

# MARS Chocolate to build \$250M plant in Topeka

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Mars Chocolate North America unveiled plans Wednesday to build a state-of-the-art \$250 million manufacturing plant in the Kanza Fire Commerce Park south of Topeka.

A groundbreaking is scheduled for August, and Snickers and M&M's, two of the company's iconic brands, are expected to begin rolling off the manufacturing lines in late 2013.

The company's intentions were announced during an event at Washburn University's Bradbury Thompson Alumni Center sponsored by Go Topeka, which manages the economic development efforts funded through a half-cent countywide sales tax under a contract with the Joint Economic Development Organization.

Go Topeka put together a \$9.1 million incentive package, which include 190 acres of land in Kanza Fire, to bring Mars to the community.

JEDO still must vote to approve the incentive package before it is official, but it didn't appear Wednesday as though that step would be an obstacle.

The project is expected to deliver 200 full-time jobs to the community when the first phase of the project is completed in 2013 and grow to at least 425 jobs.

Steve Jenkins, senior vice president of Go Topeka, said the candy plant eventually could produce up to 974 direct and indirect jobs that would create a payroll of \$584.4 million over a 10-year period - a rate of return on the community's investment of 67 to 1.

The plant also would generate \$269.7 million in taxable sales and purchases over that period for a rate of return on investment of 31 to 1. Revenues to Topeka and Shawnee County over that period would be \$31.2 million, a rate of return on investment of 3.6 to 1.

The average wage for jobs at the plant should be about \$43,000 a year, Jenkins said.

Mike Wittman, vice president of supply at Mars Chocolate North America, said the Topeka plant - 350,000 square feet - would be the company's first new manufacturing facility built in the United States in more than 35 years.

"The site will be a reflection of our commitment to manufacture our products in the markets where we sell them," Wittman said. "Mars looks forward to becoming an important part of the Topeka community."

Gov. Sam Brownback said the economic development created by the Mars Chocolate expansion was good news for job-starved Kansas.

"This is a sweet day for Topeka and the people of Kansas. The decision to build this new Mars facility in Topeka demonstrates that Kansas can compete and win in the global business world," said Brownback, who hosted Mars officials at Cedar Crest on more than one occasion in the recruitment effort and also visited the company's headquarters.

Jenkins said the project was the "most significant economic development for Topeka and Shawnee County in many decades."

"The positive economic impact for the community will endure for decades," Jenkins said. "Mars will join a long list of other stellar primary employers in our community creating exceptional economic opportunities for our residents."

The land Go Topeka is offering - 150 acres for the manufacturing plant and 40 acres for a wind energy facility - is listed at \$1,920,775 on the incentive package, although a note to that list indicates the market value of the 150 acres is \$4.5 million.

Other incentives include a performance-based job creation cash incentive of \$2.55 million, based on 425 jobs at \$6,000 per job; waivers for building permit and utility connection fees, \$230,000; railroad with switch, \$1.3 million; Innovation Parkway, a frontage and access road, \$100,000; a sustainability allocation, \$400,000; work force development, \$1.7 million; water and sewer lines to the facility, \$217,000; and a \$700,000 reserve.

The construction site in Kanza Fire is immediately west of a BNSF Railway line, to which a spur will be built to service the Mars Chocolate plant. In addition to Go Topeka's \$1.3 million contribution to that connection, BNSF and the Kansas Department of Transportation will assist with the construction of a rail yard there to handle incoming raw materials and shipments of the finished products, Jenkins said.

Doug Kinsinger, president of Go Topeka, said rail access was essential to Mars.

The Kanza Fire site's proximity to the existing BNSF infrastructure was a major factor in the company's decision to locate its new plant in Topeka, he said.

The state also will participate in the construction of Innovation Parkway, which will run from S.W. Gary Ormsby Drive south and east to S.W. Topeka Boulevard, Kinsinger said. The parkway will cut through Kanza Fire's 408 acres, with the Mars site on one side of the road and three smaller lots to the south and west.

Kinsinger said Go Topeka learned in September that Mars was searching for a manufacturing location and had been working since then to win the selection process.

Wittman thanked Brownback and his administration, Go Topeka, and all of the local officials who worked with Mars on putting the project together.

Mars began its search for a new manufacturing site by gathering all of the data it could on states across the country, Wittman said, from demographics and weather to how each state is rated for its business environment.

That information was screened, and company officials settled on 13 states they wanted to consider.

They looked at 82 sites in those states, Wittman said, and Kansas and Topeka appeared to be the best fit for Mars, a family-owned company that has been in business for 100 years.

"We think Topeka and Kansas can help us because of the common values and principles we share," he said.

Wittman said the company operates on five core principles that are shared by Kansas and Topeka. Those are: quality, responsibility, efficiency, freedom and mutuality.

Wittman said mutuality referred to mutual benefits that are shared and enduring and contribute to the success of everyone involved in an endeavor.

Those on hand Wednesday to welcome Mars to the community included Washburn President Jerry Farley, Kinsinger, Jenkins, Topeka Mayor Bill Bunten, Shawnee County Commission Chairman Vic Miller and Steve Briman, who leads the Go Topeka board of directors this year.

Miller and Briman said the community wouldn't have been welcoming Mars into the fold Wednesday had Go Topeka, at the height of a recession, not had the foresight to push for the purchase and development of the Kanza Fire Commerce Park.