



To: SENATE COMMITTEE on ASSESSMENT and TAXATION
From: David Ahlem, President & CEO, Hilmar
Date: March 4, 2025
Re: SB 283 hearing on March 5, 2025
Position on the bill: Opposition -Written only

We understand the newly introduced bill SB 283 seeks to sunset a number of Kansas incentive programs (e.g., High Performance Incentive Program (HPIP), Promoting Employment Across Kansas (PEAK) Program, Low-Income Housing Program, Job Creation Fund (JCF)). Hilmar is opposed to this bill.

We chose to build a new, state-of-the-art cheese and whey protein plant in Dodge City, Kansas for a number of factors, including competitive milk supply, the local labor force, distance to/from customers, expanding agricultural region and transportation network. We evaluated many locations across various states and Dodge City, Kansas scored well across the criteria we evaluated, but what put it over the top was the way the local and state government worked with Hilmar to put together an attractive incentive package.

In fact, given the inflation factors we were facing in early 2022, we may have stopped the project all together if it had not been for the full incentive package that was provided. This includes incentives that were paid to us during the project build phase as well as incentives promised to us that have yet to be received. The most significant incentive yet to be received is the HPIP related tax credit sales. We are counting on all of the agreed incentives to be delivered.

Hilmar has spent over \$650 million on the Dodge City facility and as of the end of 2024, we employed 235 Full Time Equivalents at the site. Additionally, we continue to invest in the local talent pool, providing training across a broad range of roles.

In addition to the direct spending and employment provided by Hilmar there is a significant leverage effect. For example, we estimate hundreds of millions of dollars have also been invested by local dairies as they built new operations and expand existing operations to supply milk to our facility.

We believe these incentive programs are a critical tool for Kansas to use to attract investment and employment into the state going forward and we stand in opposition to SB 283.

Regards,

A handwritten signature in dark ink, appearing to be "DA" with a stylized flourish.

David Ahlem
President & CEO