

Martin Interconnect Economic Development Exemption



Office of Economic
Development

May 5, 2020



Martin Interconnect



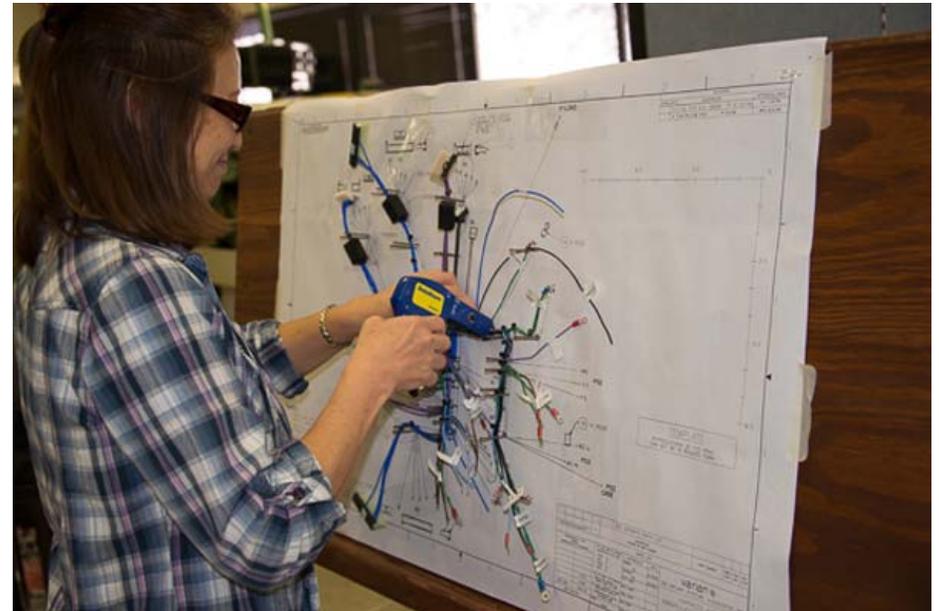
- Manufacturing of custom cable and wiring assemblies
- Located at 3001 E. Harry (near Harry and George Washington Blvd.)
- Advanced Manufacturing sector of Regional Growth Plan



Martin Interconnect



- Previous facility 30,000 sf
- Acquired 3001 E. Harry (156,000 sf)
- \$1,800,000 (facility and new M&E)



Martin Interconnect



3001 E. Harry Street



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- Approved in 2018 for Economic Development Exemption
- Policy states “Land and existing buildings are not generally eligible for property tax abatement.”
- Confusion between staff and company
- No explicit statement in incentive agreement that land was not included



Martin Interconnect



- Received a tax bill in 2019 which included \$16,600 for land
- Requesting City to reimburse land tax through the Economic Development fund
- All future IRB and EDX agreements will explicitly state land is not abated



Martin Interconnect



- Company employed 220 at approval of incentive
- 150 new jobs; average annual wage \$21,840
- Currently added 26 new employees
- Requesting 100% Economic Development Exemption (EDX)
property tax abatement for land and building



Martin Interconnect



- Value of one year 100% tax abatement (\$1,430,100 appraised value)

- City \$11,664 State \$ 536

- County \$10,509 USD 259 \$19,193

TOTAL = \$41,902



Martin Interconnect



CEDBR Benefit/Cost Analysis:

| | Projected |
|---------------------------------|---------------|
| City of Wichita | 3.08 to 1.00 |
| City of Wichita – Gen Fund | 2.47 to 1.00 |
| City of Wichita – Debt Srv Fund | 4.42 to 1.00 |
| Sedgwick County | 2.16 to 1.00 |
| USD 259 | 1.47 to 1.00 |
| State of Kansas | 57.50 to 1.00 |



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- **Recommendation:**

- It is recommended that City Council close the public hearing, place on first reading the ordinance granting Martin Enterprises, LLC a 100% tax exemption for land and building and approve reimbursing Martin for land property taxes paid.



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