The Job Creation Fund (JCF) is the deal-closing fund for the state. For example, if we know we are competing with the state of Washington for “Company X” and we know their incentive offer is close to ours, we will use JCF to help make an offer that will put us over the top.

JCF was created in 2011 by combining Investments in Major Projects and Comprehensive Training (IMPACT) and Kansas Economic Opportunities Initiatives Fund (KEIOF). The intent behind JCF and its predecessors was to give the State of Kansas latitude to meet the needs of recruiting out-of-state jobs and businesses and also retaining companies in our state. The design is intended to be nimble, flexible and adaptable to meet the fast-paced and everchanging needs of businesses.

Currently, at least 23 states have a deal-closing fund. Many of these funds are designed to function in the same sense as JCF, providing discretion to the economic development arm or the governor of that state to make those decisions.

Job creation funds are awarded to companies with an expectation that the company will create or retain a specific number of jobs, provide training or be used for other types of economic development. Companies that fail to meet performance standards do not receive the intended funds or are required to pay funds back depending on the structure of the agreement.

JCF funds are an integral tool for allowing the State of Kansas to be competitive regionally, nationally and globally. Because this fund is meant only as a deal-closing fund, only about 2-4% of projects that the Department handles annually receive JCF. The Secretary of Commerce considers the recommendations of Commerce staff and has final approval authority of all JCF awards.
JCF PROJECT STYLE

JCF agreements are structured in two ways: Forgivable Loans and Milestone Projects.

FORGIVABLE LOANS (2 PROJECTS)
Funds are disbursed at the time of contract execution, and forgiveness is calculated annually over a five-year period. A company is required to report jobs, payroll and capital investment annually over the term of the agreement. One-fifth of the original balance is eligible to be forgiven annually. The Department of Commerce calculates forgiveness based on the percentage of jobs and payroll achieved each year. The blended percentage of the jobs and payroll is then used to determine a blended performance percentage. If the blended performance percentage is met, one-fifth of the loan will be forgiven for that particular year. If the blended performance is less than the amount required by contract, a shortfall payment is due.

MILESTONE PROJECTS (8 PROJECTS)
A company is required to report jobs, payroll and capital investment annually over the term of the agreement. If the company fails to achieve milestones regarding jobs and/or capital investment as listed in the agreement, payments will be withheld. In addition, a repayment could also occur at the end of the term, if certain overall jobs and/or capital investment requirements are not met.

JCF PROJECT SUMMARIES

Deloitte Consulting LLP - Sedgwick County***
The Deloitte Smart Factory is located on the Innovation campus of Wichita State University. The new, 60,000 square-foot space features an end-to-end smart production line, space for smart ecosystem sponsors, and experiential labs. The facility will allow companies to explore what’s possible with smart factory applications and help them move closer to creating sustainable smart manufacturing investments. The Smart Factory will create 15 net new jobs over the next two years and will invest $15M.

Fairbanks Scales, Inc. - Johnson County
Fairbanks Scales, Inc. is a metal fabricator that manufacturers a wide variety of products, including heavy capacity truck and railroad track scales for customers across the United States and globally. The company recently made the decision to move their headquarters to Overland Park and will retain 55 jobs over the next three years.

Hilmar Cheese Company, Inc. - Ford County***
California-based corporation Hilmar Cheese will build a new state-of-the-art whey protein processing plant in Dodge City. Hilmar is one of the world’s largest producers of high-quality American style cheese with customers in more than 50 countries. The company will create 247 net new jobs over a three-year period and will invest $550M in capital expenditure.

Hormel Foods Corporation - Sedgwick County
Hormel Foods Corporation produces a variety of bacon and food service accessory bacon items. They will be expanding their bacon production operations in Wichita. Hormel will retain 564 existing jobs and create 60 net new jobs over the next two years. The capital investment for this project is $15M.

Industrial Metal Fabrication, Inc. - Harvey County
Industrial Metal Fabrication, Inc. (IMF) is a certified woman-owned and family operated custom steel fabrication business in Newton. They have a 92,000 square foot manufacturing facility on 12 acres with an additional nearby staging lot. IMF’s products range from single components to complete systems. They have the capabilities and facility to mass produce large equipment. Some of the products they make include dust control equipment, rotary dryers, ductwork, metal structures, and tanks. The company will be expanding its business by creating 8 net new jobs within one year and investing over $1M in capital.
JCF PROJECT SUMMARIES

Nations Holding Company - Johnson County

Nations Holding Company was formed to provide nationwide real estate information products. In addition, they provide national title insurance, settlement, appraisal and foreclosure services to residential mortgage lenders, relators, builders and attorneys across the United States. They will create 164 net new jobs over the next two years.

SFC Global Supply Chain, Inc. - Saline County***

Schwan’s Company is a leading U.S. manufacturer and marketer of quality foods offered through retail-grocery and food-service channels. Schwan’s will build a new 400,000 square-foot expansion at its state-of-the-art pizza manufacturing facility in Salina. The company will create 225 net new jobs over four years and invest $600M.

TTEC Services Corporation - Johnson County

Over the next five years, TTEC Services Corporation will create 450 new jobs. TTEC is one of the largest global digital customer experience (CX) technology and services innovators for end-to-end, digital CX solutions. This call center operation supports national home and auto insurers. In addition to creating jobs, TTEC will invest $9.2M in capital.

US Assets Recovery, LLC - Cherokee County

US Assets Recovery, LLC (USAR) is a precious metals refining and fabrication company that services companies primarily producing nitric acid or glass products in the United States. USAR is focused on expanding its product offerings and needed more space and equipment to fulfill that product demand. Currently, USAR operates a small part of USAR’s business activity in Kansas and they chose to build a new facility in Kansas. The company will create 20 net new jobs and invest $1.85M in capital.

U.S. Engineering Metalworks, LLC - Douglas County

U.S. Engineering Metalworks, LLC will locate a new manufacturing facility in Lawrence. This operation will provide modular construction, pre-fabrication, and advanced offsite construction solutions. Products will be built here and shipped to sites across the nation. This new operation will bring 140 new jobs over five years and the capital investment is expected to be $15.3M.

***Agreement was fully executed in early FY23 after being entirely negotiated in FY22.