

Economic Development

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

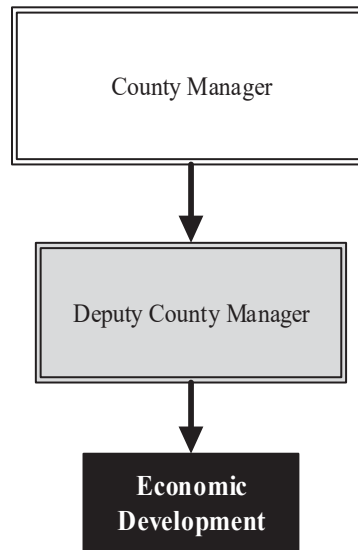
Tom Stolz
Deputy County Manager

525 N. Main, Suite 343
Wichita, KS 67203
316.660.9393

thomas.stolz@sedgwick.gov

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.



Strategic Goals:

- Assist new and expanding small businesses with Micro Loans
- Increase international trade by expanding the use of the Foreign Trade Zone by local firms
- Retain and expand jobs through judicious use of relocation / expansion incentives



Accomplishments and Priorities

Accomplishments

Accomplishments for 2016 include:

- Sedgwick County is serving on the leadership team guiding the development and implementation of a Blueprint for Regional Economic Growth, a 10-county regional strategy that is focused on the actions needed to remove obstacles to growth of eight key industry clusters — the region's 'economic engines': aerospace, oil & gas production and transportation, machinery & metal working, agriculture inputs & processing, transportation & logistics, data services & electronic components, advanced materials, and healthcare.
- Sedgwick County senior leadership served on the Greater Wichita Partnership (GWP) Strategic Advisory Team.
- Sedgwick County supported regional economic development efforts, including the GWP, the Foreign Direct Export Plan, and the South Central Kansas Economic Development District (SCKEDD).

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. The industry has suffered substantially reduced employment over the past five years but now is well positioned to grow as the industry slowly recovers. 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.

Prior to July 1, 2016, the County administered the Affordable Airfares Program, through which Southwest Airlines was offered revenue guarantees of up to \$6.5 million per year to cover operating losses incurred on low-fare airfare service provided to businesses and residents. The program was not renewed and ended on June 30, 2016.

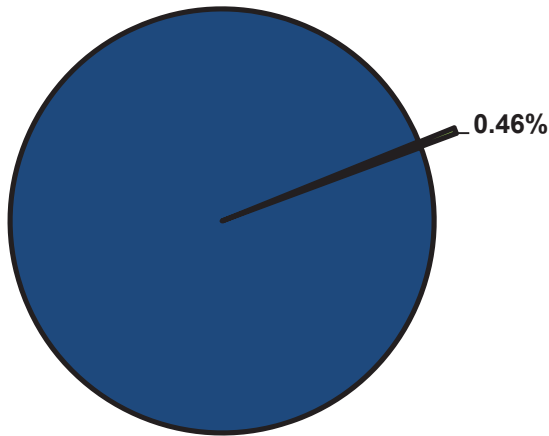


Significant Budget Adjustments

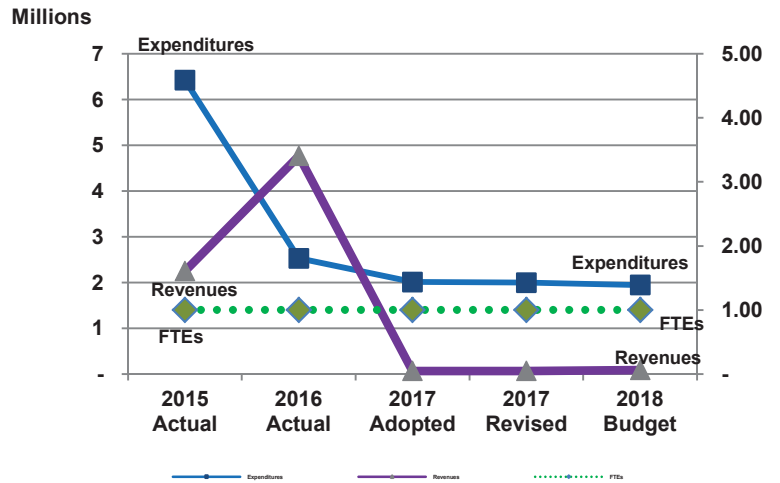
Significant adjustments to Economic Development's 2018 budget include a reallocation of \$60,000 to Storm Drainage in order to fund a study for long-term funding solutions for flood control projects and a reallocation of \$10,000 from the program to Culture and Recreation Community Programs for a 2018 Wichita Riverfest sponsorship.

Divisional Graphical Summary

Economic Development
Percent of Total County Operating Budget



Expenditures, Program Revenue & FTEs
All Operating Funds



Budget Summary by Category

	2015 Actual	2016 Actual	2017 Adopted	2017 Revised	2018 Budget	Amount Chg '17 Rev.-'18	% Chg '17 Rev.-'18
Expenditures							
Personnel	86,267	87,514	88,198	88,198	90,972	2,774	3.14%
Contractual Services	5,461,855	2,441,632	1,918,798	1,902,198	1,848,798	(53,400)	-2.81%
Debt Service	-	-	-	-	-	-	-
Commodities	530	-	5,450	7,050	5,450	(1,600)	-22.70%
Capital Improvements	-	-	-	-	-	-	-
Capital Equipment	-	-	-	-	-	-	-
Interfund Transfers	875,000	-	-	-	-	-	-
Total Expenditures	6,423,652	2,529,146	2,012,446	1,997,446	1,945,220	(52,226)	-2.61%
Revenues							
Tax Revenues	-	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-	-
Intergovernmental	875,000	-	-	-	-	-	-
Charges for Services	10,000	10,000	10,302	10,302	19,996	9,694	94.09%
All Other Revenue	1,365,236	4,758,471	52,751	52,751	64,798	12,047	22.84%
Total Revenues	2,250,236	4,768,471	63,054	63,054	84,794	21,740	34.48%
Full-Time Equivalents (FTEs)							
Property Tax Funded	1.00	1.00	1.00	1.00	1.00	-	0.00%
Non-Property Tax Funded	-	-	-	-	-	-	-
Total FTEs	1.00	1.00	1.00	1.00	1.00	-	0.00%

Budget Summary by Fund

Fund	2015 Actual	2016 Actual	2017 Adopted	2017 Revised	2018 Budget	Amount Chg '17 Rev.-'18	% Chg '17 Rev.-'18
General Fund	1,805,062	544,972	1,972,446	1,957,446	1,905,220	(52,226)	-2.67%
Econ. Devo. Grants	896	975	40,000	40,000	40,000	-	0.00%
Affordable Airfares	4,617,694	1,983,198	-	-	-	-	-
Total Expenditures	6,423,652	2,529,146	2,012,446	1,997,446	1,945,220	(52,226)	-2.61%

Significant Budget Adjustments from Prior Year Revised Budget

	Expenditures	Revenues	FTEs
Reallocation to Storm Drainage for flood control study	(60,000)		
Reallocation to Culture and Recreation for Wichita Riverfest sponsorship	(10,000)		
Total	(70,000)	-	-

Budget Summary by Program

Program	Fund	2015 Actual	2016 Actual	2017 Adopted	2017 Revised	2018 Budget	% Chg '17 Rev.-'18	2018 FTEs
Econ. Development	110	926,744	542,502	1,968,446	1,953,446	1,901,220	-2.67%	1.00
Foreign Trade Zone	110	3,318	2,470	4,000	4,000	4,000	-	-
CDBG Micro Loan	271	896	975	40,000	40,000	40,000	-	-
Affordable Airfares	Multi.	5,492,694	1,983,198	-	-	-	-	-
Total		6,423,652	2,529,146	2,012,446	1,997,446	1,945,220	-2.61%	1.00

Personnel Summary By Fund

Position Titles	Fund	Grade	Budgeted Compensation Comparison			FTE Comparison		
			2017 Adopted	2017 Revised	2018 Budget	2017 Adopted	2017 Revised	2018 Budget
Senior Administrative Officer	110	GRADE127	62,985	63,170	63,170	1.00	1.00	1.00
Subtotal					63,170			
Add:								
Budgeted Personnel Savings					-			
Compensation Adjustments					4,093			
Overtime/On Call/Holiday Pay					-			
Benefits					23,709			
Total Personnel Budget					90,972	1.00	1.00	1.00

• 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.

Fund(s): County General Fund 110

Expenditures	2015 Actual	2016 Actual	2017 Adopted	2017 Revised	2018 Budget	Amnt. Chg. '17 - '18	% Chg. '17 - '18
Personnel	86,267	87,514	88,198	88,198	90,972	2,774	3.1%
Contractual Services	839,948	454,988	1,874,798	1,858,198	1,804,798	(53,400)	-2.9%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	530	-	5,450	7,050	5,450	(1,600)	-22.7%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
Total Expenditures	926,744	542,502	1,968,446	1,953,446	1,901,220	(52,226)	-2.7%
Revenues							
Taxes	-	-	-	-	-	-	0.0%
Intergovernmental	-	-	-	-	-	-	0.0%
Charges For Service	-	-	-	-	-	-	0.0%
All Other Revenue	12,500	12,400	12,751	12,751	24,798	12,047	94.5%
Total Revenues	12,500	12,400	12,751	12,751	24,798	12,047	94.5%
Full-Time Equivalents (FTEs)	1.00	1.00	1.00	1.00	1.00	-	0.0%

• 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): County General Fund 110

Expenditures	2015 Actual	2016 Actual	2017 Adopted	2017 Revised	2018 Budget	Amnt. Chg. '17 - '18	% Chg. '17 - '18
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	3,318	2,470	4,000	4,000	4,000	-	0.0%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
Total Expenditures	3,318	2,470	4,000	4,000	4,000	-	0.0%
Revenues							
Taxes	-	-	-	-	-	-	0.0%
Intergovernmental	-	-	-	-	-	-	0.0%
Charges For Service	10,000	10,000	10,302	10,302	19,996	9,694	94.1%
All Other Revenue	-	-	-	-	-	-	0.0%
Total Revenues	10,000	10,000	10,302	10,302	19,996	9,694	94.1%
Full-Time Equivalents (FTEs)	-	-	-	-	-	-	0.0%

• Community Development Block Grants Micro Loan Program

The Community Development Block Grants (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): Economic Development - Grants 271

Expenditures	2015 Actual	2016 Actual	2017 Adopted	2017 Revised	2018 Budget	Amnt. Chg. '17 - '18	% Chg. '17 - '18
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	896	975	40,000	40,000	40,000	-	0.0%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
Total Expenditures	896	975	40,000	40,000	40,000	-	0.0%
Revenues							
Taxes	-	-	-	-	-	-	0.0%
Intergovernmental	-	-	-	-	-	-	0.0%
Charges For Service	-	-	-	-	-	-	0.0%
All Other Revenue	12,736	6,071	40,000	40,000	40,000	-	0.0%
Total Revenues	12,736	6,071	40,000	40,000	40,000	-	0.0%
Full-Time Equivalents (FTEs)	-	-	-	-	-	-	0.0%

• 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 2016 state budget allocated \$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 the County's receipt of money from the City of Wichita to pay half of the local funding requirement. Funding in 2016 was the final year of the program.

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

Expenditures	2015 Actual	2016 Actual	2017 Adopted	2017 Revised	2018 Budget	Amnt. Chg. '17 - '18	% Chg. '17 - '18
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	4,617,694	1,983,198	-	-	-	-	0.0%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	875,000	-	-	-	-	-	0.0%
Total Expenditures	5,492,694	1,983,198	-	-	-	-	0.0%
Revenues							
Taxes	-	-	-	-	-	-	0.0%
Intergovernmental	875,000	-	-	-	-	-	0.0%
Charges For Service	-	-	-	-	-	-	0.0%
All Other Revenue	1,340,000	4,740,000	-	-	-	-	0.0%
Total Revenues	2,215,000	4,740,000	-	-	-	-	0.0%
Full-Time Equivalents (FTEs)	-	-	-	-	-	-	0.0%