

## **2002 Annual Report Executive Summary**

### **Wichita County Enterprise Community**

The Wichita County Enterprise Community consists of one census tract that encompasses all of Wichita County, Kansas. The 2001 Census estimates show that Wichita County experienced a slight increase in population of .3% to 2,538. To date the EC has leveraged a total of \$5,105,693.00 in federal, state, local and private funds and \$380,587.00 in in-kind contributions to \$504,748.00 in EZ/EC funds expended, for a 10.97:1 ratio. The EC has 40 Benchmarks that fall within one of the seven categories that make up the Wichita County EC Strategic Plan. Those categories are Business Development; Housing; Education; Health Care; Natural Resources; Infrastructure; and Cultural Arts, Recreation and Tourism. Of the 40 active benchmarks in the EC program, sixteen have been completed. Four benchmarks have been deemed inactive.

The Wichita County Enterprise Community partnered with five other counties to apply for one of three pilot projects in the state of Kansas to implement an entrepreneurial program called Enterprise Facilitation. In January, the consortium learned it was awarded one of the projects. The EC committed \$8,461.11 to the project and leveraged a total of \$293,238.89, which included \$201,133.34 in grant money from the Kansas Department of Commerce and Housing. Enterprise Facilitation uses local citizen leaders and sound business practices to assist people in developing small entrepreneurial businesses, allowing communities to grow one small business at a time. The EC organized the consortium, developed the proposal for submission, provides central office space, and manages the project. The EC also hosted a visit from the National Commission on Entrepreneurship, a non-profit organization that will be conducting a study of the pilot projects. The counties invited local citizens to participate in the training and become a part of the large board that provides guidance to the facilitator. A total of 58 citizens in the five counties participated in the board trainings in the spring. In May, the board solicited and interviewed potential candidates. Sam Lane was hired as the facilitator for the project. He began his duties on July 29 with a week-long intensive training on the Enterprise Facilitation model, which was also attended by 10 board members. The facilitator has worked with 16 existing businesses and 22 potential entrepreneurs in the six-county area, but has yet to enjoy the opening of the first business. (Benchmark 46)

In January, the EC sponsored a three-day Community Foundation Workshop for 10 interested citizens in the community. This interest was sparked by the EC's grantwriting training in the fall of 2001. The workshop was conducted by Dr. Don Udell of Udell Consulting. At the end of the three days, the groundwork had been laid for the Wichita County Community Foundation, Inc. The foundation applied for its non-profit status in May of 2002 and received its 501(c)(3) status in September. In July, the foundation held an Affiliates information meeting at which Dr. Udell explained the benefits of local organizations affiliating with the foundation. By the end of the year, four organizations had affiliated with the foundation and had donated a total of \$17,300.00 to the permanent endowment. An additional \$2,025.00 had been donated by board members. Also as a result of the grantwriting training, the EC also established a grant research room in the EC office for members of the community to research foundations for grant funding. (Benchmarks 33 & 47)

The Wichita County Enterprise Community partnered with the City of Leoti to submit a Community Development Block Grant application to the Kansas Department of Commerce and Housing for a commercial and residential demolition project. The application provided for the demolition of seven commercial and two residential properties. In April, we learned that the application had been awarded \$216,000.00, with the EC committing \$22,000.00 and the City providing all the administration for the project. When the projects were bid, we were pleasantly surprised to learn that the bids came

significantly under the costs projected by the engineers on the project, enabling us to demolish more structures than our original goal. This fall, the original nine structures were demolished, and applications for an addition 12 had been received. Those structures will be demolished in 2003. Since several of the sites were located in the downtown business area and along the two major highways through Leoti, the demolition has had a positive impact for the community. (Benchmark 45)

The Wichita County Enterprise Community was fortunate to host both Kansas Senators in February. Senators Sam Brownback and Pat Roberts met with local leaders and toured one of the EC's projects, Great Plains Family Dentistry. (Benchmark 6) This gave the EC the opportunity to highlight the program and some of the impact it has had on Wichita County. The State USDA RD Director, Chuck Banks, also visited the EC on several occasions during the year. The EC also hosted its OCD Desk Officers, Sharon Colbert and Randy Gibson, for a program audit in May. EC board president Todd Heitschmidt and director Sharla Krenzel took advantage of the opportunity provided by OCD to attend the CaRDI training held in Orlando, Florida in the spring. It was a great opportunity to see problems other communities have and how they have successfully addressed them, and to brainstorm about how we can effectively address our problems and needs.

The EC's Revolving Loan Fund received increased interest from the community this year and made a total of three new loans this year. The loans leveraged an additional \$86,215.00 from other sources and kept two businesses from closing after their previous owners left the community. A total of five jobs were retained and one new job created. (Benchmark 1) The Wichita County Enterprise Community partnered with Great Plains Development, Inc. in 2001 to apply for a USDA Housing Preservation grant, which was awarded. In 2002, the project got underway and by the end of the year three housing rehab projects had been completed, with another five slated to begin after the first of the year. We received numerous applications and will not be able to provide assistance to all of them. The Wichita County Health Center's Community Case Manager was a great advocate for the program and assisted many applicants with the forms. (Benchmark 35)

As a result of the Community Resource Team assessment conducted in the fall of 2001, the EC partnered with Western State Bank to sponsor a series of quarterly breakfasts for the elected officials of the taxing entities in the EC. We also held two evening strategic planning sessions to discuss issues each of the governing bodies were facing and possible solutions and partnership opportunities. Although all who attended felt the meetings were a positive step forward, none of the groups were willing to continue the quarterly meetings after the EC's initial assistance over the first year and none of the groups capitalized on potential opportunities to partner with each other. Although additional effort is needed, the task became too cumbersome and time consuming for the EC's staff of one and the volunteer board to continue. The EC also organized a youth action team called SWAT, Students of Wichita county Action Team. This formation was inspired by the youth listening sessions conducted by the Community Resource Team. Most of the youth were interested in becoming more involved in the community and had ideas they wanted to see implemented. After several strategic planning meetings, the team identified the goal of establishing a community movie theater in the high school auditorium. This project would address several of their top priorities, which included providing an activity for high school youth, creating employment opportunities for youth and providing college scholarships for students. The team's interest waned during the summer and their meetings ceased, although efforts to reinstate the team were beginning at the end of the year.

The Wichita County Economic Development, Inc. and Enterprise Community received several nice recognitions during the year. Midwest Energy, a regional utility company that serves the county, featured the organization in their Annual Report. The two page article featured several of the EC projects and included photos of the dentist project. A one-page summary of the report was featured in the company's monthly billing statement across most of western Kansas. In April, the Kansas

Department of Commerce and Housing presented Wichita County with the 2002 State Community Achievement Award, based on many of the accomplishments and projects of the EC over the past five years, such as the dentist, enterprise facilitation, demolition, Enterprise Community, arts council and other projects. Towards the end of the year, a neighboring county's newspaper wrote a very positive editorial about the organization and all the work we had done and positive impact we had made.

The EC has owned a commercial building for five years, but added two additional properties in 2002. One, a downtown property that currently houses a preschool, was donated to the Wichita County Economic Development, Inc. by Western State Bank. The EC will be working with the preschool to obtain ownership of the building to help ensure that preschool educational opportunities continue in the future. The second property the EC purchased as a potential site for a business incubator or as office/maintenance space for a wind farm company. At the end of the year, the EC had been approached about selling the property for a business and the EC was soliciting sealed bids for the property to determine if there was other interest in the community. Although the EC is still interested in pursuing the business incubator, they did not want to be viewed by the community as keeping a potential business from developing. The EC had retained the right to refuse any and all bids, and will determine what will be the best for the community. The original property owned by the EC became vacant during the year, when the organization that operated the community youth center for the past five years folded.

The EC recruited a donut and deli shop, which opened in December, creating one new local job and two from outside the EC. (Benchmarks 8 & 34) The Wichita County Economic Development, Inc. and Enterprise Community spent a significant amount of time in 2002 working with two wind energy development companies. At the end of the year, the EC was anxiously awaiting the signing of a contract with Sunflower Electric for the purchase of the first 30 megawatts of power and the announcement that the power would be purchased from a wind farm to be constructed in Wichita County. Both companies are hoping to construct 100 megawatt wind farms. A 100 megawatt wind farm would cost approximately \$100 million dollars to construct and would employ 150 people during the construction phase of approximately one year and 10 permanent maintenance employees. Although the State of Kansas has exempted wind energy generation equipment from the property tax rolls, both companies are willing to sign PILOT (Payment In Lieu of Taxes) agreements with the county. The county signed an agreement with one company in December for \$2,500 per megawatt per year for ten years, or \$250,000.00 per year for a 100 megawatt project. The companies have also leased ground from local landowners where the farms would be located. These leases pay on a per turbine basis and will help those landowners continue farming in financially hard times. (Benchmark 8)

The EC board of directors participated in a one-day retreat to assess what had been accomplished in the first four years and what direction should be taken in the future. This was very beneficial for the board, although time ran out and the board did not cover as much as they wanted. Four members of the EC board of directors also attended the Annual EZ/EC Conference in Kissimmee, Florida in June. Director Sharla Krenzel assisted with one of the workshops at the conference.

The EC received several smaller grants during the year for projects. The elementary arts program received \$4,488.00 (Benchmark 13), the municipal golf course water system project received \$11,733.00 from Caprock Industries/Cargill Corporation (Benchmark 37), and the Community ESL/Spanish Business Development program received \$3,004.00 from the Kansas Health Foundation – a new benchmark to be implemented in 2003. (Benchmark 48)

To comply with the new EZ/EC regulations concerning board members, the EC added another elected position to the board. After looking at the representation currently on the board, the EC decided to develop guidelines for a youth position. The new youth representative was elected to the board at our annual meeting in November and took office at the beginning of 2003. (Benchmark 9)

The EC worked with an existing business in the county, Heartland Mill, to submit an application for a Kansas Department of Commerce and Housing Kansas Existing Industry Expansion Program (KEIEP) application. Heartland Mill is currently expanding their operations by constructing an organic flour mill, a \$1 million project. The EC's KEIEP application was for a \$30,000.00 forgivable loan for one piece of milling equipment. We will continue working with the company in 2003 to apply for a Kansas Industrial Training grant once the mill is complete to train their employees. The expansion will add two new employees. The EC's partnership with the Leoti Housing Authority resulted in the completion of additional parking and the rehabilitation of apartments at Parkview Apartments, the EC low-income senior citizen housing. Access to property on the south side of the apartments and land preparation now allows the residents to park closer to their homes. A USDA multi-family housing loan enabled the Leoti Housing Authority to install new windows in all the apartments and install 22 new ranges, 7 new refrigerators, 26 air conditioning units and 16 hot water heaters. It also allowed for the installation of carpet and vinyl in 10 units and handicapped showers in 2 units. (Benchmark 21)

The progress made in EC benchmarks continued to have an impact on the county's valuation. The valuation increased in 2002 to \$32,946,237.00, up from \$32,608,916.00. This is the third year in a row the county's valuation has increased, for a total increase of \$8,301,377.00.