

JOB CREATION FUND

2021 ANNUAL REPORT

JANUARY 2022



AD ASTRA PER ASPERA
Kansas
Department of Commerce

JCF OVERVIEW

Fiscal Year 2021

16

FUNDED PROJECTS

\$9.599M

AWARDED

3,919

NEW JOBS
PROPOSED

743

EXISTING JOBS TO BE
RETAINED

\$753.8M

CAPITAL INVESTMENT

JOB CREATION FUND (JCF)

The Job Creation Fund (JCF) is the deal-closing fund for the state. For example, if we know we are competing with the state of Washington for “Company X” and we know their incentive offer is close to ours, we will use JCF to help make an offer that will put us over the top.

JCF was created in 2011 by combining IMPACT and KEIOF. The intent behind JCF and its predecessors was to give the State of Kansas latitude to meet the needs of recruiting out-of-state jobs and businesses and also retaining companies in our state. The design is intended to be nimble, flexible and adaptable to meet the fast-paced and everchanging needs of businesses.

Currently, at least 35 states have a deal-closing fund. Many of these funds are designed to function in the same sense as JCF, providing discretion to the economic development arm or the governor of that state to make those decisions.

Job creation funds are awarded to companies with an expectation that the company will create or retain a specific number of jobs, provide training or be used for other types of economic development. Companies that fail to meet performance standards do not receive the intended funds or are required to pay funds back depending on the structure of the agreement.

JCF funds are an integral tool for allowing the state of Kansas to be competitive regionally, nationally and globally. Because this fund is meant only as a deal-closing fund, only about 2-4% of projects that the Department handles annually receive JCF. The Secretary of Commerce considers the recommendations of Commerce staff and has final approval authority of all JCF awards.



COMPANY NAME	Loan Style *	NAICS CODE	COUNTY	EXISTING JOBS	RETAINED JOBS	PROPOSED NEW JOBS	PROPOSED CAP EX	AWARD AMOUNT
Accelerate360, LLC	M	493110	JO	30	30	167	\$31,640,000	\$591,000
Airxcel, Inc	F	333415	SG	661	661	56	\$4,338,960	\$200,000
Farmada LLC	M	333111	SA	N/A	N/A	N/A	N/A	\$4,181
Great Plains Manufacturing, Inc.	M	333111	SA	0	0	100	\$43,900,000	\$500,000
Human Plant Solutions L.L.C.	M	313310	SG	0	0	10	\$600,000	\$100,000
Integrus BioServices LLC	M	541380	JO	0	0	288	\$37,000,000	\$100,000
National Lead for America, Inc.	M	925120	FO	3	3	38	\$300,000	\$200,000
Novacoast, Inc.	M	541512	SG	0	0	62	\$1,229,050	\$100,000
Prosperiti Builders	M	321992	MG	0	0	119	\$19,822,405	\$100,000
Seaboard Energy Kansas, LLC	M	541690	SV	8	8	57	\$220,000,000	\$200,000
Shield Industries Inc. dba ShieldAg	M	333111	RN	N/A	N/A	N/A	N/A	\$2,816
Sicut North America Inc	M	32619	WL	0	0	132	\$41,000,000	\$200,000
SureFire Ag Systems, Inc.	M	423800	RA	N/A	N/A	N/A	N/A	\$502
Tmone, LLC dba Mass Markets	M	561422	SG	0	0	500	\$1,500,000	\$550,000
Torch Research, LLC	M	541990	JO	41	41	490	\$52,500,000	\$1,750,000
URBN US Retail LLC	M	493110	WY	0	0	1900	\$300,000,000	\$5,000,000

*M = Milestone F = Forgivable

Totals: 743 743 3919 \$753,830,415 \$9,598500



JCF PROJECT STYLE

JCF agreements are structured in two ways - Forgivable Loans and Milestone Projects.

FORGIVABLE LOANS (1 PROJECT)

Funds are disbursed at the time of contract execution, and forgiveness is calculated annually over a five-year period. A company is required to report jobs, payroll and capital investment annually over the term of the Agreement. One-fifth of the original balance is eligible to be forgiven annually. The Department of Commerce calculates forgiveness based on the percentage of jobs and payroll achieved each year. The blended percentage of the jobs and payroll is then used to determine a blended performance percentage. If the blended performance percentage is met, one-fifth of the loan will be forgiven for that particular year. If the blended performance is less than the amount required by contract, a shortfall payment is due.

MILESTONE PROJECTS (15 PROJECTS)

A company is required to report jobs, payroll and capital investment annually over the term of the Agreement. If the company fails to achieve milestones regarding jobs and/or capital investment as listed in the Agreement, payments will be withheld. In addition, a repayment could also occur at the end of the term, if certain overall jobs and/or capital investment requirements are not met.



JCF PROJECT SUMMARIES

Accelerate360, LLC- Johnson County

Award Justification (1) Major Expansion of an existing Kansas Commercial enterprise

Accelerate360 Distribution, LLC is a magazine wholesaler working with all major publishers and servicing retail customers such as Walmart, Kroger, Albertson's, Publix, Meijer, Target, CVS, Walgreen's and Dollar General. In the past few years, the company has diversified to include other general merchandise distribution as well as providing logistics services for suppliers and retailers. Accelerate360 will retain 30 existing jobs, create 167 net new jobs over the next 3 years, and invest \$31,640,000 in capital investment by the end of 2025.

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Airxcel, Inc - Sedgwick County

Award Justification (4) Potential departure from Kansas or the substantial reduction of the operations of a major Kansas employer

Headquartered in Wichita, Airxcel, Inc. is expanding its operations. Airxcel makes climate control systems for recreational vehicles and is the largest privately held designer, manufacturer, and distributor of branded products for the recreation vehicle, commercial, and industrial markets. Demand for recreational vehicles has taken off during the pandemic. The company has 661 existing jobs and will create an additional 56 net new jobs and invest \$4,338,960 in capital investment over the next 5 years.

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Farmada LLC - Saline County

Award Justification (8) Other unique economic development opportunity

The core team at Farmada consists of industry experts with over 100 combined years of experience making them one of the top agricultural equipment manufactures in the industry. The manufacturing facility in Salina utilizes state-of the art machines, laser tube cutters, plasma and laser plate cutters to prepare raw materials that will be used in the finished product. In 2021, Farmada partnered with two other leading agricultural manufacturers in the region to host a group of buyers from Ukraine. This reverse trade mission provided an opportunity and platform for doing business in new foreign markets.

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Great Plains Manufacturing, Inc. - Saline County

Award Justification (1) Major Expansion of an existing Kansas Commercial enterprise

Great Plains Manufacturing, Inc. manufactures equipment for a broad range of industries. Their product range includes agricultural planting, seeding, and tilling equipment. Great Plains also has a full line of compact tractor implements, including rotary tillers, rotary cutters, grooming mowers, box blade, and other typical attachments for this market. This project will create 100 new jobs with \$43.9M in capital investment.

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JCF PROJECT SUMMARIES

Human Plant Solutions L.L.C. – Sedgwick County

Award Justification (2) Potential Location of the operations of a major employer

Human Plant Solutions has created a patent pending alternative to high cost, conventional ultra-light composites for prosthetic and device manufacturing using hemp. In 2017, they created the first hemp prosthetic socket for a below knee amputee through utilization of natural bast fiber and bio-derived composites. The company will create 10 net new jobs and invest a total of \$600,000 in capital investment over 5 years.

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Integrus BioServices LLC - Johnson County

Award Justification (2) Potential Location of the operations of a major employer

Integrus BioServices LLC is a scientific consulting service for companies across the United States that provides bio-marker services, molecule analysis, clinical sample logistics and bio-analytical analysis. The company is restructuring and will be creating 288 net new jobs over the next 5 years with a capital investment of \$37,000,000.

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National Lead for America, Inc. – Ford County

Award Justification (1) Major Expansion of an existing Kansas Commercial enterprise

The mission of Lead For America (LFA) is to ensure that the nation's most dynamic and diverse young leaders are tackling the toughest challenges in the communities they call home. The vision is to create a city-wide initiative that focuses on 1) attracting and retaining talent across all sectors in Dodge City and training that talent to be civic leaders; 2) building stronger neighborhoods through the community "friendship house" model, especially for low-income and immigrant communities; and 3) working with the local school system to develop a customized civic engagement and leadership curriculum that increases students' involvement in the community and desire to stay/return after graduation. LFA has established Dodge City as the first "Lead For America community" and plans to bring that model to the rest of the state and country. The national headquarters in Dodge City will create 38 net new jobs with capital investment of \$300,000.



JCF PROJECT SUMMARIES

Novacoast, Inc. – Sedgwick County

Award Justification (2) Potential Location of the operations of a major employer

Novacoast helps organizations find, create and implement solutions for a powerful security posture through advisory, engineering, development and managed services. Demand for the company's security managed services grew, creating a need to expand their Network Operations Centers/Security Operations Centers within the United States. Novacoast will be opening a cybersecurity operations center in Wichita that will create 60 net new full-time jobs and 2 net new part-time jobs over the next 5 years. The capital investment for the project will be \$1,229,050.

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Prosperiti Builders – Montgomery County

Award Justification (2) Potential Location of the operations of a major employer

Prosperiti Builders manufactures single-family and multi-family modular homes. Their work includes wood-frame assembly as well as installation of mechanical, electrical and plumbing systems for delivery to developments and communities in the Midwest and United States. The company will invest \$19,822,405 into the Coffeyville community while creating 119 net new jobs.

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Seaboard Energy Kansas, LLC – Stevens County

Award Justification (1) Major Expansion of an existing Kansas Commercial enterprise

Seaboard Energy Kansas, LLC will manufacture renewable diesel from discarded and rendered animal fats and plant derived oils for customers across the United States. The company expects to have a large concentration of sales in the California market selling to fuel wholesalers. Seaboard Energy will retain 8 existing jobs and create 57 net new jobs within 5 years and invest \$220,000,000.



JCF PROJECT SUMMARIES

Shield Industries Inc. dba ShieldAg – Reno County

Award Justification (8) Other unique economic development opportunity

For more than 50 years, ShieldAg has designed, manufactured, and distributed innovative agricultural products in the heartland. Based in Hutchinson, their complete product line is available across the United States and the world through a network of more than 2000 distributors and dealers. ShieldAg manufactures a complete line of agriculture equipment as well as harvesting aids. In 2021, ShieldAg partnered with two other leading agricultural manufacturers in the region to host a group of buyers from Ukraine. This reverse trade mission provided an opportunity and platform for doing business in new foreign markets.

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Sicut North America Inc – Wilson County

Award Justification (2) Potential Location of the operations of a major employer

This UK based company will be opening a new manufacturing/production facility in Neodesha. The company manufactures recycled plastic products including railway sleepers installed in 18 countries worldwide. The company will create 132 net new jobs over 5 years and invest \$41,000,00.

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SureFire Ag Systems, Inc. – Rawlings County

Award Justification (8) Other unique economic development opportunity

Founded in 2007, SureFire Ag specializes in providing solutions for the control and precise application of liquid and dry fertilizer, chemical and seed. The company has a 5000 square foot facility that includes office space, engineering space, and lab space in Atwood. SureFire ships products across the United States and Canada. In 2021, SureFire partnered with two other leading agricultural manufacturers in the region to host a group of buyers from Ukraine. This reverse trade mission provided an opportunity and platform for doing business in new foreign markets.

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Tmone, LLC dba Mass Markets – Sedgwick County

Award Justification (2) Potential Location of the operations of a major employer

Tmone DBA Mass Markets is a customer service center that handles a mix of inbound and outbound service calls. This company has centers in other states and selected Wichita to expand its service capabilities. 500 net new jobs will be created over the next 2 years and the company will invest \$1,500,000.

JCF PROJECT SUMMARIES

Torch Research, LLC – Johnson County

Award Justification (1) Major Expansion of an existing Kansas Commercial enterprise

Founded in 2017, Torch Research, LLC develops cybersecurity software and other computer programming services. Torch Research is expanding their operations in Johnson County by adding 490 net new jobs over the next 5 years with a capital investment of \$52,500,000.

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URBN US Retail LLC – Wyandotte County

Award Justification (2) Potential Location of the operations of a major employer

Urban Outfitters' Inc. (URBN) will construct a new 880,000-square-foot omni-channel distribution center in Wyandotte County. The company will create 1,900 new jobs and invest \$300 million by the end of 2025. URBN cited Kansas' central location, transportation infrastructure and skilled workforce as key factors in choosing Kansas for its distribution operation, acknowledging the location as critical to its distribution network.



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