

Economic Development

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

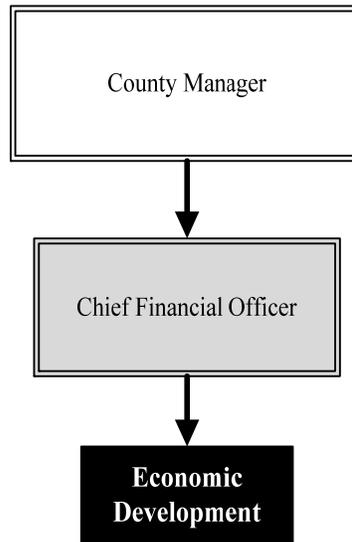
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Overview

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 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

Highlights

Budgeted Allocations to Economic Development Organizations

	2014 Actual	2015 Revised	2016 Budget
SCKEDD*	\$83,875	\$83,875	-
GWEDC	\$300,000	\$300,000	\$250,000
MAMBDC	\$10,000	\$10,000	\$10,000
REAP	\$17,000	\$17,000	-
Total	\$410,875	\$410,875	\$260,000

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



Accomplishments and Priorities

Accomplishments

Accomplishments for 2015 include:

- Figeac Aerospace, a French conglomerate, agreed to locate its North American headquarters in Sedgwick County near the county-owned National Center for Aviation Training. Over a 5-year period Figeac committed to add 200 jobs at an average wage that exceeds the County average; and
- Sedgwick County is serving on the leadership team guiding the development 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.

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. The Affordable Airfares Program is expected to end on June 30, 2016.

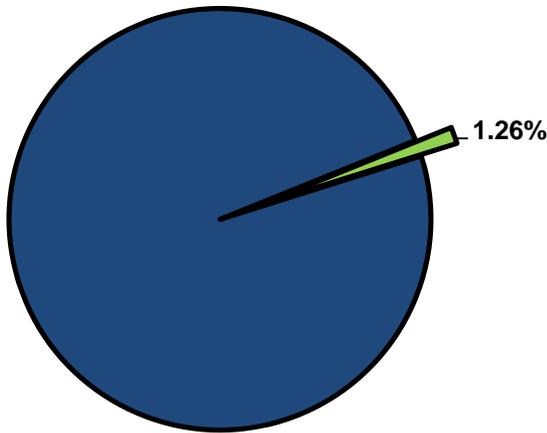


Significant Budget Adjustments

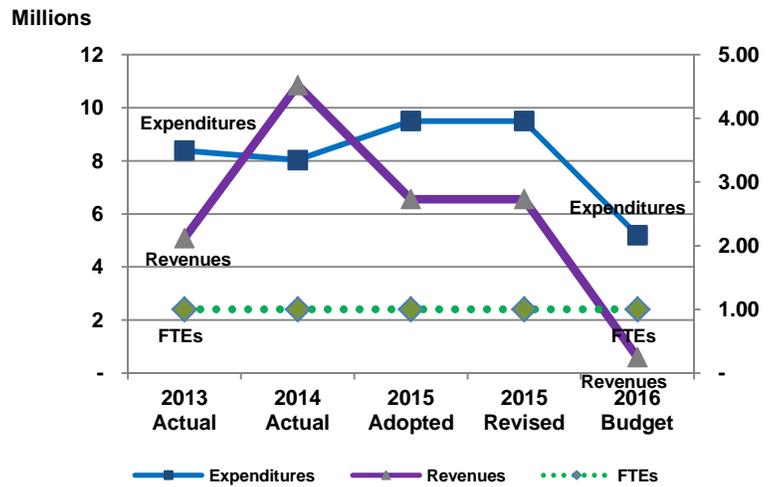
Changes to Economic Development's 2016 Recommended Budget includes a reduction in expenditures due to the termination of the Affordable Airfares Program on June 30, 2016, the elimination of the South Central Kansas Economic Development District (SCKEDD) membership, the elimination of the Regional Economic Area Partnership (REAP) membership, and a reduction in the allocation to the Greater Wichita Economic Development Coalition (GWEDC).

Departmental Graphical Summary

Economic Development
Percent of Total County Operating Budget



Expenditures, Program Revenue & FTEs
All Operating Funds



Budget Summary by Category

	2013 Actual	2014 Actual	2015 Adopted	2015 Revised	2016 Budget	Amount Chg '15 Rev.-'16	% Chg '15 Rev.-'16
Expenditures							
Personnel	87,278	89,453	92,304	92,304	87,613	(4,691)	-5.08%
Contractual Services	7,422,349	7,062,493	8,528,243	8,528,243	5,108,798	(3,419,445)	-40.10%
Debt Service	-	-	-	-	-	-	-
Commodities	-	3,870	5,450	5,450	5,450	-	0.00%
Capital Improvements	-	-	-	-	-	-	-
Capital Equipment	-	-	-	-	-	-	-
Interfund Transfers	875,000	875,000	875,000	875,000	-	(875,000)	-100.00%
Total Expenditures	8,384,627	8,030,817	9,500,997	9,500,997	5,201,861	(4,299,136)	-45.25%
Revenues							
Tax Revenues	-	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-	-
Intergovernmental	875,000	875,000	875,000	875,000	-	(875,000)	-100.00%
Charges for Services	15,000	12,100	15,914	15,914	12,100	(3,814)	-23.96%
All Other Revenue	4,184,030	9,958,298	5,665,525	5,665,525	573,880	(5,091,645)	-89.87%
Total Revenues	5,074,030	10,845,398	6,556,439	6,556,439	585,980	(5,970,459)	-91.06%
Full-Time Equivalent (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	2013 Actual	2014 Actual	2015 Adopted	2015 Revised	2016 Budget	Amount Chg '15 Rev.-'16	% Chg '15 Rev.-'16
General Fund	3,168,745	1,883,532	2,960,997	2,960,997	1,911,861	(1,049,136)	-35.43%
Econ. Devo. Grants	15,594	1,181	40,000	40,000	40,000	-	0.00%
Affordable Airfares	5,200,287	6,146,104	6,500,000	6,500,000	3,250,000	(3,250,000)	-50.00%
Total Expenditures	8,384,627	8,030,817	9,500,997	9,500,997	5,201,861	(4,299,136)	-45.25%

Significant Budget Adjustments from Prior Year Revised Budget

	Expenditures	Revenues	FTEs
Reduce Affordable Airfares due to elimination of program in State Fiscal Year (SFY) 2017	(4,125,000)	(6,025,000)	
Eliminate membership to SCKEDD	(83,875)		
Reduce funding to GWEDC	(50,000)		
Eliminate membership to REAP	(35,570)		
Total	(4,294,445)	(6,025,000)	-

Budget Summary by Program

Program	Fund	2013 Actual	2014 Actual	2015 Adopted	2015 Revised	2016 Budget	% Chg '15 Rev.-'16	2016 FTEs
Econ. Development	110	2,277,617	1,001,761	2,081,997	2,081,997	1,907,861	-8.36%	1.00
Foreign Trade Zone	110	4,253	6,771	4,000	4,000	4,000	-	-
CDBG Micro Loan	271	15,594	1,181	40,000	40,000	40,000	-	-
Affordable Airfares	Multi.	6,087,162	7,021,104	7,375,000	7,375,000	3,250,000	(1)	-
Total		8,384,627	8,030,817	9,500,997	9,500,997	5,201,861	-45.25%	1.00

Personnel Summary By Fund

Position Titles	Fund	Grade	Budgeted Compensation Comparison			FTE Comparison		
			2015 Adopted	2015 Revised	2016 Budget	2015 Adopted	2015 Revised	2016 Budget
Senior Administrative Officer	110	GRADE127	61,450	62,524	62,524	1.00	1.00	1.00
Subtotal					62,524			
Add:								
Budgeted Personnel Savings					-			
Compensation Adjustments					1,627			
Overtime/On Call/Holiday Pay					-			
Benefits					23,462			
Total Personnel Budget					87,613	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 has been 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	2013 Actual	2014 Actual	2015 Adopted	2015 Revised	2016 Budget	Amnt. Chg. '15 - '16	% Chg. '15 - '16
Personnel	87,278	89,453	92,304	92,304	87,613	(4,691)	-5.1%
Contractual Services	2,190,339	908,438	1,984,243	1,984,243	1,814,798	(169,445)	-8.5%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	3,870	5,450	5,450	5,450	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
Total Expenditures	2,277,617	1,001,761	2,081,997	2,081,997	1,907,861	(174,136)	-8.4%
Revenues							
Taxes	-	-	-	-	-	-	0.0%
Intergovernmental	-	-	-	-	-	-	0.0%
Charges For Service	-	-	-	-	-	-	0.0%
All Other Revenue	395	55,500	419	419	58,880	58,461	13950.5%
Total Revenues	395	55,500	419	419	58,880	58,461	13950.5%
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	2013 Actual	2014 Actual	2015 Adopted	2015 Revised	2016 Budget	Amnt. Chg. '15 - '16	% Chg. '15 - '16
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	4,253	6,771	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	4,253	6,771	4,000	4,000	4,000	-	0.0%
Revenues							
Taxes	-	-	-	-	-	-	0.0%
Intergovernmental	-	-	-	-	-	-	0.0%
Charges For Service	15,000	12,100	15,914	15,914	12,100	(3,814)	-24.0%
All Other Revenue	100	-	106	106	-	(106)	-100.0%
Total Revenues	15,100	12,100	16,020	16,020	12,100	(3,920)	-24.5%
Full-Time Equivalents (FTEs)	-	-	-	-	-	-	0.0%

• Community Development Block Grants 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	2013 Actual	2014 Actual	2015 Adopted	2015 Revised	2016 Budget	Amnt. Chg. '15 - '16	% Chg. '15 - '16
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	15,594	1,181	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	15,594	1,181	40,000	40,000	40,000	-	0.0%
Revenues							
Taxes	-	-	-	-	-	-	0.0%
Intergovernmental	-	-	-	-	-	-	0.0%
Charges For Service	-	-	-	-	-	-	0.0%
All Other Revenue	16,869	12,798	40,000	40,000	40,000	-	0.0%
Total Revenues	16,869	12,798	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 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. Funding is not included in the State's State Fiscal Year (SFY) 2017 budget. Funding in 2016 is the final year of the program.

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

Expenditures	2013 Actual	2014 Actual	2015 Adopted	2015 Revised	2016 Budget	Amnt. Chg. '15 - '16	% Chg. '15 - '16
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	5,212,162	6,146,104	6,500,000	6,500,000	3,250,000	(3,250,000)	-50.0%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	875,000	875,000	875,000	875,000	-	(875,000)	-100.0%
Total Expenditures	6,087,162	7,021,104	7,375,000	7,375,000	3,250,000	(4,125,000)	-55.9%
Revenues							
Taxes	-	-	-	-	-	-	0.0%
Intergovernmental	875,000	875,000	875,000	875,000	-	(875,000)	-100.0%
Charges For Service	-	-	-	-	-	-	0.0%
All Other Revenue	4,166,667	9,890,000	5,625,000	5,625,000	475,000	(5,150,000)	-91.6%
Total Revenues	5,041,667	10,765,000	6,500,000	6,500,000	475,000	(6,025,000)	-92.7%
Full-Time Equivalents (FTEs)	-	-	-	-	-	-	0.0%