

Lenexa Logistics Centre South/North/East

College & Renner Blvd., Lenexa, Kansas 66219

For Sale



Industrial Land Sites For Sale

- Immediate access to I-35, I-435, K-10 Highway and K-7 Highway
- Real estate tax abatement ranging from 55% and up - for 10 years (Each park has a different schedule)
- Sites for flex/office/industrial/bulk warehouse to accommodate buildings from 58,136 SF and up
- All utilities in place
- BP-2 zoning (planned general industrial district)

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Location Description: LLC East has a proposed public road entrance (116th Street) and frontage along Renner Boulevard, with private access drives to each building off of proposed 116th Street. From 116th Street & Renner Boulevard, LLC East is immediately accessible to I-35, I-435, K-10 Via interchanges at K-10 & Renner and I-35 & 119th Street.

Utilities:

Natural Gas: Atmos Gas, 4" gas main along north side of College Blvd., and west side of Mill Creek Road

Water: WaterOne, 12" water main along north side of College Blvd. & 12" water main along west side of Mill Creek Road

Electrical: Evergy along South side of College Blvd. & along the west side of Mill Creek Road

Sanitary Sewer: Johnson County Wastewater 8" sanitary sewer near center of south end of site, and 8" sanitary sewer near the northeast corner of the site

Zoning: BP-2, Planned General Industrial District

**LLC North - Phase I -
Utilities:**

Utilities:

Natural Gas: Southern Star 26" steel high pressure gas

Water: WaterOne 12"

Electrical: KCP&L -Evergy underground

Sanitary Sewer: Johnson County Wastewater

Zoning: Rezoning to BP-2

Special Benefit District: 20-year Benefit District for infrastructure development including detention ponds, BMP's, and common areas for the park being negotiated currently with the City of Lenexa

Tax Abatement: Subject to full City Council approval. Will provide tax abatement for a period of 10 years for all buildings constructed in the park under an aggressive and highly competitive abatement schedule

Additional:

Size: 148.5 acres; 1,201,496 RSF planned in 4 warehouse buildings with 4 other sites for warehouse buildings totaling ____ RSF available for sale

Site Dimension: 2,000' along College Blvd and 2500' along Renner Blvd

**LLC North- Phase II -
Utilities:**

Utilities:

Natural Gas: Atmos Energy, 6" west side of Renner 8" north side of College

LLC South - Utilities:

Water: WaterOne, 12" main Renner

Electrical:

Sanitary Sewer: Johnson County Wastewater- west property line

Zoning: BP-2, Planned General Industrial District

Utilities:

Natural Gas: Atmos Energy, 6" along west side of Renner KCP&L, 3-ph

LLC East - Utilities:

Water: WaterOne, 12" main along west side of Renner, and 8" main at the south property line at the end Conley Street

Electrical: KCP&L, 3-ph along Renner.

Sanitary Sewer: Johnson County Wastewater at North property line.

Zoning: BP-2, Planned General Industrial District

Note:

Interchange improvements at I-35 and 119th Street will be made to help ease congestion. The overpass will become a diverging diamond, allowing for traffic flow and safety enhancements. Travel lanes will also be added on 119th Street and turn lanes will be added to I-35 exit ramps.

LENEXA LOGISTICS CENTRE SOUTH - LAND PRICING

LOT #	TYPE	ACRES	BUILDING DIMENSIONS	BUILDING CAPACITY/SF	ASKING PRICE PSF	ADDITIONAL INFO
S-1	Light Industrial	8.3 ±	160' x 540'	86,670	-	LLC #4 Parking
S-2	Light Industrial	5.966 ±	450' x 160'	72,000	\$5.50	For Sale
S-3	Light Industrial	5.6 ±	-	60,262	-	Owner Occupied; Composites One
S-4	Mid-Bulk Ind.	15.0 ±	616' x 420'	260,707	-	LLC #4 - Amazon
S-5	Mid-Bulk Ind.	18.16 ±	763' x 430'	354,055	-	LLC - 5 Multi-Tenant
S-6	Mid-Bulk Ind.	11.0 ±	545' x 325'	180,033	\$5.00	-
S-7	Mid-Bulk Ind.	21.6 ±	926.5' x 432'	401,198	-	LLC-7 Multi-Tenant
S-8	Light Industrial	5.6 ±	500' x 160'	72,000	\$5.50	-
S-9	Light Industrial	6.6 ±	450' x 160'	80,000	\$5.50	-

LENEXA LOGISTICS CENTRE NORTH PHASE I

LOT #	TYPE	ACRES	BUILDING DIMENSIONS	BUILDING CAPACITY/SF	ASKING PRICE PSF	ADDITIONAL INFO
N-1	Bulk Industrial Cross Dock	30.0 ±	1101' x 589'	635,834	-	Built as Multi-Tenant - LLC N1 M
N-2	Bulk Industrial Cross Dock	30.0 ±	1101' x 589'	635,800	-	Not for Sale; LLC N2; Multi-Tenant Building
N-3	Light Industrial	7.12 ±	-	88,360	\$5.50	-
N-4	Light Industrial	6.05 ±	-	64,480	\$5.50	-

LENEXA LOGISTICS CENTRE NORTH PHASE II

LOT #	TYPE	ACRES	BUILDING DIMENSIONS	BUILDING CAPACITY/SF	ASKING PRICE PSF	ADDITIONAL INFO
N-5	Bulk Industrial Cross Dock	27.6 ±	-	546,996	-	Not For Sale
N-6/7	Light Industrial	13 ±	-	200,900	-	Not For Sale
N-8	Bulk Industrial Cross Dock	20.4 ±	-	373,100	-	Not For Sale
N-9	Light Industrial	7.2 ±	-	80,500	-	Not For Sale
N-10	Light Industrial	5.3 ±	-	51,696	\$3.50	-
N-11	Light Industrial	9 ±	-	100,893	\$4.00	-
N-12	Light Industrial	6.65 ±	-	68,672	\$3.75	-
N-13	Light Industrial	4.9 ±	-	51,696	\$3.75	-

LENEXA LOGISTICS CENTRE EAST

LOT #	TYPE	ACRES	BUILDING DIMENSIONS	BUILDING CAPACITY/SF	ASKING PRICE PSF	ADDITIONAL INFO
E-1	Flex Industrial/ Warehouse	5.7 ±	250' x 150-175'	41,765	\$5.50	-
E-2	Buld Industrial	17.4 ±	817.5' x 280'	230,594	\$5.25	-
E-3	Bulk Industrial	15.8 ±	872' x 280'	249,366	-	Built as Multi-Tenant
E-4	Bulk Industrial	31.0 ±	1035.5' x 480'	603,662	\$4.75	-

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For Sale

LLC North Phase I and II



700 W. 47th Street, Suite 200
Kansas City, MO 64112
816.756.1400 | www.BLOCKLLC.com

BLOCK
REAL ESTATE SERVICES, LLC

Lenexa Logistics Centre South/North/East

College & Renner Blvd., Lenexa, Kansas 66219

For Sale

LLC South - Benefit District Analysis

Lenexa Logistics Center Benefit District Analysis

Phase I Benefit District Costs	\$4,419,102	Annual loan payments	\$361,198
Interest Rate	2.66%	Monthly payments	\$30,100
Term	15	Interest in first calendar year	\$117,663
		Interest over term of loan	\$998,870
Annual Loan Payments	\$361,198	Sum of all payments	\$5,417,972
Phase II Benefit District Costs	\$799,937	Annual loan payments	\$53,600
Interest Rate	2.97%	Monthly payments	\$4,467
Term	20	Interest in first calendar year	\$23,728
		Interest over term of loan	\$272,072
Annual Loan Payments	\$53,600	Sum of all payments	\$1,072,009

		PHASE I						PHASE II				
		Building 1	Building 2	Building 3	Building 4	Building 5	Building 6	Building 7	Building 8	Building 9	Building 10	TOTAL
Area	Land Area	8.3 Acres	6.0 Acres	5.6 Acres	15.0 Acres	18.9 Acres	11.0 Acres	21.6 Acres	5.6 Acres	6.6 Acres		98.4 Acres
	Site SF	360,280	259,895	241,896	653,248	822,948	478,975*	938,797	242,457	287,875		4,286,371
	Building SF	86,670	72,000	60,262	260,707	354,823	156,749	401,098	72,000	80,000		1,544,309
	FAR	24.1%	27.7%	24.9%	39.9%	43.1%	32.7%	42.7%	29.7%	27.8%		36.0%
PHASE I COSTS PER SITE SF												
Site	Annual Expense	\$29,998	\$20,792	\$20,320	\$54,875	\$69,130	\$38,503	\$80,981	\$21,304	\$25,295		\$361,198
	PSF	\$0.08	\$0.08	\$0.08	\$0.08	\$0.08	\$0.08	\$0.09	\$0.09	\$0.09		\$0.08
PHASE II COSTS PER SITE SF												
Site	Annual Expense					\$2,234	\$32,602	\$8,579	\$10,186			\$53,600
	PSF					\$0.005	\$0.035	\$0.035	\$0.035			\$0.035
TOTAL COSTS PER SITE SF		\$0.08	\$0.08	\$0.08	\$0.08	\$0.08	\$0.09	\$0.12	\$0.12	\$0.12		\$0.12
PHASE I COSTS PER PLANNED BUILDING SF												
Site	Annual Expense	\$29,998	\$20,792	\$20,320	\$54,875	\$69,130	\$38,503	\$80,981	\$21,304	\$25,295		\$361,198
	PSF	\$0.35	\$0.29	\$0.34	\$0.21	\$0.19	\$0.25	\$0.20	\$0.30	\$0.32		\$0.23
PHASE II COSTS PER PLANNED BUILDING SF												
Site	Annual Expense					\$2,234	\$32,602	\$8,579	\$10,186			\$53,600
	PSF					\$0.01	\$0.08	\$0.12	\$0.13			\$0.08
TOTAL COSTS PER BUILDING SF		\$0.35	\$0.29	\$0.34	\$0.21	\$0.19	\$0.26	\$0.28	\$0.42	\$0.44		\$0.31

*64,337 SF of Building #6 lot is located in Phase II; Total lot size for Building #6 is 414,638 SF plus 64,337 SF totalling 478,975 SF.

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For Sale

City of Lenexa - Development Fees

CITY OF LENEXA DEVELOPMENT FEES

SITE ASSUMPTIONS

Land Size	217,800 SF
	5.00 acres
Building Size	70,000 SF

TIP Fee (Variable with Office Finish)

	25% Office Finish	50% Office Finish	75% Office Finish
Office \$0.525 BLDG SF	\$ 9,188	\$ 18,375	\$ 27,563
Warehouse \$0.190 BLDG SF	\$ 9,975	\$ 6,650	\$ 3,325
	\$ 19,163	\$ 25,025	\$ 30,888

		Payable by Buyer		
		Variable with Finish		
Park & Rec Fee	\$0.1261 Per Land SF	\$27,465	5.00 acres	\$27,465
Excise Tax	\$0.215 Per Land SF	\$46,827	5.00 acres	\$46,827
System Development Fee	Impervious Area: 217,800 / 2,750 79.20 EDU's \$1,055 per EDU	\$83,556		\$0
Land Disturbance Review Fee	\$100 per site	\$100		\$100
Land Disturbance Fees	\$165/Acre + \$150 Plan Review Fee	\$975		\$975
Footing and Foundation Permit Fee	\$15,930 for first \$5,000,000; then \$1.5 for each additional \$1,000 in total project costs			Variable on Total Costs
Sign Permit Fee		\$200		\$200
Preliminary Plan		\$300		\$0
Final Plan		\$400		\$400
Benefit District Costs	\$0.11 Per Land SF	\$23,958	5.00 acres	\$23,958
Detention and BMP (Savings)	Savings Associated with Land Area not Needed for Detention and BMP's			
	Total Lot Areas	Lot 1	Lot 2	Lot 3
	Land needed for detention and BMP's	360,376 SF	263,714 SF	238,217 SF
		31,000 SF	22,600 SF	20,500 SF
	Cost of detention and BMP Construction	\$ (90,000) +/-	\$ (90,000) +/-	\$ (90,000) +/-
	Land Cost @ \$4.50 Per SF	\$ (139,500)	\$ (101,700)	\$ (92,250)
	Estimated Savings	\$ (229,500) +/-	\$ (191,700) +/-	\$ (182,250) +/-
				Savings Variable on Lot Selection

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LLC North - Benefit District Analysis

Lenexa Logistics Center Benefit District Analysis

Mill Creek Road SBD		\$2,880,000	Annual payments	\$193,018
	Interest Rate	2.97%	Monthly payments	\$16,084.83
	Term	20	Interest in first calendar year	\$85,493
			Interest over term of loan	\$980,358
Annual Payments			Sum of all payments	\$3,860,358
Tract A/Utilities SBD		\$4,445,000	Annual payments	\$298,222
	Interest Rate	2.98%	Monthly payments	\$24,852
	Term	20	Interest in first calendar year	\$132,461
			Interest over term of loan	\$1,519,433
			Sum of all payments	\$5,964,433
Total Benefit District Costs		\$7,325,000		
Annual Payments		\$491,240		

		LLC North					
		Lot 1	Lot 2	Lot 3	Lot 4	Tract A	TOTAL
Area	Land Area	30.6 Acres	29.9 Acres	7.1 Acres	6.0 Acres	6.9 Acres	80.6 Acres
	Site SF	1,332,675	1,304,296	310,000	263,472	0	3,210,443
	Building SF	635,834	635,834	88,360	64,480	0	1,424,508
	FAR	47.7%	48.7%	28.5%	24.5%	0.0%	44.4%
Site	Annual Expense	\$203,401	\$200,309	\$47,315	\$40,214	\$0	\$491,240
	PSF	\$0.15	\$0.15	\$0.15	\$0.15	\$0.00	\$0.15
Pro rata by site SF							
Building	Annual Expense	\$203,401	\$200,309	\$47,315	\$40,214	\$0	\$491,240
	PSF	\$0.32	\$0.32	\$0.54	\$0.62	\$0.00	\$0.34
Pro rata by building SF							

NOTES:
*Total Benefit District costs equal \$7,325,000. \$4,445,000 of the total is allocated to Tract A/Utilities and \$2,880,000 is allocated to the North Mill Creek Road SBD.

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LLC East - Tax Analysis

Lenexa Logistics Center - EAST Benefit District Analysis

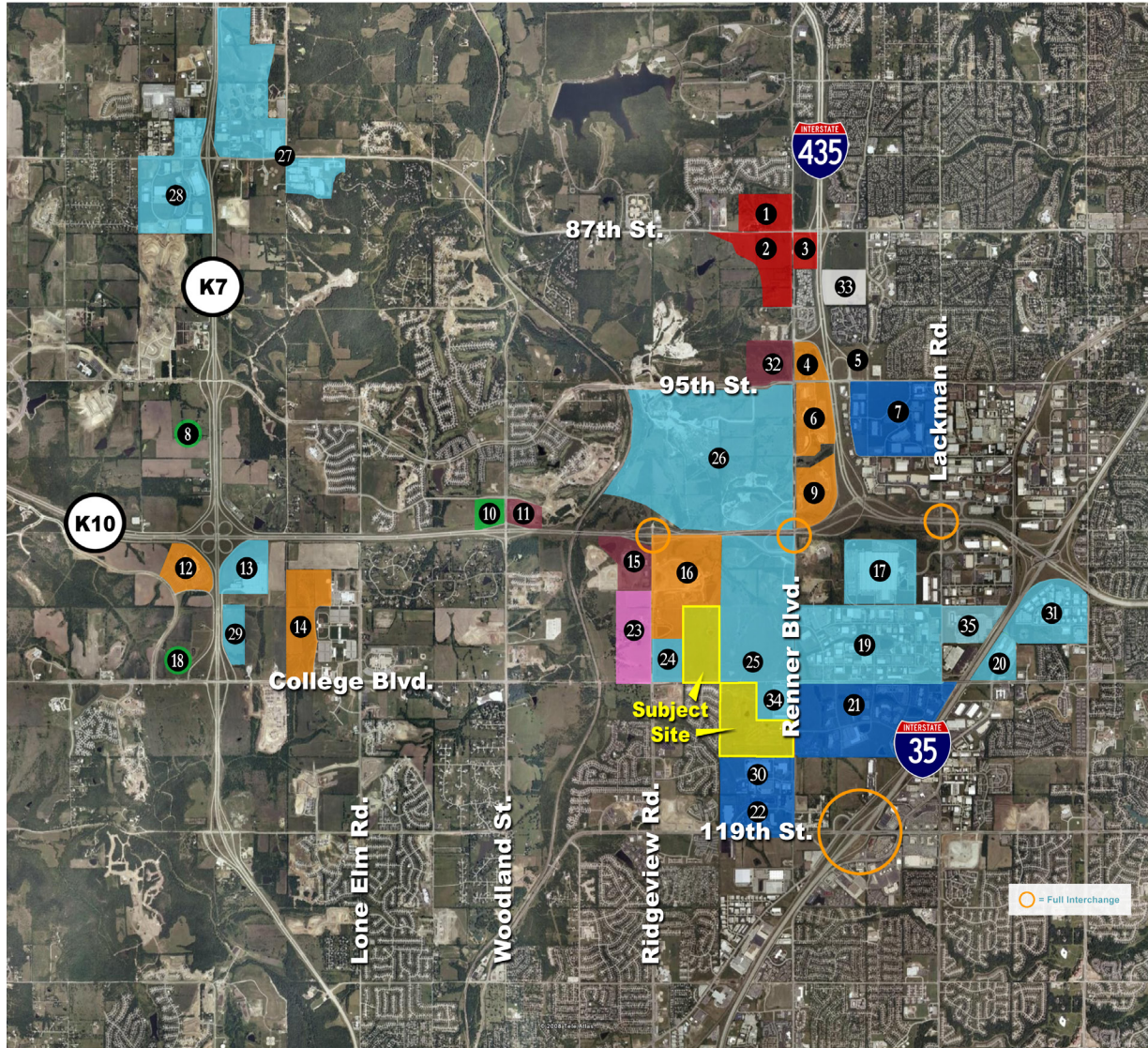
Phase I Benefit District Costs		\$6,110,000	Annual loan payments	\$420,239
	Interest Rate	3.25%	Monthly payments	\$35,020
	Term	20	Interest in first calendar year	\$198,575
			Interest over term of loan	\$2,294,780
Annual Loan Payments		\$420,239	Sum of all payments	\$8,404,780

		PHASE I				
		Lot 1	Lot 2	Lot 3	Lot 4	TOTAL
Area	Land Area	4.9 Acres	17.4 Acres	15.8 Acres	31.0 Acres	69.0 Acres
	Site SF	213,667	756,444	686,526	1,350,406	3,007,043
	Building SF	50,575	230,594	249,150	603,662	1,133,981
	FAR	23.7%	30.5%	36.3%	44.7%	37.7%
PHASE I COSTS PER SITE SF						
Site	Annual Expense	\$29,860	\$105,714	\$95,943	\$188,721	\$420,239
	PSF	\$0.14	\$0.14	\$0.14	\$0.14	\$0.14
PHASE I COSTS PER PLANNED BUILDING SF						
Site	Annual Expense	\$29,860	\$105,714	\$95,943	\$188,721	\$420,239
	PSF	\$0.59	\$0.46	\$0.39	\$0.31	\$0.37

Lenexa Logistics Centre South/North/East

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For Sale



Legend

- 1 City Center North Village (Proposed) Renner & 87th St. NWC
- 2 City Center Lenexa (Proposed) Renner & 87th St. SWC
- 3 City Center East Village (Proposed) 87th & I-435 SWC
- 4 Renner Corporate Centre I & II I-435 & 95th St. NWC (Kiewit Power Construction Phase 1)
- 5 Grundfos Pump Corporation Office HQ (Planned) - I-435 & 95th St. NEC
- 6 Renner Ridge Corporate Centre - I-435 & 95th St. SWC
- 7 Kansas Commerce Center - I-435 & 95th St. SEC
- 8 Shawnee Mission Medical Center - K-7 & Prairie Star PKWY (Phase 1 Under Construction)
- 9 LabOne - K-10 & Renner NWC
- 10 St. Luke's Hospital (Proposed) - K-10 & Woodland NWC
- 11 Falcon Valley Shopping Center (Proposed) - K-10 & Woodland NEC
- 12 Honeywell - K-7 & K-10 SWC
- 13 Aldi's Distribution Center - K-7 & K-10 SEC
- 14 Kansas Bioscience Park - College W of Woodland
- 15 Ridgeview Marketplace Shopping Center (Proposed) - K-10 & Ridgeview SWC
- 16 Corporate Ridge Office Park - K-10 & Ridgeview SEC
- 17 JC Penny Distribution Center - Lackman & 105th St.
- 18 Olathe Medical Center (Proposed) - K-7 & College NWC
- 19 Mid America Industrial Park - Lackman & College
- 20 College Crossing Business Park - College & Strangline Rd.
- 21 Southlake Technology Park - College & Renner SEC
- 22 119th Street Technology Park - Renner & 119th St.
- 23 Soccer Complex (Proposed) - Ridgeview & College NWC
- 24 Ridgeview Corporate Centre - Ridgeview & College NEC
- 25 Business Park Development - College & Renner NEC
- 26 Meritex Underground - K-10 & Renner NWC
- 27 Shawnee Warehouse Industrial - 83rd St. & Monticello NWC
- 28 Perimeter Park (Wh/Ind) - K-7 & 83rd St. SWC
- 29 K-10 Commerce Centre - K-10 & College NEC
- 30 Renner Business Center - Renner & 116th St.
- 31 Mid America East Industrial Park - Pflumm & 108th St.
- 32 Prairie Creek Retail Center - Renner & 95th St. NWC
- 33 Lenexa Apartments - I-435 & 87th Street SEC
- 34 College & Renner Corporate Center - Renner & College SWC
35. UPS Customer Center

Nearby Amenities

Restaurants:	A&W All-American Food	McDonald's
	Applebee's	Noodles & Company
	Arby's	Oklahoma Joe's BBQ & Catering
	Asian Pearl	Old Chicago
	Baskin-Robbins	Panda Express
	Buffalo Wild Wings	Panera Bread Co.
	China Cafe	Pie Five
	Chipotle Mexican Grill	Planet Sub
	Cracker Barrel Old Country Store	Popeye's Louisiana Kitchen
	Firehouse Subs	Schlotzsky's Deli
	Harus Steak Sushi Place	Sonic Drive-In
	Houlihan's	Starbucks
	IHOP	Subway
	Jack in the Box	Sylas & Maddy's Ice Cream
	Jason's Deli	Taco Bueno
	Jimmy John's	Taqueria Mexico
	Joe's Kansas City BBQ of Olathe	That's A Wrap
	Johnny's Italian Steakhouse	Uncle Buck's Grill
	LongHorn Steakhouse	Weis Super Buffet
		Zio's Italian Kitchen

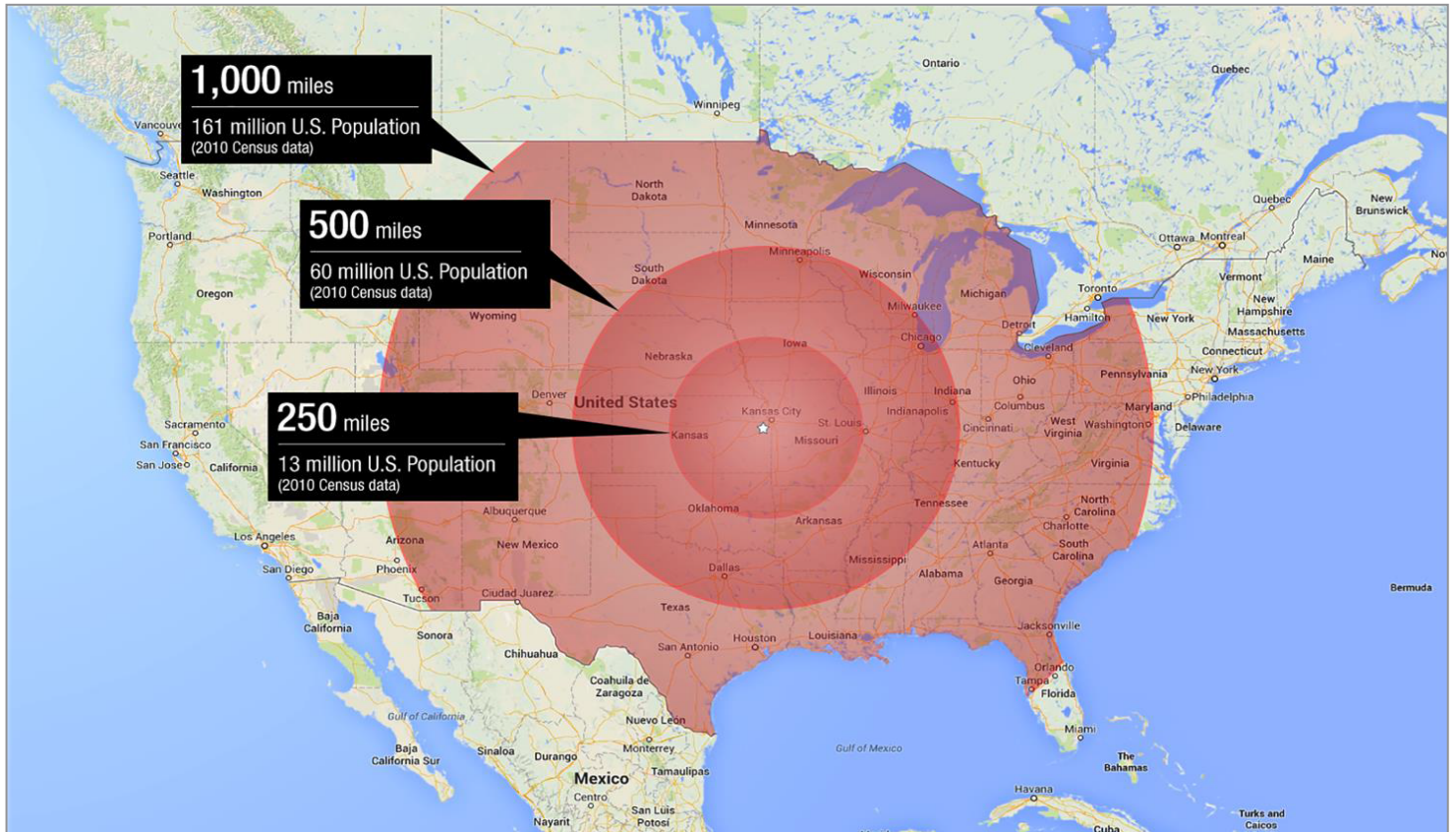
Shopping:	Bass Pro Shops	Kansas Smapler
	Basset Furniture Direct	LifeWay Christian Stores
	Bed Bath & Beyond	Mattress Firm
	Best Buy	OfficeMax
	CVS Pharmacy	Old Navy
	Dick's Sporting Goods	Pier 1 Imports
	Famous Footwear	RadioShack
	Furniture Mall of Kansas	Ross Dress For Less
	GameStop	Sprint
	Half Price Books	Super Target
	Home Depot	Verizon Wireless
	Hy-Vee	

Hotels:	Comfort Suites	Hilton Garden Inn
	Fairfield Inn by Marriott	Holiday Inn Express
	Hampton by Hilton	Residence Inn by Marriott

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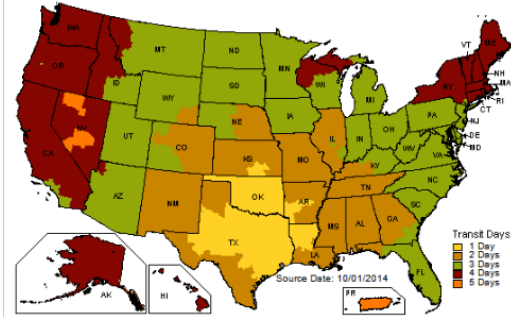
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For Sale

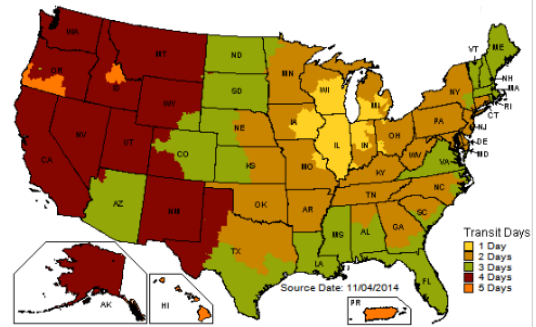


UPS Study

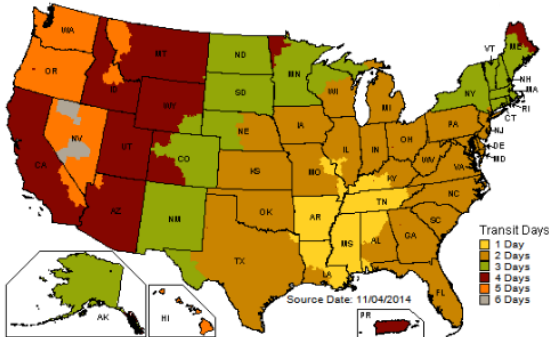
Dallas Transit Times



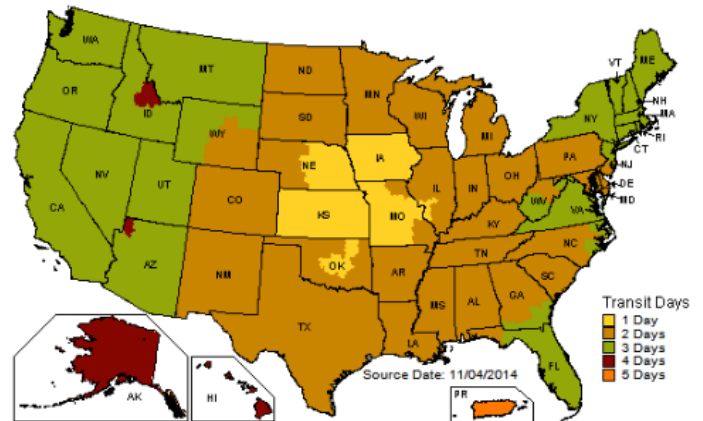
Chicago Transit Times

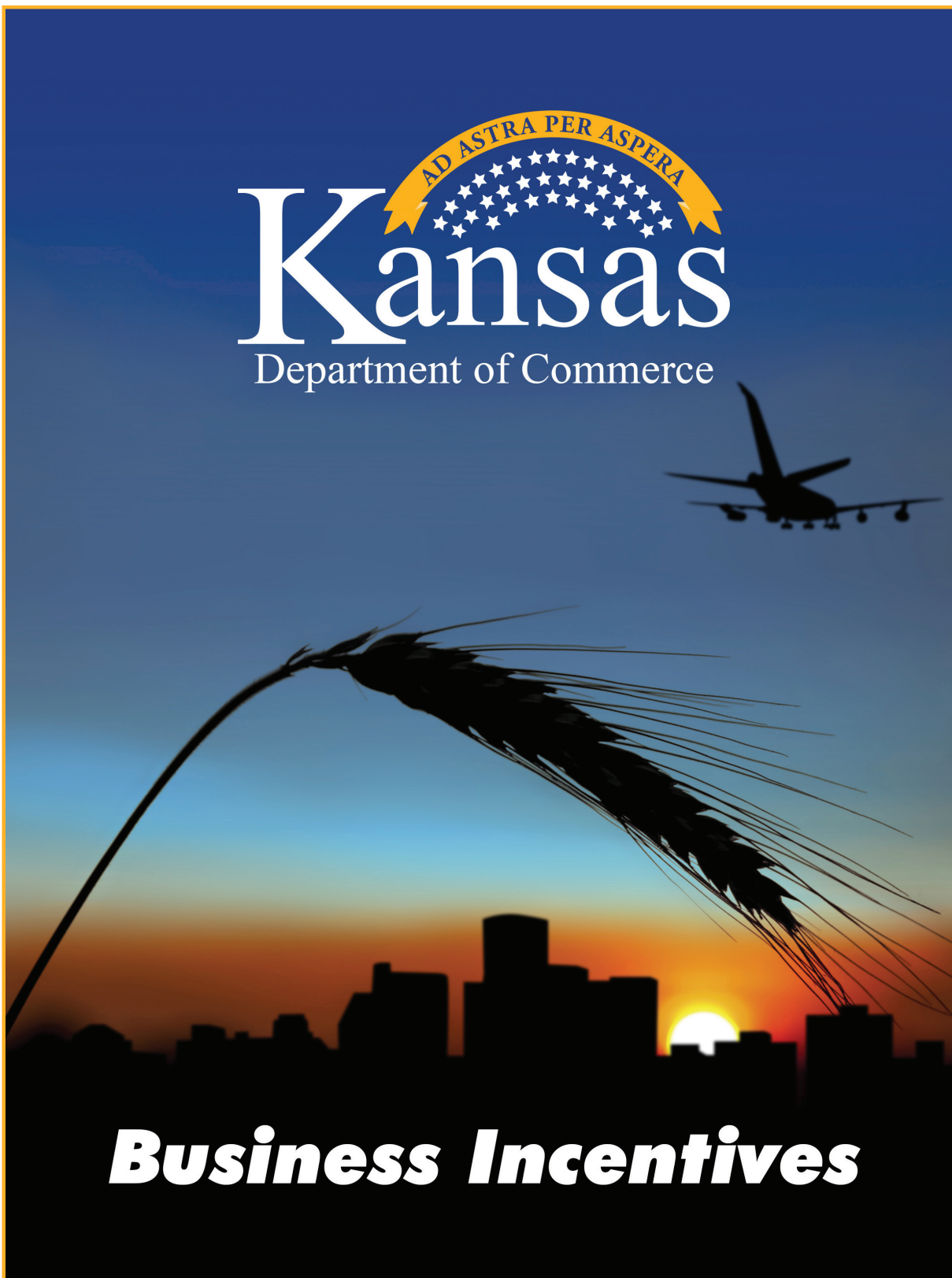


Memphis Transit Times



Kansas City Covers the Majority of U.S. in 3 Days of Less





AD ASTRA PER ASPERA
Kansas
Department of Commerce

Business Incentives

SITE LOCATION ASSISTANCE

The Business Recruitment Team for the Kansas Department of Commerce can assist with various site location needs. Whether you're seeking buildings or sites, our team has the resources and information to help you make an informed decision. Our Business Recruitment Team creates customized incentive proposals for clients based on capital investment, job creation, employee salaries and each company's unique needs. We also coordinate with community economic development professionals for local incentives such as discounted building and land purchases, reduced property taxes, build-to-suit agreements and finance packages. All types of assistance offered for new company locations are also available for subsequent expansions.

NEW TAX REFORM!

In Tax Year 2013, Kansas implemented a new tax reform plan where certain Kansas businesses saw significant tax relief. Kansas put in place a business income tax exemption which eliminates certain non-wage business income on lines 12, 17 and 18 of IRS Form 1040 for Partnerships, Limited Liability Corporations, Limited Liability Partnerships, Sole Proprietorships and Subchapter-S Corporations that have elected at the federal level to be taxed as a pass-through entity.

In addition, in tax year 2013, Kansas collapsed the current three-bracket structure for individual state income taxes (3.5, 6.25 and 6.45 percent respectively) into a two-bracket system using rates of 3.0 and 4.9 percent. A new series of individual income tax rate cuts began in tax year 2014, as the current bottom bracket of 3.0 percent was reduced to 2.7 percent, and the current top bracket of 4.9 percent was reduced to 4.8 percent. Further reductions planned for individual income tax rates through 2018 are shown below.

The reform also increases the standard deduction amount for single head-of-household filers from \$4,500 to \$5,500 and for married taxpayers filing jointly from \$6,000 to \$7,500.

FINANCE PROGRAMS

Promoting Employment Across Kansas (PEAK)

This program offers qualified companies the ability to retain 95 percent of their payroll withholding tax for up to five to seven years. PEAK is available for new operations in Kansas as well as relocated operations to the state. It is also available for qualifying business retention projects which has been extended through 2018. Companies need to create at least 10 new jobs within two years in metropolitan areas or five new jobs within two years in all other counties of the state. High-impact projects that create 100 new jobs within two years can retain 95 percent of payroll withholding tax for a period of 10 years. The number of years that the withholding tax can be retained depends on how much the annual median wage of the jobs in the project will exceed the current county median wage and the discretion of the Secretary of the Kansas Department of Commerce. If the aggregate median wage of the new jobs does not qualify the project for PEAK, the annual average wage of the new jobs can be used. Qualifying through the use of the average wage limits the benefits received. Effective July 1, 2014, companies in the bioscience industry may also be considered for PEAK if funding under the Kansas Bioscience Authority is not an option. A PEAK application **must** be submitted before locating or creating PEAK-eligible jobs in Kansas.

Industrial Revenue Bonds (IRBs)

Industrial Revenue Bonds are a popular method of financing up to 100 percent of a growing business' land, building and equipment. IRBs are securities issued by cities and counties to provide funds for creditworthy companies to acquire land, construct and equip new facilities or remodel and expand existing facilities. IRBs allow fixed-rate financing for the life of the bond for the project.

Community Development Block Grant (CDBG)

Eligible small city and county governments may apply for Community Development Block Grant economic development funds to assist an expanding or new business in Kansas. There are two parts to the program: business finance and infrastructure. Under business finance, funds are available for working capital, machinery and equipment and real property. The interest rate is currently set at 3 percent below prime or 4 percent, whichever is greater. The term of the loan is based on the asset being financed - working capital loan is 6.5 years, machinery and equipment is 10

Married Filing Joint:	TY2013	TY2014	TY2015	TY2016	TY2017	TY2018
\$0-\$30,000	3.0%	2.7%	2.7%	2.4%	2.3%	2.3%
\$30,001 and over	4.9%	4.8%	4.6%	4.6%	4.6%	3.9%
Single, Head of Household or Married Filing Separate:	TY2013	TY2014	TY2015	TY2016	TY2017	TY2018
\$0-\$15,000	3.0%	2.7%	2.7%	2.4%	2.3%	2.3%
\$15,001 and over	4.9%	4.8%	4.6%	4.6%	4.6%	3.9%

years and real property is 15 years. For business loans, a match is required of \$.50 to every \$1 of CDBG funds. For infrastructure, funding is available for water lines, sewer lines, roads, rail spurs and pre-treatment facilities. Infrastructure funding requires that a quarter of the funds be paid back over a 10-year period at a rate of 0 percent. Funding requires the creation or retention of one full-time job per \$35,000 of CDBG assistance up to the maximum of \$750,000. At least 51 percent of the jobs created or retained must be held by individuals, who at the time of hire, meet HUD's low- and moderate income test, which is based on median family income in the county in which the project is located.

Partnership Fund

Commerce provides low-interest state funds to cities and counties for infrastructure improvements that support Kansas basic enterprises such as manufacturing and distribution. Eligible projects may include construction, rehabilitation or expansion of public facilities, including roads, streets, highways, water supply and treatment facilities, water distribution lines, wastewater collection lines and related improvements.

Kansas Bioscience Authority (KBA)

Commerce works in partnership with the Kansas Bioscience Authority to assist in the expansion and recruitment of bioscience companies. The KBA has direct financing programs and other resources that can be used to help with funding for new bioscience companies and world-class scholars, equipment and lab space for research and facilitate the commercialization of bioscience discoveries.

WORKFORCE DEVELOPMENT PROGRAMS

The Department of Commerce has two workforce training programs to offset a company's training costs. Companies creating new jobs may qualify for **Kansas Industrial Training (KIT)** assistance. Eligibility for the program depends on the number of jobs created and the corresponding wages. We also have the **Kansas Industrial Retraining (KIR)** program to retrain a Kansas company's existing workforce on new technology or production activities. Projects involving a Kansas Basic Industry – which includes manufacturing, distribution or regional/national service facilities – may qualify for these programs. Both of these programs offer direct financial assistance to pay a negotiated portion of the costs to train a company's employees. Companies may apply the assistance toward items such as instructors' salaries; video development; textbooks and training manuals; supplies and materials; curriculum planning and development and minor training equipment.

INCOME TAX INCENTIVES

High Performance Incentive Program (HPIP)

This program provides a 10 percent corporate income tax credit on the qualified capital investment of an eligible company. Qualified capital investment can include such items as the purchase or lease of a facility or equipment, remodeling or build-out costs, fixtures, furniture and computers. Equipment transferred to Kansas from out-of-state is also credited at the original acquisition cost. The 10 percent tax credit is awarded to companies that operate an eligible business, pay above-average wages and invest in employee training. The credits can be used to significantly reduce a company's corporate income tax liability in a given year. Credits must be used within a consecutive 16-year period. The minimum investment threshold to qualify for HPIP is \$1 million for the urban counties of Douglas, Johnson, Sedgwick, Shawnee and Wyandotte. For all other counties, the minimum investment threshold is \$50,000. A key component of HPIP is the completion of the Project Description form, which **must** be submitted to the Department of Commerce prior to the company signing any document, such as a lease or purchase agreement, which commits the company to locating or expanding in Kansas.

Machinery & Equipment Expensing Deduction

Eligible Kansas taxpayers are allowed to claim an expense deduction for business machinery and equipment placed into service in Kansas. This is a one-time deduction for each qualified purchase of machinery and equipment in the year that it is placed in service. Unused expense deduction is treated as a Kansas net operating loss that may be carried forward for 10 years. Eligible investment is machinery and equipment depreciable under the Modified Accelerated Cost Recovery System in section 168 of the Internal Revenue Code, or canned software as defined in section 197 of the Internal Revenue Code. Examples of eligible equipment include manufacturing equipment, office furniture, computers, software and racking.

PROPERTY TAX INCENTIVES

Machinery and Equipment Property Tax Exemption

Commercial and industrial machinery and equipment acquired by qualified purchase or lease or transferred into the state is exempt from state and local property tax. The exemption pertains to machinery and equipment used in the expansion of an existing facility or the establishment of a new facility. The exemption covers machinery and equipment used in manufacturing or warehousing/distribution, commercial equipment, computers, desks and chairs, copiers and fax machines.

Property Tax Abatement

Cities or counties may exempt real property from ad valorem taxation. The tax abatement can include all or any portion of the appraised buildings, land and improvements. A total or partial tax abatement may be in effect for up to 10 years after the calendar year in which the business commences its operations. Any property tax abatement is the decision of the city or county.

SALES TAX EXEMPTIONS

The Kansas state sales and use tax rate is 6.15 percent. However, there are several sales tax exemptions available which include:

- Labor services related to original construction
- Remodeling costs, furnishings, furniture, machinery and equipment for qualified projects
- New machinery and equipment for manufacturing and distribution. This also includes pre- and post-production machinery and equipment, including raw material handling, waste storage, water purification and oil cleaning, as well as ancillary property such as gas pipes, electrical wiring and pollution control equipment
- Tangible personal property that becomes an ingredient or component part of a finished product
- Tangible personal property that is immediately consumed in the production process, including electric power, natural gas and water
- Incoming and outgoing interstate telephone or transmission services (WATTS)
- Real and personal property financed with an Industrial Revenue Bond

WORKFORCE DEVELOPMENT ASSISTANCE

A wide variety of services are available through the Kansas Workforce Centers located throughout the state. Services can include: statewide and national job listings; applicant pre-screening and application acceptance; space to conduct interviews as well as staff to assist in scheduling; space for job fairs; applicant assessment services and testing; Veteran services; and current labor market information. These services are available to all Kansas employers at no cost and may be accessed through KANSASWORKS.com or by contacting the local Kansas Workforce Center.

To learn more about the benefits of doing business in Kansas, please contact Steve Kelly at (785) 296-5298, skelly@kansascommerce.com or KansasCommerce.com/KBIZ.

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RURAL OPPORTUNITY ZONES

Rural Opportunity Zones (ROZ) are designed to spur economic development in and expand job growth in 77 key counties around the state. The program has two main incentives:

- A state income tax exemption for up to five years to individuals who move to a ROZ county from outside the state. Individuals must not have lived in Kansas for the past five years, nor have Kansas source income of more than \$10,000 per year over the past five years.
- Student loan forgiveness of up to \$3,000 per year (\$15,000 maximum benefit) for individuals who graduate from an accredited post-secondary institution and move to a ROZ county. The student loan forgiveness portion of the program is a county-state partnership, and counties must opt in to participate.

OTHER TAX INCENTIVES AND BUSINESS INITIATIVES

Right-to-Work State – Union membership in Kansas is 7.5 percent, well below the national average.

Inventory Tax Exemption – All merchant and manufacturers' inventories are exempt from property taxes by state law.

Research Tax Credit – Kansas offers an income tax credit equal to 6.5 percent of a company's investment in research and development above the average expenditure of the previous three-year period. Twenty-five percent of the allowable annual credit may be claimed in any one year.

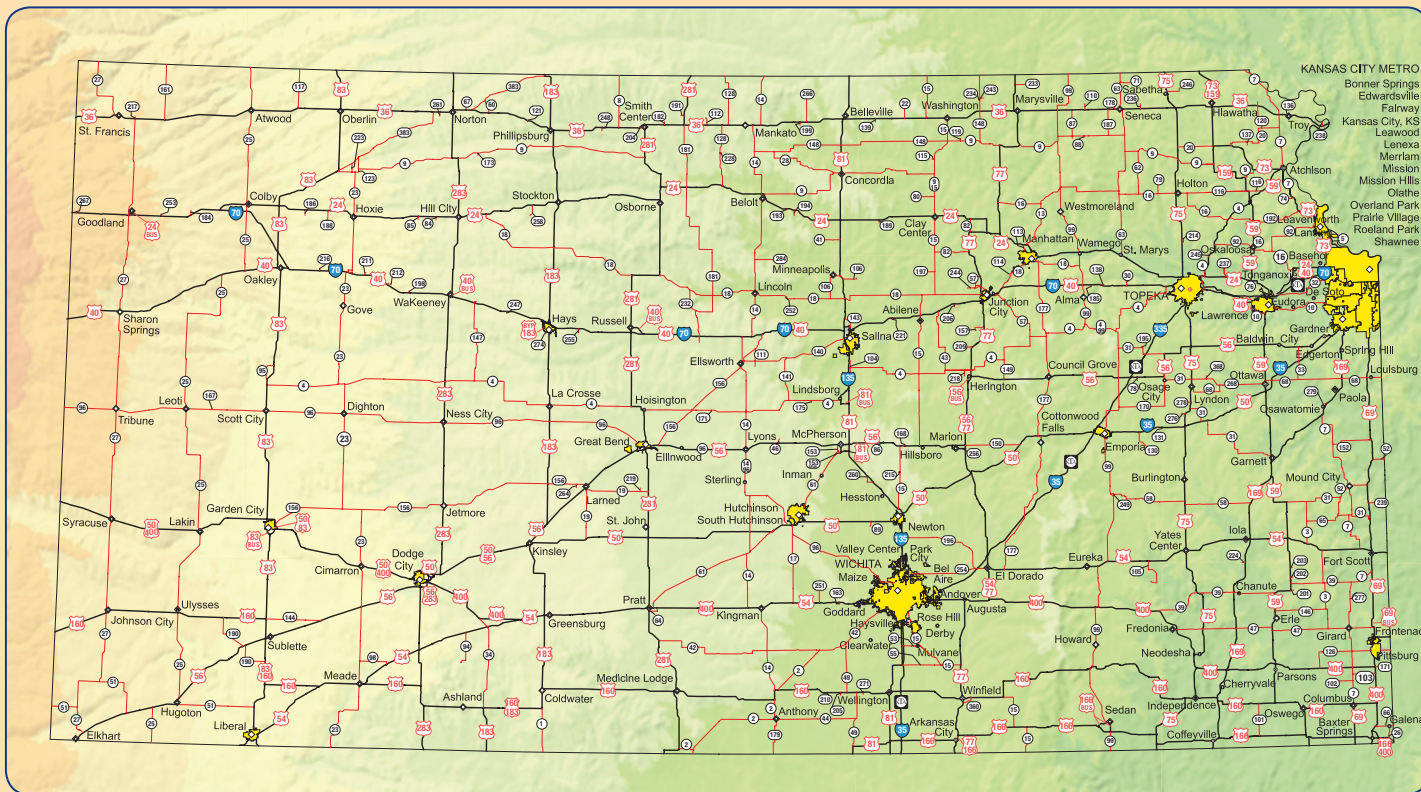
No Local Income Taxes – Kansas cities and counties do not impose an earnings tax on personal or corporate income.

No Kansas Franchise Tax – Kansas eliminated its franchise tax in 2011.

Workers' Compensation – Kansas ranks 9th lowest in the U.S. for worker compensation rates.



KANSAS



AFFORDABLE LIVING

Kansas ranks in the top 10 for a cost of living. Our cost of living is 8.7% below the national average and our housing costs are 16.7% below the national average.

STATE POPULATION 2.9 million

AREA 82,282 sq. miles

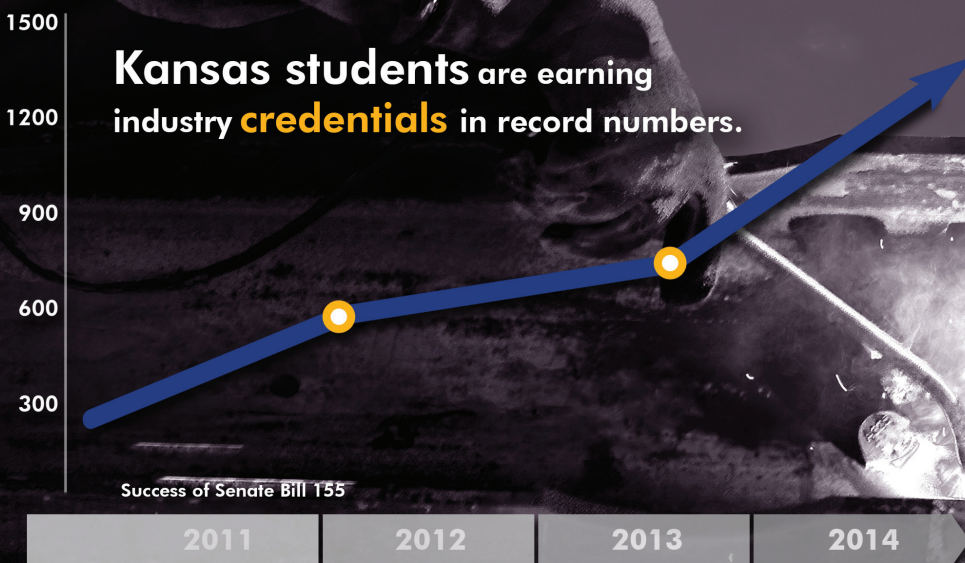
DIVERSIFIED ECONOMY

U.S Dept. of Commerce Bureau of Economic Analysis, 2013
 Services 45.46%
 Manufacturing 15.93%
 Finance, insurance and real estate 15.19%
 Transportation and wholesale trade 10.55%
 Agriculture and mining 6.48%
 Retail trade 6.40%

LARGEST CITIES

Wichita	385,577	MSA - 625,526
Overland Park	178,919	MSA - 2 million
Kansas City, KS	147,268	MSA - 2 million
Topeka	127,939	MSA - 234,647

Kansas has made a \$32 million investment in your future workforce

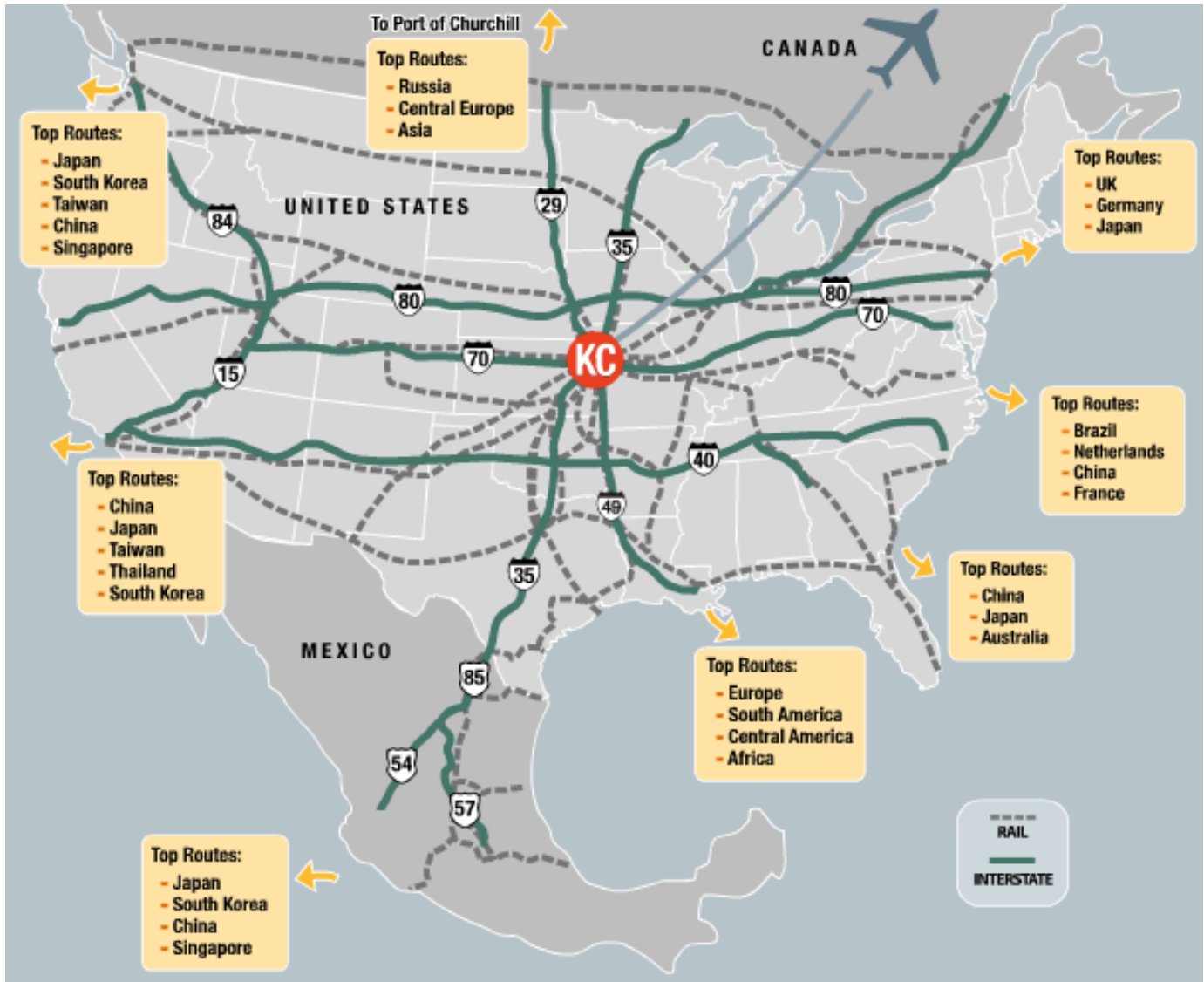


Kansas' **one of a kind**
initiative allows high school students
to earn **free** tuition at
Kansas community & technical colleges.

Lenexa Logistics Centre South/North/East

College & Renner Blvd., Lenexa, Kansas 66219

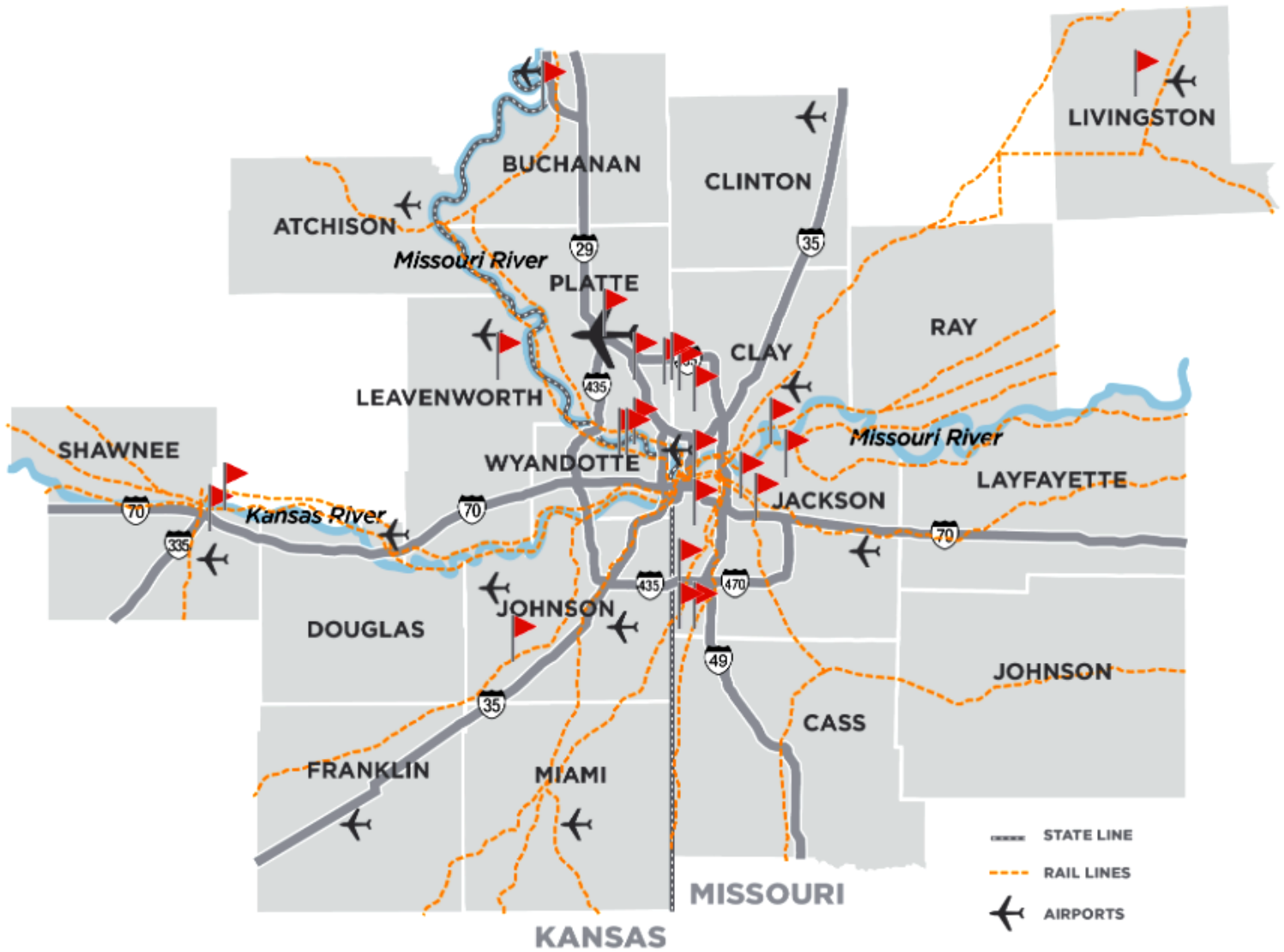
For Sale



Lenexa Logistics Centre South/North/East

College & Renner Blvd., Lenexa, Kansas 66219

For Sale



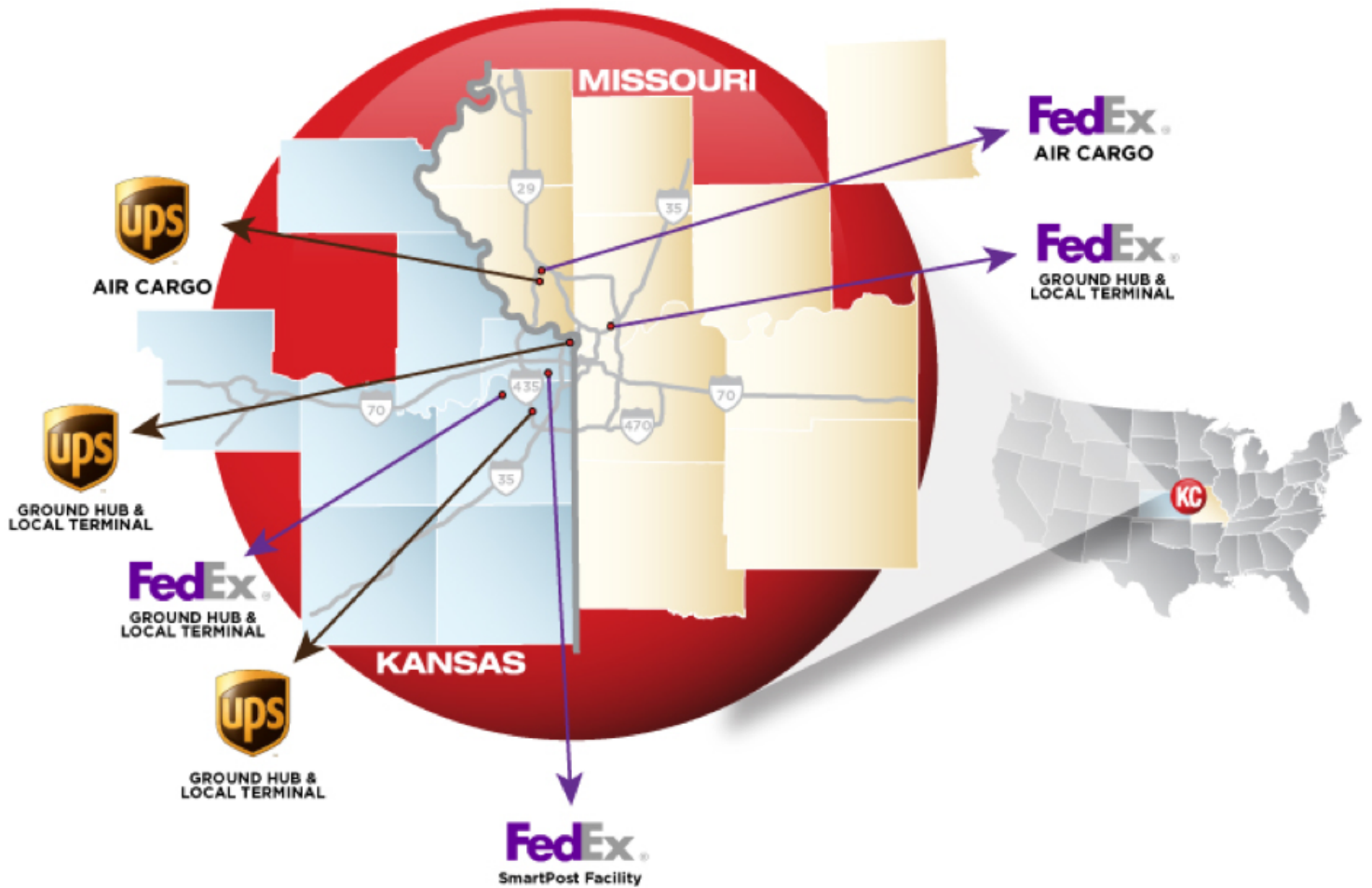
700 W. 47th Street, Suite 200
Kansas City, MO 64112
816.756.1400 | www.BLOCKLLC.com

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REAL ESTATE SERVICES, LLC

Lenexa Logistics Centre South/North/East

College & Renner Blvd., Lenexa, Kansas 66219

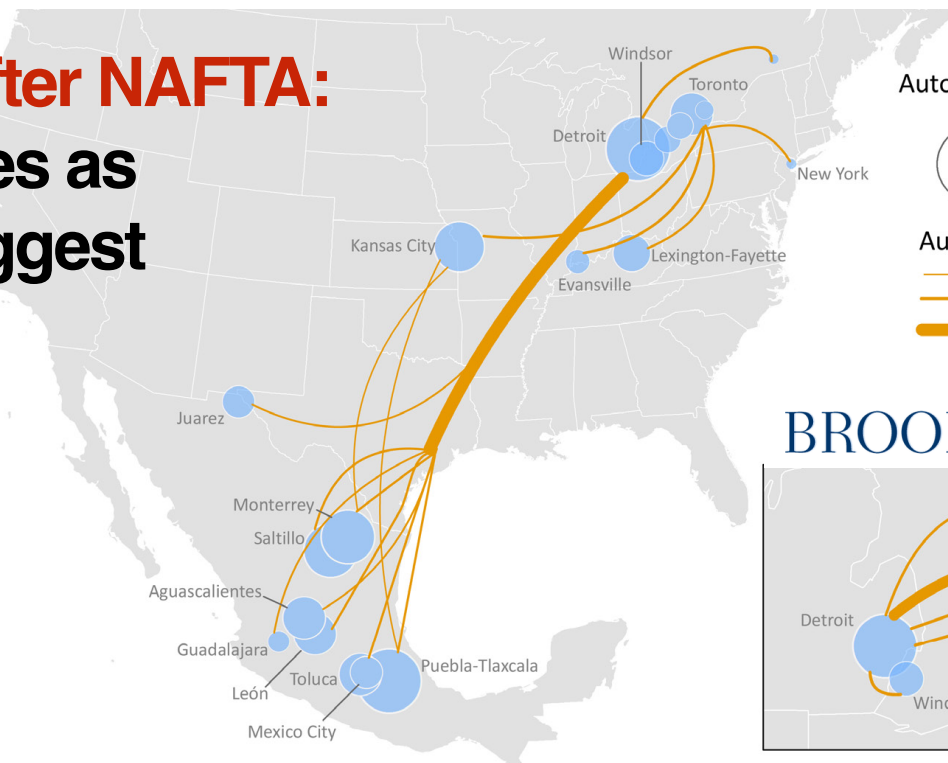
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20 years after NAFTA: KC emerges as second-biggest auto hub



BROOKINGS



KC SmartPort works with area educational institutions and leading companies in the supply chain industry to:

- lead conversations linking industry representatives and educational institutions
- identify skills needed for a trained workforce
- assist in developing information to inform students about supply chain/logistics/manufacturing careers and programs available
- promote KC supply chain/logistics/manufacturing training opportunities