____ If so, name the firms:

Block & Company, Van Trust, Odessy Development, Heise Meyer

Describe the nature of the competition:

they too are in the industrial real estate development business.

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?

No

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:

It is always our intention for our tenants to use the City's solid waste service if they are cost competitive

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.

not known at this time

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

Merit Construction Company/ Davidson Design

L. How many persons will be employed at the project? _____ Will this project represent an increase in employment opportunities in Olathe, Kansas? Unsure
** 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):

See Firm Data Sheet

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?

See Firm Data Sheet

O. What percentage of sales will be sold locally? _____ 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?

See Firm Data Sheet

Q. Is there likelihood for expansion of the proposed facility within three (3) years? No
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?

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

C. What portion of the project will be financed from funds other than bond proceeds?

None

What is the source of such funds?

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

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:

F. List previous participation in IRB financing:

167th & Lone Elm (retired) I-35 Logistics Park building B & building C

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.

I. Indicate whether bonds will be publicly or privately placed.

Privately

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?

yes

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

to be determined

M. Proposed date of issuing the bonds: to be determined

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:

would consider a fixed PILOLOT payment but not one that has annual growth.

- 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.

Over the past 10 years, K/H Jensen has developed three buildings in the City of Olathe totaling approximately 2,000,000 SF. These buildings have been leased to strong national and international tenants such as FedEx, Bushnell, S&S Activewear, IA Auto, KGP Logistics & ITRenew. Each of the tenant's have created well paying jobs with significant payrolls. We also really put big box development on the map not only in Olathe but in the entire Kansas City Metro area. each of our developments have turned undeveloped low tax generating ground into productive developments that create jobs and even with 50% tax abatement create significant income to the City, State & County.

VI. CERTIFICATION OF APPLICANT

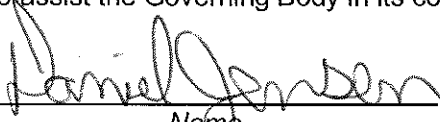
Applicant understands and agrees to pay all fees described on Page 1 of this application.

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.

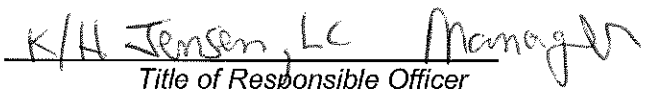
It is understood that a performance agreement shall be required, as set forth in the City's tax abatement policy, for applications requesting tax abatement. I hereby swear that the foregoing and attached information dated this 13th day of August 2019, is true and correct to the best of my knowledge.

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

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. SEE FIRM DATA SHEET

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