

RDA HAPPENINGS

Our thoughts and concerns continue to go out to the Hostess Brands employees and family members; they have demonstrated great resilience during the months of uncertainty. With the certainty of the plant closure and liquidation, the former employees and former Dolly Madison plant site will evolve.

The community leadership and RDA continue reaching out to potential purchasers of the brands and the Emporia plant site in an effort to reopen the plant and hire workers.

The filings for bankruptcy of hostess Brands/Dolly Madison on January 11, 2012, the various rulings by the bankruptcy court and the eventual closing and liquidation on November 21, 2012 will be significantly felt by this community, but no more significant than the former Hostess Brands/Dolly Madison employees.

On December 3rd, 4th & 6th KANSASWORKS and the Kansas Department of Commerce had 12 Rapid Response meetings to assist the former Hostess Brands/Dolly Madison employees. At these meetings a total of 253 individuals signed the attendance sheets. In addition, community resource agencies such as the Emporia School District, Emporia State University, Flint Hills Technical College, SOS, Westar Energy, City of Emporia and others were available to meet with the individuals after the Rapid Response meetings.

This past year, numerous new businesses located or expanded in the Emporia area, those are the Dollar Tree, Spangles, Rue 21, Steele's, Factory Connection, Orange Leaf, IHOP, Huddle House and several others. Hopefully before the end of the year or early next year another commercial/retail operation will announce. This project was from a contact made 3 or 4 years ago at the International Council of Shopping Centers (ICSC) RECON Trade Expo in Las Vegas.

On the horizon, the local group of investors who purchased the Lowther South building from the Emporia School District have repurposed the structure into the Humanitarian Center. The anchor tenant is Flint Hills Technical College, which needed to expand their classroom space and many other non-profits also occupy the Humanitarian Center.

The Lowther North building is proposed to be repurposed into a historic Boutique Hotel and Convention Center. The local development group is beginning the process to apply for various performance-based incentives to assist in the development of the project. So that will be a team effort over the next several months.

December 2012

RDA HAPPENINGS

In late October we had a consultant visit Emporia whose purpose was to explore some mutually beneficial marketing opportunities. He wanted to get a sense of our niche primary employers, where with the majority of their sales are outside the Emporia market area, the quality of the workforce and our post-secondary institutions Emporia State University (ESU) and Flint Hills Technical College (FHTC).

From 7:00 a.m. one morning to about 10:00 a.m. the next morning, we had two breakfast meetings, a lunch and dinner meeting with the RDA and Emporia Enterprises Board members. We met with the management team members at Menu/Simmons Food, Camoplast, Hopkins, VEKTEK, Hill's Pet Nutrition, Sauder Custom Fabrication, Kansa Technology, Paragon Laser Systems, Glendo, Emporia State University and Flint Hills Technical College facilities.

Emporia is fortunate to have many world-class production facilities that are the leaders in their respective industry markets, such as VEKTEK, Glendo, Camoplast, Kansa Technology, Paragon Laser Systems, a Kansas Technology Company, Sauder Custom Fabrication, Hill's Pet Nutrition and many others.

All of these Emporia companies we had time to meet, indicated a productive workforces, low absenteeism, low-turnover and loyalty to their respective company. The salary and wages of these skilled employees, which included CNC machine operators, fabricators, welders, engineers, industrial maintenance personnel and many others are compensated at a competitive rate.

The Emporia area has an outstanding K-12 primary and secondary education system, and two outstanding post-secondary institutions with ESU and FHTC. The anecdotal comments by these employers with their relationship with both institutions striving for continuous improvement of a quality education and the needs of the workforce are positive.

The consultant reaffirmed that Emporia is competitive; it has great opportunities for our existing workforce at our primary employers which has a multiplier effect with our secondary support businesses.

We are positioned well; businesses will continue to invest once existing and new businesses determine sufficient customer demand to justify the expansion of their workforce and facilities.

November 2012

RDA HAPPENINGS

Recently I attended the International Economic Development Council (IEDC) annual meeting in Houston, Texas. It is the association to which majority of Economic Development professionals belong. Typically at these meetings there are multiple sessions at the same time. In other words, you can't make it to all of the sessions.

The advantage IDEC is the conflicting sessions post their presentations on the IEDC 2012 annual meeting website. Some of the topics covered at the meeting were: Attracting Data Centers to Your Community; Economic Development Marketing: Present & Future; Turning Tragedy into Opportunity: Is Your Community Prepared? Reshoring Manufacturing Firms and Promoting Infrastructure, Logistics for a Globally Competitive Manufacturing Sector and many others.

Reshoring Manufacturing Firms and Promoting Infrastructure and Logistics for a Globally Competitive Manufacturing Sector were interesting topics.

Many years ago companies moved some or all of their manufacturing out of the United States to China. Today, some of those manufacturing operations are moving back to what is termed near shoring or on-shoring. The definition for near shoring is locating in Canada or Mexico, and reshoring is back in the U.S. The risk factors in CHINA, such as costs for labor, facilities and security are low, but costs associated with expediting, shipping, financial and inventory are high. This cost trend is predicted by 2015 the total costs of doing business in China will be higher than the U.S.

The other session which presented the topic of Globally Competitive Manufacturing Sector was presented by Mark Sweeny of McCallum and Sweeney Consulting. I was amazed at the level of analysis using GIS applications for a site screening process for a warehouse distribution center that needs good highway access, dual class I railroad access and barge access. Emporia has excellent transportation access with highway and rail, but terrible port or barge access.

Changes are coming. Just last month the Kansas Department of Commerce announced the elimination and consolidation of programs and staff. The most notable locally was the elimination of the State Main Street program. Other programs and staff eliminated not visible were the Trade Division and the Job Training program funded as the IMPACT program. Several of the employees the RDA office had more direct contact with were John Watson and Bill Thompson. These two individuals had over 30 plus years each at the Kansas Department of Commerce. Bill and John worked with Emporia on the Menu Foods and Hill's Pet Nutrition projects which located here in Emporia. Emporia worked with them on several projects that chose other locations also. I want to thank both Bill Thompson and John Watson for making a difference in Kansas. I enjoyed working with them.

Another change that is coming at the Kansas Department of Commerce is the marketing budget has been cut over the years. The local Chamber of Commerce and/or local Economic Development organizations are being asked to contribute in amounts of \$1,000, \$5,000, \$10,000 or \$15,000 to assist in KDOC marketing efforts in order to participate in some of the State sponsored marketing efforts starting in calendar year 2013. The RDA will be reviewing its marketing budget to determine our future retention, expansion and recruitment strategies for creating quality jobs for Emporia and Lyon County.

October 2012

RDA HAPPENINGS

The Regional Development Association of East Central Kansas (RDA) congratulates Channon Farrell, Christa Grimwood and Frannie Walburn on their recent announcement to locate a new Orange Leaf Frozen Yogurt franchise at Kellogg Plaza, 11th and Commercial Street. We also congratulate Corey Haag and his investors for continuing to make strategic investments throughout Emporia and Lyon County. This renewed investor confidence speaks volumes on the positive business climate throughout Emporia and the Lyon County area.

At the 2011 International Conference Shopping Center Expo, the Emporia team, Mayor Kevin Nelson, City Manager Matt Zimmerman, City Commissioner Jim Kessler and RDA President Kent Heermann became aware of a variety of franchise opportunities. One of those was the Orange Leaf Frozen Yogurt.

The challenge in obtaining leads for franchising opportunities is identifying potential investors. At the 2012 ICSC RECON Expo, we obtained a franchise directory which has been sorted by potential franchises for our geographic area. We have a listing of those potential franchises' name, contact and web site information. For those interested in a franchise opportunity, please feel free to contact our office melson@emporiaskchamber.org We spoke with several franchise operators who would be interested in visiting with potential franchise investors.

To qualify for a franchise opportunity with a particular company requires the applicant to share financial information and net worth. For instance, with a Baskin Robbins franchise, the minimum franchise thresholds to be considered are liquid asset of \$125,000, a net worth of \$250,000 and preferred operational experience by one or more partners in a food/beverage retail or hospitality environment or proven business management experience.

In the fall of 2010, the RDA along with the City of Emporia, Emporia Chamber of Commerce, Emporia State University, Newman Regional Health, Emporia Main Street and many of the IT professionals from the Emporia area began meeting with the goal of improving the broadband internet service in the Emporia area.

The Broadband Committee continued its work into 2011 with a broadband survey funded by the RDA. I believe as a result of these committee meetings, which include several of the entrepreneurs from the start-up company Valu-Net, a new private sector fiber-optic network company was created.

Speaking with one of the Valu-Net founders, they came to the conclusion it was going to take Emporians to build this Broadband network. Emporia and many local Emporians invested in Valu-Net to make this a reality. Valu-Net has 14 employees, and by September 14th the area between Mechanic and Congress from BNSF railroad tracks to 12th Avenue will have fiber optic internet access.

Back in September 2010, Craig VanWey with the Kansas Department of Commerce (KDOC) and I met with Doug, Lori and Tyler Schmidt about splitting off the Schmidt Custom Cabinetry business from his custom home business. Through the efforts of the Schmidts, KDOC, USDA Rural Development, the City of Olpe and the RDA, Schmidt Custom Cabinetry constructed a new cabinet manufacturing building with a showroom across the street from the Olpe Chicken House. The Schmidts were able to obtain a Rural Economic Development zero interest Loan (REDLG) through Lyon Coffey Electric Cooperative, and the City of Olpe offered them property tax abatement on their project. Just this week I heard on KVOE an advertisement seeking workers for Schmidt Custom Cabinetry. Congratulations to Tyler, Lori and Doug Schmidt on their continued faith in the Lyon County business climate.

One of my economic development allies and friends from Chase County called the other day. Toward the end of the conversation we began discussing an economic development project we worked on together in Chase County - F.A.I. and company President Tom Whalen from northern Indiana. The wiring harness company is located in Cottonwood Falls southwest of the intersection of Highway 177 and Main Street. The company originally assembled wiring harnesses for the Case Bobcat skid loader which was assembled in Harvey County, Kansas. Through a collaborative effort of the Chase County Economic Development group, the local electric coop and F.A.I., the community constructed a new building with a pure operating lease to F.A.I. in 1998.

In 2002, the primary customer in Harvey County decided to outsource the wiring harness to Mexico. Tom Whalen was able to sell F.A.I. in Cottonwood Falls to Cable Tech in 2002, which produced a more diversified product mix and was not dependent on one large customer. That was a huge win for Cable Tech and Chase County. Then in 2010 Valient Aerostructures purchased the company in Cottonwood Falls. This is one story that continues to pay dividends to Chase County and the Emporia Micropolitan area, which includes all of Lyon and Chase County. There are between 52 and 55 full-time employees. I believe Valient is the largest private employer in Chase County.

This project was a great success for the partnership with Chase County Economic Development group and the RDA. The real accolades go to F.A.I., Cable Tech and now Valient Aerostructures, who realize the value of operating a successful business in rural Kansas. The Chase County Economic Development group, Frontier Financial Partners and the RDA were able as a team to successfully get this project to locate in Chase County.



RDA HAPPENINGS

On July 1, 1995, the Regional Development Association of East Central Kansas (RDA) was incorporated. Just completing its 19th year and in less than one year will be entering its third decade.

There is absolutely no question that the RDA has been successful in its primary goal of working with existing and new basic employment sector businesses in adding higher than average wage jobs, and adding to the property tax base.

In fact the RDA is the only industrial and economic development organization in the Emporia area that had the results of their efforts reaffirmed by the Emporia voters three times: 1995, 2000 and 2010.

The most recent project, Hill's Pet Nutrition, created 112 full-time jobs with an annual total payroll in excess of \$5,000,000 which provides a regular economic impact every payroll period. In the future when the performance-based property tax abatement expires (which does not cost the community any cash) adds to the tax base and lowers and stabilizes the property taxes.

VEKTEK continues to add personnel in 2012. Even though the announcement of the project and construction occurred in 2011, the true economic impact of higher than average salaried employees are hired.

With expansions of existing new basic employers, there is a lag time from project announcement, construction and searching, hiring and training of employees.

Over my past tenure here at the RDA there have been at least two times that "large" retail developers have contacted our office or the community about retail development.

From 2005 to 2006 there were 4 to 5 different developers interested in developing the Lyon County Fairgrounds. The projects were Walgreens, Home Depot and/or Lowes. During that process it was determined by the community that the Fairgrounds is and will be at its current location. The Fair Board/Lyon County has developed and continued to proceed with a development plan.

More importantly, during the 2005-2006 time period, the City of Emporia did not have in place performance-based incentives for large retail development. The RDA was tasked with assisting the City of Emporia in the development of the Tax Increment Financing (TIF), Transportation Development District (TDD) and the Community Improvement District (CID).

Today those incentives are in place and the RDA assists the City of Emporia in performing the independent and objective "due diligence" of the large retail project feasibility. With the RDA's role of conducting the due diligences for industrial expansions it makes perfect sense to analyze retail projects.

The Emporia Plaza project, which was proposed to be located northeast of the intersection at 24th Avenue and Industrial Road was the first project the RDA performed the due diligence. It was a protracted process, which took from August 2008 to February 2009 to complete. With the Emporia Plaza project, the Planned Unit Development (PUD), Tax Increment Financing (TIF) and Transportation Development District (TDD) had been approved by the Emporia City Commissioners. The community just waited for the anchor tenant to make their commitment to the developer.

The anchor tenant, Lowes, growth strategy and Emporia demographics changed. The end result was in early February 2012, the PUD expired, and thus the TIF and TDD expired as well; end of the project.

Last year, in preparing for coordinating our annual list to the International Council of Shopping Centers (ICSC) RECON EXPO, I contacted Target about the possibility of locating a store in Emporia. The real estate broker who represents the Target Corporation in Kansas contacted our office. We had a wonderful conversation. The bottom line is that Target would certainly like to better serve their Emporia customers, but two things have to happen. First, Target needs to develop a business model smaller store concept or secondly, Emporia's market population which is all of Lyon County and parts of all the surrounding counties adjacent to Lyon needs to grow. If one or both occurs, then Emporia may be considered.

Recently, I spoke with one of the developers owners of the land at 18th Avenue and Industrial Road area, commonly referred to as Eaglecrest Development. Twenty years ago, the only businesses at the interchange were Wal-Mart and McDonalds. No question, that area has been built out and become a significant stopping point for travelers and a retail nexus for the region.

These developers at their own expense began proactively contacting the various restaurants, motels and retail operations. These developers soon learned that these national and regional commercial enterprises developed their own demographic criteria for every community. If a community does not meet the minimum criteria for population and income levels, they move on.

When a community meets their criteria, they generally have designated real estate professionals who represent a territory. So the best strategy for these developers was to have "pad ready" sites, which means proper zoning, utilities to the property and the property priced competitively. In this case with Eaglecrest, all but a few have developed.

Next I visited with the Flint Hills Mall and the West Emporia Plaza, the strip mall on the east side of Industrial Road between 12th & 15th Avenue. Both fund their entire market operation; they are proactive/reactive to new tenants in their space.

So I asked these developers point blank, do you think any publicly funded organization should proactively recruit retail? The response being, if it is new construction, the primary contact is the zoning and building codes department. These groups should be responsive, timely and with a degree of flexibility. But, they indicated that resources could be spent better.

Other large developments, like Emporia Plaza type projects need to have an available site that are competitively priced with incentive programs such as TIF, TDD, Community Improvement District (CID), Neighborhood Revitalization and Historic Districts.

Their reply was growing the employment base or creating jobs is more meaningful than recruiting retail. The RDA needs to get back to the core mission to create higher skilled, better paying full-time jobs. Retail will follow a growing community.

RDA HAPPENINGS

The other day a colleague and I were discussing economic development over lunch. A couple of common themes surfaced, what is economic development? And if you can't measure it, then you can't manage it.

Every day I hear the term economic development used to justify an activity. It seems like an organizational spokesperson for a governmental, not for profit or even some for profit business; will state we did x, y and z because it is economic development almost a magical word. Once used, no further explanation or justification is needed.

This discussion really leads into the topic of measuring the results, sometimes referred to as the metrics. In the business world, results are equated in financial terms – sales, income, accounts receivable, gross income, net income, retained earnings, etc.

The results are measured in dollars and cents, and the desired outcome in business is to have more income and expenses with a resulting net income and growth in equity.

Now in the business world the “financial” results are managed on a regular basis. Depending on the business, it could be anywhere from hourly to annually. But when results are known, then adjustments can be made with regard to primarily expenses in short-term and sales/revenue in a longer-term.

The real issue in economic development is how do you measure it and then how do you manage it, then how does this relate to the RDA and economic development?

The Mission Statement for the RDA is “...to proactively promote economic growth of the East Central Kansas region through commercial & industrial recruitment, expansion, and training enhancements.”

The RDA goals are, “The creation of skilled jobs that benefit the region, and encourage the retention of existing employment within the region, and create an atmosphere that provides growth opportunities to industry.”

On the expansion of an existing industry or new business, the results can be measured in terms of new tax base, number of full-time jobs created and new payroll created over a time period. In business expansion and recruitment, it is an absolute fact based on the U.S. Department of Labor Statistics that the average salaries for manufacturing and medical, warehouse/distribution are greater than retail jobs.

Typically, the vast majority of sales for manufactured products are outside the local trade area. Whereas, retail sales for a grocery store are almost entirely in the local market area.

Jobs created by an expanding or new manufacturing business have a greater economic impact than retail jobs, which are lower wages, part-time with little or no benefits. Retail jobs recirculate dollars already in the market area, whereas the manufacturing jobs bring new wealth into the trade area.

When a manufacturing business expands in an area, 100 new jobs at an annual salary of \$40,000 or a total payroll of \$4,000,000 which is paid out regularly every month. If a new building is contracted, more assessed value is added to the tax base and eventually more property taxes are collected.

All business expansion occurred by a decision made by the business owners and/or management team. Without businesses willing to take the risk and invest in an expansion, not a single community or economic development organization can claim credit for the business expansion.

However, existing and new businesses do make choices of a local geographic area, and communities can and do influence those decisions. In this day and age generally those community influenced decisions are with performance-based incentives.

At the end of the day the total cost of those efforts are tabulated, then the estimated total revenue, such as total new payroll and future tax revenue are tabulated to determine a return on investment (ROI).

July 2012

RDA HAPPENINGS

During late May and early June our family vacation took us to Germany and the Netherlands. We visited our Rotary foreign exchange student Nele and her family, our son Andrew, who is a Kansas State University 4th year Masters of Architecture student studying for four months at the Dessau Design Institute (Bauhaus) in Dessau, Germany, and Amsterdam, Netherlands where Roland, who was a foreign exchange student with Jodi's parents. It may have been a once in a lifetime trip for us.

You may ask how this relates to industrial development in Emporia, Kansas. On the flight over to Germany, I read the international version of the USA Today editorial entitled, "Don't look now, but American Manufacturing is rebounding". There were a few nuggets of factual information regarding manufacturing returning to the United States.

The U.S. manufacturing output, on a value-added basis, has topped pre-recession peaks. According to the Bureau of Economic Analysis, 2007 had \$1.70 trillion in manufacturing output in the height of the recession. In 2009, the manufacturing output dropped to \$1.54 trillion. Then this past year, 2011, the manufacturing output increased to \$1.84 trillion.

Caterpillar has announced several new manufacturing plants in the U.S. in Texas, North Carolina and most recently 2,400 new jobs in Georgia with a backhoe plant being brought back to the U.S. from Japan.

Another valid point in the editorial was the federal government has provided more financial support for community and technical colleges. Flint Hills Technical College receives a substantial grant from the federal government which has allowed them to expand into the Humanity Center.

On the macro-level, manufacturing is coming back to the U.S.; Emporia is in a great position to participate in the new manufacturing businesses coming back. We have both the Flint Hills Technical College and ESU that put us in a great position to continue to be competitive.

During our trip, I had the opportunity to meet with Nils Schnornenberger, the Economic Developer from Bremerhaven, Germany. Over a 15-year period, Bremerhaven has become the leader in off-shore wind energy development. Many companies which constructed the equipment for wind turbines and the specialist ships that construct the off-shore turbine "farms" in the North Sea operate over 2,000 hours per year.

Nils mentioned to me that not until the U.S. passes tax credits for wind energy development for over 5 or 10 years, then the wind energy manufacturing companies development will consider the United States.

June 2012

RDA HAPPENINGS

On July 2, 1993, the Regional Development Association of East Central Kansas (RDA) was incorporated. On July 3rd, 2012, the RDA will be beginning its 20th year of existence. Much has been accomplished with the collective efforts of the members – City of Emporia, Emporia Enterprises, Emporia Area Chamber of Commerce, Lyon County and Emporia State University.

The RDA in its early beginnings had a modest budget which clearly was inadequate to be competitive. Then Emporia was in the hunt for the Cessna project in 1994. The project became public, so all the Kansas communities competed on the project. The City Commission proposed the “Cessna” ½-cent City Sales Tax, to be competitive on this project, and if not successful with Cessna would have a “war chest” for future projects.

Today the primary funding source for our industrial and economic development efforts is a ½-cent City Sales Tax which is split between property tax relief and industrial/economic development, which then is split again between the Aquatic Center bond payments, improvements, performance-based cash incentives and the RDA marketing, expansion, retention and recruitment.

The ½-cent City Sales Tax was overwhelmingly approved by the voters in 2000 and 2010. The sales tax will sunset on December 31, 2024, unless reauthorized by the voters.

During the 2000 election, the voters were asked to reapprove the sales tax; and consider funding the Aquatic Center, a quality of life improvement to the community. The voters approved the Aquatic Center and the request of the sales tax. On December 31, 2014, the Aquatic Center bonds will be paid in full, which will increase the amount of funding for the “war chest”.

We have had a tremendous Return on Investment in Emporia and Lyon County according to information gathered from the Lyon County Assessors website in the Park III area which is generally located in southeast Emporia from East South Avenue to East Logan Avenue. In Emporia, these new companies were: Camoplast, Lenze, Simmons Pet Food, Norfolk Iron & Metal, Hills Pet Nutrition and REG. In northern Lyon County, Westar Energy located a peaking plant which generates power from natural gas during the summer months. There is a total valuation of \$50,106,099 with all these new businesses. Approximately 42% or \$22,398,930 is currently on the tax rolls, which generates \$780,968 in property tax collections. Another \$5,449,650 in property tax will be collected when the tax abatements expire on Hill’s Pet Nutrition, Norfolk Iron & Metal and Westar Energy Center in the future.

Over the past 19 years, the RDA was able to leverage Emporia and Lyon County with growth in the late 1990’s with expansions of existing manufacturing businesses and recruitment of new industries our community was growing. Employment was low and the economy was robust. Then in early 2000 Didde declared bankruptcy and closed. Modine Manufacturing closed in 2005. On the positive side, we recruited. The Caterpillar plant, Norfolk Iron & Metal and Menu expanded three times. The job creation from those projects offset most of the job losses.

The recession of 2000-2002 slowed the growth of existing companies and expanding new companies.

In 2006, we assisted Westar Energy to locate the Emporia Energy Center natural gas peaking plant in northeast Lyon County. In 2007 Hill’s Pet Nutrition and Renewable Energy Group announced plans to locate and construct facilities in Emporia. These three projects lowered the unemployment rate and grew the economy.

In 2008, our economy began to soften, and then entered a major readjustment. The REG project was put on hold and Tyson Foods had a major lay-off and the closing of the slaughter line at the Emporia plant virtually a loss of 1,500 jobs.

The third quarter of 2008 is when the final crisis hit the national economy and the protracted recession began. In past recessions the economy would gain momentum in 18 months with increased demand, but with this recession, the demand has yet to increase.

This recession has been challenging; we are in a new age. The economy of 2000 was built upon an easily accessible financial bubble.

May 2012

RDA HAPPENINGS

On March 27th I had the honor and privilege to participate in the Emporia State University (ESU) “Hornet Telethon”. There were several community leader volunteers who called incoming ESU freshmen for fall semester 2012. My assignment was to initiate twenty-six telephone calls to thank those future Hornets for committing to continuing their education at ESU and the importance of them being part of the community. I will report the vast majority (with the advent of caller id) went to voice mail; I left a detailed message to them. In addition I personally wrote twenty-six individual postcards to my entire contact list.

Now I did get the opportunity to visit with about five students, thanking them for attending ESU; for coming to Emporia and asked if they had any questions. In addition, I spoke with a few parents and siblings. One parent thanked me for taking the time and for the thoughtfulness of the call.

Economic development has been equated to a three-legged stool; retention, expansion and recruitment. You need all three of the legs of the stool or local economy does not function properly.

One of our sometimes overlooked “existing” industries is the education industry -Emporia State University, Flint Hills Technical College and U.S.D. #253. The telethon volunteers supporting the ESU Hornet Telethon effort help strengthen one of our existing educational industries. It is important we support our educational institutions in order for Emporia to maintain, grow and prosper.

On my drive to and from work I normally drive on Merchant Street, which borders the west of the Emporia State University campus. At certain times of the day students are crossing Merchant Street to go to and from classes. On occasion as college students do, they will start crossing the street not at the cross walk and in most instances the driver will yield to the pedestrians.

What amazes me is the number of drivers who don’t yield to the pedestrians at the cross walk by the Chi Omega house. In fact, about a year ago witnessed one of the ESU police vehicles didn’t yield to the pedestrian. My point is, yield to the ESU students crossing the streets on all sides of the campus. Every time you do it sends a strong statement that you welcome these students.

On July 1, 2001 I began serving on the Flint Hills Technical College Board of Advisors. In July 2004 the Flint Hills Technical College governing body became the Board of Trustee’s. I served on the FHTC Board of Trustee’s from July 2004 and my term ends this June as the RDA representative. I served as Chair of the Board for a few terms and as Vice-Chair. It was an exciting time to be associated with Flint Hills Technical College during the evolution from a K-12 Vocational Technical High School to an accredited College by the Higher Learning Commission (HLC).

It was my pleasure working and being part of the FHTC. The college will do well under the leadership of President Dean Hollenbeck, the current Board of Trustee’s and the outstanding faculty and staff at the college. I will miss the monthly meetings and be part of this fine institution.

April 2012

RDA HAPPENINGS

The RDA keeps an inventory of available industrial, commercial and retail buildings for sale or lease. We are continually updating data and statistics to be prepared to answer specific questions for an existing or new business may have about the Emporia region. We updated the employment data, unemployment rate chart and track average salary data based upon occupation types. In other words, we keep a plethora of data for expanding businesses to help in their expansion decisions.

With regard to local taxes, we track trends in property tax and sales tax. The total mill levy for a property owner in the City of Emporia in 1994 was 145.273 mills. Then in 2011 the total mill levy was 160.800. The total sales tax rate was 5.9% in 1994, and then in early 2011 the sales tax rate was 8.8% but reduced to 8.3% in 4th quarter 2011.

Across the board the total mill levy has increased. The total mill levy for the City of Emporia includes the City, Lyon County, Emporia School District (U.S.D. #253) and the State of Kansas levies which have increased from 145.273 to 160.800 or 15.527 mills.

The taxing units that increased were the Emporia School District in which the mill levy increased by 14.746 mills. Lyon County mill levy increased by 6.137 mills from 1994 to 2011, the State of Kansas mill levy of 1.5 mills was the same and the City of Emporia mill in 1994 was 46.915 and in 2011 was 41.559 or a decrease of 5.356 mills.

The primary increase with Emporia School District was the bond issue approved in 2000. The decrease in the City of Emporia mill levy was a direct result of the passage of the ½-Cent City Sales Tax for property tax relief and industrial/economic development in 1994, 2000 and 2010.

The sales tax rate in the City of Emporia is a combination of the percentages that are allocated to the State of Kansas, Lyon County and the City of Emporia. In 1994 the total sales tax for all three entities was 6.4%. Today the rate is 8.3%. For three quarters of last year, the total rate was 8.8%. All of the local sales tax increases (City of Emporia and Lyon County) were approved by the voters. The State of Kansas increase was approved by the legislature.

The Tax Foundation issued a report entitled, “State and Local Sales Taxes in 2012”. If you would like a copy of the report the, web address is <http://taxfoundation.org/news/show/27967.html> In essence, the report created a chart by state of the state sales tax rate, the average local sales tax rate and local rates for all 50 states. The State of Kansas combined rate was 9th highest at 8.26%.

Utilizing the Kansas Statistical Abstract, I compared the City of Emporia to the other twenty-five 1st Class Cities in Kansas, and ranked those cities’ rate, total mill levy rate from lowest mill levy to highest. In 2001, the City of Emporia ranked 12th with a total mill levy of 125.549 and in 2010 ranked 20th with a total mill levy of 161.86.

In the City of Emporia, cost of living trends for families and the cost of doing business is higher, and when comparing the City of Emporia to the other Kansas 1st Class Cities we are not as competitive as we once were.

Some costs the community can control locally. If the trends continue, it will be more challenging to compete in the future.

March 2012

RDA HAPPENINGS

The three-legged stool is a metaphoric example of economic development. Business Retention, Expansion and Recruitment, all three of these “legs” need to be in place in order for a comprehensive economic development plan to be successful.

Through the year, the RDA staff keeps in contact with our existing primary businesses to quantify their challenges and needs that could be assisted with local resources. One recurring theme with all businesses is that some highly educated, skilled and experienced employers are challenging to find.

Over the past two months, the RDA in collaboration with NationJob has been presenting a possible solution to the challenge of finding qualified, experienced, educated and skilled employees.

NationJob, a privately held company that operates community based websites for economic development corporations and/or chamber of commerce’s to promote their members employment opportunities. Those member businesses that choose to participate pay annually based on their full-time employment.

As of February 8th, the website <http://www.nationjob.com/emporia-kansas-jobs> has eight organizations - Hopkins Manufacturing, Newman Regional Health, Lyon County State Bank, ESB Financial, Flint Hills Technical College, the City of Emporia, Emporia Public Schools (U.S.D. #253) and Emporia Pet Products have chose to participate in the program.

Another feature of this site is that anyone in the world that has internet access and an email address can sign up to receive alerts on specific job openings at the member businesses of the site and/or all jobs listed on the site in the community.

Links to the Emporia NationJob site have been placed on the RDA website www.emporiarda.org both the “regular” website and the mobile website, which is accessible by “smart phones”.

February 2012

RDA HAPPENINGS

This newsletter article was written in early January after just completing the 2011 RDA Annual Report. Instead of recapping that report, I will post the annual report on the RDA website www.emporiarda.org under news/happenings.

Considering the state of our local, state and national economy, our economy is slowly growing again.

The community waits for the outcome of the recent bankruptcy filing by Hostess Brands. We are optimistic it will be positive for the employees and the community.

The Fiscal Year 2011 (July 1, 2010-June 30, 2011) Retail Pull Factors were released in December 2011 by the Kansas Department of Revenue. For the City of Emporia, the retail pull factor was 1.11, which is virtually the same as 2010 according to the Kansas Department of Revenue. The pull factor was based upon total sales tax collections of \$22,129,347 divided by the City of Emporia's population of 24,916 persons. This yields an \$888.20 per capita sales tax allocation. This is comparative to the total sales tax collections of the State of Kansas \$2,277,967,023 divided by 2,853,118 persons or a per capital sales collections of \$798.41 with a pull factor of 1.00. The pull factor of 1.11 is 11% greater than the State Pull Factor.

Now if we were to compare our peer group, all First Class Kansas cities, the per capital average is \$953 with a pull factor of 1.19. Emporia is below that pull factor.

Sometimes it is best to examine the sales tax collections from Emporia, total population and per capital sales tax collections to make sense of the data.

From 2009 to 2010, the Emporia pull factor increased from 1.02 to 1.15. One might conclude that is tremendous growth in retail activity. However, when comparing the total retail sales tax collections in 2009 of \$18,619,483 to 2010 of \$18,042,995, retail sales tax collections decreased by \$576,000. Then if you compare total City of Emporia population in 2009 was 26,062 and in 2010 was 24,550, a decrease of 1,512. When the total population is divided into the total retail sales tax collections, the end result is a higher per capital sales tax than last year. That is less retail sales tax collections and less people, not necessarily the desired results.

Now in 2011, the total retail sales tax collections for Emporia was \$22,129,547, which was an increase \$4,086,352 and the population was 24,916, which was an increase of 366. The Emporia pull factor in 2010 was 1.15, and in 2011 was 1.11 or flat. However the per capital in 2011 was \$888.20, and \$734.95 in 2010.

To further complicate comparison of "apples to oranges", on July 1, 2010, the sales tax increased by 1%. So our sales tax rate for Emporia went from 7.8% to 8.8%.

Now I took the time to make a quick calculation to adjust for the two different sales tax rates from FY 2010 to FY 2011 and the real growth in retail sales tax collection was about \$2 million.

January 2012

In the RDA marketing literature/demographic data, we generally present the Lyon County Retail Pull Factor because it represents all of Lyon County, not just the City of Emporia. From 2010 to 2011, the sales tax collections increased from \$19,580,899 to \$24,516,577. The Lyon County population increased from 33,175 to 33,690. The Lyon County Trade Pull Factor was .88 in 2010, and in 2011 was .91. The per capital sales tax was \$590.23 to \$727.71 in 2011.

Recently my ESU faculty friends were discussing the ESU engineering program. I thought to myself that ESU does not have any engineering program. However, those faculty members pointed out that ESU does have a pre-engineering program.

It is a dual degree program, three years of study at ESU and two years at an accredited engineering school, such as the University of Kansas or Kansas State University. The first three years of study are in mathematics, physical sciences, physics and chemistry. The pre-engineering course work is coordinated with the engineering school.

The advantage that ESU has is smaller class sizes than those “large” engineering schools. And ESU is considerably more cost-effective than the “large” institutions. Another benefit is students who are residents from a high school in Coffey, Lyon or Osage counties for more than one year may be eligible for the Jones Foundation grant.

So to all you parents, grandparents, future engineering students and the business community, let’s promote ESU’s pre-engineering program. It is a win-win for all.