



# City of Olathe

## COUNCIL AGENDA ITEM

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**MEETING DATE:** 3/16/2021

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**FOCUS AREA:** Economy

**STAFF CONTACT:** Dianna Wright

**SUBJECT:** Consideration of a Public Hearing on a request by Integris BioServices LLC for issuance of industrial revenue bonds and tax phase in for the development and construction of a 70,000 sq. ft. building for laboratory services located at the Kansas Bioscience Park on College Boulevard.

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**ITEM DESCRIPTION:**

Consideration of a Public Hearing on a request by Integris BioServices LLC for a single phase project under the City's Tax Abatement policy for the construction of a 70,000 sq. ft. laboratory services in the Kansas Bioscience Park.

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**SUMMARY:**

The City has received an IRB application from Integris BioServices LLC requesting \$18,525,000 in industrial revenue bonds for the development of lab and office space on a portion of a 10.95-acre parcel in the Kansas Bioscience Park near Valley Road & College Boulevard.

This single series of bonds requests a 10-year, 55% property tax phase in for office and bioscience use project 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 new business development project with a projected investment over \$10 million.

This single series project is requesting \$18,525,000 in industrial revenue bonds for the construction of 70,000 square feet of space for lab and office uses. The project is located on a 6-acre portion of a 10.95-acre parcel in the Kansas Bioscience Park located near Clay Blair Boulevard & Valley Road, north of College Boulevard.

The capital investment of \$18,525,000 falls under the City's tax abatement policy requirement of an investment of over \$10 million for a new business. This project will be generating new jobs and wages for the community and the cost benefit report illustrates that this project exceeds the targeted cost benefit ratio.

- The project request of \$18,525,000 in industrial revenue bonds consists of;
  - \$25,000 to acquire land
  - \$16,000,000 to construct the building and other costs
  - \$2,500,000 to purchase lab equipment and FF&E for the office space
- This single series project creates 288 new jobs over the next 10 years.
  - Average salaries of new jobs in the first year:
    - \$69,737
  - \$11,157,900 approximately in new annual wages in year 1
  - \$26,205,400 approximately in new annual wages in year 10

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- \$204,453,400 approximately in total new wages over the next 10 years
- Property taxes over the 10-year period with 55% property tax phase-in on this project:
  - All jurisdictions = \$170,317 annually / \$1,703,174 10-year total
  - Olathe = \$32,995 annually / \$329,940 10-year total
  - Olathe's current annual property tax revenue from the property is \$0
  - Upon retirement of the tax phase in, the City will receive approximately a total of \$73,320 in new annual property tax revenue
- Overall the first phase project has a positive fiscal/economic impact on the community with a cost benefit ratio of 3.36 with an expected payback of 3 years.

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**FINANCIAL IMPACT:**

See attached materials for more detailed fiscal impact information.

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**ACTION NEEDED:**

Conduct the public hearing.

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**ATTACHMENT(S):**

- A. Application
- B. Firm Data Sheet
- C. Executive Summary
- D. Cost Benefit Report