

FIRST PUBLISHED IN THE WICHITA EAGLE ON April 22, 2022

ORDINANCE NO. 51-737

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 J-T ACQUISITIONS, LLC/LEADING TECHNOLOGY COMPOSITES, 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, J-T Acquisitions, LLC/Leading Technology Composites, Inc., requests an ad valorem tax exemption on a proposed building project of 100%, except taxation levied by a school district pursuant to KSA 72-8801, for a five-plus-five year term on the construction and equipping of a new facility; and

WHEREAS, J-T Acquisitions, LLC/Leading Technology Composites, Inc. has operated within the City for more than twenty years as a manufacturer of personal protection, vehicle protection and aerospace products; and

WHEREAS, J-T Acquisitions, LLC/Leading Technology Composites, Inc., proposes the construction and equipping of a building addition at a total project cost of \$3,790,000 located at 2700 S. Custer in southwest Wichita; and

WHEREAS, the City Council of the City of Wichita has reviewed the application and supporting documentation supplied by J-T Acquisitions, LLC/Leading Technology Composites, Inc., has reviewed the impact statements provided by Staff, and the Cost-Benefit Analysis by Wichita State University and has conducted a public hearing on such application on April 12, 2022; and

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

1. J-T Acquisitions, LLC/Leading Technology Composites, Inc. is an existing business to Wichita, Kansas, and intends to expand its business in Wichita through constructing and

equipping of a new building.

2. The construction and equipping of the new building for which the exemption is given occurred after November 1, 2021. No exemption will be given for construction and equipping which occurred before that date.

3. Such construction and equipping is to be used exclusively for manufacturing and distribution of articles of commerce.

4. By such constructing and equipping a new facility, J-T Acquisitions, LLC/Leading Technology Composites, Inc. will create new employment for 26 employees within five years after the completion of the project.

5. Tax exemption will be given only for the constructing and equipping of the building addition.

6. The property on which the 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 J-T Acquisitions, LLC/Leading Technology Composites, Inc. is required to create jobs in the State of Kansas, and that the property to be exempted is to be used exclusively for manufacturing and distribution of articles of commerce.

2. J-T Acquisitions, LLC/Leading Technology Composites, Inc. is hereby granted an ad valorem tax exemption of 100% for a five-year term, except taxation levied by a school district pursuant to KSA 72-8801, and 100% for a second five years, except taxation levied by a school district pursuant to KSA 72-8801, on the constructing and equipping of a building addition, subject to approval by the then current governing body, located within the Wichita City limits at 2700 S. Custer, at an estimated cost of \$3,790,000. Such exemption is to begin in the calendar year after the calendar year in which the constructing and equipping of the building is completed, and may be terminated early (and J-T Acquisitions, LLC/Leading Technology Composites, Inc. may be required to repay amounts previously abated), in the event of any failure by J-T Acquisitions, LLC/Leading Technology Composites, 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 J-T Acquisitions, LLC/Leading Technology Composites, Inc. is hereby approved.

4. The Office of Economic Development shall be responsible for monitoring the performance of J-T Acquisitions, LLC/Leading Technology Composites, Inc. and shall provide 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 J-T Acquisitions, LLC/Leading Technology Composites, Inc.'s written request for ad valorem tax exemptions as presented to the City Council and to administrative staff and dated March 2, 2022 and as stated in J-T Acquisitions, LLC/Leading Technology Composites, Inc.'s annually approved EEO/AA Plan.

6. Such exemption may hereafter be withdrawn by the City Council upon a finding that J-T Acquisitions, LLC/Leading Technology Composites, Inc. is no longer entitled to such exemption in accordance with the Economic Development Incentive Agreement, which J-T Acquisitions, LLC/Leading Technology Composites, Inc. has executed with the City.

7. The City Council may, at its discretion, require J-T Acquisitions, LLC/Leading Technology Composites, Inc. to return all funds exempted if there is a failure to meet the terms and conditions of the Economic Development Incentive Agreement which J-T Acquisitions, LLC/Leading Technology Composites, Inc. has executed with the City.

8. Upon finding that J-T Acquisitions, LLC/Leading Technology Composites, 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 J-T Acquisitions, LLC/Leading Technology Composites, 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 19th day of April 2022.

Brandon J. Whipple, Mayor

ATTEST:

Karen Sublett, City Clerk

Approved as to Form:

Jennifer Magaña, Director of Law and City Attorney