



Build Kansas Fund | Fiscal Year 2024 Application Package | Memo

To: Senator Ty Masterson, Chair, Build Kansas Advisory Committee
Murl Riedel, Kansas Legislative Research Department
Shauna Wake, Office of the Kansas State Treasurer

From: Vanessa Lamoreaux, Kansas Department of Transportation

RE: Build Kansas Fund Application # 2024-021-GP

Date: March 1, 2024

Attached, please find an application made to the Build Kansas Fund by Hamilton County.

The application packet includes the following items:

- Coversheet – provides a high-level overview of the application including a unique identification number, page 1 of 27 of the Build Kansas Fund Application Package.
- Build Kansas Fund Application – includes information submitted with the Build Kansas Fund Application, pages 2-8. Page 8 provides the table of funding sources.
- Attachments – Executive Summary and project plans, pages 9-27.

Project Overview

Hamilton County seeks funding from the US Department of Transportation for funding available through the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant program. The Hamilton County road surface transportation project will pave more than 6 miles of dirt roads which have seen an increase in volume and traffic due to the Southwest Plains Dairy, LLC and the new Hilmar Cheese Plant being built in Dodge City.

This opportunity is a discretionary BIL program that has a local match requirement of 20%. The County is requesting \$2,331,300 from the Build Kansas Fund. This request has the potential to unlock \$9,325,200 in federal funds.

The deadline for RAISE applications was February 28, 2024. The Build Kansas Fund application was received on February 21, 2024.

Build Kansas Fund Steering Committee Recommendation

The Build Kansas Fund Steering Committee reviewed this application on February 28, 2024, following a successful completeness check. The Steering Committee **RECOMMENDS APPROVAL** of Build Kansas Funding to the Build Kansas Advisory Committee for final advice.

Build Kansas Fund | Fiscal Year 2024 Application Package | Coversheet



Build Kansas Fund Application Number	2024-021-GP
Project Name	Business Expansion Infrastructure Upgrade
Entity Type	Local Government
Economic Development District (EDD) Planning Commission	Great Plains Region
Infrastructure Sector(s)	Transportation
BIL Program	Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grant Program
BIL Program Type	Discretionary
BIL Application Deadline	2/28/2024
Build Kansas Fund Request	\$2,331,300
Technical Assistance Received	General No
	BIL Application Yes
	Build Kansas Fund Application Yes
	Other (Brief Description): BIL Letter of support and BKF application submission
Application Notes	Build Kansas Fund contribution of \$2,331,300 will unlock \$9,325,200 in federal BIL funding.



Steering Committee Funding Recommendation	February 28, 2024 Recommend
--	--------------------------------------

Advisory Committee Target Review	DATE
---	-------------

Advisory Committee Funding Recommendation	DATE Approve or Deny
--	-------------------------------

Completeness Review Data

Date Build Kansas Application Received:	2/21/2024
Date Of Completeness Check:	2/21/2024
Date Forwarded to Steering Committee:	2/22/2024

Title	County of Hamilton, Kansas	02/21/2024
	by Steve Phillips in Build Kansas Fund Fiscal Year 2024 Application	id. 45637588
	hmcoem@pld.com	

Original Submission	02/21/2024
----------------------------	------------

Score	n/a
-------	-----

Part 1: Applicant Information

The name of the entity applying for the Build Kansas Fund:	County of Hamilton, Kansas
--	----------------------------

Project Name:	Business Expansion Infrastructure Upgrade
---------------	---

Entity type:	County Government
--------------	-------------------

Applicant Contact Name:	Steve Phillips
-------------------------	----------------

Applicant Contact Position/Title:	Economic Development Director
-----------------------------------	-------------------------------

Applicant Contact Telephone Number:	+16203844222
-------------------------------------	--------------

Applicant Contact Email Address:	hmcoem@pld.com
----------------------------------	----------------

Applicant Contact Address:	PO Box 1167
----------------------------	-------------

Applicant Contact Address Line 2 (optional):	
--	--

Applicant Contact City:	Syracuse
-------------------------	----------

Applicant Contact State:	Kansas
--------------------------	--------

Applicant Contact Zip Code:	67878
-----------------------------	-------

Is the Project Contact the same as the Applicant Contact? Yes

Part 2: Build Kansas Fund - Eligibility Criteria

Certify that you are pursuing a viable Bipartisan Infrastructure Law (BIL) funding opportunity for which your entity is eligible: Yes

Certify that the Bipartisan Infrastructure Law (BIL) funding opportunity you are pursuing has a required non-federal match component: Yes

What is the primary county that the project will occur in? Hamilton County

The Build Kansas Fund is intended to support Kansas-based infrastructure projects. Please provide a list of all the zip codes this project will be located in, along with an estimated percent [%] of the project located in that zip code. For example, if seeking funding for road infrastructure, provide a rough percent of the roads expected in each zip code:

[Zip Code Percentage.xlsx](#)

Part 3: Bipartisan Infrastructure Law (BIL) - Grant Application Information
Please Note: This information is related to the federal Bipartisan Infrastructure Law (BIL) funding opportunity to which you will apply. This is NOT information for the Build Kansas Match Fund.

Please enter the Bipartisan Infrastructure Law (BIL) funding opportunity title that the entity is applying for: Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grant Program

What is the funding agency for this Bipartisan Infrastructure Law (BIL) funding opportunity? U.S. Department of Transportation

What is the Assistance Listing Number (ALN) for this Bipartisan Infrastructure Law (BIL) funding opportunity? 20.933 National Infrastructure Investments

What is the application due date for this Bipartisan Infrastructure Law (BIL) funding opportunity? 2/28/2024

What is the federal fiscal year for this Bipartisan Infrastructure Law (BIL) funding opportunity? 2024

Enter the amount of funding being applied for, from the Bipartisan Infrastructure Law (BIL) funding opportunity: \$9,325,200.00

Enter the required non-federal match percentage: 20.0

Part 4: Build Kansas Fund - Match Application Information

Enter the non-federal match amount being requested from the Build Kansas Fund: \$2,331,300.00

Is the project able to move forward with a lesser match amount than requested? Yes

If you are awarded less match than the amount requested, at what amount would your project NOT be able to move forward? \$1,999,000.00

Expected breakdown of funding sources to support the project: Enter the funding source and projected amount from each source to support this project:

[Kansas+DOT+table.xlsx](#)

Part 5: Build Kansas Fund - Means Test

Confirm that there are no available funding sources currently planned to go unused by your entity that could be leveraged for this project: Yes

Confirm there are no available American Rescue Plan Act (ARPA) or Coronavirus State & Local Fiscal Recovery Fund monies that could be used for this match: Yes

Confirm that you have explored other readily available funding sources (federal or non-federal) to be used for this match: Yes

Briefly describe your efforts to find other available funding sources for this project: We have explored other options for this project including the KDOT Economic Development Grant, EDA Disaster and Economic Development Funding, and private donations from companies. It was determined that the KDOT Economic Development Grant would not yield enough funding as the annual allocation is only \$11 million for the entire State. The EDA Disaster and Economic Development funds also have funding restraints that would not yield enough funds to make the project feasible, and none of the companies that have a vested interest in the road improvements were able to provide funding for the project except for Southwest Plains Dairy who will fund the local match comprised of preliminary engineering costs.

Part 6: Additional Information

Please upload a copy of the Bipartisan Infrastructure Law (BIL) program application associated with this request OR a 2-page executive summary providing an overview of the project:

[Exec_summary_-_revised.docx](#)

[Project_Map.pdf](#)

[Increased_traffic.docx](#)

Estimate_1.xlsx

Provide any additional information about this project (optional):

Part 7: Terms and Conditions

Understanding of Fund Release Requirements: checked

Understanding of Use of Funds: checked

Understanding of Reporting Requirements: checked

Authority to Make Grant Application: checked

Persons and Titles: Steve Phillips
The following persons are responsible for making this Build Kansas Fund application.

Position/Title: Economic Development Director

Additional:

Position/Title:

Additional:

Position/Title:

Additional:

Position/Title:

Internal Form

Score n/a

Pre-Award Information:

Eligible for Build
Kansas Fund? YES

ED District: Great Plains

Project Primary Zip
Code:

Sector: Transportation

Application ID: 2024-021-GP

Total BKF Pre-
Obligated:

Post-Award Information:

Awarded BIL Grant?

Total Awarded
Federal Funding:

Total Build Kansas
Match Fund Award:

Build Kansas Match
Fund Award
Deobligation:

Source	Amount	Project Zip Code	% of project in Zip code
BIL Federal Funds (applied for)	\$ 9,325,200.00	67878	100%
Build Kansas Funds (non-federal match)	\$ 2,331,300.00		
Additional Project Contribution (if applicable)	\$ 185,000.00		
TOTAL PROJECT COST	\$ 11,841,500.00		

Project Description

The proposed project is a road surface transportation project paving a total of 6.3 miles of dirt road in Hamilton County, a rural county in southwest Kansas with a population of 2,500 residents. The project will support businesses on the road, in particular a \$60 million dairy expansion that will provide 50 new jobs for the area. This project proposal is designed to improve the transportation connectivity, driver safety, and decrease fuel consumption and emissions involved in the transportation of product to market. The project will convert the dirt road to concrete starting at the junction of Road 32 and Road C, one mile north on Road C, two miles east on Road 31, one mile south on road E and 2.3 miles west on Road 32 to form a loop connecting to an existing paved road.

Current Conditions – Need addressed

The current conditions of these roads are graded dirt roads lacking culverts at each intersection causing flood areas during weather events. Heavy milk tankers, trucks hauling live animals, feed, employees and service personnel use these roads to access the dairy. Traffic and volume has increased over the years and will double in the upcoming year (2025). In all weather conditions the current roads are not able to successfully support 120,000 pound gross weight trucks safely.

At this location, Southwest Plains Dairy, LLC is currently milking 7,300 milking cows supporting the Dairy Farmers of America (DFA) milk plant in Garden City, KS. The dairy is expanding their current operations with an addition of 10,000 milking cows coming online in October 2024 to support the new Hilmar Cheese Plant being built in Dodge City, KS. This plant includes a \$630 million capital investment and over 300 new jobs.

To support the new dairy expansion, Pioneer Electric Cooperative Inc., is making an \$8M investment on increased electric distribution infrastructure by building the Hamilton County transmission line and substation at the intersection of CR 32 and Rd E. The control of dust and protection of their equipment remains a concern with the increase of traffic.

With each weather event, trucks and employees are not able to maintain control of their vehicles causing unsafe conditions. These roads cause unplanned downtime, increased vehicle maintenance cost, and loss of revenue for all businesses involved. The conditions of the road cannot meet the demand of the current nor the upcoming increase in traffic or weight.

The dairy is proposing to use super tankers to haul their milk to market. These tankers more than double the capacity of a normal milk tanker to approximately 12,000 gallons increasing the weight of the vehicle to around 120,000 pounds. Tankers of this size require a special permit to travel in the State of Kansas and travel on dirt roads is not allowed. However, the use of the

super tanker is desirable as it will require fewer loads of milk to be hauled per day which is better for the environment as it requires half the amount of fuel, results in half the amount of carbon emissions and dust in the environment and will decrease the amount of wear and traffic congestion on the roads.

In addition, a second dairy is located on the dirt portion of Road 31 which will benefit from the road upgrade. The road upgrade will also benefit county residents who utilize the road for normal daily travel.

Partnering Collaborators

Hamilton County

Southwest Plains Dairy, LLC

Project Goal

The goal of this project is upgrading to a concrete road to provide safety for motorists, decrease dust, lower maintenance cost on all vehicles and equipment in the area, positively impact the environment, and provide infrastructure to transport the milk produced that will be exported globally.

Budget

Through the help of an engineer at Kirkham Michael, the costs have been evaluated in search of a realistic upfront cost while also looking at the long term maintenance cost. Comparing concrete and asphalt to one another, the initial investment of concrete is approximately \$1.5 M higher but decreases the long-term maintenance costs by about \$13M as well as the amount of labor, materials, fuel and carbon emissions. In addition, the use of concrete will ensure the longevity of the road considering the large amount of traffic and extreme weight of the vehicles. The initial cost of the project is estimated at \$10.765 M investment (a risk contingency of 10% has been included to the initial estimate for a total of \$11.8M).

Expected Outcomes

The success of the new dairy expansion will support the success of the new Hilmar Cheese plant in Dodge City, KS as well as continue supporting the DFA plant in Garden City, KS. In 2023, the milk produced and transported to the DFA plant in Garden City, KS had an export percent at 42.8%. This infrastructure will help provide milk locally, nationally, and globally.

Infrastructure is the key to strengthening local communities and stimulating the economy. This road will aid the dairy expansion and Pioneer Electric Cooperative in providing stable and permanent jobs for residents in Hamilton County and all surrounding counties. Regular hauling

companies such as Mies & Sons Trucking, LLC and WD Logistics, LLC will have decreased maintenance cost on their trucks and trailers. The utilization of concrete materials as well as opting for super tankers will positively impact the environment by decreasing the use of fossil fuels, maintenance materials, and carbon emissions. Lastly, the decrease in downtime will increase efficiency on all fronts enabling more business to be created in the future stimulating the economy in this rural area.

Concrete				
Phase	Base Project	+E Rd	Option A	Option B
Length	3.3	4.4	6.3	4.6
1: PE	\$155,000	\$180,000	\$224,000	\$185,000
2: RoW	0	0	\$0	\$0
3: Utilities	0	0	\$0	\$0
4: Const	\$5,326,000	\$7,096,000	\$10,154,000	\$7,418,000
5: CE	\$250,000	\$300,000	\$387,000	\$310,000
Total	\$5,731,000	\$7,576,000	\$10,765,000	\$7,913,000
50Year Maintenance				
Joint sealing (every 5 yrs)	\$34,000	\$45,000	\$65,000	\$48,000
Grinding (once)	\$799,000	\$1,065,000	\$1,524,000	\$1,113,000
Total	\$2,439,150	\$3,243,991	\$4,655,753	\$3,412,100
50 Year Total	\$8,170,150	\$10,819,991	\$15,420,753	\$11,325,100
Asphalt				
1: PE	\$155,000	\$180,000	\$224,000	\$185,000
2: RoW	0	0	\$0	\$0
3: Utilities	0	0	\$0	\$0
4: Const	\$4,512,000	\$6,016,000	\$8,612,000	\$6,288,000
5: CE	\$250,000	\$300,000	\$387,000	\$310,000
Total	\$4,917,000	\$6,496,000	\$9,223,000	\$6,783,000
50Year Maintenance				
Chipseal (every 3 yrs)	82500	110000	157500	115000
2" Overlay (every 15 yrs)	\$963,000	\$1,284,000	\$1,838,000	\$1,342,000
Total	\$9,883,892	\$13,178,523	\$18,865,718	\$13,774,722
50 Year Total	\$14,800,892	\$19,674,523	\$28,088,718	\$20,557,722

Option C

4.4
\$180,000
\$0
\$0
\$7,096,000
\$300,000
\$7,576,000

\$45,000
\$1,065,000
\$3,243,991
\$10,819,991

\$180,000
\$0
\$0
\$6,016,000
\$300,000
\$6,496,000

110000
\$1,284,000
\$13,178,523
\$19,674,523

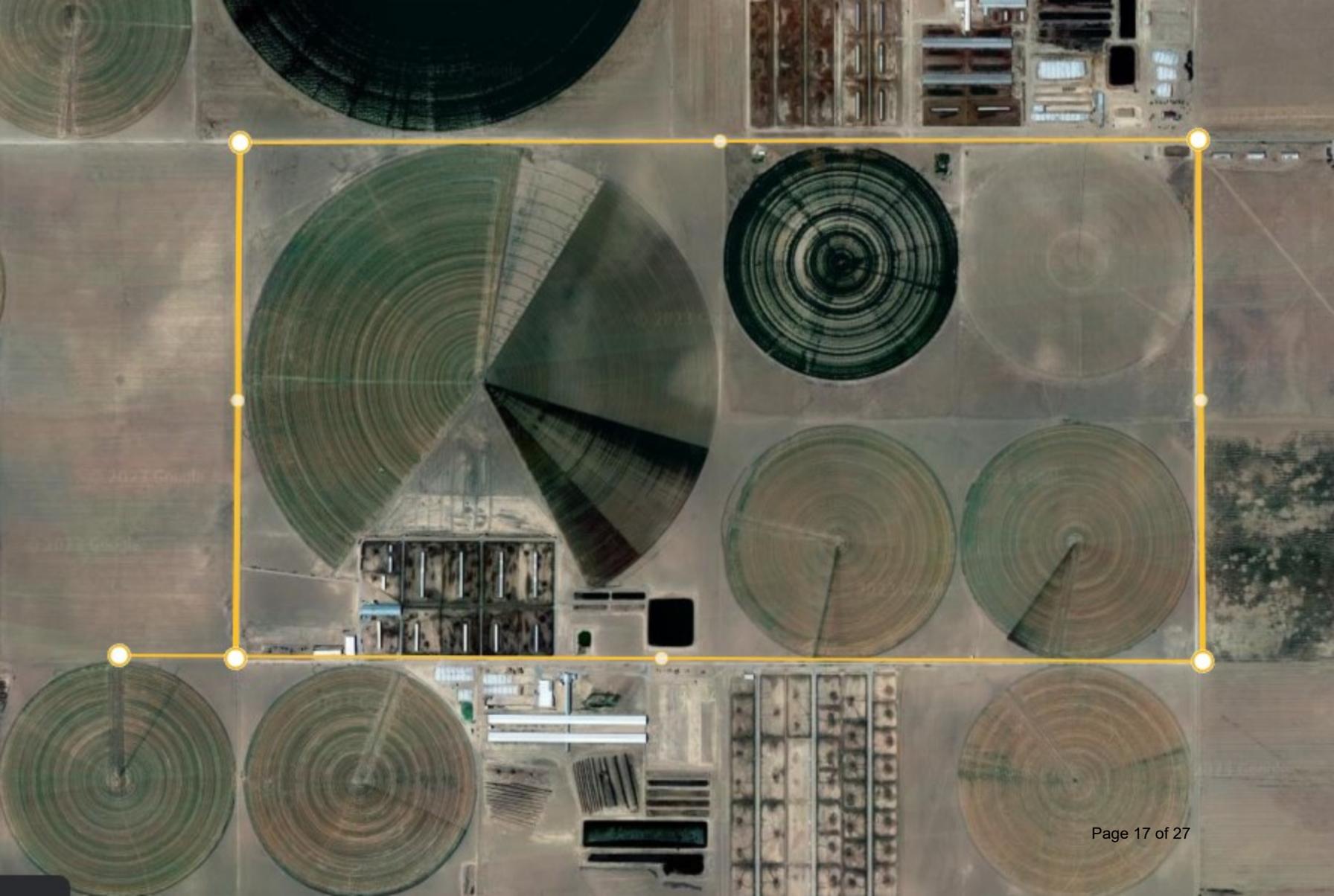
Line Item	Item Description	Quantity	Unit	Unit Price
1	Mobilization	1	lump sum	\$30,000.00
2	Traffic Control	1	lump sum	\$7,350.00
3	Field Office and Lab (Type A)	1	lump sum	\$3,900.00
4	HMA-Commercial Grade (Class A) (0.75")	4009.5	tons	\$150.00
5	HMA-Commercial Grade (Class A) (1.25")	6682.5	tons	\$150.00
7	HMA-Commercial Grade (Class A) (Patching)	10	tons	\$415.00
8	Milling	1200	Sq Yd	\$20.00
TOTAL BID				

Extension	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
\$30,000.00	\$29,200.00	\$29,200.00	\$80,000.00	\$80,000.00	\$73,000.00	\$73,000.00
\$7,350.00	\$12,000.00	\$12,000.00	\$10,000.00	\$10,000.00	\$50,000.00	\$50,000.00
\$3,900.00	\$500.00	\$500.00	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00
\$601,425.00	\$205.00	\$821,947.50	\$90.75	\$363,862.13	\$114.00	\$457,083.00
\$1,002,375.00	\$175.00	\$1,169,437.50	\$90.75	\$606,436.88	\$140.00	\$935,550.00
\$4,150.00	\$1,500.00	\$15,000.00	\$350.00	\$3,500.00	\$500.00	\$5,000.00
\$24,000.00	\$35.00	\$42,000.00	\$0.00	\$0.00	\$0.00	\$0.00
\$1,673,200.00		\$2,090,085.00		\$1,067,799.00		\$1,524,633.00

Increased traffic (numbers include new project):

Load description:	Number of loads (daily)
Average daily silage loads (spread across the year)	100
Milk tankers	27
Cattle movement	2
Commodities / Hay	75
Estimated daily average	205 - 250

Description:	Number of cars (daily)
Dairy employees	100
Service vehicles / trucks	1
Estimated daily average	101



**A Tax Abatement Cost-Benefit Analysis of
RC Geven Farms, LLC**

The firm is located in: **City of N/A City, Hamilton Co**

Report Printed: 10/2/2023

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

Construction of a new modern dairy facility, which includes a milking parlor and supporting building to house the livestock.

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

City:	N/A City, Hamilton Co
County:	Hamilton
School District:	USD #494
State of Kansas	

Contents of this report:

About this Cost-Benefit Analysis Report	Page 2	
Summary of Costs and Benefits for all Taxing Entities	Page 5	
The Economic Impact that the Firm will have on the Community	Page 6	
Costs and Benefits for:		
City:	N/A City, Hamilton Co	Page 7
County:	Hamilton	Page 8
School District:	USD #494	Page 9
State of Kansas		Page 10

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

About this Cost-Benefit Analysis Report

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

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

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

Here is how the analysis was performed:

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

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

These are the report sections:

Summary of Costs and Benefits for all Taxing Entities

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

The Economic Impact that the Firm will have on the Community

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

Benefits and Costs for Each Taxing Entity

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

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

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

Payback Period

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

Present Value

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

Rate of Return on Investment

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

Benefit to Cost Ratio

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

How were the benefits and costs determined?

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

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

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

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

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

School District Benefits and Costs

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

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

Indirect Jobs

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

Formulas used in this analysis

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

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

Summary of Costs and Benefits for all Taxing Units

Benefits:

	Sales Taxes	Property Taxes	Utilities and Utility Franchise Fees	Corporate and Personal Income Taxes	Additional School Funding	Other Revenues (Including PILOT)	Total Benefits
City: N/A City, Hamilton	\$0	\$0	\$0			\$147,616	\$147,616
County: Hamilton	\$162,125	\$15,980,535				\$107,134	\$16,249,795
USD #494		\$8,436,889			\$0		\$8,436,889
State of Kansas	\$2,162,026	\$205,540		\$20,238,860		\$10,237,001	\$32,843,427

Costs, Incentives and Taxes Abated:

	Costs of Services for the Firm and New Residents	Costs of Educating New Students	Taxes Abated	Incentives	Total Taxes Abated & Incentives	Total Costs
City: N/A City, Hamilton Co	\$128,488		\$0	\$0	\$0	\$128,488
County: Hamilton	\$199,603		\$8,250,040	\$0	\$8,250,040	\$8,449,643
USD #494		\$0	\$4,420,525		\$4,420,525	\$4,420,525
State of Kansas	\$5,439,785	\$0	\$104,851	\$0	\$104,851	\$5,544,636

Net Benefits:

	Total Benefits	Present Value of Total Benefits	Total Costs (Includes Taxes Abated and Incentives)	Present Value of Total Costs	Benefit to Cost Ratio (Over 10 Years)
City: N/A City, Hamilton Co	\$147,616	\$105,834	\$128,488	\$91,111	1.16 : 1
County: Hamilton	\$16,249,795	\$12,104,220	\$8,449,643	\$6,814,415	1.78 : 1
USD #494	\$8,436,889	\$6,285,786	\$4,420,525	\$3,570,665	1.76 : 1
State of Kansas	\$32,843,427	\$24,362,195	\$5,544,636	\$4,061,741	6. : 1

Other

	Net Benefits	Present Value of Net Benefits	Taxes Abated & Incentives	Present Value of Taxes Abated and Incentives	Payback Period for Taxes Abated and Incentives and Taxes Abated	Compound Rate of Return (Over 10 Yrs)
City: N/A City, Hamilton Co	\$19,129	\$14,976	\$0	\$0	1 Year	N/A
County: Hamilton	\$7,800,152	\$5,289,805	\$8,250,040	\$6,736,548	6 Years	5.91%
USD #494	\$4,016,364	\$2,715,121	\$4,420,525	\$3,570,665	6 Years	5.82%
State of Kansas	\$27,298,791	\$20,268,027	\$104,851	\$84,693	1 Year	19.62%

The Economic Impact of this expansion by RC Geven Farms, LLC

NAICS Code 112120 - Agricultural products and services

	<u>In the first year</u>	<u>Over the next ten years</u>
*Number of new direct and indirect jobs to be created	43	85
Number of new residents in the community	9	43
Number of additional students in the local school district	10	50
**Increase in local personal income	\$3,250,000	\$61,750,000
***Increase in local retail sales	\$1,137,500	\$21,612,500
Increase in the community's property tax base	\$92,200,000	\$118,090,541
Land	\$200,000	\$260,955
Buildings	\$45,000,000	\$58,714,793
Furniture, fixtures & Equipment	\$2,000,000	\$400,000
Residential Property	\$0	\$0

*The Employment Multiplier for NAICS Code 112120 is 1.7. The Employment Multiplier is used to estimate the total change in the number of direct and indirect jobs as a result of the expansion.

**The Earnings Multiplier for NAICS Code 112120 is 2.6. The Earnings Multiplier is used for estimating to what degree more personal income will be generated.

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

Property taxes to be abated by the following taxing entities:

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

Percent of property taxes to be abated on:

	Land	Buildings and Improvements	Furniture, Fixtures & Equipment
Year 1	100.00%	100.00%	100.00%
Year 2	90.00%	90.00%	90.00%
Year 3	80.00%	80.00%	80.00%
Year 4	70.00%	70.00%	70.00%
Year 5	60.00%	60.00%	60.00%
Year 6	50.00%	50.00%	50.00%
Year 7	40.00%	40.00%	40.00%
Year 8	30.00%	30.00%	30.00%
Year 9	20.00%	20.00%	20.00%
Year 10	10.00%	10.00%	10.00%

City of: N/A City, Hamilton Co

Benefits:

Year	Sales Taxes	Property Taxes	Utilities and Utility Franchise Fees	Other Municipal Revenues (Including PILOT)	Total
Construction Period	\$0	\$0	\$0	\$0	\$0
1	\$0	\$0	\$0	\$4,852	\$4,852
2	\$0	\$0	\$0	\$12,495	\$12,495
3	\$0	\$0	\$0	\$12,870	\$12,870
4	\$0	\$0	\$0	\$13,256	\$13,256
5	\$0	\$0	\$0	\$13,653	\$13,653
6	\$0	\$0	\$0	\$14,063	\$14,063
7	\$0	\$0	\$0	\$14,485	\$14,485
8	\$0	\$0	\$0	\$14,919	\$14,919
9	\$0	\$0	\$0	\$15,367	\$15,367
10	\$0	\$0	\$0	\$31,656	\$31,656
Total	\$0	\$0	\$0	\$147,616	\$147,616

Costs:

Year	Property Taxes Abated	Incentives	Taxes Abated & Incentives	City Costs for the firm and Municipal Services for New Residents	Total Costs, Taxes Abated & Incentives
Construction Period	\$0	\$0	\$0	\$0	\$0
1	\$0	\$0	\$0	\$0	\$0
2	\$0	\$0	\$0	\$11,245	\$11,245
3	\$0	\$0	\$0	\$11,583	\$11,583
4	\$0	\$0	\$0	\$11,930	\$11,930
5	\$0	\$0	\$0	\$12,288	\$12,288
6	\$0	\$0	\$0	\$12,657	\$12,657
7	\$0	\$0	\$0	\$13,036	\$13,036
8	\$0	\$0	\$0	\$13,427	\$13,427
9	\$0	\$0	\$0	\$13,830	\$13,830
10	\$0	\$0	\$0	\$28,490	\$28,490
Total	\$0	\$0	\$0	\$128,488	\$128,488

Net Benefits (or Costs)

Year	Public Benefits	Public Costs, Property Taxes Abated and Incentives	Net Benefits or (Costs)	Present Value of Net Benefits	Present Value of taxes abated and incentives
Construction Period	\$0	\$0	\$0	\$0	\$0
1	\$4,852	\$0	\$4,852	\$4,852	\$0
2	\$12,495	\$11,245	\$1,249	\$1,123	\$0
3	\$12,870	\$11,583	\$1,287	\$1,096	\$0
4	\$13,256	\$11,930	\$1,326	\$1,070	\$0
5	\$13,653	\$12,288	\$1,365	\$1,045	\$0
6	\$14,063	\$12,657	\$1,406	\$1,020	\$0
7	\$14,485	\$13,036	\$1,448	\$996	\$0
8	\$14,919	\$13,427	\$1,492	\$972	\$0
9	\$15,367	\$13,830	\$1,537	\$949	\$0
10	\$31,656	\$28,490	\$3,166	\$1,853	\$0
Total	\$147,616	\$128,488	\$19,129	\$14,976	\$0

Discounted payback period for taxes abated and incentives	1 Year
Compound rate of return over the next ten years on the city's investment of taxes abated and incentives for the firm	1.51%
Benefit/Cost Ratio (Over 10 Years).....	1.16 : 1

Hamilton County

Benefits:

Year	Sales Taxes	Property Taxes	Other County Revenues (Including PILOT)	Total
Construction Period	\$26,768	\$0	\$0	\$26,768
1	\$6,848	\$1,396,181	\$14,071	\$1,417,099
2	\$13,861	\$1,438,529	\$9,161	\$1,461,551
3	\$14,358	\$1,491,865	\$9,435	\$1,515,658
4	\$13,915	\$1,528,511	\$9,719	\$1,552,144
5	\$14,019	\$1,576,268	\$10,010	\$1,600,297
6	\$14,199	\$1,621,913	\$10,310	\$1,646,422
7	\$14,304	\$1,656,323	\$10,620	\$1,681,246
8	\$14,485	\$1,705,658	\$10,938	\$1,731,082
9	\$14,593	\$1,756,474	\$11,266	\$1,782,333
10	\$14,776	\$1,808,814	\$11,604	\$1,835,195
Total	\$162,125	\$15,980,535	\$107,134	\$16,249,795

Costs:

Year	Property Taxes Abated	Incentives	Taxes Abated & Incentives	County Costs for the firm and County Services for New Residents	Total
Construction Period	\$0	\$0	\$0	\$0	\$0
1	\$1,392,695	\$0	\$1,392,695	\$26,215	\$1,418,910
2	\$1,283,365	\$0	\$1,283,365	\$17,067	\$1,300,432
3	\$1,168,342	\$0	\$1,168,342	\$17,579	\$1,185,921
4	\$1,047,291	\$0	\$1,047,291	\$18,107	\$1,065,398
5	\$919,864	\$0	\$919,864	\$18,650	\$938,514
6	\$785,697	\$0	\$785,697	\$19,209	\$804,907
7	\$641,716	\$0	\$641,716	\$19,786	\$661,501
8	\$495,619	\$0	\$495,619	\$20,379	\$515,998
9	\$340,254	\$0	\$340,254	\$20,991	\$361,245
10	\$175,196	\$0	\$175,196	\$21,620	\$196,816
Total	\$8,250,040	\$0	\$8,250,040	\$199,603	\$8,449,643

Net Benefits (or Costs)

Year	Public Benefits	Public Costs, Property Taxes Abated and Incentives	Net Benefits or (Costs)	Present Value of Net Benefits	Present Value of taxes abated and incentives
Construction Period	\$26,768	\$0	\$26,768	\$26,768	\$0
1	\$1,417,099	\$1,418,910	(\$1,811)	(\$1,716)	\$1,392,695
2	\$1,461,551	\$1,300,432	\$161,119	\$144,757	\$1,153,042
3	\$1,515,658	\$1,185,921	\$329,737	\$280,808	\$994,976
4	\$1,552,144	\$1,065,398	\$486,746	\$392,910	\$845,391
5	\$1,600,297	\$938,514	\$661,783	\$506,353	\$703,820
6	\$1,646,422	\$804,907	\$841,515	\$610,305	\$569,824
7	\$1,681,246	\$661,501	\$1,019,745	\$701,010	\$441,139
8	\$1,731,082	\$515,998	\$1,215,084	\$791,747	\$322,945
9	\$1,782,333	\$361,245	\$1,421,088	\$877,706	\$210,151
10	\$1,835,195	\$196,816	\$1,638,379	\$959,157	\$102,565
Total	\$16,249,795	\$8,449,643	\$7,800,152	\$5,289,805	\$6,736,548

Discounted payback period for taxes abated and incentives	6 Years
Compound rate of return over the next ten years on the county's investment of taxes abated and incentives for the firm.....	5.91%
Benefit/Cost Ratio (Over 10 Years).....	1.78 : 1

School District: USD #494

Benefits:

Year	Property Taxes	Additional State, Federal and Other School Funding (Including PILOT)	Total
1	\$746,979	\$0	\$746,979
2	\$766,750	\$0	\$766,750
3	\$789,262	\$0	\$789,262
4	\$808,595	\$0	\$808,595
5	\$830,718	\$0	\$830,718
6	\$852,810	\$0	\$852,810
7	\$870,760	\$0	\$870,760
8	\$896,693	\$0	\$896,693
9	\$923,404	\$0	\$923,404
10	\$950,917	\$0	\$950,917
Total	\$8,436,889	\$0	\$8,436,889

Costs:

Year	Additional Costs	Property Taxes Abated	Total
1	\$0	\$746,232	\$746,232
2	\$0	\$687,651	\$687,651
3	\$0	\$626,020	\$626,020
4	\$0	\$561,158	\$561,158
5	\$0	\$492,880	\$492,880
6	\$0	\$420,991	\$420,991
7	\$0	\$343,843	\$343,843
8	\$0	\$265,562	\$265,562
9	\$0	\$182,315	\$182,315
10	\$0	\$93,873	\$93,873
Total	\$0	\$4,420,525	\$4,420,525

Net Benefits (or Costs)

Year	Public Benefits	Total Costs and Property Taxes Abated	Net Benefits or (Costs)	Present Value of Net Benefits	Present Value of Taxes Abated
1	\$746,979	\$746,232	\$747	\$708	\$707,329
2	\$766,750	\$687,651	\$79,099	\$71,067	\$617,822
3	\$789,262	\$626,020	\$163,243	\$139,020	\$533,127
4	\$808,595	\$561,158	\$247,436	\$199,735	\$452,976
5	\$830,718	\$492,880	\$337,837	\$258,491	\$377,120
6	\$852,810	\$420,991	\$431,819	\$313,175	\$305,322
7	\$870,760	\$343,843	\$526,917	\$362,222	\$236,370
8	\$896,693	\$265,562	\$631,131	\$411,245	\$173,040
9	\$923,404	\$182,315	\$741,090	\$457,719	\$112,603
10	\$950,917	\$93,873	\$857,044	\$501,740	\$54,956
Total	\$8,436,889	\$4,420,525	\$4,016,364	\$2,715,121	\$3,570,665

Discounted payback period for taxes abated and incentives	6 Years
Compound rate of return over the next ten years on the school district's investment of taxes abated and incentives for the firm	5.82%
Benefit/Cost Ratio (Over 10 Years).....	1.76 : 1

State of Kansas

Benefits:

Year	Sales Taxes	Property Taxes	Corporate and Personal Income Taxes	Other State Revenues (Including PILOT)	Total
Construction Period	\$205,610		\$416,400	\$0	\$622,010
1	\$77,647	\$17,768	\$1,117,753	\$299,664	\$1,512,832
2	\$205,031	\$18,367	\$1,889,084	\$978,170	\$3,090,652
3	\$207,669	\$18,991	\$1,963,301	\$1,007,516	\$3,197,478
4	\$206,457	\$19,643	\$2,002,645	\$1,037,741	\$3,266,486
5	\$207,184	\$20,322	\$2,042,120	\$1,068,873	\$3,338,499
6	\$208,523	\$20,952	\$2,081,728	\$1,100,939	\$3,412,142
7	\$209,257	\$21,399	\$2,121,475	\$1,133,968	\$3,486,099
8	\$210,604	\$22,036	\$2,161,365	\$1,167,987	\$3,561,991
9	\$211,345	\$22,693	\$2,201,400	\$1,203,026	\$3,638,465
10	\$212,700	\$23,369	\$2,241,587	\$1,239,117	\$3,716,773
Total	\$2,162,026	\$205,540	\$20,238,860	\$10,237,001	\$32,843,427

Costs:

Year	Property Taxes Abated	Incentives	Taxes Abated & Incentives	State Costs for the firm and Services for New Residents	Cost of Educating New Students	Total
Construction Period	\$0	\$0	\$0	\$0	\$0	\$0
1	\$17,700	\$0	\$17,700	\$160,235	\$0	\$177,935
2	\$16,311	\$0	\$16,311	\$519,687	\$0	\$535,997
3	\$14,849	\$0	\$14,849	\$535,277	\$0	\$550,126
4	\$13,310	\$0	\$13,310	\$551,335	\$0	\$564,646
5	\$11,691	\$0	\$11,691	\$567,875	\$0	\$579,566
6	\$9,986	\$0	\$9,986	\$584,912	\$0	\$594,897
7	\$8,156	\$0	\$8,156	\$602,459	\$0	\$610,615
8	\$6,299	\$0	\$6,299	\$620,533	\$0	\$626,832
9	\$4,324	\$0	\$4,324	\$639,149	\$0	\$643,473
10	\$2,227	\$0	\$2,227	\$658,323	\$0	\$660,550
Total	\$104,851	\$0	\$104,851	\$5,439,785	\$0	\$5,544,636

Net Benefits (or Costs)

Year	Public Benefits	Public Costs, Property Taxes Abated and Incentives	Net Benefits or (Costs)	Present Value of Net Benefits	Present Value of taxes abated and incentives
Construction Period	\$622,010	\$0	\$622,010	\$589,583	\$0
1	\$1,512,832	\$177,935	\$1,334,897	\$1,265,305	\$16,777
2	\$3,090,652	\$535,997	\$2,554,655	\$2,295,236	\$14,654
3	\$3,197,478	\$550,126	\$2,647,352	\$2,254,521	\$12,645
4	\$3,266,486	\$564,646	\$2,701,841	\$2,180,971	\$10,744
5	\$3,338,499	\$579,566	\$2,758,933	\$2,110,954	\$8,945
6	\$3,412,142	\$594,897	\$2,817,245	\$2,043,195	\$7,242
7	\$3,486,099	\$610,615	\$2,875,484	\$1,976,714	\$5,607
8	\$3,561,991	\$626,832	\$2,935,159	\$1,912,547	\$4,104
9	\$3,638,465	\$643,473	\$2,994,992	\$1,849,794	\$2,671
10	\$3,716,773	\$660,550	\$3,056,223	\$1,789,207	\$1,304
Total	\$32,843,427	\$5,544,636	\$27,298,791	\$20,268,027	\$84,693

Discounted payback period for taxes abated and incentives	1 Year
Compound rate of return over the next ten years on the state's investment of taxes abated and incentives for the firm	19.62%
Benefit/Cost Ratio (Over 10 years).....	6 : 1