



# **ANNUAL REPORT**

## **December 31, 2017**



Estimated Simmons Investment

**\$38 Million**

New Construction Begins

**2017**

New Construction Completion

**2019**

Estimated Square Feet

**200,000**

Payroll At Full Production

**\$39,442,000**

New Jobs

**100+**



## ABOUT US

The Regional Development Association of East Central Kansas (RDA) is the lead economic development organization for Lyon County and the Emporia area. It is a collaborative effort of the Emporia Area Chamber of Commerce and Visitors Bureau, Emporia Enterprises, the City of Emporia, Lyon County, Flint Hills Technical College, Emporia State University and Emporia Main Street. The RDA is located in the Trusler Business Center with the Emporia Area Chamber of Commerce and Visitors Bureau, 719 Commercial Street, Emporia, Kansas 66801. RDA President Kent Heermann may be contacted at 620-342-1600 or [kheermann@emporiarda.org](mailto:kheermann@emporiarda.org). For further information go to [www.emporiarda.org](http://www.emporiarda.org).

### **RDA BOARD OF DIRECTORS 2017**

#### Voting Members

Rick Tidwell, Emporia Enterprises Representative  
Dan Slater, Lyon County Representative  
Rob Gilligan, City of Emporia Representative  
Mel Scheller, At Large Representative  
Jim Shepherd, Emporia Chamber of Commerce Representative  
Jim Kessler, City of Emporia Representative  
Pat Wiederholt, Lyon County Representative

#### Ex-officio Members

Mark McAnarney, City Manager  
Jeanine McKenna, President Emporia Area Chamber of Commerce  
Marc Goodman, County Attorney, Lyon County  
Christina Montgomery, City Attorney, City of Emporia,  
Casey Woods, Main Street Director  
Allison Garrett, President, Emporia State University  
Dean Hollenbeck, President, Flint Hills Technical College

#### Officers and RDA Staff

Rob Gilligan, Chair  
Jim Kessler, Vice Chair  
Jeanine McKenna, Secretary  
Mark McAnarney, Treasurer  
Kent Heermann, President CECD  
Robin Nelson, Executive Assistant

## **EXECUTIVE SUMMARY**

What an exceptional year for Emporia. The Simmons Pet Food expansion announcement on November 1<sup>st</sup> will have a direct economic impact on Emporia/Lyon County for decades in the future. The ½-Cent City Sales Tax for industrial development was approved by 74% of the voters, extending the funding to December 31, 2034. Then Emporia had three high-quality expansion projects.

### **SIMMONS PET FOOD EXPANSION**

On November 1<sup>st</sup> Simmons Pet Food announced the Emporia Flexible Packaging facility expansion. This expansion will add substantial capacity for the wet pet food cup, tub, and pouch packaging format for Simmons customers.

The investment is in excess of \$39,000,000 with the construction of a new 200,000 sq. ft. production facility, and state of the art processing and packaging equipment. The facility will be north of the Simmons 1300 East Logan Avenue facility. A 121,000 sq. ft. building addition on the 1400 East Logan Avenue facility is proceeding. Simmons renovated the first floor office space in the 1300 East Logan Avenue building into a Care Clinic to serve local team members and their dependents. It will open in early January 2018.

The Emporia Simmons Pet Food campus, will be on 130-acres, with combined square footage in excess of 900,000 sq. ft. in all three buildings.

Today's full-time employment at Emporia Simmons Pet Food campus is in excess of 500 full-time employees. This initial expansion of 100 employees, has the potential of an additional 100 employees in the next 3 to 5 years. The projected estimated annual payroll with the additional 100 employees is \$39,442,000 and in the future with the 200 additional employees is \$45,277,000, which equates to an average annual salary of \$64,681.

Simmons considered other locations for this project. We made the strong case for Emporia, and at the end of the day, Simmons chose Emporia. It's been a mutually beneficial partnership for the past 20 years. We look forward to a continuing partnership for many decades in the future.

### **ANIMAL HEALTH CORRIDOR**

The RDA values its membership and association with Kansas City Area Development Council (KCADC) animal health corridor. The regional area includes Manhattan, Kansas to Columbia, Missouri to Emporia, Kansas. According to the 2014 Corridor Asset Survey conducted on behalf of the KCADC Animal Health Corridor, over 56% of the total worldwide animal health, diagnostics, and pet food sales occur in this region.

June 1994, we were contacted by a pet food company, (Simmons Pet Food today) about the possibility of locating a new facility in Emporia. It only took three years for us to convince them to locate in July 1997.

Hill's Pet Nutrition directly contacted the RDA in April 2007 after another location in Kansas could not provide the "promised" real estate to them. Through the RDA lead team effort, in June 2007 Hill's announced the Emporia project.

Emporia has a pet nutrition cluster with three pet nutrition companies – Simmons Pet Food, Hill's Pet Nutrition, and Cargill Pet Food. In 1994, only 41 persons were employed in the pet nutrition cluster. Today, there are over 825 employed. With the recent announcement by Simmons, over the next several years, there will be over 1,000 persons employed with an annual payroll in excess of \$60 million. Seven (7) percent of the City of Emporia workforce is employed in the Pet Nutrition cluster.

With all of the pet nutrition companies locating and expanding in Emporia from 1994 to today, tax collections have increased from \$82,000 to \$1,400,000 annually. Of that total property tax collected, 38% is received by the Emporia School District, 36% goes to Lyon County, 25% to the City of Emporia, and 1% to the State of Kansas.

## **RETURN ON INVESTMENT**

Over the past five years (2012 to 2017), Hostess Brands/Dolly Madison closed in November 2012, which eliminated 543 jobs in Emporia. In April 2013, the new Hostess Brands was created and the bakery reopened. Of the top twelve private companies which include Tyson Foods, Hostess Brands, Simmons Pet Food, Hopkins Manufacturing Corporation, EVCO, CAMSO, Detroit Reman, Hill's Pet Nutrition, Norfolk Iron & Metal, Birch Communications, VEKTEK, and Better Life Technologies, in 2013 there were 2,804 employees, which increased by 902 employees to 3,249 employees in 2017.

In the past five years nearly 504,000 square feet of new buildings have been constructed at a value of nearly \$210,000,000.

Year to date totals are tabulated from the beginning of the sales tax in 1993. The year to date total capital investment **\$968,689,000** with the construction of over **2,566,168 sq. ft.** in buildings and the creation of over 2,100 new full-time jobs. Since 2013, nine-hundred of those 2,100 jobs have been created.

The following table depicts the growth in employment of our top twelve private sector employers with 100 or more employees.

**Top Private Sector Employers  
In the City of Emporia with 100 or more Employees  
Job Growth January 1, 2013 to 2017**

COMPANY	EMPLOYMENT						Variance from
	2012	2013	2014	2015	2016	2017	2013-2017
Tyson Fresh Meats	934	950	950	964	914	914	-36
Hostess Brands	543	0	412	535	535	577	577
Simmons Pet Food	275	315	317	360	420	460	145
Hopkins Manufacturing Corp.	232	214	221	240	244	252	38
EVCO Wholesale Food Corp.	147	149	140	127	127	132	-17
CAMSO	111	120	110	139	141	141	21
Detroit Reman	111	117	121	126	132	133	16
Hill's Pet Nutrition	111	111	123	128	125	128	17
Norfolk Iron & Metal	108	120	144	161	164	151	31
Birch Communications	97	85	102	226	246	138	53
VEKTEK, Inc.	85	91	88	102	110	105	14
Better Life Technologies	50	75	75	123	118	118	43
<b>TOTAL</b>	<b>2,804</b>	<b>2,347</b>	<b>2,803</b>	<b>3,231</b>	<b>3,276</b>	<b>3,249</b>	<b>902</b>

Note: Hostess Brands closed and liquidated in November 2012. The assets were purchase on April 8, 2013. The new owners open the plant in April 2013.

**SALES TAX RENEWAL**

Emporia/Lyon County competed for three high-quality expansion projects. Two U.S. corporations, and one Asian corporation. All three companies visited Emporia, we made the short-list with all three, final location decisions were made before the end of the year. Simmons Pet Food was one of the projects. The other two expansions chose sites in Kentucky, and Missouri. In our debriefing with those two project contacts, Emporia/Lyon County was eliminated based on factors beyond our control.

The decisions was made to place the renewal of the ½ cent City Sales Tax on the November 7<sup>th</sup> ballot. The November 1<sup>st</sup> Simmons Pet Food expansion announcement assisted in the passage of the ballot issue by 74%.

**EXPANSION/RETENTION**

Early in 2017 **Birch Communications** experienced a downsizing of their operations. The RDA staff worked with all our local, regional, and state partners to assist those affected workers. On February 17, 2017 a job fair was held at the KansasWorks office.

We continue to assist **Cargill** in their consideration for Emporia building expansions. Discussions are promising for the future.

**Fanestil Meats** continues to grow their operations. The Phase II expansion discussions are ongoing. Optimism prevails.

**Hostess Brands** continues to upgrade equipment in the Emporia bakery. New products are being produced, and introduced to the market. The possibility of future expansions are promising.

## **RETAIL/COMMERCIAL DEVELOPMENT**

The **Emporia Pavilion** lead was developed in May 2013. The developers, and the Emporia City Commissioners approved both the Tax Increment Financing (TIF), and Community Improvement District (CID). In September 2010 site preparation began. Enclosed in the Appendix is a before and after photo of the project.

On August 14, 2017 **Hobby Lobby** had a ribbon-cutting. “The proposed retail development will have up to 258,300 sq. ft. of retail space on the 39 acre tract. The project cost is estimated to be \$38,836,951 with \$6,069,235 in reimbursement from TIF and CID pay-as-you-go funds. The developer equity/private financing is \$30,767,716.”

## **NEW PROJECT LEADS**

The Kansas Department of Commerce (KDOC) business recruitment office continues to have minimal staff. Under the leadership of KDOC Secretary Antonino Soave, the TEAM Kansas marketing program was not implemented to its fullest. The RDA had contributed \$15,000 to participate in marketing events. Since a limited amount of marketing events were planned, the RDA requested a refund of \$12,500.

Secretary Soave has left KDOC, and Nick Jordan was appointed interim KDOC Secretary.

The Kansas legislature’s auditors are reviewing former KDOC Secretary Soave’s process for awarding consulting and marketing contracts for irregularities. KDOC will be under review, marketing programs may be scaled back.

The RDA is participating at the \$10,000 level with TEAM Kansas in 2018.

## **APPLIED MARKETING**

The H.J. Baker Incentive Compliance Agreement (ICA) was approved in September 2015. The project was proceeding until 1<sup>st</sup> quarter 2016, when H.J. Baker put the project on hold. As you may recall, the total project was an \$8.4 million investment with the creation of 25 full-time jobs.

In our latest conversations with H.J. Baker, we believe the project is on hold indefinitely.

A long-term business development program takes consistent time, and resources. It’s remarkable to have a success of H.J. Baker in the first marketing effort. Emporia did everything correctly.

In light of a minimum KDOC business development team, the RDA needs to be proactive in their targeted marketing efforts.

Kansas City Area Development Council (KCADC) Animal Health Corridor membership is a strategic regional partnership for lead development. This past year, KCADC directed a project lead to us. Emporia/Lyon County made the short list on this project. In fact, we were the only Kansas community on the short list. We continue to value our regional partnership with KCADC. As approved in the 2018 Budget, we have increased the investment contribution.

## **APPENDIX**

Attached in the appendix is information on the Vote Yes sales tax ballot issue, Working for Emporia graphic, We Solve Problems graphic, Ingram's magazine Thank You ad for Jeremy Rusco with Dynamic Discs, Emporia Pavilions/Hobby Lobby's before and after photos.



## Keep Emporia Growing

The extension of the sales tax is being sought even though the current voter approved measure does not sunset until 2024. An additional ten-year extension will give the city important flexibility, financial strength and stability critical to planning and investing for optimal future results.

Please help keep Emporia growing by showing your continuing support for the one half cent sales tax. Vote yes on November 7th.

**Vote  
Yes!**  
IT WORKS

*Thank You!*

...for your timely response to our request! You are encouraged to call any of us if you have any questions or suggestions.

Don Hill  
Kalu Maxfield  
Rick Tidwell

### Emporians for Growth

Rick Tidwell, Treasurer  
2914 W Hwy 50 Suite A  
Emporia, KS 66801

620.208.5026

Paid for by Emporians for Growth, Rick Tidwell, Treasurer.

**ONE HALF  
CENT CITY  
SALES TAX  
Collected  
1995-2016**

**TOTAL**  
\$42,524,047

**GENERAL FUND  
PROPERTY TAX  
RELIEF**  
\$21,601,782  
51%

**LAND, GRANTS &  
INFRASTRUCTURE**  
\$11,656,569  
27.5%

**RDA MARKETING  
& OPERATIONS**  
\$4,751,421  
11%

**Aquatic Center**  
\$4,514,275  
10.5%

## Keep Emporia Growing

**Vote  
Yes!**  
IT WORKS

0.5% Sales Tax Renewal

Paid for by Emporians for Growth, Rick Tidwell, Treasurer.

**THIS IS NOT A NEW TAX** but rather a ten-year extension of an initiative first proposed and passed by Emporia voters in 1994. The City Commission has unanimously approved placement of the proposal on the November 7th ballot.

The half cent sales tax has historically received strong voter approval because "IT WORKS". Proceeds from the tax have been invested as promised. Since its inception 21 years ago the tax has provided nearly \$22 million in property tax relief and has generated over \$16 million to help create jobs, promote economic growth, recruiting new businesses and assist existing companies. 2,000 new Emporia jobs can be attributed to this investment and over 15 companies have been assisted. Land acquisition, infrastructure development and performance based grants are examples of how these funds have been applied. In addition to the creation of jobs, since 1995 Emporia and Lyon County have received over \$917 million capital investment and the construction of over 2,240,000 sq. ft. of buildings.

**Top 10**

Company / Employees  
2017

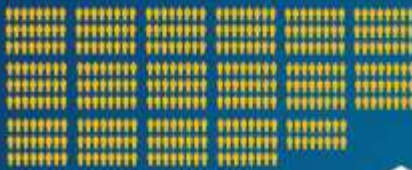
Tyson.....	914
*Hostess.....	577
*Simmons.....	460
Hopkins.....	252
*NIM.....	151
*CAMSO.....	141
Detroit Reman.....	133
*Hills.....	128
*BLT.....	118
Vekttek.....	105

\*Not in Emporia in 1994

# Working for Emporia

## Return on Investment

**A** Job creation of over **2,000 full-time jobs**



**B** Represents **12.3%** of the total employment in Lyon County, Kansas



**C** Over **2,245,000 sq.ft.** in new buildings

**D** **\$917,000,000** in new buildings and equipment

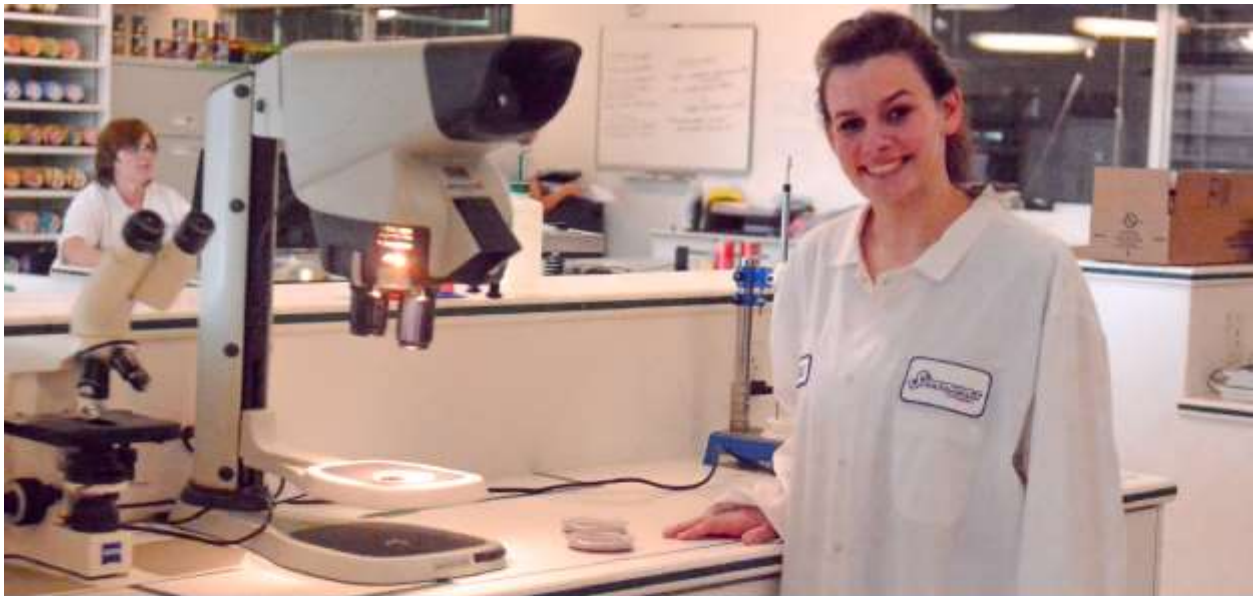
**The spirit of cooperation, consensus and collaboration has yielded over \$917 million in new buildings and equipment investment and over 2,000 direct jobs.**

New companies locating in the Emporia/Lyon County area are Better Life Technologies, BLI, CAMSO, Dynamic Distribution, Hill's Pet Nutrition, Holman Distribution, Hostess Brands, Norfolk Iron & Metal, Pratt Industrial, Simmons Pet Food, Valu-Net FIBER, Westar Energy – Emporia Energy Center.

Existing Company expansions are: Birch Communications, Cargill Pet Food, Detroit Reman, EVCO, Fanestil, Glendo, Hopkins Manufacturing, Kansa Technology, Tyson Foods, Thermal Ceramics and VEXTEK.

**EMPORIA**  
REGIONAL DEVELOPMENT ASSOC. of EAST CENTRAL KANSAS

719 Commercial St • Emporia, Kansas • 620-342-1600 • [emporiarda.org](http://emporiarda.org)



# We Solve Problems

- A** We are the lead organization and serve as the key point of contact for Economic Development in Lyon County and the City of Emporia.
- B** We provide an objective, accurate, and comprehensive analysis of Emporia and Lyon County in order for companies to make informed decisions.
- C** We provide confidential access to local and state officials, utility providers, college and university representatives, local corporate executives, workforce and labor experts, and other resources.
- D** We provide comprehensive information on available sites and buildings, including site maps, aerial photos, utilities available and capacity, rail and highway information, and arrange visits to the potential buildings and sites.

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Congratulations **Jeremy Rusco**



THE EMPORIA GAZETTE

Emporia and the disc golf community would like to congratulate **Jeremy Rusco**, owner of **Dynamic Discs**, being named **50 Kansans You Should Know**.

Emporia, as well as the business community, are proud to support **Dynamic Discs** in their explosive growth of the sport.

We invite you to experience disc golf by playing the world class courses and visiting **Dynamic Discs** retail stores in Emporia and Kansas City.

We also invite you to visit Emporia and see how our partnership and growth opportunities can grow your business.

Come Experience  
What Makes Emporia  
**DYNAMIC**

**HOBBY LOBBY PROJECT  
EMPORIA, KANSAS  
2016-2017**



**October 3, 2016**



**December 17, 2017**