

ORDINANCE NO. 3314

AN ORDINANCE EXEMPTING CERTAIN REAL PROPERTY LOCATED AT 401 COTTAGE AVENUE FROM AD VALOREM TAXATION FOR ECONOMIC DEVELOPMENT PURPOSES

WHEREAS, the City of Abilene, Kansas (the “City”) is a duly organized and existing municipal corporation of the State of Kansas; and

WHEREAS, in accordance with Section 13 of Article 11 of the Kansas Constitution, and pursuant to City policy, (collectively, the “Authority”), the City is authorized to exempt certain property from ad valorem taxation for economic development purposes; and

WHEREAS, the City has developed and adopted official policies and procedures for the granting of such exemptions, including the preparation of a cost/benefit analysis, which includes the effect of the exemption on state revenues, and a procedure for monitoring the compliance of a business receiving an exemption with terms or conditions, if any, established by the City for the granting of the exemption; and

WHEREAS, in the year 2015, TSB Enterprises, LLC (the “Applicant”) acquired real property as described herein and more generally described as 401 Cottage Avenue, Abilene, Kansas, (the “Project”); and

WHEREAS, the City has prepared a cost/benefit analysis of the Project, attached hereto as **Exhibit A**, and subsequently the City has conducted a Public Hearing on the proposed exemption of the Project;

WHEREAS, notice of the Public Hearing was published once ten days prior to the hearing in the official city newspaper and notice was also provided in writing to Dickinson County and Unified School District 435; and

WHEREAS, the City finds it necessary and desirable to make the finding of fact that the Project will be used exclusively for the purposes specified in Article 11, Section 13 of the Kansas Constitution; and

WHEREAS, the City finds that a compelling reason exists to exempt the Project from ad valorem taxation.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF ABILENE, KANSAS AS FOLLOWS:

SECTION ONE. Exclusive Use. The City hereby finds and determines that 98% of the Project will be used exclusively for the purposes specified in Article 11, Section 13 of the Kansas Constitution. Pursuant to K.S.A. 79-251(c)(2), the City further finds that the Applicant has received approval of the Secretary of Commerce based upon a finding by the secretary that Applicant’s relocation from another city or county was necessary to prevent the business from relocating outside this state.

SECTION TWO. Necessity of Exemption. The City further finds that a compelling reason exists to exempt the Project from ad valorem taxation and that a waiver of any requirements of the City's Resolution No. 87-10 that are in conflict with this Ordinance or the actions heretofore taken is in the public interest.

SECTION THREE. Ad Valorem Exemption. Real and personal property, to include land and improvements, as legally described as follows:

A tract of land located in the Southeast quarter of Section 16, Township 13 South, Range 2 East of the 6th Prime Meridian, in the City of Abilene, Dickinson County, Kansas, more particularly described as follows:

Commencing at the Southeast corner of said Southeast quarter of said Section 16, thence North 00 degrees 56' 22" West on an assumed bearing along the East line of said Southeast quarter to a point on the North line of Cottage Avenue a distance of 480.00 feet; thence South 89 degrees 25' 08" West to existing property pin and to the point of beginning a distance of 475.21 feet; thence South 89 degrees 22' 44" West to existing property pin a distance of 785.14 feet; thence North 00 degrees 55' 03" West to South right-of-way line of the Union Pacific Railroad a distance of 210.72 feet; thence North 78 degrees 13' 10" East along said right-of-way line to existing property pin a distance of 799.75 feet; thence South 00 degrees 52' 18" East a distance of 365.51 feet to point of beginning.

shall be exempt from 98% of the ad valorem taxation levied by the City of Abilene, Dickinson County and USD 435, in conformance with written City policy regarding tax exemptions for economic purposes for a term of ten years. Such exemption shall decrease by 10% annually during the prescribed period commencing with the calendar year 2017.

SECTION FOUR. Transferability of Exemption. The ad valorem tax exemption hereby granted shall not be transferable if there is a change in ownership of the exempt assets.

SECTION FIVE. Letter of Intent, Final Determination and Procedural Waiver. The governing body intends this Ordinance (1) to indicate the intent of the governing body to exempt the Project from ad valorem taxation in accordance with the terms hereof and the requirements of the City and (2) to serve as its final authorization wherein the exemption of the specific nature of the Project is clearly approved. The governing body acknowledges the receipt from the Applicant of any and all information required by the City and compliance with all other procedural requirements of said Resolution. Notwithstanding the foregoing, to the extent, if any, the procedures, intent or findings contemplated and made by this Ordinance are in any manner inconsistent with City policy, the governing body specifically intends by this Ordinance to waive and modify such policy requirements, consistent with an exemption of ad valorem taxes on the Project.

SECTION SIX. Copies of Documents. A copy of this Ordinance shall be provided to the owner of the property and to the County Appraiser of Dickinson County, Kansas. Copies of the Tax Abatement Application, Cost-Benefit Analysis, and this Ordinance shall be made available for public viewing in the office of the City Clerk of the City of Abilene, Kansas.

SECTION SEVEN. Effective Date. This Ordinance shall be in full force and effect from and after its passage, signature and publication in the official city newspaper as provide by law.

PASSED AND APPROVED by the Governing Body of the City of Abilene, Kansas this 13th day of February, 2017.

CITY OF ABILENE, KANSAS

By: 
Dee Marshall, Mayor

ATTEST:


Penny Soukup, CMC
City Clerk

APPROVED AS TO FORM:



Aaron O. Martin, City Attorney

EXHIBIT A

Cost/Benefit Analysis

Thunderstruck Bumpers, Inc.

A Tax Abatement Cost-Benefit Analysis of Thunderstruck Inc.

The firm is located in: City of Abilene

Report Printed: 12/8/2016

Description of the firm's location or expansion in the community:

The company purchased a building in Abilene for the purposes of expanding its operations and to provide better opportunities for research and development of new products. The move to Abilene has provided the advantage of a larger building to allow the company to expand into new markets and increase its offerings in existing markets.

This report includes an analysis of costs and benefits from the firm for the following taxing entities where the firm is or will be located. These taxing entities are considering tax abatements or incentives for the firm:

City:	Abilene
County:	Dickinson
School District:	USD 435 Abilene
Special Taxing District:	Hospital District #1
Special Taxing District:	Cemetery District #1
State of Kansas	

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This Kansas Tax Abatement Cost Benefit Analysis (CBA) is prepared by the Kansas Department of Commerce for the benefit and use of the State of Kansas and its local units of government. This model was developed to assess the costs and benefits property tax abatement and economic development incentives have on state revenues. The Department of Commerce makes no representations, guarantees, or warranties as to the accuracy, completeness, or suitability of the analysis or information contained in this CBA. The Kansas Department of Commerce specifically disclaims any and all liability for any claims or damages that may result from other uses of the analysis in this CBA.

About this Cost-Benefit Analysis Report

This cost-benefit analysis report was prepared using a computer program that analyzes economic and fiscal impact. The report shows the impact that the firm, its employees and workers in spin-off jobs will have on the community and the state.

The economic impact over the next ten years is calculated along with the accompanying public costs and benefits for the State of Kansas and the taxing entities included in this analysis.

The analysis also shows the effect of tax abatements and incentives that may be considered for the firm.

Here is how the analysis was performed:

1. Data was entered for the state and community's tax and other rates; the firm and its employees; tax abatements and other incentives being considered for the firm; construction activity; and expected visitors.
2. Using the data entered, as well as some rates built into the computer program, calculations were made of the economic impact of the firm along with the related costs and benefits.

The calculations of impact include direct, indirect and induced impact. Regional economic multipliers, specific to the firm's industry group, were used by the program to calculate the direct and induced or spin-off jobs and earnings in the community.

These are the report sections:

Summary of Costs and Benefits for all Taxing Entities

This report page summarizes the costs and benefits for all taxing entities resulting from the firm and from new direct, indirect and induced jobs.

The Economic Impact that the Firm will have on the Community

This report page shows the number of direct, indirect and induced jobs that will be created in the community, the number of new residents and additional school children, and increases in local personal income, retail sales, economic activity and the property tax base in the first year and over the next ten years.

Benefits and Costs for Each Taxing Entity

These report pages summarize the costs and benefits for the State of Kansas and for each taxing entity as a result of the firm locating or expanding in the Kansas community.

The public benefits include additional revenues from the firm and employees for the taxing entities - - sales taxes, property taxes, utilities, utility franchise fees, other payments by new residents, Payments in lieu of taxes (PILOT) by the firm and additional school funding. Public costs include the additional costs of public services for new residents and the firm, costs of educating new students that move to the school district, along with tax abatements and incentives provided to the firm.

In addition to a presentation of public costs and benefits, this report also computes the present value of net benefits to be received by each taxing entity; the payback period for incentives and taxes to be abated; the rate of return on investment for each entity, and, cost benefit ratios.

Payback Period

The investment payback period for each taxing entity was computed. This analysis views the financial incentives, including tax abatement, that the taxing entities are considering for the firm as an investment that the public will be making in the company. The payback period, therefore, is the number of years that it will take each taxing entity to recover the cost of incentives from the net annual benefits that they will receive. This payback period also shows the point in time where the cost and benefits are equal for the level and length of tax abatements and incentives being granted. The payback period is a basis for judging the appropriateness of providing incentives to a firm. Generally, the shorter the payback period the better the investment.

Present Value

The present value of the expected cash flow over the next ten years for each entity was computed. Present value is a way of expressing in today's dollars, dollars to be paid or received in the future. Today's dollar and a dollar to be received or paid at differing times in the future are not comparable because of the time value of money. The time value of money is the interest rate or each taxing entity's discount rate. The analysis uses a discount rate that is entered to make the dollars comparable—by expressing them in today's dollars (present value). Generally, a positive present value indicates an acceptable investment.

Rate of Return on Investment

The rate of return on investment for each taxing entity was also computed. As with the computation of payback, the rate of return analysis views the incentives that each taxing entity is considering as an investment that the public will be making in the company. The rate of return, therefore, is the compound rate of return, over the next ten years, on each taxing entity's investment in the firm. Generally, a positive compound rate of return is considered desirable.

Benefit to Cost Ratio

The benefit to cost ratio for each taxing entity was also computed. This ratio compares public benefits over a ten year period from the new or expanding firm to public costs during the same period. For example, a benefit to cost ratio of 1.55 (or 1.55 to 1) shows that ten year benefits are 155 percent of public costs. Conversely, a benefit to cost ratio of .75 shows that public benefits are only 75 percent of public costs --costs exceed benefits. Generally, a benefit to cost ratio of 1.30 to 1 is considered acceptable for a taxing entity to grant tax abatements and other financial incentives to a firm.

How were the benefits and costs determined?

City, County, Special Taxing District and State Benefits and Costs

The Cost Benefit Analysis (CBA) operates with the assumption that 70% of the jurisdiction's revenues and expenditures supports its citizens, and 30% supports its businesses. Therefore, 70% of the revenues/costs (divided by number of residents) are calculated as the average revenue/cost per resident; 30% of these revenues/costs (divided by the number of workers in the jurisdiction) are calculated as the average revenue/cost per worker.

The CBA predicts potential benefits and costs from residents by multiplying the number of new employees moving to the jurisdiction by the average revenue/cost per resident. Benefits and costs from the business expansion are predicted by multiplying the average revenue/cost per worker.

Collection of sales taxes, transient guest taxes and property taxes as well as utility enterprises and franchise fees are potential benefits from an expansion.. Other revenues include fees, permits, license, and other charges.

The program predicts costs by removing utility enterprise expenditures and internal transfers from the general operating budget, and reducing the result to a cost per resident and a cost per worker.

School District Benefits and Costs

Property taxes as well as state and federal payments per full time student are used to predict benefits a school district may realize. The Kansas Department of Education condenses the school district's budget to a cost per student. One new student will not cause the addition of a new classroom or the hiring of another teacher, so it would not be fair to estimate the impact of new students using the average cost per student. The program utilizes a marginal cost per student (10% of the average cost per student, unless a different percentage is requested) to predict the cost to the district when a new student is added. Revenue per student is calculated from the amount of state and federal payment per student that the district receives.

The business predicts the average family size of new employees moving to the jurisdiction and the number of school age children in the family. The CBA can work with percentages, as in a family size of 2.5.

Indirect Jobs

The ripple or spin-off economic activity created by an expansion generates indirect or induced benefits. The number of jobs this activity generates depends largely on the type of business that is expanding and what types of jobs will be needed to support not only the business, but the new employees and their families. The program uses a default of 10% of the number of new employees to predict these jobs. The percentage can be adjusted, depending on community conditions, which also determine whether the indirect workers will be moving from out of state or out of county.

Formulas used in this analysis

- Present Value = $(\text{Total Benefits (for the year)} + 1 + \text{Discount Rate (5.5\%)})^{\text{Number of Years Abated}}$
- Compound Rate of Return = $((\text{Present Value of Total Costs} + \text{Present Value of Total Benefits})^{\frac{1}{\text{Number of Years Abated}}}) - 1$
- Benefit to Cost Ratio = $\frac{\text{Present Value of Total Benefits}}{\text{Present Value of Total Costs}}$
- Payback Period = The point where total benefits equal or surpass total costs.

K.S.A. 79-213 (g) allows governmental bodies to seek assistance provided by the Kansas Department of Commerce (COMMERCE) in preparing an application requesting exemption from property taxes. COMMERCE prepared this cost benefit analysis as a service under this statute utilizing data gathered by the requesting governmental body, and makes no recommendation to the Board of Tax Appeals either for or against approval of a request for tax abatement.

Summary of Costs and Benefits for all Taxing Units

Benefits:

	Sales Taxes	Property Taxes	Utilities and Utility Franchise Fees	Corporate and Personal Income Taxes	Additional School Funding	Other Revenues (Including PILOT)	Total Benefits
City: Abilene	\$181,882	\$174,456	\$1,384,305			\$841,229	\$2,581,872
County: Dickinson	\$19,487	\$224,452				\$162,608	\$406,547
USD 435 Abilene		\$214,185			\$3,245,267		\$3,459,453
Hospital District #1		\$6,066				\$1,533,941	\$1,540,006
Cemetery District #1		\$5,071				\$480	\$5,551
State of Kansas	\$762,045	\$6,327		\$2,471,165		\$1,034,333	\$4,273,870

Costs, Incentives and Taxes Abated:

	Costs of Services for the Firm and New Residents	Costs of Educating New Students	Taxes Abated	Incentives	Total Taxes Abated & Incentives	Total Costs
City: Abilene	\$306,461		\$68,300	\$0	\$68,300	\$374,761
County: Dickinson	\$164,192		\$77,958	\$0	\$77,958	\$242,150
USD 435 Abilene		\$295,120	\$79,362		\$79,362	\$374,482
Hospital District #1	\$450,478		\$2,945		\$2,945	\$453,423
Cemetery District #1	\$1,145		\$2,564		\$2,564	\$3,709
State of Kansas	\$412,074	\$461,999	\$2,214	\$0	\$2,214	\$876,288

Net Benefits:

	Total Benefits	Present Value of Total Benefits	Total Costs (Includes Taxes Abated and Incentives)	Present Value of Total Costs	Benefit to Cost Ratio (Over 10 Years)
City: Abilene	\$2,581,872	\$1,790,596	\$374,761	\$269,818	6.64 : 1
County: Dickinson	\$406,547	\$292,342	\$242,150	\$178,007	1.64 : 1
USD 435 Abilene	\$3,459,453	\$2,475,461	\$374,482	\$270,332	9.16 : 1
Hospital District #1	\$1,540,006	\$1,079,184	\$453,423	\$317,988	3.39 : 1
Cemetery District #1	\$5,551	\$4,111	\$3,709	\$2,881	1.43 : 1
State of Kansas	\$4,273,870	\$2,911,349	\$876,288	\$600,458	4.85 : 1

Other

	Net Benefits	Present Value of Net Benefits	Taxes Abated & Incentives	Present Value of Taxes Abated and Incentives	Payback Period for Taxes Abated and Incentives and	Compound Rate of Return (Over 10 Yrs)
City: Abilene	\$2,207,111	\$1,524,298	\$68,300	\$55,249	1 Year	20.83%
County: Dickinson	\$164,397	\$114,335	\$77,958	\$63,749	3Years	5.09%
USD 435 Abilene	\$3,084,970	\$2,205,129	\$79,362	\$64,198	1 Years	24.79%
Hospital District #1	\$1,086,584	\$761,195	\$3,365	\$2,382	1 Year	13.00%
Cemetery District #1	\$1,842	\$1,230	\$2,930	\$2,074	5 Years	3.62%
State of Kansas	\$3,397,582	\$2,309,079	\$2,214	\$1,791	1 Year	17.10%

The Economic Impact of this expansion by Thunderstruck Inc.

NAICS Code 332999 - Fabricated metal manufacturing

	<u>In the first year</u>	<u>Over the next ten years</u>
*Number of new direct and indirect jobs to be created	19	77
Number of new residents in the community	0	0
Number of additional students in the local school district	8	40
**Increase in local personal income	\$413,904	\$5,794,656
***Increase in local retail sales	\$144,866	\$2,028,130
Increase in the community's property tax base	\$1,746,620	\$2,278,943
Land	\$290,640	\$379,219
Buildings	\$727,990	\$949,862
Furniture, fixtures & Equipment	\$0	\$0
Residential Property	\$9,580	\$149,993

*The Employment Multiplier for NAICS Code 332999 is 1.9333. The Employment Multiplier is used to estimate the total change in the number of direct and indirect jobs as a result of the expansion.

**The Earnings Multiplier for NAICS Code 332999 is 1.7246. The Earnings Multiplier is used for estimating to what degree more personal income will be generated.

***The Percentage of Gross Salaries expected to be spent on retail sales is 0.35

Property taxes to be abated by the following taxing entities:

City	<input checked="" type="checkbox"/>	Special Taxing District 1	<input checked="" type="checkbox"/>
County	<input checked="" type="checkbox"/>	Special Taxing District 2	<input checked="" type="checkbox"/>
School District	<input checked="" type="checkbox"/>	The State	<input checked="" type="checkbox"/>

Percent of property taxes to be abated on:

	Land	Buildings and Improvements	Furniture, Fixtures & Equipment
Year 1	98.00%	98.00%	100.00%
Year 2	88.00%	88.00%	100.00%
Year 3	78.00%	78.00%	100.00%
Year 4	68.00%	68.00%	100.00%
Year 5	58.00%	58.00%	100.00%
Year 6	48.00%	48.00%	100.00%
Year 7	38.00%	38.00%	100.00%
Year 8	28.00%	28.00%	100.00%
Year 9	18.00%	18.00%	100.00%
Year 10	8.00%	8.00%	100.00%

City of: Abilene

Benefits:

Year	Sales Taxes	Property Taxes	Utilities and Utility Franchise Fees	Other Municipal Revenues (Including PILOT)	Total
Construction Period	\$9,328	\$0	\$0	\$0	\$9,328
1	\$17,638	\$12,226	\$29,697	\$30,497	\$90,057
2	\$16,530	\$13,163	\$41,208	\$40,689	\$111,590
3	\$20,018	\$15,086	\$55,204	\$51,464	\$141,773
4	\$24,371	\$15,539	\$72,308	\$62,849	\$175,067
5	\$28,086	\$17,003	\$93,361	\$74,871	\$213,321
6	\$3,868	\$18,027	\$108,772	\$77,117	\$207,783
7	\$36,473	\$19,229	\$152,409	\$100,938	\$309,049
8	\$6,825	\$20,487	\$181,318	\$103,967	\$312,597
9	\$8,509	\$21,383	\$219,953	\$107,086	\$356,930
10	\$10,238	\$22,313	\$430,076	\$191,750	\$654,377
Total	\$181,882	\$174,456	\$1,384,305	\$841,229	\$2,581,872

Costs:

Year	Property Taxes Abated	Incentives	Taxes Abated & Incentives	City Costs for the firm and Municipal Services for New Residents	Total Costs, Taxes Abated & Incentives
Construction Period	\$0	\$0	\$0	\$0	\$0
1	\$11,547	\$0	\$11,547	\$10,995	\$22,542
2	\$10,680	\$0	\$10,680	\$14,770	\$25,450
3	\$9,750	\$0	\$9,750	\$18,761	\$28,512
4	\$8,755	\$0	\$8,755	\$22,979	\$31,734
5	\$7,692	\$0	\$7,692	\$27,433	\$35,124
6	\$6,556	\$0	\$6,556	\$28,256	\$34,812
7	\$5,346	\$0	\$5,346	\$37,091	\$42,437
8	\$4,057	\$0	\$4,057	\$38,203	\$42,261
9	\$2,687	\$0	\$2,687	\$39,349	\$42,036
10	\$1,230	\$0	\$1,230	\$68,623	\$69,853
Total	\$68,300	\$0	\$68,300	\$306,461	\$374,761

Net Benefits (or Costs)

Year	Public Benefits	Public Costs, Property Taxes Abated and Incentives	Net Benefits or (Costs)	Present Value of Net Benefits	Present Value of taxes abated and incentives
Construction Period	\$9,328	\$0	\$9,328	\$9,328	\$0
1	\$90,057	\$22,542	\$67,515	\$67,515	\$10,945
2	\$111,590	\$25,450	\$86,140	\$77,393	\$9,595
3	\$141,773	\$28,512	\$113,261	\$96,455	\$8,303
4	\$175,067	\$31,734	\$143,333	\$115,701	\$7,067
5	\$213,321	\$35,124	\$178,196	\$136,344	\$5,885
6	\$207,783	\$34,812	\$172,971	\$125,447	\$4,755
7	\$309,049	\$42,437	\$266,612	\$183,279	\$3,675
8	\$312,597	\$42,261	\$270,336	\$176,151	\$2,644
9	\$356,930	\$42,036	\$314,894	\$194,488	\$1,659
10	\$654,377	\$69,853	\$584,524	\$342,198	\$720
Total	\$2,581,872	\$374,761	\$2,207,111	\$1,524,298	\$55,249

Discounted payback period for taxes abated and incentives	1 Year
Compound rate of return over the next ten years on the city's investment of taxes abated and incentives for the firm	20.83%
Benefit/Cost Ratio (Over 10 Years).....	6.64 : 1

Dickinson County

Benefits:

Year	Sales Taxes	Property Taxes	Other County Revenues (Including PILOT)	Total
Construction Period	\$1,025	\$0	\$0	\$1,025
1	\$1,438	\$14,240	\$5,854	\$21,532
2	\$1,816	\$15,685	\$7,846	\$25,348
3	\$2,200	\$18,883	\$9,953	\$31,035
4	\$2,678	\$19,449	\$12,178	\$34,306
5	\$3,086	\$21,813	\$14,528	\$39,428
6	\$425	\$23,385	\$14,964	\$38,774
7	\$4,008	\$25,267	\$19,624	\$48,899
8	\$750	\$27,241	\$20,213	\$48,204
9	\$935	\$28,559	\$20,819	\$50,313
10	\$1,125	\$29,931	\$36,628	\$67,684
Total	\$19,487	\$224,452	\$162,608	\$406,547

Costs:

Year	Property Taxes Abated	Incentives	Taxes Abated & Incentives	County Costs for the firm and County Services for New Residents	Total
Construction Period	\$0	\$0	\$0	\$0	\$0
1	\$13,180	\$0	\$13,180	\$5,911	\$19,091
2	\$12,190	\$0	\$12,190	\$7,923	\$20,113
3	\$11,129	\$0	\$11,129	\$10,049	\$21,178
4	\$9,993	\$0	\$9,993	\$12,297	\$22,290
5	\$8,779	\$0	\$8,779	\$14,670	\$23,449
6	\$7,484	\$0	\$7,484	\$15,110	\$22,593
7	\$6,102	\$0	\$6,102	\$19,816	\$25,918
8	\$4,631	\$0	\$4,631	\$20,410	\$25,041
9	\$3,067	\$0	\$3,067	\$21,022	\$24,089
10	\$1,404	\$0	\$1,404	\$36,984	\$38,388
Total	\$77,958	\$0	\$77,958	\$164,192	\$242,150

Net Benefits (or Costs)

Year	Public Benefits	Public Costs, Property Taxes Abated and Incentives	Net Benefits or (Costs)	Present Value of Net Benefits	Present Value of taxes abated and incentives
Construction Period	\$1,025	\$0	\$1,025	\$1,025	\$0
1	\$21,532	\$19,091	\$2,441	\$2,314	\$13,180
2	\$25,348	\$20,113	\$5,235	\$4,704	\$10,952
3	\$31,035	\$21,178	\$9,857	\$8,394	\$9,477
4	\$34,306	\$22,290	\$12,016	\$9,699	\$8,067
5	\$39,428	\$23,449	\$15,979	\$12,226	\$6,717
6	\$38,774	\$22,593	\$16,180	\$11,735	\$5,427
7	\$48,899	\$25,918	\$22,981	\$15,798	\$4,195
8	\$48,204	\$25,041	\$23,162	\$15,093	\$3,018
9	\$50,313	\$24,089	\$26,224	\$16,197	\$1,894
10	\$67,684	\$38,388	\$29,296	\$17,151	\$822
Total	\$406,547	\$242,150	\$164,397	\$114,335	\$63,749

Discounted payback period for taxes abated and incentives	3Years
Compound rate of return over the next ten years on the county's investment of taxes abated and incentives for the firm.....	5.09%
Benefit/Cost Ratio (Over 10 Years).....	1.64 : 1

School District: USD 435 Abilene

Benefits:

Year	Property Taxes	Additional State, Federal and Other School Funding (Including PILOT)	Total
1	\$14,335	\$142,029	\$156,364
2	\$15,594	\$182,862	\$198,457
3	\$18,283	\$226,018	\$244,301
4	\$18,832	\$271,598	\$290,429
5	\$20,847	\$319,709	\$340,556
6	\$22,219	\$329,301	\$351,519
7	\$23,847	\$423,975	\$447,821
8	\$25,552	\$436,694	\$462,246
9	\$26,727	\$449,795	\$476,522
10	\$27,949	\$463,288	\$491,237
Total	\$214,185	\$3,245,267	\$3,459,453

Costs:

Year	Additional Costs	Property Taxes Abated	Total
1	\$11,302	\$13,417	\$24,719
2	\$14,552	\$12,409	\$26,961
3	\$17,986	\$11,329	\$29,315
4	\$25,442	\$10,173	\$31,786
5	\$26,205	\$8,937	\$34,379
6	\$26,205	\$7,618	\$33,823
7	\$33,739	\$6,212	\$39,951
8	\$34,751	\$4,715	\$39,466
9	\$35,794	\$3,122	\$38,916
10	\$73,735	\$1,429	\$75,164
Total	\$295,120	\$79,362	\$374,482

Net Benefits (or Costs)

Year	Public Benefits	Total Costs and Property Taxes Abated	Net Benefits or (Costs)	Present Value of Net Benefits	Present Value of Taxes Abated
1	\$156,364	\$24,719	\$131,644	\$124,781	\$12,718
2	\$198,457	\$26,961	\$171,495	\$154,080	\$11,149
3	\$244,301	\$29,315	\$214,985	\$183,085	\$9,648
4	\$290,429	\$31,786	\$258,643	\$208,781	\$8,212
5	\$340,556	\$34,379	\$306,177	\$234,266	\$6,838
6	\$351,519	\$33,823	\$317,696	\$230,408	\$5,525
7	\$447,821	\$39,951	\$407,870	\$280,385	\$4,270
8	\$462,246	\$39,466	\$422,780	\$275,483	\$3,072
9	\$476,522	\$38,916	\$437,606	\$270,278	\$1,928
10	\$491,237	\$75,164	\$416,073	\$243,582	\$837
Total	\$3,459,453	\$374,482	\$3,084,970	\$2,205,129	\$64,198

Discounted payback period for taxes abated and incentives	1 Years
Compound rate of return over the next ten years on the school district's investment of taxes abated and incentives for the firm	24.79%
Benefit/Cost Ratio (Over 10 Years).....	9.16 : 1

Special Taxing District: Hospital District #1

Benefits:

Year	Property Taxes	Additional Revenues	Total
1	\$508	\$54,035	\$54,543
2	\$530	\$73,470	\$73,999
3	\$555	\$94,021	\$94,576
4	\$572	\$115,740	\$116,312
5	\$595	\$138,677	\$139,272
6	\$616	\$142,838	\$143,454
7	\$639	\$188,424	\$189,062
8	\$662	\$194,076	\$194,738
9	\$684	\$199,899	\$200,582
10	\$706	\$332,761	\$333,467
Total	\$6,066	\$1,533,941	\$1,540,006

Costs:

Year	Additional Costs	Property Taxes Abated	Total
1	\$15,869	\$498	\$16,367
2	\$21,576	\$460	\$22,037
3	\$27,612	\$420	\$28,032
4	\$33,990	\$378	\$34,367
5	\$40,726	\$332	\$41,057
6	\$41,948	\$283	\$42,230
7	\$55,335	\$231	\$55,566
8	\$56,995	\$175	\$57,170
9	\$58,705	\$116	\$58,821
10	\$97,723	\$53	\$97,776
Total	\$450,478	\$2,945	\$453,423

Net Benefits (or Costs)

Year	Public Benefits	Total Costs and Property Taxes Abated	Net Benefits or (Costs)	Present Value of Net Benefits	Present Value of Taxes Abated
1	\$54,543	\$16,367	\$38,177	\$36,186	\$472
2	\$73,999	\$22,037	\$51,963	\$46,686	\$414
3	\$94,576	\$28,032	\$66,544	\$56,670	\$358
4	\$116,312	\$34,367	\$81,944	\$66,147	\$305
5	\$139,272	\$41,057	\$98,215	\$75,147	\$254
6	\$143,454	\$42,230	\$101,223	\$73,412	\$205
7	\$189,062	\$55,566	\$133,497	\$91,771	\$158
8	\$194,738	\$57,170	\$137,568	\$89,639	\$114
9	\$200,582	\$58,821	\$141,761	\$87,556	\$72
10	\$333,467	\$97,776	\$235,691	\$137,981	\$31
Total	\$1,540,006	\$453,423	\$1,086,584	\$761,195	\$2,382

Discounted payback period for taxes abated and incentives	1 Year
Compound rate of return over the next ten years on the taxing district's investment of taxes abated and incentives for the firm	13.00%
Benefit/Cost Ratio (Over 10 Years).....	3.39 : 1

Special Taxing District: Cemetery District #1

Benefits:

Year	Property Taxes	Additional Revenues	Total
1	\$442	\$14	\$456
2	\$456	\$22	\$477
3	\$469	\$30	\$499
4	\$483	\$38	\$522
5	\$498	\$47	\$545
6	\$513	\$49	\$562
7	\$528	\$67	\$595
8	\$544	\$69	\$613
9	\$560	\$71	\$631
10	\$577	\$73	\$650
Total	\$5,071	\$480	\$5,551

Costs:

Year	Additional Costs	Property Taxes Abated	Total
1	\$33	\$433	\$467
2	\$52	\$401	\$453
3	\$71	\$366	\$437
4	\$91	\$329	\$420
5	\$113	\$289	\$402
6	\$116	\$246	\$362
7	\$160	\$201	\$360
8	\$165	\$152	\$317
9	\$170	\$101	\$270
10	\$175	\$46	\$221
Total	\$1,145	\$2,564	\$3,709

Net Benefits (or Costs)

Year	Public Benefits	Total Costs and Property Taxes Abated	Net Benefits or (Costs)	Present Value of Net Benefits	Present Value of Taxes Abated
1	\$456	\$467	(\$11)	(\$10)	\$411
2	\$477	\$453	\$25	\$22	\$360
3	\$499	\$437	\$62	\$53	\$312
4	\$522	\$420	\$102	\$82	\$265
5	\$545	\$402	\$144	\$110	\$221
6	\$562	\$362	\$199	\$144	\$179
7	\$595	\$360	\$235	\$161	\$138
8	\$613	\$317	\$296	\$193	\$99
9	\$631	\$270	\$361	\$223	\$62
10	\$650	\$221	\$430	\$252	\$27
Total	\$5,551	\$3,709	\$1,842	\$1,230	\$2,074

Discounted payback period for taxes abated and incentives	5 Years
Compound rate of return over the next ten years on the taxing district's investment of taxes abated and incentives for the firm	3.62%
Benefit/Cost Ratio (Over 10 Years).....	1.43 : 1

State of Kansas

Benefits:

Year	Sales Taxes	Property Taxes	Corporate and Personal Income Taxes	Other State Revenues (Including PILOT)	Total
Construction Period	\$22,140		\$12,600	\$0	\$34,740
1	\$9,994	\$404	\$38,031	\$14,760	\$63,189
2	\$15,375	\$446	\$57,932	\$22,804	\$96,557
3	\$22,933	\$495	\$77,905	\$51,508	\$152,841
4	\$45,096	\$552	\$150,453	\$81,914	\$278,015
5	\$55,090	\$620	\$188,077	\$92,677	\$336,464
6	\$65,344	\$664	\$223,514	\$95,458	\$384,980
7	\$94,036	\$718	\$298,495	\$161,394	\$554,643
8	\$115,313	\$767	\$369,095	\$166,236	\$651,410
9	\$143,756	\$811	\$474,713	\$171,223	\$790,503
10	\$172,969	\$850	\$580,349	\$176,360	\$930,528
Total	\$762,045	\$6,327	\$2,471,165	\$1,034,333	\$4,273,870

Costs:

Year	Property Taxes Abated	Incentives	Taxes Abated & Incentives	State Costs for the firm and Services for New Residents	Cost of Educating New Students	Total
Construction Period	\$0	\$0	\$0	\$0	\$0	\$0
1	\$374	\$0	\$374	\$8,870	\$0	\$9,244
2	\$346	\$0	\$346	\$13,704	\$0	\$14,050
3	\$316	\$0	\$316	\$22,958	\$17,632	\$40,906
4	\$284	\$0	\$284	\$32,754	\$36,322	\$69,361
5	\$249	\$0	\$249	\$38,729	\$37,412	\$76,390
6	\$213	\$0	\$213	\$39,891	\$38,534	\$78,637
7	\$173	\$0	\$173	\$60,992	\$79,381	\$140,546
8	\$132	\$0	\$132	\$62,822	\$81,762	\$144,716
9	\$87	\$0	\$87	\$64,707	\$84,215	\$149,009
10	\$40	\$0	\$40	\$66,648	\$86,741	\$153,429
Total	\$2,214	\$0	\$2,214	\$412,074	\$461,999	\$876,288

Net Benefits (or Costs)

Year	Public Benefits	Public Costs, Property Taxes Abated and Incentives	Net Benefits or (Costs)	Present Value of Net Benefits	Present Value of taxes abated and incentives
Construction Period	\$34,740	\$0	\$34,740	\$32,929	\$0
1	\$63,189	\$9,244	\$53,945	\$51,132	\$355
2	\$96,557	\$14,050	\$82,506	\$74,128	\$311
3	\$152,841	\$40,906	\$111,934	\$95,325	\$269
4	\$278,015	\$69,361	\$208,655	\$168,429	\$229
5	\$336,464	\$76,390	\$260,074	\$198,991	\$191
6	\$384,980	\$78,637	\$306,342	\$222,173	\$154
7	\$554,643	\$140,546	\$414,097	\$284,666	\$119
8	\$651,410	\$144,716	\$506,695	\$330,162	\$86
9	\$790,503	\$149,009	\$641,495	\$396,206	\$54
10	\$930,528	\$153,429	\$777,099	\$454,938	\$23
Total	\$4,273,870	\$876,288	\$3,397,582	\$2,309,079	\$1,791

Discounted payback period for taxes abated and incentives	1 Year
Compound rate of return over the next ten years on the state's investment of taxes abated and incentives for the firm	17.10%
Benefit/Cost Ratio (Over 10 years).....	4.85 : 1