

OCA#028001 FIRST PUBLISHED IN THE WICHITA EAGLE ON FEBRUARY

ORDINANCE NO. 47-772

AN ORDINANCE EXEMPTING PROPERTY FROM AD VALOREM TAXATION FOR ECONOMIC DEVELOPMENT PURPOSES PURSUANT TO ARTICLE 11, SECTION 13, OF THE KANSAS CONSTITUTION; PROVIDING THE TERMS AND CONDITIONS FOR AD VALOREM TAX EXEMPTION; AND DESCRIBING THE PROPERTY OF TRIUMPH STRUCTURES - WICHITA, INC. FORMERLY KNOWN AS EXCEL MANUFACTURING, INC. SO EXEMPTED.

WHEREAS, Article 11, Section 13, of the Kansas Constitution provides that the governing body of the City may, by Ordinance, exempt from all ad valorem taxation all or any portion of the appraised value of certain property meeting the requirements of the constitutional provision; and

WHEREAS, the City of Wichita has adopted an Economic Development Incentive Policy by which the City will consider granting tax exemptions upon a clear and factual showing of direct economic benefit including the creation of additional jobs or the upgrading of existing jobs and the stimulation of additional private investment; and

WHEREAS, Triumph Structures – Wichita, Inc. formerly known as Excel Manufacturing, Inc. requests an ad valorem tax exemption on a proposed expansion project of 100% for a five-year term on the purchase of certain new manufacturing equipment; and

WHEREAS, Triumph Structures – Wichita, Inc. formerly known as Excel Manufacturing, Inc., has operated within the City for more than thirty-five years as a manufacturer of high quality machining, fabricated components and assemblies for aerospace and commercial industries; and

WHEREAS, Triumph Structures – Wichita, Inc. formerly known as Excel Manufacturing, Inc., proposes a \$2,987,366 expansion by the purchase of new equipment to be located at 3258 S. Hoover Rd. in southwest Wichita; and

WHEREAS, the City Council of the City of Wichita has reviewed the application and supporting documentation supplied by Triumph Structures – Wichita, Inc. formerly known as Excel Manufacturing, Inc., has reviewed the impact statements provided by Staff, and the Cost-Benefit Analysis by the Wichita State University and has conducted a public hearing on such application on February 12, 2008; and

WHEREAS, the City Council of the City of Wichita has found and determined:

1. Triumph Structures – Wichita, Inc. formerly known as Excel Manufacturing, Inc. is an existing business located in Wichita, Kansas, and intends to expand its business by construction of a building expansion and the purchase of certain personal property.
2. The purchase of personal property for which exemption is given occurred after April 26, 2005. No exemption will be given for construction or purchases, which occurred before that date.
3. Such property purchases are to be used exclusively for manufacturing articles of commerce.

4. By such purchases, Triumph Structures – Wichita, Inc. formerly known as Excel Manufacturing, Inc. will create new employment for 32 employees within five years after the start of the project.

5. Tax exemption will be given only for the purchase of certain personal property as reflected in Exhibit I attached hereto.

6. The property on which exemption is given will meet the requirements of the Kansas Constitution and the City of Wichita's Economic Development Incentive Policy.

7. Such ad valorem tax exemption is in the public interest providing for economic growth and benefit including the creation of jobs and stimulating additional private investment.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WICHITA, KANSAS,

1. The City Council of the City of Wichita, Kansas hereby makes a factual determination that an ad valorem tax exemption of the type requested by Triumph Structures – Wichita, Inc. formerly known as Excel Manufacturing, Inc. is required to retain jobs in the State of Kansas, and that the property to be exempted is to be used exclusively for manufacturing articles of commerce.

2. Triumph Structures – Wichita, Inc. formerly known as Excel Manufacturing, Inc. is hereby granted an ad valorem tax exemption of 100% for a five-year term on the purchase of personal property started after April 26, 2005, and located within the Wichita City limits at 3258 S. Hoover Rd. in southwest Wichita, at an estimated cost of \$2,987,366, as further defined in Exhibit I attached hereto. Such exemption is to begin in the calendar year after the calendar year in which the expansion is completed, and may be terminated early (and Triumph Structures – Wichita, Inc. formerly known as Excel Manufacturing, Inc. may be required to repay amounts previously abated), in the event of any failure by Triumph Structures – Wichita, Inc. formerly known as Excel Manufacturing, Inc., to perform its obligations under the Economic Development Incentive Agreement it has executed with the City.

3. The Economic Development Incentive Agreement between the City of Wichita and Triumph Structures – Wichita, Inc. formerly known as Excel Manufacturing, Inc. is hereby approved.

4. The City Manager's Office shall be responsible for monitoring the performance of Triumph Structures – Wichita, Inc. formerly known as Excel Manufacturing, Inc. and shall provide annual reports on such performance.

5. Such exemption is subject to verification that the level of employment at the time of the completion of the project is at least equal to the level of employment as stated in Triumph Structures – Wichita, Inc. formerly known as Excel Manufacturing, Inc.'s written request for ad valorem tax exemptions as presented to the City Council and to administrative staff and dated November 2, 2007, and as stated in Triumph Structures – Wichita, Inc. formerly known as Excel Manufacturing, Inc.'s annually approved EEO/AA Plan.

6. Such exemption may hereafter be withdrawn by the City Council upon a finding that Triumph Structures – Wichita, Inc. formerly known as Excel Manufacturing, Inc. no longer is entitled to such exemption in accordance with the Economic Development Incentive Agreement, which Triumph Structures – Wichita, Inc. formerly known as Excel Manufacturing, Inc. has executed with the City.

7. The City Council may, at its discretion, require Triumph Structures – Wichita, Inc. formerly known as Excel Manufacturing, Inc. to return all funds exempted if there is a failure to meet the terms and

conditions of the Economic Development Incentive Agreement which Triumph Structures – Wichita, Inc. formerly known as Excel Manufacturing, Inc. has executed with the City.

8. Upon finding that Triumph Structures – Wichita, Inc. formerly known as Excel Manufacturing, Inc. has failed to meet its obligations under the Economic Development Incentive Agreement, the City Council shall require the repayment of all prior amounts of taxes that have been exempted and shall withhold any future exemption of taxes on Triumph Structures – Wichita, Inc. formerly known as Excel Manufacturing, Inc.’s expansion project. All repayments shall be redistributed to the local taxing authorities at the proper taxing rates.

9. This Ordinance shall be in full force and effect from and after its passage and publication in the official City paper.

Passed by the governing body of the City of Wichita, Kansas this 26th day of February, 2008.

Carl Brewer, Mayor

ATTEST:

Karen Sublett, City Clerk

Approved as to Form:

Gary E. Rebenstorf, City Attorney