

Tallgrass Technologies – Consideration for Approval of Tax Abatement

Project Description: Tallgrass Technologies (tallgrasstech.com) provides technology-enabled services to clients through design solutions, implementation of systems and development of organizational programs to enable business objectives. Services provided include cloud readiness and migration, disaster recovery, big data solutions, infrastructure management and analytics, end to end Oracle and SQL solutions, and managed IT solutions.

Tallgrass Technologies is considering 215 E. 18th Street to accommodate the company's anticipated growth. The company has had primary discussions with the developer and would occupy 6,166 square-feet of the building and anticipates a seven-year lease term.

215 E. 18th Street has sat vacant for five years. The developer estimates \$4,365,000 for building renovations to allow for tenant occupancy.

Investment & Employment: The company estimates the creation of **53 new full-time jobs** in Kansas City, Missouri over a five-year period. Jobs include SLT Architects, Sales representatives, Managed Service Technicians, Pro Service Engineers, Administrative Support, and Computer Incentive Support. The company also anticipates \$30,800 in estimated training cost for on boarding and certification training for employees over the next five years.

The **average annual salary** is approximately **\$92,291** totaling **\$4,891,400 in new payroll**. The company covers more than 50 percent of full-time employee's health care benefit.

The company estimates **\$1M capital investment** over a five-year period including their annual lease, and both new machinery and non-machinery equipment.

AdvanceKC: This project received a **standard impact** AdvanceKC Score of 63.

Financial Impact Analysis: The value of the tax abatement for a 100 percent, 15-year abatement is estimated at **\$1,130,942** The return on abatement ratio is **22.2:1**.

The requirement for above-standard EEZ abatement is a minimum of 20:1 return on abatement ratio thus this project meets the criteria to be considered for longer and deeper abatement.

Abatement Request: Tallgrass Technologies is requesting 100 percent tax abatement on improvements for a 15-year period.

Staff Recommendation: EDC Staff recommends EEZ Board 1 approval of the request by Tallgrass Technologies for real property tax abatement of 100 percent on improvements for a 15-year period and further recommends a favorable referral by the Board to the City Council.

Action recommended:

APPROVAL OF TALLGRASS TECHNOLOGIES
REQUEST FOR 100 PERCENT TAX
ABATEMENT FOR A 15-YEAR PERIOD