Census Tract 788600: McPherson Economic Opportunity Corridor
Kansas Opportunity Zone 2.0 Investment Nomination

Executive Summary

Census Tract 788600, the McPherson Economic Opportunity Corridor, contains a rare concentration of development assets for a community this size, two colleges, the I-135/US-56 interchange, airport development opportunity, hotel and highway commercial activity, industrial and commercial sites, school-district-owned redevelopment blocks, and multiple infill and mixed-use opportunities. McPherson's advanced manufacturing base, low-cost municipal utilities, and **McPherson College's Ward-Burkholder Endowment trajectory** position the corridor for sustained demand in workforce housing, mixed-use redevelopment, and aviation-related commercial growth.

Existing Qualified Opportunity Fund (QOF) Investments

No Qualified Opportunity Fund investments have been made within Census Tract 788600, not because the market is absent, but because McPherson has never held an Opportunity Zone designation and no coordinated mechanism has existed to direct QOF capital here. That absence should not be mistaken for lack of interest. Highway hospitality, college expansion, commercial development, and housing construction have all occurred through market demand alone, with no OZ incentive structure in place. **Learn more about why Census Tract 788600 is investment ready.**

Defined and Funded Marketing Plan

McPherson will not rely on passive designation. If selected, MIDC/GoMcPherson will lead a coordinated Opportunity Zone marketing campaign for Census Tract 788600 from designation through December 31, 2031. Kasi Morales, Executive Director of MIDC/GoMcPherson, will serve as the primary Opportunity Zone marketing lead, with approximately $25,000 annually committed toward investor marketing, outreach, materials, conferences, prospect engagement, and lead tracking. Bower Communications has been retained as the corridor's dedicated OZ marketing partner, bringing a proven track record of positioning McPherson as a compelling destination for residents and workers and applying that same results-oriented approach to investor recruitment through 2031. Outreach will target QOF fund managers and real estate developers through OpportunityDb and sustained LinkedIn campaigns maintained continuously through 2031. Annual conference participation, including the NOVOCO Opportunity Zones Conference and national economic development industry events, will position McPherson directly in front of active OZ investors. Outreach will be further coordinated through the Kansas Department of Commerce OZ team and existing site selector relationships. **Marketing Campaign Detail**

Proposed and Scoped OZ 2.0 Eligible Projects With Viable Fit For Investment

Census Tract 788600's priority projects are each large enough to attract capital, specific enough to market, and tied to documented community need. **See full project details here.**

- **McPherson College Capital Program** — $94 million in campus capital projects beginning 2026, including 432 new student housing beds, generating sustained corridor demand for housing, retail, and commercial services. Projects are confirmed per McPherson College President Schneider with Phase 1 student housing delivery targeted for August 2027.
- **Midtown Mixed-Use Redevelopment** — Hotel, apartments, and mixed-use commercial on school-district-owned downtown-adjacent properties freed by USD 418's $80+ million bond plan. Estimated: $15–25 million. USD 418 School Board confirms that bond-funded facility transitions will make school-district-owned properties in the midtown corridor available for private redevelopment, and that the district welcomes private investment interest in those sites.
- **Event and Sports Center** — 300+ person multi-purpose venue near I-135/US-56 capturing documented unmet demand for tournaments, conferences, and regional events. Estimated: $8–15 million.
- **Shovel-Ready Industrial Site** — Priority I-135 corridor site advanced to shovel-ready status, with $2–5 million in site investment unlocking $20–50 million or more in follow-on tenant facilities. Kasi Morales, Executive Director of MIDC, confirms active site recruitment is underway and that shovel-ready status is the documented barrier for qualified industrial prospects.
- **Gildersleeve Redevelopment (Former Chemstar Facility)** — Flexible commercial, industrial, or mixed-use redevelopment opportunity on an established site with existing infrastructure and freight corridor access. Estimated: $5–15 million.
- **McPherson Airport Aviation Expansion** — Business jet hangar and aviation services facility closing an active corporate recruitment barrier, supported by FAA-funded airfield upgrades. Estimated: $3–6 million. Kasi Morales, Executive Director of MIDC, confirms that limited hangar capacity has been cited as a barrier during active corporate recruitment

conversations, and that expanded aviation infrastructure would directly strengthen McPherson's competitiveness for advanced manufacturing and corporate headquarters prospects.

- **Interstate Hospitality and Restaurant Development** — Shovel-ready hospitality and dining site at the I-135 gateway addressing unmet demand from manufacturing, tourism, and regional events. Mayor Jim Loving confirmed the site was planned in conjunction with the Candlewood Suites development. Estimated investment**:** $3–8 million.

State of Kansas Awarded Grants Since 2017

Since 2017, McPherson has secured more than $26 million in confirmed and committed state and federal investment within and/or directly benefiting Census Tract 788600, a track record that demonstrates sustained public-sector confidence in the corridor and a proven community ability to execute on funded projects. The $8.7 million KDOT T-WORKS Mohawk Road/I-135 interchange investment, completed in 2017, established the corridor's primary commercial gateway and directly enabled the hotel, highway commercial, and industrial development that defines the tract today. Additional awards since 2018 span housing, infrastructure, utilities, transportation, and site development, including $1.65 million in MIH-ARPA workforce housing funding, $1.2 million in Kansas Housing Investor Tax Credits, $5 million in combined federal water infrastructure grants, $1.1 million in CCLIP street corridor improvements with $3 million in committed awards through 2028, and $1.39 million through the Federal Fund Exchange Program, reflecting sustained multi-agency validation of the corridor's core investment priorities. These awards reflect a community whose growth needs are real but whose wage strength has historically limited access to income-based programs, exactly the gap OZ designation fills by attracting private capital at the scale grants alone cannot achieve. **See full award detail here**

Infrastructure Improvements Since 2018

McPherson BPU has invested more than $72 million in combined electric and water infrastructure since 2018, including the $22.5 million Mohawk Substation, $3.0 million JM-35 Substation expansion, $33.8 million in water infrastructure anchored by the new South Well Field and a $3 million KDHE SRL Fund Principal forgiveness loan toward the new water treatment plant, with $5.8 million deployed specifically within Census Tract 788600. **See full electric & water infrastructure detail here.** Quality-of-place investments including the completed **12-mile Meadowlark Trail**, a **$473,000 pickleball complex**, & **downtown Plaza shade upgrades** strengthen livability conditions that reduce absorption risk for QOF investors in housing and commercial projects. Transportation investments within the tract include $1.1 million in CCLIP street corridor improvements (2021–2022) with $3 million in committed awards through 2028, $1.27 million in TA Program multi-use trail and Safe Routes to School funding, $450,000 in KDOT Economic Development Program investment, $1.39 million through the Federal Fund Exchange Program since 2018, and the $8.7 million KDOT T-WORKS interchange, all reinforced by McPherson's FEMA CRS Class 8 designation delivering 20% flood insurance savings that directly improve QOF project economics throughout the corridor**.** Throughout the tract. **CT 788600 Water Infrastructure Map, CT 788600 Electric Infrastructure Map , Sanitary Sewer & Storm Water Map, Street Improvement Map**

Small Business Starts & Growth Since 2018

Census Tract 788600 and surrounding districts have seen sustained business formation since 2018, confirming that consumer and commercial demand within the corridor is real and growing. Confirmed openings and expansions include Candlewood Suites (92-room extended-stay hotel, 2023), Craft Coffee Parlor (120 N. Main, downtown), Noffy's Sandwich Shop & Pub (expanded to new Main Street location, 2024), and Be Wealth financial services (2023). Viega, Johns Manville, and CHS have all completed major facility expansions, demonstrating long-term employer commitment and creating downstream demand for supplier, logistics, and service businesses that OZ 2.0 capital is positioned to capture. New and expanding businesses benefit from a layered local support ecosystem, including MIDC-facilitated incentives, Kansas Main Street's Incentives Without Walls 0% interest loan program, SCKEDD revolving loan funds, and McPherson Chamber low-interest financing, tools that have consistently converted entrepreneurial interest into operating businesses and that OZ 2.0 designation would meaningfully expand.

See full list of new and expanding businesses here.

Kansas Certified Site

There are currently no formally designated Kansas Certified Sites within Census Tract 788600. However, McPherson Industrial Development Company has secured property owner commitment, the critical first step, and has initiated site surveys, assessments, and funding applications, with formal submission to Kansas Commerce anticipated in fall 2026. The I-135 Development Corridor offers 110 acres of zoned transitional agricultural land with existing utility connections through the McPherson Board of Public Utilities, direct interstate visibility, and proximity to the corridor's advanced manufacturing base. Site

characteristics satisfy the majority of Kansas Certified Site requirements today. **Link to LOIS Listing**; **I-135 Development Corridor Video Tour**

Labor Shed and Housing Status

McPherson County draws workers from throughout central Kansas, with advanced manufacturing employers providing above-average regional wages. Nearly 5,600 workers commute into the county daily without living here, a documented pool of potential residents, while the county projects a need for 771 new housing units by 2035. McPherson College's growth trajectory adds further demand pressure. These are not projections; they are employer-confirmed gaps that OZ-supported housing investment is specifically structured to fill. **See 2025 Housing Study** & **McPherson County Commuting (Inbound & Outbound) Information**.

Bonus Enhancements

No formal zoning changes have been required within Census Tract 788600, reflecting existing land use compatibility with target investment types. When rezoning is needed, MIDC serves as a dedicated concierge coordinating directly with the City and County to move approvals efficiently, within a planning framework that covers either McPherson's city limits or its Extra-Territorial Jurisdiction. Since 2018, McPherson has earned official designations that directly promote growth and investor confidence within the corridor. McPherson Main Street was named a **2026 Accredited Main Street America** program, one of only 838 nationally, recognizing sustained, measurable downtown revitalization performance that directly reduces commercial absorption risk for QOF investors. McPherson County's inclusion in the Wichita Foreign Trade Zone's Alternative Site Framework allows manufacturers locating within the corridor to apply for FTZ status, deferring or eliminating federal customs duties on imported components and goods, a competitive operational advantage that strengthens tenant recruitment and long-term retention for industrial and flex space investors in the tract. McPherson College's **Ward-Burkholder Endowment** of $1.596 billion, the largest of any small liberal arts college in the United States, is a generational irrevocable commitment that signals long-term demand for housing, retail, and mixed-use investment within the corridor and materially strengthens investor confidence in the tract's long-term fundamentals.

Qualifying projects can access a stacked incentive environment, 100% property tax abatement for 10 years through IRBs, sales tax exemptions, PEAK's 95% payroll withholding tax retention, and HPIP's 10% investment tax credit with 16-year carryforward, all layered on top of OZ 2.0 federal capital gains incentives, creating one of the most comprehensive return-enhancement packages available in any micropolitan Kansas market. See list of incentives.

McPherson has never held an Opportunity Zone designation. The investment momentum documented throughout this nomination was achieved with zero OZ incentive structure in place, demonstrating that the underlying market fundamentals are genuine, not incentive-created. For investors, that is the lowest-risk entry condition available: a market that works without the incentive, performing even better with it.

Disclosures

Census Tract 788600 has no investor-backed projects rejected in a public vote or otherwise requiring disclosure under nomination guidelines.

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Scan QR code for a list of supporting documents and links.