

Industrial Land Build-to-Suit for Sale or Lease



Industrial Bulk-Warehouse Development Site

- 10-year 50% real estate tax abatement available
- Can support up to 437,660± SF bulk industrial building on a build-to-suit basis or purchase the land outright
- I-35 access at both Lone Elm/159th Street and 175th Street
- Growing corridor near BNSF Intermodal

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Building Specifications

Location: NWQ of 167th Street and Lone Elm Road in Olathe, Kansas

Land Size: 22.59± Acres

Building: Proposed 437,660± SF proposed distribution/warehouse flex/office and retail options

Utilities:
Water: Water Dist. #1 of Jo. Co.
Electrical: KCP&L
Sewer: Proposed extension to site by the City of Olathe
Natural Gas: Atmos Energy

Sale Price: Site offered at \$3.05 PSF with all tax abatement and other entitlements in place and designed to maximize building square footage at 437,660± SF.

Lease Price: \$4.15 per square foot (est.) on a NNN basis as a build-to-suit for lease

Rental Rate: Estimated and based upon either build-to-suit or speculative construction of a bulk industrial building with a warm shell rate of \$4.00-\$4.50 PSF on a NNN basis, subject to building and tenant space sizes, tenant finish improvements, amenities and site location, etc.

Proposed Building Specifications:

- 52 Docks (Cross dock configuration)
- 4 Drive-ins
- Up to 43,000± SF Office (can be built and still have adequate parking)
- 470' x 926.5' Dimensions
- 36' Clear Height
- Up to 574 car parking
- Up to 76 trailers/parking

Real Estate Tax Abatement:

- 50% for 10 years

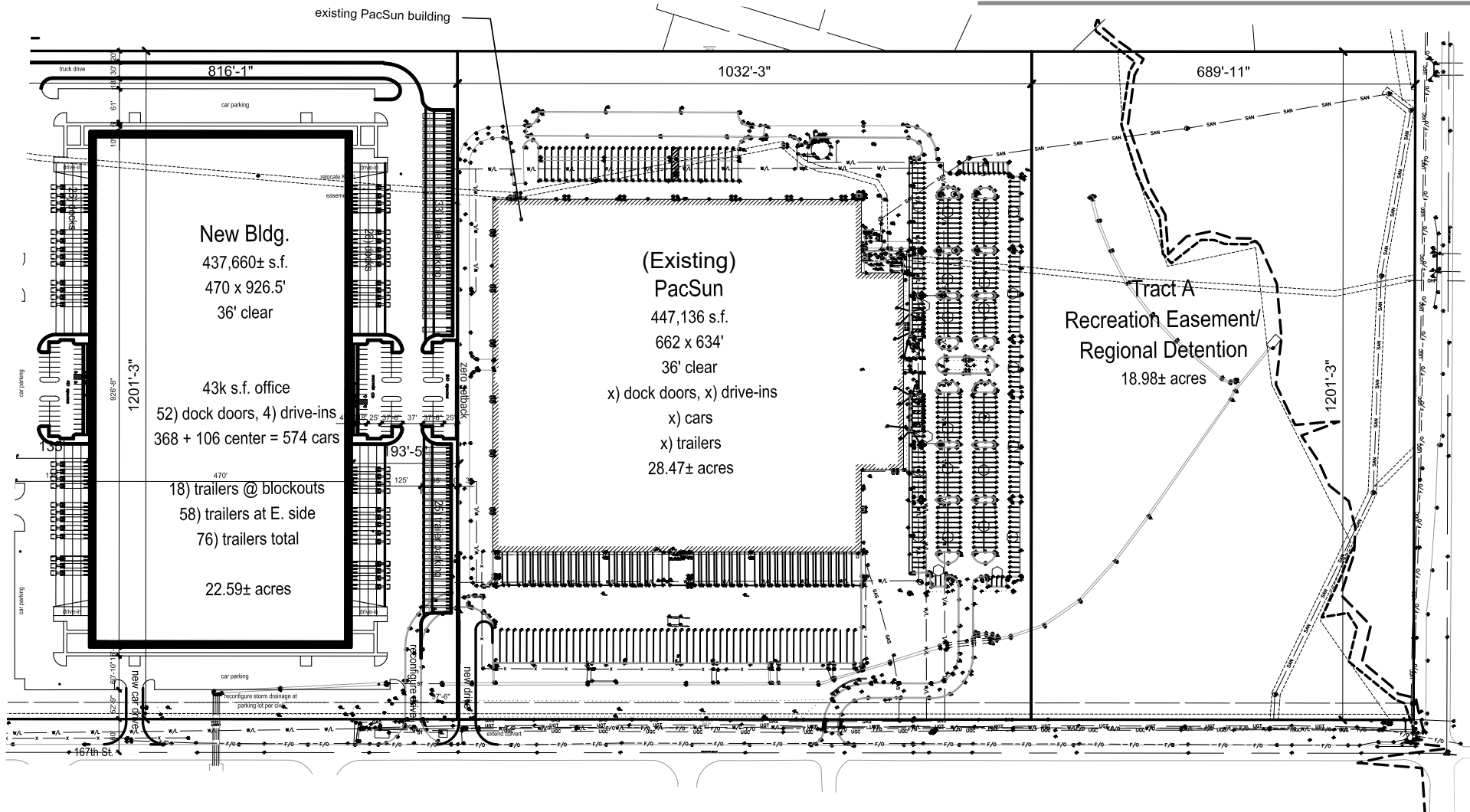
Notes: Building dimensions and characteristics can be adjusted to meet specific needs. This is illustrative of maximum anticipated building on this site.

167th Street Logistics Centre

21800 West 167th Street, Olathe, Kansas

Build - to - Suit
For Sale/Lease

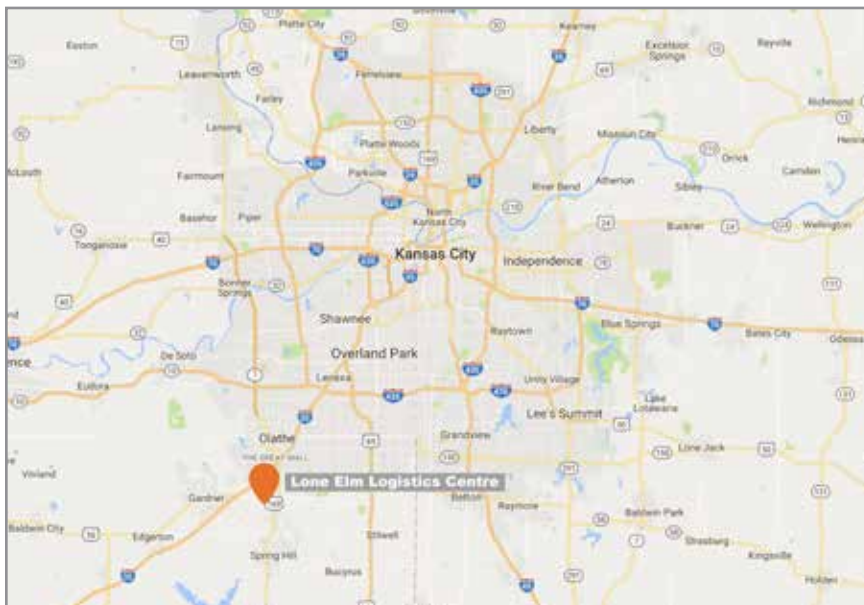
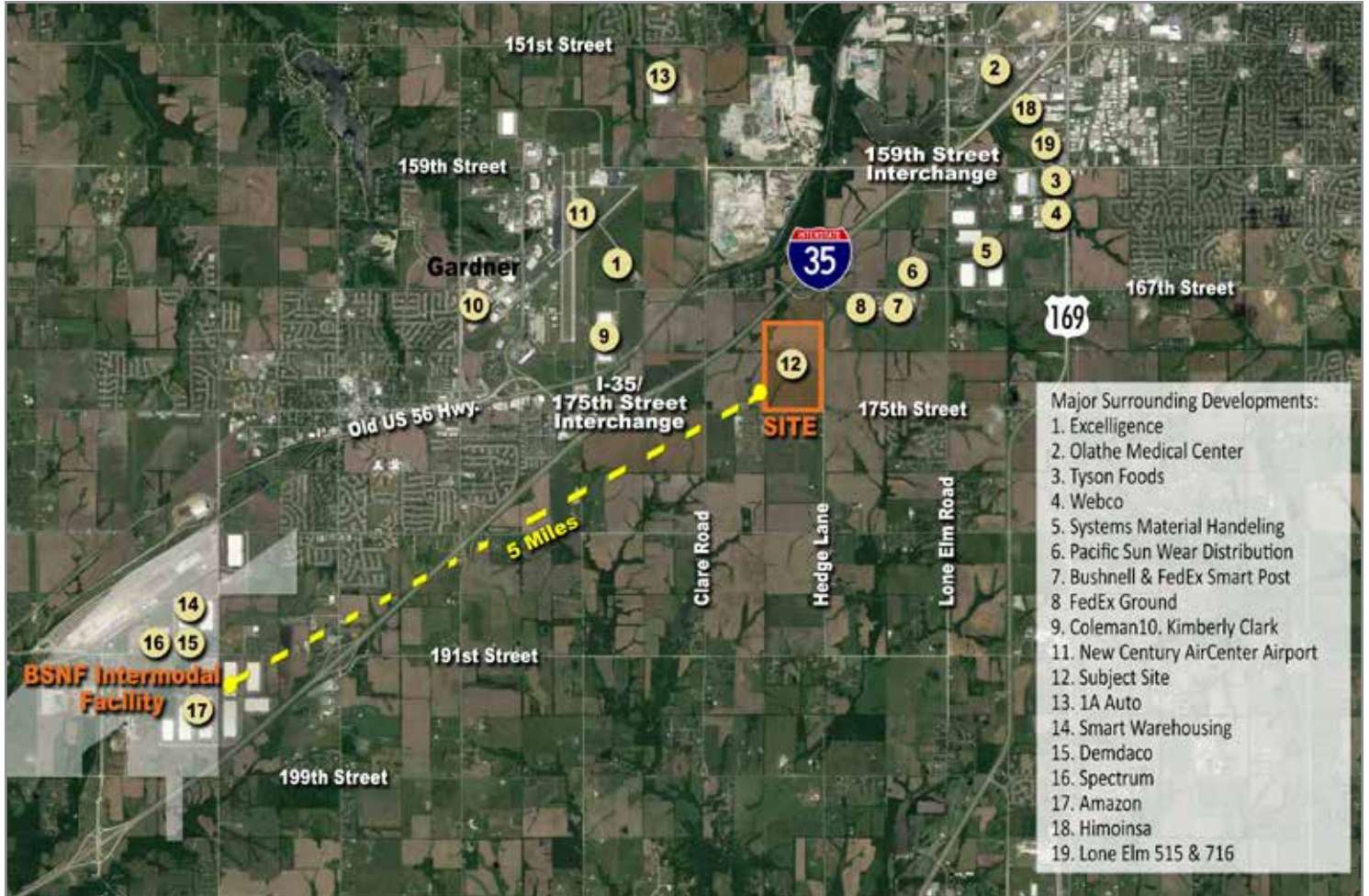
Site Plan



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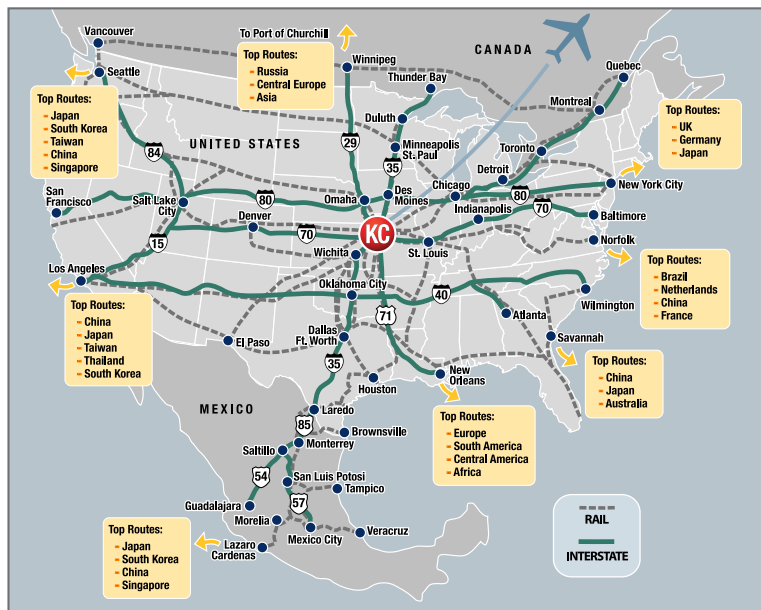
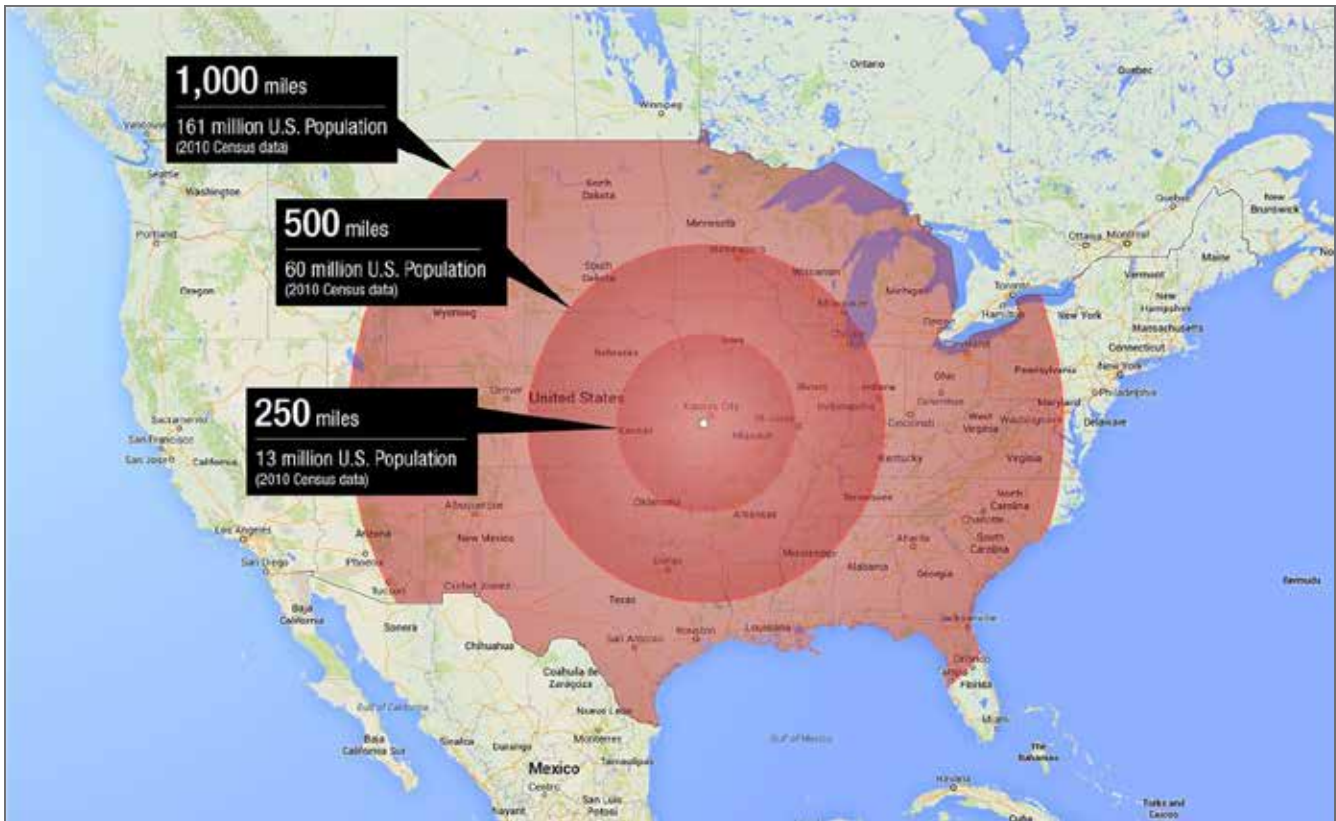
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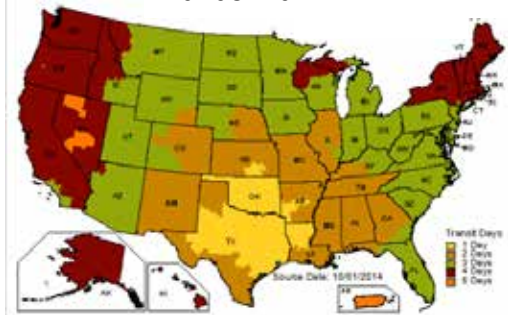
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Site Location



UPS Study

Dallas Transit Times



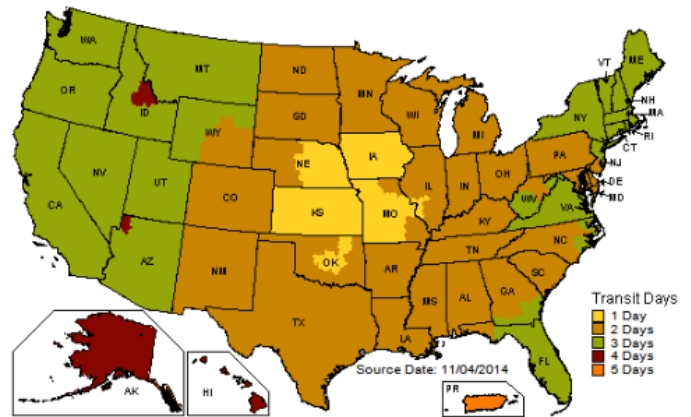
Chicago Transit Times



Memphis Transit Times



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



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AD ASTRA PER ASPERA

Kansas

Department of Commerce



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BLOCK
REAL ESTATE SERVICES, LLC

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.

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%

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

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.

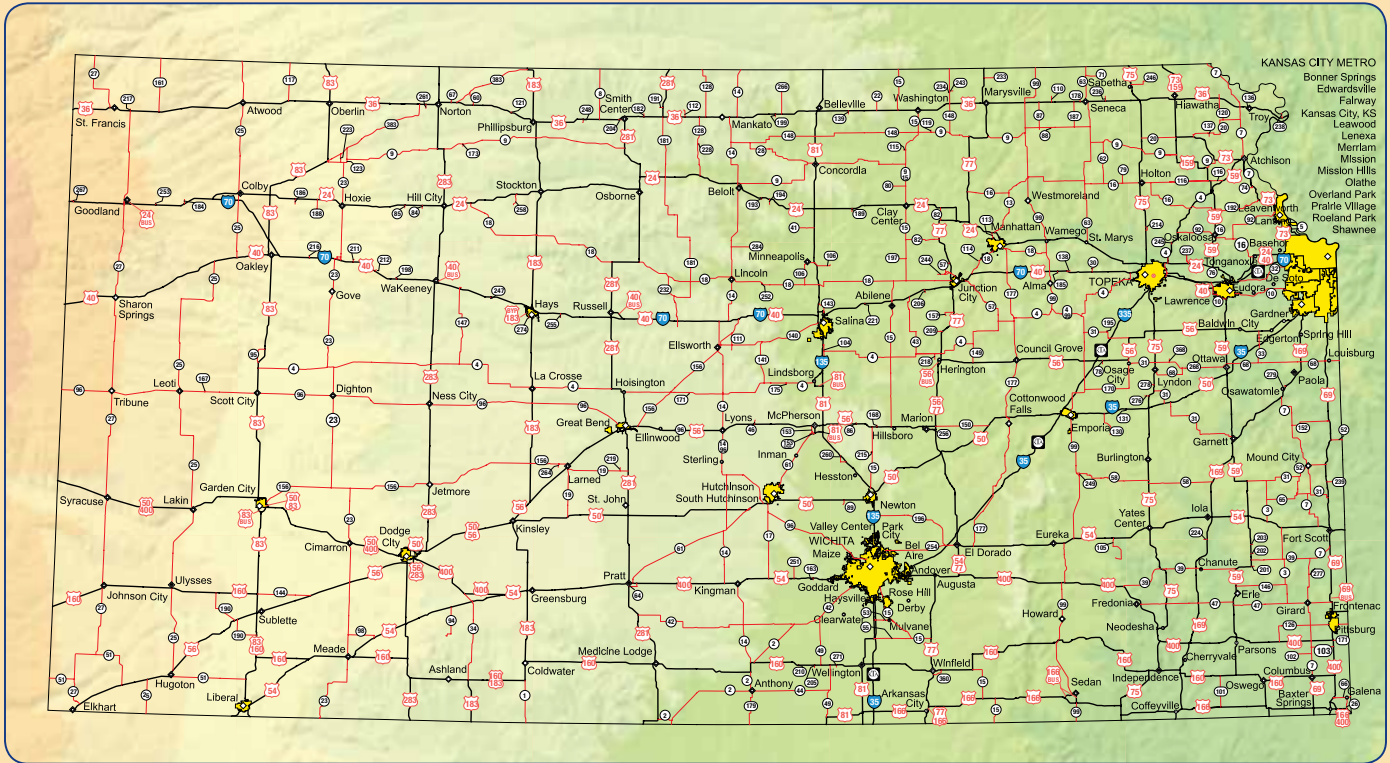


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KANSAS



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



1500
1200
900
600
300

Kansas students are earning
industry **credentials** in record numbers.

Success of Senate Bill 155



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

Why Businesses Thrive in Kansas

Source: <http://www.kansascommerce.com/index.aspx?NID=172>

Looking for a great place to grow your business? A place with low operating costs, talented workers and business-friendly policies? A place where innovation is the norm, not the exception? If this sounds like the perfect place for your business, then Kansas is where you need to be.

For years, companies have benefited from the state's central location and access to major transportation corridors. Kansas companies recruit from some of the nation's best universities and technical schools, and benefit from pro-business legislation and low taxes. Most importantly, Kansas encourages business leaders to grow, innovate and think big.

Kansas at a Glance

Source: <http://www.kansascommerce.com/index.aspx?NID=172>

With a population of just over 2.9 million, Kansas packs a heavy economic punch. A proactive legislative and regulatory environment and major advantages in costs, taxes, skilled workforce and major transportation assets have combined to make the Sunflower State a haven for investment and innovation. The state has built a diverse industry base that includes bioscience, animal health, energy technology, aviation, advanced manufacturing and agriculture.

Wichita is the aviation capital of the world, with 43 percent of domestic and 30 percent of global general aviation produced in the city. Northeast Kansas is home to a burgeoning animal health corridor, with 40 percent of global animal health and veterinary science interests converged in the region.

What are the economic drivers of Kansas State and why? What are the major industries in Kansas state (related to economic drivers)?

- Agriculture – crops and cattle / beef production (particularly in western Kansas)
- Oil & Gas (particularly in western Kansas)
- Wind Energy (particularly in southwest Kansas)
- Aerospace and advanced manufacturing (particularly in the Greater Wichita area)
- Distribution (particularly in the Greater Kansas City area)
- Professional and Financial Services (particularly in the Greater Kansas City area)
- Bioscience – notably related to animal health (focused on the I-70 corridor from Kansas City to Manhattan in northeast Kansas)

What is Kansas State competitive advantage vs other competing states?

- Central location with excellent highway and rail transportation infrastructure (the KC region is recognized as an outstanding distribution point and has seen great success with several major distribution facility announcements in southwest Johnson County recently (especially at LPKC) and a fair amount of spec building development)
- Right-to-work state with very low rate of union representation in the workforce (7.5% of wage and salary workers)
- Favorable tax climate with no state or local property taxes and personal property (machinery & equipment) or inventory, no franchise tax, no local earnings tax, and tax reforms enacted in 2012 that are driving down personal income tax rates while also offering favorable tax treatment to S-corps, LLC's, and LLP's.
- Highly educated workforce (Kansas invests greatly in educating the work force which ranks 17th in the nation for percent of adults, 25 and over, with a high school education and 17th for percent of adults with a college degree.)
- Productive workforce with agrarian work ethic
- Relatively low cost of labor with a statewide average manufacturing wage (\$18.58 Oct 2014) well below the national average (\$19.63 Oct 2014) and workers compensation rates ranked 9th lowest in the U.S.
- Incentives focused on industry needs including PEAK (provides direct financial rebate based on payroll taxes withheld), HPIP (provides income tax credit based on capital investment), and KIT / KIR (provides direct financial). Other assistance may also be available at both the state and local level. Communities, at local discretion, can offer to abate real property taxes on new investment for up to 10 years.

If I am looking to relocate my company or open an office/factory, why would I go to Kansas State? Who would go to Kansas State? Who wouldn't? Related to the first two questions.

- As far as why Kansas, see above advantages.
- As far as what types of businesses and industries would most likely consider Kansas, refer to the list of those included in the economic drivers. Among these, sectors of note include the aerospace industry and suppliers, bioscience including pet food manufacturing, railcar maintenance and repair facilities, alternative energy facilities (wind, solar, ethanol), food processing, agribusiness, distribution centers, and professional / financial services. Please see our target industry brochures for other information: <http://www.kansascommerce.com/index.aspx?nid=451>
- As far as what types of business and industries would be unlikely to consider Kansas... Virtually every type of business you can imagine has considered Kansas as a location. However, those less likely to consider the state include basic industries where raw materials not readily accessible (e.g., steel, aluminum), and pulp & paper related business (not proximate to natural resources).

Some major private sector employers throughout the state include:

- Armour Eckrich Manufacturing
- Beechcraft
- Berry Plastics
- Big Heart Pet Brands
- Bimbo / Allen Foods
- Blue Cross / Blue Shield
- Bombardier
- Cargill Meat Solutions
- Cessna Aircraft
- Exide Technologies Automotive
- Footlocker DC
- Frito Lay
- General Dynamics
- Goodyear Tire
- Great Plains Manufacturing
- Hallmark Cards
- Hills Pet Nutrition
- Inovia Films
- John Deere Coffeyville Works
- Koch Industries
- Mars Candy North America
- National Beef
- Phillips Lighting
- Royal Caribbean
- Russell Stover
- Schwan Global Supply Chain
- Siemens
- Simmons Pet Food
- Spirit Aero Systems
- Starwood
- Tyson Fresh Meats
- Tysons Prepared Foods

Some major recent project announcements include:

- Kubota Tractor DC
- Flexsteel DC
- Mervis Railcar
- AIG
- Inclusion Technologies
- Alliance Data
- BATS Global
- Quest Diagnostics
- Hospira
- Advanced Call Center Technologies