



**Our Economic Future**  
*A Regional Summit for Leaders*  
Friday, October 13, 2006  
Wichita Airport Hilton  
8:00 a.m. – 1:00 p.m.



***Summary Report***

**Introduction**

The Regional Economic Area Partnership (REAP), a council of 32 local governments in South Central Kansas, partnered with Visioneering Wichita to conduct the first annual Regional Economic Leadership Summit. On October 13 at the Wichita Airport Hilton, approximately 170 business and governmental leaders from throughout South Central Kansas attended the event. The topic of the 2006 Summit was “Our Economic Future: A Regional Summit for Leaders.”

**Overview**

The summit was headlined by two guest speakers and two breakout sessions that focused on the leadership and coordination required to address specific regional issues. The initial presentation was delivered by Dr. John Wong, professor in the Hugo Wall School of Urban and Public Affairs at Wichita State University. The breakout sessions were moderated panels with open group discussion and followed by the second presentation by Scott Anglemeyer, Executive Director Workforce Partnership, Kansas Local Area III. The Summit ended with a presentation of findings from the group breakout sessions of the participants.

On the following pages are detailed reports for each of the components of the summit, including detailed reports from Dr. Wong's presentation and the breakout sessions.

**Summary**

Professor John Wong analyzed economic trends and identified challenges confronting regional economic development, and noted that national trends in the loss of manufacturing employment, as well as the absence of a large, high-paying service sector, had slowed economic growth in the region over the past 20 years. Further, the Wichita-area economy may not be what it once was as a center of entrepreneurs. Wong compared the Wichita area's economic performance against similar Midwestern regions and the nation as a whole, observing that the declining wealth of local business owners was a major factor in the region's slow population, job, and income growth.

The clear consensus from Wong's presentation and the findings of the participants during the breakout sessions were: (1) improving work force development; (2) advancing the region's legislative agenda in Topeka; (3) “branding” the Wichita area so that the rest of the world has a positive picture of Wichita; (4) improving the tax structure to encourage business growth; and (5) developing and engaging our youth.

Mr. Scott Anglemeyer further elaborated on the need for regional cooperation. Collaboration among local governments, businesses and public agencies is a powerful tool to enhance economic conditions. Collaborating leadership to identify goals, advance unified strategies, and create and develop an engaging image are critical to the economic success of a region. It is in the best interest of the local governmental and business leaders in South Central Kansas to continue to develop relationships that lead to cooperative strategies and solutions that do not respect traditional boundaries.

## **Summary Report**

### *Our Economic Future: A Regional Summit for Leaders*

#### **Strategic Analysis of Wichita Area Economic Trends**

##### *Implications for Our Future*

*Professor John Wong, Wichita State University*

During his presentation, Wong identified economic trends and factors that affect the regional economy and highlighted specific South Central Kansas trends. Key points from his presentation are listed below.

- The median income of the Wichita MSA (\$61,200) exceeds that of Tulsa (\$54,500), Little Rock (\$54,250), Oklahoma City (\$53,900), and Springfield (\$51,400); but lags that of, Des Moines (\$67,700), Kansas City (\$67,600), Omaha (\$66,500), and Colorado Springs (\$63,550)
- During the early 1980s, the level of personal income in Regional Area Economic Partnership (REAP) counties compared favorably to the peer areas average, the U.S., the Plains states, and Kansas; however, since that time the level of income in the REAP counties has eroded relative to the peer areas, the U.S., the Plains states, and Kansas and now lags all of these benchmarks
- During the 1970s, the level of proprietors' income in REAP counties compared very favorably to the peer areas average and the U.S.; although the level of proprietors' income still compares favorably to Kansas and the Plains states, the level of proprietors' income in the REAP counties no longer exceeds the peer areas and the U.S.
- During the early 1980s, the level of earned income in REAP area compared favorably to the peer areas average, the U.S., the Plains states, and Kansas; however, since that time the level of earned income in the REAP area has eroded relative to the peer areas, the U.S., and the Plains states and now lags all of these benchmarks except the Kansas average
- During the late 1970s through the early 1980s, the level of wealth income in REAP area compared favorably to the peer areas average; however, since that time the level of wealth income in the REAP area has eroded relative to the peer areas, the U.S., the Plains states, and Kansas and now lags all of these benchmarks; the declining wealth of local business owners is one key reason why personal income and wealth in the Wichita area has grown so slowly; wealth generation through entrepreneurialism has slowed significantly
- The level of transfer income in the REAP area has remained relatively stable over time and exceeds that of the peer areas and Kansas, but lags that of the Plains states and the U.S.
- The relative performance of forestry, fishing, and related employment in the REAP area compares favorably to the peer areas, but lags that of the U.S., Kansas, and the Plains states
- The relative performance of mining employment in the REAP area compares favorably to all of the benchmarks; this indicates that mining employment is an important component of the economic base in the area

## **Summary Report**

### *Our Economic Future: A Regional Summit for Leaders*

- The relative performance of utilities employment in the REAP area does not compare favorably to any of the benchmarks
- The relative performance of construction employment in the REAP area compares favorably to Kansas, but not to the Plains states, the peer areas, or the U.S.
- The relative performance of manufacturing employment in the REAP area compares very favorably to all of the benchmarks; this indicates that manufacturing employment is the most important component of the economic base in the area
- More specifically, the level of other transportation equipment manufacturing, predominantly aircraft related, earnings in the REAP area compares very favorably to all of the benchmarks; in fact, the REAP area generates over 20 times the level of earnings from other transportation equipment manufacturing than the U.S. average
- The relative performance of wholesale trade employment in the REAP area has been trending downward and does not compare favorably to any of the benchmarks
- The relative performance of retail trade employment in the REAP area is on par with the U.S. and Kansas, but lags that of the Plains states and the peer areas
- The relative performance of many service industries such in the REAP area, such as transportation and warehousing employment; information; finance and insurance; professional and technical; and arts, entertainment, and recreation, do not compare favorably to any of the benchmarks; Wichita lacks a large, high-paying service sector, such as a regional banking headquarters or large information technology businesses; services are the fastest-growing business sector in the United States
- The relative performance of real estate and rental and leasing employment in the REAP area is on par with Kansas and the Plains states, but does not compare favorably to the U.S. or the peer areas
- The relative performance of management of companies and enterprises and accommodation and food services employment in the REAP area compares favorably to Kansas, but does not compare favorably to any of the benchmarks
- The relative performance of administrative and waste service employment compares favorably to the Plains states and Kansas, but does not compare favorably to the peer areas or the U.S.
- The relative performance of educational services employment in the REAP area compares favorably to Kansas, is on par with the peer areas, but does not compare favorably to the U.S. or the Plains states
- The relative performance of health care and social assistance employment in the REAP area compares favorably to all of the benchmarks; this indicates that this industry is an important component of the local economic base
- The relative performance of other services employment compares favorably to the peer areas and Kansas, but not to the U.S. or the Plains states
- The relative performance of federal government civilian and state government employment do not compare favorably to any of the benchmarks

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- The relative performance of federal government military employment compares favorably to the Plains states and the U.S., but lags behind that of the peer areas and Kansas
- The relative performance of local government employment compares favorably to the peer areas, is slightly above that of the U.S. and the Plains states, and below that of Kansas
- For the period 2001-2004, mining, construction, professional and technical services, educational services, accommodation and food services, and government and government employment were strong performers, while forestry and fishing, utilities, manufacturing, and the management of companies and enterprises employment were weak performers
- Real average non-farm proprietors' income fell precipitously during the 1980s and is now still below 1970s levels
- Average earnings per job in the Wichita MSA (\$34,485) exceeds that of Tulsa (\$33,815), Colorado Springs (\$33,697), Little Rock (\$31,787), Oklahoma City (\$29,995), and Springfield (\$26,188), but lags that of Des Moines (\$36,725), Kansas City (\$36,414), and Omaha (\$34,570)
- Net annual retail sales leakages from the Wichita MSA may be as high as \$87.3 million
- Net annual arts, entertainment, and recreation leakages from the Wichita MSA may be as high as \$124.2 million
- Net annual accommodation and food services leakages from the Wichita MSA may be as high as \$153.6 million

### Breakout Sessions

#### Breakout 1: Economic Demands on Workforce

##### *Needs*

- Lower barriers (financial/educational) to achieving well-trained workforce
- Engage and partner with the young in the community, by volunteer and internship activities in the public and private sectors in an effort to develop and retain young in the community.
- Expand research and development beyond aviation: composites, wind energy, biofuels, and medical
- Regional transportation system that is business friendly: new transport/hubs points for new business and infrastructure to support the same
- Recruit and maintain value added jobs that accommodate changing population
- Engage diverse citizens as the make-up of the workforce is changing
- Support and finance technical education training. Possible quarter-cent sales tax was suggested
- Uniform PR and economic development policies to attract new businesses
- Focus on positive aspects of entire area, full market needs rather than supporting a niche
- Unify expectations/demands on students consistent with workforce expectation
- International marketing and mindset for exportation of local goods
- Develop specialty in plant sciences, bio-based products
- Develop agri-tourism
- Rethink education, training based education not restricted to traditional calendar
- Incubate and subsidize small business to increase the entrepreneurial spirit
- Build and promote Unified Legislative Agenda
- Balance tax structure: income, property, sales
- Subsidize and develop small business
- Workforce driven model of education
- Develop and involve youth
- Succession planning
- Develop recreation activities
- Engage current citizens, especially chronically unemployed
- Redevelop downtown to attract businesses
- Market rural heritage
- Promote business friendly environment
- Community focused education and training
- Align students with workforce needs
- Market family friendly environment

##### *Strengths*

- Partnerships
- Quality of life, low cost of living
- Aircraft research and development
- Family friendliness
- Rural heritage
- Livability, quality of life

# **Summary Report**

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### *Weaknesses*

- Rejection of “over-qualified” applicants
- Develop work ethic in younger generation
- Expand economic base
- Financing workforce development
- Market regional distribution hub
- Development of agribusiness, biofuels
- Research and development of advanced materials
- Development of health care research

### **Breakout 2: Community Response**

#### *Education*

- Development of a curriculum pertaining to ethics beginning in pre-Kindergarten through college
- Invest in our own children at an early age
- Educate small children regarding gang issues at an early age
- Attract more international students in, for example, engineering and science at the college level
- Shortage of pharmacy and engineering programs exist
- Lack of entrepreneurial programs
- Mentor vocational technical training
- Need more vocational technical facilities as post-secondary educational opportunities
- Technical education becomes an economic imperative – manufacturing base is threatened
- Elevate stature of vocational technical schools
- Provide in-state tuition for families who have moved out of Kansas and prefer to return to follow their college-age children
- Continue corporate volunteerism – children are our future employees
- Wichita State University should partner with Aviation Training Center and facilitate a certificate along with other higher educational institutions
- Universities and colleges should coordinate educational efforts

#### *Retail*

- Change the image of competition through utilization of the Internet
- Internet replaces outlet malls
- “Think cooperatively” and encourage the strength of smaller areas, particularly, retail services
- Homogeneous retail is problematic – prefer a combination of incubating small businesses alongside “big boxing of America”

#### *Cultural Arts/Entertainment/Recreation*

- Capitalize and promote Western frontier heritage
- Utilize water resources more for recreation
- A public sentiment exists against something “new and fresh”
- Add to existing entertainment options
- Focus on marketing

## **Summary Report**

### *Our Economic Future: A Regional Summit for Leaders*

#### *South Central Kansas as “best place to live”*

- Sharing the vision of South Central Kansas as a great place to live becomes critical for a community
- The South Central Kansas region needs better public relations and creativity in how to present its image to the outside world
- Utilize the media more
- Promote more than the region has or, in other words, create a demand (i.e. “Fly Wichita”)
- Provide exposure for the things that South Central Kansas has
- Make our communities exciting and a fun place to live as “people go where they want to live and find a job”
- About two thirds of college graduates choose a place to live and then find employment – quality of life is high on their agenda
- Need more cooperation among and between communities (i.e. Newton and Hutchinson)
- Retain and recruit people and businesses – “branding” and identify how people view the area
- Building strategic alliances – a 20-year process, how do we continue to reach out to people?
- Visioneering – working together makes things happen
- Connectivity in all processes critical
- Disconnect turf issues between groups, how do we connect the silos?
- Focus on one to two issues at a time rather than too many issues – focused approach

#### *General Services*

- Provide free childcare services for employees’ children
- Reduce regulations, or change funding, pertaining to early childhood care
- Business should be more willing to allow employees to perform community service so people are more inclined to stay within their communities – employer/support volunteerism
- Need affordable rent

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- 8:00           **Check-in**
- 8:30           **Welcoming Remarks** (Salons III and IV)  
*Moderator – Mr. Ed Flentje, Wichita State University*  
*REAP Vice-Chair – Mayor John Waltner*  
*Visioneering Wichita Co-Chair – Mr. Harvey Sorenson*
- 8:45           **Guest Speaker** (Salons III and IV)

**Strategic Analysis of Wichita Area Economic Trends**  
*Implications for Our Future*  
*Professor John Wong, Wichita State University*

- 9:45           **Break**
- 10:00          Two 60-minute break-out sessions will be held to focus on the leadership and coordination required to address specific regional issues. Each participant will attend each break-out in accordance with the color assigned to them. (Salons I and II)

**Break-out 1: Economic Demands on Workforce**  
*Facilitator – Professor Joe Pisciotte, WSU*

**Break-out 2: Community Response**  
*Facilitator – Ms. Lynne McCraw Schall, WSU*

- 12:00          **Lunch and Guest Speaker** (Salons III and IV)

**Regional Cooperation**  
*The WIRED Initiative*  
*Scott Anglemyer, Executive Director*  
*Workforce Partnership, Kansas Local Area III*

- 12:45          **Wrap-up and Next Steps** (Salons III and IV)  
*Mr. Ed Flentje*  
*Professor Joe Pisciotte and Ms. Lynne McCraw Schall*  
*Mr. Harvey Sorenson*

### **Thank you to our Sponsors**



*Character Building – “Defining moments force us to find a balance between our hearts in all their idealism and our jobs in all their messy reality.” - Joseph L. Baldaracco, Jr.*

**Proposed Summit Questions**

The session will focus on economic trends, the regional approach (coordination, cooperation, and leadership), and highlight recent regional success, such as workforce development, the downtown arena, and affordable airfares.

During the session you as a participant are asked to think about the following questions.

**Define and Produce Value**

- 1) Substantively – Should we?
  - Is there a need to work together?
  - Do we want to work together?
  
- 2) Politically – Could we?
  - What point of view is most likely to win the contest of interpretations and influence the thinking of behavior of other people?
  - Is there political will to work together?
  - Is there a system or method to co-produce?
  
- 3) Operationally – How can we?
  - Who will be involved?
  - What do they bring to the table?
  - Have we thought creatively, boldly, and imaginatively about the role of cooperation and the relationships for coordination?
  - What combination of shrewdness, creativity, and tenacity will make our vision a reality?

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### **Moderator**

**H. Edward Flentje**, Professor and Director, Hugo Wall School of Urban and Public Affairs, joined the faculty at Wichita State University in 1979. Professor Flentje's research concentrates on state government, state and local relations and Kansas political history. He served as the Director of the Hugo Wall School from 1989 to 1992 and again from 1999 to the present. While on leave from the university (1986-1988), Professor Flentje served as chairman of the transition team for Governor-elect Mike Hayden and as Secretary of Administration in Governor Hayden's cabinet. He holds a Ph.D. in political science from the University of Kansas.

### **Keynote Speakers**

**John Wong**, Professor, Hugo Wall School of Urban and Public Affairs, began his career at Wichita State University in 1990. His primary teaching responsibility is in the areas of public finance and public policy and he has taught graduate level courses in public sector economics, public finance, local government finance, state and local financial systems, urban and regional economic development, policy analysis and program evaluation, and public works. He has also made numerous professional development and training presentations on fiscal management issues to finance officers and other state and local government officials.

Professor Wong is presently the principal author of the annual *Governor's Economic and Demographic Report*, senior consulting economist for the official Kansas Consensus Revenue Estimating Group, a consulting economist for the Kansas Department of Revenue, and a consulting economist for the Kansas Department of Human Resources. Dr. Wong recently completed a comprehensive study of the incidence of Kansas taxes and a study of sales tax base erosion for Kansas Department of Revenue and the Kansas Advisory Council on Intergovernmental Relations. Professor Wong served the Kansas Governor's Tax Equity Task Force as a consultant on the distributional impact of tax reform and the effect of taxation on economic development. Dr. Wong has also served as a consultant for several cities and counties.

Professor Wong coauthored *State and Local Government Capital Improvement Planning and Budgeting and Public/Private Partnerships*. His extensive publications on public finance and policy issues include several articles on revenue forecasting, taxation, electric utility deregulation, and health care finance, as well as contributions to the *Handbook on Taxation* and the *State and Local Government Debt Issuance and Management Service*.

Professor Wong received his Ph.D. in Law, Policy, and Society from Northeastern University, J.D. from Washburn University, and M.A. and B.B.A. in Economics from Wichita State University. He is also licensed to practice law in Kansas State and Federal courts, as well as the U.S. Supreme Court.

**Scott Anglemeyer** has been the Executive Director of the Workforce Partnership (the workforce investment board for Kansas Local Area III, serving Johnson, Leavenworth, and Wyandotte counties) since September 2003. Mr. Anglemeyer is the first Executive Director of the organization, which was incorporated in April of that year. His responsibilities include assisting the board in developing and implementing plans for the area's workforce development system, conducting research in support of board objectives, and representing the board and the workforce development system to area employers.

Before coming to the Workforce Investment Board, Mr. Anglemeyer was an employee of the Kansas Department of Commerce for 11 years. At Commerce, he managed the Community Services Block Grant program for eight years, and served as the director of the department's research section for three years.

Mr. Anglemeyer holds a Bachelor's Degree in Political Science from Emporia State University and earned a Master's Degree, also in political science, from the University of Michigan.

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### **Facilitators**

**Lynne McCraw Schall**, Public Affairs Associate, Hugo Wall School of Urban and Public Affairs, Wichita State University, joined the staff in 1991. Ms. Schall serves as a facilitator and mediator for local government and nonprofit organizations, as well as managing leadership, executive, and supervisory development programs. She holds a M.P.A. from Clark University, and a B.A. from the University of Oklahoma.

**Joe Pisciotte**, Professor, Hugo Wall School of Urban and Public Affairs, joined the faculty at Wichita State University in 1977. He is a nationally known specialist in state and local government management who writes, lectures, and consults extensively on policy making, public management, and human resources. He served in the Governor's cabinet in Illinois as Director of the Department of Business and Economic Development (1974-1977). Professor Pisciotte is a former director of the Hugo Wall Center for Urban Studies (1977-1994) and the Hugo Wall School of Urban and Public Affairs (1993-1996). He also served on the city council of Wichita, Kansas (1999-2003). He holds a Ph.D. in political science and public administration from the University of Colorado.

### **Panelists**

**Bryan Derreberry**, President & CEO, Wichita Metro Chamber of Commerce, started his career as a state lobbyist with the Greater Cincinnati Chamber of Commerce. Over the past 18 years, he has been President & CEO of Chambers in Middletown, Ohio, Hickory, North Carolina and Wichita, Kansas. Mr. Derreberry takes particular pride in his ability to select and lead highly skilled professionals who produce outstanding business community results, build public-private sector coalitions which transform both the Chamber and business community at large.

**Allen Fee**, President of Fee Insurance Group in Hutchinson, Kansas. Mr. Fee has held numerous volunteer leadership positions in the community for the past 20 years, most recent was General Chairman of the 2006 U.S. Senior Open, which USGA officials have called "one of the best they have ever had." Mr. Fee was named General Chairman in 2003, following the U.S. Women's Open in 2002, when he served as President of Prairie Dunes. Fee spent 2 ½ years coordinating the event with a management team, paid staff and an executive council which he put in place.

**Mike Germann**, Vice President of Communications & Public Affairs, Spirit AeroSystems, was named to his current position in June 2005 after enjoying an 18-year career with The Boeing Company. A Kansas native, Mr. Germann received his Bachelor of Arts Degree in Political Science from Washburn University and, following military service, received his law degree from Washburn University School of Law. Mr. Germann serves on the governing boards of the Kansas Technical Training Initiative and the Wichita Metro Chamber of Commerce. He is Board Chair of the Workforce Alliance of South Central Kansas.

**Willis Heck**, Commissioner, City of Newton, is serving a third consecutive term as Commissioner in the City of Newton. He has represented the City of Newton in REAP since 1999, and served as REAP Chairman from 2004-2006. Commissioner Heck received a B.S. from Sterling College, and a M.S. from Emporia State University. His career in education ranged from a classroom teacher to school psychologist, building administrator, and superintendent; serving as superintendent of schools in Parsons from 1980-1990 and in Newton from 1990 until his retirement. Commissioner Heck received the 2006 Citizen of the Year Award from the Newton Chamber of Commerce.

**Andy Schlapp**, Director of Government Relations, Sedgwick County, has been employed with Sedgwick County for six years; his primary duties are developing working relationships with both the Federal and State delegations. Mr. Schlapp has strived to develop close relationships with other community leaders to ensure that our community and region are represented effectively in both Washington, D.C. and Topeka. He works closely with REAP, the City of Wichita, Wichita State University, the Chamber of Commerce, business leaders, as well as others and serves on the Unified Legislative agenda team for Visioning Wichita.

**Jackie Vietti**, President, Butler Community College, has served as a community college administrator for over 27 years at public community colleges in the states of Kansas and Missouri. She is entering her twelfth year as president of Butler Community College. In addition to providing leadership for the second largest community college in the state, Dr. Vietti serves on several local, regional and state boards to advance the economic and social well-being of the area and the state.

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## Agenda

### Break-out #2: Community Response

*Blue Group: 10:00 a.m. - 10:55 a.m. (Salon II)*

*Red Group: 11:00 a.m. - 12:00 Noon (Salon I)*

#### Meeting “Deliverables”

In order to promote a thriving economy in South Central Kansas, **identify operational issues** in the following four areas that you and the organizations you represent should address via regional action during the next twelve months:

1. education (pre-kindergarten through college and post-graduate studies);
2. retail services;
3. cultural, arts, entertainment, and recreation; and,
4. South Central Kansas as a “best place to live.”

10:00 a.m. I. Welcome and introductions – Ms. Lynne McCraw Schall, Facilitator

II. Approval of the agenda

III. Regional success stories from South Central Kansas

USGA

A. Mr. Allen Fee, General Chairman, Championship Committee,

2006 U.S. Senior Open, Hutchinson

B. Mr. Willis Heck, Commissioner and Vice-Mayor, City of Newton,  
and Past-Chair, REAP

C. Mr. Andrew Schlapp, Director, Government Relations, Sedgwick  
County

10:20 a.m. IV. In order to promote a thriving economy in South Central Kansas, identify operational issues in the following four areas that you and the organizations you represent should address via regional action during the next 12 months.

A. Education (Pre-K through college and post-graduate studies)

B. Retail services

C. Cultural, arts, entertainment, and recreation

D. South Central Kansas as a “best place to live”

10:50 a.m. V. Create a report for the general session “wrap-up and next steps”

11:00 a.m. VI. Adjourn

