

CHAPTER SIX

Economic Development

This section examines key facts about Shawnee County's economy. It addresses such issues as income distribution, labor force characteristics, employment makeup, and retail sales. The county's housing market, which is also a vital component of its overall economy, is also considered.

PERCEPTIONS

Survey participants completed a “report card” questionnaire in which they were asked to rank various issues and opportunities related to economic development on a one-to-five scale, with five representing “excellent” and one representing “poor.” Attributes with average scores of 3.0 or above are perceived strengths and those with scores below 2.5 represent areas of perceived weaknesses. These results were then better understood through stakeholder meetings. The following highlights important strengths and weaknesses regarding economic development.

The only strengths in Shawnee County were the strength of the Cities of Silver Lake and Rossville, though the strength of the rural farm economy also came close. Just behind those, the City of Auburn and rural commerce and industry were also considered to be doing ok. However, the rest of the picture was rather pessimistic. Among the lowest were ability to retain young people, support services for new farmers, and job creation and growth. Other weaknesses include diverse job opportunities, support for renewable energy, prospects for future growth, and other minor forms of economic development including those for agricultural tourism, historic sites, and scenic byways. Finally, the Cities of Topeka and Willard were also seen to be weaker.

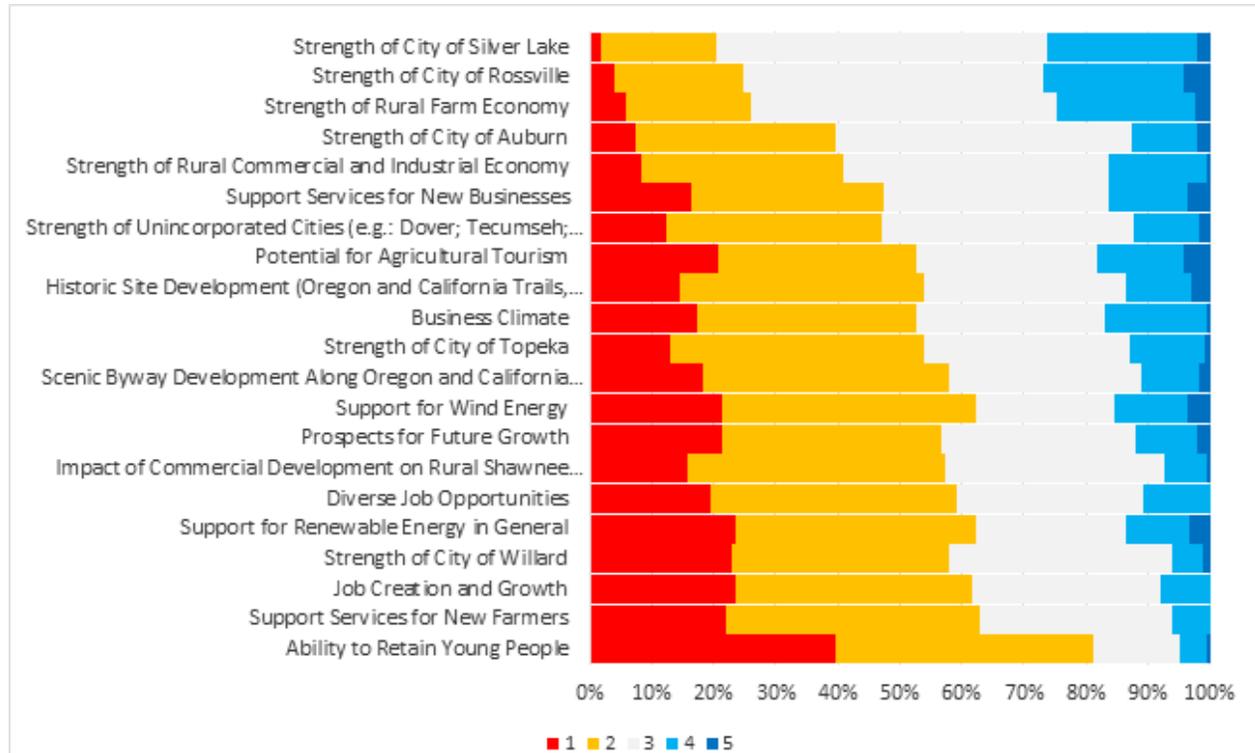
Those at focus groups and public meetings were more optimistic about Shawnee County’s economy, looking to ways that Shawnee County could improve its economy. Counteracting a perceived inability to retain young people, the county wanted to focus on improving the quality of life of the area. This would be done by adding amenities to Shawnee County and ensuring high levels of public services, in addition to desirable neighborhoods and commercial areas. This would bolster business and make it easier to attract and retain workers. Some of this includes a requirement to improve resident’s view of the area by fostering more pride. In addition, focus groups noted a need to focus on improving the skills of those already here through more workforce training. Marketing areas throughout the county that are unique or special, and coordinating that marketing could also help, as could a focus on tourism through historic or agricultural resources.

FIGURE 6.1: Questionnaire Responses: Economic Development (1 being Poor and 5 being Excellent)

SURVEY RESPONSE RATINGS	AVERAGE RATING
Strength of City of Silver Lake	3.06
Strength of City of Rossville	3.02
Strength of Rural Farm Economy	2.96
Strength of Rural Commerce and Industry	2.68
Strength of City of Auburn	2.68
Support Services for New Businesses	2.56
Strength of Unincorporated Cities	2.55
Potential for Agricultural Tourism	2.49
Historic Site Development	2.48
Strength of City of Topeka	2.47
Business Climate	2.47
Prospects for Future Growth	2.36
Support for Wind Energy	2.36
Scenic Byway Development Along US-40/ US-24	2.36
Commercial Development's rural impact	2.35
Diverse Job Opportunities	2.32
Support for Renewable Energy in General	2.31
Strength of City of Willard	2.27
Job Creation and Growth	2.23
Support Services for New Farmers	2.21
Ability to Retain Young People	1.85

Source: RDG Community Questionnaire

Figure 6.2: Economic Development (1 being poor and 5 being excellent)



Source: RDG Community Questionnaire

EXISTING CONDITIONS

Existing conditions for Shawnee County include investigating its income, labor force, educational attainment, and jobs and industry. These are important components of understanding how Shawnee County's economy is structured and how that affects its workers.

Income Distribution

Shawnee County's income distribution is depicted in Figure 6.4. In general, Shawnee County has lower household incomes compared to Kansas at large. The median income in Shawnee County in 2015 was \$50,378, compared to \$52,205 for Kansas. Within Shawnee County, most lower income residents reside in the City of Topeka, including more than 90 percent of those households making less than \$15,000 and more than 85 percent of those making less than \$30,000. Meanwhile, higher income individuals tend to live outside of Topeka, most of which make over \$75,000. This can partially be explained by the higher educational attainment of those living in the county, explored in more depth under labor force characteristics.

Figure 6.3 shows how Shawnee County's median household income has fluctuated over time. The 1990 Census placed it at \$29,879 (\$50,728 when adjusted to 2010 dollars), higher than all surrounding counties and the State of Kansas. By 2000, it had increased to \$40,988 (\$53,634 in 2010 dollars), still higher than the State of Kansas and most surrounding counties. Wabaunsee and Jefferson Counties both surpassed it that decade. This increase also was higher than the rate of inflation.

However, the recession saw Shawnee County's median income change to \$47,464, a decrease when accounting for inflation. While most of the surrounding counties and the state also witnessed decreasing real incomes, all but Douglas County had become higher than Shawnee County's median income. During that decade, most counties also had increases under the rate of inflation.

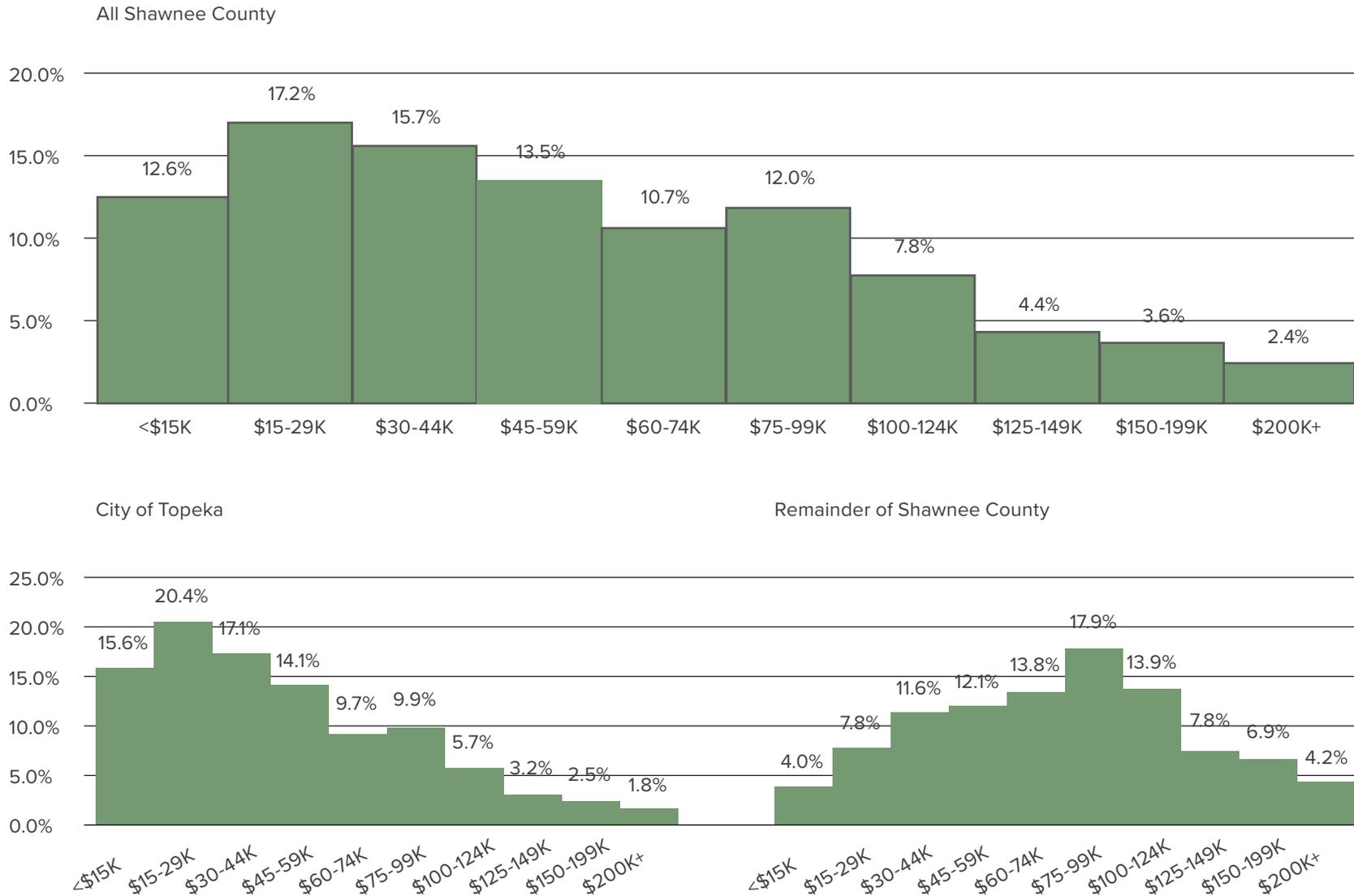
More recent estimates from 2010 to 2015 show a higher increase in Shawnee County than in most of the surrounding counties. However, incomes are still generally lower than most surrounding counties and they increased slower than the rate of inflation.

FIGURE 6.3: Median Household Income (1990-2015)

	1990	2000	2010	2015	'90-'00	'00-'10	'10-'15
Douglas Co	\$25,244	\$37,547	\$45,831	\$50,939	48.7%	22.1%	11.1%
Jackson Co	\$25,398	\$40,451	\$51,759	\$54,077	59.3%	28.0%	4.5%
Jefferson Co	\$29,048	\$45,535	\$56,886	\$57,236	56.8%	24.9%	0.6%
Osage Co	\$24,867	\$37,928	\$48,594	\$49,915	52.5%	28.1%	2.7%
Pottawatomie Co	\$25,305	\$40,176	\$53,430	\$60,216	58.8%	33.0%	12.7%
Shawnee Co	\$29,879	\$40,988	\$47,464	\$50,378	37.2%	15.8%	6.1%
Wabaunsee Co	\$27,727	\$41,710	\$52,133	\$54,688	50.4%	25.0%	4.9%
State of Kansas	\$27,291	\$40,624	\$49,424	\$52,205	48.9%	21.7%	5.6%
Rate of Inflation	-	-	-	-	31.8%	26.6%	7.9%

Source: US Census Bureau

Figure 6.4: Median Household Incomes



Source: US Census Bureau

Labor Force Characteristics

Understanding the labor force and its dynamics is important to understanding how many workers are in the county, whether they are looking for work, and what kind of work they can accomplish. Several definitions are important to understanding these ideas, including:

- Labor Force: The population employed (with a job) plus unemployed (jobless, looking for a job, and available for work)
- Job: Full or Part Time Employment
- Unemployment Rate: The number of unemployed as a percentage of the labor force
- Labor Participation Rate: Labor force as a percentage of the population

Figure 6.5 shows how Shawnee County's unemployment rate and labor force has changed from 2000 to 2015. In 2015, Shawnee County's labor force was estimated by the Bureau of Labor Statistics (BLS) to be 91,600 workers, similar to what it was in 2000 but lower than its peaks prior to the recession. Two peaks were seen in the labor force over that period, reaching over 94,800 workers in 2004

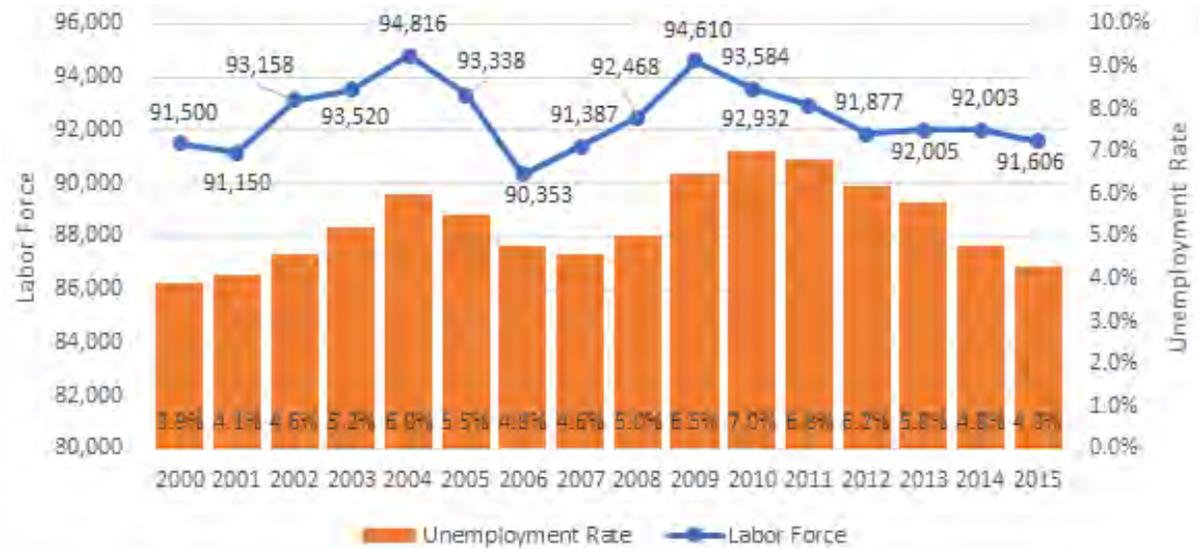
Generally, an unemployment rate around 5 percent is considered ideal because it permits movement of workers to better opportunities, while providing a large enough pool of labor for employers to find replacements. The unemployment rate demonstrates a similar two-humped pattern with peaks in 2004 and 2010 at 6.0 and 7.0 percent respectively, and troughs in 2000, 2007, and 2015 at 3.9 percent, 4.6 percent, and 4.3 percent respectively. Shawnee County's unemployment rate tends to be comparable to that of the State of Kansas, though at times it is slightly higher. It also tends to be near or above those of its surrounding counties.

Comparing relative changes in the labor force to changes in population and the number of jobs from the Bureau of Economic Analysis (BEA), a more complicated picture emerges (Figure 6.6). In 2000, there were more than 122,000 jobs in the County. This number decreased to a trough in 2006, and then increased again. It was only in 2015 that the number of jobs surpassed the number in 2000. However, population grew steadily over that same time, stabilizing in 2010. This number is expected to resume growth as jobs continue to rebound in Shawnee County.

As noted previously, the labor force, that is those employed or looking for a job, fluctuated depending on the surrounding economy. Times of job loses often lead people to leave the labor pool, either "retiring" and no longer seeking work, or by physically leaving the county. Reactions in the labor force to changes

to the number of jobs often lag by a few years. The fact that the population continued to grow/remain stable over this period suggests that people stopped looking for work rather than leaving the community. This seems especially likely given Shawnee County's relatively older age; more people are of retirement age. As a result, Shawnee County's labor participation rate has also decreased steadily since 2004 from 55.4 percent to 51.3 percent. Effort needs to be made to attract new workers to the area to support recent job growth.

Figure 6.5: Unemployment Rate and Labor Force



Source: US Department of Labor

EDUCATIONAL ATTAINMENT

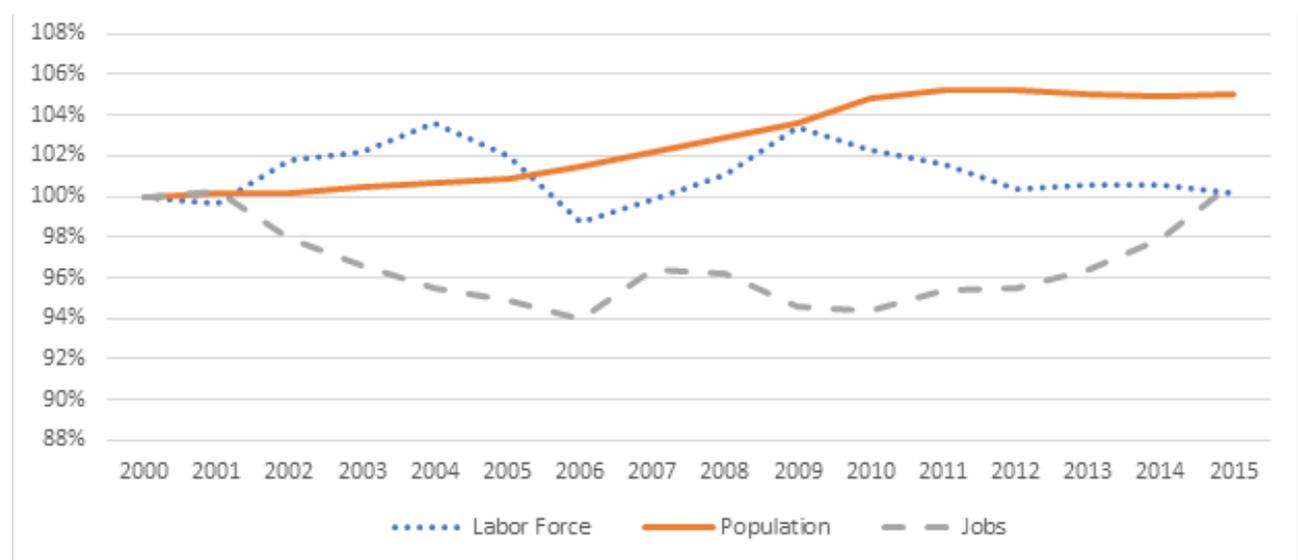
Educational attainment plays an influential role in informing the kinds of jobs that the labor force can support (Figure 6.7). In 2014, 9.4 percent of Shawnee County’s population had less than a high school degree, compared to 10 percent for the State of Kansas. Meanwhile, 28.9 percent of Shawnee County residents had a Bachelor’s degree or higher, lower than the state at 30.7 percent. This likely explains some of the discrepancy in median incomes comparing Shawnee County and Kansas. Meanwhile, Topeka tends to be less educated than the County, supporting this theory. Topeka has a larger proportion of their population with less than high school and a smaller proportion of their population with college degrees. In the County outside of Topeka, small rural cities are also relatively well-educated, with over 70 percent having a high school or some college education.

Businesses and Employment

The composition of economics can be measured in several distinct ways. The primary method includes identifying the number of employees in specific job sectors. The data presented in these tables were gathered for Shawnee County from the Bureau of Economic Analysis, one of the best sources of employment data.

In Shawnee County, businesses employing the most people are public administration, health care / social assistance, and retail trade, collectively providing 43 percent of jobs (Figure 6.8). In addition, Finance and Administration are also large employers, suggesting that much of Shawnee County’s workforce is employed in white collar and service sector positions. However, in rural Shawnee County, workers are more likely to work in the manufacturing, educational services, and construction sectors. In addition, areas in Shawnee County outside Topeka have more jobs

Figure 6.6: Population, Employment, and Labor Force (indexed to 2000)



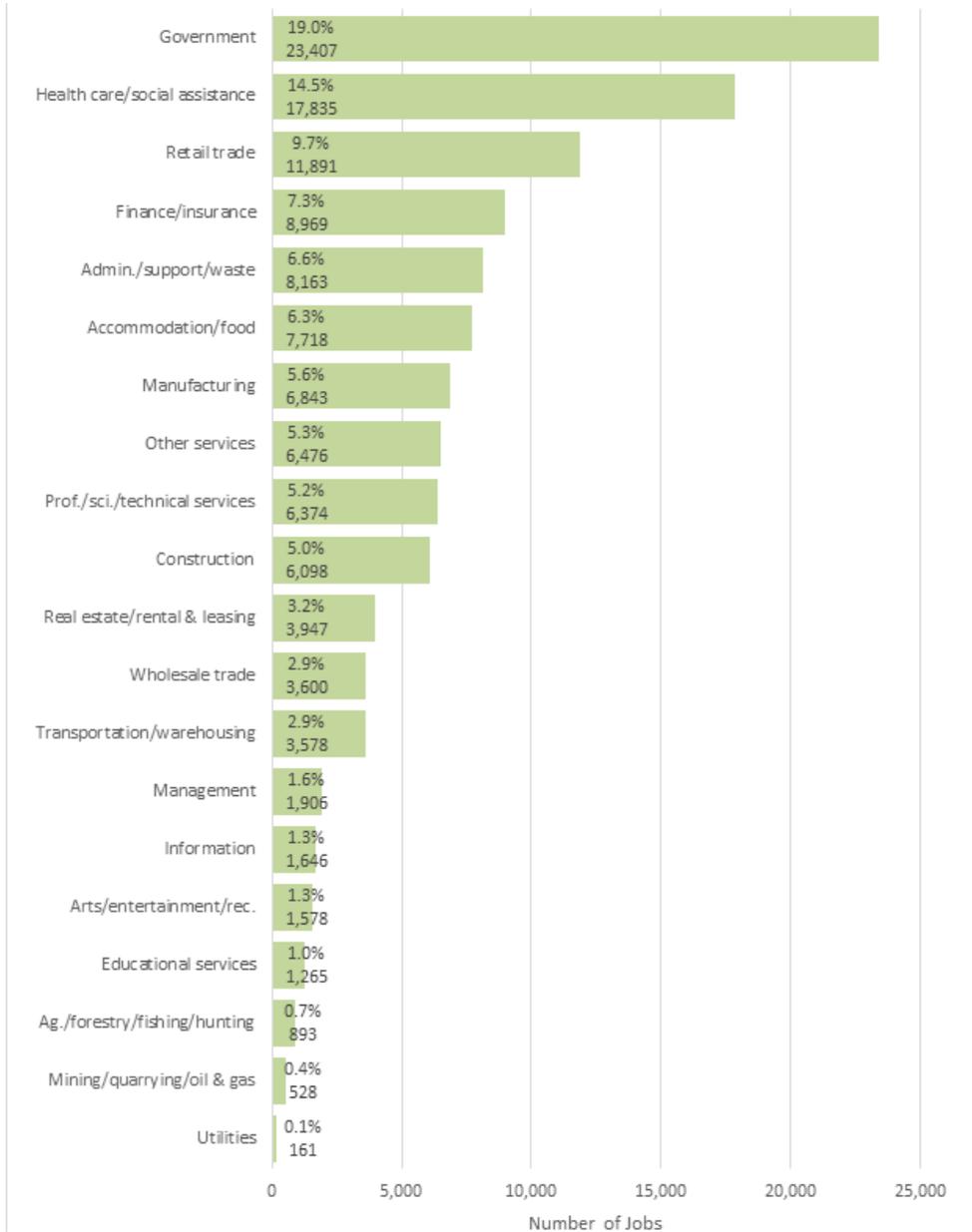
Source: US Department of Labor, US Bureau of Economic Analysis

FIGURE 6.7: 2014 Educational Attainment of Residents 25 Years and Older

	TOPEKA	RURAL CITIES	UNINC. COUNTY	SHAWNEE COUNTY	STATE OF KANSAS
Less Than High School	11.3%	6.4%	4.6%	9.4%	10.0%
High School Graduate	31.6%	35.7%	30.2%	31.3%	27.2%
Some college	29.6%	34.8%	32.1%	30.4%	32.1%
Bachelor’s Degree	17.2%	19.0%	22.6%	18.7%	19.9%
Master’s/Professional Degree	9.2%	3.8%	9.5%	9.2%	9.7%
Doctorate Degree	1.1%	0.3%	1.0%	1.1%	1.1%

Source: US Census Bureau

Figure 6.8: All Shawnee County: Jobs by Industry, 2015



Source: US Bureau of Economic Analysis

in the manufacturing, construction, and education industries.

Altogether, these factors affect the income of workers in the region. It also affects the opportunities for attracting businesses based on the qualifications of the workforce and available support of other industries. Given Shawnee County’s geographic location, major employers, and employee base, potential sectors for expansion include advanced systems technology, food manufacturing, logistics and distribution, and professional and financial services.

About 18 percent of the county’s businesses are outside Topeka, indicating that many businesses tend to be clustered in Topeka. Businesses that are more likely to be in rural areas include agriculture, utilities, and construction. Companies less prevalent in rural areas include management, health care, public administration, and accommodation/food services. These results are not surprising, and make sense as to where businesses locate because of business needs. In terms of number of employees, agriculture is not as significant a factor in the economy as many expect, though this is just one estimate of agricultural workers. However, in terms of economic value and in supporting the rest of the economy, including the manufacturing, wholesale trade, and transportation and warehousing industries, agriculture provides an economic engine for much of the County’s GDP. This is explored more in the ‘Agriculture’ section of this chapter.

From 2005 to 2015, Shawnee County added 4,712 jobs, a 4 percent growth, as seen in Figure 6.9. Much of this was driven by the finance and administrative industries, though health care, accommodations/ food service and management also increased significantly. In total, these five sectors added nearly 8,800 jobs. Sectors other than this that grew by 10 percent or more also included professional, scientific, and technical services, educational service, and mining, quarrying, and oil and gas extraction.

Industries with major job losses included retail trade and information, each of which decreased by over 1,000 jobs. Transportation and warehousing is also estimated to have had a large loss in jobs from 2005 to 2015. Other relatively large job losses other than those mentioned include in agriculture and in utilities, both estimated to lose more than 14 percent of their total jobs. This continues a trend towards less workers in agriculture in Shawnee County. However, Government as an entire sector did not decrease substantially these years (which includes local, state, and federal governments).

Figure 6.10 shows the branches of government. Federal civilian jobs have had a large increase over the past decade, while local government grew modestly. More noticeably, more than 1,000 job were lost in state government, which has a larger impact on Shawnee County as the State Capitol. Military jobs in Shawnee County also decreased, though at a more modest level. Even with the large drop in state government employment, it remains a major sector of the economy. Overall, the gains in federal civilian and local government jobs offset the loss in State government and military jobs.

FIGURE 6.9: Change in Jobs by Industry, 2005-2015

	2005	2010	2015	'05-'15 CHANGE	'05-'15 %CHANGE
Government	23,476	25,265	23,407	-69	-0.3%
Health care & social assistance	16,486	17,360	17,835	1,349	8.2%
Retail trade	13,057	11,392	11,891	-1,166	-8.9%
Finance and insurance	7,354	8,043	8,969	1,615	22.0%
Admin., support, & waste management	4,695	5,313	8,163	3,468	73.9%
Accommodation and food services	6,444	7,773	7,718	1,274	19.8%
Manufacturing	7,295	6,488	6,843	-452	-6.2%
Other services	7,088	6,535	6,476	-612	-8.6%
Prof., sci., and technical services	5,608	6,170	6,374	766	13.7%
Construction	6,233	5,475	6,098	-135	-2.2%
Real estate, rental, & leasing	3,849	3,780	3,947	98	2.5%
Wholesale trade	3,818	3,435	3,600	-218	-5.7%
Transportation and warehousing	4,807*	4,097*	3,578	-1,229*	-25.6%*
Management of companies	844	1,000	1,906	1,062	125.8%
Information	2,935	2,016	1,646	-1,289	-43.9%
Arts, entertainment, and recreation	1,614	1,699	1,578	-36	-2.2%
Educational services	1,104	1,016	1,265	161	14.6%
Agriculture & Related Activities	1,049*	951*	893	-156*	-14.9%*
Mining, quarrying, & oil/gas	191	389	528	337	176.4%
Utilities	217*	185*	161	-56*	-25.8%*
Total employment (Number of Jobs)	118,164	118,382	122,876	4,712	4.0%

Source: Bureau of Economic Analysis

FIGURE 6.10: Change in Jobs by Industry, 2005-2015

	2005	2010	2015	'05-'15 CHANGE	'05-'15 %CHANGE
Federal, Civilian	2,632	3,675	3,437	805	30.6%
Federal, Military	1,116	1,045	802	-314	-28.1%
State government	9,359	9,208	8,330	-1,029	-11.0%
Local government	10,369	11,337	10,838	469	4.5%
Government	23,476	25,265	23,407	-69	-0.3%

Source: Bureau of Economic Analysis

Tourism

The travel sector is an integral part of Shawnee County's economy, contributing nearly \$324 million in expenditures and sustaining nearly 4,700 jobs (Figure 6.11). Tourism Economics an Oxford Economics Company, conducted an economic impact study of tourism in Kansas using the most current data from 2015. This report enables us to quantify, track and compare the travel and tourism's importance for Kansas' vitality.

From 2011-2015, the amount of expenditures by travelers has fluctuated. However, 2015 marks its

lowest year of the five at \$324 million compared to \$342 million the year before. As a result, the number of jobs related to tourism has similarly decreased, as has the total wages paid to tourism workers. However, on an average per-job basis, wages have increased for tourism workers.

Most spending for tourism pays for food and beverages, followed by transportation, including local and air transportation (Figure 6.12). Together, these costs are more than half of visitor expenditures in the county. Other expenses supporting Shawnee county's economy include retail (19 percent), and lodging (16 percent)

Agriculture

Agriculture, agribusiness and agritourism is important to Shawnee County. Foremost, it shapes the county economy and provides one of its most valuable natural resources. Though farm acreage is decreasing, the market value increased from \$43.9 million in 2007 (2012 dollars) to \$50.3 million in 2012, a 14.4 percent increase. Agriculture doesn't directly employ a large workforce, but its economic impact, including the food and food processing industries, is estimated to support \$2 billion and 4,577 jobs according to a recent Kansas Department of Agriculture analysis. These sectors direct, indirect, and induced effects contribute roughly 29 percent of the county's economy.

Meanwhile, agritourism, combining traditional agriculture and tourism, is also becoming important. Agritourism encourages tourists to visit Kansas farms, ranches, and wineries and participate in the rural lifestyle. In the process, these activities provide lifelong memories for tourists and extra revenue for Kansas farmers. Activities might include outdoor recreation, activities, educational experiences or opportunities to shop, dine or stay in Kansas. This helps sustain the rural way of life and supports local producers. 86th Street Orchard is a perfect example of agritourism in Shawnee County. This provides an opportunity to expand tourism in Shawnee County through agritourism opportunities.

For these reasons, in addition to a desire by many residents to protect their rural lifestyles, efforts should be made to foster the compatible growth of rural and unincorporated cities while protecting prime farmland. This new growth needs to consider lifecycle housing opportunities, allowing people to remain in communities throughout the cycle of aging, so one can continue contributing to the community if one desires and is not forced to move away for a certain type of housing. This would provide an option for young families and retirees, among others, to live in unincorporated towns in addition to choices in cities or rural farms and ranches.

FIGURE 6.11: Economic Impact of Tourism for Shawnee County

	2011	2012	2013	2014	2015	2011-2015 % CHANGE	% OF STATE
Annual Spent (\$1,000s)	\$334,686	\$327,320	\$328,466	\$341,618	\$323,607	-3.3%	5.0%
Employment	4,879	4,811	4,885	4,967	4,683	-4.0%	5.5%
Total Wages (\$1,000s)	\$127,769	\$127,807	\$130,202	\$135,216	\$129,204	1.1%	5.2%
Ave. \$/Job	\$26,188	\$26,566	\$26,653	\$27,223	\$27,590	5.4%	

Source: Kansas Department of Commerce

FIGURE 6.12: 2015 Shawnee County Visitor Spending by Sector

	NUMBER (\$1,000S)	PERCENT
Lodging*	\$52,435	16.2%
Food & Beverages	\$89,454	27.6%
Retail	\$60,605	18.7%
Recreation**	\$36,256	11.2%
Transportation***	\$84,857	26.2%
Total	\$323,607	100.0%

* Lodging includes 2nd home valuation

** Recreation includes casino wagering

*** Transport includes local and air transportation

Source: Kansas Department of Commerce



Retail Sales

Shawnee County, and Topeka in particular, are a major retail center as seen in Figure 6.13. In 2016, the total retail sales of the County were estimated at more than \$2.53 billion, of which over 90 percent is comprised of general retail sales and the remaining is comprised of food and drink sales. Given Shawnee County’s demographic characteristics, this exceeds the expected \$2.44 billion in sales for the County by some \$93.6 million dollars or 3.8 percent. The fact that the supply (actual retail sales) exceeds demand (potential retail sales) likely indicates that Shawnee County’s retail is attracting additional spending from outside of the County. This is called a retail surplus.

However, Shawnee County also appears to be losing some food and drink spending to outside of the County, i.e. its supply (actual food and drink sales) is about \$11.8 million or 5 percent lower than its demand (expected food and drink sales). This is known as a retail leakage and likely indicates residents are traveling to other places for those purchases which indicates the potential for new businesses.

Most of this retail power is focused in the City of Topeka as would be expected. More than 87 percent of businesses and 90 percent of the County’s \$2.53 billion in sales are found in Topeka, with sales in Topeka topping \$719.6 million, which is 46 percent higher than expected. This large retail surplus occurs because most rural residents travel to Topeka for their shopping needs.

Shopping within Topeka primarily occurs along the Wanamaker corridor. Downtown Topeka also has commercial catering to downtown employees. Numerous small commercial areas are also scattered throughout Topeka that primarily serve residents living nearby.

FIGURE 6.13: Retail Supply and Demand Analysis

ESRI, 2016 ESTIMATES	DEMAND (RETAIL POTENTIAL)	SUPPLY (RETAIL SALES)	RETAIL GAP	LEAKAGE/ SURPLUS INDEX
Shawnee County				
Total	\$2,441,032,513	\$2,534,616,893	\$(93,584,380)	103.8
Retail Trade, NAICS 44-45	\$2,205,443,946	\$2,310,826,938	\$(105,382,992)	104.8
Food & Drink, NAICS 722	\$235,588,567	\$223,789,955	\$11,798,612	95.0
City of Topeka				
Total	\$1,580,339,893	\$2,299,952,386	\$(719,612,493)	146
Retail Trade, NAICS 44-45	\$1,428,026,412	\$2,088,974,866	\$(660,948,454)	146
Food & Drink, NAICS 722	\$152,313,481	\$210,977,520	\$(58,664,039)	139
Remainder of Shawnee County				
Total	\$860,692,620	\$234,664,507	\$(626,028,113)	27
Retail Trade, NAICS 44-45	\$777,417,534	\$221,852,072	\$(555,565,462)	29
Food & Drink, NAICS 722	\$83,275,086	\$12,812,435	\$(70,462,651)	15

Source: ESRI



Retail Strip Development along Wanamaker in Topeka



Sommerset Cafe in Unincorporated Dover

Despite Topeka’s dominance of retail in Shawnee County, the remainder of the County still generates some \$234.7 million in sales. This includes small commercial centers in Rossville, Silver Lake, and Auburn, in addition to small retail areas such as that north of Topeka on US-75 and in unincorporated town centers such as Dover. However, given its population composition, it could be expected to generate some \$860.7 million, meaning it is leaking more than 72 percent of its potential sales. Most of this is probably from rural residents shopping in Topeka, but it also indicates an opportunity to develop and support rural retail above the existing businesses.

Figure 6.14 shows sales by specific industries within Shawnee County. The county’s highest leakage comes from non-store retailers, including electronic shopping, vending machine operators, and direct selling establishments, for which the County generates only 57 percent of the expected sales. However, it is not surprising that Shawnee County does not have many retailers given the remote nature of that industry group. Other industry groups with leakages exceeding 20 percent include furniture and home furnishing stores, and gasoline stations, indicating the potential for additional businesses. Industry groups in Shawnee County that have retail surpluses above 20 percent of expected include miscellaneous store retailers, building materials, garden equipment, and supply stores, and sporting goods, hobby, book, and music stores.

FIGURE 6.14: Change in Industry, 2005-2015

ESRI, 2016 ESTIMATES	DEMAND (RETAIL POTENTIAL)	SUPPLY (RETAIL SALES)	RETAIL GAP	LEAKAGE/ SURPLUS INDEX
Motor Vehicle & Parts Dealers, NAICS 441	\$547,423,096	\$515,034,443	\$32,388,653	94.1
Furniture & Home Furnishings Stores, NAICS 442	\$62,935,133	\$45,101,621	\$17,833,512	71.7
Electronics & Appliance Stores, NAICS 443	\$92,631,207	\$103,631,910	\$(11,000,703)	111.9
Bldg Materials, Garden Equip. & Supply Stores, NAICS 444	\$101,989,416	\$150,852,702	\$(48,863,286)	147.9
Food & Beverage Stores, NAICS 445	\$391,785,534	\$343,723,331	\$48,062,203	87.7
Health & Personal Care Stores, NAICS 446	\$109,901,385	\$116,813,092	\$(6,911,707)	106.3
Gasoline Stations, NAICS 447	\$164,097,957	\$125,160,916	\$38,937,041	76.3
Clothing & Clothing Accessories Stores, NAICS 448	\$71,184,055	\$76,301,463	\$(5,117,408)	107.2
Sporting Goods, Hobby, Book & Music Stores, NAICS 451	\$53,215,413	\$72,602,456	\$(19,387,043)	136.4
General Merchandise Stores, NAICS 452	\$479,419,896	\$567,470,558	\$(88,050,662)	118.4
Miscellaneous Store Retailers, NAICS 453	\$91,750,262	\$171,902,156	\$(80,151,894)	187.4
Nonstore Retailers, NAICS 454	\$39,110,592	\$22,232,290	\$16,878,302	56.8
Food Services & Drinking Places, NAICS 722	\$235,588,567	\$223,789,955	\$11,798,612	95.0

Source: ESRI

CURRENT POLICY

Currently, economic development in Shawnee County is primarily carried out by GO Topeka a partner of Shawnee County, Topeka, the Greater Topeka Chamber of Commerce, in addition to other organizations in the county. This is helped by efforts such as Heartland Visioning which promotes planning throughout the community, including creating positive attitudes about economic development.

JEDO and GO Topeka

The primary actors in current economic development policy are the Joint Economic Development Organization (JEDO), established between Shawnee County and the City of Topeka in 2001. JEDO is funded through the half cent county wide retailers sales tax to be used for economic development. GO Topeka is a private not-for-profit organization dedicated to enhancing economic development in Topeka and Shawnee County. GO Topeka is governed by business professionals who serve on its board of directors. GO Topeka currently administers JEDO funds for economic development.

GO Topeka seeks to create exceptional opportunities for growth, prosperity, innovation, and economic diversity and vibrancy that positively impact current and future citizens of Topeka and Shawnee County by attracting world-class companies, providing existing companies with the knowledge and resources to reach their highest potential, and cultivating entrepreneurial development and growth. Since 2002, it has generated 11,000 new and retained jobs and \$1.3 billion in capital investments as of February 2015.

GO Topeka offers programs for local businesses, including economic incentives as well as educational programs designed to enhance business success facilitated through Entrepreneurial & Minority Business Development and retention and expansion efforts.

Some initiatives include:

- GO Topeka partnerships with Washburn University and Washburn Tech to promote workforce development
- Business retention activities that remove barriers and provide opportunities for growth
- Breakfast Buzz quarterly workshops
- Small Business Awards
- Small business courses to support entrepreneurs
- Educational sessions to match companies with vendor opportunities

To attract businesses, GO Topeka markets Shawnee County to site selectors, corporate realtors, and companies interested in relocating or expanding. Guided by a targeted marketing plan for key industries, staff cultivates awareness and builds local, regional, national, and international relationships. It also uses traditional marketing tools such as print and digital advertising to promote the area. It also promotes economic development incentives and explains how incentives may be related to your project.

It also created the KANZA Fire Commerce Park by selecting the location that encompassed the most desirable development characteristics (i.e., topography, soil composition, transportation, utilities, etc.). Kanza Fire's acreage, highway and rail access, and easy development attributes give Topeka and Shawnee County a competitive advantage for relocation and expansion projects.

Incentives

The half-cent sales tax for economic development activities enables Shawnee County to provide incentives for site acquisition, infrastructure, equipment purchases, training, and other related activities. This focuses financial resources on projects that substantially impact the economy. Local and state incentives are also available, depending on the project.

LOCAL INCENTIVES

GO Topeka has flexible incentives to. Local incentives are flexible to assist companies and the community. For the most part, they are performance-based and paid as the company meets committed benchmarks like number of new jobs, average hourly wages, and capital investment. Funds are available throughout Shawnee County. Possible incentives include:

- Cash grants for jobs, training, or capital investment
- Free or reduced land
- Assistance with infrastructure
- Neighborhood Revitalization programs
- Downtown Redevelopment Grant

Kansas also offers financial incentives for rural communities and businesses looking to locate or expand in Kansas. Programs include retention of withholding taxes, investment tax credits, sales tax project exemptions, and revolving loan funds for local infrastructure projects, or loans/grants to assist rural communities in improving infrastructure, housing, and urgent needs.

TOPEKA / SHAWNEE COUNTY FIRST OPPORTUNITY FUND FINANCING PRODUCTS AND FINANCING ACTIVITY

Entrepreneurship is also encouraged through the First Opportunity Fund (FOF), especially low-income entrepreneurs or other business owners who do not have access to conventional financing. FOF offers the financing products and is operated as a not-for-profit organization run as part of GO Topeka Entrepreneurial Minority and Business Development. It helps business owners qualify for a loan of up to \$100,000. It also offers business consultation and counseling in addition to mentoring, education, and training. Finally it provides access to networking opportunities, connecting to other business resources, and provides a credit score assessment.

Services are confidential, professional, and guidance only without losing control of business decisions. FOF helps the community grow by helping local businesses create jobs and increase production. To qualify, a Shawnee County business must:

- Be owned by a low-income person (an annual income less than 80% of median family income);
- Be in an economically distressed area; or
- Employ (or will employ) low-income individuals.

TARGETED BUSINESS SECTORS INCENTIVES

Several business sectors are targeted for incentives, including food processing, advanced systems technology, professional and financial services, and logistics and distribution. These industries are attracted by specific marketing which showcases Shawnee County's advantages for those fields, including nearby educational and research opportunities, international peer employers, and other locational advantages. Often, these business sectors are pointed towards local and state incentives, and helped throughout the process of business attraction and retention, including:

- Up to a ten-year property tax exemption on real property
- Available public-owned shovel-ready sites
- Additional local incentives based on jobs, average hourly wage and capital investment
- Workforce training funds
- Infrastructure assistance or industrial revenue bond financing
- State income tax credits and Sales Tax Incentive for construction
- No property taxes on machinery/equipment acquired or placed into service in Kansas after 2006
- High Performance Incentive Program

SMALL BUSINESS INCENTIVE

The Topeka/Shawnee County Small Business Incentive is a matching program that offers small businesses assistance in the areas of employee skills upgrades, equipment purchases and facility construction and renovation. Four incentives are offered:

1. Small Business Employee Training Grant: Up to \$750 per employee for small independent businesses to enhance employee skillset through training, skills enhancement or certifications.
2. Small Business 50/50 Equipment Purchase Reimbursement: Up to \$5,000 match for the purchase of new or used equipment needed for daily operations of the small business.
3. Matching Small Business 50/50 Construction and Renovation Reimbursement: Up to \$5,000 match for enhancing an existing business or constructing a new property.
4. Marketing Incentive: Up to \$750 to develop or enhance marketing programs for small businesses, including for website update or building, newspaper, magazine, radio or television ads, banners, signage, or promotional materials.

ECONOMIC DEVELOPMENT EXEMPTION

The economic development exemption enables companies in manufacturing, research & development, or distribution for real and personal property tax exemption for up to 10 years. This exemption can be up to 100% from ad valorem taxation of the appraised valuation of buildings, land and tangible personal property that qualifies. The exemption is only available for the constructing or expanding certain types of manufacturing, research and development, and distribution facilities, if it results in new employment.

INDUSTRIAL REVENUE BONDS

Tax abatements through Industrial Revenue Bonds (IRB) can finance up to 100% of a company's investment in facilities. IRBs are usually purchased by a bank in lieu of a bank loan, triggering a potential property tax abatement. Shawnee County may issue IRBs and allow companies to finance the cost of land, buildings and equipment, and related costs of development and financing. Qualifying businesses in Topeka may receive ad valorem exemptions based on the number of new jobs created (1% for each job) up to 70 new jobs (70%), and upon average hourly wages up to a 30% additional exemption. Payments in lieu of taxes are still required for property for which an ad valorem tax exemption has been granted. Additional exemptions may be granted based on substantial capital investment and its value. The total exemption based on jobs and wages shall generally not exceed 80% of new taxes assessed. Property tax abatements are limited to a maximum of 10 years at up to 100% of property taxes due.

Topeka/Shawnee County Holistic Economic Development Strategy

In 2016, GO Topeka spearheaded a Holistic Economic Development Strategy for Shawnee County to guide economic development. It seeks to improve the community by addressing the full range of factors influencing the community's competitiveness, including talent, education and training, infrastructure, business climate, and quality of life and place. After conducting community engagement and providing an assessment of current factors, the following five goals were developed to lead implementation:

- **Develop Homegrown Talent.** Shawnee County draws residents from small communities and rural areas, while losing more residents to other metro competitors. Additionally, many higher paying jobs in the County are held by those living outside of the community while educational attainment rates are rising slower in the County than the state. To address this, the plan focuses on cultivating homegrown talent to make the workforce more competitive. First, it seeks to align a talent pipeline to use local talent to drive economic growth. Efforts include ensuring childhood education programs are effective, preparing students for college and careers, and expanding continuing education opportunities for adults.
- **Create Vibrant and Attractive Places.** Shawnee County is affordable, easy to travel, and has excellent recreational and educational opportunities, but lacks social offerings and walkable mixed-use districts, key factors in recruiting employees. To improve aesthetics, infrastructure, and entertainment opportunities, the strategy seeks to optimize programs improving quality of place, to strengthen the existing regional core, and to invest in infrastructure that promotes quality of place.
- **Grow a Diverse Economy.** The County's key economic drivers are government, health care, and other corporate and service-based sectors like finance and insurance, while GO Topeka focuses on attracting advanced systems technology, food manufacturing, logistics and distribution and professional and financial services. However, there is room to foster a stronger entrepreneurial culture. As such, the strategy recommends enhancing the region's entrepreneurial ecosystem, maintaining best practices for economic development programs, and creating policies that support general economic development.
- **Promote a Positive Image.** Community pride was noted as low in their survey, and a pessimism regarding the region seemed common, reaffirming the findings of the Comprehensive Plan survey. To counteract these feelings, the strategy seeks to promote a positive image through a unified marketing effort and project the positive changes that are occurring in the county to residents and outside talent that may not be familiar with recent improvements.
- **Collaborate for a Strong Community.** The report notes that real per capita income increased, but that wage growth has not kept pace with inflation. In addition, poverty is down but many residents are still below the poverty line. To ensure that the economic benefits of growth are realized by all residents and workers in the county, the strategy seeks to promote inclusive economic growth and strengthen the community with a focus on health, safety, and engagement by all people and neighborhoods.

To carry out these efforts, the strategy focuses on aligning the diverse organizations already improving the community and economy, and by organizing networks and staff capable of fulfilling these goals. Largely, these findings and goals correspond to those in this plan. As such, this plan should work in conjunction with the efforts of GO Topeka and the County's Holistic Economic Development Strategy, especially as it is implemented.

DISCUSSION

Shawnee County's labor force has been decreasing since 2009 despite an increase in the number of jobs over that period. This runs counter to population trends as well, which has generally increased. These factors and the County's low unemployment rate may lead to a shortage of qualified workers in the future. In addition, people are aging out of the workforce, so the county should actively attract younger workers. Lower rates of education in Topeka bring Shawnee County's educational attainment rates lower than the state. As a result, median incomes tend to be lower. Shawnee County's median household income has also grown slower than inflation.

Shawnee County's key economic drivers include government, health care, and corporate and service based sectors including retail, finance, insurance, and administration. However, unincorporated Shawnee County tends to have businesses that are tied to agricultural and blue collar activities. Businesses that Shawnee County is well positioned to attract include advanced systems technology, food manufacturing, logistics and distribution, and professional and financial services due to several unique benefits, including the county's location. Some of Shawnee County's largest sectors have declined the past decade, including state government. That growth has been made up for by growth in other professional sectors. Agriculture is not a large employer of those in the county, but it has a wide-ranging impact on other related services, including the food and food processing sectors.

Shawnee County attracts \$2.53 billion in retail sales, some of which comes from surrounding counties. Sales for food & drink establishments, furnishing stores and gasoline stations are lower than expected, signifying the possibility of business opportunities. Retail power is concentrated in Topeka, but much of the purchasing power is found outside of the City. This

suggests there is an opportunity to bring additional retail sales into the rest of the County. Much of this activity is bolstered by tourism in the area.

Shawnee County has been actively promoting economic development over the past 15 years. Through JEDO, GO Topeka, and Heartland Visioning, Shawnee County has developed a suite of incentives and provides technical assistance to using those. Ensuring that businesses know about these incentives, especially small businesses that are looking to expand within the county, will be crucial to grow businesses with a strong stake in the County. As the Topeka/ Shawnee County Holistic Economic Development Strategy reaches the implementation stage, support should be provided as possible.

Several other trends in Shawnee County have raised several economic development policy questions to be addressed:

Cooperation between the five cities and the county. Working cooperatively with the five cities is integral to the success of the county. This includes coordinating marketing efforts and helping cities maintain good relationship between them, businesses, industry, and residents. Doing so allows the entire area to thrive and to provide a variety of different living and economic advantages to businesses.

Protect economically beneficial resources. Shawnee County contains some excellent natural resources that provide economic opportunities including limestone and sand. These materials also benefit the region by making construction materials more affordable for everyone. Beyond that, agricultural land is important to the region's economy. Protecting these resources can help benefit the region in the long run.

Promote job opportunities for the entire community. The county's role in economic development should be to provide good infrastructure, a high quality of life for residents, and by producing qualified workers. The county currently has relatively good infrastructure and also good programs to help businesses plug into it. However, care must be taken to ensure businesses are not over-incentivized to come to the area. Community pride, safety, good schools, affordable housing, and amenities are all part of providing a high quality of life and attracting workers. As for workers, it can be hard to fill jobs with reliable skilled labor but by promoting education and partnerships between businesses and educational institutions, the county can take a role in improving the situation.

Recognize changes in the economy. The economy has changed rapidly, and helping communities react is important. First, internet is more important than ever and ways to ensure access helps with the attraction of businesses. Second, changing shopping trends has resulted in several small business closures; helping small businesses react to the changing economy is important, especially in the smaller retail markets of Rossville, Silver Lake, Dover, and Auburn. Simplifying incentives may help small businesses take advantage of those opportunities. For the most part, the goals and recommendations of this plan help address these issues, though as new potential problems arise, this plan should be revisited to ensure that it remains current.

Scenic & Historic Byways

Because of tourism's importance to Shawnee County, additional opportunities should be identified to promote tourism. One specific program that may be valuable is the Kansas Scenic Byways Program which identifies and designates scenic and historic roadways for the enjoyment of visitors, residents, and local communities in Kansas, while promoting tourism and educating the public about the state's environment, history and culture. Shawnee County currently has one Scenic Byway, but there is a potential for additional byways to be designated as it is a grassroots process.

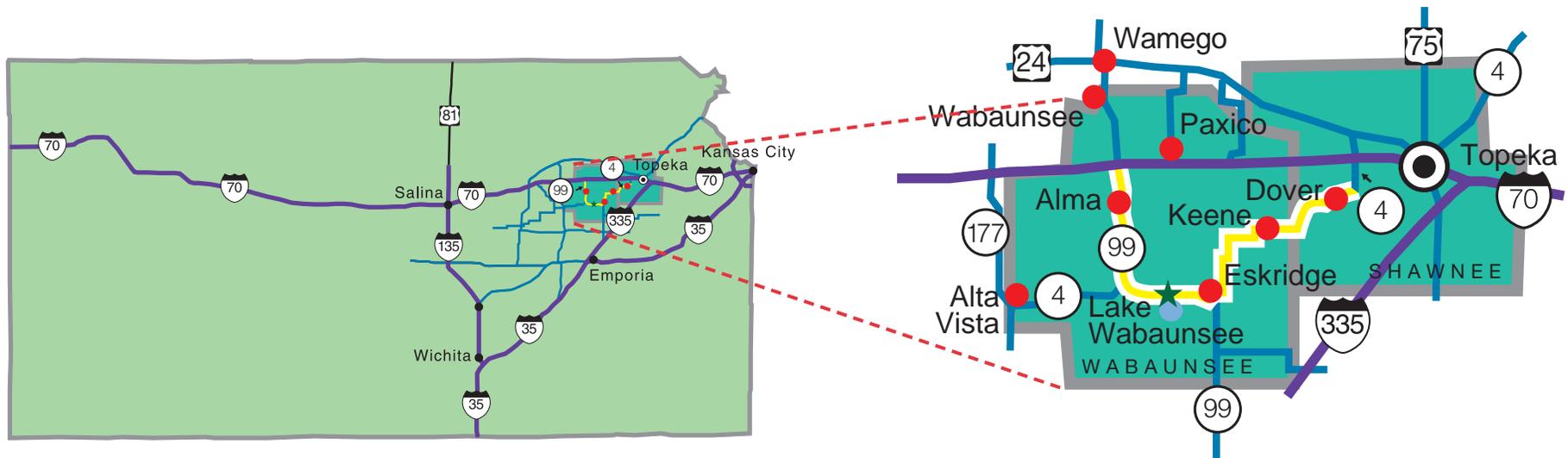
NATIVE STONE SCENIC BYWAY

The Native Stone Scenic Byway runs on K-4 and K-99 highways along the Mission and Mill Creek valleys in Shawnee and Wabaunsee counties. It is an area of immense beauty and fascinating history, known for its native limestone buildings and the Flint Hills. There are also many historical and cultural sites along the way, and plenty of places and towns to visit, including Dover in Shawnee County.

THE OREGON & CALIFORNIA TRAILS

Shawnee County has another opportunity for a scenic byway designation. The Oregon and California Trails traversed Shawnee County from west-to-east, roughly along the alignment of US-40 Highway east of Topeka and US-24 Highway west of Topeka. There were at least four ferry's crossing the Kansas River in Shawnee County, with the Pappan's Ferry in Topeka's heart being a crossing of major importance. It could also tie into the potential park development proposed for Topeka's riverfront.

Figure 6.15: Map of the Native Stone Scenic Byway



Source: Kansas Scenic Byways, Native Stone Brochure

Goals and Recommendations

ED-1: Train and educate a highly-qualified workforce for new and existing jobs within the county.

1. Cultivate homegrown talent to continually enhance the workforce by connecting individuals in the community to training and employment opportunities for in-demand positions.
2. Encourage partnerships between educational institutions and businesses to help fill in the cradle-to-career pipeline that groups like JEDO and GO Topeka have begun to create.
3. Attract new workers to live in Shawnee County through unified positive marketing of the county and its sub-areas.

ED-2: Encourage entrepreneurship and the development and growth of small businesses.

1. Strengthen support for entrepreneurs and small businesses, helping increase their likelihood of success and nurturing business development from the ground up.
2. Promote available incentives to small businesses that may not be aware of existing opportunities.
3. Support businesses that are maturing to ensure that they have access to the workforce and capital needed to expand within Shawnee County.
4. Evaluate current regulations regarding home-based occupations in unincorporated county to balance the compatibility of land uses, carrying capacity of infrastructure, and economic growth.

ED-3: Build on the economic strengths of the County using available opportunities.

1. Market existing incentives for unincorporated areas in Shawnee County that build on the county's strengths, ensuring that funds provided align with benefits.
2. Encourage the attraction of jobs related to Shawnee County's strengths, including advanced systems technology, food manufacturing, logistics and distribution, and professional and financial services. Focus on well-paying jobs that can improve the quality of life for Shawnee County residents.

ED-4: Promote tourism using natural, historic, and cultural characteristics and protect resources like sand and limestone for mineral extraction.

1. Support the development of agricultural tourism by providing for uses which help promote and maintain local farming operations and rural heritage and character.
2. Market natural, historic, and cultural resources as opportunities to develop viable businesses, including focuses on the history of trails, Kansas statehood, civil rights, and environment. This should complement efforts by the Native Stone Scenic Byway and the Oregon Trail Park.
3. Protect rural scenic landscapes, particularly those that support tourism and recreation opportunities.
4. Explore the feasibility of designating an Oregon and California Trail Scenic Byway capitalizing on the area's rich history. Utilize the new park that is being constructed on Topeka's Riverfront to further this project.

ED-5: Constantly improve quality of life to attract and retain businesses and workers, including adequate retail activity to serve residents throughout the county.

1. Find ways to attract employees within Shawnee County to live within the County.
2. Focus on improving quality of life, including schools, quality of development, commercial and cultural offers, and other such factors that help attract and retain businesses and workers.
3. Encourage the development of neighborhood commercial establishments near residents in the county that are not adequately served.
4. Ensure that the impacts of businesses on their neighbors are considered, including the parking and noise effects of semi-trucks.

ED-6: Coordinate economic development between all jurisdictions and areas of the county.

1. Work with JEDO, GO Topeka, and other economic development stakeholders to provide a consistent marketing to those living inside and outside of the county.
2. Ensure that organizations involved in transportation, infrastructure, and services for the county are aligned with regards to their plans for enhancement, maintenance, and replacement of infrastructure.
3. Support the implementation of the Topeka-Shawnee County Holistic Economic Development Strategy, especially those organizations that help to implement the plan.

