



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

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

Lineage Logistics, LLC

Applicant's Name

rsangdahl@lineagelogistics.com (419) 340-3793

Applicant's Email Address

Telephone Number

46500 Humboldt Drive, Novi, MI 48377

Applicant's Address

Rob Sangdahl, VP, Real Estate (419) 340-3793

Name and Title of Responsible Officer/Contact

Telephone Number

Same as above.

Address (if other than corporate address)

Korb Maxwell

Attorney for Applicant

kmaxwell@polsinelli.com (816) 360-4327

Attorney's Email Address

Telephone Number

900 W. 48th Place, Suite 900, Kansas City, MO 64112

Attorney's Address

Applicant or its lender is expected to be the bond purchaser

Bond Purchaser/Underwriter for Applicant

TBD

Bond Purchaser/Underwriter's Address

Telephone Number

TBD

Bond Counsel for Applicant

TBD

Bond Counsel's Address

Telephone Number

I. BUSINESS INFORMATION

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

Lineage Logistics, LLC is an international refrigerated warehousing and logistics company that specializes in storage and transportation of temperature-sensitive products.

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

Corporation (LLC)

C. Year and State of incorporation 2011 (DE)

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

Please see I(D) below.

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

The applicant is an international refrigerated warehousing and logistics company with numerous offices and projects across the country. Greg Lehmkuhl is the President and CEO. Additional information can be provided upon request.

E. Are you pursuing an other incentives offered by another government entity? Yes
If yes, please indicate below what the other incentives are.

The Applicant is considering exploring state economic development incentives through the Kansas PEAK program, which potentially allows for the retention of withholding taxes for net new jobs.

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.

Lineage Logistics, LLC (the "Company") is proposing to construct an approx. 400,000 square foot refrigerated warehouse facility for the storage and distribution of cold food products at Lone Elm Commerce Center, northwest of W. 167th St. and Lone Elm Road.

A. Approximate amount requested for:

Land (Attach a legal description of property as <u>Exhibit A</u>)	\$ 6,588,450
Building	\$ 73,411,550
Machinery and Equipment	\$ 30,000,000
Pollution Control Facilities	\$ 0
Other Costs*	\$ 400,000
Total	\$ 110,400,000

* State other costs:

Issuance Costs and Contingency

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

No If yes, please describe below.

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?

N/A

D. Where is the location of the project?

Lone Elm Commerce Center, northwest of W 167th St. and Lone Elm Road

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:

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

Warehouse/Office.

G. Will the applicant be in direct competition with other local firms? No

If yes, name the firms and describe the nature of the competition:

There are other refrigerated warehousing companies in the area; however, the Project is distinguishable based on its superior design, location, and quality of service.

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:

N/A

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:

N/A

K. What percentage of usable floor space will be occupied by applicant? 100

What percentage will be occupied by other occupants? 0 If known, indicate each occupant below:

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

Architect - RKB Architects, Inc., 0 Campanelli Dr., Braintree, MA 02184

M. How many persons will be employed at the project? 134

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):

Management - 22 Office/Clerical - 12 Professional - 7 Skilled - 8 Unskilled - 85

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

N/A

P. What percentage of sales will be sold locally? N/A 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?

\$500,000 in consumables, sourced locally.

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? No

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? No 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? No If yes, describe below:
5. Has a bond underwriter determined whether or not the bonds are marketable? No
If yes, describe its determination below:
6. Indicate whether bonds will be publicly or privately placed. Privately
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?
TBD
9. What will be the applicant's equity investment? Please describe:
TBD
10. Has the applicant considered conventional financing? Yes

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

12. Proposed date of issuing bonds: 12/31/2021

B. List below previous participation in IRB financing:

Applicant and its consultants, including Polsinelli PC (legal services), have substantial experience with IRB financing.

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:

TBD

- 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.

Expected benefits to be realized by the Project include, but are not limited to:

- An estimated \$100M+ capital investment and increased quality employment opportunities through an estimated 127 new jobs in the City.
- Advanced, high-quality industrial design optimal for the intended location.
- Promotion of innovative technology that works to eliminate waste from supply chains and connect the world to safe, high-quality food.
- Creation of synergies with surrounding businesses and development that will facilitate an environment to help support local business creation, retention, and expansion.
- Increased property tax revenue to the City.
- Other benefits to flow, both directly, and indirectly, from locating an international warehousing and logistics company, and the world's largest refrigerated warehousing company, in Olathe.

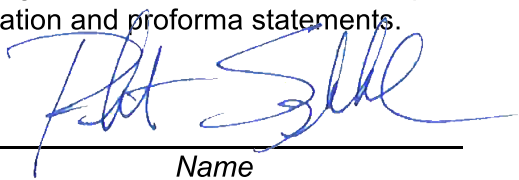
VI. CERTIFICATION OF APPLICANT

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 23rd day of March 2020, 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  By Rob Sangdahl, VP Real Estate
Name 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. ⁰ _____

Occupational Classification	Total	Average Starting Wage	Average Maximum Wage	Number By County of Residence *
N/A	N/A	N/A	N/A	Johnson
				Other
				Johnson
				Other
				Johnson
				Other
				Johnson
				Other
				Johnson
				Other
				Johnson
				Other

EXHIBIT A

Insert or attach here:

EXHIBIT A

Legal Description

TRACT 1:

THE EAST HALF (E/2) OF THE SOUTHWEST QUARTER (SW/4) OF SECTION 15, TOWNSHIP 14, RANGE 23, EXCEPT THE EAST 330 FEET OF THE SOUTH 396 FEET THEREOF, JOHNSON COUNTY, KANSAS AND EXCEPT PARTS IN ROAD AND HIGHWAY, EXCEPT THAT PART PLATTED AS LONE ELM COMMERCE CENTER, A SUBDIVISION IN THE CITY OF OLATHE, JOHNSON COUNTY, KANSAS, AND EXCEPT THAT PART DESCRIBED AS FOLLOWS:

ALL THAT PART OF THE SOUTHWEST QUARTER OF SECTION 15, TOWNSHIP 14 SOUTH, RANGE 23 EAST, IN THE CITY OF OLATHE, JOHNSON COUNTY, KANSAS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 15; THENCE S 88°15'04" W, ALONG THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 15, A DISTANCE OF 650.85 FEET TO THE SOUTHEAST PLAT CORNER OF LONE ELM COMMERCE CENTER, A PLATTED SUBDIVISION OF LAND IN THE CITY OF OLATHE, JOHNSON COUNTY, KANSAS; THENCE N 1°44'54" W, ALONG THE EAST PLAT LINE OF SAID LONE ELM COMMERCE CENTER, A DISTANCE OF 648.00 FEET TO THE NORTHEAST PLAT CORNER OF SAID LONE ELM COMMERCE CENTER, SAID POINT ALSO BEING THE POINT OF BEGINNING; THENCE S 88°15'04" W, ALONG THE NORTH PLAT LINE OF SAID LONE ELM COMMERCE CENTER, A DISTANCE OF 700.12 FEET; THENCE N 51°50'42" E, A DISTANCE OF 319.99 FEET; THENCE NORTHEASTERLY ON A CURVE TO THE LEFT, SAID CURVE BEING TANGENT TO THE LAST DESCRIBED COURSE AND HAVING A RADIUS OF 570.00 FEET, AN ARC DISTANCE OF 30.08 FEET; THENCE N 48°49'17" E, A DISTANCE OF 458.18 FEET; THENCE SOUTHERLY ON A CURVE TO THE RIGHT, SAID CURVE HAVING AN INITIAL TANGENT BEARING OF S 37°29'04" E AND A RADIUS OF 345.00 FEET, AN ARC DISTANCE OF 215.18 FEET; THENCE S 1°44'56" E, A DISTANCE OF 297.91 FEET TO THE POINT OF BEGINNING.

TRACT 2:

PART OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 15, TOWNSHIP 14 SOUTH, RANGE 23 EAST, IN THE CITY OF OLATHE EXCEPT THAT PART PLATTED AS LONE ELM COMMERCE CENTER, A SUBDIVISION IN THE CITY OF OLATHE, JOHNSON COUNTY, KANSAS, JOHNSON COUNTY, KANSAS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT A POINT 500 FEET EAST OF THE SOUTHWEST CORNER OF SECTION 15, TOWNSHIP 14 SOUTH, RANGE 23 EAST, FOR A POINT OF BEGINNING; THENCE EAST ALONG THE SOUTH LINE OF SAID SECTION A DISTANCE OF 855.63 FEET TO THE SOUTHEAST CORNER OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SAID SECTION; THENCE NORTH 0° 03' 29" EAST, ALONG THE EAST LINE OF SAID WEST HALF A DISTANCE OF 2364.17 FEET TO THE SOUTH RIGHT OF WAY LINE OF I-35 HIGHWAY, SAID POINT BEING 273.4 FEET SOUTH OF THE NORTHEAST CORNER OF SAID WEST HALF; THENCE SOUTH 51° 31' 20" WEST ALONG SAID RIGHT OF WAY LINE A DISTANCE OF 1054.90 FEET TO A POINT 933.3 FEET SOUTH OF THE NORTH LINE OF SAID SOUTHWEST QUARTER; THENCE CONTINUING SOUTHWESTERLY ALONG SAID RIGHT OF WAY LINE ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 11,309.16 FEET FOR A DISTANCE OF 699.06 FEET TO THE WEST LINE OF SAID SECTION; THENCE SOUTH 0° 03' 32" EAST ALONG SAID WEST LINE A DISTANCE OF 41.20 FEET TO A POINT 1215 FEET NORTH OF THE SOUTHWEST CORNER OF SAID SECTION; THENCE EAST 506.50 FEET; THENCE SOUTH 45° 41' 01" WEST A DISTANCE OF 177.32 FEET; THENCE SOUTH 0° 03' 32" EAST A DISTANCE OF 371.12 FEET; THENCE EAST 109.50 FEET; THENCE SOUTH 0° 56' 03" EAST A DISTANCE OF 720.10 FEET TO THE POINT OF BEGINNING, EXCEPT THAT PART IN STREETS AND ROADS;

AND EXCEPT THAT PART PLATTED AS LONE ELM COMMERCE CENTER, A SUBDIVISION IN THE CITY OF OLATHE, JOHNSON COUNTY, KANSAS.

NOTE:

ALL OF TRACT 2 AND A PORTION OF TRACT 1 ARE TO BE PLATTED AS LONE ELM COMMERCE CENTER, THIRD PLAT, A SUBDIVISION IN THE CITY OF OLATHE, JOHNSON COUNTY, KANSAS, WITH A PRELIMINARY LEGAL DESCRIPTION DESCRIBED AS FOLLOWS:

ALL THAT PART OF THE SOUTHWEST QUARTER OF SECTION 15, TOWNSHIP 14 SOUTH, RANGE 23 EAST, IN THE CITY OF OLATHE, JOHNSON COUNTY, KANSAS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 15; THENCE N 88°15'04" E, ALONG THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 15, A DISTANCE OF 500.00 FEET TO THE POINT OF BEGINNING; THENCE N 2°43'03" W, A DISTANCE OF 720.10 FEET; THENCE S 88°15'06" W, A DISTANCE OF 109.50 FEET; THENCE N 1°50'06" W, A DISTANCE OF 371.12 FEET; THENCE N 43°54'27" E, A DISTANCE OF 177.32 FEET; THENCE S 88°15'06" W, A DISTANCE OF 506.50 FEET TO A POINT ON THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 15; THENCE N 1°50'22" W, ALONG THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 15, A DISTANCE OF 38.76 FEET TO A POINT ON THE SOUTHEASTERLY RIGHT-OF-WAY OF INTERSTATE 35, AS NOW ESTABLISHED; THENCE ALONG THE SOUTHEASTERLY RIGHT-OF-WAY LINE OF SAID INTERSTATE 35, FOR THE FOLLOWING TWO (2) COURSES; THENCE NORTHEASTERLY ON A CURVE TO THE RIGHT, SAID CURVE HAVING AN INITIAL TANGENT BEARING OF N 46°11'21" E AND A RADIUS OF 11,309.16 FEET, AN ARC DISTANCE OF 696.36 FEET; THENCE N 49°43'02" E, A DISTANCE OF 1288.55 FEET; THENCE S 40°51'51" E, A DISTANCE OF 1322.86 FEET; THENCE S 48°49'17" W, A DISTANCE OF 499.38 FEET; THENCE SOUTHEASTERLY ON A CURVE TO THE RIGHT, SAID CURVE HAVING AN INITIAL TANGENT BEARING OF S 40°48'31" E AND A RADIUS OF 345.00 FEET, AN ARC DISTANCE OF 20.02 FEET TO THE NORTH MOST CORNER OF LONE ELM COMMERCE CENTER, SECOND PLAT, A PLATTED SUBDIVISION OF LAND IN THE CITY OF OLATHE, JOHNSON COUNTY, KANSAS; THENCE ALONG THE NORTHWESTERLY PLAT LINE OF SAID LONE ELM COMMERCE CENTER, SECOND PLAT, FOR THE FOLLOWING THREE (3) COURSES; THENCE S 48°49'17" W, A DISTANCE OF 458.18 FEET; THENCE SOUTHWESTERLY ON A CURVE TO THE RIGHT, SAID CURVE BEING TANGENT TO THE LAST DESCRIBED COURSE AND HAVING A RADIUS OF 570.00 FEET, AN ARC DISTANCE OF 30.08 FEET; THENCE S 51°50'42" W, A DISTANCE OF 319.99 FEET TO THE SOUTHWEST PLAT CORNER OF SAID LONE ELM COMMERCE CENTER, SECOND PLAT, SAID POINT ALSO BEING ON THE NORTHERLY PLAT LINE OF LONE ELM COMMERCE CENTER, A PLATTED SUBDIVISION OF LAND IN THE CITY OF OLATHE, JOHNSON COUNTY, KANSAS; THENCE ALONG THE NORTHERLY PLAT LINE OF SAID LONE ELM COMMERCE CENTER, FOR THE FOLLOWING TWO (2) COURSES; THENCE S 88°15'04" W, A DISTANCE OF 33.70 FEET TO A POINT OF INTERSECTION ON THE NORTH PLAT LINE OF SAID LONE ELM COMMERCE CENTER AND THE SOUTHEASTERLY RIGHT-OF-WAY LINE OF 163RD STREET, AS NOW ESTABLISHED; THENCE N 38°09'18" W, A DISTANCE OF 60.00 FEET TO THE NORTH MOST PLAT CORNER OF SAID LONE ELM COMMERCE CENTER, SAID POINT ALSO BEING ON THE NORTHWESTERLY RIGHT-OF-WAY LINE OF SAID 163RD STREET; THENCE ALONG THE WESTERLY PLAT LINE OF SAID LONE ELM COMMERCE CENTER AND ALONG THE NORTHWESTERLY AND WESTERLY RIGHT-OF-WAY LINE OF SAID 163RD STREET, FOR THE FOLLOWING FIVE (5) COURSES; THENCE S 51°50'42" W, A DISTANCE OF 549.41 FEET; THENCE SOUTHWESTERLY ON A CURVE TO THE LEFT, SAID CURVE BEING TANGENT TO THE LAST DESCRIBED COURSE AND HAVING A RADIUS OF 360.00 FEET, AN ARC DISTANCE OF 41.22 FEET; THENCE S 44°58'44" W, A DISTANCE OF 87.38 FEET; THENCE SOUTHERLY ON A CURVE TO THE LEFT, SAID CURVE HAVING AN INITIAL TANGENT BEARING OF S 31°37'27" W

AND A RADIUS OF 370.00 FEET, AN ARC DISTANCE OF 215.51 FEET; THENCE S $1^{\circ}44'56''$ E, A DISTANCE OF 80.47 FEET TO THE SOUTHWEST PLAT CORNER OF SAID LONE ELM COMMERCE CENTER, SAID POINT ALSO BEING ON THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 15; THENCE S $88^{\circ}15'04''$ W, ALONG THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 15, A DISTANCE OF 195.00 FEET TO THE POINT OF BEGINNING.