



City of Olathe

Legislation Details (With Text)

File #: G24-4145

Type: Council Consent **Status:** Passed

File created: 1/3/2024 **In control:** City Council

On agenda: 1/9/2024 **Final action:** 1/9/2024

Title: Consideration of a Memorandum of Understanding with the Kansas Department of Commerce.

Sponsors: Ron Shaver

Indexes:

Code sections:

Attachments: 1. Attachment A - MOU with Kansas Department of Commerce

| Date | Ver. | Action By | Action | Result |
|----------|------|--------------|----------|--------|
| 1/9/2024 | 1 | City Council | approved | Pass |

FOCUS AREA: Legal; City Manager's Office
STAFF CONTACT: Ron Shaver and Michael Wilkes
SUBJECT: Memorandum of Understanding with the Kansas Department of Commerce regarding Project Amber.

TITLE:
 Consideration of a Memorandum of Understanding with the Kansas Department of Commerce.

SUMMARY:
 Staff has coordinated with the Kansas Department of Commerce (KDC) to prepare the attached Memorandum of Understanding ([Attachment A](#)) regarding an economic development project called Project Amber. Project Amber would result in an existing Olathe business investing approximately \$84 million in its facility, thereby adding an anticipated 156 new jobs in Olathe.

KDC and the City would participate in Project Amber by KDC contributing \$4 million from the Job Creation Fund (JCF) administered by KDC. Funds would be allocated to Project Amber by KDC as follows:

- \$1.5M at contract execution
- \$1.5M at end of Year 1 with 40 total new jobs
- \$500K at end of Year 2 with 101 total new jobs
- \$500K at end of Year 3 with 120 total new jobs

Olathe would reimburse KDC \$500,000 in an annual amount equal to all of Olathe's portion of real property taxes paid by Project Amber for the preceding year until such time as Olathe's funding commitment is paid in full. The reimbursement payments would be made upon request for reimbursement by KDC so long as Project Amber has complied with the terms of their agreement with KDC. These terms would require Project Amber to do the following:

1. Remain current on its property and real estate taxes for at least the next ten (10) years

- from the date of the JCF contract.
2. All work performed by and on Project Amber meets with the terms of Olathe's Unified Development Ordinance.
 3. Invest at least \$84 million and create 156 new jobs in Olathe within the first five (5) years following execution of JCF Agreement.
 4. Provide quarterly progress reports to KDC and Olathe.

FINANCIAL IMPACT:

\$500,000 paid from City real estate taxes generated by Project Amber.

ACTION NEEDED:

Approve the Memorandum of Understanding with the Kansas Department of Commerce.

ATTACHMENT(S):

A: Memorandum of Understanding with the Kansas Department of Commerce