

industrial uses in conjunction with the issuance of the City's industrial revenue bonds. This project is applying for and falls under the City's tax abatement policy for a master resolution abatement, Resolution 18-1111 and Policy F-5 with an investment over \$5 million total for a master resolution for existing businesses.

- First and single series of bonds for this facility under the master resolution.
 - 20,000 sq. ft. office and warehouse facility
- Requests amount not to exceed approximately \$2,700,000 of industrial revenue bonds:
 - \$350,000 to acquire land
 - \$2,250,000 to construct the building and other costs
 - \$100,000 for furniture, fixtures & equipment
- Creates 56 new jobs over the next 10 years.
 - Average salaries:
 - Year one = \$56,000
 - Year ten = \$56,000
 - \$3,136,000 approximately in new annual wages in year 10
 - \$16,856,000 approximately in new wages combined over the next 10 years
- This project retains 65 existing Olathe jobs with this expansion
- Current property taxes at this site (2.5 acres used in calculations of 5.33 acres site used) (all jurisdictions): \$4,158 (\$272,840 appraised value for 2019 and \$32,740 assessed value for 2019). Olathe's current tax revenue from the property is \$798.
- Total *full value* property taxes on the project over the 10-year phase-in period considering an estimated appraised value of \$1,575,000 (building only portion of the project):
 - All taxing jurisdictions = \$503,800 10-year total / \$50,380 annually
 - Olathe = \$96,100 10-year total / \$9,610 annually
- Property taxes over the 10-year phase-in period with 50% property tax phase-in on this project:
 - All jurisdictions = \$251,900 10-year total / \$25,190 annually
 - Olathe = \$48,050 10-year total / \$4,805 annually

Olathe will realize approximately \$8,812 in new annual tax revenue after phase-in period expires.

FINANCIAL IMPACT:

See attached materials for more detailed fiscal impact information.

ACTION NEEDED:

Accept report. A public hearing and resolution regarding the project will go before the City Council at its December 17th meeting.

ATTACHMENT(S):

Attachment A: Master Resolution Application Attachment B: Project Application Attachment C: Executive Summary Attachment D: Firm Data Sheet Attachment E: Cost Benefit Analysis