

# Customized Incentive Packages Available for Business in El Dorado, Kansas



El Dorado is an ideal location for companies looking for a rich and pristine industrial water source and abundant accessibility to transportation, land and talent.

With an approach to customizing portfolio of business incentives for the creation of higher-than-average wage jobs, land assembly and infrastructure assistance, El Dorado can offer a variety of state and local incentives, aid in workforce development and address transportation and infrastructure improvements.

## State of Kansas Incentives

### Promoting Employment Across Kansas (PEAK)

PEAK is a business incentive where companies may retain or be refunded 95% of the *payroll withholding tax* of qualified employees for new jobs created in Kansas. Basic projects that create at least five new jobs in non-metropolitan areas within two years may be eligible for up to seven years of payroll withholding tax savings. Larger, high-impact projects that create at least 100 new jobs within two years may be eligible for up to ten years of payroll withholding tax savings. Minimum qualifications for companies include paying new FTEs above Butler County median wage of \$17.40/hour and commit to hiring at least 5 new employees within two years. The company must provide adequate health care coverage for full-time employees and pay at least 50% of the health insurance premium.

### High Performance Incentive Program (HPIP)

HPIP was created to incentivize high-performance companies choosing to invest in significant capital investments and paying above average wages for their industry. If the company invests over \$50,000 of capital investment, it qualifies for a 10% income tax credit above the first \$50,000. This benefit also provides an employee training credit and sales tax project exemption. Minimum qualifications of capital investment and paying above average wages apply.

### Other State Benefits of Note:

The State of Kansas has no Inventory, Franchise Taxes, or Local Income Taxes. Reimbursable training grants available for certain company expansions.

## Federal Incentives

### Opportunity Zones

Federal tax advantages are provided by the Opportunity Zone program, including permanent exclusion from taxable income of capital gains from the sale or exchange of an eligible investment in an Opportunity Fund if held for 10 years. The Greater Wichita Region offers 16 census tracts that provide Opportunity Zone benefits. The City of Wichita offers nine. More information on Wichita's Opportunity Zones can be found at: [bit.ly/OpportunityZonesWichita](http://bit.ly/OpportunityZonesWichita)

## Local Incentives

### Property Tax Abatement

The City of El Dorado can abate 85% property taxes for up to ten years either through the issuance of Industrial Revenue Bonds (IRBs) or through an Economic Development Exemption (EDX). IRBs also allow for building materials and equipment permanently installed to be exempt from state and local sales taxes, subject to local governing body approval.

## Utility Incentives

### Evergy Economic Development Rider (EDR)

The purpose of the EDR is to encourage industrial and commercial business development in the Evergy service territory. This rider provides a qualifying company savings through a discounted rate over five years (25% discount during the first year of use; 20% in the second year; 15% the third year; 10% in the fourth year, and 5% during the last year). Criteria for the EDR include the following:

- Load minimum of 200 kW
- There must be creation of net new jobs
- New or expanded load must be separately metered
- A company cannot be involved in any retail activity at the facility
- The company must receive a separate government incentive for the project
- A completed Economic Development Rider application needs to be returned before any public announcements are made

### Gas Economic Development Rider (applies to Kansas Gas )

The purpose of the EDR is to encourage industrial, commercial, and military development in the state of Kansas. This rider provides a qualifying company savings through a discounted rate over five years (a 50% discount during the first year of use; 40% in the second year; 30% in the third year; 20% in the fourth year, and 10% during the last year). To qualify, annual usage must exceed 25,000 MCF for new customers or be 25,000 MCF in excess to base period usage for existing customers who are expanding.

# Workforce Development Incentives

Workforce Alliance of South-Central Kansas offers multiple programs that can provide up to \$4,500 per worker benefit to employers, depending upon type and industry. All participants must be eligible prior to hire date and the training plans must be approved by Workforce Alliance prior to the beginning of the training period.

## On the Job Training (OJT) Grant Programs – Training for new hires

- WIOA Young Adult OJT – Employers who hire new individuals for demand occupations who are 18 – 24 years of age and pay at least \$12.02/hr. with benefits, can receive up to 50% reimbursement of their training funds.
- WIOA Adult or Dislocated Worker OJT – Employers who hire individuals, especially dislocated workers (laid off due to circumstances out of their control) and pay at least \$15.38/hr. with benefits, can receive up to 50% reimbursement of their training funds.
- Trade Adjustment Assistance OJT – The Trade Adjustment Assistance Program is a federally funded program that helps workers who have lost their jobs because of foreign trade. This can be combined with other programs. Employer must pay at least \$15.38/ hr. or 80% of layoff wage. Either 50% of the training amount or 90% of the amount, if combined with another program.

## Incumbent Worker Training (IWT) Grant programs – Training for existing employees

- WIOA Adult or Dislocated Worker IWT – Employers who choose to train current low-wage/ low-skill employees in order to avert a layoff can receive up to 50% reimbursement of their training funds

## Work Opportunity Tax Credit (WOTC)

The Work Opportunity Tax Credit helps people move from welfare to work and gain on-the-job experience by encouraging private employers to hire within one of several targeted groups of job candidates. These candidates have traditionally face significant barriers to employment, reducing employer's federal income tax liability by as much as \$2,400 per qualified new worker in the first year of employment.

## Other Workforce Development Assistance

A wide variety of services are available to businesses at no cost through the Kansas Workforce Centers located throughout the state.

Services include, but are not limited to:

- Statewide and national job listings
- Applicant pre-screening and application acceptance
- Space to conduct interviews as well as staff to assist in scheduling
- Space for job fairs
- Applicant assessment services and testing
- Veteran services
- Current labor market information
- Registered Apprenticeship development assistance

## Need help with your next business expansion or relocation?

We can provide confidential support for your site selection project and will help you discover El Dorado's potential, making it easier for you to analyze and select the right El Dorado property for your company.



### CONTACT US TO LEARN MORE:

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An Economic Development Partnership