

Open Road Brand Industrial Revenue Bond Letter of Intent Request

Office of Economic
Development

March 3, 2020



Open Road Brands



- Founded in 2009
- Designs and distributes decorative retail items around the world
- Customers include Walmart, Bass Pro, Cabela's, Hobby Lobby, Menard's, Home Depot
- Located at 1425 E. Douglas (near Douglas and Hydraulic streets)



Open Road Brands



Open Road Brands



- Currently imports from China – tariffs have increased cost
- City Council approved a 100% abatement through EDX program October 1, 2019
- Since then, increased scope of the project
- Changed request to IRB



Open Road Brands



- October plans:
 - Build new 60,000 sf manufacturing facility (40th and Webb Road)
 - Added new machinery & equipment
 - Add 33 new jobs
- Total capital investment = \$7,600,000



Open Road Brands



- Current plans:
 - Build new 83,000 sf manufacturing facility (40th and Webb Road)
 - Added new machinery & equipment
 - Add 55 new jobs
- Total capital investment = \$15,500,000



Open Road Brands



40th St. N. & Webb Road



Open Road Brands



40th St. N. & Webb Road



Open Road Brands



	Base	New Jobs	5 Year Projected
Jobs	27	55	82
Wages		\$42,500	



Open Road Brands



- Open Road Brands qualifies for 100% tax abatement (based on sliding scale – 63.5% capital investment + 73% for job creation)
- To achieve 1.30 to 1.00 ratio for City overall, abatement reduced to 96%



Open Road Brands



- \$228,053 is estimated value of one year tax abatement on improvements (appraised at 80% of capital investment)

City	\$58,606	State	\$ 2,689
County	\$52,674	USD 375	\$114,084

Based upon \$9,366,126 in real property improvements.
No land will be abated.



Open Road Brands



CEDBR at WSU
Cost/Benefit Analysis

	Projected
City of Wichita	1.30 to 1.00
City of Wichita – Gen Fund	1.20 to 1.00
City of Wichita – Debt Serv	1.53 to 1.00
Sedgwick County	1.20 to 1.00
USD 375	1.28 to 1.00
State of Kansas	5.45 to 1.00



Open Road Brands



- **Recommendation:**

- It is recommended that the City Council close the public hearing, adopt the Resolution of Intent and authorize the necessary signatures.



Open Road Brand Industrial Revenue Bond Letter of Intent Request



Office of Economic
Development

