



MEMORANDUM

TO: The Honorable Governor Brownback
Senate Commerce Committee
House Taxation & Assessment Committee
House Taxation, Economic Development and Tourism Committee
Joint Economic Development Committee

FROM: Pat George, Secretary of Commerce *PG*

DATE: June 12, 2013

RE: Fiscal Year 2011 PEAK Annual Report

The following information is provided to satisfy the annual reporting requirements of K.S.A. 74-50,216 in the Promoting Employment Across Kansas (PEAK) Act.

In 2009, Senate Bill 97 was passed and signed into law creating the PEAK program effective July 1, 2009. Legislative changes to the program in 2010 allowed qualified companies locating a new business operation or relocating a business operation to Kansas from outside the state to retain 95 percent of the withholding taxes of employees paid wages at or above the county wage standard.

Of the 19 companies with signed agreements during FY 2011, 13* had effective dates to commence PEAK benefits and were required to report during that period. Those 13 participants projected the hiring of 2,463 total jobs and upon creation of the jobs, estimated an additional direct annual payroll of \$138,161,593. Capital investment expenditures for these projects are estimated to be approximately \$75 million.

In FY 2011, the thirteen companies reported the following results:

- 2,000 jobs were added with an overall average wage of \$28.80 hourly.
- Total payroll was \$132,264,326.
- Of that payroll, \$5,037,843 or 3.8% was retained by the companies for PEAK-eligible employees being paid at or above the county average (FY10) or median (FY11) wage.
- \$265,677 of withholdings was remitted to Kansas as the required five percent for PEAK-eligible employees.
- \$162,876 of withholdings was remitted to Kansas for 100 percent of PEAK employees whose individual wages did not meet the PEAK county wage standard.
- Using job and income multipliers from the U.S. Department of Commerce, Bureau of Economic Analysis, an estimated 2,892 indirect jobs were created and \$133,861,139 of indirect income also resulted from the 2,000 jobs and wages reported during FY11.

*The following 13 companies had signed agreements and were required to report during FY 2011:

Amsted Rail Company, Inc.

Iron and Steel Mills
Wyandotte County

Babcock & Wilcox Company

Industrial Machinery and Equipment Merchant Wholesalers
Johnson County

Consentino Enterprises, Inc.

Headquarters - Supermarkets and Other Grocery Stores
Johnson County

Consentino Group, Inc.

Headquarters - Supermarkets and Other Grocery Stores
Johnson County

Consentino's Service Corporation

Administrative Office - Supermarkets and Other Grocery Stores
Johnson County

Diagnostic Imaging Centers, P.A.

Headquarters - Diagnostic Imaging Centers
Johnson County
Johnson County

Orthopaedic Specialists of the Four States LLC

Regional Offices of Physicians
Cherokee County

General Motors LLC

Automobile Manufacturing
Wyandotte County

Hofer Wysocki Architects, LLC

Architectural, Engineering, and Related Services
Johnson County

Horsch North America

Farm Machinery and Equipment Manufacturing
Harper County

McQueeney Group Inc.

Heating and Air-Conditioning Equipment and Supplies Merchant Wholesalers
Johnson County

MIQ Logistics, LLC

Freight Transportation Arrangement
Johnson County

Old World Spices & Seasonings, Inc.

Corporate, Subsidiary, and Regional Managing Offices

The following six companies had signed agreements during FY 2011, but their Effective Date to receive benefits and reporting to Commerce commenced after FY 2011 ended:

Samson Dental Practice Management, LLC

Headquarters - Office Administrative Services

Johnson County

Western Blue Print Company, LLC

Digital Printing

Wyandotte County

BLNA/Best Harvest Bakeries

Commercial Bakeries

Wyandotte County

Dex One Service, Inc.

Corporate, Subsidiary, and Regional Managing Offices

Johnson County

KeyCorp Real Estate Capital Markets

Non-depository Credit Intermediation

Johnson County

OpenMethods, LLC

Custom Computer Programming Services

Johnson County

If you have any questions about this report, please don't hesitate to contact my office at 785.296.2741.