



ECONOMIC DEVELOPMENT
INCENTIVES

EL DORADO
KANSAS



Industrial Revenue
Bonds



Community
Improvement Districts



Benefit
Districts



EL DORADO INDUSTRIAL PARK

El Dorado, Inc. is a public/private partnership with the City of El Dorado whose function is to recruit and assist new and existing businesses, helping them to provide jobs and a strong tax base for the community.

The public-private economic development partnership between El Dorado, Inc. and the City of El Dorado began in 1987. El Dorado, Inc. is a membership organization and is governed by a Board of Directors made up of local business leaders, banks, utilities and representatives appointed by the City of El Dorado Commission. The El Dorado, Inc. Executive Director serves as the information point person for businesses that are considering expanding or locating in the City of El Dorado.

The City of El Dorado and El Dorado, Inc. work to be a partner to all new and existing El Dorado businesses. Assistance includes helping businesses get accurate information, while streamlining the development process. This partnership can also help identify resources and available opportunities.

For contacts and information visit www.developeldorado.com.



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INCENTIVE

INDUSTRIAL REVENUE BONDS (IRB)

OFFERING A TAX ABATEMENT

Through Industrial Revenue Bonds, the City of El Dorado may grant qualified businesses a property tax abatement of up to 85% of the new real property taxes for up to ten years. This is based on the economic impact of the project, jobs created and the current City of El Dorado adopted tax abatement policy.



Businesses that qualify for tax-exempt Industrial Revenue Bonds (IRBs) enjoy numerous benefits, including:

- Favorable interest rates
- Financing for land, building, equipment, architectural and legal fees
- Sales tax exemptions for buildings and fixed equipment funded with IRBs

BG PRODUCTS, INC.



The 2018-2019 BG Products expansion to their 53,000-square-foot warehouse added over 145,000 square feet to the existing building.

BG blends products used to maintain vehicles through high quality automotive maintenance services for fuel systems, engines, transmissions, brakes, power steering, cooling, battery, drive line and climate control systems.

BG distributes their products through a limited number of distributors that sell to automotive dealerships, franchise or independent shops.

ABOUT THE BUSINESS

- » **Location:**
El Dorado Industrial Park
- » **Address:**
1225 N. Haverhill Road
- » **Tax Abatement:** 100%
- » **Effective:** 2020
- » **Completed:** 2029
- » **Term:** 10 years

DAYS INN (HRSP, LLC)



The Days Inn and Suites was built in 2015. It is a two-story, 42-room facility, with a small kitchen in each room. The rooms were built with the contract workers who often serve HollyFrontier Refining in mind. The project also utilized the opportunity to create a Community Improvement District to offset some of the building costs.

ABOUT THE BUSINESS

- » **Location:**
El Dorado Business Office Park
- » **Address:**
3200 W. El Dorado Ave.
- » **Tax Abatement:** 100%
- » **Effective:** 2017
- » **Completed:** 2026
- » **Term:** 10 years

INCENTIVE

ECONOMIC DEVELOPMENT EXEMPTION

Economic Development Exemptions (EDX) offer businesses a tax exemption for improvements to land and buildings for up to ten years.

01

The percent of the exemption is based on the number of jobs created and capital investment.



02

Exemptions can be made for up to ten years depending on the current City Commission tax abatement policy.



03

All new business equipment is permanently exempt under state law.



04

Eligibility is determined by the following: manufacture of articles of commerce, conduct research and development, or store goods or commodities sold or traded in interstate commerce.

CONFAB



ConFab, Incorporated (CFI), a C-Tech Industrial Group company, specializes in custom pipe and steel fabrications for commercial, industrial, and petrochemical/ethanol applications. CFI purchased a 24,000+ square-foot building at 630 N. Metcalf Road, built in 2007.

Due to the economic downturn in 2008, the occupant who built the building defaulted and the building remained vacant until 2017. By using the EDX option for the purchase of the building, the community has been able to see the building utilized at its highest and best use as well as creating and retaining jobs.

ABOUT THE BUSINESS

- » **Location:**
Along Sixth Avenue
- » **Address:**
630 N. Metcalf Road
- » **Tax Abatement:** 100%
- » **Effective:** 2020
- » **Completed:** 2029
- » **Term:** 10 years

OWENS CONSTRUCTION, INC.



Owens Construction, Inc. (OCI) purchased the 20,000-square-foot building located at 530 N. Metcalf. The building was built in 1974 and had been vacant since 2007. OCI fabricates and installs imaging for petroleum stations such as Sinclair around the U.S. OCI has a sister company Graphic Concepts, Inc. (GCI) that produces many of the image products they install.

By using the EDX option for the purchase of the building, the community has been able to see the building utilized at its highest and best use as well as creating and retaining jobs.

ABOUT THE BUSINESS

- » **Location:**
Along Sixth Avenue
- » **Address:**
530 N. Metcalf Road
- » **Tax Abatement:** 100%
- » **Effective:** 2020
- » **Completed:** 2029
- » **Term:** 10 years



INCENTIVE

SALES TAX REBATE

CODY FOSTER CADILLAC, BUICK, GMC

Occasionally, franchise businesses run into an expense for imaging that was not planned. This was the case with John K. Fisher in 2012/2013. They were required to implement nearly \$1M in imaging changes to retain the Cadillac, Buick, GMC dealership.

To help keep the dealership in El Dorado, the City of El Dorado entered into a sales tax rebate agreement that allowed them to receive a rebate of 75% of any sales tax they collected over the base amount of \$60,000 per year. The rebate would continue for up to fifteen years or until \$300,000 was rebated. The rebate is currently in its eighth year.

ABOUT THE BUSINESS

» **Address:**

2670 W. Central Ave.

» **Project Cost:**

\$1,000,000 required re-imaging to retain franchise

» **Sales Tax Rebate:**

Not to exceed \$300,000

» **Base Sales Tax:**

\$60,000 annually

» **Rebate:** 75% of all sales tax collected over \$60,000





INCENTIVE

RESOLUTION OF INTENT



WE GROW WHERE YOU GROW

mearsinc.com

MEARS FERTILIZER INC

- » **Investment:**
Approximately \$13,020,000
- » **Tax Abatement:**
100% on new construction
- » **Payment in Lieu of Tax:**
Equal to tax on existing facilities
- » **Term:** 10 years
- » **Classification:**
Warehouse/Blending Facility

Mears Fertilizer Inc. purchased 15.6 acres from the City of El Dorado to expand their blending and warehouse operations. The new facility will be constructed partially in Butler County and partially in the City of El Dorado.

The City of El Dorado and Butler County, KS, worked together in 2020 to issue a resolution of intent to issue Industrial Revenue Bonds or an Economic Development Exemption for a project not to exceed \$13,020,000.



INCENTIVE

TAX INCREMENT FINANCING

TIF economic development incentives help to stimulate economic development in a targeted geographical area.

WHAT IS IT?

AREAS ELIGIBLE FOR TIF

USE OF FUNDS

TERM OF FINANCING

TIFs finance redevelopment projects or other investments.



A local government financing tool that can be used to target development in specific areas. A TIF captures new tax dollars to fund needed public improvements that would not otherwise have occurred.



Blighted Areas, Conservation Areas and Enterprise Zones. The area must be within city limits.



Under Kansas Law, funds may only be used for public infrastructure improvements or demolition of existing structures. Funding cannot be used for private building construction.



Up to twenty years.

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ORSCHELN FARM & HOME



Orscheln Farm & Home, previously located on West Central Avenue, has been a member of the El Dorado community for many years. Their new location at 2908 W. Central Avenue was previously occupied by Fenton Ford. The vacant building on site had become blighted and was a poor representation of commercial property at the entrance of El Dorado.

Re-platting the area and creating a TIF district allowed Orscheln to build a new 40,000-square-foot store in 2020. In addition, there are three additional building sites available for more development. This TIF district project created a more attractive West Central entrance to the El Dorado community.

ABOUT THE BUSINESS

- » **Address:**
2908 W. Central Ave.
- » **District Established:**
June 1, 2020
- » **Plan Adopted:**
August 7, 2020
- » **Total Project:** \$6 Million
- » **Term:** 20 years



INCENTIVE

COMMUNITY IMPROVEMENT DISTRICT

Community Improvement Districts (CID) allow the governing body to levy additional taxes to fund improvements in a designated area.

01

The taxes are derived from retail sales or special assessments on real property within the designated district

02

CIDs can be used for commercial, industrial or mixed-use projects. CID tax revenue can be used to pay for a wide range of capital costs and certain on-going operating costs.

03

CIDs may impose an additional retail sales tax of up to 2% or a special assessment tax on real property with the district for up to twenty-two years.

AMERICAN REALTY



Improvements made by creating a CID at 2710 W. Central Avenue provided the upgrades needed to attract a new Dollar Tree store to the community as well as providing a bigger store footprint for Hibbett Sports. Today, the center is completely filled with additional new tenants such as Susan B. Allen Urgent Care, T-Mobile and the Daily Spot, a smoothie shop. Exterior improvements included a new façade, signage and parking lot improvements, in addition to the leasehold improvements.

This project adds another upgrade to the west entrance to the community.

PROJECT DETAILS

- » **Address:**
2710 W. Central Ave.
- » **Plan Approval Date:**
February 6, 2017
- » **CID Sales Tax:** 1%
- » **Financing:**
Pay As You Go
- » **Total Project:**
\$1,894,200
- » **CID Development Reimbursement Cost Cap:**
\$1,648,700
- » **% Public Incentive of Total Project Cost:**
87.04%
- » **Term of CID:**
22 years

NAVNI SERVICES



The CID district created at 2525 W. Central Avenue helped to provide a funding source for facility improvements and acquisition. Today, the facility has acquired the Baymont Inn flag, a subsidiary to Wyndham Hotels and Resorts. The facility has seventy-three rooms and in addition to sales tax, also generates bed tax for the City of El Dorado. Lodging is an economic driver to all communities, but in El Dorado, we are dependent on lodging to support the needs of our local refinery during expansion, maintenance and turn-around projects. There are times we have over 1,500 visitors/contract workers in our community to support the projects at HollyFrontier Refining.

PROJECT DETAILS

- » **Address:**
2525 W. Central Ave.
- » **Plan Approval Date:**
August 7, 2017
- » **CID Sales Tax:** 2%
- » **Financing:**
Pay As You Go
- » **Total Project:**
\$1,110,000
- » **CID Development Reimbursement Cost Cap:**
\$1,100,000
- » **% Public Incentive of Total Project Cost:**
100%
- » **Term of CID:**
22 years

WEST HILL HOLDINGS



The creation of a CID at 2530 W. Central Avenue has provided the buyer with funding to make interior site improvements and recoup a portion of the acquisition cost of the property over time. The facility was built in 1991 and is home to Super 8. There are forty-nine rooms and it is always busy as a well-known franchise in the U.S. The facility was purchased by the current owners in December of 2019. Super 8 collects bed tax and is one of the lodging properties we depend on to house contract workers during refinery expansion, maintenance and turn-around events.

PROJECT DETAILS

- » **Address:**
2530 W. Central Ave.
- » **Plan Approval Date:**
February 3, 2020
- » **CID Sales Tax:** 2%
- » **Financing:**
Pay As You Go
- » **Total Project:**
\$1,850,000
- » **CID Development Reimbursement Cost Cap:**
\$1,850,000
- » **% Public Incentive of Total Project Cost:**
100%
- » **Term of CID:**
22 years

HRSP, LLC

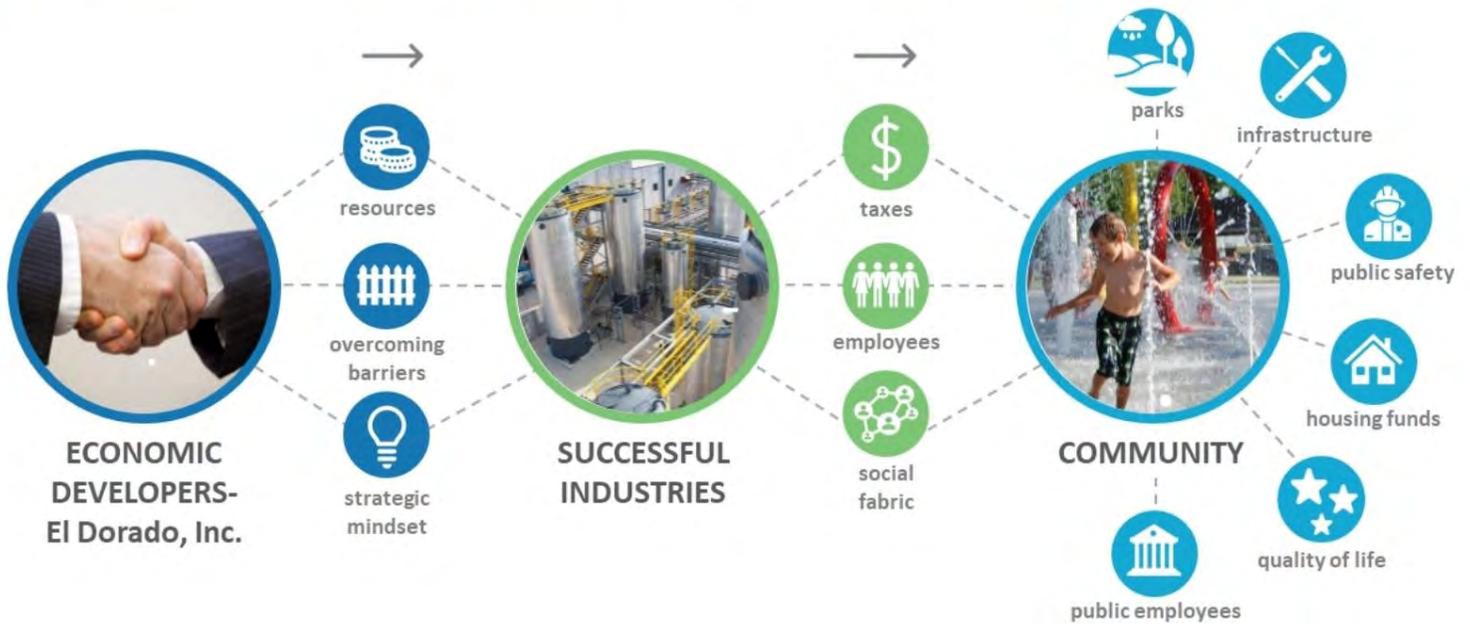


HRSP, LLC built the Days Inn and Suites in 2015. The 42-room facility was designed to host overnight visitors to the community and also as a long-term stay facility for refinery contract workers. Each room in the facility has a kitchenette with a full-size refrigerator. The CID for this project made the upgrades to the standard room possible. Lodging projects collect sales tax and bed tax that are utilized by the City to make community improvements and market the community to visitors. The new tax base of the project is also beneficial to the overall community.

PROJECT DETAILS

- » **Address:**
3200 W. El Dorado Ave.
- » **Plan Approval Date:**
February 16, 2015
- » **CID Sales Tax:** 2%
- » **Financing:**
Pay As You Go
- » **Total Project:**
\$3,134,244
- » **CID Development Reimbursement Cost Cap:**
\$3,134,244
- » **% Public Incentive of Total Project Cost:**
100%
- » **Term of CID:**
22 years

Why Communities Invest in Economic Development



Scooters

2000 W. Central

» **Built in 2021**

» **Appraised Value \$334K**





INCENTIVE

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

COMMERCIAL REHABILITATION GRANT

In recent years, Kansas has developed a Commercial Rehabilitation grant program to help cities improve the quality of their downtown commercial districts by assisting private property owners in the rehabilitation of blighted buildings. It is hoped that strategic investment of grant funds will help prevent the spread of blighted conditions to other nearby structures. The City is the applicant for the grant.

■ Must be a privately owned commercial or industrial building

■ Eligible projects must meet at least one of these national objectives:

- Prevention of elimination of slums or blight; and/or
- Job creation/retention

■ Eligible Activities:

- Building rehabilitation for code violations
- Historic preservation
- Building renovation for job creation

■ Improvements are limited to the following:

- Exterior of the building
- Abatement of Asbestos and lead-based paint hazards
- Correction of code violations

ENSMINGER



ABOUT THE BUSINESS

The 8,000-square-foot-per-floor building at 142 N. Main was built in 1918 and occupied by the Farm & Home business. By 2005, the building was under bank ownership and in need of some TLC. In 2005, two local businessmen bought the building and cleared mountains of debris. They resold the building in 2006. With renovations to the first floor, six retail business occupied the space. By 2019, the building was almost empty and blighted due to the lack of roof maintenance and water damage. In 2019, the building was sold to Nathan and Nicole Enslinger. With the help of the CDBG Commercial Rehabilitation grant, they have been able to replace the roof and correct code violations. The first floor currently houses five new tenants. A second phase of improvements is planned.

- » **Address:**
142 N. Main St.
- » **Program:**
2019 Downtown Commercial Rehab Program
- » **Phase 1 Cost:** \$330,600
- » **CDBG Grant:** \$247,950
- » **Completed:** Fall 2020



INCENTIVE

NEIGHBORHOOD REVITALIZATION PROGRAM

The first NRP was adopted November 18, 1996, with the most recent revision in October 2019, effective January 2020 to December 31, 2025. The plan is intended to promote the revitalization and development of certain properties within the City of El Dorado in order to protect the public health, safety, and welfare of the residents of the city. More specifically, the City will offer property tax rebates for certain improvements or renovation of property that meets the criteria in accordance with the provisions of K.S.A. 12-17, 114 et seq.

Eligible Commercial Properties

1 Condemned properties (as determined by the City Building Inspector's Office or the Commission) and any future properties that qualify for a City of El Dorado rehabilitation grant program are eligible. These properties must qualify through a description of blight, health or safety issues or grant programs as established and qualified by the City of El Dorado.



Edward Jones, 112 E. Central,
New 2021 infill construction downtown

3 Must be a minimum increase of at least 15% (\$10,000) or greater of the investment valuation as determined by the building permit value obtained through the City Building Inspector's office for commercial/industrial properties. The rebate for increased appraised value is for a maximum of five years and 95% tax rebate.

2 Buildings, 25 years or older, meeting the "dilapidated structure" description as outlined in K.S.A. 12-17, 115(a) and determined by the City Building Inspector's office, shall be allowed to petition the City Manager to be included in this program.

4 The current NRP guidelines define the El Dorado Opportunity Zone 20015020400 as the area where all commercial properties are eligible.

CURRENT COMMERCIAL PROPERTY IN NRP

Address	Business Type	Area	Years	Appraised Value	Accessed Value	2020 rebate
1726 W. Central	Office	W. Central	2012-2021	\$36,580	\$9,145	\$1,582
220 W. Central	Office	D/T	2014-2023	\$619,000	\$154,750	\$26,763
1464 W. 6th	Office/Warehouse	6th Corridor	2014-2023	\$242,060	\$60,515	\$10,466
317 S. Main	Retail/Housing	D/T	2014-2023	\$57,260	\$14,315	\$2,476
630 N Main	Retail	D/T	2014-2023	\$365,820	\$91,455	\$15,817
2670 W. Central	Retail	W. Central	2014-2023	\$215,310	\$53,828	\$9,244
117 W. Central	Commercial/Housing	D/T	2014-2023	\$27,160	\$6,790	\$1,174
625 N. Washington	Service	6th Corridor	2014-2023	\$94,730	\$23,683	\$4,096
114 W. Locust	Office	D/T	2015-2024	\$11,770	\$2,943	\$509
301 E. Central	Retail	D/T	2017-2021	\$450,840	\$112,710	\$19,492
101 N. Main	Office	D/T	2017-2021	\$50,240	\$12,560	\$2,172
202 W. 5th	Warehouse	6th Corridor	2018-2022	\$431,040	\$107,760	\$18,636
650 W. 6th	Office	6th Corridor	2019-2023	\$431,040	\$107,760	\$18,636
112 W. Central	Office	D/T	2020-2029	\$176,060	\$44,015	\$7,612
313 S. Main	Office	D/T	2020-2029	\$8,370	\$2,093	\$362

Energy Services 146 W. Sixth

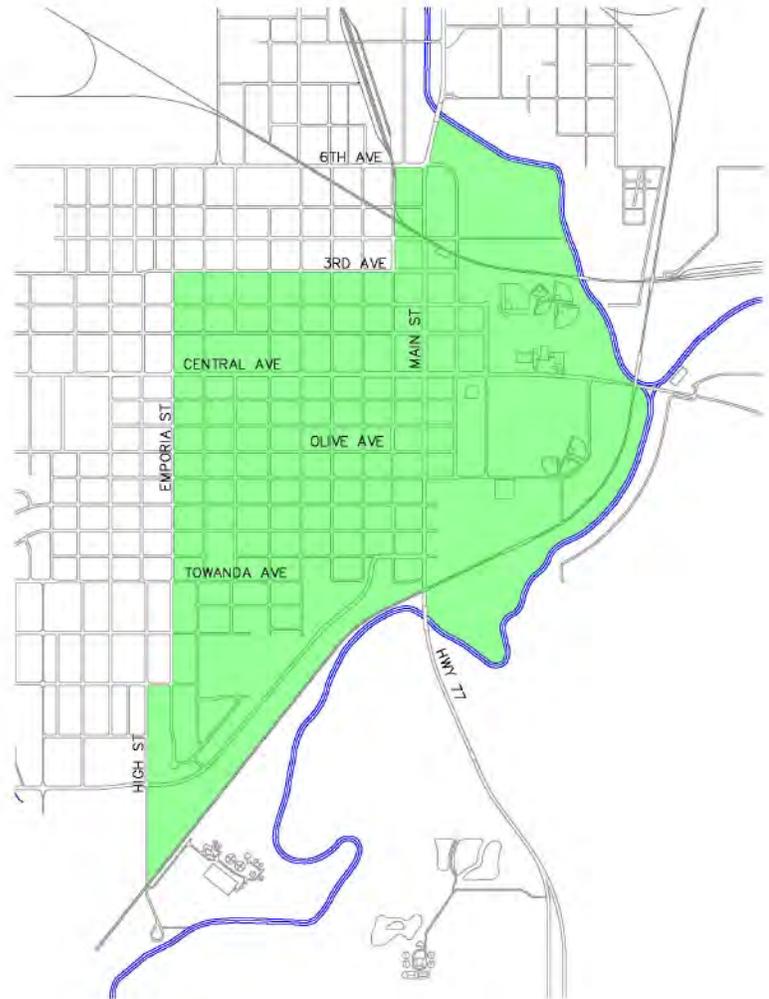


Built in 2014

Sunny Stop 301 E. Central Avenue



New infill in 2017



Rebates for the 15 eligible projects totaled \$139,036 in 2020.

It makes good sense for a community to invest in economic development that grows the tax base and allows the community to enjoy basic services and quality of life upgrades. The City of El Dorado collects \$14,000 per year for every \$1M of appraised value resulting from new commercial property development.

Scott Rickard with the City of El Dorado and Linda Jolly with El Dorado, Inc. will help answer your questions regarding the development process, identify available properties, financing and incentives. Their goal is to provide resources and information to business owners/managers that will help their business succeed!



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