



CITY OF OLATHE, KANSAS
APPLICATION FOR ISSUANCE OF INDUSTRIAL REVENUE BONDS
(IRB)
Master Park Resolution - Existing Olathe Company

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 \$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.

Grayson Enterprise, LLC

Applicant's Name

sapetter@aol.com

913-353-0234

Applicant's Email Address

Telephone Number

P.O. Box 787, Olathe, Kansas 66051

Applicant's Address

Steven A. Petter

Same

Name and Title of Responsible Officer/Contact

Telephone Number

Same

Address (if other than corporate address)

Attorney for Applicant

Jeffrey A Kincaid

913-888-9696

Attorney's Email Address

Telephone Number

jeff@rklawoffice.com

Attorney's Address

303 E Poplar St, Olathe, KS 66061

Bond Purchaser/Underwriter for Applicant

Bond Purchaser/Underwriter's Address

Telephone Number

Gary Anderson - Gilmore and Bell

Bond Counsel for Applicant

2405 Grand Blvd, Ste. 1100, Kansas City, MO 64105

816-221-1000

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?

Industrial Real Estate Development and Construction, Sales, Leasing and Management

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

Corporation (LLC)

C. Year and State of incorporation 2006, Kansas

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

Steven A. Petter - 100%

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

Steven A. Petter - Sole Member

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.

Approximately 5.47 acres of land for industrial office/warehouse project.
Three new buildings ranging from 15,000 - 20,000 Square Feet.

A. Approximate amount requested for:		<u>Entire Project</u>	<u>First Phase Project</u>
Land*	\$	1,200,000	\$
Building	\$	3,800,000	\$50
Machinery and Equipment	\$	500,000	\$
Pollution Control Facilities	\$	200,000	\$
Other Costs**	\$	1,250,000	\$
Total	\$	6,950,000	\$

* Attach a legal description of property as Exhibit E

** State other costs:

Commissions - 400,000
Bond Expenses - 50,000
Developers Fees - 800,000

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

Grayson Enterprise, LLC is an Olathe Based business.

C. Where is the location of the project?

15410, 15430, and 15460 S. Mahaffie Street, Olathe, KS

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?

Pre-cast concrete tilt-up, with gray tinted insulated glass frames.

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

Other commercial development/real estate firms.

Describe the nature of the competition:

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:

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:

Grayson Enterprise, LLC (contractor) - PO Box 787, Olathe, KS 66051
Jeff Schroeder/Herman A Scharhag Co (architect) - 6247 Brookside Blvd., Suite #204, Kansas City, MO 64113

L. How many persons will be employed at the project? 40-60* 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):

Management ~ 20
Office ~ 50
Skilled ~ 60
Unskilled ~ 30

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?

Unknown at this time

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

Unknown at this time

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?

No portion

What is the source of such funds?

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

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:

2007 and 2016

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.

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.

Private

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?

parent

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

TBD

M. Proposed date of issuing the bonds: TBD

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 Percentage requested 50 %

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

- 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.

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 _____ day of _____ 20____, 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. _____

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

EXHIBIT A

Insert or attach here:

EXHIBIT B

Insert or attach here:

EXHIBIT C

Insert or attach here:

EXHIBIT D

Insert or attach here:

EXHIBIT E

Insert or attach here:

EXHIBIT F

Insert or attach here:

EXHIBIT G

Insert or attach here: