

Exhibit No.:
Issue: Economic Benefits of Nucor to Pettis
County and Sedalia
Witness: Jessica L. Craig
Type of Exhibit: Direct Testimony
Sponsoring Party: KCP&L Greater Missouri Operations
Company
Case No.: EO-2019-0244
Date Testimony Prepared: July 12, 2019

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: EO-2019-0244

DIRECT TESTIMONY

OF

Jessica L. Craig

ON BEHALF OF

KCP&L GREATER MISSOURI OPERATIONS COMPANY

**Kansas City, Missouri
July 2019**

DIRECT TESTIMONY

OF

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Case No. EO-2019-0244

1 **Q: Please state your name and business address.**

2 A: My name is Jessica L. Craig. My business address is 3615 W. Broadway, Suite 301,
3 Sedalia, MO 65301.

4 **Q: By whom and in what capacity are you employed?**

5 A: I am employed by Economic Development Sedalia-Pettis County and serve as Executive
6 Director.

7 **Q: On whose behalf are you testifying?**

8 A: I am testifying on behalf of KCP&L Greater Missouri Operations Company (“GMO”).

9 **Q: What are your responsibilities?**

10 A: My responsibilities include marketing the Sedalia-Pettis County community through
11 business attraction, business retention, new business creation.

12 **Q: Please describe your education, experience and employment history.**

13 A: I graduated from Missouri Valley College in 2003 with Bachelor of Science Degrees in
14 Accounting and Finance. From 2004 to present, I have led economic development teams
15 at the local, regional and statewide level. In October 2016, I joined Economic
16 Development Sedalia-Pettis County to lead the economic development efforts for the
17 region, a position I have held since that time.

1 **Q: Have you previously testified in a proceeding at the Missouri Public Service**
2 **Commission (“MPSC” or “Commission”) or before any other utility regulatory**
3 **agency?**

4 A: No.

5 **Q: What is the purpose of your direct testimony?**

6 A: The purpose of my direct testimony is to discuss the economic benefits to Pettis County of
7 bringing Nucor Corporation’s operations to Sedalia which will be enabled by the special
8 contract rate under which GMO proposes to serve Nucor’s Sedalia facility.

9 **Q: Are you representing one of the groups that worked to bring Nucor to the state?**

10 A: Yes, I represent the lead organization at the local level who worked with Nucor throughout
11 the site selection process.

12 **Q: Who is Nucor?**

13 A: Nucor is a producer of steel and related products headquartered in Charlotte, North
14 Carolina. Nucor has over 20,000 employees and is the largest producer of steel in the
15 United States.

16 **Q: Please describe Nucor expansion to Sedalia, Missouri.**

17 A: Nucor will invest at least \$250 million to build a new steel bar micro mill in Sedalia. This
18 new facility will manufacture various types of rebar for the Midwest and upper Midwest..

19 Nucor has been constructing the Sedalia facility since late April 2018 and is
20 expected to be commercially operational in the first quarter of 2020.

1 **Q: What are the expected economic development benefits associated with Nucor's**
2 **facility in Sedalia?**

3 A: Nucor's decision to locate the facility in Sedalia, Missouri represents the single largest
4 economic development success for the state in over 10 years, relative to capital investment.
5 It is the most significant new facility launch throughout Sedalia and Pettis County. We
6 competed with multiple other states throughout the extremely competitive site selection
7 process. Not only will this new facility employ more than 250 direct employees and invest
8 \$250M directly, it will also have significant spinoff benefits. There are currently 450+
9 construction employees working at the site. These individuals are utilizing local lodging,
10 eating and hospitality venues resulting in increased tax base and indirect jobs. Nucor has
11 hired approximately 130 employees thus far and nearly half of those have moved here from
12 outside the immediate area. This drives investment in our housing market and results in
13 community growth. The new employees Nucor is hiring are being hired on with a starting
14 salary of \$65,000 annually. That is double the average salary in Pettis County and will
15 create additional buying power within the community. Finally, Nucor's facility will also
16 draw additional businesses either onsite or within the region. I am currently working with
17 one of those businesses who will do business with Nucor, to assist them with locating their
18 new facility in Sedalia as well. Additional industrial, commercial and retail businesses are
19 already in contact with us expressing interest in new locations due to the Nucor facility.

20 Nucor will serve as the anchor tenant for the new Sedalia Rail Industrial Park. This
21 park will offer from 5 to 1,500 acres to industrial customers seeking rail-served sites to
22 build new facilities. The commitment of capital investment and this new facility by Nucor
23 allowed the City of Sedalia, Pettis County and Sedalia Pettis County Community Service

1 Corporation to establish a joint effort to build the infrastructure needed to establish the
2 Sedalia Rail Industrial Park. In December 2018, The City of Sedalia was awarded a U.S.
3 Department of Transportation Better Utilizing Investments to Leverage Development grant
4 in the amount of \$10.09 million to construct the rail infrastructure to serve phase 1 of the
5 park. When established, the Sedalia Rail Industrial Park will be the largest in the Midwest
6 and on Union Pacific's service line throughout the United States with the ability to grow
7 to exceed 2,500 acres. We have leveraged the initial investment by Nucor to establish this
8 new corridor of growth for our community's next 10-30 years of development.

9 **Q: You mention that the Nucor facility will have impact on the tax base for the area. Do**
10 **you have any estimates of that impact?**

11 A: Yes. According to the City of Sedalia and their support for a Missouri Chapter 100 project
12 application, Nucor is expected to invest over \$325 Million in new plant and equipment
13 over the next 22 years with the majority of that by the end of this calendar year. Estimates
14 also indicate an increase in the tax base as a result of the estimated addition of \$16,575,000
15 annual payroll to the area. These increases in the "tax base" will directly benefit the
16 community.

17 **Q: Did Nucor receive state/local incentives for this project?**

18 A: Yes.

19 **Q: Please describe those incentives.**

20 A: Nucor received a portion of real and personal property tax abatement through the Chapter
21 100 program (local), tax credits through Missouri Works (state), job training funds through
22 Missouri Works Training (state) and Business Use Incentive for Large Scale Development
23 Tax Credits (state).

1 **Q: Do you believe these incentives are evidence that this project is beneficial to the state?**

2 A: Yes, the Missouri Department of Economic Development performs a cost/benefit analysis
3 for each economic development project which takes incentives into consideration. Each
4 project must be a net benefit to the state with tax incentives taken into consideration.

5 **Q: Going forward, will the existence of Nucor in your area support your ability to attract
6 other business to the state?**

7 A: Yes, we are currently working with several businesses to establish their new facilities in
8 Sedalia as a direct result of the Nucor facility. One of those is scheduled to publicly
9 announce their new facility on July 10, 2019. We have commercial, industrial and retail
10 businesses seeking facilities in Sedalia as a direct result of Nucor's investment here.

11 **Q: Do you believe Nucor would have selected Sedalia for its new plant if not for the
12 special electric rate?**

13 A: No, Nucor would not have selected Sedalia or Missouri if not for the special electric rate.
14 Missouri would not have been considered an option for the site selection process without
15 the special electric rate.

16 **Q: Does that conclude your testimony?**

17 A: Yes, it does.

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of)
KCP&L Greater Missouri Operations Company) File No. EO-2019-0244
For Approval of a Special Incremental Load)
Rate for a Steel Production Facility)
in Sedalia, Missouri.)

AFFIDAVIT OF JESSICA L. CRAIG

STATE OF MISSOURI)
) ss
COUNTY OF PETTIS)

Jessica L. Craig, being first duly sworn on his oath, states:

1. My name is Jessica L. Craig. I work in Sedalia, Missouri, and I am employed by Economic Development Sedalia-Pettis County as Executive Director.

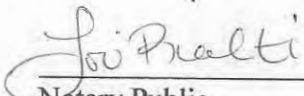
2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of KCP&L Greater Missouri Operations Company consisting of five (5) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.

3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.



Jessica L. Craig

Subscribed and sworn before me this 28th day of June 2019.



Notary Public

My commission expires: May 16th, 2021

