

From: Dean Lowrance
Sent: Wednesday, January 24, 2018 1:56 PM
To: imcdonald@northpointkc.com
Subject: Clarification of various points

Mr McDonald

Concerning the Compass Business Park, I would like to have your comments on various discussion points which have been made by the "Just Say No" coalition.

1. video "2: Steve Shute, Mayor of Gardner, KS"
www.facebook.com/ErinGallagherAssociates/videos/169905707109398
 - a. Why do housing look the way they do
 - b. NP still giving away massive incentives
 - c. Money not being reinvested where the people live
2. Video "3: Rich Melton, a realtor and Gardner, KS city council member,...."
www.facebook.com/ErinGallagherAssociates/videos/169901513776484
 - a. No new residential development in Edgerton
3. Video "2: NorthPoint has built a berm in Edgerton....."
www.facebook.com/ErinGallagherAssociates/videos/169898253776810/
 - a. Berm pushes water into Gardner, NP's position is, it is not their problem
4. Video "Kansas State Rep. Bill Sutton....."
www.facebook.com/ErinGallagherAssociates/videos/169893030443999/
 - a. Tax abatement impacted school district by \$27M
5. WJOL Paul Buss interview
<http://www.wjol.com/jackson-township-highway-commissioner-angry/>
 - a. NorthPoint has never reached out to Paul Buss
 - b. (4.33) Some of the roads cutoff, barricaded, locked gates

Also, I would like to request any information you may have on:

1. the development of warehousing in our general area in the past several years
2. Residential real estate development around Edgerton

In order that your response is properly filed with any and all communications that are open to the public via the Freedom of Information Act, I request that you make your reply directly to Marian Gibson, Village of Elwood Administrator (Marian.Gibson@villageofelwood.com) who will forward your comments to me.

Respectfully,
Dean Lowrance
Village of Elwood Trustee

Sent from [Mail](#) for Windows 10

Julie Friebele

From: Marian Gibson
Sent: Wednesday, February 07, 2018 3:41 PM
To: Darryl P. Lab; Dean Lowrance; Don LaPaglia; Doug Jenco; Jasen Melahn; Mary Matichak
Cc: Julie Friebele
Subject: FW: Clarification of various points

All,

Below are questions Trustee Lowrance posed to NorthPoint and their responses regarding Ms. Gallagher's presentation and some additional questions.

Marian T. Gibson, ICMA-CM
Village Administrator
Village of Elwood
401 East Mississippi Ave.
Elwood, IL 60421
marian.gibson@villageofelwood.com
815 424-1094 (Direct)
815 509-2282 (Cell)
815 423-6861 (Fax)

From: Ian McDonald [<mailto:imcdonald@northpointkc.com>]
Sent: Thursday, February 01, 2018 9:48 AM
To: Marian Gibson <marian.gibson@villageofelwood.com>
Cc: Patrick Robinson <probinson@northpointkc.com>
Subject: FW: Clarification of various points

Marian,

Please see questions from Mr. Lowrance and responses in **bold** below. Thank you.

Sincerely,

Ian McDonald | General Counsel/Project Manager



NorthPoint Development
d: 816.384.2292 | m: 785.218.6583
4825 NW 41st Street, Suite 500
Riverside, MO 64150
www.beyondthecontract.com

Please note that our address has changed!

From: Dean Lowrance [<mailto:dean.lowrance@villageofelwood.com>]
Sent: Wednesday, January 24, 2018 1:57 PM

To: imcdonald@northpointkc.com
Subject: Clarification of various points

Mr McDonald

Concerning the Compass Business Park, I would like to have your comments on various discussion points which have been made by the "Just Say No" coalition.

1. video "2: Steve Shute, Mayor of Gardner, KS"
www.facebook.com/ErinGallagherAssociates/videos/169905707109398

- a. Why do housing look the way they do

We were able to identify 10 of the 15 homes identified in the photographs of homes submitted by Ms. Gallagher. Utilizing information provided by Johnson County official records (available at: <https://maps.jocogov.org/ims/>), we found that on average, home values increased by 10.74% for this specific sample size. This is important to note given the concern over potential impacts on residential home values. Newer housing stock in Edgerton, circa 2004, increased at a higher rate. At the same time, the City's tax rate dropped by 25% from 2013 to 2017.

Of the 10 homes that were identified, seven were built prior to 1920 with the other homes built in 1948, 1992, and 1993. Logistics Park Kansas City (LPKC) commenced construction in 2013. The newest home referenced in the photographs provided by Ms. Gallagher predates LPKC by 20 years.

It is also worth noting that the historic town center of Edgerton, inclusive of all of the homes referenced in the photographs provided by Ms. Gallagher, are over 3 miles away from the nearest building at Logistics Park Kansas City. A better indication of the impacts on housing associated with Logistics Park Kansas City would be the homes in Gardner, KS and unincorporated Johnson County, which share common property lines with LPKC. Below is a list of values and year-to-year changes in value for the properties in closest proximity to LPKC.

Address	Year Built	2017 Appraised Value	2016 Appraised Value	% Change
19901 Pepper Tree Lane	1976	\$ 215,700	\$ 198,711	8.56%
19903 Pepper Tree Lane	1976	\$ 234,200	\$ 189,400	23.65%
19905 Pepper Tree Lane	1976	\$ 199,800	\$ 190,800	4.72%
19907 Pepper Tree Lane	1977	\$ 205,100	\$ 196,560	4.34%
19909 Pepper Tree Lane	1977	\$ 627,100	\$ 533,400	17.57%
19911 Pepper Tree Lane	1999	\$ 448,080	\$ 403,330	11.10%
19913 Pepper Tree Lane	1982	\$ 296,160	\$ 262,490	12.83%
20265 Pepper Tree Lane	1994	\$ 831,110	\$ 676,040	22.92%
30249 W. 185th Street	2008	\$ 237,500	\$ 202,000	17.57%
30248 W. 185th Street	2008	\$ 273,400	\$ 240,100	13.87%
30235 W. 184th Ter.	2007	\$ 196,900	\$ 178,100	10.56%
18448 Curry Street	2007	\$ 218,000	\$ 204,400	6.65%
18436 Curry Street	2011	\$ 278,900	\$ 270,100	3.26%
18424 Curry Street	2010	\$ 257,000	\$ 253,200	1.50%
18412 Curry Street	2010	\$ 279,700	\$ 258,800	8.08%
30201 W. 184th Street	2004	\$ 192,100	\$ 182,400	5.32%
30200 W. 184th Street	2003	\$ 230,100	\$ 204,100	12.74%
748 Poplar Street	2006	\$ 136,100	\$ 131,800	3.26%

632 Poplar Street	2006	\$	134,000	\$	116,400	15.12%
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b. NP still giving away massive incentives. **We have a fixed incentive program that was agreed upon pursuant to a Master Project Agreement when LPKC was first established. The master project agreement dictated the incentives available for the buildings constructed within the park. It is roughly equivalent to a 50% abatement structured via a payment in lieu of taxes, meaning that the taxing jurisdictions receive revenue throughout the abatement period. In 2017, LPKC will remit over \$6 million in payments to taxing jurisdictions. And contrary to what Steve says, the City of Edgerton is largely made whole through those payments. Generally, the incentives are competitive with the competing industrial market. Gardner, for example, provides a front-loaded average 70% property tax abatement for industrial projects located at Midwest Commerce Center, with no revenue accruing to any taxing jurisdictions during the first 5 years of the abatement. Similar incentives are offered at Lenexa Logistics Centre in Lenexa, Kansas and at I-35 Logistics Park in Olathe, Kansas. I'd say the level of incentives offered at LPKC is consistent throughout the market, and it is in-line with what Gardner is providing to competing developments.**

a. Money not being reinvested where the people live **This is simply not true. Edgerton has seen a 50% growth in their general fund just from LPKC while taxes have decreased by approximately 25%. In addition, Edgerton has used the revenue derived from LPKC to pave gravel roads within the City – all roads in Edgerton are now paved. Edgerton also made its first park improvements in over 40 years. It also brought on board a parks and rec staff, which is something they had no never had before. They purchased ground for a new community center, which should be constructed in the next 24 months. They are also planning other public works projects within the City center, including a new bridge of the BNSF mainline running through town (this is a different bridge then the one shown in Erin's video). The bridge will provide vital access to the City, and it's being located where the City wants future residential growth. Edgerton has not issued additional debt to fund community-oriented projects – it is funding these \$24M in improvements with cash. And the community is still trying to build a consensus on how to utilize and prioritize the additional funds generated by LPKC. I'll add that many residents – likely Steve included – understand that Gardner missed an opportunity when it turned down LPKC. It's been a consistent source of discord within the community – the sense of loss of not having LPKC. This is a link to a good story that summarizes the sentiment that comes out of Gardner....**

<http://www.kmbz.com/articles/gardner-ks-pushes-ahead-despite-council-drama>
<http://gardnernews.com/view-council-drama-trumps-gardner-city-business/>

c.

2. Video "3:Rich Melton, a realtor and Gardner, KS city council member,..." www.facebook.com/ErinGallagherAssociates/videos/169901513776484

a. No new residential development in Edgerton

Edgerton hasn't seen much additional residential development. It has nothing to do with Logistics Park Kansas City, which is about 3 miles from the primary residential area in Edgerton. It is more about Edgerton's proximity within Johnson County, Kansas. Johnson County has been a high growth community starting in the 1990s and continuing through the 2000s up until the recession. New housing stock is just now starting to pick up again. Johnson County largely serves as a suburb to Kansas City, Missouri, which is primarily located northeast of Johnson County. Edgerton is on the southwest border of Johnson County, so Edgerton is the Johnson County municipality that is furthest from Kansas City. The suburban growth has not necessarily hit the southwestern corner of Johnson County, yet. More of the residential growth is occurring north in Gardner, Olathe, Overland Park, Lenexa and Shawnee, and is slowly moving south and west down the I-35 corridor. New residential development has been a recent focus for the City of Edgerton, through Elevate Edgerton for example. With LPKC, Edgerton can now provide necessary sewer and water services to support future residential growth. Without the investment in the new wastewater treatment facility by LPKC, new

residential growth in Edgerton likely would not be possible without significant financial risk to the City.

3. Video “2: NorhtPoint has built a berm in Edgerton.....” www.facebook.com/ErinGallagherAssociates/videos/169898253776810/
- a. Berm pushes water into Gardner, NP’s position is, it is not their problem
That’s not our position, and it’s not our statement. Taking a step back, I believe Rich is parked facing north, about 100 feet from Gardner on the newly constructed 183rd St. The berm he is referring to is part of the required landscape buffer between industrial use and residential use. There is no detention basin in that location, but there is a box culvert in the middle that directs water from the high-side (Gardner) to the low side (Edgerton) that is consistent with the pre-existing drainage outfall for the area. We have another detention basin adjacent to the drive access to the east and to the north of this building. The required setback for parking to residential use is 30 feet. We created a buffer of at least 50 ft. In addition, east of the berm and running parallel with the city boundary we dedicated a 20-ft pedestrian easement to the City of Edgerton earmarked for a hike and bike trail for future interconnection with the greater Johnson County parks trail system. We worked through the berm plan and construction plan with Edgerton, Gardner and local residents, who chose the berm and pathway over other screening options. Our project management team along with Edgerton’s City Administrator met with Don Cooper, president of the HOA for the adjacent neighborhood, on-site to work through the construction plan and answer questions. He followed up on a few occasions with additional questions or comments, which we addressed. We have not heard from him since, and no complaints have ever been addressed to us regarding drainage. The statement from the video is simply not factual.
4. Video “Kansas State Rep. Bill Sutton.....”
www.facebook.com/ErinGallagherAssociates/videos/169893030443999/
- a. Tax abatement impacted school district by \$27M
The number is false. As we previously indicated, the abatement at LPKC is consistent with market conditions. As you can see from the article linked below, the impact on the tax base from LPKC represents a 6000% increase in revenue from what the school district and other taxing jurisdictions had previously seen from the property. What’s more, I’m troubled by the story behind the complaint from Bill – which is also highlighted in the articles below. USD 231 requested a specially negotiated deal, which the City’s attorney indicated would be “beyond the scope of what is permitted by statute.” Please keep in mind that as previously stated, LPKC will remit \$6M in payments to the taxing jurisdictions this year alone.
- Here are some links to more information on this issue:**
<http://gardnernews.com/edgerton-discusses-pilot-payments/>
<http://gardnernews.com/elevatededgerton-announced-lpkc-developments-move-forward/>
5. WJOL Paul Buss interview <http://www.wjol.com/jackson-township-highway-commissioner-angry/>
- a. NorthPoint has never reached out to Paul Buss
Patrick has called him. Paul Buss has never returned his call. We are always open and eager to meet with him. In fact, Larry Walsh Sr. indicated that he would help make the introduction, but has been unhelpful in doing so since his first offer over the summer.
 - b. (4.33) Some of the roads cutoff, barricaded, locked gates
Overhead barriers will prevent trucks from accessing Route 53 and local roads – they are intended to maintain the propriety of the closed loop network. We are willing to work with Mr. Buss to maintain barriers on Township roads, but we started with the Village’s roads. Yes, Mr. Buss is correct that some

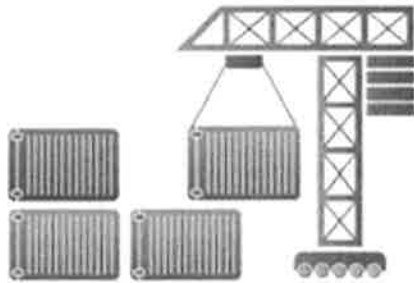
township roads would be cut off to semi-truck traffic to and from the Village's roads within the Park. Again, this is to maintain the closed loop truck network. To accommodate the local farmers, we have proposed turn-arounds with a separate locked exit that provides a thru-route. If they do not want to use the gated thru-routes, then they may be inconvenienced by having to take a route around the park with their vehicles or combines. Ultimately, we wanted to maintain a responsible development that minimizes the impact of the truck traffic on local roads, and we've tried to make all reasonable accommodations to reduce the impact to the local farmers.

Also, I would like to request any information you may have on:

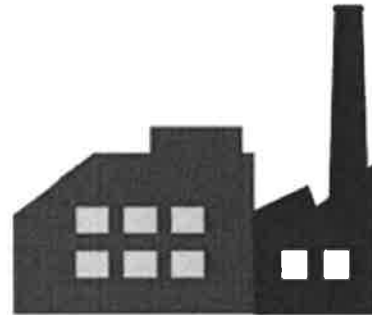
the development of warehousing in our general area in the past several years

The freight friendly mobility study indicated that there has been 100 million square feet of new industrial space in Will County over the last 15 years. This is a new Compass Business Park every 4 years. The 851 acres that is subject for approval in Elwood is being developed every 2 years in Will County. Here is a link to the freight friendly mobility study, where the graphic below is from: <http://www.willcountyfreight.org/>

WILL COUNTY IS THE LARGEST INLAND PORT IN NORTH AMERICA



OVER 3 Million CONTAINERS
FLOW THROUGH THE PORT ANNUALLY =
\$65 Billion WORTH OF PRODUCTS



100M SQUARE FEET OF NEW INDUSTRIAL SPACE
IN THE LAST **15** years

Residential real estate development around Edgerton

There has been residential development north of Edgerton. Again, LPKC is about 3 miles north of Edgerton, and there has been consistent residential growth in the neighborhoods surrounding LPKC. Residential growth is continuing to march south along the I-35 corridor in Johnson County. Gardner, Olathe and Lenexa are Kansas City suburbs north of Edgerton, and they have seen the primary residential growth. Fewer new residential developments have occurred south of Gardner, though some nicer homes were built in larger subdivisions in the adjacent unincorporated areas near Gardner and Edgerton over the last decade.

In order that your response is properly filed with any and all communications that are open to the public via the Freedom of Information Act, I request that you make your reply directly to Marian Gibson, Village of Elwood Administrator (Marian.Gibson@villageofelwood.com) who will forward your comments to me.

Respectfully,
Dean Lowrance
Village of Elwood Trustee

