

Economic Development Guidelines Speculative MRO



April 22, 2022



Economic Incentive Guidelines



- October 6, 2020 City Council adopted new Economic Development Guidelines, an update to the 2012 Policy
- The new Guidelines included a Speculative Industrial Building program that had previously been adopted in 2017
- Included in the Industrial Revenue Bond section of the Guidelines



Economic Incentive Guidelines



- Speculative Industrial program requires developers to build at least 100,000 square feet with at least 28-foot clear height
- In addition to a sales tax exemption, the property receives a 95% abatement for the first five years, and if at least 50% of the building is leased at the 5-year mark, the property receives a 50% abatement for the second five years
- Total 10-year abatement



Economic Incentive Guidelines



- The Greater Wichita Partnership (GWP) has identified the provision of Maintenance, Repair and Overhaul (MRO) buildings as critical to the region's ability to attract aerospace businesses that diversify our economy
- MRO companies maintain aircraft, replace parts, repaint, or convert use



Economic Incentive Guidelines



- Shortage of MRO facilities nationwide for large aircraft (double aisle)
- Expensive to build
- Shortage of steel
- Drafted Speculative MRO program language based on Speculative Industrial Program



Economic Incentive Guidelines



- Airfield Hangar: A large structure primarily used for maintenance, repair and overhaul (MRO) including storage, painting, service, retrofitting, rebuilding, research or inspection of aircraft or aircraft components.



Economic Incentive Guidelines



- Minimum 50,000 square foot building (75,000 square foot preferred) with a minimum clear height of 45 feet (65 – 70 foot preferred to accommodate wide body programs). Requests for smaller hangars at Colonel James Jabara Airport will be considered.
- May not be developed for personal use.
- May be developed on a private runway, military runway or public runway.



Economic Incentive Guidelines



- Property tax abatement is 95% for first five years and 50% for second five years if 50% or more is leased at the five-year mark.
- If on a publicly owned runway at Wichita Dwight D. Eisenhower National Airport or Colonel James Jabara Airport, the project would be eligible for certain incentives determined by the Wichita Airport Authority that would adhere to relevant Federal Aviation Administration (FAA) standards.



Economic Incentive Guidelines



- Construction must start within 120 days of City Council approval and be completed within 15 months, with some exceptions for FAA approvals and supply chain disruptions.



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- It is recommended that City Council approved the Airfield Hangar addition to the Economic Development Guidelines.



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