BOARD OF COUNTY COMMISSIONERS OF DOUGLAS COUNTY, KANSAS

WEDNESDAY, SEPTEMBER 21, 2011
4:00 p.m.
-Convene

CONSENT AGENDA

(1)(a) Consider approval of Commission Orders;
(b) Consider adopting Annual Review of Solid Waste Management Plan (Keith Browning)
(c) Authorize County Commission Chair to execute agreement with Rural Water District No. 6 and Berry Plastics for construction of waterline improvements to serve new Berry facility (Craig Weinaug/ Mark Henderson)

REGULAR AGENDA

(2) Masonic Temple project NRA request (Dianne Stoddard)

(3) Authorize County Commission Chair to execute agreement with Rural Water District No. 6 and Berry Plastics for construction of waterline improvements to serve new Berry facility (Craig Weinaug /Mark Henderson)

(4) Other Business
(a) Consider approval of Accounts Payable (if necessary)
(b) Appointments:
Building Code Board of Appeals - vacancy
Douglas County Advocacy Council on Aging – vacancy
Douglas County Community Corrections Advisory Board - 12/2011
Douglas County Senior Services, Inc. Board of Directors - 12/2011
Jayhawk Area Agency on Aging Tri-County Advisory Council - vacancy
Fire/EMS District No. 1 - 12/2011
(c) Public Comment
(d) Miscellaneous

(5) Adjourn

WEDNESDAY, SEPTEMBER 28, 2011 - 4:00 p.m. only
-Proclamation for 4-H week
-Authorize County Commission Chair to execute job creation retention agreement with Berry Plastics
-Authorize County Commission Chair to execute agreement with State of Kansas Department of Commerce for a CDBG (Community Development Block Grant) grant providing funding for the Berry Plastics project
-Execution of necessary documents to set up special assessment for Berry project.

WEDNESDAY, OCTOBER 5, 2011
-CPA-10-8-10: Consider Comprehensive Plan Amendment to Chapter 14 – Southeast Area Plan, to reference and reflect the accepted Preliminary Alignment Study for 31st Street and to update the plan to reflect changes since adoption. (PC Item 7; approved 8-0 on 8/24/11) Michelle Leininger is the Planner.

WEDNESDAY, OCTOBER 26, 2011
-Announcement of Take Charge Challenge Results (presentation by Eileen Horn, no backup)
-Presentation of Tri-County Food System Report (Douglas County Food Policy Council members)

***Note**: The Douglas County Commission meets regularly on Wednesdays at 4:00 P.M. for administrative items and 6:35 P.M. for public items at the Douglas County Courthouse. Specific regular meeting dates that are not listed above have not been cancelled unless specifically noted on this schedule.*

MEMORANDUM

To : Board of County Commissioners

From : Keith A. Browning, P.E., Director of Public Works/County Engineer

Date : September 14, 2011

Re : Consent Agenda Adoption of Annual Review of Solid Waste Management Plan

State statutes require the development of Solid Waste Management (SWM) plans for all counties, and also allow counties to form regions to develop the SWM plans. Jefferson and Douglas County form a 2-county region for formulation of the SWM Plan. The original SWM Plan is dated December 1996. The 2-county region's consultant, Franklin Associates, prepared the plan. K.S.A. 65-3405 requires the plan to be reviewed annually and updated every five years. We conducted a 5-year update in 2009, which was approved by KDHE.

The Douglas/Jefferson Counties Regional SWM Committee met on July 7, 2011 to conduct the annual review of the SWM Plan. K.S.A. 65-3405 requires the BOCC of each county within the SWM region to review and adopt the regional committee's report of the annual review.

Nine members of the eleven-member SWM Committee met for this year's annual review. The nine members included representatives from the Board of County Commissioners, City of Lawrence Public Works-Solid Waste Division, Lawrence/Douglas County Health Department, Jefferson County Zoning, KU Environmental Health & Safety Department, Hamm Landfill, the City of Lecompton, the unincorporated portions of Douglas County, and Douglas County Public Works.

Attached is a copy of this year's report of the annual review of the SWM Plan. Also attached is a listing of SWM Committee members.

Action Required: Consent Agenda adoption of the report of the 2011 annual review of the Douglas/Jefferson Counties Regional Solid Waste Management Plan.

2011 ANNUAL REVIEW REPORT
DOUGLAS/JEFFERSON COUNTIES
REGIONAL SOLID WASTE MANAGEMENT PLAN

The Douglas/Jefferson Counties Regional Solid Waste Management Committee met on July 7, 2011 for the annual review of the SWM Plan as required by K.S.A. 65-3405(c). The meeting was held at the City of Lawrence's Solid Waste Annex North (SWAN) building. The following nine (9) members of the eleven-person committee attended the annual review:

Member Name	Agency/Entity Represented
Nancy Thellman	Douglas County BoCC
Mike Russell	KU Environmental, Health and Safety Dept.
Kathy Richardson	Lawrence Public Works, Solid Waste Div.
Paul Studebaker	Unincorporated Douglas County
Richard Ziesenis	Lawrence/Douglas County Health Dept.
Mark Tunstall	City of Lecompton (mayor)
Eloise Tichenor	Jefferson County Planning & Zoning
Charlie Sedlock	Hamm Landfill
Keith Browning	Douglas County Public Works

The main goal of the annual review is to identify any changes to the region's solid waste management system since the approval of most recent five-year update. The most recent five-year update was completed in 2009.

The committee identified the following changes to the region's SWM system or general SWM activities since last year's review:

1. **City of Lawrence**

    (a) Continued efforts to address recommendations from the 2010 Solid Waste Division Performance Audit.

    Michael Eglinski, the City of Lawrence Auditor, presented the final report of the Solid Waste Division audit and a list of recommendations to the City Commission in February 2010. The complete report and recommendation follow-ups are posted on the City's website: http://www.lawrenceks.org/auditor.

    Below are three of the audit recommendations and the updates:

    1. Develop policies and procedures for estimating municipal solid waste and recycling.

        In 2010 the Solid Waste Division drafted a preliminary policy which states the City of Lawrence will use the EPA's Measuring

Recycling: A Guide for State and Local Governments to estimate municipal solid waste and recycling. Instructions, definitions, case studies, tips, forms and worksheets to help calculate an MSW recycling rate are provided in the EPA guidance document. Local processes will be documented in detail as information is collected from private entities, for the community wide input measures.

2. Test the conversion factors used for estimating yard waste.

In 2010 a testing system and data collection tool for yard waste weights was created. The weight data was collected monthly to ensure that all seasons and various conditions are represented. On data collection days, all yard waste trucks were re-directed to the co-op for weighing prior to dumping materials. This data was validated by a separate effort to weigh items at the curb in randomly selected areas. A full year of data collection was important to ensure the best "average item" calculations. Those averages will be applied to historical collection data. The plan is to validate weights using this system one out of every three years, collecting a full year of monthly samples each time.

3. Analyze costs/benefits and feasibility of implementing more automated collection, routing and vehicle/driver performance monitoring technologies, and residential volume-based collection.

Late in 2010, the City of Lawrence purchased GPS (global positioning system) units for Solid Waste Division trucks and in 2011 the central maintenance garage staff installed these units. Benefits of system: A monitoring software program for the GPS units allows staff to track the trucks daily and adjust routes to save time and fuel. It is also used as a training tool for drivers and a supervisory tool for performance management.

Solid Waste Division equipment purchases in 2011 will focus on increased automation. Staff will continue to evaluate the most versatile equipment, mindful of potential operational changes to the collection system, pending recommendations from the City of Lawrence Solid Waste Task Force. Variable rate pricing is also an issue of consideration assigned to the Solid Waste Task Force.

<u>(b) Development of the menu of options for solid waste and recycling services in Lawrence. Creation of the City of Lawrence Solid Waste Task Force.</u>

In September 2010, the Lawrence City Commission directed staff to draft a multi-year solid waste plan with a menu of options for future City

Commission considerations. The menu of options developed by staff included review of existing services, the development of long-term plans for automation and other efficiency and safety improvements, a variable rate pricing for solid waste collection services, and curbside recycling service opportunities.

The Solid Waste Task Force was established Resolution No. 6918 in February 2011. The task force will develop recommendations to the Lawrence City Commission by March 1, 2012 regarding the long-term solid waste and recycling options for the citizens of Lawrence. The Solid Waste Task Force will:

- Articulate/document the services currently provided through solid waste user fees.
- Articulate issues driving recommendations for service changes.
- Consider solid waste services that may be included in the long-range plan for the Lawrence community (such as, variable rate pricing, curbside recycling, yard trimmings collection, bulky item collection, and so on).
- Seek community-wide input in the options for desired solid waste services.
- Develop recommendations for the Lawrence City Commission regarding implementation of services or changes to existing services.
- Propose timelines and educational outreach to achieve recommended service levels.

(c) 2010 Solid Waste Division fund and tonnage update.

The City of Lawrence Solid Waste Fund ended 2010 in a positive financial position, roughly even between revenues and expenditures.

In 2010, even with the addition of significantly increased curbside recycling options in Lawrence, residential/commercial trash tonnage increased 6%, while roll-off trash tonnage decreased 23%. Roll-off business is strongly correlated with construction. The overall trend in tonnage is downward, but seems to be driven by roll-off business for 2010.

(d) City of Lawrence/Douglas County Household Hazardous Waste Facility under new service contract with Clean Harbors Environmental Services.

In 2010, the City of Lawrence issued a Request for Proposal (RFP) for a new service contract for collection and disposal for both hazardous and non-hazardous waste accepted from households and qualified Small Quantity Generator businesses at the City of Lawrence/Douglas County Household Hazardous Waste Facility and for on-site/off-site technical assistance provided to City/County staff.

The proposal from Clean Harbors Environmental Services was approved by the City Commission based on best stated price schedule as compared with 2009 shipment information, contractor qualifications and technical proposal, and demonstrated compliance record of subcontractors and waste management facilities to dispose of waste in a safe and environmentally sound manner. The length of the contract period is one year from signature of contract with a yearly renewal option up to four additional years if agreed by both parties and provided funds are available.

<u>(d) City of Lawrence/Douglas County Household Hazardous Waste Facility begins to accept Conditionally Exempt Small Quantity Generator and Kansas Small Quantity Generator Waste in 2011.</u>

The Kansas hazardous waste regulations were revised in 2011 and the KDHE Bureau of Waste Management in accordance with the regulation revisions implemented a new policy that allows Household Hazardous Waste Facilities to accept conditionally exempt small quantity generator and Kansas small quantity generator waste. The City of Lawrence/Douglas County Household Hazardous Waste Facility is currently meeting all requirements outlined within this policy and accepting waste from these generators.

<u>(e) Electronic recycling events in Lawrence continue to be hosted.</u>

The City of Lawrence Waste Reduction and Recycling Division continues to host two 4-hour Electronic Recycling Events per year. The participation at these events continues to be impressive even though new electronics recycling services have been implemented at several retail stores in Lawrence (i.e. Best Buy, Office Depot, and UNI Computers). Participant numbers and tons collected to date: Spring 2011 (638 vehicles, 22.78 tons), Fall 2010 (649 vehicles, 28.98 tons), Spring 2010 (583 vehicles, 28.16 tons), Fall 2009 (747 vehicles, 35.48 tons), Spring 2009 (455 vehicles, 22.87 tons), Fall 2008 (513 vehicles, 26.30 tons), Spring 2008 (676 vehicles, 30.03 tons). These events are not limited to Lawrence residents only.

<u>(g) Increased outreach and education efforts.</u>

In 2010, the City of Lawrence Waste Reduction and Recycling Division continued to increase education of solid waste minimization. Efforts included presentations to school classrooms, neighborhood associations, and other community organizations; informational displays at events including Earth Day and America Recycles Day; and printed material such as the City's newsletter, utility bill inserts, brochures, and paid advertising. Information could also be found on the www.LawrenceRecycles.org

website and the new Facebook page
www.facebook.com/LawrenceRecycles.

2. Jefferson County

(a) Jefferson County will offer residents a 90-day opportunity to dispose of tires beginning in early August.
(b) It is planned to increase the amount of paper and cardboard collected. Jefferson County will acquire a baler in late summer.
(c) Jefferson County held an e-waste collection day June 11, 2011 in conjunction with the Rotary Club. No collection amounts were available at the time of the annual review.
(d) The county accepts computer monitors and TV's on an ongoing basis. They charge $5 each.
(d) Jefferson County still accepts white goods. Freon removal is done by an outside company.
(e) Jefferson County continues to collect HHW.

3. University of Kansas

A sustainability plan for the Lawrence campus will soon be finalized. The plan is called *Building Sustainable Traditions*. The KU Center for Sustainability coordinated development of the plan with participation from students, faculty, staff and an external review team. The plan includes strategies to reduce, reuse, and recycle solid waste.

4. Hamm Landfill

(a) Hamm has constructed and opened a new cell.
(b) Landfill tonnage has slightly dipped. This is attributed to recycling efforts, reduced construction activity, and the economy in the region.
(c) Estimated landfill capacity remains approximately 80 years.
(d) Hamm is making efforts to divert waste from the landfill

1. Recycling asphalt shingles for use in hot mix asphalt.
2. Creating a construction materials recycling area
3. Establishing the MRF recycling facility to serve the region.

(e) Hamm is negotiating with vendors for landfill gas processing.
(f) Hamm is in discussions with KDHE for a tree & savannah cap system for the landfill.

5. Small Cities

The City of Lecompton plans a citywide clean-up effort prior to the Territorial Days celebration. A private hauler (Sean Ball) will pick up the waste collected. The event will also include waste tires (limit 4 per household) and white goods.

6. Unincorporated Areas

Honey Creek, a private hauler, plans to start single stream curbside recycling service for customers in unincorporated Douglas County.

7. Other SWM issues for follow-up

(a) Possibility of creating a partnership between the City of Lawrence and Douglas County for collection and proper disposal of Freon containing items (i.e. refrigerators and AC units).

(b) Possibility of creating a partnership between the City of Lawrence and Douglas County for collection and disposal of automobile tires.

(c) Revisiting the partnership between the City of Lawrence and Douglas County for the operations of the City of Lawrence/Douglas County Household Hazardous Waste (HHW) Facility.

SWM Plan status

The committee found that the SWM Plan is still valid. No significant updates to the Plan are required at this time.

Douglas/Jefferson Counties Solid Waste Planning Region
Solid Waste Management Committee
Current Membership
July 2011

1. Lynn Luck
P.O. Box 82
Oskaloosa, KS 66066

Telephone:	785-863-2637
Email:	mlluck23@yahoo.com
Entity represented:	Jefferson County Board of County Commissioners

2. Nancy Thellman
1547 N 2000 Rd
Lawrence, KS 66044

Telephone:	785-832-0031
Email:	nthellman@douglas-county.com
Entity represented:	Douglas County Board of County Commissioners

3. Mike Russell
KU-EHS Department
140 Burt Hall
1540 W. 15th St.
Lawrence, KS

Telephone:	785-864-2854
Email:	mjrussell@ku.edu
Entity represented:	KU Environmental Health & Safety

4. Kathy Richardson
P.O. Box 708
Lawrence, KS 66044

Telephone:	785-832-3046
Email:	krichardson@ci.lawrence.ks.us
Entity represented:	City of Lawrence Public Works, Solid Waste Division

5. Paul Studebaker
817 N 1750 Rd.
Lawrence, KS 66049

Telephone:	785-842-1890
Email:	pstudebakr@aol.com
Entity represented:	unincorporated areas

6. Richard Ziesenis
Lawrence/Douglas County Health Dept.
200 Maine, Suite B
Lawrence, KS 66044

Telephone:	785-843-3060
Email:	rziesenis@ldchealth.org
Entity represented:	Lawrence/Douglas County Health Dept.

7. Mark Tunstall
Lecompton City Hall
333 Elmore
Lecompton, KS 66050

Telephone:	785-887-6407
Email:	none
Entity represented:	Lecompton City Council

8. Eloise Tichenor
P.O. Box 628
Oskaloosa, KS 66066

Telephone:	785-863-2241
Email:	etichenor@jfcountyks.com
Entity represented:	Jefferson County Planning & Zoning

9. Mark O. Richards
3630 178th
Denison, KS 66419

Telephone:	785-633-3802
Email:	MRichards@jfcountyks.com
Entity represented:	Jefferson County Auxiliary Services

10. Charlie Sedlock
P.O. Box 17
Perry, KS 66073

Telephone:	785-597-5111
Email:	csedlock@nrhamm.com
Entity represented:	Hamm Landfill

11. Keith Browning
Douglas County Public Works
1242 Massachusetts
Lawrence, KS 66044

Telephone:	785-832-5293
Email:	browning@douglas-county.com
Entity represented:	Douglas County Public Works

September 16, 2011

MEMO: Douglas County Commissioners

FROM: Craig Weinaug, County Administrator

RE: Agreement with Rural Water District No. 6 and Berry Plastics for construction of waterline improvements at new Berry facility

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The attached agreement between RWD#6, Douglas County and Berry Plastics provides the detail for the construction of improvements to the water district water distribution system made necessary by the construction of the new Berry facility. Under this agreement, Douglas County agrees to pay for all of the costs associated with the construction of the improvements.

As part of the negotiations to incentivize Berry to construct the warehouse, the Douglas County Commission agreed to provide $431,300 for the project at your meeting on February 2, 2011. A portion of this amount will be used to pay for this waterline agreement.

AGREEMENT FOR EXTENSION OF WATER MAIN PIPELINE/WATER SERVICE TO BERRY PLASTICS WAREHOUSE FACILITY, DOUGLAS COUNTY, KANSAS

THIS AGREEMENT is made by and between **Rural Water District No. 6, Douglas County, Kansas** ("Water District") Douglas County, Kansas ("County"), GFC Company of Lawrence, L.C. ("General Contractor") and Packerware, LLC ("Owner"),

WITNESSETH:

WHEREAS, Water District owns and operates a public water supply, providing potable water to land located within the territory of its district in Douglas County, Kansas; and

WHEREAS, General Contractor is constructing a warehouse facility for Owner at 670 North 1800 Road, in Douglas County, Kansas (the "warehouse"), which is located in the territory of Water District; and

WHEREAS, Owner desires to have access to a connection with the Water District's water distribution system in order to supply water to certain functions at the warehouse, and Water District desires to make such connection available upon the terms and conditions set forth in this agreement.

THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

1. Design, Construction and Payment for Water District Main Improvements.

Subject to the terms of this Agreement, Water District shall design and construct a water main replacement of the Water District's existing four inch (4") PVC pipe line on N. 1800 Road, between E. 700 Road and E. 800 Road (for a distance of approximately five-thousand (5,000) feet) with new six inch (6") PVC pipe line. Such design and construction shall be requisitioned according to Water District's policies. Upon completion of design of this project by Water District, the total estimated costs incurred, including engineering design and inspection, construction, legal, administration and right-of-way acquisition, shall be paid by the County to Water District, in cash, not later than thirty (30) days following billing by Water District to the County for the same. The contract for construction of such improvements shall not be awarded and no work shall commence until such sum has been received by Water District. Within thirty (30) days following completion, actual costs shall be determined and a cost summary shall be provided by Water District to the County. In the event that such actual costs exceed estimated costs, Water District shall invoice the County, and the County shall pay Water District the difference; and if such actual costs are less than estimated costs, Water District shall refund to the County such difference. Any amounts past due under the terms of this paragraph shall incur interest at the rate of eight percent (8%) per annum simple interest until paid. Water District shall make its best efforts to have this project completed and ready for service not later than September 30, 2011.

2. Connection to System.

Upon completion of the improvements to Water District's water distribution system and subject to the purchase of the benefit units described in paragraph 4, below, Water District shall make a connection to Water District's water system available to the Owner. Such connection shall be made at a point agreed upon by Water District and Owner (in consultation with the General Contractor) ("the point of connection"). At such point of connection, Water District shall install a meter pit, a one inch (1") meter, and all related equipment and fittings ("meter installation") necessary to provide water service to the warehouse. The costs of meter installation, including engineering costs and labor for installation shall be paid to Water District by General Contractor not more than thirty (30) days following Water District's invoice to General Contractor for the same. The meter installation shall be the property of Water District and Water District shall thereafter be solely responsible for the care and maintenance of the water installation. In addition, General Contractor shall install, at no expense to the Water District or the County, a back flow prevention devise of a type approved by Water District. Owner shall be solely liable for all costs incurred in the annual inspection and any maintenance performed on the back flow prevention device, and shall provide proof of appropriate inspection and maintenance of such device to Water District upon request no less frequently than annually.

3. Design, Construction and Payment for Water System Improvements.

Owner shall be solely responsible for the design and construction of all water system improvements and facilities required or desired by Owner between the point of connection and the warehouse. Water District shall have no responsibility for design, construction or payment for any of these facilities.

4. Benefit Units.

Within thirty (30) days following execution of this agreement by the parties hereto, Owner and/or General Contractor on Owner's behalf shall apply for issuance of one (1) commercial benefit unit by Water District to Owner (usable by Tenant in accordance with its lease with Owner), such application to be accompanied by payment to Water District in the sum of [Thirty-Nine Thousand Dollars ($39,000.00)]. By its approval of this agreement, the board of directors of Water District hereby approves of the issuance of such benefit unit to Owner upon receipt of the payment as provided herein. Following issuance of such benefit unit by Water District to Owner, but not before water service becomes available to Owner by Water District at the point of connection, Owner shall be responsible for compliance with all terms and conditions of the By-Laws, Rules and Regulations and Policies of the Water District, including payment of the monthly minimum fee for each benefit unit issued, currently in the amount of $315.00 per month. Such monthly minimum fee may vary from time to time as determined by the Board of Directors of the District, and shall first become payable for the month in which water service is available to the warehouse property, regardless of whether the Owner or General Contractor has made request for the meter installation.

5. Water Rate.

Owner shall be responsible for payment for all water used, as measured by the meter at the point of connection. Owner shall be charged for water used at the Water District's customary user rate per gallon for commercial structures, such rate currently being $5.60 per 1,000 gallons. Such water rate may vary from time to time as determined by the Board of Directors of the District.

6. Sales Taxes.

Owner shall pay to Water District all applicable sales taxes to be collected and remitted by Water District.

7. Maximum Usage.

The parties acknowledge and agree that the terms and conditions of this agreement are premised on Owner's use of an average of 135,000 gallons per month. In the event that Owner purchases more than 145,000 gallons per month during any three consecutive monthly billing periods, as determined by the meter, Owner shall apply to Water District for more water.

8. On-Site Storage/Fire Protection.

General Contractor shall construct and Owner shall maintain on site storage for fire protection to the warehouse and such other uses that exceed the supply capabilities of the Water District. The parties acknowledge and agree that the Water District is not capable of providing water service for fire protection; that Owner needs water for fire protection and that fire protection is being provided by Owner from its own supplies, including but not limited to ground storage tank(s) located on the warehouse property; and that Owner hereby releases, holds harmless, and agrees to indemnify Water District from any claims arising from the lack of or inadequacy of water for fire fighting, or any damage that may occur from fire at the warehouse.

9. Conditions.

The conditions which must be satisfied prior to the parties performance of this Agreement as provided herein shall consist of the following:

1. Approval by any regulatory agency having jurisdiction hereof, including but not limited the Kansas Department of Health & Environment ("KDHE") and any lenders of Water District.

2. If determined to be necessary by Water District, the Water District shall obtain, at no cost to Water District, a right-of-way easement for the construction, installation, use, inspection, repair and replacement of water lines and related facilities for construction of the facilities and/or meter installation, as provided in this agreement.

3. Payment by County to Water District for all costs associated with this Agreement or the extension of water service by Water District to the Warehouse, including performance of feasibility studies, attorneys' fees and the like, such costs to be invoiced by Water District to County for reimbursement.

10. Addresses.

Except as may be modified in writing, delivered to the other party hereto, any notices required to be made by one party to the other under the terms of this agreement shall be made to the parties at the following addresses:

If to Water District:

Rural Water District No. 6
Douglas County, Kansas
1973 N. 850 Road
Lecompton, KS 66050

cc: Gary H. Hanson
Stumbo Hanson, LLP
2887 SW MacVicar Avenue
Topeka, KS 66611

If to the County:

____
____
____
____

If to General Contractor:

____
____
____
____

If to Owner:

Packerware, LLC
2330 Packer Road
Lawrence, KS 66049-8900

cc: Berry Plastics Corporation
Attn: General Counsel
101 Oakley Street
Evansville, IN 47710

11. **Miscellaneous.**

This agreement shall be binding upon the parties, their successors and assigns. This agreement constitutes the entire agreement between the parties with regard to the subject matter contained herein, and no other agreements, oral or written, made prior to or contemporaneous with this written agreement, shall be binding upon the parties. Any amendments or modifications to this agreement must be in writing, approved by the parties hereto with the same formality as this agreement.

IN WITNESS WHEREOF, the parties have set their hands as of the day and year hereinafter set forth.

Water District:

RURAL WATER DISTRICT NO. 6
DOUGLAS COUNTY, KANSAS

By Don Fuston
DON FUSTON, Chairman

Dated: 5-5-2011

ATTEST:
David J. Ross
DAVID J. ROSS **Secretary**

Owner:

PACKERWARE, LLC

By
Jeffrey D. Thompson EVP

Dated: 5/11/11

General Contractor:

By

Dated: 5/6/2011

Karla Patterson Barnes
WITNESS

County:

By______________________________
____________________, ____________

Dated:__________________________

Memorandum
City of Lawrence
City Manager's Office

TO:	Board of Douglas County Commissioners Craig Weinaug, County Administrator
FROM:	Diane Stoddard, Assistant City Manager, Corey Mohn, former Economic Development Coordinator, and Britt Crum-Cano, Economic Development Coordinator
DATE:	September 16, 2011
RE:	Masonic Temple Incentive Request

Overview

Consolidated Properties, Inc., a Lawrence-based construction firm, is proposing the redevelopment of the historic Masonic Temple at the southwest corner of 10th and Massachusetts Streets. The Masonic Temple was constructed in 1910 and used for both Masonic events as well as other community gatherings. The structure has been vacant since 2003 when the property was sold by the Lawrence Scottish Rite. The future proposed use is a banquet hall for events and meetings tied to an expansion by Maceli's, a local catering business.

Property Value

The proposed redevelopment area will occur on one parcel of property (Plate #U01282). The total appraised value of this parcel is $400,100 for 2011. This is a slight increase from tax years 2009 and 2010 when the parcel had an appraised value of $400,000.

Incentive Request - NRA

On June 16, 2011, Paul Werner Architects (on behalf of Consolidated Properties Inc.) submitted a formal application to the City of Lawrence for consideration of incentives via the creation of a Neighborhood Revitalization Area through the Neighborhood Revitalization Act (NRA). Consolidated Properties is seeking the approval of a revitalization plan via NRA that provides a tax rebate of incremental real property tax within the Area for 15 years. The rebate requested is on a sliding scale, starting with a 95% rebate in year 1 and scaling down 5% each following year until year 15 when the rebate would be 25%. This schedule is different from the previously approved NRA at 1040 Vermont as the percentage-of-payment scale is different and the payment of rebates extends for five additional years.

According to the application letter provided by Paul Werner Architects, public assistance will be needed because "the interior will need more work to allow it to meet current building codes for occupancy." Additional information providing justification for the 15-year NRA request has also been submitted by the applicant, along with a suggestion to cap the total incentive at $390,000.

Incentive Request – Sidewalk Improvements

Consolidated Properties Inc. is requesting the City provide ADA access in the right-of-way by reconstructing the sidewalk adjacent to the Masonic Temple. Paul Werner Architects estimates that this work will cost $10,000 - $12,000 to complete. For the purposes of the model, a $12,000 pre-operating cost has been included, paid for by the City.

Incentive Request – Sprinkler System/Water Meter/Tap Fees

Consolidated Properties Inc. is requesting the City explore helping with the installation of a new water meter, associated tap fees, and the sprinkler system. The City used to administer the Downtown Sprinkler Program to support such requests, but the program currently lacks funding. According to the program outline, the Downtown Sprinkler Program is a proactive safety program aimed at getting fire protection sprinkler systems into downtown buildings. The Sprinkler Program was designed to encourage downtown building and business owners to install new sprinkler systems and/or upgrade existing systems through a combination of direct reimbursements and cost sharing mechanisms. The Downtown Sprinkler Program allowed for a reimbursement of 75% of the overall cost of sprinkler work, up to maximum levels based on frontage:

- $25,000 per building with up to 25' of frontage;
- $10,000 per additional 25' of frontage ($400 per frontage foot);
- $5,000 per additional story ($1,000 per mezzanine requiring separate sprinkling).

The estimated cost of the sprinkler system for the Masonic Temple is quoted in the request letter at $70,000. Using the criteria set up by the City, this project would have been eligible for $36,000 based on the fact this building has 50 feet of frontage along Massachusetts Street and one mezzanine eligible for sprinkler assistance. This amount is divided out in the model as an incentive payment of $3,600 per year over 10 years.

NRA Statutory Requirements

According to the Kansas NRA statute, an NRA must qualify under one of the following three findings:

(1) An area in which there is a predominance of buildings or improvements which by reason of dilapidation, deterioration, obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, the existence of conditions which endanger life or property by fire and other causes or a combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency or crime and which is detrimental to the public health, safety or welfare;

(2) an area which by reason of the presence of a substantial number of deteriorated or deteriorating structures, defective or inadequate streets, incompatible land use relationships, faulty lot layout in relation to size, adequacy, accessibility or usefulness, unsanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the actual value of the land, defective or unusual conditions of title, or the existence of conditions which endanger life or property by fire and other causes, or a combination of such factors, substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or

social liability and is detrimental to the public health, safety or welfare in its present condition and use; or

(3) an area in which there is a predominance of buildings or improvements which by reason of age, history, architecture or significance should be preserved or restored to productive use.

In addition, there must be an overall finding that "the rehabilitation, conservation or redevelopment of the area is necessary to protect the public health, safety or welfare of the residents of the municipality."

Analysis

As part of the application for City assistance, Consolidated Properties, Inc. provided City staff with the Application Form for Economic Incentives and Tax Abatements.

As mentioned above, the property currently appraises for approximately $400,000. Consolidated Properties, Inc. estimates the value of new construction to be $800,000. For the purposes of this analysis, it is assumed that the current value plus the value of new construction will equal the future appraised value of the property ($1,200,000). This analysis also assumes the current appraised value will hold as the base value for the purposes of NRA. Of the $1.2 million of future appraised value, the base appraised value of approximately $400,000 would not be subject to property tax rebates. Only the incremental portion of the property value would be subject to rebates.

Maceli's currently employs seven full-time staff and 31 part-time staff. Maceli's estimates this project will generate a need for three additional full-time employees: one sales position, one chef position, and one custodial position. There will also be additional part-time hires, adding the work hours of approximately seven full-time equivalents (FTEs). These staff would be paid at a lower rate, and the schedule of those hires is contingent on the business cycle. For the purpose of this analysis, staff considered three additional full-time staff at an average salary of $25,000. Additional part-time positions were excluded from the calculations as there is minimal impact to local taxing districts.

Staff conducted an analysis of the benefits and costs associated with the project. The analysis assumed that the incremental benefit to the City, Douglas County, the School District and the State derives primarily from increases in real property taxes and additional sales taxes from increased company expenditures. Secondarily, there will be an increase in sales taxes related to catering and event space rentals. Maceli's estimates a potential increase in sales of $700,000 per year resulting from the project. As a large portion of this business will come from Lawrence and Douglas County, incremental sales tax dollars for additional catering jobs and event hall rentals were not included as a benefit in the analysis. There would also be some sales taxes resulting from the purchase of construction-related material for construction on the property. The model does not account for benefits from temporary construction jobs resulting from the redevelopment.

The benefit-cost model assumes that there are some capital costs for the City and the County whenever there is new construction in the community. The model does not take into account the property taxes being collected on the property as it currently stands. Those would be collected regardless of the redevelopment, and they are not subject to rebate. As a result, these property taxes are excluded from the analysis.

Results

A copy of the results consistent with the request is attached. In total, over 15 years the model estimates that there will be approximately $630,000 in discounted (present value) dollars of additional revenue for the City, County, School District, and State. There will be about $85,000 in costs for the City and County, and no costs to the School District and State.

The tax rebate would reduce property taxes to all taxing jurisdictions by about $250,000 in discounted dollars. Overall, the City's benefit-cost ratio is 2.69. This means that for every dollar of additional costs and tax rebates, the City will receive $2.69 of revenue. After taking into account the tax rebates and additional costs, the City will receive about $75,000 in discounted dollars.

The County has a benefit-cost ratio of 3.42 after accounting for the tax rebate. The County will receive about $48,000 in present value after accounting for costs and tax rebates.

The School District and the State do not have benefit-cost ratios as there are no costs involved. The School District will receive about $50,000 in discounted dollars, and the State will likely get around $460,000 in discounted dollars after the project is completed.

The City conducted two scenarios to analyze this project. Scenario 1 considered a 10-year NRA term with rebate amounts starting at 95% and reducing 5% per year, down to 50% in Year 10. Scenario 2 also considered a 10-year NRA term, but with a rebate schedule as follows:

- Year 1 – 75%
- Year 2 – 70%
- Year 3 – 65%
- Year 4 – 60%
- Year 5 – 55%
- Year 6 – 45%
- Year 7 – 35%
- Year 8 – 25%
- Year 9 – 15%
- Year 10 – 5%

Both Scenario 1 and Scenario 2 include $12,000 up from the City for an ADA-compatible sidewalk outside the Masonic Temple, and $3,600 per year for 10 years ($36,000 total) for sprinkler-improvement reimbursements.

Scenario 1 Results (95% Declining Schedule, 10 Years)

A copy of Scenario 1 results is attached. In total, over 15 years the model estimates that there will be approximately $660,000 in discounted (present value) dollars of additional revenue for the City, County, School District, and State. There will be about $85,000 in costs for the City and County, and no costs to the School District and State.

The tax rebate would reduce property taxes to all taxing jurisdictions by about $225,000 in discounted dollars. Overall, the City's benefit-cost ratio is 2.82. This means that for every dollar of additional costs and tax rebates, the City will receive $2.82 of revenue. After taking into account the tax rebates and additional costs, the City will receive about $80,000 in discounted dollars.

The County has a benefit-cost ratio of 3.78 after accounting for the tax rebate. The County will receive about $55,000 in present value after accounting for costs and tax rebates.

The School District and the State do not have benefit-cost ratios as there are no costs involved. The School District will receive about $60,000 in discounted dollars, and the State will likely get around $460,000 in discounted dollars after the project is completed.

Scenario 2 Results (75% Declining Schedule, 10 Years)

A copy of Scenario 2 results is attached. In total, over 15 years the model estimates that there will be approximately $725,000 in discounted (present value) dollars of additional revenue for the City, County, School District, and State. There will be about $85,000 in costs for the City and County, and no costs to the School District and State.

The tax rebate would reduce property taxes to all taxing jurisdictions by about $160,000 in discounted dollars. Overall, the City's benefit-cost ratio is 3.14. This means that for every dollar of additional costs and tax rebates, the City will receive $3.14 of revenue. After taking into account the tax rebates and additional costs, the City will receive about $95,000 in discounted dollars.

The County has a benefit-cost ratio of 4.75 after accounting for the tax rebate. The County will receive about $75,000 in present value after accounting for costs and tax rebates.

The School District and the State do not have benefit-cost ratios as there are no costs involved. The School District will receive about $80,000 in discounted dollars, and the State will likely get around $475,000 in discounted dollars after the project is completed.

Consideration – NRA Term

There is no maximum term for an NRA, though it is common for NRA projects in Kansas to be structured with 10 year terms. The previously-referenced NRA for 1040 Vermont was structured with a 10 year rebate term. The other NRA previously approved by the City Commission was for 8th and Pennsylvania. In that plan, applicants could file for up to 20 years of rebates but only up to the point of reaching 100% reimbursement for eligible expenses per the 8th and Pennsylvania NRA Plan. The application for the Masonic Temple project requests a rebate for 15 years.

Consideration – Downtown Redevelopment

This project is located on Massachusetts Street in the heart of downtown Lawrence. Resolution 6921 lays out the existing NRA policy. One of the criteria listed for approving NRAs in the City is “the opportunity to promote redevelopment activities which enhance Downtown Lawrence.” The redevelopment of the Masonic Temple would qualify under this criterion, meeting this goal of the City.

Recommendation

City staff recommends formation of an NRA for the Masonic Temple project on a 10 year schedule. A longer term is not consistent with the previously approved NRA at 1040 Vermont. Additionally, the number and quality of jobs related to the project is not the same as the 1040 Vermont project. City staff further recommends an allocation of $36,000 over 10 years to reimburse the developer for about half of the costs associated with sprinkler work, consistent with eligibility under the Downtown Sprinkler Program, and a commitment by the City to install an ADA-compliant sidewalk adjacent to the Masonic Temple (at an approximate cost of $12,000). The percentage of the annual incremental rebate is an issue for the Public Incentive Review Committee and the City Commission to consider.

Staff also recommends that the annual tax rebate and payments be conditioned upon the use of the building as a caterer/dinning facility or another use subject to tax entity (City/County/USD) approval. Staff does not believe that the incentives should automatically continue if the use of the building is changed from what is currently proposed (i.e. catering and dining facility).

PIRC Recommendation:

The Public Incentive Review Committee met on September 13, 2011, to discuss the NRA request. The attached draft minutes summarize the discussion. The Public Incentive Review Committee approved a motion on a vote of 6-1 to recommend that the City Commission consider the NRA Plan under Scenario 1, which matches the applicant’s request except that it is for a 10 year term, rather than a 15 year term. Additionally, PIRC recommended that the use be limited to a catering/banquet use. The recommended term and schedule is below:

Year	**Scenario 1** 95% declining over 10 Years
Year 1	95%
Year 2	90%
Year 3	85%
Year 4	80%
Year 5	75%
Year 6	70%
Year 7	65%
Year 8	60%
Year 9	55%
Year 10	50%

Next Steps:

There are several statutory steps that are required for an NRA. The attached calendar sets forth the steps necessary to process this request. The applicant prepared a draft NRA plan for the property based on the applicant's request. This draft NRA plan has been updated to match the recommendation of the Pubic Incentive Review Committee.

The City Commission is holding its public hearing on the NRA Plan and the first reading of an ordinance to consider establishment of the NRA area at its meeting on September 20. Second reading is anticipated on September 27th. The School District will consider the item at its September 26 meeting.

Requested Action:

The County Commission should consider whether it wishes to participate in the NRA plan. Then, if appropriate, the County Commission may consider making a motion to participate in the plan and authorize the execution of an agreement between the City, County and School District concerning administration of the Neighborhood Revitalization Area for the 1001 Massachusetts NRA.

-DRAFT-
NEIGHBORHOOD REVITALIZATION ACT
AGREEMENT for 1001 MASSACHUSETTS

This Agreement (hereinafter "Agreement") is entered into this ____ day of ________________, 2011, by and between the City of Lawrence, Kansas (hereinafter "City"); the Board of Commissioners of Douglas County, Kansas (hereinafter "County"); and Unified School District No. 497, Douglas County, State of Kansas (hereinafter "USD 497") (collectively the "Parties"), all of which are municipalities within the meaning of K.S.A. 10-1101 and K.S.A. 12-17,114 *et seq*.; and

WHEREAS, pursuant to K.S.A. 12-2901 *et seq*. and amendments thereto, the Parties have authority to enter into agreements to jointly perform certain functions, including economic development, and this Agreement furthers mutual cooperation and joint action; and

WHEREAS, K.S.A. 12-17,114 *et seq*. and amendments thereto, also referred to as the Kansas Neighborhood Revitalization Act (the "Act"), provides a program for neighborhood revitalization to provide incentives for property owners to improve aging and deteriorating property, or otherwise stimulate new construction, the rehabilitation, conservation or redevelopment of an area in order to protect the public health, safety and welfare; and

WHEREAS, K.S.A. 12-17,119, provides for all taxing jurisdictions within a Neighborhood Revitalization District to enter into agreements as set out in K.S.A. 12-2901 et seq. to further neighborhood revitalization; and

WHEREAS, the Parties desire to maximize the economic development opportunities under the Act and the Neighborhood Revitalization Plan (later defined herein) by acting jointly through the use of this agreement; and

WHEREAS, the Parties desire to set out the terms and conditions of participation as described herein, and

WHEREAS, the City and County will have primary responsibility for the procedural aspects of NRA implementation and administration, and therefore desire to set forth the specific rights and responsibilities of the Parties with respect to the procedures associated with the NRA.

NOW, THEREFORE, for the mutual promises and covenants contained herein and other good and valuable consideration, the Parties understand and agree as follows:

1. Purpose. The purpose of this Agreement is to provide a program for neighborhood revitalization and allow the taxing jurisdictions within the designated neighborhood revitalization area (“Area”) to work together, through this agreement, to maximize the economic development incentives allowed through the Act.

   a. After conducting a public hearing and complying with the publication requirements of K.S.A. 12-17,117 as amended, on September 27, 2011 the City approved Ordinance No 8667 adopting a neighborhood revitalization district plan in substantially the same form and content as contained in **Exhibit A** attached hereto and incorporated herein by reference. (“Plan”).

   b. The other Parties to this Agreement have also reviewed and considered the Plan, and by adoption of this Agreement, agree to work cooperatively to implement the Plan.

   c. The Parties further agree that no separate legal entity shall be created under this Agreement, but rather the City, on behalf of all Parties, shall administer the Plan as adopted by the City or as it may be subsequently amended as provided herein.

   d. The Parties agree that the Plan shall not be amended by the City or by any of the Parties acting separately and shall only be amended in writing and accompanied by a new Agreement signed by all Parties hereto, which consent and cooperation shall not be unreasonably withheld.

   e. In the event that the Neighborhood Revitalization Plan, as adopted, is not followed with respect to the aspects set forth in the Plan, the Parties may individually wish to reconsider participation in the Plan at that point.

2. Duration. This Agreement shall commence on October 1, 2011 and expire June 1, 2023 or upon payment of the 2022 property taxes and the processing of the rebate for the 2022 tax year. The City reserves the right to evaluate the Program at any time. The City may, at its sole discretion to repeal, amend or modify this Plan as conditions, policies or priorities of the City Commission change, subject to paragraph 1.d. above.

3. Termination. The Parties agree that termination of this Agreement by any party prior to June 1, 2023 would adversely impact the Plan, and consequently, this Agreement may only be terminated with ninety (90) days written notice, and further provided such written notice must be received prior to August 1 in the calendar year prior to the tax year the party desires to terminate participation, unless such notice is waived, in writing, by all Parties to this Agreement. The Parties further agree that

any application for tax rebate submitted to the City prior to receipt of the notice of termination shall, if approved, be considered eligible for the duration of the rebate period set forth in the Plan.

4. <u>Financing</u>.

   a. A qualified improvement must meet the requirements set out in the Plan. The tax increment will be calculated as described in Section 7 of the Plan. (The real property taxes and special assessments must be paid and the increment generated before a rebate will be issued.)

   b. The County is authorized to and shall transfer any tax increment received for the Parties to the Neighborhood Revitalization Fund (NRA Fund) a separate fund created and maintained by the City under the authority of K.S.A. 12-17,118 and amendments thereto.

   c. The City shall pay to the County a one-time, administrative fee in an amount equal to 2.5% of the total tax increment in the first year of the program. The County shall deduct this fee from the Tax Increment prior to rebating the tax increment to the City for disbursement to the applicant as provided in the Plan.

   d. Within thirty (30) days of distribution of the tax increment from the County, the City will disburse the rebate(s) in the appropriate percentage to each eligible taxpayer in accordance with the Plan. All funds transferred to the NRA Fund by the County and not required to be rebated to taxpayers shall be refunded by the City to the County Treasurer for distribution to all participating taxing jurisdictions in their proportionate share based on their tax rate at the time of disbursement.

   e. There shall be no financing of the cooperative undertaking of the Parties except as provided in this paragraph 4.

5. <u>Additional City Responsibilities</u>.

   a. Throughout the term of this agreement, the City shall verify the structure and premises are in code compliance and shall verify that the applicant is not delinquent in its payment of real property taxes and special assessments.

   b. Provided the submitted plans are approved, the City shall issue a building permit for the proposed improvements.

c. On or before December 1st of each calendar year, the County Appraiser shall conduct an on-site inspection as part of normal valuations to determine the increase in taxable valuation due to the Improvements ("Tax Increment"). The County Appraiser will notify the City Manager of the valuation as provided in Section 6 of this Agreement.

d. Within thirty (30) days of distribution of the tax increment from the County Treasurer, the City will disburse the rebate to the eligible taxpayer in accordance with the Plan unless the tax is paid in semi-annual payments, in which case the rebate will be made after payment of the second and final installment.

6. Additional County Responsibilities.

a. Prior to December 1 each year, the County Appraiser shall conduct an on-site inspection of the Improvements and determine the new valuation of the real property as part of their normal valuations.

b. After completing their inspections, the County Appraiser shall report the new valuation for 1001 Massachusetts Street contained in the Plan to the City Manager by June 15. The City Clerk will verify whether or not the applicant is in compliance with all Plan requirements. The City Clerk shall forward such verification to the County Appraiser on or before July 1.

c. Once the property owner has paid the taxes based on the new valuation, the County Treasurer is authorized to and shall transfer any tax increment received by the Parties to the Neighborhood Revitalization Fund (NRA Fund), a separate fund created and maintained by the City under the authority of K.S.A. 12-17,118 and amendments thereto in accordance with the schedule outlined in the 1001 Massachusetts Neighborhood Revitalization Plan. Any remaining increment shall be returned to the County for distribution to the participating taxing subdivisions in their proportional share based on the applicable tax rate.

7. Property. No real or personal property shall be acquired or disposed of in this undertaking except for monies credited to the NRA Fund provided for in paragraph 4.

8. Execution. For purposes of executing this Agreement, this document if signed and transmitted by facsimile machine or telecopier, is to be treated

as an original document. This Agreement may be executed in one or more counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be an original, and all of which together shall constitute one instrument.

9. Liberal Construction. This Agreement shall be liberally construed to achieve the economic development objectives and purposes of both this Agreement and the Plan. Should any provision of this Agreement be determined to be void, invalid, unenforceable or illegal, such provision(s) shall be null and void, but the remaining provisions shall be unaffected thereby and shall continue to be valid and enforceable.

10. Entire Agreement. This Agreement constitutes the entire agreement between the Parties on this subject and may not be modified or amended except in writing executed by all Parties in the same manner as the original.

11. Governing Law. This Agreement and the Plan and the rights of all the Parties hereto shall be governed by and construed according to the laws of the State of Kansas.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their respective, appropriate representatives with authority to bind their respective entity. .

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CITY OF LAWRENCE, KANSAS

[SEAL]

By:________________________________

Attest: David L. Corliss, City Manager

____
Jonathan Douglass, City Clerk

(Rest of Signature Page Left Intentionally Blank)

BOARD OF COMMISSIONERS
OF DOUGLAS COUNTY, KANSAS

[Seal]

By: ______________________________
____

Attest:

____
__________, Clerk of the Board

Approved As To Form:

____
County Counselor

(Rest of Signature Page Left Intentionally Blank)

UNIFIED SCHOOL DISTRICT NO. 497, DOUGLAS COUNTY, STATE OF KANSAS

[Seal]

By: ______________________________

President, Board of Education

Attest:

____
Clerk of the Board

Approved As To Form:

____
Attorney for the Board

(Rest of Signature Page Left Intentionally Blank)

Exhibit A

Neighborhood Revitalization Plan
As adopted by Governing Body of the City of Lawrence
On _______________
through Ordinance No. ______

[See Attached]

City of Lawrence Neighborhood Revitalization Plan and Program: 1001 Massachusetts

Definition:

Area- used interchangeably with district, referring to the property located at 1001 Massachusetts Street, which includes Lot 93 Massachusetts Street, Lawrence, Douglas County, Kansas

Plan:

1001 Massachusetts Street is a single building located within downtown Lawrence that is an abandoned Masonic Temple. The owners have proposed expanding Maceli's catering and banquet hall business to this location. Their plans call for remodeling the interior of the Masonic Temple building. First Management, on behalf of the owners, estimates the costs for such renovations at $800,000 to $1.0 million. Paul Werner Architects has requested a Neighborhood Revitalization Act (NRA) be placed on the property. The following is the Neighborhood Revitalization Plan ("Plan") for the area.

This Plan is required by the Kansas Neighborhood Revitalization Act (the "Act") (see Appendix 1) in order to create a neighborhood revitalization area intended to encourage both reinvestment and improvements to a specific area or Property of the community. The governing body of the City of Lawrence has determined that the Neighborhood Revitalization Property ("Property") described in this Plan is a neighborhood revitalization area as described in K.S.A. 12-17,115(c) (3):

> *An area in which there is a predominance of buildings or improvements which by reason of age, history, architecture or significances should be preserved or restored to productive use.*

The Governing Body has also determined that the rehabilitation, conservation, and redevelopment of the Property is necessary to protect the public health, safety and welfare of the residents of the City of Lawrence, as required by K.S.A. 12-17,116.

In accordance with K.S.A. 12-17,117, the components of this Plan include:

1. A general description of the Plan's purpose;
2. A legal description and map of the Property (Area);
3. The existing assessed valuation of the real estate comprising the Property;

4. A list of the name and address of the owner of record within the Property;
5. The existing zoning classifications and Property boundaries and the existing and proposed land uses of the Property;
6. The proposals for improving or expanding municipal services within the Property;
7. The term of the Plan;
8. The criteria used to determine what property is eligible for revitalization, including a statement specifying that property, existing buildings, and new construction is eligible for revitalization;
9. The contents, procedure and standard of review for an application for a rebate of property tax increments;
10. A statement specifying the maximum amount and years of eligibility for a rebate of property tax increments; and
11. A section regarding the establishment of a Neighborhood Revitalization Fund.

Section 1: Purpose

Establish a property revitalization tax rebate program (the “Program” or “Revitalization”) to provide incentives for property owners to build public and private infrastructure. The Program is intended to revitalize the building at 1001 Massachusetts Street for use as a catering/banquet facility.

The Program will provide a valuable incentive to private developers/property owners to redevelop the Area and will accomplish the following city goals including, but not limited to, the following:

- The opportunity to promote redevelopment activities which enhance Downtown Lawrence
- The opportunity to promote redevelopment activities for properties which have been vacant or significantly underutilized on site around Lawrence
- The opportunity to attract unique retail and/or mixed use development which will enhance the economic climate of the City and diversify the economic base

Section 2: Legal Description & Map of Neighborhood Revitalization Property

The Property shall include the Area described herein:

1001 MASSACHUSETTS

LOCATION MAP

LEGAL DESCRIPTION:
MASSACHUSETTS STREET LOT 93

LEGEND:

PARCELS

SUBJECT PROPERTY

STREET CENTERLINE

NORTH

SCALE: 1"=100'

Section 3: Value of Real Properties

The appraised value of the real estate in the Area is:

2011 Appraised Values

Land:	$247,500
Buildings:	$152,600
Total Value:	$400,100

The assessed value of the real estate in the Area is:

2011 Assessed Values

Land:	$61,875
Buildings:	$38,150
Total Value:	$100,025
Total Taxes:	$12,359.10(not including special taxes)

Section 4: Owner of Record of the Lots

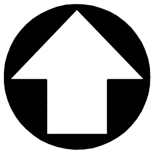
Consolidated Properties, Inc.
c/o First Management
601 North Iowa PO BOX 1797
Lawrence, KS 66044

Section 5: Existing Zoning Classifications and Property Boundaries; Existing and Proposed Land Uses

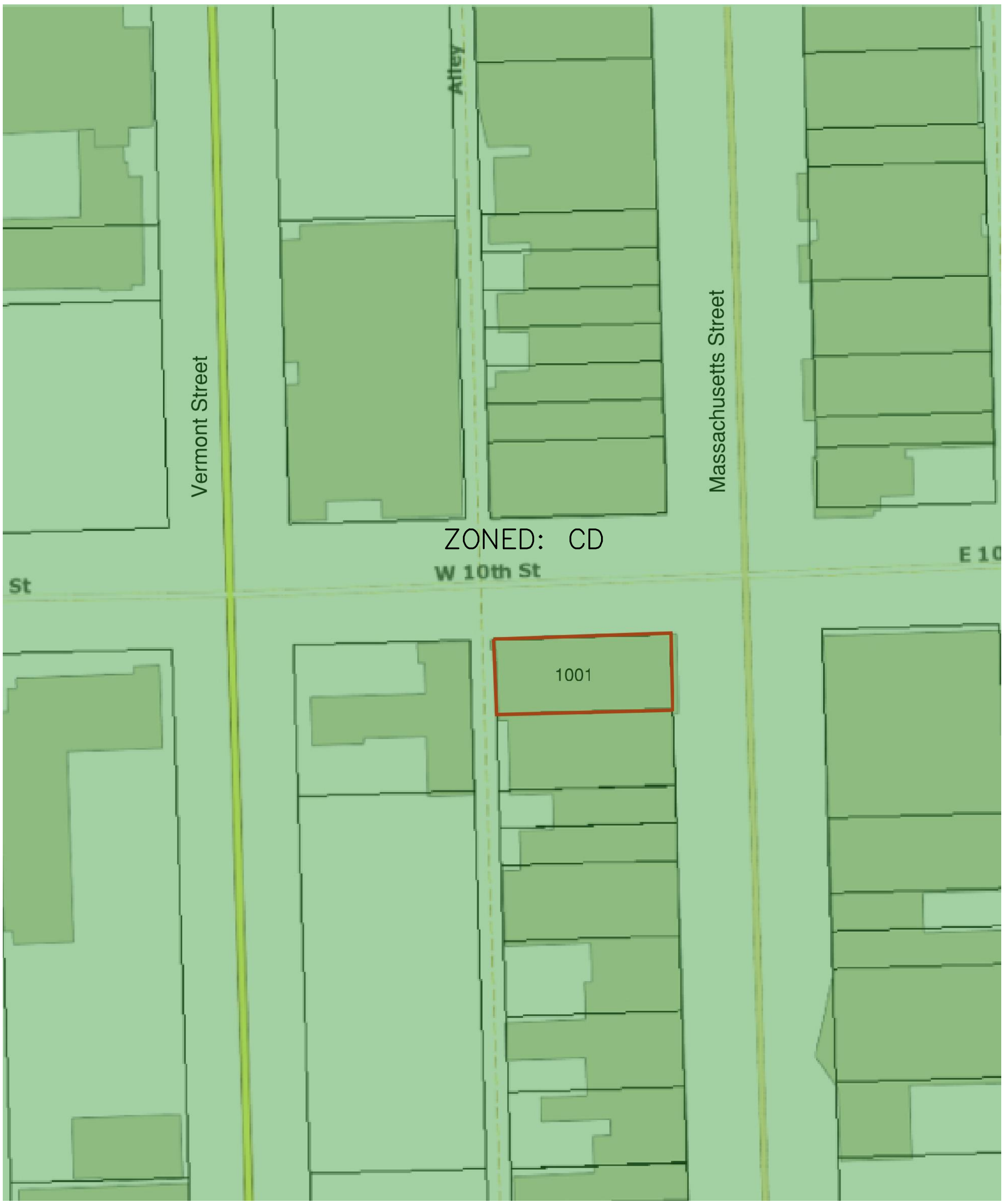
The Area is located in the downtown commercial zoning district which is CD, Downtown Commercial District. No changes are being proposed to existing zoning. Please see the Existing Zoning Map and Existing Land Use Map below. Paul Werner Architects anticipates providing a detail of the sidewalk improvement required for this project. There is no requirement to provide a site plan for this project.

1001 MASSACHUSETTS

ZONING MAP

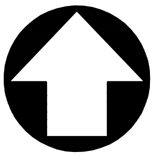


SCALE: 1"=100'



1001 MASSACHUSETTS

EXISTING ADJACENT LAND USES



Section 6: Proposals for Improving Municipal Services in the Property

There are no proposals for improving municipal services or infrastructure in the Area with this Plan.

Section 7: Term of the Plan and Rebate Schedule

1. This Plan and tax rebate Program shall be effective upon the adoption of this Plan by ordinance of the Governing Body of the City of Lawrence.

2. This Plan and the Area shall expire after ten (10) years from the date of adoption unless extended by the ordinance of the City Commission prior to its expiration. The City reserves the right to evaluate the Program at any time.

3. The owner will be eligible for a property tax rebate on the incremental taxes associated with improvements in the Area. The increment means that amount of ad valorem taxes collected from the real property located within the Area that is in excess of the amount which is produced from such property and attributable to the assessed valuation of such property prior to the date the Area was established or the structure was declared dilapidated pursuant to this act ("Base Taxes"). The Base Taxes collected in 2011 is $12,359.10. The increment is calculated based on the following formula:
   Where $12,359.10 equals the base year taxes, and x equals the taxes for any given tax year, the increment is equal to x minus any special taxes, minus $12,359.10.

Table 1

Year	**Rebate % to be refunded to property owner**
2013	95% of increment
2014	90% of increment
2015	85% of increment
2016	80% of increment
2017	75% of increment
2018	70% of increment
2019	65% of increment
2020	60% of increment
2021	55% of increment
2022	50% of increment

4. The Program is subject to approval of each taxing unit, including Douglas County and USD 497.

Section 8: Contents of an Application for Rebate, Application Procedures and Standards of Criteria Used to Review an Application

The proposal submitted by Paul Werner Architects shall serve as the application for the Program under this Plan. No further applications are anticipated related to the Property. Please refer to Exhibit A.

Section 9: Amount of Tax Rebate, Rebate Term, and Maximum Rebate Limit

1. The eligible tax rebate is set forth in Table 1, Section 7. If there is no Tax Increment generated for a specific property due to a diminution of appraised values, no tax rebate shall be provided for the Property.

2. Douglas County will retain a one-time administrative fee equal to 2.5% percent of the Increment for the first year of the rebate program. The remaining Increment for that first year and any given year shall be distributed to the taxing jurisdictions in accordance with regular property tax distribution procedures.

3. The maximum rebate shall be the sum of all incremental increases in taxes for the duration of the ten (10) year period as further defined in the Table 1, Section 7.

Section 10: Neighborhood Revitalization Fund

Upon Governing Body approval of the Plan, the 1001 Massachusetts Neighborhood Revitalization Fund will be established.

Section 11: Other City Requirements

1. The Improvements must conform to all codes, rules, and regulations that are in effect at the time the improvements are made. Improvements must be authorized by public improvement plans or building permit when applicable.

2. Any otherwise eligible property with delinquent taxes or special assessments shall not be eligible for a rebate until such time as all taxes and assessments have been paid.

3. The use must remain a catering/banquet facility to be eligible for the rebate. The applicant will be required, through a performance agreement with the City, to notify the City if there is a change in use during the term of the rebate period.

Appendix I: Summary of the Kansas Neighborhood Revitalization Act

The Kansas Neighborhood Revitalization Act (NRA) allows the governing body of any municipality to pass an ordinance designating an area within that municipality as a "Neighborhood Revitalization Area" if it finds that "the rehabilitation, conservation or redevelopment of the area is necessary to protect the public health, safety or welfare of the residents of the municipality." K.S.A. 12-17,116.

KSA 12-17,115(b) and 12-17,116 provide that all municipalities are authorized to participate in Neighborhood Revitalization Area programs. In addition, KSA 12-17,119, provides that two or more (i.e. all) taxing jurisdictions within a Neighborhood Revitalization Area are specifically authorized to enter into interlocal agreements pursuant to 12-2901 to exercise the powers authorized by the Act (including utilizing all or a part of the other taxing jurisdictions tax increment). The interlocal agreement(s) must be submitted to and approved by the Kansas Attorney General.

The Neighborhood Revitalization Area Act expressly provides for additional home rule provisions which are not in conflict with this act. KSA 12-17,120 permits cities to enact and enforce additional laws and regulations on the same subject of revitalization, provided they are not in conflict with the Act. This would mean, for example, that cities should be able to adopt provisions permitting use of some of the increment which is not returned to taxpayers, to be used instead for other infrastructure improvements within the NRA Property, and conceivably, even for revitalization grants or other incentives that would spur revitalization and rehabilitation in the NRA Property. The ability of cities to go beyond the statutes will depend in a large part upon the scope of their agreement with the other taxing jurisdictions.

Exhibit A: Paul Werner Architects Application

paulwerner
ARCHITECTS

June 16, 2011

RE: Masonic Temple

To David Corliss:

On behalf of our client, Consolidated Properties Inc., I would like to request the following assistance in the renovation of the Masonic Temple.

We are proposing to renovate the building to provide banquet and meeting spaces for Maceli's expansion. While the exterior will only need minor renovation, the interior will need more work to allow it to meet current building codes for occupancy.

This major renovation will include several ADA upgrades such as an elevator to provide access to each level of the building. In addition, we will be installing air conditioning, new electric service, and a complete sprinkler system. While we are prepared to do this work, we do however need the assistance of the city in a few key areas.

We are specifically asking the city to proceed with using the Neighborhood Revitalization Act for a period of 15 years. We would request a property tax abatement starting at year 1, with 95% abatement – reducing 5% each year through year 15.

We would request the city provide ADA access in the right-of-way by reconstructing the sidewalk.

Finally we would like the city to look at options to aid in the installation of a new water meter if one is needed, the associated tap fees, and the sprinkler system. As you know, this building was listed as a high priority prior to the grant program running out of money. As you noted maybe the city could reimburse the owners for this installation over time, or there could be some other arrangement to help share these costs. The estimated cost of the sprinkler system is 70,000.00. Please let us know what options we have.

We are very excited about bringing this building back to life and appreciate the City's efforts to assure this project will move forward.

We look forward to discussing this with you and your staff at your earliest convenience. Due to summer schedules and the need to get started in a timely manner we would like to shoot for the July 12th city commission meeting to discuss this item.

Respectfully,

Paul Werner

Paul Werner

785.832.0804 ● FAX: 785.832.0890 ● info@paulwernerarchitects.com
Office: 123 W. 8th Street, Suite B2 ● Lawrence, Kansas 66044
Mail: PO Box 1536 ● Lawrence, Kansas 66044

Application Form for Economic Incentives and Tax Abatements

1) Name of Company: Consolidated Properties, Inc.

2) Current Address: c/o First Management; PO Box 1797
2a) City: Lawrence
2b) State: Kansas
2d) Zip Code: 66044
2e) Country: United States

3) Contact Person for Application: Leticia Cole with Paul Werner Architects
3a) Title: Intern Architect
3b) Phone: 785-832-0804
3c) Fax: 785-832-0890
3d) E-mail Address: leticiac@paulwernerarchitects.com
3e) Is Address the Same as Company? (Y/N) No
If No, Please Provide the Contact's Address:
123 W 8th Street
Suite B2
Lawrence, Kansas 66044

4) Please Provide a Brief Description of the Company:

5) NAICS Code:

5a) If NAICS Code Unknown, Please Describe Primary Line of Business:

6) Please Describe the Public Incentive/s That You Are Seeking:
- NRA
- Sprinkler
- Sidewalk Improvements

6a) Please Provide a Brief Description as to Why You Are Seeking These Incentives:
The building needs many upgrades to become usable space. These upgrades will cost considerable more than the owner of the building can recoup in reasonable rent. Some incentives are required to make the project work financially. The project is currently in the $8-900,000 range, and will keep many construction workers employed over several months and add permanent jobs downtown.

7) Is Your Firm Relocating or Expanding? Expanding
note: if an expansion, please proceed to question 10

8) Please Let Us Know Why You are Considering Lawrence for Relocation:
N/A

9) Will This Relocation Involve Your Whole Company or Part? Part
9a) If Part, Please Describe the Primary Business Activity of the Relocation:
Expanded meeting/banquet space.

9b) Is This the Same Type of Business as Your Firm Overall? (Y/N)

10) For Expansion, Briefly Describe the Purpose and Activities of the New Facility:
Banquet Hall/Event Space

11) When Do You Plan to Begin Operation of the New Facility:

12) How Many Employees Currently Work in Lawrence (0 for Relocation)?: 38 — 7 Full Time, 31 Part Time
12a) How Many Will Work in Lawrence After Expansion/Relocation:

12b) How Many Employees Do You Anticipate Hiring from Outside the Local Labor Market? 0
12c) How Many do You Plan to Hire or Relocate from Outside Kansas? 0

13) Current Operating Expenditures per Year (Enter 0 for Relocation): $1,275,000
13a) Operating Expenditures After Expansion/Relocation ($): $1,750,000
13b) Estimated % of Additional Expenditures Made in Lawrence: 90%

14) Please Provide an Estimate of Anticipated Annual Gross Profits ($): $250,000 - Food; $96,000 - Building; $100,000 - Alcohol
(note, for expansions, please enter anticipated gross annual profits from expansion)

15) What is the Size of the New Facility Being Constructed (square feet)? -
If an Expansion, Please Enter Size of the Current Building (sqare feet): 5,850

16) What is the Estimated Value of the New Construction (Excluding Land)? $800,000
17a) Size of the Parcel on Which the Building Will be Located (acres): .134
17b) What is the Value of the Land (0 if Leased) 0
17c) If Leased, What is the Lease Rate for the Land (per month): $8,000

18) About What % of New Goods Produced in Lawrence, Will Be Sold Outside of Lawrence and/or Douglas County: 10%

18a) Of Goods Currently Produced, About What % Are Sold In Lawrence: 90%

19) Please Provide a Breakdown of the Following, by Year:

a) Will be determined by sales. Sales influenced by economy and competition.

Full Timers - Avg $18-21/Hour
Part Timers - Avg $9-10/Hour

Year	Number of New Employees
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

b)

Year	Average Salary per Employee ($)
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

c)

Year	Investment in Building (not Personal Property) ($)
1	10,000
2	
3	
4	
5	
6	
7	
8	
9	
10	

20) Please Provide the Following Information on Benefits:

% of Health Care Premium Covered	0
% of Employees with Company Health Care	0
% of Employees with Retirement Program	0

Employees are given $75 bonus monthly to use for whatever they want.

20a) Will You Provide Job Training for Employees? (Y/N) Y

20b) If Yes, Please Describe:

All new employees are trained.

20c) What is the Lowest Hourly Wage Offered to New Employees? $9

20d) What Percentage of Your New Employees Will Receive this Wage? 75%

21) Will You Provide Additional Benefits to Employees? (Y/N) Y

21a) If Yes, Please Describe:

Depends if they are full or part time.

22) How Much do You Currently Pay, on Average, for the Following Utilities Each Month:

a) Gas	$750
b) Electricity	$2,250
c) Cable Television	-
d) Telphone Service	$425

23) Will the Building Meet Energy STAR Criteria: (Y/N) T.B.D.

24) Will the Building Seek LEED Certification: (Y/N) No

24a) If You Will Seek LEED Certification, What Level Will You Seek: No
(Certified/Silver/Gold/Platinum)

25) Please describe any environmental impacts, positive or negative, your operations have as well as any remedial actions your firm may take to address negative impacts:

26) Please describe any additional benefits or costs you believe your business will bring to the City of Lawrence and Douglas County, KS:

Restoration of historic landmark, which would not be suitable for most businesses as layed out. Perfectly suited for meetings and event space.

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June 16, 2011

RE: Masonic Temple

To David Corliss:

On behalf of our client, Consolidated Properties Inc., I would like to request the following assistance in the renovation of the Masonic Temple.

We are proposing to renovate the building to provide banquet and meeting spaces for Maceli's expansion. While the exterior will only need minor renovation, the interior will need more work to allow it to meet current building codes for occupancy.

This major renovation will include several ADA upgrades such as an elevator to provide access to each level of the building. In addition, we will be installing air conditioning, new electric service, and a complete sprinkler system. While we are prepared to do this work, we do however need the assistance of the city in a few key areas.

We are specifically asking the city to proceed with using the Neighborhood Revitalization Act for a period of 15 years. We would request a property tax abatement starting at year 1, with 95% abatement – reducing 5% each year through year 15.

We would request the city provide ADA access in the right-of-way by reconstructing the sidewalk.

Finally we would like the city to look at options to aid in the installation of a new water meter if one is needed, the associated tap fees, and the sprinkler system. As you know, this building was listed as a high priority prior to the grant program running out of money. As you noted maybe the city could reimburse the owners for this installation over time, or there could be some other arrangement to help share these costs. The estimated cost of the sprinkler system is 70,000.00. Please let us know what options we have.

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Mail: PO Box 1536 ● Lawrence, Kansas 66044

1001 Massachusetts (Masonic Temple) Neighborhood Revitalization Act Request
CALENDAR OF EVENTS 2011
-DRAFT-

Date/Location	**Event**	**Parties**	**Status/Notes**
Date: August 2011	Notify USD 497 and Douglas County of NRA item discussions and determine how they wish to process request	City	
Date: September 6, 2011 City Commission Room, City Hall 6:35 pm	City Commission meeting: action to receive staff report, refer to PIRC and set date for public hearing (September 20) on proposed NRA and Revitalization Plan	City and Applicant	
Date: September 13, 2011 PIRC City Commission Room, City Hall 4 pm	Public Incentive Review Committee: Discuss proposed NRA project and make recommendation to the City Commission	City and Applicant	
Date: September 8, 2011 and September 15, 2011	Publish Notice of Public Hearing (2 consecutive weeks)	City	
September 20, 2011 2 pm	Deadline for School Board packet for September 26 meeting		
Date: September 20, 2011 City Commission Room, City Hall 6:35 pm	City Commission meeting: hold a public hearing on the NRA project, receive PIRC recommendation, adopt first reading of an ordinance establishing the NRA, approve development agreement	City and Applicant	
Date: September 21, 2011 County Commission County Courthouse 4:00 pm or 6:35 pm	County Commission meeting; consideration of approval of the NRA agreement and County participation	City, County and Applicant	
Date: September 26, 2011 School Board Meeting	School Board meeting; consideration of approval of the NRA agreement and County	City, School District, and Applicant	
Date: October 4, 2011 City Commission Room, City Hall 6:35 pm	City Commission meeting: adopt second reading of an ordinance establishing the NRA (consent agenda)	City and Applicant	
Late Fall 2011	Construction Commences	Applicant	

Model: Masonic Temple - NRA

Project Summary

Capital Investment in Plant:	$800,000
Annual Local Expenditures by Firm:	$1,575,000
Retained Jobs:	10
Average Wage per Retained Job:	$25,000
Indirect Jobs Created:	1
Average Wage of Indirect Jobs:	$51,651
Total New Households:	1
Discount Rate:	7.25%
Cost and Revenue Escalation:	1.00%
Number of Years Evaluated:	15

Incentives

IRB Offered	No
Value of IRB Construction Sales Tax:	$0
Tax Rebate:	95% declines over 15 years
Length of Tax Abatement/s:	15 Years
Value of Tax Abatements, Total:	$345,274
Other Incentives	
Site Infrastructure:	$48,000
Facility Construction:	$0
Loans/Grants:	$0
Value of All Incentives Offered:	**$393,274**
Value of All Incentives per Job per Year:	$2,622
Value of Incentives in Hourly Pay:	$1.26
Value of Incentives per Dollar Invested:	$0.49

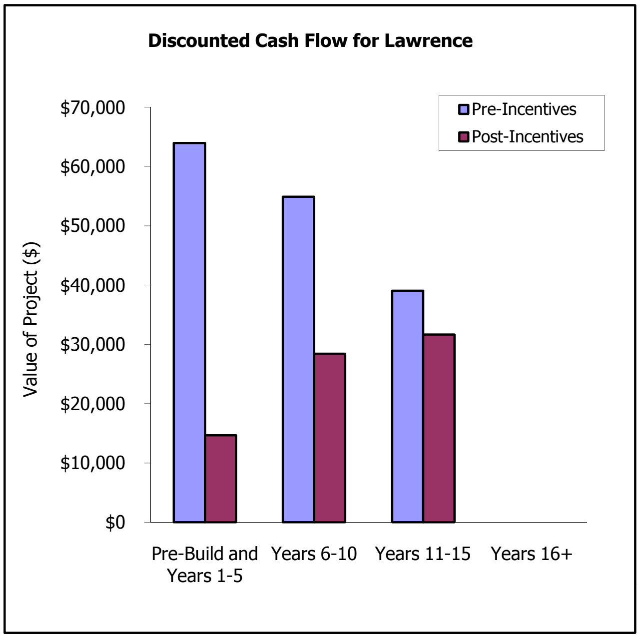
Summary of Results

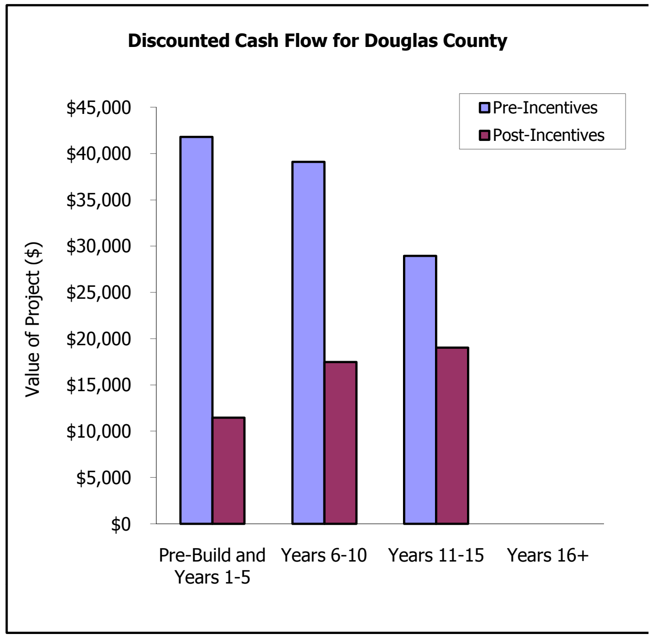
Returns for Jurisdictions	Lawrence	Douglas County	USD 497	State of Kansas
Revenues	$333,741	$218,831	$201,939	$829,632
Costs	$60,292	$25,829	$0	$0
Revenue Stream, Pre-Incentives	*$273,449*	*$193,002*	*$201,939*	*$829,632*
Value of Incentives Offered	$122,546	$99,882	$110,773	$60,072
Revenue Stream with Incentives	**$150,903**	**$93,120**	**$91,166**	**$769,560**

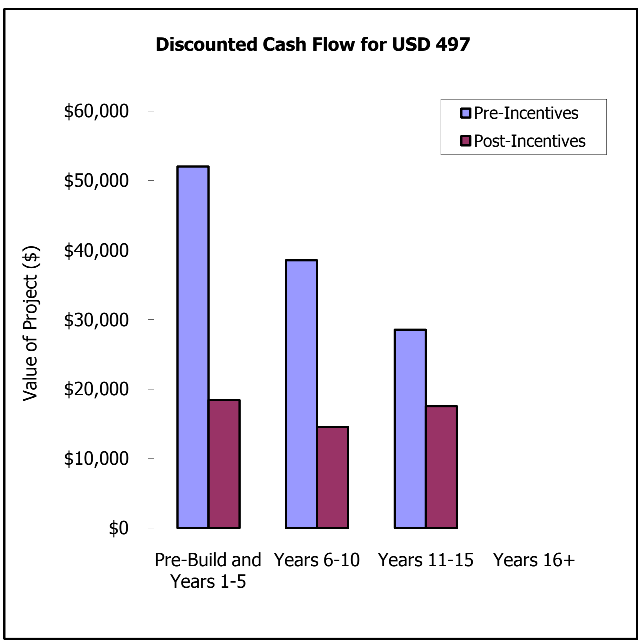
Returns for Jurisdictions, Discounted	Lawrence	Douglas County	USD 497	State of Kansas
Discount Rate	7.25%			
Discounted Cash Flow, Without Incentives	$157,872	$109,827	$119,136	$497,743
Benefit/Cost Ratio, Without Incentives	*4.58*	*6.54*	*N/A*	*N/A*
Discounted Cash Flow, With Incentives	$74,733	$47,993	$50,559	$460,554
Benefit/Cost Ratio, With Incentives	**2.69**	**3.42**	**N/A**	**N/A**

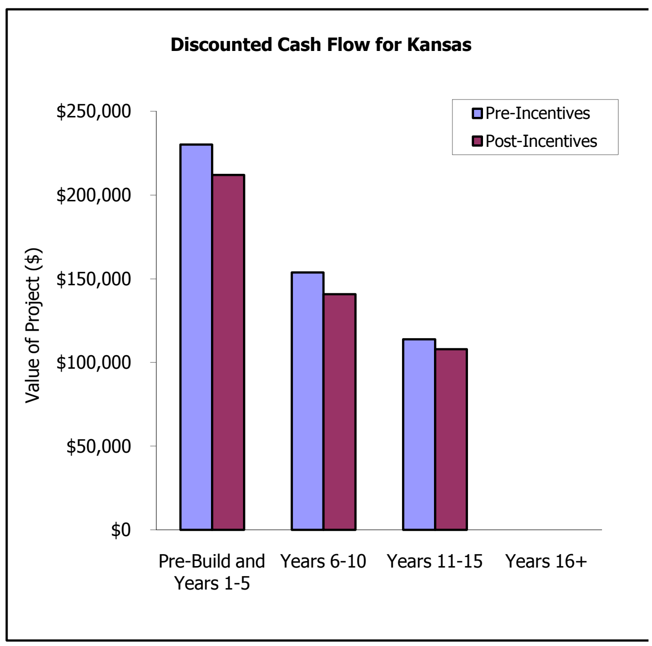
Model: Masonic Temple - NRA

Graphs of Benefits and Costs by Time Period, with and Without Abatement



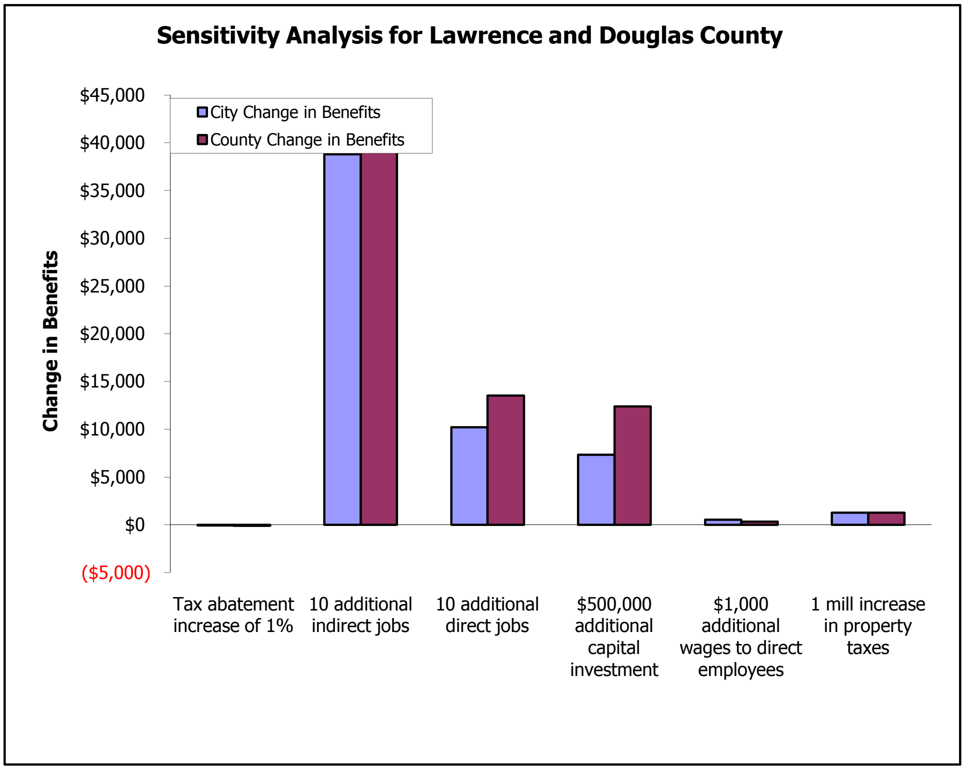






Model: Masonic Temple - NRA

Sensitivity Analysis



Model: Masonic Temple - NRA

APPENDIX 1: Annual Results (not Discounted)

Lawrence

Year	Revenues	Costs	Incentives	Net	Cumulative
Pre-Operation	$0	$0	($12,000)	($12,000)	($12,000)
1	$27,718	($27,108)	($3,600)	($2,989)	($14,989)
2	$22,116	($2,220)	($11,280)	$8,616	($6,373)
3	$22,337	($2,242)	($10,948)	$9,147	$2,774
4	$22,561	($2,265)	($10,610)	$9,686	$12,460
5	$22,786	($2,287)	($10,263)	$10,236	$22,696
6	$23,014	($2,310)	($9,909)	$10,795	$33,491
7	$21,224	($2,333)	($9,547)	$9,344	$42,834
8	$20,757	($2,357)	($9,178)	$9,222	$52,057
9	$20,964	($2,380)	($8,800)	$9,784	$61,840
10	$21,174	($2,404)	($8,415)	$10,355	$72,196
11	$21,386	($2,428)	($4,421)	$14,537	$86,732
12	$21,599	($2,452)	($4,018)	$15,129	$101,861
13	$21,815	($2,477)	($3,608)	$15,731	$117,592
14	$22,034	($2,502)	($3,188)	$16,344	$133,936
15	$22,254	($2,527)	($2,760)	$16,967	$150,903

Douglas County

Year	Revenues	Costs	Incentives	Net	Cumulative
Pre-Operation	$0	$0	$0	$0	$0
1	$15,073	($14,138)	$0	$936	$936
2	$13,632	($782)	($10,290)	$2,559	$3,495
3	$13,768	($790)	($9,846)	$3,132	$6,627
4	$13,906	($798)	($9,392)	$3,716	$10,343
5	$14,045	($806)	($8,928)	$4,311	$14,654
6	$14,185	($814)	($8,454)	$4,918	$19,571
7	$14,327	($822)	($7,969)	$5,536	$25,107
8	$14,470	($830)	($7,474)	$6,166	$31,274
9	$14,615	($839)	($6,968)	$6,809	$38,082
10	$14,761	($847)	($6,451)	$7,463	$45,545
11	$14,909	($855)	($5,923)	$8,130	$53,675
12	$15,058	($864)	($5,384)	$8,810	$62,485
13	$15,208	($873)	($4,834)	$9,502	$71,987
14	$15,360	($881)	($4,272)	$10,207	$82,194
15	$15,514	($890)	($3,698)	$10,926	$93,120

Model: Masonic Temple - NRA

APPENDIX 1: Annual Results (not Discounted) (Continued)

USD 497

Year	Revenues	Costs	Incentives	Net	Cumulative
Pre-Operation	$0	$0	$0	$0	$0
1	$12,545	$0	$0	$12,545	$12,545
2	$12,671	$0	($11,412)	$1,259	$13,804
3	$12,797	$0	($10,920)	$1,878	$15,682
4	$12,925	$0	($10,416)	$2,509	$18,191
5	$13,055	$0	($9,901)	$3,153	$21,344
6	$13,185	$0	($9,375)	$3,810	$25,154
7	$13,317	$0	($8,838)	$4,479	$29,633
8	$13,450	$0	($8,289)	$5,162	$34,795
9	$13,585	$0	($7,728)	$5,857	$40,652
10	$13,721	$0	($7,154)	$6,566	$47,218
11	$13,858	$0	($6,569)	$7,289	$54,507
12	$13,996	$0	($5,971)	$8,025	$62,532
13	$14,136	$0	($5,361)	$8,775	$71,307
14	$14,278	$0	($4,738)	$9,540	$80,847
15	$14,420	$0	($4,101)	$10,319	$91,166

State of Kansas

Year	Revenues	Costs	Incentives	Net	Cumulative
Pre-Operation	$0	$0	$0	$0	$0
1	$74,260	$0	$0	$74,260	$74,260
2	$50,535	$0	($6,189)	$44,346	$118,607
3	$51,041	$0	($5,922)	$45,119	$163,725
4	$51,551	$0	($5,649)	$45,902	$209,628
5	$52,067	$0	($5,370)	$46,697	$256,325
6	$52,587	$0	($5,084)	$47,503	$303,828
7	$53,113	$0	($4,793)	$48,320	$352,148
8	$53,644	$0	($4,495)	$49,149	$401,297
9	$54,181	$0	($4,191)	$49,990	$451,287
10	$54,722	$0	($3,880)	$50,843	$502,130
11	$55,270	$0	($3,562)	$51,707	$553,837
12	$55,822	$0	($3,238)	$52,584	$606,421
13	$56,381	$0	($2,907)	$53,473	$659,895
14	$56,944	$0	($2,569)	$54,375	$714,270
15	$57,514	$0	($2,224)	$55,290	$769,560

Model: Masonic Temple - NRA

APPENDIX 2: Annual Results (Discounted)

Lawrence

Year	Discounted Revenues	Discounted Costs	Discounted Incentives	Net	Cumulative
Pre-Operation	$0	$0	($12,000)	($12,000)	($12,000)
1	$25,844	($25,274)	($3,357)	($2,787)	($14,787)
2	$19,226	($1,930)	($9,806)	$7,490	($7,297)
3	$18,105	($1,817)	($8,874)	$7,413	$117
4	$17,049	($1,711)	($8,018)	$7,320	$7,437
5	$16,055	($1,612)	($7,231)	$7,212	$14,649
6	$15,119	($1,518)	($6,510)	$7,091	$21,740
7	$13,000	($1,429)	($5,848)	$5,723	$27,463
8	$11,854	($1,346)	($5,241)	$5,266	$32,729
9	$11,162	($1,267)	($4,686)	$5,209	$37,939
10	$10,511	($1,193)	($4,177)	$5,141	$43,079
11	$9,899	($1,124)	($2,046)	$6,729	$49,808
12	$9,321	($1,058)	($1,734)	$6,529	$56,337
13	$8,778	($997)	($1,452)	$6,330	$62,666
14	$8,266	($938)	($1,196)	$6,131	$68,798
15	$7,784	($884)	($965)	$5,935	$74,733

Douglas County

Year	Discounted Revenues	Discounted Costs	Discounted Incentives	Net	Cumulative
Pre-Operation	$0	$0	$0	$0	$0
1	$14,054	($13,181)	$0	$872	$872
2	$11,850	($680)	($8,945)	$2,225	$3,097
3	$11,159	($640)	($7,980)	$2,539	$5,636
4	$10,508	($603)	($7,097)	$2,808	$8,444
5	$9,896	($568)	($6,290)	$3,037	$11,481
6	$9,319	($535)	($5,553)	$3,231	$14,712
7	$8,775	($504)	($4,881)	$3,391	$18,102
8	$8,264	($474)	($4,268)	$3,521	$21,624
9	$7,782	($446)	($3,710)	$3,625	$25,249
10	$7,328	($420)	($3,203)	$3,705	$28,954
11	$6,901	($396)	($2,742)	$3,763	$32,717
12	$6,498	($373)	($2,324)	$3,802	$36,519
13	$6,119	($351)	($1,945)	$3,823	$40,342
14	$5,763	($331)	($1,603)	$3,829	$44,171
15	$5,426	($311)	($1,294)	$3,822	$47,993

Model: Masonic Temple - NRA

APPENDIX 2: Annual Results (Discounted) (Continued)

USD 497

Year	Discounted Revenues	Discounted Costs	Discounted Incentives	Net	Cumulative
Pre-Operation	$0	$0	$0	$0	$0
1	$11,697	$0	$0	$11,697	$11,697
2	$11,015	$0	($9,921)	$1,094	$12,791
3	$10,372	$0	($8,850)	$1,522	$14,313
4	$9,768	$0	($7,871)	$1,896	$16,209
5	$9,198	$0	($6,976)	$2,222	$18,431
6	$8,662	$0	($6,159)	$2,503	$20,934
7	$8,157	$0	($5,413)	$2,743	$23,677
8	$7,681	$0	($4,733)	$2,948	$26,625
9	$7,233	$0	($4,115)	$3,119	$29,743
10	$6,811	$0	($3,552)	$3,260	$33,003
11	$6,414	$0	($3,041)	$3,374	$36,377
12	$6,040	$0	($2,577)	$3,463	$39,840
13	$5,688	$0	($2,157)	$3,531	$43,371
14	$5,356	$0	($1,777)	$3,579	$46,950
15	$5,044	$0	($1,435)	$3,609	$50,559

State of Kansas

Year	Discounted Revenues	Discounted Costs	Discounted Incentives	Net	Cumulative
Pre-Operation	$0	$0	$0	$0	$0
1	$69,238	$0	$0	$69,238	$69,238
2	$43,931	$0	($5,380)	$38,551	$107,788
3	$41,369	$0	($4,800)	$36,569	$144,358
4	$38,957	$0	($4,269)	$34,688	$179,046
5	$36,685	$0	($3,783)	$32,902	$211,947
6	$34,546	$0	($3,340)	$31,206	$243,153
7	$32,532	$0	($2,936)	$29,596	$272,749
8	$30,635	$0	($2,567)	$28,068	$300,817
9	$28,848	$0	($2,231)	$26,617	$327,434
10	$27,166	$0	($1,926)	$25,240	$352,674
11	$25,582	$0	($1,649)	$23,933	$376,607
12	$24,090	$0	($1,397)	$22,693	$399,300
13	$22,686	$0	($1,170)	$21,516	$420,816
14	$21,363	$0	($964)	$20,399	$441,215
15	$20,117	$0	($778)	$19,339	$460,554

Model: Scenario 1 - Masonic Temple - NRA

Project Summary

Capital Investment in Plant:	$800,000
Annual Local Expenditures by Firm:	$1,575,000
Retained Jobs:	10
Average Wage per Retained Job:	$25,000
Indirect Jobs Created:	1
Average Wage of Indirect Jobs:	$51,651
Total New Households:	1
Discount Rate:	7.25%
Cost and Revenue Escalation:	1.00%
Number of Years Evaluated:	15

Incentives

IRB Offered	No
Value of IRB Construction Sales Tax:	$0
Tax Rebate:	95% declines over 10 years
Length of Tax Abatement/s:	10 Years
Value of Tax Abatements, Total:	$282,401
Other Incentives	
Site Infrastructure:	$48,000
Facility Construction:	$0
Loans/Grants:	$0
Value of All Incentives Offered:	**$330,401**
Value of All Incentives per Job per Year:	$2,203
Value of Incentives in Hourly Pay:	$1.06
Value of Incentives per Dollar Invested:	$0.41

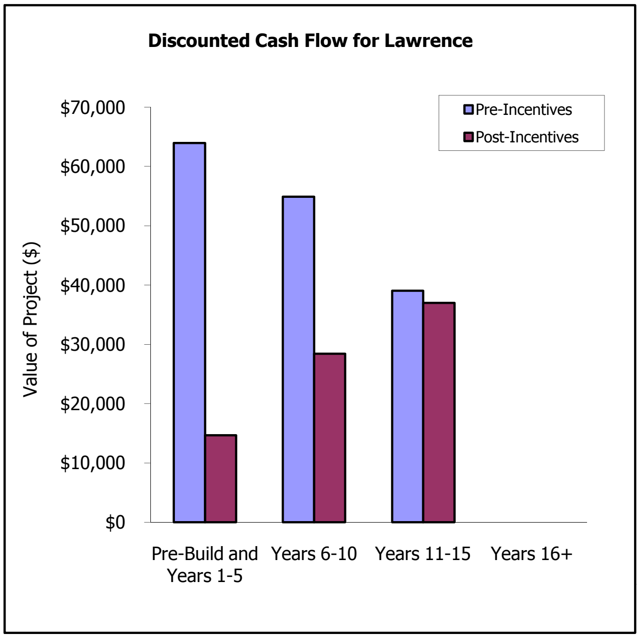
Summary of Results

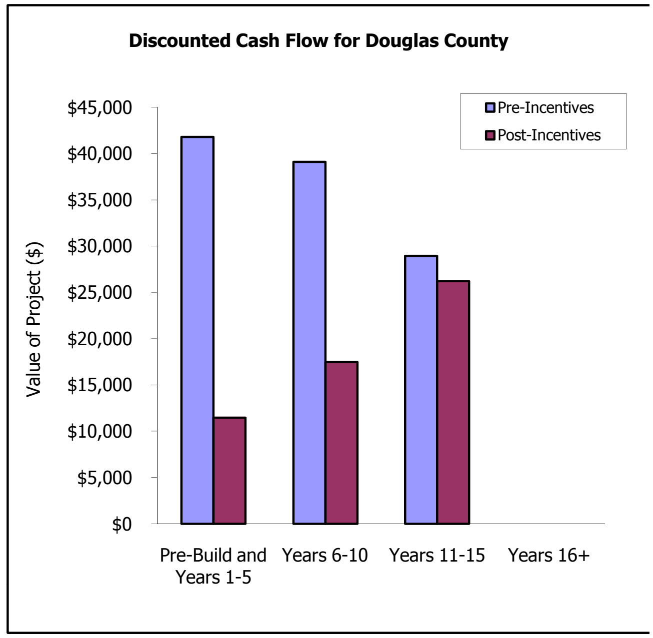
Returns for Jurisdictions	**Lawrence**	**Douglas County**	**USD 497**	**State of Kansas**
Revenues	$333,741	$218,831	$201,939	$829,632
Costs	$60,292	$25,829	$0	$0
Revenue Stream, Pre-Incentives	*$273,449*	*$193,002*	*$201,939*	*$829,632*
Value of Incentives Offered	$108,971	$81,694	$90,602	$49,133
Revenue Stream with Incentives	**$164,478**	**$111,308**	**$111,337**	**$780,499**

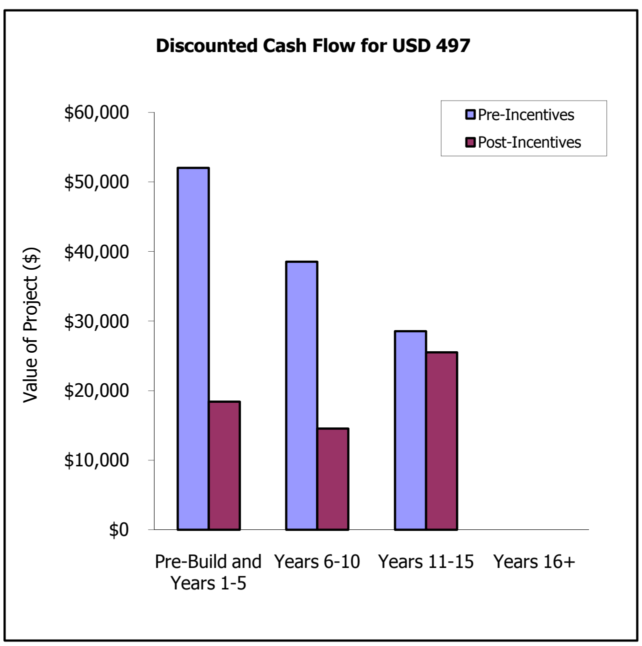
Returns for Jurisdictions, Discounted	**Lawrence**	**Douglas County**	**USD 497**	**State of Kansas**
Discount Rate	7.25%			
Discounted Cash Flow, Without Incentives	$157,872	$109,827	$119,136	$497,743
Benefit/Cost Ratio, Without Incentives	*4.58*	*6.54*	*N/A*	*N/A*
Discounted Cash Flow, With Incentives	$80,080	$55,158	$58,505	$464,863
Benefit/Cost Ratio, With Incentives	**2.82**	**3.78**	**N/A**	**N/A**

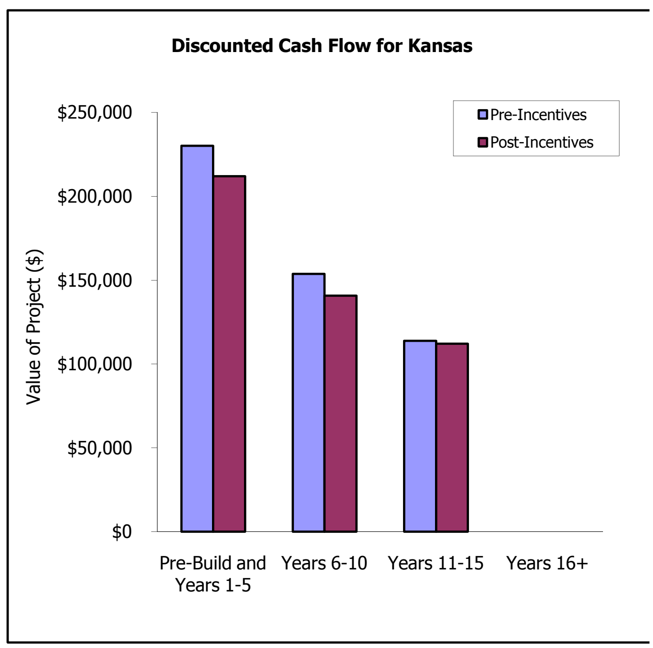
Model: Scenario 1 - Masonic Temple - NRA

Graphs of Benefits and Costs by Time Period, with and Without Abatement



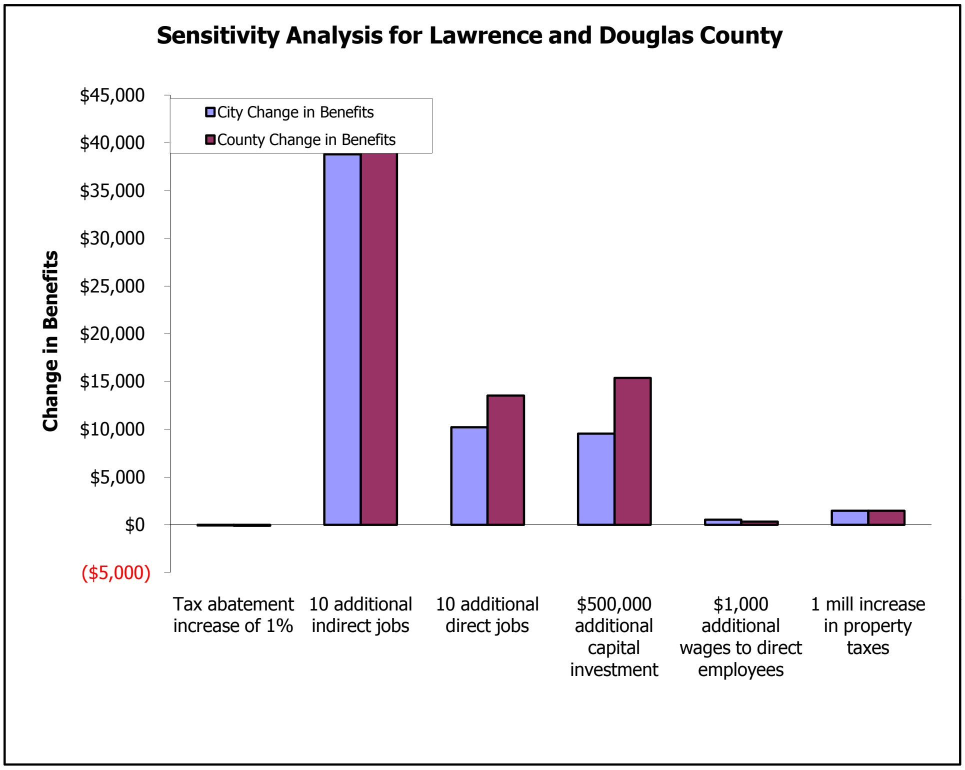






Model: Scenario 1 - Masonic Temple - NRA

Sensitivity Analysis



Model: Scenario 1 - Masonic Temple - NRA

APPENDIX 1: Annual Results (not Discounted)

Lawrence

Year	Revenues	Costs	Incentives	Net	Cumulative
Pre-Operation	$0	$0	($12,000)	($12,000)	($12,000)
1	$27,718	($27,108)	($3,600)	($2,989)	($14,989)
2	$22,116	($2,220)	($11,280)	$8,616	($6,373)
3	$22,337	($2,242)	($10,948)	$9,147	$2,774
4	$22,561	($2,265)	($10,610)	$9,686	$12,460
5	$22,786	($2,287)	($10,263)	$10,236	$22,696
6	$23,014	($2,310)	($9,909)	$10,795	$33,491
7	$21,224	($2,333)	($9,547)	$9,344	$42,834
8	$20,757	($2,357)	($9,178)	$9,222	$52,057
9	$20,964	($2,380)	($8,800)	$9,784	$61,840
10	$21,174	($2,404)	($8,415)	$10,355	$72,196
11	$21,386	($2,428)	($4,421)	$14,537	$86,732
12	$21,599	($2,452)	$0	$19,147	$105,880
13	$21,815	($2,477)	$0	$19,339	$125,218
14	$22,034	($2,502)	$0	$19,532	$144,750
15	$22,254	($2,527)	$0	$19,727	$164,478

Douglas County

Year	Revenues	Costs	Incentives	Net	Cumulative
Pre-Operation	$0	$0	$0	$0	$0
1	$15,073	($14,138)	$0	$936	$936
2	$13,632	($782)	($10,290)	$2,559	$3,495
3	$13,768	($790)	($9,846)	$3,132	$6,627
4	$13,906	($798)	($9,392)	$3,716	$10,343
5	$14,045	($806)	($8,928)	$4,311	$14,654
6	$14,185	($814)	($8,454)	$4,918	$19,571
7	$14,327	($822)	($7,969)	$5,536	$25,107
8	$14,470	($830)	($7,474)	$6,166	$31,274
9	$14,615	($839)	($6,968)	$6,809	$38,082
10	$14,761	($847)	($6,451)	$7,463	$45,545
11	$14,909	($855)	($5,923)	$8,130	$53,675
12	$15,058	($864)	$0	$14,194	$67,869
13	$15,208	($873)	$0	$14,336	$82,205
14	$15,360	($881)	$0	$14,479	$96,684
15	$15,514	($890)	$0	$14,624	$111,308

Model: Scenario 1 - Masonic Temple - NRA

APPENDIX 1: Annual Results (not Discounted) (Continued)

USD 497

Year	Revenues	Costs	Incentives	Net	Cumulative
Pre-Operation	$0	$0	$0	$0	$0
1	$12,545	$0	$0	$12,545	$12,545
2	$12,671	$0	($11,412)	$1,259	$13,804
3	$12,797	$0	($10,920)	$1,878	$15,682
4	$12,925	$0	($10,416)	$2,509	$18,191
5	$13,055	$0	($9,901)	$3,153	$21,344
6	$13,185	$0	($9,375)	$3,810	$25,154
7	$13,317	$0	($8,838)	$4,479	$29,633
8	$13,450	$0	($8,289)	$5,162	$34,795
9	$13,585	$0	($7,728)	$5,857	$40,652
10	$13,721	$0	($7,154)	$6,566	$47,218
11	$13,858	$0	($6,569)	$7,289	$54,507
12	$13,996	$0	$0	$13,996	$68,503
13	$14,136	$0	$0	$14,136	$82,639
14	$14,278	$0	$0	$14,278	$96,917
15	$14,420	$0	$0	$14,420	$111,337

State of Kansas

Year	Revenues	Costs	Incentives	Net	Cumulative
Pre-Operation	$0	$0	$0	$0	$0
1	$74,260	$0	$0	$74,260	$74,260
2	$50,535	$0	($6,189)	$44,346	$118,607
3	$51,041	$0	($5,922)	$45,119	$163,725
4	$51,551	$0	($5,649)	$45,902	$209,628
5	$52,067	$0	($5,370)	$46,697	$256,325
6	$52,587	$0	($5,084)	$47,503	$303,828
7	$53,113	$0	($4,793)	$48,320	$352,148
8	$53,644	$0	($4,495)	$49,149	$401,297
9	$54,181	$0	($4,191)	$49,990	$451,287
10	$54,722	$0	($3,880)	$50,843	$502,130
11	$55,270	$0	($3,562)	$51,707	$553,837
12	$55,822	$0	$0	$55,822	$609,660
13	$56,381	$0	$0	$56,381	$666,040
14	$56,944	$0	$0	$56,944	$722,985
15	$57,514	$0	$0	$57,514	$780,499

Model: Scenario 1 - Masonic Temple - NRA

APPENDIX 2: Annual Results (Discounted)

Lawrence

Year	Discounted Revenues	Discounted Costs	Discounted Incentives	Net	Cumulative
Pre-Operation	$0	$0	($12,000)	($12,000)	($12,000)
1	$25,844	($25,274)	($3,357)	($2,787)	($14,787)
2	$19,226	($1,930)	($9,806)	$7,490	($7,297)
3	$18,105	($1,817)	($8,874)	$7,413	$117
4	$17,049	($1,711)	($8,018)	$7,320	$7,437
5	$16,055	($1,612)	($7,231)	$7,212	$14,649
6	$15,119	($1,518)	($6,510)	$7,091	$21,740
7	$13,000	($1,429)	($5,848)	$5,723	$27,463
8	$11,854	($1,346)	($5,241)	$5,266	$32,729
9	$11,162	($1,267)	($4,686)	$5,209	$37,939
10	$10,511	($1,193)	($4,177)	$5,141	$43,079
11	$9,899	($1,124)	($2,046)	$6,729	$49,808
12	$9,321	($1,058)	$0	$8,263	$58,071
13	$8,778	($997)	$0	$7,781	$65,852
14	$8,266	($938)	$0	$7,327	$73,180
15	$7,784	($884)	$0	$6,900	$80,080

Douglas County

Year	Discounted Revenues	Discounted Costs	Discounted Incentives	Net	Cumulative
Pre-Operation	$0	$0	$0	$0	$0
1	$14,054	($13,181)	$0	$872	$872
2	$11,850	($680)	($8,945)	$2,225	$3,097
3	$11,159	($640)	($7,980)	$2,539	$5,636
4	$10,508	($603)	($7,097)	$2,808	$8,444
5	$9,896	($568)	($6,290)	$3,037	$11,481
6	$9,319	($535)	($5,553)	$3,231	$14,712
7	$8,775	($504)	($4,881)	$3,391	$18,102
8	$8,264	($474)	($4,268)	$3,521	$21,624
9	$7,782	($446)	($3,710)	$3,625	$25,249
10	$7,328	($420)	($3,203)	$3,705	$28,954
11	$6,901	($396)	($2,742)	$3,763	$32,717
12	$6,498	($373)	$0	$6,125	$38,842
13	$6,119	($351)	$0	$5,768	$44,611
14	$5,763	($331)	$0	$5,432	$50,043
15	$5,426	($311)	$0	$5,115	$55,158

Model: Scenario 1 - Masonic Temple - NRA

APPENDIX 2: Annual Results (Discounted) (Continued)

USD 497

Year	Discounted Revenues	Discounted Costs	Discounted Incentives	Net	Cumulative
Pre-Operation	$0	$0	$0	$0	$0
1	$11,697	$0	$0	$11,697	$11,697
2	$11,015	$0	($9,921)	$1,094	$12,791
3	$10,372	$0	($8,850)	$1,522	$14,313
4	$9,768	$0	($7,871)	$1,896	$16,209
5	$9,198	$0	($6,976)	$2,222	$18,431
6	$8,662	$0	($6,159)	$2,503	$20,934
7	$8,157	$0	($5,413)	$2,743	$23,677
8	$7,681	$0	($4,733)	$2,948	$26,625
9	$7,233	$0	($4,115)	$3,119	$29,743
10	$6,811	$0	($3,552)	$3,260	$33,003
11	$6,414	$0	($3,041)	$3,374	$36,377
12	$6,040	$0	$0	$6,040	$42,417
13	$5,688	$0	$0	$5,688	$48,105
14	$5,356	$0	$0	$5,356	$53,461
15	$5,044	$0	$0	$5,044	$58,505

State of Kansas

Year	Discounted Revenues	Discounted Costs	Discounted Incentives	Net	Cumulative
Pre-Operation	$0	$0	$0	$0	$0
1	$69,238	$0	$0	$69,238	$69,238
2	$43,931	$0	($5,380)	$38,551	$107,788
3	$41,369	$0	($4,800)	$36,569	$144,358
4	$38,957	$0	($4,269)	$34,688	$179,046
5	$36,685	$0	($3,783)	$32,902	$211,947
6	$34,546	$0	($3,340)	$31,206	$243,153
7	$32,532	$0	($2,936)	$29,596	$272,749
8	$30,635	$0	($2,567)	$28,068	$300,817
9	$28,848	$0	($2,231)	$26,617	$327,434
10	$27,166	$0	($1,926)	$25,240	$352,674
11	$25,582	$0	($1,649)	$23,933	$376,607
12	$24,090	$0	$0	$24,090	$400,698
13	$22,686	$0	$0	$22,686	$423,383
14	$21,363	$0	$0	$21,363	$444,746
15	$20,117	$0	$0	$20,117	$464,863

Model: Scenario 2 - Masonic Temple - NRA

Project Summary

Capital Investment in Plant:	$800,000
Annual Local Expenditures by Firm:	$1,575,000
Retained Jobs:	10
Average Wage per Retained Job:	$25,000
Indirect Jobs Created:	1
Average Wage of Indirect Jobs:	$51,651
Total New Households:	1
Discount Rate:	7.25%
Cost and Revenue Escalation:	1.00%
Number of Years Evaluated:	15

Incentives

IRB Offered	No	
Value of IRB Construction Sales Tax:	$0	
Tax Rebate:	75%	declines over 10 years
Length of Tax Abatement/s:	10 Years	
Value of Tax Abatements, Total:	$173,743	
Other Incentives		
Site Infrastructure:	$48,000	
Facility Construction:	$0	
Loans/Grants:	$0	
Value of All Incentives Offered:	**$221,743**	
Value of All Incentives per Job per Year:	$1,478	
Value of Incentives in Hourly Pay:	$0.71	
Value of Incentives per Dollar Invested:	$0.28	

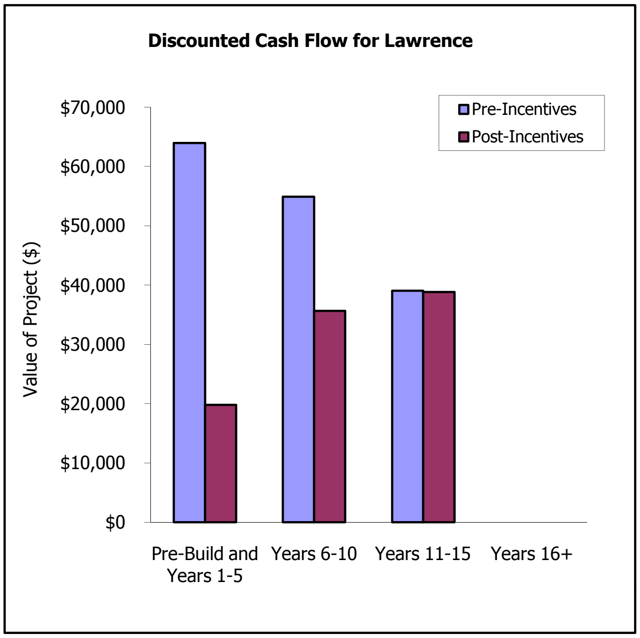
Summary of Results

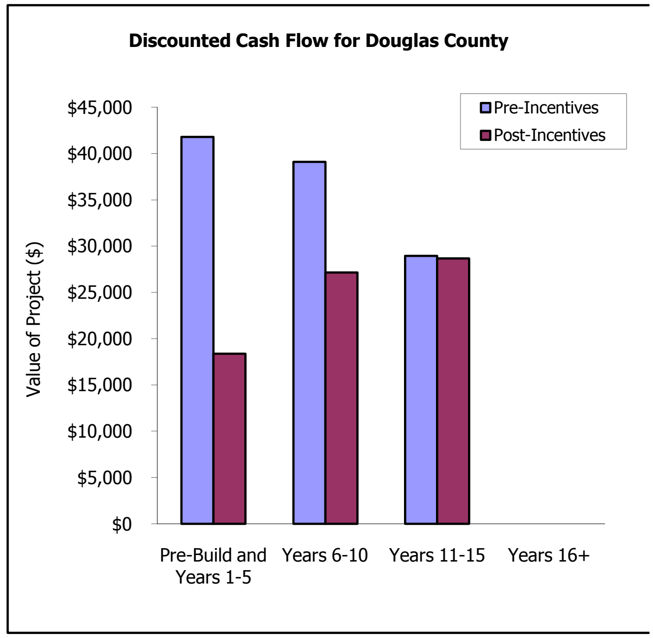
Returns for Jurisdictions	**Lawrence**	**Douglas County**	**USD 497**	**State of Kansas**
Revenues	$333,741	$218,831	$201,939	$829,632
Costs	$60,292	$25,829	$0	$0
Revenue Stream, Pre-Incentives	*$273,449*	*$193,002*	*$201,939*	*$829,632*
Value of Incentives Offered	$85,512	$50,261	$55,742	$30,229
Revenue Stream with Incentives	**$187,937**	**$142,741**	**$146,198**	**$799,403**

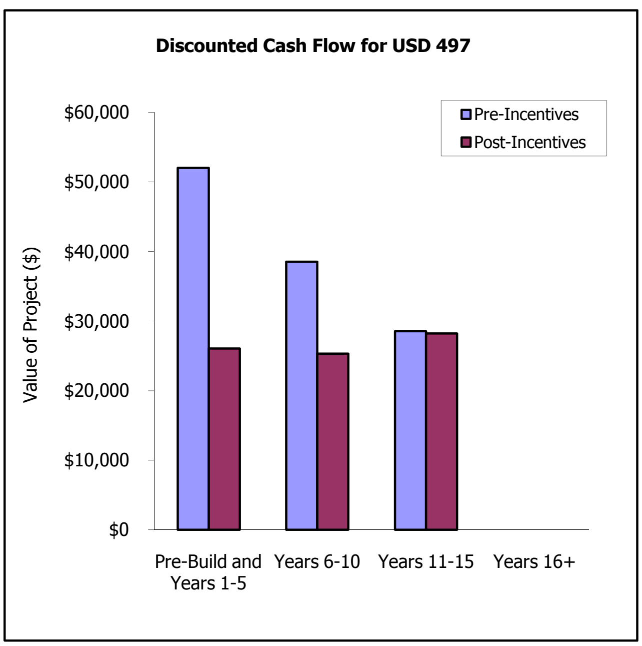
Returns for Jurisdictions, Discounted	**Lawrence**	**Douglas County**	**USD 497**	**State of Kansas**
Discount Rate	7.25%			
Discounted Cash Flow, Without Incentives	$157,872	$109,827	$119,136	$497,743
Benefit/Cost Ratio, Without Incentives	*4.58*	*6.54*	*N/A*	*N/A*
Discounted Cash Flow, With Incentives	$94,300	$74,212	$79,636	$476,323
Benefit/Cost Ratio, With Incentives	**3.14**	**4.75**	**N/A**	**N/A**

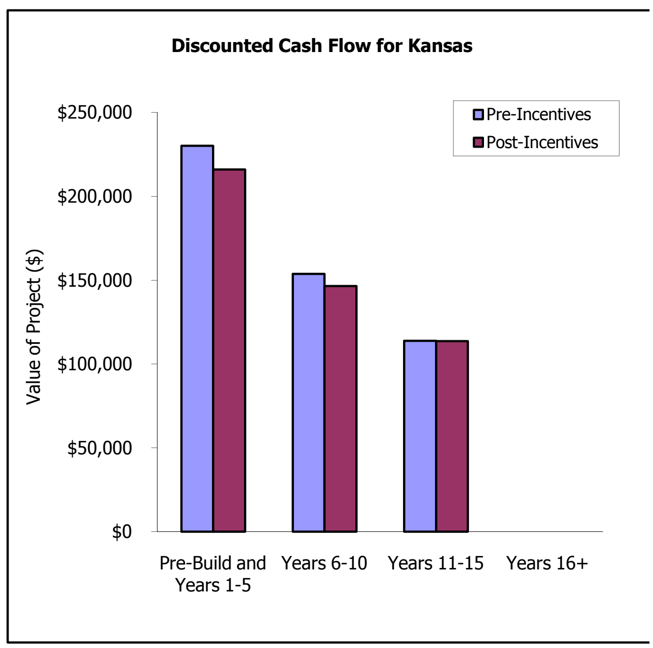
Model: Scenario 2 - Masonic Temple - NRA

Graphs of Benefits and Costs by Time Period, with and Without Abatement



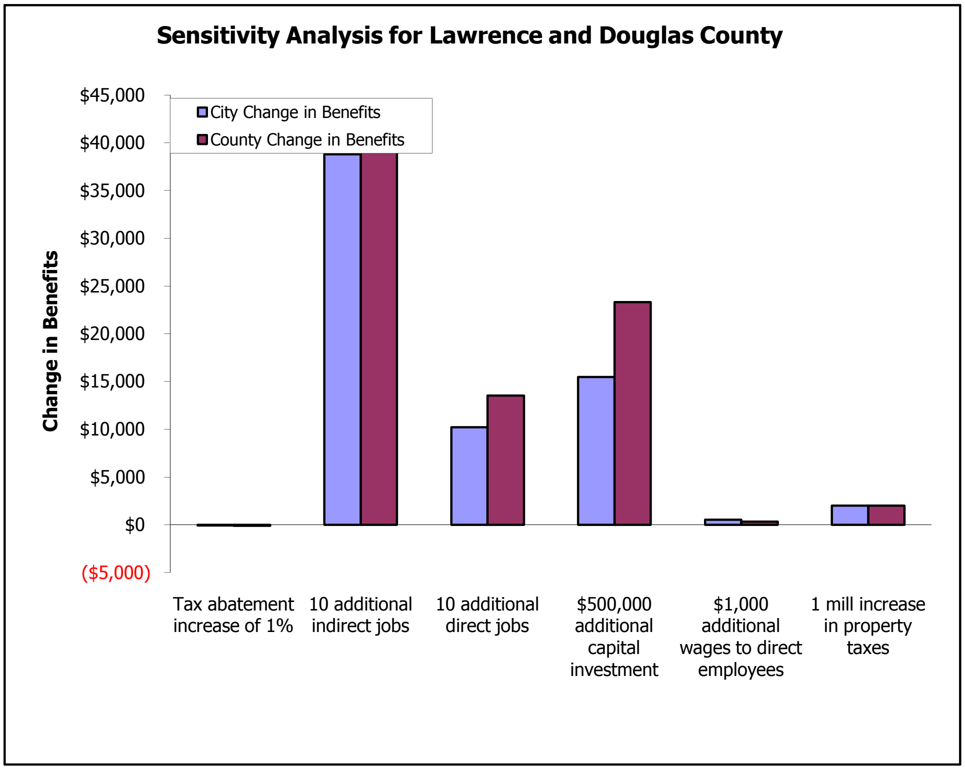






Model: Scenario 2 - Masonic Temple - NRA

Sensitivity Analysis



Model: Scenario 2 - Masonic Temple - NRA

APPENDIX 1: Annual Results (not Discounted)

Lawrence

Year	Revenues	Costs	Incentives	Net	Cumulative
Pre-Operation	$0	$0	($12,000)	($12,000)	($12,000)
1	$27,718	($27,108)	($3,600)	($2,989)	($14,989)
2	$22,116	($2,220)	($9,663)	$10,233	($4,756)
3	$22,337	($2,242)	($9,315)	$10,780	$6,024
4	$22,561	($2,265)	($8,960)	$11,336	$17,359
5	$22,786	($2,287)	($8,597)	$11,902	$29,261
6	$23,014	($2,310)	($8,227)	$12,477	$41,738
7	$21,224	($2,333)	($7,423)	$11,468	$53,206
8	$20,757	($2,357)	($6,603)	$11,797	$65,002
9	$20,964	($2,380)	($5,767)	$12,817	$77,820
10	$21,174	($2,404)	($4,913)	$13,857	$91,677
11	$21,386	($2,428)	($442)	$18,516	$110,192
12	$21,599	($2,452)	$0	$19,147	$129,339
13	$21,815	($2,477)	$0	$19,339	$148,678
14	$22,034	($2,502)	$0	$19,532	$168,210
15	$22,254	($2,527)	$0	$19,727	$187,937

Douglas County

Year	Revenues	Costs	Incentives	Net	Cumulative
Pre-Operation	$0	$0	$0	$0	$0
1	$15,073	($14,138)	$0	$936	$936
2	$13,632	($782)	($8,124)	$4,726	$5,661
3	$13,768	($790)	($7,658)	$5,320	$10,981
4	$13,906	($798)	($7,182)	$5,926	$16,907
5	$14,045	($806)	($6,696)	$6,543	$23,450
6	$14,185	($814)	($6,199)	$7,172	$30,622
7	$14,327	($822)	($5,123)	$8,382	$39,004
8	$14,470	($830)	($4,024)	$9,616	$48,620
9	$14,615	($839)	($2,903)	$10,873	$59,493
10	$14,761	($847)	($1,759)	$12,155	$71,648
11	$14,909	($855)	($592)	$13,461	$85,108
12	$15,058	($864)	$0	$14,194	$99,302
13	$15,208	($873)	$0	$14,336	$113,638
14	$15,360	($881)	$0	$14,479	$128,117
15	$15,514	($890)	$0	$14,624	$142,741

Model: Scenario 2 - Masonic Temple - NRA

APPENDIX 1: Annual Results (not Discounted) (Continued)

USD 497

Year	Revenues	Costs	Incentives	Net	Cumulative
Pre-Operation	$0	$0	$0	$0	$0
1	$12,545	$0	$0	$12,545	$12,545
2	$12,671	$0	($9,010)	$3,661	$16,206
3	$12,797	$0	($8,493)	$4,304	$20,511
4	$12,925	$0	($7,965)	$4,960	$25,471
5	$13,055	$0	($7,426)	$5,629	$31,099
6	$13,185	$0	($6,875)	$6,310	$37,409
7	$13,317	$0	($5,681)	$7,636	$45,045
8	$13,450	$0	($4,463)	$8,987	$54,032
9	$13,585	$0	($3,220)	$10,365	$64,397
10	$13,721	$0	($1,951)	$11,769	$76,166
11	$13,858	$0	($657)	$13,201	$89,367
12	$13,996	$0	$0	$13,996	$103,363
13	$14,136	$0	$0	$14,136	$117,500
14	$14,278	$0	$0	$14,278	$131,777
15	$14,420	$0	$0	$14,420	$146,198

State of Kansas

Year	Revenues	Costs	Incentives	Net	Cumulative
Pre-Operation	$0	$0	$0	$0	$0
1	$74,260	$0	$0	$74,260	$74,260
2	$50,535	$0	($4,886)	$45,649	$119,909
3	$51,041	$0	($4,606)	$46,435	$166,344
4	$51,551	$0	($4,320)	$47,231	$213,576
5	$52,067	$0	($4,027)	$48,039	$261,615
6	$52,587	$0	($3,728)	$48,859	$310,474
7	$53,113	$0	($3,081)	$50,032	$360,506
8	$53,644	$0	($2,420)	$51,224	$411,730
9	$54,181	$0	($1,746)	$52,435	$464,164
10	$54,722	$0	($1,058)	$53,664	$517,829
11	$55,270	$0	($356)	$54,913	$572,742
12	$55,822	$0	$0	$55,822	$628,564
13	$56,381	$0	$0	$56,381	$684,945
14	$56,944	$0	$0	$56,944	$741,889
15	$57,514	$0	$0	$57,514	$799,403

Model: Scenario 2 - Masonic Temple - NRA

APPENDIX 2: Annual Results (Discounted)

Lawrence

Year	Discounted Revenues	Discounted Costs	Discounted Incentives	Net	Cumulative
Pre-Operation	$0	$0	($12,000)	($12,000)	($12,000)
1	$25,844	($25,274)	($3,357)	($2,787)	($14,787)
2	$19,226	($1,930)	($8,400)	$8,896	($5,891)
3	$18,105	($1,817)	($7,550)	$8,737	$2,846
4	$17,049	($1,711)	($6,771)	$8,566	$11,412
5	$16,055	($1,612)	($6,058)	$8,386	$19,798
6	$15,119	($1,518)	($5,404)	$8,197	$27,994
7	$13,000	($1,429)	($4,547)	$7,024	$35,018
8	$11,854	($1,346)	($3,771)	$6,737	$41,755
9	$11,162	($1,267)	($3,071)	$6,824	$48,579
10	$10,511	($1,193)	($2,439)	$6,879	$55,458
11	$9,899	($1,124)	($205)	$8,570	$64,028
12	$9,321	($1,058)	$0	$8,263	$72,292
13	$8,778	($997)	$0	$7,781	$80,073
14	$8,266	($938)	$0	$7,327	$87,400
15	$7,784	($884)	$0	$6,900	$94,300

Douglas County

Year	Discounted Revenues	Discounted Costs	Discounted Incentives	Net	Cumulative
Pre-Operation	$0	$0	$0	$0	$0
1	$14,054	($13,181)	$0	$872	$872
2	$11,850	($680)	($7,062)	$4,108	$4,980
3	$11,159	($640)	($6,207)	$4,312	$9,292
4	$10,508	($603)	($5,427)	$4,478	$13,770
5	$9,896	($568)	($4,718)	$4,610	$18,380
6	$9,319	($535)	($4,072)	$4,711	$23,092
7	$8,775	($504)	($3,138)	$5,134	$28,226
8	$8,264	($474)	($2,298)	$5,491	$33,717
9	$7,782	($446)	($1,546)	$5,789	$39,506
10	$7,328	($420)	($873)	$6,034	$45,540
11	$6,901	($396)	($274)	$6,231	$51,771
12	$6,498	($373)	$0	$6,125	$57,896
13	$6,119	($351)	$0	$5,768	$63,665
14	$5,763	($331)	$0	$5,432	$69,096
15	$5,426	($311)	$0	$5,115	$74,212

Model: Scenario 2 - Masonic Temple - NRA

APPENDIX 2: Annual Results (Discounted) (Continued)

USD 497

Year	Discounted Revenues	Discounted Costs	Discounted Incentives	Net	Cumulative
Pre-Operation	$0	$0	$0	$0	$0
1	$11,697	$0	$0	$11,697	$11,697
2	$11,015	$0	($7,832)	$3,183	$14,879
3	$10,372	$0	($6,884)	$3,489	$18,368
4	$9,768	$0	($6,019)	$3,748	$22,116
5	$9,198	$0	($5,232)	$3,966	$26,082
6	$8,662	$0	($4,517)	$4,145	$30,227
7	$8,157	$0	($3,480)	$4,677	$34,904
8	$7,681	$0	($2,549)	$5,132	$40,036
9	$7,233	$0	($1,714)	$5,519	$45,555
10	$6,811	$0	($969)	$5,843	$51,398
11	$6,414	$0	($304)	$6,110	$57,508
12	$6,040	$0	$0	$6,040	$63,548
13	$5,688	$0	$0	$5,688	$69,236
14	$5,356	$0	$0	$5,356	$74,592
15	$5,044	$0	$0	$5,044	$79,636

State of Kansas

Year	Discounted Revenues	Discounted Costs	Discounted Incentives	Net	Cumulative
Pre-Operation	$0	$0	$0	$0	$0
1	$69,238	$0	$0	$69,238	$69,238
2	$43,931	$0	($4,247)	$39,683	$108,921
3	$41,369	$0	($3,733)	$37,636	$146,557
4	$38,957	$0	($3,264)	$35,692	$182,249
5	$36,685	$0	($2,837)	$33,848	$216,097
6	$34,546	$0	($2,449)	$32,097	$248,193
7	$32,532	$0	($1,887)	$30,644	$278,838
8	$30,635	$0	($1,382)	$29,252	$308,090
9	$28,848	$0	($930)	$27,919	$336,009
10	$27,166	$0	($525)	$26,641	$362,650
11	$25,582	$0	($165)	$25,417	$388,067
12	$24,090	$0	$0	$24,090	$412,157
13	$22,686	$0	$0	$22,686	$434,843
14	$21,363	$0	$0	$21,363	$456,206
15	$20,117	$0	$0	$20,117	$476,323