



City of Olathe

Legislation Details (With Text)

File #:	G24-4229		
Type:	Public Hearing	Status:	Passed
File created:	2/8/2024	In control:	City Council
On agenda:	2/20/2024	Final action:	2/20/2024
Title:	Public Hearing and Consideration of Resolution No. 24-1010 requested by Scannell Properties #717, LLC and assigns for issuance of industrial revenue bonds and tax phase-in for the construction of a 729,120 square foot warehouse facility for General Mills Blue Buffalo brand on 57-acres located west of the northwest of 159th Street and Clare Road (Old 56 Highway).		
Sponsors:	Briana Burrichter, John Page		
Indexes:			
Code sections:			
Attachments:	1. A. Executive Summary, 2. B. Application, 3. C. Firm Data Sheet, 4. D. Project Cost Benefit Analysis, 5. E. Site Aerial, 6. F. IRB Historical Cost Benefit Ratios, 7. G. Resolution 24-1010		

Date	Ver.	Action By	Action	Result
2/20/2024	1	City Council	approved	Pass

FOCUS AREA: Economy

STAFF CONTACT: Briana Burrichter / John Page

SUBJECT: Public Hearing and Consideration of Resolution No. 24-1010 requested by Scannell Properties #717, LLC and assigns for issuance of industrial revenue bonds and tax phase-in for the construction of a 729,120 square foot warehouse facility for General Mills Blue Buffalo brand on 57-acres located west of the northwest of 159th Street and Clare Road (Old 56 Highway).

TITLE:

Public Hearing and Consideration of Resolution No. 24-1010 requested by Scannell Properties #717, LLC and assigns for issuance of industrial revenue bonds and tax phase-in for the construction of a 729,120 square foot warehouse facility for General Mills Blue Buffalo brand on 57-acres located west of the northwest of 159th Street and Clare Road (Old 56 Highway).

SUMMARY:

The City has received an application for \$71,594,289 in industrial revenue bonds for the construction of a 729,120 square foot industrial warehouse facility. The project is located on 57-acres near the northwest corner 159th Street and Clare Road (Old 56 Highway). This is a single series of bonds to be issued to cover land, the building and furniture, fixtures and equipment costs.

The Applicant requests a 10-year / 50% property tax phase-in in conjunction with the issuance of the City's industrial revenue bonds. This project is applying under the City's tax abatement policy (Policy F-5, Resolution 23-1080).

The single series of bonds for the project requests an amount not to exceed \$71,594,289 in industrial revenue bonds for the construction of 729,120 square feet of commercial space on 57-acres of land. The single series of industrial revenue bonds consist of:

- \$6,000,000 to acquire land
- \$65,336,390 to construct the building and cover other development costs
- \$257,899 allocated for furniture, fixtures & equipment
- ▽ The single-phase project creates 103 new jobs over the next 10 years
 - Average salaries of the new jobs:
 - \$51,159 in year one, growing to \$64,227 in year ten
 - A total of approximately \$51,649,000 in new wages over the 10 year period
- ▽ Property taxes over the 10-year period with estimated 50% property tax phase-in on this project:
 - All jurisdictions = \$635,500 annually / \$6,355,000 10-year total
 - Olathe = \$127,000 annually / \$1,270,000 10-year total
 - Olathe's current annual property tax revenue from the property is \$11,181
 - Upon retirement of the tax phase-in, the City will receive approximately a total of \$254,000 in annual property tax revenue once the property tax phase-in expires.

The cost benefit ratios of this project:

- ▽ City of Olathe
 - 1.54
 - Payback expected to take 5 years
- ▽ Johnson County
 - 1.61
 - Payback expected to take 6 years
- ▽ State of Kansas
 - 118.89
 - Payback expected during construction period
- ▽ Gardner-Edgerton School District
 - 1.00
 - Payback expected to take 10 years
- ▽ Johnson County Community College
 - 1.11
 - Payback expected to take 9 years

FINANCIAL IMPACT:

See attached materials for more detailed fiscal impact information.

ACTION NEEDED:

Two votes are needed:

- 1) Make a motion and vote to close the public hearing
- 2) Make a motion and vote to consider approval of Resolution No. 24-1010

ATTACHMENT(S):

A. Executive Summary

- B. Application
- C. Firm Data Sheet
- D. Project Cost Benefit Analysis
- E. Site Aerial
- F. IRB Historical Cost Benefit Ratios
- G. Resolution 24-1010