

**ABILENE CITY COMMISSION - REGULAR MEETING AGENDA**  
**ABILENE PUBLIC LIBRARY, 209 NW FOURTH STREET**  
**December 27, 2016 - 4:00 pm**

1. **Call to Order**
2. **Roll Call:**     \_\_\_ Marshall   \_\_\_ Shafer   \_\_\_ Payne   \_\_\_ Weishaar   \_\_\_ Dale
3. **Pledge of Allegiance**

**Consent Agenda** (*Consent Agenda items will be acted upon by one motion unless a majority of the City Commission votes to remove an item for discussion and separate action.*)

4. Agenda Approval for the December 27, 2016 City Commission Meeting
5. Meeting Minutes: December 12, 2016 Regular Meeting
6. Authorization to donate Convention and Visitors Bureau trolley to the Abilene and Smoky Valley Railroad Association and rescinding previous approval to publicly sell the trolley on Purple Wave

**Public Comments and Communications**

7. **Public Comments.** Persons who wish to address the City Commission regarding items not on the agenda and that are under the jurisdiction of the City Commission may do so when called upon by the Mayor. Comments on personnel matters and matters pending before court are not permitted. Speakers are limited to three minutes. Any presentation is for informational purposes only. No action will be taken.
8. **Declaration.** At this time City Commissioners may declare any conflict or communication they have had that might influence their ability to impartially consider today's issues.

**Proclamations and Recognition**

9. **None**

**Public Hearings**

10. **A Public Hearing to hear objections from taxing entities and the general public with respect to a proposed constitutional ad valorem property tax abatement for real property located at 401 Cottage Avenue in Abilene, Kansas.**

**Old Business**

11. **None**

**New Business**

12. **Consideration of an Ordinance exempting certain real property located at 401 Cottage Avenue from ad valorem taxation for economic development purposes.**
13. **Consideration of a motion to rescind Resolution No. 041116-1 concerning an economic development agreement with Thunderstruck Bumpers, Inc.**

**Reports**

14. **City Manager's Report**

**Adjournment**

15. **Consideration of a motion to adjourn the December 27, 2016 City Commission meeting.**

**Future Meeting Reminders:** *(All meetings at Abilene Public Library unless otherwise noted)*

- New Year's Holiday Jan 2 (City Services Closed)
- Library Board, Jan 3 at 4 pm
- City Commission Study Session, Jan 3 at 4 pm (City Hall)
- City Commission Meeting, Jan 9 at 4 pm
- Planning Commission, Jan 10 at 4:30 pm
- Sister City, Jan 12 at 7 pm (Civic Center)
- Recreation Commission Jan 16 at 5:30 pm (Rec Ctr)



**Abilene City Commission Minutes  
Abilene Public Library  
December 12, 2016 @ 4:00 p.m.  
Abilene, Kansas**

**1. Call to Order**

**2. Roll Call** – City Commission Present: Mayor Marshall, Commissioners Dale, Payne, Weishaar and Shafer.

Staff Present: City Manager Dillner, Human Resources Director/City Clerk Soukup, City Attorney Martin, Finance Director Rothchild, Parks & Recreation Director Foltz, Police Chief Mohn, Convention and Visitors Bureau Director Roller and Fire Chief Sims.

Others Present: Mike Heronemus, Shelby Moon, Kimberly Davis, Sarah Berkland, Ashley Reynolds, Kiel Beals, Trinity Wickstrom, Alex Fetters, Gia Launn, Kasidy Anderson, Alex Woodard and Conner Barlow.

**3. Pledge of Allegiance** - Mayor Marshall led the Pledge of Allegiance.

**Consent Agenda**

**4.** Agenda Approval for the December 12, 2016 City Commission Meeting

**5.** Meeting Minutes: November 28, 2016, Regular Meeting

**6.** Designation of the Convention and Visitors Bureau trolley as surplus and authorizing its sale by Purple Wave, Inc.

**7.** Approval of Cereal Malt Beverage Licenses submitted to the City Clerk for 2017, as provided by Chapter 3, Article 1 of the City Code of the City of Abilene, Kansas.

Motion by Commissioner Shafer, seconded by Commissioner Dale to approve the Consent Agenda as presented. Motion carried unanimously 5-0.

**Public Comments and Communications**

**8. Public Comments.** Persons who wish to address the City Commission regarding items not on the agenda and that are under the jurisdiction of the City Commission may do so when called upon by the Mayor. Comments on personnel matters and matters pending before court are not permitted. Speakers are limited to three (3) minutes. Any presentation is for informational purposes only. No action will be taken.

Mayor Marshall asked for any comments or communications from the public that are not on the agenda. There were no public comments or communications.

**9. Declaration.** At this time City Commissioners may declare any conflict or communication they have had that might influence their ability to impartially consider today's issues.

There were no declarations.

## Proclamations and Recognition

10. There were no proclamations or recognitions.

## Public Hearings

11. There were no public hearings.

## Old Business

12. There was no old business.

## New Business

13. **Consideration of an Ordinance rezoning certain property, generally described as 125 N. Elm Street, from “R-3, High Density Residential District” to “I-1, Light Industrial District,” and amending the Zoning Map of the City of Abilene, Kansas.**

City Manager Dillner presented information regarding a rezoning request from Jon Koffman, Koffman Electric, for the property located at 125 N. Elm Street from R-3, High Density Residential District” to “I-1, Light Industrial District”. The proposed changes would bring the property into a conforming status. Staff recommends approval of the rezoning request with the following findings as outlined in Article 26-110:

- a) **Consistency with intent and purpose of the rezoning regulations** – In general, this proposal is consistent with the intent and purpose as outlined in Article 1 of the regulations.
- b) **Compatibility of proposed use with surrounding uses** – The property is surrounded by high density residential development to the north. The present use of the property does not affect the residential neighborhood, although future uses of the property may create circumstances that may create difficulties for the neighborhood. This scenario is unlikely as long as the business continues to operate on site.
- c) **Public Infrastructure** – The site has adequate infrastructure to serve the site in its present use and should have sufficient access to public infrastructure for any future use in the proposed district.
- d) **Necessity of the proposal due to changes in the affected area** – The area has not changed greatly over the last decade, and there is little expectation that it will change much in the future.
- e) **Length of time the property has remained vacant** – The property has been occupied as an electric business for at least the last twelve years.
- f) **Compatibility of the subject property for the proposed use** – At 0.82 acres, the subject property is fairly small in size, which would effectively limit future uses of the property should it be rezoned. The property is surrounded by development to the north and railroad tracks to the south. There is a smaller tract available to the east of the property, but large scale development will not be able to fit on both of these lots if they were to be combined.
- g) **Whether the Comprehensive Plan is furthered and supported by this proposal** – Although the property is currently designated as “R-3, High Density Residential District” on the Future Land Use

Map, the proposed request of this existing property may not be inconsistent with the spirit and intent of the Comprehensive Plan, Chapter 9, Section C, states: "Future Land Use Plan amendments are anticipated as growth occurs and market conditions change."

- h) **Adverse impacts on adjacent properties if all conditions placed upon the request are met** – The City would not be able to impose conditions on the property since the request to rezone the property to a district where the current use would be permitted by right.
- i) **Solid Waste disposal facilities** – Not Applicable.
- j) **Other items for consideration** – In evaluating individual re-zoning applications, the Planning Commission may also consider the occurrence of similar land use patterns throughout the City. The subject area and its land use pattern, while not ideal, are by no means unique. There are a number of lots within Abilene containing Industrial District uses (or other commercial uses) located adjacent to, or within proximity of residential land and zones.

Motion by Commissioner Payne, seconded by Commissioner Shafer to adopt Ordinance No. 3313 AN **ORDINANCE REZONING CERTAIN PROPERTY, GENERALLY DESCRIBED AS 125 N. ELM STREET, FROM "R-E, HIGH DENSITY RESIDENTIAL DISTRICT" TO "I-1, LIGHT INDUSTRIAL DISTRICT" AND AMENDING THE ZONING MAP OF THE CITY OF ABILENE, KANSAS.** Motion carried unanimously 5-0.

**14. Consideration of a motion to recess into executive session for twenty minutes for the purpose of discussing the City Manager's annual performance evaluation.**

Motion by Commissioner Weishaar, seconded by Commissioner Payne to recess into executive session at 4:05 p.m. for fifteen minutes for the purpose of discussing the City Manager's annual performance evaluation. Motion carried unanimously 5-0.

**15. Consideration of a motion to return from executive session with no action being taken.**

Motion by Commissioner Weishaar, seconded by Commissioner Shafer to return from executive session at 4:20 p.m. with no action being taken. Motion carried unanimously 5-0.

Motion by Commissioner Weishaar, seconded by Commissioner Payne to return to executive session at 4:21 p.m. for fifteen minutes to include the City Manager. Motion carried unanimously 5-0.

Motion by Commissioner Weishaar, seconded by Commissioner Payne to return to regular session at 4:30 p.m. Motion carried unanimously 5-0.

Motion by Commissioner Weishaar, seconded by Commissioner Dale to extend City Manager Dillner's contract for one year with a 1% COLA increase and a 2% merit increase for a total 3% salary increase effective January 1, 2017. Motion carried unanimously 5-0.

Motion by Commissioner Weishaar, seconded by Commissioner Dale to change the December 26<sup>th</sup> City Commission meeting to December 27, 2017 at 4:00 p.m. due to the Christmas holiday. Motion carried unanimously 5-0.

## **Reports**

### **16. City Manager's Report**

The City Christmas Party is this Friday at 6:00 p.m. at the Civic Center.

The City non-essential services will be closed Friday, December 23<sup>rd</sup> and Monday December 26<sup>th</sup> for the Christmas Holiday.

### **Adjournment**

### **17. Consideration of a motion to adjourn the December 12, 2016 City Commission meeting.**

Motion by Commissioner, seconded by Commissioner to adjourn at 4:34 p.m. Motion carried unanimously 5-0.

(Seal)

\_\_\_\_\_  
Dee Marshall, Mayor

ATTEST:

\_\_\_\_\_  
Penny L. Soukup, CMC  
City Clerk



## MEMORANDUM

**TO:** Economic Development Council  
**FROM:** David Dillner, City Manager  
**SUBJ:** Proposed Tax Abatement for TSB Enterprises, LLC  
**DATE:** December 9, 2016

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### **ISSUE:**

The Economic Development Council is asked to consider a recommendation, to be forwarded to the City Commission, concerning a proposed constitutional tax abatement for TSB Enterprises, LLC for real property located at 401 Cottage Avenue.

### **BACKGROUND:**

In 2015, TSB Enterprises, LLC acquired certain real property located at 401 Cottage Avenue and established a business enterprise in the former Alco corporate offices located on the site. The business, Thunderstruck Bumpers, Inc., has been a major employer for the community and desires a constitutional tax abatement for the real property associated with their business.

Initially, the City determined that the site was ineligible for a constitutional tax abatement because the building was also being used for uses ineligible for such an incentive. TSB Enterprises, LLC was leasing space to the Great Plains Theater, and the City's legal counsel opined that such use made the entire property ineligible for a constitutional tax abatement.

It was later learned that the City could approve a constitutional tax abatement for the portion of the building that housed the eligible use. The property is under consideration for a constitutional tax abatement pursuant to Article 14, Section 13 of the Kansas Constitution with the understanding that certain property owned by the company is used in the manufacturing and storage of goods manufactured for interstate commerce.

Thunderstruck Bumpers, Inc. is projected to create seventy-seven jobs during the abatement period with an estimated increase in local personal income of \$5.8 million. The estimated increase in local retail sales during the abatement period from employees is \$2.0 million.

### **RECOMMENDATION:**

Staff recommends approval of a constitutional tax abatement to the company for a ten year period using the following schedule of abatement: **Year 1:** 98% abatement; **Year 2:** 88%; **Year 3:** 78%; **Year 3:** 68%; **Year 4:** 58%; **Year 5:** 48%; **Year 6:** 38; **Year 7:** 28%; **Year 8:** 18%; **Year 9:** 8%; **Year 10:** 0%. The 2% removed from the abatement represents the portion of the real property that is not eligible for abatement due to ineligible uses.

**FISCAL NOTE:**

Over the ten-year abatement period, the City will abate a total of \$68,300 from the property taxes from the real property included in the request, representing an average impact to the City's budget of about \$6,830 per year. The cost-benefit analysis, performed using the Kansas Department of Commerce's model, estimates a net benefit to the City of \$2.2 million over the ten-year abatement period.

The net benefit attempts to quantify the amount of sales taxes, property taxes, utility fees, and other revenues the City will receive less the estimated cost of providing municipal service to the business. The model estimates the City's compound rate of return over the ten years at 21%.

**SPECIAL CONSIDERATIONS:**

The City is required to notify other taxing subdivisions, such as Dickinson County and USD 435, about the proposed constitutional tax abatement. These taxing entities will have an opportunity to provide public comments before or during the public comment period scheduled for the governing body's December 27, 2016 regular meeting. The costs and benefits for these taxing subdivisions is included in the cost-benefit analysis included with this memorandum.

**ATTACHMENTS:**

- Proposed ordinance approving the constitutional tax abatement for 401 Cottage Avenue for TSB Enterprises, LLC.
- Cost-Benefit Analysis for Thunderstruck, Inc.
- Cost-Benefit Analysis Worksheet for Thunderstruck, Inc.
- Notice of Public Hearing

**ORDINANCE NO. 3314**

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

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

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

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

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

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

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

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

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

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

**SECTION ONE. Exclusive Use.** The City hereby finds and determines that the Project will be used exclusively for the purposes specified in Article 11, Section 13 of the Kansas Constitution.

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

**SECTION THREE. Ad Valorem Exemption.** Real and personal property, to include land and improvements, as legally described as provided in **Exhibit B**, attached hereto shall be exempt from 98% of the ad valorem taxation levied by the City of Abilene, Dickinson County and USD 435, in conformance with written City policy regarding tax exemptions for economic purposes for a term of ten years. Such exemption shall decrease by 10% annually during the prescribed period commencing with the calendar year 2017.

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

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

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

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

**PASSED AND APPROVED** by the Governing Body of the City of Abilene, Kansas this 27<sup>th</sup> day of December, 2016.

**CITY OF ABILENE, KANSAS**

By: \_\_\_\_\_  
Dee Marshall, Mayor

ATTEST:

\_\_\_\_\_  
Penny Soukup, CMC  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Aaron O. Martin, City Attorney

**EXHIBIT A**

**Cost/Benefit Analysis**

**Thunderstruck, Inc.**

# A Tax Abatement Cost-Benefit Analysis of Thunderstruck Inc.

The firm is located in: **City of Abilene**

Report Printed: 12/8/2016

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

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

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

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

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

## **About this Cost-Benefit Analysis Report**

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

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

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

Here is how the analysis was performed:

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

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

These are the report sections:

### **Summary of Costs and Benefits for all Taxing Entities**

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

### **The Economic Impact that the Firm will have on the Community**

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

### **Benefits and Costs for Each Taxing Entity**

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

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

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

### **Payback Period**

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

### Present Value

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

### Rate of Return on Investment

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

### Benefit to Cost Ratio

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

## **How were the benefits and costs determined?**

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

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

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

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

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

### **School District Benefits and Costs**

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

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

### **Indirect Jobs**

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

### **Formulas used in this analysis**

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

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

## Summary of Costs and Benefits for all Taxing Units

### Benefits:

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

### Costs, Incentives and Taxes Abated:

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

### Net Benefits:

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

### Other

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

**The Economic Impact of this expansion by Thunderstruck Inc.**

NAICS Code 332999 - Fabricated metal manufacturing

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

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

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

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

Property taxes to be abated by the following taxing entities:

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

Percent of property taxes to be abated on:

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

**City of: Abilene**

**Benefits:**

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

**Costs:**

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

**Net Benefits (or Costs)**

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

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

**Dickinson County**

**Benefits:**

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

**Costs:**

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

**Net Benefits (or Costs)**

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

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

**School District: USD 435 Abilene**

**Benefits:**

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

**Costs:**

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

**Net Benefits (or Costs)**

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

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

**Special Taxing District: Hospital District #1**

**Benefits:**

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

**Costs:**

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

**Net Benefits (or Costs)**

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

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

**Special Taxing District: Cemetery District #1**

**Benefits:**

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

**Costs:**

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

**Net Benefits (or Costs)**

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

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

**State of Kansas**

**Benefits:**

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

**Costs:**

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

**Net Benefits (or Costs)**

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

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

# Data Used in this Benefits/Cost Report

## #599 Thunderstruck Inc.

### 1. City of Abilene

<u>46.268</u>	2. City Mill Levy
<u>9.10%</u>	3. City Sales Tax rate
<u>8.00%</u>	4. City Transient Guest Tax rate
<u>\$130,160</u>	5. Average market value of new residential property in the city
<u>6,558</u>	6. Number of residents in the city
<u>3,968</u>	7. Number of workers at businesses in the city
<u>2,797</u>	8. Number of households in the city
<u>\$14,075,046</u>	9. Total Annual Revenues for the city
<u>\$14,067,155</u>	10. Total General Operating budget for the city
<u>\$3,161,940</u>	11. Enterprise funds that are self supporting, such as utilities
<u>\$399,188</u>	12. Internal transfers (the portion of the city budget reflecting one city department billing another city department)
<u>\$6,764,521</u>	13. Collection of property taxes, transient guest taxes, sales taxes, utilities and utility franchise fees

### Utility Revenue from Households

	City Owned Utilities		Franchise Fee Collections	
	Annual Billed Amount	Annual Cost	Collected	Fee Rate
14. Telephone	\$66,000,000	\$0	\$33,000	0.05
15. Electricity	\$750,000,000	\$0	\$450,000	0.06
16. Gas	\$0	\$0	\$167,000	0.05
17. Water	\$1,623,640	\$1,726,454	\$0	0
18. Waste Water	\$13,028,010	\$1,721,128	\$0	0
19. Garbage	\$0	\$0	\$0	0
20. Cable	\$100,000,000	\$0	\$50,000	0.05
21. Other	\$127,160	\$363,970	\$0	0
	\$3,921	< Net Average per HH >	\$2,509	

\$6,430 Total Average utility revenue and franchise fee collections per household:

### Utility Revenue from the Firm

	City or County Owned Utilities		Franchise Fee Collections	
	Annual Billed Amount	Annual Cost	Collected	Fee Rate
22. Telephone	\$0	\$0	\$0	0.05
23. Electricity	\$25,000	\$0	\$1,500	0.06
24. Gas	\$30,000	\$0	\$1,500	0.05
25. Water	\$0	\$0	\$0	0
26. Waste Water	\$0	\$0	\$0	0
27. Garbage	\$0	\$0	\$0	0
28. Cable	\$0	\$0	\$0	0.05
29. Other	\$0	\$0	\$0	0

\$3,000 Total utility revenue and franchise fee collections from firm in Year 1

### 30. Dickinson County

<u>52.811</u>	31. County Mill Levy
<u>1.00%</u>	32. County Sales Tax rate
<u>5.00%</u>	33. County Transient Guest Tax rate
<u>0.6081304</u>	34. Regional economic multiplier adjustment for the county
<u>19,394</u>	35. Number of residents in the county
<u>10,079</u>	36. Number of workers at businesses in the county
<u>\$162,791</u>	37. Average market value of new residential property in the county
<u>\$15,572,376</u>	38. Total Annual Revenues for the county
<u>\$15,585,324</u>	39. Total General Operating budget for the county
<u>\$657,608</u>	40. Enterprise funds that are self supporting, such as utilities
<u>\$1,363,200</u>	41. Internal transfers (the portion of the county budget reflecting one county department billing another county department)
<u>\$11,542,282</u>	42. Collection of property taxes, transient guest taxes, sales taxes, utilities and utility franchise fees

### 43. USD 435 Abilene

<u>53.762</u>	44. District local option mill levy
<u>\$162,791</u>	45. Average market value of new residential property in the district
<u>1,571</u>	46. Number of students enrolled in the district
<u>\$17,061,422</u>	47. Annual Operating expenditures
<u>\$8,837</u>	48. Average Cost per child enrolled in the district
<u>\$883</u>	49. Estimated marginal cost per child enrolled in the district
<u>\$8,310</u>	50. State funding per child in the district
<u>\$2,786</u>	51. Federal and other annual funding per child in district

### 52. Hospital District #1

<u>1.995</u>	53. District mill levy
<u>\$174,558</u>	54. Average market value of new residential property in the district
<u>14,398</u>	55. Number of residents in the district
<u>6,191</u>	56. Number of workers at businesses in the district
<u>\$31,540,688</u>	57. Total annual revenues
<u>\$30,589,863</u>	58. Total general operating budget
<u>\$291,834</u>	59. Total property taxes collected
<u>70%</u>	60. Percent of budget devoted to residents
<u>70%</u>	61. Percent of non-tax revenues received from residents.
<u>30%</u>	62. Percent of budget devoted to businesses.
<u>30%</u>	63. Percent of non-tax revenues received from businesses.

#### 64. Cemetery District #1

<u>1.737</u>	65. District mill levy
<u>\$173,505</u>	66. Average market value of new residential property in the district
<u>7,821</u>	67. Number of residents in the district
<u>3,363</u>	68. Number of workers at businesses in the district
<u>\$125,086</u>	69. Total annual revenues
<u>\$125,000</u>	70. Total general operating budget
<u>\$88,510</u>	71. Total property taxes collected
<u>70%</u>	72. Percent of budget devoted to residents
<u>70%</u>	73. Percent of non-tax revenues received from residents.
<u>30%</u>	74. Percent of budget devoted to businesses.
<u>30%</u>	75. Percent of non-tax revenues received from businesses.

#### State of Kansas

<u>1.5</u>	State mill levy
<u>6.15%</u>	State sales tax rate
<u>\$1,622</u>	Annual marginal revenues per new resident (excluding property, income and sales taxes.)
<u>\$975</u>	Annual marginal cost of providing services to each new resident
<u>12%</u>	Tax classification for residential real property
<u>25%</u>	Tax classification for commercial and industrial real property
<u>25%</u>	Tax classification for commercial and industrial machinery and equipment (7 years of more life)
<u>30%</u>	Tax classification for all other tangible personal property
<u>7</u>	Economic life (in years) for straight line depreciation of commercial and industrial machinery and equipment
<u>20%</u>	Minimum taxable value (as a percent of retail cost) of commercial and industrial machinery and equipment
<u>\$887</u>	Annual marginal cost (per worker) of providing services to businesses
<u>\$1,476</u>	Annual per worker revenues for the state from businesses (excluding property, income and sales taxes)
<u>35%</u>	Percent of gross salary that a typical Kansas worker spends on taxable goods and services

#### Inflation and Discount Rates Used

<u>3.0%</u>	Inflation rate
<u>5.5%</u>	Discount for calculating the present value of costs and benefits

**76. Thunderstruck Inc.**

**332999 77. NAICS Code**

**78. Description and purpose of the expansion:**

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

**Capital Investment**

Market or retail value of the new or additional investment:

	First Expansion	Second	Third	Fourth
79. Land	\$290,640	\$0	\$0	\$0
80. Building Improvements	\$727,990	\$0	\$0	\$0
81. Furniture, fixtures and equipment	\$0	\$0	\$0	\$0

**Sales and Purchases**

	Sales	Purchases
82. Year 1	\$500,000	\$150,000
83. Year 2	\$750,000	\$250,000
84. Year 3	\$1,000,000	\$400,000
85. Year 4	\$2,000,000	\$750,000
86. Year 5	\$2,500,000	\$900,000
87. Year 6	\$3,000,000	\$1,250,000
88. Year 7	\$4,000,000	\$1,750,000
89. Year 8	\$5,000,000	\$2,500,000
90. Year 9	\$6,500,000	\$2,850,000
91. Year 10	\$8,000,000	\$3,250,000

Percentage subject to sales tax:

	Sales	Purchases
92. City	1%	1%
93. County	1%	1%
94. State	25%	90%

100.0% 95. Expected annual net taxable income (% of sales on which state corporate income tax will be computed.)

**Annual Utility Expenditures**

	Construction Period	Year 1 of Expansion
96. Telephone	\$0	\$0
97. Electricity	\$0	\$25,000
98. Gas	\$0	\$30,000
99. Water	\$0	\$0
100. Wastewater	\$0	\$0
101. Garbage	\$0	\$0
102. Cable	\$0	\$0
103. Other	\$0	\$0

50% 104. Anticipated percentage rate utility bills will increase during the remaining years of the expansion.

### New Employees due to Expansion

	New Hires	Average Annual Salaries	Moving to the county	Moving from out of state
105. Year 1	10	\$24,000	8	0
106. Year 2	5	\$24,000	2	0
107. Year 3	5	\$24,000	2	1
108. Year 4	5	\$24,000	2	1
109. Year 5	5	\$24,000	2	0
110. Year 6	0	\$0	0	0
111. Year 7	10	\$24,000	4	2
112. Year 8	0	\$0	0	0
113. Year 9	0	\$0	0	0
114. Year 10	0	\$0	0	0

### New Construction

	Initial Construction or Expansion	2nd Expansion	3rd Expansion	4th Expansion
115. Total Construction Cost	\$50,000	\$0	\$0	\$0
116. Construction Profit Percentage	0%	0%	0%	0%

### Construction Materials Purchased

	Initial Construction or Expansion	2nd Expansion	3rd Expansion	4th Expansion
117. In the state	\$50,000	\$0	\$0	\$0
118. In the County	\$50,000	\$0	\$0	\$0
119. In the City	\$25,000	\$0	\$0	\$0

### Costs of Furniture, Fixtures & Equipment Purchased

	Initial Construction or Expansion	2nd Expansion	3rd Expansion	4th Expansion
120. In the state	\$100,000	\$0	\$0	\$0
121. In the County	\$0	\$0	\$0	\$0
122. In the City	\$25,000	\$0	\$0	\$0

### Construction Workers and Salaries

	Initial Construction or Expansion	2nd Expansion	3rd Expansion	4th Expansion
123. Number of construction workers	20	0	0	0
124. Household size of average worker	4.0	0.0	0.0	0.0
125. Total salary paid average worker	\$30,000	\$0	\$0	\$0
126. Total construction salaries	\$600,000	\$0	\$0	\$0

## Visitors due to the Expansion

### Out-of-town visitors expected

127. Year 1	0
128. Year 2	0
129. Year 3	0
130. Year 4	0
131. Year 5	0
132. Year 6	0
133. Year 7	0
134. Year 8	0
135. Year 9	0
136. Year 10	0

- 0.0 137. Number of days an average visitor is expected to stay in the area.  
0.0 138. Number of nights a visitor is expected to stay in city hotels or motels  
0.0 139. Number of nights a visitor is expected to stay anywhere in the county

## Extraordinary Payments the Firm Will Make

	City	County	USD	State
140. Construction Period	\$0	\$0	\$0	\$0
141. Year 1	\$0	\$0	\$0	\$0
142. Year 2	\$0	\$0	\$0	\$0
143. Year 3	\$0	\$0	\$0	\$0
144. Year 4	\$0	\$0	\$0	\$0
145. Year 5	\$0	\$0	\$0	\$0
146. Year 6	\$0	\$0	\$0	\$0
147. Year 7	\$0	\$0	\$0	\$0
148. Year 8	\$0	\$0	\$0	\$0
149. Year 9	\$0	\$0	\$0	\$0
150. Year 10	\$0	\$0	\$0	\$0

## Extra Costs to Provide Infrastructure and/or Services for this Expansion

	City	County	State
151. Construction Period	\$0	\$0	\$0
152. Year 1	\$0	\$0	\$0
153. Year 2	\$0	\$0	\$0
154. Year 3	\$0	\$0	\$0
155. Year 4	\$0	\$0	\$0
156. Year 5	\$0	\$0	\$0
157. Year 6	\$0	\$0	\$0
158. Year 7	\$0	\$0	\$0
159. Year 8	\$0	\$0	\$0
160. Year 9	\$0	\$0	\$0
161. Year 10	\$0	\$0	\$0

**Incentives, Other than Tax Abatements offered the Firm**

	City	County	State
162. Construction Period	\$0	\$0	\$0
163. Year 1	\$0	\$0	\$0
164. Year 2	\$0	\$0	\$0
165. Year 3	\$0	\$0	\$0
166. Year 4	\$0	\$0	\$0
167. Year 5	\$0	\$0	\$0
168. Year 6	\$0	\$0	\$0
169. Year 7	\$0	\$0	\$0
170. Year 8	\$0	\$0	\$0
171. Year 9	\$0	\$0	\$0
172. Year 10	\$0	\$0	\$0

**Property Tax Abatements**

Yes 173. Is the expansion located within city property tax jurisdiction?

Taxes will be abated by:

- Yes 174. City
- Yes 175. County
- Yes 176. School District
- Yes 177. Special Taxing District #1
- Yes 178. Special Taxing District #2
- Yes 179. State

Percentage of taxes to be abated on:

	Land	Buildings & Improvements	Furniture, Fixtures & Equipment
180. Year 1	98%	98%	100%
181. Year 2	88%	88%	100%
182. Year 3	78%	78%	100%
183. Year 4	68%	68%	100%
184. Year 5	58%	58%	100%
185. Year 6	48%	48%	100%
186. Year 7	38%	38%	100%
187. Year 8	28%	28%	100%
188. Year 9	18%	18%	100%
189. Year 10	8%	8%	100%

**Where new employees live**

As a Percentage of the Total Number of New Employees

- 80% 190. In the city.
- 80% 191. In the school district where the firm is located.
- 80% 192. In special taxing district 1
- 0% 193. In special taxing district 2

**Where new employees shop**

As a Percentage of the Total Number of New Employees

<u>100%</u>	194. In Kansas.
<u>75%</u>	195. In the county
<u>75%</u>	196. In the City

**New Employee Housing and Schools**

Count

<u>4.00</u>	197. Household size of a typical new employee
<u>2.00</u>	198. School age children in household of a typical new employee
<u>50%</u>	199. Percentage of new employees moving to the community for whom new housing will be required.

**Indirect New Employees**

As a Percentage of the Total Number of New Employees

<u>0.00%</u>	200. Moving to the county
<u>0.00%</u>	201. Of those, moving from out-of-state

**Where construction salaries are spent**

Spent in	Percentage	Initial Construction or Expansion	2nd Expansion	3rd Expansion	4th Expansion
202. Kansas	100%	\$600,000	\$0	\$0	\$0
203. County	25%	\$150,000	\$0	\$0	\$0
204. City	25%	\$150,000	\$0	\$0	\$0

**Visitors**

	In the county	Of that, in the city
205. Daily retail spending by a visitor, excluding lodging	\$200	\$200
206. Average daily hotel/motel room rates	\$100	\$100

## NOTICE OF PUBLIC HEARING

The governing body of the City of Abilene, Kansas, will conduct a Public Hearing at **4:00 pm on Monday, December 27, 2016** to consider an application from TSB Enterprises, LLC concerning a constitutional tax abatement for real property generally described as 401 Cottage Avenue in Abilene, Kansas, and legally described as follows:

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

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

The City has the authority to grant constitutional tax abatements for the the storage of goods traded in interstate commerce as provided by Article 11, Section 13 of the Kansas Constitution.

The City Commission will not consider an ordinance granting a constitutional tax abatement until the public hearing has been conducted. All persons having an interest in this matter will be given an opportunity to be heard at the public hearing.

A copy of the notice, the application, and supporting documentation are available for public inspection between the hours of 8:00 am and 5:00 pm, Monday through Friday. In addition, the documentation is available on the City's website at [www.abilenecityhall.com](http://www.abilenecityhall.com).

Please contact City Manager David Dillner by phone at (785) 263-2550 or by email at [citymgr@abilenecityhall.com](mailto:citymgr@abilenecityhall.com) if you have questions.

**EXHIBIT A**

**Legal Description**

RESOLUTION NO. 041116-1

**A RESOLUTION APPROVING AN ECONOMIC DEVELOPMENT AGREEMENT WITH THUNDERSTRUCK BUMPERS, INC.**

WHEREAS, Thunderstruck Bumpers, Inc. ("Company") has made certain capital investments at property generally described as 401 Cottage Avenue and created a significant number of jobs for the community;

WHEREAS, the City Commission finds a compelling reason to reimburse the City's portion of the Company's ad valorem property taxes to provide an economic development incentive to Company;

WHEREAS, the City Commission desires to exercise its Home Rule authority pursuant to Article 12, Section 5 of the Kansas Constitution and enter into an Economic Development Agreement ("Agreement") with Company as provided herein.

**NOW, THEREFORE BE IT RESOLVED**, by the City Commission of the City of Abilene, as follows:

**SECTION ONE. Agreement.** That an Agreement with Company is hereby adopted as attached hereto as **Exhibit A**.

**SECTION TWO. Implementation.** The Mayor is hereby authorized to execute the aforementioned Agreement, and the City Manager shall be authorized to enforce the provisions as provided therein and in applicable resolutions, ordinances, and laws.

**SECTION THREE. Effective Date.** That the effects of this Resolution shall be in full force after its approval by the City Commission.

**PASSED AND APPROVED** by the Governing Body of the City of Abilene, Kansas this 11<sup>th</sup> day of April, 2016.



**CITY OF ABILENE, KANSAS**

By: S. Dee Marshall  
S. Dee Marshall, Mayor

Penny Soukup, CMC  
Penny Soukup CMC  
City Clerk

**EXHIBIT A**

**Economic Development Agreement**

**Thunderstruck Bumpers, Inc.**

**April 11, 2016**

## ECONOMIC DEVELOPMENT AGREEMENT

This Economic Development Agreement (“Agreement”) is entered into this 11<sup>th</sup> day of April, 2016 (the “Effective Date”), by and between the City of Abilene, Kansas (“City”), and Thunderstruck, Inc. (“Company”).

### Recitals

A. The Company wishes to improve and locate its business in a building (“Facility”) located on the real estate commonly known as 401 Cottage Avenue, Abilene, Kansas, which is legally described on **Exhibit A** attached hereto (“Site”).

B. The Company plans to use the Facility for its business of manufacturing (“Business”).

C. The Company has advised the City that a contributing factor that would induce the Company to operate its Business in the Facility would be the making of an economic development incentive to defray a portion of the costs to be incurred by the Company as a consequence of developing and improving the Facility to meet its business needs.

D. The City has determined that the Company’s proposed Business will create additional permanent jobs, promote local economic development, and increase private capital investment in new plant and/or equipment, thus providing a direct economic benefit to the community.

E. The parties wish to enter into this Agreement to establish the terms and conditions of the grant to Company of certain City funds as an incentive for Company’s location of the Business within the Facility.

F. This Agreement is in furtherance of the City’s goal to promote local economic development and to stimulate business and commercial activity within the City.

**NOW THEREFORE**, for and in consideration of the foregoing, the mutual covenants and promises hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

**1. Definitions of Words and Terms.** Capitalized words used in this Agreement shall have the meanings set forth in the Recitals to this Agreement or they shall have the following meanings:

**“Real Property Taxes”** means the City’s share of the ad valorem taxes assessed by the Dickinson County Treasurer on the assessed value of the Site and the Facility, and timely paid by the Company to the Dickinson County Treasurer, for any calendar year during the Term of this Agreement. Real Property Taxes shall exclude ad valorem taxes levied by any governmental entity other than the City and special assessments levied by the City.

**“Grant Payments”** means the City’s payments hereunder in the amount of the annually-reducing percentage of the Real Property Taxes for the calendar years during the Term of this Agreement, as set forth below. The percentages of the Real Property Taxes that will constitute Grant Payments during each year of the Term are as follows:

<b>Year</b>	<b>Percentage</b>
2016	100%
2017	100%
2018	100%
2019	100%
2020	100%
2021	50%
2022	50%
2023	50%
2024	50%
2025	50%

2. **Term.** Unless earlier terminated as provided herein, this Agreement shall remain in effect from the Effective Date through December 31, 2025, plus the period of time after December 31, 2025 required for the City to receive the Real Property Taxes for 2025 and make any Grant Payment due to the Company for 2025 (“Term”).

3. **City’s Obligation.** Subject to the terms of this Agreement and the conditions of this Section, the City agrees to make Grant Payments to the Company. The City shall make Grant Payments to the Company within thirty (30) days after receipt of the Real Property Taxes from the Dickinson County Treasurer, but only to the extent that such Grant Payments are due hereunder, and not more frequently than twice per calendar year. The parties agree that the Grant Payments shall be made only from the Real Property Taxes received by the City, and the City shall have no obligation to pay or reimburse Company until funds are actually received from the Dickinson County Treasurer.

4. **Company’s Obligations.**

4.1. **Employment Requirements.** For each calendar year during the Term of this Agreement, the Company shall employ no less than twenty-one full-time employees with respect to its employment at the Facility (“Benchmark”). The Company shall notify the City, in writing, within ten (10) days of any change in Company’s Business that results in non-compliance with the Benchmark.

4.2. **Reporting Requirements.** On or before January 30, 2017, and on or before each January 30<sup>th</sup> thereafter during the Term, the Company shall deliver to the City a written report (“Benchmark Report”) stating the number of full and part-time employees employed at the Facility by Company during the preceding calendar year, including reasonable details regarding how many months such employees were employed, and the average number of employees per month in instances where there has been turnover during the year, together with any other information or documentation requested by the City to confirm the Company’s compliance with

the Benchmarks and this Agreement. The City shall have the right to examine, at any time and upon written notice to the Company, those records necessary to verify the correctness of the Benchmarks Report and the Company's compliance with the Benchmark requirements throughout the year.

4.3. Operation of Business. During the Term of this Agreement, the Company agrees to use the Facility for purposes of operating the Business. The Company shall operate and manage the Business in a first class manner, consistent with the operation and management of similar facilities.

4.4. Compliance with Laws. The Company shall observe and comply with all applicable laws, regulations, and rules of governmental agencies having jurisdiction.

4.5. Taxes. The Company shall pay when due all real estate taxes and assessments on the Site and Facility, and any other real property owned by the Company located within the corporate limits of the City of Abilene. Nothing herein shall be deemed to prohibit the Company from contesting the validity or amounts of any tax or assessment, encumbrance or lien, nor to limit the remedies available to the Company in respect thereto; provided, however, that the City may suspend all Grant Payments during any time that such real estate taxes and assessments remain unpaid. The Company shall promptly notify the City in writing of a protest of real estate taxes or assessments.

5. Access. During the Term, the Company acknowledges and agrees that the City, and its duly authorized representatives and agents, shall have the right to enter the Facility, at reasonable times and upon reasonable notice, to substantiate compliance with this Agreement. In exercising its rights hereunder, the City shall use reasonable efforts to avoid unreasonable interference with the operation of the Business. Nothing contained in this Section shall restrict or impede the right of the City to enter the Facility pursuant to any applicable laws.

6. Company Event of Default. The occurrence and continuance of any of the following events shall constitute an "Event of Default" hereunder:

- A. A default in the performance of any obligation or breach of any covenant or agreement of the Company in this Agreement (other than a covenant or agreement, a default in the performance or breach of which is specifically dealt with elsewhere in this Section), and continuance of such default or breach for a period of thirty (30) days after the City has delivered to the Company a written notice specifying such default or breach and requiring it to be remedied; or
- B. The Company shall file a voluntary petition under any bankruptcy law or an involuntary petition under any bankruptcy law is filed against the Company in a court having jurisdiction and said petition is not dismissed within sixty (60) days, or the Company makes an assignment for the benefit of its creditors; or a custodian, trustee or receiver is appointed or retained to take charge of and manage any substantial part of the assets of the Company and such appointment is not dismissed within ninety (90) days; or any execution or attachment shall issue

against the Company whereupon the Site, or any part thereof, or any interest therein of the Company under this Agreement, shall be taken and the same is not released prior to judicial sale thereunder.

7. **Remedies.** Upon the occurrence of an Event of Default, the City shall have the following rights and remedies, in addition to any other rights and remedies provided under this Agreement or by law:

- A. The City shall have the right to terminate this Agreement or terminate the Company's rights under this Agreement; or
- B. The City may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce and compel the performance of the duties and obligations of the Company as set forth in this Agreement, to enforce or preserve any other rights or interests of the City under this Agreement or otherwise existing at law or in equity and to recover any damages incurred by the City resulting from such Event of Default.

Upon termination of this Agreement for any reason, the City shall have no obligation to make any Grant Payments.

8. **Waiver.** The exercise by the City of any one remedy shall not preclude the exercise by it, at the same or different times, of any other remedies for the same default or breach. No waiver made by the City shall apply to obligations beyond those expressly waived. Any delay by the City in instituting or prosecuting any such actions or proceedings or otherwise asserting its rights under this Agreement shall not operate as a waiver of such rights or limit it in any way. No waiver in fact made by the City of any specific default by the Company shall be considered or treated as a waiver of the rights with respect to any other defaults, or with respect to the particular default except to the extent specifically waived.

9. **Non-Assignable.** Due to the unique qualifications and capabilities of the Company, neither the rights nor responsibilities provided for under this Agreement shall be assignable by either party, either in whole or in part.

10. **Tax Implications.** The Company acknowledges and represents that (a) neither the City nor any of its officials, employees, consultants, attorneys or other agents has provided to the Company any advice regarding the federal or state income tax implications or consequences of this Agreement and the transactions contemplated hereby, and (b) the Company is relying solely upon its own tax advisors in this regard.

11. **Non-appropriation.** The City is subject to Kansas budget and cash basis laws, and operates on a calendar fiscal year. The Company acknowledges and agrees that this Agreement involves financial obligations spanning multiple fiscal years for the City, and it is therefore subject to annual appropriation by the City's governing body for future fiscal years. If the City's governing body does not appropriate the funds necessary to fulfill the City's financial obligations pursuant to this Agreement, including payment of the Grant Payments, the City shall

so notify the Company and this Agreement shall be null and void for purposes of the fiscal year(s) affected by the decision of the governing body not to appropriate.

12. **Notices.** All notices required or permitted to be given pursuant to this Agreement shall be in writing and delivered personally or sent by registered or certified mail, return receipt requested, or by generally recognized, prepaid, commercial courier or overnight air courier service. Notice shall be considered given when received on the date appearing on the return receipt, but if the receipt is not returned within five (5) days, then three (3) days after mailed, if sent by registered or certified mail or commercial courier service; or the next business day, if sent by overnight air courier service. Notices shall be addressed as appears below for each party, provided that if any party gives notice of a change of name or address, notices to the giver of that notice shall thereafter be given as demanded in that notice.

CITY: City of Abilene  
Attn: City Manager  
PO Box 519  
419 N. Broadway  
Abilene, KS 67410

COMPANY: Thunderstruck Bumpers, Inc.  
Attn: Casen Brown  
401 Cottage Avenue  
Abilene, KS 67410

13. **Applicable Law; Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Kansas. In the event of any legal action to enforce or interpret this Agreement, the sole and exclusive venue shall be in the Dickinson County, Kansas District Court.

14. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

15. **Authority and Consent to Transaction.** Each party represents to the other that the person executing this Agreement has full and legal authority to bind such party to the terms of this Agreement, and that the execution and delivery of this Agreement have been duly and validly authorized by the governing body of each party.

16. **Persons Bound.** This Agreement shall extend to and bind the heirs, executors, administrators, trustees, successors and authorized assigns of the parties hereto.

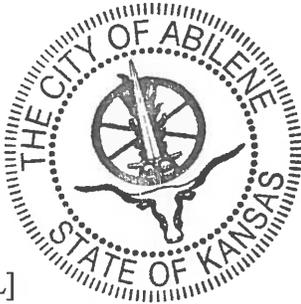
17. **Amendments.** Neither this Agreement nor any of its terms may be changed or modified, waived, or terminated except by an instrument in writing signed by an authorized representative of the party against whom the enforcement of the change, waiver, or termination is sought.

18. **Merger Clause.** These terms are intended by the parties as a complete, conclusive and final expression of all the conditions of their Agreement. No other promises, statements, warranties, agreements or understandings, oral or written, made before or at the signing thereof, shall be binding unless in writing and signed by all parties and attached hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their authorized representatives.

**COMPANY**

By: \_\_\_\_\_  
Name: Casen Brown  
Title: President



[SEAL]

**CITY OF ABILENE, KANSAS**

By: *S. Dee Marshall*  
S. Dee Marshall, Mayor

ATTEST:

By: *Penny Soukup, CMC*  
Penny Soukup, CMC, City Clerk

Form: \_\_\_\_\_  
Aaron O. Martin, City Attorney

## CITY OF ABILENE

12/20/16 2:26 PM

Page 1

## \*Check Summary Register©

December 2016

Name	Check Date	Check Amt	
<b>002000 Astra Bank checking</b>			
Paid Chk# 023056	ABILENE & SMOKY VALLEY RR	12/27/2016	\$750.00 3 SANTA TRAINS - 150 RIDERS
Paid Chk# 023057	ABILENE MIDDLE SCHOOL	12/27/2016	\$400.00 8TH GRADE BOYS BASKETBALL - SL
Paid Chk# 023058	ABILENE MUNICIPAL COURT	12/27/2016	\$520.00 BOND APPLY - JONATHAN RICHARDS
Paid Chk# 023059	ABILENE RELECTOR-CHRONICL	12/27/2016	\$99.00 2017 PAPER SUBSCRIPTION
Paid Chk# 023060	ALSOP SAND CO, INC	12/27/2016	\$298.80 ROAD GRAVEL
Paid Chk# 023061	APAC, INC - SHEARS	12/27/2016	\$2,123.56 HMA & COLD PATCHING MATERIAL
Paid Chk# 023062	AT & T	12/27/2016	\$94.91 INTERNET
Paid Chk# 023063	BAYER CONSTRUCTION CO, IN	12/27/2016	\$14,094.30 AG-LIME/WFIL
Paid Chk# 023064	BOARD OF EMS	12/27/2016	\$30.00 RENEWAL EMT VANCE ENYART
Paid Chk# 023065	CINTAS FIRST AID & SAFETY	12/27/2016	\$82.24 1ST AID SUPPLIES
Paid Chk# 023066	D S & O RURAL ELECTRIC COO	12/27/2016	\$187.84 ELECTRIC SERVICE @ WATER TOWER
Paid Chk# 023067	DENNY'S PLUMBING & HEATING	12/27/2016	\$962.50 PRIVATE SEWER LINE DAMAGE & RE
Paid Chk# 023068	DK CTY HEALTH DEPT	12/27/2016	\$136.37 HEP B SHOTS - GERALD HICKS
Paid Chk# 023069	DPC INDUSTRIES, INC	12/27/2016	\$3,992.00 CAUSTIC SODA
Paid Chk# 023070	EPIC OFFICE FURNITURE, INC	12/27/2016	\$2,279.34 OFFICE FURNITURE - DETECTIVE O
Paid Chk# 023071	JANE FOLTZ	12/27/2016	\$154.10 OCT, NOV & DEC MILEAGE 2016
Paid Chk# 023072	FRIESEN ENERGY LLC	12/27/2016	\$245.50 2 PILOT SWITCHES FOR TUBE HEAT
Paid Chk# 023073	GESKE INTERIORS	12/27/2016	\$3,600.00 CC RESTROOMS/ SCRAPE, TOUCHUP
Paid Chk# 023074	GLASS SERVICES, INC	12/27/2016	\$445.89 REPLACE WEST WINDOW IN LOBBY
Paid Chk# 023075	HAMM INC	12/27/2016	\$466.97 ROAD STONE
Paid Chk# 023076	CECILIA HARRIS	12/27/2016	\$150.00 WEESE ARTICLE
Paid Chk# 023077	HD SUPPLY WATERWORKS	12/27/2016	\$871.55 GRAP RING RESTRAINTS
Paid Chk# 023078	HOLM AUTOMOTIVE CENTER	12/27/2016	\$120.00 12 REFLECTIVE VESTS
Paid Chk# 023079	BRAD HOMMAN	12/27/2016	\$189.00 REPLACE RADIO CHARGER
Paid Chk# 023080	MICHAEL HOOK	12/27/2016	\$1,458.33 CONTRACT LABOR
Paid Chk# 023081	IMAGE QUEST	12/27/2016	\$38.72 COPIER BASE RATE W/COLOR
Paid Chk# 023082	JERRY A. MILLER	12/27/2016	\$300.00 AWOS MAINT. FEE DEC 2016
Paid Chk# 023083	JONEE CRUMP	12/27/2016	\$50.00 DOWNTOWN WINDOW DISPLAY CONTES
Paid Chk# 023084	KA-COMM, INC.	12/27/2016	\$344.00 SIREN REPAIR CAR 9
Paid Chk# 023085	KANSAS GAS SERVICE	12/27/2016	\$875.67 GAS SERVICE
Paid Chk# 023086	KAW VALLEY ENGINEERING	12/27/2016	\$4,616.92 KLINK
Paid Chk# 023087	KS DEPT OF REVENUE	12/27/2016	\$40.00 4 DMV CHECKS
Paid Chk# 023088	LA RUE DISTRIBUTING INC	12/27/2016	\$99.98 COFFEE
Paid Chk# 023089	LACAL EQUIPMENT, INC	12/27/2016	\$197.78 ELEVATOR PADDLE SQUEEGEE FOR S
Paid Chk# 023090	LINDER ELECTRIC	12/27/2016	\$2,470.94 REPAIR WELL #17/BALL PARK
Paid Chk# 023091	MIDWEST CONCRETE MATERIA	12/27/2016	\$925.76 4000 # 70/20/10 AE
Paid Chk# 023092	NEOPOST USA INC	12/27/2016	\$138.00 POSTAGE METER RENTAL
Paid Chk# 023093	NEX-TECH	12/27/2016	\$24.06 REMOTE CLIP FOR CORDLESS
Paid Chk# 023094	OCCK INC.	12/27/2016	\$6,166.67 NOV 2016 SERVICE
Paid Chk# 023095	P.B. HOIDALE CO, INC	12/27/2016	\$171.00 FITTINGS FOR FUEL REEL ON FUEL
Paid Chk# 023096	PRAIRIE FIRE COFFEE	12/27/2016	\$41.90 COFFEE
Paid Chk# 023097	PURVIS LAW OFFICE, LLC	12/27/2016	\$227.50 EMANUEL BROWN 16-0518
Paid Chk# 023098	QUILL	12/27/2016	\$94.95 LETTER OPENER/LABELS
Paid Chk# 023099	RAY OHERRON CO.	12/27/2016	\$661.52 AMMO
Paid Chk# 023100	SALINA JOURNAL	12/27/2016	\$342.50 NIGHT OF XMAS MAGIC
Paid Chk# 023101	SALINA STEEL SUPPLY, INC	12/27/2016	\$483.60 STEEL FOR UTILITY TRAILER & FO

# CITY OF ABILENE

12/20/16 2:26 PM

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## \*Check Summary Register©

December 2016

Name	Check Date	Check Amt	
Paid Chk# 023102	THOMAS OUTDOOR ADVERTISI	12/27/2016	\$405.00 BILLBOARDS
Paid Chk# 023103	TOUR KANSAS	12/27/2016	\$50.00 TOUR KS MEMBERSHIP
Paid Chk# 023104	TWISTED SCISSORS	12/27/2016	\$25.00 DOWNTOWN WINDOW DISPLAY CONTES
Paid Chk# 023105	US POST OFFICE-POSTMASTER	12/27/2016	\$1,100.00 REGULAR BILLING JAN 2017
Paid Chk# 023106	UTILITY DATA SYSTEMS OF TEX	12/27/2016	\$1,596.00 MCRS 010117-123117
Paid Chk# 023107	VISA - UMB ADMINISTRATION	12/27/2016	\$1,833.57 SUPPLIES
Paid Chk# 023108	VISA - UMB COMMUNITY DEVEL	12/27/2016	\$51.56 OFFICE SUPPLIES
Paid Chk# 023109	VISA - UMB CVB	12/27/2016	\$540.48 SUPPLIES
Paid Chk# 023110	VISA - UMB FIRE DEPT	12/27/2016	\$1,270.52 SUPPLIES
Paid Chk# 023111	VISA - UMB MUNICIPAL COURT	12/27/2016	\$80.88 SUPPLIES
Paid Chk# 023112	VISA - UMB PARKS	12/27/2016	\$4,392.71 SUPPLIES
Paid Chk# 023113	VISA - UMB POLICE DEPT	12/27/2016	\$1,285.39 SUPPLIES
Paid Chk# 023114	VISA - UMB PUBLIC WORKS	12/27/2016	\$4,084.52 SUPPLIES
Paid Chk# 023115	WAGeworks	12/27/2016	\$170.00 FSA MONTHLY ADMIN FEE/ALFAC CO
Paid Chk# 023116	Voided	12/20/2016	\$0.00 Check AddUnused
Paid Chk# 023117	WAITT OUTDOOR	12/27/2016	\$425.00 NEW VINYL
Paid Chk# 023118	WESTAR ENERGY	12/27/2016	\$40,545.14 ELECTRIC SERVICE
Paid Chk# 023119	WEST'S PLAZA COUNTRY MART	12/27/2016	\$1,348.75 CHRISTMAS PARTY DINNER
<b>Total Checks</b>			<b>\$111,268.19</b>

FILTER: None

**MANUAL PAYABLES****December 27, 2016**

Date	Check Number	Vendor	Line Item	Amount	Description
12/20/2016	23120	Rick Johnson	001-001-520880	\$ 155.47	Sister City Receipts
12/20/2016	23121	Sister City International	001-001-520880	\$ 295.00	2017 Membership due
Total				\$ 450.47	

City of Abilene  
Payroll Expenditures Report  
12/16/2016 PP#25

PAYROLL CODE		TOTALS
	NET SALARIES	\$ 67,117.84
051 & 501	OASDI - CITY/EMPLOYEE	\$ 11,937.30
049 & 502	MEDICARE - CITY/EMPLOYEE	\$ 2,791.84
001	FEDERAL WITHHOLDING - EMPLOYEE	\$ 9,124.23
503	KPERS - CITY	\$ 5,433.94
056, 057, 059	KPERS EMPLOYEE	\$ 3,551.62
505	KPERS RETIREE/EMPLOYER	\$ 13.77
153	KPERS GROUP LIFE - EMPLOYEE	\$ 102.74
504	KPF - CITY	\$ 8,028.92
61	KPF EMPLOYEE	\$ 2,811.28
155	KPF GROUP LIFE - EMPLOYEE	\$ 45.38
105 & 540	WADDELL & REED 457 - CITY/EMPLOYEE	\$ 1,865.00
204	WADDELL & REED 529 - EMPLOYEE	\$ 125.00
110	WADDELL & REED SAVINGS - EMPLOYEE	\$ 220.00
005	STATE TAX - EMPLOYEE	\$ 2,933.45
120 & 170	AFLAC INSURANCE - EMPLOYEE	\$ 572.79
102	VISION CARE DIRECT - EMPLOYEE	\$ 111.49
104	VSP VISION PLANS - EMPLOYEE	\$ 214.95
140 & 510	HEALTH INSURANCE - CITY/EMPLOYEE	\$ 22,848.17
111 & 520	IMPACT SPORTS & FITNESS- CITY/EMPLOYEE	\$ 233.97
200	KS PAYMENT CENTER SUPPORT - EMPLOYEE	\$ 164.82
206	CALIFORNIA CHILD SUPPORT - EMPLOYEE	\$ 461.53
150 & 160	FLEXIBLE SPENDING ACCOUNT - EMPLOYEE	\$ 1,117.45
121	POLICE & FIREMENS INS. - EMPLOYEE	\$ 20.92
	<b>TOTAL PAYROLL EXPENDITURES</b>	<b>\$ 141,848.40</b>