

New Century AirCenter Informational Facts Administration and Business Park

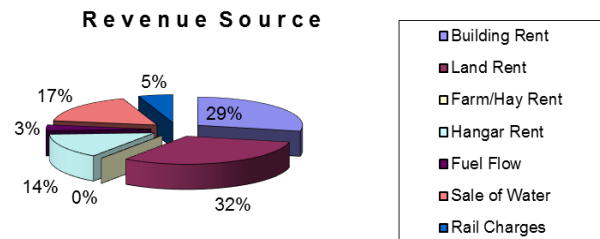
(REVISED May 13, 2015)

Administrative Facts

- *The Airport Commission has 14 full-time employees. Of these 14 employees, two are dedicated to the rail system and two are dedicated to the water system. Today, the Airport Commission has six fewer full-time employees than it did ten years ago and nine fewer than twenty years ago.*
- *Airport personnel maintain over 3,100 acres of land and nearly 128 lane/miles of pavement.*
- *The Airport Commission maintains over 6 miles of railroad track, operates a locomotive and a certified rail scale and has direct connection to the BNSF mainline in Gardner.*

Financial Facts

- *The primary revenue source for New Century AirCenter is building and land rent. Building and land leases are negotiated as long term leases with increases built in over the life of the lease.*
- *The Airport Commission's 2015 budget is \$5,978,390. Approximately \$515,907 is dedicated to repayment of debt acquired to keep current infrastructure in place. The entire 2015 budget is self-supported; the county does not provide any tax revenue support.*



Rail Services

- *New Century AirCenter Railroad (JCAX) provides rail service to the following resident businesses: CFS West Foods, DuPont; Kerry Sweet Ingredients; de Elliotte Company; Steel and Pipe Supply; Roberts & Dybdahl; and Wausau Supply.*
- *The Airport Commission currently charges \$98.00 to move a rail car for a customer, \$98.00 to weigh a car and \$26 a day for storing a rail car for a customer.*
- *The BNSF pays the Airport Commission \$157.15 per car to deliver loads to customers within New Century.*

Water Services

- *The Airport Commission provides water services to its resident businesses, the 220 units at Woodstone Apartments, the Community Correction campus and the Fred Allenbrand Justice Center. Water is purchased from the Cities of Gardner and Olathe.*
- *The total water storage capacity at New Century AirCenter is 4 million gallons.*
- *Water testing is performed at different locations throughout New Century AirCenter on a regular basis. Water samples are submitted to the State of Kansas per state and federal laws. Testing results are reported to resident businesses on a yearly basis.*

- *The Airport Commission employs two full-time employees in the water department to perform testing, maintenance, and monitoring of the water system, as well as reading 84 meters every month.*

Wastewater Services

- *Johnson County Wastewater provides wastewater services to resident businesses from their plant located at New Century AirCenter.*

Land Facts

- *63 businesses call New Century AirCenter “home.”*
- *Over 400 acres of land are under long-term lease; over 1,000 acres remain available for long-term lease in development parcels from 1-160 acres to fit client’s needs.*
- *Pricing structure for land leases are \$.24 per square foot per year.*

Advantages of a Long-term Land Lease at New Century AirCenter

New Century AirCenter offers land for lease, not for sale. Leasing can be advantageous over ownership in many cases.

- *Long-term Lease: initial terms of leases typically are 20 years, with options to extend in multi-year increments for a total of 50 to 70 years. The Airport Commission can be very flexible in this regard and can tailor terms to meet the client’s needs.*
- *Lease Payments Deductible: normally, rental payments under a lease are fully deductible as a business expense, whereas with mortgage payments, only the interest portion is deductible. Larger deductions can often be used to advantage in tax planning.*
- *Capital Conservation: land for projects does not have to be purchased, thus preserving valuable capital resources for other needs. “Up-front” costs for a development project can be reduced considerably.*
- *Financial Ratios: the value of the land does not have to be carried on a company’s balance sheet, thus allowing for more favorable “return-on-assets” and “return-on-investment” ratios.*
- *Financing Buildings: The Airport Commission normally agrees to the mortgaging of the leasehold interest in the land and the subordination of the land lease to the lender’s lien rights. This protects the lender’s interests and enables the lender to exercise its default rights. The fact that the land is leased becomes “transparent” to the lender.*
- *Sale of Buildings: the building and land lease can be sold as a package at market value. The selling lessee can realize any value the lease may have due to favorable terms, location, etc. While the Airport Commission retains a right of approval of the sale, assignment or transfer of a lease, such approval is normally given quickly and enthusiastically.*
- *Capitalized Land Cost: using typical methods for capitalization of a long-term lease, the equivalent purchase price of land at New Century compares quite favorably to industrial and commercial land in the metropolitan Kansas City area. Equivalent purchase price for land at New Century varies from \$1.20 to \$1.80 per square foot, depending on location and amenities.*
- *Many businesses, including CenturyLink, Unilever, and Garmin have realized the advantages of leasing and have made major investments in facilities at New Century.*