

BOARD OF COUNTY COMMISSIONERS OF DOUGLAS COUNTY, KANSAS

ADDRESSING THE COMMISSION: Public comment will be taken for each regular agenda item as each item is discussed. Individuals will be limited to one comment per agenda item.

Individuals are asked to come to the microphone, sign in, and state their name. We ask that you sign in so that we can get the spelling of your name correct in the minutes of the meeting. Speakers should address all comments/questions to the Commission.

WEDNESDAY, JUNE 19, 2019

4:00 p.m. WORK SESSION

-2020 Budget Overview

5:30 p.m. BUSINESS MEETING

CONSENT AGENDA

- (1) (a) Consider approval of Commission Orders;
- (b) *Receive the Public Incentives Review Committee recommendation for the 2018 Annual Report: Economic Development Support & Compliance. Review and accept the report, if appropriate. (Britt Crum-Cano);*
- (c) *Consider authorization to award disaster debris removal contract. (Keith Browning); and*
- (d) Accounts payable.

REGULAR AGENDA

- (2) *Consider approval of a contract with CXNS Health Strategies to provide consultation and technical assistance to Douglas County, LMH Health, and the Behavioral Health Leadership Coalition for a total cost not-to-exceed \$115,000 (Bob Tryanski)*
- (3) *Consider approval of an addendum to an existing contract with LMH Health to provide Project Management Services for the development of the Crisis Center on the Douglas County Recovery Campus. Costs are not to exceed \$72,000 in 2019 and \$126,000 in 2020.(Bob Tryanski)*
- (4) *Consider approval of **SP-19-00200**, a site plan for construction of a 24,000 square foot manufacturing building, a 240 square foot pedestrian connector structure, and additional parking for expansion of McFarlane Aviation Manufacturing. The property, Lot 1 Block 1 Vinland Airzone 2nd Plat, contains approximately 39.6 acres and is addressed as 684 E 1700 Road. Submitted by Hernly Associates, Inc. for Land and Sky, LC, property owner of record. (Mary Miller is the Planner)*
- (5) Appointments:
- (6) General Public Comment
General Public Comment will be at the end of each meeting with a limit of one comment per person and keep their comments brief. Individuals may not give unused time to other speakers. As a general practice, the Commission will not discuss/debate these items, nor will the Commission make decisions on items presented during this time, rather they will refer the items to staff for follow up, if necessary.
- (7) Committee Reports
- (8) Commissioner and/or Administrator Miscellaneous
- (9) Adjourn

WEDNESDAY, June 26, 2019

-No Work Session

WEDNESDAY, JULY 3, 2019 – Cancelled

WEDNESDAY, JULY 10, 2019

-4:00 p.m. – WORK SESSION

-Downtown Masterplan

WEDNESDAY, JULY 17, 2019

WEDNESDAY, JULY 24, 2019

-No Work Session

WEDNESDAY, JULY 31, 2019

WEDNESDAY, AUGUST 7, 2019

WEDNESDAY, AUGUST 14, 2019

WEDNESDAY, AUGUST 21, 2019

WEDNESDAY, AUGUST 28, 2019

-Proclamation for "First Responders Appreciation Month"

WEDNESDAY, OCTOBER 2, 2019- cancelled

***Note:** The Douglas County Commission meets regularly on Wednesdays at 5:30 p.m., and at 4:00 p.m. for Work Sessions as needed. Meetings are held at the Douglas County Courthouse (2nd Floor) at 1100 Massachusetts Street, Lawrence, KS 66044. Specific regular meeting dates that are not listed above have not been cancelled unless specifically noted on this schedule.*

Memorandum

City of Lawrence

City Manager's Office

TO: Thomas M. Markus, City Manager
CC: Diane Stoddard, Assistant City Manager
Casey Toomay, Assistant City Manager
FROM: Britt Crum-Cano, Economic Development Coordinator
DATE: June 4, 2019
RE: **2018 Annual Report: Economic Development Support & Compliance**

The City has released its *2018 Annual Report: Economic Support & Compliance*. The report covers public assistance to aid economic and community development efforts, providing details on the project, public assistance provided, and applicable compliance performance measures.

For 2018, the City, along with its economic development partners, supported a variety of assistance programs for both large and small businesses, ranging from pay-as-you-go programs such as property tax abatements, tax increment financing, neighborhood revitalization, and transportation development districts to providing direct support for relocation, infrastructure, historic rehab., business expansion, affordable housing, workforce development, and small business assistance services. In addition to City contributions, a summary of County-only economic development programs is also included.

Property Tax Abatements

2018 saw two projects completed under the new Catalyst Property Tax Abatement program: VanTrust's Phase I, 150,000 s.f. industrial project is the first new construction project built in Lawrence VenturePark, a remediated brownfield site. Plastikon's Phase I & II expansion added 50,000 s.f. to its existing industrial facility in East Hills Business Park.

In 2018, Grandstand received authorization to participate in the Catalyst program for a 112,000 square feet expansion to their main facility in East Hills Business Park. Construction is anticipated to start in 2019 and be completed by the end of the year.

Four traditional (non-Catalyst) property tax abatements were active in 2018, with all companies meeting compliance: Amarr Garage Doors, Grandstand Sportswear and Glassware (Screen-It Graphics), Sunlite Science & Technology, and Rock Chalk Park¹. Overall, projects receiving tax abatements substantially outperformed projections for the year.

2018 Tax Abatements	Status	Projected	Delivered
Real Property Investment	↑ 122%	\$6 M	\$13.4 M
Personal Property Investment	↑ 3%	\$9.4 M	\$9.7 M
Full-Time Employment	↑ 171%	173	468
Company Wages	↑ 41%	\$33,461	\$47,086
Co Wage vs. Private Sector Wage	↑ \$13,487	\$33,599	\$47,086
Co Wages vs. 2018 Wage Floor	↑ \$20,067	\$27,019	\$47,086

Traditional property tax abatement projects paid approximately \$191,000 in property taxes out of a total \$341,000 due in 2018, with approximately \$150,000 abated.

Industrial Revenue Bonds (IRB)

Twelve Industrial Revenue Bonds (IRB) were outstanding in 2018, the majority of which were not affiliated with a property tax abatement, but rather were utilized to obtain a sales tax exemption on project construction materials.

Estimated sales tax exemption savings on three IRB projects completed in 2018 (826 Pennsylvania Street, the Boys and Girls Club center, and VanTrist Phase I) was \$867,400. Of that total, the City contributed an estimated \$205,000, the County contributed an estimated \$35,000, and the State contributed an estimated \$627,500 in sales tax exemption savings.² Note sales tax exemption savings are realized throughout project construction.

¹ KU would normally enjoy a 100% property tax abatement on their property for the duration of ownership. However, given the structure of the Rock Chalk Park project with KU Athletics entering into a long term lease with a private developer to construct the facilities, an automatic property tax exemption was not possible. A property tax abatement was utilized to assist KU in pursuing this project. Due to the unique nature of the project and its primary benefits related to assisting KU Athletics and drawing visitors from outside the community rather than job creation, no job creation performance or wage requirements were imposed.

² Amounts shown were estimated based on project cost assumptions provided by applicant, 50% materials cost for new construction projects and 100% materials and labor costs for remodeling projects. IRB sales tax exemption savings are realized during project construction with the State administering and monitoring the program.

Neighborhood Revitalization Areas (NRA)

Of the City's eight authorized Neighborhood Revitalization Areas (NRA), six projects were eligible for rebates. 2018 Rebates totaled a little over \$172,000. Overall (for all years in which a NRA rebate was given), NRA revitalized properties generated an average of 15% more real property tax revenues as compared to property tax revenues that would have been realized if the properties were left in original condition.

Two NRAs have been authorized but were not yet due to receive rebates in 2018: 1101 Indiana Street NRA, and 800-815 Vermont Street NRA.

Tax increment Financing (TIF)

The City continues to support three (3) Tax Increment Financing (TIF) districts.

- The Downtown 2000 Redevelopment TIF District was created to support the development of the City parking garage at 10th and New Hampshire and other cultural, commercial, office, and apartment developments. At the end of 2018, approximately \$1.46 million remained outstanding on the original \$8.6 million bond debt.
- The Oread TIF District was created to help fund public improvements supporting the multi-level lodging, hospitality, and business venues at 12th and Oread. Public improvements to streets and infrastructure, including a parking garage, were financed initially by the developer and are reimbursed annually through both TIF and TDD revenues generated within the district. The district began generating TIF revenues in 2009.
- The 9th & New Hampshire TIF District was created in 2012 and includes two project areas: South (900 New Hampshire Street) and North (888 New Hampshire Street).

TIFs distributions totaled approximately \$1.28 million in 2018. Of that amount, the City retained approximately \$36,000 in 2018 from the 9th & New Hampshire TIF to hold for a future Arts Commons project.

Transportation Development Districts (TDD)

Currently, the City has three (3) authorized TDD districts. In all TDD districts, public improvements are financed initially by the developer and are reimbursed annually via a one percent (1%) transportation district sales tax on retail or taxable services occurring within the district.

- The Oread TDD District (located at W. 12th Street & Oread Avenue) began generating sales tax revenues in 2009.
- The Free-State (Bauer Farm) TDD District (located at West 6th Street and Wakarusa Drive) began generating sales tax revenues in 2009.
- The 9th & New Hampshire TDD District was created in 2012 and includes two project areas: South (900 New Hampshire Street) and North (888 New Hampshire Street).

TDD distributions totaled approximately \$335,200 in 2018 with approximately \$169,500 retained by the City from the 9th & New Hampshire TDD district to pay back bonds for the 10th & New Hampshire parking garage.

Direct Support Economic Development Programs

The City also participates in other programs which directly assist economic development services and projects. The programs and projects supported in 2018 are shown below.

2018 Other Support Programs			2018 Assistance	
Support Program	Description	Location	City	County
Economic Development Services	Bioscience & Technology Business Center (BTBC)	2029 Becker & 4950 Research Pkwy	\$418,540	\$568,540
Economic Development Services	Chamber and KU-SBDC	718 New Hampshire	\$220,000	\$220,000
Workforce Training	Peaslee Technical Training Center	2920 Haskell Avenue	\$150,000	\$195,105
Expansion Assistance	Hilary's Expansion	2205 Haskell Avenue & 2151 Haskell Avenue	\$10,000	\$10,000

Historic Assistance and Investments

As a whole, companies participating in pay-as-you-go (PAYGO)³ economic development programs received approximately \$1.9 million in assistance for 2018 (approximately \$150,000 in property tax abatements, \$172,000 in Neighborhood Revitalization Area rebates, \$1.28 million in TIF property and sales tax reimbursements, and \$335,000 in TDD sales tax reimbursements).

In 2018, for every \$1 in public sector assistance provided for these programs, approximately \$4.18 in private sector capital investment was realized.

2018 Public Return on Private Capital Investment (by Year)	
Public Assistance:	\$1,898,516
Private Investment:	\$7,938,971
Private Investment for each Dollar of Public Assistance:	\$4.18

Actions to Date

4-16-19—City Commission received the *2018 Annual Report: Economic Development Support & Compliance* and referred it to the Public Incentives Review Committee (PIRC) for review and recommendation.

5-10-19—PIRC reviewed the report and voted unanimously to recommend the City and County Commission accept the 2018 Economic Development Report.

Future Actions:

6-4-19-- City Commission to receive the Public Incentives Review Committee recommendations for the *2018 Annual Report: Economic Development Support & Compliance*. Review and accept the report, if appropriate.

6-19-19—County Commission to receive the Public Incentives Review Committee recommendations for the *2018 Annual Report: Economic Development Support & Compliance*. Review and accept the report, if appropriate.

Recommendation:

Receive the Public Incentives Review Committee recommendations for the *2018 Annual Report: Economic Development Support & Compliance*. Review and accept the report, if appropriate.

³ PAYGO programs require the property developer/owner to front expenses for project improvements. Once the project is completed and begins to generate new tax revenues, a portion of project-generated tax revenues is reimbursed back over a specified period of time to the developer/owner to help offset the costs of these improvements.

Action:

Review and accept the *2018 Annual Report: Economic Development Support & Compliance*.



2018

City of Lawrence, KS

Annual Economic Development Report

Britt Crum-Cano, Economic Development Coordinator





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Executive Summary

Each year, the City of Lawrence reviews and reports information on performance and compliance for active economic development programs, including participation in property tax abatements, Industrial Revenue Bonds (IRB), Neighborhood Revitalization Areas (NRA), Tax Increment Financing districts (TIF), Transportation Development Districts (TDD), and other supported programs. This information is summarized within an annual economic development report, published by the City, as required by City Code.

In 2018, the City supported a variety of economic development projects that utilized one or more economic development programs. Following is a summary of the active projects for the year. Historical information is included in the report's appendices.

Property Tax Abatements:

In addition to providing traditional property tax abatements in 2018, the City supported three projects via the "Catalyst" program, a temporary incentive program for providing real property tax abatements to help spur industrial development.

- VanTrust's Phase I development, part of a three-phase development project in Lawrence VenturePark, was substantially completed at the end of 2018, delivering more than 153,000 square feet in new industrial space and \$10.2 million in capital investment. Its 70%, 10-year abatement is anticipated to begin with the 2019 tax year.
- Plastikon substantially completed a Phase I & II expansion project at its facility in East Hills Business Park in November 2018, providing approximately 50,000 square feet of additional space at \$3.2 million in building capital investment. The 70%, 10-year abatement is anticipated to start with the 2019 tax year.



Executive Summary

- In 2018, Grandstand received authorization to participate in the Catalyst program for a 112,000 square feet expansion to their main facility in East Hills Business Park. Construction is anticipated to start in 2019 and be completed by the end of the year.

Four (4) Lawrence companies had traditional (non-Catalyst) property tax abatements in 2018: Amarr Garage Doors, Grandstand Sportswear and Glassware (Screen-It Graphics), Sunlite Science & Technology, and Rock Chalk Park (KU facility portion). All met their compliance measures as per performance agreements signed with the City.¹

Investments

- Real property (land and building) investment was just under \$13.4 million in 2018 as compared to \$6 million projected. To date, real property investments included over \$12.2 million for Grandstand and approximately \$1.16 million for Sunlite. Amarr did not receive a real property tax abatement.

Real Property Investment			
Company	Total Projected (in 2018 dollars)	Total 2018	Comparison (Projected to Actual)
Amarr	n/a	n/a	n/a
Grandstand	\$4,890,000	\$12,218,889	250%
Sunlite	\$1,130,000	\$1,158,155	102%
Total (2018)	\$6,020,000	\$13,377,044	222%

¹ KU would normally receive a 100% property tax abatement on their property for the duration of ownership. However, given the structure of the Rock Chalk Park project with KU Athletics entering into a long term lease with a private developer to construct the facilities, an automatic property tax exemption was not possible. A property tax abatement was utilized to assist KU in pursuing this project. Due to the unique nature of the project and its primary benefits related to assisting KU Athletics and drawing visitors from outside the community rather than job creation, no job creation performance or wage requirements were imposed.



Executive Summary

- In 2018, personal property (machinery and equipment) investment totaled \$9.7 million compared to \$9.4 million projected. Amarr was the only company receiving a personal property abatement since the other two companies received automatic personal property tax exemptions through state law.²

Personal Property Investment			
Company	Total Projected (in 2018 dollars)	Total 2018	Comparison (Projected to Actual)
Amarr	\$9,400,000	\$9,700,000	103%
Grandstand	n/a	n/a	n/a
Sunlite	n/a	n/a	n/a
Total (2018)	\$9,400,000	\$9,700,000	103%

² The State of Kansas exempted commercial personal property purchased July 1, 2006 and after from taxation.



Executive Summary

Employment

In 2018, Amarr had 264 full-time positions (40 projected), Grandstand had 195 full-time positions (102 projected), and Sunlite had 9 full-time positions (31 projected)³.

Full-Time Employment			
Company	Total Projected (in 2018 dollars)	Total 2018	Comparison (Projected to Actual)
Amarr ⁴	40	264	660%
Grandstand	102	195	191%
Sunlite	31	9	30%
Total (2018)	173	468	271%

³ Per 2018 Sunlite application, the original prediction of number of employees was based on manufacturing LED lamps for general lighting areas. In the past two years, general lighting was no longer profitable for Sunlite. Sunlite is now focusing on special LED lighting products such as LED curing lamps and ED fixtures for vertical gardens. Sunlite has increased activity on research and development for new products in 2018, so the average wage is higher than expected, but number of FTE is lower than expected.

⁴ The number of jobs projected from abatement was 40, as per Kansas Court of Tax Abatement (COTA) orders (Docket # 2010-5589-EDX, received 8-12-2010) granting the tax abatement on personal property. According to the COTA orders, "Applicant is using the subject property for manufacturing articles of commerce and its expansion has resulted in or will result in the creation of 40 new positions." During the year prior to submission of the COTA application (2009), Amarr had a total full-time workforce of 499. From the COTA orders, the company projected 40 net new full-time positions would be added during the abatement period for a total of 539 full-time jobs (499 + 40 = 539). In 2018, Amarr reported 803 actual, full-time positions and had realized 264 net new full-time positions (803-539 = 264).



Executive Summary

Full-Time Wages

All companies receiving property tax abatements met or exceeded required wage levels during 2018. Average 2018 full-time wages were \$39,879 for Amarr, \$47,050 for Grandstand, and \$54,330 for Sunlite.

As a whole, the companies achieved an average annual wage of more than \$47,000 for full-time positions in 2018 compared to approximately \$33,500 projected (inflation adjusted). This is approximately \$13,500 higher than the average full-time, private sector wage in Lawrence (\$33,599 per year) and approximately \$20,000 higher than the 2018 wage floor rate (\$27,019 per year).

Average Wage Comparison			
Company	Total Projected (in 2018 dollars)	Total 2018	Comparison (Projected to Actual)
Amarr	\$34,083	\$39,879	117%
Grandstand	\$32,802	\$47,050	143%
Sunlite	\$33,500	\$54,330	162%
Total Average Wage (2018)	\$33,461	\$47,086	141%

Wage Comparisons			Wage Difference
2018 Wage Comparison	Hourly	Annual	
Lawrence Average Private Wage	\$16.15	\$33,599	\$13,487
Lawrence Wage Floor	\$12.99	\$27,019	\$20,067
Company Average Wage	\$22.64	\$47,086	



Executive Summary

Tax Generation

In 2018, companies receiving traditional property tax abatements paid a combined \$190,921 in property taxes out of a total of \$341,191 due (\$150,269 abated).⁵ Amarr paid a total of \$113,291 in personal property tax out of \$138,588 due (\$25,297 abated); Grandstand paid a total of \$55,232 in real property tax out of \$157,807 due (\$102,575 abated); and Sunlite paid a total of \$22,398 in real property tax out of \$44,796 due (\$22,398 abated).

2018 Tax Generation				
(on portion of property receiving an abatement)				
Company	Taxes Paid	Tax Abated	Total Taxes	Abated % of Total
Amarr	\$113,291	\$25,238	\$138,588	18%
Grandstand	\$55,232	\$102,575	\$157,807	65%
Sunlite	\$22,398	\$22,398	\$44,796	50%
Total	\$190,921	\$150,210	\$341,191	44%

⁵ Rock Chalk Park was not subject to economic development measures due to the unique nature of the project and taxes are not reported for that project. KU would normally receive a 100% property tax abatement on their property for the duration of ownership. However, given the deal structure of the Rock Chalk Park project with KU Athletics entering into a long term lease with a private developer to construct the facilities, an automatic property tax exemption was not possible. A property tax abatement was utilized to assist KU in pursuing this project. Due to the unique nature of the project and its primary benefits related to assisting KU Athletics and drawing visitors from outside the community rather than job creation, no job creation performance or wage requirements were imposed.



Executive Summary

Industrial Revenue Bonds (IRB):

Nine (9) companies had Industrial Revenue Bonds (IRB) outstanding in 2018.⁶ The majority of the authorized IRBs were not affiliated with a property tax abatement, but rather were utilized to obtain a sales tax exemption on construction materials. It should be noted that IRBs are backed by private sources, with no obligation on the part of the City for repayment.

2018 IRBs: Outstanding					
Company	Date of Issue	Issuing Ord. #	Year Matures	Amount Authorized	Project
Bowersock: Series 2011A	Dec. 2010	8607	2037	\$14,060,000	Hydro-Electric Facility
Bowersock: Series 2011B	Mar. 2011	8620	2025	\$8,720,000	Hydro-Electric Facility
Bowersock: Series 2011C	Mar. 2011	8620	2016	\$1,035,000	Hydro-Electric Facility
Rock Chalk Park	Oct. 2013	8862	2023	\$40,000,000	Commercial Recreational Facility
826 Pennsylvania Street*	Dec. 2016	9316	2018	\$3,200,000	Mixed-Use Commercial/Multi-Family Residential
Dwayne Peaslee Technical Training Center, Inc.: Series 2016*	Dec. 2016	9321	2019	\$2,000,000	Technical Training Center
Boys & Girls Club*	Dec. 2017	9431	2019	\$5,000,000	Teen Facility Addition to College & Career Center
Lawrence Memorial Hospital-Series 2018*	Apr. 2018	9441	2048	\$90,000,000	Existing Facility Improvements & New Hospital in West Lawrence
Lawrence Humane Society*	Jun. 2018	9447	2019	\$7,500,000	New Animal Shelter
Heritage Tractor*	Dec. 2018	9572	2019	\$3,000,000	Commercial Facility (rebuild)
VanTrust-Phase I	Dec. 2018	9573	2028	\$10,200,000	Industrial Building

* IRB used for a sales tax exemption on construction materials and not affiliated with a tax abatement.

⁶ IRBs for Vermont Place were authorized in 2017 but had not been issued by the end of 2018.



Executive Summary

Neighborhood Revitalization Areas (NRA):

The below six (6) companies received NRA rebates for the 2018 tax year.⁷ Rebates were not yet due for the 1101 Indiana Street NRA or Vermont Place NRA.⁸

2018 NRA Rebates	
Neighborhood Revitalization Areas	Amount
720 E 9th Street	\$14,117
1040 Vermont Street	\$26,512
810/812 Pennsylvania Street	\$26,460
1106 Rhode Island Street	\$11,753
900 Delaware Street	\$32,416
826 Pennsylvania Street	\$60,791
NRA Subtotal	\$172,048

⁷ Distribution details are shown in Appendix B.

⁸ 1101 Indiana Street had not met substantial project completion by the end of 2018 and was not eligible for a 2018 tax year rebate. The Vermont Place project had not proceeded by the end of 2018 and was not eligible for a 2018 tax year rebate.



Executive Summary

In 2018, NRAs generated just under eighty-two percent (82%) more real property tax revenue as compared to property tax revenues that would have been realized if the properties were left in original condition.

2018 Tax Revenue Comparison: All NRAs			
NRA	Base	Retained	% Gain (Loss)
720 E 9th St	\$13,522	\$14,515	7.3%
1040 Vermont St	\$28,734	\$34,256	19.2%
810/812 Pennsylvania St	\$4,040	\$8,529	111.1%
900 Delaware St	\$2,655	\$3,371	27.0%
1106 Rhode Island St	\$2,836	\$3,607	27.2%
826 Pennsylvania St	\$11,196	\$50,299	349.3%
Total	\$62,983	\$114,576	81.9%

*Unimproved
Property*

*Improved
Property*

Return

Overall (for all years in which an NRA rebate was given), the six NRA revitalized properties generated an average of fifteen percent (15%) more real property tax revenues as compared to property tax revenues that would have been realized if the properties were left in original condition.



Executive Summary

Tax Increment Financing Districts (TIF):

The City has three (3) active TIF districts: Downtown 2000, Oread, and the 9th & New Hampshire district, which includes 900 New Hampshire (South project) and 888 New Hampshire (North project).⁹

2018 TIF Distributions		
TIF District	Description	Total
Downtown 2000	901 New Hampshire	\$28,085
Oread	TIF Sales Tax \$168,467	\$530,455
	TIF Property Tax \$361,989	
9th & New Hampshire: South Project ¹⁰	900 New Hampshire: TIF Sales Tax \$112,208	\$477,739
	900 New Hampshire: TIF Property Tax \$341,644	
	City Retained TIF (5%) \$23,887	
9th & New Hampshire: North Project ¹⁰	888 New Hampshire: TIF Sales Tax \$329	\$240,665
	888 New Hampshire: TIF Property Tax \$228,303	
	City Retained TIF (5%) \$12,033	
TIF Total		\$1,276,944

- The Downtown 2000 Redevelopment TIF District was created to support the development of the parking garage at 10th and New Hampshire and other cultural, commercial, office, and apartment developments. The District does not pay out to private entities except for the 901 New Hampshire Street property which receives an annual reimbursement of \$28,085 that was authorized via agreement.

⁹ Distribution details are shown in Appendix B.

¹⁰ The City retains 5% of 9th & New Hampshire TIF revenue for the Arts Common project, up to \$900,000.



Executive Summary

- The Oread TIF District was created to help fund public improvements supporting the multi-level lodging, hospitality, and business venue at 12th and Oread. Public improvements to streets and infrastructure, including a parking garage, were financed initially by the developer and are reimbursed annually through both TIF and TDD revenues generated within the district. In 2018, the District generated \$530,455 in reimbursable sales and property tax TIF revenues.
- The 9th & New Hampshire TIF District was created in 2012 and includes two project areas: 900 New Hampshire (South Project) and 888 New Hampshire (North Project).
 - In 2018, 900 New Hampshire Street (South Project) generated \$477,738 in reimbursable sales and property tax TIF revenues (\$453,851 reimbursed to the property owner, \$23,887 retained by the City.¹¹)
 - In 2018, 888 New Hampshire Street (North Project) generated \$240,665 in reimbursable sales and property tax TIF revenues (\$228,632 reimbursed to the property owner, \$12,033 retained by the City.¹²)

¹¹ The City retains 5% for the Arts Common project, up to \$900,000.

¹² The City retains 5% for the Arts Common project, up to \$900,000.



Executive Summary

At the end of 2018, the City had retained approximately \$86,000 in 9th & New Hampshire TIF revenues generated to date.¹³

Annual City Retained 5% TIF Distribution	
Year	City 5% TIF
2015	\$3,880
2016	\$21,789
2017	\$24,386
2018	\$35,920
Total	\$85,975

¹³ The City retains 5% for the Arts Common project, up to \$900,000.



Executive Summary

Transportation Development Districts (TDD):

The City has three (3) active TDDs: The Oread TDD, Free-State/Bauer Farms TDD, and the 9th & New Hampshire TDD.¹⁴ In all TDDs, public improvements are financed initially by the developer and reimbursed annually via a one percent (1%) transportation district sales tax on retail or taxable services occurring within the district.

2018 TDD Distributions	
Oread: TDD Sales Tax	\$87,049
Bauer Farms: TDD Sales Tax	\$248,184
9th & New Hampshire TDD	
900 New Hampshire (South Project)	\$0
888 New Hampshire (North Project)	\$0
TDD Total	\$335,234

At the end of 2018, the City had retained all 9th & New Hampshire TDD revenues generated to date.¹⁵

Annual City Retained TDD Distributions	
Year	TDD Revenues
2015	\$21,622
2016	\$49,434
2017	\$50,829
2018	\$47,664
Total	\$169,550

¹⁴ Distribution details are shown in Appendix B.

¹⁵ The City retains the first \$850,000 of TDD revenues from the 9th & New Hampshire district as a contribution toward the 10th & New Hampshire City parking garage.



Executive Summary

Other Economic Development Programs (Direct-Support):

The City also participates in direct-support programs to help initiate and support economic development within the community. The programs supported in 2018 include:

2018 Other Support Programs			2018 Assistance	
Support Program	Description	Location	City	County
Economic Development Services	Bioscience & Technology Business Center (BTBC)	2029 Becker & 4950 Research Pkwy	\$418,540	\$568,540
Economic Development Services	Chamber and KU-SBDC	718 New Hampshire	\$220,000	\$220,000
Workforce Training	Peaslee Technical Training Center	2920 Haskell Avenue	\$150,000	\$195,105
Expansion Assistance	Hilary's Expansion	2205 Haskell Avenue & 2151 Haskell Avenue	\$10,000	\$10,000



Introduction

The City of Lawrence provides multiple support programs for economic development opportunities designed to enhance the local economy and quality of life. Local economic development programs available include:

- Industrial Revenue Bonds (IRB)
- Property Tax Abatement
- Neighborhood Revitalization Area (NRA)
- Tax Increment Financing (TIF)
- Transportation Development District (TDD)
- Community Improvement District (CID)
- Loans or Grants
- Creation of Benefit Districts
- Construction or Installation of Infrastructure

Guiding Documents:

Economic development programs are guided by the City's comprehensive plan and economic development policy.

Horizon 2020 Comprehensive Plan

Economic development goals are outlined in Chapter 13 of *Horizon 2020, The Comprehensive Plan for Lawrence and Unincorporated Douglas County* and include: 1) Employment Growth, 2) Tax Base Growth, and 3) Income Growth.¹

¹ During 2018, the City was in the process of reviewing and updating the Comprehensive Plan, but it was not finalized by the end of the year.



Introduction

Economic Development Policy

Eligibility and requirements for program participation are detailed within the City's economic development policy. It should be noted that in January 2017, the City adopted a revised economic development policy (Resolution 7184) that outlines local economic development tools that the City, County and School District can utilize to assist economic development projects. The revised policy is not retroactive and states, "Any existing economic development incentive shall be governed by the policy and procedures in existence at the time of the inception of that particular economic development incentive."

Compliance & Reporting:

As economic development programs involve public funding for current and future community assets, projects participating in these programs are viewed as an investment. The City analyzes the risks and returns of potential projects, selecting ones that best balance the City's economic development goals (stated in the comprehensive plan and policy) of growing the local economy with the required amount of investment.

To monitor the success of local economic development assistance programs, the City conducts an annual review of all projects participating in these programs. Information on participating projects, public investment provided, and compliance is published each year in the City's *Annual Economic Development Report*.



Introduction

Currently, the City has the following active economic development programs and projects.

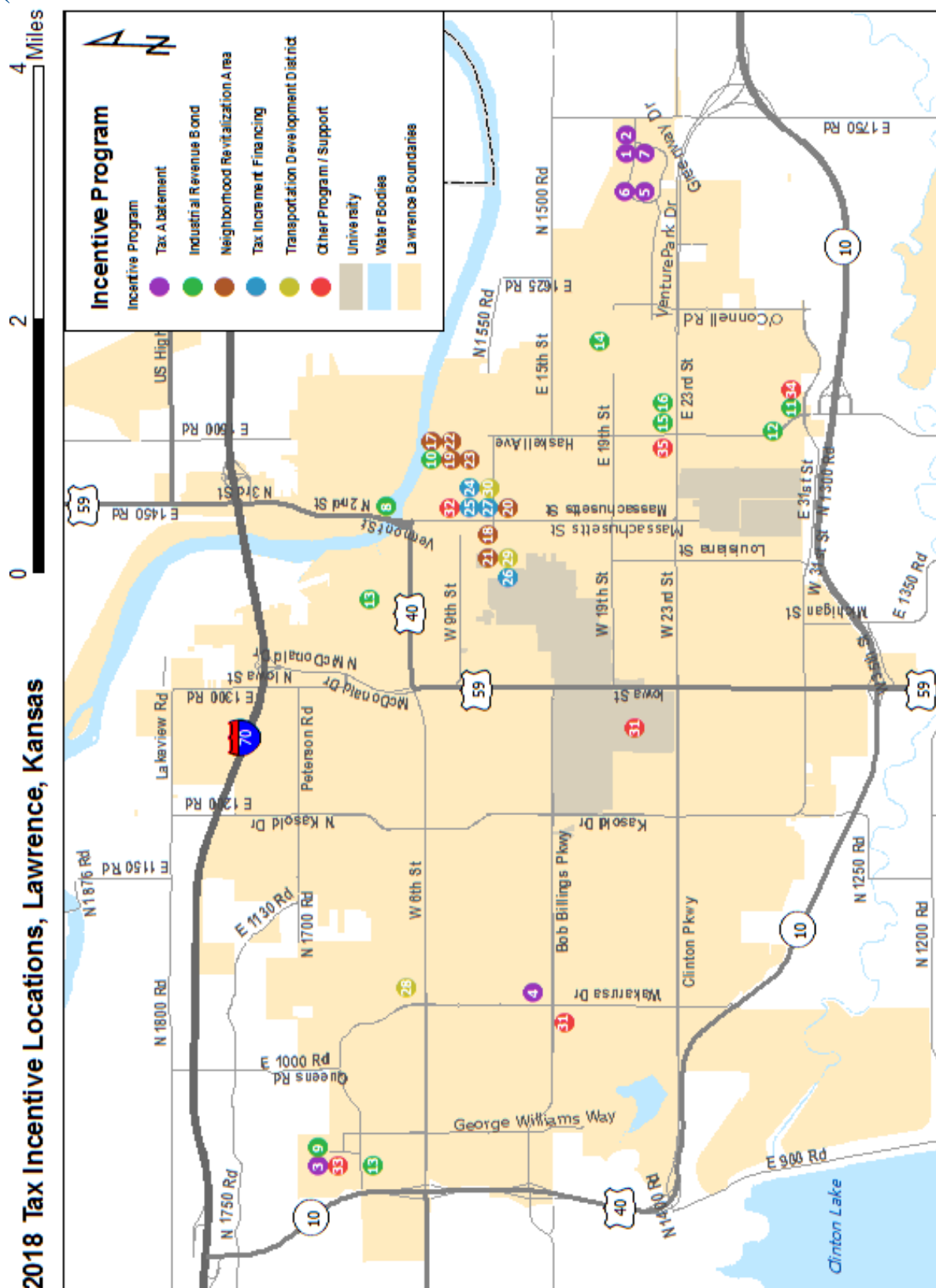
2018 Major Economic Development Support Programs			
Incentive Program	Description	Location	Map #
Tax Abatements	Amarr	3800 Greenway circle	1
	Screen-It Graphics/Grandstand	3840 Greenway Circle	2
	Rock Chalk Park	6100 Rock Chalk Drive	3
	Sunlite Science & Technology, Inc.	4811 Quail Crest Place	4
Catalyst Tax Abatements	VanTrust Phase I	Lawrence Venture Park, Lot B1	5
	Plastikon Healthcare Phase I & II Expansion	3780 Greenway Circle	6
	Grandstand Phase I Expansion	3840 Greenway Circle	7
Industrial Revenue Bonds (IRB)	Bowersock (Hydro-Electric Plant)	Kansas River, east of N 2nd Street	8
	Rock Chalk Park	6100 Rock Chalk Drive	9
	826 Pennsylvania Street	826 Pennsylvania Street	10
	Peaslee Technical Center-2016	2920 Haskell Avenue	11
	Boys & Girls Club	2910 Haskell Avenue	12
	Lawrence Memorial Hospital-2018	325 Maine Street, 6th Street & Kansas Hwy 10	13
	Lawrence Humane Society	1805 E 19th Street	14
	Heritage Tractor	1110 E. 23rd Street	15
	VanTrust-Phase I	1110 E. 23rd Street	16
Neighborhood Revitalization Areas (NRA)	8th and Pennsylvania Street District	720 E 9th Street	17
	1040 Vermont (Treanor Headquarters)	1040 Vermont Street	18
	810/812 Pennsylvania (Cider Building)	810/812 Pennsylvania Street	19
	1106 Rhode Island Street (Hernly Assocs.)	1106 Rhode Island Street	20
	1101 Indiana Street (HERE Kansas)	1101/1115 Indiana Street	21
	900 Delaware Street (9 Del Lofts)	900 Delaware Street	22
	826 Pennsylvania Street	826 Pennsylvania Street	23
Tax Increment Financing (TIF)	Downtown 2000 District	9th & New Hampshire area	24
	901 New Hampshire (TIF Refund)	901 New Hampshire	25
	Oread Project	1200 Oread Avenue	26
	9th & New Hampshire TIF District	900 New Hampshire, 888 New Hampshire	27

Continued



Introduction

Transportation Development Districts (TDD)	Free State (Bauer Farm)	NEC 6th & Wakarusa	28
	Oread Project	1200 Oread Avenue	29
	9th & New Hampshire TDD District	900 New Hampshire, 888 New Hampshire	30
2018 Other Support Programs			
Support Program	Description	Location	Map #
Economic Development Services	BTBC	2029 Becker & 4950 Research Pkwy	31
Economic Development Services	Chamber and KU-SBDC	718 New Hampshire	32
Shared Infrastructure	Rock Chalk Park	6100 Rock Chalk Drive	33
Workforce Training	Peaslee Technical Training Center	2920 Haskell Avenue	34
Expansion Assistance	Hilary's Eat Well	2151 Haskell Avenue	35





Property Tax Abatements

Overview

Property tax abatements are authorized by the State of Kansas to allow municipalities and other taxing jurisdictions to reduce property taxes for a limited period to spur investment within a community. Currently, the state automatically grants a property tax abatement on personal property (i.e. machinery and equipment), purchased July 1, 2006 and after, that is used for commercial purposes. A property tax abatement on real property applies only to land and buildings and can be authorized for up to 10 years by state statute.

The City has two paths for seeking approval of a real property tax abatement¹:

1. **Traditional Property Tax Abatement**—Eligibility and other criteria for seeking a tax abatement through the traditional process is outlined within the City's economic development policy. Projects granted a traditional tax abatement are subject to annual reporting and compliance requirements throughout the duration of the incentive period. This information is used by the City to assess the effectiveness of the projects in bringing capital investment, quality jobs and wages, and other benefits to the community. The majority of projects presented in this section had property tax abatements authorized via the traditional approval process.

¹ Note all property tax abatements are subject to final approval by the Kansas Board of Tax Appeals.



Property Tax Abatements

2. **Catalyst Property Tax Abatement**—Beginning spring of 2017, a real property tax abatement for industrial development projects could be processed through the Catalyst program, a special, temporary incentive program designed to spur economic development activity within the community. Originally authorized in April 2017 for new industrial projects constructed in Lawrence VenturePark or East Hills Business Park, the program was further expanded in June 2017 to include industrial development throughout the City of Lawrence.

Because this is a special program, the regular provisions and processes associated with the City's economic development policy do not apply. Expedited approval is granted directly through the City Commission for projects that meet the program's eligibility requirements.

Catalyst Program	
Offers	Requires
No cost City-owned land in VenturePark County-owned land subject to County approval.	When City or County-owned land provided, applicant to cover special assessments on applicable parcel(s).
Real Property Tax Abatement:	Minimum Building Size (sf):
* 10-year, 50%.	* 75,000 for new construction in VenturePark
* 10-year, 70% if constructed to LEED silver equivalent	* 25,000 for new construction or 15,000 for building expansion in East Hills Business Park
IRB sales tax exemption on project construction materials	* 25,000 for new construction on IG zoned land within the City
Waiving of City IRB application & bond origination fees	Applicant to pay for bond counsel and bond issuance costs
Waiving of City tax abatement application fee and annual City tax abatement renewal fees.	Applicant to pay for State application fees

Originally set to expire in April 2019, the City Commission extended the Catalyst program until April 2022 and added a minimum investment level for real property. Note this requirement was not in place at the time the following Catalyst projects were approved. See Appendix E for additional Catalyst program information applicable to the projects below.

1 Property Tax Abatements

Catalyst Property Tax Abatements

As of the end of 2018, the City had approved three projects for participation in the Catalyst program.

2018 Catalyst Tax Abatements: Authorized					
Company	Start	Expires	Maximum Investment Amount Subject to Abatement	Abatement %	Ord/Res
VanTrust (Phase I) ²	2019	2028	\$10,200,000	70%	9573
Plastikon (Phase I & II Expansion) ³	2019	2028	\$3,200,000	70%	9430
Grandstand (Phase I Expansion) ⁴	2020	2029	\$5,000,000	50% or 70%	9608

² Project completed in 2018 earning 51 LEED equivalent points, qualifying it for the 70% abatement level.

³ Project completed in 2018 earning 51 LEED equivalent points, qualifying it for the 70% abatement level.

⁴ Tax abatement to start the first full year after project completion. Project completion anticipated in 2019.

1 Property Tax Abatements

VanTrust Catalyst Development: Lawrence VenturePark

In August 2017, the City authorized a request from VanTrust Real Estate, LLC to participate in the Catalyst program for a three-phase development project in Lawrence VenturePark.



Phase I

At the end of 2018, the company had just finished construction on the first phase, delivering over 153,000 square feet in a new industrial space located at the Park entrance. The building was finished as a warm-shell, to accommodate custom finishes for future tenants, with a capital investment of \$10.2 million. The project met LEED Silver equivalency, qualifying it for the 70% tax abatement level.



Future development phases include:

- Phase II: 152,250 square foot spec building on Lot B2
- Phase III: 250,784 square foot spec building on Lots A1, A4, A5, & A6.

Once completed, the three phases will provide over 555,000 square feet of industrial space within the park at an estimated capital investment of \$31 million.



1 Property Tax Abatements

Plastikon Expansion, Phases I & II: East Hills Business Park

In December 2017, the City authorized a request from Plastikon Healthcare, LLC to participate in the Catalyst program for a two-phase expansion project in East Hills Business Park.

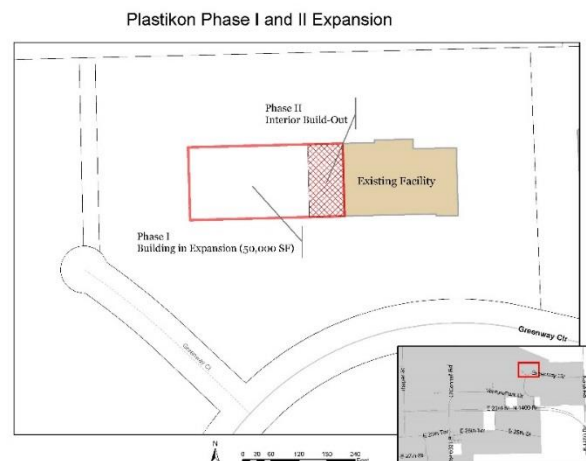


Plastikon is a contract manufacturing organization that specializes in the formulation and packaging of liquid medical devices and pharmaceuticals. The Company acquired and initiated



operations at its current facility in East Hills Business Park in 2011.

At the end of 2018, the project was more than 90% complete and received a temporary certificate of occupancy. The building earned LEED Silver equivalency, qualifying it for the 70% tax abatement level. Total capital investment for buildings, machinery, and equipment will be approximately \$7.3 million when the project is fully completed.





Property Tax Abatements

Grandstand Expansion, Phase I: East Hills Business Park

In December 2018, the City authorized a request from Grandstand

Glassware + Apparel (Screen-It Graphics of Lawrence, Inc.) for participation

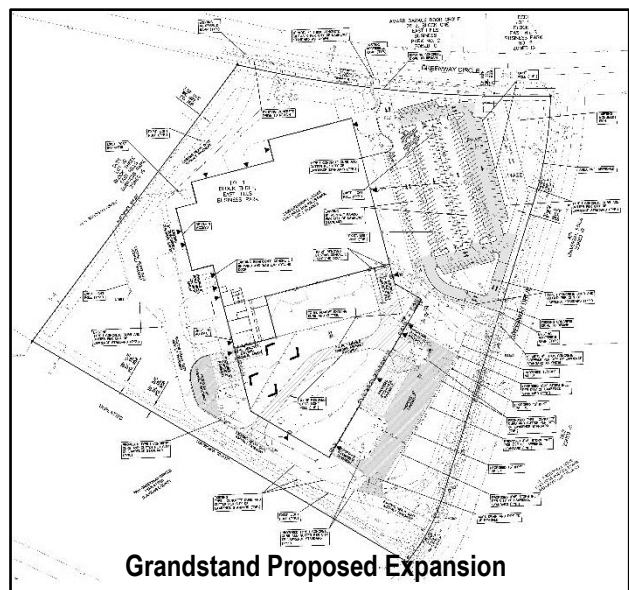
in the City's Catalyst incentive program for a 112,000 square foot expansion to their existing facility in East Hills Business Park.



Started in 1988 in Lawrence, Grandstand manufactures and distributes decorated glassware, apparel, and promotional products nationwide and in 12 countries. Today, the company has grown to 218 full-time employees with an annual payroll of more than \$9 million, which is driving the need for additional manufacturing and warehousing space.

Participation in the program will allow the expansion to be eligible for a 10-year, 50% property tax abatement (70% if built to LEED Silver equivalency). The building addition will be built on company-owned land, so there was no land component included in the Catalyst package. In addition, the Company obtained a sales tax exemption for project construction materials through a state incentive program, so they did not pursue Internal Revenue Bonds (IRB) through the Catalyst program.

Construction on the expansion is anticipated to start in 2019 and be completed by the end of the year.





Property Tax Abatements

Traditional (non-Catalyst) Property Tax Abatements

The City did not add any new abatements under its traditional tax abatement program in 2018. Four previously approved companies continued to receive property tax abatements for the 2018 tax year.

2018 Traditional Tax Abatements: Active						BOTA Docket #
Company	Start ⁵	Expires ⁶	Maximum Investment Amount Subject to Abatement ⁷	Abatement %	Ord/Res	
Amarr Garage Doors, Inc.	2010	2019	\$9,400,000 personal property	55% personal property	O-8497	2010-5589-EDX
3840 Greenway Circle LLC/Screen-It Graphics (Grandstand)	2012	2021	\$4,990,000 real property ⁸	65% on real property	R-6948	2012-9459-EDX
Sunlite Science & Technology, Inc.	2014	2023	\$2,300,000 real property ⁹	50% on real property	R-7042	2013-5409-EDX
Rock Chalk Park ¹⁰	2014	2023	\$40,000,000	100% on real property	R-7014	2014-7320-IRBX

For information on matured and non-initiated property tax abatements, see Appendix C.

⁵ Exemption from ad valorem taxation starts with the taxes levied in the calendar year shown.

⁶ Exemption from ad valorem taxation expires with the taxes levied in the calendar year shown.

⁷ Amounts that appear in the City Ordinance authorizing the abatement.

⁸ Estimated cumulative capital investment over 10-year term as per agreement dated October, 11, 2011 between City, 3840 Greenway Circle LLC, and Screen-It Graphics of Lawrence, Inc.

⁹ Estimated cumulative capital investment over 10-year term as per agreement dated August 30, 2013 between City and Sunlite Science & Technology, Inc.

¹⁰ KU would normally receive a 100% property tax abatement on their property for the duration of ownership. However, given the structure of the project with KU Athletics entering into a long term lease with a private developer to construct the facilities, an automatic property tax exemption was not possible. A property tax abatement was utilized to assist KU in pursuing this project. Due to the unique nature of the project and its primary benefits related to assisting KU Athletics and drawing visitors from outside the community rather than job creation, no job creation performance requirements were imposed.



Property Tax Abatements

Company Profiles

Amarr Garage Doors

Amarr was established in 1951 by the Brenner family in Winston-Salem, NC, and has grown to have sales in excess of \$300 million, 1,200 employees, and 76 locations in the United States, Mexico, and Canada.



Amarr Garage Doors: 3800 Greenway Circle

They are one of the world's leading designers, manufacturers, and distributors of door access systems for residential garages, warehouses, commercial buildings, shopping malls and other commercial applications. Amarr has over 17 products to offer residential customers as well a wide array of commercial doors



such as sectional steel doors and rolling steel doors. Designs are inspired by some of America's leading brands and sold by over 3,000 professional independent garage door dealers worldwide.

Amarr produces garage doors in two locations: Lawrence, Kansas and North Carolina. The company came to Lawrence in 1989 as the first occupant of East Hills Business Park and currently produces the majority of their garage doors at this location. Amarr provides jobs for over 600 people, making it one of the largest private employers in the City.





Property Tax Abatements

Grandstand Sportswear & Glassware (Screen-It Graphics)

Based in Lawrence, Kansas, Grandstand is a screen printing company that specializes in serving the craft beverage industry with



custom decorated glassware, apparel, promotional items and creative services from their in-house design agency, 88 Design Group. Launched in 1988 as a t-shirt and sports bottle printing shop with seven employees, this local business has experienced rapid expansion, now selling products throughout the U.S., Canada and internationally. It is the #1 provider of printed amber growlers in North America.

In 2012, company growth necessitated a move from its 30,000 square foot location at 2920 Haskell to its present 155,000 square foot building in East Hills Business Park. Moving into the larger facility allowed Grandstand to grow and expand to meet rising market demand. This growth also resulted in increased job creation, and Grandstand currently employs more than 200 area people. Grandstand's position as an industry leader and innovator of decoration methods, sustainable processes and retail and marketing solutions has once again led to the need for additional space. A 112,000 square foot expansion project is planned for the main facility, with construction anticipated to start in 2019.



1 Property Tax Abatements

Sunlite Science & Technology

Sunlite Science & Technology, Inc. designs and manufactures high-efficiency LED UV curing systems and LED lighting fixtures for residential and commercial uses. Sunlite has been headquartered out of Lawrence, Kansas since 1997 and was the first graduate from the Lawrence Bioscience and Technology Business Center (BTBC) incubator. In 2013, the company purchased the property at 4811 Quail Quest Place to consolidate and grow business operations.



In 2016, a Sunlite research and technology proposal was one of 134 SBIR Phase II General proposals (out of 323 total) selected by NASA to support development of aeronautics, science, human exploration and operations, and space technologies.

Proposals were selected according to their technical merit and feasibility, in addition to the experience, qualifications and facilities of the submitting business. The NASA Phase II project was successfully completed in 2018. The CPARS rating of the project was "exceptional".





Property Tax Abatements

Abatement Performance

The table below compares projected investment, employment and wage milestones¹¹ to actual achievement for each of the companies receiving a property tax abatement during 2018.

2018 Tax Abatement Performance by Company			
Amarr Garage Doors, Inc.	Projected	Actual	Comparison (Projected to Actual)
Real Property Investment	n/a	n/a	n/a
Personal Property Investment	\$9,400,000	\$9,700,000	103%
Full-Time Employees ¹²	40	264	660%
Average Wages (2018 Dollars)	\$34,083	\$39,879	117%

Continued

¹¹ Each firm was required to provide projections of real property investments, personal property investments, new jobs and wages for those jobs in order to do a cost-benefit analysis. The cost-benefit analysis is required by state law in order for the Kansas Court of Tax Appeals (COTA) to grant a tax abatement.

¹² The number of jobs projected to be added during the abatement period was 40, as per the Kansas Court of Tax Appeals orders (COTA Docket # 2010-5589-EDX, received 8-12-2010) granting the tax abatement on personal property. According to the COTA orders, "Applicant is using the subject property for manufacturing articles of commerce and its expansion has resulted in or will result in the creation of 40 new positions." During the year prior to submission of the COTA application (2009), Amarr had a total full-time workforce of 499. From the COTA orders, the company projected 40 net new full-time positions would be added during the abatement period for a total of 539 full-time jobs (499 + 40 = 539). In 2018, Amarr reported 803 actual, full-time positions and had realized 264 net new full-time positions (803-539 = 264).



Property Tax Abatements

2018 Tax Abatement Performance by Company			
Grandstand/Screen-It Graphics	Projected	Actual	Comparison (Projected to Actual)
Real Property Investment	\$4,890,000	\$12,218,889	250%
Personal Property Investment	n/a	n/a	n/a
Full-Time Employment ¹³	102	195	191%
Average Wages (2018 Dollars)	\$32,802	\$47,050	143%
Sunlite Science & Technology	Projected	Actual	Comparison (Projected to Actual)
Real Property Investment	\$1,130,000	\$1,158,155	102%
Personal Property Investment	n/a	n/a	n/a
Full-Time Employment ¹⁴	31	9	30%
Average Wages (2018 Dollars)	\$33,500	\$54,330	162%

¹³ Pre-abatement employment as of December 31, 2010 was 40 full-time positions. Per the agreement between the City and Screen-It Graphics of Lawrence, Inc./3840 Greenway Circle LLC, employment for purposes of abatement compliance is measured for the year proceeding the current tax abatement calendar year. For example, for the 2013 calendar year, employment is measured from January-December 2012.

¹⁴ Pre-abatement employment as of December 31, 2013 was 5 full-time positions. Per 2018 Sunlite application, the original prediction of number of employees was based on manufacturing LED lamps for general lighting areas. In the past two years, general lighting was no longer profitable for Sunlite. Sunlite is now focusing on special LED lighting products such as LED curing lamps and ED fixtures for vertical gardens. Sunlite has increased activity on research and development for new products in 2018, so the average wage is higher than expected, but number of FTE is lower than expected.



Property Tax Abatements

Performance Summary

2018 Tax Abatement Summary			
	Total Projected	Total Actual	Comparison (Projected to Actual)
Real Property Investment	\$6,020,000	\$13,377,044	222%
Personal Property Investment	\$9,400,000	\$9,700,000	103%
Full-Time Employees	173	468	271%
Average Wages (2018 Dollars)	\$33,461	\$47,086	141%

Real Property Investment

Overall, the companies receiving property tax abatements in 2018 achieved two hundred twenty-two percent (222%) of the projected amount for real property investments. Real property investment totaled approximately \$13.4 million, with company investments ranging from approximately \$1.16 million (Sunlite) to over \$12.2 million (Grandstand). Amarr did not receive a property tax abatement on real property and those investment amounts were not included.

Personal Property Investment

Overall, the companies receiving property tax abatements in 2018 achieved one hundred three percent (103%) of the projected amount for personal property investments. Personal property investment totaled approximately \$9.7 million. Grandstand and Sunlite did not receive a personal property tax abatement and those amounts were not included.



Property Tax Abatements

Job Creation:

Amarr Garage Doors exceeded projected employment by six hundred sixty percent (660%), Grandstand exceeded projected employment by one hundred ninety-one percent (191%). Sunlite achieved thirty percent (30%) of their projected employment for the 2018 abatement year. Sunlite transitioned into new markets, requiring fewer, lower paying production jobs than projected and more higher paying professional jobs, which resulted in lower FTE compliance (30%), but higher average wage compliance (162%).¹⁵ Overall, the three companies receiving a property tax abatement during 2018 met two hundred seventy-one percent (271%) of new, full-time job projections.

Wages:

Employee pay is an important element for both the quality of life and for promoting other businesses indirectly. Adjusting for inflation, annual average wages for the companies receiving property tax abatements is approximately \$47,086 per year. This wage is about \$13,500 higher than the annual average private sector wage in Lawrence of \$33,599¹⁶ and approximately \$20,067 higher than the annual 2018 community wage floor rate of \$27,019 per year.

All three companies met or exceeded wage expectations. Overall wages averaged one hundred forty-one percent (141%) of projections (inflation adjusted).

¹⁵ Per 2018 Sunlite application, the original prediction of number of employees was based on manufacturing LED lamps for general lighting areas. In the past two years, general lighting was no longer profitable for Sunlite. Sunlite is now focusing on special LED lighting products such as LED curing lamps and ED fixtures for vertical gardens. Sunlite has increased activity on research and development for new products in 2018, so the average wage is higher than expected, but number of FTE is lower than expected.

¹⁶ Kansas Department of Labor, Kansas Labor Information Center, Average Private Sector Wage in Lawrence, KS (by Industry), Quarterly Census of Employment and Wages, \$33,599, data released 2017.



Property Tax Abatements

Employment Summary

Each year, a questionnaire is sent to property tax abatement companies to gather information, including employment data (number of FTEs, wage & occupational information). Employment information is then compared to targets as specified within the company's performance agreement.

2018 Employment Summary	
Amarr Garage Doors, Inc.	
Total Employment	821
Full-Time Employment	803
% of Full-Time Jobs (meeting or exceeding target wage) ¹⁷	117%
Average Full-Time Wage	\$19.17
Grandstand/Screen-It Graphics	
Total Employment	195
Full-Time Employment	195
% of Full-Time Jobs (meeting or exceeding target wage)	143%
Average Salary	\$22.62
Sunlite Science & Technology	
Total Employment	9
Full-Time Employment	9
% of Full-Time Jobs (meeting or exceeding target wage)	162%
Average Salary	\$26.12

¹⁷ Amarr's 2018 inflation adjusted target wage was \$17.54. Amarr's average company hourly wage reported for all 803 full-time employees was \$19.17 in 2018, or 109% of the inflation adjusted target wage. For the 40 jobs to be created as a result of the current abatement (specified in COTA Docket #210-5589-EDX), Amarr reported each based on SOC code per the Kansas Department of Labor, 2018 Edition Wage Survey. All 40 jobs met or exceeded the community average wage based on SOC code.



Property Tax Abatements

Employment History

In addition to 2018 employment, the below table presents historical employment records over the past five years for the companies receiving a property tax abatement:

2014-2018 Employment History (year-end)																		
Company	Pre-Abatement		Projected Due to Abatement		Total Estimated Jobs		2014		2015		2016		2017		2018		2018 Over/Under Estimated Total	
	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT
Amarr (2009) ¹⁸	499	0	40	0	539	0	697	36	696	15	722	23	749	22	803	18	264	18
Grandstand/Screen-it Graphics ¹⁹	40	0	62	0	102	0	97	0	186	0	189	0	190	0	195	0	93	0
Sunlite Science & Technology ²⁰	5	0	26	0	31	0	6	0	11	0	9	0	9	0	9.3	0	(22)	0
<i>Total</i>	<i>544</i>	<i>0</i>	<i>128</i>	<i>0</i>	<i>672</i>	<i>0</i>									<i>1,007</i>	<i>18</i>	<i>335</i>	<i>18</i>

¹⁸ The number of jobs projected to be added during the abatement period was 40, as per the Kansas Court of Tax Appeals orders (COTA Docket # 2010-5589-EDX, received 8-12-2010) granting the tax abatement on personal property. According to the COTA orders, "Applicant is using the subject property for manufacturing articles of commerce and its expansion has resulted in or will result in the creation of 40 new positions." During the year prior to submission of the COTA application (2009), Amarr had a total full-time workforce of 499. From the COTA orders, the company projected 40 net new full-time positions would be added during the abatement period for a total of 539 full-time jobs (499 + 40 = 539). In 2018, Amarr reported 803 actual, full-time positions and had realized 264 net new full-time positions (803-539 = 264).

¹⁹ Pre-abatement employment as of December 31, 2010 was 40 full-time positions. Per the agreement between the City and Screen-It Graphics of Lawrence, Inc./3840 Greenway Circle LLC, employment for purposes of abatement compliance is measured for the year preceding the current tax abatement calendar year. For example, for the 2013 calendar year, employment is measured from January-December 2012.

²⁰ Pre-abatement employment as of December 31, 2013 was 5 full-time positions.



Property Tax Abatements

Abatement Compliance Summary

In order to annually qualify for a property tax abatement, each company is subject to provisions as specified within a performance agreement signed with the City and the property tax abatement policy that was in place at the time of agreement. Grandstand and Sunlite, are subject to the May 2010 property tax abatement policy requirements. City agreements for the Amarr property tax abatement were signed prior to the commencement of the 2010 economic development policy. However, Amarr has substantially met their compliance targets for 2018 based on their performance agreement and referenced property tax abatement policy.

Current policy is based on the below compliance schedule:

Compliance Schedule	
Blended Range %	Amount of Incentive to be Received
90-100%	100%
80-89%	85%
70-79%	75%
Below 70%	0%



Property Tax Abatements

Grandstand was subject to the below performance provisions for 2018.²¹ The company met substantial compliance and was eligible for one hundred percent (100%) of their 2018 property tax abatement amount.

2018 Grandstand Compliance Summary						
Compliance Category	Description	Target	Actual	% Compliance (Actual/Target)	Weight	Overall Compliance
Capital Investment	Cumulative Capital Investment (as of Dec 31, 2018)	\$4,915,000	\$12,218,889	249%	0.25	62.15%
Job Creation	Full-Time Employment (FTEs)	102	195	191%	0.25	47.79%
Wages	2018 Wage Floor (\$12.99/hr) ²²	100% of Employees paid above wage floor	203	96%	0.125	12.03%
	Average Company Hourly Wage	\$15.77	\$22.62	143%	0.125	17.93%
Health Benefits	Employer Provided Health Care Coverage (minimum of 70% employer paid premium) ²³	100% of Employees	100%	100%	0.25	25.00%

Blended Compliance % 165%

Eligible Incentive % 100%

²¹ Note that as per the performance agreement between Grandstand and the City, the measurement period for job creation was specified as January 1 through December 31 of the immediately preceding year. Under mutual agreement, the City and Grandstand agreed to a clarification of the measurement period that would align it to the year taxes are being levied/abated. For example, the measurement period for taxes levied in 2018 will be January 1, 2018 through December 31, 2018. This does not change targets or total job creation numbers, but rather makes compliance calculation and reporting more efficient and straightforward for both the City and Grandstand.

²² As per agreement (dated 10-11-11, Section 5c), Grandstand shall maintain a wage structure for its FTEs such that 100% of its regular full-time employees are paid above the annual wage floor. Wages for employees serving their initial training period of 90 days will not be included in this calculation.

²³ As per agreement (dated 10-11-11, Section 5d), Grandstand shall provide a minimum of 70% of the premiums for an employer-sponsored health insurance policy for covered employees (or provide employees with a wage which is \$1.50/hr. above the wage floor). Grandstand submitted a letter stating that the company paid 97% of the healthcare premium for all covered employees in 2018. (See Appendix E.)



Property Tax Abatements

Sunlite was subject to the below performance provisions for 2018. The company met substantial compliance and was eligible for one hundred percent (100%) of their 2018 property tax abatement amount.

2018 Sunlite Compliance Summary						
Compliance Category	Description	Target	Actual	% Compliance (Actual/Target)	Weight	Overall Compliance
Capital Investment	Cumulative Capital Investment (as of Dec 31, 2018)	\$1,130,000	\$1,158,155	102.49%	0.25	25.62%
Job Creation	Full-Time Employment (FTEs) ²⁴	31	9.3	30.00%	0.25	7.50%
Wages	2018 Wage Floor (\$12.99/hr) ²⁵	100%	100%	100.00%	0.125	12.50%
	Average Company Hourly Wage	\$16.11	\$26.12	162.18%	0.125	20.27%
Health Benefits	Employer Provided Health Care Coverage (minimum of 70% employer paid premium) ²⁶	100%	100%	100.00%	0.25	25.00%

Blended Compliance % 91%

Eligible Incentive % 100%

²⁴ Per 2018 Sunlite application, the original prediction of number of employees was based on manufacturing LED lamps for general lighting areas. In the past two years, general lighting was no longer profitable for Sunlite. Sunlite is now focusing on special LED lighting products such as LED curing lamps and ED fixtures for vertical gardens. Sunlite has increased activity on research and development for new products in 2018, so the average wage is higher than expected, but number of FTE is lower than expected.

²⁵ Per performance agreement (dated 8-30-13, Section 4-C), Sunlite shall maintain a wage structure for its FTEs such that 100% of its regular full-time employees are paid above the annual wage floor. Wages for employees serving their initial training period of 90 days will not be included in this calculation.

²⁶ Per performance agreement (dated 8-30-13, Section 4-D), Sunlite shall provide a minimum of 70% of the premiums for an employer-sponsored health insurance policy for covered employees (or provide employees with a wage which is \$1.50/hr. above the wage floor).



Property Tax Abatements

Amarr signed their performance agreement before the 2010 policy was in place and is not subject to the same provisions as indicated in the current policy. However, Amarr substantially met 2018 compliance measures per their performance agreement and is eligible for one hundred percent (100%) of their annual incentive amount. Performance measures for Amarr, considering current standards, are shown below for comparison.

2018 Amarr Compliance Summary						
Compliance Category	Description	Target	Actual	% Compliance (Actual/Target)	Weight	Overall Compliance
Capital Investment	Personal Property	\$9,400,000	\$9,700,000	103.19%	0.25	25.80%
Job Creation	Full-Time Employment ²⁷	40	210	525.00%	0.25	131.25%
Wages	2018 Wage Floor (\$12.99/hr)	100% of Employees paid above wage floor	100.00%	100.00%	0.125	12.50%
	Average Company Hourly Wage ²⁸	\$16.39	\$19.17	117.01%	0.125	14.63%
Health Benefits	Employer Provided Health Care Coverage ²⁹	100% of Employees	100.00%	100.00%	0.25	25.00%
Blended Compliance %						209%
Eligible Incentive %						100%

²⁷ Amarr was originally granted a 55% tax abatement on real and personal property via Ordinance 8470 (adopted 10-27-2009). Requirements under the performance agreement (signed 12-17-2003), referenced by Ordinance 8470 states "The approval of the tax abatement by the governing body of the City was in reliance upon the application submitted by Amarr. Specifically, the application and the approved tax abatement provided that Amarr would 1) construct a facility, new construction and modification to existing facility in the capital amount of \$7,700,000; 2) expend \$9,400,000 in the purchase of new machinery and equipment; and 3) employ eighty (80) full-time employees as the result of the project." Ordinance 8497 (authorized 4-6-2010) later repealed Ordinance 8470, and specified a fifty-five (55%) tax abatement on personal property only. In association, with this tax abatement, the COTA application submitted June 28, 2010 specified "The applicant is using the subject property exclusively for manufacturing articles of commerce and its expansion has resulted in or will result in the creation of 40 new positions."

²⁸ \$19.17 represents Amarr's average wage for all 803 full-time employees. \$16.39 represents Amarr's inflation adjusted wage target for 2018. Currently, Amarr has 40 abated jobs, all of which exceed the community average wage based on SOC code per the Kansas Department of Labor, 2018 Edition Wage Survey.

²⁹ Ordinance 7706 states that the company shall make available to covered employees, an employer-sponsored health insurance policy, pursuant to employer guidelines, in which case the employer provides a minimum of 70% of the cost of such policy. Amarr submitted a letter stating that the company is self-insured and paid 73% of all healthcare expenses in 2018. (See Appendix E.)



Property Tax Abatements

Additional Community Benefits

Businesses provide many important benefits to the communities in which they reside. In addition to direct job creation and generation of wages, companies increase purchases within the local economy, contribute to the local tax base and bring capital into the community. They also generate a substantial social impact, including providing training and benefits to the work force, supporting community organizations, and employing environmental stewardship.

Local Expenditures & Non-Local Sales

A key objective of economic development is to bring new money into the community, and then have that money stay in the community. Firms bring new money to the community when they sell products to other geographic markets. The money then remains in the community to the extent that it is distributed in wages to local residents, paid in dividends to local owners and shareholders, or spent locally. The below table shows the share of sales made outside of Lawrence and the local expenditures made directly by the firms.

Almost all local revenue generated by products sold by the three companies is imported into the community from outside sales. Local expenditures were low, ranging from 1-13 percent (1%-13%), a likely result of the nature of manufacturing production at these facilities. (e.g. These companies create products using materials that are not produced locally, requiring larger expenditures from outside the community.)

2018 Local Expenditures & Outside Sales		
Company	Expenditures Spent Within Lawrence	Sales Generated Outside Lawrence
Amarr Garage Doors Inc.	5%	99%
Grandstand/Screen-It Graphics	1%	99%
Sunlite Science & Technology	15%	99%



Property Tax Abatements

Property Tax Generation

Since none of the three companies received a one hundred percent (100%) property tax abatement, all of the abated property are currently generating some level of property taxes.³⁰

2018 Tax Generation (on portion of property receiving an abatement)				
Company & Abatement %	Total Tax Potential	Abated Tax Amount	State Exemption ³¹	Taxes Paid (or to be paid) by Property Owner
Amarr Garage Doors, Inc.				
Personal (55%) ³²	\$138,588	\$25,238	\$59	\$113,291
Grandstand/Screen-It Graphics				
Real (65%)	\$157,807	\$102,575	n/a	\$55,232
Sunlite Science & Technology				
Real (50%)	\$44,796	\$22,398	n/a	\$22,398
Total	\$341,191	\$150,210	\$59	\$190,921

Source: Douglas County

³⁰ The amounts shown for real property values are only for the portion of real property that received the abatement and may not reflect values for the entire parcel.

³¹ The state granted an additional exemption for personal property items listed that are valued for \$1,500 or less. This is not a part of the EDX exemption. The amount shown under "Abated Tax Amount" for Amarr Garage Door reflects the abated taxes attributable to the EDX. The amount under "Taxes Paid..." reflects the actual tax bill.

³² Personal property amount may not reflect the percentage of abatement, as some personal property is not included in the exemption. The State of Kansas exempted commercial personal property purchased July 1, 2006 and after from taxation. However, personal property purchased prior to that date is still taxed at a depreciated rate. Each company is required to submit an annual claim for a personal property tax abatement, listing out the equipment, value and date purchased. The County then determines the amount of personal property exempted and taxes due.



Property Tax Abatements

Social Impacts

Companies also contribute to the community by providing career enhancement for their employees and by giving to local charities. The three firms receiving abatements in 2018 have obtained substantial achievements in the areas of the environment, community engagement, and environmental practices.

Amarr Garage Doors, Inc.

Environment

Amarr participates in recycling programs that include steel, aluminum, cardboard, pallets, and paper. Over sixty-five percent (65%) of Amarr's Finished Good Product is manufactured from recycled steel. Amarr also participates in several "green" initiatives throughout the company worldwide.

Community Engagement

Amarr is committed to being the best corporate citizen possible and has contributed to the following organizations: Member of the Lawrence Chamber of Commerce, Tenants to Homeowners, Toys 4 Tots, United Way, Big Brothers, Big Sisters, Meals on Wheels, Boys & Girls Clubs, Habitat for Humanity, Lawrence Memorial Hospital (Breast Cancer "Pink It Up" and Catch a Break campaigns), Just Food, Stroke Detention Plus, Truity Credit Union, Meritrust Credit Union, Willow Domestic Violence Center, GaDugi Safe Center, Recovery and Hope Network, Independence, Inc, Catholic Charities, and Headquarters Counseling Center. Amarr also sponsors local softball and basketball teams and partners with Lawrence High School and Free State High School to encourage and educate students about Amarr and careers in manufacturing (LEAP Partners). Amarr team members facilitated professional skills training through Junior



Property Tax Abatements

Achievement at the College and Career Center and assisted with the grant process to bring the Peaslee Technical Training Center to Lawrence. Amarr donated garage doors to the both organizations.

Job Training/Benefits

During the course of the year, Amarr continually offered a wide range of training, including new employee orientation, harassment training, safety training, leadership skills, on-the-job training for machinery operation, and many other general training programs for Amarr Team Members.



Property Tax Abatements

Grandstand (Screen-It Graphics), Inc.

Environment

Grandstand employs an aggressive environmental program to reduce, reuse, and recycle as much waste as possible. The company has an over/under policy with customers, which reduces scrap glass output substantially every year. The company works closely with its suppliers to put branding on their boxes, allowing Grandstand to ship out in the same boxes the product arrived in. Currently, Grandstand can cover ninety-eight percent (98%) of outbound shipping in reused boxes. The company continues to recycle scrap glass, corrugate, office paper, aluminum, and plastic waste, and utilize sustainable packing material.

Community Engagement

Grandstand sponsored the following local organizations in 2018: Arthritis Foundation, Boys & Girls Club of Lawrence, Corpus Christi Catholic Church, Douglas County CASA, Free State High School, Festival of Trees, Habitat for Humanity, Lawrence Humane Society, Kansas Big Brothers Big Sisters, Lawrence Chamber of Commerce, Lawrence Memorial Hospital, March of Dimes, The Sexual Trauma & Abuse Care Center, University of Kansas, and Van Go, Inc. The company also adopted several local families and provided gifts for Christmas.

Job Training/Benefits

The company hired and trained 45 new employees during 2018. Grandstand completed various safety trainings for all applicable employees and several employees attended continuing education for their respective fields.



Property Tax Abatements

Sunlite Science & Technology, Inc.

Environment

Sunlite's patent "UV LED Systems and Methods" was issued in 2018. The claimed UV LED systems were manufactured and installed on multiple flexo, offset and screen-printing presses. Compared to traditional UV lamps, Sunlite's UL LED curing systems provide approximately ninety percent (90%) in energy savings. Sunlite continuously supplies energy efficient and environmentally friendly LED lighting for growing vertical plants. Sunlite successfully completed phase II SBIR research project to design a High Voltage (HV) switch array to drive deformable mirrors used for space-based telescopes. The patent "ISOLATED BIDIRECTIONAL HIGH-VOLTAGE ANALOG SWITCH" was issued in 2018.

Community Engagement

In 2018, Sunlite donated to Lawrence Robot Team and the Lawrence Aquahawks Swim Team. Sunlite also provided support for a University of Kansas' architectural engineering professor's research work and the Dirtwork Studio project.

Job Training/Benefits

The company provided training for two KU student interns. Sunlite also provided onsite and on-the-job training for all its employees.



Industrial Revenue Bonds (IRB)

K.S.A. 12-1740 permits cities to issue Industrial Revenue Bonds (IRB) for the purpose of paying the costs of purchasing, acquiring, constructing or equipping facilities for “agricultural, commercial, hospital, industrial, natural resources, recreational development and manufacturing purposes”. IRBs can be beneficial in obtaining a sales tax exemption on project construction materials, machinery and equipment and may also support favorable rate financing.

The City had the following Industrial Revenue Bonds outstanding at the end of 2018. Note that outstanding IRBs are payable solely from private sources and not backed by the City. In addition, those companies that had IRBs issued after 1995 are required to provide arbitrage and secondary disclosures.

2018 IRBs: Outstanding					
Company	Date of Issue	Issuing Ord. #	Year Matures	Amount Authorized	Project
Bowersock: Series 2011A	Dec. 2010	8607	2037	\$14,060,000	Hydro-Electric Facility
Bowersock: Series 2011B	Mar. 2011	8620	2025	\$8,720,000	Hydro-Electric Facility
Bowersock: Series 2011C	Mar. 2011	8620	2016	\$1,035,000	Hydro-Electric Facility
Rock Chalk Park	Oct. 2013	8862	2023	\$40,000,000	Commercial Recreational Facility
826 Pennsylvania Street*	Dec. 2016	9316	2018	\$3,200,000	Mixed-Use Commercial/Multi-Family Residential
Dwayne Peaslee Technical Training Center, Inc.: Series 2016*	Dec. 2016	9321	2019	\$2,000,000	Technical Training Center
Boys & Girls Club*	Dec. 2017	9431	2019	\$5,000,000	Teen Facility Addition to College & Career Center
Lawrence Memorial Hospital-Series 2018*	Apr. 2018	9441	2048	\$90,000,000	Existing Facility Improvements & New Hospital in West Lawrence
Lawrence Humane Society*	Jun. 2018	9447	2019	\$7,500,000	New Animal Shelter
Heritage Tractor*	Dec. 2018	9572	2019	\$3,000,000	Commercial Facility (rebuild)
VanTrust-Phase I	Dec. 2018	9573	2028	\$10,200,000	Industrial Building

* IRB used for a sales tax exemption on construction materials and not affiliated with a tax abatement.

For information on matured and non-initiated IRBs, see Appendix C.



Neighborhood Revitalization Area (NRA)

Neighborhood Revitalization Areas (NRA) are an economic development tool established by the Kansas Neighborhood Revitalization Act (K.S.A. 12-17,114 et seq.) to promote reinvestment and revitalization of properties, which in turn have a positive economic effect upon a neighborhood and the City in general.

The NRA tool provides an annual property tax rebate (during a specified NRA rebate period) to the property owner based on a percentage of the incremental increase in property value resulting from improvements. The base property value (property valuation prior to improvements) is shielded from the rebate so during the NRA rebate period, taxing jurisdictions receive at least the same amount of property tax that would have been generated by the property had it not been improved.

As most NRAs are not approved at the one hundred percent (100%) level, typically taxing jurisdictions enjoy an increase in property tax revenues during the NRA period. After NRA expiration, taxing jurisdictions receive property tax revenues based on total property valuation, and consequently enjoy significantly more revenue as a result of property improvement.



Neighborhood Revitalization Area (NRA)

During 2018, the City had eight (8) approved Neighborhood Revitalization Areas. Six (6) properties were eligible for an NRA rebate for the property taxes levied in 2018. See Appendix B, page 2 for NRA distribution information.

2018 NRAs: Active						
NRA	Project	District Established	Ord #	% Rebate	Duration	First NRA Tax Year
8th and Pennsylvania District	(720 E 9th Street) ¹	Apr. 2007	8093	95%	Based on amount rebated ²	2011
1040 Vermont	Treanor Architect's Headquarters	Apr. 2011	8625	Declining ³	10 years	2013
810/812 Pennsylvania	Cider Building Art Gallery	Jul. 2012	8753	95%	10 years	2014
1106 Rhode Island	Hernly Architect's Office	Aug. 2014	9022	85%	10 years	2016
1101 Indiana	Mixed-Use, Student Housing	Aug. 2014	9021	85%	10 years	2019 ⁴
900 Delaware	9 Del Lofts	Oct. 2014	9040	95%	15 years	2016
826 Pennsylvania Street	826 Pennsylvania Street	Nov. 2016	9304	85% County, 50% City and USD	10 years	2018
800-815 Vermont Street	Vermont Place	Nov. 2017	9303	75%	10 years	⁵

¹ Although the 8th & Pennsylvania Street NRA district expired in April 2012, the 720 E 9th Street parcel within that District remains eligible for NRA refunds.

² The 8th & Pennsylvania NRA district allows for up to 20 years of NRA rebates (subject to a capped amount correlating with costs). As per agreement with the City, rebates are due until the maximum amount of \$324,673.18 has been rebated or 12-31-2032, whichever comes first.

³ Yrs 1-4: 95%, Yrs 5-6: 85%, Yr 7: 70%, Yr 8: 50%, Yr 9:30%, Yr 10:20%.

⁴ Agreement amended for NRA rebate starts on the first full tax year after project is 100% complete. Project completion is anticipated in 2018.

⁵ NRA rebate starts with the first full tax year after project completion. Project had not proceeded by the end of the year.



Neighborhood Revitalization Area (NRA)

8th & Pennsylvania Street NRA

The 8th & Pennsylvania Street NRA was established in 2007, although the only property redeveloped was the parcel located at 720 E 9th Street. The district expired in April 2012. However, this parcel remains eligible for NRA refunds.

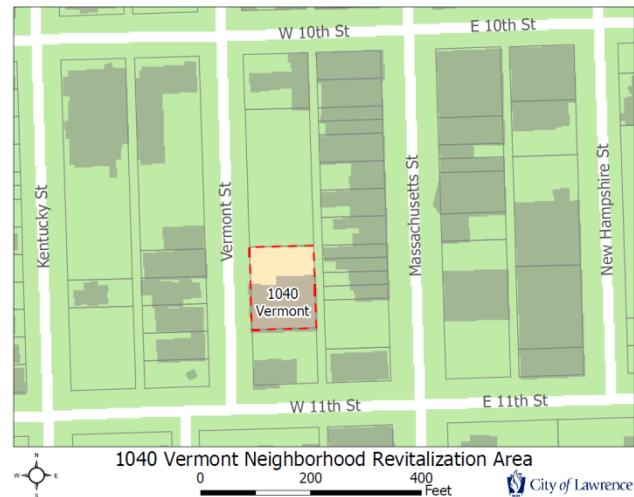




Neighborhood Revitalization Area (NRA)

1040 Vermont Street NRA

Treanor Architects received an NRA in order to design and build an 18,000 square foot office to relocate their associates to downtown Lawrence. The project involved renovation of a former car dealership built in 1953, which had also previously housed a grocery store and office supply company.

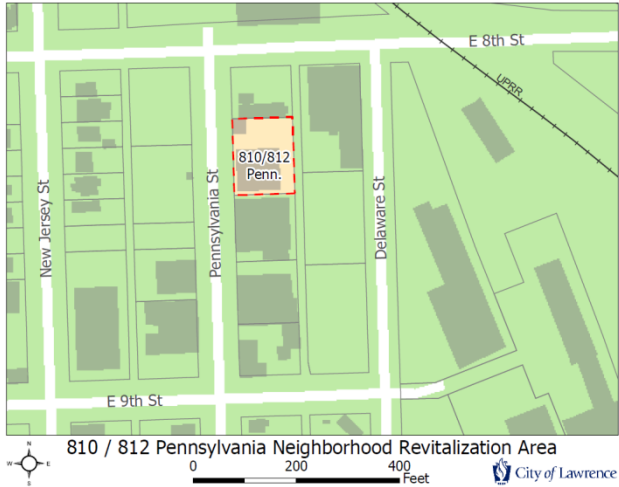


The new design reused the back half of the building to create a partial two-story space featuring an open floor plan, reception area, offices, multiple conference rooms, break areas, rooftop garden and recreation space.



3

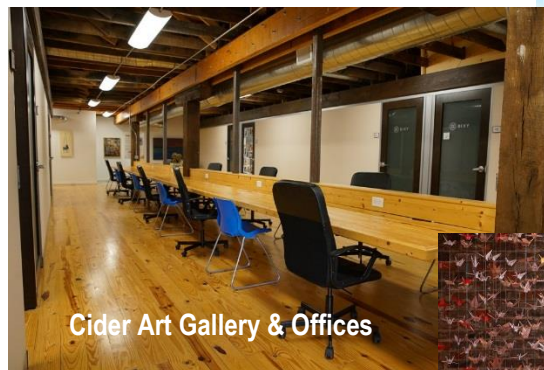
Neighborhood Revitalization Area (NRA)



810/812 Pennsylvania Street NRA

The 810/812 Pennsylvania Street NRA was approved in 2012 to redevelop the historic Cider building as part of an overall renovation of the East Lawrence Historic Neighborhood District. The abandoned building was converted into an art gallery with event space on the lower level and office space on the upper level. The

redevelopment opened in 2013 and supports art, event, and entrepreneurial needs of the East Lawrence Historic community.



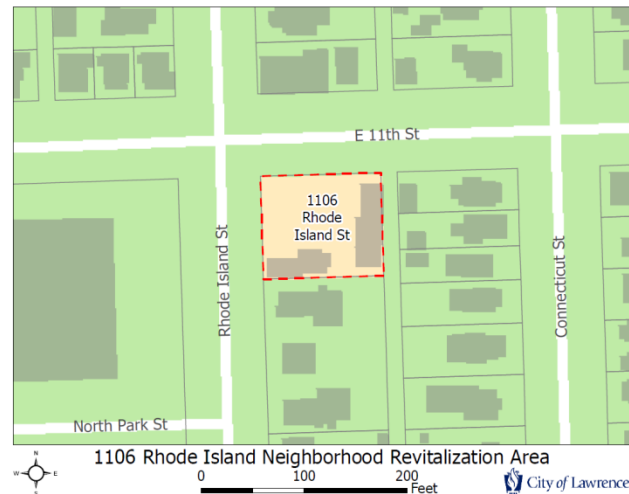
Cider Art Gallery & Offices

3

Neighborhood Revitalization Area (NRA)

1106 Rhode Island Street NRA

The 1106 Rhode Island Street NRA district was established in 2014 to help redevelop the property and its historic structures to productive use. As a vacant, dilapidated, and blighted property, it presented safety, health, environmental, and economic concerns for the community. However, the existing house, large barn, and garage



were contributing structures to the North Rhode Island Street Historic Residential District and it was determined they retained sufficient integrity to be rehabilitated.

2016 was the first NRA rebate year for the 1106 Rhode Island project.





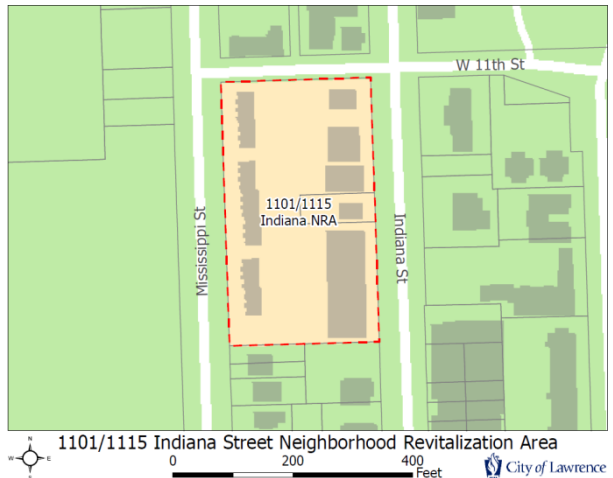
Neighborhood Revitalization Area (NRA)

1101 Indiana Street NRA (HERE KS)

The 1101 Indiana Street NRA was authorized in 2014 to support redevelopment of the property into an upscale, mixed-use, student housing community.

In 2016 a Memorandum of Understanding was executed, redefining project completion.⁶

Although construction on the residential



facility was completed in 2016, the project was not considered complete in 2018 due to outstanding parking requirements. HERE KS was responsible for paying all real property taxes in 2018 (\$636,244) on the project.

⁶ Paragraph 5: The Neighborhood Revitalization Act Performance Agreement provides that HERE shall not be entitled to receive any incentive under that agreement or the NRA until such time as it substantially completes construction. The parties acknowledge and understand that the term "substantially complete" shall mean that construction is 90% completed and HERE has provided, within its interior warehouse and/or on-site and off-site, self parking that meets City Code, for 100% occupancy of the residential and commercial components of the mixed-use redevelopment of the HERE Property. HERE acknowledges and agrees that it shall not be entitled to receive any incentive under the Neighborhood Revitalization Act Performance Agreement or the NRA until the January following the time that it achieves approval by the City for 100% occupancy of the residential and commercial components of the mixed-use redevelopment of the HERE Property. Nothing in the Memorandum of Understanding shall be construed to extend the term of the NRA.

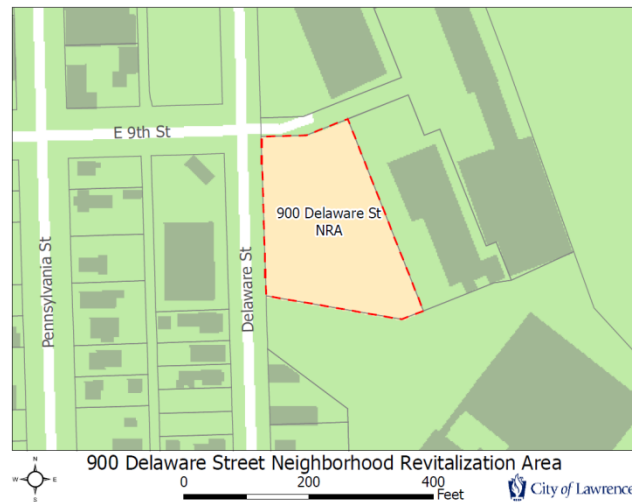


Neighborhood Revitalization Area (NRA)

900 Delaware Street NRA

Located on the southeast corner of 9th Street and Delaware Street, adjacent to the East Lawrence Historic Warehouse District, the 9 Del Lofts project converted vacant land into a multi-family, affordable housing complex. The 900 Delaware NRA was authorized in 2014 to help support the project and add affordable housing to the community. The complex opened in 2015 with 43 apartment units:

18, one-bedroom units; 16, two-bedroom units; and four, three-bedroom units. 2016 was the first NRA rebate year for the 900 Delaware project.





Neighborhood Revitalization Area (NRA)

826 Pennsylvania Street NRA

In 2016, the City and School District authorized a 10-year, 50% NRA rebate and the County authorized a 10-year, 85% rebate to support the redevelopment of the property at 826 Pennsylvania Street into a mixed-use commercial and residential project.

In September 2017, the Lawrence Beer Company opened on the first floor of the redeveloped project and was fully completed in 2018. The project includes:

- Over 28,000 square feet of finished commercial and residential space (3 floors + basement)
- 14 residential rental units, two of which are set aside for affordable housing
- 33 new, on-street angled parking spaces in front of the building

2018 will be the first tax year the property can be eligible for an NRA rebate.

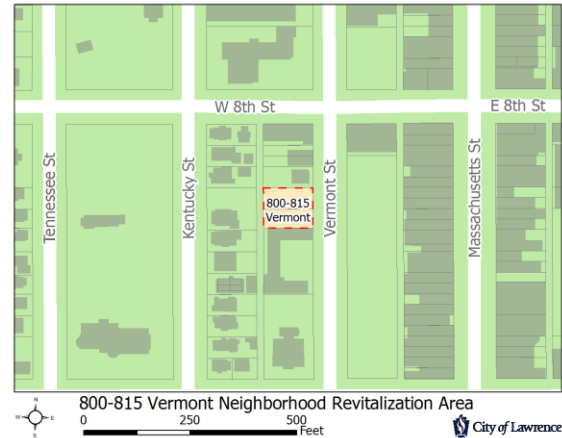




Neighborhood Revitalization Area (NRA)

800-815 Vermont Street NRA: Vermont Place

In November 2017, the City, County and School district voted to participate in a 10-year, 75% NRA to support the redevelopment of two vacant lots, located at 800-815 Vermont Street, into a mixed-use project. The City also approved Industrial Revenue Bonds (IRB) for the project to access a sales tax exemption on construction materials.



Plans include 1st floor retail/commercial space, 2nd floor entrepreneurial offices, and residential for-sale condominiums on floors 3-5 with underground residential parking. The developer will dedicate ownership of one fully-finished, 1-bedroom condominium to be held in perpetuity as affordable housing.

Project construction is subject to deadlines in the NRA plan. Construction had not commenced by the end of 2018 and the City was notified the project would likely not proceed.⁷

⁷ Per Vermont Place NRA Plan, Part 7, Criteria for Determination of Eligibility: To be eligible for the NRA rebate, the Developer (1) shall pull a building permit for the Project within two years of the effective date of the Ordinance designating the NRA Area (Ordinance # 9303, dated November 4, 2017), and (2) shall obtain a Certificate of Occupancy within two years of the date the building permit is issued for the Project.



Tax Increment Financing (TIF)

Tax Increment Financing (TIF) Districts are an economic development tool established by the Kansas TIF Act (K.S.A. 12-1770 et seq.) to aid in financing projects for substantial public benefit. Public benefits can include creating jobs or retaining existing employment, eliminating blight, strengthening the employment and economic base of the City, increasing property values and tax revenues, reducing poverty, creating economic stability, upgrading older neighborhoods, facilitating economic self-sufficiency, promoting projects that are of community-wide importance, or implementing the Comprehensive Plan and economic development goals of the City. The City currently has three (3) active TIF districts:

2018 TIF: Active						
TIF	District Established	District Ord. #	Plan Established	Expires ¹	Plan Ord. #	Estimated Eligible Expenses
Downtown 2000 Redevelopment (Original 9th and New Hampshire)	Aug. 1999	7127	Apr-00	Apr-20	7207	\$8,645,000
The Oread	Feb. 2008	8234	Apr-08	Apr-28	8253	\$8,500,000 ²
9th & New Hampshire: South Project	Aug. 2012	8768	May-13	May-32	8865	\$4,000,000 ³
9th & New Hampshire: North Project			Apr-14	Apr-34	8971	\$4,750,000 ⁴

See Appendix B, page 3 for TIF distribution information.

¹ The 20-year TIF clock for the reimbursement period starts when the *redevelopment plan* is approved.

² Amount shown is the maximum reimbursement amount (not including interest) specified in the original development agreement, to be reimbursed from TIF and TDD revenues. As part of a 2017 settlement agreement, the Development Agreement was amended, reducing the maximum from \$11 million to \$8.5 million (not including interest).

³ Amount amended from \$3,500,000 to \$4,000,000 on May 13, 2013. Amount shown is the reimbursement cap without interest. As per the redevelopment agreement, interest is subject to reimbursement from TIF revenues at the Developer's actual interest rate for borrowed funds.

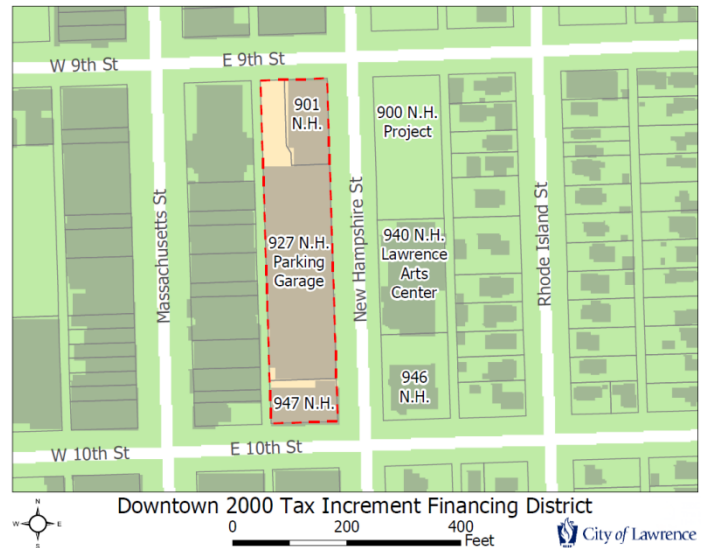
⁴ Amount shown does not include interest. As per the redevelopment agreement, interest is subject to reimbursement from TIF revenues at the Developer's actual interest rate for borrowed funds.

4

Tax Increment Financing (TIF)

Downtown 2000 Redevelopment District

The Downtown 2000 Redevelopment TIF District was created to support the development of the parking garage at 10th and New Hampshire and other cultural, commercial, office, and apartment developments. At the end of 2018, approximately \$1.46 million remained outstanding on the bond debt (originally issued for approximately \$8.6M).



contributed to bond payoffs on the parking garage.

In 2012 the 900 New Hampshire parcel was removed from the Downtown 2000 district and is now part of the 9th & New Hampshire Redevelopment district. In exchange for removal of this parcel from the Downtown 2000 district, the first \$850,000 of project generated TDD proceeds from the 9th & New Hampshire district will be



Tax Increment Financing (TIF)

901 New Hampshire Reimbursements:

In January 2012, the City Commission authorized the City Manager to execute a performance agreement allowing a reimbursement of TIF revenues generated from the original Downtown 2000 Redevelopment District to be paid for developer-paid public improvements made to 901 New Hampshire, a mixed-use retail/office/apartment project located within the district. The agreement calls for a total of \$280,852 to be paid by the City to the developer over a 10-year

period in ten equal, annual installments of \$28,085.20. The first annual reimbursement was for taxes levied in 2012.

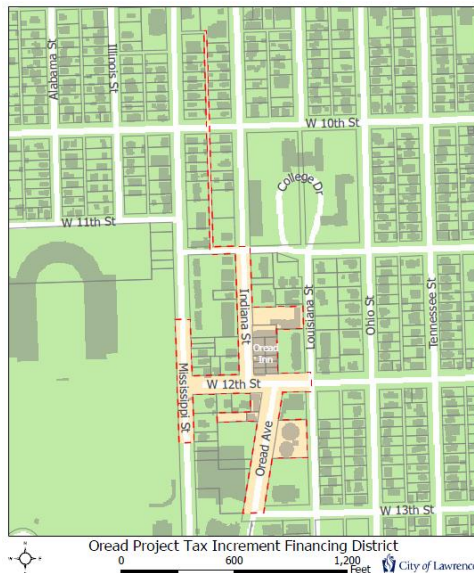




Tax Increment Financing (TIF)

12th and Oread Redevelopment District: 1200 Oread Avenue

Located on top of Mount Oread at the north gate of The University of Kansas, The Oread is a hospitality and business venue with 99 guest rooms/suites, two large banquet rooms, a state-of-the-art audio/video theater, tanning salon/fitness center, and a variety of restaurants.



Public improvements to streets and infrastructure, including

a parking garage, were financed initially by the developer and are reimbursed annually through TIF revenues generated within the district.⁵



⁵ Reimbursements were subject to a contractual dispute between the City and the developer, which was settled through a Settlement Agreement and Mutual Release dated April 13, 2017. This agreement stipulated that the City would retain \$650,000 plus interest out of retained TIF/TDD revenues to cover the amount the City overpaid Oread Inn, L.C., with interest (\$492,914.86), plus the City's estimated out-of-pocket costs incurred from its investigation of the dispute in 2015 through the start of the court ordered mediation.

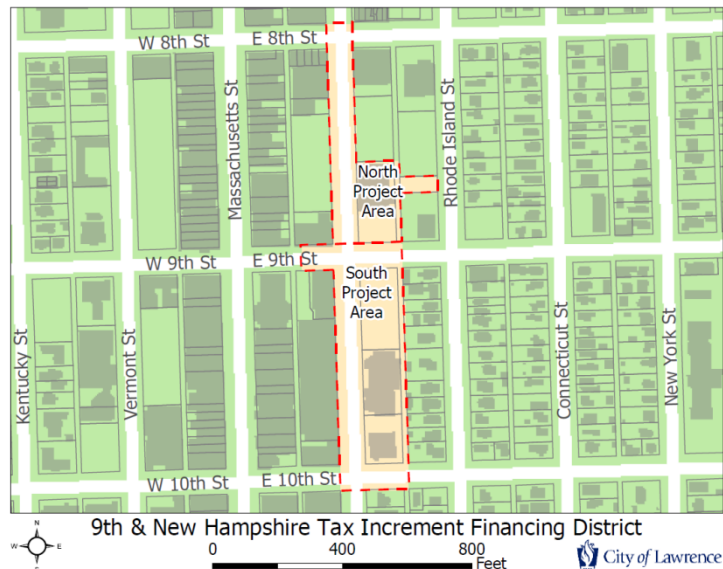
After the City retains \$650,000 from TIF/TDD funds, it will disburse the remaining funds according to the amended development agreement (executed April 27, 2017). Under the terms of the amendment, the TIF/TDD reimbursement maximum was reduced from \$11 million to \$8.5 million (excluding interest). In addition, once the developer is reimbursed \$5.7 million (reduced from \$7.1 million) plus interest, TIF revenues available for reimbursements are reduced to 50% of real property tax revenues and 50% of sales tax revenues. TDD reimbursements remain at 100% throughout the duration of the agreement, subject to the reimbursement cap.



Tax Increment Financing (TIF)

9th & New Hampshire Redevelopment District

Created in 2012, this district includes two project areas: South Project Area and North Project Area. Public infrastructure for both areas is to be funded initially by the developer and reimbursed on a “pay-as-you-go” basis by project generated TIF revenues. In addition, TIF revenues will be split between the City and developer to fund both a public “Arts Commons” project and public



infrastructure within the district, with five percent of the proceeds reserved for the “Arts Commons” project (up to a total of \$900,000) and 95 percent of proceeds going to reimburse the developer for public infrastructure expenses.⁶

The district began generating TIF revenues in 2014 through the South Project (900 New Hampshire). The North Project (888 New Hampshire) finished construction in 2016 and began generating TIF revenues in 2017. At the current pace of TIF revenue generation in the district, both the 900 New Hampshire & 888 New Hampshire projects are projected to be reimbursed before the end of their 20-year incentive periods.

⁶ Per the South Area Development Agreement, if the “Art Common” project does not proceed within 60 months of the date of the filing of the Certificate of Substantial Completion, 5% TIF revenues will go toward reimbursement of the property owner’s TIF project expenses.



Tax Increment Financing (TIF)

900 New Hampshire—South Project Area

The South Project Area includes a mixed-use hotel with retail space and hotel lobby on the first floor, underground parking and related public and private infrastructure. The proposed public project is affiliated with the Lawrence Arts Center. This “Arts Commons” space is planned to be a venue for public art exhibitions, theatrical productions, music, film and art-making activities and include green space for children attending the arts-based preschool and other educational programs to work and play outside.



888 New Hampshire—North Project Area

The North Project Area is a mixed-use apartment and banking center with underground parking, water line improvements along New Hampshire Street, and related public and private infrastructure.



5 Transportation Development District (TDD)

Transportation Development District (TDD) is an economic development tool established by the Kansas TDD Act (K.S.A. 12-17,140 et seq.) to assist in financing public transportation improvements.

Currently, the City has three (3) authorized TDDs. In all districts, public improvements were financed initially by the developer and are reimbursed annually via a one percent (1%) transportation district sales tax on retail or taxable services occurring within the district.

2018 TDDs: Active					
TDD	Ordinance #, Date Authorized	TDD Sales Tax	TDD Sales Tax Commences	TDD Sales Tax Expires	Estimated Eligible Expenses
The Oread	#8254, April 2008	1%	Oct. 2009	Oct. 2031	\$11,000,000 ¹
Free-State (Bauer Farms)	#8339, October 2008	1%	April 2009	April 2031	\$5,000,000
9th & New Hampshire	#8979, April 2014 ²	1%	Jan. 2015	Jan. 2037	\$3,000,000 ³

See Appendix B, page 4 for TDD distribution information.

¹ Amount shown is the maximum reimbursement amount (not including interest) specified in the original development agreement, to be reimbursed from TIF and TDD revenues. As part of a 2017 settlement agreement, the Development Agreement was amended, reducing the maximum from \$11 million to \$8.5 million (not including interest).

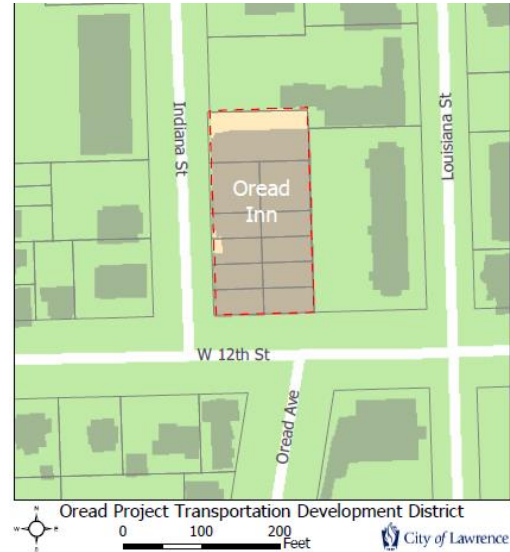
² Ordinance 8803 which originally established the TDD district was repealed due to a technicality and replaced with Ordinance 8979.

³ Amount shown is the reimbursement cap without interest. As per the redevelopment agreement, interest is subject to reimbursement at the developer's actual interest rate for borrowed funds.

5 Transportation Development District (TDD)

The Oread TDD

The Oread TDD (located at W. 12th Street & Oread Avenue) began generating sales tax revenues in 2009. The project's transportation-related public improvements were financed initially by the developer and are reimbursed annually through TDD revenues generated within the district.⁴



⁴ Reimbursements were subject to a contractual dispute between the City and the developer, which was settled through a Settlement Agreement and Mutual Release dated April 13, 2017. This agreement stipulated that the City would retain \$650,000 plus interest out of retained TIF/TDD revenues to cover the amount the City overpaid Oread Inn, L.C., with interest (\$492,914.86), plus the City's estimated out-of-pocket costs incurred from its investigation of the dispute in 2015 through the start of the court ordered mediation.

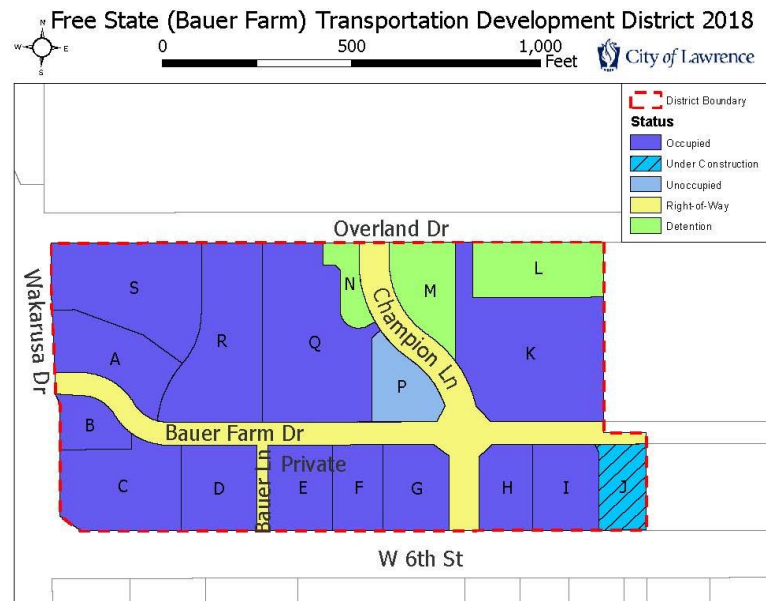
After the City retains \$650,000 from TIF/TDD funds, it will disburse the remaining funds according to the amended development agreement (executed April 27, 2017). Under the terms of the amendment, the TIF/TDD reimbursement maximum was reduced from \$11 million to \$8.5 million (excluding interest). In addition, once the developer is reimbursed \$5.7 million (reduced from \$7.1 million) plus interest, TIF revenues available for reimbursements are reduced to 50% of real property tax revenues and 50% of sales tax revenues. TDD reimbursements remain at 100% throughout the duration of the agreement, subject to the reimbursement cap.

5

Transportation Development District (TDD)

Free-State TDD

The Free-State (Bauer Farm) TDD (located at W. 6th Street and Wakarusa Drive) began generating sales tax revenues in 2009. At the end of 2018, over ninety-six percent (96.4%) of the buildable area within the district was either occupied or under construction.

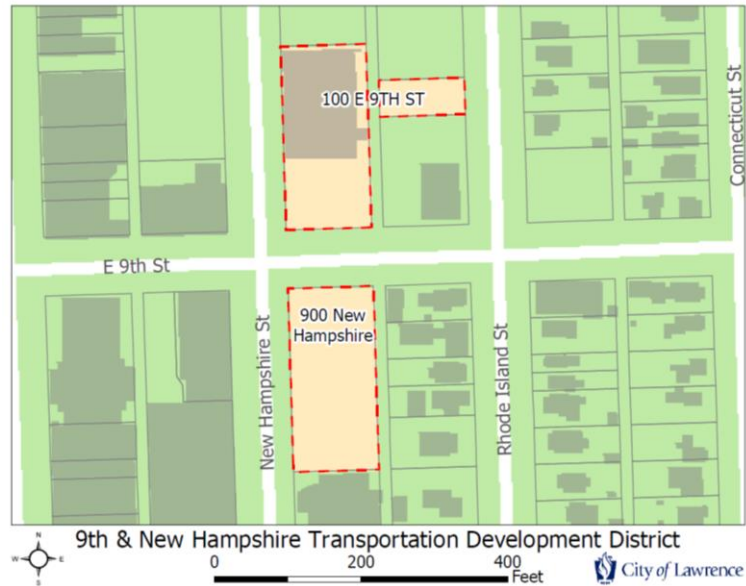


5

Transportation Development District (TDD)

9th & New Hampshire TDD

The 9th & New Hampshire TDD was approved in July 2012. The district began generating TDD sales tax in 2015. The first \$850,000 of district TDD revenues will go toward paying back bonds for the 10th & New Hampshire parking garage. After reaching that threshold, additional TDD revenues will reimburse developer-paid public infrastructure expenses.



6 Other Support Programs

Economic Development Services

The City of Lawrence annually contracts with the agencies below to provide services related to economic development in order to foster job growth within the community.



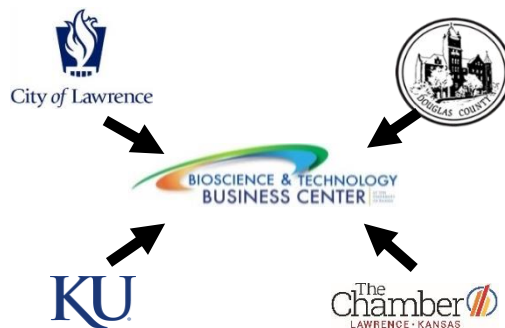
Bioscience & Technology Business Center

The BTBC creates, recruits, grows, and retains companies that produce high quality, high-paying jobs by supporting growth of the bioscience and technology industries in the City of Lawrence, Douglas County, and Kansas City. By producing these jobs, the BTBC

increases the local tax base and creates wealth in the community. To help its tenant companies grow and succeed, the BTBC provides:

- Customized office and laboratory space
- Access to the BTBC's network of business and industry contacts
- Access to KU resources
- High bandwidth, low latency fiber internet connection
- Business services and support

The BTBC is a unique coalition consisting of the City, Douglas County, University of Kansas, and the local business community via the Lawrence Chamber of Commerce—the first of its kind for Lawrence. As a result



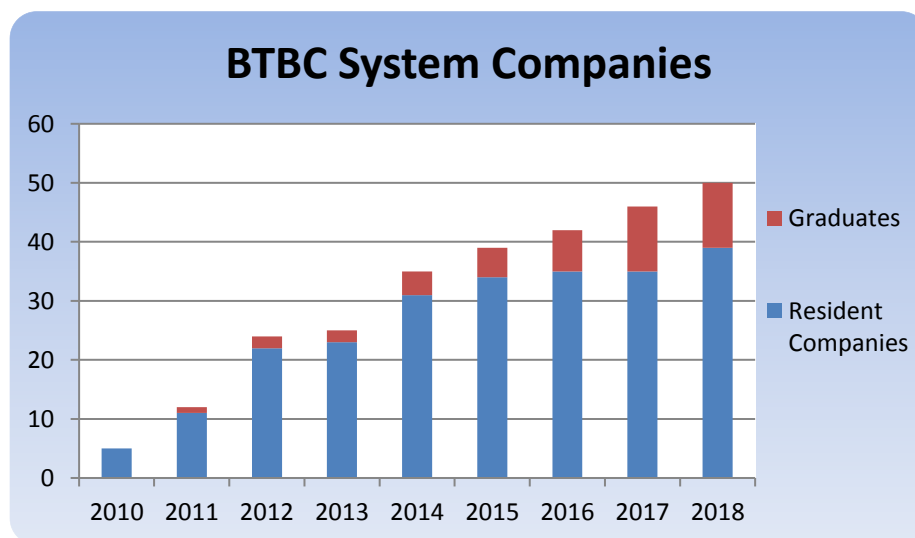
6 Other Support Programs

of this unique partnership, each dollar contributed by the City is leveraged by contributions by the other partners.

BTBC Facilities			
Facility	Location	Building SF	Description
BTBC Main	KU's West Campus	51,400	Office and lab space situated near several prominent KU research buildings.
BTBC West	15 th Street and Wakarusa	17,500	Suited for incubator graduates, tenants with unique space requirements, and companies seeking GMP-ready space.
BTBC-KUMC	KU Medical Center Campus, KCK	21,000	Office and wet lab space adjacent to the KUMC and the KU Hospital.

Source: Bioscience & Business Technology Center, data as of December 31, 2018.

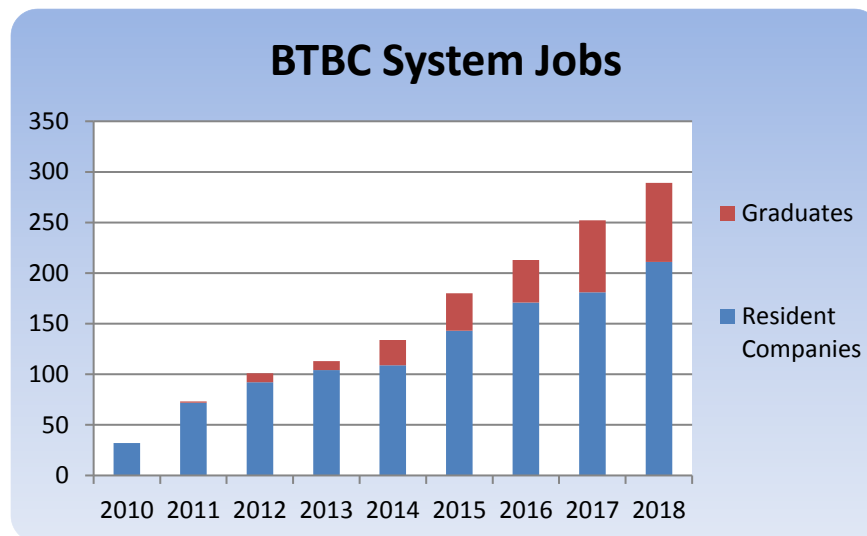
BTBC Economic Development Metrics



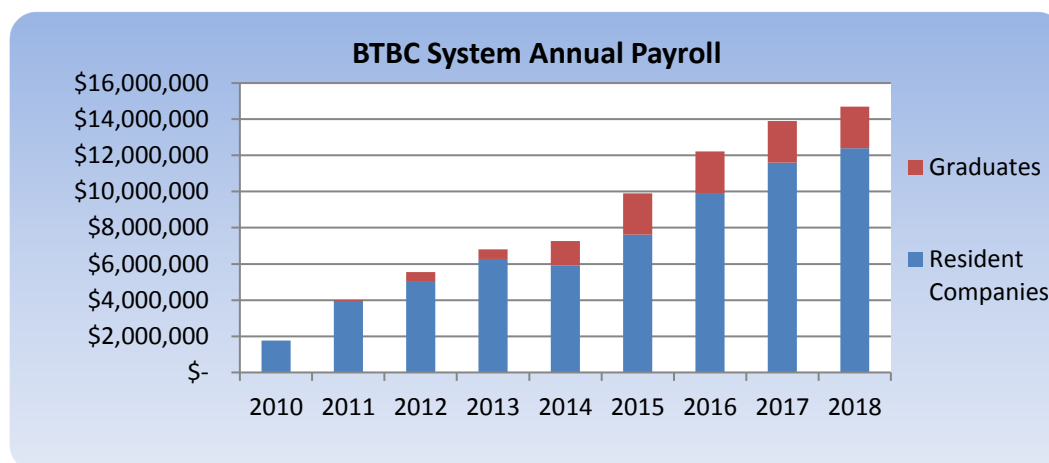
Source: Bioscience & Business Technology Center, data current as of 12/31/18.



Other Support Programs



Source: Bioscience & Business Technology Center, data current as of 12/31/18.



Source: Bioscience & Business Technology Center, data current as of 12/31/18.

6 Other Support Programs

By locating in Lawrence, the BTBC companies also create an indirect economic benefit to the local economy consisting of money paid to local vendors as well as take-home pay spent by tenant company employees on housing, utilities, food, child care, entertainment, etc. The following chart shows the total direct and indirect economic impact of BTBC companies.

Metric	BTBC Companies	BTBC Graduates	BTBC System Total
Companies	39	11	50
Jobs - Direct	211	78	289
Jobs – Indirect/Induced	173	64	237
Jobs - Total	384	142	526
Annual Payroll	\$16,522,186	\$6,107,727	\$22,629,913

Analysis produced using Chmura Economics & Analytics



Construction of Phase II, an additional 30,000 square feet of office and lab space, was completed in August of 2014. The BTBC Main Facility has since reached approximately ninety-seven percent (97%) occupancy, which is about two years ahead of projections. The BTBC has begun planning for Phase III, which will likely include 12-18 companies and is estimated to produce 200-250 jobs. The BTBC's long term goal is the development of a research and business park on KU's West Campus.

6 Other Support Programs

Overview of City & County Support for BTBC Services

BTBC Support						
Year	City			County		
	Operations	Capital Investment	Total	Operations	Capital Investment	Total
2006	\$200,000	\$0	\$200,000	\$200,000	\$0	\$200,000
2007	\$192,000	\$0	\$192,000	\$200,000	\$0	\$200,000
2008	\$200,000	\$0	\$200,000	\$200,000	\$75,000	\$275,000
2009	\$200,000	\$75,000	\$275,000	\$200,000	\$75,000	\$275,000
2010	\$200,000	\$75,000	\$275,000	\$200,000	\$124,620	\$324,620
2011	\$200,000	\$141,540	\$341,540	\$200,000	\$141,540	\$341,540
2012	\$200,000	\$641,540	\$841,540	\$200,000	\$241,540	\$441,540
2013	\$200,000	\$641,540	\$841,540	\$200,000	\$241,540	\$441,540
2014 ¹	\$200,000	\$141,540	\$341,540	\$200,000	\$241,540	\$441,540
2015	\$200,000	\$196,540	\$396,540	\$200,000	\$269,040	\$469,040
2016	\$200,000	\$193,790	\$393,790	\$200,000	\$293,790	\$493,790
2017	\$225,000	\$193,540	\$418,540	\$275,000	\$293,540	\$568,540
2018 ²	\$225,000	\$191,096	\$416,096	\$275,000	\$291,596	\$566,596

Sources: City Budget Office, City of Lawrence, Kansas. Douglas County Budget Manager, November 2018

¹ In addition to operations support, the City and County jointly agreed to split expenses related to the roof replacement for the BTBC West (Expansion) Facility. The City's portion of the expense was \$122,855.40, which was paid in 2014.

² Per Lease Agreement dated January 1, 2010, (Article V) and amended August 7, 2017 between the City, County and BTBC, the basic rent payment due from BTBC is held to \$25,000 annually through 2018. The City and County split the remaining amount required to make the annual bond payment. In 2019, the BTBC will assume the payments, unless there is any shortfall in revenue. In which case, the shortfall amount will be split equally between the City and County. As per the Cooperation Agreement between the City of Lawrence and Douglas County, Dated January 1, 2010 (Section 3.2c) "To the extent that the Basic Rent paid by LDCBA (BTBC) pursuant to the Lease is insufficient to pay all of the debt service on the Bonds coming due, the County hereby agrees, subject to Section 3.4 hereof, to pay to the City one half of the amount of any shortfall (the 'County Shortfall')."

6 Other Support Programs

The Chamber and Economic Development Corp.

The City of Lawrence and Douglas County contract annually with the Chamber/EDC and Small Business

Development Center for the provision of specialized economic development services. The following provides information on annual accomplishments for those agencies and funding support provided for their services.



Chamber/EDC & SBDC Support				
Year	Chamber/EDC		Small Business Development Center	
	City	County	City	County
2012	\$199,500	\$200,000	\$20,000	\$18,140
2013	\$199,500	\$200,000	\$20,000	\$18,140
2014	\$199,500	\$200,000	\$20,000	\$18,000
2015	\$199,500	\$200,000	\$20,000	\$18,000
2016	\$200,000	\$200,000	\$20,000	\$20,000
2017	\$200,000	\$200,000	\$20,000	\$20,000
2018	\$200,000	\$200,000	\$20,000	\$20,000

Sources: City Budget Office, City of Lawrence, Kansas;

Douglas County Budget Manager, November 2018

6 Other Support Programs

Economic Development Corporation (EDC):

The EDC's economic development program is intentionally multi-faceted. Produced in collaboration with its strategic partners (City, County, Peaslee Tech, BTBC, community stakeholders), it is designed to serve a variety of community constituents and to impact economic growth on a number of fronts. The EDC's five strategic priorities are as follows:



- Business Retention & Expansion
- Workforce Development
- Business Recruitment & Marketing
- Entrepreneurial & Startup Support
- Site & Infrastructure Capacity

Like the BTBC in the previous section, through these strategies the EDC endeavors to recruit, grow and retain companies to and within the broader community to produce jobs, expand the tax base and ensure economic prosperity for the citizens of Lawrence and Douglas County.

Business Retention & Expansion (BRE)

Existing industry forms the backbone of the local economy and reflects the community's greatest strengths. It determines cluster development, drives innovation, informs workforce training programs, influences recruitment targets, and generates as much as eighty percent (80% of a community's job growth. As a result, BRE forms the foundation of the EDC's economic development efforts.

6 Other Support Programs

Over the course of 2018, EDC staff conducted several, in-depth facility tours with some of Lawrence's largest employers, engaging city, county, university and state representatives in the process. These efforts build familiarity with local industry, identify growth challenges and open a two-way dialog between industry and community leaders. Throughout 2017 and 2018, the EDC was actively involved in multiple manufacturing expansion projects, resulting in the creation of more than 300,000 square feet of new industrial space, more than \$53 million in capital investment and the creation of at least 60 new jobs.

Workforce Development

Workforce availability, cost and quality are primary considerations in business relocation and expansion decisions. To set Lawrence apart in these considerations, the Chamber and EDC have undertaken a number of initiatives. Foremost among them has been the coordinated efforts to establish the Dwayne Peaslee Technical Training Center in 2015. With its ever-expanding programs and enrollment nearing 1000, Peaslee Tech has proven to be an invaluable community resource.

The University of Kansas is another such resource. The EDC has structured partnerships with the university's various career services departments to promote student internship and employment opportunities to local industry. It created a job shadowing/mentorship program with the KU Honors program and will host an inaugural local industry/KU networking event in the spring of 2019.

6 Other Support Programs

Business Recruitment & Marketing

Perhaps the most recognizable of economic development efforts, business recruitment is by far the most demanding of time and financial resources, but also the most tantalizing for its immediate potential impact on tax base and job growth. The EDC serves as the first point of contact in responding to outside business recruitment inquiries, leveraging partnerships with state and regional entities, like the Kansas City Area Development Council and the Kansas Department of Commerce to extend its marketing reach.

Throughout 2018, EDC staff responded to more than 50 recruitment requests. Eleven of these remain viable as of this report's writing, with two in final considerations for Lawrence. EDC staff also undertook a comprehensive target industry analysis of the community. This exercise determined industries in *Advanced Manufacturing, Engineering and Design Services, Scientific Research and Development*, and *Information Technology* as having the greatest recruitment potential for the community.

Entrepreneurship and Start-ups

The EDC collaborates with various partners and programs to support start-ups, small business growth and entrepreneurship in the community (e.g. Bioscience Technology and Business Center, KU Small Business Development Center, 1 Million Cups, NetWork Kansas, etc.).

The Chamber/EDC also administers a revolving loan program, via its partnership with NetWork Kansas (networkkansas.com), called the Lawrence Metropolitan E-Community. This program allows the EDC to partner with local lending institutions to provide "gap financing" to small businesses and start-ups. The program has issued six loans since the start of 2017, totaling more than \$210,000. These projects in turn leveraged an additional \$2.1 million in private capital. The five projects that took place in 2018 are summarized in the following table.



Other Support Programs

2018: Lawrence Metro E-Community Revolving Loan Program					
Recipient	Location	Loan Year	Business Description	Loan Amount	Loan Used For
Hilary's Eat Well	2205 Haskell Ave.	2018	Food Manufacturer	\$10,000	Expansion
Chiropractic Element	3109 W. 6th, Ste. A	2018	Chiropractic Office/Medical	\$33,000	Business Purchase
Central Grazing Co.	106 Riverfront Rd.	2018	Food/Ag/Leather Goods	\$35,000	Expansion
Leeway Franks	935 Iowa St.	2018	Restaurant/Butcher Shop	\$45,000	Expansion
Lucky Berry	845 Mass.	2018	Restaurant/Juice/Retail/Dist.	\$45,000	Expansion

Site and Infrastructure Capacity

Maintaining an inventory of readily available sites and buildings is essential for business development. With Lawrence's two mature industrial parks (Santa Fe and East Hills) essentially full and its newest, VenturePark, now having its first tenant (VanTrust Real Estate), the community could be out of all currently available land with just one or two small industrial projects.

As such, the EDC has been working closely with City, County and private business leaders in a multi-year effort to identify the next potential industrial site. This effort originally identified 10 potential sites, but through an evaluation of many critical factors (future city growth, transportation and other city infrastructure, etc.) was narrowed to one, roughly 150-acre site in 2018. Work on this effort will continue in 2019.

6 Other Support Programs

ASBDC-Kansas (Small Business Development Center):

The KU Small Business Development Center is one of 15 Centers in Kansas and one of approximately 1,100 Centers in the America's SBDC network. The Center provides free and confidential consulting services to entrepreneurs who are starting and growing small businesses. Staffed by professionals certified in areas such as business continuity planning, business valuation, and exit planning, the Center focuses on providing services for business planning, access to capital, marketplace/industry analysis, and financial benchmarking. The Center is also engaged in a cybersecurity initiative to provide assistance to small businesses across Kansas.



In 2018, the KU Small Business Development Center provided almost 2000 hours of one-to-one consulting and 500 hours of other community engagement. While the Center provides services throughout a six county area, approximately eighty-five percent (85%) of measured activity takes place locally in Lawrence.

As part of the cooperative model, economic impact is measured annually by The Docking Institute in cooperation with the Kansas Small Business Development Center.

2018 KU-KSBDC Economic Impact	
Total client companies	356
Reported starting business	36
New access to capital	\$20,000,000
New revenue generated	\$15,000,000
Jobs impact	499

Source: Docking Institute 2018 Survey, Fort Hays State University

6 Other Support Programs

Shared Infrastructure

Rock Chalk Park

Rock Chalk Park, is an 89 acre sports campus located at the northwest corner of Rock Chalk Drive and George Williams Way.

Opened in the fall of 2014, Rock Chalk Park is home to the 181,000 square foot City recreation center, Sports Pavilion Lawrence, and University of Kansas (KU) athletic facilities.



Traditional economic development tools utilized for the project included a property tax abatement and issuance of industrial revenue bonds for the property containing the KU Athletic facilities.³ (Refer to Sections 1 and 2 for additional information.) In addition, the City authorized support for the shared infrastructure within the park

³ KU would normally receive a 100% property tax abatement on their property for the duration of ownership. However, given the structure of the project with KU Athletics entering into a long term lease with a private developer to construct the facilities, an automatic property tax exemption was not possible. A property tax abatement was utilized to assist KU in pursuing this project. Due to the unique nature of the project and its primary benefits related to assisting KU Athletics and drawing visitors from outside the community rather than job creation, no job creation performance requirements were imposed.

6 Other Support Programs

(e.g. parking, walking trails, all necessary sanitary sewer, potable water, storm sewer, water detention facilities, public and private streets, sidewalk and related improvements) and a rebate of City permit and development fees. By the end of 2015, the City had reimbursed all amounts due for shared infrastructure and development fees.

Sports Pavilion Lawrence: Annual Usage					
Year	Avg Monthly Visits	Key Card Holders			
		# Key Card Holder To Date ⁴	Avg Age	% Female	% Male
2018	49,669	39,599	40	53%	47%
2017	40,369	34,167	40	53%	47%
2016	50,731	29,080	40	56%	44%

Source: City Parks and Rec Department



RCP & SPL: Other 2018 Events				
Event	Attendees ⁵	Total Jobs Supported ⁶	Total Business Sales ⁷	Local Taxes Generated ⁸
Heart of America Volleyball Tournaments	52,669	1,370	\$2,088,204	\$64,712
Other Youth Amateur Sports	36,097	1,675	\$4,242,935	\$129,546
2018 Total	88,766	3,045	\$6,331,139	\$194,258

Sources: City Parks and Rec Department, eXplore Lawrence and Destination Marketing Association International

⁴ Lawrence and Douglas County residents need the free key card to use the facility. The card also helps track center usage.

⁵ Includes day and overnight attendees.

⁶ Includes direct and indirect jobs supported by events.

⁷ Includes employment supported by all event-related business sales, including direct, indirect, and induced spending.

⁸ Sum of direct, indirect, and induced local taxes and assessments generated by events, including income, bed, sales, and other local taxes.

6 Other Support Programs

KU Softball, Soccer, Tennis, Track & Field Events			
Year	# Events	# Attendees	% Attendee Change
2018	70	42,530	-35%
2017	48	65,568	25%
2016	47	52,308	60%
2015	39	32,722	

Source: Kansas Athletics, January 2019

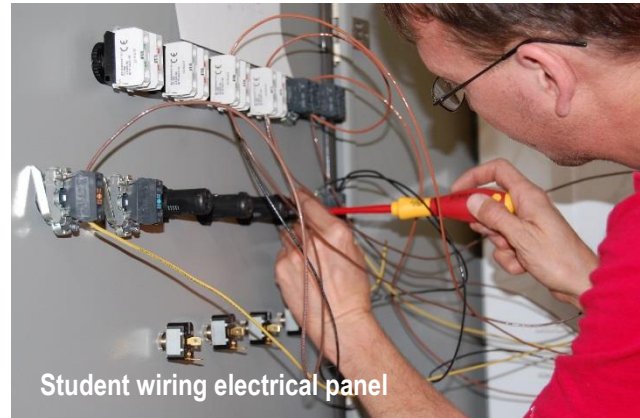


6 Other Support Programs

Workforce Training Support

Dwayne Peaslee Technical Training Center (Peaslee Tech)

Located at 2920 Haskell Avenue in Lawrence, Peaslee Tech was established by a consortium of partners, including the Economic Development Corporation of Lawrence, the City of Lawrence, Douglas County, the Chamber, local industry, and private donors. Peaslee Tech's mission is to



grow a workforce, rich with technically skilled individuals, within the Lawrence and Douglas County communities.

The center opened in August of 2015 and now offers 26 career training preparation programs.

Peaslee Tech programs include Introduction to Manufacturing, Pharmacy Technician, Commercial Driving, and Cisco Computer Networking. In addition, programs from three area community colleges include, Industrial Engineering Technology, HVAC, Automotive Technology, Welding, and Allied Health.

In 2017, Peaslee Tech was officially recognized as a school of higher education, earning designation by the Kansas Board of Regents as a private, postsecondary institution.

Source: Peaslee Technical Center, March 2018

6 Other Support Programs

Peaslee Tech offers custom courses in a wide variety of areas, and has included Supervision for Front Line Managers, Accountability, Hydraulics, Electric Motor Drives, Programmable Logic Control, and Environmental Health & Safety. These professional development, short-course offerings are based on industry's expressed needs.

The new Rice & Kriz Building Trades Laboratory opened in July 2018 through generous gifts from Ethel and Raymond F. Rice Foundation and the Kriz Charitable Fund, Inc.



This new facility provides students hands-on experience in support of a new Carpentry program and apprenticeships in Facilities Maintenance, Residential Electrical, and Residential Plumbing.



New apprenticeships starting in 2019 include; Residential HVAC, Automotive Technology, Computer Networking, Sterile Processing and Dental Assistant.

Peaslee Tech now leads the State of Kansas in the number of apprenticing programs.

Source: Peaslee Technical Center, March 2018

6 Other Support Programs

Public support for Peaslee Tech has included:

Peaslee Center Support			
Year	Assistance Type	City Amount	County Amount
2015	2014 real estate tax refund on property & improvements	\$15,533	\$20,239
	2015 real estate tax refund on property & improvements	\$11,776	\$15,370
	Grant for training center renovations and infrastructure	\$500,000	\$500,000
	Loan for Lawrence Workforce Center renovations	\$143,295	\$143,295
	Reimbursement of Peaslee building permit fees	\$7,556	--
	Waiver of City IRB application fee	\$1,000	--
	Peaslee Center Operations	\$100,000	\$100,000
	Total 2015	\$779,160	\$778,904
2016	Peaslee Center Operations	\$100,000	\$100,000
	Waiver of IRB application fee	\$1,000	--
	Total 2016	\$101,000	\$100,000
2017	Peaslee Center Operations	\$125,000	\$195,105
	Growth and Security Upgrades	\$25,000	--
	Total 2017	\$150,000	\$195,105
2018	Peaslee Center Operations	\$200,000	\$195,105
	Peaslee Mortgage	\$0	\$200,000
	Total 2018	\$200,000	\$395,105

Sources: City of Lawrence, Kansas, City Budget Office; Budget Manager, Douglas County, Kansas. November 2018

6 Other Support Programs

Expansion Assistance

Hilary's (DEW - Drink Eat Well, LLC)

Hilary's locally manufactures certified organic, plant-based foods free from common food allergens. It has been in business for eight years and has operated out of its manufacturing facility at 2205 Haskell Avenue since 2013. The company



is a certified B Corporation food manufacturer with approximately 40 local employees and a “second chance” employer for individuals who have spent time in prison, struggled with addictions, or have been homeless.

Hilary's requested assistance to aid in expanding operations at the existing facility and to expand into additional space at 2151 Haskell Avenue to accommodate on-site storage and logistics. In 2018, the City, County, and local Chamber/EDC authorized \$30,000 in economic development assistance to help with employee training, moving and professional expenses related to the expansion, which was split equally between the three organizations. At the end of 2018, the expansion project was completed at an investment of just over \$1.4 million. As part of the expansion, Hilary's extended its lease at 2205 Haskell Ave for three additional years and increased manufacturing capacity at that facility. The company also consolidated storage into a single location at 2151 Haskell Avenue, bringing shipping and logistics in house and producing three new positions.



Regulating Documents

2018 Tax Abatements			
	Document	Description	Dated
Amarr Garage Doors	Ordinance No. 8497	Tax Abatement	10/27/2009
	Agreement	Performance Agreement	12/17/2003
	Ordinance No. 7706	Policy	10/28/2003
	Overarching ED Policy (O-8522)		5/18/2010
Grandstand/Screen-It Graphics	Resolution 6948	Tax Abatement	10/11/2011
	Agreement	Performance Agreement	9/2/2011
	Overarching ED Policy (O-8522)	Policy	5/18/2010
Sunlite Science & Technology, Inc.	Resolution 7042	Tax Abatement	8/27/2013
	Agreement	Performance Agreement	8/30/2013
	Overarching ED Policy (O-8522)	Policy	5/18/2010
Rock Chalk Park	Resolution 7014	Tax Abatement	3/5/2013
	Agreement	Development Agreement	7/30/2013
	Overarching ED Policy (O-8522)	Policy	5/18/2010
VanTrust: Lawrence VenturePark	Catalyst Program	Specialized Tax Abatement Program	4/4/2017
	Ordinance 9573	Phase I Tax Abatement	8/1/2017
	Agreement	Land Transfer Agreement	8/1/2017
	Phase 1 Agreement	Performance Agreement	11/1/2018
Plastikon-Phase I & II Expansion	Catalyst Program	Specialized Tax Abatement Program	4/4/2017
	Ordinance 9430	Tax Abatement	1/8/2018
	Agreement	Performance Agreement	4/2/2018
Grandstand-Phase I Expansion	Catalyst Program	Specialized Tax Abatement Program	4/4/2017
	Ordinance 9608	Tax Abatement	12/4/2018
	Agreement	Performance Agreement	Est. 2019



Regulating Documents

2018 IRBs			
	Document	Description	Dated
Prosoco	Ordinance No. 7060	IRB Issuance: Series 1998A & 1998 B	12/8/1998
Bowersock Dam	Ordinance No. 8607 & 8620	IRB Issuance: Series 2011B, 2011C	12/21/2010 & 3/1/2011
900 New Hampshire (South)	Ordinance No. 8804	IRB Issuance: Series 2012	11/6/2012
Rock Chalk Park	Ordinance No. 8862	IRB Issuance: Series 2013	1/22/2013
1101 Indiana Street	Ordinance No. 9053	IRB Issuance: Series 2014	11/18/2014
888 New Hampshire (North)	Ordinance No. 8804	IRB Issuance: Series 2012	11/6/2012
Peaslee Tech. Center (2015)	Ordinance No. 9111	IRB Issuance: Series 2015	5/12/2015
800 New Hampshire	Ordinance No. 9210	IRB Issuance: Series 2016	4/30/2016
Pioneer Ridge	Ordinance No. 9184	IRB Issuance: Series 2016	2/2/2016
826 Pennsylvania Street	Ordinance No. 9316	IRB Issuance: Series 2016	12/13/2016
Peaslee Tech. Center (2016)	Ordinance No. 9321	IRB Issuance: Series 2016	12/13/2016
Van Trust: Lawrence VenturePark	Resolution No. 7210	Master IRB Resolution of Intent	8/1/2017
	Ordinance No. 9573	IRB Issuance: Series 2018	8/1/2017
Boys & Girls Club Teen Center	Ordinance No. 9431	IRB Issuance: Series 2018	12/27/2017
Humane Society Facility	Ordinance No. 9477	IRB Issuance: Series 2018	6/12/2018
Heritage Tractor	Ordinance No. 9572	IRB Issuance: Series 2018	11/20/2018



Regulating Documents

2018 Active NRAs			
	Document	Description	Dated
8th & Pennsylvania	Ordinance No. 8093	Plan	4/3/2007
	Agreement	Tax Rebate Agreement for 720 E 9th Street	4/17/2012
1040 Vermont Street	Ordinance No. 8625	Plan	4/12/2011
	Agreement	Performance Agreement	11/1/2011
810/812 Pennsylvania	Ordinance No. 8753	Plan	7/3/2012
1106 Rhode Island Street	Ordinance No. 9022	Plan	8/5/2014
	Agreement	Performance Agreement	10/21/2014
1101 Indiana Street	Ordinance 9021	Plan	8/5/2014
	Agreement	Performance Agreement	8/12/2014
900 Delaware Street	Ordinance No. 9040	Plan	10/21/2014
	Agreement	Performance Agreement	10/21/2014
826 Pennsylvania Street	Ordinance No. 9304	Plan/Agreement	11/15/2016
	NRA Plan & Agreement	Plan/Agreement	11/15/2016

2018 TDDs			
	Document	Description	Dated
The Oread	Ordinance No. 8254	District Established	4/8/2008
Free-State (Bauer Farm)	Ordinance No. 8339	District Established	10/14/2008
	Agreement	Development Agreement	10/14/2008
9th & New Hampshire TDD	Ordinance 8979	District Established	4/15/2014



Regulating Documents

2018 TIFs			
	Document	Description	Dated
Downtown 2000	Ordinance No. 7127	District Established	8/3/1999
	Ordinance No. 7207 & Plan	Redevelopment Plan	4/25/2000
	Agreement	Construction Agreement	9/18/2000
The Oread	Ordinance No. 8234	District Established	2/19/2008
	Ordinance 8253	Redevelopment Plan	4/8/2008
	Agreement	Redevelopment Agreement	4/8/2008
	Agreement Amendment	1st Amendment to Redevelopment Agreement	4/27/2017
9th & New Hampshire TIF	Ordinance 8768	District Established	8/7/2012
900 New Hampshire (South)	Ordinance 8865	So Project: Redevelopment Plan	5/21/2013
	South Agreement	So Project: Redevelopment Agreement	11/30/2012
888 New Hampshire (North)	Ordinance 8971	No Project: Redevelopment Plan	4/15/2014
	North Agreement	No Project: Redevelopment Agreement	4/15/2014



Historical Assistance & Investment

The below table is a summary of economic development assistance totals for currently active, pay-as-you-go (PAYGO) ¹ economic development programs.

Summary: Economic Development Assistance by Year										
Incentive Program	2009 Tax Year	2010 Tax Year	2011 Tax Year	2012 Tax Year	2013 Tax Year	2014 Tax Year	2015 Tax Year	2016 Tax Year	2017 Tax Year	2018 Tax Year
Tax Abatement	\$36,411	\$68,938	\$66,248	\$184,224	\$159,464	\$181,318	\$149,197	\$147,035	\$153,794	\$150,210
NRA	0	0	\$12,515	\$11,982	\$38,975	\$65,090	\$68,955	\$110,304	\$112,587	\$172,048
TIF (property and sales tax)	\$3,113	\$152,978	\$626,882	\$515,284	\$480,458	\$460,457	\$557,191	\$810,351	\$980,987	\$1,276,944
TDD (sales tax)	\$11,082	\$98,545	\$156,334	\$196,516	\$182,282	\$182,177	\$231,312	\$278,695	\$320,528	\$335,234
Total	\$50,606	\$320,461	\$861,979	\$908,006	\$861,179	\$889,042	\$1,006,654	\$1,346,384	\$1,567,897	\$1,934,436

Source: City of Lawrence, Kansas

¹ PAYGO programs require the property developer/owner to front expenses for project improvements. Once the project is completed and begins to generate new tax revenues, a portion of project-generated tax revenues is reimbursed back over a specified period of time, to the developer/owner to help offset the costs of improvements.

Certain PAYGO programs have restrictions on the type of improvement expenses that are eligible for reimbursement. For example, the TDD program only allows reimbursements to be made on a project's transportation related improvements. (e.g. TDD eligible improvements can be related to a bridge, street, road, highway access road, interchange, intersection, signing, signalization, parking lot, bus stop, station, garage, terminal, hangar, shelter, rest area, dock, wharf, lake or river port, airport, railroad, light rail or other mass transit facility, streetscape or any other transportation related project or infrastructure including, utility relocation; sanitary and storm sewers and lift stations; drainage conduits, channels and levees; street light fixtures, connection and facilities; underground gas, water, heating and electrical services and connections located within or without the public right-of-way; sidewalks and pedestrian underpasses or overpasses; and water main and extensions.)



Historical Assistance & Investment

Data by tax year is further broken down by project and economic development program, as shown below:

Assistance by Tax Year and ED Program ²										
	Tax Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Tax Abatements										
Amarr: Personal Property	n/a	\$31,880	\$28,686	\$27,525	\$27,876	\$27,876	\$28,593	\$26,450	\$27,082	\$25,238
Prosoco: Real Property	\$35,146	\$36,139	\$36,630	\$36,482	\$36,966	\$36,949	expired	expired	expired	expired
Prosoco: Personal Property	\$1,265	\$919	\$932	\$928	\$940	\$940	expired	expired	expired	expired
Grandstand	n/a	n/a	n/a	\$119,289	\$93,682	\$96,081	\$99,422	\$99,407	\$103,715	\$102,575
Sunlite	n/a	n/a	n/a	n/a	n/a	\$19,472	\$21,182	\$21,178	\$22,997	\$22,398
Tax Abated Subtotal	\$36,411	\$68,938	\$66,248	\$184,224	\$159,464	\$181,318	\$149,197	\$147,035	\$153,794	\$150,210
Neighborhood Revitalization Areas										
720 E 9th Street (NRA Tax Yr 1 = 2011)	n/a	n/a	\$12,515	\$11,982	\$12,162	\$12,282	\$13,617	\$13,537	\$14,624	\$14,117
1040 Vermont Street (NRA Tax Yr 1 = 2013)	n/a	n/a	n/a	n/a	\$26,993	\$27,438	\$29,718	\$29,568	\$27,636	\$26,512
810/812 Pennsylvania Street (NRA Tax Yr 1 = 2014)	n/a	n/a	n/a	n/a	n/a	\$25,370	\$25,620	\$26,286	\$26,763	\$26,460
1106 Rhode Island Street (NRA Tax Yr 1 = 2016)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$11,037	\$10,504	\$11,753
900 Delaware Street (NRA Yr 1 = 2016)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$29,876	\$33,061	\$32,416
826 Pennsylvania Street (NRA Yr 1 = 2018)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$60,791
1101 Indiana Street (HERE KS, NRA Tax Yr 1 = 2017) ³	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
NRA Subtotal			\$12,515	\$11,982	\$39,155	\$65,090	\$68,955	\$110,304	\$112,587	\$172,048

Source: City of Lawrence, Kansas

Continued

² Amounts shown reflect eligible amounts by tax year. NRA refunds are paid after the City receives applicable County's distributions, which are typically the following year.

³ Due to a delay in project completion, 1101 Indiana Street did not receive an NRA rebate for the 2017 or 2018 tax year.



Historical Assistance & Investment

Distributions by Year and ED Program (cont.)										
	Tax Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Tax Increment Financing										
901 New Hampshire Street (Downtown 2000 District) ⁴	n/a	n/a	n/a	\$28,085	\$28,085	\$28,085	\$28,085	\$28,085	\$28,085	\$28,085
The Oread TIF ⁵										
TIF Sales Tax	\$3,113	\$152,978	\$200,603	\$264,453	\$211,542	\$181,813	\$181,009	\$63,493	\$169,259	\$168,467
TIF Property Tax	n/a	n/a	\$426,278	\$222,746	\$240,830	\$250,558	\$270,490	\$283,002	\$295,932	\$361,989
900 New Hampshire TIF (South Project)										
TIF Sales Tax	n/a	n/a	n/a	n/a	n/a	n/a	\$51,041	\$116,652	\$119,925	\$112,208
TIF Property Tax							\$22,685	\$297,330	\$304,136	\$341,644
City Retained TIF (5%) ⁶							\$3,880	\$21,789	\$22,319	\$23,887
888 New Hampshire TIF (North Project)										
TIF Sales Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$0	\$329
TIF Property Tax									\$39,265	\$228,303
City Retained TIF (5%) ⁷									\$2,067	\$12,033
TIF Subtotal	\$3,113	\$152,978	\$626,882	\$515,284	\$480,458	\$460,457	\$557,191	\$810,351	\$980,987	\$1,276,944

Source: City of Lawrence, Kansas

Continued

⁴ The Downtown 2000 TIF does not pay out to private entities except for a ~\$28,085/year reimbursement that was authorized via agreement. This amount is captured in the above table under 901 New Hampshire Street.

⁵ Reimbursements were subject to a contractual dispute between the City and the developer, which was settled through a Settlement Agreement and Mutual Release dated April 13, 2017. Refer to footnote 5 in Section 4, page 4-4 for additional details.

⁶ Per development agreements, the City retains 5% of all TIF revenue generated within the 9th & New Hampshire TIF district, up to \$900,000, for a future "Arts Common" project.

⁷ Per development agreements, the City retains 5% of all TIF revenue generated within the 9th & New Hampshire TIF district, up to \$900,000, for a future "Arts Common" project.



Historical Assistance & Investment

Distributions by Year and ED Program (cont.)										
	Tax Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Transportation Development District										
Oread: TDD Sales Tax, State Distributions to City ⁸	\$1,609	\$79,087	\$103,774	\$136,867	\$109,474	\$94,024	\$93,559	\$32,831	\$87,538	\$87,049
Bauer Farms: TDD Sales Tax (Revenue Generation started in 2009)	\$9,472	\$19,457	\$52,561	\$59,650	\$72,809	\$88,152	\$137,753	\$245,863	\$232,990	\$248,184
9th & New Hampshire TDD										
900 New Hampshire (South Project)	n/a	n/a	n/a	n/a	n/a	n/a	\$0	\$0	\$0	\$0
888 New Hampshire (North Project)							n/a	n/a	\$0	\$0
City Retained TDD ⁹							\$21,622	\$49,434	\$50,829	\$47,664
TDD Subtotal	\$11,082	\$98,545	\$156,334	\$196,516	\$182,282	\$182,177	\$231,312	\$278,695	\$320,528	\$335,234
Total	\$50,606	\$320,461	\$861,979	\$908,006	\$861,359	\$889,042	\$1,006,654	\$1,346,384	\$1,567,897	\$1,934,436

Source: City of Lawrence, Kansas

⁸ Reimbursements were subject to a contractual dispute between the City and the developer, which was settled through a Settlement Agreement and Mutual Release dated April 13, 2017. Refer to footnote 5 in Section 4, page 4-4 for additional details.

⁹ Per development agreements, the City retains the first \$850,000 of TDD Revenue as a contribution toward the City parking garage at 10th & New Hampshire.



Historical Assistance & Investment

NRA Property Taxes

Six (6) companies received NRA rebates in 2018, generating an average of eighty-two percent (82%) more real property tax revenues as compared to property tax revenues that would have been realized if the properties were left in original condition. Overall (for all years in which a NRA rebate was given), the five NRA revitalized properties generated an average of fifteen percent (15%) more real property tax revenues as compared to property tax revenues that would have been realized if the properties were left in original condition.

Once the NRA expires, revenues realized by the taxing jurisdictions will be substantially greater than if the property had not been redeveloped. At that time, the incremental value resulting from NRA improvements will be fully on the tax rolls.

All NRAs: 2018 Property Taxes				
NRA	Tax Revenues After Development			Tax Revenues No Development
	Total Taxes Paid	NRA Rebate	Retained Tax	Base Tax
720 E 9th St	\$28,633	\$14,117	\$14,515	\$13,522
1040 Vermont St	\$60,767	\$26,512	\$34,256	\$28,734
810 Pennsylvania St	\$34,988	\$26,460	\$8,529	\$4,040
900 Delaware St	\$35,787	\$32,416	\$3,371	\$2,655
1106 Rhode Island St	\$15,359	\$11,753	\$3,607	\$2,836
826 Pennsylvania St	\$111,090	\$60,791	\$50,299	\$11,196
Total	\$286,624	\$172,048	\$114,576	\$62,983

2018 Tax Revenue Comparison: All NRAs		
Base	Retained	% Gain (Loss)
\$62,983	\$114,576	81.9%
<i>Unimproved Property</i>	<i>Improved Property</i>	<i>Return</i>



Historical Assistance & Investment

All NRAs: To-Date Property Taxes				
NRA	Tax Revenues After Development			Tax Revenues No Development
	Total Taxes Paid	NRA Rebate	Retained Tax	Base Tax
720 E 9th St	\$216,326	\$104,845	\$111,480	\$102,711
1040 Vermont St	\$293,577	\$140,610	\$152,967	\$136,635
810 Pennsylvania St	\$131,004	\$104,039	\$26,964	\$15,481
900 Delaware St	\$69,237	\$62,937	\$6,300	\$5,143
1106 Rhode Island St	\$28,898	\$21,541	\$7,357	\$5,495
826 Pennsylvania St	\$111,090	\$60,791	\$50,299	\$11,196
Total	\$850,132	\$433,972	\$305,070	\$265,464

Tax Revenue Comparison: All NRAs			
2018 To Date	Base	Retained	% Gain (Loss)
	\$265,464	\$305,070	14.9%
	<i>Unimproved Property</i>	<i>Improved Property</i>	<i>Return</i>

NRA Tax Revenues by Project:

720 E 9th Street NRA				
NRA Year	Tax Revenues After Development			Tax Revenues No Development
	Total Taxes Paid	NRA Rebate	Retained Tax	Base Tax
2018 8	\$28,633	\$14,117	\$14,515	\$13,522
2017 7	\$29,325	\$14,624	\$14,702	\$13,097
2016 6	\$27,599	\$13,547	\$14,052	\$13,099
2015 5	\$27,675	\$13,617	\$14,059	\$12,974
2014 4	\$26,171	\$12,282	\$13,889	\$12,648
2013 3	\$25,673	\$12,162	\$13,511	\$12,481
2012 2	\$25,314	\$11,982	\$13,333	\$12,532
2011 1	\$25,936	\$12,515	\$13,421	\$12,358
	\$216,326	\$104,845	\$111,480	\$102,711

Tax Revenue Comparison: 720 E 9th			
2018 To Date	Base	Retained	% Gain (Loss)
	\$13,522	\$14,515	7.3%
	\$102,711	\$111,480	8.5%
	<i>Unimproved Property</i>	<i>Improved Property</i>	<i>Return</i>



Historical Assistance & Investment

1040 Vermont Street NRA				
Tax Revenues After Development			Tax Revenues No Development	
<i>NRA Year</i>	Total Taxes Paid	NRA Rebate	Retained Tax	Base Tax
2018 6	\$60,767	\$26,512	\$34,256	\$28,734
2017 5	\$62,435	\$27,636	\$34,798	\$27,831
2016 4	\$59,316	\$29,568	\$29,748	\$27,836
2015 3	\$59,480	\$29,718	\$29,762	\$27,569
2014 2	\$56,789	\$27,438	\$29,351	\$26,877
2013 1	\$55,557	\$26,250	\$29,308	\$26,522
	\$293,577	\$140,610	\$152,967	\$136,635

Tax Revenue Comparison: 1040 Vermont		
Base	Retained	% Gain (Loss)
2018 \$28,734	\$34,256	19.2%
To Date \$136,635	\$152,967	12.0%

Unimproved Property

Improved Property

Return

810 Pennsylvania Street NRA				
Tax Revenues After Development			Tax Revenues No Development	
<i>NRA Year</i>	Total Taxes Paid	NRA Rebate	Retained Tax	Base Tax
2018 5	\$34,988	\$26,460	\$8,529	\$4,040
2017 4	\$35,848	\$26,763	\$9,085	\$3,913
2016 3	\$32,009	\$26,286	\$5,723	\$3,913
2015 2	\$32,100	\$25,620	\$6,480	\$3,876
2014 1	\$31,046	\$25,370	\$5,676	\$3,779
	\$131,004	\$104,039	\$26,964	\$15,481

Tax Revenue Comparison: 810/812 Penn		
Base	Retained	% Gain (Loss)
2018 \$4,040	\$8,529	111.1%
To Date \$15,481	\$26,964	74.2%

Unimproved Property

Improved Property

Return



Historical Assistance & Investment

900 Delaware NRA				
Tax Revenues After Development			Tax Revenues No Development	
Total Taxes Paid	NRA Rebate	Retained Tax	Base Tax	
2018 3	\$35,787	\$32,416	\$3,371	\$2,655
2017 2	\$36,482	\$33,061	\$3,421	\$2,571
2016 1	\$32,755	\$29,876	\$2,879	\$2,572
	\$69,237	\$62,937	\$6,300	\$5,143

Tax Revenue Comparison: 900 Delaware		
Base	Retained	% Gain (Loss)
\$2,655	\$3,371	27.0%
\$5,143	\$6,300	22.5%

Unimproved Property

Improved Property

Return

1106 Rhode Island St. NRA				
Tax Revenues After Development			Tax Revenues No Development	
Total Taxes Paid	NRA Rebate	Retained Tax	Base Tax	
2018 3	\$15,359	\$11,753	\$3,607	\$2,836
2017 2	\$14,941	\$10,504	\$4,438	\$2,747
2016 1	\$13,957	\$11,037	\$2,920	\$2,748
	\$28,898	\$21,541	\$7,357	\$5,495

Tax Revenue Comparison: 1106 Rhode Island		
Base	Retained	% Gain (Loss)
\$2,836	\$3,607	27.2%
\$5,495	\$7,357	33.9%

Unimproved Property

Improved Property

Return

826 Pennsylvania St. NRA				
Tax Revenues After Development			Tax Revenues No Development	
Total Taxes Paid	NRA Rebate	Retained Tax	Base Tax	
2018 1	\$111,090	\$60,791	\$50,299	\$11,196
	\$111,090	\$60,791	\$50,299	\$11,196

Tax Revenue Comparison: 826 Penn St.		
Base	Retained	% Gain (Loss)
\$11,196	\$50,299	349.3%
\$11,196	\$50,299	349.3%

Unimproved Property

Improved Property

Return



Historical Assistance & Investment

9th & New Hampshire TIF and TDD Distribution Splits

	900 New Hampshire (South Project Area)									
	Total Revenue				Revenue to City			Revenue to Owner		
	TDD Sales Tax	TIF Sales Tax	TIF Property Tax	Annual Total	TDD Sales Tax	TIF Sales Tax	TIF Property Tax	TDD Sales Tax	TIF Sales Tax	TIF Property Tax
2015	\$21,622	\$53,727	\$23,879	\$99,229	\$21,622	\$2,686	\$1,194	\$0	\$51,041	\$22,685
2016	\$49,434	\$122,791	\$312,979	\$485,205	\$49,434	\$6,140	\$15,649	\$0	\$116,652	\$297,330
2017	\$50,829	\$126,237	\$320,143	\$497,209	\$50,829	\$6,312	\$16,007	\$0	\$119,925	\$304,136
2018	\$47,525	\$118,113	\$359,625	\$525,263	\$47,525	\$5,906	\$17,981	\$0	\$112,208	\$341,644
Total	\$169,410	\$420,868	\$1,016,627	\$1,606,906	\$169,410	\$21,043	\$50,831	\$0	\$399,825	\$965,796

	888 New Hampshire (North Project Area)									
	Total Revenue				Revenue to City			Revenue to Owner		
	TDD Sales Tax	TIF Sales Tax	TIF Property Tax	Annual Total	TDD Sales Tax	TIF Sales Tax	TIF Property Tax	TDD Sales Tax	TIF Sales Tax	TIF Property Tax
2017	\$0	\$0	\$41,332	\$41,332	\$0	\$0	\$2,067	\$0	\$0	\$39,265
2018	\$139	\$346	\$240,319	\$240,804	\$139	\$17	\$12,016	\$0	\$329	\$228,303
Total	\$139	\$346	\$281,651	\$281,997	\$139	\$17	\$14,083	\$0	\$329	\$267,568

In 2018, total TDD sales tax revenues generated between both district projects was \$47,664, with \$718,403 generated in total TIF revenues.



Historical Assistance & Investment

Per development agreements, the City retains all TDD revenue, up to \$850,000 as a contribution toward the 10th & New Hampshire parking garage and five percent (5%) of TIF revenue, up to \$900,000, for a City “Arts Common” project.

9th & New Hampshire TDD Distributions	
Year	City Retained TDD Revenues
2015	\$21,622
2016	\$49,434
2017	\$50,829
2018	\$47,664
Total	\$169,550

9th & New Hampshire TIF Distributions	
Year	City 5% TIF
2015	\$3,880
2016	\$21,789
2017	\$24,386
2018	\$35,920
Total	\$85,975



Historical Assistance & Investment

Tax Abatement Amounts

Three (3) Lawrence companies had active traditional tax abatements in 2018: Amarr Garage Doors, Grandstand Sportswear and Glassware (Screen-It Graphics), and Sunlite Science & Technology. Since none of the three companies received a one hundred percent (100%) tax abatement, all of the abated property is currently generating some level of property taxes.¹⁰

2018 Tax Generation (on portion of property receiving an abatement)				
Company & Abatement %	Total Tax Potential	Abated Tax Amount	State Exemption ¹¹	Taxes Paid (or to be paid) by Property Owner
Amarr Garage Doors, Inc.				
Personal (55%) ¹²	\$138,588	\$25,238	\$59	\$113,291
Grandstand/Screen-It Graphics				
Real (65%)	\$157,807	\$102,575	n/a	\$55,232
Sunlite Science & Technology				
Real (50%)	\$44,796	\$22,398	n/a	\$22,398
Total	\$341,191	\$150,210	\$59	\$190,921

Source: Douglas County

¹⁰ The amounts shown for real property values are only for the portion of real property that received the abatement and may not reflect values for the entire parcel.

¹¹ The state granted an additional exemption for personal property items listed that are valued for \$1,500 or less. This is not a part of the EDX exemption. The amount shown under "Abated Tax Amount" for Amarr Garage Door reflects the abated taxes attributable to the EDX. The amount under "Taxes Paid..." reflects the actual tax bill.

¹² Personal property amount may not reflect the percentage of abatement, as some personal property is not included in the exemption. The State of Kansas exempted commercial personal property purchased July 1, 2006 and after from taxation. However, personal property purchased prior to that date is still taxed at a depreciated rate. Each company is required to submit an annual claim for a personal property tax abatement, listing out the equipment, value and date purchased. The County then determines the amount of personal property exempted and taxes due.



Historical Assistance & Investment

The following table shows amounts abated by year.

Tax Abatements by Year (2005-2018)								
Company	Abatement Start -Ord/Res #	Abated Tax Amounts						
		2005	2006	2007	2008	2009	2010	2011
Amarr (55% Personal)	2010/O-8497	--	--	--	--	--	\$31,880	\$28,686
Grandstand (65% Real)	2012/R-6948	--	--	--	--	--	--	--
Sunlite (50% Real)	2014/R-7042	--	--	--	--	--	--	--
Prosoco (55% Real)	2005/O-7882	\$31,386	\$32,951	\$33,048	\$33,755	\$33,881	\$35,220	\$35,698
Prosoco (55% Personal)	2005/O-7882	\$3,510	\$3,070	\$2,463	\$1,890	\$1,265	\$919	\$932
Total		\$34,896	\$36,021	\$35,511	\$35,645	\$35,146	\$68,019	\$65,316

Tax Abatements by Year (2005-2018, cont.)									
Company	Abatement Start -Ord/Res #	Abated Tax Amounts							Cumulative Total (End of 2018)
		2012	2013	2014	2015	2016	2017	2018	
Amarr (55% Personal)	2010/O-8497	\$27,525	\$27,876	\$27,876	\$28,593	\$26,450	\$27,082	\$25,238	\$251,206
Grandstand (65% Real)	2012/R-6948	\$119,289	\$93,682	\$96,081	\$99,422	\$99,407	\$103,715	\$102,575	\$714,171
Sunlite (50% Real)	2014/R-7042	—	—	\$19,472	\$21,182	\$21,178	\$22,997	\$22,398	\$107,227
Prosoco (55% Real)	2005/O-7882	\$35,554	\$36,026	\$36,949	Expired 2014	Expired 2014	Expired 2014	Expired 2014	\$344,468
Prosoco (55% Personal)	2005/O-7882	\$928	\$940	\$940	Expired 2014	Expired 2014	Expired 2014	Expired 2014	\$16,857
Total		\$183,296	\$158,524	\$181,318	\$149,197	\$147,035	\$153,794	\$150,210	\$1,433,928

Note: Above does not include personal property that became exempt by State in 2006.



Historical Assistance & Investment

Private-Public Investment

The below table presents the amount of private and public investment made for the projects currently participating in the City's pay-as-you-go (PAYGO) economic development programs. It should be noted that private capital investment represents direct investment and does not include employment or income multiplier effects on the community. Additionally, these are active programs and do not cover projects with expired incentives.

Active Projects: Pay-As-You-Go Private Capital Investment				Public Investment (Major ED Programs) ¹³
Active Projects	Private Capital Investment (as of 12-2018)	Incentive Duration in Years	2018 Annual Private Capital Investment	2018
Tax Abatements*				
Amarr (Tax Abatement, 2005-2013)	\$9,700,000	10	\$970,000	\$25,238
Grandstand (Tax Abatement, 2011-2013) ¹⁴	\$12,218,889	10	\$1,221,889	\$102,575
Sunlite (Tax Abatement, 2014-2023) ¹⁵	\$1,158,155	10	\$115,816	\$22,398

* Public investment is represented by tax abatement value.

Continued

¹³ Assistance information for other programs is covered in other sections of the report. IRB sales tax exemption on project construction materials are part of a state-exemption program and tracked by the state. The state monitors compliance with this exemption, which is dependent on construction schedules.

¹⁴ Private capital investment per Grandstand's 2018 tax abatement questionnaire.

¹⁵ Private capital investment per Sunlite's 2018 tax abatement questionnaire. Public investment is represented by the tax abatement value.



Historical Assistance & Investment

Active Projects: Pay-As-You-Go Private Capital Investment				Public Investment (Major ED Programs)
Active Projects	Private Capital Investment (as of 12-2018)	Incentive Duration in Years	2018 Annual Private Capital Investment	2018
NRA*				
720 E 9th Street ¹⁶	\$1,700,000	20	\$85,000	\$14,117
1040 Vermont Street ¹⁷	\$2,150,000	10	\$215,000	\$26,512
810/812 Pennsylvania Street ¹⁸	\$1,480,000	10	\$148,000	\$26,460
1106 Rhode Island Street ¹⁹	\$896,585	10	\$89,659	\$11,753
900 Delaware Street ²⁰	\$7,200,000	15	\$480,000	\$32,416
826 Pennsylvania Street ²¹	\$3,200,000	10	\$320,000	\$60,791

* Public investment is represented by NRA rebate value.

Continued

¹⁶ Private capital investment per developer.

¹⁷ Private capital investment per 2-23-11 Benefit-Cost Analysis.

¹⁸ Private capital investment per Cider incentive application dated 6-8-12.

¹⁹ Private capital investment per 1106 Rhode Island Street incentive application dated 5-30-2014.

²⁰ Private capital investment per 9 Del Lofts incentive application dated 8-19-2014.

²¹ Private capital investment per 826 Pennsylvania Street project completion certificate.



Historical Assistance & Investment

Active Projects: Pay-As-You-Go Private Capital Investment				Public Investment (Major ED Programs)
Active Projects	Private Capital Investment (as of 12-2018)	Incentive Duration in Years	2018 Annual Private Capital Investment	2018
TIF*				
The Oread (TIF) ²²				
TIF Sales Tax	\$8,941,754	20	\$447,088	\$168,467
TIF Property Tax				\$361,989
901 New Hampshire Street (Downtown 2000) ²³	\$11,472,000	20	\$573,600	\$28,085
900 New Hampshire (South Project) ²⁴				
TIF Sales Tax	\$8,625,000	20	\$431,250	\$112,208
TIF Property Tax				\$341,644
888 New Hampshire (North Project) ²⁵				
TIF Sales Tax	\$11,500,000	20	\$575,000	\$329
TIF Property Tax				\$228,303

* Public investment is represented by TIF reimbursement value.

Continued

²² OREAD original permit valuation for the construction of the hotel was \$17,883,508 (value split equally between TIF and TIDD), per Planning/Dev Services Department 1-28-15. Actual capital investment amounts expected to be higher.

Reimbursements were subject to a contractual dispute between the City and the developer, which was settled through a Settlement Agreement and Mutual Release dated April 13, 2017. Refer to footnote 6 in Section 4, page 4-4 for additional details.

²³ Private capital investment per developer.

²⁴ Private capital investment per developer's Project Exemption Certificate (\$17,250,000) split evenly between TIF and TDD (\$8,625,000 each). City retains 5% of TIF Revenue as contribution toward a City "Arts Common" project.

²⁵ Private capital investment per Ord 9303 (\$23,000,000) split evenly between TIF and TDD (\$11,500,000 each). City retains 5% of TIF Revenue as contribution toward a City "Arts Common" project.



Historical Assistance & Investment

Active Projects: Pay-As-You-Go Private Capital Investment				Public Investment (Major ED Programs)
Active Projects	Private Capital Investment (as of 12-2018)	Incentive Duration in Years	2018 Annual Private Capital Investment	2018
TDD*				
Oread: TDD Sales Tax ²⁶	\$8,941,754	22	\$406,443	\$87,049
Bauer Farms	\$20,800,000	22	\$945,455	\$248,184
900 New Hampshire (South Project) ²⁷	8,625,000	22	\$392,045	\$0
888 New Hampshire (North Project) ²⁸	11,500,000	22	\$522,727	\$0

* Public investment is represented by project-generated TDD revenues.

In 2018, for every \$1 in public sector assistance provided for these programs, approximately \$4.18 in private sector capital investment was realized.

2018 Public Return on Private Capital Investment (by Year)	
Public Assistance:	\$1,898,516
Private Investment:	\$7,938,971
Private Investment for each Dollar of Public Assistance:	\$4.18

²⁶ OREAD original permit valuation for the construction of the hotel was \$17,883,508 (value split equally between TIF and TIDD) (per Planning/Dev Services Department 1-28-15). Actual capital investment amounts are expected to be higher.

Reimbursements were subject to a contractual dispute between the City and the developer, which was settled through a Settlement Agreement and Mutual Release dated April 13, 2017. Refer to footnote 6 in Section 4, page 4-4 for additional details.

²⁷ Private capital investment per developer's PEC form (\$17,250,000) split evenly between TIF and TDD (\$8,625,000 each). City retains first \$850,000 of TDD Revenue as contribution toward City parking garage at 10th & New Hampshire.

²⁸ Private capital investment per Ordinance 9093 (\$23,000,000) split evenly between TIF and TDD (\$11,500,000 each). City retains first \$850,000 of TDD Revenue as contribution toward City parking garage at 10th & New Hampshire.



Historical Assistance & Investment

New/Future Investments

The below projects were under construction, had not commenced construction by the end of the year, or were not yet eligible for incentives payment. Therefore, no public reimbursements were made on these projects.

Future Projects: Private Capital Investment				Public Investment (Major ED Programs)
Active Projects	Private Capital Investment (as of 12-2018)	Incentive Duration in Years	2018 Annual Private Capital Investment	2018
NRA				
1101/1115 Indiana Street (NRA) ²⁹	\$76,000,000	10	\$7,600,000	n/a

²⁹ Capital Investment is per IRB Ord. No. 9053.



Historical Assistance & Investment

Direct-Support Programs

Direct support was provided to the below in 2018 for economic development programs, services, and projects.

2018 Other Support Programs			2018 Assistance	
Support Program	Description	Location	City	County
Economic Development Services	BTBC	2029 Becker & 4950 Research Pkwy	\$418,540	\$568,540
Economic Development Services	Chamber and KU-SBDC	718 New Hampshire	\$220,000	\$220,000
Workforce Training	Peaslee Technical Training Center	2920 Haskell Avenue	\$150,000	\$195,105
Expansion Assistance	Hilary's Expansion	2205 Haskell Avenue & 2151 Haskell Avenue	\$10,000	\$10,000



Historical Assistance & Investment

IRB Sales Tax Exemption Savings

Estimated sales tax exemption savings for IRB projects completed in 2018 was a little over \$867,000.³⁰

Stand-Alone IRB: Sales Tax Exemption Values (est.)							
Project	Estimated Completion	Materials Expense ³¹	1.55% City	Countywide 1% (July 2018 Rates)		6.5% State	Total Est Amount
				0.00571559	0.00364157		
				City Portion	County Portion		
Peaslee Tech-2015	2015	\$3,200,000	\$49,600	\$18,290	\$11,653	\$208,000	\$287,543
900 New Hampshire (South Project)	2015	\$6,755,030	\$104,703	\$38,609	\$24,599	\$439,077	\$606,988
888 New Hampshire (North Project)	2016	\$12,958,077	\$200,850	\$74,063	\$47,188	\$842,275	\$1,164,376
800 New Hampshire	2017	\$3,498,982	\$54,234	\$19,999	\$12,742	\$227,434	\$314,409
Pioneer Ridge	2017	\$5,416,977	\$83,963	\$30,961	\$19,726	\$352,104	\$486,754
1101/1115 Indiana Street	2017	\$27,616,342	\$428,053	\$157,844	\$100,567	\$1,795,062	\$2,481,526
826 Pennsylvania Street	2018	\$2,053,090	\$31,823	\$11,735	\$7,476	\$133,451	\$184,485
Boys & Girls Club	2018	\$2,500,000	\$38,750	\$14,289	\$9,104	\$162,500	\$224,643
VanTrust-Phase I	2018	\$5,100,000	\$79,050	\$29,150	\$18,572	\$331,500	\$458,272
Peaslee Tech-2016	2019	\$1,000,000	\$15,500	\$5,716	\$3,642	\$65,000	\$89,857
Lawrence Humane Society	2019	\$3,750,000	\$58,125	\$21,433	\$13,656	\$243,750	\$336,964
Heritage Tractor	2019	\$1,500,000	\$23,250	\$8,573	\$5,462	\$97,500	\$134,786
City Total 2018							\$204,796
County Total 2018							\$35,152
State Total 2018							\$627,451
Total Est. Sales Tax Savings							\$867,399

³⁰ IRB sales tax exemption on new construction materials (& labor for remodeling projects) is part of a state-exemption program and tracked by the state. The state monitors compliance with this exemption, which is dependent on construction schedules.

³¹ Materials expense is estimated at 50% of total project construction costs for new construction projects. The amount for the Peaslee Tech project reflects an estimated sales tax exemption on both labor and construction materials since it was a remodeling project. Project construction cost estimates provided by applicant/property owner.



Matured/Non-Initiated Projects

Matured or Not-Initiated Property Tax Abatements

Matured or Not Initiated: Tax Abatements			
Tax Abatement	Description	Location	Status
Menards ¹	50% on real property	Lawrence VenturePark	Approved 2016. Did not proceed.
PROSOCO	55% on personal and real property	3741 Greenway circle	Matured end of 2014
Allen Press	50% on personal & real property	810 E 10th Street	Matured End of 2011
Reuter Organ	50% on personal and real property	1220 Timberidge Road	Matured End of 2011
DST Systems	100% existing & 50% new personal property	2000 Bluffs Drive	Matured End of 2011
Berry Plastics ²	90% real property		Approved 2006. Did not proceed.
API Foils ³	55% real property		Approved 2008. Did not proceed.

¹ To assist Menards, a nationally known home-improvement retailer, in developing a manufacturing campus with multiple production facilities on a little over 90 acres at Lawrence VenturePark, the City authorized an assistance package in 2016 valued at a little over \$2.29 million. The package included a 10-year, 50% property tax abatement (\$1,256,270 est. value); City (\$549,350) and County (\$200,000) grants to assist with defraying partial special assessment expenses, and the former Farmland Industries bulk warehouse building located on the parcel site (appraised at \$285,963). In exchange, Menards proposed a cash transaction to purchase the land at market value and pay the total of 10 years of special assessments at the time of purchase. Anticipated capital investment for real property improvements was valued at over \$15 million (including land and building), with an estimated 100 new, full-time, permanent positions to be created. Due to national political concerns, Menards paused the VenturePark campus, along with several other projects located throughout the U.S. As of the end of the year, the project had not yet proceeded.

² In 2006, the City approved a 90% real property tax abatement for Berry Plastics for a three-stage expansion at their existing plant. At this stage, two of the three phases have been completed, but there has been no material change to Berry's real property value. Berry therefore elected not to initiate this abatement.

³ The City Commission approved a 55% real property tax abatement for API Foils in 2008.



Matured/Non-Initiated Projects

Matured or Not-Initiated IRBs

Matured or Not initiated: IRBs					
Company	Date of Issue	Issuing Ord. #	Year Matures	Amount Authorized	Project
PROSOCO, Inc: Series 1998A (\$5,800,000) & Series 1998B (\$2,240,000)	1999	7060	2019	\$8,040,000	Manufacturing Facility
1101 Indiana Street (HERE KS)*	Nov. 2014	9053	2017	\$76,000,000	Mixed-use, retail and student Housing
800 New Hampshire: Series 2016* ⁴	April 2016	9210	2018	\$7,800,00	Mixed-Use Commercial/Multi-Family Residential
100 East 9th Street LLC (888 New Hampshire, North Project): Series 2015*	Mar. 2015	9093	2017	\$23,000,000	Mixed-Use Commercial/Residential
Dwayne Peaslee Technical Training Center, Inc.: Series 2015 ⁵	May 2015	9111	2017	\$1,600,000	Technical Training Center
DST Systems, Inc: Series 2001	2001	7331	2012	\$9,000, 000	Acquisition & Renovation of Existing Office Building
Neuvant House II*	2013	8901	2014	\$2,500,000	Specialty Healthcare Facility
9th & New Hampshire LLC: Series 2012 (South Project)*	2012	8804	2015	\$17,250,000	Mixed Use Hotel (900 New Hampshire Street: South Project)
Pioneer Ridge*	Feb. 2016	9184	2017	\$14,500,000	Commercial, Independent Living Facility
Eldridge Expansion (705 Massachusetts Street)*	Oct. 2015	9161	n/a	\$12,500,000	Hotel expansion, did not proceed. Terminated by applicant in 2016.

* IRB used for a Sales Tax Exemption on Construction Materials

⁴ As a provision for issuing bonds for an IRB sales tax exemption on construction materials, Resolution No. 7135 required the 800 New Hampshire development project to provide a letter, signed by the project's licensed architect, certifying that the building has been constructed to LEED certified standards, along with a LEED scorecard indicating which of the building's components met LEED certification standards. On November 2, 2017, Staff received a letter and LEED scorecard, from the project's lead architect at TreanorHL architects, indicating the project had meet this requirement by earning 54 LEED points.

⁵ Amended by Ordinance 9321 on December 2016 for \$2,000,000 (Series 2016).



Matured/Non-Initiated Projects

Matured or Not-Initiated NRAs

Matured or Not Initiated: NRAs			
NRA	Description	Location	Status
800-815 Vermont Street NRA	Vermont Place Mixed-Use Development	800-815 Vermont St.	Project not initiated by end of 2018
705 Massachusetts Street NRA	Eldridge Hotel Expansion	705 Massachusetts Street	Terminated by Applicant 2016
1001 Massachusetts Street NRA	Masonic Temple Redevelopment	1001 Massachusetts Street	Authorized in 2011. Did not proceed due to change in use.

Other Assistance: Matured or Not-Initiated

Integrated Animal Health Global Headquarters

In 2015, City and County approved an incentive agreement to assist Integrated Animal Health (IAH) in establishing its headquarters at the Bioscience Technology Business Center (BTBC). Based on a 3-year performance requirement, the City and County shared equally in a \$100,000 grant (paid up front and forgivable over a 3-year period based on company performance) and provided a monthly rent subsidy split equally between the City and County. In late 2017, the City became aware there was potential concern with the status of company operations and suspended rent payment subsidies pending additional company operations information. Since the \$100,000 grant was paid up front and IAH met compliance for the first two years of the grant, there is no performance claw back applicable for those years. In June 2018, the City and County filed a lawsuit against IAH for breach of contract for failing to meet compliance standards for loan forgiveness during the third year. In March 2019 the Douglas



Matured/Non-Initiated Projects

County District Court granted default judgment in favor of the City and County (plaintiffs) and against IAH (defendant), concluding that defendant is in breach of contract and is liable to plaintiffs for the sum of \$33,333.33, together with interest at the statutory rate. The City understands that IAH is now defunct and that collection of the judgment is unlikely.



Matured/Non-Initiated Projects

Matured or Not Initiated: Other Projects			
Other	Description	Location	Status
Business Expansion	PROSOCO: Special Assessment Forgiveness ⁶	3700 Greenway Circle	Completed 2015
Employee Training Incentives	Argenta ⁷	2029 Becker Drive	Terminated 2014
Neighborhood Infrastructure	East Lawrence Historic Warehouse District ⁸	Associated with Poehler Building	Phase I Completed in 2012
		Associated with Cider Art Gallery Building	Phase II Completed in 2013
		Associated with 9 Del Lofts	Phase III Completed in 2015
Development Grant	1106 Rhode Island Street Improvements	1106 Rhode Island Street	Development Completed 2015 ⁹
Affordable Housing	Cedarwood Sr. Cottages public improvements	2575 Cedarwood Avenue	Completed 2016 ¹⁰

⁶ To accommodate the PROSOCO's 2015 expansion, Douglas County donated the land at Lot F within East Hills Business Park. In conjunction with the land donation, the City Commission authorized forgiveness of \$44,937.81 in special assessments on the lot.

⁷ To support their operations in Lawrence, the City of Lawrence partnered with Douglas County to provide a job creation/employee training package totaling \$10,500, to be disbursed over a four-year period. In 2012, the City and County each paid \$2,750 of the total to assist with up front expenses, providing support for 2012 and 2013. The company did not certify for 2014 or 2015 and no grant was given either year.

⁸ \$1,051,577 for Phase I improvements: Providing adequate storm water services and improvements to enhance the watersheds ability to manage storm water runoff more effectively and efficiently; Replacing a 100-year old, inadequately sized waterline with the correct capacity line, completing the loop and upgrading to current design standards; Providing Complete Street aspects (e.g. pedestrian lighting, landscaping, sidewalks, and on-street parking).

\$695,430 (plus \$22,432 of CID Special Assessments on the City-Owned Parking Lot) for Phase II improvements: 9th Street reconstruction & intersection improvements; Pennsylvania Street reconstruction; 8th Street & Pennsylvania Street parking; Utility and safety improvements. \$270,967 for phase III improvements: Relocation and connection of sanitary sewer main, water line; Public street improvement plans; 9th Street drive extension and 10' public trail installation; Burying of area utility lines.

⁹ \$26,100 development grant to assist with City fees and permit expenses to support commercial rehabilitation of historic properties.

¹⁰ \$101,975 for neighborhood infrastructure and improvements, including sidewalks, storm sewer improvements, fire hydrants, detention pond assistance, and rebates on service development installation fees.

County Property Tax Abatement & Infrastructure Assistance

Berry Plastics, a global manufacturer and marketer of plastic packaging products, is one of the largest private employers in Lawrence with 600 employed at its manufacturing facility located at 2330 Packer Road. In 2011, the company built a 560,000 square foot distribution center just outside of Lawrence at E. 700 Road in Lecompton Township to free up space at the manufacturing facility and consolidate storage operations to one location. The distribution center supports an additional 125 employees, as well as allows the company to continue to grow employment at the local manufacturing facility.

To assist with the establishment of the new distribution center, Douglas County authorized a 10-year, 90% property tax abatement, industrial revenue bond (IRB) financing of up to \$21 million and contributed \$600,000 for infrastructure improvements. The tax abatement started with the 2013 tax year and will expire at the end of the 2022 tax year (December 31, 2022).

Douglas County E-Community

Established in 2011 in cooperation with NetWork Kansas, the Douglas County E-Community is comprised of Douglas County, Baldwin City, the City of Eudora, and the City of Lecompton.

The program aims to identify and develop resources to assist local entrepreneurs in starting or growing a business within the E-Community.

One of the resources offered by the program is a locally administered revolving loan fund used to provide gap financing to entrepreneurs within the E-Community. The first loan was made in 2012. As of 2018, the County had processed a total of 13 loans through the program.

2018: Douglas County E-Community Revolving Loan Program						
Recipient	Location	Loan Year	Business Description	Loan Amount	Loan Used For	Loan Status
Schaper Hardware	Baldwin City	2018	Hardware store	\$75,000	Inventory, store improvements	Open
JAW Bats	Baldwin City	2018	Custom baseball bats	\$30,000	Purchase of CNC lathe and MLB certification	Open
Empty Nesters Wine	Lecompton	2018	Winery and storefront	\$75,000	Purchase and improvements to storefront	Open
Eudora Yoga Studio	Eudora	2017	Yoga studio	\$45,000	Purchase of building.	Open
Dr. Ethan James	Baldwin City	2017	Chiropractor	\$8,000	Build out of leased space, purchase of equipment.	Open
Wakarusa Brewing	Eudora	2016	Brewery	\$26,800	Purchase of equipment and capital improvements	Open
Homestead Kitchen and Bakery, LLC	Baldwin City	2016	Bakery/café	\$8,000	Purchase of equipment and capital improvements	Open

Continued

2018: Douglas County E-Community Revolving Loan Program						
Recipient	Location	Loan Year	Business Description	Loan Amount	Loan Used For	Loan Status
Indie Olive	Eudora	2014	Letterpress & Design Studio	\$25,000	Fund real estate acquisition and building improvements	Open
Heartland Perma Column	Baldwin City	2013	Concreate Foundation Manufacturing	\$13,500	Purchase forklift and flatbed trailer	Paid off
Aunt Netters	Lecompton	2013	Restaurant	\$25,000	Renovation of building to open café	Open
Amanda's Dance Academy	Eudora	2012	Dance Studio	\$7,000	Expansion into new location	Paid off
Kansas Belle Dinner Train	Baldwin City	2012	Dinner Train	\$25,000	Relocation of business from Nebraska to Baldwin City.	Open
The Lodge of Baldwin City	Baldwin City	2012	RV Park	\$25,000	Develop RV park	Open

Source: Douglas County, Kansas

The following resources are also offered by NetWork Kansas through the E-Community program:

- Priority access to NetWork Kansas opportunities for youth entrepreneurship, networking, funding, and high-powered technical assistance for second-stage businesses;
- The opportunity to attend a statewide conference to participate in peer-to-peer discussion with other E-Communities focused on developing strong entrepreneurial environments;
- Materials and support for fostering the E-Community, including marketing materials, training opportunities, and leadership team guidance;
- Opportunities to engage with entrepreneurship experts for consulting including Kansas Entrepreneurial Communities Initiative (KECI) representatives and the national economic gardening team.



Supplemental Information

Catalyst Incentive Program for Industrial Development

The Catalyst program is a special, temporary incentive program for new industrial projects meeting certain minimum criteria that locate within Lawrence, Kansas. Spec development or full build-out projects meeting eligibility criteria are **automatically qualified** for the basic assistance package and provided quick, streamlined approval.



Two assistance packages are offered through this program, based on project location:

Catalyst Business Park Assistance for new industrial projects locating within either Lawrence VenturePark or East Hills Business Park. The assistance package includes:

- 50%, 10-year Real Property Tax Abatement or 70%, 10-year Real Property Tax Abatement for projects constructed to LEED (Leadership in Energy & Environmental Design) Silver equivalent or higher. (LEED certification not required.)
- Sales tax exemption on project construction materials
- Business Park land provided at no cost
- State provided 100% tax abatement on business machinery and equipment

Catalyst Community Assistance for new industrial projects locating within the City of Lawrence on IG (Industrial General) zoned land. The assistance package includes:



Supplemental Information

- 50%, 10-year Real Property Tax Abatement or 70%, 10-year Real Property Tax Abatement for projects constructed to LEED Silver equivalent or higher. (LEED certification not required.)
- Sales tax exemption on project construction materials
- State provided 100% tax abatement on business machinery and equipment

Catalyst Business Park Assistance Package:

The City of Lawrence Catalyst Program is a temporary, special incentive program for projects meeting certain minimum criteria that locate within Lawrence VenturePark or the East Hills Business Park. The intention of this program is to spur economic development activity within these targeted areas. The program is limited in duration. The program will sunset two years from adoption (adopted April 2017), at which time it may be considered for extension after evaluation.

In order to be eligible, a project must be approved and a land transfer agreement executed within the two year period and a building permit and any other City approvals must be issued within 18 months of execution of a land transfer agreement. A project must break ground within 12 months of the issuance of a building permit for the project.

Because this is a special program, the regular provisions and process associated with the City of Lawrence's Economic Development Policy will not apply and expedited approval directly with



Supplemental Information

the City Commission will be granted to projects that meet the special incentive program eligibility requirements.

Program benefits:

- Industrial Revenue Bond (IRB) financing (including a sales tax exemption on construction materials) with a base 50% 10-year property tax abatement. An additional 20% 10-year property tax abatement above the base award will apply for projects that are built to LEED Silver equivalent standards as certified in writing by a licensed architect at time of permit issuance. A project may also qualify for additional property tax abatement enhancements above the 50% abatement base if the project will generate significant job creation at wages above the community average, however the applicant will have to adhere to the City's adopted economic development policy, process and performance requirements to access these enhancements. Payments in Lieu of Taxes (PILOT payments) may be negotiated with the applicant on a case by case basis. Applicant will be responsible for paying all bond counsel and bond issuance costs associated with the IRB issuance, if applicable.
- The IRB and property tax abatement application fees and bond origination fees will be waived by the City.
- Land provided at no cost to applicant. (County-owned property will be subject to Douglas County approval.)



Supplemental Information

General eligibility requirements:

- Construct a new building of at least 75,000 square feet in Lawrence VenturePark or 25,000 square feet in East Hills Business Park; or expand an existing building at least 15,000 square feet in which case the abatement would only be applicable to the expanded portion of the building.
- Applicant must be a taxable entity and the project must be a taxable use.
- Land is not transferred to applicant until a building permit for the project is issued. Building permit must be issued within 18 months of execution of land transfer agreement and project must break ground within 12 months of building permit issuance or the land will revert to the City. Project must meet all zoning and building codes and be in compliance with City regulations and meet eligibility requirements for the duration of the incentive period in order to maintain program benefits.
- Program subject to applicant executing an agreement with the City outlining terms of land transfer and other eligibility requirements of this program. Benefits under this program are subject to an applicant remaining in compliance with these eligibility requirements.
- Applicant must be current on all property tax, special assessments or any other obligations to the City of Lawrence.
- Applicant must complete brief application describing parameters of the project. Applications are available on the City website at <https://lawrenceks.org/ed> or by contacting the City Manager's Office at 785-832-3400.
- Applicant must provide sufficient evidence to the City of its financial and marketing capacity to complete a successful project. Additionally, the City reserves the right to work



Supplemental Information

with the applicant regarding the property that would best meet the proposed use and prioritize work with applicants that the City believes would best meet the goals of adding tax base and employment.

- Building must be constructed, maintained and operated in accordance with applicable federal, state and local laws.

Notes: Property tax abatements subject to final approval by the Kansas Board of Tax Appeals. Lawrence VenturePark property is a brownfield site- the former site of Farmland Industries and is subject to a Kansas Department of Health and Environment consent order for which the City will retain ongoing remediation responsibility. Each lot has been significantly environmentally characterized. Records and additional information can be obtained upon request. The brownfield site location may also be advantageous toward LEED certification equivalency.



Supplemental Information

Catalyst Community Assistance Package:

The Catalyst Community Assistance Program is a temporary, special incentive program for new industrial projects meeting certain minimum criteria that locate within the City of Lawrence, Kansas. The intention of this program is to spur economic development activity within the community. The program is limited in duration and will sunset two years from adoption (adopted June 2017), at which time it may be considered for extension after evaluation.

Because this is a special program, the regular provisions and process associated with the City of Lawrence's Economic Development Policy will not apply and expedited approval directly with the City Commission will be granted to projects that meet the special incentive program eligibility requirements.

Program benefits:

- Industrial Revenue Bond (IRB) financing (including a sales tax exemption on construction materials) with a base 50% 10-year property tax abatement. An additional 20% 10-year property tax abatement above the base award will apply for projects that are built to LEED Silver equivalent standards as certified in writing by a licensed architect at time of permit issuance. A project may also qualify for additional property tax abatement enhancements above the 50% abatement base if the project will generate significant job creation at wages above the community average, however the applicant will have to adhere to the City's adopted economic development policy, process and performance requirements to access these enhancements. Payments in Lieu of Taxes (PILOT payments) may be negotiated with the applicant on a case by case basis. Applicant will



Supplemental Information

be responsible for paying all bond counsel and bond issuance costs associated with the IRB issuance, if applicable.

- The IRB and property tax abatement application fees and bond origination fees will be waived by the City.

General eligibility requirements:

- Construct a new building of at least 25,000 square feet on IG zoned land within the City of Lawrence, Kansas
- Applicant must be a taxable entity and the project must be a taxable use.
- A building permit and any other City approvals must be issued within 18 months of City approval of the assistance package. A project must break ground within 12 months of the issuance of a building permit for the project.
- Project must meet all zoning and building codes and be in compliance with City regulations and meet eligibility requirements for the duration of the incentive period in order to maintain program benefits.
- Program subject to applicant executing an agreement with the City outlining development terms and other eligibility requirements of this program. Benefits under this program are subject to an applicant remaining in compliance with these eligibility requirements.
- Applicant must be current on all property tax, special assessments or any other obligations to the City of Lawrence.



Supplemental Information

- Applicant must complete a brief application describing parameters of the project. Applications are available on the City website at <https://lawrenceks.org/ed> or by contacting the City Manager's Office at 785-832-3400.
- Applicant must provide sufficient evidence to the City of its financial and marketing capacity to complete a successful project.
- Building must be constructed, maintained and operated in accordance with applicable federal, state and local laws.

Notes: Property tax abatements subject to final approval by the Kansas Board of Tax Appeals.



Supplemental Information

1/21/2019

Britt

Amarr is a Self-Insured Company. Below is the breakdown of Medical Expenses – company vs employee.

One Medical Benefit that I have added to our cost is the Expense of having an onsite Medical Clinic available for all 3 shifts. This reduces the out of pocket expense for our team members in that they can make an appointment at the clinic for a variety of treatments at no expense to them. We provide blood draws, basic everyday treatments, and a wide array of treatments that you could get with a regular visit to a physician. This reduces the amount of time an employee has to miss work and sometimes gets employees to seek treatment where if they had to miss work – they may not.

When we add all of this together – the Company paid portion is 73% as you can see from the chart below.

Please let me know if you have further questions.

2018		
Claims/Fees Paid	5,328,468	
Claims Reserved for	385,151	
Onsite Health Clinic	140,550	
Net Medical Expenses	<u>5,854,169</u>	
Total Employee Premiums	1,570,892	27%
Total Company Portion	4,283,277	73% Company

Thank you

Nancy Kelley
Mfg Controller / Director of Finance
785-312-6334



Supplemental Information



January 15, 2019

Britt Crum-Cano, Economic Develop Coordinator
City of Lawrence – City Manager's Office
PO Box 708
Lawrence, Kansas 66044

RE: 2018 Annual Tax Abatement Report Questionnaire – Health Benefits Compliance Category

Dear Ms. Crum-Cano:

This letter is in response to your inquiry related to Grandstand's Employer Provided Health Care Coverage.

Grandstand's health insurance plan offers medical and dental benefits to all employees, who average thirty (30) or more hours per work week, and their dependents. Employees are eligible for health/dental insurance coverage on the first of the month following the successful completion of sixty (60) days of employment.

During the calendar year 2018, Grandstand paid 97% towards the health insurance premium for the employee only coverage.

If you have any further inquiries, please do not hesitate to contact me at 785-312-7009.

Sincerely,

Brandon Petz
Chief Financial Officer



Economic Snapshot

Horizon 2020, the Comprehensive Plan for Lawrence and Douglas County, identifies three broad, economic development goals: employment growth, income growth, and tax base growth. Below shows economic data for the most recently available year that addresses those goals.

Information on other economic indicators is also included at the end of this section. Note the Lawrence MSA includes all of Douglas County.

Employment Growth

Annual Labor Force, Employment and Unemployment ¹				
(Lawrence MSA)				
Period	Labor Force	Employed	Unemployed	Unemployment Rate
2017	65,199	63,138	2,061	3.20%
2016	65,556	63,205	2,351	3.60%
2015	65,286	62,887	2,399	3.70%
2014	64,733	62,090	2,643	4.10%
2013	63,578	60,513	3,065	4.80%
2012	63,496	60,235	3,261	5.10%
2011	63,747	60,141	3,606	5.70%
2010	64,379	60,574	3,805	5.90%
2009	63,191	59,579	3,612	5.70%
2008	61,712	59,114	2,598	4.20%
2007	62,110	59,692	2,418	3.90%
2006	62,560	60,180	2,380	3.80%

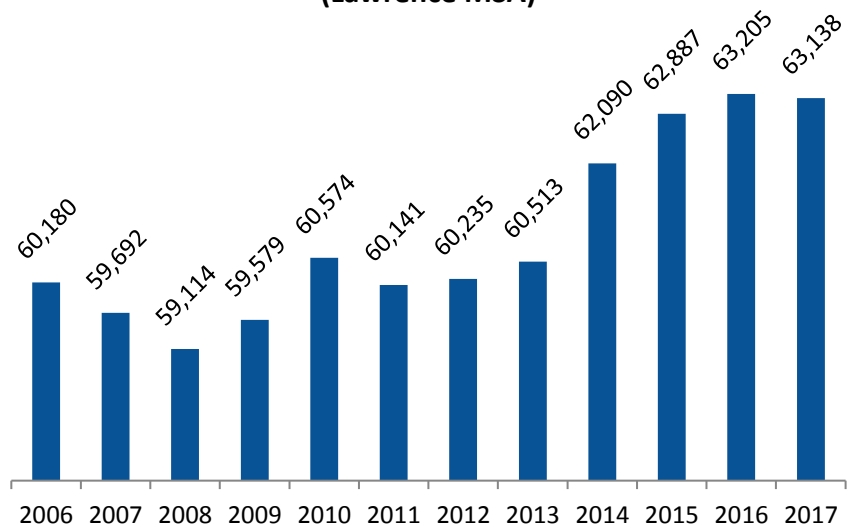
¹ Source: Labor Market Information Services, Kansas Dept. of Labor in cooperation with BLS, U.S. Dept. of Labor. Annual, not seasonally adjusted Labor Force, Employment and Unemployment data for Lawrence, KS Metropolitan Statistical Area in Multiple Time Periods.

F Economic Snapshot

2017 job growth was down 0.1% compared to the previous year, up 4.3% compared to five years ago (2013), and up 6.8% compared to 10 years ago (2008).

Annual Employment Growth (Lawrence MSA)

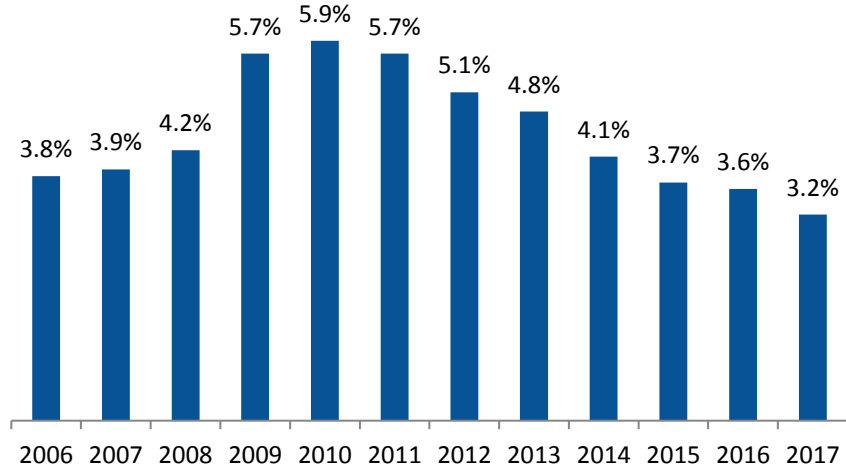
Employment Growth (Lawrence MSA)		
Period	Change	% Change
1Y (2016-2017)	-67	-0.1%
5Y (2013-2017)	2,625	4.3%
10Y (2008-2017)	4,024	6.8%



Unemployment dropped slightly in 2017 compared to the previous year, decreased 1.60% over the past 5 years (since 2013), and decreased 1% over the past 10 years (since 2008).

Annual Unemployment Rate (Lawrence MSA)

Unemployment Rate (Lawrence MSA)	
Period	Absolute Change
1Y (2016-2017)	-0.004
5Y (2013-2017)	-0.016
10Y (2008-2017)	-0.01



Commuting Workforce:

Considering all jobs, the City of Lawrence has approximately 21,000 commuting into the City for jobs as compared to 17,400 that commute out of the City for jobs. For Primary jobs, approximately 19,000 workers commute into the City for jobs as compared to 16,000 that commute to other communities for jobs.

For all job types, the County has approximately 19,100 that commute into the County for jobs as compared to approximately 22,300 that commute to communities outside the County for jobs. For Primary jobs, approximately 17,200 workers commute into the County for jobs as compared to 20,600 that commute to communities outside the County for jobs.

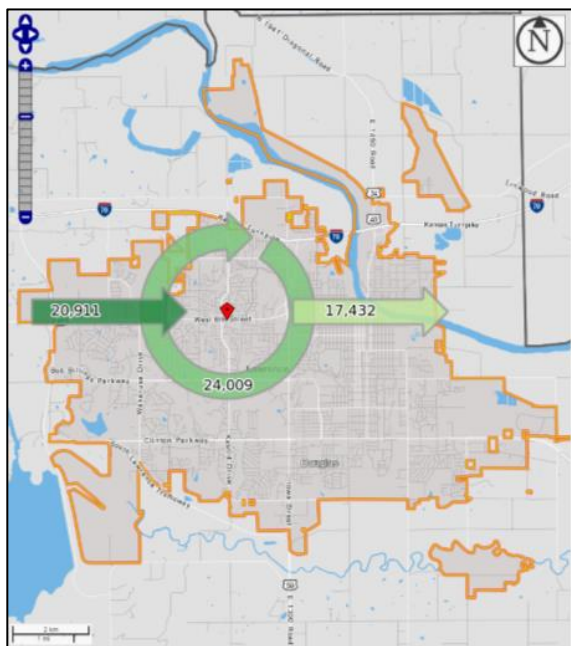
Commuting Workforce ²								
Lawrence, City					Douglas County, KS			
All Jobs			Primary Jobs		All Jobs		Primary Jobs	
Count	%		Count	%	Count	%	Count	%
20,911	55%		19,028	54%	19,106	46%	17,236	46%
17,432	45%		16,070	46%	22,294	54%	20,633	54%
38,343	100%		35,098	100%	41,400	100%	37,869	100%

Commuting In
Commuting Out
Total Commuting
Workforce

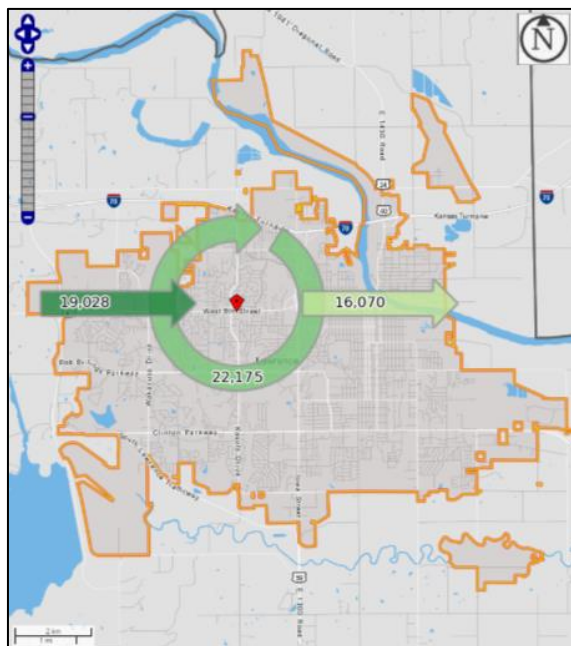
² Source: Longitudinal Employer-Household Dynamics: Inflow/Outflow Analysis.

F Economic Snapshot

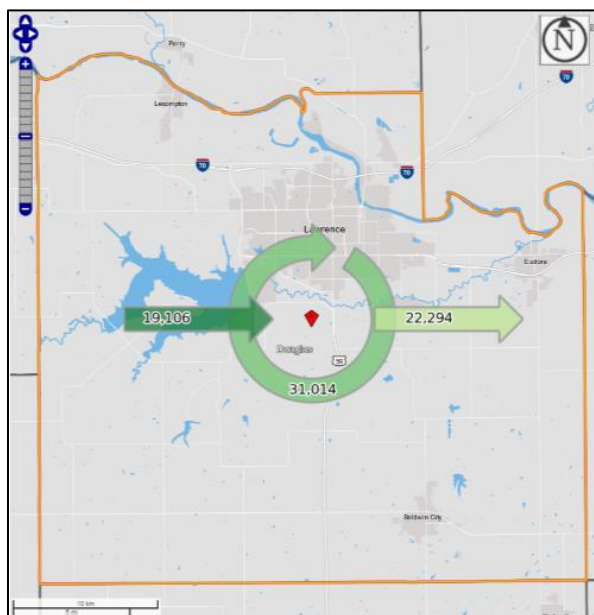
Lawrence City—All Jobs



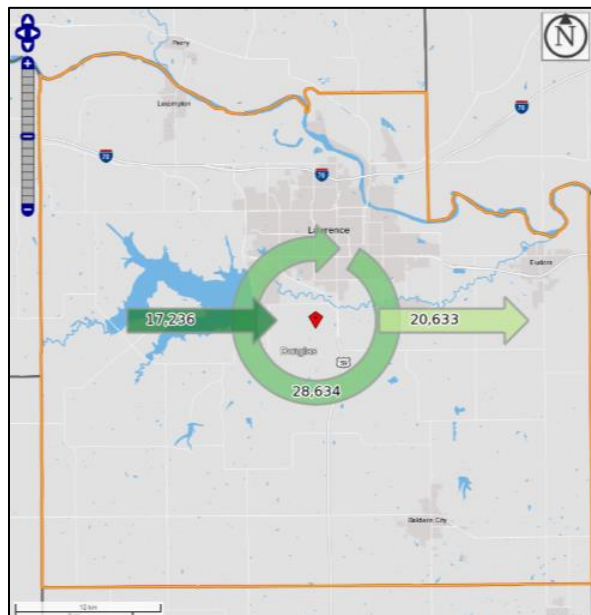
Lawrence City—Primary Jobs



Douglas County, KS—All Jobs



Douglas County, KS—Primary Jobs



Income Growth

Personal Income:

Personal income of an area represents the income received by or on behalf of the persons residing in that area.

Personal Income & Population ³ (Lawrence MSA)			
Period	Population ⁴	Personal income (millions \$)	Per capita personal income ⁵
2017	120,793	\$4,996	\$41,360
2016	119,492	\$4,913	\$41,114
2015	117,866	\$4,836	\$41,027
2014	116,323	\$4,559	\$39,195
2013	114,554	\$4,418	\$38,569
2012	113,215	\$4,363	\$38,537
2011	112,381	\$4,283	\$38,111
2010	111,224	\$4,214	\$37,887
2009	110,039	\$4,226	\$38,404
2008	109,010	\$4,062	\$37,265

³ Source: Bureau of Economic Bureau of Economic Analysis, Table MAINC4 Personal Income and Employment by Major Component, Lawrence, KS (Metropolitan Statistical Area). Note: All dollar estimates are in 2017 inflation adjusted dollars.

⁴ Census Bureau midyear population estimates. Estimates for 2010-2017 reflect county population estimates available as of March 2018.

⁵ Per capita personal income = Personal income divided by population.

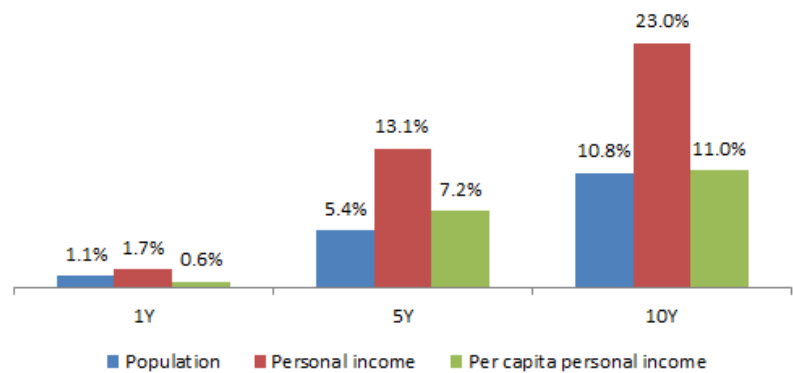
F Economic Snapshot

Over a one-year period (2016-2017), personal income grew 1.7% and per capita income increased 0.6%. Over a 5-year period (2013-2017) personal income grew 13.1% and per capita income increased 7.2%. Over a 10-year period (2008-2017) personal income grew 23% and per capita income increased 11%.

Personal Income & Population Change			
Description	1Y (^{'16-'17})	5Y (^{'13-'17})	10Y (^{'08-'17})
Population	1.1%	5.4%	10.8%
Personal income	1.7%	13.1%	23.0%
Per capita personal income	0.6%	7.2%	11.0%

Personal Income & Population Change

(Lawrence MSA, Inflation Adjusted 2017 Dollars, US CPI)



Employment Income:

Employment Income ⁶ (Lawrence MSA)			
Period	Total employment ⁷	Earnings by place of work (millions \$) ⁸	Avg. earnings/job ⁹
2017	72,384	\$3,101	\$42,838
2016	71,511	\$3,045	\$42,575
2015	70,420	\$2,969	\$42,156
2014	69,517	\$2,822	\$40,596
2013	67,805	\$2,746	\$40,504
2012	66,197	\$2,645	\$39,954
2011	66,327	\$2,663	\$40,142
2010	66,702	\$2,689	\$40,315
2009	67,419	\$2,722	\$40,378
2008	67,975	\$2,639	\$38,824

⁶ Source: Bureau of Economic Bureau of Economic Analysis, Table MAINC4 Personal Income and Employment by Major Component, Lawrence, KS (Metropolitan Statistical Area). Note: All dollar estimates are in 2017 inflation adjusted dollars.

⁷ Total employment includes wage and salary employment plus proprietors employment.

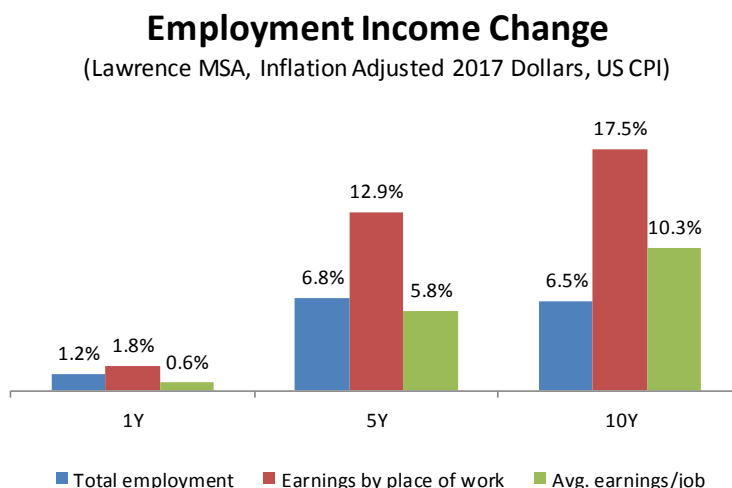
⁸ Earnings by place of work includes compensation of employees and proprietors' income.

⁹ Average earnings per job = Earnings by place of work/total employment.

F Economic Snapshot

Employment income increased 1.8% over a one-year period (2016-2017) with average earnings per job increasing 0.6%. Over a 5-year period (2013-2017), employment income increased 12.9% with average earnings per job increasing 5.8%. Over a 10-year period (2008-2017), employment income increased 17.5%, with average earnings per job increasing 10.3%.

Employment Income Change			
Description	1Y (‘16-‘17)	5Y (‘13-‘17)	10Y (‘08-‘17)
Total employment	1.2%	6.8%	6.5%
Earnings by place of work	1.8%	12.9%	17.5%
Avg. earnings/job	0.6%	5.8%	10.3%



Wage & Salary Employment:

Wage and salary employment, also referred to as wage and salary jobs, measures the average annual number of full-time and part-time jobs in each area by place of work. All jobs for which wages and salaries are paid are counted.

Wages & Salary ¹⁰ (Lawrence MSA)			
Period	Wage & salary employment ¹¹	Total wages and salaries (millions \$) ¹²	Avg. wages & salaries/job ¹³
2017	56,476	\$2,108	\$37,317
2016	55,877	\$2,087	\$37,349
2015	55,062	\$2,042	\$37,089
2014	54,406	\$1,960	\$36,019
2013	53,104	\$1,914	\$36,052
2012	51,941	\$1,875	\$36,102
2011	52,035	\$1,864	\$35,830
2010	52,680	\$1,908	\$36,220
2009	53,535	\$1,959	\$36,587
2008	54,159	\$1,896	\$35,007

¹⁰ Source: Bureau of Economic Bureau of Economic Analysis, Table MAINC4 Personal Income and Employment by Major Component, Lawrence, KS (Metropolitan Statistical Area). Note: All dollar estimates are in 2017 inflation adjusted dollars.

¹¹ Wage and salary employment- Wage and salary employment, also referred to as wage and salary jobs, measures the average annual number of full-time and part-time jobs in each area by place of work. All jobs for which wages and salaries are paid are counted. Although compensation paid to jurors, expert legal witnesses, prisoners, and justices of the peace (for marriage fees), is counted in wages and salaries, these activities are not counted as jobs in wage and salary employment. Corporate directorships are counted as self-employment.

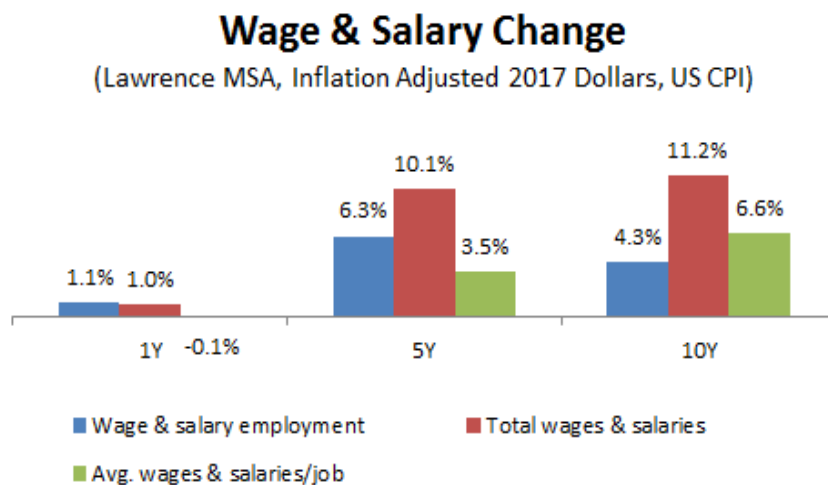
¹² The remuneration receivable by employees (including corporate officers) from employers for the provision of labor services. Includes commissions, tips, and bonuses; employee gains from exercising stock options; and pay-in-kind. Judicial fees paid to jurors and witnesses are classified as wages and salaries. Measured before deductions, such as social security contributions, union dues, and voluntary employee contributions to defined contribution pension plans.

¹³ Average wages and salaries per job = Total wages and salaries / Wage and salary employment.

F Economic Snapshot

Total wages and salaries for the Lawrence MSA increased 1.1% over a one-year period (2016-2017) with average wages & salaries per job decreasing 0.1%. Over a 5-year period (2013-2017), total wages and salaries increased 10.1% with average wages/salaries per job increasing 3.5%. Over a 10-year period (2008-2017), total wages and salaries increased 11.2%, with average wages/salaries per job increasing 6.6%.

Wage & Salary Change			
Description	1Y (^{'16-'17})	5Y (^{'13-'17})	10Y (^{'08-'17})
Wage & salary employment	1.1%	6.3%	4.3%
Total wages and salaries	1.0%	10.1%	11.2%
Avg. wages & salaries/job	-0.1%	3.5%	6.6%



Tax Base Growth

To lighten taxes on home owners, the County assigns a higher assessed value to commercial/industrial property (25% of appraised value) compared to residential property (11.5% of appraised value). While the City welcomes residential development, the use of local incentives is focused on growing the tax base by focusing on commercial and industrial sectors.

The below table shows the annual percentage of commercial/industrial assessed valuation to total for Lawrence and other neighboring communities.

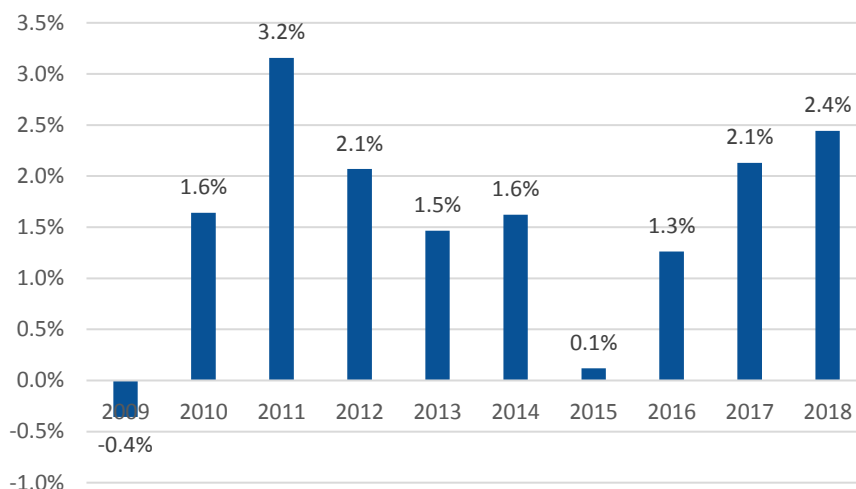
Commercial Real Estate Assessed Valuation (shown as percent of total)					
	2014	2015	2016	2017	2018
Lawrence	29.8%	30.0%	30.3%	30.6%	30.3%
Lenexa	47.7%	48.1%	49.0%	47.7%	47.0%
Manhattan	28.0%	28.0%	28.0%	27.0%	28.0%
Olathe	28.3%	28.6%	31.5%	32.0%	30.3%
Overland Park	37.1%	37.2%	38.5%	38.1%	37.5%
Shawnee	23.5%	24.1%	26.4%	25.7%	25.5%
Topeka	41%	41.7%	42.5%	42.7%	44.5%

Sources: County Appraisers

Additional Economic Indicators

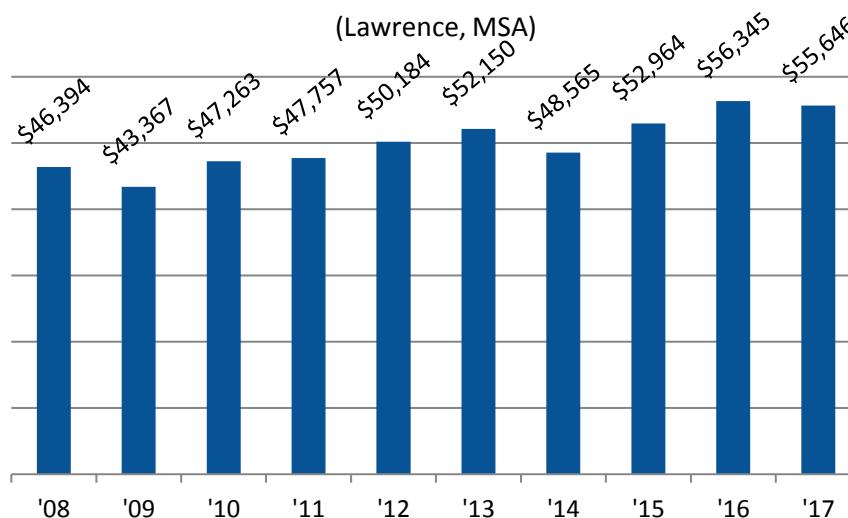
Consumer Price Index ¹⁴ U.S. City Average, All Urban Consumers		
Year	CPI	Y-Y % Change
2018	251.107	2.4%
2017	245.120	2.1%
2016	240.007	1.3%
2015	237.017	0.1%
2014	236.736	1.6%
2013	232.957	1.5%
2012	229.594	2.1%
2011	224.939	3.2%
2010	218.056	1.6%
2009	214.537	-0.4%

Annual Inflation
(U.S. City Average, All Urban Consumers)



Median Household Income (Douglas County, KS)		
Year	Amount	Y-Y Change
2017	\$55,646	-1.24%
2016	\$56,345	6.38%
2015	\$52,964	9.06%
2014	\$48,565	-6.87%
2013	\$52,150	3.92%
2012	\$50,184	5.08%
2011	\$47,757	1.05%
2010	\$47,263	8.98%
2009	\$43,367	-6.52%
2008	\$46,394	8.47%

Median Household Income

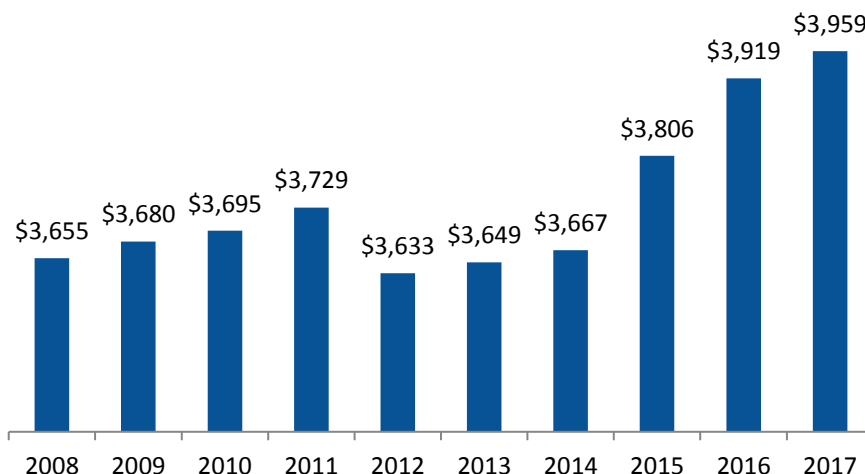


¹⁴ Source: U.S. Bureau of Labor Statistics. Consumer Price Index - All Urban Consumers, U.S. City Average, Not Seasonally Adjusted. Data retrieved Feb. 2019.

Real GDP: All Industries

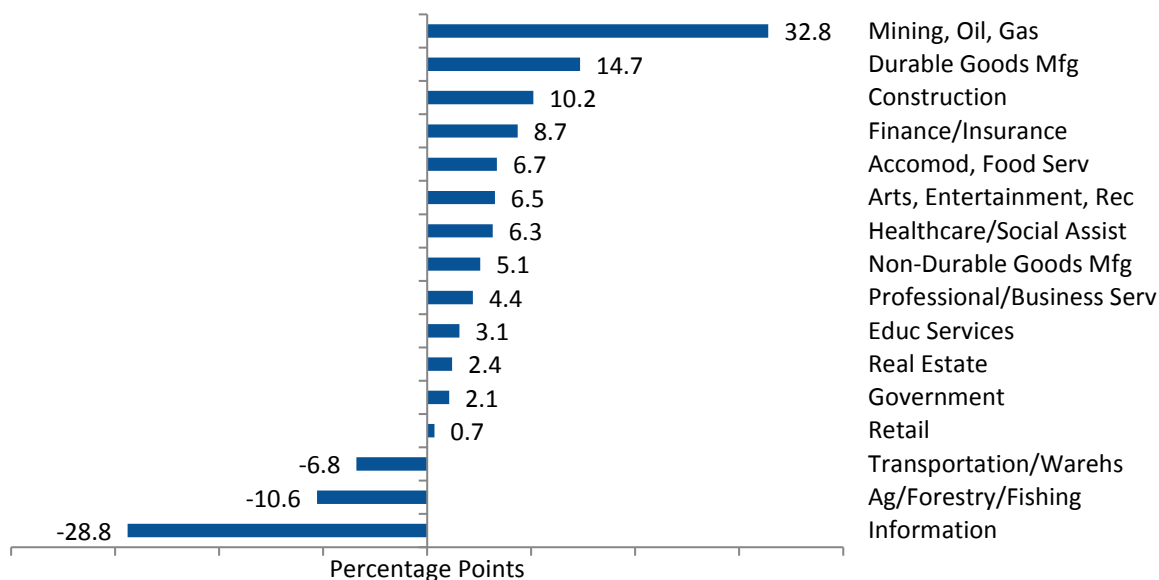
(Lawrence MSA, Millions of chained (2009) Dollars)

Real GDP ¹⁵ : Lawrence MSA		
All Industries, Millions of Chained 2009 Dollars		
Year	GDP	Y-Y % Change
2017	\$3,959	1.0%
2016	\$3,919	3.0%
2015	\$3,806	3.8%
2014	\$3,667	0.5%
2013	\$3,649	0.5%
2012	\$3,633	-2.6%
2011	\$3,729	0.9%
2010	\$3,695	0.4%
2009	\$3,680	0.7%
2008	\$3,655	2.7%



Percent Change to Real GDP

(Lawrence MSA, 2016-2017)

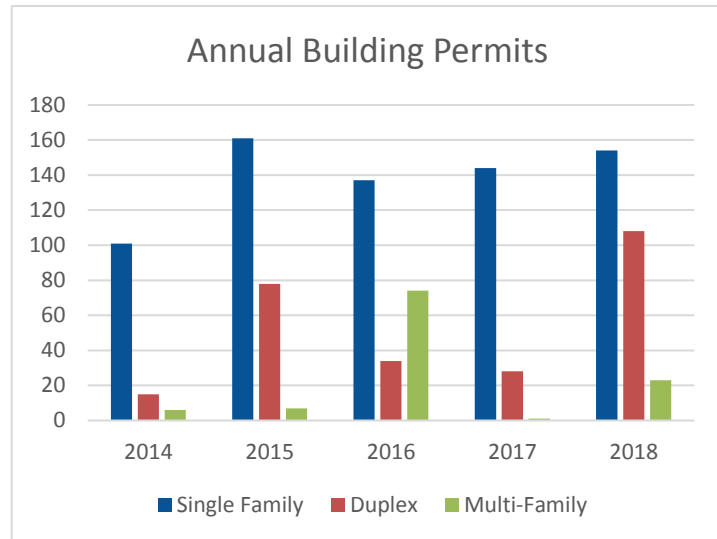


¹⁵ Real GDP: Bureau of Economic Analysis, Table MAGDP9 Real GDP by Metropolitan Area. GDP % Change: Table MAGDP2 Gross domestic product (GDP) by metropolitan area. Data retrieved Nov. 2018.

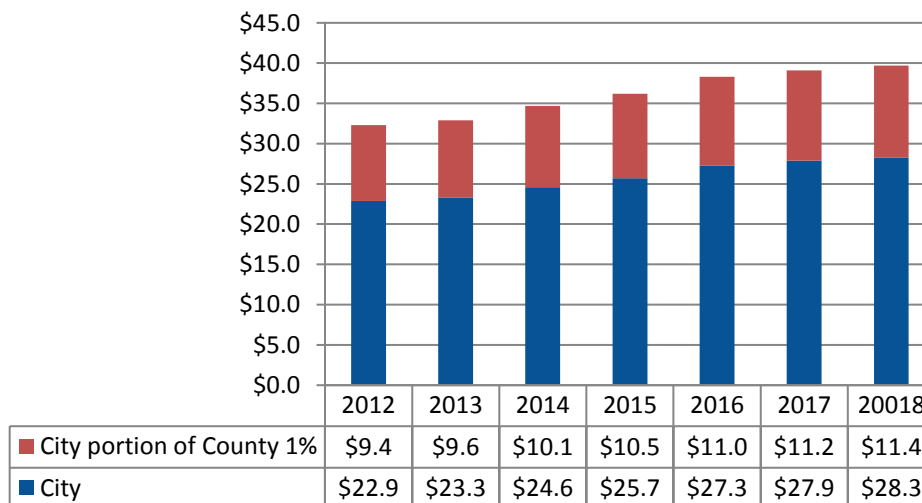


Economic Snapshot

New Construction Building Permits ¹⁶			
Period	Single Family	Duplex	Multi-Family
2018	154	108	23
2017	144	28	1
2016	137	34	74
2015	161	78	7
2014	101	15	6



City Sales Tax Revenues (millions \$)



¹⁶ Source: City of Lawrence, Kansas. Neighborhood Resources Department, Valuation of Building Permits.



DOUGLAS COUNTY PUBLIC WORKS

3755 E. 25th Street
Lawrence, KS 66046
(785) 832-5293 Fax (785) 842-1201
dgcpubw@douglascountyks.org
www.douglascountyks.org

Keith A. Browning, P.E.
Director of Public Works/County Engineer

MEMORANDUM

To : Board of County Commissioners

From : Keith A. Browning, P.E., Director of Public Works/County Engineer
Sarah Plinsky, Interim County Administrator

Date : June 13, 2019

Re : Authorization to award disaster debris removal contract

We will issue this week a Request for Proposals for a contractor to pick up from road rights-of-way construction and demolition (C&D) debris generated from the May 28 tornado. Proposals are due by 10:00 AM, Friday, June 21. The contract will also include hauling C&D debris directly to the Hamm landfill, reducing by grinding woody debris collected at the KDOT site at 31st & Haskell, and hauling off the mulch generated by grinding at the KDOT site. We currently estimate the contract amount at approximately \$75,000.

In order to expedite commencing these needed services, we request BOCC authorization for the Interim County Administrator to award a contract to the successful firm.

Our evaluation of proposals will include the following criteria in addition to the unit prices submitted:

- Award shall be made to the responsible firm who provides all required submittals and whose qualifications are determined to be the most advantageous to Douglas County, taking into consideration the firm's qualifications, experience, financial strength, mobilization and operational plans, and the rate schedule.
- Contractors shall have performed debris removal, reduction and disposal operations, or similar operations, and can provide references for the communities where these operations took place.
- Consideration will be given to Contractors who are knowledgeable and have experience in the provision of the Services for reimbursement through FEMA Public Assistance.

Action Required: Authorization for the Interim County Administrator to execute a disaster debris removal contract with the firm who submits a proposal deemed by the Interim County Administrator and Public Works Director to be most advantageous to Douglas County.



DOUGLAS COUNTY ADMINISTRATOR

1100 Massachusetts Street
Lawrence, KS 66044-3064
(785) 832-5328 Fax (785) 832-5148
splinsky@douglascountyks.org

Sarah Plinsky
Interim County Administrator

MEMO TO: Board of County Commissioners

FROM: Bob Tryanski, Director of Behavioral Health Projects

SUBJECT: Consultation Services with CXNS Health Strategies

DATE: June 6, 2019

Attached for your consideration and approval is a contract with CXNS Health Strategies to provide consultation and technical assistance to Douglas County, LMH Health, and the Behavioral Health Leadership Coalition (BHLC) as partners finalize the facility design and operational plan for the crisis center.

Members of the BHLC recently completed site visits to CXNS' Crisis Response Center in Tucson, AZ and the Urgent Psychiatric Care center in Phoenix. After completing those visits, coalition partners believe that the Douglas County Crisis Center should be prepared to serve patients with a higher level of acuity than initially envisioned. Significant reductions in crisis events, suicide attempts, emergency department visits, repeat hospitalizations, and unnecessary jail stays will require more aggressive intervention, more timely access to treatment, and greater engagement in community based services. BHLC partners believe CXNS' expertise in regulatory and licensing issues, facility design, operations and staffing will be a valuable resource as LMH Health manages the coalition's efforts to finalize plans for the Douglas County Recovery Campus and behavioral health system of care.

The attached contract outlines an initial eighteen-month engagement from July 1, 2019 – December 31, 2020 with projected costs of \$53,000 in 2019 and \$54,000 in 2020. The majority of these costs will be offset with technical assistance funds available from a Sunflower Foundation grant that was awarded to Douglas County and Heartland Community Health Center in January of 2019. The focus of the grant is to improve the behavioral health system of care in Douglas County. Total technical assistance funds available to support this work may not exceed \$100,000 in 2019 and 2020.

“Approve a contract with CXNS Health Strategies to provide consultation and technical assistance to Douglas County, LMH Health, and the Behavioral Health Leadership Coalition. Total cost to Douglas County not to exceed \$115,000.”

CXNS HEALTH STRATEGIES

CONSULTING PROJECT

CLIENT: *Douglas Community Behavioral Health Leadership Coalition represented by Douglas County, KS*

CONTRACTOR: *CXNS Health Strategies*

CONTACT/PROJECT MANAGER: *Robert Williamson, MD*

KEY PERSONNEL: *Chris Carson, MD, MBA; Margie Balfour, MD, PHD; Robert Williamson, MD*

PROGRAM LEAD(S): *Sarah Plinsky, Douglas County; Robert Williamson, MD, CXNS Health Strategies*

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elizabeth.oliva@connectionshs.com • 201-450-8846



This Services Agreement (“**Agreement**”) is entered into by and between the Board of County Commissioners of Douglas County, Kansas (“**County**”) and CXNS Health Strategies (“**Company**”), effective as of the date it has been executed by County and Company, on the terms and conditions stated below.

SUMMARY

Douglas County, Kansas is contracting with CXNS Health Strategies to provide consulting services. CXNS Health Strategies will obtain observations, develop recommendations, and provide guidance on plans for a new crisis stabilization unit. The following proposal outlines CXNS Health Strategies’ involvement in this project, and lays out the promised consultative services, including costs and deliverables. Please refer to the attached Scope of Work for additional details.

TERM OF AGREEMENT

This Contract will commence on July 1, 2019. Subject to the termination provision, the initial term of this Agreement will be through December 31, 2020 (“**Term**”). Upon expiration of the initial Term, the Agreement will automatically renew for additional 30 day periods, unless a party provides written notice of non-renewal not less than thirty (30) days before the expiration of the initial Term, in which case the Agreement will not renew. County’s obligations under this Agreement are always conditioned on, and subject to, the availability of funding for Company’s services.

COMPENSATION

The County will pay Company a flat fee per month for services rendered, plus expenses up to a maximum.

The County will pay \$20,000, plus expenses not to exceed \$7,000, for the month in which the initial on-site visit described in Appendix A occurs. It is anticipated the visit will occur in 2019. The Company will provide the County receipts to support its request for expenses.

The County will pay \$5,000, plus expenses not to exceed \$4,500, for any month when the

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Company provides the on-site visits described in Appendix A. It is anticipated that two on-site visits will occur in 2019 and four on-site visits will occur in 2020. The Company will provide the County receipts to support its request for expenses.

The County will pay \$3,000 for any month when the Company provides the off-site services described in Appendix A. It is anticipated that off-site services will be provided in the month after the initial on-site visit and every month thereafter when no on-site visit occurs.

For any month where the Company provides no services to the County, the County will not be required to pay the monthly fee.

If the agreement is extended beyond December 31, 2020, the County will pay the monthly fee of \$5,000 plus expenses not to exceed \$4,500 for months that include on-site visits, \$3,000 for months where off-site services are provided, and \$0 for months in which no services are provided. The Company will provide the County receipts to support its request for expenses.

ADDITIONAL TERMS

The Additional Terms attached hereto as Appendix B are hereby incorporated into this Agreement.

PHASES:

Anticipated phases include the following:

- I. Develop a comprehensive value proposition to guide all project phases.
- II. Support of county leadership and delegated representatives in developing and managing various work groups
- III. Facilitation of selected leadership groups and committees.
- IV. Guidance on building design and architectural planning.
- V. Support of County Leadership on Facility Development
 - a. Construction.
 - b. Fitment.
 - c. Licensure.
 - d. Furniture.
- VI. Assistance with Facility opening.
 - a. Additional licensure.

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- b. Staffing plan
 - c. Hiring.
 - d. Training.
- VII. Assistance with development of performance metrics and ongoing monitoring of same
- VIII. Review and advice on third party payment strategies.
- IX. Any additional tasks can be outlined by the County as issues arise which will be addressed by the Company.

EVALUATION

Evaluation for the project will be completed through a series of monthly consultative experiences, some onsite and some conducted by electronic or telephonic means, that will result in reports that review discussions and decisions. CXNS Health Strategies will also provide developmental goals that will be determined at the start of the project and can be reassessed and evaluated as the project progresses. CXNS Health Strategies will also outline any strategic goals that arise and provide an associated memo and/or report.

As development progresses, CXNS Health Strategies will provide recommendations on fitment of the building, including furniture, and can provide a report outlining all recommendations.

Before the building opens, CXNS Health Strategies will develop staffing plans, ratios and recommendations.

DELIVERABLES

1. Monthly reports to the designated Douglas County project leaders.
2. In partnership with the identified individuals, we will create:
 - a. Building-use plan to include the optimal service array to provide in the building.
 - b. Recommendations for how to best design the build for long-term success, flexibility and comprehensiveness.
 - c. Timeline with deliverables and developmental milestones from present to building operational.

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- d. **Staffing:** make recommendations on staffing of the model as well as training and development of staff needed.
 - e. **Regulatory:** create and guide strategy to optimize success and timeliness of regulatory and licensing issues.
 - f. **Building Plan:** Make recommendations on specific outfitting requirements for new facility to include furniture, layout, security.
 - g. Help evaluate and make recommendations on the most effective technology and Electronic Medical Record to be used.
 - h. Work with Douglas County designated representatives to maximize ability to contract with third party payers and maximize revenue stream.
3. Other deliverables as assigned by the Douglas County representatives and agreed to by CXNS Health Strategies.

Contractor: CXNS Health Strategies

Date: _____

By:

Its:

The Board of County Commissioners of Douglas County, Kansas

By: Michelle Derusseau Chairperson

Date: _____

Attest:

Jameson D. Shew, County Clerk

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SCOPE OF WORK

Thank you for choosing CXNS Health Strategies to provide professional services to Douglas County, Kansas, represented by the Project Leads, in their work in development and implementation of an acute Crisis Stabilization Center with identified associated services.

The outline below provides a high-level summary of our recommended project scope, deliverables and associated costs with understanding of Kansas regulatory and fiscal environment.

Douglas County, Kansas

Our objectives are as follows:

Facilities

- Review existing design and provide recommendations regarding future planning
- Provide product/material recommendations, if applicable
- Provide vendor recommendations, if applicable
- Provide recommendations regarding licensure and regulatory compliance
- Focus on Emergency Department, Lawrence/Douglas Community Law Enforcement staff and other potential Behavioral Health partners
 - Focus on ED strategies around Behavioral Health and how to develop a seamless continuum of care with Community Services.
 - Assist with development of systems and structure for collaboration with law enforcement personnel and their work with the targeted population
 - Determine whether observation beds or another strategy is optimal and how these can be included within a unit that will allow for the safety and security of even the most acute psychiatric patients
 - Determine strategy to accomplish client goals regarding Behavioral Health

Staff

- Assess degree to which Behavioral Health is driving cost in other service lines currently and strategize around potential actions that will decrease this Staff
- Assist in developing a staffing plan to include type, cost, and effectiveness

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- Assess training levels, capabilities, methodologies, et cetera and make recommendations for internal and 3rd party considerations
- Review staffing mix based on required outcomes, billability, costs, et cetera
- Review governance and provide recommendations for medical staff leadership and interaction with staff and business operations
 - To include recommendations regarding collaborative oversight best practices and development of goals and metrics
- Assess and recommend recruitment strategies to staff Behavioral Health providers, including alternative methods of staffing such as telemedicine
- Evaluate outpatient clinic, ED staffing and recruitment needs
- Mentoring of Medical and other leadership on culture development and model support, onsite and potentially in Phoenix Center.

Operations

- Assist in development of policies to integrate services and ensure seamless transition between service areas/community resources.
- Assist in development of potential legal and operational structure to bring various community service providers into a seamless continuum of care
- Recommend pertinent procedures and provide recommendations based on new layout, expectations, staffing, et cetera
- Review current billing codes and provide recommendations, including new sources of potential revenue
 - Develop billing procedures, opportunities and training for staff reference
- Evaluate resources allocation and consider reorganization for optimal treatment strategy
- Suggest recommendations for phased approach to service line development and growth

Value Proposition

- Develop an approach to address policy and legislative activities to include public policy around Behavioral Health funding and services
- Determine the effect Behavioral Health is having on operational cost across service lines and strategize around cost-containment and improved outcomes

Service Continuum

- Optimize cross functionality of services

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- Provide recommendations for optimal integration between various community services

Other

- Onsite facilitation of visioning and strategy session with community leaders
 - Assess the communications strategy for both internal and external ecosystem organizations/members. This would include recommendations on the parties to contact, mediums, message(s), et cetera
 - Inter-organizational communication strategy
 - Patient communication strategy
 - Community communication strategy
 - Assess mobile crisis services and plans and provide recommendations for optional integration into Crisis Center services.
 - Assess and advise regarding needed resources across the full continuum of care.
 - Assist in performance improvement and outcome goal setting and analysis.
-

APPENDIX A

Description of Service Deliverables

Month 1:

CXNS shall provide an onsite visit of 2-3 days with agreed upon staff. This engagement shall include an in-depth visioning and strategy session with County leaders and partners. CXNS will work with Project Leads to develop this agenda and define the desired outcomes from this meeting period.

The remaining agenda will be developed collaboratively and will result in a full feasibility study and assessment of the value proposition, overview of planned structure for the operational and governance programs, discussion of approach to payment strategies and other pertinent topics appropriate for this stage of the engagement. This report will be available to Project leads within 21 days of the onsite engagement.

Weekly consultative calls and emails will support team work onsite

Quarterly:

CXNS shall send a team of two on a quarterly basis for one to one and one half days, as indicated, for onsite meetings and discussions. Agendas for these meetings will be developed with the Project Leads.

We propose the initial onsite visits plus two additional visits to occur in 2019.
We propose four onsite visits will occur in 2020

MONTHS WITH NO SITE VISIT:

On months when CXNS staff is not on site, weekly calls, emails and other discussed forms of communication will allow the oversight and development of the project details to progress on the agreed upon timeline.

APPENDIX B

Additional Terms

1. **Intellectual Property Rights.** County retains ownership of any concept, idea, invention, writing, art, computer program, data compilation, or other materials of any nature whatsoever that are generated, created, compiled, or authored by Company while working for County and in the course and

scope of Company's duties, whether or not otherwise protectable by patent, copyright, trademark, or other intellectual property protection. Company agrees that any such works are "Works for Hire." If, by operation of law, such works are not Works for Hire, Company irrevocably assigns all of Company's rights in such works to County. Company agrees to promptly execute, acknowledge, and deliver to County any additional documents or instruments deemed necessary by County to carry out the intentions of this paragraph.

2. Termination.

(a) By County for Cause. County may terminate this Agreement for cause, at any time, without any further obligation to Company, if Company: (i) materially fails to provide any of the services under this Agreement, for any reason; (ii) materially breaches this Agreement in any respect; (iii) commits acts or omissions which reflect adversely on County, its elected officials, or administration; or (iv) if funding for consulting services becomes unavailable, even if the lack of funding is caused or contributed to be caused by action of the Board of County Commissioners or County Administration. Termination of this agreement for cause by County shall become effective upon County sending notice thereof to Company. Company will have no appeal or grievance rights relating to such termination.

(b) By Company for Cause. Company may terminate this Agreement for cause, at any time, without any further obligation to County, if: (i) Company becomes incapacitated or otherwise unable to provide the services contracted; or (ii) County materially breaches this Agreement. Termination of this agreement for cause by Company will become effective upon County's receipt of written notice from Company. Upon termination, County shall have no further obligation to Company, except to pay invoices submitted for services rendered by Company through the date of termination.

(c) By Either Party without Cause. Either party to this Agreement may terminate the Agreement without cause, meaning for any reason or for no reason, upon thirty (30) days written notice to the other party. Termination shall be effective upon the expiration of the thirty (30) day notice period, unless the parties agree to an earlier termination.

3. Subcontracting with Permission. Prior to Company subcontracting any Services under this Contract, Company must notify the County and receive the County's consent to the proposed subcontractor, which consent shall not be unreasonably withheld.

4. Independent Contractor Status. For all purposes, including but not limited to income tax withholding, payroll taxes, unemployment compensation, employment law, workers compensation, and all other purposes, the parties agree that Company is an independent contractor of the County and no person with which Company contracts or hires to provide the Services shall, under any circumstance, be considered an employee of the County. Company shall be solely responsible for the means, manner, and method of providing the Services. Company shall be responsible for all matters related to federal and

state payroll and withholding taxes, workers compensation insurance, salaries, fringe benefits, and all other matters of those with which it contracts or hires to provide the Services, and shall require such persons to agree in writing to all terms of this Agreement.

5. Confidentiality. Company acknowledges that he will have access to, or come into contact with, confidential information relating to providing the Services. Company agrees to maintain, hold and preserve all information that it acquires pursuant to the Agreement in strictest confidence, and further agrees not to disclose such information without the express written consent of the County. The rights and obligations of this section shall survive termination of this Agreement.

6. Miscellaneous.

(a) This Agreement represents the complete understanding of the parties with respect to the subject matter hereof, and neither party has relied on any promise or representation of another party or its representatives not expressly stated herein.

(b) This Agreement supersedes any and all prior discussions, negotiations, and agreements, if any, between the parties.

(c) The waiver of or failure to enforce any breach of this Agreement shall not operate as a waiver of any subsequent breach.

(d) This Agreement may not be modified except in writing, signed by both of the parties hereto.

(e) County shall not be responsible for, nor indemnify vendor/contractor for, any federal, state or local taxes which may be imposed or levied upon the subject matter of this contract.

(f) The parties agree that the exclusive venue for any dispute arising out of or relating to this Agreement shall be the District Court of Douglas County, Kansas. The parties consent to the jurisdiction of that court for any such disputes.

(g) This Agreement may be executed in counterparts, each of which will be deemed an original, and all counterparts shall constitute one instrument.

(h) The parties acknowledge and agree that they have had sufficient time and opportunity to review and consider this Agreement, to consult with legal counsel of their choosing, and that they enter into this Agreement knowingly and voluntarily, with full understanding of its terms and with the intent to be bound.



DOUGLAS COUNTY ADMINISTRATOR

1100 Massachusetts Street
Lawrence, KS 66044-3064
(785) 832-5328 Fax (785) 832-5148
splinsky@douglascountyks.org

Sarah Plinsky
Interim County Administrator

MEMO TO: Board of County Commissioners

FROM: Bob Tryanski, Director of Behavioral Health Projects

SUBJECT: LMH Health Addendum- Crisis Center Operational Plan

DATE: June 6, 2019

Attached for your consideration and approval is an addendum to a contract with LMH Health to provide Project Management Services for the development of the Crisis Center on the Douglas County Recovery Campus. In January of 2019, members of the Behavioral Health Leadership Coalition (BHLC) turned to LMH Health to develop a plan for finalizing the design and operational plan of the crisis center building.

As outlined in the attached proposal that was presented at the May 15th study session, LMH Health will provide project managers and other leaders to assist with the physical design and development of the facility as well as expertise and staff support to facilitate this county wide effort.

Working together with the Behavioral Health Leadership Coalition, LMH Health will collaborate with county and community partners to finalize the facility design and also the operational startup and management of the service lines in the crisis center. The team will address the financial, regulatory, legal, supply chain, human resource, clinical service line development and management and all support systems necessary to ensure efficient operations of this new Center. LMH Health will negotiate necessary support contracts in collaboration with the identified county resource. The assigned team will also coordinate the contracted consultative services provided by CXNS Health Strategies.

The attached addendum outlines a projected thirty month engagement with costs not to exceed \$72,000 in 2019 and \$126,000 in 2020. LMH Health and Douglas County agree to review the project worked hours every six months and to make adjustments as mutually agreed. LMH Health's performance of Project Management Services shall commence on July 1, 2019 and end upon the substantial completion of the Facility, or December 31, 2022, whichever comes first, unless extended in writing by the parties.

The following motion is recommended to approve this item:

“Approve an addendum to an existing contract with LMH Health to provide Project Management Services for the development of the Crisis Center on the Douglas County Recovery Campus. Costs are not to exceed \$72,000 in 2019 and \$126,000 in 2020”

Crisis Intervention Center on the Douglas County Recovery Campus

LMH Health Project Management

Proposal:

LMH Health will contract with Douglas County to provide Project Management Services and leadership for the development of the Crisis Intervention Center on the Douglas County Recovery Campus. In this role, LMH will provide a dedicated Project Manager, Project Coordinator, and Project Assistant. Additionally LMH has identified over 15 content experts from clinical and technical areas that will support the development of the Crisis Intervention Center (CIC) project in collaboration with community agency partner representatives. This team's expertise includes behavioral health clinicians, accounting, compliance, regulatory issues, legal, revenue cycle, admissions, supply chain, human resources, facility design, maintenance, environmental services and other areas.

LMH Project Management Team:

Project Manager – Derrick Hurst

The project will be led by Derrick Hurst who has a strong familiarity with the LMH Health Team and, more importantly, with the other agencies involved in the development and operation of the CIC. His responsibilities will include:

- Manage Project Timeline and deliverables
- Coordinate and facilitate all Implementation Team meetings
- Communicate & coordinate with Implementation Team, Sub-groups, & Crisis Ctr. Consultation team
- Manage relationships with county and BHLC partners
- Community engagement/coordination as directed by Implementation Team
- Communication of necessary information across project
- Coordinate outside expertise/consultation as identified



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Project Coordinator and Facility Design Lead – Karen Shumate

LMH Health will bring Karen Shumate on to our team on a contracted basis. Karen has extensive knowledge of the community and LMH health and is an excellent resource for overall project support, management systems, compliance and regulatory matters, and facility project representation. Karen is already contracted by LMH Health to provide leadership in the behavioral/mental health arena coordinating the work of several communitywide committees. In her capacity with this project, Karen will work closely with, and report to, Derrick Hurst on a variety of areas - primarily focusing on the facility design and construction management aspects. Her duties will include the following

- Support Crisis Consultation team
- Provide guidance and support to the Project Director
- Negotiate contracts with Content Experts as identified.
- Coordinate and facilitate design/architect meetings
- Work with the construction and design team (as well as any Owners Representative the County engages) to ensure the project construction phase is proceeding smoothly
- Co-facilitate Implementation meetings and provide support to all teams as required to communicate information across project teams

Project Assistant- Sarah Robertson

Administrative Assistance for the Project Management team will be provided by Sarah Robertson. Sarah has previous experience with project and communication management and strong organizational skills that will be an asset to the Project Management process. Her duties will include:

- Coordination and communication of meeting scheduling
- Preparation and distribution of all meeting agendas/minutes
- Maintenance of project management dashboard/assignments/agreements

Other Key Staff Support

Other significant support staff from LMH health include clinical expertise, accounting, revenue cycle, compliance, risk management, quality and safety, supply chain, and support services including nutrition and environmental services.

Consultation Services:

CXNS Health Strategies

The CIC Consultation Team recognizes that outside expertise may be necessary from time to time in key areas where technical knowledge and experience are needed. The team has identified the CXNS Health Strategies as a potential partner for consultation during the development process. CXNS Health Strategies proposed a 2 phase consultation opportunity. The scope of work agreement with CXNS includes an initial on-sight informational gathering and vision development phase as well as ongoing consultation services. Costs of this Consultation service are summarized in the Terms section of this document. A complete record of the contracted services and costs can be found in the CXNS Contract and Scope of Work Documents upon request.

Future Consultant Services:

LMH Health will coordinate Consultation Services with identified content experts as the need is identified by the work groups and provide this information and recommendations to the County for approval.

Terms:

The project timeline's start date is projected for June of 2019. The costs are projected based on an estimation of a 30 month timeline. All costs for the project team are based on actual and known costs for the team members involved. The costs for LMH Health staff include a 10% overhead allocation. The contracted costs for Karen Shumate are a direct pass-through under the terms of a separate contract with her. Consultation costs for CXNS services are indicated per the current contract and agreed scope of work. Any future/additional expert consultation services and resulting costs may be presented to the County for approval.

With the team involved, we estimate an average of 80 hours of LMH staff time per month as a baseline projection for meeting facilitation and participation, prep work, and project deliverable development. In addition, Karen Shumate would provide additional time under her contract. The cost of CXNS Health Strategies consultation is estimated to be \$53,000 in 2019 and \$54,000 in 2020. The total cost to the county for

comprehensive Project Management by LMH Health including the CXNS Consultation is projected as follows:

	Total Projected County Cost (not to exceed)	CXNS Consultation Projected Costs	Hospital Project Management Projected Costs
2019	\$125,000	\$53,000	\$72,000
2020	\$180,000	\$54,000	\$126,000
2021(projected)	\$10,000/mo.	TBD	TBD

At the end of each 6 month period, we will adjust hours if needed going forward upon mutual agreement with the County.



JUNE 19, 2019

SP-19-00200 A site plan for construction of a 24,000 square foot manufacturing building, a 240 square foot pedestrian connector structure, and additional parking for expansion of McFarlane Aviation Manufacturing. The property, Lot 1 Block 1 Vinland Airzone 2nd Plat, contains approximately 39.6 acres and is addressed as 684 E 1700 Road. Submitted by Hernly Associates, Inc. for Land and Sky, LC, property owner of record.

STAFF RECOMMENDATION: Staff recommends approval of the above-described Site Plan based on the findings listed in this staff report.

ASSOCIATED CASES

- SP-15-00415; site plan for construction of a 24,000 square foot manufacturing building and additional parking for expansion of McFarlane Aviation Manufacturing. This site plan was approved by the Board of County Commissioners on September 28, 2015.
- SP-3-16-11; site plan for expansion of McFarlane Aviation Manufacturing into the platted lot to the south of 696 E 1700 Road. This site plan included buildings for future expansion, for context. Approved by the Board of County Commissioners on May 19, 2011.
- PF-1-1-11; Vinland Airzone 2nd Plat. Administratively approved on April 28, 2011 and recorded with the Douglas County Register of Deeds on May 16, 2011.
- SP-08-71-08, site plan for addition of storage building and parking for McFarlane Aviation at 696 E 1700 Road. This site plan documents the existing conditions on this portion of the McFarlane Aviation Manufacturing property. Approved by the Board of County Commissioners on September 15, 2008.

KEY POINTS

- Proposed building and additional parking is for expansion of the existing business. With the expansion, the total number of employees is expected to increase to approximately 130 when the new building is fully utilized.
- Exterior storage is not proposed with this application.
- The property is zoned for industrial uses and has been platted.

OTHER ACTION REQUIRED

- The property owner or applicant will submit building plans to the Zoning and Codes for building permit. A building permit must be obtained prior to any construction.
- The property owner will work with the Lawrence-Douglas County Health Department to correctly size the new septic system.

COMMUNICATIONS RECEIVED

No communications received prior to publication of this staff report.

GENERAL INFORMATION

Current Zoning and Land Use:

I-1 (Limited Industrial) District. Existing McFarlane Aviation Manufacturing business, *Manufacturing*, and associated parking.

Surrounding Zoning and Land Use:
(Figure 1)

To the north:

I-1 (Limited Industrial) and A (Agricultural) Districts; *Residential Detached Dwelling* and an existing McFarlane Aviation structure which currently houses office space and pilot lounge. Engineering offices and sheet metal fabrication will be moved to this building. *Office* and *Manufacturing*. Hangars for the airport are also located to the north.

To the west and south:

A (Agricultural) District; *Agriculture* and *Residential Detached Dwellings*

To the east: A (Agricultural) District; *Private Airstrip*, an existing airstrip for the manufacturing business and Vinland Airport with the unincorporated town of Vinland to the east of the airstrip.

Legal Description:

Lot 1, Block One, Vinland Airzone 2nd Plat

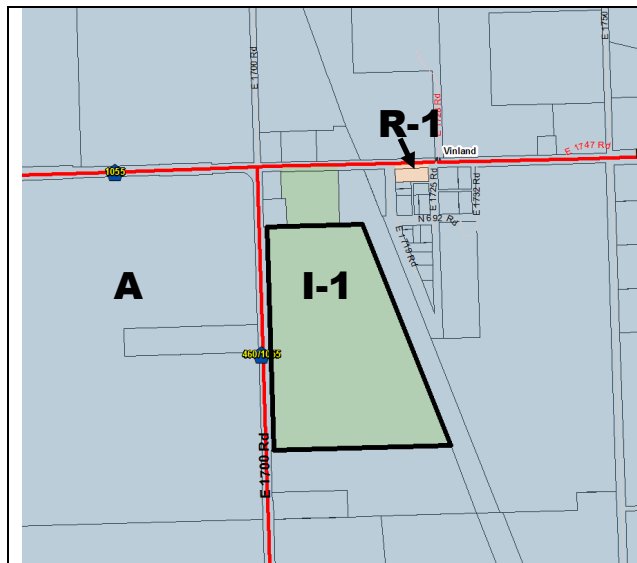


Figure 1a. Zoning in the area.



Figure 1b. Land Use in the area.

SITE SUMMARY		
	Existing	Proposed
Land Area (acres) :	39.64	39.64
Building (square feet):	48,240	72,480
Total Impervious Area (square feet):	96,298	147,195
Total Pervious Area (square feet):	1,630,597 (37.44 acres)	1,579,700 (36.26 acres)

STAFF REVIEW

The property is located in the southeast quadrant of the intersection of N 700 Road and E 1700 Road / County Route 460/1055. The property was platted in 2011. Several site plans have been approved for the McFarlane Aviation Manufacturing business, with the earliest one being approved in 1996. As the business has grown, additional site plans have been submitted for expansion of the facility. The most recently approved site plan, SP-15-00415, was for the construction of a 24,000 sq ft building and parking on the subject property. This site showed future additions conceptually.

The subject site plan is similar to the conceptual additions shown on the previous site plan, except that the new building will be oriented northwest to southeast rather than east to west and a future building location is shown to the east of it. This building is shown for context. It will be necessary to site plan prior to the construction of the future building. Additional parking will be added to the west of the proposed building to accommodate the additional employees.

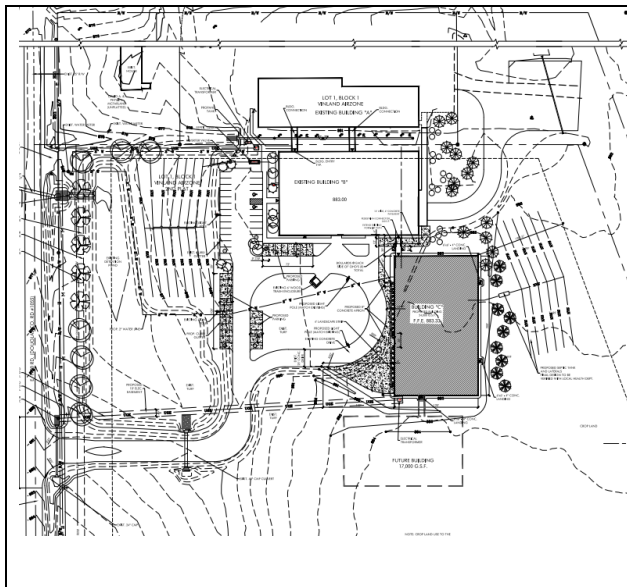


Figure 2a. Development approved with SP-15-00415, showing future building location, the subject of this site plan, in dashed lines.

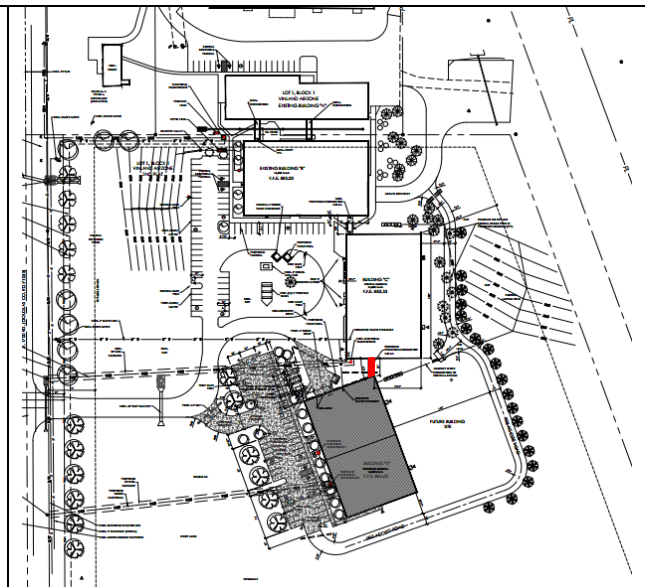


Figure 2b. Development proposed with subject site plan. Subject building is shown in gray and pedestrian connection in red. Location and orientation has been revised from previous site plan

SUMMARY OF REQUEST

This site plan is for the addition of a 24,000 sq ft industrial building to accommodate the expansion of McFarlane Aviation Manufacturing, a light aircraft parts manufacturing business. This building will be connected to an existing building with a breezeway. The previously approved site plan noted that the business employed 95 employees. They expect to add approximately 35 employees when the new building is fully utilized, for a total of 130 employees. The following changes are shown on this site plan (Figure 3):

- New 24,000 square foot building;
- New 240 square foot breezeway connecting the building to the building to the north;
- New parking area with 54 parking spaces;
- Addition of a second trash enclosure in the island south of Building B;
- Addition of 9 parking spaces south of Building B and one parking space to the southwest;
- Addition of a fire apparatus access road on the east side of the property, which will be signed as 'Fire Lane' on the site and lined with trees; and
- Propane tank and existing pad to the south of Building B which were added since the last site plan are being documented on this plan.

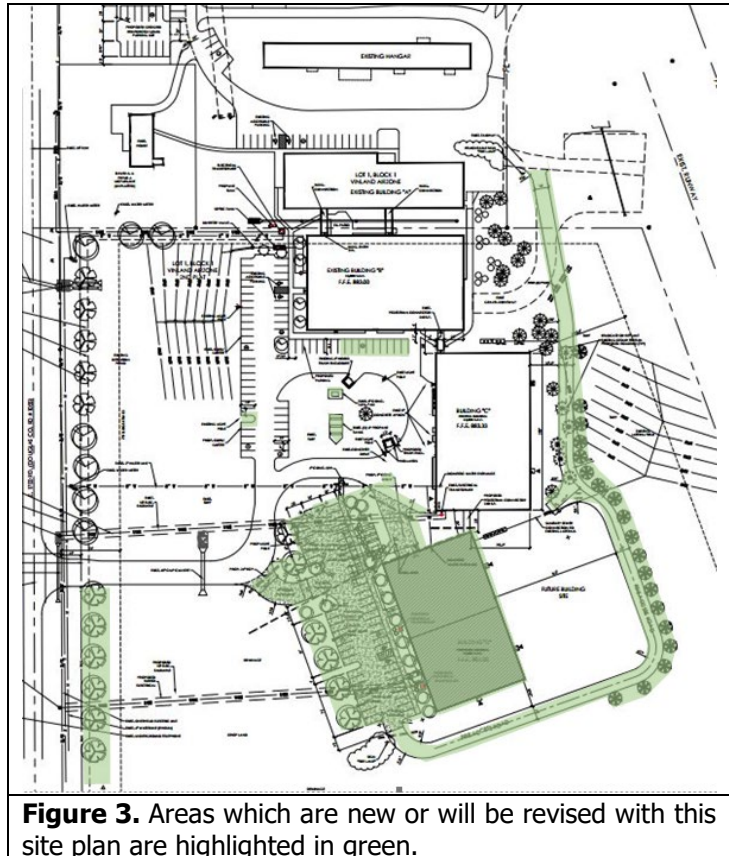


Figure 3. Areas which are new or will be revised with this site plan are highlighted in green.

The building complies with the setback requirements in the I-1 Zoning District. Adequate parking is being provided, as illustrated in the parking summary. Per the parking standards in section 12-316-1 of the Zoning Regulations, 130 employees requires 65 parking spaces; however, additional parking is being developed due to the fact that the business is located in the rural portion of the county where transit and other means of alternate transportation are not available and the business owner has found that most of their employees drive separately. The Zoning Regulations set a minimum parking requirement but do not limit the maximum amount of parking to be provided.

PARKING SUMMARY

Use	Parking Requirements	Spaces required	Spaces Provided
Manufacturing or industrial establishment.	1 per 2 employees on maximum working shift. Plus space for vehicles used in business.	130 employees=65 spaces No vehicles used in the business	166 spaces
ADA accessible parking	For parking areas with between 151 and 200 parking spaces, 6 accessible spaces are required.	6 spaces	6 spaces

Findings

Per Section 12-319A-5, staff shall first find that the following criteria have been met:

1. The proposed use is permitted in the district in which the property is located;

This property is zoned I-1 (Limited Industrial) District. The existing use, *Manufacturing*, is an allowed use in the I-1 District. The use is being expanded with this site plan but no change in use is proposed.

2. The proposed arrangement of buildings, off-street parking, access, lighting, landscaping, and drainage is compatible with adjacent land uses;

The building will be angled to parallel the runway. Evergreen trees along the east side of the fire access lane to screen the development from the residential uses to the east.

One additional parking lot light is proposed with this expansion. The site plan notes it will be the same as the existing lights. (Figure 4) The proposed, and existing, light fixtures are located on 25 ft tall poles and utilize full cut-off shields which direct light downward and minimize off-site impacts or glare.

The arrangement of the buildings, lighting, landscaping, and drainage is compatible with adjacent land uses.



3. The vehicular ingress and egress to and from the site and circulation within the site provides for safe, efficient and convenient movement of traffic not only within the site but on adjacent roadways as well;

Vehicular access to this site is provided through an existing access drive on E 1700 Road / County Route 460/1055. Access to E 1700 Road / County Route 460/1055 is limited to two access points by access restrictions applied with the plat. The circular drive providing vehicular access to both buildings was installed with the previous site plan. The traffic circulation on the site is safe, efficient, and convenient.

4. The site plan provides for the safe movement of pedestrians within the site;

Given the manufacturing nature of the use, pedestrian traffic is not anticipated within the site.

5. There is a sufficient mixture of grass, trees, and shrubs within the interior and perimeter (including public right-of-way) of the site so that the proposed development will be in harmony with adjacent land uses and will provides a pleasing appearance to the public. Any part of the site plan not used for building, structures, parking or access ways shall be landscaped with a mixture of grass, trees, and shrubs;

The Zoning Regulations do not specify an amount of landscape material (trees and shrubs) required for a specific use. The original site was developed with trees along the public right-of-way (E 1700 Road / County Route 460/1055) and this will be extended south of the access drive to screen the new building. The parking area is within the interior of the site and will be screened from the road with the trees along the right-of-way and with trees planted along the perimeter of the parking area. Evergreen trees will be planted on the east side of the fire access road to provide a screening/buffer for the residences to the east. A 4 ft wide landscape strip to be provided on the west, entry side of the building will be planted with lilac bushes and bald cypress trees.

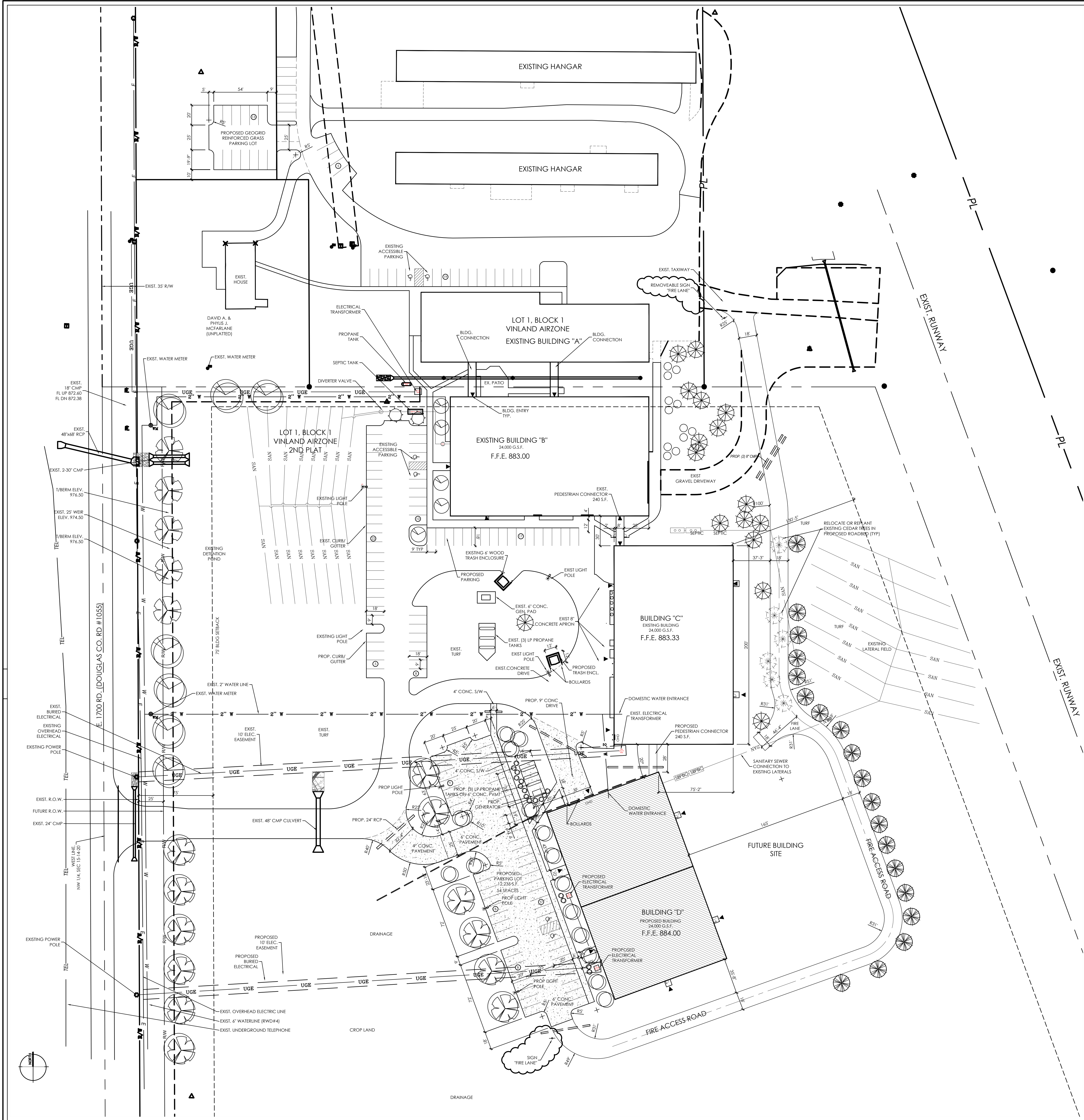
The existing and proposed landscaping will result in a development that is in harmony with adjacent land uses and will provide a pleasing appearance to the public.

6. All outdoor trash areas are screened

A new trash area proposed on the south side of the central island will be screened with a wooden trash enclosure.

Conclusion

This application has been reviewed in accordance with the County Zoning Regulations. The proposed development complies with the standards listed in the regulations.



1 SITE PLAN
1" = 40'-0"

APPLICANT:
McFarlane Aviation
696 E. 1700 ROAD
Baldwin City, KS 66006

PROPERTY OWNER:
Land and Sky LC
694 E. 1700 Road
Baldwin City, KS 66006

ARCHITECT:
Hernly Associates, Inc.
920 Massachusetts St.
Suite 2
Lawrence, KS 66044

PROJECT DESCRIPTION:
McFarlane Aviation is engaged in the manufacture of replacement small aircraft parts. This project will add a single story storage and manufacturing building and 67 parking spaces.

LEGAL DESCRIPTION:
Lot One, Block One, Vinland Airzone, Second Plat

ZONING:
I-1

PARKING SPACES REQUIRED:
1 spc./ 2 employees = 130 / 2 = 65 spcs

PARKING SPACES PROVIDED:
Existing Parking = 99 spcs.
Proposed Parking = 67 spcs.
Total Parking = 166 spcs.

HC PARKING REQUIRED:
6 HC space for 151-200 provided spaces
(6) spaces are provided

FENCE:
Proposed trash dumpster enclosures are 6' tall and constructed of wood.

SITE LIGHTING:
PROPOSED:
(3) 25 Pole light with 78 W. LED shielded box-type fixture.

EXTERIOR STORAGE
No proposed exterior storage is included in this project.

EXISTING CONDITIONS

	AREA (SF)
TOTAL BUILDING	48,240
TOTAL PAVEMENT	48,058
TOTAL IMPERVIOUS	96,298
TOTAL PERVIOUS	1,630,597
TOTAL PROPERTY	1,726,895

PROPOSED CONDITIONS

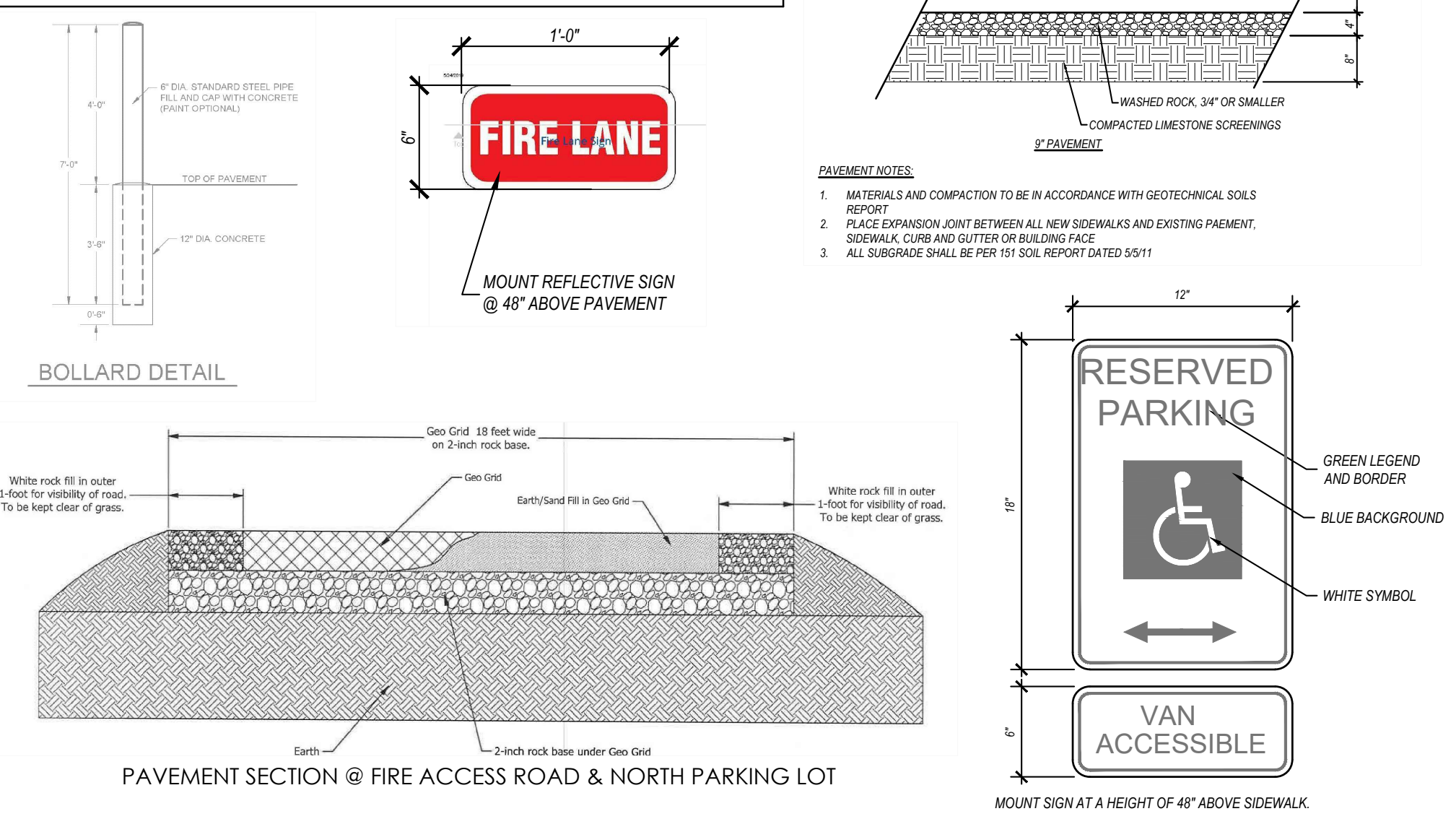
	AREA (SF)
TOTAL BUILDING	72,480
TOTAL PAVEMENT	73,935
TOTAL IMPERVIOUS	146,415
TOTAL PERVIOUS	1,580,480
TOTAL PROPERTY	1,726,895

ADA NOTE
This site plan has been designed within reasonable professional efforts to comply with the provisions of The Americans With Disabilities Act Accessibility Guidelines (ADAAG) for Buildings and Facilities, Appendix A to 28 CFR Part 36. No warranty is given that this site complies with all interpretations of said provisions.

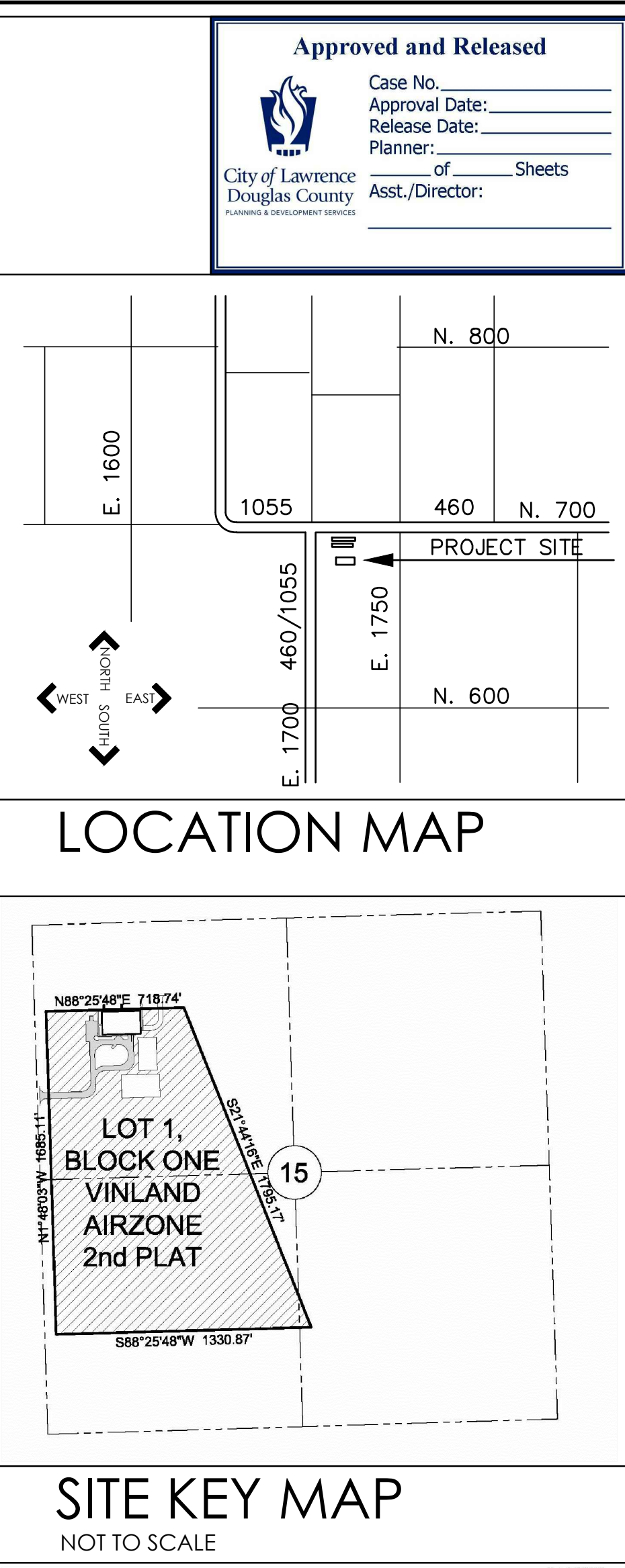
SITE DATA

PLANT SCHEDULE					
KEY	QTY.	SPECIES	SIZE	COND.	SPACING
	12	NORTHERN RED OAK QUERCUS RUBRA	4'-6" HT.	PROPOSED B&S	40' O.C.
	17	SYRINGA VULGARIS COMMON LILAC	36" SPREAD	PROPOSED B&S	6' O.C.
	15	EASTERN REDBUD CERCIS CANADENSIS	4'-6" HT.	PROPOSED B&S	20' O.C.
	19	EASTERN RED CEDAR JUNIPERUS VIRGINIANA	4'-6" HT.	PROPOSED B&S	VARIES
	19	BOXWOOD BUXUS WINTERGREEN	36" SPREAD	EXISTING	VARIES
	5	QUERCUS PHELLOS WILLOW OAK	MIN. 3" CAL	EXISTING	40' O.C.
	7	TAXODIUM DISTICHUM BALD CYPRESS	MIN. 3" CAL	EXISTING	40' O.C.
	6	FRAXINUS ASH	MIN. 3" CAL	EXISTING	VARIES
	6	ACER RUBRUM RED MAPLE	MIN. 3" CAL	EXISTING	VARIES
	17	SYRINGA VULGARIS COMMON LILAC	36" SPREAD	EXISTING	VARIES
	13	EASTERN RED CEDAR JUNIPERUS VIRGINIANA	4'-6" HT.	EXISTING	VARIES

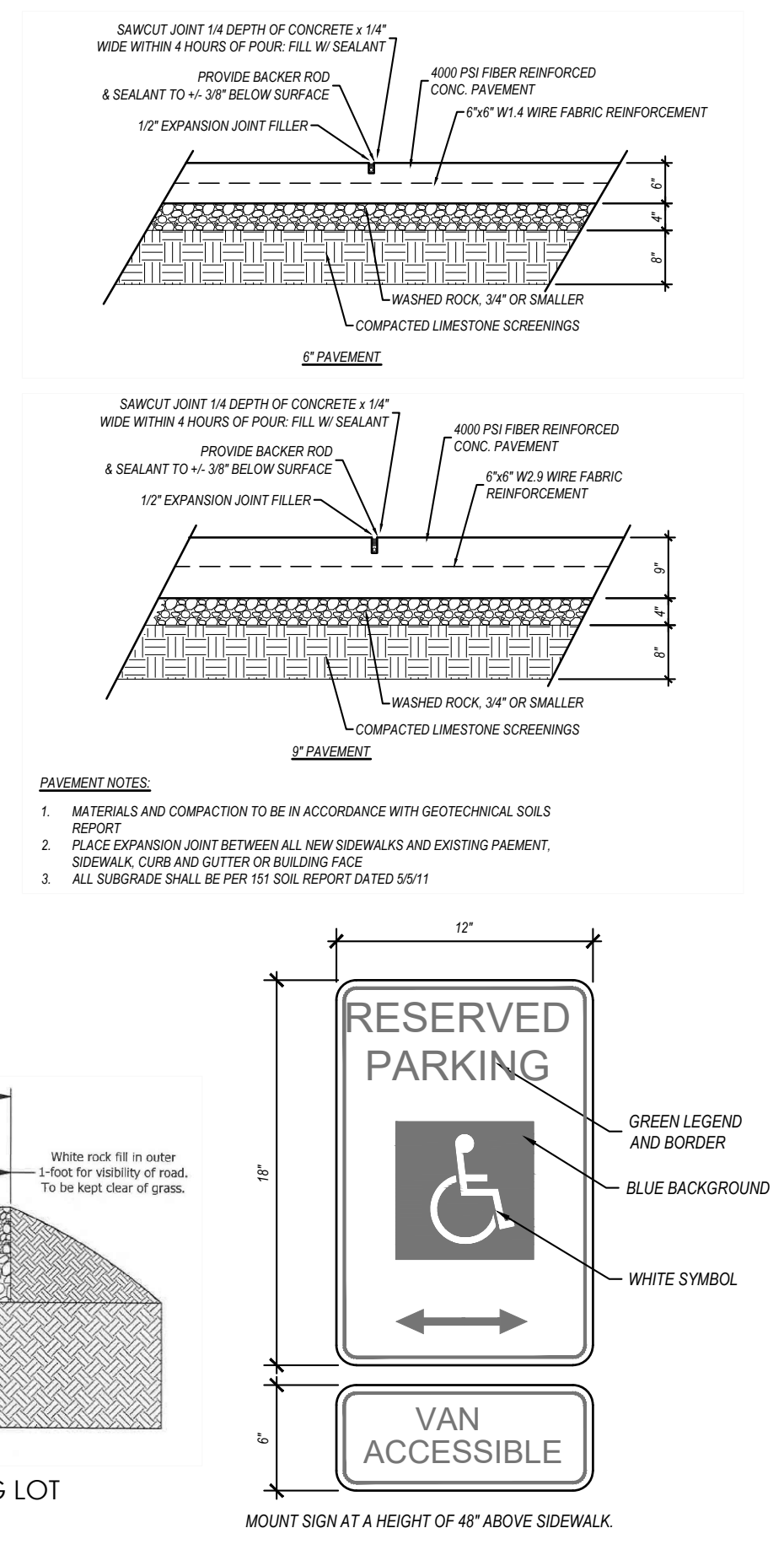
LANDSCAPING NOTES



SITE DETAILS



ALED4T78	
LED Info	
Model	4T78
Color Temp.	4000K
Color Rendition	90
Life Expectancy	50,000 hrs
Efficiency	100 lm/w
Driver Info	
Type	Constant Current
Input Voltage	120VAC
Output Voltage	36VDC
Output Current	1.67A
Power Factor	0.95
Technical Specifications	
UL Listing	
Listed for use in locations as a downlight.	
Lumen Maintenance	
100,000 hour LED lifespan based on IES LM-80 results and TM-21 calculations.	
IES Classification	
The Type II classification (also known as a Floodlight) is especially suited for mounting on the sides of buildings and walls, and for illuminating the perimeter of parking areas. It produces a semi-circular distribution with approximately the same beam diameter at varied angles from 90° to 270°.	
Effective Projected Area	
LEDs: 36-48 Watt chip, 12W high-output, long-life LEDs.	
Driver: Constant Current, Class 2, 200mA, 100-277V, 50/60Hz, 1.1A, Power Factor 99%	
Heat: 5.1% at 120V, 13.2% at 277V	
Ambient Temperature	
Suitable for use in 40°C ambient temperatures.	
Surge Protection	
40V	
Cold Weather Starting	
The minimum starting temperature is -40°F/-40°C.	
Thermal Management	
Superior heat sinking with external Air-Flow fins.	
Housing	
Die cast aluminum housing, lens frame and mounting arm.	
Color Consistency	
3-step Macadam Step Sorting to achieve consistent future-to-future color.	
Color Stability	
LED color temperature is warranted to shift no more than 300K at CCT over a 5 year period.	
Color Uniformity	
All LEDs are factory tested for color temperature uniformity. The LEDs are guaranteed to meet the requirements of the Illuminance Specification for the Uniformity of Solid State Lighting (SSL) Products, ANSI C78.371-2008.	
Reflector	
Bespoke vacuum-molded polycarbonate.	
Gaskets	
High temperature silicone gaskets.	
Finish	
Our environmentally friendly powder coating is formulated for high durability and long-lasting color, and conforms to VOC or RoHS heavy metals.	
Surge Protection	
ALED78 is available with a 60V surge protector (SP).	
Green Technology	
Mercury and CFC free.	



Approved and Released

Case No. _____
Approval Date: _____
Release Date: _____
Planner: _____ of _____ Sheets
Asst./Director: _____

LOCATION MAP

SITE KEY MAP

NOT TO SCALE

McFARLANE AVIATION

696 E. 1700 ROAD

BALDWIN CITY, KANSAS

Hernly ASSOCIATES

920 Massachusetts
Lawrence, Kansas
66044
785-749-5806
FAX 785-749-1515

SITE PLAN

Date: 2019/05/29
Drawn by: M.MYERS
Checked by: _____
Revisions: _____

C1.0

