



ECONOMIC DEVELOPMENT TOOLKIT

A Practical Guide for Elected Officials

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A Message from REAP Chair, Mayor of Wellington Shelley Hansel



We are all better together ... it's not only a good catch phrase, but a proven method of regional success. The south-central Kansas region is better when we are all successful and that's why we feel good, effective economic development practices are very important. We hope you learn something at the economic development summit and from this toolkit. Most importantly, take what you learn and implement it into your community.

Mayor Shelley Hansel
REAP Chair

Using the Toolkit

The REAP Economic Development Toolkit was created for elected officials as a starting point to approach economic development in their community. A large portion of the toolkit is devoted to having intentional and realistic community conversations about what economic development means to the specific community. With economic development there is no one-size-fits-all solution. Every community has different strengths, resources and challenges. Tailoring a strategy starts with understanding the community and elected officials are better positioned than anyone to lead that process.

Tools presented in this document are just that, tools that can be deployed when needed to solve problems. Deciding which tools to use is completely up to each community. Determining the right tool for a project can be a daunting task, especially for small communities that don't have a lot of experience using these tools. Challenging as it may be, there are numerous resources available to all sizes of communities in this region to advise on economic development. All any community needs to do is ask for assistance from any of the organizations listed in this toolkit.

The strength of south-central Kansas is a willingness to work together with the understanding that collaboration means everyone can win. Regional economic development is a proven approach to improving individual communities while supporting a greater area. REAP invites all south-central Kansas communities to use this toolkit and work together for everyone's benefit.

An Introduction to Economic Development

What is economic development? It's the proactive management of the business atmosphere to encourage growth, promote prosperity and meet the needs of the community. A community needs to evaluate, plan and implement to be successful with economic development.

EVAULATE

What does the community have to support business? Answering that question requires an honest evaluation of the resources available in the community. Items that need to be considered are:

- Current business climate: Who is here now? Who is successful and who struggles? What does the labor force look like? What does the community currently support?
- Regulatory environment: Are there impediments at the federal, state or local level that deter business? What can be done to make regulations predictable and fair?
- Needs vs. wants: Everyone wants a big manufacturer or big retailer, but is that realistic in the community? If a big project were landed, would the community be able to support it?
- Political willingness to use tools: Is there support to use tools like tax abatements or cash assistance? Knowing the tools available ahead of time will avoid frustration and embarrassment later in the process.

Honest evaluation of the community, rather than well-meaning desires for development, will determine success. The conversation can be difficult, but is essential to developing a meaningful economic development program. Positive results begin with realistic expectations.

PLAN

After evaluating the current conditions, an action plan can be developed for economic development. Broadly speaking, economic development activities fall into four different categories:

- Retention and expansion: Businesses already in the community,
- Business recruitment: Actively pursuing new businesses from outside the community,
- Entrepreneurship: Long-term process of developing and supporting new small businesses, and
- Community vibrancy: Creating a quality place to live, work and play.

Each category has different objectives and strategies that can be used. It is critical to establish realistic objectives and try to build community support. Community buy-in will significantly improve the likelihood of success. Buy-in empowers decision makers to take risks and accept the consequences, good or bad.

IMPLEMENT

Establishing who will work the plan and defining roles is key to success. Everyone has a role to play in the process, but it is important to understand what those roles are within the community. When there is a dedicated person or organization for economic development, allow them to do the job they have been hired to do. Stay in your lane and allow the process to unfold. Resist the urge to become involved in all

phases of the process. The process of economic development is there to help the community thrive, as well as ensure fairness and consistency. Acting independently or outside of the process can create problems for businesses, professional staff and you as elected officials. Do not be the reason that a project passes on your community.

THINGS TO CONSIDER ...

Do the math. Cost-benefit analysis measures many direct financial benefits, but that is only one thing to consider. What should your community use to determine success? Is your goal population growth, tax base expansion or retail growth? What are the things most important to your community? Why do you want certain businesses?

Everything has a cost and risk, real or perceived. Is the community willing to accept the risk and potential downsides of a development project? Try to understand the costs and benefits associated with a project beyond the bottom line numbers.

Not all projects are the right project. It is important to consider what would happen if the project actually chooses your community. What would be the impact on the community? Does the community have the infrastructure, resources and people to make this project successful in the long term? What will happen to the existing businesses and the community's quality of life with this project?

Confidentiality is a must. Although it may be difficult to understand, confidentiality is required for success. There is a delicate balance between keeping the public informed and meeting the needs of a business. It is counterintuitive in many ways because government must be open and transparent. However, failure to maintain confidentiality will quickly end projects and create a reputation that the community is not ready for business investment.

Be ready. Having all the necessary elements in place to accommodate a project saves the community and business a lot of headaches. Time is money and anyway to facilitate quick turnaround on projects is a competitive advantage. It does not necessarily mean a community needs to invest millions of dollars in an industrial park, but having as much relevant information about a site and the community can dramatically improve the chances of getting a project.

Think regionally. While every official answers to a constituency, business does not observe political boundaries. What is good for the region is likely good for individual communities even if there are no direct financial benefits. Building a strong business ecosystem enhances an individual community's chances for success.

Think creatively. Most projects require some degree of creativity or flexibility at some point in the process. Flexibility may be anything from expediting permits, providing infrastructure assistance or any other assistance that lowers entry barriers for a business. Is the community willing to make reasonable accommodations to make a project happen?

Celebrate success. Too often communities fail to acknowledge their success or tell their story. Success may be small, but it must be celebrated. Success builds momentum, which can lead to more success and an improved perception of the business climate. Tell the community's story and celebrate the wins, no matter how small.

Community Evaluation

Before you even begin with economic development, it is important to do a community evaluation. The intention of the evaluation process is to gain a common understanding of what the community's goals are for development. Key to success is open and honest dialogue that incorporates community viewpoints and leads to a common agenda. These conversations are difficult, can be challenging and certainly require leadership. However, long-term community success requires an investment in effort to think through the process of development.

Starting with an evaluation also allows a community to measure success. Many economic development incentives require a cost-benefit analysis to be done to measure direct financial benefits, but that is only one thing to consider. Since each community has different desired outcomes, the way that is measured also may be different. However it's very difficult to measure what is unknown in the first place. Having clarity on what the community wants to achieve will allow for better planning, successful implementation and measurable results.

WARNING: THIS SHOULD BE A TOUGH CONVERSATION. If there is no disagreement or conflict in the conversation, then there probably are not enough voices included. It is easy to get agreement on broad concepts of "getting more business" or "having a better economy," but a community needs to dig into what that really means. Chances are there are as many definitions as there are people. Conflicting ideas are productive as long as there is not too much conflict.

Throughout this process it is important to operate with objective facts. The goal is to establish some truth about the community, not just accepting assumptions or perceptions. For example, it's easy to say that a grocery store would be successful in a community, but if everyone will still drive to the nearest Walmart to save a few dollars it will be difficult to convince a business to take that risk. Data and facts win at the end of the day. Having objective facts will help with an honest conversation.

Neutrality is also essential. If the person asking the questions brings bias or is perceived to be biased, then the community may not trust the process. Without community support, even the best plans can fall flat. If there isn't a person or group that is perceived as a neutral facilitator then it may be beneficial to bring in an outside third party.

Below are questions on topics that should be addressed in the economic development evaluation process. The questions are intended to be conversations starters and should not be viewed as comprehensive. Many of the questions may not be relevant to a community and many more should surface in the evaluation process.

EVALUATION QUESTIONS

Why do we want to do economic development?

What does the term “economic development” mean to the community? Is it more jobs? More people? A certain type of business like a grocery store or restaurants or entertainment? Is it growing and supporting current businesses? Starting small businesses?

What resources does the community have to devote to economic development? Is there land, buildings or location?

If a major employer came to town, does the community have the infrastructure to meet new demands? Are there good enough roads? Is there enough water? Is there enough sewer capacity? Is there electrical infrastructure? Gas infrastructure? Is there internet access and capacity?

What businesses are here now? What businesses are successful? Why are they successful? What existing businesses struggle? Why do they struggle?

What does the labor force look like? Where do our workers come from? Do people come in to work or do they leave to work? How would the community handle a sudden influx of workers for a new project?

What if new workers didn't resemble who is in the community now? How would the education system adapt to change if new workers came in? What would happen to the character of the community if new residents who don't resemble those in the community now came to town?

What businesses does the community currently support? National chains or locally owned businesses? Are they willing to shop local retailers?

Are there impediments at the federal, state or local level that deter business? What can be done to make regulations predictable and fair?

Are there types of businesses that the community would not support?

Is a big manufacturer or big retailer realistic in the community? If a big project landed, would the community be able to support it?

What are other communities doing for economic development? Are we willing to compete? In what ways are we willing to compete? Is there support to use tools like tax abatements or cash assistance?

Who is out there to help with economic development? Who will do the economic development work? If there are partners, what does a partnership look like? Does the community want to spend time, talent and money on economic development? Are volunteers sufficient to do economic development?

Economic Development Planning

What does a successful economic development plan look like?

An economic development plan is a roadmap for economic success, laid out by a community, that gives clear goals and objectives about what actions will be taken to achieve community objectives. Plans are completely dependent on the community's vision and what it wants to see. Plans can be complex and sophisticated or relatively simple and straightforward. Importantly, the economic development plan is the result of a process and will be limited by that process. The better the process, the higher the likelihood of success.

What things should an economic development plan focus on?

A plan's focus relates directly to what the community wants to achieve. The business climate in a community includes many factors that are outside of the control of any one body, but communities have a significant amount of influence on what can happen locally and can make a difference. Broadly speaking, economic development activities fall into four general areas:

- Retention and expansion: Working with businesses already in the community to stay productive or get bigger,
- Business recruitment: Actively pursuing new businesses from outside the community,
- Entrepreneurship: Long-term process of developing and supporting new small businesses, and
- Community vibrancy: Creating a quality place to live, work and play, which can include supporting tourism, being a community of choice for commuters.

Communities have limited resources and need to make decisions about where to spend their time and money. Rather than spending small amounts on everything, successful communities prioritize their investments based on the community's desired future. Building on the community's strengths gives a plan a solid foundation and typically has a better return on investment. Skipping the evaluation process makes planning more difficult and can lead to bad investments of time, effort and resources.

What's in an economic development plan?

At a minimum, an economic development plan should include the following elements: Statement of Purpose / Vision Statement, Goals, Objectives and Strategies.

Statement of Purpose / Vision Statement: Answers the question of what the preferred future looks like. After an honest evaluation process, the community should be able to express what it wants to be in the future.. An example would be: *The region will be the center of entrepreneurial activity in the state of Kansas and will be the leader in entrepreneurial development.*

Goals: Relate back to the purpose, but drill down to more specific information. An example of a goal would be: *Create a business environment that facilitates entrepreneurship and builds a pipeline for new business creation.*

Objectives: Answer the questions related to what the community needs to focus on to achieve the goals. An example of an objective would be: *Maximize available funds available to support entrepreneurship.*

Strategies: Specific action steps that will be taken to meet objectives and meet goals. Strategies usually have multiple steps underneath each strategy. An example of this would be: *Explore partnerships to expand entrepreneurial education in the area.*

Responsibilities and Timeline: Tied to each strategy, this establishes who is going take the action and when it can be expected to be done. The owner of the plan ultimately has the authority to hold the designated party responsible if it is not them. An example of this would be: *Chamber staff to be completed by end of year 2.*

Measurement: Predetermined way to test if something is successful. Measurements can change over time, but need to be spelled out in some way.

Putting all the pieces together creates the basic framework for an economic development plan. The following is a sample for the entrepreneurial example:

VISION STATEMENT: The region will be the center of entrepreneurial activity in the state of Kansas and will be the leader in entrepreneurial development.

GOAL 1: Create a business entrepreneurship environment that builds a pipeline for new business creation.

OBJECTIVES:

- *Maximize available funds to support entrepreneurship.*
- *Provide educational resources to build entrepreneurship education in K-12.*

STRATEGIES:

- A. *Explore partnerships to expand entrepreneurial education in the area.*

TIMELINE: Complete, year 2

LEADER: Regional Chamber of Commerce

1. *Convene local school boards to evaluate opportunity for entrepreneurship education.*
2. *Research and identify entrepreneurship education materials for curriculum.*
3. *Contact Network Kansas representative about potential educational opportunities.*

MEASURE: Four area high schools will add entrepreneurship elements to the curriculum by 2022.

Again, the plan is specific to the community or group that is creating it. The focus is completely up to the planning body. When thinking about designing a plan, it is good to include stakeholders or community members in the discussion. If there are questions regarding spending public money on economic development, then it is far easier to make a compelling case to the public if they have been involved in the process.

Economic Development Implementation

Who is going to do this work?

Establishing who will work the plan and defining roles is key to success. Everyone has a role to play in the process, but it is important to understand what those roles are within the community. When there is a dedicated person or organization for economic development, allow them to do the job they have been hired to do. Stay in your lane and allow the process to unfold. Resist the urge to become involved in all phases of the process.

Why should we use a process?

The process of economic development is there to help the community thrive as well as ensure fairness and consistency. Acting independently or outside of the process can create problems for businesses, professional staff and you as elected officials. **Do not be the reason that a project passed on your community.**

What governs our process?

Developing an economic development policy can be very useful in defining roles, responsibilities and general limits on what the community will pursue. Adopting a formal policy can reduce confusion internally and also with the business community. Many examples of economic development policies are available as part of REAP membership, but also can be acquired by asking for copies from other public agencies. While policies can be very beneficial, it is important to remember not to be too rigid in designing a policy. Every project is different, so providing room for flexibility and creativity will allow your community to adapt to the needs of business.

Why do we have to keep what we are working on private?

Confidentiality is a must. Although it may be difficult to understand, confidentiality is required for success. There is delicate balance between keeping the public informed and meeting the needs of a business. It is counterintuitive in many ways because government must be open and transparent. However, failure to maintain confidentiality will quickly end projects and create a reputation that the community is not ready for business investment.

Are we on our own for economic development?

Absolutely not. There are resources at the state and local levels that can assist with any economic development challenge. Although economic development is a highly competitive business, there are lots of resources available to help. State and regional resources are available to address most development issues. Generally, publicly funded resources are free to communities while other regional organizations may require membership or have a fee-for-service model. Professional economic developers in your area are receptive to answer development or technical questions that may come up, although they may not be able to be deeply involved in projects.

A resource guide is included in this toolkit to provide quick reference to economic development contact information for specific issues. Additional research on what other communities and regions are doing for economic development is available in the members-only section of the REAP website.

Economic Development Resource List

NEED HELP WITH...	AGENCY	CURRENT CONTACT	PHONE	EMAIL
State Economic Development Questions	KS Department of Commerce	Renee Lippincott	(620) 204-0855	renee.lippincott@ks.gov
State Economic Development Questions	KS Department of Commerce	Bob Fettke	(316) 655-7055	robert.fettke@ks.gov
General Economic Development Questions	Greater Wichita Partnership	Andrew Nave	(316) 500-6650	andrew@greaterwichitapartnership.org
Workforce	KS Department of Commerce		(800) 255-2458	
Encouraging Entrepreneurship	Network Kansas	Erik Pederson	(877) 521-8600	info@networkkansas.com
Funding Community Development	South Central Kansas Economic Development District	Steve Wilkinson	(316) 262-7035	steve@sckedd.org
SBA Loans	South Central Kansas Economic Development District	Dwayne Ray	(316) 262-7036	dewayne@sckedd.org
Small Business Assistance	Kansas Small Business Development Center @WSU	Marcia Stevens	(316) 978-3193	ksbdc@wichita.edu
Transportation: District #5 (Butler, Cowley, Harper, Harvey, Kingman, Reno, Sedgwick, Sumner counties)	KS Department of Transportation	Deb Gruver	(620) 663-3361	deb.gruver@ks.gov
Transportation: District #2 (McPherson, Marion counties)	KS Department of Transportation	Donna Tollerton	(785) 823-3754	donna.tollerton@ks.gov
Environmental Issues North Central District (McPherson, Marion counties)	KS Department of Health and Environment	Jennifer Nichols	(785) 827-9639	ncdoadmin@ks.gov
Environmental Issues South Central District (Butler, Cowley, Harper, Harvey, Kingman, Reno, Sedgwick, Sumner counties)	KS Department of Health and Environment	Allison Herring	(316) 337-6041	scdoadmin@ks.gov
International Trade	Kansas Global Trade Services	Karyn Page	(316) 264-5982	
Tourism Based Industries	KS Department of Wildlife, Parks and Tourism	Kelli Hilliard	(785) 296-2009	kelli.hilliard@ks.gov
Assistance to Small / Medium Manufacturers	Mid-America Manufacturing Technology Center	Philip Brown	(913) 649-4333	pbrown@mamtc.com
Infrastructure Assistance	KS Department of Commerce	Debbie Beck	(785) 296-7092	kdc_cdbg_inbox@ks.gov
Regional Economic Development Collaboration	Regional Economic Area Partnership (REAP)	Keith Lawing	(316) 771-6603	klawing@workforce-ks.com
Community or Development Planning	WSU Public Policy and Management Center	Misty Bruckner	(316) 978-6527	misty.bruckner@wichita.edu

REAP COUNTY	NEED HELP WITH...	AGENCY	CURRENT CONTACT	PHONE	EMAIL
Butler	General Economic Development Questions	Butler County Economic Development	David A. Alfaro	(316) 322-4325	EconomicDevelopment@bucoks.com
	Workforce	Workforce Alliance of SC KS	Keith Lawing	(316) 771-6603	klawing@workforce-ks.com
Cowley	General Economic Development Questions	Cowley First	Kerri Falletti	(620) 221-9951	
	Workforce	Workforce Alliance of SC KS	Keith Lawing	(316) 771-6603	klawing@workforce-ks.com
Harper	General Economic Development Questions	Harper County Community-Economic Development	Melinda McCurley	(620) 842-6030	commdev@harpercountyks.gov
	Workforce	Workforce Alliance of SC KS	Keith Lawing	(316) 771-6603	klawing@workforce-ks.com
Harvey	General Economic Development Questions	Harvey County Economic Development	Beth Shelton	(800) 648-7759	Beth@HarveyCoEDC.org
	Workforce	Kansas WorkforceONE	Deb Scheibler	(785) 493-8018	deb@kansasworkforceone.org
Kingman	General Economic Development Questions	Kingman County Economic Development Council	Jim Rowland	(620) 930-3988	jrowland@redhillsgroup.com
	Workforce	Workforce Alliance of SC KS	Keith Lawing	(316) 771-6603	klawing@workforce-ks.com
McPherson	General Economic Development Questions	McPherson Industrial Development Company	Kasi Morales	(620) 245-2521	kasim@mcphersonpower.com
	General Economic Development Questions	McPherson Chamber of Commerce	Jennifer Burch	(620) 241-3303	chamber@mcphersonks.org
	Workforce	Kansas WorkforceONE	Deb Scheibler	(785) 493-8018	deb@kansasworkforceone.org
	Marketing	Go McPherson	Kasi Morales	(620) 245-2521	kmorales@gomcpherson.com

REAP COUNTY	NEED HELP WITH...	AGENCY	CURRENT CONTACT	PHONE	EMAIL
Reno	General Economic Development Questions	Hutchinson/Reno County Chamber of Commerce	Debra Teufel	(620) 662-3391	debrat@hutchchamber.com
	Workforce	Kansas WorkforceONE	Deb Scheibler	(785) 493-8018	deb@kansasworkforceone.org
	Starting or Building Business	Quest Center for Entrepreneurs	Dave Dukart	(620)665-8468	dukartd@hutchcc.edu
	Marketing / Tourism	Visit Hutch	LeAnn Cox	(800) 691-4262	leannc@hutchchamber.com
Sedgwick	General Economic Development Questions	Greater Wichita Partnership	Andrew Nave	(316) 500-6650	andrew@greaterwichtapartnership.org
	Workforce	Workforce Alliance of SC KS	Keith Lawing	(316) 771-6603	klawing@workforce-ks.com
	Marketing / Tourism	Visit Wichita	Susie Santo	(316) 265-2800	ssanto@visitwichita.com
Sumner	General Economic Development Questions	Sumner County Economic Development	Stacy Davis	(620) 326-8779	sdavis@co.sumner.ks.us
	Workforce	Workforce Alliance of SC KS	Keith Lawing	(316) 771-6603	klawing@workforce-ks.com

Economic Development Incentives Inventory

In order to be effective at economic development, it is important to know what tools are available. Some incentives are highly technical in nature and should only be considered after consultation with experienced professionals. Due to the project-specific nature of incentives, this should not be considered an exhaustive list. Local jurisdictions have wide latitude on using incentives that are not defined by state law. Below is a categorized representation of economic development incentives available in Kansas.

BENEFIT DISTRICTS - DEVELOPMENT INCENTIVES

<http://www.kansascommerce.com/442/Finance>

TAX INCREMENT FINANCING (TIF) - TIF is a real estate redevelopment tool applicable to industrial, commercial and residential projects. TIF uses a project's incremental increase in real estate tax revenues and local sales tax revenues over the status quo ante base year to finance public improvements related to the project, either on a cash flow basis or through the issuance of bonds sold to finance eligible redevelopment project costs. (K.S.A. 12-1770 et seq.)

COMMUNITY IMPROVEMENT DISTRICT (CID) – A CID is a distinct area of the city that taxes itself to provide services above those available to the city-at-large. A CID project provides public benefits, such as strengthening economic development and employment opportunities, enhancing tourism, upgrading older real estate through redevelopment or rehabilitation, or promoting sustainability. (K.S.A. 12-6a26 et seq.)

TRANSPORTATION DEVELOPMENT DISTRICT (TDD) - The TDD statutes (KSA 12-17,140 et seq.) permit the creation of a district to finance a variety of transportation-related infrastructure. Unlike CIDs, TDDs may finance infrastructure both inside and outside of the district's boundaries. Projects undertaken by the TDD may be financed with a district-wide sales tax (up to 1%) or special assessments levied and collected pursuant to the special assessment district statutes (KSA 12-6a01 et seq.).

SALES TAX AND REVENUE (STAR) BONDS - STAR bonds are a mechanism for funding major commercial, entertainment and tourism projects. STAR bonds are paid for by the increased state and local sales tax generated in the area. A STAR bond project must meet many qualifications, including capital investment of at least \$50 million and businesses within the district must produce gross sales in excess of \$50 million each year. A STAR bonds project requires local support and approval from the Kansas Secretary of Commerce. (K.S.A. 12-17,160) <http://www.kansascommerce.com/145/STAR-Bonds>

NEIGHBORHOOD REVITALIZATION PROGRAM (NRP) - The NRP provides a tax rebate incentive to property owners for making major improvements that raise the appraised value of residential property by 10% and of commercial property by 20%. The program is intended to promote the revitalization and of the city's blighted area(s) ("intensive care" and "at risk" neighborhoods) and downtown by creating an incentive for the rehabilitation, conservation and redevelopment of these areas.

MUNICIPAL IMPROVEMENT DISTRICT (MID)- The MID Act (KSA 12-1795 et seq.) permits the city council to identify a defined geographic area with the city's central business district composed of commercial or industrial property that requires a level of municipal service in excess of that required by the community as a whole.

BENEFIT DISTRICTS – Used to pay for infrastructure associated with new development (for example streets, sidewalks, sanitary sewers, waterlines and traffic signals) or used to protect residents in established areas from an obligation to pay for development in new areas. General Obligation (GO) bonds are issued by the city for construction of public improvements. The costs are assessed to the properties that benefit from the development. The city retires the GO bonds through payments of special assessments.

<https://www.kansascash.com/bonds.html>

PROPERTY TAX ABATEMENT

<http://www.kansascommerce.com/144/Property-Tax-Abatement-Assistance>

ECONOMIC DEVELOPMENT EXEMPTIONS (EDX) - Economic Development Exemptions (EDX) are used to encourage manufacturing, research and development and warehousing/distribution companies to grow. Taxes on improvements to land and buildings can be exempted for up to 10 years. All new business machinery and equipment are permanently exempt under state law. The percentage of taxes abated is based on job creation and capital investment. [No sales tax exemption]

INDUSTRIAL REVENUE BOND (IRB) (Also referred to as ECONOMIC DEVELOPMENT REVENUE BOND (EDRB) - Tax abatements granted through an IRB are generally not available to companies that are engaged in retail sales of goods or services within the local community. IRBs can be a cost-efficient method of financing up to 100% of a growing company's investment in facilities. IRBs are most often purchased by the applicant's bank in lieu of a bank loan. In this situation the benefit of the IRB is not the bonds, but the potential property tax abatement that is triggered. (K.S.A. 79-201a)

SALES TAX EXEMPTIONS - Sales Tax Exemptions (IRBs or HPIPs) include:

- Labor services related to original construction
- Remodeling costs, furnishings, furniture, machinery and equipment for qualified projects
- New machinery and equipment for manufacturing and distribution. This also includes pre- and post-production machinery and equipment, including raw material handling, waste storage and water purification, as well as ancillary property such as gas pipes, electrical wiring and pollution control equipment
- Tangible personal property that becomes an ingredient or component part of a finished product
- Tangible personal property that is immediately consumed in the production process, including electric power, natural gas and water
- Incoming and outgoing interstate telephone or transmission services (WATTS)
- Real and personal property financed with an Industrial Revenue Bond

STATE ADMINISTERED INCENTIVE TOOLS

<http://www.kansascommerce.com/93/Business-Community-Finance-Incentives>)

PROMOTING EMPLOYMENT ACROSS KANSAS (PEAK) - The PEAK incentive program (K.S.A. 74-50,210 through 74-50,219) was created by the 2009 Legislature to create jobs and encourage economic development. PEAK allows qualified companies to receive 95% of the Kansas withholding tax of the PEAK-eligible jobs/employees that are paid at least the county median wage in which the qualified facility is located.

HIGH PERFORMANCE INCENTIVE PROGRAM (HPIP) - The HPIP provides an investment tax credit and other incentives to companies that pay above-average wages and have a strong commitment to skills development for their workers. Eligible companies may receive substantial investment tax credits and other incentives if they satisfy wage and training criteria. [Inherent sales tax exemption]

PRIVATE ACTIVITY BOND - Qualified PABs are federally tax-exempt bonds. Under the federal volume cap, Kansas has a total 2018 bond allocation of \$311,375,000 for this purpose. The types of bonds qualifying for such tax-exempt status are:

- Exempt facility bonds
- Qualified mortgage bonds
- Qualified veterans' mortgage bonds
- Qualified small issue bonds
- Qualified student loan bonds
- Qualified redevelopment bonds
- Qualified 501(c)(3) bonds

KANSAS ANGEL INVESTORS TAX CREDIT (KAITC) PROGRAM - The purpose of the KAITC Act is to facilitate the availability of equity investment in businesses in the early stages of commercial development and to assist in the creation and expansion of Kansas businesses, which are job- and wealth-creating enterprises, by granting tax credits against the Kansas income tax liability of investors investing in these businesses.

KANSAS INDUSTRIAL TRAINING (KIT) - The KIT program may be used to assist firms involved in job creation. Training can include pre-employment, classroom and on-the-job-training by in-house instructors or vendors. Pre-employment training may be used to allow the company and prospective employees an opportunity to evaluate one another before making employment commitments.

KANSAS INDUSTRIAL RETRAINING (KIR) - The KIR program is a job retention tool that helps employees of restructuring companies who are likely to be displaced because of obsolete or inadequate job skills and knowledge.

PUBLIC INFRASTRUCTURE

<https://www.kdfa.org/>

KANSAS DEVELOPMENT FINANCE AUTHORITY (K DFA) - K DFA is authorized to issue bonds, either for a specific activity or on a pooled basis. K DFA may issue bonds for financing capital improvements, industrial enterprises, agribusiness enterprises, educational facilities, health care

facilities and housing developments. It may also issue bonds to finance an interest, such as lease or mortgage, on such facilities. The authority may also help establish and fund venture capital funds.

OPPORTUNITY ZONES

Opportunity Zones, a new economic development tool enacted by the Federal Tax Cuts and Jobs Act of 2017, will offer local citizens the opportunity to invest back into their communities and proactively be a part of the solution to problems such as population decline, lack of jobs and crumbling infrastructure. The program provides deferral and reduction of capital gains taxes when the gain is invested in a qualified opportunity fund and maintained for at least five years. Additional tax incentives are available for investments held for periods of seven and 10 years. The IRS is expected to issue guidance on opportunity funds in summer 2019.

<https://kansascommerce.gov/1067/Opportunity-Zones>

Map of Opportunity Zone nominated areas:

<http://ksdot.maps.arcgis.com/apps/View/index.html?appid=1a758c26b4394e679a50ac736e244b03&extent=-105.3513,35.7643,-91.2888,41.1621>

HOUSING

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG) – CDBG allows the U.S. Department of Commerce to distribute federal funds to Kansas cities and counties looking to improve their community. To receive funds, a project must meet at least one of the following federally mandated criteria:

- The project benefits low- and moderate-income individuals.
- The project removes or prevents slum or blight condition.
- The project eliminates an urgent need created by a disaster when local funds are unavailable.

<http://www.kansascommerce.com/851/Community-Development-Block-Grant-Program>

COMMUNITY SERVICES BLOCK GRANT (CSBG) - CSBG provides core funding to local agencies to reduce poverty, revitalize low-income communities and to empower low-income families to become self-sufficient. The CSBG is currently authorized under the 1998 CSBG Act.

<http://www.nascsp.org/CSBG.aspx>

RURAL HOUSING INCENTIVE DISTRICT (RHID) – Rural Housing Incentive Districts (RHID) is a development tool that allows for developers to recuperate the cost of public infrastructure for housing development. RHID uses a project’s incremental increase in real estate tax revenues over the status quo ante base year to finance public improvements related to the project, either by reimbursing costs paid by developers or through the issuance of bonds sold to finance eligible redevelopment project costs. The program is only eligible to be used in certain counties. (K.S.A. 12-5242 et seq.)

<http://kansascommerce.com/KansasHousing>

LOCAL / CITY GRANTS FOR ECONOMIC DEVELOPMENT

- Hutchinson Economic Development Authority
- Newton – Downtown Revolving Loan Program / Economic Development Council Program
- Butler County Micro-Loan Program
- Salina Economic Development Incentive Program

- McPherson Convention and Visitors Bureau (CVB) offers marketing, event and attraction, and sport tournament grants

HISTORIC PRESERVATION FUND

The HPF is a grant program administered by the National Park Service (NPS). Funds for the HPF program are derived from Outer Continental Shelf mineral receipts. Each year the NPS provides the Kansas State Historic Preservation Office (SHPO) with funds that finance its operations, salaries and grants. Ten percent of those grant funds awarded to the SHPO must be passed through to a certified local government (CLGs) per federal regulations. The SHPO awards additional grant monies to cities, counties, universities and other eligible organizations to help support local historic preservation activities when funding levels permit.

<https://www.kshs.org/p/historic-preservation-fund/14615>

1031 EXCHANGE (Like-Kind Exchanges)

Internal Revenue Code Section 1031 provides an exception and allows you to postpone paying tax on the gain if you reinvest the proceeds in similar property as part of a qualifying like-kind exchange. Gain deferred in a like-kind exchange under IRC Section 1031 is tax-deferred, but it is not tax-free.

<https://www.irs.gov/newsroom/like-kind-exchanges-under-irc-code-section-1031>

WORKFORCE ALLIANCE PROGRAMS

- Disability Employment Initiative (DEI)
- Veterans – Hilton HHonors Program
- Jobs for Veterans State Grants Program (JVSG)
- Youth Program (YP)
- Workforce Innovation and Opportunity Act (WIOA)
- Trade Adjustment Assistance Program (TAA)
- Senior Community Service Employment Program (SCSEP)
- Registered Apprenticeship Program (RA)
- Preparation for Aviation / Advanced Career Employment System Program (PACES)
- Kansas Health Profession Opportunity Program (KHPOP)

http://workforce-ks.com/programs_type/

Regional Agreements / Protocol Information

Working cooperatively as a region can multiply the efforts and opportunities for all the communities involved. There are numerous examples of regional economic development that has been done well. Information relating to regional partnership agreements and examples containing non-compete (anti-poaching) language as adopted by other regions can be guideposts for south-central Kansas. Below are some examples that have been collected:

1) **NATIONAL LEAGUE OF CITIES REGIONAL COOPERATION AGREEMENTS**

Full text available: <https://www.nlc.org/regional-cooperation-agreements-in-economic-development>

Key Takeaways

When companies are choosing a place to do business, they usually don't focus on a single city or jurisdiction; they usually target a region that has the components that make it the ideal fit, whether it is a highly educated workforce, a favorable tax environment or some other combination of features. Acting as a region first and individual communities second places a premium on having a single point of contact and an easy-to-understand process of finding the best place to do business. One of the most refreshing things cities or regions can offer to businesses is policy certainty, which is what a partnership agreement or protocol can offer.

- 1) **INFORMATION SHARING / COMMUNICATION AND TRANSPARENCY ARE PARAMOUNT.** Information sharing – while respecting individual prospect confidentiality – includes notifying an affected community if a company in its jurisdiction has expressed a desire to move. It also includes informing other communities within the region if a company would like to locate in your jurisdiction, but your city or community doesn't have the facilities or land to accommodate the firm. Giving other local communities a chance to land the company can continue to add to the vibrancy of the region.
- 2) **COMBINE ANTI-POACHING WITH RETENTION.** Attraction and retention practices should be the overall focus, and then adding policies that discourage competition in bad faith can be pursued.
- 3) **REGIONAL AGREEMENTS SHOULD ENDURE.** Meaning once a regional agreement is signed or protocol created, it is binding even if there is turnover in participating city councils, city manager or mayoral positions.
- 4) **ANCHOR CITY INVOLVEMENT.** It is important to garner support from these centers of economic activity. Without their support, it severely hampers the region's ability to lobby for a widespread buy-in from the region's smaller communities. If the anchor city is not bound to act with integrity, it will be able to solicit bids and "poach" companies away from the other regional communities.
- 5) **ADAPT THE AGREEMENT/PROTOCOL TO BEST FIT THE REGION.** Understanding assets within the region will aid in determining and attracting targeted industries.

- 6) **START SLOW.** Once an initial agreement or protocol is implemented, discussions can continue to promote more integration. In the beginning, a less formal and binding agreement or protocol may be needed

2) CUYAHOGA COUNTY, OHIO

Full text available: http://regionalcollaboration.cuyahogacounty.us/pdf_regionalcollab/en-US/AntiPoachingProtocol.pdf

[Excerpt from Business Attraction and Anti-Poaching Protocol]

1. Intentionally omitted.
2. Business Attraction and Retention Principles: Cuyahoga County's economy will be stronger if its communities work together, rather than against each other. These communities should focus their economic development efforts on the attraction of new businesses, the retention and expansion of existing businesses and the promotion of their communities as good places to do business. While some businesses will choose, for their own reasons, to re-locate within the county, the focus of economic development efforts should not be on encouraging companies to move from one community to another within the county.
3. Active Pursuit/"Poaching" of Businesses: In keeping with the above principle, we agree that, where a business has not indicated that it is considering a move from its current location in a participating community, we will not actively pursue that business to encourage it to re-locate. "Actively pursue" means to initiate contact with the business directly, with the intent of luring the business, through cold calls, visits, mail solicitations, electronic communications, geo-caching or marketing directed specifically at that business. This does not preclude a community from generally marketing itself as a good place to do business or generally advising its residents about the benefits of locating their businesses in their home communities.
4. Protocol in the Event a Business Indicates That It Is Considering a Re-Location: The following protocol applies to businesses with 25 or more full-time employees. In the event such a business residing in a different participating community contacts the mayor, manager, trustee, economic development board of directors, or economic development director of the undersigned community, either directly or through a representative, to discuss a possible re-location, we agree to follow the following protocol:
 - a. We will advise the business that we want to assist the business so that they are successful.
 - b. We will ask the business whether it has advised the community in which it is currently located that it is considering a re-location and, if not, whether it objects to our advising the home community of the inquiry. If the home community has not been advised and the business does not object, we will promptly notify the mayor, manager, or trustees of the home community in writing of the inquiry or encourage the business to directly notify their existing community of their expansion/relocation.

- c. We will not publicly propose or offer incentives to the business in support of a re-location until either the business verifies that it has notified the home community of the possible re-location or we have given that notice.
- d. We will advise the business, if asked, that Cuyahoga County may condition the awarding of county incentives and assistance on the receipt of consent from the community in which the business is currently located.
- e. We will agree to discuss the possible relocation with the mayor, manager, or trustees of the affected home community if asked by those officials.

3) **GREATER WICHITA ECONOMIC DEVELOPMENT COALITION - PROTOCOLS**

Full text available from the Greater Wichita Partnership

**Created and approved approximately 20 years ago.*

[Excerpt]

Sedgwick County Prospect Handling

The Greater Wichita Economic Development Coalition (GWEDC) has been designated as the lead economic development organization (EDC) for business recruitment, retention and expansion activity within the City of Wichita and Sedgwick County.

Whereas a number of municipalities within Sedgwick County have economic development staff, and recognizing that these Municipal Economic Developers (MEDs) share a common market area, the potential exists for one or more Sedgwick County municipalities to become engaged in direct competition for a prospect. The following protocol has been established to:

- Provide seamless, cross-jurisdictional service to prospects exploring a Sedgwick County location while ensuring that competition doesn't result in conflict among Sedgwick County MEDs
- Ensure that all Sedgwick County MEDs receive prospect leads and project information acquired by the GWEDC on behalf of Sedgwick County
- Ensure that GWEDC resources are equally available to all MEDs within Sedgwick County, and are consistently provided in an impartial manner so as to provide the greatest service to the prospect - thereby maximizing the benefits for Sedgwick County as a whole.

4) **METRO DENVER ECONOMIC DEVELOPMENT CORPORATION CODE OF ETHICS**

Full text available: <http://www.metrodenver.org/about/partners/code-of-ethics/>

[Excerpt]

Introduction

The Metro Denver Economic Development Corporation (Metro Denver EDC) is committed to the economic development and growth of the Metro Denver region. The Metro Denver EDC brings together the interests of a broad range of public, private and public/private groups to promote the Metro Denver area as a single economic entity. The collaboration of such a variety of groups and interests requires that certain standards of conduct must be developed and adhered to for the Metro Denver EDC to meet its

goal. This Code of Ethics represents the standards that each member of the Metro Denver EDC supports and practices in its daily conduct of business.

Preamble

We, the members of the Metro Denver EDC, set forth the following principles of behavior and standards of conduct to guide efforts in promoting the long-term economic health of the Metro Denver community. We fully realize that no Code of Ethics is of value without an inherent level of trust in the integrity of one another and a commitment from each of us to conduct ourselves at the highest levels of professional conduct. The Metro Denver EDC was founded on the respect and trust of its members. In that spirit, we set forth this Code of Ethics.

- We are committed to the promotion of Metro Denver as a desirable business location for new and expanding companies. When representing the Metro Denver EDC, we shall endeavor to sell "Metro Denver First" and our individual communities and projects second.
- We shall honor the confidentiality requested by both our fellow members of the Metro Denver EDC and our prospects. Information shared with our fellow members in confidence shall remain in confidence. Transactions are to be driven by the client. In the event a company chooses to relocate from one community to another, every effort will be made to contact the affected community to let them know of the potential move. Violation of this commitment shall be viewed as the single most serious breach of our membership pledge to the Metro Denver EDC.
- We are committed to the concept of competition for locations and expansions among our individual communities and projects, provided that the prospect has asked for specific proposals or has settled on a Metro Denver location.
- At no time shall any member of the Metro Denver EDC solicit a fellow member's prospects.
- We are committed to working together with the real estate community and are in no way in direct competition with them. Economic developers are a resource and facilitator in the site selection process.
- We are committed to sharing among our membership as much information as is necessary and prudent on any activity undertaken by or in the name of the Metro Denver EDC. Our guiding principle shall be that "more information is better than less."
- At no time shall any economic development organization member of the Metro Denver EDC advertise or promote its respective area to companies within another member's geographic area in a manner that is derogatory or insulting to the other geographic area. "Selling against" another member of the Metro Denver EDC or another Colorado community, or direct solicitation of intrastate relocations, is strongly discouraged.
- We are committed to locating prospects in the Metro Denver region. In the event that our local jurisdictions cannot meet the needs of a particular prospect we shall communicate with our fellow members in an effort to meet the company's needs elsewhere in the Metro Denver area.
- Economic development organizations shall hold all site and building information provided to the Metro Denver EDC by member real estate brokerage firms in the strictest confidence. Said information shall not be printed, copied, and shown in any manner to any entity other than prospects or their direct representatives.

Confidentiality of Prospects

In all instances members of the Metro Denver EDC shall honor the confidentiality of individual prospects. Whenever possible, specific information on particular transactions shall be shared within the

realm of the Metro Denver EDC and the Governor's Office of Economic Development and International Trade. In those instances where prospects are dealing with individual communities, information will only be shared by Metro Denver EDC staff and the local ED representatives involved.

In instances where a prospect wishes to remain completely confidential with an individual community, the remaining members of the Metro Denver EDC shall honor that confidentiality and shall in no way attempt to intervene in the relationship. The prospect will remain confidential until the prospect chooses to announce.

Marketing

Any member of the Metro Denver EDC that develops a prospect generated from national advertising and trade shows sponsored by the Metro Denver EDC shall utilize the "Prospect Tracking System" of the Metro Denver EDC in all contacts with the respective prospect.

Members are strongly discouraged from advertising in local media outside of their own market area.

5) INTERNATIONAL ECONOMIC DEVELOPMENT COUNCIL CODE OF ETHICS

The following code of ethics was established by the professional economic developers in the International Economic Development Council to ensure a high ethical standard for those involved in economic development.

1. Professional economic developers shall carry out their responsibilities in a manner to bring respect to the profession, the economic developer and the economic developer's constituencies.
2. Professional economic developers shall practice with integrity, honesty, and adherence to the trust placed in them both in fact and in appearance.
3. Professional economic developers will hold themselves free of any interest, influence, or relationship in respect to any professional activity when dealing with clients which could impair professional judgment or objectivity or which in the reasonable view of the observer, has that effect.
4. Professional economic developers are mindful that they are representatives of the community and shall represent the overall community interest.
5. Professional economic developers shall keep the community, elected officials, boards and other stakeholders informed about the progress and efforts of the area's economic development program.
6. Professional economic developers shall maintain in confidence the affairs of any client, colleague or organization and shall not disclose confidential information obtained in the course of professional activities.
7. Professional economic developers shall openly share information with the governing body according to protocols established by that body. Such protocols shall be disclosed to clients and the public.
8. Professional economic developers shall cooperate with peers to the betterment of economic development technique, ability, and practice, and to strive to perfect themselves in their professional abilities through training and educational opportunities.
9. Professional economic developers shall assure that all economic development activities are conducted with equality of opportunity for all segments of the community without regard to race, religion, sex, sexual orientation, national origin, political affiliation, disability, age, marital status, or socioeconomic status.
10. Refrain from sexual harassment. Sexual harassment is defined as any unwelcome conduct of a sexual nature.

11. Not exploit the misfortune of federally declared disaster-impacted regions. This includes actively recruiting businesses from an affected community.
12. Abide by the principles established in this code and comply with the rules of professional conduct as promulgated by IEDC.

5) **REGIONAL COOPERATION PROTOCOL POLICY – GREATER PHOENIX
ECONOMIC COUNCIL**

The foundation of this policy is built on trust and the spirit of regional cooperation among the entities involved. GPEC and the Economic Development Directors of its member communities agree and acknowledge that it is important that they work together as partners on projects involving the communities which GPEC represents, regardless of the source of the lead, as follows:

1. Demonstrate a commitment to the positive promotion of the Greater Phoenix, specifically, GPEC member communities, as a globally competitive region.
2. Maintain the highest standards of economic development prospect handling, including confidentiality, without jeopardizing a prospect's trust to secure the probability of a regional locate. Partners agree to respect the prospect's request for confidentiality but also agree to notify each other as to the existence of a project with a confidentiality requirement when able and shall make a good-faith effort to involve the appropriate state, regional or local partners at the earliest possible time.
3. Unless otherwise restricted, agree to coordinate through GPEC for any prospect considering a project in Maricopa County or in any of the communities that GPEC represents, understanding that GPEC is in a unique position to represent and speak on regional economic development issues and on characteristics of the region's economy. Likewise, GPEC acknowledges that communities are in the best position to speak about local incentives and efforts surrounding the local economy.
4. For projects that originate with a GPEC member community, GPEC will be available for confidential research access, topical expertise or as a service provider, to add value to the community in securing the project. Additionally, GPEC will not e-track the project unless the community lead makes such a request to do so.
5. Provide accurate and timely information in response to specific requests by all prospects. When a client has narrowed sites to specific GPEC member communities, GPEC will make a good-faith effort to inform those affected EDDT members first. EDDT members agree to provide information solely on their own community when the information requested is site-specific (i.e., cost of land, taxes, development fees, utility availability and cost, zoning process timing, permit timing and local incentives). When site-specific information related to other GPEC communities is requested, EDDT members agree to (i) direct GPEC prospects back to GPEC or (ii) direct non-GPEC generated prospects to contact the affected communities directly, and as a courtesy, contact the affected communities.
6. Agree that regardless of the lead source, public locate announcements shall be coordinated among the company, GPEC member community, and GPEC to reflect inclusiveness and cooperation of all partners (subject to any confidentiality requirements).
7. GPEC and EDDTs will advocate for a robust operating budget for the state economic development agency, and champion sound statewide economic development programs and policies.
8. Discourage the proactive offering of local, municipal financial incentives for existing jobs to companies with current operations in another GPEC community.

9. Inform GPEC member community when a company visits or physical site visit within that community will occur. Economic Development Directors will be the primary point of contact for the company when community information is needed.
10. Agree that the consideration of a future community to GPEC's membership will be brought before EDDT for discussion in advance of any board consideration. EDDT will make a recommendation on the addition of a new community to GPEC's President and CEO.
11. Formalize a process to convene GPEC and Economic Development Directors of GPEC member communities biannually, and cooperate in the exchange of information and ideas reflecting practices, procedures and policies relating to prospect handling and regional economic development.
12. Work collectively to maintain a high level of trust and integrity by and between GPEC and the Economic Development Directors of GPEC member communities, utilizing differing views as an opportunity to learn.
13. When conducting market intelligence initiative objective, GPEC staff will coordinate with EDDT to ensure coordination and communication.
14. When a Prospect Information Form (PIF) is issued by the state economic development agency GPEC will coordinate the region's response. All PIF submissions will be directed to GPEC's attention and GPEC will assemble the response and return to the state economic development agency.
15. It is understood GPEC will or may host annual executour(s) and/or other marketing familiarization tour(s) to promote the regional communities. GPEC will make every attempt to provide as much interaction time between the executour guests and EDDTs. It is understood EDDTs will inform GPEC of any upcoming executour(s) and/or other marketing familiarization tours scheduled by their office.
16. Partners agree to enter into a mediation process if there is evidence that this Protocol has not been observed in a material respect or a professional conflict arises that cannot be settled. This mediation process will be convened by the EDDT Chair, who may, at his/her discretion, consult or involve GPEC's President and CEO in addition to others with topical expertise central to the conflict.

Regional Partnership Prospectives

Regional partnership examples provide the framework, but how do these partnerships actually work? Information collected below provides additional insight into how these types of partnerships function and what operation looks like on the ground.

COMMONALITIES

- Monthly meetings with regional partners
- Establish trust among regional partners
- Emphasis on marketing region (rather than individual communities)

PEER COMMUNITY EXAMPLES

1) Des Moines (DSM Partnership)

- DSM Partnership, established in 2001, has 23 affiliate chambers
- No formal agreement in place
- Membership to DSM Partnership is automatically active once community has joined an affiliate chamber
- Chairs meet monthly; executive board meets bi-monthly
- Monthly meetings with support of DSM Partnership have been successful for region
- <https://www.dsmpartnership.com/about/greater-des-moines-region>

2) Nashville and surrounding area

- Regional partnership established in 1990
- No formal partnership agreement
- Quarterly meetings and work together on marketing the region
- Chamber indicated they have a “tremendous track record with approach”
- <https://www.nashvillechamber.com/about>

3) Greater Oklahoma City Partnership

- The Greater Oklahoma City Partnership was launched about 12 years ago and comprises a 10-county region, which is essentially all counties within 50 miles of Oklahoma City. The cities and counties within the 10 counties signed a memorandum of understanding that described the intent and basic operation of the partnership. The Greater Oklahoma City Partnership does not have a legal structure. The Greater Oklahoma City Chamber of Commerce handles the administrative and financial matters on behalf of the partnership. The chamber employs a half-time consultant to pursue partnership activities including organizing meeting content, assisting partners with planning needs and performing the function of helping interface between the chamber and the partners.
- Typically meets once a month with a program of interest. Some of these programs are about professional development, some are topical (finance programs, training programs, marketing the region, status of incentives, legislative updates, etc.). Some feature visiting consultants who talk about site location trends and other issues. It hosts one meeting each year at an Oklahoma City Thunder basketball game. It usually skips the July meeting.
- The Greater Oklahoma City Chamber economic development staff provides direct services to the partners. These services include research, marketing the region, promoting the region with call trips, handling the dissemination and packaging of RFPs/RFIs, property searches

(we maintain the property database), and other necessary activities to assist our partners to be successful. It believes any success within the partnership area is its success, just as much as the city or county in which it occurs.

Value of the partnership (as identified by VP of economic development):

- Networking among the various members helps everyone to know each other.
- There is a greater trust level among the active partners.
- The meetings provide the opportunity to make sure everyone is well-informed on important topics.
- A standard process for handling inquiries and leads helps all partners to succeed at a higher level. A consistent approach that unifies all of the information that is sent to companies ensures that even smaller communities get to participate and be represented at a high level.

The bad (as identified by VP of economic development):

- Not all partners trust that their information is represented equally among all others. In other words, some partners think that Oklahoma City has the advantage because it controls the output. It is likely this feeling is perpetuated by the fact that a majority of new company locations are in Oklahoma City.
- Because economic development is a competitive process, each organization is expected to compete with their best offering. Oklahoma City has a city-sponsored incentive, much more availability of land and buildings, a stronger labor supply and a higher level of services within the city. This explains the higher success rate within the OKC city limits, but some partners still suspect there is bias in the process.

4) Mid-America Regional Council (MARC) – Greater Kansas City Area

- No formal partnership agreement, focus is primarily on conducting economic development research. (Kansas City Area Development Council handles prospects)
- Focuses on promoting regional cooperation through leadership, planning and action
- Provides best practices, training and resources to communities related to development objectives
- Provides assistance with project development, resource identification and implementation strategies to achieve development priorities
- [MARC Comprehensive Economic Development Strategy Plan](#) - The plan provides an analysis of the regional economy and serves as a guide for establishing regional goals and objectives, developing and implementing a regional plan of action, and identifying investment priorities and funding sources

5) Cuyahoga County, Ohio (includes: Cleveland and 58 other communities)

- County established a business attraction and anti-poaching protocol for region
 - Media links relating to protocol: <http://www.politifact.com/ohio/promises/fitz-ometer/promise/876/create-a-non-compete-policy-between-communities-in/>
- Greater Cleveland Partnership – operates active business outreach programs meeting regularly with local businesses working to attract new companies to the area.
 - Additional information: [Business Development, Attraction, Retention and Expansion](#)
- Cleveland City Planning Commission: efforts are focused on increasing economic prosperity through job creation and improved access to jobs and business ownership by all segments of the Cleveland community.

LARGER COMMUNITY EXAMPLES

1) Atlanta Regional Commission (ARC)

- No formal agreement
- Regional economic development partners meet once per month
- Hosts two events each year for brokers and consultants
- Regional strategy was effective in eliminating poaching within region; most economic development is handled at the county level.
- Link to CATLYST: A Strategy for Economic Competitiveness:
<https://atlantaregional.org/atlanta-region/CATLYST>
 - “The region’s bedrock for success will be established around a strong collaboration among leaders and unfaltering determination to foster a culture of trust.”
 - “Open, active communication and access to processes are key.”

2) Greater Phoenix Economic Council (GPEC)

- Formal protocol established
- Retention and expansion policy: Greater Phoenix Chamber Economic Development team conducts business outreach visits to collect data to determine the most efficient methods of helping businesses thrive and grow (additional info: <https://phoenixchamber.com/about-phoenix-forward/business-retention-expansion/>)
- Tactics include:
 - Develop and implement a data analytics model to drive better marketing approaches as well as business attraction strategies
 - Continue the work of corporate 100 program – focused on connecting with companies in GPEC’s targeted industries in region with headquarters outside the market.
 - Conduct evaluation of industries that comprise region
 - Promote innovation activity in market to key venture capital firms as a channel for business development

South Central Kansas Regional Guiding Principal Resolution

RESOLUTION NO.

A RESOLUTION SETTING FORTH THE PHILOSOPHICAL POSITION OF THE GOVERNING BODY OF _____ WITH REGARDS TO REGIONAL ECONOMIC DEVELOPMENT

WHEREAS, the regional philosophy is based on the concept that the region is better together and positive developments in neighboring communities have positive effects for the whole region, and;

WHEREAS, the local governments of south-central Kansas are committed to advancing the region through economic development and growth, and;

WHEREAS, the local governments of south-central Kansas pledge to work together, acting as a region, to pursue economic development opportunities with honesty, integrity, and open communication among all communities, and;

WHEREAS, the governing body of the _____ believes regional cooperation and promotion are a clear path to economic prosperity for all;

NOW, THEREFORE, be it resolved by the governing body of _____ shall act in good faith to abide by the following principles of regional economic development as agreed on by other local governments in the region.

SECTION 1: Philosophy. For the purpose of this resolution, the following philosophic principals of regional economic development shall followed.

1. Definition of Community. For the purpose of this philosophy statement, the term community shall include any elected official, appointed official, locally appointed board, committee or task force member, any staff members working for or on behalf of the organization, or any community member that could be reasonably seen to be acting on behalf of the organization.
2. Business Attraction and Retention. Communities will focus economic development efforts on retaining and expanding existing businesses, attracting new businesses, and the promotion of the region as a good place to do business. The focus of economic development efforts will not include encouraging existing companies to move from one community to another within the region.
3. Active Pursuit / Anti-Competing for Businesses. Communities will refrain from soliciting another community's prospects or existing businesses within the region, especially when a business has not indicated interest in relocating within the region. Members will not actively pursue an existing business to relocate to another community within the region. "Active pursuit" includes initiating contact with businesses directly with the intent of luring the business. Contact includes, but is not limited to, cold calls, visits, mail solicitations, electronic communications, geo-caching or marketing directed towards a specific business. Communities are not precluded

from providing general marketing materials if a prospect has requested specific information. Communities are not considered actively pursuing a business if contact is initiated by the business.

4. Communication. Area communities are committed to locating and attracting prospects to the region. In the event that another community is not able to meet the needs of a particular prospect, that community shall communicate through regional organizations or directly with other communities in an effort to meet the prospect's needs within the region. Should an existing business from within the region contact another community about relocating, that contacted community will make a good faith effort to encourage the business to work with its current community and provide notification to the originating community about the business contact, if that notification does not violate confidentiality.
5. Confidentiality. Communities agree to maintain the highest standards of economic development prospect handling, to include confidentiality, without jeopardizing a prospect's trust. Communities agree to respect the prospect's request for confidentiality, but also agree to notify each other as to the existence of a project containing a confidentiality requirement when able and making a good-faith effort to involve the appropriate state, regional or local partners at the earliest possible time.
6. Disaster-Impacted Communities. Communities will not exploit the misfortune of disaster-impacted neighbors, including active recruitment of businesses from an affected community, and will provide assistance to the impacted community to the extent possible.
7. Professional Economic Development Officers and Organizations. Professional economic development officers shall keep the community, elected officials, boards and other stakeholders informed about the process and efforts of the region's economic development status. Collective organization such as the Regional Economic Area Partnership of South Central Kansas ("REAP") or the Greater Wichita Partnership will work to actively communicate to communities the status of regional efforts and convene decision makers as needed.
8. Good Faith: Communities will act in good faith to fulfill the obligations laid out in this statement of philosophy. In the event that a community violates the letter or intent of this philosophy statement, other member communities reserve the right to publicly repudiate the actions of a violating community, either collectively or individually.
9. Role of REAP: While REAP and its membership are the originating agency of this philosophy statement, participation is open to any community in the region regardless of REAP membership. The success of the region goes beyond organizational boundaries and all are welcome to contribute.

ADOPTED, by the governing body of the _____ this _____ day of _____, 2018



WICHITA STATE
UNIVERSITY

*DIVISION OF DIVERSITY AND
COMMUNITY ENGAGEMENT*

*Public Policy and
Management Center*