

Economic Development

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

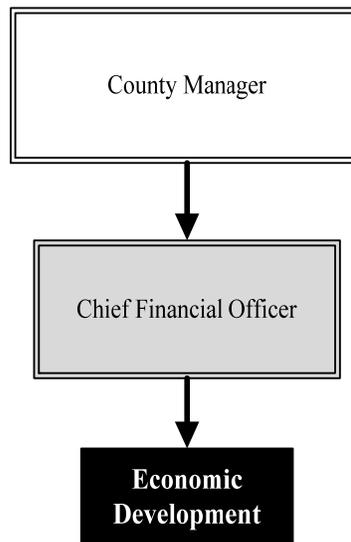
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Overview

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			
	2013 Actual	2014 Revised	2015 Budget
SCKEDD*	\$81,432	\$83,875	\$83,875
GWEDC	\$300,000	\$300,000	\$300,000
MAMBDC	\$10,000	\$10,000	\$10,000
REAP	\$17,000	\$17,000	\$35,570
Total	\$408,432	\$410,875	\$429,445

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



Accomplishments and Priorities

Accomplishments

Accomplishments for 2014 include:

- Textron acquired Beechcraft and merged it with Cessna Aircraft, both of which are headquartered in Sedgwick County. The merged company, Textron Aviation, can take advantage of efficiencies that will enable the Sedgwick County production facilities of both product lines to continue to thrive.
- NetApp, a world-wide provider of data storage services, initiated 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, opened a new customer service center employing 450 people in Sedgwick County, and the total employment is expected to increase to 907 within five years.

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.

Beginning in 2005, Sedgwick County and the City of Wichita adopted a transportation service agreement to provide a revenue guarantee for low-cost airline service in Wichita. Pursuant to that agreement and with added funding provided by the State, Sedgwick County has contracted with Southwest Airlines to provide service out of Wichita's Mid-Continent Airport. Southwest Airlines provides lower fares for citizens traveling to and from Wichita, encouraging airline competition in the Wichita market.

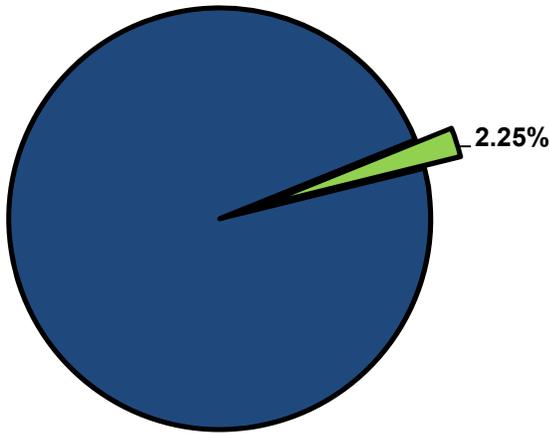


Significant Budget Adjustments

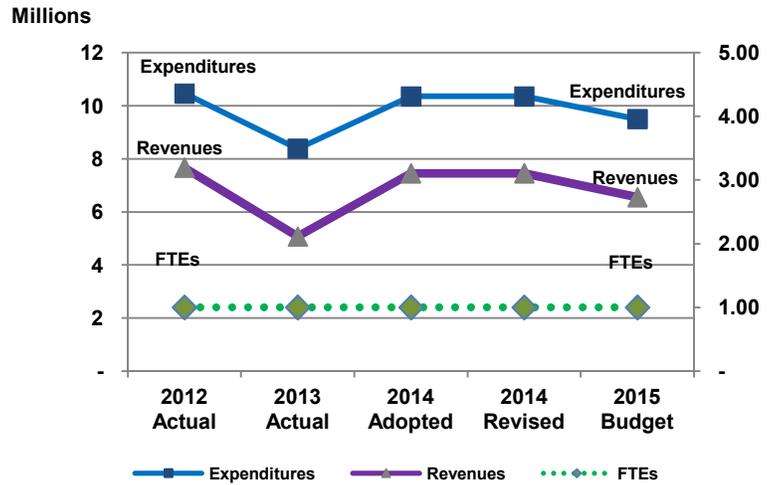
Changes to the 2015 Economic Development budget includes a reduction in expenditures due to the completion of economic development contracts and new incentives, as well as a decrease in General Fund support for Affordable Airfares made possible by a change of the process used by the State to deliver its share of funding to the County.

Departmental Graphical Summary

Economic Development
Percent of Total County Operating Budget



Expenditures, Program Revenue & FTEs
All Operating Funds



Budget Summary by Category

	2012 Actual	2013 Actual	2014 Adopted	2014 Revised	2015 Budget	Amount Chg '14 Rev.-'15	% Chg '14 Rev.-'15
Expenditures							
Personnel	86,537	87,278	90,933	91,349	92,304	956	1.05%
Contractual Services	10,043,620	7,422,349	8,514,000	8,510,000	8,528,243	18,243	0.21%
Debt Service	-	-	-	-	-	-	-
Commodities	476	-	450	4,450	5,450	1,000	22.47%
Capital Improvements	-	-	-	-	-	-	-
Capital Equipment	-	-	-	-	-	-	-
Interfund Transfers	333,334	875,000	1,750,000	1,750,000	875,000	(875,000)	-50.00%
Total Expenditures	10,463,967	8,384,627	10,355,383	10,355,799	9,500,997	(854,801)	-8.25%
Revenues							
Tax Revenues	-	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-	-
Intergovernmental	791,667	875,000	875,000	875,000	875,000	-	0.00%
Charges for Services	48,100	15,000	15,000	15,000	15,914	914	6.09%
All Other Revenue	6,830,468	4,184,030	6,565,000	6,565,000	5,665,525	(899,475)	-13.70%
Total Revenues	7,670,235	5,074,030	7,455,000	7,455,000	6,556,439	(898,561)	-12.05%
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	2012 Actual	2013 Actual	2014 Adopted	2014 Revised	2015 Budget	Amount Chg '14 Rev.-'15	% Chg '14 Rev.-'15
General Fund	3,448,053	3,168,745	3,815,383	3,815,799	2,960,997	(854,801)	-22.40%
Econ. Devo. Grants	15,915	15,594	40,000	40,000	40,000	-	0.00%
Affordable Airfares	6,999,999	5,200,287	6,500,000	6,500,000	6,500,000	-	0.00%
Total Expenditures	10,463,967	8,384,627	10,355,383	10,355,799	9,500,997	(854,801)	-8.25%

Significant Budget Adjustments from Prior Year Revised Budget

	Expenditures	Revenues	FTEs
Reduction in General Fund related to process change enacted by the State for Affordable Airfares	(875,000)		
Total	(875,000)	-	-

Budget Summary by Program

Program	Fund	2012 Actual	2013 Actual	2014 Adopted	2014 Revised	2015 Budget	% Chg '14 Rev.-'15	14'-15' FTEs
Econ. Development	110	1,517,249	2,277,617	2,061,383	2,060,278	2,081,997	1.05%	1.00
Foreign Trade Zone	110	2,262	4,253	4,000	5,521	4,000	-27.55%	-
CDBG Micro Loan	271	15,915	15,594	40,000	40,000	40,000	0.00%	-
Affordable Airfares	Multi.	8,928,541	6,087,162	8,250,000	8,250,000	7,375,000	-10.61%	-
Total		10,463,967	8,384,627	10,355,383	10,355,799	9,500,997	-8.25%	1.00

Personnel Summary By Fund

Position Titles	Fund	Grade	Budgeted Compensation Comparison			FTE Comparison		
			2014 Adopted	2014 Revised	2015 Budget	2014 Adopted	2014 Revised	2015 Budget
Senior Administrative Officer	110	GRADE127	61,054	61,450	61,450	1.00	1.00	1.00
Subtotal					61,450			
Add:								
Budgeted Personnel Savings					-			
Compensation Adjustments					2,139			
Overtime/On Call/Holiday Pay					-			
Benefits					28,715			
Total Personnel Budget					92,304	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. 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): County General Fund 110

Expenditures	2012 Actual	2013 Actual	2014 Adopted	2014 Revised	2015 Budget	Amnt. Chg. '14 - '15	% Chg. '14 - '15
Personnel	86,537	87,278	90,933	91,349	92,304	956	1.0%
Contractual Services	1,430,310	2,190,339	1,970,000	1,964,479	1,984,243	19,764	1.0%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	402	-	450	4,450	5,450	1,000	22.5%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
Total Expenditures	1,517,249	2,277,617	2,061,383	2,060,278	2,081,997	21,719	1.1%
Revenues							
Taxes	-	-	-	-	-	-	0.0%
Intergovernmental	-	-	-	-	-	-	0.0%
Charges For Service	-	-	-	-	-	-	0.0%
All Other Revenue	60,100	395	25,000	25,000	419	(24,581)	-98.3%
Total Revenues	60,100	395	25,000	25,000	419	(24,581)	-98.3%
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	2012 Actual	2013 Actual	2014 Adopted	2014 Revised	2015 Budget	Amnt. Chg. '14 - '15	% Chg. '14 - '15
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	2,188	4,253	4,000	5,521	4,000	(1,521)	-27.5%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	74	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
Total Expenditures	2,262	4,253	4,000	5,521	4,000	(1,521)	-27.5%
Revenues							
Taxes	-	-	-	-	-	-	0.0%
Intergovernmental	-	-	-	-	-	-	0.0%
Charges For Service	48,100	15,000	15,000	15,000	15,914	914	6.1%
All Other Revenue	-	100	-	-	106	106	0.0%
Total Revenues	48,100	15,100	15,000	15,000	16,020	1,020	6.8%
Full-Time Equivalents (FTEs)	-	-	-	-	-	-	0.0%

• Community Development Block Grant Micro Loan 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): Economic Development - Grants 271							
Expenditures	2012 Actual	2013 Actual	2014 Adopted	2014 Revised	2015 Budget	Amnt. Chg. '14 - '15	% Chg. '14 - '15
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	15,915	15,594	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	15,915	15,594	40,000	40,000	40,000	-	0.0%
Revenues							
Taxes	-	-	-	-	-	-	0.0%
Intergovernmental	-	-	-	-	-	-	0.0%
Charges For Service	-	-	-	-	-	-	0.0%
All Other Revenue	8,492	16,869	40,000	40,000	40,000	-	0.0%
Total Revenues	8,492	16,869	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 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): Affordable Airfares 278 / County General Fund 110							
Expenditures	2012 Actual	2013 Actual	2014 Adopted	2014 Revised	2015 Budget	Amnt. Chg. '14 - '15	% Chg. '14 - '15
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	8,595,207	5,212,162	6,500,000	6,500,000	6,500,000	-	0.0%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	333,334	875,000	1,750,000	1,750,000	875,000	(875,000)	-50.0%
Total Expenditures	8,928,541	6,087,162	8,250,000	8,250,000	7,375,000	(875,000)	-10.6%
Revenues							
Taxes	-	-	-	-	-	-	0.0%
Intergovernmental	791,667	875,000	875,000	875,000	875,000	-	0.0%
Charges For Service	-	-	-	-	-	-	0.0%
All Other Revenue	6,761,875	4,166,667	6,500,000	6,500,000	5,625,000	(875,000)	-13.5%
Total Revenues	7,553,542	5,041,667	7,375,000	7,375,000	6,500,000	(875,000)	-11.9%
Full-Time Equivalents (FTEs)	-	-	-	-	-	-	0.0%