



# INTER-OFFICE MEMORANDUM

**DATE:** 12/16/2024

**FROM:** Kristen King, Assistant to the City Manager

**RE:** 2023 Annual Economic Development Report

Each year the City of Manhattan (City) collects and reports information related to performance and accountability for entities actively monitored under economic development agreements. The majority of reporting is done for the previous calendar year (2023) with some reports as of the current year (2024); this date is determined by the individual agreements. This information is then compiled into the annual economic development report.

Included in the appendices is more information related to the City’s Economic Development Funds, annual accountability reports, property tax abatements, and an incentive map.

## Annual Accountability Reports

The following section a summary indicating the company’s overall performance for the reporting year.

### *GTM Sportswear*

The agreement provided an \$800,000 forgivable loan to expand its custom embroidered and screen-printed sportswear business. Accountability reporting will occur through 2025.

AS OF DECEMBER 31, 2023			
Compliance Category	Target	Actual	Compliance Percentage
Job Creation	641	279	44%
Capital Expenditures	\$17,950,000	\$24,652,663	137%
Wage Structure	Minimum Wage: \$13.01 5% of employees  Category A: \$13.01 - \$15.98 Target of 75% of employees	Minimum Wage: 5% of employees earned below the target minimum  Category A: 17% of employees earned a wage in this range  Category B: 78% of employees earned a wage in this range	168%

	Category B: at or above \$15.98 Target of 25% of employees		
Employee Benefits	Company participation in an employee benefits package that includes medical insurance, life insurance, paid vacation and holidays	The company does participate in all benefits as described in the Target column.	100%
Blended Compliance Percentage = 112%			
Incentive Received: 100% Property Tax Abatement			

***CivicPlus***

The agreement provided a \$750,000 forgivable loan and partial tax abatement to assist with the expansion project. CivicPlus completed 10-year loan repayment portion of their agreement in 2022. 2023 was the final year of accountability reporting and property tax abatement. This report concludes reporting for CivicPlus.

AS OF DECEMBER 31, 2023			
Compliance Category	Target	Actual	Compliance Percentage
Job Creation	250	132	53%
Capital Expenditures	\$8,850,000 by December 31, 2014	Met target as of 2014 reporting year	100%
Wage Structure	Average Wage: \$57,674 Minimum Hourly Wage: \$15.36	Average Wage: \$90,677 Minimum Hourly Wage: \$16.13	157%
Employee Benefits	Participation in at least 60% of the premium cost of standard medical insurance for all FTEs, and provide at least 15 days of paid leave per year	Company certified compliance	117%
Blended Compliance Percentage = 107%			
Incentive Received: 81.43% Property Tax Abatement			

***The Prime Company***

The agreement provided a Job Incentive Performance Grant of \$65,000 for 13 anticipated full-time jobs over a 7-year period, each job is valued at \$5,000 tied to the relocation of the company headquarters in Manhattan. This is the company’s first year of accountability reporting. Accountability reporting will occur through 2030.

AS OF AUGUST 31, 2024			
Job Incentives Grant Allocation Total	Number of new FTEs Created	Amount Paid to The Prime Company	Remaining Job Incentives Grant Balance
\$65,000	5	\$25,000	\$40,00
Incentive Received: \$25,000 Grant Payment			

**New Economic Development Agreements**

The following is a summary of new economic development agreements entered into during the reporting year.

***KSU Foundation***

In June 2023, the City entered an economic development agreement with K-State Foundation to issue Industrial Revenue Bonds (IRBs) for 10-year tax abatement for a \$30 million office at 1960 Kimball Avenue. The first 5 years of abatement are granted and years 6-10 will require accountability reporting based on investment, wages, and number of new jobs created. Construction is anticipated to be complete in 2025.

This agreement is in addition to the 2017 agreement with the Foundation for an \$800,000 (a \$300,000 forgivable loan and a \$500,000 conventional loan) to assist with building the Foundation's second building in the K-State Office Park, disbursed after the Foundation received occupancy permit. This new building will have office space for tenants drawn to Manhattan by the National Bio and Agro-Defense Facility (NBAF), among others. the Foundation will have eight years to create 100 jobs. Reporting and the first payment of the conventional loan will occur in 2026.

***Flint Hills Ventures***

In June 2023, the City entered into an agreement with Flint Hills Ventures under the newly established Speculative Industrial Building, Industrial Revenue Bond Program for a 112,000-square-foot of industrial speculative space located on Kretschmer Drive. The agreement includes \$10 million in IRBs, sales tax exemption for the construction of the project, and 10-year property tax abatement with the first 5 years abated at 95% and the remaining years eligible for 50% based on lease agreements. Construction began in 2024 and is anticipated to be complete in 2025.

**Property Tax Abatements**

The following is a snapshot of entities with property tax abatements in 2023. More detailed information on these abatements is provided in Appendix B.

<b>Entity</b>	<b>Abatement Dates</b>	<b>Abatement Eligibility</b>	<b>Abatement Percentage Received in 2023</b>
CivicPlus	2013 - 2023	Up to 100% of non-shared space - based on compliance	81.43%
GTM	2016 - 2025	Up to 100% - based on compliance	100%
Bev Hub	2021 - 2031	100% of building expansion only - automatic	100%

**Enclosures**

Appendix A – Economic Development Fund Summaries

Appendix B – Annual Accountability Reports

Appendix C – Property Tax Abatements and Industrial Revenue Bonds

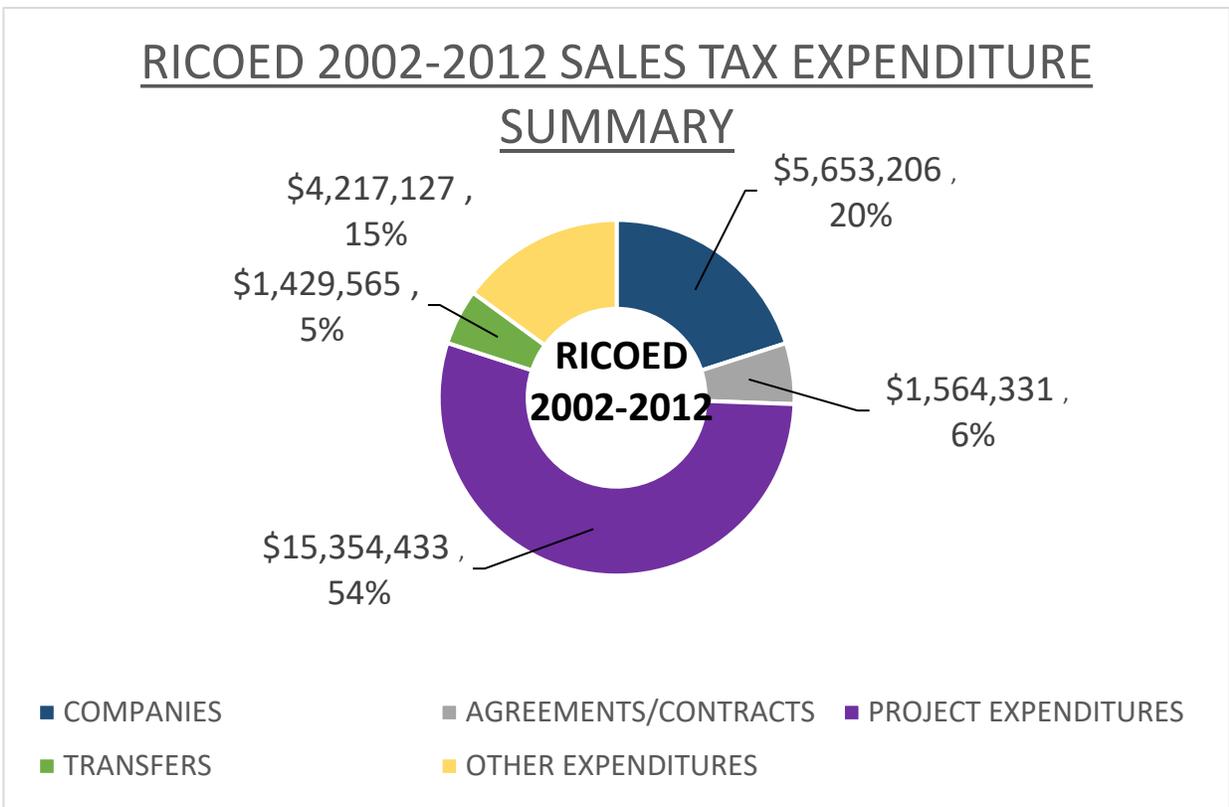
Appendix D – Incentive Map

**CITY OF MANHATTAN  
RILEY COUNTY ECONOMIC DEVELOPMENT FUND  
(RICOED 2002-2012) SALES TAX SUMMARY**

**Question:** Shall a countywide retailers' sales tax in the amount of one-half of one cent (.5%) (the "Sales Tax") be levied in Riley County, Kansas (the "County"), to take effect when the County's current one-half of one percent (.5%) sales tax levied by Resolution No. 051997-15 expires in accordance with K.S.A. 12-187(b)(2), with the proceeds of the Sales Tax distributed to the County and the cities located within the County as required by law and used: (i) by the County to pay the costs of developing, improving, and maintaining the system of roads, bridges and culverts located in the County, (ii) by the City of Manhattan for economic development initiatives that occur within Riley County, and which benefit the City of Manhattan, Kansas, as determined and authorized by the Governing Body of the City; provided, however, such revenue may be used for economic development initiatives that occur outside of Riley County, if the Governing Body of the City determines that Riley County will benefit from such initiatives, and the Board of Riley County Commissioners agree, in writing, with such determination, and (iii) the proceeds distributed to other cities within the County will be used as those cities determine to be in their best interests, provided further that, the question of continuing the Sales Tax shall be submitted to the electors of the County at the general election held in 2012, pursuant to K.S.A. 12-187 *et seq.*, as amended?

Total Revenue Collected	Total Expenditures	Remaining Balance as of 10.31.2024
\$ 28,961,223.00	\$ 28,218,662.09	\$ 742,560.91
<b>COMPANIES</b>		<b>FUNDS SPENT</b>
Flint Hills Beverage	\$	40,000.00
NISTAC	\$	1,621,901.00
Collegiate Marketing Service	\$	502,938.00
Meadowlark Hills	\$	753,649.00
Covan	\$	1,642.00
Airline Revenue Guaranty	\$	915,000.00
Mercy Health Foundation	\$	200,000.00
Manhattan Area Technical College	\$	366,500.00
CivicPlus	\$	750,000.00
Community House	\$	501,576.00
<b>Total Companies</b>	<b>\$</b>	<b>5,653,206</b>
<b>AGREEMENTS/CONTRACTS</b>		
Chamber of Commerce	\$	955,000.00
Chamber of Commerce COVID 19	\$	387,131.00
Downtown Manhattan	\$	135,000.00
Aggieville Business District	\$	60,000.00
Allegiant Air Service Agreement	\$	27,200.00
<b>Total Agreements/Contracts</b>	<b>\$</b>	<b>1,564,331</b>

PROJECT EXPENDITURES		
K18/Wildcat Creek Road Turn Lane	\$	295,101.00
K18 Ph 2 & 3 (Shuss Road)	\$	300,000.00
Airport - Small Community Marketing	\$	100,000.00
Airport GA Site Improvements - Design	\$	145,619.00
Conference Center	\$	1,500,000.00
Innovation Center Building	\$	7,134,902.13
NBAF Sanitary Sewer	\$	299,325.28
NBAF Waterline	\$	727,485.00
NBAF Infrastructure	\$	2,035,489.85
Pilot Space	\$	1,087,495.00
Wildcat Creek Rd Alignment Alt	\$	8,750.00
Aggieville Study	\$	84,824.00
North Campus Kimball/Denison	\$	1,635,442.00
<b>Total Project Expenditures</b>	<b>\$</b>	<b>15,354,433</b>
TRANSFERS		
General Fund	\$	10,000.00
Special Revenue	\$	109,052.00
Bond & Interest	\$	1,310,513.00
<b>Total Transfers</b>	<b>\$</b>	<b>1,429,565</b>
OTHER EXPENDITURES		
Assessment Fee/Taxes	\$	1,217,803.97
Riley County Tax Share	\$	1,775,710.00
Miscellaneous	\$	963,612.86
Lee Mill Village	\$	260,000.00
<b>Total Other Expenditures</b>	<b>\$</b>	<b>4,217,127</b>



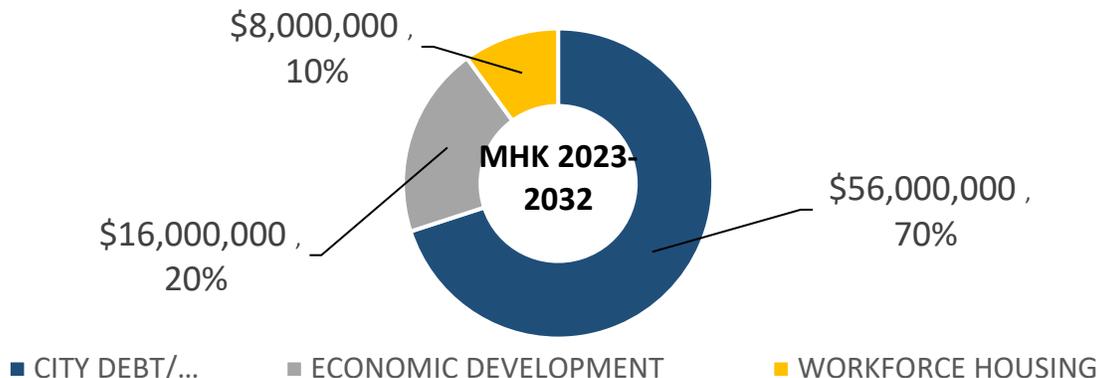
# CITY OF MANHATTAN

## CITY OF MANHATTAN ECONOMIC DEVELOPMENT FUND (MHK 2023-2032) SALES TAX SUMMARY

**Question:** Shall a retailers' sales tax in the amount of one-half of one percent (0.5%) be levied within the city limits of Manhattan, Kansas, for the purposes of stimulating recovery from the COVID-19 pandemic and reducing the ad valorem property tax burden on City taxpayers; to achieve such purposes, the revenue from the additional tax shall be used as follows: I. approximately 70% of the funds shall pay for outstanding city debt and the costs related to public infrastructure; II. approximately 20% of the funds shall pay for job creation, recruitment, or retention initiatives; and III. approximately 10% of the funds shall pay for workforce housing initiatives. With the means and methods to accomplish said purposes to be determined in the sole discretion of the Governing Body of the City; such additional tax, levied pursuant to K.S.A. 12-187, if approved by a majority of the electors voting thereon, to take effect January 1, 2023, or as soon as thereafter as permitted by law and notice requirements allow, and to expire ten years from the date the tax is first collected?

Total Revenue Collected	Total Expenditures	Projected Total
\$ 13,258,412.32	\$ 1,700,650.00	\$ 80,000,000.00
<b>CITY DEBT/ PUBLIC INFRASTRUCTURE</b>		
		Projected to Spend
Aggieville/ North Campus Corridor	\$	56,000,000.00
<b>Total City Debt/Public Infrastructure</b>	<b>\$</b>	<b>56,000,000</b>
<b>ECONOMIC DEVELOPMENT</b>		
Economic Development Initiatives	\$	16,000,000.00
<b>Total Economic Development</b>	<b>\$</b>	<b>16,000,000</b>
<b>WORKFORCE HOUSING</b>		
Workforce Initiatives	\$	8,000,000.00
<b>Total Workforce Housing</b>	<b>\$</b>	<b>8,000,000</b>

MHK 2023-2032 FORECASTED SALES TAX SUMMARY



## MANHATTAN ECONOMIC DEVELOPMENT OPPORTUNITY FUND

**ACCOUNTABILITY CHECKLIST**

**Company:** Champion Teamwear (formerly GTM Sportswear)

**Date of Review:** February 2024

**Report for Year Ending:** December 31, 2023

**Review Team:** Kristen Dolf, Assistant to the City Manager

**Company Representatives:** Miranda Hardenburger - GM, Casey Jonas – Controller

**Goal of Company:** Champion Teamwear, located at 520 McCall Road, sells custom embroidered and screen-printed sportswear and related goods. The company's diverse markets include a national presence in K-12 schools (Team wear, staff apparel, boosters, etc), corporate apparel, promotional products and collegiate retail. Within these markets are dozens of subset markets in which the company has developed specialized niches. On September 30, 2016, GTM was sold to Hanesbrands, Inc., a publicly traded company. The sale was approved by the City and the Economic Development requirements were left in place. GTM completed their re-branding to Champion Teamwear in 2019. Hereinafter, GTM will be referred to as Champion Teamwear. Champion Teamwear still remains active in providing career employment opportunities to Kansas State University students as they currently employ over 60 graduates.

**Manhattan Economic Development Funding:** Forgivable loan in the amount of \$800,000 to be paid out over a four-year period at \$200,000 per year. The fourth and final payment was made on July 1, 2009. The City Commission also approved a Resolution of Intent to issue up to \$28 million in Industrial Revenue Bonds (with partial tax abatement) for acquiring, expanding, and equipping Champion Teamwear's manufacturing facility. All incentives are tied to the company's compliance and four general performance areas: Job Creation, Capital Investment, Wage Targets, and Employee Benefits.

**Local Community Involvement:** Champion Teamwear has long been involved in the community in many capacities including but not limited to Flint Hills Breadbasket, Konza United Way, Kansas State University, and the Midwest Orphan Grain Train. In 2023, the company donated over \$500,000 in cash and clothing to various charities within Manhattan and the rest of the nation.

**ANNUAL PERFORMANC METRICS:**

**1. PRIVATE OR OTHER CAPITAL INVESTMENTS:**

*In connection with or related to the Project Additions, the Corporation shall, have accumulated actual expenditures as required by the Original Agreement as of December 31, 2015.*

Actual Capital Investment Expenditures and Time Period:

$$\frac{\text{Actual Expenditures}}{\text{Target Expenditures}} = \frac{\$24,652,663}{\$17,950,000} = 137\% \text{ Compliance Percentage}$$

**Private / Capital Investment Compliance Percentage = 137%**



**2. NET NEW JOB CREATION:**

*As calculated on December 31 of each year from 2016-2025, the Corporation shall continue to employ no less than 641 full time employees, as defined in this subsection ("FTEs"). An FTE is an employee of the Corporation who has worked 2,000 actual hours for the Corporation (inclusive of overtime hours) during the applicable year. The number of FTEs employed shall be determined by dividing the total number of all hours, (inclusive of overtime hours) worked by all employees of the Corporation from January 1—December 31 of each of the years, by 2,000.*

*When determining the number of hours worked under this subsection, the Corporation shall only include all actual hours worked by all employees, and shall not include any paid time-off such as for vacation, sick leave, or holidays. The Compliance Percentage for this subsection shall be calculated for each year by dividing the number of FTEs employed, as determined pursuant to this subsection, by 641.*

Work Hours Paid January 1, 2023 through December 31, 2023	558,321
Equivalent Individual Annual Hours	2,000
Equivalent Headcount as of 12/31/2023*	279
Goal	641

**Compliance = Equivalent Headcount as of 12/31/2023 = 279**  
**Goal = 641 = 44%**

**Job Creation Compliance Percentage = 44%**

**3. WAGE STRUCTURE:**

*The Corporation shall maintain a wage structure pursuant to the Original Agreement; however, the Corporation agrees to maintain such structure until December 31, 2025.*

Total New FTE from 01/01/23 through 12/31/23 =	25
Total New FTE from 01/01/23 through 06/30/23 =	20
Total work hours paid from 01/01/23 through 12/31/23=	558,321
Equivalent Headcount=	279
Hours paid below \$13.01* =	28,831
Equivalent Headcount=	14
Hours paid between \$13.01 and \$15.98* =	95,654
Equivalent Headcount=	48

*\*not pertinent to calculation; for informational purposes only*

**Category A:**

Hours paid between \$13.01 and \$15.98=	95,654
Equivalent Headcount=	48

**Category B:**

Hours paid at \$15.98 or more=	433,836
Equivalent Headcount=	217

% paid below \$13.01 =	5%
% paid between \$13.01 and \$15.98(Category A) =	17%
% paid at \$15.59 or more (Category B) =	78%

**Compliance**

<b>Category A</b>	$\frac{48}{279} = 17\%$	$\frac{17\%}{75\%} = 23\%$
<b>Category B</b>	$\frac{217}{279} = 78\%$	$\frac{78\%}{25\%} = 312\%$

**Total Compliance = (23% + 312%) ÷ 2 = 168%**

**Wage Structure Compliance Percentage = 168%**

4. **EMPLOYEE BENEFITS:**

*Champion Teamwear will provide benefits to all FTEs hired after January 1, 2005, to include participation by the company in the cost of medical insurance, life insurance, and paid vacation and holidays. Company to certify compliance. If such certification is provided, compliance is deemed at 100% in this category.*

- **Certifications Provided:** In a letter from Casey Jonas, CFO, dated February 13, 2024, Champion Teamwear certifies that they provide the following benefits to employees:
- Cigna – choice of 4 HRA plans
- Free health related maintenance medication
- Delta Dental – stand-alone plan, not tied to Health Insurance
- VSP Vision coverage
- Company provided Short Term Disability
- Flexible Spending Accounts (FSA)
- 401k after 30 days of employment – 100% dollar for dollar match up to 4%; 2-year vesting schedule.
- Health Care Clinic on-site
- Free diabetes management programs, RX Savings Solutions for discounted prescriptions,
- Wellness Pet Insurance
- 8 paid holidays; Martin Luther King Jr. Day, Memorial Day, 4<sup>th</sup> of July, Labor Day, Thanksgiving, Day after Thanksgiving, Christmas Day, New Year’s Day
- Hourly vacation – 2 weeks 0-9 years, 3 weeks 10-19 years, 4 weeks 20+ years
- Salaried and Non-Exempt vacation – 3 weeks 0-7 years, 4 weeks 8+ years
- Non-Exempt 40 hours of Emergency sick leave, and 4 hours for children school events
- & 10% off Freddie’s Frozen Custard, , Cox BBQ and other local businesses, 30% of all Hanes owned products, Champion, Hanes, Maidenform, Bonds, Playtex,
- Discounted World of Fun & Ocean of Fun Tickets, other discounts through tickets at work
- Company paid life insurance \$25,000 for all permanent full time employees.
- /AD&D for all permanent full time employees.  
Employee Emergency Assistance Program

**Employee Benefits Compliance Percentage = 100%**

**TOTAL COMPLIANCE:**

Capital Investment: 137%  
Job Creation: 44%  
Wage Structure: 168%  
Benefits: 100%

**Blended Compliance Percentage = 112%**

Company will receive 100% of incentives

Blended Percentage Range	Portion of each of the Incentives to be Received	Annual Audit Reserve
<b>Equal to or greater than 85%</b>	<b>100%</b>	
Equal to or greater than 80% and less than 85%	80%	N/A
Equal to or great than 70% and less than 80%	70%	
Equal to or greater than 50% and less than 70%	50%	
Less than 50%	0%	

## ACCOUNTABILITY CHECKLIST

**Company:** CivicPlus, LLC.

**Date of Review:** February 2024

**Report for year ending:** December 31, 2023

**Review Team:** Kristen Dolf, Management Assistant

**Company Representatives:** Brian Rempe – CEO, Rex Tessorf – CFO,  
Nicole Matheu, VP of Human Resources

**Goal of Company:** CivicPlus® is the integrated technology platform for local government, working with over 4,000 local governments including municipalities, counties, and municipal departments. CivicPlus offers an integrated platform of solutions built exclusively for local government. Its offerings include CivicEngage® and CivicCMS® website design and hosting solutions, CivicHR® employee management solutions, CivicReady® mass notification software, CivicRec® parks and recreation management software, CivicService® citizen request and work order management software, and CivicClerk® agenda and meeting management solutions. All of CivicPlus' unified applications are integrated via the robust CivicPlus® Platform.

Inc. magazine has included CivicPlus in its Inc. 5000 since 2010, the most prestigious ranking of the nation's fastest-growing private companies. In addition, we have been recognized by Government Technology magazine as one of the top 100 companies in the United States for helping to improve the public sector since 2016, and our Technical Support team has earned six Stevie® Awards since 2019. In 2016, CivicPlus was honored with the Governor's Award of Excellence, the top award given to a business in the state of Kansas. CivicPlus has also been named as one of the Achievers 50 Most Engaged Workplaces, a Great Place to Work by the Great Place To Work Institute, and was awarded the Alfred P. Sloan Award for Excellence in Workplace Effectiveness and Flexibility. CivicPlus has achieved consistent growth over the last several years, increasing total revenues by 731% percent from 2012 to 2023. The client base has grown by 2,869% since 2009, which is indicative of the strong products and value offered by the company.

**Manhattan Economic Development Funding:** Forgivable loan in the amount of \$750,000 to be paid out in four installments as milestones are met related to the construction of the new facility. The first installment of \$250,000 was paid in May 2012 upon execution of the economic development agreement with the company. The second installment of \$150,000 was paid in March 2013 upon issuance of the building permit. The third installment of \$150,000 was paid in November 2014 upon issuance of the occupancy permit. The fourth and final installment was paid in February 2015 upon the creation of 71 new employees. The City Commission also approved a Resolution of Intent to issue up to \$20 million in Industrial Revenue Bonds (with partial tax abatement) for acquiring, expanding, and equipping the new downtown office facility. All incentives are tied to the company's compliance with four general performance areas: job creation, capital investment, wage targets, and employee benefits.

**CURRENT STATUS:** Construction was completed in September 2014 and the company has occupied the new building as of that time.

## **ANNUAL PERFORMANCE METRICS:**

### **1. PRIVATE AND OTHER CAPITAL INVESTMENTS:**

#### **Actual Capital Investment Expenditures and Time Period:**

Capital Investment as of December 31, 2014 = \$11,234,105

#### Cumulative Capital Investments

\$4,350,000

\$8,850,000

#### Subsection 2(b) Time Periods

by December 31, 2013

by December 31, 2014

Per Section 2f, the calculation of the Private and Other Capital Investments section is not required beyond fiscal year 2014. Therefore, the compliance percentage is 100%. CivicPlus exceeded the requirements in fiscal years 2013 and 2014.

**Capital Investments Compliance Percentage: 100%**

### **2. NET NEW JOB CREATION:**

*An FTE is either (a) an hourly employee, or combination of hourly employees, who have worked 2080 actual hours (inclusive of overtime) or (b) a salaried employee, or combination of salaried employees, who have worked 260 days.*

Job Creation as of December 31, 2023: **215**

Minus Base Employee Total: 83

**Net New Job Creation Total: 132**

(Net New Job Creation, continued)

**Targets:**

<b>For Year Ended December 31</b>	<b>Cumulative FTEs</b>
2013	20
2014	39
2015	62
2016	93
2017	122
2018	150
2019	176
2020	199
2021	220
2022	234
2023	250

Note: The FTE target is above the base of 83 FTE as of February 1, 2012.

**Job Creation Compliance Percentage = Actual/ Target = 53%**

**3. WAGE STRUCTURE:**

As stated in subsection 2(d) of the agreement:

“The average wage of all positions created...shall be at least \$45,055 per year. All permanent positions of the Corporation will receive a minimum hourly wage of at least \$12 per hour (excluding part-time internships). These wage targets will increase by 2.5% annually.”

Lowest hourly wage earned by a permanent employee as of December 31, 2021= \$16.13  
Average annual wage of all new positions created as of December 31, 2021= \$90,677

<b>For Year Ended December 31</b>	<b>Target Average Wage of All New Positions</b>	<b>Minimum Hourly Wage</b>
2013	\$45,055	\$12.00
2014	\$46,181	\$12.30
2015	\$47,336	\$12.61
2016	\$48,519	\$12.92
2017	\$49,732	\$13.25
2018	\$50,976	\$13.58
2019	\$52,250	\$13.92
2020	\$53,556	\$14.26
2021	\$54,895	\$14.62
2022	\$56,268	\$14.99
2023	\$57,674	\$15.36

(Wage Structure, continued)

$$\frac{\text{Actual Average Wage of New Positions}}{\text{Target Average Wage of New Positions}} = \text{Wage Percentage}$$

$$\frac{\$90,677}{\$57,674} = 157\%$$

The Compliance Percentage will be reduced by 1% for every 1% of employees who earn an hourly wage below the minimum hourly threshold.

$$\text{Wage Percentage} - \frac{\# \text{ of employees earning } < \text{ minimum hourly wage}}{\text{total permanent employees}} = \text{compliance \%}$$

$$157\% - \frac{0}{250} = 157\%$$

**Wage Structure Compliance Percentage = 157%**

#### 4. EMPLOYEE BENEFITS:

CivicPlus will participate in at least 60% of the premium cost of standard medical insurance coverage for all full-time employees and provide at least 15 days of paid leave per year to all full-time employees. CivicPlus currently offers three different health coverage plans in four categories: employee; employee and spouse; employee and children, and family. The company covers 60% of the premium cost for all plans.

$$\frac{\% \text{ of premium covered by employer}}{60\%} = \text{insurance compliance percentage}$$

$$\frac{70\%}{60\%} = 117\%$$

The compliance percentage will be reduced by 1% for every 1% of company employees who receive less than 15 days of paid leave per year.

$$\text{Insurance compliance percentage} - \frac{\# \text{ of employees with } < 15 \text{ days paid leave}}{\text{total employees}} = \text{Compliance \%}$$

$$117\% - \frac{0}{250} = 117\%$$

**Employee Benefits Compliance Percentage: 117%**

## **TOTAL COMPLIANCE:**

Capital Investment: 100%  
 Job Creation: 53%  
 Wage Structure: 157%  
 Benefits: 117%

*Average of above determines blended % of compliance in chart below:*

**Blended Compliance Percentage = 107%**

**Company will receive 100% of incentives**

Blended Percentage Range	Portion of each of the Incentives to be Received
Equal to or greater than 85%	100%
Equal to or greater than 80% and less than 85%	80%
Equal to or greater than 70% and less than 80%	70%
Equal to or greater than 50% and less than 70%	50%
Less than 50%	0%

# ACCOUNTABILITY CHECKLIST

**Company:** Elsey Holdings, LLC, dba The Prime Company

**Date of Review:** September 2024

**Report for year ending:** August 31, 2024

**Review Team:** Kristen King, Assistant to the City Manager

**Company Representatives:** Bryan Elsey, Owner  
Chris Elsey, Owner  
Mickey Zimmerman, CPA/Controller

**Development Summary:**

Elsey Holdings, dba "The Prime Company" relocated and expanded headquarters in Manhattan Kansas in a facility at 2021 Vanesta Place. The business shall remain within the city of Manhattan for a minimum of 10 years from and after implementation.

**Manhattan Economic Development Funding Summary:**

Incentive package includes an economic development jobs grant totaling \$65,000 for 13 anticipated full-time jobs over a 7-year period. Each job is valued at \$5,000 and must be paid the average hourly wage detailed in the agreement. Grant allocations will be disbursed in accordance with the number of jobs identified for each year as detailed in the agreement.

## ANNUAL PERFORMANCE METRICS:

**Job Incentive Grant Summary**

The Grant shall not exceed \$65,000 for the creation of 13 full-time employees (FTE) above the baseline of 12 existing employees as of the Agreement date of October 19, 2021. See Existing Employees table below.

Existing Employees

Job Category	Current Number	Average Hourly Wage
Accounting/Finance	2	\$ 40.00
General Management	7	\$ 40.00
Research & Development	0	\$ 0
Clerical	1	\$ 40.00
Sales/Marketing	2	\$ 35.00
Engineering	0	\$ 0
Production	0	\$ 0
<b>TOTAL</b>	12	\$ 39.17

**Qualifying FTEs**

- Created on, or after, the Agreement Date of October 19, 2021
- Must add to the number of FTEs reported in previous Accounting Periods. In other words, an FTE cannot replace a previous employee that has left employment
- Must be paid the corresponding average hourly wage listed in table
- Company has set maximum FTEs to claim each year as described in the table below. Please note:
  - If the maximum number of FTEs is not claimed in any given year, the remaining FTEs may be claimed in a subsequent year so long as the cumulative total does not surpass the summation allowed for years-to-date or exceed seven years from the start date
  - Example: cumulative to claim for years one and two is six FTEs.

Qualifying FTEs and wages are described in the following table

Job Title/Category	Hourly Wage Range (Low – High)	Average Hourly Wage	Jobs Created Per Year										Total Jobs	
			1	2	3	4	5	6	7	8	9	10		
<b>Exempt (Salaried)</b>														
Accounting - Bookkeeper	\$ 20 - \$ 25	\$ 22.50	0	0	0	0	1	0	1	0	0	0	0	2
Architect	\$ 35 - \$ 45	\$ 40.00	3	0	0	0	1	0	0	0	0	0	0	4
Prop Man - Director of Op	\$ 40 - \$ 50	\$ 45.00	1	0	0	0	0	0	0	0	0	0	0	1
Prop Man - Regional	\$ 35 - \$ 40	\$ 40.00	1	0	0	0	0	1	0	0	0	0	0	2
Prop Man - Marketing	\$ 25 - \$ 35	\$ 28.00	0	0	1	0	1	0	0	0	0	0	0	2
Construction Estimator	\$ 30 - \$ 35	\$ 31.25	0	1	0	0	0	1	0	0	0	0	0	2

**Accountability Periods**

The first Accountability Period begins the first day of the first full month following the issuance of a Certificate of Occupancy by the City for the Facility through the last day of the 12th month thereafter (the “One Year Anniversary”). The subsequent periods shall be the one year from the previous accountability period.

**Certificate of Occupancy Issued: August 14, 2023**

**First Accountability Periods: September 1, 2023 – August 31, 2024**

**Subsequent Accountability Periods: September 1 – August 31**

Upon completion of the Accountability Period, an authorized officer of the Company shall provide the City with a certification, under oath, of the number of new FTEs that were created during such period. The certification shall include, for each FTE:

- the title of the position
- the dates during which such position was filled
- the salary paid for the position

**Job Creation Summary**

This section will be completed by City Staff following submission of annual report by Company.

**Summary Job Creation for Accounting Period:**

<b>For Year Ended August 31</b>	<b>Allowable FTEs</b>	<b>FTEs Created During Accountability Period</b>
2023	5	5
2024	1	
2025	1	
2026	0	
2027	3	
2028	2	
2029	1	

**Annual Disbursement Summary**

<b>Job Incentives Grant Allocation Total</b>	<b>Number of new FTEs Created during Annual Accountability Period</b>	<b>Amount Paid to Elsey Holdings</b>	<b>Remaining Job Incentives Grant Balance</b>
<b>\$65,000</b>	<b>5</b>	<b>\$ 25,000</b>	<b>\$40,000</b>

\* Each FTE is valued at \$5,000

# Tax Abatements & Industrial Revenue Bonds (IRBs)

# Background

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State statute authorizes tax abatements on buildings and equipment financed with proceeds from Industrial Revenue Bonds. The City of Manhattan has been very judicious in granting tax abatements. As of December 31, 2023, the City of Manhattan had three entities with property tax abatements: CivicPlus (Icon Enterprises), GTM Sportswear, and Bev-Hub. In the case of the companies listed, the tax abatements were provided to assist with expansions of local companies operating in Manhattan.

Industrial Revenue Bonds (IRBs) are issued by the City. The City owns the real or personal property financed from the bond proceeds and leases the property to the applicant (tenant). The tenant makes the bond (lease) payments, and when the bonds have been paid in full the City deeds the real and/or personal property to the tenant. The City incurs no liability in this transaction. If for some reason the tenant defaults on the lease payments, the real or personal property ownership remains with the City. The trustee bank would then attempt to sell the property to repay the bondholders.

In 2003, the City Commission approved a new Tax Abatement Policy. The purpose of this policy is to establish the official position and procedures of the City for considering applications for property tax abatement for real and personal property used for economic development purposes. Highlights of the policy include requiring tax abatement recipients to achieve annual job creation targets in order to maintain the abatement and to provide an annual report to the City Commission on the status of outstanding abatements.

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# Active Abatements

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## CivicPlus

**2023 Abatement Percentage: 81.43% \***

<b>Ordinance Number</b>	7001		
<b>Abatement Length and Expiration Date</b>	10 years 2013 - 2023		
<b>Abatement Percentage</b>	100% real and personal property on project additions funded through IRB financing, excluding the square footage of the ground floor of any building and any portion of property not used exclusively by the company for its Corporate business. Also excludes any property within a TIF District (see economic development agreement dated May 15, 2012).		
<b>Abatement Authorized</b>	Under IRB Statutes – first issue anticipated in 2013		
<b>Abatement Stipulations</b>			
<b>Wage Targets</b>	The average wage of all positions created shall be at least \$45,055 per year. All permanent positions will receive a minimum hourly wage of \$12, excluding part-time internships. Wage targets will increase by 2.5% annually. The company will be required to participate in at least 60% of the premium cost of standard medical insurance coverage for all full-time employees and provide at least 15 days of paid leave per year.		
<b>Capital Expenditure Targets</b>	Tax year	Cumulative Target Expenditures	FTEs
	2013	\$4,350,000	20
	<b>2014</b>	<b>\$8,850,000</b>	<b>39</b>
	2015	\$8,850,000	62
	<b>2016</b>	<b>\$8,850,000</b>	<b>93</b>
	2017	\$8,850,000	122
	<b>2018</b>	<b>\$8,850,000</b>	<b>150</b>
	2019	\$8,850,000	176
	<b>2020</b>	<b>\$8,850,000</b>	<b>199</b>
	2021	\$8,850,000	220
	<b>2022</b>	<b>\$8,850,000</b>	<b>234</b>
	2023	\$8,850,000	250

*\*The abatement percentage applies to Ad Valorem taxes on real and personal property only; subject to the provisions of the ordinance numbers listed in the chart for each company.*

# GTM Sportswear

## 2023 Abatement Percentage: 100%

<b>Ordinance Number</b>	6592																						
<b>Abatement Length and Expiration Date</b>	10 years 2007 - 2016																						
<b>Abatement Percentage</b>	100% real and personal property on both existing and the new property																						
<b>Abatement Authorized</b>	Under IRB statutes - \$6,000,000 principal issue																						
<b>Abatement Stipulations</b>																							
<b>Wage Targets</b>	The company will be required to maintain a wage structure such that 25% of its new employees are making an average of \$10.50 per hour and the remaining 75% are making an average of \$8.55 per hour. All full-time employees will receive at least \$8 hourly. This wage target will increase by 2.5% annually.																						
<b>Benefits</b>	Provide benefits to all trained, non-probationary, FTEs that include participation by the Corporation in the cost of medical and life insurance and paid vacation and holidays.																						
<b>Capital Expenditure Targets</b>	<table border="1"> <thead> <tr> <th>Tax year</th> <th>Cumulative Target Expenditures</th> </tr> </thead> <tbody> <tr> <td>2006</td> <td>\$2,500,000</td> </tr> <tr> <td>2007</td> <td>\$3,250,000</td> </tr> <tr> <td>2008</td> <td>\$4,350,000</td> </tr> <tr> <td>2009</td> <td>\$5,650,000</td> </tr> <tr> <td>2010</td> <td>\$8,150,000</td> </tr> <tr> <td>2011</td> <td>\$10,350,000</td> </tr> <tr> <td>2012</td> <td>\$11,850,000</td> </tr> <tr> <td>2013</td> <td>\$13,750,000</td> </tr> <tr> <td>2014</td> <td>\$15,650,000</td> </tr> <tr> <td>2015</td> <td>\$17,950,000</td> </tr> </tbody> </table>	Tax year	Cumulative Target Expenditures	2006	\$2,500,000	2007	\$3,250,000	2008	\$4,350,000	2009	\$5,650,000	2010	\$8,150,000	2011	\$10,350,000	2012	\$11,850,000	2013	\$13,750,000	2014	\$15,650,000	2015	\$17,950,000
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2014	\$15,650,000																						
2015	\$17,950,000																						

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*(GTM Sportswear, continued)*

<b>Ordinance Number</b>	6709																						
<b>Abatement Length and Expiration Date</b>	10 years 2009 - 2018																						
<b>Abatement Percentage</b>	100% real and personal property on both existing and the new property																						
<b>Abatement Authorized</b>	Under IRB statutes - \$3,771,000 principal issue																						
<b>Abatement Stipulations</b>																							
<b>Wage Targets</b>	The company will be required to maintain a wage structure such that 25% of its new employees are making an average of \$10.50 per hour and the remaining 75% are making an average of \$8.55 per hour. All full-time employees will receive at least \$8 hourly. This wage target will increase by 2.5% annually.																						
<b>Benefits</b>	Provide benefits to all trained, non-probationary, FTEs that include participation by the Corporation in the cost of medical and life insurance and paid vacation and holidays.																						
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*(GTM Sportswear, continued)*

<b>Ordinance Number</b>	6797																						
<b>Abatement Length and Expiration Date</b>	10 years 2010 - 2019																						
<b>Abatement Percentage</b>	100% real and personal property on both existing and the new property																						
<b>Abatement Authorized</b>	Under IRB statutes - \$1,020,000 principal issue																						
<b>Abatement Stipulations</b>																							
<b>Wage Targets</b>	The company will be required to maintain a wage structure such that 25% of its new employees are making an average of \$10.50 per hour and the remaining 75% are making an average of \$8.55 per hour. All full-time employees will receive at least \$8 hourly. This wage target will increase by 2.5% annually.																						
<b>Benefits</b>	Provide benefits to all trained, non-probationary, FTEs that include participation by the Corporation in the cost of medical and life insurance and paid vacation and holidays.																						
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*(GTM Sportswear, continued)*

<b>Ordinance Number</b>	7180
<b>Abatement Length and Expiration Date</b>	10 years 2016 - 2025
<b>Abatement Percentage</b>	100% real and personal property on both existing and the new property
<b>Abatement Authorized</b>	Under IRB statutes - \$1,700,000 principal issue
<b>Abatement Stipulations</b>	
<b>Wage Targets</b>	Beginning December 31, 2016, the company will be required to maintain a wage structure such that 25% of its new employees are making an average of \$13.44 per hour and the remaining 75% are making an average of \$10.94 per hour. All full-time employees will receive at least \$10.24 hourly. This wage target will increase by 2.5% annually.
<b>Benefits</b>	Provide benefits to all trained, non-probationary, FTEs that include participation by the Corporation in the cost of medical and life insurance and paid vacation and holidays.
<b>Capital Expenditure Targets</b>	Capital Expenditure Requirements were met as of December 31, 2015
<b>Job Creation</b>	Amount of FTEs should not fall below 641 for any consecutive year

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# Bev-Hub

## 2023 Abatement Percentage: 100%\*

<b>Ordinance Number</b>	7562
<b>Abatement Length and Expiration Date</b>	10 years 2021-2031
<b>Abatement Percentage</b>	100% real and personal property on the building expansion, Bev-Hub will continue to pay taxes on the existing building. (see economic development agreement dated October 6, 2020).
<b>Abatement Authorized</b>	Under IRB Statutes - \$1,660,690
<b>Abatement Stipulations</b>	
<b>Building Expansion</b>	For the acquisition, construction, and equipping of an addition to an existing beverage packing and shipping facility.

*\*The abatement percentage applies to Ad Valorem tax abatement on the building expansion only.*

