

**City of Lawrence, Kansas
Application for Economic Development
Support/Incentives**



The information on this form will be used by the City to consider your request for economic development support and may also be used to prepare a cost-benefit or other analysis of the project. Information provided on this form will be available for public viewing and will be part of compliance benchmarks, if approved for economic development support. Prior to submission, applicant may wish to seek technical assistance from City Staff, the Chamber of Commerce, the Small Business Development Center, or others to address questions and ensure the application is complete.

Please provide data in the cells below. Applicant is encouraged to attach additional pages as necessary to fully explain and support the answers to each question. Note anything additional you wish the City to take into consideration for your request and provide supporting documentation.

Applicant Contact Information	
Name:	Jennifer Sourk
Title:	In-House Counsel
Organization:	Midwest Health, Inc.
Address 1:	3715 SW 29 th St.
Address 2:	Topeka, KS 66614
Phone:	(785) 228-7916
Email:	jsourk@midwest-health.com
Fax:	(785) 438-5523

Application Tips:

Enter contact information for the company representative completing this application.

Economic Development Support	Requested	
Tax Increment Financing District (TIF)		
Transportation Development District (TDD)		
Neighborhood Revitalization Area (NRA)		
Tax Abatement (TA)		
Industrial Revenue Bonds (IRBs)	\$14,500,000	N/A
Community Improvement District (CID)		
Other (Please Describe):		

Application Tips:

Applicable Terms:

- TIF: Up to 20 years
- TDD: Up to 22 years
- TA: Up to 10 years
- CID: Up to 22 years

IRBs: If applying for IRBs, please enter the amount that will cover all construction costs for the project. Enter "n/a" for Term.

Examples: City provided water main along ABC Street from 1st Street to 2nd Street, employee training grant for 5 years at \$500/new employee, etc.

Project Information	
Name of Company Seeking Incentive(s):	
Project Type (check one):	Expansion:
	New Facility: X
Company Type (check one):	Existing Local Company: X
	Out-of-Area Company Locating Locally:
Current Company Address:	3715 SW 29 th Street, Suite 200, Topeka, KS 66614
Location of Proposed New Facility/Expansion Project:	Directly south of the company's existing facility at Harvard and Wakarusa.
Describe the Company's Plans to Develop or Expand in the Community: The company plans to construct a new 76-unit independent living facility on the vacant lot directly south of its existing facility, Pioneer Ridge Health Center/Pioneer Ridge Assisted Living (opened August 2001). The new facility serves a different sector of the senior living market than its existing operation and will fulfill a demand for independent living units in Lawrence. The new facility is estimated to cost approximately \$12 million, and FFE is estimated to cost approximately \$1,580,000. The facility is anticipated to employ 19 new employees.	
Operations Start Date at the Expansion or New Facility:	Spring 2016
Industry NAICS # for the New or Expanded Facility (6-digit code):	623312
Describe the Primary Industry the New or Expanded Facility Will Support: Senior Independent Living	

Capital Investment Information for New Facility or Expansion			
Estimated Size of New Facility (square feet):		109,308 square feet	
Estimated Size of Land for New Facility (acres):		3.981	
For the new or expanded facility, enter the amount the company anticipates spending for initial and subsequent investments in land, buildings and improvements (do not include machinery or equipment):			
Year	Buildings & Other Real Property Improvements	Land	Total
1	\$12,037,727	\$472,960	\$12,472,960
2			
3			
4			
5			
6			
7			
8			
9			
10			
Total			\$12,510,687
Will land be leased from the City or County (Y/N):		Yes	

If yes, Monthly Lease Rate for Land:	Lease payments will service bonds
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Local Utility Expenses		
Utility	Current Local Monthly Expenses	Projected Local Monthly Expenses at New Facility
Gas		
Electricity		
Phone		
Cable		
Operating Expenditures		
For Expansion Projects, Current Annual Operating Expenses at Existing Facility:		
Annual Operating Expenses after Expansion/Relocation:		
% of Additional Operating Expenses Anticipated to be Spent Locally		
Exports		
% of Revenues at the new Lawrence Facility Anticipated to Come from Non-Local Sources.	The applicant's revenues will be derived from resident rents/services/etc. The applicant anticipates that many of its residents will come from Lawrence and surrounding areas. Other residents may move to Lawrence from other communities in order to be close to family or because of their affinity for the Lawrence community. A percentage figure cannot be calculated at this time because the specific residents are not identified at this time.	

IRB and Tax Abatement Request Information

If you are seeking an IRB, please list the firm that will be receiving the IRB: The entity receiving the IRB will be a newly formed special purpose entity which will own the new building following construction.

Will your firm be leasing the building or the land in your expansion or newly constructed facility? (Y/N)	No
If you are leasing the building or land, and you are seeking tax abatement <u>without</u> an IRB, please list the tenant and owner and the financial relationship between the tenant and owner.	
Total Cost of Initial Construction for the Project:	\$12,037,727
Estimated Cost of Construction Materials for Initial Construction:	\$5,416,977
Anticipated Annual Gross Profits:	

Environmental Information	
(Will the new facility meet Energy STAR criteria? (Y/N))	
Will the project seek or be designed to LEED certification standards? (Y/N)	No
If yes, please indicate level:	Certification
	Silver
	Gold
	Platinum
<p>Please describe environmentally friendly features of the project: The applicant continually seeks energy/resource efficient components for implementation in its projects. All elements of the project will comply with all applicable environmental laws and regulations.</p>	
<p>Please describe anticipated positive environmental impacts resulting from the project:</p>	
<p>Please describe anticipated negative environmental impacts and planned remediation efforts: None</p>	

Application Tips:

Environmentally Friendly Features: e.g. Low-energy, led lighting used throughout, pedestrian friendly elements including green space, bike paths, water saving native plantings used in landscapes. etc

Additional Community Benefits

Describe Other Local Economic Benefits Resulting From Project: It is anticipated that this facility will attract residents who do not currently reside in Lawrence. Further, it is expected that family and friends will visit residents at this facility and spend money on lodging, food, entertainment and related expenses within the Lawrence community.

Describe Other Quality of Life Benefits Resulting From Project: The parent company developing this facility also operates the Pioneer Ridge Health Center/Pioneer Ridge Assisted Living immediately north of this new facility. Pioneer Ridge Health Center/Pioneer Ridge Assisted Living is a first-class facility which has proudly served seniors as a member of the Lawrence community. The company seeks to continue its positive contribution to the citizens of Lawrence by developing another first-class facility to fulfill a need for independent living units in the City.

Application Tips:

Local Economic Benefits: Include additional benefits not directly related to project capital investment and direct employment (e.g. Project attracting overnight visitors that will spend on lodging, entertainment, food and beverages, shopping, etc.)

Quality of Life Benefits: Include tangible and intangible benefits; such as how company is/will be a good corporate citizen, community involvement, local philanthropy efforts, and how project /company will contribute to local well being of citizens.

Employment Information									
Construction Employment for New Facility or Expansion									
# Full-Time, Construction Jobs:								235	
Average Annual Salary for Full-Time, Construction Workers (during construction period):								\$40,000	
Construction Period (months): 12									
For Expansion, # of Full-Time Employees Currently Working in Lawrence: 0									
New Employment Resulting from Project									
Net New Jobs (full-time, permanent)	Year	# Jobs	Avg Annual Salary	# Jobs	Avg Annual Salary	# Jobs	Avg Annual Salary	# Jobs	Avg Annual Salary
	1	19	\$31,347						
	2								
	3								
	4								
	5								
	6								
	7								
	8								
	9								
	10								
Total	19								
Anticipated # of Employees to Be Relocated Locally as a Result of the Project									
# of Net New Full-Time Employees Anticipated to be Relocated From Outside of Kansas:								0	
# of Net New Full-Time Employees Anticipated to be Relocated from Outside of Lawrence/Douglas County:								0	
# of Local, Full-Time Jobs Anticipated At End of Incentives Period: 19									

Application Tips:

Enter 0 if project is new or relocation.

Enter information by major job category (e.g. administrative, support, professional, executive, production, etc.)

For a local expansion, *Net New Jobs* = number of additional employees to be hired each year, excluding employees that are already employed in Lawrence.)

Average Annual Salary: Only provide wage information. Do not include the value of non-wage benefits such as insurance and time off.

Jobs at End Of Incentives Period:

Enter total number of full-time employees (existing & new) anticipated to be employed at the new facility over the term of incentives (e.g. If applying for a 10-year tax abatement, this would be the total number of local Existing (if expanding) + Net New full-time jobs anticipated at the end of that 10-year period.)

Employee Benefits Description	After Expansion or Relocation
% of Employees with Company Provided Health Care Insurance	15/19 (i.e., ~79%)
% of Health Care Premium Covered by Company	30-50% or higher, depending on plan elected by employee and wage level
% of Employees with Company Provided Retirement Program	401k matching program offered after employee has worked full time for 1 year
Will You Provide Job Training for Employees? (Y/N)	Yes
<i>If Yes, Please Describe:</i> The company offers several training opportunities every year. Further, the company has a scholarship program which pays up to \$1,000 in education course costs for employees in good standing.	
What is the Lowest Hourly Wage Offered to New Employees?	\$8.50 for housekeeping
What Percentage of Your New Employees Will Receive this Wage?	3/19 (i.e., ~16%)
Will You Provide Additional Benefits to Employees? (Y/N)	Yes
<i>If Yes, Please Describe:</i> Earned time off, holiday pay for management, annual performance-based bonus compensation.	

Disclosures	
Company Principals: Jim Klausman and Floyd Eaton, Jr.	
List all subsidiaries or affiliates and details of ownership:	
Subsidiary : The principals of the company own and operate 140 entities. See attached for a list of affiliated senior living facilities.	
Principals: Jim Klausman and Floyd Eaton, Jr.	
Has Company or any of its Directors/Officers been involved in or is the Company presently involved in any type of litigation?	No
Has the Company, developer or any affiliated party declared bankruptcy?	No
Has the Company, developer or any affiliated party defaulted on a real estate obligation?	No
Has the Company, developer or any affiliated party been the defendant in any legal suit or action?	Yes
Has the Company, developer or any affiliated party had judgments recorded against them?	
<i>If the answer to any of the above question is yes, please explain:</i> The company's affiliates have been involved in suits alleging employment issues, negligence, and debt collection actions.	

Note: Applicant may be required to provide additional financial information for the project and company.

When you have completed this form to your satisfaction, please sign and send, along with applicable application

fee(s) to:

City of Lawrence
 Attn: Economic Development Coordinator
 6 East 6th Street
 Lawrence, KS 66044
 Fax: 785-832-3405
 Email: bcano@lawrenceks.org

Application Fees	
Tax Abatement	Amount
Industrial Revenue Bonds (IRB)	\$1,000
Community Improvement District (CID)	\$2,500
Neighborhood Revitalization Area (NRA)	n/a
Transportation Development District (TDD)	n/a
Tax Increment Financing (TIF)	n/a
Other	n/a

I hereby certify that the foregoing and attached information contained is true and correct, to the best of my knowledge:

Applicant/Representative: _____

(Please Print)

Signature: Jim O. Klaus Date: 1/14/2015