

A Tax Abatement Cost-Benefit Analysis of Lava Angus Processing Enterprises, LLC

The firm is located in: **Ottawa County**

Report Printed: 11/23/2021

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

We plan to build a cattle slaughter and fabrication plant in Ottawa County, Kansas. By Year 2, we will process up to 120 head per day, expanding incrementally to process up to 250 head per day in Year 6 through Year 10. The Plant will benefit the local farmers by providing a viable option to have their cattle processed and it will be an economic benefit to the community as a whole.

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:	Minneapolis
County:	Ottawa
School District:	USD #239
Special Taxing District:	Central KS Extensior
Special Taxing District:	Central KS Library
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: Minneapolis	Page 7
County: Ottawa	Page 8
School District: USD #239	Page 9
Special Taxing District: Central KS Extensior	Page 10
Special Taxing District: Central KS Library	Page 11
State of Kansas	Page 12

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: Minneapolis	\$1,715,659	\$0	\$0			\$0	\$1,715,659
County: Ottawa	\$1,737,218	\$2,682,290				\$664,202	\$5,083,711
USD #239		\$1,717,862			\$0		\$1,717,862
Central KS Extensior		\$38,884				\$3,901	\$42,785
Central KS Library		\$38,884				(\$5,066)	\$33,818
State of Kansas	\$11,461,867	\$48,363		\$7,681,014		\$1,851,139	\$21,042,384

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: Minneapolis	\$86,631		\$1,386,897	\$0	\$1,386,897	\$1,473,527
County: Ottawa	\$456,394		\$2,682,290	\$0	\$2,682,290	\$3,138,683
USD #239		\$0	\$1,717,862		\$1,717,862	\$1,717,862
Central KS Extensior	\$4,394		\$38,884		\$38,884	\$43,278
Central KS Library	\$1,836		\$38,884		\$38,884	\$40,720
State of Kansas	\$1,112,439	\$0	\$48,363	\$0	\$48,363	\$1,160,803

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: Minneapolis	\$1,715,659	\$1,230,197	\$1,473,527	\$1,093,932	1.12 : 1
County: Ottawa	\$5,083,711	\$3,719,263	\$3,138,683	\$2,322,648	1.6 : 1
USD #239	\$1,717,862	\$1,278,102	\$1,717,862	\$1,278,102	1. : 1
Central KS Extensior	\$42,785	\$31,725	\$43,278	\$32,078	.99 : 1
Central KS Library	\$33,818	\$25,300	\$40,720	\$30,246	.84 : 1
State of Kansas	\$21,042,384	\$15,342,226	\$1,160,803	\$833,042	18.42 : 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: Minneapolis	\$242,131	\$133,849	\$1,386,897	\$1,031,861		N/A
County: Ottawa	\$1,945,027	\$1,396,615	\$2,682,290	\$2,007,841	6 Years	4.82%
USD #239	\$0	\$0	\$1,717,862	\$1,278,102	>10 Years	N/A
Central KS Extensior	(\$493)	(\$354)	\$42,482	\$28,930	9 Years	N/A
Central KS Library	(\$6,902)	(\$4,946)	\$42,482	\$28,930	> 10 Yrs	-1.77%
State of Kansas	\$19,881,581	\$14,458,482	\$48,363	\$35,983	1 Year	33.82%

The Economic Impact of this expansion by Lava Angus Processing Enterprises, LLC

NAICS Code 311611 - Food and kindred products and tobacco

	<u>In the first year</u>	<u>Over the next ten years</u>
*Number of new direct and indirect jobs to be created	375	975
Number of new residents in the community	0	0
Number of additional students in the local school district	25	130
**Increase in local personal income	\$14,640,000	\$352,119,840
***Increase in local retail sales	\$5,124,000	\$123,241,944
Increase in the community's property tax base	\$22,250,000	\$29,031,203
Land	\$250,000	\$326,193
Buildings	\$11,000,000	\$14,352,505
Furniture, fixtures & Equipment	\$0	\$0
Residential Property	\$0	\$0

*The Employment Multiplier for NAICS Code 311611 is 7.5. 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 311611 is 4.8. The Earnings Multiplier is used for estimating to what degree more personal income will be generated.

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

Property taxes to be abated by the following taxing entities:

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

Percent of property taxes to be abated on:

	Land	Buildings and Improvements	Furniture, Fixtures & Equipment
Year 1	100.00%	100.00%	0.00%
Year 2	100.00%	100.00%	0.00%
Year 3	100.00%	100.00%	0.00%
Year 4	100.00%	100.00%	0.00%
Year 5	100.00%	100.00%	0.00%
Year 6	100.00%	100.00%	0.00%
Year 7	100.00%	100.00%	0.00%
Year 8	100.00%	100.00%	0.00%
Year 9	100.00%	100.00%	0.00%
Year 10	100.00%	100.00%	0.00%

City of Minneapolis

Benefits:

Year	Sales Taxes	Property Taxes	Utilities and Utility Franchise Fees	Other Municipal Revenues (Including PILOT)	Total
Construction Period	\$5,500	\$0	\$0	\$0	\$5,500
1	\$78,080	\$0	\$0	\$0	\$78,080
2	\$108,780	\$0	\$0	\$0	\$108,780
3	\$108,780	\$0	\$0	\$0	\$108,780
4	\$108,870	\$0	\$0	\$0	\$108,870
5	\$172,310	\$0	\$0	\$0	\$172,310
6	\$226,628	\$0	\$0	\$0	\$226,628
7	\$226,647	\$0	\$0	\$0	\$226,647
8	\$226,667	\$0	\$0	\$0	\$226,667
9	\$226,688	\$0	\$0	\$0	\$226,688
10	\$226,709	\$0	\$0	\$0	\$226,709
Total	\$1,715,659	\$0	\$0	\$0	\$1,715,659

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	\$120,980	\$0	\$120,980	\$3,454	\$124,433
2	\$124,609	\$0	\$124,609	\$5,051	\$129,661
3	\$128,347	\$0	\$128,347	\$5,203	\$133,550
4	\$132,198	\$0	\$132,198	\$7,548	\$139,746
5	\$136,164	\$0	\$136,164	\$10,107	\$146,270
6	\$140,249	\$0	\$140,249	\$10,410	\$150,659
7	\$144,456	\$0	\$144,456	\$10,722	\$155,178
8	\$148,790	\$0	\$148,790	\$11,044	\$159,834
9	\$153,253	\$0	\$153,253	\$11,375	\$164,629
10	\$157,851	\$0	\$157,851	\$11,717	\$169,568
Total	\$1,386,897	\$0	\$1,386,897	\$86,631	\$1,473,527

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	\$5,500	\$0	\$5,500	\$5,500	\$0
1	\$78,080	\$124,433	(\$46,353)	(\$46,353)	\$114,673
2	\$108,780	\$129,661	(\$20,881)	(\$18,760)	\$111,955
3	\$108,780	\$133,550	(\$24,770)	(\$21,095)	\$109,302
4	\$108,870	\$139,746	(\$30,876)	(\$24,923)	\$106,712
5	\$172,310	\$146,270	\$26,040	\$19,924	\$104,184
6	\$226,628	\$150,659	\$75,969	\$55,097	\$101,715
7	\$226,647	\$155,178	\$71,469	\$49,130	\$99,304
8	\$226,667	\$159,834	\$66,833	\$43,548	\$96,951
9	\$226,688	\$164,629	\$62,059	\$38,329	\$94,654
10	\$226,709	\$169,568	\$57,142	\$33,453	\$92,411
Total	\$1,715,659	\$1,473,527	\$242,131	\$133,849	\$1,031,861

Discounted payback period for taxes abated and incentives	
Compound rate of return over the next ten years on the city's investment of taxes abated and incentives for the firm	1.18%
Benefit/Cost Ratio (Over 10 Years).....	1.12 : 1

Ottawa County

Benefits:

Year	Sales Taxes	Property Taxes	Other County Revenues (Including PILOT)	Total
Construction Period	\$16,500	\$0	\$0	\$16,500
1	\$73,330	\$233,978	\$26,480	\$333,787
2	\$109,939	\$240,997	\$38,730	\$389,665
3	\$110,371	\$248,227	\$39,892	\$398,490
4	\$110,509	\$255,674	\$57,871	\$424,053
5	\$173,998	\$263,344	\$77,489	\$514,831
6	\$228,367	\$271,244	\$79,814	\$579,425
7	\$228,438	\$279,381	\$82,208	\$590,027
8	\$228,512	\$287,763	\$84,674	\$600,949
9	\$228,588	\$296,396	\$87,215	\$612,198
10	\$228,667	\$305,288	\$89,831	\$623,785
Total	\$1,737,218	\$2,682,290	\$664,202	\$5,083,711

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	\$233,978	\$0	\$233,978	\$18,195	\$252,173
2	\$240,997	\$0	\$240,997	\$26,612	\$267,609
3	\$248,227	\$0	\$248,227	\$27,411	\$275,637
4	\$255,674	\$0	\$255,674	\$39,765	\$295,438
5	\$263,344	\$0	\$263,344	\$53,245	\$316,589
6	\$271,244	\$0	\$271,244	\$54,842	\$326,086
7	\$279,381	\$0	\$279,381	\$56,488	\$335,869
8	\$287,763	\$0	\$287,763	\$58,182	\$345,945
9	\$296,396	\$0	\$296,396	\$59,928	\$356,323
10	\$305,288	\$0	\$305,288	\$61,726	\$367,013
Total	\$2,682,290	\$0	\$2,682,290	\$456,394	\$3,138,683

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	\$16,500	\$0	\$16,500	\$16,500	\$0
1	\$333,787	\$252,173	\$81,615	\$77,360	\$233,978
2	\$389,665	\$267,609	\$122,056	\$109,662	\$216,524
3	\$398,490	\$275,637	\$122,852	\$104,623	\$211,393
4	\$424,053	\$295,438	\$128,615	\$103,820	\$206,384
5	\$514,831	\$316,589	\$198,242	\$151,682	\$201,493
6	\$579,425	\$326,086	\$253,338	\$183,732	\$196,719
7	\$590,027	\$335,869	\$254,158	\$174,718	\$192,057
8	\$600,949	\$345,945	\$255,004	\$166,160	\$187,506
9	\$612,198	\$356,323	\$255,875	\$158,036	\$183,063
10	\$623,785	\$367,013	\$256,772	\$150,322	\$178,725
Total	\$5,083,711	\$3,138,683	\$1,945,027	\$1,396,615	\$2,007,841

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.....	4.82%
Benefit/Cost Ratio (Over 10 Years).....	1.6 : 1

School District: USD #239

Benefits:

Year	Property Taxes	Additional State, Federal and Other School Funding (Including PILOT)	Total
1	\$149,850	\$0	\$149,850
2	\$154,346	\$0	\$154,346
3	\$158,976	\$0	\$158,976
4	\$163,745	\$0	\$163,745
5	\$168,657	\$0	\$168,657
6	\$173,717	\$0	\$173,717
7	\$178,929	\$0	\$178,929
8	\$184,297	\$0	\$184,297
9	\$189,825	\$0	\$189,825
10	\$195,520	\$0	\$195,520
Total	\$1,717,862	\$0	\$1,717,862

Costs:

Year	Additional Costs	Property Taxes Abated	Total
1	\$0	\$149,850	\$149,850
2	\$0	\$154,346	\$154,346
3	\$0	\$158,976	\$158,976
4	\$0	\$163,745	\$163,745
5	\$0	\$168,657	\$168,657
6	\$0	\$173,717	\$173,717
7	\$0	\$178,929	\$178,929
8	\$0	\$184,297	\$184,297
9	\$0	\$189,825	\$189,825
10	\$0	\$195,520	\$195,520
Total	\$0	\$1,717,862	\$1,717,862

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	\$149,850	\$149,850	\$0	\$0	\$142,038
2	\$154,346	\$154,346	\$0	\$0	\$138,672
3	\$158,976	\$158,976	\$0	\$0	\$135,386
4	\$163,745	\$163,745	\$0	\$0	\$132,178
5	\$168,657	\$168,657	\$0	\$0	\$129,046
6	\$173,717	\$173,717	\$0	\$0	\$125,988
7	\$178,929	\$178,929	\$0	\$0	\$123,002
8	\$184,297	\$184,297	\$0	\$0	\$120,087
9	\$189,825	\$189,825	\$0	\$0	\$117,242
10	\$195,520	\$195,520	\$0	\$0	\$114,464
Total	\$1,717,862	\$1,717,862	\$0	\$0	\$1,278,102

Discounted payback period for taxes abated and incentives	>10 Years
Compound rate of return over the next ten years on the school district's investment of taxes abated and incentives for the firm	0.00%
Benefit/Cost Ratio (Over 10 Years).....	1. : 1

Special Taxing District: Central KS Extensior

Benefits:

Year	Property Taxes	Additional Revenues	Total
1	\$3,392	\$156	\$3,547
2	\$3,494	\$227	\$3,721
3	\$3,598	\$234	\$3,833
4	\$3,706	\$340	\$4,046
5	\$3,818	\$455	\$4,273
6	\$3,932	\$469	\$4,401
7	\$4,050	\$483	\$4,533
8	\$4,172	\$497	\$4,669
9	\$4,297	\$512	\$4,809
10	\$4,426	\$528	\$4,953
Total	\$38,884	\$3,901	\$42,785

Costs:

Year	Additional Costs	Property Taxes Abated	Total
1	\$175	\$3,392	\$3,567
2	\$256	\$3,494	\$3,750
3	\$264	\$3,598	\$3,862
4	\$383	\$3,706	\$4,089
5	\$513	\$3,818	\$4,330
6	\$528	\$3,932	\$4,460
7	\$544	\$4,050	\$4,594
8	\$560	\$4,172	\$4,732
9	\$577	\$4,297	\$4,874
10	\$594	\$4,426	\$5,020
Total	\$4,394	\$38,884	\$43,278

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	\$3,547	\$3,567	(\$20)	(\$19)	\$3,215
2	\$3,721	\$3,750	(\$29)	(\$26)	\$3,139
3	\$3,833	\$3,862	(\$30)	(\$25)	\$3,064
4	\$4,046	\$4,089	(\$43)	(\$35)	\$2,992
5	\$4,273	\$4,330	(\$58)	(\$44)	\$2,921
6	\$4,401	\$4,460	(\$59)	(\$43)	\$2,852
7	\$4,533	\$4,594	(\$61)	(\$42)	\$2,784
8	\$4,669	\$4,732	(\$63)	(\$41)	\$2,718
9	\$4,809	\$4,874	(\$65)	(\$40)	\$2,654
10	\$4,953	\$5,020	(\$67)	(\$39)	\$2,591
Total	\$42,785	\$43,278	(\$493)	(\$354)	\$28,930

Discounted payback period for taxes abated and incentives	9
Compound rate of return over the next ten years on the taxing district's investment of taxes abated and incentives for the firm	-0.11%
Benefit/Cost Ratio (Over 10 Years).....	.99 : 1

Special Taxing District: Central KS Library

Benefits:

Year	Property Taxes	Additional Revenues	Total
1	\$3,392	(\$202)	\$3,190
2	\$3,494	(\$295)	\$3,198
3	\$3,598	(\$304)	\$3,294
4	\$3,706	(\$441)	\$3,265
5	\$3,818	(\$591)	\$3,227
6	\$3,932	(\$609)	\$3,323
7	\$4,050	(\$627)	\$3,423
8	\$4,172	(\$646)	\$3,526
9	\$4,297	(\$665)	\$3,631
10	\$4,426	(\$685)	\$3,740
Total	\$38,884	(\$5,066)	\$33,818

Costs:

Year	Additional Costs	Property Taxes Abated	Total
1	\$73	\$3,392	\$3,465
2	\$107	\$3,494	\$3,601
3	\$110	\$3,598	\$3,709
4	\$160	\$3,706	\$3,866
5	\$214	\$3,818	\$4,032
6	\$221	\$3,932	\$4,153
7	\$227	\$4,050	\$4,277
8	\$234	\$4,172	\$4,406
9	\$241	\$4,297	\$4,538
10	\$248	\$4,426	\$4,674
Total	\$1,836	\$38,884	\$40,720

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	\$3,190	\$3,465	(\$275)	(\$261)	\$3,215
2	\$3,198	\$3,601	(\$402)	(\$362)	\$3,139
3	\$3,294	\$3,709	(\$415)	(\$353)	\$3,064
4	\$3,265	\$3,866	(\$601)	(\$485)	\$2,992
5	\$3,227	\$4,032	(\$805)	(\$616)	\$2,921
6	\$3,323	\$4,153	(\$829)	(\$602)	\$2,852
7	\$3,423	\$4,277	(\$854)	(\$587)	\$2,784
8	\$3,526	\$4,406	(\$880)	(\$573)	\$2,718
9	\$3,631	\$4,538	(\$906)	(\$560)	\$2,654
10	\$3,740	\$4,674	(\$934)	(\$547)	\$2,591
Total	\$33,818	\$40,720	(\$6,902)	(\$4,946)	\$28,930

Discounted payback period for taxes abated and incentives	> 10 Yrs
Compound rate of return over the next ten years on the taxing district's investment of taxes abated and incentives for the firm	-1.77%
Benefit/Cost Ratio (Over 10 Years).....	.84 : 1

State of Kansas

Benefits:

Year	Sales Taxes	Property Taxes	Corporate and Personal Income Taxes	Other State Revenues (Including PILOT)	Total
Construction Period	\$879,450		\$93,100	\$0	\$972,550
1	\$450,980	\$4,219	\$308,758	\$73,800	\$837,756
2	\$676,123	\$4,345	\$458,189	\$107,940	\$1,246,597
3	\$678,784	\$4,476	\$467,418	\$111,178	\$1,261,856
4	\$679,631	\$4,610	\$607,620	\$161,287	\$1,453,147
5	\$1,070,089	\$4,748	\$846,868	\$215,963	\$2,137,668
6	\$1,404,457	\$4,891	\$941,117	\$222,442	\$2,572,905
7	\$1,404,894	\$5,037	\$959,893	\$229,115	\$2,598,938
8	\$1,405,346	\$5,189	\$979,232	\$235,988	\$2,625,755
9	\$1,405,815	\$5,344	\$999,151	\$243,068	\$2,653,378
10	\$1,406,300	\$5,505	\$1,019,668	\$250,360	\$2,681,833
Total	\$11,461,867	\$48,363	\$7,681,014	\$1,851,139	\$21,042,384

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	\$4,219	\$0	\$4,219	\$44,350	\$0	\$48,569
2	\$4,345	\$0	\$4,345	\$64,866	\$0	\$69,212
3	\$4,476	\$0	\$4,476	\$66,812	\$0	\$71,288
4	\$4,610	\$0	\$4,610	\$96,925	\$0	\$101,535
5	\$4,748	\$0	\$4,748	\$129,782	\$0	\$134,531
6	\$4,891	\$0	\$4,891	\$133,676	\$0	\$138,567
7	\$5,037	\$0	\$5,037	\$137,686	\$0	\$142,724
8	\$5,189	\$0	\$5,189	\$141,817	\$0	\$147,005
9	\$5,344	\$0	\$5,344	\$146,071	\$0	\$151,415
10	\$5,505	\$0	\$5,505	\$150,453	\$0	\$155,958
Total	\$48,363	\$0	\$48,363	\$1,112,439	\$0	\$1,160,803

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	\$972,550	\$0	\$972,550	\$921,848	\$0
1	\$837,756	\$48,569	\$789,188	\$748,045	\$3,999
2	\$1,246,597	\$69,212	\$1,177,386	\$1,057,825	\$3,904
3	\$1,261,856	\$71,288	\$1,190,568	\$1,013,904	\$3,812
4	\$1,453,147	\$101,535	\$1,351,612	\$1,091,044	\$3,721
5	\$2,137,668	\$134,531	\$2,003,137	\$1,532,669	\$3,633
6	\$2,572,905	\$138,567	\$2,434,339	\$1,765,494	\$3,547
7	\$2,598,938	\$142,724	\$2,456,215	\$1,688,492	\$3,463
8	\$2,625,755	\$147,005	\$2,478,749	\$1,615,150	\$3,381
9	\$2,653,378	\$151,415	\$2,501,963	\$1,545,285	\$3,301
10	\$2,681,833	\$155,958	\$2,525,875	\$1,478,724	\$3,223
Total	\$21,042,384	\$1,160,803	\$19,881,581	\$14,458,482	\$35,983

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	33.82%
Benefit/Cost Ratio (Over 10 years).....	18.42 : 1