



2020 | City of Lawrence, Kansas

ANNUAL ECONOMIC DEVELOPMENT REPORT
Britt Crum-Cano, Economic Development Administrator



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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.

The City supports a variety of economic development projects that utilize one or more economic development programs. Following is a summary of the active projects for the year. Historical and additional information is included in the report's appendices.

Property Tax Abatements:

At the end of 2020, the City had approved seven (7) projects for participation in the Catalyst program. Two Catalyst projects had been completed (VanTrust Phase I and Plastikon Phase I & II expansion) and were eligible for abatement on property taxes in 2020.

Authorized Catalyst Projects					
Description	Existing/New Business	Construction Type	Added Industrial Space (sf)	Project Location	Capital Investment
VanTrust Phase I	New	New Building	153,000	LVP	\$10,200,000
VanTrust Phase II	New	New Building	152,000	LVP	\$24,000,000
VanTrust Phase III	New	New Building	250,000	LVP	\$10,000,000
Plastikon Phase I & II	Existing	Expansion	50,000	EHBP	\$3,200,000
Grandstand Phase I	Existing	Expansion	112,000	EHBP	\$5,000,000
US Engineering	New	New Building	100,000-150,000	LVP	\$15,000,000
Standard Beverage	Existing	Expansion	118,000	Timberedge Rd	\$13,500,000
Total			817,000-867,000		\$80,900,000

*LVP = Lawrence VenturePark, EHBP = East Hills Business Park



Executive Summary

The City had three (3) Lawrence companies with non-Catalyst property tax abatements: Grandstand Sportswear and Glassware (Screen-It Graphics), Sunlite Science & Technology, and Rock Chalk Park (KU facility portion). All met their compliance measures per performance agreements signed with the City.¹

Investments

- Real property (land and building) investment was just over \$23.5 million compared to \$6 million projected.

Real Property Investment			
Company	Total Projected (in 2020 dollars)	Total 2020	Comparison (Projected to Actual)
Grandstand	\$4,940,000	\$22,348,371	452%
Sunlite	\$1,130,000	\$1,158,155	102%
Total (2020)	\$6,070,000	\$23,506,526	387%

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

Employment

Overall job creation greatly exceeded targets for the year with Grandstand supporting 178 full-time positions (118 projected), and Sunlite supporting nine (9) full-time positions (39 projected).

Full-Time Employment			
Company	Total Projected (in 2020 dollars)	Total 2020	Comparison (Projected to Actual)
Grandstand	118	178	151%
Sunlite ²	39	9	23%
Total (2020)	157	187	119%

² Sunlites's pre-abatement employment at the end of December 2013 was five FTEs. At that time, the company planned to expand into manufacturing LED lamps for general lighting areas and FTEs were projected based on their estimated production talent needs. However, after a few years, that market proved unprofitable and Sunlite decided to change company focus to research and development of specialized LED lighting products and fixtures. This market change reduced the need for production labor, lowering the number of FTEs, but increased the need for highly educated engineering and research talent, which substantially raised the average salary.



Executive Summary

Full-Time Wages

Both companies receiving property tax abatements exceeded required wage levels during the year. As a whole, the companies achieved an average annual wage of approximately \$62,639 for full-time positions compared to approximately \$34,000 projected (inflation adjusted). This is approximately \$26,077 higher than the average full-time, private sector wage in Lawrence and approximately \$34,913 higher than the 2020 wage floor rate.

Average Wage Comparison			
Company	Total Projected (in 2020 dollars)	Total 2020	Comparison (Projected to Actual)
Grandstand	\$34,112	\$53,830	158%
Sunlite	\$34,000	\$71,448	210%
Total Average Wage (2020)	\$34,056	\$62,639	184%

Wage Comparisons			
2020 Wage Comparison	Hourly	Annual	Wage Difference
Lawrence Average Private Wage	\$17.58	\$36,562	\$26,077
Lawrence Wage Floor	\$13.33	\$27,726	\$34,913
Company Average Wage	\$30.12	\$62,639	



Executive Summary

Tax Generation

Companies receiving non-Catalyst property tax abatements for the year paid a combined \$84,632 in property taxes out of a total of \$224,222 due (\$138,590 abated).³

2020 Tax Generation (on portion of property receiving an abatement)			
Company & Abatement %	Total Tax Potential	Abated Tax Amount	Taxes Paid (or to be paid) by Property Owner
Grandstand/Screen-It Graphics			
Real (65%)	\$183,192	\$118,075	\$64,117
Sunlite Science & Technology			
Real (50%)	\$41,030	\$20,515	\$20,515
Total	\$224,222	\$138,590	\$84,632

Source: Douglas County, March 2021.

³ 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

Companies receiving Catalyst property tax abatements for the year paid a combined \$200,061 in property taxes out of a total of \$430,140 due (\$230,078 abated).

2020 Catalyst Tax Generation (on portion of property receiving an abatement)				
Company & Abatement %	% of Real Property Abatement	Total Tax Potential	Abated Tax Amount	Taxes Paid (or to be paid) by Property Owner
VanTrust Phase I	70%	\$181,850	\$118,202	\$63,647
Plastikon Expansion	70%	\$248,290	\$111,876	\$136,414
Total		\$430,140	\$230,078	\$200,061

Source: Douglas County, March 2021



Executive Summary

Industrial Revenue Bonds (IRB):

Nine (9) companies had Industrial Revenue Bonds (IRB) outstanding for the year. It should be noted that IRBs are backed by private sources, with no obligation on the part of the City for repayment.

2020 IRBs: Outstanding					
Company	Date of Issue	Issuing Ord. #	Year Matures	Amount Authorized	Project
Bowersock: Series 2020A (refinance of 2010A) *	May 2020	9760	2033	\$9,229,000	Hydro-Electric Facility
Bowersock: Series 2020B (refinance of 2011B) *	May 2020	9760	2026	\$6,771,000	Hydro-Electric Facility
Rock Chalk Park	Oct. 2013	8862	2023	\$40,000,000	Commercial/Recreational
VanTrust-Phase I	Dec 2018	9573	2028	\$10,200,000	Industrial Building
USE Engineering (USE Real Estate Holding LLC)	TBD	ROI 7297 authorized ***	TBD	\$15,000,000	Industrial Building
VanTrust-Phase II	TBD	ROI 7341 authorized ***	TBD	\$24,000,000	Industrial Building (Pretzels)
Banks Street IRB**	Dec 2020	9823	2024	\$2,000,000	Commercial Rehab
T&M Properties (Heartland)	TBD	ROI 7348***	TBD	\$6,504,000	Community Health Clinic
Flint Hills Holding Group LLC/Penn Street Lofts Housing Partners LP**	Nov 2020	9820	2021	\$12,000,000	Affordable Housing
Standard Beverage	Feb 2021	9829	2031	\$13,500,000	Commercial Expansion

* Included a sales tax exemption on \$600,000 to be used for repairs and improvements.

** Sales Tax Exemption IRB

*** Res of Intent authorized, but bonds not yet issued.



Executive Summary

Neighborhood Revitalization Areas (NRA):

The below companies received NRA rebates for the tax year.

2020 NRA Rebates	
NRA	Amount
720 E 9th St	\$15,723
1040 Vermont St	\$18,036
810 Pennsylvania St	\$24,305
900 Delaware St	\$33,298
1106 Rhode Island St	\$12,156
826 Pennsylvania St	\$73,408
1101 Indiana St	\$507,070
Total	\$683,996



Executive Summary

Even after rebates, taxing jurisdictions retained more than twice the amount of tax revenues from NRA properties compared to if the properties had been left in original condition.

2020 Tax Revenue Comparison: All NRAs			
NRA	Base	Retained	% Gain (Loss)
720 E 9th St	\$13,437	\$15,915	18.4%
1040 Vermont St	\$28,554	\$50,440	76.7%
810/812 Pennsylvania St	\$4,014	\$25,076	524.7%
900 Delaware St	\$2,638	\$3,422	29.7%
1106 Rhode Island St	\$2,818	\$4,390	55.7%
826 Pennsylvania St	\$11,126	\$13,355	20.0%
1101 Indiana St	\$49,094	\$145,385	196.1%
Total	\$111,681	\$257,983	131.0%

Unimproved Property
Improved Property
Return

Overall (for all years in which an NRA rebate was given), the NRA revitalized properties generated an average of sixty-six percent (66%) more real property tax revenues as compared to property tax revenues that would have been realized if the properties were left in original condition.

Tax Revenue Comparison: All NRAs			
	Base	Retained	% Gain (Loss)
2020	\$111,681	\$257,983	131.0%
To Date	\$538,175	\$893,471	66.0%

Unimproved Property
Improved Property
Return



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).

2020 TIF Distributions			
TIF District	Description		Total
Downtown 2000	901 New Hampshire		\$28,085
Oread	TIF Sales Tax	\$106,994	\$475,125
	TIF Property Tax	\$368,131	
9th & New Hampshire: South Project	900 New Hampshire: TIF Sales Tax	\$72,799	\$407,710
	900 New Hampshire: TIF Property Tax	\$314,525	
	City Retained TIF (5%) ⁴	\$20,386	
9th & New Hampshire: North Project	888 New Hampshire: TIF Sales Tax	\$112	\$280,849
	888 New Hampshire: TIF Property Tax	\$266,695	
	City Retained TIF (5%) ⁵	\$14,042	
TIF Total			\$1,191,769

- 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.
- 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

⁴ The City retains 5% of 9th & New Hampshire TIF revenue for the Arts Common project, up to \$900,000.

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



Executive Summary

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 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).

At the end of 2020, the City had retained approximately \$167,115 in 9th & New Hampshire TIF revenues generated to date.⁶

9th & New Hampshire TIF Distributions	
Year	City 5% TIF
2015	\$3,880
2016	\$21,789
2017	\$34,352
2018	\$35,920
2019	\$36,745
2020	\$34,428
Total	\$167,115

⁶ 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. 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.

2020 TDD Distributions	
Oread	\$55,284
Free State (Bauer Farms)	\$330,379
9th & New Hampshire TDD	\$0
City Retained 5%	\$30,880
Total	\$416,543

At the end of 2020, the City had retained all 9th & New Hampshire TDD revenues generated to date.⁷

9th & New Hampshire TDD Distributions	
Year	City Retained TDD Revenues
2015	\$21,622
2016	\$49,434
2017	\$50,829
2018	\$47,664
2019	\$56,103
2020	\$30,880
Total	\$256,533

⁷ 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.

2020 Other Support Programs			2020 Assistance	
Support Program	Description	Location	City	County
Economic Development Services	BTBC	2029 Becker & 4950 Research Pkwy	\$415,659	\$515,659
Economic Development Services	Chamber and KU-SBDC	718 New Hampshire	\$220,000	\$195,000
Workforce Training	Peaslee Technical Training Center	2920 Haskell Avenue	\$200,000	\$400,000
Total			\$835,659	\$1,110,659



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.

2040 Comprehensive Plan

Economic development goals are outlined in Chapter 6 of the Plan and include:

- Diversify the community's economic base
- Expand the pool of quality jobs, workforce retention, and new job advancement
- Strengthen and stabilize the tax base and existing businesses
- Expand opportunities to accommodate primary employers and employment center
- Pursue technology and advancements to expand existing local economy and attract new jobs and industries to community



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 August 2019, the City adopted a revised economic development policy 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.

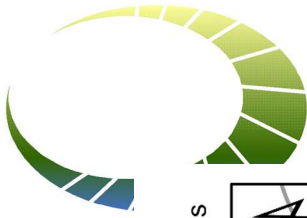
2020 Major Economic Development Support Programs			
Incentive Program	Description	Location	Map #
Tax Abatements	Screen-It Graphics/Grandstand	3840 Greenway Circle	1
	Rock Chalk Park	6100 Rock Chalk Drive	2
	Sunlite Science & Technology, Inc.	4811 Quail Crest Place	3
	T&M/Heartland Community Health Clinic	1312 W 6th St	4
Catalyst Tax Abatements	VanTrust Phase I	2325 VenturePark Dr	5
	Plastikon Healthcare Phase I & II Expansion	3780 Greenway Circle	6
	Grandstand Phase I Expansion	3840 Greenway Circle	7
	US Engineering	2000 Venture Park Dr	8
	VanTrust Phase II: Pretzels, Inc.	2425 VenturePark Dr	9
	Standard Beverage	1280 Timberedge Road	10
Industrial Revenue Bonds (IRB)	Bowersock (Hydro-Electric Plant)	Kansas River, east of N 2nd St	11
	Rock Chalk Park	6100 Rock Chalk Dr	12
	VanTrust-Phase I	2325 VenturePark Dr	13
	US Engineering	2000 Venture Park Dr.	14
	Banks Street/Mar Lan HQ	701/705 E 19 St	15
	VanTrust Phase II: Pretzels, Inc.	2425 VenturePark Dr	16
	T&M/Heartland Community Health Clinic	1312 W 6th St	17
	Standard Beverage	1280 Timberedge Rd	18
	800 Pennsylvania Street (Penn St. Lofts)	800 Pennsylvania St.	19

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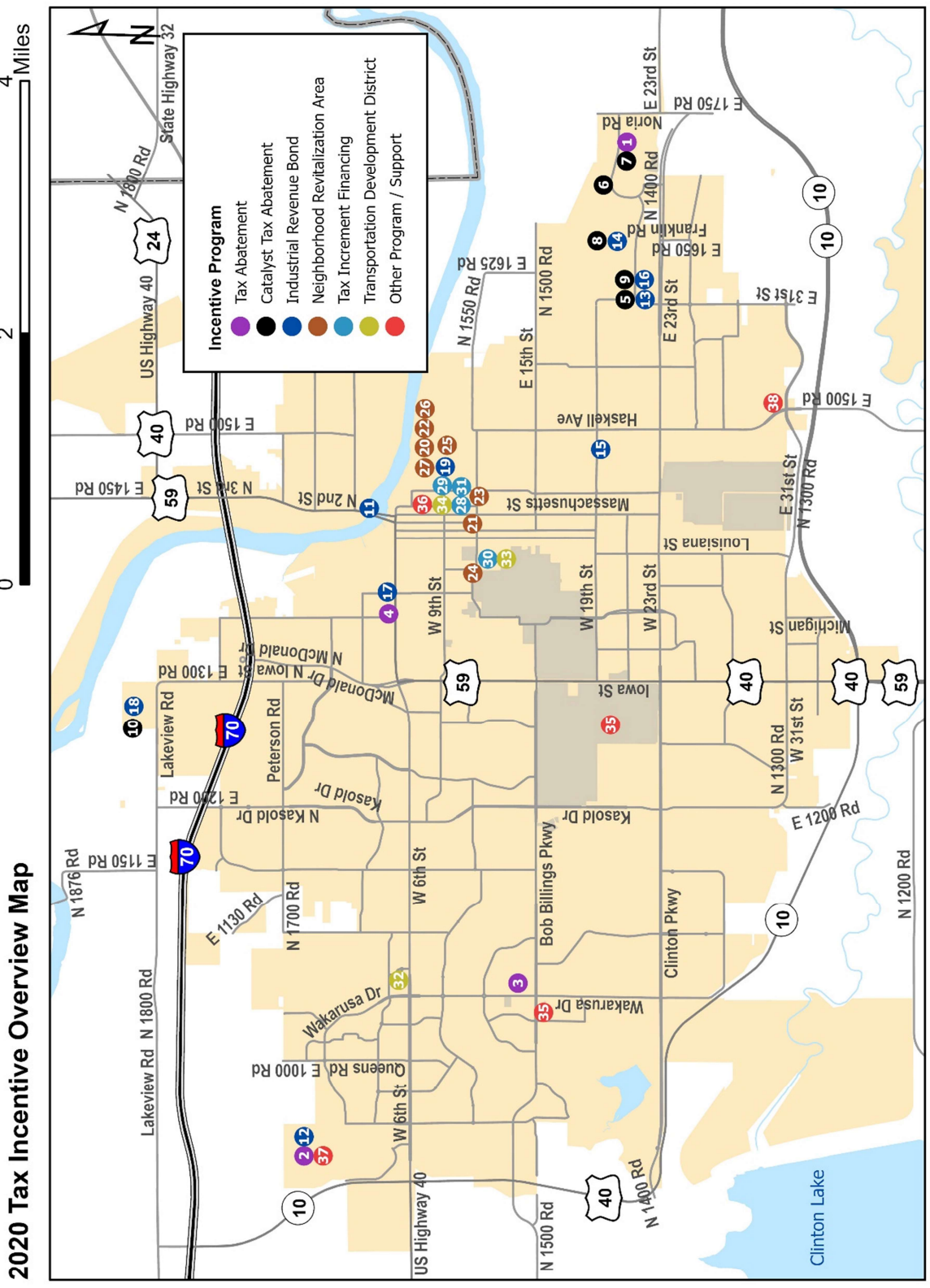


Introduction

Neighborhood Revitalization Areas (NRA)	8th and Pennsylvania Street District	720 E 9th St	20
	1040 Vermont (Treanor Headquarters)	1040 Vermont St	21
	810/812 Pennsylvania (Cider Building)	810/812 Pennsylvania St	22
	1106 Rhode Island Street (Hernly Assocs.)	1106 Rhode Island St	23
	1101 Indiana Street (HERE Kansas)	1101/1115 Indiana St	24
	900 Delaware Street (9 Del Lofts)	900 Delaware St	25
	826 Pennsylvania Street	826 Pennsylvania St	26
	800 Pennsylvania Street (Penn St. Lofts)	800 Pennsylvania St.	27
Tax Increment Financing (TIF)	Downtown 2000 District	9th & New Hampshire area	28
	901 New Hampshire (TIF Refund)	901 New Hampshire	29
	Oread Project	1200 Oread Ave	30
	9th & New Hampshire TIF District	900 New Hampshire, 888 New Hampshire	31
Transportation Development Districts (TDD)	Free State (Bauer Farm)	NEC 6th & Wakarusa	32
	Oread Project	1200 Oread Avenue	33
	9th & New Hampshire TDD District	900 New Hampshire, 888 New Hampshire	34
2020 Other Support Programs			
Support Program	Description	Location	Map #
Economic Development Services	BTBC	2029 Becker & 4950 Research Pkwy	35
Economic Development Services	Chamber and KU-SBDC	718 New Hampshire	36
Shared Infrastructure	Rock Chalk Park	6100 Rock Chalk Dr	37
Workforce Training	Peaslee Technical Training Center	2920 Haskell Ave	38



Introduction





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. Non-Catalyst Property Tax Abatement**—Eligibility and other criteria for seeking a tax abatement through the non-Catalyst process is outlined within the City’s economic development policy. Projects granted a non-Catalyst 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.
- 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.

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



Property Tax Abatements

The program was set to expire in April 2019. However, due to its success, the City Commission voted to extend the Catalyst program until April 2022, added a minimum investment level for real property, and included eligibility for expansion projects proposed for VenturePark or on industrial zoned private property throughout the community.

Catalyst Assistance Package
10-Year real property tax abatement: 50%; 70% if project built to LEED Silver equivalent
IRB Sales tax exemption on project construction materials
City/County owned business park land provided for projects located in LVP or EHBP.
State provided personal property tax exemption (machinery/equipment)
IRB and property tax abatement application fees and bond origination fees waived by the City.

Because Catalyst 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.

See Appendix E for additional Catalyst program information.



Property Tax Abatements

Catalyst Property Tax Abatements

As of the end of 2020, the City had approved the following projects for participation in the Catalyst program.

2020 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%	Ord. 9573
Plastikon (Phase I & II Expansion) ³	2019	2028	\$3,200,000	70%	Ord. 9430
Grandstand (Phase I Expansion) ⁴	2021	2030	\$5,000,000	50% or 70%	Ord. 9608
US Engineering*	TBD	TBD	\$15,000,000	50% or 70%	Res. 7297
VanTrust (Phase II (Pretzels Inc.))*	TBD	TBD	\$24,000,000	50% or 70%	Res. 7341
Standard Beverage Expansion*	TBD	TBD	\$13,500,000	50% or 70%	Ord. 9829

*Project was approved for Catalyst participation, but bonds had not yet been issued by the end of the year. The first full year after project completion will be the first year of the tax abatement.

Two Catalyst projects were completed and eligible for abatement on property taxes in 2020.

2020 Catalyst Tax Generation (on portion of property receiving an abatement)				
Company & Abatement %	% of Real Property Abatement	Total Tax Potential	Abated Tax Amount	Taxes Paid (or to be paid) by Property Owner
VanTrust Phase I	70%	\$181,850	\$118,202	\$63,647
Plastikon Expansion	70%	\$248,290	\$111,876	\$136,414
Total		\$430,140	\$230,078	\$200,061

Source: Douglas County, March 2021

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

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

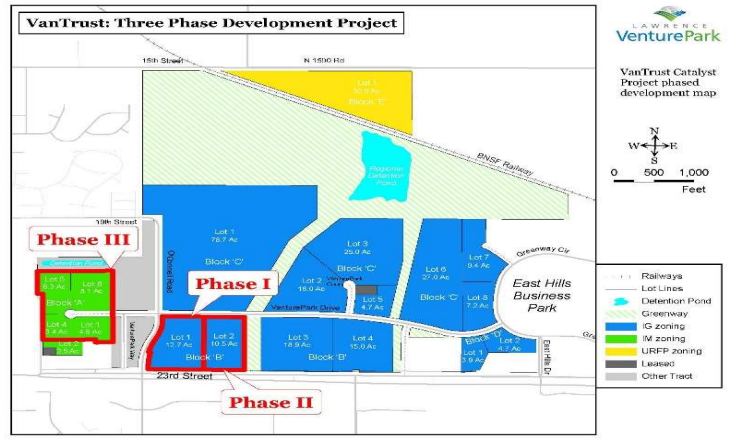
⁴ Tax abatement to start the first full year after project completion. Project finished in 2020.



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 was completed in 2018 and

Phase II has been approved for construction of a new building for Pretzel's, Inc.

Phase I

The first phase building was finished at the end of 2018, delivering over 153,000 square feet of new industrial space. 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.





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

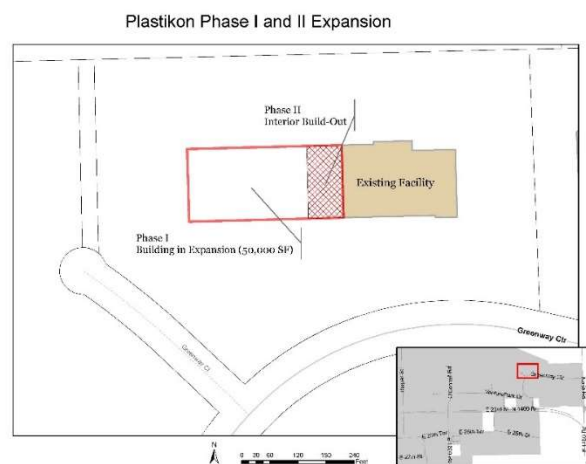


operations at its current facility in East Hills Business Park in 2011.

In 2019, the expansion project was completed.

The building achieved LEED Silver equivalency, qualifying it for the 70% tax abatement level.

Total capital investment for buildings, machinery, and equipment was approximately \$7.3 million.





Property Tax Abatements

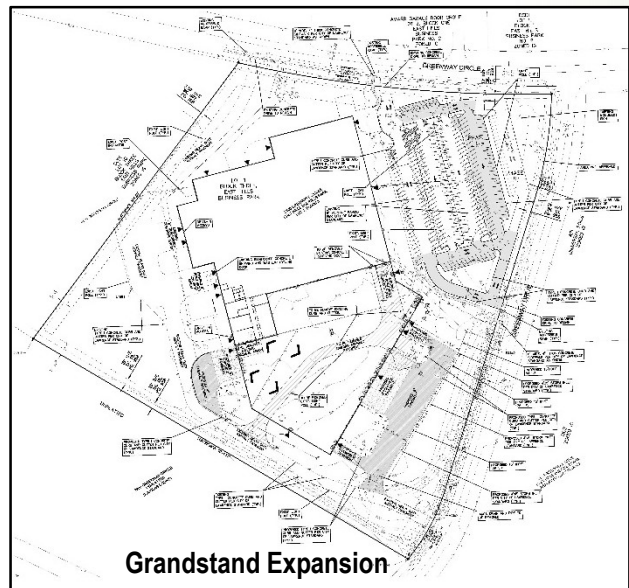
Grandstand Expansion, Phase I: East Hills Business Park

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. In 2018, the company had grown to 218 full-time employees with an annual payroll of more than \$9 million, which prompted the need for additional manufacturing and warehousing space.

In 2020, the expansion project was completed. The building achieved LEED Silver equivalency, qualifying it for the 10-year, 70% tax abatement. The building addition was 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.





Property Tax Abatements

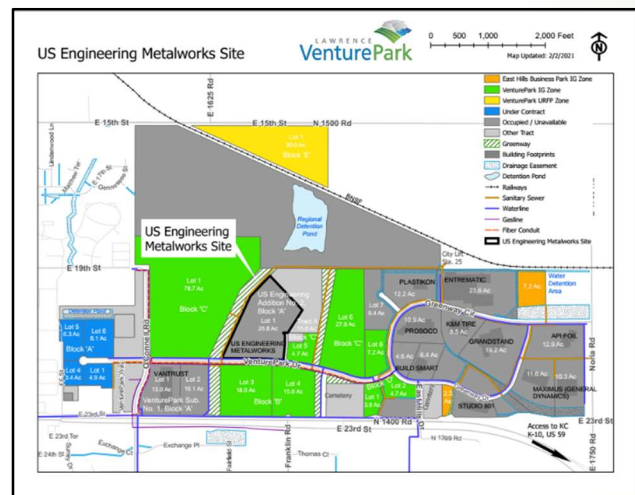
US Engineering Development: Lawrence VenturePark

In September 2019, the City Commission authorized US Engineering participation in the Catalyst program for a new construction, industrial development project. Approval covers two phases of development, each with its own property tax abatement and 10-year incentive period.



US Engineering and its subsidiaries have been in business for over 125 years. Originally started in Germany, the family-owned company was established in the U.S. in 1893 and continues to provide mechanical contracting services locally, regionally and nationwide.

The first phase of the project is for construction of a 160,000+ square foot industrial building to be located on Block C, Lot 3 in Lawrence VenturePark. The second phase of development would include an expansion to the main facility, adding up to another 50,000 square feet to support company growth. Total capital investment for both phases is estimated at \$15,000,000.



The first phase started construction at the end of 2020 and is anticipated to be completed the following year.



Property Tax Abatements

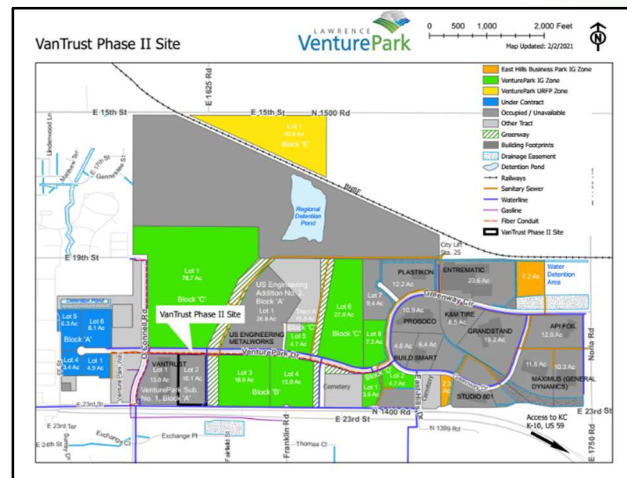
VanTrust Phase II (Pretzels Inc.): Lawrence VenturePark

In October 2020, the City Commission approved the second VanTrust Catalyst phase to proceed. VanTrust's Phase II site in VenturePark has been selected as a preferred location for a new +/-150,300 square foot industrial and light manufacturing building to accommodate new operations for Pretzels Inc, to expand into Lawrence.



Based out of Indiana, Pretzels, Inc. has spent over 40 years growing into a premier snack company known for innovation, quality and service. The company is a leading private label and contract manufacturer of pretzels, filled products, and extruded snacks.

The project will invest over \$24 million in real property improvements and over \$64 million in personal business property. VanTrust broke ground on the project toward the end of 2020 and estimates the project will be operational in fall of 2021.





Property Tax Abatements

Standard Beverage: 1280 Timberedge Road

In December 2020, the City Commission authorized Catalyst participation for an 118,000 s.f. expansion to the existing Standard Beverage building located at approximately 1280 Timberedge Road om Lawrence, Kansas..



Founded in 1949, Standard Beverage is a Kansas-owned distributor of spirits, wines and beer. Its Lawrence facility was established in 1989 and presently supports 140 employees. The company's customer base has expanded significantly since the 2017 Kansas legislature approval of the sale of strong beer in in grocery, convenient, and club stores.

Once finished, the project will add the below to the existing company building:

- 91,200 square foot warehouse expansion
- 14,100 square feet of garage and shipping dock space (attached to the warehouse)
- 13,000 square foot Breezeway building for passage between the main building and expansion building, with new employee facilities (breakroom, cafeteria, lockers/showers, employee lounge, employee meeting and education space, and wellness room)

Construction on the \$13,500,000 project is anticipated to start early 2021 and be completed by the end of the same year.



Property Tax Abatements

Non-Catalyst Property Tax Abatements

The City had three active and one authorized non-Catalyst property tax abatements in 2020. Three previously approved companies continued to receive property tax abatements for the tax year.

2020 Non-Catalyst Tax Abatements: Active						
Company	Start ⁵	Expires ⁶	Maximum Investment Amount Subject to Abatement ⁷	Abatement %	Ord/Res	BOTA Docket #
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

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 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 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

2020 Non-Catalyst Tax Abatements: Authorized					
Company	Start	Expires	Maximum Investment Amount Subject to Abatement	Abatement %	Ord/Res
T&M Properties for Heartland Community Health Center	2022*	2031*	\$6,000,000 real property	81%-85% on real property ¹¹	Res 7348

*Estimated

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

¹¹ Percentages are estimated. Heartland will make PILOT payments on the incremental increase in assessed value due to improvements. The base property value and the USD Capital Outlay mill levy are shielded from the abatement.



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 completion anticipated in 2020.

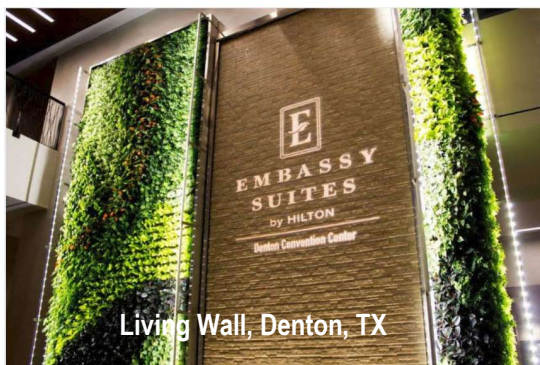




Property Tax Abatements

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 2020, a Sunlite research and technology proposal was one of the 2019 SBIR Phase II proposals selected by NASA to support the development

of space technologies.

Proposals were selected according to their technical merit and feasibility, in addition to the experience, qualifications and facilities of the submitting business.





Property Tax Abatements

T&M Properties (Heartland Community Health Clinic) Property Tax Abatement

In December 2020, the City Commission authorized a 10-year IRB property tax abatement to assist in renovating the existing building at 1312 W. 6th Street into the new home of the Heartland Community Health Clinic.

Heartland Community Health Clinic is a Federally Qualified Health Care Center providing health care to the uninsured, under-insured and insured populations in the area. Currently located in a 12,000 square foot building located at 346 Maine Street, in Lawrence, Kansas. The Clinic has 88 employees and served 7,342 patients with over 29,000 visits to providers and care teams in 2019. The Clinic's recent growth has created the need for a larger facility since they no longer have the physical room to add providers beyond 2020.

The project will involve the complete renovation of a 23,000 square foot, single level building with basement, adding 14 dental operatories, offices for behavioral health and primary care providers, a discounted pharmacy with up to 80% off retail, and an expanded food pantry—all of which will be in addition to the existing patient services already offered. Estimated total capital investment is \$6,000,000.

The project received authorization on a 10-year, 100% IRB property tax abatement on the incremental increase in assessed value of the property after renovations are completed. The existing assessed value of the unimproved property would be shielded from the abatement. In addition, pursuant to Kansas law, the school district's capital outlay levy will also be shielded from the abatement. Since this is a community development project, the tax abatement is not subject to primary job creation and reporting requirements. However, it will be contingent on the continued use of the facility by Heartland Community Health Clinic during the abatement term.



Property Tax Abatements

Abatement Performance

The table below compares projected investment, employment, and wage milestones¹² to actual achievement for each of the companies receiving a property tax abatement during 2020.

2020 Tax Abatement Performance by Company			
Grandstand/Screen-It Graphics	Projected	Actual	Comparison (Projected to Actual)
Real Property Investment	\$4,940,000	\$22,348,371	452%
Full-Time Employment ¹³	118	178	151%
Average Wages	\$34,112	\$53,830	158%
Sunlite Science & Technology	Projected	Actual	Comparison (Projected to Actual)
Real Property Investment	\$1,130,000	\$1,158,155	102%
Full-Time Employment ¹⁴	39	9	23%
Average Wages	\$34,000	\$71,448	210%

Continued

¹² 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 benefit-cost analysis. The benefit-cost analysis is required by state law in order for the Kansas Court of Tax Appeals (COTA) to grant a tax abatement.

¹³ 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 2019 will be January 1, 2019 through December 31, 2019. 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.

¹⁴ Sunlites's pre-abatement employment at the end of December 2013 was five FTEs. At that time, the company planned to expand into manufacturing LED lamps for general lighting areas and FTEs were projected based on their estimated production talent needs. However, after a few years, that market proved unprofitable and Sunlite decided to change company focus to research and development of specialized LED lighting products and fixtures. This market change reduced the need for production labor, lowering the number of FTEs, but increased the need for highly educated engineering and research talent, which substantially raised the average salary.



Property Tax Abatements

Performance Summary

2020 Tax Abatement Summary			
	Total Projected	Total Actual	Comparison (Projected to Actual)
Real Property Investment	\$6,070,000	\$23,506,526	387%
Full-Time Employees	157	187	119%
Average Wages	\$34,056	\$62,639	184%

Real Property Investment

Overall, the companies receiving property tax abatements in 2020 achieved three hundred eighty-seven percent (387%) of the projected amount for real property investments. Real property investment totaled over \$23.5 million.

Job Creation:

Grandstand exceeded projected employment by one hundred fifty-one percent (151%). Sunlite achieved twenty-three percent (23%) of their projected employment for the abatement year. Sunlite continues to transition into new markets, requiring fewer, lower paying production jobs than originally projected and more higher paying professional jobs, which resulted in lower FTE numbers, but higher average company wages.¹⁵ Overall, the companies receiving a property tax abatement during 2020 met one hundred nineteen percent (119%) of new, full-time job projections.

¹⁵ Sunlites's pre-abatement employment at the end of December 2013 was five FTEs. At that time, the company planned to expand into manufacturing LED lamps for general lighting areas and FTEs were projected based on their estimated production talent needs. However, after a few years, that market proved unprofitable and Sunlite decided to change company focus to research and development of specialized LED lighting products and fixtures. This market change reduced the need for production labor, lowering the number of FTEs, but increased the need for highly educated engineering and research talent, which substantially raised the average salary.



Property Tax Abatements

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 \$62,639 per year. This wage is about \$26,077 higher than the annual average private sector wage in Lawrence of \$36,562¹⁶ and approximately \$34,913 higher than the annual 2020 community wage floor rate of \$27,726 per year.

Both companies met or exceeded wage expectations. Overall wages averaged one hundred eighty-four percent (184%) of projections (inflation adjusted).

¹⁶ Kansas Department of Labor, Kansas Labor Information Center, Average Private Sector Wage in Lawrence, KS (by Industry), Quarterly Census of Employment and Wages, \$34,589, data released 2019.



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.

2020 Employment Summary	
Grandstand/Screen-It Graphics	
Total Employment	178
Full-Time Employment	178
% of Full-Time Jobs (meeting or exceeding target wage)	158%
Average Hourly Wage	\$25.88
Sunlite Science & Technology	
Total Employment	9
Full-Time Employment	9
% of Full-Time Jobs (meeting or exceeding target wage)	210%
Average Hourly Wage	\$34.35



Property Tax Abatements

Employment History

The below table presents historical employment over the past five years for the companies receiving a property tax abatement:

2016-2020 Employment History (year-end)																		
Company	Pre-Abatement		Projected Due to Abatement		Total Estimated Jobs		2016		2017		2018		2019		2020		2020 Over (Under) Estimated Total	
	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT
Grandstand/Screen-it Graphics ¹⁷	40	0	78	0	118	0	189	0	190	0	195	0	211	0	178	0	60	0
Sunlite Science & Technology ¹⁸	5	0	34	0	39	0	9*	0	9	0	9.3	0	8.4	0	9	0	(30)	0
<i>Total</i>	<i>45</i>	<i>0</i>	<i>112</i>	<i>0</i>	<i>157</i>	<i>0</i>									<i>187</i>	<i>0</i>	<i>30</i>	<i>0</i>

¹⁷ Pre-abatement employment for Grandstand as of December 31, 2010 was 40 full-time positions.

¹⁸ Sunlites's pre-abatement employment at the end of December 2013 was five FTEs. At that time, the company planned to expand into manufacturing LED lamps for general lighting areas and FTEs were projected based on their estimated production talent needs. However, after a few years, that market proved unprofitable and Sunlite decided to change company focus to research and development of specialized LED lighting products and fixtures. This market change reduced the need for production labor, lowering the number of FTEs, but increased the need for highly educated engineering and research talent, which substantially raised the average salary.



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.

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 2020.¹⁹ The company met substantial compliance and was eligible for one hundred percent (100%) of their 2020 property tax abatement amount.

2020 Grandstand Compliance Summary						
Compliance Category	Description	Target	Actual	% Compliance (Actual/Target)	Weight	Overall Compliance
Capital Investment	Cumulative Capital Investment (as of Dec 31, 2020)	\$4,940,000	\$22,348,371	452%	0.25	113.10%
Job Creation	Full-Time Employment (FTEs)	118	178	151%	0.25	37.71%
Wages	2020 Wage Floor (\$13.58 per hour) ²⁰	100% of Employees paid above wage floor	100.00%	100.0%	0.125	12.50%
	Average Company Hourly Wage	\$16.40	\$25.88	158%	0.125	19.73%
Health Benefits	Employer Provided Health Care Coverage (minimum of 70% employer paid premium) ²¹	100% of Employees	100%	100%	0.25	25.00%

Blended Compliance % 208%

Eligible Incentive % 100%

¹⁹ 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 2020 will be January 1, 2020 through December 31, 2020. 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.

²⁰ 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.

²¹ 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). Per letter submitted by Grandstand dated 1-15-21 (see Appendix E), for workers averaging 30 or more hours per week, "During the calendar year 2020, Grandstand paid 100% towards the health insurance premium for employee only coverage."



Property Tax Abatements

Sunlite was subject to the below performance provisions for 2020. The company met substantial compliance and was eligible for one hundred percent (100%) of their 2020 property tax abatement amount.

2020 Sunlite Compliance Summary						
Compliance Category	Description	Target	Actual	% Compliance (Actual/Target)	Weight	Overall Compliance
Capital Investment	Cumulative Capital Investment (as of Dec 31, 2020)	\$1,130,000	\$1,158,155	102.49%	0.25	25.62%
Job Creation	Full-Time Employment (FTEs) ²²	39	9.0	23.08%	0.25	5.77%
Wages	2020 Wage Floor (\$13.58 per hour) ²³	100%	100%	100.00%	0.125	12.50%
	Average Company Hourly Wage	\$16.35	\$34.35	210.14%	0.125	26.27%
Health Benefits	Employer Provided Health Care Coverage (minimum of 70% employer paid premium) ²⁴	100%	100%	100.00%	0.25	25.00%

Blended Compliance % 95%

Eligible Incentive % 100%

²² Sunlite's pre-abatement employment at the end of December 2013 was five FTEs. At that time, the company planned to expand into manufacturing LED lamps for general lighting areas and FTEs were projected based on their estimated production talent needs. However, after a few years, that market proved unprofitable and Sunlite decided to change company focus to research and development of specialized LED lighting products and fixtures. This market change reduced the need for production labor, lowering the number of FTEs, but increased the need for highly educated engineering and research talent, which substantially raised the average salary.

²³ 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.

²⁴ 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

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 both companies is imported into the community from outside sales. Local expenditures were low, ranging from 1-10 percent (1% - 10%), 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.)

2020 Local Expenditures & Outside Sales		
Company	Expenditures Spent Within Lawrence	Sales Generated Outside Lawrence
Grandstand/Screen-It Graphics	1%	99%
Sunlite Science & Technology	10%	99%



Property Tax Abatements

Property Tax Generation

Since none of the three non-Catalyst companies received a one hundred percent (100%) property tax abatement, all are currently generating some level of property taxes.²⁵

2020 Tax Generation (on portion of property receiving an abatement)			
Company & Abatement %	Total Tax Potential	Abated Tax Amount	Taxes Paid (or to be paid) by Property Owner
Grandstand/Screen-It Graphics			
Real (65%)	\$183,192	\$118,075	\$64,117
Sunlite Science & Technology			
Real (50%)	\$41,030	\$20,515	\$20,515
Total	\$224,222	\$138,590	\$84,632

Source: Douglas County, March 2021.

²⁵ 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.



Property Tax Abatements

Social Impacts

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

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.

Community Engagement

Grandstand sponsored the following local organizations in 2020: Arthritis Foundation, the Ballard Center, Cottonwood, Inc, Lawrence Humane Society, Lawrence Chamber of Commerce, the Lawrence St. Patrick's Day Parade, University of Kansas, and Van Go, Inc.

Job Training/Benefits

The company hired and trained 38 new and three rehired (41 total) employees during 2020. 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

In 2019, Sunlite manufactured UV LED curing systems for 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. The company was awarded another phase I SBIR research project to design Linear Regulators for efficiently driving a deformable mirror.

Community Engagement

In 2019, Sunlite donated to 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 one University of Kansas student intern. Sunlite also provided onsite and on-the-job training for all its employees.



Industrial Revenue Bonds

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 2019. 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.

2020 IRBs: Outstanding					
Company	Date of Issue	Issuing Ord. #	Year Matures	Amount Authorized	Project
Bowersock: Series 2020A (refinance of 2011A) *	May 2020	9760	2033	\$9,229,000	Hydro-Electric Facility
Bowersock: Series 2020B (refinance of 2011B) *	May 2020	9760	2026	\$6,771,000	Hydro-Electric Facility
Rock Chalk Park	Oct. 2013	8862	2023	\$40,000,000	Commercial/Recreational
VanTrust-Phase I	Dec 2018	9573	2028	\$10,200,000	Industrial Building
USE Engineering (USE Real Estate Holding LLC)	TBD	ROI 7297 issued 9-17-19 ***	TBD	\$15,000,000	Industrial Building
VanTrust-Phase II	TBD	ROI 7341 issued 10-20-20***	TBD	\$24,000,000	Industrial Building (Pretzels)
Banks Street IRB**	Dec 2020	9823	2024	\$2,000,000	Commercial Rehab
T&M Properties (Heartland)	TBD	ROI 7348***	TBD	\$6,504,000	Community Health Clinic
Flint Hills Holding Group LLC/Penn Street Lofts Housing Partners LP**	Nov 2020	9820	2021	\$12,000,000	Affordable Housing
Standard Beverage	Feb 2021	9829	2031	\$13,500,000	Commercial Expansion

* Included a sales tax exemption on \$600,000 to be used for repairs and improvements.

** Sales Tax Exemption IRB

*** Res of Intent authorized, but bonds not yet issued.

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



Neighborhood Revitalization Areas

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 Areas

During 2020, the City had eight (8) approved Neighborhood Revitalization Areas, seven (7) of which were completed and eligible for an NRA rebate on the property taxes levied in 2020.

2020 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 Pennsylvania Street	Penn Street Lofts	Apr 2020	9820	95%	15 Years	*

* The NRA rebate period shall commence on the first full tax year after project completion. The project had just started construction at the end of 2020.

See Appendix B for NRA distribution information.

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%.

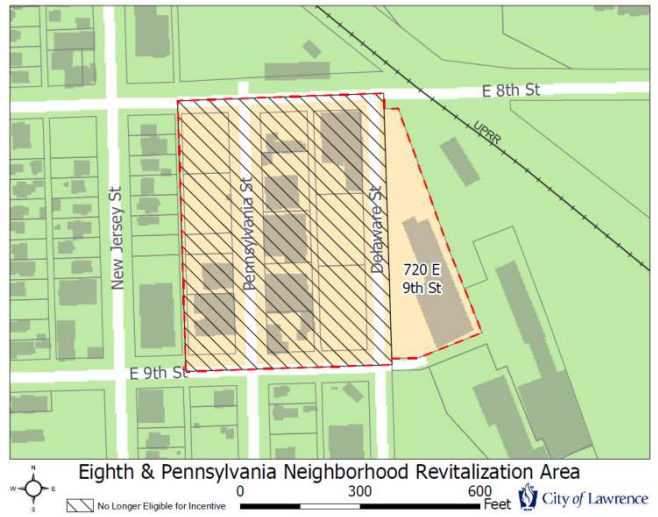
⁴ Project eligibility for rebate started on the first full year after project completion. The project did not meet substantial completion requirements until 2018. Therefore, the project was not eligible for a rebate on 2017 or 2018 taxes.

3

Neighborhood Revitalization Areas

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.



3

Neighborhood Revitalization Areas

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 Areas



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



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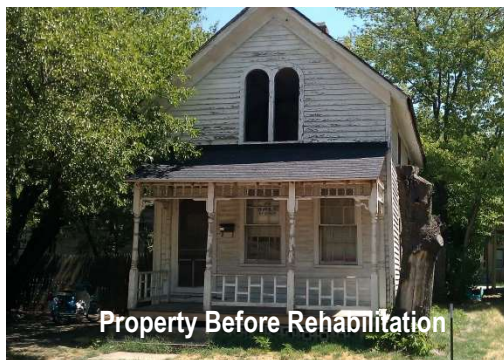
Neighborhood Revitalization Areas

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.



3

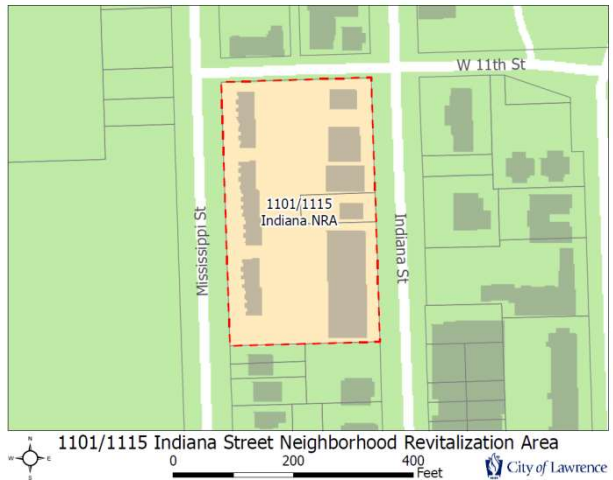
Neighborhood Revitalization Areas

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.⁵

Although construction on the residential



facility was completed in 2016, the project was not considered complete until 2018 due to outstanding parking requirements. The first year the project became eligible for rebate reimbursement was in 2019.

⁵ 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.

3

Neighborhood Revitalization Areas

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.



3

Neighborhood Revitalization Areas

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 was the first tax year the property became eligible for an NRA rebate.





Tax Increment Financing

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:

2020 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: 900 New Hampshire (South Project)	Aug. 2012	8768	May-13	May-32	8865	\$4,000,000 ³
9th & New Hampshire: 888 New Hampshire (North Project)			Apr-14	Apr-34	8971	\$4,750,000 ⁴

See Appendix B 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.

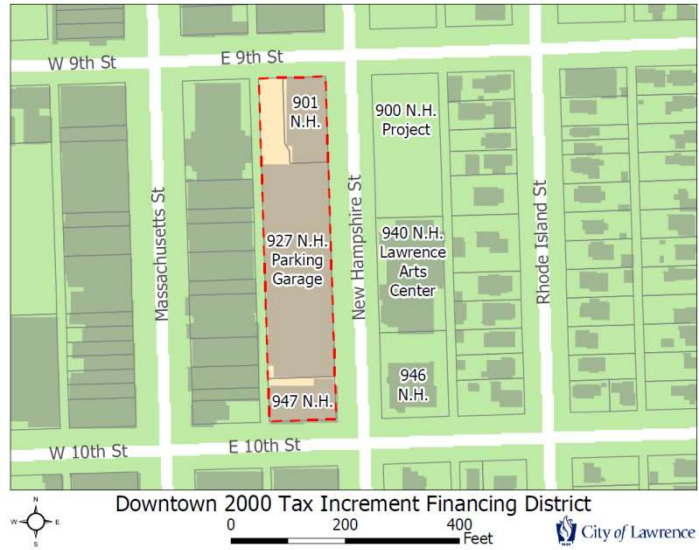
⁴ Amount shown does not include interest. Per the redevelopment agreement, interest is subject to reimbursement from TIF revenues at the Developer's actual interest rate for borrowed funds.

4

Tax Increment Financing

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 2020, the parking garage bond obligation was fully paid off.



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 go to reimburse the City for bond payoffs on the parking garage.



Tax Increment Financing

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.



4

Tax Increment Financing

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.

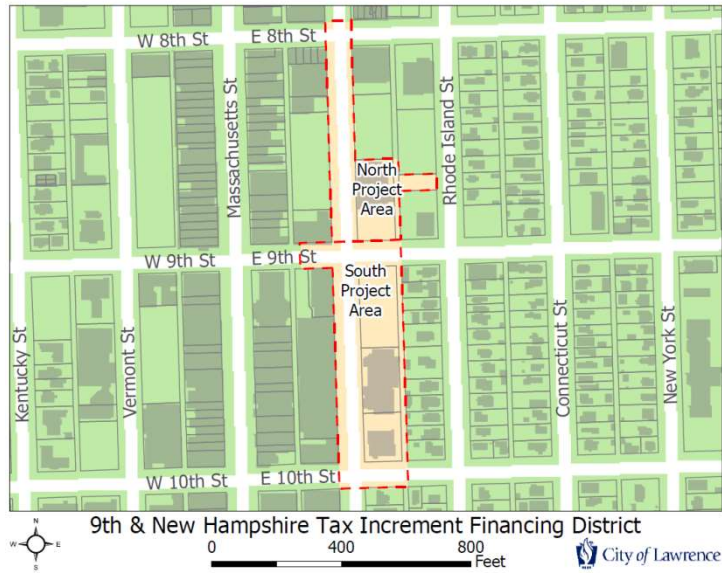
After the City retains \$650,000 from TIF/TDD funds, it will disburse the remaining funds according to the amended development agreement (executed April 27, 2017). Under the terms of the amendment, the TIF/TDD reimbursement maximum was reduced from \$11 million to \$8.5 million (excluding interest). 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

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

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.



3

Neighborhood Revitalization Areas

800 (801) Pennsylvania Street NRA (Penn Street Lofts)

In 2020, the City and School District authorized a 15-year, 95% NRA rebate to support the redevelopment of the property at the 800 (801) Pennsylvania Street into a mixed-use, commercial and residential project.



Known as Penn Street Lofts, the project

started construction at the end of 2020 and is anticipated to provide:

- Over 4,500 square feet of commercial and retails space on the first floor
- Seven (7) market rate, live/work rental units on the first floor
- Forty-seven (47) residential units, all designated as affordable housing through the federal Low-Income Housing Tax Credit (LIHTC) program
- Forty-nine (49) on-site, surface parking spaces

The property will become eligible for its first NRA rebate on the first full tax year after project completion.



Transportation Development District

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.

2020 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 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.

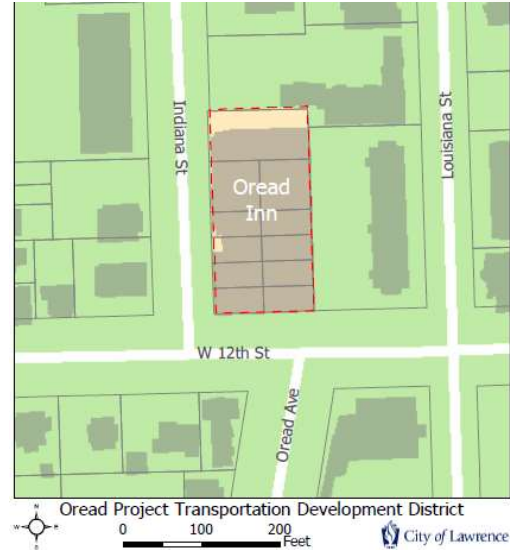
³ Amount shown is the reimbursement cap without interest. As per the redevelopment agreement, interest is subject to reimbursement at the developer's actual interest rate for borrowed funds.

5

Transportation Development District

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.

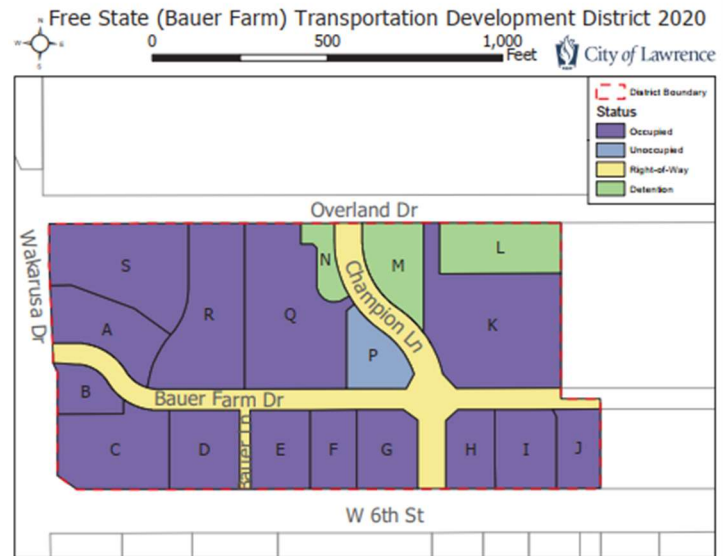
After the City retains \$650,000 from TIF/TDD funds, it will disburse the remaining funds according to the amended development agreement (executed April 27, 2017). Under the terms of the amendment, the TIF/TDD reimbursement maximum was reduced from \$11 million to \$8.5 million (excluding interest). 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

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 2020, over ninety-six percent (96.4%) of the buildable area within the district was either occupied or under construction.

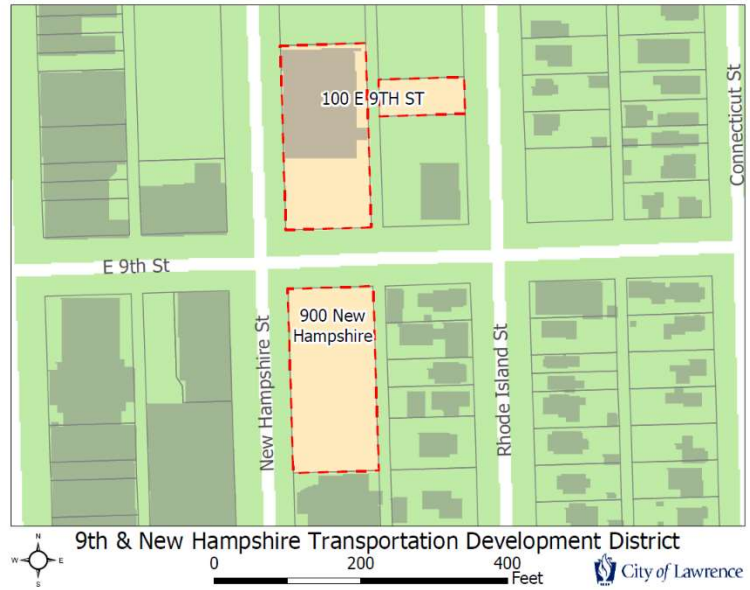




Transportation Development District

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.





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.



BTBC Main Facility

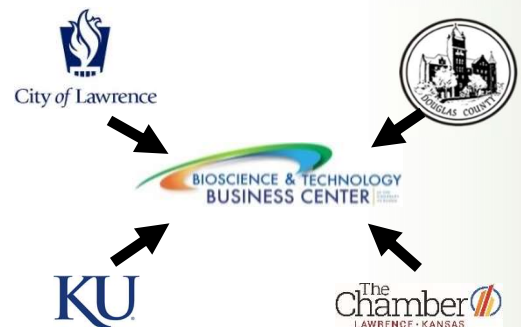
Bioscience & Technology Business Center

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



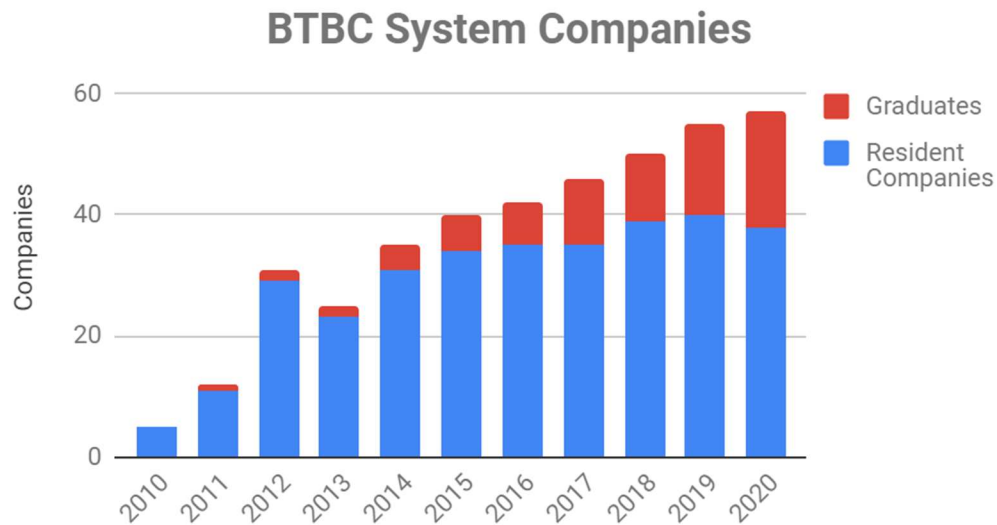


Other Support Programs

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, Kansas City, KS	21,000	Office and wet lab space adjacent to the KUMC and the KU Hospital.

Source: Bioscience & Business Technology Center, Jan 2021

BTBC Economic Development Metrics

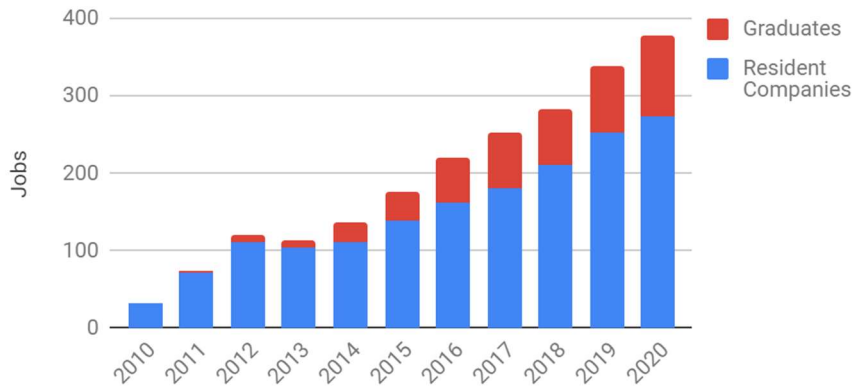


Source: Bioscience & Business Technology Center, data current as of 12/31/20.



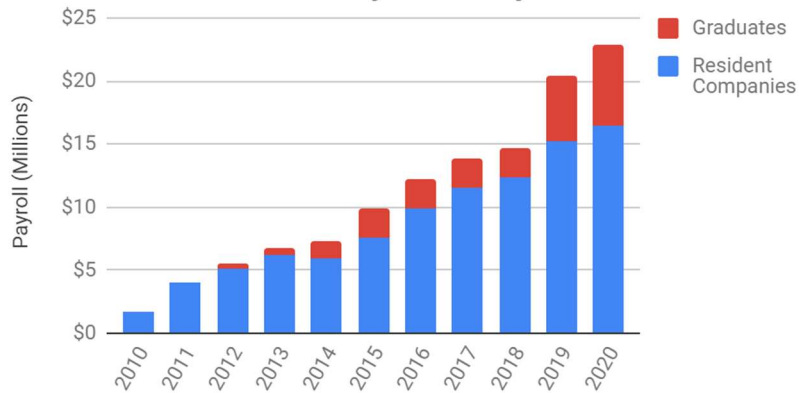
Other Support Programs

BTBC System Jobs



Source: Bioscience & Business Technology Center, data current as of 12/31/20.

BTBC System Payroll



Source: Bioscience & Business Technology Center, data current as of 12/31/20.

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, childcare, 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	37	19	56
Jobs - Direct	273	106	379
Jobs - Indirect/Induced	224	87	311
Jobs - Total	497	193	690
Annual Payroll	\$21,377,047	\$8,300,245	\$29,677,292

Analysis produced using Chmura Economics & Analytics, Jan 2021



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 full occupancy two years ahead of projections. The BTBC has broken ground for Phase III, which will likely include 8-12 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.



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[5]	\$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	\$225,000	\$191,096	\$416,096	\$275,000	\$291,596	\$566,596
2019	\$225,000	\$116,009	\$341,009	\$225,000	\$291,009	\$516,009
2020	\$225,000	\$190,659	\$415,659	\$225,000	\$290,659	\$515,659
Total	\$3,092,000	\$2,797,794	\$5,889,794	\$3,200,000	\$2,870,414	\$6,070,414

Sources: City Budget Office, City of Lawrence, Kansas. Douglas County Budget Manager, Dec. 2020



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
2019	\$200,000	\$175,000	\$20,000	\$20,000
2020	\$200,000	\$175,000	\$20,000	\$20,000

Sources: City Budget Office, City of Lawrence, Kansas; Budget Manager, Douglas County, Kansas, Dec. 2020



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 several fronts. The EDC's five strategic priorities are as follows:



- Business Retention & Expansion
- Workforce Development
- Business Recruitment and 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.

The outset of the pandemic had significant impact on many normal Chamber/EDC activities. The business facility tours normally conducted throughout the year were halted starting in March, as were Chamber/EDC tours of University of Kansas facilities and departments. The pandemic created new stresses for businesses and the Lawrence



Other Support Programs

Chamber/EDC offered a myriad of services to help support the local business community in coping with the unprecedented situation, becoming the primary source of information, supporting local businesses in their efforts to access information from various federal, state, and local sources. The agency also put great effort into connecting businesses and people to resources to help them through the challenging times.

Despite the pandemic, the Chamber/EDC had the opportunity to work with local companies on several expansions, which as they progress, will benefit the community with additional jobs, new investment and assist recovery from the pandemic. One of these expansions is the 118,000 square foot expansion of the Standard Beverage Corporation facility on Lakeview Road which is currently underway. Plastikon also became the first tenant in the Van Trust spec building in Lawrence VenturePark as additional production opportunities for their manufacturing plant in East Hills Business Park generated a need for additional warehouse space. Mar Lan Construction is also redeveloping a property on 19th Street to be their headquarters and operations center. A planned second phase of the Mar Lan project could see construction of another building, providing space for additional small companies to locate.

Workforce Development

Workforce availability, cost and quality are primary considerations in business relocation and expansion decisions. Being able to demonstrate both the availability and quality of the local workforce and the training options available is vital to business attraction and to business expansion. The Lawrence Chamber/EDC has led or participated in several initiatives. Foremost among those was the role played in the establishment of the Dwayne Peaslee Technical Training Center in 2015. With its ever-expanding programs and enrollment approaching 2,000, Peaslee Tech has proven to be an invaluable



Other Support Programs

community asset with growing enrollment, and expanded program and curriculum offerings designed to meet the needs of local employers.

The University of Kansas (KU) is another critical resource in the development of the skilled workforce necessary to be competitive in a knowledge-based economy. The EDC has structured partnerships with the KU's various career services departments and the KU Alumni Association to promote student internship and employment opportunities to local industry. In 2019 the Chamber/EDC sponsored and hosted two Lawrence/Douglas County focused career networking events in partnership with the KU Alumni Association and KU Career Services. Unfortunately, during 2020 such activities could not take place but work is continuing to connect employers with potential employees to insure our residents have access to the jobs and appropriate skills development that can advance their economic fortunes.

Business Recruitment & Marketing

Perhaps the most recognizable of economic development efforts, business recruitment is the component of economic development efforts that often garners the most public attention and can be a significant contributor to 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 our marketing reach.

During 2020, EDC staff responded to or generated approximately 51 business recruitment and expansion opportunities, a surprising total in light of the pandemic. Lawrence and Douglas County had viable real estate options or could meet the first level screening thresholds for 32 of those projects. We do have several successes to



Other Support Programs

report for 2020. Pretzels, Inc., which manufactures pretzels and snack foods is currently constructing a nearly \$90 million production facility which will bring 280 jobs to the community. Plastikon, which manufactures medical grade plastic products at their facility in East Hills Business Park, competed with other company locations successfully winning two projects that will bring approximately 90 jobs to the community. Modern Manufacturing, Inc., a transportation products manufacturer serving the rail industry, is establishing a production facility in Eudora that will employ nearly 80 people. Payless Shoes, leased space in west Lawrence for their relocated operations headquarters and, once the Covid threat has eased and employees resume working in an office environment, is expected to have 80 to 100 people onsite in their facility in West Lawrence.

Many recruitment and marketing activities were suspended during 2020 due to health and safety concerns. As we emerge from the pandemic, we anticipate there will be a resumption of many of those activities as health and safety concerns decline with improved health conditions.

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 EDC puts resources to work in support of development of a more robust entrepreneurial ecosystem to enhance entrepreneurial development and economic success for Lawrence and Douglas County. A significant step in this effort was the start-up of Launch Lawrence which seeks to provide mentoring and assistance to



Other Support Programs

fledgling entrepreneurs trying to refine their ideas and advance along the path to establishment of their own successful venture. The Chamber/EDC committed funds to this effort and is collaborating with a variety of partners, both within and outside of the community, to develop an entrepreneurial ecosystem better equipped to foster entrepreneurship, enhance success, and generate greater community impact.

The Chamber/EDC also administers a revolving loan program, via its partnership with NetWork Kansas, 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 issued three loans in 2020 for a total of \$79,000. To date, twelve businesses have received support through this program.

Lawrence Metro E-Community Revolving Loan Program						
Recipient	Location	Loan Year	Business Description	Loan Amount	Loan Used For	Loan Status
Salon Luna, LLC	3010 Four Wheel Dr	2020	Hair Salon w/ Special Services	\$24,000	Business Launch	Approved
Reclaimed by Michele	628 US-59	2020	Repurpose Thrift	\$15,000	Business Launch	Approved
Mt. Oread Pharmacy	3510 Clinton Pkwy Pl #200	2020	Pharmacy	\$40,000	Business Launch	Approved
Guitarma	1325 Jonathan	2019	Retail Music Store	\$25,000	Business Launch	Approved
Breakaway Indoor	2525 Iowa Street	2019	Children's Play Place	\$45,000	Business Launch	Approved
Integrated Clinical Services	2500 West 31st Street	2019	Mental Health Services	\$45,000	Expansion	Approved
Kelli's Coffee & Wine Bar	624 North 2nd. Street	2019	Coffee and Wine Shop	\$45,000	Business Launch	Approved
Hilary's Eat Well	2205 Haskell Ave.	2018	Food Manufacturer	\$10,000	Expansion	Approved (Grant)
Chiropractic Element	3109 W. 6th, Ste. A	2018	Chiropractic Office/Medical	\$33,000	Business Purchase	Approved
Central Grazing Co.	106 Riverfront Rd.	2018	Food/Ag/Leather Goods	\$35,000	Expansion	Approved
Leeway Franks	935 Iowa St.	2018	Restaurant/Butcher Shop	\$45,000	Expansion	Approved
Lucky Berry	845 Mass.	2018	Restaurant/Juice/Retail/Dist.	\$45,000	Expansion	Approved
				\$407,000		



Other Support Programs

Site and Infrastructure Capacity

BTBC Phase III and West Campus Research and Tech Park:

Primary efforts involving site and infrastructure development in 2020 have been focused on advancing the Phase III building at the BTBC and the development of a research and technology part on KU's West Campus. Phase III is now funded and a ceremonial groundbreaking for the new building took place in the Fall of 2019. Construction is projected to be completed the second quarter of 2022. The new Phase III building will be a springboard for additional facilities and economic development opportunities, leveraging the combined strengths of the University of Kansas and the community to generate significant growth in tech and research-related economic development. The new research and tech park was also recently branded as the KU Innovation Park (KUIP) for identification and marketing purposes.

Industrial and Office Opportunities:

We've seen significant opportunities for industrial development during 2020 and that seems to be carrying into 2021. We have a limited inventory of sites for such development and believe it to be important for the community to consider investment for future development and to identify sites that accommodate industrial investment and job growth. Likewise, we feel that Lawrence has opportunities for office development but our inventory of space suitable for such use is very limited currently.



Other Support Programs

ASBDC-Kansas (Small Business Development Center):

The KU Small Business Development Center is one of 13 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 valuation, and exit planning, the Center focuses on providing services for business planning, access to capital, marketplace/industry analysis, and financial benchmarking. The Center also partners MBA candidates at the University of Kansas with local small businesses for specific project engagements.



In 2020, the KU Small Business Development Center provided more than 2500 hours of one-to-one consulting and 500 hours of other community engagement. As an SBA Resource Partner, in 2020 the Center was actively involved in providing support and information to businesses seeking resources such as EIDL advances, EIDL loans, and PPP loans. 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.

2020 KU-KSBDC Economic Impact	
Total client companies	480
Reported starting business	37
New access to capital	\$18,000,000
Client revenue generated	\$78,000,000
Jobs impact	370

Source: Docking Institute 2020 Survey, Fort Hays State University



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.



Rock Chalk Park Facilities
0 250 500 1,000 Feet



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.¹ In addition, the City authorized support for the shared infrastructure within the park (e.g. parking, walking trails, all necessary sanitary sewer, potable water, storm



¹ 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

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
2020	13,527	67,408
2019	46,258	59,748
2018	49,669	39,599
2018	49,669	39,599
2017	40,369	34,167
2016	50,731	29,080

Source: City Parks and Rec Department, Jan 2021



Sports Pavilion Lawrence Events		
Year	# Events	# Attendees
2020	10	40,040

Source: City Parks and Rec Department, Jan 2021



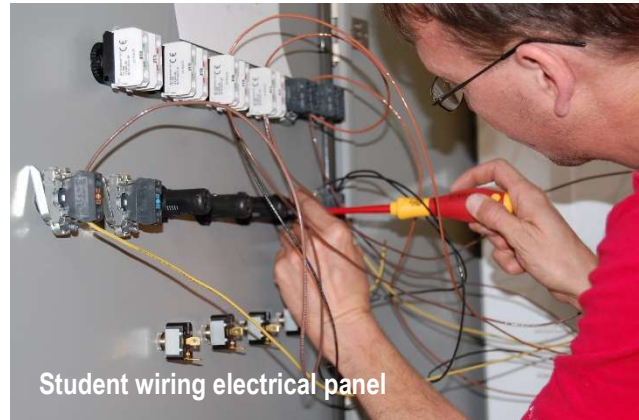


Other Support Programs

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 offers programs and courses to support several sectors, including Transportation, Building Trades, Skilled Trades, and Healthcare. Additionally, Peaslee Tech offers

apprenticeships in Industrial Maintenance, Automotive Technology, Auto Body Repair, Electrical, Plumbing, HVAC, and Facilities Maintenance. Clinical Dental Assistant and Drafting (AutoCAD) have been added in 2020

In 2019 Peaslee Tech became the largest provider of apprenticeship programs in Kansas

Source: Peaslee Technical Center, December 2019



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 welding lab was opened in August 2019. The program combined the equipment resources of Free State & Lawrence High Schools into a state-of-the-art welding laboratory.



Additional expansion of Peaslee Tech's partnership with the Lawrence Public Schools resulted in the school districts Adult Basic Education program (GED and ESL) moving to Peaslee Tech.

Peaslee expanded its community partnerships by housing Just Food in the last quarter of 2020.



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
2019	Peaslee Center Operations	\$200,000	\$200,000
	Peaslee Mortgage	\$0	\$200,000
	Total 2019	\$200,000	\$400,000
2020	Peaslee Center Operations	\$200,000	\$200,000
	Peaslee Mortgage	\$0	\$200,000
	Total 2020	\$200,000	\$400,000

Sources: City of Lawrence, Kansas, City Budget Office; Budget Manager, Douglas County, Kansas. Dec. 2020



Regulating Documents

2020 Tax Abatements			
	Document	Description	Dated
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: Phase I	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	9/17/2019

Continued



Regulating Documents

2020 Tax Abatements			
	Document	Description	Dated
US Engineering	2020-Catalyst Program	Specialized Tax Abatement Program	1/1/2020
	Resolution No. 7311	Tax Abatement	4/7/2020
	Agreement	Land Transfer & Development Agreement	11/6/2020
VanTrust, Phase II (Pretzel's Inc.)	2020-Catalyst Program	Specialized Tax Abatement Program	1/1/2020
	Resolution No. 7341	Tax Abatement	10/20/2020
	Agreement	Performance Agreement	12/20/2020
Standard Beverage	2020-Catalyst Program	Specialized Tax Abatement Program	1/1/2020
	Resolution No. 7350	Tax Abatement	12/15/2020
	Agreement	Performance Agreement	Est 2021
T&M (Heartland Clinic)	2020-Catalyst Program	Specialized Tax Abatement Program	1/1/2020
	Resolution No. 7348	Resolution of Intent	12/1/2020
	Agreement	Performance Agreement	Est 2021

2020 IRBs			
	Document	Description	Dated
Bowersock Dam	Ordinance No. 8607	IRB Issuance: Series 2011B, 2011C	12/21/2010
	Ordinance No. 8620		3/1/2011
Rock Chalk Park	Ordinance No. 8862	IRB Issuance: Series 2013	1/22/2013
Van Trust: Phase I	Resolution No. 7210	Master IRB Resolution of Intent	8/1/2017
	Ordinance No. 9573	IRB Issuance: Series 2018	8/1/2017
US Engineering	Resolution No. 7311	IRB Resolution of Intent	4/7/2020
Banks Street (Mar Lan HQ)	Resolution No. 7343	IRB Resolution of Intent	10/11/2020
	Ordinance No. 9823	IRB Issuance: Series 2020	12/1/2020
VanTrust Phase II	Resolution 7340	Amended Master IRB Resolution	10/20/2020
	Resolution 7341	IRB Resolution of Intent for Building 2	10/20/2020
T&M/Heartland Clinic	Resolution No. 7348	IRB Resolution of Intent	12/1/2020
Standard Beverage	Resolution No. 7350	IRB Resolution of Intent	12/15/2020
800 Pennsylvania Street (Penn St. Lofts)	Ordinance 9820	IRB Issuance Series 2020	11/17/2020



Regulating Documents

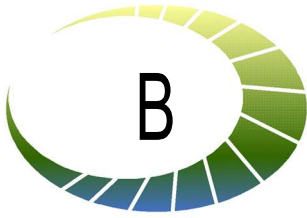
2020 Active NRAs			
	Document	Description	Dated
8th & Pennsylvania	Ordinance No. 8093	Plan	4/3/2007
	Agreement	Tax Rebate Agreement for 720 E 9th Street	4/17/2012
1040 Vermont Street	Ordinance No. 8625	Plan	4/12/2011
	Agreement	Performance Agreement	11/1/2011
810/812 Pennsylvania	Ordinance No. 8753	Plan	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
	Ordinance No. 9688 Amended NRA Plan	Plan/Agreement	7/16/2019
800 Pennsylvania Street (Penn Street Lofts)	Ordinance No. 9738 & NRA Plan	Plan/Agreement	1/21/2020

2020 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

2020 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

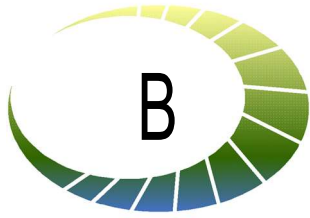
The below table is a summary of economic development assistance totals for currently active, pay-as-you-go (PAYGO) ¹ economic development programs.

Assistance Summary					
Tax Year	Tax Abatement	NRA	TIF	TDD	Total
2009	--	--	\$3,113	\$11,081	\$14,194
2010	\$31,880	--	\$152,978	\$98,544	\$283,402
2011	\$28,686	\$12,515	\$626,881	\$156,335	\$824,417
2012	\$146,814	\$11,982	\$515,284	\$196,517	\$870,597
2013	\$121,558	\$39,155	\$480,457	\$182,283	\$823,453
2014	\$143,429	\$65,090	\$460,456	\$182,176	\$851,151
2015	\$149,197	\$68,955	\$557,191	\$252,934	\$1,028,276
2016	\$147,035	\$110,304	\$810,350	\$328,129	\$1,395,818
2017	\$153,794	\$112,587	\$980,987	\$371,358	\$1,618,726
2018	\$150,210	\$172,048	\$1,276,944	\$382,898	\$1,982,100
2019	\$357,370	\$686,576	\$1,279,340	\$415,563	\$2,738,848
2020	\$368,668	\$683,996	\$1,191,769	\$416,543	\$2,660,977
Total	\$1,798,641	\$1,963,208	\$8,332,638	\$2,983,279	\$15,077,766

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:

Tax Abatements ²										
Year	Traditional Abatement Program			Catalyst Abatement Program ³						Total
	Amarr	Grandstand	Sunlite	VanTrust Phase I ⁴	Plastikon Phase I & II	Grandstand Expansion	US Engineering	VanTrust Phase II	Standard Beverage	
2010	\$31,880	--	--	--	--	--	--	--	--	\$31,880
2011	\$28,686	--	--	--	--	--	--	--	--	\$28,686
2012	\$27,525	\$119,289	--	--	--	--	--	--	--	\$146,814
2013	\$27,876	\$93,682	--	--	--	--	--	--	--	\$121,558
2014	\$27,876	\$96,081	\$19,472	--	--	--	--	--	--	\$143,429
2015	\$28,593	\$99,422	\$21,182	--	--	--	--	--	--	\$149,197
2016	\$26,450	\$99,407	\$21,178	--	--	--	--	--	--	\$147,035
2017	\$27,082	\$103,715	\$22,997	--	--	--	--	--	--	\$153,794
2018	\$25,238	\$102,575	\$22,398	--	--	--	--	--	--	\$150,210
2019	\$24,728	\$118,202	\$19,999	\$123,778	\$70,663	--	--	--	--	\$357,370
2020	--	\$118,075	\$20,515	\$118,202	\$111,876	--	--	--	--	\$368,668
Total	\$275,934	\$950,448	\$147,741	\$241,980	\$182,539	\$0	\$0	\$0	\$0	\$1,798,641

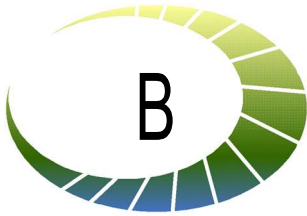
Source: City of Lawrence, Kansas

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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 Catalyst abatements start the first full year after project completion. At the end of 2019, only the VanTrust Phase I project had been completed.

⁴ Under agreement with the City, Van Trust Phase I is subject to pre-determined Payment in Lieu of Tax (PILOT) payments.



Historical Assistance & Investment

TIF Distributions										
Year	901 New Hampshire ⁵	Oread ⁶		900 New Hampshire (South)			888 New Hampshire (North)			Total
		Sales Tax	Property Tax	Sales Tax	Property Tax	City Retained 5% ⁷	Sales Tax	Property Tax	City Retained 5% ⁸	
2009	--	\$3,113	--	--	--	--	--	--	--	\$3,113
2010	--	\$152,978	--	--	--	--	--	--	--	\$152,978
2011	--	\$200,603	\$426,278	--	--	--	--	--	--	\$626,881
2012	\$28,085	\$264,453	\$222,746	--	--	--	--	--	--	\$515,284
2013	\$28,085	\$211,542	\$240,830	--	--	--	--	--	--	\$480,457
2014	\$28,085	\$181,813	\$250,558	--	--	--	--	--	--	\$460,456
2015	\$28,085	\$181,009	\$270,490	\$51,041	\$22,685	\$3,880	--	--	--	\$557,191
2016	\$28,085	\$63,493	\$283,002	\$116,652	\$297,330	\$21,789	--	--	--	\$810,350
2017	\$28,085	\$169,259	\$295,932	\$119,925	\$304,136	\$22,319	\$0	\$39,265	\$2,067	\$980,987
2018	\$28,085	\$168,467	\$361,989	\$112,208	\$341,644	\$23,887	\$329	\$228,303	\$12,016	\$1,276,927
2019	\$28,085	\$146,547	\$369,804	\$132,221	\$305,249	\$23,025	\$271	\$260,419	\$13,706	\$1,279,326
2020	\$28,085	\$106,994	\$368,131	\$72,799	\$314,525	\$20,386	\$112	\$266,695	\$14,042	\$1,191,769
Total	\$224,680	\$1,743,277	\$2,721,628	\$604,845	\$1,585,570	\$115,285	\$600	\$794,682	\$41,831	\$7,143,950

Source: City of Lawrence, Kansas

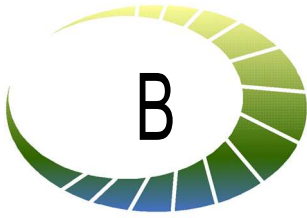
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⁵ The Downtown 2000 TIF does not pay out to private entities except for a ~\$28,085/year reimbursement that was authorized via agreement. This amount is captured in the above table under 901 New Hampshire Street.

⁶ 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 Section 4 for additional details.

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.

⁸ 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.



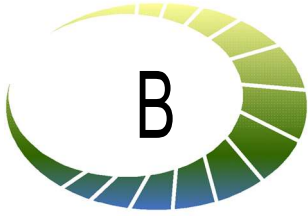
Historical Assistance & Investment

TDD Distributions						
Year	Oread ⁹	Free State (Bauer Farms)	9th & New Hampshire			Total
			900 New Hampshire (South)	888 New Hampshire (North)	City Retained 5% ¹⁰	
2009	\$1,609	\$9,472	--	--	--	\$11,081
2010	\$79,087	\$19,457	--	--	--	\$98,544
2011	\$103,774	\$52,561	--	--	--	\$156,335
2012	\$136,867	\$59,650	--	--	--	\$196,517
2013	\$109,474	\$72,809	--	--	--	\$182,283
2014	\$94,024	\$88,152	--	--	--	\$182,176
2015	\$93,559	\$137,753	\$0	\$0	\$21,622	\$252,934
2016	\$32,831	\$245,863	\$0	\$0	\$49,434	\$328,129
2017	\$87,538	\$232,990	\$0	\$0	\$50,829	\$371,358
2018	\$87,049	\$244,944	\$0	\$0	\$47,664	\$379,658
2019	\$75,708	\$283,539	\$0	\$0	\$56,103	\$415,350
2020	\$55,284	\$330,379	\$0	\$0	\$30,880	\$416,543
Total	\$956,805	\$1,777,571	\$0	\$0	\$256,532	\$2,990,908

Source: City of Lawrence, Kansas

⁹ 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 in Section 4 for additional details.

¹⁰ 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.

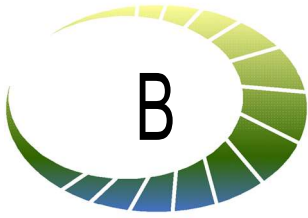


Historical Assistance & Investment

NRA Distributions ¹¹								
Year	720 E 9th	1040 Vermont (Treanor)	810/812 Pennsylvania (Cider Building)	1106 Rhode Island	900 Delaware	826 Pennsylvania	1101 Indiana St (HERE KS) ¹²	Total
2011	\$12,515	--	--	--	--	--	--	\$12,515
2012	\$11,982	--	--	--	--	--	--	\$11,982
2013	\$12,162	\$26,993	--	--	--	--	--	\$39,155
2014	\$12,282	\$27,438	\$25,370	--	--	--	--	\$65,090
2015	\$13,617	\$29,718	\$25,620	--	--	--	--	\$68,955
2016	\$13,537	\$29,568	\$26,286	\$11,037	\$29,876	--	--	\$110,304
2017	\$14,624	\$27,636	\$26,763	\$10,504	\$33,061	--	--	\$112,587
2018	\$14,117	\$26,512	\$26,460	\$11,753	\$32,416	\$60,791	--	\$172,048
2019	\$16,286	\$24,613	\$26,264	\$11,860	\$32,984	\$69,634	\$504,936	\$686,576
2020	\$15,723	\$18,036	\$24,305	\$12,156	\$33,298	\$73,408	\$507,070	\$683,996
Total	\$136,845	\$210,513	\$181,067	\$57,309	\$161,635	\$203,833	\$1,012,006	\$1,963,208

¹¹ 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.

¹² 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

NRA Property Taxes

Seven (7) companies received NRA rebates in 2020, more than doubling the amount of real estate property tax revenues received by taxing jurisdictions compared to if the properties had been left in original condition. Overall (for all years in which a NRA rebate was given), the seven NRA revitalized properties generated an average of sixty-six percent (66%) 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: 2020 Property Taxes				
NRA	Tax Revenues After Development			Tax Revenues No Development
	Total Taxes Paid	NRA Rebate	Retained Tax	Base Tax
720 E 9th St	\$31,638	\$15,723	\$15,915	\$13,437
1040 Vermont St	\$68,476	\$18,036	\$50,440	\$28,554
810 Pennsylvania St	\$49,381	\$24,305	\$25,076	\$4,014
900 Delaware St	\$36,720	\$33,298	\$3,422	\$2,638
1106 Rhode Island St	\$16,546	\$12,156	\$4,390	\$2,818
826 Pennsylvania St	\$86,764	\$73,408	\$13,355	\$11,126
1101 Indiana St	\$652,455	\$507,070	\$145,385	\$49,094
Total	\$941,979	\$683,996	\$257,983	\$111,681

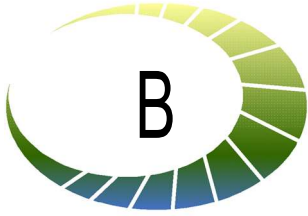
2020

2020 Tax Revenue Comparison: All NRAs		
Base	Retained	% Gain (Loss)
\$111,681	\$257,983	131.0%

Unimproved Property

Improved Property

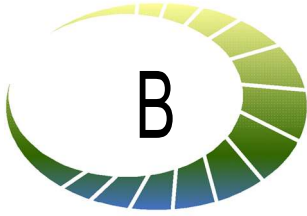
Return



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	\$278,820	\$136,854	\$141,966	\$129,572
1040 Vermont St	\$487,387	\$209,770	\$277,616	\$222,447
810 Pennsylvania St	\$251,824	\$181,067	\$70,757	\$27,545
900 Delaware St	\$177,604	\$161,635	\$15,969	\$13,071
1106 Rhode Island St	\$76,282	\$57,309	\$18,972	\$13,965
826 Pennsylvania St	\$281,701	\$203,833	\$77,868	\$33,437
1101 Indiana St	\$1,302,328	\$1,012,006	\$290,322	\$98,139
Total	\$2,855,945	\$1,962,475	\$893,471	\$538,175

Tax Revenue Comparison: All NRAs			
	Base	Retained	% Gain (Loss)
To Date	\$538,175	\$893,471	66.0%
	<i>Unimproved Property</i>	<i>Improved Property</i>	<i>Return</i>

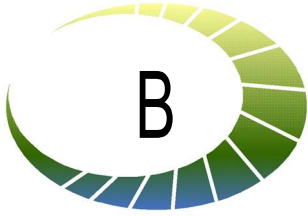


Historical Assistance & Investment

NRA Tax Revenues by Project:

720 E 9th Street NRA					
		Tax Revenues After Development			Tax Revenues No Development
		Total Taxes Paid	NRA Rebate	Retained Tax	Base Tax
2020	10	\$31,638	\$15,723	\$15,915	\$13,437
2019	9	\$30,857	\$16,286	\$14,571	\$13,423
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
		\$278,820	\$136,854	\$141,966	\$129,572

Tax Revenue Comparison: 720 E 9th				
		Base	Retained	% Gain (Loss)
2020		\$13,437	\$15,915	18.4%
To Date		\$129,572	\$141,966	9.6%
		<i>Unimproved Property</i>	<i>Improved Property</i>	<i>Return</i>



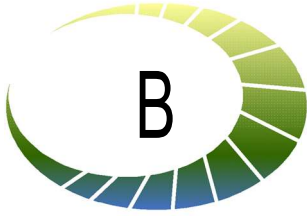
Historical Assistance & Investment

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	
2020	8	\$68,476	\$18,036	\$50,440	\$28,554
2019	7	\$64,566	\$24,613	\$39,954	\$28,525
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
		\$487,387	\$209,770	\$277,616	\$222,447

Tax Revenue Comparison: 1040 Vermont			
	Base	Retained	% Gain (Loss)
2020	\$28,554	\$50,440	76.7%
To Date	\$222,447	\$277,616	24.8%
	<i>Unimproved Property</i>	<i>Improved Property</i>	<i>Return</i>

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	
2020	7	\$49,381	\$24,305	\$25,076	\$4,014
2019	6	\$36,451	\$26,264	\$10,188	\$4,010
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
		\$251,824	\$181,067	\$70,757	\$27,545

Tax Revenue Comparison: 810/812 Penn			
	Base	Retained	% Gain (Loss)
2020	\$4,014	\$25,076	524.7%
To Date	\$27,545	\$70,757	156.9%
	<i>Unimproved Property</i>	<i>Improved Property</i>	<i>Return</i>



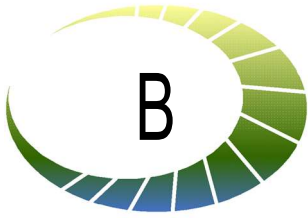
Historical Assistance & Investment

900 Delaware NRA					
Tax Revenues After Development				Tax Revenues No Development	
NRA Year	Total Taxes Paid	NRA Rebate	Retained Tax	Base Tax	
2020	5	\$36,720	\$33,298	\$3,422	\$2,638
2019	4	\$35,860	\$32,984	\$2,876	\$2,635
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
		\$177,604	\$161,635	\$15,969	\$13,071

Tax Revenue Comparison: 900 Delaware			
	Base	Retained	% Gain (Loss)
2020	\$2,638	\$3,422	29.7%
To Date	\$13,071	\$15,969	22.2%
	<i>Unimproved Property</i>	<i>Improved Property</i>	<i>Return</i>

1106 Rhode Island St. NRA					
Tax Revenues After Development				Tax Revenues No Development	
NRA Year	Total Taxes Paid	NRA Rebate	Retained Tax	Base Tax	
2020	5	\$16,546	\$12,156	\$4,390	\$2,818
2019	4	\$15,478	\$11,860	\$3,619	\$2,816
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
		\$76,282	\$57,309	\$18,972	\$13,965

Tax Revenue Comparison: 1106 Rhode Island			
	Base	Retained	% Gain (Loss)
2020	\$2,818	\$4,390	55.7%
To Date	\$13,965	\$18,972	35.9%
	<i>Unimproved Property</i>	<i>Improved Property</i>	<i>Return</i>



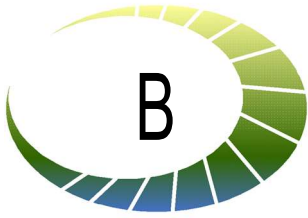
Historical Assistance & Investment

826 Pennsylvania St. NRA					
Tax Revenues After Development			Tax Revenues No Development		
<i>NRA Year</i>	Total Taxes Paid	NRA Rebate	Retained Tax	Base Tax	
2020	3	\$86,764	\$73,408	\$13,355	\$11,126
2019	2	\$83,847	\$69,634	\$14,213	\$11,114
2018	1	\$111,090	\$60,791	\$50,299	\$11,196
		\$281,701	\$203,833	\$77,868	\$33,437

Tax Revenue Comparison: 826 Penn St.			
	Base	Retained	% Gain (Loss)
2020	\$11,126	\$13,355	20.0%
To Date	\$33,437	\$77,868	132.9%
	<i>Unimproved Property</i>	<i>Improved Property</i>	<i>Return</i>

1101 Indiana St. NRA					
Tax Revenues After Development			Tax Revenues No Development		
<i>NRA Year</i>	Total Taxes Paid	NRA Rebate	Retained Tax	Base Tax	
2020	2	\$652,455	\$507,070	\$145,385	\$49,094
2019	1	\$649,873	\$504,936	\$144,937	\$49,044
		\$1,302,328	\$1,012,006	\$290,322	\$98,139

Tax Revenue Comparison: 1101 Indiana St.			
	Base	Retained	% Gain (Loss)
2020	\$49,094	\$145,385	196.1%
To Date	\$49,094	\$145,385	196.1%
	<i>Unimproved Property</i>	<i>Improved Property</i>	<i>Return</i>



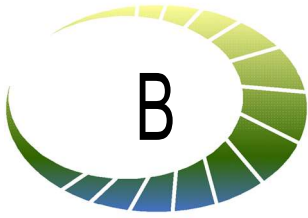
Historical Assistance & Investment

9th & New Hampshire TIF and TDD Distribution Splits

9th & New Hampshire: 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
2019	\$55,992	\$139,180	\$321,315	\$516,486	\$55,992	\$6,959	\$16,066	\$0	\$132,221	\$305,249
2020	\$30,833	\$76,630	\$331,079	\$438,542	\$30,833	\$3,832	\$16,554	\$0	\$72,799	\$314,525
Total	\$256,236	\$636,678	\$1,669,021	\$2,561,934	\$256,236	\$31,834	\$83,451	\$0	\$604,845	\$1,585,570

9th & New Hampshire: 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	\$240,665	\$139	\$17	\$12,016	\$0	\$329	\$228,303
2019	\$110	\$285	\$274,125	\$274,410	\$110	\$14	\$13,706	\$0	\$271	\$260,419
2020	\$47	\$118	\$280,731	\$280,897	\$47	\$6	\$14,037	\$0	\$112	\$266,695
Total	\$297	\$749	\$836,507	\$837,303	\$297	\$37	\$41,825	\$0	\$711	\$794,682

In 2020, total TDD sales tax revenues generated between both district projects was \$30,880, with \$688,558 generated in total TIF revenues.



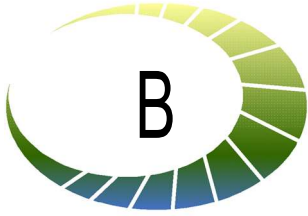
Historical Assistance & Investment

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
2019	\$56,103
2020	\$30,880
Total	\$256,533

9th & New Hampshire TIF Distributions	
Year	City 5% TIF
2015	\$3,880
2016	\$21,789
2017	\$34,352
2018	\$35,920
2019	\$36,745
2020	\$34,428
Total	\$167,115

In 2019, the City signed a reimbursement agreement with the Arts Center to transfer past retained 5% TIF funds and future received 5% TIF funds, up to the \$900,000 maximum. Conditions for the Arts Center to receive retained and future 5% TIF funds for this project include a property closing on or before November 1, 2024 and all TIF eligible expenses to be incurred by November 30, 2027. At the end of 2020, neither of these conditions had occurred and the City continued to retain the 5% TIF revenues for the district.



Historical Assistance & Investment

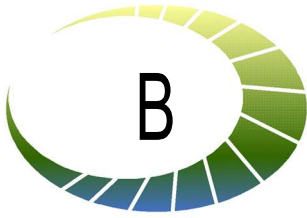
Tax Abatement Amounts

Two (2) Lawrence companies had active traditional tax abatements in 2020: 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 abated property is currently generating some level of property taxes.¹³

2020 Tax Generation (on portion of property receiving an abatement)			
Company & Abatement %	Total Tax Potential	Abated Tax Amount	Taxes Paid (or to be paid) by Property Owner
Grandstand/Screen-It Graphics			
Real (65%)	\$183,192	\$118,075	\$64,117
Sunlite Science & Technology			
Real (50%)	\$41,030	\$20,515	\$20,515
Total	\$224,222	\$138,590	\$84,632

Source: Douglas County, March 2021.

¹³ 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.

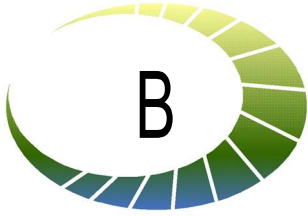


Historical Assistance & Investment

The following table shows non-Catalyst amounts abated by year.

Tax Abatements by Year						
Year	Amarr Ord. 8797 55% Pers.	Grandstand Res. 6948 65% Real	Sunlite Res. 7042 50% Real	Prosoco Ord. 7882 55% Real	Prosoco Ord. 7882 55% Pers.	Total
2005	—	—	—	\$31,386	\$3,510	\$34,896
2006	—	—	—	\$32,951	\$3,070	\$36,021
2007	—	—	—	\$33,048	\$2,463	\$35,511
2008	—	—	—	\$33,755	\$1,890	\$35,645
2009	—	—	—	\$33,881	\$1,265	\$35,146
2010	\$31,880	—	—	\$35,220	\$919	\$68,019
2011	\$28,686	—	—	\$35,698	\$932	\$65,316
2012	\$27,525	\$119,289	—	\$35,554	\$928	\$183,296
2013	\$27,876	\$93,682	—	\$36,026	\$940	\$158,524
2014	\$27,876	\$96,081	\$19,472	\$36,949	\$940	\$181,318
2015	\$28,593	\$99,422	\$21,182	—	—	\$149,197
2016	\$26,450	\$99,407	\$21,178	—	—	\$147,035
2017	\$27,082	\$103,715	\$22,997	—	—	\$153,794
2018	\$25,238	\$102,575	\$22,398	—	—	\$150,210
2019	\$24,728	\$118,202	\$19,999	—	—	\$162,929
2020	—	\$118,075	\$20,515	—	—	\$138,590
Total	\$275,934	\$832,373	\$127,226	\$344,468	\$16,857	\$1,596,857

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



Historical Assistance & Investment

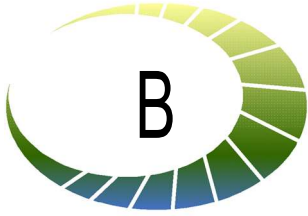
Two (2) Lawrence companies had active Catalyst tax abatements in 2019: VanTrust Phase I in Lawrence VenturePark and Plastikon Phase I & II expansion in East Hills Business Park.

2020 Catalyst Tax Generation (on portion of property receiving an abatement)				
Company	% of Real Property Abatement	Total Tax Potential	Abated Tax Amount	Taxes Paid (or to be paid) by Property Owner
VanTrust Phase I	70%	\$181,850	\$118,202	\$63,647
Plastikon Expansion phase I & II	70%	\$248,290	\$111,876	\$136,414
Total		\$430,140	\$230,078	\$200,061

Source: Douglas County, March 2021.

Catalyst Tax Abatements by Year					
Year	VanTrust Phase I ¹⁴ Ord. 9573 70% Real	Plastikon Phase I & II Ord. 9430 70% Real	Grandstand Expansion Ord. 9608 50% or 70% Real	US Engineering Res. 7297 50% or 70% Real	Total
2019	\$123,778	\$70,663	--	--	\$194,441
2020	\$118,202	\$111,876	--	--	\$230,078
Total	\$241,980	\$182,539	\$0	\$0	\$424,519

¹⁴ Under agreement with the City, Van Trust Phase I is subject to pre-determined Payment in Lieu of Tax (PILOT) payments.



Historical Assistance & Investment

Private-Public Investment

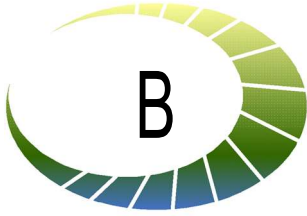
The below table presents the amount of private and public investment made for the projects currently participating in the City’s pay-as-you-go (PAYGO) economic development programs. It should be noted that private capital investment represents direct investment and does not include employment or income 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) ¹⁵
Active Projects	Private Capital Investment (as of 12-2020)	Incentive Duration in Years	2020 Annual Private Capital Investment	2020
Tax Abatements*				
Grandstand (Tax Abatement, 2011-2013) [2]	\$12,218,889	10	\$1,221,889	\$118,075
Sunlite (Tax Abatement, 2014-2023) [3]	\$1,158,155	10	\$115,816	\$20,515
VanTrust Phase I (2019-2029) (4)	\$10,200,000	10	\$1,020,000	\$118,202
Plastikon Phase I & II Expansion (2019-2028) (5)	\$6,208,477	10	\$620,848	\$111,876

* Public investment is represented by tax abatement value.

Continued

¹⁵ 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.



Historical Assistance & Investment

Active Projects: Pay-As-You-Go Private Capital Investment				Public Investment (Major ED Programs)
Active Projects	Private Capital Investment (as of 12-2020)	Incentive Duration in Years	2020 Annual Private Capital Investment	2020
NRA*				
720 E 9th Street ¹⁶	\$1,700,000	20	\$85,000	\$15,723
1040 Vermont Street ¹⁷	\$2,150,000	10	\$215,000	\$18,036
810/812 Pennsylvania Street ¹⁸	\$1,480,000	10	\$148,000	\$24,305
1106 Rhode Island Street ¹⁹	\$896,585	10	\$89,659	\$12,156
900 Delaware Street ²⁰	\$7,200,000	15	\$480,000	\$33,298
826 Pennsylvania Street ²¹	\$3,200,000	10	\$320,000	\$73,408
1101 Indiana Street (HERE KS) ²²	\$76,000,000	10	\$7,600,000	\$507,070

* 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.

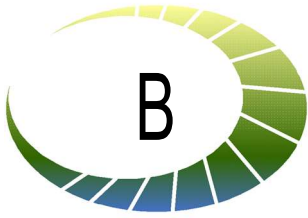
¹⁸ Private capital investment per Cider incentive application dated 6-8-12.

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.

²² Capital Investment per IRB Ord. No. 9053.



Historical Assistance & Investment

Active Projects: Pay-As-You-Go Private Capital Investment				Public Investment (Major ED Programs)
Active Projects	Private Capital Investment (as of 12-2020)	Incentive Duration in Years	2020 Annual Private Capital Investment	2020
TIF*				
The Oread (TIF) ²³				
TIF Sales Tax	\$8,941,754	20	\$447,088	\$106,994
TIF Property Tax				\$368,131
901 New Hampshire Street (Downtown 2000) ²⁴	\$11,472,000	20	\$573,600	\$28,085
900 New Hampshire (South Project) ²⁵				
TIF Sales Tax	\$8,625,000	20	\$431,250	\$72,799
TIF Property Tax				\$314,525
City Retained 5%				\$20,386
888 New Hampshire (North Project) ²⁶				
TIF Sales Tax	\$11,500,000	20	\$575,000	\$112
TIF Property Tax				\$266,695
City Retained 5%				\$14,042

* Public investment is represented by TIF reimbursement value.

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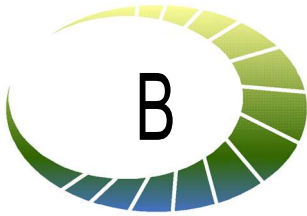
²³ OREAD original permit valuation for the construction of the hotel was \$17,883,508 (value split equally between TIF and TIDD), per Planning/Dev Services Department 1-28-15. Actual capital investment amounts expected to be higher.

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 in Section 4 for additional details.

²⁴ Private capital investment per developer.

²⁵ 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.

²⁶ 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 12-2020)	Incentive Duration in Years	2020 Annual Private Capital Investment	2020
TDD*				
Oread: TDD Sales Tax [27]	\$8,941,754	22	\$406,443	\$55,284
Bauer Farms	\$20,800,000	22	\$945,455	\$330,379
900 New Hampshire (South Project) 28	8,625,000	22	\$392,045	\$30,833
888 New Hampshire (North Project) 29	11,500,000	22	\$522,727	\$47

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

In 2020, for every \$1 in public sector assistance provided for these programs, approximately \$6.09 in private sector capital investment was realized.

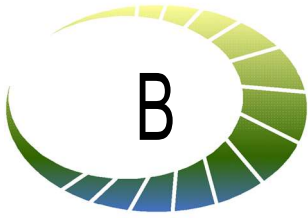
2020 Public Return on Private Capital Investment (by Year)	
Public Assistance:	\$2,660,977
Private Investment:	\$16,209,819
Private Investment for each Dollar of Public Assistance:	\$6.09

²⁷ 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 in Section 4 for additional details.

²⁸ 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.

²⁹ 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.

Active Projects: Pay-As-You-Go Private Capital Investment				Public Investment (Major ED Programs)
Active Projects	Private Capital Investment (as of 12-2020)	Incentive Duration in Years	2020 Annual Private Capital Investment	2020
Catalyst-Grandstand Expansion ³⁰	\$5,000,000	10	\$500,000	n/a
Catalyst-US Engineering ³¹	\$15,000,000	10	\$1,500,000	n/a
Catalyst-Standard Beverage ³²	\$13,500,000	10	\$1,350,000	n/a
Catalyst-VanTrust Phase II ³³	\$24,000,000	10	\$2,400,000	n/a
Penn Street Lofts ³⁴	\$12,000,000	15	\$800,000	n/a
T&M/Heartland Health Clinic ³⁵	\$6,500,000	10	\$650,000	n/a

³⁰ Private capital investment amount per application.

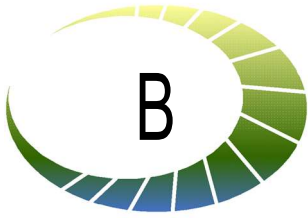
³¹ Private capital investment amount per Res. 7297.

³² Private capital investment amount per Ord. 9829.

³³ Private capital investment amount per Res. 7341.

³⁴ Private capital investment amount per Ord. 9820.

³⁵ Private capital investment amount per Res. 7348

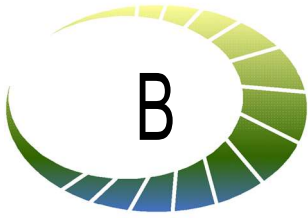


Historical Assistance & Investment

Direct-Support Programs

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

2020 Other Support Programs			2020 Assistance	
Support Program	Description	Location	City	County
Economic Development Services	BTBC	2029 Becker & 4950 Research Pkwy	\$415,659	\$515,659
Economic Development Services	Chamber and KU-SBDC	718 New Hampshire	\$220,000	\$195,000
Workforce Training	Peaslee Technical Training Center	2920 Haskell Avenue	\$200,000	\$400,000
Total			\$835,659	\$1,110,659



Historical Assistance & Investment

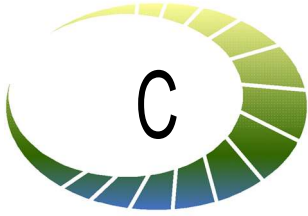
IRB Sales Tax Exemption Savings

No economic development capital investment projects were completed in 2020. Below shows completed projects and year of completion.³⁶

IRB Sales Tax Exemption Values (est.)							
Project	Estimated Completion	Materials Expense (1)	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

**Commercial remodel includes sales tax savings on both materials and labor.*

³⁶ 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.



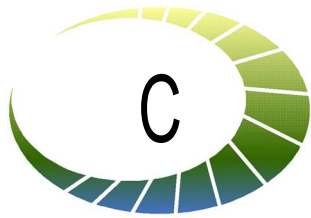
Matured/Non-Initiated Projects

Property Tax Abatements

Matured or Not Initiated: Tax Abatement Projects			
Tax Abatement	Description	Location	Status
Amarr Garage Doors, Inc.	55% personal property	3800 Greenway Circle	Matured at the end of 2019
Menards ¹	50% on real property	Lawrence VenturePark	Approved 2016. Project currently on hold.
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	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. At the end of 2016, Menards paused the project and has since elected to not proceed.

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

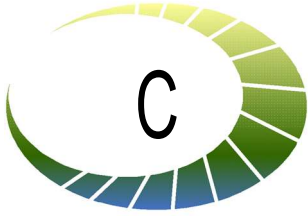


Matured/Non-Initiated Projects

Industrial Revenue Bonds

Matured					
Company	Date of Issue	Issuing Ord #	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
Dwayne Peaslee Technical Training Center, Inc.: Series 2016*	Dec. 2016	9321	2019	\$2,000,000	Technical Training Center
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)
Boys & Girls Club*	Dec. 2017	9431	2019	\$5,000,000	Teen Facility Addition to College & Career Center
PROSOCO, Inc: Series 1998A (\$5,800,000) & Series 1998B (\$2,240,000)	1999	7060	2019	\$8,040,000	Manufacturing Facility
826 Pennsylvania Street*	Dec. 2016	9316	2018	\$3,200,000	Mixed-Use Commercial/Multi-Family Residential
1101 Indiana Street (HERE KS)*	Nov. 2014	9053	2017	\$76,000,000	Mixed-use, retail and student Housing
800 New Hampshire: Series 2016* (1)	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 (2)	May 2015	9111	2017	\$1,600,000	Technical Training Center
Pioneer Ridge*	Feb. 2016	9184	2017	\$14,500,000	Commercial, Independent Living Facility
Bowersock: Series 2011C	Mar. 2011	8620	2016	\$1,035,000	Hydro-Electric Facility
9th & New Hampshire LLC: Series 2012 (South Project)*	2012	8804	2015	\$17,250,000	Mixed Use Hotel (900 New Hampshire Street: South Project)
Neuvant House II*	2013	8901	2014	\$2,500,000	Specialty Healthcare Facility
DST Systems, Inc: Series 2001	2001	7331	2012	\$9,000, 000	Acquisition & Renovation of Existing Office Building
Eldridge Expansion (705 Massachusetts Street)*	Oct. 2015	9161	n/a	\$12,500,000	Hotel expansion, did not proceed. Terminated by applicant in 2016.

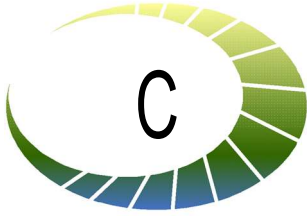
* Sales Tax Exemption IRB



Matured/Non-Initiated Projects

Neighborhood Revitalization Area

Matured or Not Initiated: NRAs			
NRA	Description	Location	Status
800-815 Vermont Street NRA	Vermont Place Mixed-Use Development	800-815 Vermont St.	Project did not proceed
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.



Matured/Non-Initiated Projects

Other Projects

Matured or Not Initiated: Other Projects			
Other	Description	Location	Status
Business Expansion	PROSOCO: Special Assessment Forgiveness ³	3700 Greenway Circle	Completed 2015
Employee Training Grant	Argenta ⁴	2029 Becker Drive	Terminated 2014
Neighborhood Infrastructure	East Lawrence Historic Warehouse District Improvements ⁵	Associated with Poehler Building	Phase I Completed in 2012
		Associated with Cider Art Gallery	Phase II Completed in 2013
		Associated with 9 Del Lofts	Phase III Completed in 2015
Development Grant	1106 Rhode Island Street	1106 Rhode Island Street	Development Completed 2015 ⁶
Affordable Housing	Cedarwood Sr. Cottages public Improvements	2575 Cedarwood Avenue	Completed 2016 ⁷
Business Relocation	Integrated Animal Health ⁸	2029 Becker Drive	Approved 2015. Terminated.

³ Douglas County donated East Hills Business Park land. City authorized forgiveness of \$44,937.81 in special assessments on the lot.

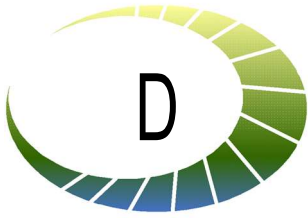
⁴ The City and County provided a four-year, \$10,500 job training grant. Company certified and received grant for the first two years only.

⁵ Phase I \$1.05 million, Phase II \$695,430, plus \$22,432 in special assessment contributions, Phase III \$270,967.

⁶ \$26,100 development grant to assist with City fees and permit expenses to support commercial rehabilitation of historic properties.

⁷ \$101,975 for neighborhood infrastructure, improvements and rebates on service development installation fees.

⁸ \$100,000 grant, forgivable over a 3-year period based on compliance, and split equally between the City and County. Compliance was met for the first two years, but the company ceased operations and did not meet compliance for the third year. 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 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.

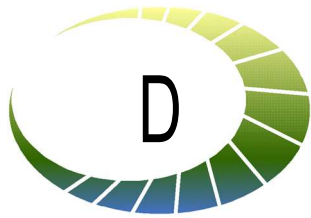


County Programs

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).



County Programs

Douglas County E-Community

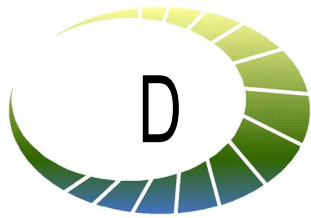
Established in 2011 in cooperation with NetWork Kansas, the Douglas County E-Community is comprised of Douglas County, Baldwin City, the City of Eudora, and the City of Lecompton.

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. At the end of 2020, the County had processed a total of 17 loans through the program.

2020: Douglas County E-Community Revolving Loan Program						
Recipient	Location	Loan Year	Business Description	Loan Amount	Loan Used For	Loan Status
TA Holdings	Baldwin City	2020	Specialty product coatings	\$28,500	Improvements to leased space, purchase of equipment	Open
Cassandra Roller	Baldwin City	2019	Restaurant	\$20,000	Improvements to leased space, purchase of equipment	Open
Flatlanders Pizza	Baldwin City	2019	Restaurant	\$22,000	Improvements to leased space, purchase of equipment	Open
The Nook	Baldwin City	2019	Book store/wine and & coffee bar	\$16,650	Improvements to leased space, purchase of equipment	Open
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.	Paid off

Continued



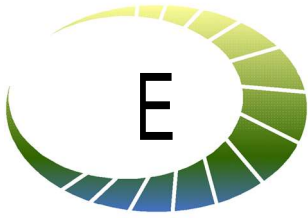
County Programs

2020: Douglas County E-Community Revolving Loan Program						
Recipient	Location	Loan Year	Business Description	Loan Amount	Loan Used For	Loan Status
Dr. Ethan James	Baldwin City	2017	Chiropractor	\$8,000	Build out of leased space, purchase of equipment.	Paid off
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
Indie Olive	Eudora	2014	Letterpress & Design Studio	\$25,000	Fund real estate acquisition and building improvements	Paid off
Heartland Perma Column	Baldwin City	2013	Concrete 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.	Paid off
The Lodge of Baldwin City	Baldwin City	2012	RV Park	\$25,000	Develop RV park	Paid off

Source: Douglas County

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

For new spec development or full build-out industrial development in Lawrence, Kansas, the City provides the Catalyst incentive program, a special assistance package offering expedited approval for projects meeting minimum eligibility criteria.

Catalyst Assistance Package
10-Year real property tax abatement: 50%; 70% if project built to LEED Silver equivalent*
IRB Sales tax exemption on project construction materials
City/County owned business park land provided for projects located in LVP or EHBP.
State provided personal property tax exemption (machinery/equipment)
IRB and property tax abatement application fees and bond origination fees waived by the City.

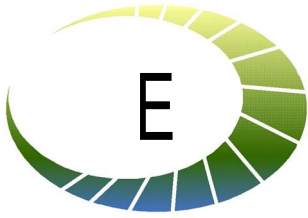
**Certification not required*

Since this is a special, temporary program, regular provisions and processes associated with the City of Lawrence’s Economic Development Policy will not apply. Instead, project participation in the Catalyst program is granted directly through the City Commission.

******The Catalyst program is limited in duration and will sunset April 1, 2022, unless extended by the City Commission. ******

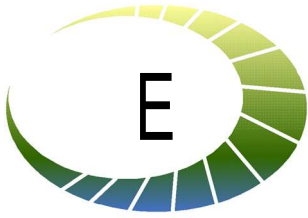
Catalyst Eligibility Requirements <i>(updated 12-3-2019)</i>			
Location	Construction Type (Industrial Use)	Min. Building Size (sf)	Min. Building Capital Investment
Lawrence VenturePark	New Building	75,000	\$5,000,000
	Building Expansion*	25,000	\$1,600,000
East Hill Business Park	New Building	25,000	\$1,600,000
	Building Expansion*	15,000	\$1,000,000
IG zoned land within the City	New Building	25,000	\$1,600,000
	Building Expansion*	25,000	\$1,600,000

**For expansion projects, the abatement will only apply to the expansion portion of the building.*



Supplemental Information

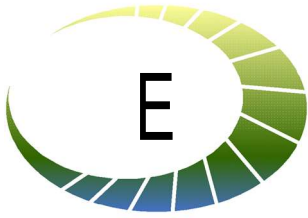
General Program Requirements
Applicant must be a taxable entity and the project must be a taxable use.
Applicant must complete a brief application describing parameters of the project. Applications are available on the City website at https://lawrenceks.org/ed or by contacting the City Manager's Office at 785-832-3400.
Applicant must provide sufficient evidence to the City of its financial and marketing capacity to complete a successful project. Additionally, the City reserves the right to work 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.
Applicant must be current on all property tax, special assessments or any obligations to the City of Lawrence.
Applicant pays special assessments (if applicable) on land provided as part of The Catalyst assistance package.
County-owned land provided as part of assistance package will be subject to Douglas County approval.
Project participation in the Catalyst program to be approved by the City Commission.
If City-owned land is provided as part of the assistance package, applicant must execute a land transfer agreement with the City within the two-year period following approval by City Commission of project Catalyst program participation. Agreement is to outline terms of land transfer and other program eligibility requirements.
City-owned land is not transferred to applicant until a building permit is issued for the project.
Building permit must be issued within 18 months of execution of land transfer agreement.
Project must break ground within 12 months of building permit being issued or the land will revert to the City.
Project must meet applicable zoning and building codes, compliance with City regulations, and eligibility requirements for the duration of the incentive period in order to maintain program benefits.
Building/expansion must be constructed, maintained and operated in accordance with applicable federal, state and local laws.
Benefits under this program are subject to applicant remaining in compliance with all eligibility requirements.



Supplemental Information

Additional Program Information:

- Property tax abatements are 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.
- Catalyst package includes 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 the time the Certificate of Occupancy is issued. 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 in order to access these enhancements.
- Payments in Lieu of Taxes (PILOT payments) may be negotiated with the applicant on a case-by-case basis.
- Applicant is responsible for paying all bond counsel and bond issuance costs associated with the IRB issuance, if applicable. Applicant is responsible for paying all expenses incurred by the City for professional services pertaining to the project, regardless of if the project is approved. This may include costs associated with research and analytical services, legal publication notices, application fees to the state Board of Tax Appeals, bond counsel and other miscellaneous costs, including but not limited to, the City reasonable costs to process any modifications.



Supplemental Information

GRANDSTAND

January 15, 2021

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

RE: 2020 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 first day of employment.

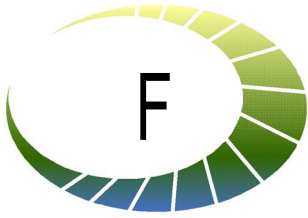
During the calendar year 2020, Grandstand paid 100% towards the health insurance premium for the employee only coverage.

If you have any further inquiries, please do not hesitate to contact me at 785-312-5080.

Sincerely,

Jamey Steinhauser
Chief Operating Officer

3840 GREENWAY CIRCLE • LAWRENCE, KS 66046 • 800-767-8951 • eGRANDSTAND.COM



Economic Snapshot

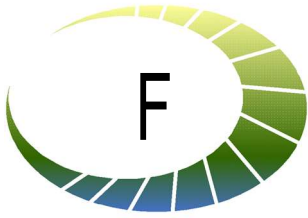
The Comprehensive Plan for Lawrence and Douglas County, identifies several broad, economic development goals, including employment growth, income growth, and tax base growth. Below shows economic data for the most recently available year that addresses those goals.

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
2019	65,375	63,457	1,918	2.9%
2018	65,199	63,204	1,995	3.1%
2017	65,186	63,093	2,093	3.2%
2016	65,276	62,968	2,308	3.5%
2015	64,800	62,411	2,389	3.7%
2014	64,653	62,013	2,640	4.1%
2013	63,535	60,479	3,056	4.8%
2012	63,496	60,235	3,261	5.1%
2011	63,749	60,141	3,606	5.7%
2010	64,379	60,574	3,805	5.9%

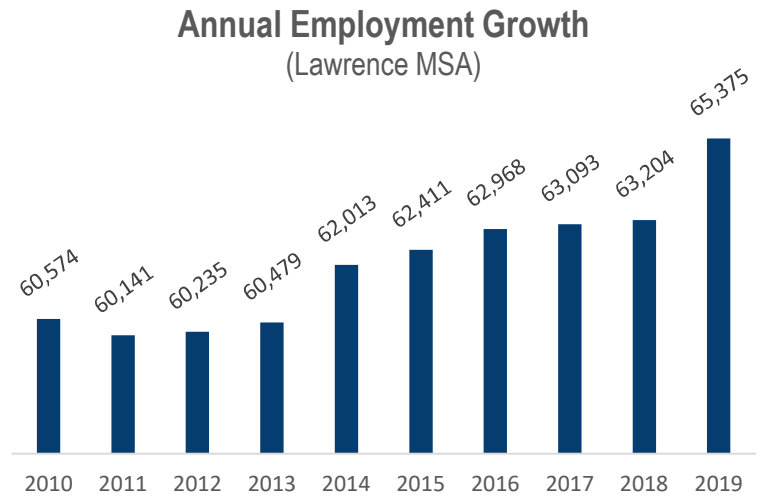
¹ Source: Labor Market Information Services, Kansas Dept. of Labor in cooperation with BLS, U.S. Dept. of Labor. Annual, not seasonally adjusted Labor Force, Employment and Unemployment data for Lawrence, KS Metropolitan Statistical Area in Multiple Time Periods. Data retrieved December 2020.



Economic Snapshot

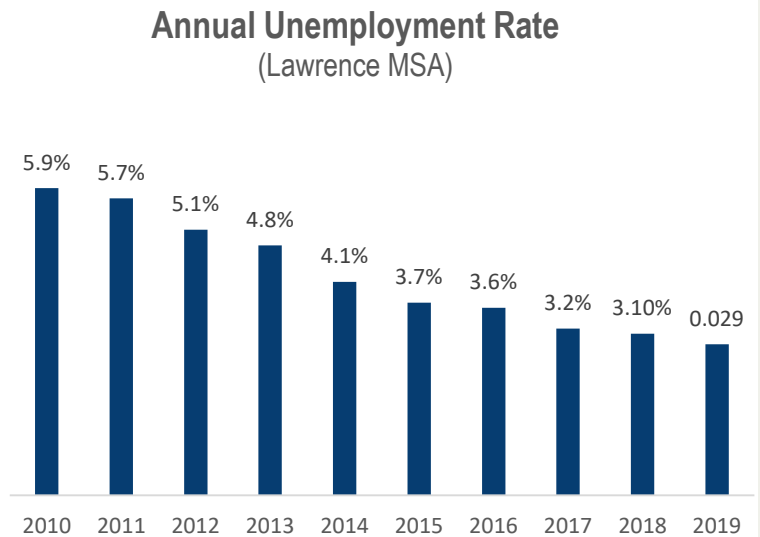
2019 job growth was up 0.4% compared to the previous year, up 1.7% compared to five years ago (2015), and up 4.8% compared to 10 years ago (2010).

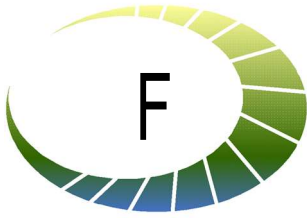
Employment Growth (Lawrence MSA)		
Period	Change	% Change
1Y (2018-2019)	253	0.4%
5Y (2015-2019)	1,046	1.7%
10Y (2010-2019)	2,883	4.8%



Unemployment dropped slightly in 2019 compared to the previous year, decreased 0.8% over the past 5 years (since 2015), and decreased 3% over the past 10 years (since 2010).

Unemployment Rate (Lawrence MSA)	
Period	Absolute Change
1Y (2018-2019)	-0.2%
5Y (2015-2019)	-0.8%
10Y (2010-2019)	-3.0%





Economic Snapshot

Commuting Workforce:

Considering all jobs, the City of Lawrence has approximately 22,641 commuting into the City for jobs as compared to 18,884 that commute out of the City for jobs. For Primary jobs, approximately 20,700 workers commute into the City for jobs as compared to 17,390 that commute to other communities for jobs.

For all job types, the County has approximately 21,208 that commute into the County for jobs as compared to approximately 24,072 that commute to communities outside the County for jobs. For Primary jobs, approximately 19,229 workers commute into the County for jobs as compared to 22,263 that commute to communities outside the County for jobs.

Commuting Workforce								
Lawrence, City				Douglas County, KS				
All Jobs		Primary Jobs		All Jobs		Primary Jobs		
Count	%	Count	%	Count	%	Count	%	
22,641	55%	20,700	54%	21,208	47%	19,229	46%	
18,884	45%	17,390	46%	24,072	53%	22,263	54%	
41,525	100%	38,090	100%	45,280	100%	41,492	100%	

Commuting In
Commuting Out

Total Commuting Workforce

Source: Longitudinal Employer-Household Dynamics: 2017 Inflow/Outflow Analysis. Data retrieved Jan 2021.

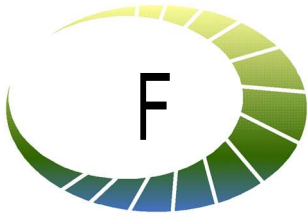
Area Workforce								
Lawrence Area Workforce				Douglas County, KS				
All Jobs		Primary Jobs		All Jobs		Primary Jobs		
Count	%	Count	%	Count	%	Count	%	
23,859	56%	21,998	56%	31,041	56%	28,573	56%	
18,884	44%	17,390	44%	24,072	44%	22,263	44%	
42,743	100%	39,388	100%	55,113	100%	50,836	100%	

Employed & Living in Area

Living in Area, Commuting Out

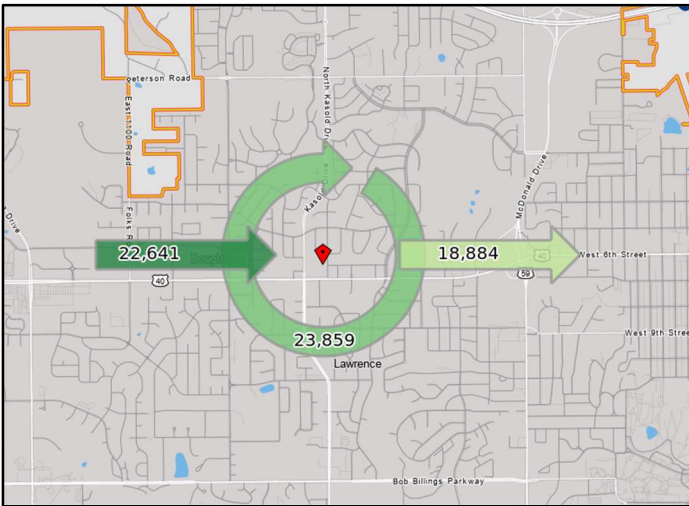
Total Area Workforce

Source: Longitudinal Employer-Household Dynamics: 2017 Inflow/Outflow Analysis. Data retrieved Jan 2021.

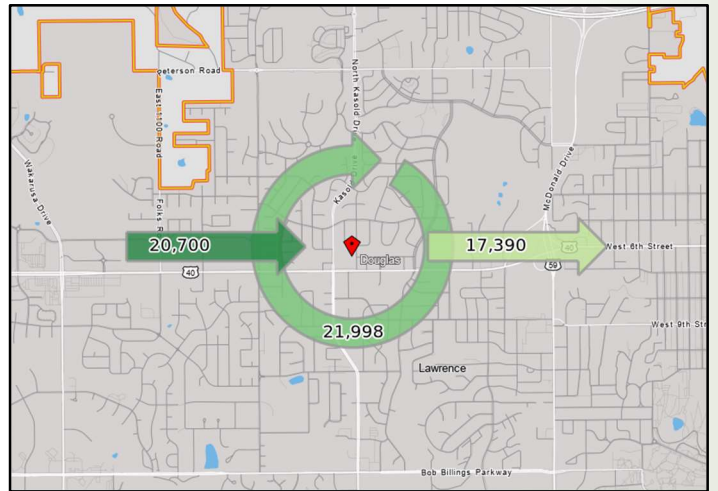


Economic Snapshot

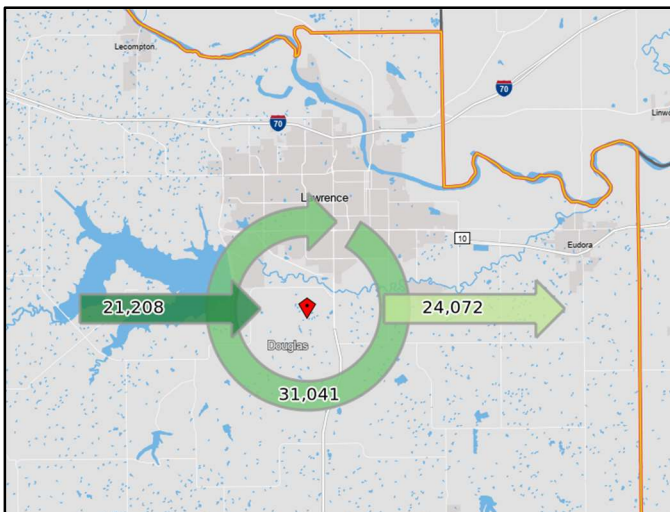
Lawrence City—All Jobs



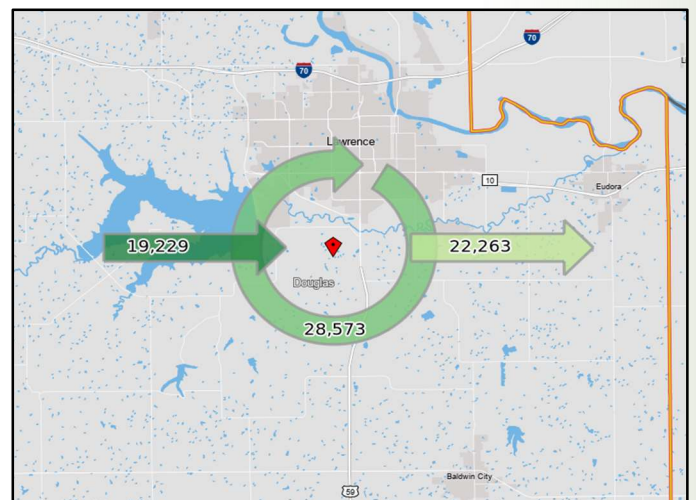
Lawrence City—Primary Jobs

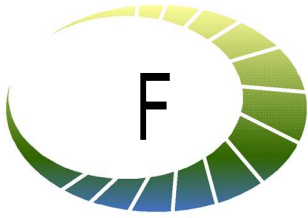


Douglas County, KS—All Jobs



Douglas County, KS—Primary Jobs





Economic Snapshot

Income Growth

Personal Income:

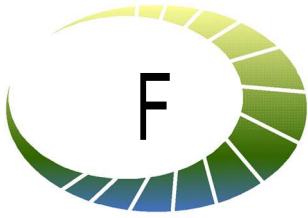
Personal income of an area represents the income received by or on behalf of the persons residing in that area.

Personal Income & Population ² (Lawrence MSA)			
Period	Population ³	Personal income (1000s \$)	Per capita personal income ⁴
2019	122,259	\$5,521,639	\$45,163
2018	121,109	\$5,321,380	\$44,735
2017	120,281	\$5,252,211	\$43,666
2016	119,662	\$5,101,595	\$42,634
2015	118,141	\$5,034,556	\$42,615
2014	116,445	\$4,747,848	\$40,774
2013	114,713	\$4,602,154	\$40,119
2012	113,313	\$4,560,605	\$40,248
2011	112,479	\$4,475,704	\$39,791
2010	111,198	\$4,408,982	\$39,649

² 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 2019 inflation adjusted dollars.

³ Census Bureau midyear population estimates. Estimates for 2010-2019 reflect county population estimates available as of March 2020.

⁴ Per capita personal income = Personal income divided by population.



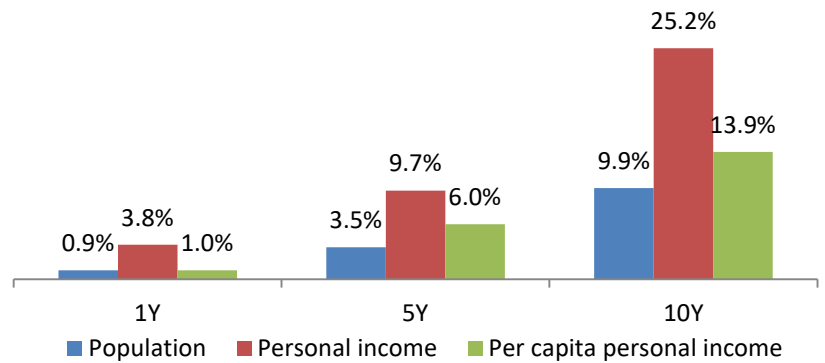
Economic Snapshot

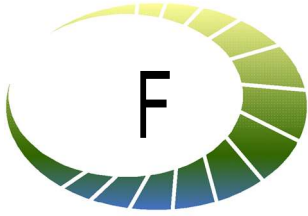
Over a one-year period (2018-2019), personal income increased 3.8% and per capita income increased 1%. Over a 5-year period (2015-2019) personal income increased 9.7% and per capita income increased to 6.0%. Over a 10-year period (2010-2019) personal income increased 25.2% and per capita income increased 13.9%.

Personal Income & Population Change			
Description	1Y ('18-'19)	5Y ('15-'19)	10Y ('10-'19)
Population	0.9%	3.5%	9.9%
Personal income	3.8%	9.7%	25.2%
Per capita personal income	1.0%	6.0%	13.9%

Personal Income & Population Change

(Lawrence MSA, Inflation Adjusted 2019 Dollars, US CPI)





Economic Snapshot

Employment Income:

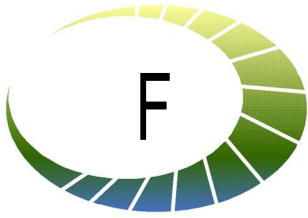
Employment Income ⁵ (Lawrence MSA)			
Period	Total employment ⁶	Earnings by place of work (1000 \$) ⁷	Avg. earnings/job ⁸
2019	75,267	\$3,327,268	\$44,206
2018	74,410	\$3,260,813	\$43,822
2017	73,578	\$3,221,506	\$43,784
2016	71,520	\$3,162,072	\$44,212
2015	70,431	\$3,092,322	\$43,906
2014	69,520	\$2,925,509	\$42,082
2013	67,805	\$2,845,191	\$41,961
2012	66,197	\$2,758,510	\$41,671
2011	66,327	\$2,776,929	\$41,867
2010	66,702	\$2,804,708	\$42,048

⁵ 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 2019 inflation adjusted dollars.

⁶ Total employment includes wage and salary employment plus proprietors employment.

⁷ Earnings by place of work includes compensation of employees and proprietors' income.

⁸ Average earnings per job = Earnings by place of work/total employment.

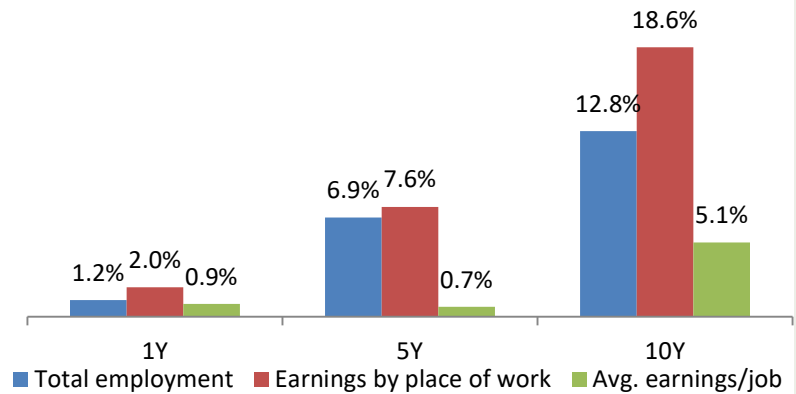


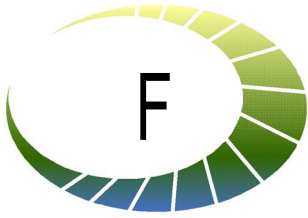
Economic Snapshot

Employment income increased 2.0% over a one-year period (2018-2019) with average earnings per job increasing 0.9%. Over a 5-year period (2015-2019), employment income increased 7.6% with average earnings per job increasing 0.7%. Over a 10-year period (2010-2019), employment income increased 18.6%, with average earnings per job increasing 5.1%

Employment Income Change			
Description	1Y ('18-'19)	5Y ('15-'19)	10Y ('10-'19)
Total employment	1.2%	6.9%	12.8%
Earnings by place of work	2.0%	7.6%	18.6%
Avg. earnings/job	0.9%	0.7%	5.1%

Employment Income Change
(Lawrence MSA, Inflation Adjusted 2019 Dollars, US CPI)





Economic Snapshot

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.

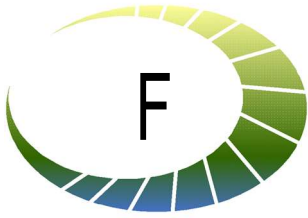
Wages & Salary ⁹ (Lawrence MSA)			
Period	Wage & salary employment ¹⁰	Total wages and salaries (1000 \$) ¹¹	Avg. wages & salaries/job ¹²
2019	58,596	\$2,273,746	\$38,804
2018	58,204	\$2,219,656	\$38,136
2017	57,663	\$2,208,099	\$38,293
2016	55,895	\$2,179,730	\$38,997
2015	55,080	\$2,132,761	\$38,721
2014	54,413	\$2,044,438	\$37,573
2013	53,104	\$1,996,823	\$37,602
2012	51,941	\$1,955,733	\$37,653
2011	52,035	\$1,944,517	\$37,369
2010	52,680	\$1,990,068	\$37,777

⁹ 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 2019 inflation adjusted dollars.

¹⁰ 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.

¹¹ 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.

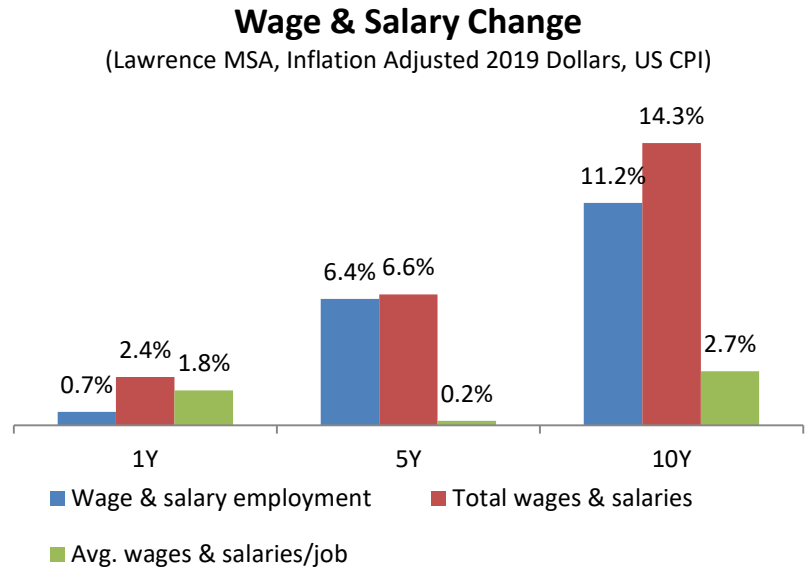
¹² Average wages and salaries per job = Total wages and salaries / Wage and salary employment.

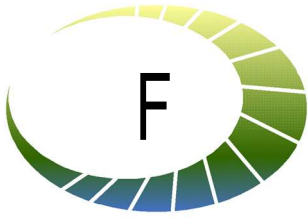


Economic Snapshot

Total wages and salaries for the Lawrence MSA increased 2.4% over a one-year period (2018-2019) with average wages & salaries per job increasing 1.8%. Over a 5-year period (2015-2019), total wages and salaries increased 6.6% with average wages/salaries per job increasing 0.2%. Over a 10-year period (2010-2019), total wages and salaries increased 14.3%, with average wages/salaries per job increasing 2.7%.

Wage & Salary Change			
Description	1Y ('18-'19)	5Y ('15-'19)	10Y ('10-'19)
Wage & salary employment	0.7%	6.4%	11.2%
Total wages and salaries	2.4%	6.6%	14.3%
Avg. wages & salaries/job	1.8%	0.2%	2.7%





Economic Snapshot

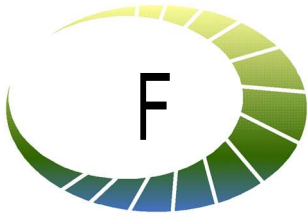
Tax Base Growth

To lighten taxes on homeowners, 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	2019	2020
Lawrence	29.8%	30.0%	30.3%	30.3%	29.6%	30.0%	29.1%
Lenexa	47.7%	48.1%	49.0%	47.7%	47.0%	46.6%	47.0%
Manhattan	28.0%	28.0%	28.0%	27.0%	28.0%	28.8%	28.2%
Olathe	28.3%	28.6%	31.5%	32.0%	30.3%	30.1%	29.6%
Overland Park	37.1%	37.2%	38.5%	38.1%	37.5%	34.8%	34.3%
Shawnee	23.5%	24.1%	26.4%	25.7%	25.5%	34.9%	23.6%
Topeka	41%	41.7%	42.5%	42.7%	44.5%	43.0%	42.8%

Sources: County Appraisers

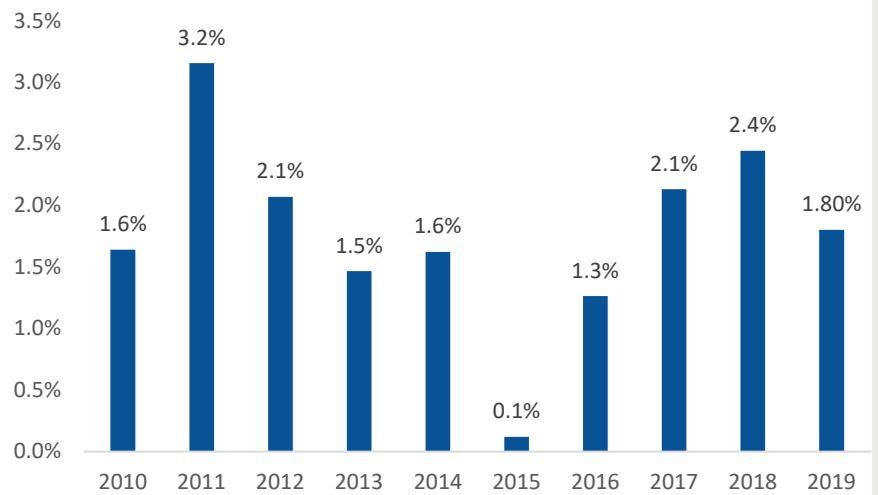


Economic Snapshot

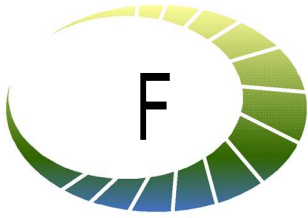
Additional Economic Indicators

Consumer Price Index U.S. City Average, All Urban Consumers ¹³		
Year	CPI	Y-Y % Change
2019	255.657	1.8%
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%

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



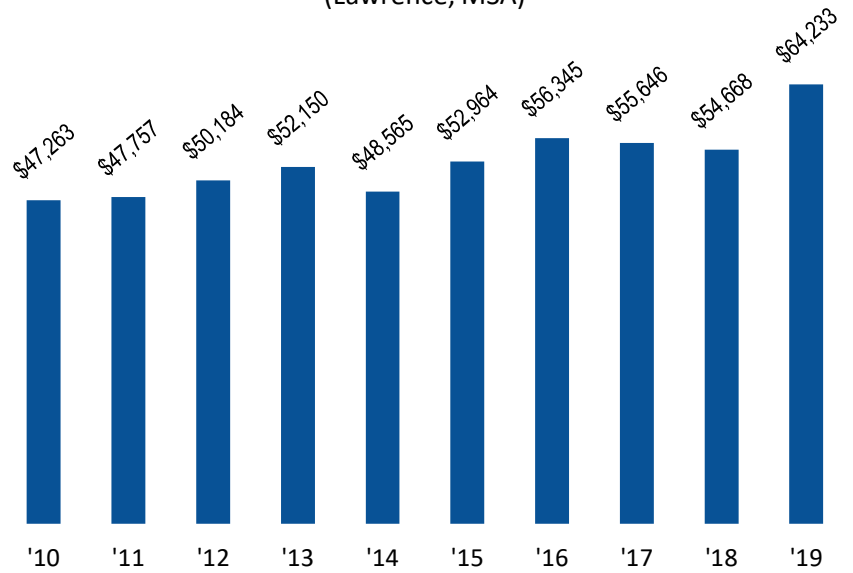
¹³ Source: U.S. Bureau of Labor Statistics. Consumer Price Index - All Urban Consumers, U.S. City Average, Not Seasonally Adjusted. Data retrieved Dec 2019.



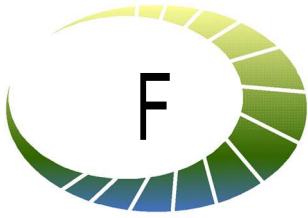
Economic Snapshot

Median Household Income ¹⁴ (Douglas County, KS)		
Year	Amount	Y-Y Change
2019	\$64,233	17.50%
2018	\$54,668	-1.76%
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%

Median Household Income
(Lawrence, MSA)

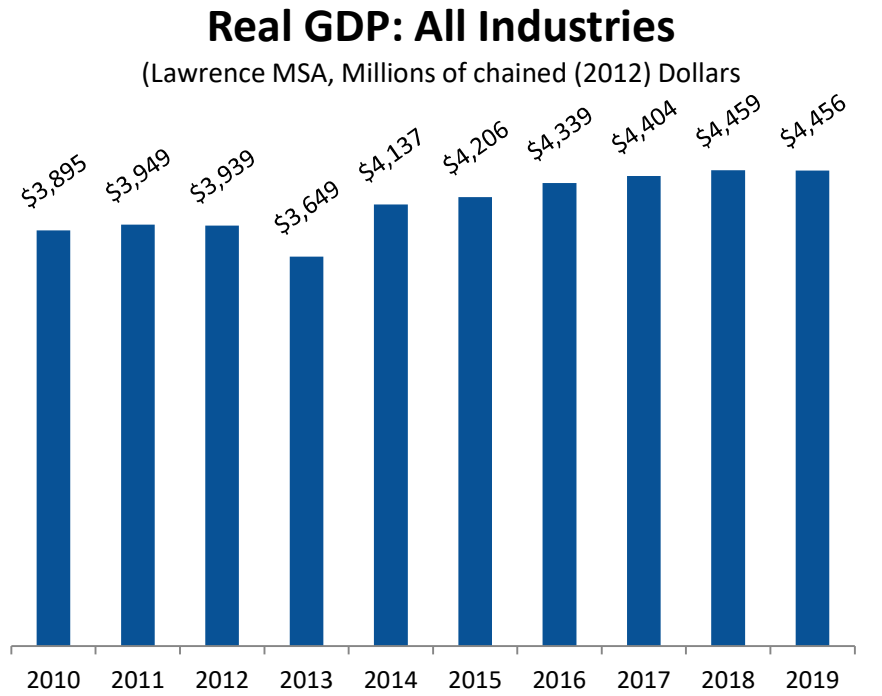


¹⁴ Source: U.S. Census Bureau, American Community Survey 1-Year Estimates, Table B19013: Median Household Income in the Past 12 Months (in Inflation-Adjusted Dollars).

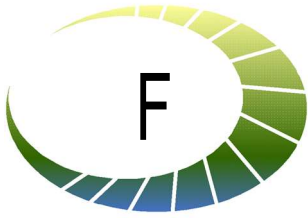


Economic Snapshot

Real GDP: Lawrence MSA ¹⁵		
Year	GDP	Y-Y % Change
2019	\$4,456	-0.1%
2018	\$4,459	1.2%
2017	\$4,404	1.5%
2016	\$4,339	3.2%
2015	\$4,206	1.7%
2014	\$4,137	2.3%
2013	\$4,043	2.6%
2012	\$3,939	-0.2%
2011	\$3,949	1.4%
2010	\$3,895	-0.9%

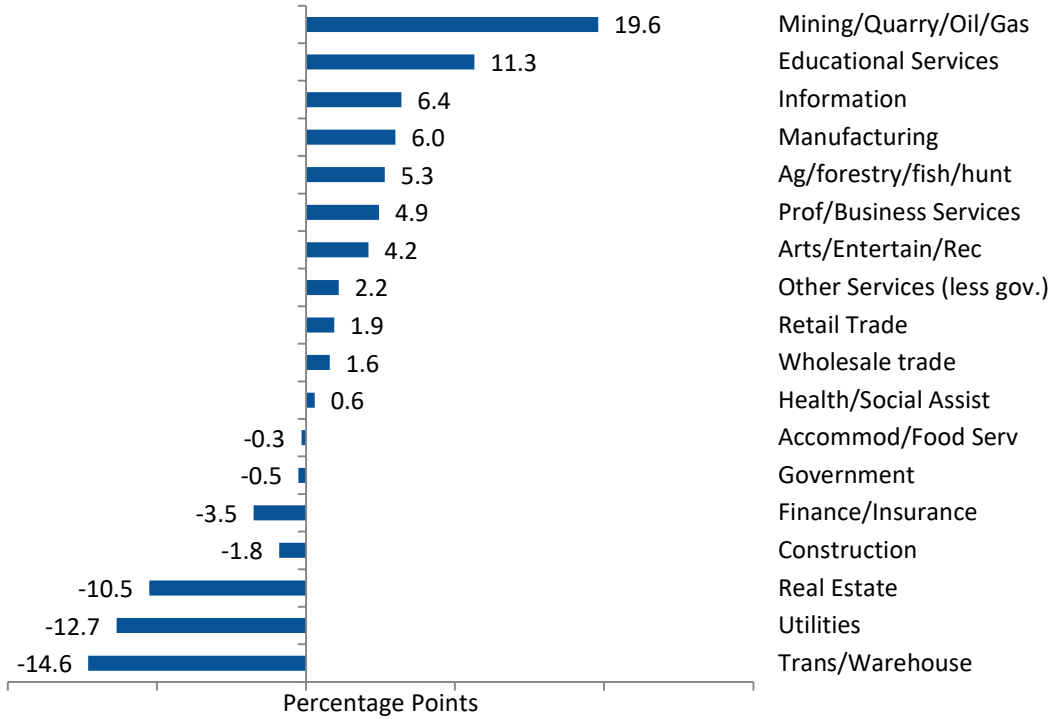


¹⁵ Source: Bureau of Economic Analysis, Table CAGDP9 Real GDP by Metropolitan Area. Data retrieved Jan. 2021. Real GDP for all industries in millions of chained 2012 dollars.

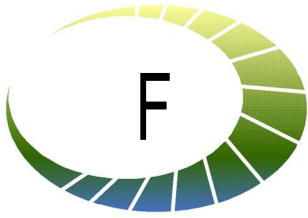


Economic Snapshot

Percent Change to Real GDP by Industry (Lawrence MSA, 2018-2019)

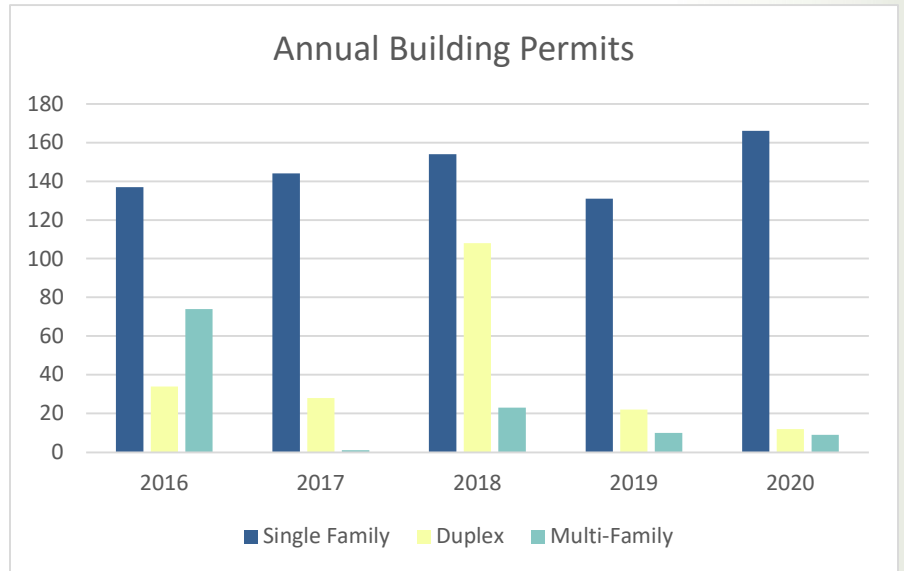


Source: Bureau of Economic Analysis, Table CAGDP9 Real GDP by Metropolitan Area. Data retrieved Jan. 2020. Real GDP for all industries in millions of chained 2012 dollars.

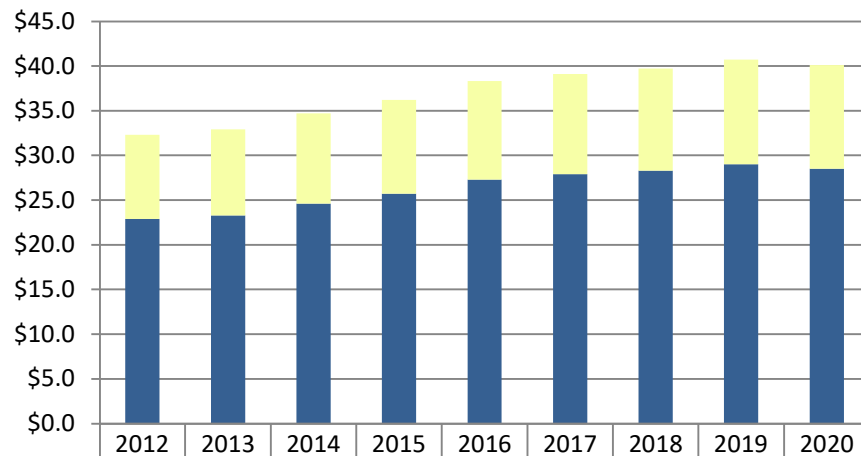


Economic Snapshot

New Construction Building Permits			
Period	Single Family	Duplex	Multi-Family
2020	166	12	9
2019	131	22	10
2018	154	108	23
2017	144	28	1
2016	137	34	74



City Sales Tax Revenues (millions \$)



■ City portion of County 1%	2012	2013	2014	2015	2016	2017	2018	2019	2020
■ City	\$22.9	\$23.3	\$24.6	\$25.7	\$27.3	\$27.9	\$28.3	\$29	\$29