

Project Pilot Development Agreement

De Soto City Council

August, 21 2025

Topics

Project Overview

Development Agreement Summary

Other Project Impacts

Project Pilot - A Strategic Investment in De Soto

Site

290 acres near the northwest corner of 103rd St. and Edgerton Rd. in De Soto. Currently the Flint Commerce Center.

Entitlement Requirements

M1 zoning - no rezoning required.

Development Agreement.

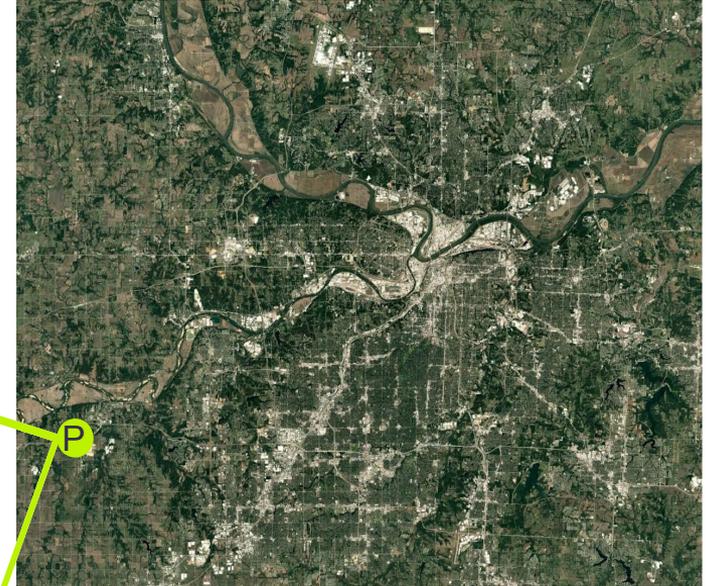
Site planning and design to follow city processes.

Utilities

Every, Johnson County, RWD #7,
& City of De Soto

Delivery Timeline

Building 1 target completion 2027



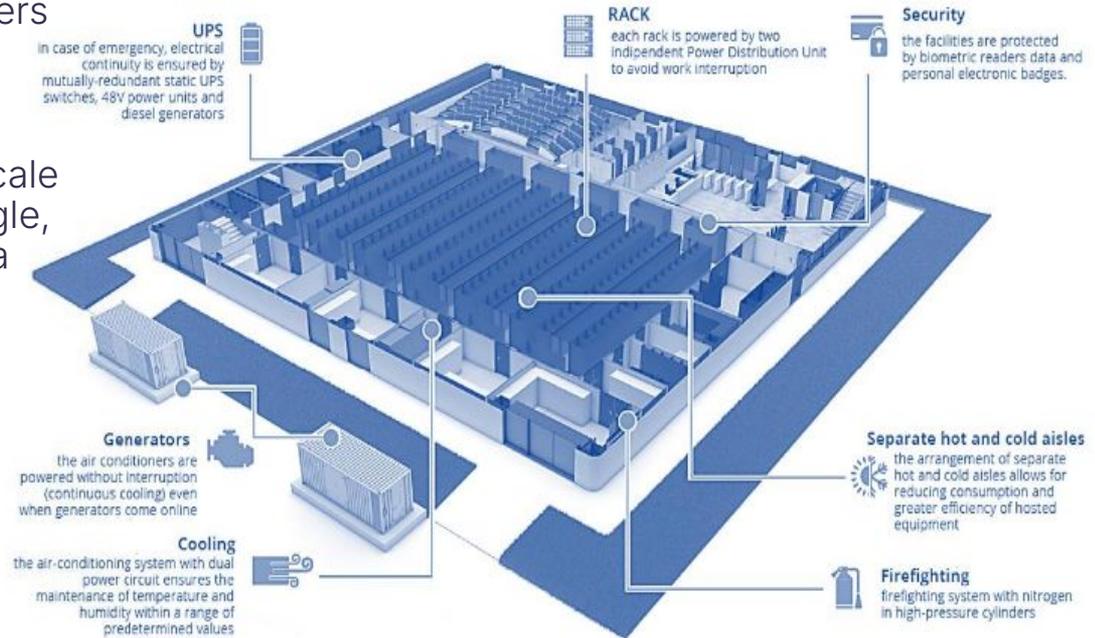
Data Centers 101

What is a Data Center?

- Buildings that house computer servers and networking equipment
- Essential infrastructure for internet economy, security, healthcare
- Hyperscale data center is a large-scale facility built for companies like Google, Amazon (AWS), Microsoft, and Meta

Building Components

- Building shell
- Server racks
- Cooling facilities
- Fire safety
- Generators
- Security



Data Centers Appearance

Data center buildings often architecturally compare to distribution centers without the loading docks and truck traffic. Most data center campuses will have secure perimeters and substations.



Pilot Site Planning

Indicative phasing below, site concept plan subject to change prior to approval.



1. Location

- Located in the Flint Commerce Center, currently approved as a 4M SF distribution center (2023)

2. Pilot Development Areas

- Multiple phases planned
- SW half first for ease of access

3. Opportunities

- Primary Access & Emergency Access to 103rd and Edgerton Rd.
- Easy access to K-10 to minimize traffic
- Existing electrical infrastructure + improvements
- Ability to reach target water/wastewater needs through partnership with city

Purpose and Scope of Agreement

| Key Term | Full Provision |
|-------------------------------|---|
| IRBs/ PILOT | <p>Real Property: IRBs not to exceed 10 years per building for real property tax abatement with no new abatements issued after 2040. Project will be responsible for Payments in Lieu of Taxes (PILOTs) per the schedule in the DA (also shown in appendix)</p> <p>Sales Tax: Exemptions on construction materials and equipment included.</p> <p>Total Investment <u>subject to IRB exemptions</u> cannot exceed \$50B</p> |
| Franchise Fees | <p>Franchise fees capped at \$5.5MM/yr escalating 1.5% annually; cap ends after term of agreement.</p> |
| Other Fees | <p>Developer responsible for miscellaneous fees throughout project; also responsible for 3rd-party inspection fees as required by City</p> |
| Water & Wastewater | <p>Developer and City to define scopes, costs, timelines via Supplement mechanism.</p> <p>Developer funds infrastructure, City manages construction. City will provide minimal domestic water/wastewater service.</p> <p>Developer has access to connection fee mechanism to recoup costs from future commercial/industrial users.</p> |

Industrial Revenue Bonds

What is an IRB?

An Industrial Revenue Bond (IRB) is an economic development tool that allows cities to support private investment **without spending public funds**.

City **facilitates IRBs and PILOT** agreements to complement Kansas SB 98, which provides state-level tax exemptions for data centers **without financial risk to the city**

How IRBs Fit Into This Project:

The **city acts as a conduit**, allowing the developer to access sales and property tax exemptions for significant capital investment.

The **developer**—not the city—**is responsible for repaying the bond**.

Property tax abatements are structured through PILOT (**Payment In Lieu Of Taxes**) agreements.

The City is NOT 'giving away' \$50 billion.

It is **enabling private investment** through legal and financial tools that promote economic development.

At no point is the city's credit at risk, nor does the city provide funding.

Advancing Economic Growth in De Soto

High-paying jobs

Direct employment for skilled technicians and engineers, plus meaningful **indirect** jobs and multi-year construction job creation

Major tax revenue

Significant tax contributions from large capital investments with relatively little drain on public services

Infrastructure upgrades

Supports improvements to the electrical grid and other essential infrastructure that benefit customers

Economic diversification

Reduces dependence on traditional industries by adding strong and stable digital economy sector

Business attraction

Creates cluster effect that draws complementary tech companies and skilled workers to the area

Long-Term Value for De Soto

01

Additional City Revenues

- Project pays **PILOTs** throughout duration of IRBs, then full real property tax
- Developer responsible for other fees
- City receives **millions of dollars in franchise fees** and sales tax

02

Education Benefits

- Project Pilot will partner with end-user and school district to meet local needs
- STEM education often a focus
- USD 232 Capital Outlay levy **not** abated

03

Long Term Employment

- **Thousands of construction jobs** over the construction period
- Tradespeople could transition from apprentice to journeyman through full buildout
- High-paying direct jobs; hundreds more **indirect jobs**

04

Infrastructure Improvements

- **Private investment** in industrial water and wastewater infrastructure could benefit whole industrial park
- Power improvements **directly required by the project privately funded**, not passed on to others