



## Comprehensive Incentives Guide

### GO Topeka Incentives

#### Support Topeka

- The rise of COVID-19 is presenting our people with a historic challenge. The Greater Topeka Partnership, of which GO Topeka is a part, is committed to facing this with compassion, courage, and determination. The Support Topeka website was created to help inform the community about some of the assistance programs that have been put in place.

Link: <https://supporttopeka.com/resources/>

#### Choose Topeka

- Choose Topeka is a talent pilot program that will offer up to \$15,000 of matching incentives by partnering with employers to encourage talent to move to Topeka & Shawnee County. Choose Topeka was created with the intention of investing in employees to live and work in Topeka & Shawnee County, so that we may foster an intentional community, and help promote positive population growth.

Link: <https://choosetopeka.com/>

#### Capital Investment

- Land/ Facility – Cash grants for real property investments may be offered pending scope and size of the project. Incentive is paid upon proof of required investment.
- Equipment – Cash grants for equipment investments may be offered pending scope and size of the project. Incentive is paid upon proof of required investment.
- Infrastructure – GO Topeka may offer to assist in infrastructure costs for necessary improvements such as extension of utility lines and road improvements required for development.

#### Additional Incentives

- GO Topeka may offer a cash training grant as a part of the incentive package.
- Based on the scope of the project and the projected average annual salary of the jobs created, GO Topeka may offer an aggressive performance-based cash grant per new job added payable over five years as earned.

Link: <https://www.gotopeka.com/incentives/>



### Small Business Incentive Program

- Small Business Employee Training Incentive is designed to enhance employee skill sets. This incentive is for independent small business owners (non-franchisees). The incentive is limited to two employees per company. Funds can be used specially for training, skills enhancement or certifications.
- Small Business Equipment Incentive can be used towards the purchase of new or used equipment needed for the day to day operation of the small business. The business must make the approved purchase(s) up front and submit all necessary paperwork and receipts.
- Small Business Construction and Renovation Incentive can be used towards the enhancement of an existing business or the construction of a new property. The business must make the approved purchase(s) up front and submit all necessary paperwork and receipts.
- Marketing Incentive can be used to develop or enhance marketing programs for the small business. Funds can be used for website (update or building), newspaper, magazine, radio or television ads, banners, signage, or promotional materials.
- Architect and Design Incentive- A one-time incentive is available for small businesses working with the City of Topeka's Development Services in the design phase of their construction or renovation project. The funds will go toward the cost of the professional services.

Link: <https://www.gotopeka.com/incentives/the-topekashawnee-county-small-business-incentive/>

- Topeka/ Shawnee County First Opportunity Fund (T/SC FOF) - The purpose of the T/SC FOF is to grow the community by helping local businesses create jobs and increase production. T/SC FOF is designed specifically for business owners who want to grow, but who do not qualify for loans at conventional financial institutions.

Link: <https://www.gotopeka.com/incentives/fof/>

## State of Kansas Incentive Programs

### Finance Programs

- Promoting Employment Across Kansas (PEAK) – This program offers qualified companies the ability to retain 95 percent of their payroll withholding tax for up to five to ten years. The award is dependent on the aggregate median wage of all jobs compared to the relevant county median wage.
- Industrial Revenue Bonds (IRBs) – Industrial Revenue Bonds are a popular method of financing up to 100 percent of a growing business' land, building and equipment.



- Kansas Industrial Training (KIT) – Direct financial assistance with the training of net new jobs to Kansas. The program can be structured as pre-employment, classroom, on-the job or a combination of the three approaches. The award is dependent on number of jobs the company plans on creating in the first three years, and average wage of jobs compared against the county median wage.
- Kansas Industrial Retraining (KIR) – For restructuring companies whose employees are likely to be displaced to obsolete or inadequate job skills or knowledge. The program will provide assistance for retraining existing employees.
- Community Development Block Grant (CDBG) – The Small Cities Community Development Block Grant - Economic Development (CDBG-ED) program is a source of financing for companies that are expanding an existing facility or starting a new operation in the non-metropolitan areas of Kansas.

Link: <https://www.kansascommerce.gov/the-kansas-edge/exemptions-financing-incentives-taxes-unemployment/incentives/>

- STAR Bonds - STAR bonds are a financing mechanism that allows a city's portion of state sales tax from a designated district to be used to pay off the bonds. STAR bonds are generally used to finance redevelopment projects with a minimum \$50 million capital investment and \$50 million projected sales, or for a major commercial entertainment and tourism area that would be of regional or statewide importance.

Link: <https://www.kansascommerce.gov/programs-services/business-services/star-bonds/>

## Income Tax Incentives

- High Performance Incentive Program (HPIP) - This program provides a 10 percent corporate income tax credit on the qualified capital investment of an eligible company that pays above-average wages and has a strong commitment to skills development for their workers.

Link: <https://www.kansascommerce.gov/programs-services/business-services/high-performance-incentive-program-hpip/>

- Machinery & Equipment Expensing Deduction - Eligible Kansas taxpayers are allowed to claim an expense deduction for business machinery and equipment, placed into service in Kansas.

## Property Tax Incentives

- Machinery and Equipment Property Tax Exemption – Commercial and industrial machinery and equipment acquired by qualified purchase or lease or transferred into the state is exempt from state and local property tax.



- Property Tax Abatement – Cities or counties may exempt real property from ad valorem taxation. The tax abatement can include all or any portion of the appraised buildings, land and improvements.
- Inventory Property Tax Exemption – A property tax exemption exists for merchants and manufactures inventory. Inventory includes those items that:
  - are primarily held for sale in the ordinary course of business (finished goods)
  - are in process of production for sale (work in progress) or
  - are to be consumed either directly or indirectly in the production of finished goods (raw materials and supplies)

Link: <https://www.kansascommerce.gov/programs-services/business-services/property-tax-abatement-assistance/>

## Sales Tax Incentives

- Sales Tax Exemptions available include:
  - Labor services related to original construction.
  - Remodeling costs, furnishings, furniture, machinery and equipment for qualified projects
  - New machinery and equipment for manufacturing and distribution.
  - This also includes pre- and post-production machinery and equipment, including raw material handling, waste storage, and water purification, as well as ancillary property such as gas pipes, electrical wiring and pollution control equipment
  - Tangible personal property that becomes an ingredient or component part of a finished product
  - Tangible personal property that is immediately consumed in the production process, including electric power, natural gas and water
  - Incoming and outgoing interstate telephone or transmission services (WATTS)
  - Real and personal property financed with an Industrial Revenue Bond
- Utilities Sales Tax Exemption – Electricity, gas, and water consumed to run machinery and equipment to produce, manufacture, process, mine, drill or refine tangible personal property is exempt from state and local sales tax.
- Research Tax Credit – In order to encourage research and development activities within the state, taxpayers who invest in research and development are entitled to tax credits against Kansas income tax liability. Cannot be used if taxpayer elects Expensing Deduction.
- Day Care Facilities Tax Credit – Tax credits are offered against Kansas income tax liability for businesses providing child day care services to employees. These credits apply to taxpayers who pay for or provide child day care services for their employees or that provide facilities and necessary equipment for child day care services.

Link: <https://www.kansascommerce.gov/the-kansas-edge/exemptions-financing-incentives-taxes-unemployment/taxes/>



## Additional Incentives

- Kansas Department of Health & Environment (KDHE) Brownfields Program - The Kansas Department of Health & Environment (KDHE) administers a State Brownfields Program that is funded through a federal Environmental Protection Agency grant. KDHE can provide Brownfields Targeted Assessments (BTA) to eligible applicants on projects that benefit community need or job creation. BTAs provide a means to evaluate potential environmental liabilities associated with a particular property that may complicate redevelopment or reuse objectives. The perception of contamination often keeps properties from being redeveloped. Once the “stigma” is gone, properties can be returned to productive use.

Link: <https://www.kdheks.gov/brownfields/>

- Kansas Bioscience Authority (KBA) - Focused on the industry sectors where Kansas has outsized advantages — agribusiness, animal health and human health — KBA brings deep industry expertise and capital-raising experience to each opportunity. With plans to invest more than \$100 million in the bioscience sector, the KBA looks to follow founding investors with its own investment in the early to mid-term growth phase of companies. KBA attracts co-investors who bring added value, while supporting entrepreneurs with its own management counsel as well as that of other experts.

Link: <https://www.kansascommerce.gov/the-kansas-edge/exemptions-financing-incentives-taxes-unemployment/finance/kansas-bioscience-authority/>

- Kansas Angel Tax Credits - Kansas income tax credits are available to individuals who provide seed-capital financing for emerging Kansas businesses engaged in development, implementation and commercialization of innovative technologies, products and services.

Link: <https://www.kansascommerce.gov/the-kansas-edge/exemptions-financing-incentives-taxes-unemployment/finance/kansas-angel-tax-credits/>

## Historic Preservation Programs

- Kansas Historic Rehabilitation Tax Credit - The Kansas State Tax Credit is equal to 25 percent of qualifying expenses incurred during a qualified project on a qualified building. Buildings must be qualified historic structures. Qualified buildings are those that have been listed on the National Register of Historic Places, the Register of Historic Kansas Places, or have been deemed contributors to a National or State Register Historic District. Projects that qualify and are approved by the National Park Service for the 20 percent Federal Tax Credit will also qualify for the Kansas State Tax Credit.

Link: <https://www.kshs.org/p/state-historic-rehabilitation-tax-credit/14666>

- Historic Preservation Fund - The Kansas State Historic Preservation Office (SHPO) administers the Historic Preservation Fund (HPF) to finance local preservation activities that will contribute to planning for the preservation of the built environment and archeological resources. Up to 60 percent of the cost of eligible activities can be funded through this program. Through property



identification and evaluation, communities may assess their historic properties and develop plans for their recognition and preservation.

Link: <https://www.kshs.org/p/historic-preservation-fund/14615>

## City of Topeka Incentive Programs

- Community Improvement Districts (CID) - CID's are created to promote, stimulate, and develop the general economic welfare and quality of life in the City of Topeka. A CID involves public financing of all or a portion of a project within the district that provides public benefit such as strengthening economic development and employment opportunities; enhancing tourism; upgrading older real estate through redevelopment or rehabilitation; or promoting sustainability. Currently active CID's include: Holliday Square, Cross Winds, Cyrus Hotel, SE 29<sup>th</sup> St, Wheatfield Village, Wanamaker Hills, and Sherwood Crossing.

Link: <https://www.topeka.org/finance/community-improvement-tax-increment-financing-districts/>

- Tax Increment Funding Districts (TIF) – The City of Topeka has established 4 TIF districts College Hill, Sherwood Crossing, Wheatfield Village and the newly approved Downtown TIF district. TIF's are put in place to help drive economic development in significant areas across the city. Downtown Topeka, Inc. (DTI) and the City of Topeka establish a Tax Increment Financing District in 2020 encompassing downtown and riverfront area. The City of Topeka recognizes the importance of TIF's and the value they bring. The link above outline the guidelines, application process, and procedures put in place around TIF's.

Link: <https://www.topeka.org/finance/community-improvement-tax-increment-financing-districts/>

Link: <https://cot-wp-uploads.s3.amazonaws.com/wp-content/uploads/finance/DynamicCoreTif.pdf>

- Permitting Cost Assistance – Code 109.6 The City of Topeka code allows the City Manager the option to waive fees for economic development projects up to 25%. This assistance is reviewed case by case and is pending on the scope and type of project that is being pursued.

Link: <https://www.codepublishing.com/KS/Topeka/html/Topeka14/Topeka1420.html>

- COT Utility Reductions - Sewer and water infrastructure improvements may be extended within the Municipal Service Area (MSA), as funds are available through capital improvement funding. Sewer and water rates are charged accordingly based on monthly water consumption. Reductions may be provided up to as much as 25% (on the system fees) for projects promoting economic development, as determined by the City Council. The City storm water fee may be reduced by as much as 40% depending upon showing of storm water best management measures implemented by the property owner to retain 100% of runoff onsite.
- Neighborhood Revitalization Program - The COT Planning & Development Department administers the City's Neighborhood Revitalization Plan (NRP), which provides tax rebates to property owners making improvements that raise the appraised value of residential property by



10% and of commercial property by 20%. The program is intended to promote the revitalization of the City's Intensive Care/ At Risk neighborhoods and Downtown by creating an incentive for the rehabilitation, conservation, and redevelopment of these areas.

Link: <https://www.topeka.org/planning/neighborhood-revitalization-plan/>

- Neighborhood SORT Program - The Stages of Resource Targeting (SORT) program is lead by the City and provides resources to help the recipient neighborhood develop a comprehensive Neighborhood Plan that outlines the current conditions of the neighborhood, identifies goals for the future, create a future land use map, and includes neighborhood-specific elements (e.g., Infrastructure, housing, and other quality of life improvements). SORT funding allows for implementation of the priority infrastructure projects outlined in the Neighborhood Plan.

Link: <https://www.topeka.org/neighborhoodrelations/community-engagement/neighborhood-sort-program/>

- Empowerment Grant - The Empowerment Grant Program is funded through the federal Community Development Block Grant (CDBG) Program. These funds are used to support a variety of neighborhood based public projects. Projects must be located within predominately low/moderate income neighborhoods. Neighborhood Improvement Associations (NIA) who are designated as 2017-2020 Stages of Resource Targeting areas are not eligible for this program. Program priorities include citizen involvement and inclusiveness, efficiency and effectiveness, and neighborhood empowerment. Grants range in size from \$2,000 up to \$50,000.

Link: <https://www.topeka.org/neighborhoodrelations/community-engagement/neighborhood-empowerment-grant-program/>

## Shawnee County Incentive Programs

- Economic Development Exemption Program (EDX) - enables qualifying companies to make application for real and personal property tax exemption for a period of up to ten years. The governing body decides the percent of exemption.

## Local Utility Provider Incentives

- Evergy (Electric Utilities Provider) and Kansas Gas Service (Gas Service Utilities Provider)- Projects may qualify for the Economic Development Rider (EDR) tariff from one or both of Topeka's local utility providers pending usage amounts. The purpose of the EDR is to encourage industrial and commercial business development in our service territory. This rider provides a qualifying company savings through a discounted rate over five years



## Downtown Topeka Incentives

- Downtown Topeka, Inc. is accepting applications for permanent improvements to downtown properties. \$150,000 is available in 2019 through the City's Downtown Topeka Redevelopment Incentive Grant Program administered by DTI. Applications are available by contacting DTI. Grant applications are reviewed by a grant committee in the order in which they are submitted with a maximum of \$50,000 per property.

Link: <https://downtown.topekapartnership.com/dti-services/incentive-grant-program/>

## Additional Incentive Resources

- NetWork Kansas - NetWork Kansas matching loan programs are designed to support private capital by providing matching funds to assist startups and existing businesses that are expanding. A variety of loan programs are offered based on geography, matching loan amounts, and project need.

Link: <https://www.networkkansas.com/capital>

- Shawnee County StartUps - Shawnee Startups E-Community is in place to provide gap financing to help entrepreneurs start or grow a business in Shawnee County. The loan program matches up to 60% of other public sources of capital and/or funds from a financial institution such as a bank. Up to \$75,000 can be provided per project. Funds are flexible and can be used for a variety of business purposes, including equipment, inventory, and working capital.

Link: <https://shawneestartups.com/#info>

## Designated Opportunity Zones

- Opportunity Zones – Topeka, KS has designated 3 new opportunity zones for investors to take advantage of. These zones are located downtown, NE of the KS river, and NW of the KS river. Opportunity Zones are designed to spur economic development by providing tax benefits to investors.

Link: <https://www.kansascommerce.gov/programs-services/federal-opportunity-zones/for-investors/>

\*Disclaimer: Every attempt has been made to provide current, accurate, and consistent data. There may be some differences due to sources, methodologies, or timing of data-assembly.