



February 10, 2020

KCK Chamber

Daniel Silva – President & CEO

Mike Smallwood – Legislative Committee Chair

Re: Property Tax Issues in the Fairfax District

Dear Daniel and Mike,

As we have been discussing, several Fairfax businesses have received extraordinary property tax valuation increases over the last few years. Several in 2018 received an increase ranging between 50-80 PLUS % in one given year and then another 15-20% the next year. Many have an accumulative increase over the last 3-5 years of 100-275% or more. Appealing these increases have not worked.

I have included letters from some of these businesses/property owners addressing these concerns.

In 2018, we met with the county appraiser, Kathy Briney, and were told that many of the properties were under-appraised by the previous appraiser and they were getting the valuations in line.

Government entities should not expect businesses or anyone to incur such extreme and unexpected increases in this time frame. Many of these property owners also question the fairness and accuracy of these valuations.

As a partner and member of the chamber, we ask that you carry this message forward to our state legislators and ask for a committee to be formed to address our property tax processes.

Sincerely,

Melissa Clark

Melissa Clark

Executive Director



Melissa Clark
Fairfax Industrial Association
PO Box 171074
Kansas City, KS 66115

February 7, 2020

Dear Ms. Clark,

I appreciate your efforts and that of the Fairfax Industrial Association to inform the state legislators about the extraordinary increases in property valuations and resulting extraordinary increases in property taxes.

Over the past 3 years the valuation for my property in the Fairfax district, Wyandotte County has increased by 99.4%. The property tax due has increased by 100.3%.

We have not done any major improvements or remodeling to justify this large of an increase. In fact the older warehouse facilities in Fairfax, such as mine, actually require additional costs just to maintain because of their age. Also, these older warehouses do not have the higher ceilings such as the newer recently built warehouses (built with public incentives) but seem to be appraised the same as the older buildings. There are several nearby municipalities with newer facilities and much lower property taxes that are attracting businesses away from Wyandotte County and Fairfax in particular.

The property taxes over the last 3 years have risen so fast that I had to delay and reconsider further expansion and remodeling in our building. No other expense for my small business, including health care, has increased this much, or more adversely affected our budget.

Your efforts to carry this message to Topeka is appreciated. Hopefully some reform can be enacted this legislative session.

John R. Latenser

President

Kansas City / St. Louis
Toll-free: 800-827-5220

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R&H BUILDING CORPORATION

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913-371-1872/800-800-4670
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Email: woodyr@rhco.biz

February 7, 2020

To: Fairfax Industrial Association

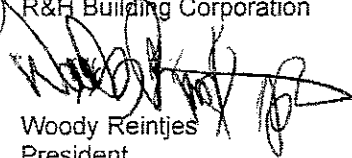
Re: Real Estate Property Tax Increases

Below are the Real Estate Property Taxes paid for the following 5 years.

The increases are obvious, with more than doubling in 5 years.

2015	\$11,865.48
2016	\$14,166.08
2017	\$15,160.94
2018	\$24,931.66
2019	\$26,089.20

Yours truly,
R&H Building Corporation



Woody Reintjes
President

2/07/20

Melissa,

This is to confirm that Central Solutions has experienced the following increases in our property appraisal from the Unified Government of Wyandotte County:

Year	Appraisal Total	Taxes
2019	\$2,424,600	\$112,115.22
2018	\$2,200,400	\$101,704.12
2017	\$1,366,000	\$62,042.86

Please note this represents a 61.1% increase in our property appraisal from 2017-2018, and an additional 12.1% increase from 2018-2019. The result is a 74.1% increase in our taxes in those same time periods.

It is impossible for any business – let alone a small one such as ours – to budget for such a dramatic and unexpected increase. I acknowledge the Unified Government’s position that property values have been under-appraised by their own employee. However, it is our position that area businesses should not be expected to immediately adjust to errors committed by the Unified Government, when the proposed remedy would have such an untoward impact on the financials of those businesses. Rather, we strongly advocate the UG work with area businesses on a ‘stair-step’ approach, that will allow such a steep tax increase to take effect without simultaneously crippling impacted businesses.

I hope this is helpful information. Please don’t hesitate to revert back if you have any additional questions.

Thank you,

Paul Nobrega
Central Solutions

401 Funston Road,
Kansas City, KS 66115
Office: 913.621.6542
pauln@centralsolutions.com



Newmark Grubb Zimmer

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February 5, 2020

Ms. Melissa Clark
FIA Executive Director
Fairfax Industrial Assoc., Inc
P. O. Box 171074
Kansas City, KS 66117

Dear Ms. Clark,

Below is a summary of the last three years' property valuations for four (4) properties we own in the Fairfax Industrial District. The increases in valuations that we have sustained translate into increased property taxes for our tenants. Increased property taxes make it more expensive for them to operate their businesses and at some point they have to evaluate where they can operate their businesses most profitably. Unfortunately, some may find that relocating to another municipality or district is in their best interests and this does not benefit anyone. We appeal our valuations each year, some with success, some with not. Please convey to the legislators in Topeka our grave concerns over these increases and our ability to maintain tenants and employment in Kansas City, Kansas and in particular the Fairfax Industrial District.

PROPERTY TAX REPORT FAIRFAX DISTRICT

<u>Property Address</u>	<u>2017 Valuation</u>	<u>2018 Valuation</u>	<u>% Increase</u>	<u>2018 Valuation</u>	<u>2019 Valuation</u>	<u>% Increase</u>	<u>Cumulative % Increase</u>
3100 Brinkerhoff Rd	\$514,500.00	\$874,700.00	70%	\$874,700.00	\$1,026,300.00	17%	99%
3122 Brinkerhoff Rd	\$351,300.00	\$567,500.00	62%	\$567,500.00	\$ 649,400.00	14%	85%
555 Stanley Rd	\$167,100.00	\$218,800.00	31%	\$218,800.00	\$ 226,400.00	3%	35%
3327 N 7th Street	\$823,800.00	\$970,300.00	18%	\$970,300.00	\$1,017,200.00	5%	23%

If you have any questions or need further clarification, please do not hesitate to contact me.

Very truly yours,


David J. Zimmer, SFOR, FRICS

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DJZ/sls

REARDON PALLET COMPANY, INC.



February 6, 2020

Re: Real Estate Taxes for 100 Funston Road, Kansas City, Ks. 66115
Owned by Eighth Street Properties and leased to Reardon Pallet Company

To Whom It May Concern:

The following is the recent history for this property:

Year	Appraised Value	Actual Tax	% Increase over previous year
2015	\$1,007,400	\$46,383.90	n/a
2016	\$1,226,100	\$55,776.70	20.2
2017	\$1,362,500	\$61,883.70	10.9
2018	\$2,626,680	\$121,407.10	96.2
2019	\$2,750,670	\$127,193.02	4.5

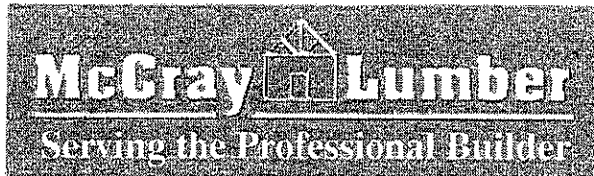
Total Increase over 4 years: \$80,809.12 175%

Total Net Cumulative Additional Tax for these 4 years \$180,724.92.

Sincerely,

Dan Reardon
President
Reardon Pallet Company, Inc.

Dan Reardon
Managing Partner
Eighth Street Properties, LLC



February 6, 2020

Ms. Melissa Clark
 FIA Executive Director
 Fairfax Industrial Association, Inc.
 P.O. Box 171074
 Kansas City, KS 66117

Dear Ms. Clark,

Our property located at 3200 McCormick Road has received some insidious real estate tax increases over the past few years as evidenced below. This attitude toward the business community is not friendly and significantly contributes to the tendency for employers to relocate to other cities and states which are more business friendly. Also, just as important, these practices do not attract businesses and their employees to move into Wyandotte County when they are looking for new locations.

Here is a summary of our valuations and taxes paid for the last three years.

	Tax	Increase	Cummulative Increase \$\$\$	Increase %	Cummulative Increase %
2017	\$ 60,625.78				
2018	\$ 85,637.98	\$ 25,012.20	\$ 25,012.20	41.3%	
2019	\$ 93,568.26	\$ 7,930.28	\$ 32,942.48	9.3%	54.3%

	Valuation	Increase	Cummulative Increase \$\$\$	Increase %	Cummulative Increase %
2017	\$ 1,334,800.00				
2018	\$ 1,852,800.00	\$ 518,000.00	\$ 518,000.00	38.8%	
2019	\$ 2,023,500.00	\$ 170,700.00	\$ 688,700.00	9.2%	51.6%

Please contact me at 913-341-6900 extension 3002 if you have any questions.

Sincerely,

Brian K. Hall, CFO



Panel Systems Plus, Inc.

3255 Harvester Road
Kansas City, Kansas 66115

Telephone: (913) 321-0111

February 5, 2020

Melissa Clark
FAIRFAX INDUSTRIAL ASSOCIATION, INC.
P.O. Box 171074
Kansas City, KS 66117

Dear Melissa:

I had a meeting with the Unified Government on 1/21/2020 to protest my taxes for 2019 and just received my notification of their decision. Their decision was "County reviewed evidence submitted by the appellant., upon review of available information, no change was made".

My evidence I submitted was a Sales Flyer for a 43,582 sq ft building on 1.81 acres that is for sale for \$1,450,000 but their taxes for 2019 was \$40,664.26. My building that I own is a 38,628 sq ft building on 3 acres and my taxes were \$51,720.24. I just wanted my appraisal's value to be reduced to \$1,000,000.00, not the appraised value of \$1,118,500.00 that they have it at. With proof of another buildings taxes, I don't think they are being consistent at all with their appraisals.

When talking to the Appraisal Officer, he stated that they value the business's not on the sales of buildings in the area, but the rental rates. How is that even possible, off of rental rates? I am shocked that that is how they get the values.

I purchased this building in July, 2013 and my appraised value at that time was \$451,440. I've only done remodeling inside the building, so no increase in size, however, my appraisals continued to increase.

2013 Appraised value was 451,440	
2014 Appraised value was 512,180	13.45% increase
2015 Appraised value was 533,000	4.06% increase
2016 Appraised value was 644,100	20.84% increase
2017 Appraised value was 605,100	.939% decrease
2018 Appraised value was 941,600	55.61% increase
2019 Appraised value was \$1,118,500	18.79% increase

In 6 years my building has increased in value 247.5%. That's not even realistic.

The taxes alone cost me \$4,310.02 per month just to have my business in Wyandotte County.

We need help in fighting these increases.

Sincerely,

Denise Porter
Vice President

Panel Systems Plus, Inc.

2/07/2020

Ms. Melissa Clark
FIA Executive Director
Fairfax Industrial Assoc., Inc.
PO Box 171074
Kansas City, KS 661117

Dear Melissa,

Below is a summary of the last three years' property valuations and taxes paid for the building we own located at 3250 Brinkerhoff Road, KC, KS 66115. In 2018, we hired a firm to represent our appeal of the property valuations and that effort was unsuccessful. In general, we find no basis for the extreme percentage increases compared to other industrial areas in the Kansas City metro market. The current tax situation make our properties less attractive and unfortunately, businesses will look to other municipalities to operate. Hopefully the legislators will listen to our concerns and make some positive changes in tax code that will help make Fairfax Industrial District a more economical place to conduct business.

	2017	2018	% Increase
Valuation	\$ 511,900	\$ 870,200	70.0%
Tax Paid	\$ 23,250	\$ 40,221	73.0%

	2018	2019	% Increase
Valuation	\$ 870,200	\$ 1,021,000	17.0%
Tax Paid	\$ 40,221	\$ 47,211	17.4%

It is pretty clear to see the tax difficulties we are dealing with.

Best regards,

Alison and Rick Clark

Think One Properties, LLC