

Economic Development

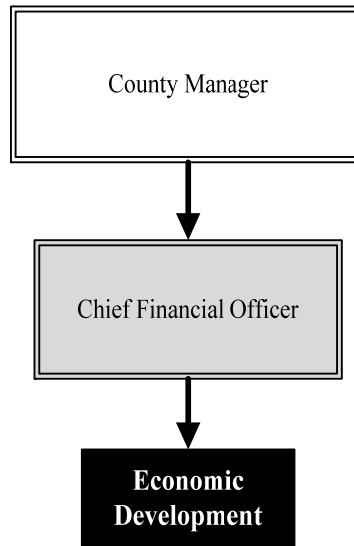
Mission: Promote a strong and diverse regional economy by enhancing opportunities for businesses to retain or attract new jobs within the county

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Overview

Sedgwick County Economic Development collaborates with other governments and businesses to retain and expand local businesses, and attract new companies that pay above average wages. The County is a grantee for Foreign Trade Zone (FTZ) #161, a general purpose zone in which goods are not within U.S. Customs territory. Companies using the FTZ are exempt from paying duty or Federal excise taxes while the goods remain in the zone, thus lowering costs of the importing business and encouraging investment and production that might otherwise take place in another country. The County offers a micro-loan program that provides capital to help low and moderate income persons establish or expand small businesses. Finally, the County administers an affordable airfares program that offers revenue guarantees to airlines that agree to provide low-fare service to the Wichita market.



Strategic Goals:

- Assist five new and expanding businesses with Micro Loans
- Increase international trade by contracting with two businesses who import products
- Retain and expand jobs through incentives and other innovative means

Highlights

Budgeted Allocations to Economic Development Organizations			
	2012 Actual	2013 Revised	2014 Budget
SCKEDD*	\$72,234	\$81,432	\$83,875
GWEDC	\$300,000	\$300,000	\$300,000
MAMBDC	\$10,000	\$10,000	\$10,000
REAP	\$16,072	\$17,000	\$17,510
Total	\$398,306	\$408,432	\$411,385

*Dues paid for 7/1-6/30 FY



Accomplishments and Priorities

Accomplishments

Accomplishments for 2013 include:

- Southwest Airlines, the industry standard bearer for customer service and low fares, initiated service in the Wichita market with round-trip daily non-stop service to Chicago, Dallas and Las Vegas;
- NetApp, a world-wide provider of data storage services, announced an expansion of Wichita operations that will add 700 jobs over the next five years; and
- Starwood Hotels & Resorts, the operator of premium hotel marquees such as Westin and Sheraton, announced it will place a new customer service center employing 907 people in Sedgwick County.

Priorities

The Sedgwick County Micro-Loan program provides capital to help low- and moderate-income persons establish or expand small businesses in Sedgwick County outside Wichita city limits. Loan funds can be used for startup or expansion equipment, increasing inventory, leases and lease hold improvements, transportation, purchasing a building, and advertising.

The Great Recession has had a lasting effect on Sedgwick County's principal business activity, which is aircraft manufacturing and service. Major employers Cessna Aircraft and Bombardier Learjet have substantially reduced employment over the past five years and are now beginning to increase their workforces as the industry slowly recovers. Another major employer, Boeing, has announced its departure from Sedgwick County in the next several years, and Hawker Beechcraft has gone through bankruptcy proceedings and has an uncertain future. Supporting these companies as they recover and helping other industry sectors grow to replace lost aviation manufacturing jobs is a critical issue for Sedgwick County.

Beginning in 2005, Sedgwick County and the City of Wichita adopted a transportation service agreement to provide a funding subsidy for low-cost airline service in Wichita. Operating out of Wichita's Mid-Continent Airport, these carriers provide lower fares for citizens traveling to and from Wichita, encouraging airline competition in the Wichita market.



Significant Budget Adjustments

The 2014 Economic Development budget includes a reduction in expenditures due to the completion of economic development contracts and new incentives, as well as a decrease in General Fund support for Affordable Airfares with the elimination of revenue guarantees for Frontier Airlines.

Significant Adjustments From Previous Budget Year

- Adjust net expenditures to reflect completed economic development contracts and new incentives
- Reduction in General Fund support for Affordable Airfares

Expenditures	Revenue	FTEs
(1,861,228)	(392,122)	

Total	(1,861,228)	(392,122)	-
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Budget Summary by Category

	2012 Actual	2013 Adopted	2013 Revised	2014 Budget	% Chg. '13-'14
Expenditures					
Personnel	86,537	87,625	93,932	90,933	-3.2%
Contractual Services	10,043,620	11,789,197	11,789,197	8,514,000	-27.8%
Debt Service	-	-	-	-	-
Commodities	476	148	148	450	204.1%
Capital Improvements	-	-	-	-	-
Capital Equipment	-	-	-	-	-
Interfund Transfers	333,334	333,334	333,334	1,750,000	425.0%
Total Expenditures	10,463,967	12,210,304	12,216,611	10,355,383	-15.2%
Revenue					
Taxes	-	-	-	-	-
Intergovernmental	791,667	791,667	791,667	875,000	10.5%
Charges For Service	48,100	-	-	15,000	
Other Revenue	6,830,468	7,055,455	7,055,455	6,565,000	-7.0%
Total Revenue	7,670,235	7,847,122	7,847,122	7,455,000	-5.0%
Full-Time Equivalents (FTEs)	1.00	1.00	1.00	1.00	0.0%

Budget Summary by Fund

Expenditures	2013 Revised	2014 Budget
General Fund-110	5,176,611	3,815,383
Econ Dev Grants-271	40,000	40,000
Affordable Airfares-278	7,000,000	6,500,000
Total Expenditures	12,216,611	10,355,383

Budget Summary by Program

Program	Fund	Expenditures				2014 Budget	% Chg. '13-'14	Full-Time Equivalents (FTEs)		
		2012 Actual	2013 Adopted	2013 Revised	2013 Adopted			2013 Revised	2014 Budget	
Econ. Development	110	1,517,249	3,249,637	3,255,944	2,061,383	-36.7%	1.00	1.00	1.00	
Foreign Trade Zone	110	2,262	4,000	4,000	4,000	0.0%	-	-	-	
CDBG Micro Loan	271	15,915	40,000	40,000	40,000	0.0%	-	-	-	
Affordable Airfares	Mult.	8,928,541	8,916,667	8,916,667	8,250,000	-7.5%	-	-	-	
Total		10,463,967	12,210,304	12,216,611	10,355,383	-15.2%	1.00	1.00	1.00	



Personnel Summary by Fund

Position Title(s)	Fund	Band	Budgeted Personnel Costs			Full-Time Equivalents (FTEs)			
			2013 Adopted	2013 Revised	2014 Budget	2013 Adopted	2013 Revised	2014 Budget	
Senior Administrative Officer	110	B323	61,287	61,054	61,054	1.00	1.00	1.00	
			-	-	-	-	-	-	
Subtotal					61,054		1.00	1.00	1.00
Add:									
Budgeted Personnel Savings (Turnover)					-				
Compensation Adjustments					1,526				
Overtime/On Call/Holiday Pay					-				
Benefits					28,353				
Total Personnel Budget					90,933				



• Economic Development

Economic Development promotes a strong and diverse regional economy by helping local businesses grow, increasing opportunity for international trade, and attracting new jobs to Sedgwick County. Funding is used to support the Greater Wichita Economic Development Coalition, the Mid-America Minority Business Development Council, the Regional Economic Area Partnership, and the South Central Kansas Economic Development District. In addition, this fund center accounts for funding for previously adopted economic development incentives and forgivable loans to new and existing expanding businesses within Sedgwick County such as Hawker Beechcraft, Spirit AeroSystems and Bombardier Learjet. Additional funds for future economic development incentives and forgivable loans are set aside within the General Fund Reserves program area.

Fund(s): General Fund 110

	2012	2013	2013	2014	% Chg.
	Actual	Adopted	Revised	Budget	'13-'14
Expenditures					
Personnel	86,537	87,625	93,932	90,933	-3.2%
Contractual Services	1,430,310	3,161,864	3,161,864	1,970,000	-37.7%
Debt Service	-	-	-	-	
Commodities	402	148	148	450	204.1%
Capital Improvements	-	-	-	-	
Capital Equipment	-	-	-	-	
Interfund Transfers	-	-	-	-	
Total Expenditures	1,517,249	3,249,637	3,255,944	2,061,383	-36.7%
Revenue					
Taxes	-	-	-	-	
Intergovernmental	-	-	-	-	
Charges For Service	-	-	-	-	
Other Revenue	60,100	-	-	25,000	
Total Revenue	60,100	-	-	25,000	
Full-Time Equivalents (FTEs)	1.00	1.00	1.00	1.00	0.0%

Goal(s):

- To encourage investments and production in Sedgwick County

• Foreign Trade Zone

The Foreign Trade Zone (FTZ) is a general purpose zone where foreign and domestic goods are not within U.S. Customs territory. The zone is ready to work for businesses involved in international trade. Air, rail and surface transportation users find the international trade services and facilities convenient, user friendly, and highly cost effective. Users of the FTZ are exempt from paying duty or Federal excise taxes while the goods remain in the zone. Funding is used to promote the zone itself, training, and travel expenses for economic development staff.

Fund(s): General Fund 110

48002-110

	2012	2013	2013	2014	% Chg.
	Actual	Adopted	Revised	Budget	'13-'14
Expenditures					
Personnel	-	-	-	-	
Contractual Services	2,188	4,000	4,000	4,000	0.0%
Debt Service	-	-	-	-	
Commodities	74	-	-	-	
Capital Improvements	-	-	-	-	
Capital Equipment	-	-	-	-	
Interfund Transfers	-	-	-	-	
Total Expenditures	2,262	4,000	4,000	4,000	0.0%
Revenue					
Taxes	-	-	-	-	
Intergovernmental	-	-	-	-	
Charges For Service	48,100	-	-	15,000	
Other Revenue	-	15,455	15,455	-	-100.0%
Total Revenue	48,100	15,455	15,455	15,000	-2.9%
Full-Time Equivalents (FTEs)	-	-	-	-	

Goal(s):

- Increase business opportunities through the expansion of international trade



• Community Development Block Grant Program

The CDBG Micro Loan program assists low- and moderate- income persons establish or expand business in Sedgwick County outside the city limits of Wichita. Loan funds can be used for startup or expansion equipment, increasing inventory, leases, purchasing a building, advertising and transportation. This Micro Loan also gives special incentives within the Oaklawn/Sunview communities.

Fund(s): Econ Dev Grants 271

47001-271

	2012	2013	2013	2014	% Chg.
	Actual	Adopted	Revised	Budget	'13-'14
Expenditures					
Personnel	-	-	-	-	-
Contractual Services	15,915	40,000	40,000	40,000	0.0%
Debt Service	-	-	-	-	-
Commodities	-	-	-	-	-
Capital Improvements	-	-	-	-	-
Capital Equipment	-	-	-	-	-
Interfund Transfers	-	-	-	-	-
Total Expenditures	15,915	40,000	40,000	40,000	0.0%
Revenue					
Taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges For Service	-	-	-	-	-
Other Revenue	8,492	40,000	40,000	40,000	0.0%
Total Revenue	8,492	40,000	40,000	40,000	0.0%
Full-Time Equivalents (FTEs)	-	-	-	-	-

- Foster the growth of entrepreneurial business in Sedgwick County

• Affordable Airfares

In 2006, Sedgwick County Commissioners approved subsidy funding for the Affordable Airfares Program. This program is designed to promote economic development, tourism, and leisure travel to and from Wichita’s Mid-Continent Airport. In 2006, the Kansas State Legislature adopted a \$5 million, five-year State Affordable Airfare Fund to be administered by the Kansas Department of Commerce to provide more flight options, competition and affordable airfares for Kansans. Following expiration of the original five-year term the Legislature has continued to appropriate funds in its adopted budgets. The 2014 state budget allocates \$4.75-million to Sedgwick County for the program. The Affordable Airfares fund center is used to account for the county’s transfer of local funding to the program and for our receipt of money from the City of Wichita to pay half of the local funding requirement.

Fund(s): General Fund 110/Affordable Airfares 278

	2012	2013	2013	2014	% Chg.
	Actual	Adopted	Revised	Budget	'13-'14
Expenditures					
Personnel	-	-	-	-	-
Contractual Services	8,595,207	8,583,333	8,583,333	6,500,000	-24.3%
Debt Service	-	-	-	-	-
Commodities	-	-	-	-	-
Capital Improvements	-	-	-	-	-
Capital Equipment	-	-	-	-	-
Interfund Transfers	333,334	333,334	333,334	1,750,000	425.0%
Total Expenditures	8,928,541	8,916,667	8,916,667	8,250,000	-7.5%
Revenue					
Taxes	-	-	-	-	-
Intergovernmental	791,667	791,667	791,667	875,000	10.5%
Charges For Service	-	-	-	-	-
Other Revenue	6,761,875	7,000,000	7,000,000	6,500,000	-7.1%
Total Revenue	7,553,542	7,791,667	7,791,667	7,375,000	-5.3%
Full-Time Equivalents (FTEs)	-	-	-	-	-

Goal(s):

- Reduce airfare costs at Mid-Continent Airport

