

**Economic Development Plan
Finney County – Garden City, Kansas**

Prepared for the

Finney County Economic Development Corporation

Prepared by

**William H. Fruth
POLICOM Corporation**

POLICOM CORPORATION

April 20, 2005

To the Finney County Community:

Over the last thirty years, virtually every rural county in the United States not located on the Interstate Highway System has suffered economic decline. The rate of decline was typically very gradual. A small manufacturer would close one year, a year or two later another, some people would move away, a retail store would close, and on and on.

Like erosion of soil, it was not recognized by community leaders until the economic problems became acute, when nothing would grow.

After World War II, virtually every county in the United States grew economically. There was no memory or history of decline. As a result, community leaders in these areas either did not recognize the problem, or if they did, failed to take any action as they likely assumed it would simply restore itself.

In Kansas there are 94 counties with a population smaller than Finney County. Among these, 71 of them have fewer people living there today than in 1982.

Over the last 20 years, Finney County grew economically and in population. The area, from 1980 to 2000, added more than 3,500 hundred manufacturing jobs. Additionally, the agricultural industry grew both in crop and livestock production. However, as you are aware, the county lost about 2,500 manufacturing jobs in 2000 and the negative effects are being felt.

I have studied hundreds of economies in the United States. The long term prognosis for your area is not good. There is every indication Finney County will now join the rest of the rural counties by falling into economic decline. This simply means there will be less money available for everything. Property values will likely decline and more people will have to move away. This is the likely scenario, unless the community decides to stop it from happening.

Your area is at a crossroads. You stand in time where most other rural counties stood twenty years ago. The advantage you have is you know, from their experiences, what happens if a community does nothing about it.

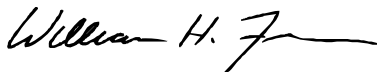
The difference, many times, between a strong economy and one which is faltering, is "community leadership."

During my last visit to your area I toured the Garden City Community College. During the tour it was pointed out to me the school was the first community college in Kansas. The first! Can you imagine the controversy within your community which surrounded the election in 1919 when Finney County residents voted to tax themselves for this progressive idea? I suspect there was more than one person who was against it. For a community your size to have such foresight and leadership to cause the first community college to be built in Kansas is admirable.

In the Economic Development Plan I have created for your area, I have identified a series of tasks and programs which need to be implemented to prevent future decline and to cause economic growth. I am sure you will find some of the ideas better than others.

But the question before you now is simple. Do the residents of Finney County have the will and leadership to fight to preserve your community, or will you simply do nothing and allow it to fade into the night? Having met so many nice people in your area during my visits, I am confident I know which choice you will make.

Sincerely,



William H. Fruth
President

Table of Contents.

Synopsis of Economic Development Plan – Five Year Goal	Page 1
Introduction	Page 6
What is a “Local Economy?”	Page 8
General Economic Development Plan	Page 9
Existing Industry Program	Page 9
Marketing – Recruitment Program	Page 10
Start-Up Program	Page 12
Economic Development Organization	Page 14
Geographic – Economic Strengths and Weaknesses	Page 16
Real Estate	Page 17
Labor	Page 20
Transportation	Page 23
Utilities	Page 25
Education	Page 27
Local Government	Page 29
Quality of Life	Page 31
Community Education	Page 32
Funding the Plan	Page 33
About the Researcher – William H. Fruth	Page 35
Five Year Plan – Chart	Page 36

Economic Development Plan - Synopsis

Finney County has had a history of growing economically over the years while most of the rural counties in the United States have been declining. While it has grown in size, the quality of the growth, relative to the standard of living of the people who live and work in the area, has been on actual decline for several years.

Finney County now faces the same fate as most of rural America. Already suffering from the loss of hundreds of manufacturing jobs, projections show the area will continue to decline economically over the next twenty years. Therefore....

It is the goal of the Finney County community to diversify the local economy, cause it to grow in size, and significantly improve its quality over the next twenty years.

- **The Task:** Over the next twenty years, Finney County will create approximately 3,700 primary jobs. The wage for the jobs created should be about 125% of the county average wage when the year they are formed.

This task shall be assigned to: *The Finney County Community.*

To reach the long term goal a comprehensive economic development program needs to be initiated. Additionally, the community needs to create a portion of the new primary jobs as soon as possible to prevent the economy from declining further. Therefore, over the next five years, it is the goal to:

1. Create approximately 500 new primary industry jobs.
2. Develop 500 acres of improved, approved industrial real estate.
3. Educate the community on the need for a comprehensive economic development program.

To reach the five year goal, the following issues and tasks have been identified (A chart showing these issues and tasks appears at the end of this report.)

Goal # 1 - Create approximately 500 new primary industry jobs:

1. The present economic development existing industry program will have to be expanded.
 - A. **The Task:** Within the next six months, the economic development organization will employ an experienced existing industry professional who will expand this program. This individual shall also coordinate the Start-Up Program.

This task shall be assigned to: *Economic Development Corporation.*

- B. **The Task:** Within the next twelve months, all primary industry “type” businesses will be identified. Staff from the economic development organization will have confidential meetings with these businesses to determine what action the community can take to encourage more employment.

This task shall be assigned to: *Existing Industry Specialist.*

2. The present economic development recruitment program will have to be expanded.

- A. **The Task:** Within twelve months, the economic development staff will redesign the web site reflecting the format of the IEDC data standards.

This task shall be assigned to: *Economic Development Corporation.*

- B. **The Task:** Within two years, a recruitment plan will be created and a funding source identified for an expanded program.

This task shall be assigned to: *Economic Development Corporation cooperating with the Kansas Regional Economic Development organization.*

- C. **The Task:** Within three years, an expanded recruitment program should be initiated, including employing a full time professional to implement the program.

This task shall be assigned to: *Economic Development Corporation cooperating with the Kansas Regional Economic Development organization.*

3. An economic development “Start-Up” program will have to be created.

- A. **The Task:** Within one year, a plan will be developed to create an economic development Start-Up Program which shall include identifying a funding source for the ownership of an incubator facility and the management costs of the program.

This task shall be assigned to: *A special task force created by the Economic Development Corporation.*

- B. **The Task:** Within two years the “existing industry specialist” will begin to coordinate the acquisition of the incubator and implement the Start-Up Program.

This task shall be assigned to: *Economic Development Corporation.*

- C. **The Task:** Within three years, sources of venture or start-up capital should be identified.

This task shall be assigned to: *A special task force created by the Economic Development Corporation.*

- D. **The Task:** Within four years, the Start-Up Program will be fully operational including having a building, a relationship with a group to counsel the businesses, a relationship with the community college, and a multi-county out-reach program.

This task shall be assigned to: *A special task force created by the Economic Development Corporation.*

4. In order to expand the existing economic development program, more funding is necessary.

- A. **The Task:** Within six months, a short term funding program, which will cover the increased costs of the expanded economic development program for the next three years, shall be

secured.

This task shall be assigned to: *Economic Development Corporation in cooperation with Finney County and Garden City.*

5. To be competitive in the economic development marketplace, a *Business Incentives Program* is needed.

- A. **The Task:** Within one year, the community shall establish criteria to determine the conditions under which a primary employer will receive an incentive to expand in or locate to the Finney County.

This task shall be assigned to: *Finney County and Garden City.*

- B. **The Task:** Within two years, the community shall identify a source of funding for the costs of providing a comprehensive business incentives program such as worker training, grants, and loans.

This task shall be assigned to: *Finney County and Garden City.*

Geographic – Economic issues influence the profitability of primary businesses. The Finney County community should reinforce its strengths and cure its weaknesses to become more competitive.

6. Most businesses looking to locate would prefer to lease or purchase an existing building which exactly meets their facility needs.

- A. **The Task:** Within three years, the community should create a “virtual building” and use it in its recruitment program.

This task shall be assigned to: *Economic Development Corporation Marketing Staff.*

- B. **The Task:** Within six years, the community should design and construct a speculative building.

This task shall be assigned to: *Economic Development Corporation Marketing Staff.*

7. The availability of a trained or trainable workforce is one of the most important issues to a company.

- A. **The Task:** Within two years, the community will develop a comprehensive worker training system which has the ability to create **and fund** customized training programs for qualified primary businesses.

This task shall be assigned to: *Garden City Community College.*

8. A commercial airport, one which provides direct jet air service to major hubs, is essential to most businesses today.

- A. **The Task:** Within one year, the community will devise an ongoing plan to create more air traffic at the Garden City Airport.

This task shall be assigned to: *Garden City.*

9. High speed telecommunications capability will become even more important in the future.

- A. **The Task:** Within one year, the community will create a “Telecommunications Task Force” to evaluate the current telecommunications system in the area and devise a plan to create a “21st Century” system in the future.

This task shall be assigned to: *A special task force created by the Economic Development Corporation.*

10. Institutions of higher education have been a catalyst for economic growth in many communities.

- A. **The Task:** Within one year, a special task force comprised of business, government, and educational leaders will investigate how other community colleges in the United States have interfaced with their community to enhance economic growth. The task force will then create a plan which gives direction to the Garden City Community College on how to create new programs to enhance the economy.

This task shall be assigned to: *A special task force created by the Economic Development Corporation.*

- B. **The Task:** Within two years, the Finney County business community, county & city government, and the economic development organization will implement the plan recommended by the task force and form a partnership with the Garden City Community College to create long term programs to directly help to improve the economy of Finney County.

This task shall be assigned to: *Economic Development Corporation.*

11. The “Business Climate” created by local government can have a positive or negative influence on the local economy.

- A. **The Task:** Within one year of employment, the existing industry specialist will prepare a report detailing issues created by the county and city government which have a positive or negative influence upon the primary employers in the county.

This task shall be assigned to: *Economic Development Corporation Existing Industry Specialist.*

12. Few areas have been able to implement a successful economic development program without the support of the “community.”

- A. **The Task:** Within six months of the adoption of the Plan, the community will be provided with a series of presentations regarding the need for and the content of the Plan. Included in the presentations will be a discussion of future funding sources to finance the program activities.

This task shall be assigned to: *Economic Development Corporation.*

- B. **The Task:** On an annual basis, the community will be invited to participate in a gathering to discuss the status of the implementation of the Plan.

This task shall be assigned to: *Economic Development Corporation.*

Goal # 2 - Develop 500 acres of improved, approved industrial real estate:

Economic development is ultimately a real estate transaction. The most important issue relative to the “site selection” process is having an actual site.

13. Within four years, under the following schedule, the Finney County community shall purchase and develop a multi-use “industrial park,” between 400 and 500 acres in size, which shall be marketed exclusively to qualified primary employers.

- A. **The Task:** Within one year, the community will identify a source of funding for the purchase and development of an industrial park.
- B. **The Task:** Within two years, the community will option or purchase the land for the park and begin the approval process.
- C. **The Task:** Within three years, the horizontal development of the industrial park shall commence and criteria for the sale or lease of the land shall be established.

This task shall be assigned to: *A special task force created by the Economic Development Corporation.*

Goal #3 - Educate the community on the need for a comprehensive economic development program:

14. In order for Finney County to be successful, funding needs to be provided to finance the various elements of the Plan.

- A. **The Task:** For the first three years of the Plan, the city and county will jointly fund the costs of the expanded economic development program.

This task shall be assigned to: *Finney County and Garden City.*

- B. **The Task:** Within two years, a special committee will identify a long term source of funding for all the economic development programs.

This task shall be assigned to: *Finney County and Garden City.*

- C. **The Task:** Beginning the fourth year, a long term source of funding will be in place.

This task shall be assigned to: *The Finney County Community.*

Introduction

In some communities... Local governments have the financial resources to provide not only police and fire departments, but also money to create parks and recreation programs, well-maintained streets and sewers, and necessary capital projects, even though taxes are low. Local government and community leaders spend time planning for a dynamic future, not burdened with how they will cope with the needs of the present.

The downtown is clean, crisp, and vibrant, and is the center of community activity. Neighborhoods are safe, full of well-manicured lawns and homes, which are kept like new because of the pride the people have in their community.

The corporate and business community is a generous giver to cultural projects and programs, which enlighten the residents. Most people have short commutes to their jobs, freeing hours of their day to spend time with their families and friends.

Schools are well financed, filled with the top teachers and modern equipment, providing the community's children the best chance to prepare for a dynamic future. The best and brightest students come home after college to find good career jobs waiting for them, who in turn raise their families in their "home town," building generations within the community, adding to its social strength.

In other communities... Local governments struggle financially to provide even the basic services, burdened with the cost of caring for the needy, the impoverished, the unemployed, as taxes are as high as the people can afford.

The downtown lays dormant, full of vacant stores, which attract indigent occupants. Homes, with barred windows, stand in disrepair, with trash and broken down automobiles littering lawns full of tall grass. Churches and charities have little to give to the people except hope for a better future.

Under-funded schools do their best to "fill the day" for the youth of the area as they have few resources to cope with the overcrowded and understaffed classrooms. The smartest youth must leave the area to find financial opportunity in another town.

The difference between these two communities is the condition of their local economies. One is growing economically and is vibrant, the other declining and growing poorer.

Communities cannot control the national or state economy. But they can create programs, which will enhance the condition of their local economy. Throughout the United States, thousands of communities have established economic development programs. Some are very aggressive, others passive in their effort.

However, communities, which do nothing, are destined to endure a declining economy, causing the quality of life for their residents to erode, as they will gradually become poorer and poorer.

Finney County has had a history of growing economically over the years while most of the rural counties in the United States have been declining. While it has grown in size, the quality of the growth, relative to the standard of living of the people who live and work in the area, has been on actual decline for several years.

Finney County now faces the same fate as most of rural America. Already suffering from the loss of hundreds of manufacturing jobs, projections show the area will continue to decline economically over the next twenty years.¹

However, the projections are based upon the assumption the community will not do anything to prevent it from happening.

The Finney County community has the opportunity to influence its “economic future.” By creating an aggressive economic development program, it can keep the area from declining and cause it to grow, improving the standard of living for all.

William H. Fruth, President of POLICOM Corporation (hereafter called Researcher) has been contracted by the Finney County Economic Development Corporation to create an Economic Development Plan for the county.

Components of the Plan include not only this document, but also the following:

- *Historical, Comparative Economic Analysis of Finney County*² which details the history of the economy, identifies its most important components, and compares the economy to the rest of the nation.
- *Economic Development Goal Setting Study*³ which projects the condition of the economy to the year 2024, if things are left to chance. It then creates a reasonable goal with corresponding annual milestones, which, if achieved, will cause the economy to grow in both size and quality.
- *Business Incentives Program for Finney County* which describes various investments made by communities to assist in the expansion or relocation of primary businesses.
- *Target Industry Study* which identifies the industrial sectors most likely to locate in Finney County.

The Plan was created by the Researcher after creating these studies. Additionally, the Researcher has made three trips to the area to gather information. During one of these trips, the Researcher met with four focus groups, comprised of more than 40 citizens, to gather their input regarding the nature of Finney County and the need for a program.

On another trip, the Researcher gave two community presentations regarding the economy of Finney County and learned from the audiences their impressions of the local economy and what has to be done to improve it.

This Plan presents a series of issues regarding how to improve the economy. Following each issue is a recommendation by the Researcher as to what the community needs to do.

¹ For a detailed description of the Finney County economy, please consult the *Economic Development Goal Setting Study*.

² An “electronic” copy of the Historical, Comparative Study is available from the Garden City Area Chamber of Commerce.

³ An “electronic” copy of the Economic Development Goal Setting Study is available from the Garden City Area Chamber of Commerce.

Throughout the Plan, there is continuous reference to the **Finney County community**. Economic development influences all businesses, all levels of local government, and virtually every resident in an area. There is no one person or organization which can cause an economic development program to be successful. All stakeholders need to be involved, hence the reference to the “community.”

However, before the community can support improving a local economy, it first needs to know what one is....

What is a “Local Economy?”

A local economy is a geographic area in which a preponderance of the population lives and works, earns and spends. The place of work is where the wealth is created; the place of residence is typically where the wealth is spent.

Money flows into the local economy as a result of the activity of the “primary industries.” Primary, or contributory industries, are those which sell their goods or services outside the geographic boundaries of the local economy, thus importing wealth to the area.

The imported wealth or money is mixed and churned within the economy, circulating from business to business, person to person, until it is eventually consumed and leaves the area.

A local economy will grow and expand, decline and fall, in direct proportion to the amount of wealth being imported to the area. A vast majority of the businesses, as well as their employees, depend upon the wealth being imported to the area by the primary industries. These are known as dependent or consumptive industries. Typically, for every one primary job created, there are between two and three dependent jobs also created.

The “quality” of a local economy, which determines the standard of living for the people who live and work in an area, is determined by the wages paid within the primary industries. For the most part, the average wages paid to workers employed in the dependent jobs will approach but rarely exceed the wages paid in the primary industry sectors.

If the primary jobs are “low-wage,” then the overall economy will be a low-wage economy. If the primary industries are high-wage, then the overall standard of living in the area will be pulled upward toward the “high-wage” level.

Local economies with multiple (diversified) primary industries have the best chance of having a stable economy over an extended period of time. Typically, if one of the contributory industries declines, there are others which are still contributing, perhaps even growing, and thus preventing a significant economic decline in the area.

Areas which depend upon one or two primary industries are in a precarious position. Should their main contributor fail, the entire economy will collapse.

An area will grow in size by adding more primary industry jobs, which import more money into the economy.

An area will grow in “quality” if a preponderance of the new primary jobs pays a wage higher than the area average.

General Economic Development Plan

It is the goal of the Finney County community to diversify the local economy, cause it to grow in size, and significantly improve its quality over the next twenty years.

In order to accomplish this, the county needs to have a net gain, from 2005 to 2024, of approximately 3,700 primary jobs. The wage for the jobs created should be about 125% of the county average wage when the year they are formed.

Economic development is the activity which increases the size and improves the quality of a local economy through the formation of new primary industry jobs.

The Finney County community must initiate and fund an aggressive economic development program to prevent economic decline in the future. If the program is successful, the overall size of the economy will grow and its quality will improve.

The community focus groups with whom the Researcher interviewed agreed. They were asked: “How aggressive should the Finney County community be regarding its economic development program?”

On a scale from 1 to 5, with 1 meaning “do nothing” and 5 meaning “very aggressive program,” the participant response averaged 4.8 (very aggressive program).

There are three basic programs which the community needs to implement. All are of equal importance and include:

- Existing Industry Program
- Marketing – Recruitment Program
- Start-Up Program

Due to Finney County’s geographic location, it is likely a large number of the new jobs which need to be created will be generated from the Existing Industry Program and the Start-Up Program.

Existing Industry Program

One of the most important yet least expensive economic development programs is the Existing Industry Program. The program is designed to retain and encourage the expansion of contributory businesses already present in the area.

This is accomplished by reducing the cost of doing business and expanding the markets as much as possible for these companies. The more profitable a company is in the area the more likely the company will remain and expand in the community.

Research has shown, aside from market conditions, the principal reason a company moves from one community to another is “local community attitude.” Local community attitude encompasses a wide range of factors from local taxation, fees, and regulatory requirements.

However, many times it simply is how the community treats the company when the company has a problem, which is caused locally. Persistent problems for a company, large or small, add costs and time

to the operation of the company, which motivates the company to seek another location when it needs to expand or retool.

The most important element of an Existing Industry Program is quality and confidential communication between the economic development organization and the employer, which leads to problem solving activity for the employer by the economic development organization.

Recommendations:

- For the first five years, the annual milestones for the number of net new contributory jobs necessary to be created in Finney County to reach the economic goal are fairly modest. As will be explained later, the community is not prepared to launch an expanded marketing – recruitment program.

Therefore, most of the new jobs will have to be created from existing primary employers. The Economic Development Corporation presently conducts a modest Existing Industry Program, due to staff constraints. This program needs to be expanded as soon as possible.

When meeting with primary employers, the typical issue discussed is: “How can we help you, do you have any problems? The issue should now be: “What will it take to cause you to hire more workers?”

Utilizing whatever tools it presently has available, the Economic Development Corporation needs to aggressively assist the companies as much as possible in this endeavor.

- In the future, additional staff personnel will be needed for this program. The existing primary employers in the county are the best opportunity for the area to generate new jobs. As a result, significant emphasis needs to be placed on this program.

The Task: Within the next six months, the economic development organization will employ an experienced existing industry professional who will expand this program. This individual shall also coordinate the Start-Up Program.

The Task: Within the next twelve months, all primary industry “type” businesses will be identified. Staff from the economic development organization will have confidential meetings with these businesses to determine what action the community can take to encourage more employment.

Recruitment Program

A Recruitment Program is necessary to increase the number of contributory employers in Finney County. This will improve the quality, increase the size, and add consistency to the local economy.

The program should focus upon business entities, which are contributory in nature and will benefit from the geographic-economic assets of Finney County.

The specific activities of a Recruitment Program are very similar to those of a private company, which sells a product or service.

There are three basic steps, which need to be taken by both:

- 1) Determine what you have to sell.
- 2) Identify who wants to buy it.
- 3) Establish a plan to contact and sell to the potential buyers.

Most areas believe what they have to “sell” is a community. This is not the case. What an area has to sell is a geographic location, which has certain assets and characteristics, and which are conducive to profitability for a private company. A discussion regarding Finney County’s assets will follow.

After making an inventory of its assets and characteristics, a community should then determine what type of contributory businesses or industrial sectors can make the best use of them. A plan is then created to contact and sell these companies.

A Recruitment Program can be very expensive and time consuming. Visible results may not be seen for several years after its initiation. The actual list of marketing activities for a Recruitment Program is very similar to that of a private company’s marketing - sales program.

The following is a list of some of the marketing activities which most community programs include:

- Advertising in trade journals and industry magazines.
- Direct mail.
- Cold calling.
- Visitation program.
- Public Relations — Image Program.
- Attend trade shows of target industries.
- Attend association conferences of site selection professionals.
- Web Site.
- Develop a relationship with site selection consultants.
- Develop a relationship with commercial real estate brokers.

Finney County should not anticipate hitting a home run with its recruitment program. A home run would be one large employer, hiring thousands of workers at high wages.

A vast, vast majority of economic development projects involve businesses which will employ between 50 and 75 people. Annually, the Southern Economic Development Council publishes a list of “projects” completed by its members located in 17 southern states. In 2004, this list included about 480 projects. Only seven of them employed more than 500 people and only 20% employed more than 100 people.

The *Target Industry Study* provides a groups of business sectors upon which the area should focus its marketing effort. However, an aggressive recruitment program should not be initiated until the real estate issue is resolved.

Recommendations:

- The present level of marketing, which is modest, should be continued but not expanded. Until the issue of real estate is settled (discussed later in this report), expanding a marketing program at this time will waste resources, as the community will not be able to meet the needs of most clients.
- The Economic Development Corporation presently has a web site. A web site is vital as most site selectors conduct a vast majority of their initial research regarding communities on the internet. The web site is understandable and easily accessed. However, it lacks the specific data needed by site selectors and this should be corrected.

The Economic Development Corporation should complete as much as possible the International Economic Development Council’s “data standards.” The web site should follow this format as the data standards have been developed by site selectors and they will look for information in this format. The data standards, which include approximately 1,200 data items, can be very onerous to complete and maintain. However, as much local information should be included as possible.

- The marketing program, after the real estate issue is resolved, should be expanded significantly in the future. Direct focus should be placed upon the industrial sectors identified in the *Target Industry Study*. Additional staff will be needed in the future to assist with this program.

The Task: Within twelve months, the economic development staff will redesign the web site reflecting the format of the IEDC data standards.

The Task: Within two years, a marketing plan will be created and a funding source identified for an expanded program.

The Task: Within three years, an expanded recruitment program should be initiated including employing a full time professional to implement the program.

Start-Up Program

Nurturing home grown companies, which are contributory in nature, is becoming more and more popular throughout the United States. Understanding Microsoft was once a “start-up” company, communities are placing greater and greater emphasis on “growing their own” economy.

A business start-up program under the Economic Development Office is not a general “business assistance program” popular in most communities, which is designed to help a person start any kind of business. The Small Business Administration, local community college, and even the Chamber of Commerce many times have programs which guide a person in establishing general businesses from a travel agency, to a plumbing supply store, to a small restaurant.

An economic development program is concerned with creating new companies which, when they evolve, will be contributory in nature. They will eventually sell their products or services outside the area and not be dependent upon the local economy. They will import wealth to the area. There are several elements relating to a “Start-Up” program.

Facility or Incubator

The most important feature is to have a facility in which a company is formed and a product or service is developed. The space provided to a company is usually relatively small, 500 to 2,000 square feet, and the tenants typically share equipment and machines. It is in the incubator the company develops its products or service, determines the market, and raises the capital to create the business. The rent to the company can be subsidized, but the trend is not to reduce rent, but to provide other services.

Quality Counseling

Many great ideas never find their way to the market place as the individual has no idea how to do it. Additionally, most “ideas” are not great, and have no market potential. One of the most important features of successful start-up programs is the advice and counsel by individuals with experience on how to take a new idea and cause a company to be created. The counseling involves examining the marketability of the product or process, running patent searches, teaching the principles how to run a business, and explaining how to be an “entrepreneur.”

University Relationship

Typically the most successful Start-Up programs are in communities, which have a relationship with a major research university. The new company is able to interface with experts in the field in which the company is pursuing, accessing the latest technology and ideas. Many universities will partner with the incubator start up program, allowing access to equipment and student assistants.

Venture Capital

In order for the company to begin in the incubator or to expand outside, venture capital or business financing needs to be available.

Recommendations:

Long term economic growth for most rural areas will be dependent upon the expansion of its existing industry and the creation of locally grown industries. As a result, Finney County needs to have an active, professionally managed start up program. It needs to complete the following:

- Secure funding for the purchase of an existing or the construction of a new 10,000 square foot building which will serve as an “incubator.”
- Seek out an organization which can provide the services and counseling necessary to assist the potential companies. Preferably, this service can be provided by Kansas State University. However, a private company might have to be employed. The expertise regarding this issue is likely not available in Finney County.
- The Garden City Community College should discover means to step into the shoes of a typical university regarding this program. This includes having facilities available along with academic resources. The current curriculum is not as comprehensive as a four year university with research activity, but the community college is the only higher education program available. Therefore, it needs to find ways to assist the start-up companies as much as possible.

- After the preceding steps have been completed, the Economic Development Corporation should create an outreach program, informing not only the Finney County community, but also all surrounding counties the program is available. Additional staff will be needed to implement this program.

The Task: Within one year, a plan will be developed to create an economic development Start-Up Program which shall include identifying a funding source for the ownership of an incubator facility and the management costs of the program.

The Task: Within two years the economic development organization will employ an individual who will coordinate the acquisition of the incubator and implement the Start-Up Program. This individual will also coordinate the Existing Industry Program.

The Task: Within three years, sources of venture or start-up capital should be identified.

The Task: Within four years, the Start-Up Program will be fully operational including having a building, a relationship with a group to counsel the businesses, a relationship with the community college, and a multi-county out-reach program.

Economic Development Organization

Presently, the economic development program is being implemented by the Finney County Economic Development Corporation. It has contracted with the Garden City Area Chamber of Commerce to conduct the day-to-day operations.

The Executive Director of the Chamber of Commerce conducts most of the economic development activity.

The economic development program is terribly under funded at the present time. The Researcher is frankly amazed at the quality of the existing program given the resources provided for it.

The Executive Director has extensive knowledge of the economic development field and could easily slide into the executive position of the economic development programs in Topeka, Salina, Manhattan, or Lawrence. However, her ability to succeed is limited as one person simply cannot do it all.

In order to have a comprehensive program, (Existing, Recruitment, and Start-Up) the issues identified in this Plan will have to be addressed and implemented. As a result, the current staffing and funding for the organization will have to be increased. Additionally, the Business Incentives Program needs to be expanded and many of the geographic – economic weaknesses need to be addressed.

Funding:

Economic development organizations are funded in many ways throughout the United States. Some groups receive 100% of their funding from local government, while others 100% from the private sector, still others have a mix of both.

The key to most successful programs, however, is having a dedicated or long term source of funding for the programs. Since having to constantly raise money drains staff resources, programs which are not adequately funded typically fail.

Recommendation: The Finney County community needs to make a long term commitment to economic develop by providing the necessary funding for the general operations of the program.

The Task: Within six months, a short term funding program, which will cover the increased costs of the expanded economic development program for the next three years, shall be secured.

Business Incentives:

More and more communities have come to the realization primary employers are the wealth generators for their communities. As a result, more and more are aggressively recruiting these businesses to their areas. An integral part of the process is offering financial incentives to these companies to defray the costs related to expanding in or locating to an area.

The Researcher has prepared for the Finney County Economic Development Corporation a *Business Incentives Program*⁴ for Finney County. The study describes the nature of business incentives and what is being offered around the country.

A tax abatement program is in place for Finney County, but this incentive is not always the most desired by a company. A separate descriptive narrative regarding incentives has been provided to the Finney County Economic Development Corporation recommending it create a Business Incentives Qualifying Program.

Part of the *Business Incentives Program* is a mathematical matrix which assists the community in determining what incentive should be offered to a company and under what conditions.

Recommendations: To overcome the geographic – economic deficiencies of the county, the area must be aggressive regarding community investments or incentives. The incentives should be offered to new and existing companies. In addition to tax abatement, the community needs to have available:

- Local money to pay for training.
- A cash fund to pay for cash grants.
- Control of the industrial property with the ability to discount the cost of the land.
- A low interest loan pool for smaller companies.

The Task: Within one year, the community shall establish criteria which determine the conditions under which a primary employer will receive an incentive to expand in or locate to the Finney County.

The Task: Within two years, the community shall identify a source of funding for the costs of providing a comprehensive business incentives program such as worker training, grants, and loans.

⁴ A copy of the written portion of the *Business Incentives Program* is available from the Garden City Area Chamber of Commerce.

Geographic – Economic Strengths and Weaknesses.

A primary employer sells its goods or services outside a local economy, importing money to the area. As a result, the company is not dependent upon the local marketplace and does not have to be located in the community.

A retail store depends on the local market and the site selection criteria focus upon proximity to that market. Traffic counts, sign visibility, purchasing power of the customers and many other factors influence where a retail store would locate.

What determines the location of a primary business is a series of geographic – economic factors. The importance of each issue varies among industry sectors. The geo-economic issues determine if a company will be profitable being located in a particular area.

Communities which are very strong in most or all of the factors have the best chance to have a strong economy. Those which are weak have to find ways to overcome this disadvantage.

The following is a lengthy list of geographic – economic issues. For each, the Researcher has graded Finney County based upon the following scale.

Strength - Weakness	Very Strong	Somewhat Strong	Average	Somewhat Weak	Very Weak
	5	4	3	2	1

As previously mentioned, the Researcher met with focus groups to gain community input. Participants in the focus groups were asked to grade Finney County on the same issues. For each issue, the community grade is provided.

The reason the Researcher asked for this input was to measure the “impression” the community had toward the strength or weakness of the issue. The typical citizen is not expected to have a working knowledge of the nature of these issues, and in some cases, the Researcher and the communities do not agree.

The grades reflect the relative strength of the issue, with 5 being the strongest.

After a discussion regarding the issue, the Researcher makes a recommendation for action by the community.

Real Estate

There are two basic issues regarding real estate which relate to economic development. The first is the availability of sites or buildings for existing or new primary employers to occupy and the second is housing for the employees of companies expanding or locating to the area.

Real Estate	POLICOM	Community
Cost - Availability of industrial sites.	1.5	3.4
Cost - Availability of existing buildings.	1.0	3.1
Cost - Availability of housing for hourly workers.	4.5	3.1
Cost - Availability of housing for executives.	4.5	3.1

Industrial Sites:

The most important issue relative to economic development is the availability of “improved, approved” real estate upon which a company can construct a facility. Without having a site, a company (new or existing) cannot construct a facility in which it will hire its employees.

“Improved” means the horizontal infrastructure is in place at the site. Basically the land is “building ready.”

“Approved” means all zoning issues, which would enable the company to begin construction, have been enacted by local government.

Absent either “improved or approved” places a cloud of uncertainty on the property and companies will not consider the land is “available” for their purposes. Communities which do not have a supply of industrial real estate have little hope of improving their economy.

Not only is the availability of industrial real estate important, but also is its cost. Communities which have a limited supply of expensive property are at a competitive disadvantage with areas which have comparable locations at a lower price. Communities which have an abundant supply of inexpensive real estate have the greatest competitive advantage.

It is not an accident the strongest local economies have an abundant supply. The Reno-Sparks area, one of the fastest growing economies, has a 5,000 acre park. The Raleigh – Durham North Carolina area, one of the best economies in the nation, built itself upon the 7,000 acre Research Triangle Industrial Park. The economic development organization in Amarillo, a direct competitor of Finney County, has the financial resources to purchase and develop “as much land as they need.”

The issue of real estate is so important, that today, more than 70% of the counties in the United States which have economic development programs have “community or government owned industrial parks.”

Presently, Finney County has a limited supply of property. To reach the economic goal set forth in the Goal Setting Study, between 300 and 600 net usable acres will be needed over the next twenty years. To be successful, the community not only needs to have the land available but it also needs to control the property, relative to price and use.

Recommendation: Finney County must create an abundant supply of inexpensive, improved, approved industrial real estate which it can offer to primary employers under favorable terms and conditions.

The Task: Within four years, the Finney County community shall purchase and develop a multi-use “industrial park,” between 400 and 500 acres in size, which shall be marketed exclusively to qualified primary employers.

- Within one year, the community will identify a source of funding for the purchase and development of an industrial park.
- Within two years, the community will option or purchase the land for the park and begin the approval process.
- Within three years, the horizontal development of the industrial park shall commence and criteria for the sale or lease of the land shall be established.

Existing Buildings:

Most businesses looking to locate would prefer to lease or purchase an existing building which exactly meets their facility needs. The reasons include: 1) the facility cost is certain (as opposed to uncertain construction costs), 2) there typically are not any zoning or community issues to confront, and 3) the time necessary to begin production is truncated significantly compared to constructing a facility.

The most desirable situation for a community is to have a plethora of modern, existing buildings available which meet the specific structural needs of a business which can be occupied on the most desired date of the business. Few, if any, communities in the United States are in this position.

Between 1988 and 1992, there was a collapse of the commercial, industrial marketplace. As a result of overbuilding, millions of square feet of new industrial and office space were available for immediate occupancy at depressed prices. This space has since been absorbed and commercial developers are reluctant to construct speculative product.

After the “dot-com” boom busted in California and Oregon, there was and still is an abundant supply of modern office – high tech buildings available.

However, on a national basis few communities have vacant, modern buildings which have been constructed in the last ten years which specifically meet the needs of most industrial users. Communities which have constructed speculative buildings, however, have a competitive advantage.

Prior to constructing a speculative building, a community must fully understand its potential market in order to design a marketable structure. The potential market is determined by the type of existing primary employers which have located to the area.

Finney County has a handful of existing, vacant structures. However, they are aged and are likely not suitable for most potential companies.

However, on the short term, Finney County should not consider constructing a speculative building. Since Finney County has few non food processing primary employers, the marketplace for such a

speculative building cannot be determined. Funds which might be used for a speculative structure are better placed for other activities described in this plan.

Since the important features of an existing building are a shortened time frame for the business to occupy the facility along with known costs, an alternative to constructing a speculative building is to “pre-design, site plan, and cost estimate” several types of facilities on several parcels of land.

These are considered, in the economic development field, as “virtual buildings.” Computer generated pictures are created and used as marketing tools. The virtual buildings are, in essence, pre-permitted by the government, expediting the approval process. The cost of the facility is “ball parked” giving the company an idea of how much the building will cost them in your community.

Recommendation:

- The Economic Development Corporation should review the facility needs of the companies which have made inquiries over the last two or three years to determine the most frequent or desirable structure requested. When specific parcels of industrial property are building ready, a “virtual building” should be designed on one of the parcels which reflect the most marketable product. This should be used in the marketing program.
- After several hundred acres of industrial property are available and after the initiation of the expanded marketing program, the community should construct a speculative building.

The Task: Within three years, the community should create a “virtual building” and use it in its marketing program.

The Task: Within six years, the community should design and construct a speculative building.

Housing:

Housing availability and the cost thereof influences the wages paid to workers and the ability to attract management to a community.

In some areas, the cost of worker housing is so high companies are forced to pay wages which exceed market thresholds for their industry. As a result, the business must move from the area, outsource production, or go out of business.

In many rural communities, there has never been a market demand for high quality executive housing. As a result, few are available. Executives, when asked to consider locating to these communities, resist as the quality of the home in the rural area will be much lower than what they are accustomed. Additionally, the executive is reluctant to build an “executive” home fearing a loss upon resale.

From an examination of the Finney County housing market, there appears to be a wide selection of housing for all income levels at a very reasonable price. (The Researcher was impressed with how neat and clean the neighborhoods are in the lower income housing areas. This is not the case in most communities.)

To the surprise of the Researcher, there is a large supply of modern executive homes (2,500 to 4,000 square feet). This is unusual for a rural community.

Recommendation: There is no specific action the community needs to take regarding housing relative to economic development.

Labor

The issue of “labor,” its availability, suitability (skills), reliability (work stoppages), and costs, is one of the most important influencing the site selection process.

Labor	POLICOM	Community
Current skill level of general workforce.	2.0	2.5
Training opportunities.	3.8	3.3
Labor – Management relations (work stoppages).	4.5	3.9
Current wage rates.	5.0	2.9
Labor availability.	3.5	2.9

Current Skill Level of General Workforce:

The preponderance of the workers in Finney County is employed in relatively low skilled positions in the retail, services, and food processing industries. The overall skill level of the workforce is low to medium low. This is a significant deterrent when trying to recruit higher wage employers which need higher skills.

When a site seeker for a higher wage company sees this situation, then the availability of trainable or “under-employed” workers is considered. Under-employment is a situation when a worker has educational attainment, special training and/or physical skills in excess of what is needed for the workers current job.

An area might have a large number of under-employed workers for several reasons.

1. A high wage employer closed or laid-off workers. The displaced workers accepted positions requiring lower skills at lower wages.
2. The area has excellent schools with high graduation rates but few employment opportunities requiring the education provided. The workers, wanting to remain in the community in which they grew up, accept “whatever” positions are available in the community.
3. The area is a “nice or exciting place to live” and as a result draws college graduates who accept lower paying jobs just so they can live in the area.

From a review of the employment situation in Finney County, it does not appear there are a large number of under-employed workers. While a major employer closed in 2000, the jobs at the facility were not high skill.

The educational attainment of the general population in Finney County is well below national norms for college graduates (Finney – 14%, USA 24%) and high school graduates (Finney – 67%, USA – 80%).

There the general skill level of the workforce is very low, it will be difficult to recruit high wage, high skill employers to the area.

Recommendation: No specific action can be taken at this time regarding this issue. Over an extended period of time, after the community adds “higher-wage, higher skilled jobs,” the skill level will gradually improve.

Training:

Absent a trained workforce, employers require workers be trained in the specific tasks necessary to conduct the business. The availability of “training” is one of the most important issues relative to the community selection process.

Typically, training is conducted by the local community college or vocational school. In some areas of the country, training facilities are not available. This places those communities in a competitive disadvantage.

Not only is the availability of training programs needed, but the cost of the training of a local workforce is an important issue. More and more employers expect the community to bear the cost of preparing the workforce prior to hiring.

The Garden City Community College has made a diligent attempt to be pro-active relative to training workers for local employers. The leadership of the school has demonstrated it is willing to customize programs to the needs of private business.

Recommendation: The Garden City Community College should be prepared to expand specific training programs when required for primary employers. Funds should also be available by the community to pay for company training as an incentive to locate in the area.

The Task: Within two years, the community will develop a comprehensive worker training system which has the ability to create **and fund** customized training programs for qualified primary businesses.

Labor – Management Relations:

Of great concern to many production employers is the “reliability” of the workforce. In some areas of the United States, there is an extreme adversarial relationship between management and labor. This has caused frequent work disruptions (strikes) in the past. Communities which have had a history of management – labor problems are shunned by most employers.

Finney County does not have such an environment.

Recommendation: There is no specific action the community needs to take regarding this issue relative to economic development.

Currents Wage Rates:

An employer, regardless of the skill level needed, will pay a wage relative to the marketplace. In high cost areas, an employer will likely have to pay a wage higher than the national average. For the same job in a lower cost area, the wages would be lower.

The average earnings for a wage & salaried worker in Finney County are 83% of the Kansas average and 70% of the national average.

This places Finney County in a very competitive situation. The national average wage for a business which manufactures steel tanks and containers (NAICS 3324) is \$45,573. It is reasonable to assume an employer in this industry would only have to pay 70% of this amount if it operated in Finney County. This is not a bad thing for Finney, as 70% of \$45,573 is \$31,900, which is 126% of the area average wage.

Recommendations: There is no specific action the community needs to take regarding this issue relative to economic development.

Labor Availability:

The number of workers available for hire within a marketplace is of concern to employers. In very tight labor markets, when unemployment is extremely low, employers sometimes have difficulty finding enough workers with the proper skills to employ. Under this situation, employers usually have to pay a higher wage than normal to secure the workers needed. This principle applies to the general workforce.

Primary industry employers typically pay a wage higher than the area average. As a result, these employers usually do not have a problem finding enough people who want to work for them. The problem is the “quality” of the worker.

In Finney County, after the major employer closed in 2000, approximately 2,500 people became unemployed. As a result of the ensuing downturn in the economy, several workers employed in the dependent industries likely lost their jobs or the number of working hours per week has been reduced. Many displaced individuals have since moved from the area.

There, however, is likely an abundance of available labor for higher paying jobs. If a potential employer placed an advertisement in the local newspaper, stating the business would pay \$31,000 per year, the company would likely receive more than 3,000 applicants. Additionally, at that wage scale, workers would also be available from all of the surrounding counties.

As previously mentioned, the problem Finney County has relative to labor is the availability of trained or trainable labor. Supply is not the issue.

Recommendations: There is no specific action the community needs to take regarding this issue relative to economic development.

Transportation Systems

The cost of moving products and people has always been an important issue relative to economic growth, for the nation and communities. The cost of transporting products to market, via land, sea, and air, has always been one of the determining factors of most manufacturing businesses. Sometimes high transportation costs can be overcome by other geographic economic features of an area such as low taxes, utilities, and wage rates.

Transportation Systems	POLICOM	Community
Highway system external to area.	1.0	2.9
Roadway system internal – Commuting time	5.0	3.9
Railway	4.0	3.3
Commercial airport	3.5	3.5
Seaport – cargo/container	1.0	1.4
Motor carriers	4.0	3.7

Highway System External to Area:

Virtually every rural area in the United States which does not have access to the Interstate Highway System and is not adjoined to a metropolitan area has been on economic decline for the last 10 to 30 years. Their remote location has been a deterrent to the expansion of their existing production employers and to the recruitment of new companies.

Since Finney County is not located near an Interstate Highway, it is placed in a significant competitive disadvantage with rural areas which have access. Served principally by two lane roads in all directions, it is a relatively remote location.

Recommendation: Finney County should continue its long term efforts to connect the county via a limited access four lane roadway east to Wichita and west to Pueblo, CO. Equally beneficial would be creating a four lane corridor north from Garden City to Interstate 70. Finney County will also have to use business incentives to overcome this problem.

Commuting Time:

Traffic congestion in some metropolitan areas has caused workers to endure lengthy commutes to their worksite. Oftentimes the commute can be as long as one hour. Not only is this a “quality of life” issue for the employee, but employers begin to have trouble retaining their workforce when commuting times exceed 30 minutes.

The Census Bureau determined the average commuting time in Finney County to be 15 minutes in 2000. This is the lowest time the Researcher has discovered. The Kansas average is 19 minutes and the national average is 25 minutes.

Recommendation: There is no specific action the community needs to take regarding this issue relative to economic development.

Railway:

During the 1970's and 1980's, as a result of reduced market demand, many railroad companies abandoned rail lines and spurs in rural communities. The rights of way were sold or donated to the local government and the rails were sold for scrap metal.

Finney County is fortunate to continue to have rail service. Rail service is a market driven industry. Should a new employer need to ship via this method, the rail companies will likely accommodate the user.

Recommendation: The Economic Development Corporation should monitor the rail service availability. Direct communications should be made with the rail companies serving the area to discover if there are any issues regarding reducing service to the area.

Commercial Airport:

Virtually every county in the United States has an "airport." A vast majority of these are general aviation facilities which serve the local recreational flyer. They do little to help the economy.

A commercial airport, one which provides direct jet air service to major hubs, is essential to most businesses today, as their employees need to travel to meet with customers, or customers need to travel to the business. Communities which have air cargo capability provide an additional service to many manufacturers which make high value, low bulk products.

Communities which are not located within a 60 minute drive to a commercial airport are placed in a significant competitive disadvantage. An extremely large number of companies simply will not locate in an area which does not have a commercial airport.

Finney County has scheduled commercial air service. This is very important. It enables anyone in the world to fly to Garden City. However, the service is by propeller airplane and is relatively expensive.

The non-jet aircraft are a deterrent for upper level corporate executives, as they are not accustomed to flying on such craft. The cost of the service is an issue for Finney County residents. When traveling on vacation with a family of four, it is quite likely most drive to Denver or Wichita, by-passing the local service.

The scheduled air service for Finney County is one of the most important transportation assets the area has. Without it, the opportunity to expand the economy will be greatly diminished.

Air service is a market driven industry. Since demand for service to Finney County is low, the airlines are subsidized in order to afford to fly to the community. If demand increased, more airlines would service the county, airfare costs would be reduced, and subsidy would no longer be needed.

Recommendation: Finney County must make every effort to maintain the existing scheduled air service and to increase market demand for flights to Garden City. One means to do this would be to expand the educational outreach program at the Garden City Community College. The Industrial Ammonia Refrigeration Training Program presently offered causes air traffic to the area.

The Task: Within one year, the community will devised an ongoing plan to create more air traffic at the Garden City Airport.

Seaport:

There is no seaport in Finney County nor is there anticipated to be one.

Motor Carriers:

Due to the large agricultural industry in the county, the area is served by several freight haulers.

Recommendation: There is no specific action the community needs to take regarding this issue relative to economic development.

Utilities:

For many industries, “utilities” are an integral part of the production process. Communities which have an abundant supply of inexpensive energy and large volumes of water have a competitive advantage.

Utilities	POLICOM	Community
Electric power	4.0	3.6
Sanitary sewer	3.5	3.9
Potable water	2.8	3.7
Natural Gas	4.0	3.8
Telecommunications	4.0	3.6

Electric Power:

Finney County has sufficient electric power capacity to service heavy industry users. While businesses which use extremely large amounts of electricity in there process (electric fired steel mill) might seek a lower cost state such as Texas, the cost in Finney County is competitive and is not a deterrent.

Recommendation: There is no specific action the community needs to take regarding this issue relative to economic development.

Sanitary Sewer:

The ability to serve industrial sites with sanitary sewer is important. The first consideration is the removal of the human waste of the workers at the facility. Finney County has the treatment capacity to meet this need if the sanitary lines are taken to the site.

The second issue, however, is the capacity of the treatment plant to process industrial waste, principally water used in the process. Some companies, especially food processors, use large amounts of water, the volume of which exceeds the capacity of the local treatment plant.

The second issue is likely moot for Finney County due to the limited supply of large quantities of water for manufacturing.

Recommendation: The County should cause sanitary sewer lines to be extended to future industrial sites. The specific future industrial sites will be determined after a discussion by community leaders on the best means to provide industrial property in the future.

Potable Water:

Finney County has a sufficient supply and treatment capacity to service the population and the general needs of industry. However, due to the “rationing system” in Kansas, there is an issue of the availability of large quantities of water for industrial purposes. This places the area in a competitive disadvantage for several high value food processors.

Recommendations: When planning the community industrial park which will be discussed later, the community should make every attempt to secure as great an allocation of water as possible.

Natural Gas:

Finney County has a sufficient supply of natural gas which might be needed by industrial users.

Recommendation: Aside from causing gas lines to be extended to new industrial areas, there is no specific action the community needs to take regarding this issue relative to economic development.

Telecommunications:

There are two issues regarding telecommunications. The first is the availability of broadband internet connection. This is available in the area and meets the needs of most businesses.

The volume or capacity of broadband usage is likely limited, meaning there is likely insufficient access to accommodate a bulk user such as internet service provider, call center, or a corporate headquarters. Since these businesses would not likely consider Finney County as a location for other reasons, it is not a major issue for the area at the present time.

However, high speed telecommunications capability will become even more important in the future and the area needs to continuously improve and expand its capabilities.

Recommendation: Evaluate the present day system and capability and plan to expand it in the future.

The Task: Within one year, the community will create a “Telecommunications Task Force” to evaluate the current telecommunications system in the area and devise a plan to create a “21st Century” system in the future.

Education:

Education and training programs can be a significant catalyst for economic growth. Many of the strongest economies in the United States have used their educational resources to drive the development of their economies. Universities and community colleges serve to prepare and train the workforce. The quality of the local public school system sometimes influences the site selection program when a large number of executives are being asked to move to an area.

Education	POLICOM	Community
A. Four year and post graduate university	1.0	2.1
B. Technical – vocational school	4.0	3.5
C. Community college	4.0	4.3
D. Public school system – quality thereof	3.5	3.5

Four Year and Post Graduate University:

Sometimes the presence of a four year university can be one of the most important tools to cause economic growth for an area. Universities with post graduate programs, especially those in new technology disciplines, can be one of the most important reasons a local economy grows.

The words “can be” were used twice in the above paragraph. This is because in seven out of ten university towns the school has not caused economic growth unless there was an increase in enrollment.

In most university towns, the school imports to the area a great deal of money. It therefore contributes to the economy. However, most schools do not grow unless the legislature allows them to. Therefore, their impact is “capped” pretty much in line with inflation.

In a vast majority of the communities in which a university is located, the university does not have any interest in assisting the region in economic development. As a result, there is little if any economic growth as a result of its presence.

The exception to this is when the university becomes a partner with the community or region to improve the local economy. One of the specific missions of the institution is to “utilize the resources and talent of the university community to enhance the regional economy.” This is accomplished by joining with the community’s economic development program by providing academic resources to the local business community.

There is no four year university in Finney County. However, Kansas State University does have an outreach program to assist businesses.

Recommendation: Take advantage of any programs offered by Kansas State University which will assist in expanding the local economy. Approach Kansas State University with the idea of creating a counseling team which can create assist “Start-Up” program for Finney and other rural counties.

Community College

The Garden City Community College serves as the only institution of higher learning in the area. As a result, it is a very important asset. Unfortunately, it is a two year school. It also serves the dual purpose of being the vocational school for the area. The Industrial Ammonia Refrigeration Training Program is an interesting component for the school. It actually serves a Primary Industry function as it imports money to the area and increases air traffic at the airport.

The leadership of the College is extremely interested in participating in economic development programs. This is good, as they will have to be very proactive in order for the community to be successful in improving the local economy. The College is going to have to step into the shoes of a four year university, providing as much as possible, academic resources and facilities to the primary employers in the area.

Recommendations:

- The Community College should be prepared to offer customized, fast track training for businesses which are qualified by the Economic Development Corporation.
- The Community College should attempt to create more programs like the Ammonia Refrigeration Training Program. Such programs add intellectual expertise to the community, increase air traffic, and give the community notoriety.
- The Community College should place itself in a position of direct assistance to the occupants of the Start-Up incubator, enabling them to access instructors, facilities, and student assistants.
- The Community College should direct future curriculum programs toward “new technology” disciplines.
- The Community College should provide direct assistance to the occupants of the Start-Up incubator, enabling them to access instructors, facilities, and student assistants.
- The Community College should consider allowing the business Start-Up incubator to be constructed on its campus.

The Task: Within one year, a special task force comprised of business, government, and educational leaders will investigate how other community colleges in the United States have interfaced with their community to enhance economic growth. The task force will then create a plan which gives direction to the Garden City Community College on how to create new programs to enhance the economy.

The Task: Within two years, the Finney County business community, county & city government, and the economic development organization will implement the plan recommended by the task force and form a partnership with the Garden City Community College to create long term programs to directly help to improve the economy of Finney County.

Public School System

The quality of the local public school system becomes an issue when a company is considering locating several management personnel to a community. If the system is poor, the company will experience

resistance by these individuals if their children are presently attending a system of high caliber. Sometimes, the ability to transfer key personnel influences the site selection process.

However, a community should not make improving the local school system an economic development issue. If the quality of the local schools is not as good as it should be, then they should be improved for the benefit of the children in the area.

There is, however, a direct correlation between the quality of a local economy and the quality of the local schools. When an economy is growing, especially in quality, then the taxable base grows, enabling the school system to finance a better program. In declining economies, the financial resources are not available to pay for the top teachers or the most modern facilities.

The quality of the Finney County public schools is not being evaluated as an asset or liability for the economic development plan. However, if Finney County’s economy grows in size and quality, there will be more money available to improve the local school system.

Recommendation: There is no specific action the community needs to take regarding this issue relative to economic development.

Local Government:

Local government, including city, county, township, or regional organizations, plays an important role in influencing the local economy. Policies enacted locally can create an atmosphere conducive to economic growth. Economic development organizations in most of the strongest local economies have the complete cooperation of local government officials relative to creating a business friendly environment which enables profitability for primary employers.

There is unfortunately a long list of communities which have fallen into economic decline as a result of the actions of local governments. Due to the promulgation of excessive regulations and punitive taxes, these areas have been losing their primary employers to communities which have a more favorable business climate.

Local Government	POLICOM	Community
Property taxes	3.0	3.0
Income taxes	3.0	3.4
Fees and assessments	4.0	3.2
Business climate	3.5	3.2

Property Taxes

Locally levied property taxes have a significant impact upon companies which have a large capital investment in their facility. Finney County has a relatively high property tax rate and this will be an issue if Finney County competes with communities in lower tax rate states such as Texas.

Recommendation: Mechanisms need to be in place to abate or reduce the property taxes for qualified companies.

Income Taxes

Some cities, mostly in the Midwest, have enacted municipal income taxes. Since there is no locally levied income tax in Finney County, this is a positive issue.

Recommendation: There is no specific action the community needs to take regarding this issue relative to economic development.

Fees and Assessments

Locally levied fees and assessments have added significant costs to primary employers in some areas. Most of these communities are located in California, Florida, Oregon, and most of the states on the eastern seaboard. Many times the fees are enacted to create a new revenue source for local government. In lieu of increasing taxes on the voting residential population, the corporate community is mined for more money.

Excessive fees and assessments are not an issue in Finney County.

Recommendation: The community should resist attempts by local government to add special fees, charges, assessments, or taxes against its primary employers.

Business climate

The overall business climate is a reflection of how cooperative local government is with its primary employers. In some communities, there is an adversarial relationship between government employees and the business sector. Some of this is caused by the “political philosophy” of the government worker, perhaps at the direction of elected officials. In today’s political arena, it is not uncommon for a government worker to carry the position that “business is evil.” In fact, along the eastern and western seaboards of this county, this attitude is pervasive.

As a result, many communities have not only levied excessive fees and taxes upon the business sector as previously mentioned, but have manifested a regulatory climate so restrictive primary employers must literally move from the area.

There will always be business people who will complain about local government, even in communities which are the most cooperative. However, research has shown the most frequent reason (aside from market conditions) a primary business will move from one community to another is how it has been treated over the years by the community. The community, in this case, is usually local government.

Recommendation: The community should insist the county and all city governments be as cooperative as possible, within the limits of the law, with primary employers, including expediting their needs when necessary.

The Task: Within one year of employment, the economic development specialist will prepare a report detailing issues created by the county and city government which have a positive or negative influence upon the primary employers in the county.

Quality of Life

Quality of life in essence refers to the “liveability” of an area. In this regard, beauty is in the eye of the beholder. The residents of virtually every community in the United States believe where they live is the best place to be. There is nothing wrong with this as community pride is very important.

However, some communities indeed have more “amenities” than others. These might include more parks, better schools, walking paths, abundant recreation programs, museums, and other cultural facilities. In communities which do not have such amenities, if you asked the residents “would you like them” most would say yes. Then ask if they are willing to pay for them. The answer is usually no.

Communities with the greatest amount of quality of life amenities are usually those with the strongest economies. They have the parks and museums because there is more wealth in the area to pay for such things.

The importance of “quality of life” issues relative to economic development has been overstated in recent years. Some economic development consultants have advocated that the “livability” of an area is the most important site selection criteria. It is not. A company must first consider all of the economic issues stated earlier prior to examining “quality of life” issues. If an area does not show itself to be a profitable location, all of the parks and museums in the world will not influence the decision to move to an area.

As the Finney County economy grows, there will be more wealth available to pay for more quality of life amenities.

Recommendation: At the present time the community should resist using economic resources, which could go toward an economic development program, to create “quality of life” amenities. After the economy improves there will be financial resources available for such projects.

Implementation of the Economic Development Plan

Each program or issue previously described included recommendations and tasks which needed to be considered or implemented.

There are two issues, however, which will influence all of these issues: community support and funding for the programs.

Community Support:

Few areas have been able to implement a successful economic development program without the support of the “community.” The term “economic development” is not understood by most people. When individuals do not understand something, they usually resist it.

In order to be successful, the Finney County community must support the program, politically and financially.

As a result, the Economic Development Corporation, in conjunction with all other stakeholders, needs to launch a community education program. The program should describe the implications of not working to improve the economy, how it will gradually decline, and its impact upon virtually every facet of the community.

The Plan itself should be explained, why each program is needed, who will do it, and especially why it will cost what it does. Most important, the benefits of being successful should be thoroughly presented, along with the consequences of failure.

Community education is vital in order to secure a dedicated funding source for the program.

Recommendation:

- Several presentations to the community regarding the need for and the content of the Plan should be given by the leadership of the community. At these presentations, representatives of all branches of government, the educational system, and the business community should be participants, demonstrating a unity of effort.
- Copies of the Economic Development Plan and all support studies should be made available to the general public.
- Community forums regarding the economy and the status of the implementation of the Plan should be held on a regular basis.

The Task: Within six months of the adoption of the Plan, the community will be provided with a series of presentations regarding the need for and the content of the Plan. Included in the presentations will be a discussion of future funding sources to finance the program activities.

The Task: On an annual basis, the community will be invited to participate in a gathering to discuss the status of the implementation of the Plan.

Funding the Plan:

It is a characteristic of the strongest economies in the United States to have active, well financed, and professionally managed economic development programs.

In order for Finney County to be successful, funding needs to be provided to finance the various elements of the Plan.

The following chart provides a general “ball park” budget for implementing all of the previously described programs. By Year 3, the Economic Development Corporation will have three professional staff.

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Economic Develop Corporation											
General Operations and Staff	150,000	165,000	200,000	265,000	280,000	295,000	310,000	325,000	340,000	355,000	2,685,000
Additional Marketing				85,000	95,000	105,000	115,000	125,000	135,000	145,000	805,000
Industrial Park											
Land Purchase				2,500,000							2,500,000
Infrastructure Development					2,000,000		1,000,000	500,000			3,500,000
Maintenance				50,000	55,000	60,000	65,000	70,000	75,000	80,000	455,000
Incubator											
Purchase & Rehab Incubator				750,000							750,000
Incubator Maintenance				30,000	32,500	35,000	37,500	40,000	42,500	45,000	262,500
Consulting Company			22,500	25,000	27,500	30,000	32,500	35,000	37,500	40,000	250,000
Speculative Building						1,000,000			1,000,000		2,000,000
Incentive Program											
Training		50,000	60,000	70,000	80,000	125,000	150,000	175,000	200,000	225,000	1,135,000
Grants		50,000	60,000	70,000	80,000	125,000	150,000	175,000	200,000	225,000	1,135,000
Loans		50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	450,000
Total	150,000	315,000	392,500	3,895,000	2,700,000	1,825,000	1,910,000	1,495,000	2,080,000	1,165,000	15,927,500

Not shown is the income side of the program. The land at the industrial park will not necessarily be given away, as most of it will be sold, albeit at a low price. Additionally, there will be rent paid on both the incubator and the speculative buildings.

Recommendations:

To create a dedicated funding source, it is recommended the community enact a ¼ percent sales tax to fund the overall economic development program. The tax should generate approximately \$1.6 million the first year and grow gradually thereafter. As of the year 2000, 124 cities in Texas had voted to enact a similar tax.

While there is always resistance by the public to increase taxes to pay for the general operations of government, the money generated from this tax will be a direct investment by the people to preserve and enhance their local economy. The return on their investment will be multifold.

Virtually every business enterprise must routinely expend funds, reinvest in itself, to modernize its operation to remain competitive. Manufacturers must purchase new equipment; software companies more powerful computers; and airlines better planes. A community is no different. Finney County,

more than ever, must invest in its future, or the future is in doubt. The funds generated by the tax must be legally restricted to be used to implement an economic development program. The Texas Economic Development 4A Sales Tax is a very good model to follow, as it restricts the use of the money very well.

Specifically, the money would be used to fund:

- The purchase and development of the industrial park.
- Training programs for primary employers.
- Other incentives, such as a property tax rebate program instead of an abatement program, low interest loan pool, cash grants.
- The business start-up program and incubator.
- The general operations of the economic development organization including the marketing program.
- Specific academic programs at the community college which are designed to enhance the local economy.
- Speculative buildings.

A special authority or commission would be established to determine the disbursements of the money. Important consideration should be given to the fact that any time there is a pile of money available; the group in charge of spending the funds will be positioned between “the hog and the bucket.” Everyone and every group will claim what they are doing is economic development and will want funding. The uses must be legally restricted.

By providing an adequate flow of money through this investment, the community will have a very good chance of being successful in expanding Finney County’s economy and improving the standard of living for all who live and work in the area.

The Task: For the first three years of the Plan, the city and county will jointly fund the costs of the expanded economic development program.

The Task: Within two years, a special committee will identify a long term source of funding for all the economic development programs.

The Task: Beginning the fourth year, a long term source of funding will be in place.

Conclusion

Finney County has the opportunity to direct its economic future. Unlike most rural communities which have suffered significant economic decline over the last 30 years, it still has the financial resources to initiate programs which alter its present downward trend and cause the economy to grow in both size and quality.

This will improve the standard of living for all Finney County residents and provide the financial resources to government to afford providing many of the “quality of life” amenities desired by the people. However, improving the economy will not come about by accident. It will take a commitment by the entire community to implement an aggressive economic development program.

About the Researcher

William H. Fruth is the President of POLICOM Corporation; an independent economics research firm located Palm City Florida, which specializes in studying the dynamics of local economies. Through his analysis, he determines if an economy is growing or declining, what is causing this to happen, and offers solutions to maintain or improve the situation.

He has personally evaluated the data for more than 600 local economies in the United States, created more than 150 community economic studies, and has provided presentations and workshops for state associations and local communities in 30 states.

He is a nationally recognized leader in the field of geographic economics and has extensive experience in economic development.

From 1988 to 1995, Fruth served as Vice President of a major industrial land development company, directing the development and marketing of a 500-acre corporate park in the West Palm Beach, Florida area.

Previously he was President of the Business Development Board of Palm Beach County, the economic development organization for the area. During that tenure he was named Florida's Economic Development Professional of the Year in 1987.

From 1980 to 1984, Bill served in a full time capacity of Mayor of Tiffin, Ohio. During this time, he was named one of the "Five Outstanding Young Men in Ohio" and was heavily involved in economic and community development both locally and statewide.

Fruth has been recognized by the Florida Administrative Court as an expert witness regarding local economies, is a member of the American Institute for Economic Research and the American Economic Association.

Fruth received the Bachelor of Science and Master of Arts degrees from Bowling Green State University in Ohio studying political theory, communications, and journalism.

POLICOM Corporation
2740 SW Martin Downs Blvd. #279
Palm City, FL 34990

fruth@policom.com
www.policom.com

PH: 772-781-5559
FX: 772-220-2642

Finney County Economic Development Plan Five Year Goal

Goal # 1: Create 500 new primary industry jobs.		
Task	Completed By	Completed When
1. The present economic development existing industry program will have to be expanded.		
A. Within the next six months, the economic development organization will employ an experienced existing industry professional who will expand this program. This individual shall also coordinate the Start-Up Program.	EDC	January, 2006
B. Within the next twelve months, all primary industry “type” businesses will be identified. Staff from the economic development organization will have confidential meetings with these businesses to determine what action the community can take to encourage more employment.	EDC	June, 2006
2. The present economic development recruitment program will have to be expanded.		
A. Within twelve months, the economic development staff will redesign the web site reflecting the format of the IEDC data standards.	EDC	June, 2006
B. Within two years, a recruitment plan will be created and a funding source identified for an expanded program.	EDC and KREDA	June, 2007
C. Within three years, an expanded recruitment program should be initiated, including employing a full time professional to implement the program.	EDC and KREDA	June, 2008
3. An economic development “Start-Up” program will have to be created.		
A. Within one year, a plan will be developed to create an economic development Start-Up Program which shall include identifying a funding	Special Task Force	June, 2006
B. Within two years the “existing industry specialist” will begin to coordinate the acquisition of the incubator and implement the Start-Up Program.	EDC	June, 2007
C. Within three years, sources of venture or start-up capital should be identified.	Special Task Force	June, 2008
D. Within four years, the Start-Up Program will be fully operational including having a building, a relationship with a group to counsel the businesses, a relationship with the community college, and a multi-county out-reach program.	Special Task Force and EDC	June, 2009

Task	Completed By	Completed When
4. In order to expand the existing economic development program, more funding is necessary.		
A. Within six months, a short term funding program, which will cover the increased costs of the expanded economic development program for the next three years, shall be secured.	EDC, Garden City, Finney County	January, 2006
5. To be competitive in the economic development marketplace, a <i>Business Incentives Program</i> is needed.		
A. Within one year, the community shall establish criteria to determine the conditions under which a primary employer will receive an incentive to expand in or locate to the Finney County.	Finney County and Garden City	June, 2006
B. Within two years, the community shall identify a source of funding for the costs of providing a comprehensive business incentives program such as worker training, grants, and loans.	Finney County and Garden City	June, 2006
6. Most businesses looking to locate would prefer to lease or purchase an existing building which exactly meets their facility needs.		
A. Within three years, the community should create a “virtual building” and use it in its recruitment program.	EDC Marketing	June, 2008
B. Within six years, the community should design and construct a speculative building.	EDC Marketing	June, 2011
7. The availability of a trained or trainable workforce is one of the most important issues to a company.		
A. Within two years, the community will develop a comprehensive worker training system which has the ability to create and fund customized training programs for qualified primary businesses.	Garden City Community College	June, 2007
8. A commercial airport, one which provides direct jet air service to major hubs, is essential to most businesses today.		
A. Within one year, the community will devise an ongoing plan to create more air traffic at the Garden City Airport.	Garden City	June, 2006
9. High speed telecommunications capability will become even more important in the future.		
A. Within one year, the community will create a “Telecommunications Task Force” to evaluate the current telecommunications system in the area and devise a plan to create a “21st Century” system in the future.	Special Task Force created by EDC	June, 2006

Task	Completed By	Completed When
10. Institutions of higher education have been a catalyst for economic growth in many communities.		
A. Within one year, a special task force comprised of business, government, and educational leaders will investigate how other community colleges in the United States have interfaced with their community to enhance economic growth. The task force will then create a plan which gives direction to the Garden City Community College on how to create new programs to enhance the economy.	Special Task Force created by EDC	June, 2006
B. Within two years, the Finney County business community, county & city government, and the economic development organization will implement the plan recommended by the task force and form a partnership with the Garden City Community College to create long term programs to directly help to improve the economy of Finney County.	EDC and Garden City Community College	June, 2007
11. The “Business Climate” created by local government can have a positive or negative influence on the local economy.		
A. Within one year of employment, the existing industry specialist will prepare a report detailing issues created by the county and city government which have a positive or negative influence upon the primary employers in the county.	EDC Existing Industry	January, 2007
12. In order for Finney County to be successful, funding needs to be provided to finance the various elements of the Plan.		
A. For the first three years of the Plan, the city and county will jointly fund the costs of the expanded economic development program.	Finney County and Garden City	January, 2006
B. Within two years, a special committee will identify a long term source of funding for all the economic development programs.	Special Task Force	June, 2007
C. Beginning the fourth year, a long term source of funding will be in place.	Finney County Community	June, 2009

Goal # 2: Develop 500 acres of improved, approved industrial real estate.		
Task	Completed By	Completed When
13. Within four years, under the following schedule, the Finney County community shall purchase and develop a multi-use “Enterprise Park,” between 400 and 500 acres in size, which shall be marketed exclusively to qualified primary employers.	A special task force created by the EDC working with the county and the city.	June, 2009
A. Within one year, the community will identify a source of funding for the purchase and development of an industrial park.	A special task force created by the EDC working with the county and the city.	June, 2006
B. Within two years, the community will option or purchase the land for the park and begin the approval process.	A special task force created by the EDC working with the county and the city.	June, 2007
C. Within three years, the horizontal development of the industrial park shall commence and criteria for the sale or lease of the land shall be established.	A special task force created by the EDC working with the county and the city.	June, 2008
Goal # 3: Educate the community on the need for a comprehensive economic development program.		
Task	Completed By	Completed When
14. Within six months of the adoption of the Plan, the community will be provided with a series of presentations regarding the need for and the content of the Plan. Included in the presentations will be a discussion of future funding sources to finance the program activities.	EDC	January, 2006
15. On an annual basis, the community will be invited to participate in a gathering to discuss the status of the implementation of the Plan.	EDC	June, 2006