

Good Starts Here.

2017

Economic Development Report



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This report is a financial summary of all the active public-private economic development projects by incentive type for the City of Shawnee (City). It compares property values and revenue generation for incentivized projects before, during and after development. Shawnee uses various types of economic development incentive tools. This report explains the goals and activities of each tool.

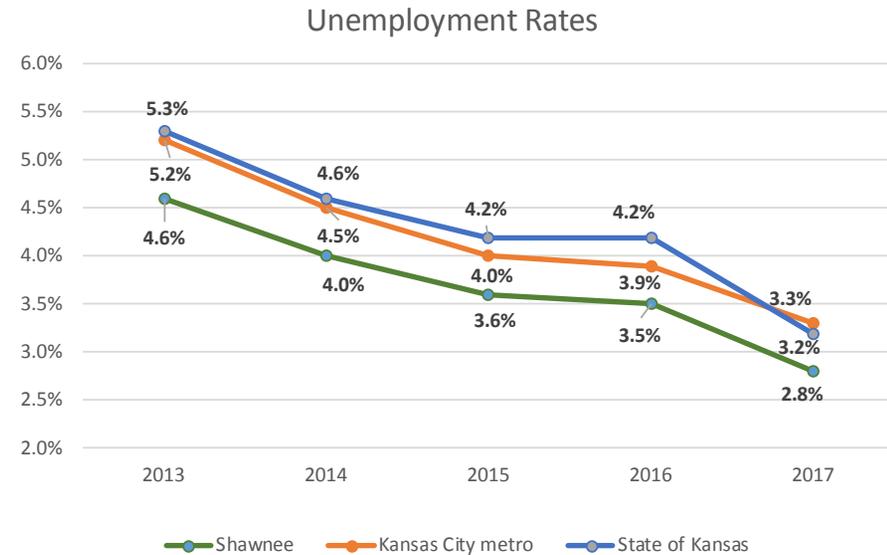
## HIGHLIGHTS OF THE 2017 RESULTS:

- Westbrooke Green - The City granted rezoning and preliminary site plan approval for Westbrooke Green in late 2017. This is a two-phased redevelopment project with residential and commercial uses on the currently mostly vacant Westbrooke Village Shopping Center at 75th and Quivira. The project includes 11 retail/restaurant buildings containing approximately 108,000 square feet, 530 market rate apartments in five buildings and an open space with a small amphitheater. Demolition of the existing shopping center is anticipated for summer 2018.



- Nieman Now!** – The Nieman Now! group of downtown infrastructure projects is well underway. The focus in 2017 was redirecting the creek that runs through downtown to increase the amount of developable land and relieve flooding. In conjunction, the City is replacing the previous concrete channel with attractive vertical block walls with a walking trail on one side. The next phase of the project will be improving the streetscape in 2018 by making Nieman Road into a three-lane street with a walking path and bicycle lanes on one side. The City and public have collaborated to select design elements and amenities. Improvements also include burying the overhead utilities along Nieman Road.
- Aztec Theater** – The City entered into an agreement with Aztec Group in 2017 to assist with renovation of the downtown Aztec Theater building on Johnson Drive just west of Nieman Road. The project will restore the building as a working theater and event venue after several decades of vacancy, and has the potential to be a key focal point and gathering place to complement the Nieman Now! downtown improvements as well as Shawnee Town 1929.

- Unemployment rates in Shawnee and surrounding areas continued to decline in 2017, and are reaching levels considered as full employment. Shawnee's rate has dropped from 4.6% in 2013 to 2.8% in 2017.



## PURPOSE

This report is an overview of economic development activity throughout the City during 2017, focusing on effectiveness of incentives provided by the City. In October 2013, City Council approved Policy Statement PS-66, Comprehensive Financial Policy. The policy requires an annual performance report that includes:

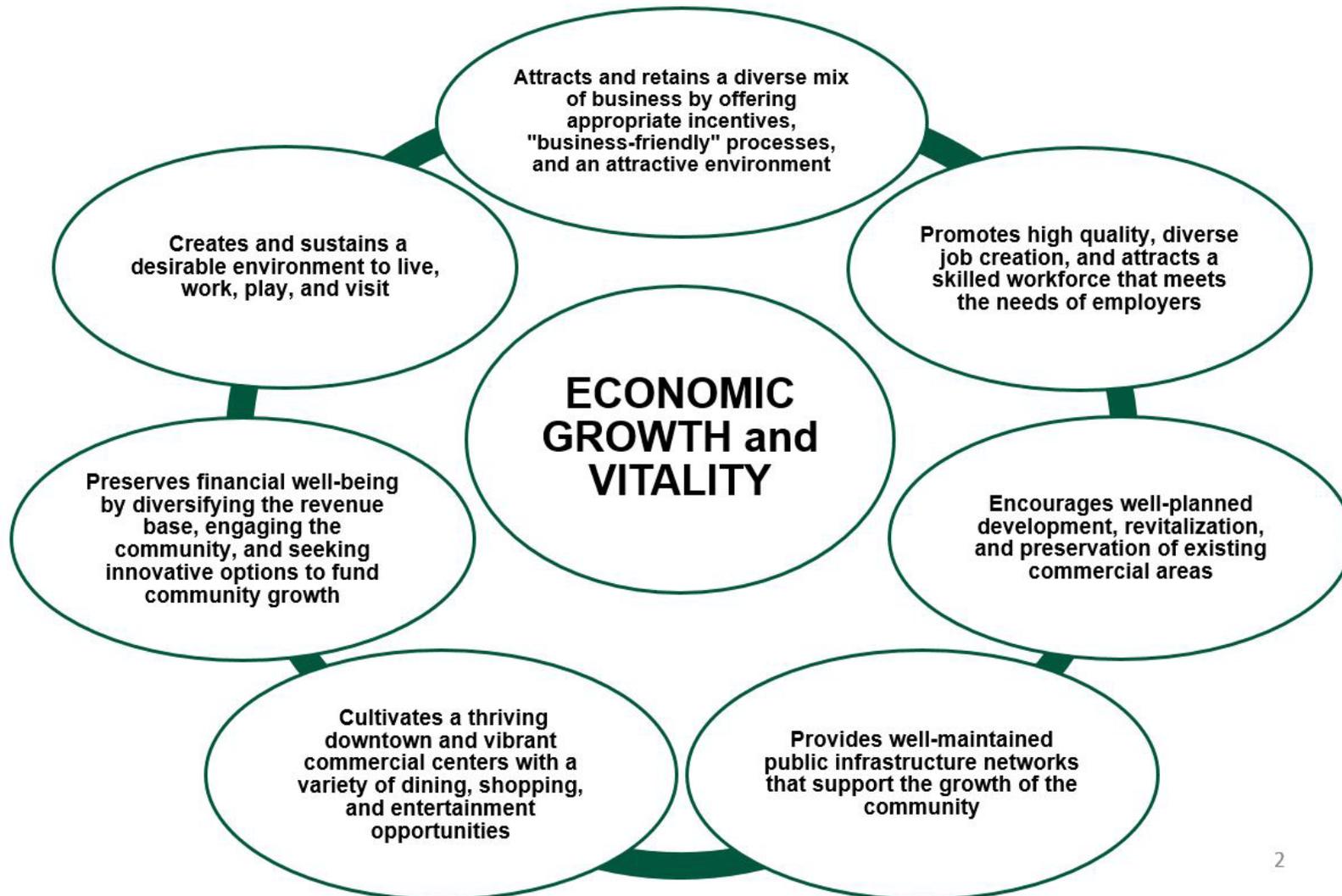
- Percentage of the City's real estate portion of the total assessed valuation classified as commercial or industrial by the Johnson County Appraiser's Office, with a goal of 30% or higher
- Base value of incentivized property before development
- Current value of incentivized property
- Cumulative new tax revenue generated due to the development

This report also provides a complete overview of the City's public-private partnerships and basic concepts of how the City's various incentive tools work.

# Overview of 2017 Development

**SCOPE**  
 This report is financially oriented and organized by incentive type. Projects are shown as “active” if they are financially active, even if the project is already complete and operating. The report covers all projects with active incentives, highlights of 2017 initiatives, and a preview of 2018 and beyond. The report highlights the main purposes and focus of each incentive.

Shawnee uses Priority-Based Budgeting in its strategic planning and budgeting decisions. The Governing Body has identified “Economic Growth and Vitality” as one of seven key desired outcomes or Results for the City. The descriptions (Definitions) around the circle are action items that bring about the Result. Incentive purposes shown in the throughout the report are shortened versions of these Definitions, connecting the City’s actions to its stated Results.



## COMMERCIAL/INDUSTRIAL PROPERTY VALUATION

The property tax structure in Kansas has historically assigned higher taxable assessed value to commercial and industrial property (25% of appraised value) than to residential property (11.5% of appraised value). The lower residential assessment percentage is designed to lighten the relative burden on homeowners. Because Shawnee is a community with a residential character, it trails its peer cities in Johnson County in generating assessed value. Accordingly, the City Council has emphasized growth of the commercial/industrial tax base as a high priority for many years, and expanded the use of incentives to directly encourage commercial uses. The City continues to embrace residential development. In fact, residential rooftops help drive commercial and office uses, which in turn provide jobs and services to residents.

Table 1 compares the percentage of Shawnee's commercial/industrial assessed valuation to total real estate assessed valuation to the four other large Johnson County cities. Shawnee's commercial/industrial percentage decreased slightly from 26.1% for tax year 2016 to 25.4% for tax year 2017. Most peer cities also showed a slight decrease in commercial real estate value compared to residential growth. Throughout this report, property valuations are presented as assessed values for easier comparability.



Commercial Real Estate Assessed Valuation Percentage					
Table 1					
	2013	2014	2015	2016	2017
Lenexa	48.9%	47.9%	48.5%	48.7%	47.0%
Overland Park	37.2%	37.6%	37.6%	38.4%	37.5%
Olathe	28.2%	28.5%	28.9%	30.3%	30.3%
Shawnee	22.9%	23.7%	24.4%	26.1%	25.4%
Leawood	23.7%	24.5%	23.7%	24.7%	24.0%

Shawnee saw healthy home construction activity and continued interest from the retail and office sector during 2017, especially along Shawnee Mission Parkway.

## COMMERCIAL PROJECTS COMPLETED IN 2017

- WestLink Building 3 – third in a series of five 170,000 square foot (sf) spec industrial buildings at 43rd Street and Powell – the developer announced in early 2018 that American Construction Metals will lease 120,000 sf
- B&B Shawnee 18 Theatres – Music Theater of Kansas City completed remodeling of one of their theaters for permanent performance space by the theater group
- Federated Rural Electric Insurance Cooperative – completed and occupied a 36,690 sf office building to serve as the company’s headquarters at 79th Street and Renner Road
- Monticello Village Shopping Center – 10,000 sf expansion for Dollar Tree
- O’Reilly Automotive - completed a new 7,596 sf store at Shawnee Mission Parkway and Barker
- Veterans Administration Outpatient Facility- completed a 12,443 sf outpatient medical facility in Shawnee Crossings

## PROJECTS APPROVED AND/OR UNDER CONSTRUCTION AT THE END OF 2017

- Fairfield Inn & Suites (74 rooms), Comfort Inn (65 rooms) and 12,000 sf retail/office building – both buildings are under construction at the NE corner of Renner Road and Midland Drive near I-435 interchange
- Micro hospital – 8 bed, 16,800 sf at the southeast corner of 67th Street and Lackman
- Attic Storage – 106,300 sf climate controlled storage facility at Shawnee Mission Parkway and Woodland
- Vision Care - 8,279 sf opticians’ office
- Pinnacle Gymnastics -15,100 sf gymnastics studio at 77th Street and Meadowview
- Primrose Child Care - 11,968 sf child care center in Shawnee Crossings
- TK Metals - 8,000 sf welding shop in Monticello Business Park
- Premier Foundations - 9,500 sf industrial building in Woodland Acres



# Overview of 2017 Development

## GOALS OF ECONOMIC GROWTH/DEVELOPMENT

- Future economic stability – growing and diverse tax base
- New high-quality jobs
- Revitalized older commercial areas
- Vibrant dining, shopping, entertainment
- Diverse mix of growing businesses
- Desirable environment for residents and visitors
- Infrastructure networks that support growth



## RESIDENTIAL DEVELOPMENT

New development continues in Ridgestone Meadows, Hills of Forest Creek, Greens of Chapel Creek, Highland Ridge, Meadowbrooke and Preserve at Clear Creek subdivisions. These subdivisions include both custom built and a variety of builder model homes. The Westbrooke Green mixed-use project was the only new apartment project approved during 2017. There is growing community interest in new senior housing facilities. The average construction value in 2017 of a single-family home per building permits issued rose to \$286,510 from \$282,091 in 2016. The average square footage of a new home was 3,072 in 2017 compared to 2,996 in 2016.

- Ridgestone Meadows West - new subdivision with 37 single-family residential lots at 68th and Marion
- Hillcrest Farms - new addition to an existing subdivision with 30 single-family residential lots, located at 47th and Lakecrest
- Riverview - The final phase has been approved for 53 lots at 47th and Lakecrest
- Calamar at Willow Ridge - 132 room senior independent living facility in the 7200 block of Silverheel

### New Residential Development Areas:

- Prairie Pines Townhomes - 220 market rate, rental townhomes in the northwest corner of 55th Street and Hedge Lane Terrace – the first 120 units were completed by end of 2017 with 90% occupancy
- Meadowbrooke Estates - new owner continues construction of homes in this previously bankrupt single-family subdivision on Old K-7 Highway
- Meadows of Chapel Creek - new 10-lot subdivision is ready for permitting of homes
- Greens of Chapel Creek - received approval for the last phase with 55 lots. The entire subdivision will contain 329 lots.
- Preserve at Clear Creek - second phase is under construction, with total build out of 143 homes
- Canyon Lakes - new subdivision with plans for 281 single family homes at Clare Road and the newly completed Clear Creek Parkway



## DOWNTOWN IMPROVEMENTS

Shawnee continues to invest both public and private dollars into the downtown area, resulting in new commercial construction, renovation of existing structures and infrastructure improvements.

In 2016, the City Council approved a plan to issue bonds to accelerate a series of flood mitigation stormwater improvements in the downtown Nieman Corridor and combine them with major streetscape improvements to Nieman Road and Flint Street. The combined initiative is called Nieman Now! and is scheduled for completion by the end of 2018. The streetscape project is based on a study that investigated enhancing bicycle and pedestrian mobility along Nieman Road from 55th Street to Shawnee Mission Parkway. The current plan includes reducing the street to three lanes, allowing room for bicycle lanes, landscaping, a pedestrian/bicycle path along the east side of the street, burying overhead utilities, and other enhancements along the route.



## Downtown Highlights:

- Stag's Creek - construction is nearly complete on a 31,000 sf spec office building, with a Raising Cane's restaurant and Andy's Frozen Custard now open on two pad sites
- Parkway Village - the owners of this shopping center on the southwest corner of Shawnee Mission Parkway and Nieman Road completed façade improvements.
- Shawnee Mission Health - 5,660 sf Centra Care mini-clinic opened on Shawnee Mission Parkway west of Nieman
- Citywide Electric – 7,658 sf office building at 59th Street and Barton
- St. Joseph Church- 5,000 sf narthex and sanctuary space addition
- Back in Motion Chiropractic – renovation of vacant former convenience store to 2,704 sf medical office at SE corner of Johnson Drive and Nieman Road
- Removal of an existing strip center along Shawnee Mission Parkway west of Stag's Creek with plans to develop the site into a small park at the entry to Downtown Shawnee
- QuikTrip – approval was given for a 5,858 sf store at the southwest corner of Shawnee Mission Parkway and Goddard

## INVESTMENTS IN PUBLIC PROJECTS

Shawnee Mission School District No. 512 (SMSD) completed and opened a new 650 student Rhein Benninghoven Elementary School in 2017 and demolished the adjacent former building. The enlarged building will not only enhance its own service area, but also help relieve overcrowding at this location.

Site plans for two new church buildings received approval in 2017. The Evangelical Center Church will contain 25,580 square feet, located in the 5700 block of Renner Road, and Victory Assembly Church with 8,400 sf of space will be located in the 4900 block of Old K-7 Highway.

The Johnson County Board of Commissioners and Shawnee Planning Commission approved a plan in 2016 to construct a branch library at 66th Street and Hilltop in the western portion of the City. Construction is well underway and scheduled for completion in 2018 on the two-story, 30,467 sf facility.

Other public infrastructure projects in 2017:

- Over \$7 million of mill and overlay and related curb, sidewalk and gutter repairs throughout the City
- Completion of Clear Creek Parkway – a new mile long stretch of concrete street in western Shawnee that will open the way for more than 300 new homes
- Major stormwater pipe repairs and improvements at Johnson Drive and Mund Road and multiple smaller repairs throughout the City
- New traffic signal at 67th Street and Caenen Street



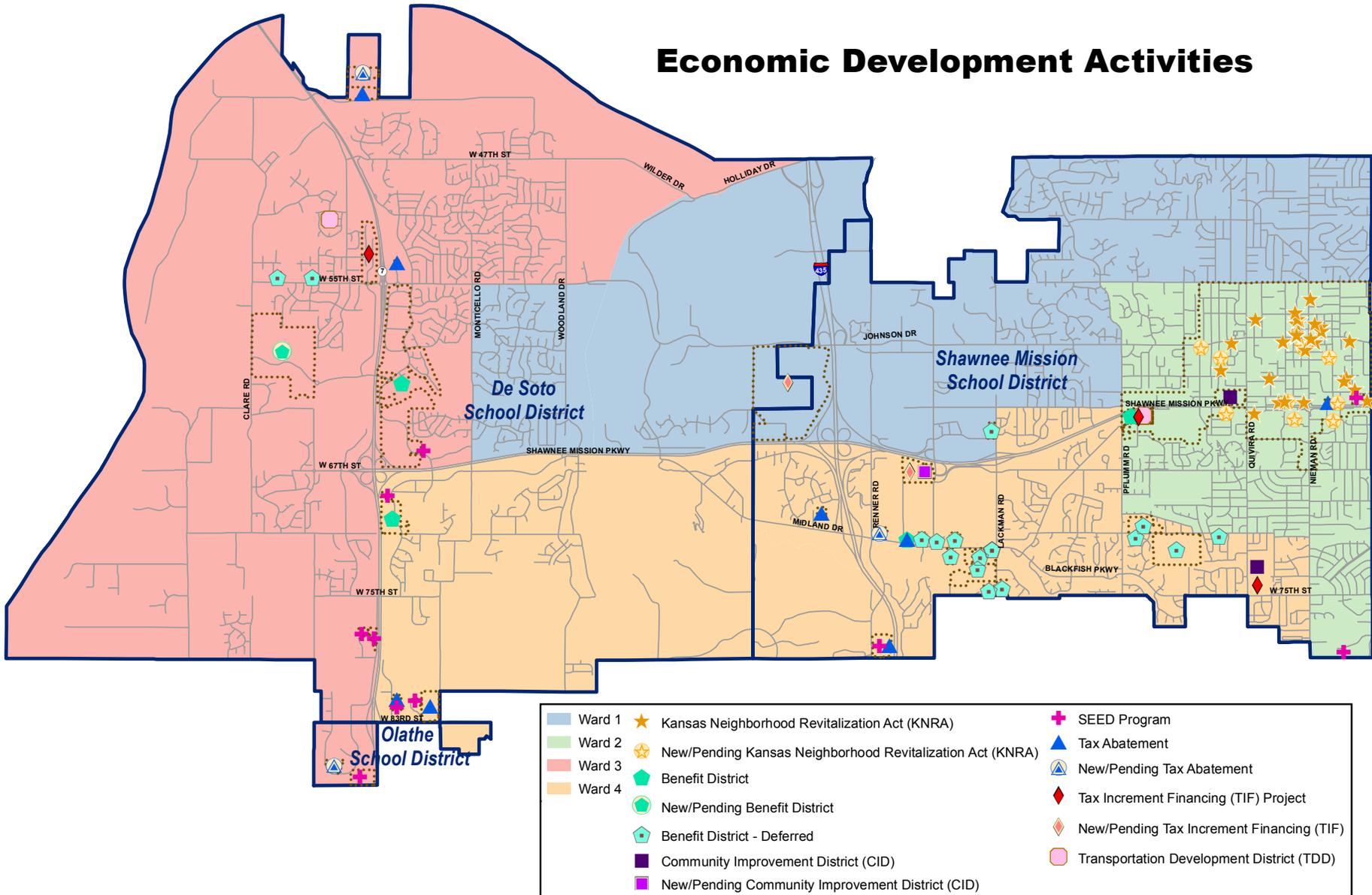
## FUTURE INITIATIVES

City staff and Shawnee Economic Development Council staff continue to pursue commercial/industrial development and redevelopment opportunities throughout the City, including the following areas:

- EcoCommerce Center - 43rd Street and K-7 Highway: future industrial park needs site assemblage and water/sewer infrastructure – the City and Johnson County Wastewater are currently working on a comprehensive watershed plan.
- Southwest corner of Maurer Road and Shawnee Mission Parkway – prime retail corner with challenging topography and approved but not yet constructed sewer infrastructure. In 2017, the City approved a TIF project plan for a retail development. The developer remains in discussions with City staff in 2018.
- Silverheel South – local developer purchased property in 2016 to prepare a shovel-ready site for future office/commercial development at 71st Street and K-7 Highway
- Hodgdon TIF District – site west of I-435 between Shawnee Mission Parkway and Johnson Drive targeted for destination/mixed-use development.

This map shows financially active economic development projects by incentive type throughout the City.

## Economic Development Activities





## GOALS OF ECONOMIC GROWTH/DEVELOPMENT

- **Future economic stability – growing and diverse tax base**
- **New high-quality jobs**
- Revitalized older commercial areas
- Vibrant dining, shopping, entertainment
- Diverse mix of growing businesses
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Johnson County cities have used tax abatements for many years to spur industrial and office development. Kansas statutes provide a process for cities to abate property tax on qualifying property by issuing industrial revenue bonds up to the amount a developer borrows to finance the project. Abatements are used for industrial and office development; retail is not eligible. Cities may establish abatement percentages and criteria by policy rather than predefined state statute. Policy Statement PS-21, IRB and Property Tax Exemption Policy, define the City's requirements. Abatements may not exceed a term of ten years by statute, but may be approved for a shorter term. The developer must demonstrate a positive cost/benefit to the various taxing jurisdictions.

During the term of the abatement, the City holds title to the property and leases it back to the developer/lessee. There is an appraised value recorded for the property, but no assessed value is assigned to any of the taxing jurisdictions. The lessee pays the non-abated portion of the taxes in the form of payments in lieu of taxes (PILOTs). For example,

if ABC Manufacturing is abated at 60% for 2017, their tax bill will show a PILOT for each jurisdiction for 40% of what the unabated tax would have been.

The primary advantages of tax abatements compared to other property tax incentives are the ability to retain PILOTs for all the taxing jurisdictions, and a relatively streamlined approval process.

Table 2 details four properties that finished their tax abatements with tax year 2017 and will be fully on the tax rolls for 2018. There are currently 8 properties with active tax abatements (Table 3). The tables detail the abatement start and end years, average abatement percentages, valuation growth, and cumulative new taxes since the base year for each property. For active tax abatements, the 2017 assessed valuations are shown as if the property was fully taxable. New taxes are shown both as a total for all jurisdictions and for the City portion only, with existing base year taxes subtracted out for each year.

Kansas statutes require a cost/benefit study for each proposed tax abatement. The City, along with many other Johnson County cities, uses the Kansas Department of Commerce model to calculate the costs and benefits to each taxing jurisdiction. One of the elements of the model is analysis of job creation, including jobs directly created by the new businesses under consideration, and creation of indirect jobs over time due to new goods and services the direct employees will need. The tables show jobs projected in each project's cost/benefit analysis compared to estimated actual jobs in 2016. The County Economic Research Institute (CERI) provided estimates of indirect jobs based on the 2017 direct jobs for the types of uses of each abated property.

Overall, abated properties have generated significantly higher property taxes after development, even before they are fully on the tax rolls. Many of the properties were previously empty agricultural land. Job creation is predominantly new jobs rather than relocation from within Shawnee.

## 2017 Completed Tax Abatements (on Tax Rolls for 2018 Tax Year)

**Table 2**

Property/Business Name	School District	Abatement			Assessed Value			Cumulative New Taxes		Projected Direct Jobs	Approximate 2017 FTE Jobs		
		Start	End	%	Base	2017	Growth	Total	City Only		Direct	Indirect	Total
Marmon (office/warehouse)	Olathe	2008	2017	55%	255	218,000	217,745	168,965	33,105	10	10	3	13
Paragon (office/warehouse)	Olathe	2008	2017	55%	97,028	381,500	284,472	156,006	29,780	10	48	12	60
Digitron (office/warehouse)	Olathe	2008	2017	55%	31,999	257,250	225,251	117,054	22,443	25	17	4	21
Hans Rudolph	Olathe	2008	2017	65%	78	554,750	554,672	242,662	47,121	32	43	41	84
<b>Total</b>					\$129,360	\$1,411,500	\$1,282,140	\$ 684,687	\$ 132,449	77	118	60	178

## Active Tax Abatements

**Table 3**

Property/Business Name	School District	Abatement			Assessed Value			Cumulative New Taxes		Projected Direct Jobs	Approximate 2017 FTE Jobs			
		Start	End	%	Base	2017	Growth	Total	City Only		Direct	Indirect	Total	
Woodsonia (office condos )	USD 232	2010	2019	65%	78,040	326,750	248,710	138,733	25,486	17	25	8	33	
SMD LLC (Westglen Eye Clinic)	SMSD	2011	2020	65%	15,329	413,000	397,671	99,855	21,868	19	12	3	15	
McLane Foodservice *	USD 232	2012	2021	50%	2,723,955	3,483,495	759,540	(944,434)	(150,706)	206	289	156	445	
WestLink Building #1	USD 232	2015	2024	80%	1,533	1,900,000	1,898,467	180,452	33,847	250	115	34	149	
WestLink Building #2	USD 232	2016	2025	80%	1,278	1,745,518	1,744,240	342	63	100	200	59	259	
Westmor Industries	USD 232	2016	2025	55%	279,179	560,249	281,070	44,588	9,812	9	18	4	22	
Midland Hotel (Holiday Inn)	SMSD	2016	2025	65%	339	2,130,750	2,130,411	318,075	70,339	70	17	5	22	
Federated Rural Electric	SMSD	2017	2026	70%	150	81,773	81,623	4,612	1,043	60	59	18	77	
<b>Total</b>								\$ 7,541,732	\$ (157,777)	\$ 11,752	731	735	286	1,021

\* Abatement revisited an existing Resolution of Intent after the facility was already built - approved in order to retain 186 existing jobs plus projected new jobs.

Projects with an approved Resolution of Intent at the end of 2017 include:

- Stag's Creek – 31,000 sf office building under construction with two completed restaurant pad sites at NW corner of Shawnee Mission Parkway and Goddard – 90% abatement starting in tax year 2018
- WestLink Business Center Building 3 – 170,000 sf building completed in 2017 at 43rd & K-7 with average 80% abatement – bonds were approved in 2018 with abatements beginning in tax year 2019
- Comfort Inn (65 rooms) and Fairfield Inn (78 room) – anticipated completion in 2018 at Midland and Renner with an average 55% abatement

There were no new property tax abatements approved in 2017. In February 2018, the City approved a 75% abatement for JDC Shawnee to construct a 100,000 sf commercial spec building in Perimeter Park at 8420 Hedge Lane Terrace. Approximately 40,000 sf will be leased to Nazdar as part of an expansion of their current operation. There are several other possible abatement projects in the planning phases for 2018.





## GOALS OF ECONOMIC GROWTH/DEVELOPMENT

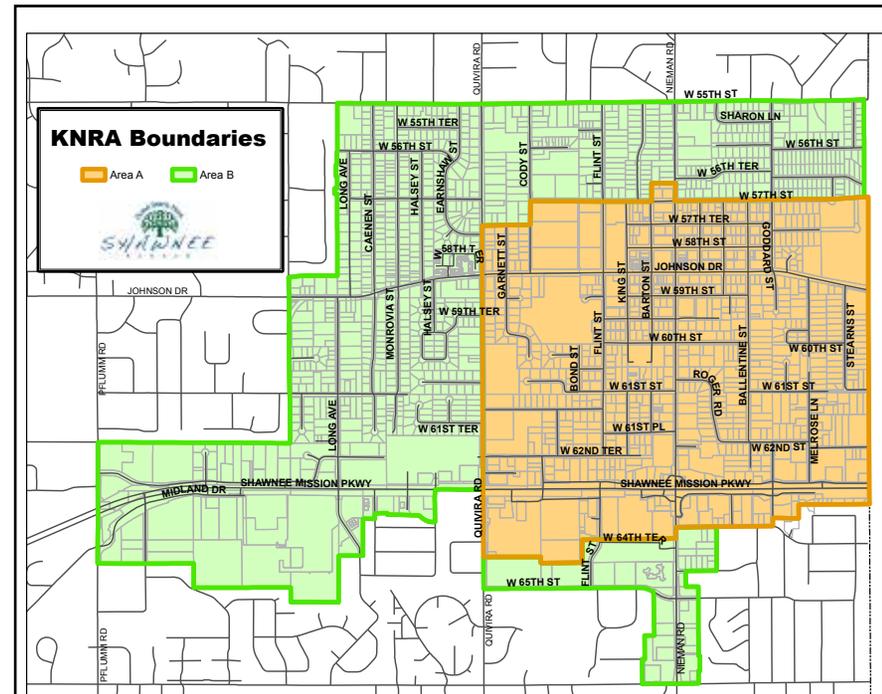
- **Future economic stability – growing and diverse tax base**
- New high-quality jobs
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The City of Shawnee, Johnson County, Shawnee Mission School District, Johnson County Community College, the Johnson County Parks and Recreation District, and the Johnson County Library approved the City's first KNRA district in 2002. The district was approved for a ten-year term from 2003 through 2012 and covered the downtown vicinity of the City shown in orange in the Boundary Map (Area A).

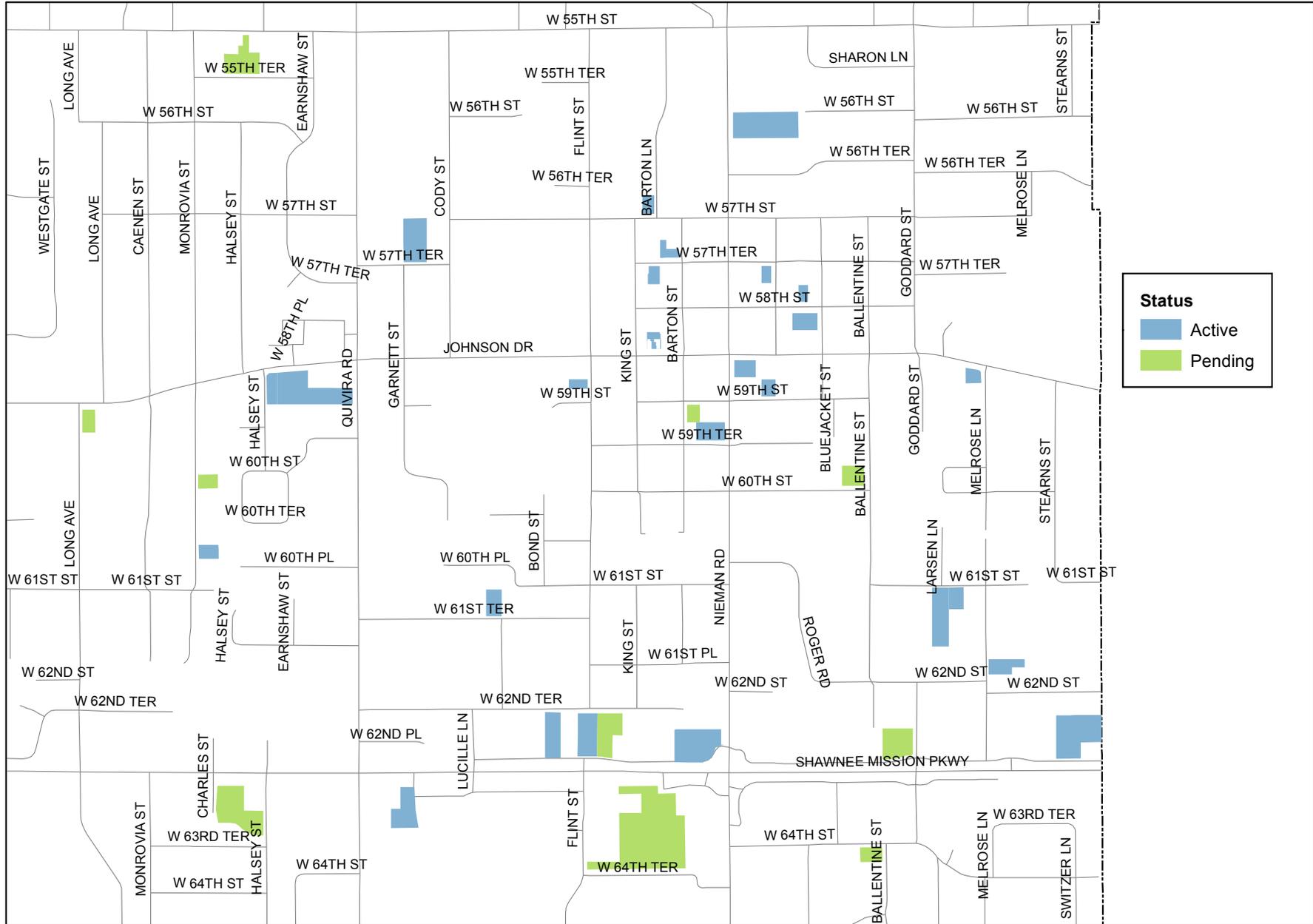
The KNRA allows a property owner to receive a 90% rebate on property tax from all jurisdictions except the State of Kansas on the incremental value of improvements that increase the appraised value of their property by at least \$5,000 as determined by the Johnson County Appraiser's Office. The remaining 10% of the incremental property tax goes to the City's Neighborhood Revitalization Fund to be used for improvements within the district. The taxing jurisdictions continue to receive full revenue on the base value of the property. KNRA is a relatively simple process compared to other incentives, and is available for both commercial and residential projects within the district. Criteria are straightforward, and City staff can approve the projects.

Shawnee has one of the most successful KNRA programs in the state, with 27 properties currently receiving rebates and 11 more pending at various stages. The First State Bank, Panera and Great Western Bank buildings were early successes, as well as redevelopment and new construction of single family homes and small businesses in the downtown area. In 2012, the City and the other taxing jurisdictions approved a second ten-year term for the program for 2013 - 2022, which now includes the expanded green area (Area B). The new area provides an opportunity to spur redevelopment along the Shawnee Mission Parkway corridor from Quivira to Pflumm, and encompasses more than a square mile of mostly residential neighborhoods surrounding Area A.





## KNRA Participating Properties





# Kansas Neighborhood Revitalization Act District (KNRA)

Table 4 shows six properties that completed their ten year rebates in 2017, representing \$360,769 in assessed valuation growth and \$43,891 cumulative dollars to the City's KNRA Fund.

Table 5 summarizes KNRA properties currently receiving rebates, sorted by the last rebate year. "Active" KNRA properties are within their 10-year term and receiving rebates. "Pending" properties range from approved applications to completed projects awaiting the City's receipt of the first property tax increment after reappraisal.

At the end of 2017 there were 15 commercial and 12 residential active properties, including three in the new Area B. The table shows the base assessed value of each property before the improvement, the 2017 assessed value, and the difference between the two. Finally, the column on the far right shows the cumulative dollar amounts generated by each project for the City's Neighborhood Revitalization Fund.

In addition, several pending projects will begin their rebate process in future tax years:

### AREA A

- Discount Tire – 11320 Shawnee Mission Parkway
- Mundy residence – 6040 Ballentine
- Raising Cane's – 10704 Shawnee Mission Parkway
- Morris residence – 10800 W. 60th Street
- CityWide Electric – 5911 Barton Street
- Parkway Shopping Center – 11215 Shawnee Mission Parkway

### AREA B

- Stag's Grove - 12139 Shawnee Mission Parkway
- Cambridge Shops - 11933 Johnson Drive
- Garrison residence – 12105 W. 55th Street
- Stibal residence – 12425 Johnson Drive
- Dykes residence – 5949 Monrovia Street

Completed KNRA Properties											
Table 4											
Property/Business Name	Area	Type	Base Year	Rebate Tax Year		Appraised Value		Assessed Value			Cumulative 10% City Revenue
				Start	End	Base	2017	Base	2017	Increase	
Panera	A	Com	2006	2007	2016	638,230	1,551,000	159,557	387,751	228,195	17,983
Irene Parsons	A	Res	2006	2007	2016	28,730	292,900	3,304	33,683	30,379	112
John Cauthon	A	Res	2006	2007	2016	51,400	363,800	5,911	41,837	35,926	3,868
John Cochran	A	Com	2006	2007	2016	364,100	521,000	91,025	130,250	39,225	11,527
Chapin Law Firm	A	Com	2007	2007	2016	139,145	216,000	34,787	54,001	19,214	9,885
Stephen Jacobson	A	Res	2003	2007	2016	179,300	247,400	20,620	28,451	7,832	516
<b>Total Increase for 2017</b>										<b>\$ 360,769</b>	<b>\$ 43,891</b>

### Active KNRA Properties

Table 5

Property/Business Name	Address	Area	Type	Base Year	Rebate Tax Year		Appraised Value		Assessed Value			Cumulative 10% City Revenue
					Start	End	Base	2017	Base	2017	Increase	
Lane's Cleaning	10910 W. 58th Street	A	Com	2006	2008	2017	72,390	293,000	18,097	73,251	55,155	5,480
Spectrum Carpets	11222 Johnson Drive	A	Com	2007	2008	2017	359,730	505,480	89,933	126,372	36,439	6,401
Lino's Holdings #1	11214 Johnson Drive	A	Res	2007	2008	2017	221,021	240,240	25,417	27,628	2,210	382
Mary Ann Moore	5900 Melrose	A	Res	2007	2008	2017	46,880	252,500	5,391	29,037	23,645	2,324
Downtown Carwash	11004 W. 59th Street	A	Com	2006	2009	2018	74,560	150,850	18,640	37,713	19,073	389
Lino's Holdings #3	5732 Barton	A	Com	2008	2009	2018	1,590	136,000	398	34,001	33,604	2,958
Lino's Holdings #4	5734 Barton	A	Com	2008	2009	2018	1,640	140,000	410	35,000	34,590	1,819
Lino's Holdings #5	5736 Barton	A	Res	2008	2009	2018	1,747	283,000	201	32,546	32,345	1,769
Melvin Allen	6133 Melrose	A	Res	2008	2010	2019	129,280	144,600	14,904	16,629	1,725	86
Michael Filla	10615 W. 61st Street	A	Res	2010	2011	2020	160,100	198,600	18,411	22,839	4,428	95
Donovan's Service	5912 Nieman	A	Com	2009	2011	2020	347,460	503,000	86,865	125,751	38,886	1,194
Mattes Appraisal	5832 Flint	A	Com	2012	2013	2022	79,500	127,640	12,214	31,911	19,698	316
Chipotle	11805 SM Pkwy	A	Com	2012	2013	2022	364,100	853,000	91,025	213,250	122,225	2,176
Direct Messenger	5802 Bluejacket	A	Com	2013	2013	2022	88,490	251,920	22,123	62,981	40,859	172
McCallop residence	11219 W. 57th Terrace	A	Res	2013	2013	2022	2,410	181,800	277	20,907	20,630	622
Carol A. Manns	11612 W. 61st Terrace	A	Res	2014	2014	2023	82,510	237,400	9,489	27,301	17,812	375
Auto Zone	11106 SM Pkwy	A	Com	2012	2014	2023	732,000	1,088,000	183,000	272,001	89,001	5,647
HCA Emergency Room	10310 SM Pkwy	A	Com	2014	2015	2024	496,458	1,699,000	59,575	424,750	365,175	6,549
Thomas & Eleanor Kalin	10605 W. 61st Street	A	Res	2013	2016	2025	38,765	276,400	4,458	31,786	27,328	254
BC Engineers	5720 Reeder Road	A	Com	2015	2016	2025	301,000	329,000	75,251	82,250	6,999	39
Jonathan & Mary Owens	5545 Nieman Road	A	Res	2015	2016	2025	219,950	248,800	25,294	28,612	3,318	8
Wendy's	11450 SM Pkwy	A	Com	2015	2016	2025	525,000	1,288,000	131,250	322,000	190,750	2,081
Back in Motion	11023 Johnson Drive	A	Com	2016	2017	2026	260,000	372,000	65,001	93,001	28,000	-
McAlister's Deli	11330 SM Pkwy	A	Com	2015	2017	2026	339,612	1,054,000	84,903	263,501	178,598	-
Alan Willoughby	6029 Monrovia	B	Res	2016	2017	2026	146,700	174,200	16,871	20,033	3,162	-
Kenneth Heckman	11720 W. 57th Terrace	B	Res	2016	2017	2026	152,500	222,700	17,538	25,611	8,073	-
Roy & Cynthia Hayth	11300 W. 57th Street	B	Res	2015	2017	2026	13,870	182,500	1,664	20,987	19,323	-
Total Increase for 2017										\$ 1,423,048	\$	41,137

# Community Improvement District (CID)



## GOALS OF ECONOMIC GROWTH/DEVELOPMENT

- Future economic stability – growing and diverse tax base
- New high-quality jobs
- **Revitalized older commercial areas**
- **Vibrant dining, shopping, entertainment**
- Diverse mix of growing businesses
- Desirable environment for residents and visitors
- **Infrastructure networks that support growth**



Cities may establish a Community Improvement District (CID) to assist developers with a wide variety of eligible costs by generating revenue from special assessments or additional sales tax on retail shoppers up to a maximum of 2%. A CID can function on a pay-as-you-go basis, or the revenue can reimburse for debt service on bonds. CID's are relatively flexible incentives because eligible costs can include vertical structures and amenities that are not allowed under Tax Increment Financing (TIF) or a Transportation Development District (TDD). A CID may have a maximum term of 22 years by state statute. Policy Statement PS-61, Community Improvement District (CID) and Transportation Development District Policy, define the process.

Shawnee established its first CID for façade improvements to Ten Quivira Plaza at Shawnee Mission Parkway and Quivira Road in 2011. The Redevelopment Agreement provides up to \$1,375,000 to reimburse eligible costs for defined “base improvements” on a pay-as-you-go basis, funded by a CID sales tax of 0.5%, effective on January 1, 2013. The project was completed in 2015 with Starbucks and Panda Express open in a new pad site building.

Table 6 reports the projected and actual CID sales tax, 1% City sales tax for the center, and assessed valuations for the base year (2013) and 2017. In addition, Ten Quivira generated over \$105,000 in 2017 for the City's three special sales taxes. As of end of 2017, the City has reimbursed \$841,908 of the \$1,375,000 total. At this rate of revenue collection, the CID could be completed in less than four more years.

On July 10, 2017 the City Council approved a 1.3% sales tax CID and a \$5.3 million property tax assessment CID for Belmont Promenade, a proposed retail center at Shawnee Mission Parkway and Maurer. The developer remains in discussions with City staff.

On December 18, 2017 the City Council approved a 1.5% CID sales tax for Westbrooke Green, a proposed mixed use development at 75th and Quivira.

**Community Improvement District (CID)**

**Table 6**

Name	CID Sales Tax		CID 0.5% Tax		1% City Sales Tax			Assessed Valuation			New City Property Tax	
	Rate	Start	2013	2017	Base Yr 2013	2017	Difference	Base Yr 2013	2017	Increase	2017	Cumulative
Ten Quivira Plaza	0.5%	1/1/13	\$156,118	\$ 167,040	\$ 326,125	\$ 334,080	\$ 7,955	\$ 2,216,002	\$ 6,694,252	\$ 4,478,250	\$ 119,184	\$ 335,447

# Transportation Development District (TDD)

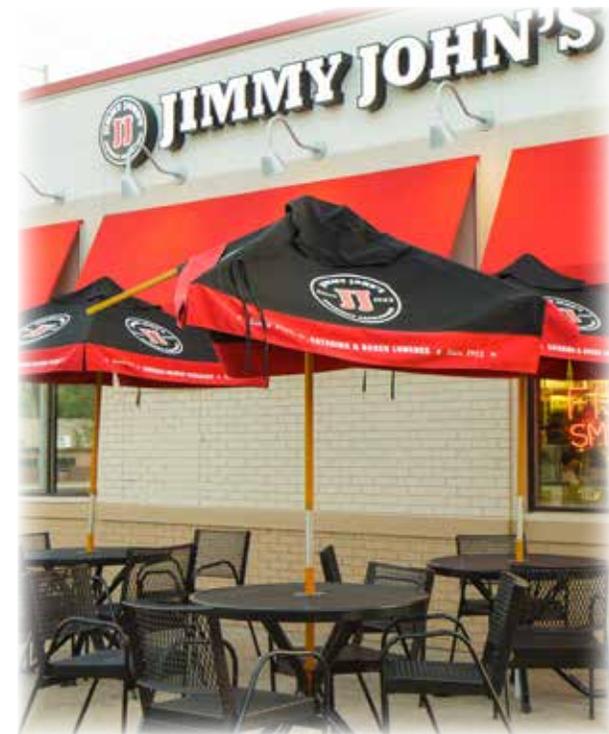
Transportation Development Districts (TDD's) are conceptually similar to CID's, with eligible reimbursable costs limited to transportation-related items. Shawnee typically further limits eligible costs to public infrastructure such as streets, stormwater systems or utilities of a public nature. TDD's are widely used in Johnson and Wyandotte County. Within a TDD, a city can either establish special assessments or levy an additional sales tax up to a maximum of 1%. Revenues can reimburse developers for transportation-related costs or reimburse for debt service on bonds. Policy Statement PS-61, Community Improvement District (CID) and Transportation Development District Policy, define the process.

The City established its first TDD in March 2013 for Shawnee Plaza, with an additional 1% sales tax on sales within the district, effective January 1, 2014. The TDD tax is projected to generate \$3,534,263 over the maximum 22 year term of the TDD. The TDD sales tax, along with approximately \$750,000 in special assessments over 15 years, is designed to cover the debt payments on a bond issue that paid for the cost of relocating Midland Drive to improve access and create space for pad sites.

Table 7 provides sales tax performance information for 2017 and assessed valuation information for the base year (2013) and 2017. TDD receipts and special assessments kept up with debt payments through 2016 as the bond payments phased in to allow completion and leasing of the center. However, with the bond payments now reflecting full build out of the center, the TDD revenues have fallen below the feasibility study projections. The TIF reimbursement to the developer was reduced by \$50,000 to help cover the bond payment of \$349,400. The redevelopment agreement requires that a reserve equal to the largest annual bond payment be retained by the City before reimbursement to the developer (\$352,050) to protect the City from using general tax dollars for the debt payments. Staff projections provided to the developer anticipate that TIF reimbursement will be reduced by \$160,000 in 2018.

A TDD may also take the form of property tax special assessments on property within the district, rather than a sales tax levy. In 2014, the City approved a TDD and Development Agreement that provided a financing mechanism to help Prieb Homes build the street network needed to jump-start a bankrupt

housing development at the 5100 block of Old K-7 Highway. The City reimbursed the developer for \$215,000 in costs for street construction in 2015. In turn, TDD assessments to the owners of the 42 new lots within the subdivision are paying the City back with interest over ten years.



**TDD - Sales Tax Levy**

**Table 7**

Name	TDD Sales Tax		TDD Revenue 2017			Cumulative		
	Rate	Start	Projected	Actual	Difference	Projected	Actual	Difference
Shawnee Plaza	1.0%	1/1/14	\$ 176,713	\$ 132,331	\$ (44,382)	\$ 353,426	\$ 490,163	\$ 136,737
* Projections were conservative in the early years of the feasibility study and revenues exceeded projections.								
Starting in 2017, projections reflect full build out of the project, and revenues were below projections at this level.								



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Tax Increment Financing (TIF) has been a widely used redevelopment tool in the Kansas City metro area since the 1990's. In concept, it is designed to encourage redevelopment of obsolete or challenging sites with higher project costs than a shovel-ready green field site. Cities may establish a TIF district that captures the increase in property tax and/or sales tax revenues (increment) generated by the new development, and use the new revenues to finance eligible project costs. The captured incremental property tax applies to the City's mill levy as well as most other taxing jurisdictions, and requires approval of the County and affected school district. The pre-redevelopment (base) taxes continue to go to the taxing jurisdictions as before. Eligible costs generally include site-related items such as land acquisition, grading, utilities, and related soft costs. Vertical structures are not eligible.

One of the primary advantages of TIF is that the revenue used for the developer incentive is new revenue to the City and other jurisdictions arising from the redevelopment. Also, TIF does not involve increased sales tax rates within a district. Disadvantages include the long period before the taxing jurisdictions are able to use the new revenues, and long-term administrative and legal maintenance.

Shawnee currently has six active TIF districts, as shown in Table 8. The Hodgdon District currently has no active project plans within it. The Cobblestone Project Plan approved in 2014 is technically still in place, but the developer has withdrawn from the project. Table 9 reports performance of the sales tax increment and assessed valuations for active TIF projects.

The City may establish a TIF district by defining its boundaries with legal notice to other affected jurisdictions and adjoining property owners, creating a conservation area or making a finding of blight using specific criteria, and determining that development within the district would be unlikely to happen "but for" the use of TIF revenue. A TIF district may have a life of up to 20 years from the date it is established. One or more TIF project plans may be adopted within a TIF district any time before the district expires, each with its own 20 year maximum life. The City's Planning Commission must find a proposed project plan to be accordance with the Comprehensive Plan, and a financial feasibility study must support the proposed revenue and cost assumptions. By state statute, the City must hold public hearings both to establish a TIF district and to adopt a TIF project plan. Shawnee's Policy Statement PS-50, Tax Increment Finance Policy, provides a framework to determine appropriate TIF projects, and defines the process in more detail.

TIF Districts/Project Plans			
Table 8			
District			Project Plan
Name	General Location	Established	Approved
Cobblestone	NE Corner 62nd Street/Pflumm Rd	10/13/2008	9/8/2014
Hodgdon	NW Corner I-435 and SM Pkwy	6/14/2010	None
Shawnee Plaza	SE Corner SM Pkwy/Pflumm Rd	1/14/2013	3/11/2013
Prairie Pines	NW Corner K-7 Highway/55th Street	5/28/2013	8/12/2013
Bellmont Promenade	SW Corner SM Pkwy/Maurer Road	12/22/2014	7/10/2017
Westbrooke Green	NE Corner 75th Street/Quivira Road	11/13/2017	12/18/2017

## ACTIVE TIF PROJECTS

### SHAWNEE PLAZA

The Shawnee Plaza TIF District, Project Plan and Redevelopment Agreement were approved in 2013. Christie Development Associates redeveloped an aging in-line shopping center with a strategic location, but high vacancy and limited street access. The developer and City partnered to relocate Midland Drive to the south to improve access and make room for three pad sites.

Total estimated project costs for the Shawnee Plaza project were \$16.56 million, with City incentives of \$7.0 million. The Redevelopment Agreement caps the TIF revenue over the 20 year term of the project plan at \$3,250,000. If the project generates this amount in less than 20 years, the City can terminate the project plan early. The developer absorbs the risk if the project does not generate the anticipated revenue within 20 years, at which time the plan will terminate automatically.

Nuts & Bolts Hardware opened spring 2016 in the eastern half of the existing large building. The center is now substantially leased.

Table 9 shows assessed valuation is ahead of projections for 2017 and preliminary 2018. As the feasibility study projections have reached full build out levels, the sales tax increment from the City's 1% general sales tax within the District as well as the TDD sales tax revenue have fallen below projections.

In 2017, the developer's TID reimbursement was reduced by \$50,000 to supplement the TDD and special assessment revenues to cover the bond payment and maintain the bond reserve. It is anticipated that this pattern will continue for the next few years, but the TIF increment supplement should be sufficient to ensure the bond payments are covered. The City directly benefits from the revenue from 5/8% in special sales taxes. Shawnee Plaza generated over \$79,000 in new special sales tax revenue for the City in 2017.

### PRAIRIE PINES

The Prairie Pines TIF District, Project Plan and Redevelopment Agreement were approved in 2013. Prairie Pines is a 220 unit market rate rental townhome community at the northwest corner of K-7 Highway and 55th Street. The development will also include 30,000 sf of future commercial development on the site of a former convenience store and car wash.

Total estimated project costs for the Prairie Pines project are \$41,282,405, with a pay-as-you-go TIF capped at \$3,810,131. The TIF eligible costs to be reimbursed are limited to land acquisition for the commercial portion of the project and public improvements related to street and stormwater infrastructure for the residential portion. 120 units were completed by the end of 2017, with 90% occupancy. Table 9 shows the 2017 and 2018 preliminary assessed valuations for Prairie Pines below projection because the project is behind schedule, but the gap has narrowed significantly for 2018 as the project nears completion. The City Council granted the developer deadline extensions in 2015, 2016 and 2017. Since the TIF is pay-as-you-go, the developer only receives increment after the City actually receives the dollars and development milestones are met.

Project	Base Year	2017 Sales Tax Increment			Assessed Valuation				Assessed Valuation Preview	
		Projected	Actual	Difference	Base	Projected	2017	Difference	Projected	2018 Prelim
Shawnee Plaza	2013	\$150,808	\$ 85,318	\$ (65,490)	\$913,536	\$ 2,475,000	\$ 3,581,254	\$ 1,106,254	\$ 2,475,000	\$ 3,699,253
Prairie Pines	2013	Not Applicable			\$186,267	\$ 3,187,947	\$ 1,482,750	\$ (1,705,197)	\$ 3,471,330	\$ 3,109,911

# Tax Increment Financing (TIF)

## WESTBROOKE GREEN

The City granted rezoning and preliminary site plan approval for Westbrooke Green in late 2017. This is a two-phased redevelopment project with residential and commercial uses on the currently mostly vacant Westbrooke Village Shopping Center at 75th and Quivira. The project includes 11 retail/restaurant buildings containing approximately 108,000 square feet, 530 market rate apartments in five buildings and an open space with a small amphitheater. Demolition of the existing shopping center is anticipated for summer 2018.

Total estimated project costs for Westbrooke Green are \$113,169,886, with a pay-as-you-go TIF on property tax and the City's 1% general sales tax increment totalling \$31,859,154 plus interest, as well as a 1.5% sales tax CID.



## FUTURE TIF PROJECTS

On December 22, 2014, the City established a TIF district for the southwest corner of Shawnee Mission Parkway and Maurer Road based on an application to develop a retail center from a developer that later withdrew from the project. On July 10, 2017, the City Council approved a project plan with Legacy Development to develop a retail and office concept. The developer continues to have discussions with the City.





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Benefit districts are a means for the City to assist development by financing public improvements that benefit a limited group of properties. The City bond finances the cost of the improvements up front, and then collects special assessments each year from the property owners to fund the debt payments on the bonds.

Benefit districts may be established for any length of time, but standard policy and practice is ten years. A district is established by petition of at least 51% the property owners, with required notices and a public hearing. To set up the special assessments, the City Clerk certifies to the County each year the total amount of the assessment based on the bond amortization for the project. Each property's individual assessment is apportioned based on its square feet of total area or frontage to the improvement.

The City currently has five active and five deferred districts. Table 10 details the districts by assessment term and associated bond issue. The deferred districts were established to allow delayed assessments for properties that were unplatted, greater than two acres in size, primarily agricultural, or contained one single-family home. Assessments in these areas begin when they are platted and developed (for example, Villas at Hall Gardens at Midland Drive and Allman). The overall goal of the deferred districts was to position the City for quality residential development along the Lackman and Midland corridors while minimizing disruption to the existing semi-rural character of the area.

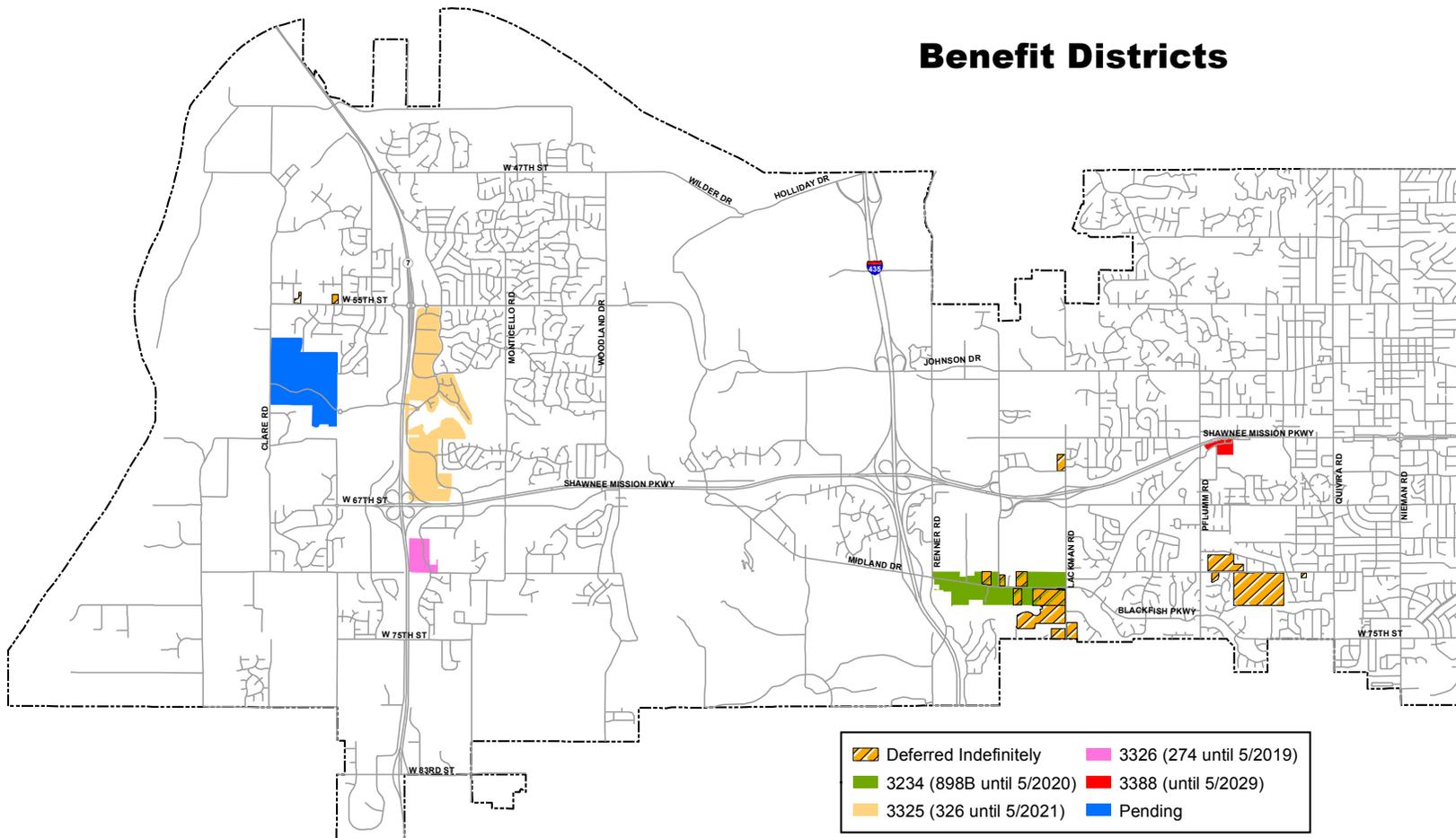
Active and Deferred Benefit Districts					
Table 10					
District	Assessments - Tax Year		GO Bond Issue		
	Start	End	Original	Refunding	Maturity
<b>Active</b>					
Silverheel South NE Corner K-7/71st Street	2009	2018	2009A	NA	2019
NE Corner Midland Drive/Bell Rd	2010	2019	2000B	2008C	2016
Silverheel North - E of K-7, SM Pkwy to Johnson Dr	2012	2021	2011A	NA	2026
Shawnee Plaza - SE Corner SM Pkwy/Pflumm Rd	2014	2028	2014A	NA	2028
Clear Creek Parkway, Gleason to Clare Road	2018	2027	2018A	NA	2028
<b>Deferred</b>					
75th Street & Lackman Rd	NA	NA	1998A	2008B	2014
North of 55th St - between Gleason & Clare	NA	NA	2000B	2008C	2016
71st Street - between Pflumm & Quivira	NA	NA	2000B	2008C	2016
Midland Drive - between Lackman Rd & Maurer Rd	NA	NA	2000B	2008C	2016
SE Corner Shawnee Mission Pkwy/Lackman Rd	NA	NA	1998A/2000B	2008B/2008C	2014/2016



The City has used benefit districts for many years. Examples of previous districts that helped fuel initial development are Johnson Drive from Lackman to K-7, and Monticello Road from Johnson Drive to 47th Street. The currently active Silverheel North District east of K-7 from Shawnee Mission Parkway to Johnson Drive provided impetus for Grey Oaks Commercial to develop, and opened up opportunity for the Sisters of Charity site on the northeast corner of Shawnee Mission Parkway and K-7 for future development. The Shawnee Plaza district was established in conjunction with the issuance of Series 2014A general obligation bonds in 2014. The redevelopment agreement provides for a benefit district to help cover \$50,000 per year of the City's debt payments for the relocation of Midland Drive. The Clear Creek Parkway district finances a portion of the bond payments on the new street that will open the area to development of over 300 new homes, and will begin assessments for tax year 2018.

There were no new benefit districts approved in 2017. There is a new district in the approval process in early 2018 to construct a portion of 53rd Street between Woodsonia Drive and Roberts Street in conjunction with the new Fire Station 74.

## Benefit Districts





### GOALS OF ECONOMIC GROWTH/DEVELOPMENT

- **Future economic stability – growing and diverse tax base**
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In 2011 the City renegotiated its contract with the Johnson County Landfill through 2043. The contract provides for the landfill to pay an impact fee to help cover costs of City service to the area, fund increased street maintenance due to heavy truck traffic, and compensate the City for the use of 774 acres of otherwise developable land. The City Council established the Economic Development Fund in 2012 to capture half of the impact fee to fund programs to spur economic and tax base growth.

Policy Statement PS-65, Economic Development Policy, defines the programs:

- Product Development - leverage City funding to provide more sites that are ready for development
- SEED (Shawnee Entrepreneurial & Economic Development) program
- Excise Tax Abatement Site Development Program
- Other offerings that will provide assistance in achieving strategic goals

The SEED program encourages job creation by providing forgivable loans or annual payments to companies that create at least ten jobs with average salaries above the Johnson County average. In addition, recipients must make a local contribution in one of three ways: 1) 25% of new employees are

Shawnee residents, 2) make significant use of Shawnee vendors, or 3) make a substantial contribution to a Shawnee-based charitable organization. The program can also provide for repayment of SBA loan fees.

In late 2015, the City Council discussed expanding the SEED program to encourage small businesses in high growth industries to locate and invest in Shawnee. PS-65 was formally amended in January 2016, adding two new options:

- Property Tax Assistance Program – alleviates initial costs related to purchasing or constructing a small building with 3 to 4 years of tiered property tax assistance
- Lease Assistance Program – assist with some of the costs of leasing business space with a three year tiered lease assistance based on number of employees (for businesses with 10 employees or less)

Table 11 shows three SEED agreements completed in 2017. Table 12 shows six SEED recipients that were required by their agreements to submit data for annual review during 2017. Federated Rural Electric Coop completed their relocation in 2017 and will report their results in 2018.

**Completed SEED Agreements**  
**Table 11**

Business Name	Location	2017 FTE Jobs		2017 Total Salaries		2017 Local Contribution Credit
		Projected	Reported	Projected	Reported	
Wesco Distribution	Nieman Business Center	32	35	\$ 1,440,000	\$ 2,046,275	Food drive (300 pounds) and 2 hours/employee work - Shawnee Community Services
Mile Hi Specialty Foods	Westlink Building #1	29	29	1,525,197	1,625,566	\$8,500 in purchases from various Shawnee businesses
General Automatic Sprinkler	Nieman Business Center	18	NA	1,170,000	NA	Owner opted out of the agreement 9-20-17 and repaid the balance of \$7,800.
<b>Total</b>		<b>79</b>	<b>64</b>	<b>\$ 4,135,197</b>	<b>\$ 3,671,841</b>	

The City Council approved two new SEED agreements in 2017:

- Metro Air Conditioning** is a commercial design-build HVAC contractor and service company relocating from Lenexa to a 17,000 square foot building at 8151 McCoy Street in southwestern Shawnee. Metro Air will invest \$1.6 million to acquire, remodel, and equip the building for their new office, relocating 44 new full time positions to Shawnee with the average salary of \$75,000, for a total annual payroll of over \$3.3 million.
- InkCycle, Inc.** has provided products to office and computer products resellers, office products superstores, other national chain stores and printer service companies for the past 25 years. They are an industry leader in toner and inkjet print cartridge technology. InkCycle is relocating from Lenexa to 10601 W. 79th Street in southeastern Shawnee. They are moving at least 20 new full time positions to Shawnee with the average salary of \$74,590, a total annual payroll of \$1.49 million.

Two companies participated in the SEED SBA Loan Fee Repayment Program in 2017:

- Vision Care Associates** is a locally owned and operated optometry office that has been in Shawnee since its inception. They plan to construct an approximately 8,000 square foot building between Arby's and Tanner's in the Monticello West commercial development. The qualifying loan fee was originally approved in 2016 for an estimated \$24,796. The City Council approved an increase in 2017 to \$32,169 based on unforeseen project costs.
- Pinnacle Gymnastics** has operated in Shawnee since 2005 and serves over 1,200 athletes from across the Kansas City metro area. Pinnacle constructed a new 17,000 sf building in 2017 at 7703 Meadow View Drive at an estimated cost of \$2.1 million, allowing them to serve an additional 1,000 athletes on a monthly basis. The City Council approved the qualifying loan fee at the program maximum of \$25,000.

There are some significant and strategic SEED agreements in the pre-approval stages in early 2018 that have the potential for high impact for Shawnee.

Active SEED Agreements						
Table 12						
Business Name	Location	2017 FTE Jobs		2017 Total Salaries		2017 Local Contribution Credit
		Projected	Reported	Projected	Reported	
Clarence M. Kelly (CMKE)	6840 Silverheel	50	86	\$2,453,800	\$ 2,104,090 *	\$23,663 in purchases with various Shawnee businesses
Source	6828 Silverheel	20	22	1,565,160	1,820,899	\$17,777 in purchases with various Shawnee businesses
Westmor Industries	8225 Monticello	9	18	403,335	959,850	Purchases from various Shawnee vendors
RiskIQ	7740 Hedge Lane	15	38	2,660,000	4,200,000	\$5,000 donation to Shawnee Community Services golf tournament
Tallgrass Freight	6800 Hilltop Road	6	6	320,400	372,000	Purchases from various Shawnee vendors
SS&C Solutions	7225 Renner Road	13	13	1,006,005	1,006,005	SS&C did not request the local contribution credit
Total		113	183	\$8,408,700	\$10,462,844	

\*Pay-as-you-go agreement is eligible to catch up 2017 payment in 2018 if both year's goals are met.

# Shawnee Entrepreneurial and Economic Development (SEED) Program

The City approved two projects in 2017 in the category of other offerings that would provide assistance in achieving strategic goals, funded through the Economic Development Fund:

- Aztec Theater** - The City entered into an agreement with Aztec Group in 2017 to assist with renovation of the downtown Aztec Theater building on Johnson Drive just west of Nieman Road. The project will restore the building as a working theater and event venue after several decades of vacancy, and has the potential to be a key focal point and gathering place to complement the Nieman Now! downtown improvements and Shawnee Town 1929. The project is estimated at \$750,000. The developers contributed capital and obtained a loan from a local bank for a total of \$250,000 to acquire the property. The City has made up to \$250,000 available from the Economic Development Fund to reimburse project costs (to be verified through the developer's bank) and the remainder of the costs will come from the developer through fundraising or additional private investment.
- VA Hospital** - In early 2017 the Governing Body approved an agreement with Highlands Development, LLC to reimburse \$300,000 for site development costs to construct two Veterans Administration medical buildings in the Shawnee Crossings development. One building was completed but the Veterans Administration determined later that it will not be constructing the larger building, so it is not possible to fulfill the terms of the agreement.

**Project update:** B&B Shawnee 18 Theatres – the owner of the Westglen Center at Midland Drive and Renner Road (Oak Meadows, LLC) coordinated with B&B Theatres on a three-phase complete theatre renovation of the 18-screen theater and related site improvements – these improvements were completed in 2017. The project also involves developing the pad sites along Midland Drive between the theatre and the Paulo & Bill restaurant site. The City is contributing up to \$1.8 million over 10 years based on the projected increase to the property and sales tax base of the entire center. The City made the first of ten payments of \$150,000 to reimburse the owner for a portion of the renovation costs for the theater.



# Excise Tax Abatement



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In March 2013, the Governing Body approved a two-year suspension of the City's excise tax on platting of real property. The suspension program is designed to increase the City's tax base by encouraging conversion of agricultural land into higher value commercial and residential uses. If a proposed development does not require public infrastructure such as building a street, the City Council can approve an agreement to waive the cash payment for the amount of the excise tax. If the developer is required to build public infrastructure, the City has typically credited the amount of the excise tax toward the construction cost rather than requiring a cash payment. Under the abatement program, the developer can receive a cash payment from the City's Economic Development Fund for the amount of the excise tax that previously would have been credited. Policy Statement PS-65, Economic Development Policy, describes and defines the process. The developers listed in Table 13 either completed their agreement milestones in 2017 or the agreement expired, and Table 14 details the active excise tax abatement agreements approved through the end of 2017. On November 13, 2017, the Governing Body approved a three-year extension of the abatement program through March 19, 2021.



# Excise Tax Abatement

**Completed or Expired Excise Tax Abatements**

**Table 13**

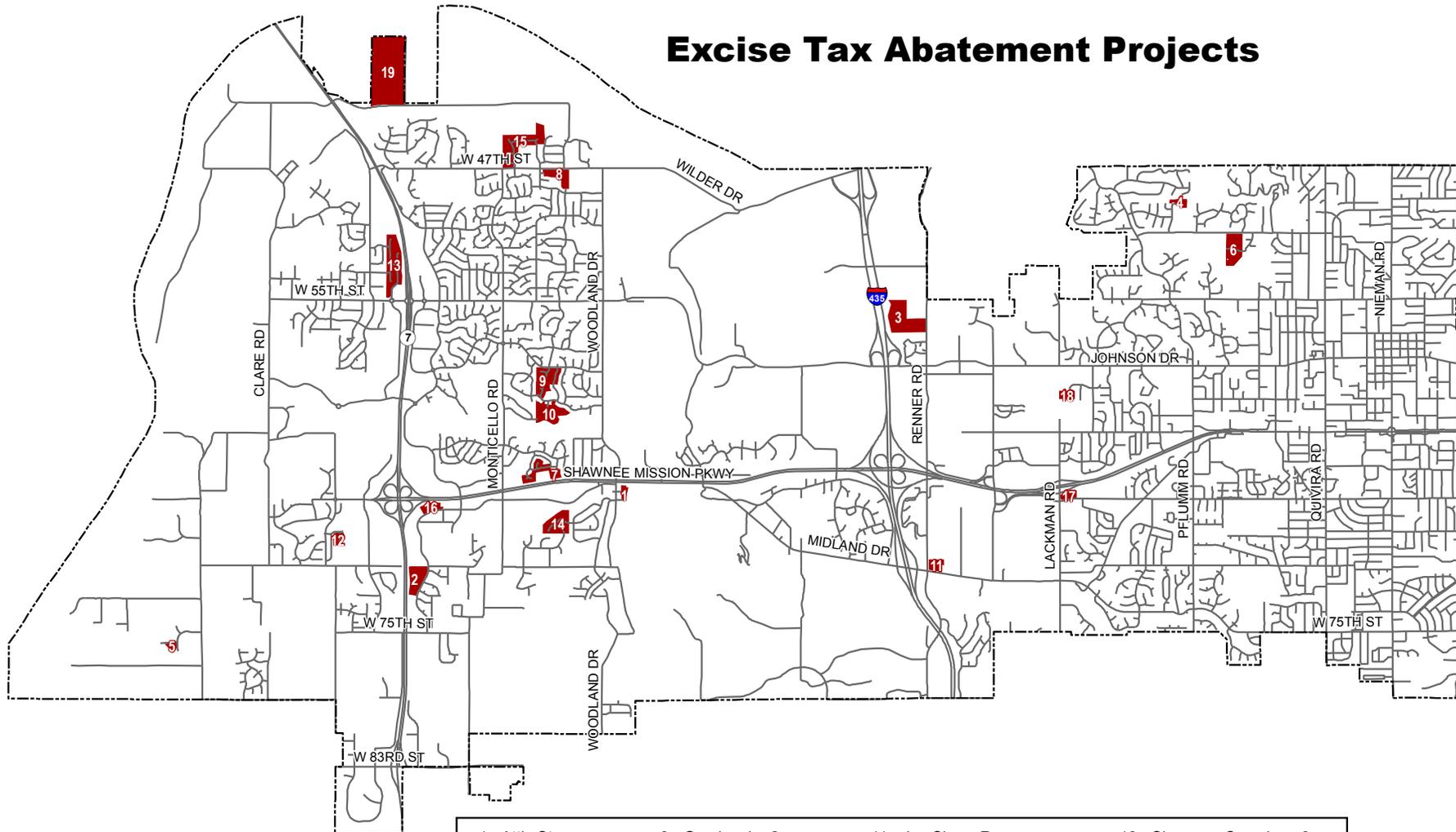
Development Name	Date Approved	Excise Tax Abated	Potential New Investment		Agreement Requirement Achieved
			Appraised	Assessed	
Masson Estates	10/27/2014	28,096.20	700,000	80,500	Two single family homes built
Riverview 2nd Plat	11/24/2014	213,178.98	17,500,000	2,012,500	Ten single family homes built
Summerlin Estates	12/8/2014	185,542.21	8,800,000	1,012,000	Three single family homes built
Stag's Forest	4/27/2015	28,096.20	500,000	57,500	One single family home built
Greyhawke 1	6/22/2015	16,143.28	800,000	92,000	One single family home built
Federated Rural Electric Coop	2/22/2016	156,372.50	3,600,000	900,000	Relocated approximately 60 jobs to Shawnee
Parkway Shopping Center	4/11/2016	4,626.80	1,300,000	325,000	6,500 square foot urgent care center built
Shawnee Crossings 8th Plat	10/24/2016	17,909.25	1,800,000	450,000	12,000 square foot VA Clinic
<b>Total</b>		<b>\$ 649,965.42</b>	<b>\$ 35,000,000</b>	<b>\$ 4,929,500</b>	

**Active Excise Tax Abatements**

**Table 14**

Development Name	Date Approved	Excise Tax Abated	Potential New Value (Investment)		Additional Potential Benefit
			Appraised	Assessed	
WestLink Business Center Center	4/22/2013	\$ 767,366.26	\$ 50,000,000	\$ 12,500,000	Up to 2,000 future jobs at full build-out of business park
Prairie Pines	5/12/2014	237,777.51	27,192,000	3,471,330	Up to 65 future jobs
Hills of Forest Creek 4	7/13/2015	193,418.32	21,000,000	2,415,000	
Forest Trace 4	8/10/2015	17,728.90	1,200,000	138,000	
Greyhawke 2	9/14/2015	104,049.40	3,200,000	368,000	
Jay Shree Ram (2 hotels)	11/23/2015	53,483.84	17,440,000	4,360,000	Up to 51 future jobs
Meadow of Chapel Creek	2/22/2016	35,295.26	3,500,000	402,500	
Hills of Forest Creek 5	4/11/2016	157,305.29	2,975,000	342,125	
Garland Heights 5	4/11/2016	14,048.10	500,000	57,500	
Ridgestone Meadows West	4/11/2016	168,226.41	16,650,000	1,914,750	
Shawnee Hospital	2/13/2017	36,488.51	6,500,000	1,625,000	
Riverview 3	2/27/2017	288,254.32	21,750,000	2,501,250	
Herrington Park 4	2/27/2017	117,431.11	17,503,200	2,012,868	
Shawnee Crossings 9	5/8/2017	19,562.69	1,200,000	300,000	
Sunset Estates 3	5/22/2017	28,096.20	450,000	51,750	
Attic Storage	6/26/2017	13,846.18	4,200,000	1,050,000	
Evangelistic Church Center	9/25/2017	297,578.49	3,000,000	-	
Calamar - Willow Ridge	11/27/2017	83,858.91	20,000,000	2,300,000	
Hillcrest Farm 9	12/11/2017	64,965.95	5,605,500	1,401,250	
<b>Total</b>		<b>\$2,698,781.65</b>	<b>\$ 223,865,700</b>	<b>\$ 37,211,323</b>	

## Excise Tax Abatement Projects



1 - Attic Storage	6 - Greyhawke 2	11 - Jay Shree Ram	16 - Shawnee Crossings 9
2 - Calamar	7 - Herrington Park 4	12 - Meadow of Chapel Creek	17 - Shawnee Hospital
3 - Evangelistic Center	8 - Hillcrest Farm 9	13 - Prairie Pines Townhomes	18 - Sunset Estates 3
4 - Forest Trace 4	9 - Hills of Forest Creek	14 - Ridgestone Meadows West	19 - Westlink Business Center
5 - Garland Heights 5	10 - Hills of Forest Creek 5	15 - Riverview 3	

# Industrial Revenue Bonds (Non-abatement) Conduit Debt)

The City may assist development under Kansas law by acting as a conduit (sponsor) and issuing IRB's for tax-exempt financing for projects that qualify for federal tax-exempt status. There is no tax abatement associated with this type of IRB, and the City has no liability for the outstanding debt. Conduit debt IRB's are typically seen in connection with low to moderate income multi-family housing, small issue manufacturing and projects for certain not-for profit projects such as nursing and assisted living facilities.

Table 15 shows outstanding conduit debt issued by the City as of the end of 2017. There was no new conduit debt issued during 2017.

<b>Outstanding Conduit Debt - IRB's with No Tax Abatement</b>				
<b>Table 15</b>				
<b>Amount Issued</b>	<b>Purpose of Bonds</b>	<b>Date of Issue</b>	<b>Date of Maturity</b>	<b>Unpaid on Each Issue</b>
\$ 11,075,000	Pinegate West Apartments	5/1/98	5/1/24	11,075,000
3,600,000	Three & Two Baseball Club	11/16/00	11/1/20	3,600,000
<b>\$ 14,675,000</b>				<b>\$ 14,675,000</b>

