

# Executive Summary of Economic Development Incentives

City of Topeka/Shawnee County/  
GO Topeka/State of Kansas

Topeka, Shawnee County, the State of Kansas, community partners, and individual organizations boast a myriad of economic development incentives and resources that are available to assist our community with growth and development. This document has been developed as the preface to the Economic Development Incentives guidebook for the City of Topeka, Shawnee County, GO Topeka Economic Partnership and the State of Kansas. Here you will find a summary of each incentive or program within the guidebook, as well as the contact information for all of the various incentives that are offered. This summary should provide you with the tools to understand which incentives may apply to your project or business.

**Executive Summary**  
**Economic Development/Financing Tools**

- **Neighborhood Revitalization Program (NRP)** ..... 3

*Residential/Commercial/Industrial-Local*  
*Range of Benefit or Grant:-\$ Varies*

The NRP provides a 10-year tax rebate incentive up to 95% to property owners for making major improvements that raise the appraised value of residential property by 10% and of commercial property by 20%.

**Contact:** Annie Driver, City of Topeka Planning Department – 368-3728,  
[http://www.topeka.org/planning/econ\\_dev\\_programs.shtml](http://www.topeka.org/planning/econ_dev_programs.shtml)
  
- **Historic Preservation Grants – Local** ..... 3

*Commercial/Non-Profit-site must be open to public on regular basis- Local*  
*Range of Benefit or Grant: \$ Varies*

This monetary grant award is intended to benefit public heritage tourism and promote Topeka as a place to work and live by assisting in funding the restoration of key historic sites and promoting these projects through monies from the City of Topeka’s one-percent Transient Guest Tax Fund. Not-for-profit applicants will provide at least 20% of the project budget and for-profit applicants will provide at least 80% of the project budget.

**Contact:** Tim Paris, City of Topeka Planning Department – 368-3728, <http://www.topeka.org/Planning/Finan.shtml>
  
- **Fee Reductions and Waivers** ..... 4

*Commercial/Industrial/Office-Local*  
*Range of Benefit or Grant: \$ Varies depending on projects capital investment and number of new jobs created.*

Incentives in the form of a building permit fee reduction and plan review fee reduction on building project reviews. This is based upon how the project encourages economic development and creates new jobs. A fee cap of \$111,458.75 for projects exceeding \$30,000,001 in valuation.

**Contact:** Richard Faulkner, Development Services/Property Maintenance Division Director, City of Topeka – 368-3704,  
[www.topeka.org](http://www.topeka.org)

Water and sewer fee 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% 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 on-site.

**Contact:** Doug Whitacre, Public Works Director, City of Topeka – 368-3801
  
- **Tax Increment Financing (TIF)** ..... 6

*Residential/Commercial/Industrial-Local*  
*Range of Benefit or Grant: \$ Varies*

Tax Increment Financing (TIF) is a real estate redevelopment tool applicable to industrial, commercial, and residential projects. TIF uses a project’s incremental increase in real estate tax revenues and local sales tax revenues over the status quo ante base year to finance public improvements related to the project, either on a cash flow basis or through the issuance of bonds sold to finance eligible redevelopment project costs. A special kind of TIF -STAR Bonds can be used only for projects with anticipated capital investment of \$50million and with at least \$50 million in projected gross annual sales, in metropolitan areas.

**Contact:** Doug Gerber, Director of Financial Services, City of Topeka – (785) 368-3947, [www.topeka.org](http://www.topeka.org)
  
- **Community Improvement District (CID)** ..... 7

*Residential/Commercial/Industrial-Local*  
*Range of Benefit or Grant:-\$ Varies*

A Community Improvement District (CID) is a discrete area of the City that taxes itself to provide services above those available to the city-at-large. A CID Project provides public benefits, such as, strengthening economic development and employment opportunities; enhancing tourism; upgrading older real estate through redevelopment or rehabilitation; or promoting sustainability.

**Contact:** Doug Gerber, Director of Financial Services, City of Topeka – (785) 368-3947, [www.topeka.org](http://www.topeka.org)
  
- **63-20 Bonds** ..... 8

*Residential/Commercial/Non-Profit- Local*

*Range of Benefit or Grant: \$ Varies depending on project*

In order to foster public-private partnerships, the City will consider the creation of a Kansas non-profit corporation to own assets created through public-private partnership and financed through the issuance of tax-exempt bonds (generally pursuant to Revenue Ruling 63-20). The use of this structure is a way to preserve the ability for a project to be financed with tax-exempt bonds, while maintaining for both the public and private participants most of the benefits of private development. The City will serve as the issuer of the bonds, lending the proceeds to the non-profit corporation subject to a loan agreement.

**Contact:** Doug Gerber, Director of Financial Services, City of Topeka – (785) 368-3947, [www.topeka.org](http://www.topeka.org)

- **501(c)(3) Bonds** .....8  
*Non-Profit- Local*  
*Range of Benefit or Grant: \$ Varies depending on project*  
Recognizing the importance of non-profit institutions in Topeka and where permitted by law, the City will generally favorably consider serving as the conduit issuer of tax-exempt bonds for qualified 501(c)(3) borrowers located in the City.  
**Contact:** Doug Gerber, Director of Financial Services, City of Topeka – (785) 368-3947, [www.topeka.org](http://www.topeka.org)
  
- **Federal Grants – HUD (categorical, CDBG), Transportation (TE, categorical...Safe Walk to School)** ..... 9  
*Residential/Neighborhood- Local/Federal*  
*Range of Benefit or Grant : \$Varies depending on specific program*  
The Community Development Block Grant Program (CDBG) is a federal grant to cities and state for housing and community development activities.  
**Contact:** Sasha Stiles, Director of Neighborhood Relations, City of Topeka – 368-3711, [www.topeka.org](http://www.topeka.org)
  
- **Ground/Building Leases** .....12  
*Residential/Commercial/Industrial-Local*  
*Range of Benefit or Grant: \$Varies*  
The City of Topeka owns real estate through the Capitol City. The Housing & Neighborhood Development Department maintains records relating to city- owned property which is not needed for municipal purposes and designated for lease. Any lease of city-owned real estate that will exceed \$10,000 within a 12-month period must be approved by the city council and signed by the city manager.  
**Contact:** Sasha Stiles, Director of Neighborhood Relations, City of Topeka – 368-3711, [www.topeka.org](http://www.topeka.org)
  
- **Economic Development Exemption Program (EDX)** .....12  
*Industrial/R&D- Local*  
*Range of Benefit or Grant: \$ Varies depending on project's capital investment*  
The Constitutional Amendment (economic development exemption – 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. The exemption is in effect for a period of ten years after the calendar year in which the expansion is completed. The Economic Development Exemption Program is limited by State Law to companies that are engaged in: (1) the manufacture of articles of commerce, (2) conducting research and development, or, (3) the storage of goods or commodities sold or traded in interstate commerce. Property Tax Abatement on Real Property Formula: \$ Capital investment x 25% (assessed rate) x mill levy = \$ estimated tax savings the first year x ten years = \$ estimated tax savings over ten years.  
**Contact:** Scott Smathers, GO Topeka- (785) 234-2644, [www.GoTopeka.com](http://www.GoTopeka.com) or Shawnee County Counselor's Office – (785) 233-8200 x 4042
  
- **Industrial Revenue Bonds** .....13  
*Industrial/Office-Local*  
*Range of Benefit or Grant: \$ Varies depending on project's capital investment and number of new jobs created at Shawnee County average wage or higher.*  
Tax abatements granted through Industrial Revenue Bonds are generally not available to companies that are engaged in retail sales of goods or services within the local community. Industrial Revenue Bonds can be a cost-efficient method of financing up to 100% of a growing company's investment in facilities.  
**Contact:** Scott Smathers, GO Topeka- (785) 234-2644, [www.GoTopeka.com](http://www.GoTopeka.com) or Shawnee County Counselor's Office – (785) 233-8200 x 4042
  
- **GO Topeka Economic Partnership Incentives** .....13  
*Industrial/Office/R&D-Local*  
*Range of Benefit or Grant: \$ Varies depending on project's capital investment and number of new jobs created or retained in Shawnee County*

Performance based incentives may be offered based on the number and quality of jobs provided. Additionally, reduced price or free land may be offered in Kanza Fire Commerce Park or Central Crossing Commerce Park. GO Topeka Economic Partnership is committed to partnering with community, regional, and statewide stakeholders to offer the best incentive package on a project by project basis, striving for flexibility with incentives to address the needs of the company.

**Contact:** Scott Smathers, GO Topeka Economic Partnership- (785) 234-2644, [www.GoTopeka.com](http://www.GoTopeka.com)

- **Community Development Financing Institutions (CDFI)** .....14

*Commercial/Office/Retail/Service-Local*

*Range of Benefit or Grant: \$ Varies with maximum loan amount of \$10,000.00*

The Topeka/Shawnee County First Opportunity Fund provides loans to entrepreneurs – especially low-income entrepreneurs and other business owners who do not have access to conventional financing due to business stage or size, insufficient or flawed credit history, use of proceeds or type of business, and location of business.

**Contact:** Cyndi Hermocillo-Legg, M. S., EDFP GO Topeka Economic Partnership (785)231-6048, [www.GoTopeka.com](http://www.GoTopeka.com)
  
- State of Kansas Initiatives** .....16
- **Machines and Equipment** .....15

*Commercial/Industrial - State*

*Range of Benefit or Grant: \$ Varies based on price of equipment*

The one-time expensing deduction is allowed for each qualified purchase of machinery and equipment in the year it was placed in service.

**Contact:** Jim Weisgerber, Kansas Department of Revenue 785-296-2479, [Jim.weisgerber@kdor.ks.gov](mailto:Jim.weisgerber@kdor.ks.gov), [www.ksrevenue.org](http://www.ksrevenue.org)
- **Promoting Employment** .....16

*Commercial/Industrial (certain NAICS codes do not qualify) - State*

*Range of Benefit or Grant: \$ Varies on the number of jobs created.*

The Promoting Employment Across Kansas (PEAK) incentive program allows qualified for-profit and regional / national non-for-profit headquarter companies that are locating new job or expanding existing Kansas operation, to retain 95 percent of the payroll withholding tax of the PEAK jobs over a period of five or more years.

**Contact:** Darla Price, Kansas Department of Commerce – 785-296-1868, [dprice@kansascommerce.com](mailto:dprice@kansascommerce.com), [www.kansascommerce.com](http://www.kansascommerce.com)
- **High Performance Incentive Program** .....17

*Commercial/Industrial - State*

*Range of Benefit or Grant: \$ Varies based on the total investment of the project.*

Provides a 10% tax credit and a sales tax exemption on the project. Must exceed a \$1M investment in Shawnee County. For companies paying above average wages and have a strong commitment to skills development with their workers.

**Contact:** Ed Bryan, Kansas Department of Commerce – 785-296-7174, [ebryan@kansascommerce.com](mailto:ebryan@kansascommerce.com), [www.kansascommerce.com](http://www.kansascommerce.com)
- **Workforce Training, Retraining, Industrial Training** .....18

**Kansas Industrial Retraining (KIR)**

*Commercial/Industrial - State*

*Range of Benefit or Grant: Typical award is \$300-\$700 per trainee. Employees must earn at least \$11.00 hourly.*

Company must provide a dollar for dollar match. For employees with job skills that has become inadequate or obsolete. This program provides assistance for retraining existing employees.

**Kansas Industrial Training (KIT)**

*Commercial/Industrial - State*

*Range of Benefit or Grant :Typical award is \$300-\$700 per trainee. Employees must earn at least \$11.00 hourly.*

This grant is used for new and expanding companies to assist in offsetting the cost of training new workers for new jobs. Can be used to reimburse negotiated costs for pre-employment, on-the-job and classroom training.

**Contact:** Nadira Hazim-Patrick, Kansas Department of Commerce 785-296-8158, [npatrick@kansascommerce.com](mailto:npatrick@kansascommerce.com), [www.kansascommerce.com](http://www.kansascommerce.com)
- **International Trade** .....18

**Market Research**

*Commercial/Industrial - State*

*Range of Benefit or Grant: FREE*

Provides market research assistance for your product in international markets.

**Contact:** Steve Kelly – 785-296-5295, [skelly@kansascommerce.com](mailto:skelly@kansascommerce.com), [www.kansascommerce.com](http://www.kansascommerce.com)

**Kansas International Trade Show Assistance Program**

Commercial/Industrial – State

*Range of Benefit or Grant:* Up to \$3,500 per foreign trade show.

Reimbursement is one-half of a company's eligible expenses. Company is eligible for two trade shows each year. Kansas companies with products or services originating within the state. Company must be exhibiting for the first time and submit an application prior to attending the trade show.

**Contact:** April Chiang, Kansas Department of Commerce – 785-296-4027, [achiang@kansascommerce.com](mailto:achiang@kansascommerce.com), [www.kansascommerce.com](http://www.kansascommerce.com).

- **Attraction Development Grant Program** .....19  
*Commercial-State*  
*Range of Benefit or Grant:* *\$Varies, reimburses up to 40% of actual expenditures for a single grant project.*  
The grant program is intended to provide strategic economic assistance to public and private entities and not-for-profit groups that develop tourism attractions, which serve the mission to aid sustainable, market-driven travel experiences within the state and influence travel destination choices, create economic impact from job creation, capital investment, revenue, and/or visitation in Kansas.  
**Contact:** Linda Craghead, Kansas Department of Wildlife, Parks & Tourism – (785) 296- 6777, <http://www.kdwpt.state.ks.us>
  
- **Tax Exemptions** .....20  
*Commercial/Industrial/Office- State*  
*Range of Benefit or Grant:* *\$ Varies depending on project*  
Sales tax, utility tax, commercial and Industrial property tax, and machinery and inventory property tax exemptions.  
**Contact:** Kathleen Smith, Department of Revenue – 785-368-8222, [Kathleen\\_smith@kdor.state.ks.us](mailto:Kathleen_smith@kdor.state.ks.us), [www.kdor.org](http://www.kdor.org)
  
- **Tax Credits** .....21  
*Commercial/Industrial/Office – State*  
*Range of Benefit or Grant :* *\$ Varies depending on project*  
Research tax credit, day care facilities tax credit, work opportunity tax credit.  
**Contact :** Kathleen Smith, Department of Revenue – 785-368-8222, [Kathleen\\_smith@kdor.state.ks.us](mailto:Kathleen_smith@kdor.state.ks.us), [www.kdor.org](http://www.kdor.org)
  
- **Historic Preservation Grants – State** ..... 22  
*Commercial/Industrial/Agricultural/Residential*  
*Heritage Trust Fund*  
*Qualified Historic Buildings*  
*Range of Benefit or Grant:* *\$ Varies. Individual grant awards may not exceed \$90,000 and must be matched by the grant recipient.*  
The Heritage Trust Fund (HTF) is a state program that provides matching funds for the preservation of properties listed in the National Register of Historic Places or the Register of Historic Kansas Places. The grant process is competitive.  
**Contact:** State Historic Preservation Officer, Kansas Historical Society – 272-8681 X240, <http://www.kshs.org>
  
- **Historic Tax Credits – Federal**.....22  
*Commercial/Industrial/Agricultural/Residential*  
*Historic Buildings-Federal*  
*Range of Benefit or Grant:* *\$ Varies*  
A 20% income tax credit is available for the rehabilitation of historic, income-producing buildings that are determined by the Secretary of the Interior, through the National Park Service with the State Historic Preservation Officer, to be “certified historic structures” or within a “registered historic district.” The rehabilitation costs must be substantial, exceed \$5,000 or the the adjusted basis of the building and the building must be depreciable. Projects must be pre-approved by the NPS and be consistent with the historic character of the property or district. Projects must meet be in conformance with the “Secretary of Interior’s Standards for Rehabilitation.” Projects are subject to NPS fees.  
**Contact:** State Historic Preservation Officer, Kansas Historical Society – 272-8681 X240, <http://www.kshs.org>
  
- **Non-Historic Tax Credits – Federal**.....22  
*Commercial/Industrial/Office*  
*Historic Buildings-Federal*  
*Range of Benefit or Grant:* *\$ Varies*

A 10% tax credit is available for the rehabilitation of non-historic buildings placed in service before 1936. The rehabilitation costs must be substantial, exceed \$5,000 or the the adjusted basis of the building and the building must be depreciable. The project must meet a specific physical test for retention of external walls and internal structural framework. There is no formal review process for rehabilitations of non-historic buildings. Owners simply claim the credit on their tax return.

**Contact:** National Park Service – Preservation Tax Incentives, 202-513-7270, <http://www.nps.gov/tps/tax-incentives.htm>

**Historic Tax Credits – State** .....22

*Commercial/Industrial/Agricultural/Residential*

*Qualified Historic Buildings-Federal*

*Range of Benefit or Grant: \$ Varies*

The Kansas State Tax Credit is equal to 25% 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. Tax Credits are transferrable.

**Contact:** State Historic Preservation Officer, Kansas Historical Society – 272-8681 X240, <http://www.kshs.org>

**Historic Preservation Grants –National Trust for Historic Preservation** .....23

*Commercial/Industrial/Agricultural/Residential*

*National Trust Fund Loan*

*Range of Benefit or Grant: \$ Varies*

Flexible funding, in terms of project criteria and provides funding for a variety of preservation projects. These may include establishing or expanding local and statewide preservation revolving funds, acquiring and/or rehabilitating historic buildings, sites, structures and districts, and preserving National Historic Landmarks. Preference given to non-profits.

**Contact:** National Trust for Historic Preservation – Mountain-Plains Regional Office – 303-623-1504

<http://www.preservationnation.org/resources/find-funding/>

**Other Programs**.....24

**Low Income Housing Tax Credits** .....23

*Residential- Federal*

*Range of Benefit or Grant: \$ Varies*

A 10-year federal income tax credit for investors, pricing of the credit fluctuates with market conditions, but are currently being purchased for \$.75 - .85 on the dollar. Equity generated by the sale of the credits allows for rents to be made more affordable.

**Contact:** Fred Bentley, Rental Housing Director, Kansas Housing Resources Corporation – 785-296-3724,

<http://www.kshousingcorp.org/lihtc.aspx>

**New Market Tax Credits** .....24

*Residential/Commercial/Non-profit-Local*

*Range of Benefit or Grant : \$5,000,000 to \$15,000,000.*

The goal of the program is to spur revitalization efforts of low-income and impoverished communities. The NMTC Program provides tax credit incentives to investors for equity investments in certified Community Development Entities, which invest in low-income communities. The credit equals 39% of the investment paid out (5% in each of the first three years, then 6% in the final four years, for a total of 39%) over seven years (more accurately, six years and one day of the seventh year). Examples of project types: retail, office, residential, community centers, non-profit, museums, educational facilities, community centers, mixed use properties.

**Contact:** Wendy Wells, Topeka Market President, U.S. Bank N.A. – 276-6688

**EB-5 Program** .....25

*Commercial/Industrial-Local*

*Range of Benefit or Grant: \$Varies- Investment of minimum of \$1M to create or save 10 jobs*

The EB-5 Program is a conduit for foreign investment that must create or save full time jobs for U.S. citizens. It is authorized and monitored by the United States Citizen and Immigration Service (USCIS) which is part of Homeland Security. A foreign investor can receive green cards for his/her family by investing \$1M dollars in a U. S. commercial enterprise that creates at least ten (10) full-time jobs.

**Contact:** Randy Speaker, Managing Partner, Kansas Regional Center, (785) 409-0555, [rspeaker@kansaseb5.com](mailto:rspeaker@kansaseb5.com)

**Small Business Administration** .....27

**Basic 7A Loan** .....27

*Commercial/Industrial/Office-Local*  
*Range of Benefit or Grant: \$Varies*

Use of proceeds can be used for many business purposes, including real estate or equipment purchases, expansion, working capital or inventory. Payback terms can be as long as 25 years for real-estate or 10 years for working capital.

**Contact:** Shawnee County's designated CDC Office-Wakarusa Valley (785) 749-7600, [www.wakarusavalley.org](http://www.wakarusavalley.org)

□ **Certified Development Company (504) Loan Program** .....27

*Commercial/Industrial/Office-Local*

*Range of Benefit or Grant: \$Varies ,up to 40% of total project costs (maximum of \$5 million or \$5.5 million for manufacturing businesses and "green buildings".*

The CDC/504 loan program is a long-term financing tool for economic development within a community. The 504 Program provides growing businesses with long-term, fixed-rate financing. Use of proceeds must be used for fixed assets that include: existing buildings, land, land improvements, furniture, equipment, construction of new facilities, and purchase of long-term machinery, soft costs and refinancing debt in connection with an expansion.

**Contact:** Shawnee County's designated CDC Office-Wakarusa Valley (785) 749-7600, [www.wakarusavalley.org](http://www.wakarusavalley.org)

□ **Federal Home Loan Bank Affordable Housing Program (AHP)** .....28

*Residential- Local*

*Range of Benefit or Grant: \$Varies with maximum per project of \$400,000.00*

The Federal Home Loan Bank allocates 10% of its net earnings to award in Affordable Housing Program (AHP) subsidies the following year. The basic role of the AHP is to provide a source of funds to cover a portion of the financial gap that exists in a housing project or program targeted to very low-, low- and moderate-income households.

**Contact:** Tom Thull, Director of Housing & Community Development – 233-0507, <http://www.fhlbtpeka.com>

□ **Public/Private Partnership Networks – LISC, Enterprise Foundation, NeighborWorks, other** .....29

*Residential/Commercial-Local/State/Federal*

*Range of Benefit or Grant: \$Varies depending on projects*

LISC has connected local organizations and community leaders with resources to revitalize neighborhoods and improve quality of life. The LISC model assembles private and public resources and directs it to locally-defined priorities.

**Contact:** Stephen Samuels, Executive Director, Greater Kansas City LISC –816- 753-0055, <http://www.lisc.org>

Enterprise Foundation has introduced solutions through public-private partnerships with financial institutions, governments, community organizations and other partners that share our vision that one day, every person will have an affordable home in a vibrant community, filled with promise and the opportunity for a good life.

**Contact:** Enterprise Foundation National Office –800-624-4298, <http://www.enterprisecommunity.com>

NeighborWorks America works to create opportunities for lower-income people to live in affordable homes in safe, sustainable neighborhoods that are healthy places for families to grow.

**Contact:** John Santner, Midwest Regional Director – 816-931-4176, <http://www.nw.org/network/>

□ **Private Money – national, state and local foundations – corporate and personal** .....30

*Residential/Commercial/Industrial – National*

*Range of Benefit or Grant: \$Varies*

A listing of funds available through national, state and local foundations. This database is available through Topeka-Shawnee County Public Library.

**Contact:** Topeka-Shawnee County Public Library, Jeff Imparato (785) 580-4400, [jimparato@tscpl.org](mailto:jimparato@tscpl.org)

□ **Topeka Community Foundation** .....30

*Residential/Commercial/Industrial – Local*

*Range of Benefit or Grant: \$Varies*

The Topeka Community Foundation encourages charitable giving in the community by working with individuals, businesses and non-profit organizations interested in philanthropy and charitable giving. It awards grants in numerous charitable fields of interest, focusing on education, health, mental health, arts, social services and youth development.

**Contact:** Topeka Community Foundation, Roger K. Viola, President, (785) 272-4804, [www.topekacommunityfoundation.org](http://www.topekacommunityfoundation.org)