

November 11, 2019

Mayor Michael Copeland
Olathe City Council Members
City of Olathe
100 E. Santa Fe
Olathe, Kansas 66061

Dear Mayor Copeland and Council Members:

Thank you for seeking the input of the Chamber's Economic Development Council (EDC) on the proposed changes to the City's Tax Abatement and Industrial Revenue Bonds policy. The EDC, including members who represent the development community, appreciates the City Council's invitation to review and comment on the policy when it is reviewed annually.

After carefully considering the policy changes proposed by City staff, the EDC concluded that the City's tax abatement policy continues to be a vital tool for business recruitment. EDC members specifically commented on the following adjustments to the policy: 1) increased investment thresholds for both new and existing businesses seeking Sales Tax Exemption Industrial Revenue Bonds (IRBs) and 2) community benefit component to the IRB, CID, TIF, and TDD policies.

The EDC recognizes and supports the proposed recommendation to increase the required investment thresholds to obtain a tax abatement. The costs of issuance to obtain IRB financing on smaller projects is no longer cost effective, which has been borne out in recent years in Olathe and in neighboring cities. The EDC does not believe this increase in investment thresholds will deter business expansion in Olathe, especially when neighboring cities have similar thresholds and when Olathe continues to offer opportunities for smaller projects to obtain a tax abatement for investing in business parks which other cities do not offer.

The EDC Advisory Board believes that the tax incentives outlined in the policy will enable Olathe to continually attract new business and industry while allowing us to help existing businesses grow and expand. Members of the EDC applaud the City on its continued support of the overall policy. Thank you once again for providing us with the opportunity to review the tax abatement policy. We greatly value our partnership with the City of Olathe and appreciate the fact that the Olathe City Council and Olathe City Staff are business-friendly and supportive of progressive, positive growth.

Best regards,



Tim McKee
Chief Executive Officer
Olathe Chamber of Commerce



Oscar Healy
Chair
Olathe Economic Development Council



OLATHE
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ONE VISION. ONE VOICE.

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