

Attracting Powerful Economic Expansion (APEX)

2024 ANNUAL REPORT

JANUARY 2025





Attracting Powerful Economic Expansion

On February 10, 2022, the Attracting Powerful Economic Expansion (APEX) bill was signed into law by Governor Laura Kelly. Having received bipartisan support in the House and Senate, APEX addresses the unique needs of companies within targeted industries that invest \$1 billion or more in the expansion of their operations or relocation of their headquarters anywhere in Kansas. APEX also includes up to five suppliers for such “megaprojects.” Two projects have qualified for APEX - Panasonic and Integra Technologies. The only company to utilize the benefits of APEX is Panasonic. Panasonic is the largest economic development project in the history of the State of Kansas. The APEX tool sunset on December 31, 2023.

Panasonic

The APEX agreement with Panasonic will result in the following:

- 8,000 total jobs: 4,000 with Panasonic and 4,000 indirect jobs (suppliers, etc.).
 - Since August, approximately 3,000 construction workers have been on-site daily.
 - Currently, Panasonic has about 300 employees in Kansas.
- 16,500 construction jobs (the 3 million square foot structure will take at least 24 months to complete). The facility is projected to open in April 2025.
- Over \$2.5 billion in annual estimated activity generated by project.
- Each \$1 of Kansas APEX incentives will generate \$26.06 in estimated economic impact.

Annual Amount of Each Benefit

Investment Tax Credit - \$500 million (12.5%) over 5 years

Payroll Rebate - \$234 million (10%) over 10 years

Training and Education - \$5 million per year over 5 years

Relocation Investment - \$1 million per year over 10 years

Sales Tax Exemption - \$60.2 million over 5 years

As of December 2024, Panasonic has earned the investment tax credit and sales tax exemption on construction materials.

Estimated net state fiscal impact (including direct and indirect new state taxes derived from the new employees hired) - \$0*

Estimated multiplier effect on the Kansas economy of the benefits received under this Act - \$0*

Qualified Suppliers - None secured using APEX. APEX supplier benefits were not as valuable as the traditional incentives.

- H&T Recharge, a supplier, will co-locate with Panasonic using PEAK, KIT, HPIP and JCF incentives.
- Three additional suppliers for Panasonic are in the pipeline and are interested in utilizing the traditional incentives.

*Too early to be determined.

For the local benefits resulting from the investment made by Panasonic, see page 3.

Integra Technologies

On February 2, 2023, Integra Technologies received bipartisan support from the State Finance Council which approved the APEX agreement for their project. The project was anticipated to create 5,155 jobs and include a new 1 million square foot facility with a \$1.8 billion capital investment. The agreement was contingent on Integra Technologies receiving CHIPS Act funding for a qualifying project. With the CHIPS for America process still underway and the APEX agreement deadline of October 1st, 2023, Commerce worked with Integra Technologies to identify how the standard incentives could be used to support the company’s CHIPS application. The APEX agreement has expired, and the company awaits a funding commitment from the CHIPS Program Office. Commerce remains committed to the Integra Technologies project and its mission to make Kansas a microelectronics hub for the United States.

Summary of Local Community Benefits*

By investing an already-budgeted \$2 million for road improvements, De Soto is poised to see a return of an estimated \$400 million – in combined infrastructure, educational and community benefits – over a 20-year period.

- **Significant Return on Investment:** In exchange for forgoing \$70.3 million in property taxes (potential revenues only made possible by Panasonic's development) De Soto and Northwest Consolidated Fire District will receive over \$248.5 million in essential infrastructure upgrades alone – a return of more than triple the investment.
- **Enhanced Education Resources, Without Added Strain:** During the 20-year incentive period, local schools will receive \$14 million in property taxes, and state education will receive \$35 million in property taxes.
- **Panasonic's Financial Commitment:** Beyond construction, Panasonic will contribute \$19.4 million in special assessment taxes, supporting fire and city services that keep the community safe and well-managed.
- **Sustainable Municipal Revenue:** The franchise fees from Panasonic, estimated at \$3.68 million annually, promise a sustained financial stream for city initiatives, infrastructure maintenance, and could lower the tax burden on residents.
- **Boost to the Local Economy:** Panasonic's presence already has energized De Soto's retail environment, with retail sales activity in the past year exceeding the previous year by 128% and enabling local leaders to lower property taxes by 30%.

**Information provided by www.desotoks.us*





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Learn more about APEX via our Transparency Database:

