

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



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

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

| Applicant Contact Information | |
|-------------------------------|--|
| Name: | Jeff Chen |
| Title: | President |
| Organization: | Sunlite Science & Technology, Inc. |
| Address 1: | 2029 Becker Drive, Lawrence, KS 66047 |
| Address 2: | 345 N Iowa Street, Lawrence, KS 66044 |
| Phone: | 785.856.0219 |
| Email: | JeffC@sunlitest.com |
| Fax: | 913.273.1888 |

Application Tips:

Enter contact information for the company representative completing this application.

| Economic Development Support Requested | | |
|---|--------|-----------------|
| City Incentives | Amount | Term (in years) |
| Tax Increment Financing District (TIF) | | |
| Transportation Development District (TDD) | | |
| Neighborhood Revitalization Area (NRA) | | |
| Tax Abatement (TA) | 50% | 10 |
| Industrial Revenue Bonds (IRBs) | | |
| Community Improvement District (CID) | | |
| Other (Please Describe): | | |
| | | |

Application Tips:

Applicable Terms:

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

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

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

| Project Information | |
|--|--|
| Name of Company Seeking Incentive(s): | Sunlite Science & Technology, Inc. |
| Project Type (check one): | Expansion: |
| | New Facility: <input checked="" type="checkbox"/> |
| Company Type (check one): | Existing Local Company: <input checked="" type="checkbox"/> |
| | Out-of-Area Company Locating Locally: |
| Current Company Address: | 2029 Becker Drive, Lawrence, KS 66047 345 N Iowa Street, Lawrence, KS 66044 |
| Location of Proposed New Facility/Expansion Project: | 4811 Quail Crest Place |
| Describe the Company's Plans to Develop or Expand in the Community: Sunlite Science & Technology, Inc. is graduating from leasing warehouse space from Pure-O-Zone to purchasing a warehouse of their own in west Lawrence. Sunlite will keep their offices at the BTBC for 6 more months to a year while renovations can be done before graduating from the BTBC as well and transferring these operations to the new warehouse creating a unifies headquarters for the company in Lawrence. | |
| Operations Start Date at the Expansion or New Facility: | 09/01/2013 |
| Industry NAICS # for the New or Expanded Facility (6-digit code): | 335122 |
| Describe the Primary Industry the New or Expanded Facility Will Support: R&D, Manufacturing, and Sale of LED lighting products | |

Application Tips:

Company's Plans: e.g. ABC manufacturing is the nation's largest processors of wind turbine components. The company plans to construct a new 250,000 sf manufacturing plant in Commerce Park, initially employing 150 with an average annual salary of \$35,000 each. Another 50 employees will be hired in Year 5 and 40 in year 7. The firm expects to initially invest \$5 million in land and buildings and anticipates a 50,000 sf, \$2 million expansion in Year 5 and another 50,000 sf expansion in Year 7.

Link for NAICS code lookup:

<http://www.naics.com/search.htm>

| Capital Investment Information for New Facility or Expansion | | | |
|--|--|------------------|--------------------|
| Estimated Size of New Facility (square feet): | 21,000 | | |
| Estimated Size of Land for New Facility (acres): | 3.8 | | |
| For the new or expanded facility, enter the amount the company anticipates spending for initial and subsequent investments in land, buildings and improvements (do not include machinery or equipment): | | | |
| Year | Buildings & Other Real Property Improvements | Land | Total |
| 1 | \$ 700,000 | \$400,000 | \$1,100,000 |
| 2 | | | |
| 3 | \$30,000 | | \$30,000 |
| 4 | | | |
| 5 | | | |
| 6 | \$200,000 | | \$200,000 |
| 7 | | | |
| 8 | | | |
| 9 | \$ 600,000 | \$400,000 | \$1,000,000 |
| 10 | | | |
| Total | \$1,530,000 | \$800,000 | \$2,330,000 |
| Will land be leased from the City or County (Y/N): | N | | |
| If yes, Monthly Lease Rate for Land: | | | |

Application Tips:

If expansion, only include information on size and values of the new facility, not existing facility.

If land is currently owned, enter current land value from Douglas County property tax records. Otherwise, enter the market value amount the company will pay for land.

| Local Utility Expenses | | |
|--|--|--|
| Utility | Current Local Monthly Expenses | Projected Local Monthly Expenses at New Facility |
| Gas | \$78 | \$500 |
| Electricity | \$111 | \$1800 |
| Phone | \$641 | \$1900 |
| Cable | \$0 | \$0 |
| Operating Expenditures | | |
| For Expansion Projects, Current Annual Operating Expenses at Existing Facility: | \$940, 736 Note: (this is the 2012 operating expenditures, this number does not include rent, payroll, taxes, R&D, product certification expense) | |
| Annual Operating Expenses after Expansion/Relocation: | \$1,503,991 Note: (2014 estimation) | |
| % of Additional Operating Expenses Anticipated to be Spent Locally: | 11.6% | |
| Exports | | |
| % of Revenues at the new Lawrence Facility Anticipated to Come from Non-Local Sources. | 98% | |

Application Tips:

Current Local Monthly Expenses: Enter 0 for an out-of-area relocation or if project involves a separate, new facility.

Projected Local Monthly Expenses: Enter expense amounts anticipated at the new facility.

Existing Facility Annual Operating Expenses: Enter 0 if project is being relocated from out-of-area or if project involves a separate, new facility.

% Additional Operating Expenses Spent Locally: Enter % of operating expenses anticipated to be spent in Lawrence/Douglas County as a result of the project.

Exports: Enter % of revenues (from the sale of goods or services) anticipated to be generated from sources outside of Lawrence/Douglas County.

| IRB and Tax Abatement Request Information | |
|---|---------------------|
| If you are seeking an IRB, please list the firm that will be receiving the IRB: | |
| Will your firm be leasing the building or the land in your expansion or newly constructed facility? (Y/N) | N |
| If you are leasing the building or land, and you are seeking a tax abatement <u>without</u> an IRB, please list the tenant and owner and the financial relationship between tenant and owner. | |
| Total Cost of <u>Initial</u> Construction for the Project: | |
| Estimated Cost of Construction Materials for <u>Initial</u> Construction: | |
| Anticipated Annual Gross Profits: | \$956,733.00 (2014) |

Application Tips:

Anticipated Annual Gross Profits: If you are seeking a tax abatement or an IRB, please provide an estimate of anticipated Annual Gross Profits (\$). Note: For expansions, please enter anticipated gross annual profits from expansion.

This question helps estimate the impact of your incentive request on the State of Kansas, which is required for all tax abatements and IRBs.

| Environmental Information | |
|---|---------------|
| Will the new facility meet Energy STAR criteria? (Y/N) | N |
| Will the project seek or be designed to LEED certification standards? (Y/N) | N |
| <i>If yes, please indicate level:</i> | Certification |
| | Silver |
| | Gold |
| | Platinum |
| <p>Please describe environmentally friendly features of the project:</p> <p>BIKE RACK AND SHOWER A bike rack and shower will be provided to encourage alternative transportation options.</p> <p>LANDSCAPING The landscape will be designed to be low maintenance and reduce the use of potable water. The ground cover will be a native grass which requires much less water than nonnative species of grass.</p> <p>L.E.D LIGHTS All of the light fixtures both inside and outside the facility are L.E.D.s designed by Sunlite. Light Emitting Diodes are semiconductor devices which convert electricity into light. They last approximately 6 times longer and use about half the power of typical compact fluorescents. They also generate very little external heat and unlike traditional light fixtures do not have to be compensated for by the buildings HVAC system.</p> | |
| <p>Please describe anticipated positive environmental impacts resulting from the project:</p> <p>Current HVAC systems will be serviced and updated producing less of an energy load to run the building and a more efficient use of city power.</p> <p>In Addition Please Reference the Previous Question – Positive Environmental Impacts are included in the descriptions explaining each Environmentally Friendly Feature.</p> | |
| <p>Please describe anticipated negative environmental impacts and planned remediation efforts:</p> <p>There are No Anticipated Negative Environmental Impacts involved with this project or the operations thereafter.</p> | |

Application Tips:

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

Additional Community Benefits

Describe Other Local Economic Benefits Resulting From Project:

Application Tips:

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

Describe Other Quality of Life Benefits Resulting From Project:

In 2012 Sunlite Science & Technology, Inc. supported the efforts of Studio 804, Inc. (a not-for-profit corporation committed to the continued research and development of sustainable, affordable, and inventive building solutions via the education of graduate students entering the final year of the Master of Architecture program at the University of Kansas School of Architecture, Design and Planning) and Johnson County Community College (JCCC in Overland Park, Kansas) in the creation of Galileo's Pavilion (a Center for Sustainability). – In 2011 support was given to the Studio 804, Inc. University of Kansas Center for Design Research Project. And in 2013 support was given to the Studio 804, Inc., just recently dedicated, University of Kansas EcoHawks Project.

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

In 2012 Sunlite Science & Technology, Inc. supported the efforts of Douglas County Emergency Management in their 2013 Pursuit of Preparedness campaign by donating flashlights for one hundred and fifty emergency kits that will be distributed to various children and families in need in Douglas County.

And in 2012 Sunlite Science & Technology, Inc. supported the efforts Gould Evans in their community service activity with Pinckney Elementary School, by providing two light fixtures for their annual "Measurement Day." Activities for the students are always planned incorporating architecture and design in some way. This year they did an activity about light and shadows and Sunlite was happy to volunteer two lamps bright enough to help mimic the sun.

Sunlite Science & Technology, Inc. also intends to contribute to the local well being of Lawrence citizens by hopefully setting the standard for the kind of buildings to be developed in the Farmland Business Park – by being the first tenant of the business park and building LEED Platinum. Sunlite Science & Technology, Inc. hopes to motivate local and expanding businesses to build in the business park in a green manner with both our citizens and environment in mind.

| Employment Information | | | | | | | | | | |
|---|--------------|------------|-------------------|--------------|-------------------|----------------|-------------------|------------------|-------------------|--|
| Construction Employment for New Facility or Expansion | | | | | | | | | | |
| # Full-Time, Construction Jobs: | | | | | | | | Variable | | |
| Average Annual Salary for Full-Time, Construction Workers (during construction period): | | | | | | | | Variable | | |
| Construction Period (months): | | | | | | | | 6-12 | | |
| For Expansion, # of Full-Time Employees Currently Working in Lawrence: 5 | | | | | | | | | | |
| New Employment Resulting from Project | | | | | | | | | | |
| Net New Jobs (full-time, permanent) | Year | Production | | Professional | | Administrative | | Executives | | |
| | | # Jobs | Avg Annual Salary | # Jobs | Avg Annual Salary | # Jobs | Avg Annual Salary | # Jobs | Avg Annual Salary | |
| | 1 | 1 | 26000 | | | | | | | |
| | 2 | 2 | 26000 | 3 | 50000 | | | | | |
| | 3 | 3 | 35333 | 1 | 44000 | | | 1 | 100000 | |
| | 4 | 3 | 26000 | 2 | 54500 | 2 | 33005 | | | |
| | 5 | 4 | 26000 | 4 | 54500 | 0 | | | | |
| | 6 | 3 | 29667 | 2 | 44000 | 0 | | | | |
| | 7 | 1 | 26000 | 2 | 44000 | 0 | | | | |
| | 8 | 1 | 26000 | 1 | 44000 | 0 | | | | |
| | 9 | 1 | 26000 | 1 | 51000 | 0 | | | | |
| 10 | 1 | 26000 | 1 | 65000 | 0 | | | | | |
| | Total | 20 | 27300 | 17 | 44333 | 2 | 33005 | 1 | 100000 | |
| Anticipated # of Employees to Be Relocated Locally as a Result of the Project | | | | | | | | | | |
| # of Net New Full-Time Employees Anticipated to be Relocated From Outside of Kansas: | | | | | | | | 0 | | |
| # of Net New Full-Time Employees Anticipated to be Relocated from Outside of Lawrence/Douglas County: | | | | | | | | No More Than 30% | | |
| # of Local, Full-Time Jobs Anticipated At End of Incentives Period: 40 | | | | | | | | | | |

Application Tips:

Enter 0 if project is new or relocation.

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

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

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

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

| Employee Benefits | |
|---|-------------------------------|
| Description | After Expansion or Relocation |
| % of Employees with Company Provided Health Care Insurance | 100% |
| % of Health Care Premium Covered by Company | 100% Full Time 0% Part Time |
| % of Employees with Company Provided Retirement Program | 97% Full Time 0% Part Time |
| Will You Provide Job Training for Employees? (Y/N) | Y |
| If Yes, Please Describe: Sunlite Customer Service Training Sunlite Warranty and Repair Training Sunlite Products Manufacturing and Assembly Training | |
| What is the Lowest Hourly Wage Offered to New Employees? | \$12.50 |
| What Percentage of Your New Employees Will Receive this Wage? | 30% |
| Will You Provide Additional Benefits to Employees? (Y/N) | Y |
| If Yes, Please Describe: Sales Commission | |

Disclosures

| | |
|---|----|
| Company Form of Organization: C Corporation | |
| Company Principals: Jeff Chen President Jeff Chen Treasurer Xiaofang Suo Secretary | |
| List all subsidiaries or affiliates and details of ownership: | |
| Subsidiary : | |
| Zhejiang Sunlite Technology, Inc. | |
| Principals: | |
| Sunlite 100% | |
| Has Company or any of its Directors/Officers been involved in or is the Company presently involved in any type of litigation? | No |
| Has the Company, developer or any affiliated party declared bankruptcy? | No |
| Has the Company, developer or any affiliated party defaulted on a real estate obligation? | No |
| Has the Company, developer or any affiliated party been the defendant in any legal suit or action? | No |
| Has the Company, developer or any affiliated party had judgments recorded against them? | No |
| <i>If the answer to any of the above question is yes, please explain:</i> | |

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

When you have completed this form to your satisfaction, please sign and send, along with applicable application fee(s) to:

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

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

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

Applicant/Representative: Jeff Chen _____
(Please Print)

Signature:  _____ Date: 07/30/2013 _____