

# Are We Moving in the Right Direction?

Our Economic Future:  
A Regional Summit for Leaders

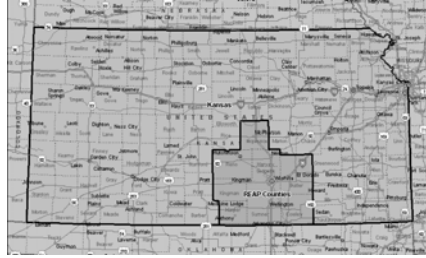
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## Strategic Analysis

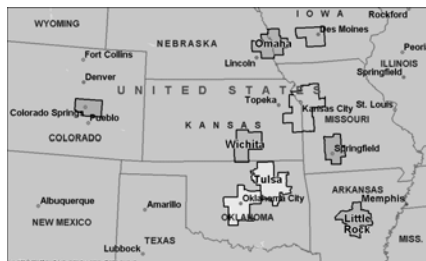
- Audit economic environment
  - External environment
    - Opportunities
    - Threats
  - Internal environment
    - Strengths
    - Weaknesses
- Audit local resources
- Define the *goals*
- Identify the *problems* that frustrate fulfillment of these goals
- Identify *alternative solutions* to the problems that will achieve the goals
- Compare the *relative merits* of each alternative as a solution to the problem

# REAP Counties

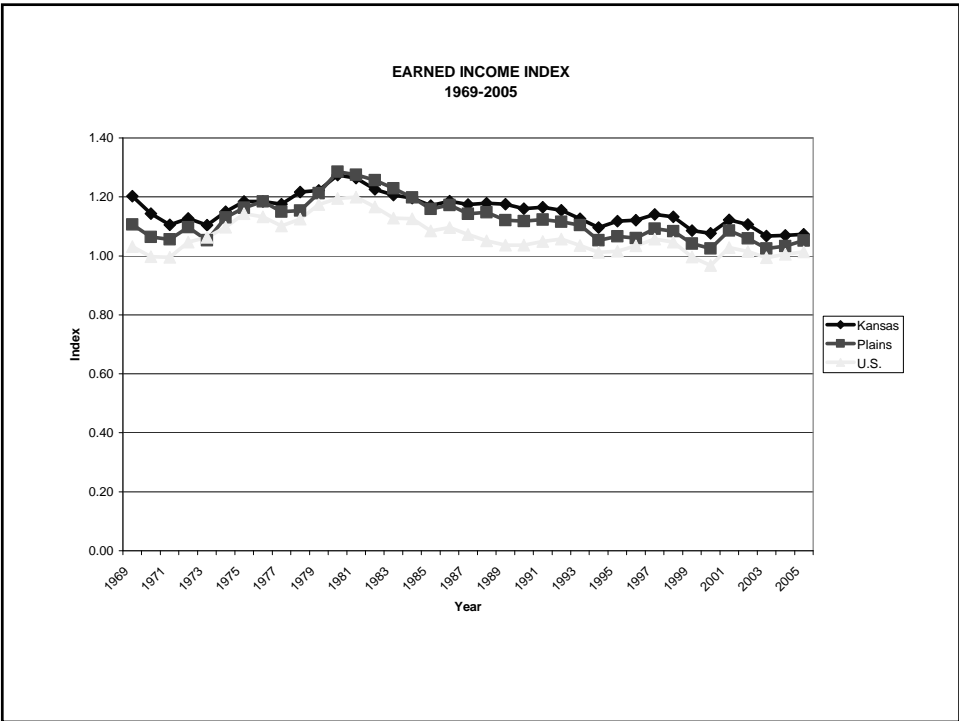
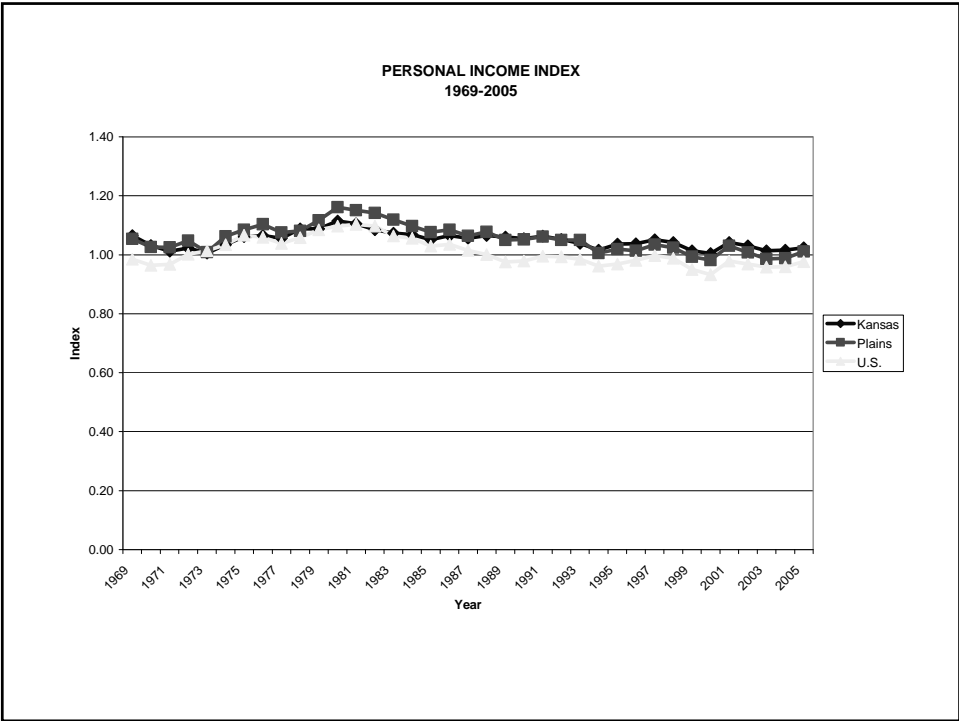


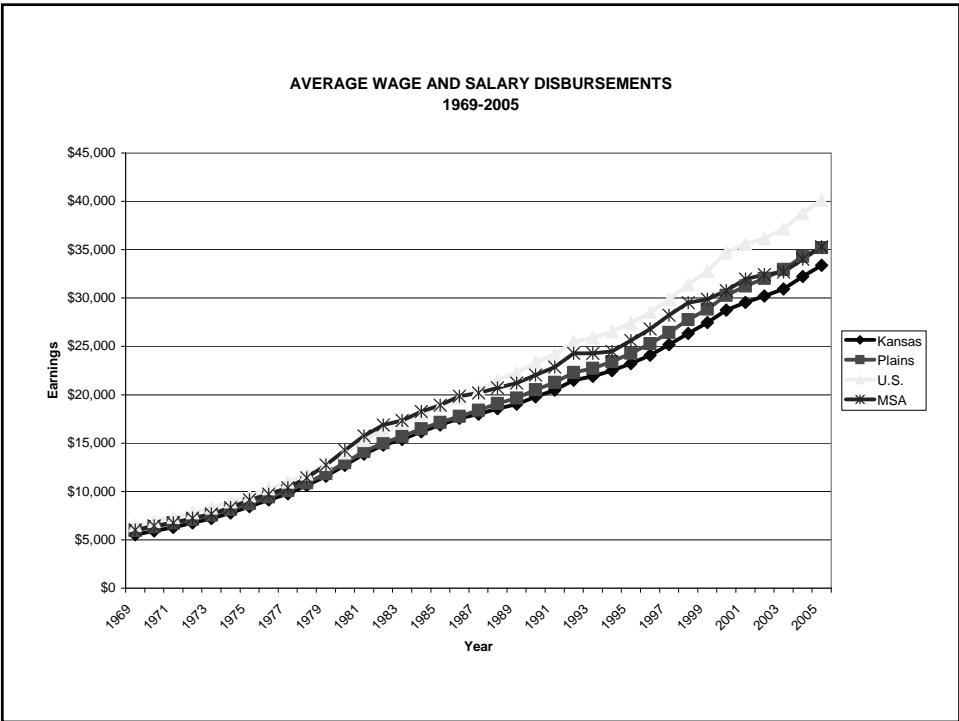
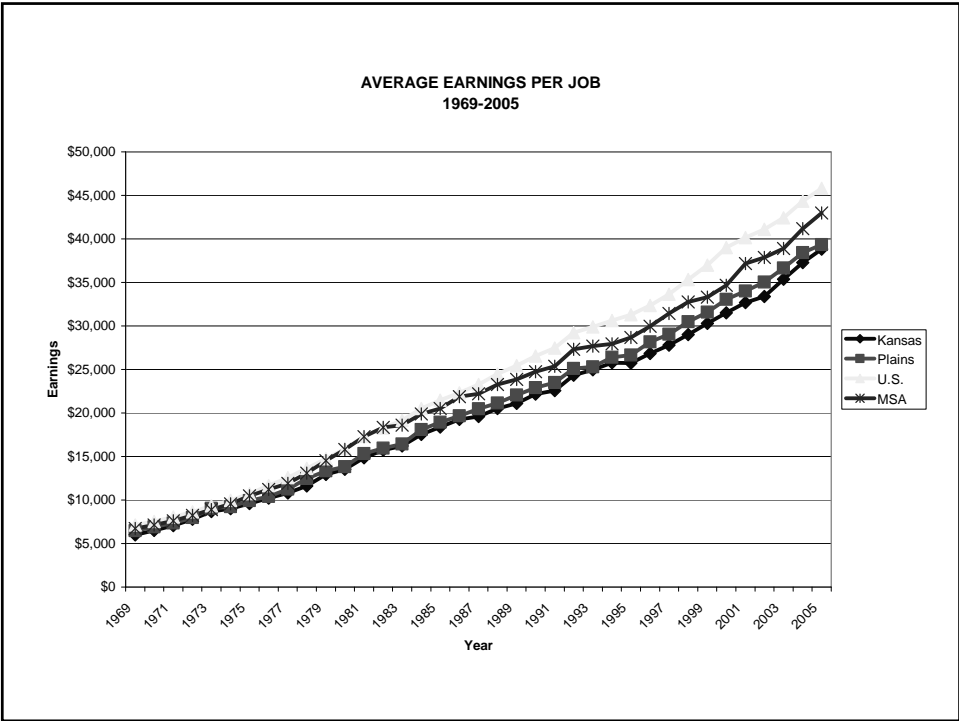
County	Population (Census, 2006)	Percentage Change	Median Income (HUD, 2007)	Percentage Change
Butler	63,147	1.3%	\$56,600	-7.5%
Cowley	34,931	-1.0%	\$50,100	-4.2%
Harper	5,952	-2.1%	\$47,900	-3.8%
Harvey	33,643	-0.6%	\$56,600	-7.5%
Kingman	7,975	-2.3%	\$51,400	-3.4%
McPherson	29,380	-0.5%	\$55,200	-4.2%
Reno	63,706	0.2%	\$48,500	-4.0%
Sedgwick	470,895	1.0%	\$56,600	-7.5%
Sumner	24,441	-1.4%	\$56,600	-7.5%

# Peer Comparison Areas

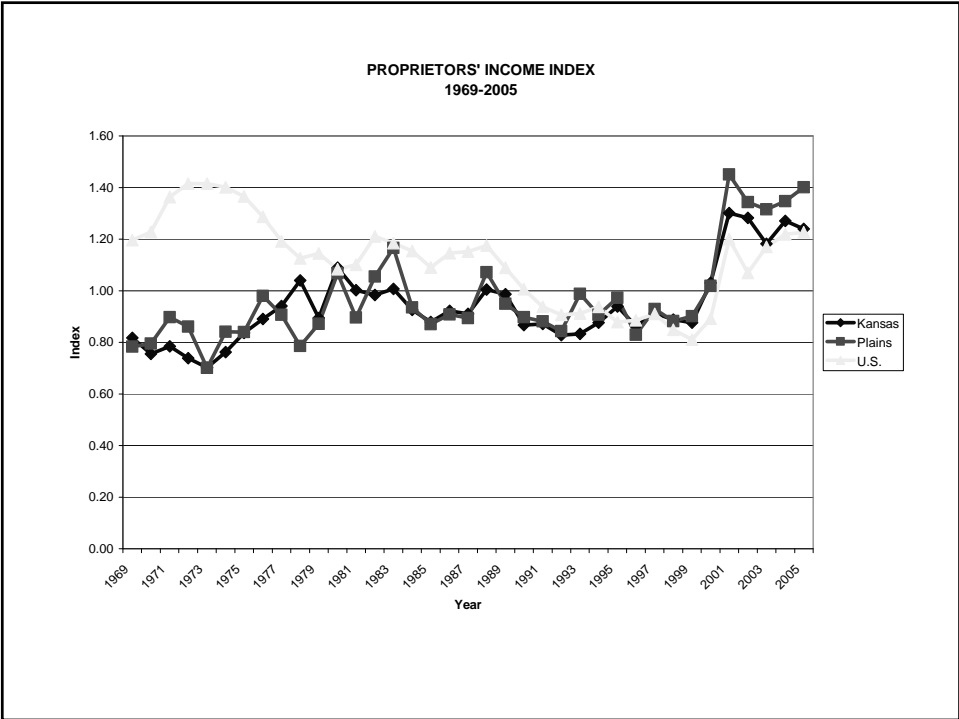


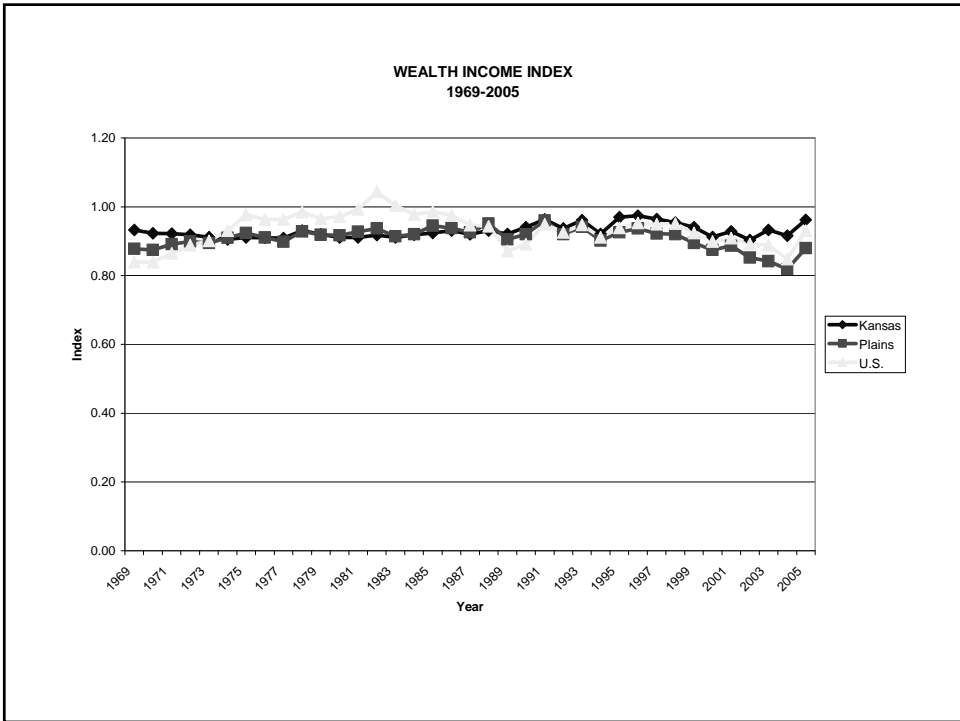
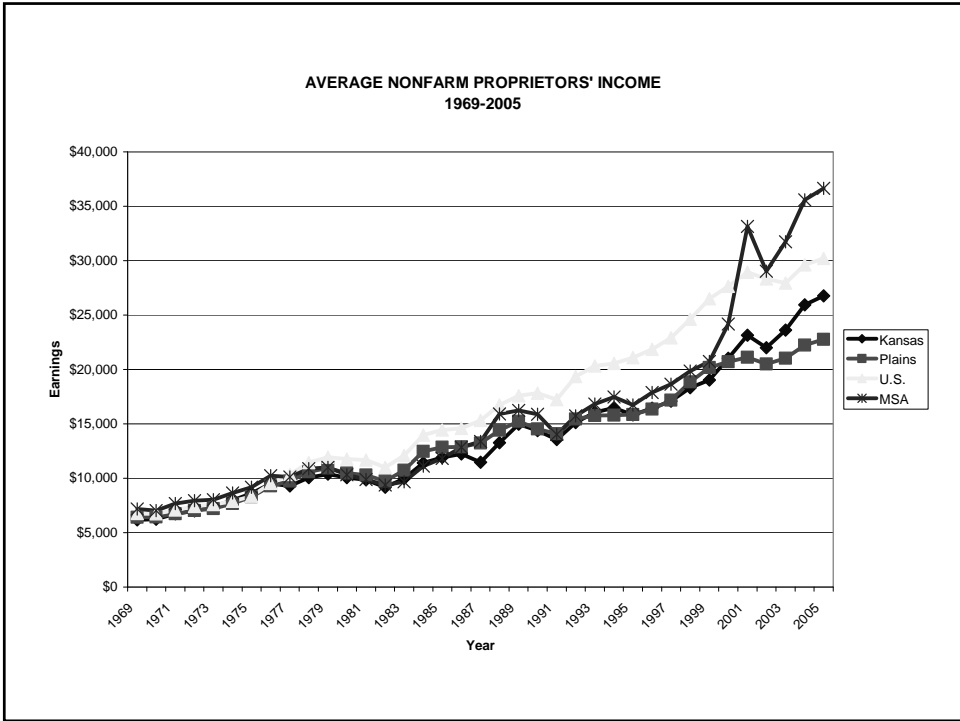
MSA	Region	Population (Census, 2006)	Percentage Change	Median Income (HUD, 2007)	Percentage Change
Colorado Springs	Rocky Mountains	609,127	5.9%	\$65,500	3.1%
Des Moines	Plains	534,230	7.8%	\$67,700	0.0%
Kansas City	Plains	1,967,405	4.4%	\$65,700	-2.8%
Little Rock	Southwest	652,834	6.1%	\$56,500	4.1%
Oklahoma City	Southwest	1,172,339	2.5%	\$53,600	-0.6%
Omaha	Plains	822,549	8.0%	\$64,800	-2.6%
Springfield	Plains	407,062	15.4%	\$50,700	-1.4%
Tulsa	Southwest	897,752	8.0%	\$52,500	-3.7%
Wichita	Plains	592,126	5.3%	\$56,600	-7.5%



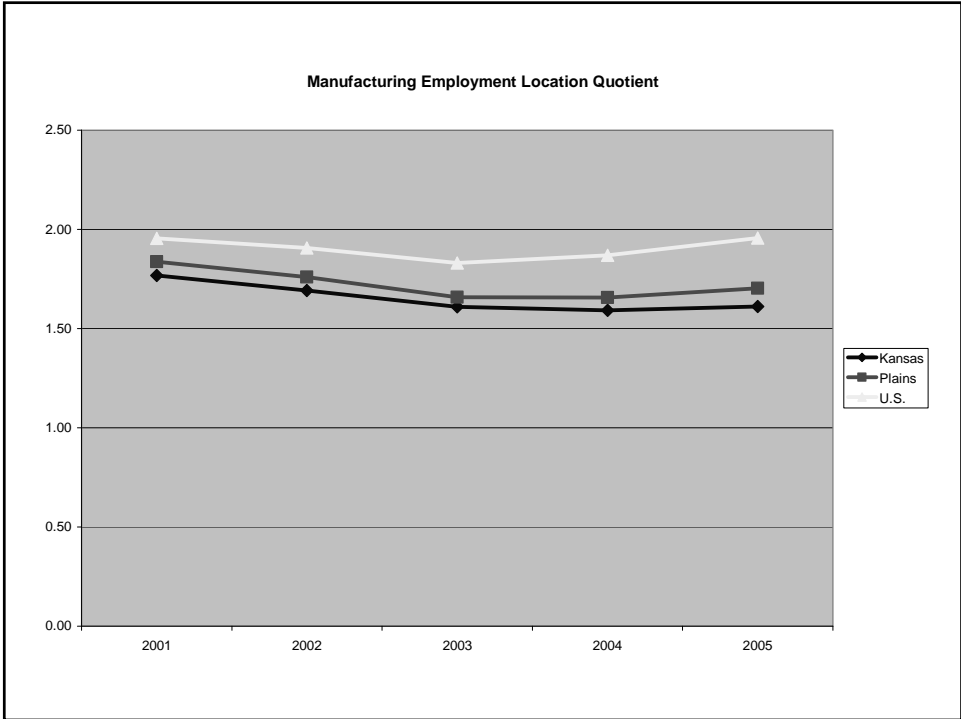


# Entrepreneurship





# Manufacturing



## Aviation Outlook

- Aviation industry analysts the Teal Group, predict that continued growth in Wichita aviation production will continue until 2011 and possibly beyond.
- From 2011 to 2012, Aviation production can expect a slight downturn or plateau, but not as sharply as the 2002-03 declines.

## Cessna Aircraft Co.

- Currently employs 8,000
- Employment projected to rise to 15,000 by end of 2007
- \$11 billion in back orders for 2007.
- Corporate profits:
  - 2006: \$1,533.4 billion
  - 2007: \$1,646.0 billion\*

\*Projected from second quarter earnings



Cessna Citation X

## Spirit AeroSystems Inc.



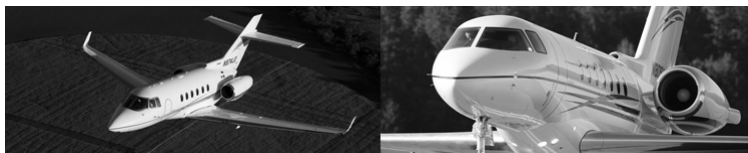
747 cab section  
manufactured in Wichita

- Employs 7,400 in Wichita area
  - \$21.8 billion in back orders causing skilled labor shortage
  - Corporate Revenues:  
2006: \$3.0 billion  
2007: \$4.0 - \$4.1 billion\*
- \*Projected from second quarter earnings

## Hawker Beechcraft

- Employs 6,300
- Corporate Earnings  
2006-07\*: \$400.6 million
- Aircraft delivered through 2Q  
2006: 190  
2007: 197

\*Measurement 2Q 2006 through 2Q 2007



## Boeing Company



787 Dreamliner

- Employs 3,300
- \$279 billion in back orders company wide
- Corporate Earnings through 2Q:
  - 2006: \$29.3 billion
  - 2007: \$ 32.4 billion

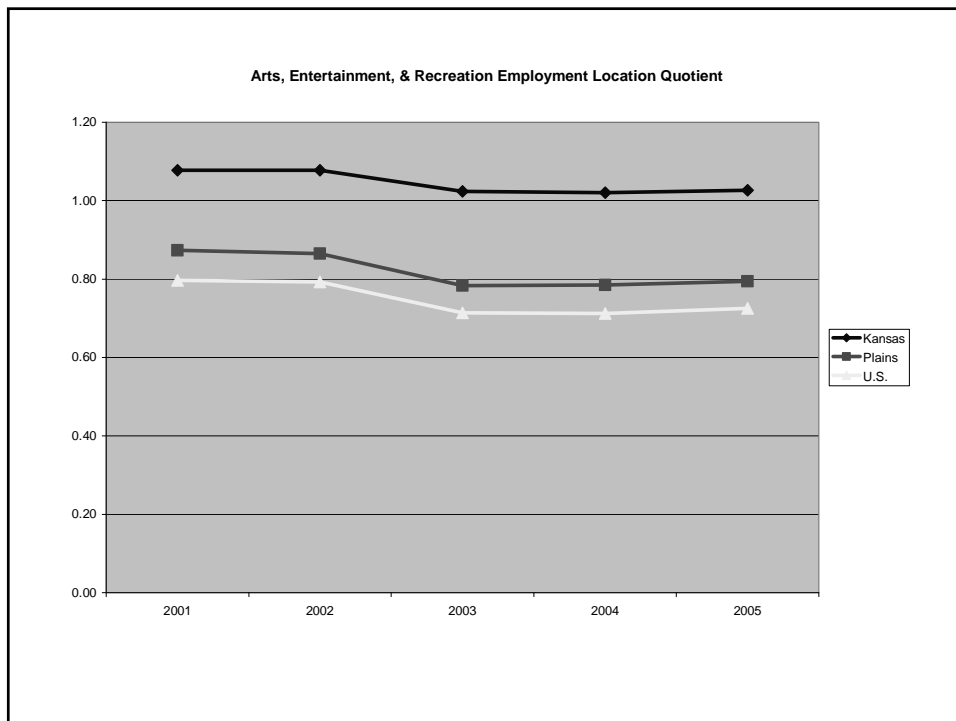
## Bombardier Aerospace Learjet

- Employs 2,500
- \$18.2 billion in back orders
- Corporate revenue:
  - 2006: \$3.5 billion
  - 2007: \$4 billion
- Not expected changes in regional employment



Bombardier Learjet 45XR

# Arts, Entertainment, & Recreation



## WaterWalk

- 23 acre site along the Arkansas River
- Mixed use facilities will feature retail, office and residential space designed to make the area a destination.
- Cost: \$128 million
- TIF to generate \$19.1 million for public infrastructure improvements. Project also seeking STAR bonds for an additional \$24 million for infrastructure improvements
- Employment estimates project 2,400 jobs with an annual payroll of \$75 million.
- Gander Mountain and parking structure completed



## Wichita Old Town District

- Core location contains over 100 restaurants, shops, clubs, theaters, galleries, museums, and businesses.
- District is part of Arena Neighborhood Redevelopment Plan
- According to Wichita Arena District Market Assessment (2004), Old Town will experience an increase in revenues and desirability of property with the completion of the Sedgwick County Arena and Water Walk projects.
- As a Downtown destination, Old Town is projected to be near the top in all major categories when compared with similar regional destinations.



## Exploration Place

- 501(3) Organization supported by fees, memberships, contributions and Sedgwick County funds.
- Sedgwick County Assistance:
  - 2005: \$1,381,989
  - 2006: \$2,074,508
  - 2007 (adopted): \$2,583,108
- Attendance 2005: 152,320



## Sedgwick County Zoo

- Funded through a partnership between Sedgwick County and Sedgwick County Zoological Society
- Memberships, donations, and fees pay for the majority of operational expenses
- Sedgwick County funds infrastructure improvements:
  - 2005: \$3,816,649
  - 2006: \$4,077,748
  - 2007 (Adopted): \$4,465,476
- Attendance 2006: over 500,000 making it the number one outside tourist attraction in Kansas



## Old Cowtown Museum

- Taken over by the City of Wichita in mid-August, breaking 99-year lease
- City of Wichita has agreed to invest \$3 million to bring Cowtown up to health and safety standards.
- City also increased operational budget for \$800,000 to \$1.4 million in 2008.
- Sedgwick County has decreased its appropriations to Cowtown to a budgeted \$520,517 in FY07.
- Cowtown is a unique combination of museum, dining facilities, and performance spaces.
- Attendance for 2006: 65,000



## Century II

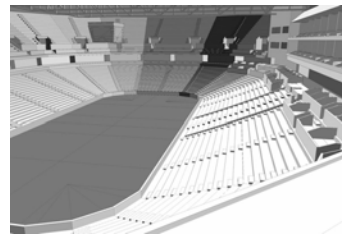
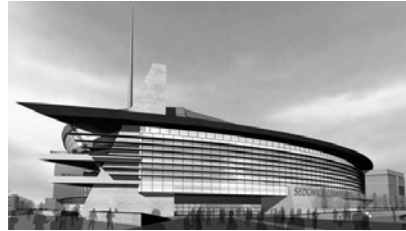


### City of Wichita Funding

- 2005: \$1,746,650
  - 2006: \$2,166,330
  - 2007 (adopted): \$2,223,990
  - 2008 (proposed): \$2,265,600
- Projected need for \$290 million in Capital Improvements

## Downtown Arena

- 15,000 seating capacity
- Projected economic impact is uncertain
  - \$107 million annually during construction
  - \$109.6 million in subsequent 5 year period
  - 220,000 average yearly outside attendees
- Revised budget of \$205.5 million; initial 2004 Budget \$184.5 million, 11% increase
- Wichita Downtown Development Corp. reports \$312 million in spending in Downtown area since 2002 with \$43 million being government spending
- Investment in downtown increased 52%
  - \$72.9 million in 2003-04
  - \$111 million in 2005-06



## Kansas Coliseum

- 2006 Operational Revenues:  
\$1,933,702
  - 2006 Operational Expenses:  
\$2,936,214
  - Operational Deficit of \$1,002,512
- Arena Budget includes Coliseum improvements
- 2004: \$9,128,000
  - 2007: \$6,028,687
- Coliseum officials estimate 700,000 annual visitors
  - Event capacity up to 12,000



## “Wichita” Wranglers

- Wichita Wranglers, Kansas City Royals Double-A affiliate, will move to Springdale, Arkansas after 2007 season
- National Baseball Congress was purchased by City of Wichita for \$1 million and will continue at Lawrence Dumont Stadium
- American Association League team will be located in Wichita
  - American Association of Independent Professional Baseball has a 12 team league
  - Attendance ranges from 5,413 to 731 per game for other league teams



## Wichita Wild

- “A glass-half-full attitude, ‘if he puts his mind to it, it’s a done deal,’” *Wichita Eagle*, September, 16, 2007
- “Indoor football team’s GM and owner would like to put a basketball team in planned Park City arena,” *Wichita Eagle*, September, 19, 2007
- “Future looks dim for Hartman’s Park City arena plan,” *Wichita Eagle*, October, 11, 2007



## Wichita Area Casinos

- Voters defeated proposed referendum on casino: 56% against to 43% in favor with unusually heavy voter turnout.
- Slot machine proposal also defeated by 343 votes
- Sumner County, which approved a similar referendum in 2005, will move ahead with plans to build a casino
- Three primary proposals became prominent in the debate.

## Proposal 1: Chisholm Creek- Foxwoods-Iowa Tribe

**Developer:** Chisholm Creek Ventures, Foxwoods Development Co., and Iowa Tribe of Kansas and Nebraska

**Location:** 77<sup>th</sup> North and I-135 in Park City, but also considered Kansas Coliseum

**Cost:** \$300 million

**Size:** 60 acres, 1.3 gross ft<sup>2</sup>

**Features:** 260,000 ft<sup>2</sup> Casino, 300 room Hotel

**Projected Economic Impact:**

\$250 million annually, 2,500 permanent jobs

## **Proposal 2: Phil Ruffin**

**Developer:** Phil Ruffin and Donald Trump

**Location:** Douglas and McLean in Delano

**Cost:** \$300 million

**Size:** 5 acres

**Features:** Casino, 500 room hotel

**Projected Economic Impact:**

Undetermined

## **Proposal 3: Hamm-Nova Growth**

**Developer:** Brian Hamm, Nova Growth Corp. of  
Toronto

**Location:** Undetermined Downtown location, considered  
Century II site

**Cost:** \$300 million

**Size:** 350,000 ft<sup>2</sup> total

**Features:** 100,000 ft<sup>2</sup> Casino, 400 room hotel

**Projected Economic Impact:**

\$191-\$193 million annually

## Proposed Sumner County Casino

- Proposals due on October 24<sup>th</sup> with a final decision to be made by October 31<sup>st</sup>. Final proposal must be made to State Lottery by November 13<sup>th</sup>.
- Debate on sitting of the casino between Mulvane and Wellington.
- Required minimum investment of \$225 million
- Projected Economic Impact of \$157 million annually.

## Wichita Greyhound Park

- Closed on October 6, 2007 after the failure of the Slot Machine Referendum in August.
- Loss of 250 jobs
- Owners reported annual losses of approximately \$200,000
- Sedgwick County becomes primary owners of physical property when track if lease is terminated early.
- Greyhound Park paid County \$80,500 annually to lease site.



## Joyland

- Remained closed during the 2007 season due to financial difficulties of owners
- Investors are currently being sued by multiple contractors and the State of Kansas for default on unemployment taxes.
- Owners claim zoning issues have prevented influx of investment.
- Joyland site is 43-acres located in South Wichita residential neighborhood.



## Wild West World

- Opened May 5, 2007
- Closed July 9, 2007
- Construction costs were more than double budget, approximately \$30 million
- Bankruptcy resulted in the default of \$24 million in debt to over 150 creditors
- Poor weather conditions caused attendance to be 50% lower than predictions
- Closing resulted in 535 lost jobs for the area

