



# Economic Development & Transportation Committee

## Meeting Summary

**DATE AND TIME** | 04/10/23, 10-11:30am

**MEETING LOCATION** | WSU campus, Woolsey Hall, Conference Rm 302, and online

**In-Person Attendees:** Valerie Tovar (Sedgwick County Economic Development Office), Tim Goodpasture (City of Wichita Office of Economic Development), Chad Parasa (WAMPO), Ashley Bryers (WAMPO), Nick Flanders (WAMPO), KayLene Haug (K96 Corridor Development Association), Jane Byrnes (Wichita State University), Toni Porter (Wichita Regional Chamber), Jeremy Hill (CEDBR), Jonathan Norris (CEDBR), Craig Compton (CEDBR), Sasha Haehn (JEO Consulting Group)

**Virtual Attendees:** Keith Lawing (Workforce Alliance of Southcentral Kansas), Ronald Colbert (Valley Center KS City Council), Andrew Nave (Greater Wichita Partnership), Les Mangus (City of Andover Community Development), Alan Kailer (Bike Walk Wichita), Alicia Hunter (WAMPO), Michelle Needham (KDOT Economic Development), Danielle Gabor (City of Haysville Economic Development), Raven Alexander (City of Wichita Transit)

### 1. Welcome & Committee Overview

Chad Parasa, WAMPO Executive Director, welcomed the group and thanked everyone for attending and for their invaluable support of the project and report. Chad expressed the importance of this project for WAMPO and the region. A key deliverable is forecasting demographic and socioeconomic data. These forecasts will be utilized by WAMPO for future planning and will be available to communities in the region for planning purposes as well.

Chad explained that the committee has been assembled to confirm that the forecasts are consistent with local and regional trends and assuring that the data and forecasts will be useful for local planning efforts. A key goal of the project will be to quantify the relationship between transportation and the economy. We know that transportation has impacts on economic development, and we know that economic development shapes the transportation system, this project is an effort to quantify that relationship.

Jeremy Hill explained that the WSU Center for Economic Development and Business Research (CEDBR) has already produced a few of the indexes and they were shared with the group via email and are linked in the meeting agenda as well. The goal of the meeting is to share an overview of the indexes with the group and then ask the group to discuss and have a dialogue about the information. In addition, there will be poll questions that the group will participate in online during the meeting to provide feedback on the indexes and related data. The goal is to get through as many of the indexes as possible today and continue with the information not covered at the upcoming May meeting. Jeremy shared the first poll question which asked what transportation issues are preventing economic growth in the Wichita area and asked the group to respond and discuss. Poll responses are included in the attachment.

### 2. Introductions were shared by the group.

### 3. [Household Index: Healthy, Wealthy, and Wise Index](#)

Jonathan Norris explained that the Healthy Wealthy and Wise Index includes regional indicators for health risk factors in the labor market, socioeconomic indicators such as household income and poverty rates, and

education indicators such as the percentage of bachelor or advanced degrees held by residents.

The health indicators included in the index are the percentage of the population with low birth weights, the percentage of the population with obesity, and the percentage of the population that is medically uninsured. These are risk factors for the region's labor market and were chosen because they are all preventable, and as these levels rise, they increase the risk in the labor market. These components will also be driving some of the key variables affecting how people use the transportation system. The health components of this index are measured at the county level and include populations living in the unincorporated portions of the counties in the WAMPO region.

The second dimension of this index measures the amount of economic opportunity that exists within a community. The three variables included are the GINI Coefficient, which is a measure of disparity in income across a community, median household income across a community, and the poverty rate in a community.

The third dimension is educational attainment across different degree types within a community. This measures the percentage of the community that holds associate degrees, bachelor's degrees, and advanced degrees within a community. This dimension is based on the assumption that a more highly educated workforce has greater potential to add value to local economies.

Jeremy gave a preview of the state-wide rankings by county for the Healthy, Wealthy, and Wise Index, as well as the index information by city. This information is available in the dashboard that has been created to share the report information and is located on WAMPO's website at <https://www.wampo.org/economic-development>. Jeremy further explained that the variables included in the 'healthy' portion of the index were selected because they are preventable.

Jeremy presented the next survey questions for the group, asking attendees to rate the following statement from 'strongly agree' to 'strongly disagree' and invited the group to discuss: *'From a transportation perspective, low-income or disadvantaged households can access employment opportunities that match their skills and abilities.'* The results of the poll are included as an attachment.

Andrew Nave responded that since COVID has changed the workplace environment, and where employment opportunities can physically be, this has improved slightly, but not due to any policy changes of any local government. The reality of the changing work environment has helped in some ways, but he continues to disagree or rank this question very low. It's still a challenge for many low-income individuals to access an abundance of employment opportunities.

Chad agreed with Andrew's statement and gave a recent example of the local Amazon distribution center actively hiring for many positions but with the location of the distribution center being outside of Wichita city limits, there is no public transportation system in place that can get employees to the location in Sedgwick County. The boundaries of the local transit system can be a barrier for low-income individuals to valuable employment opportunities.

Jeremy asked Andrew to expound on how the workplace environment has improved and any examples from local employers he could share. Andrew responded that the remote-work office environment has changed and the Partnership has had many conversations with local employers who are transitioning their entire workforce to remote work environments. Although this is a positive for access to jobs, it's not enough of an increase to offset the many challenges that the disadvantaged population in the community has to access valuable employment opportunities.

Jeremy stated that with rising fuel prices and purchase prices for used vehicles, there may be two extremes

that resulted from COVID impacts on the workplace environment. Increased access to remote positions for low-income or disadvantaged households with access to high-speed internet, but additional strain and reduced access to on-site employment opportunities due to the rising cost of fuel and vehicles for the same group.

Jane Byrnes agreed with Jeremy's statement and added that low-income households may in theory have more access to remote employment opportunities as a result of the changing work environment, but it is unlikely that they have the needed electronic equipment, computers, etc. to work a full-time remote position. It is more likely that the rising fuel and transportation costs have a greater impact because the majority of the low-income households are accessing service-type jobs in hospitality, food service, etc. Middle-income and upper-income households can definitely benefit from the changes in the remote work environment due to the higher likelihood that they have the needed equipment and internet service to work remotely.

Jeremy shared that he had reviewed data during COVID on the share of occupations that require on-site reporting to do the job and Kansas and Wichita have a higher share of employees with jobs requiring physical presence at the job site due to the nature of occupations in the region. This is something we should keep in the back of our minds as we think about transportation. There is only so much of our regional employment sector that can transition to remote positions because we are higher in occupations such as manufacturing and agriculture in this region.

Tim Goodpasture shared that there are a number of companies in Wichita that struggle with staffing third-shift positions because the transit system is able to get them to the job site at the beginning of the shift, but is not able to get them home at the end of the shift.

Jeremy asked Tim to clarify that the two barriers they are hearing about from area manufacturing employers are the physical proximity to the positions and the public transit system that does not operate 24/7. Tim confirmed this and stated that the bigger issue is the public transit system. They have looked at the locations of employees for various manufacturing positions and they are fairly spread out across the community and region, so creating a special service to get employees from a specific neighborhood or location in the community to the manufacturing positions in need of employees is not a viable solution.

Jeremy shared an observation from past research of plotting where people live and work shows that as a community grows and spreads out, low-income households are living in the central city area where they can access housing they can afford. As a result of the growth of the community, the service and manufacturing jobs locate farther away from the central city as the community grows. The growth occurs in this manner based on cheaper land and development costs for new or expanding businesses, as opposed to the cost of redevelopment within the city's core. A recent call center development in Chicago by Discover Card occurred within the core of the city. The decision to locate the facility within the neighborhood was based on the ability to locate where the employee base lived and served as a labor solution for Discover. A criterion of hiring for the new call center was that employees should live close enough to be able to walk to the job site within five minutes. This not only provided a labor solution for Discover, but it also revitalized the neighborhood. This represents a shift in mentality that employees must go to the employer's site, instead, the employer went to the employee's location to solve the transportation issue.

Jeremy presented the next poll question, asking attendees to rank a list of barriers to employment and invited the group to discuss. The poll results are included as an attachment. Jeremy asked the group to share what they thought were the biggest barriers to employment in the context of transportation.

Keith Lawing stated that the lack of education and training was one of the biggest barriers in the region. Transportation and childcare are also some of the largest barriers faced by employees in the area. Employees want to take the jobs and employers want to hire the employees but there is a very real problem for many to

get to the jobs due to lack of transportation or childcare, or both.

Jeremy shared that childcare was an issue being faced across the state, not just in the Wichita region. Transportation comes up as an issue in rural areas where people are trying to figure out busing systems between rural communities to get people to jobs, but not as much as the lack of adequate childcare.

#### 4. [Business Dynamism Index](#)

Jonathan explained that the Business Dynamism Index includes two dimensions, Business Diversification and Economic Growth. Business diversification is measured by employment, establishment, and wages and looks at how communities are prepared to weather economic cycles by greater diversification or specializing in one particular sector to capitalize on economies of agglomeration. Specialization of a local economy includes having like-industries utilizing the same skill sets and infrastructure networks for supply chains, etc.

Jonathan shared that the second dimension is economic growth and looks at the five-year growth in employment and wages. The 'establishments' measure is not included in this dimension because there was concern about how that would impact the index due to a mix of larger companies in some of the smaller communities that were throwing off the index. The growth component is important to measure the growth of communities and accessing what the potential growth is going to be in the future and the inherent need for transportation capacity to facilitate the anticipated growth.

Jeremy shared the Kansas Business Dynamism Index that shows statewide dynamism rankings by county. He pointed out the high level of diversity in the WAMPO region compared to statewide levels of diversity. This is due to the urban market and is not just dependent on agriculture, like other areas of the state. Compared to the nation, the region has not been that dynamic in growth and the slowing growth has been a problem. Jeremy next shared the ranking of communities in the region for Business Dynamism. Jeremy pointed out that Andover is ranked at the top due to good diversification and decent growth levels. Jeremy asked the group for thoughts or comments on diversification and growth. He stated that no matter which community you are in, aerospace is a big driver for the whole region. Aerospace has been going through a period of over a decade of a downward business cycle and the economy has been slowing down. This is the reason the region lacks the growth that other similar MSAs were experiencing. Other similar MSA's have already exceeded previous growth peaks and this region is still not past its previous peak. Because aerospace creates such an inflow of new cash to the area economy, which flows over to all the other sectors of the regional economy, and competition for labor, which keeps wages low, and has been the driving factor for the region's slowing economy. Four years ago, aerospace said that the downward trend was about to switch to an upward business cycle. That's a context we need to think about; we had diversification but we haven't had the growth in this region. The growth predicted four years ago is already becoming apparent.

Jane Byrnes asked if any consideration had been given to the loss of college graduates from the region. Jeremy stated that labor churn and migration are factors that are considered in the indexes. Jeremy stated that data shows that we don't have a labor problem, we have a wage problem that has primarily been driven by aerospace. In the past, the region had to be less competitive on wages because we had excess labor compared to the demand we had for labor. Part of the issue related to people migrating out because we didn't have competitive wages, so people graduating from college can find higher available wages in other areas of the country. People have moved out as a result. In context, historically every time there has been an economic boom, the area attracts new people because wages increase.

Jeremy shared the next poll question, which asked attendees to rate the following statement from 'strongly agree' to 'strongly disagree': *'The current transportation system will keep up with the expected employment growth from the recent announcements (aerospace, Integra...).'* The poll results are included in the attachment.

Jeremy asked for comments and discussion from the group regarding area economic growth and related demand for labor, whether or not the transportation system could keep up with current growth.

Tim Goodpasture stated that a concern about the transportation system keeping up with economic growth is the location of Integra at K254 and Webb Rd., in Bel Aire. The anticipation is that their employment base will largely be people living in Wichita. There is an anticipation that Integra will be looking at what the public transportation system will be to get people from the City of Wichita to Integra's location in Bel Aire.

Keith Lawing stated he wanted to echo what Tim just said. His response of 'strongly disagree' to this question is based on public transportation in the region. The geographic shift of where people live vs. where people work, and our current public transit system being just the City of Wichita is concerning. It should be at least Sedgwick County and maybe beyond WAMPO borders to keep up with employment growth. In addition, related to quality of life, there will also be a different desire from people who prefer public transit for environmental and other reasons. If we want to be a community of choice and a region that attracts and retains workers, our current transportation system needs to change dramatically to support employment growth.

Andrew Nave agreed with Keith and Tim's statements. He added that given our manufacturing nature, the region will continue to lean toward manufacturing opportunities. The sites required for that now are 'mega project' sites with larger and larger buildings and land requirements. This will occur in the suburban and rural areas of the region due to the need for large undeveloped sites. This will continue to put a strain on transportation.

Jeremy shared a chat comment from Les Mangus stating 'In general the transportation system is in excellent condition. Those outliers like Integra chose a site that was unplanned for that large of an employer.'

Jeremy stated that area aerospace is also concerned about access to labor as they ramp up for a business growth cycle.

Jane Byrnes shared that Wichita State University is also planning for a 350,000-square-foot development in the middle of the city.

Tim Goodpasture commented that growth and related transportation issues are not just occurring in the suburbs. There is a company from Erie, Pennsylvania, JTM Foods, that is taking 200,000 square feet at 21<sup>st</sup> St. North and I135. There are two additional buildings there that are an additional 100,000 square feet each. There is also the 29<sup>th</sup> and Broadway corridor where we have Johnson Controls and Hormel or any number of other manufacturers who are struggling with adequate transportation for third-shift workers.

Alan Kailer stated that Integra was the most dramatic and extreme instance of creating a transportation issue, but this has been a long-ongoing problem in the aerospace industry. Many of the aerospace manufacturers are located in the southwest part of town where there is very little public transportation access and relatively limited residential housing options available. To a smaller extent, in the Spirit/McConnell areas, there are the same issues. This has been a problem in the Wichita area for a long time.

Jeremy shared the next poll question with the group, which asked attendees to rank the main barriers that firms face when it comes to new workers. The poll results are included in the attachment. This list included the lack of available candidates, lack of education and training, lack of affordable and accessible transportation options, and others. Jeremy invited the group to list any barriers that may be missing.

Alan Kailer mentioned that this is an area where Jane's comment about the overall quality of life and amenities

should be added as a factor to the list. Different city officials have cited this as an issue as well. Jeremy asked if it was an issue the asset of quality of life or the perception of quality of life. Alan replied that it could be either.

Jeremy explained that CEDBR had done a competitive analysis a decade ago that looked at the region's absolute advantage for all of the factors that impact economic development which included aspects of quality of life. The region did not have an absolute advantage over all other communities included in the analysis but was very close to being very competitive in almost every aspect. The question then became why we weren't winning more economic development opportunities. The result of a statewide discussion on the topic was the conclusion that the issue was mostly a perception barrier. We didn't have access to new labor because people generally had a bad image of the state in general. This wasn't specific to the Wichita region but was a perception of the state as a whole. In addition, people's recognition of the City of Wichita was much lower than similar cities in its class such as Augusta, Georgia. So many more people were aware of Augusta than were aware of Wichita when they are very, very similar in character, economy etc.

Tim Goodpasture added that in discussions with area companies that are trying to recruit employees from outside of the state, they are definitely experiencing this issue. Once they get candidates to come to Wichita and see the place, they have no problem getting them to take the job and come to Wichita. But there is definitely a perception issue.

Andrew Nave agreed with Tim's comment and stated that the Partnership had DCI, a marketing firm out of New York City, do a branding and marketing campaign for our talent division a few years ago. What stuck out for me was the lack of awareness or brand identity for Kansas. It wasn't a good reputation or a bad reputation, just no reputation at all and a fly-over state effect where there is no awareness by much of middle America.

Jane Byrnes asked what qualifies as quality of life. Jeremy responded that we can look at things like the number of acres of parkland, the number of certain types of business establishments that are part of quality of life, and many other things that people look at when they try to measure quality of life. Public art was also mentioned as a component of quality of life.

## 5. [Government Vitality Index](#)

Jonathan stated that a government is a product of the market that feeds it. The growth of that market is going to be impacting the future potential for vitality within that government. Jonathan introduced the Government Vitality Index and explained that it included three dimensions, Market Growth, Economic Drivers, and Fiscal Growth. Market growth includes annual income and the CEDBR Current Index which includes the broader economic conditions across multiple industries for those localities. The Current Index includes wages and employment, durable goods and nondurable goods production, the price of wheat, and oil production. The impact of each of those industries is weighted for each community based on the share of employment in that industry. The result of the Current index is a tailored look by community, at what are the primary economic driving sectors for that community.

Jonathan explained that the second dimension of this index includes the primary economic drivers for local government. These include home values which is a primary source of revenue for local government, the share of prime-age workers (23-54) which is the age range of highest productivity and contribution to the labor force, and the share of inward mobility which is the share of people who moved in from other cities or states. Inward mobility measures how attractive is the region to people outside of the region.

Jonathan stated that the third dimension of the index is fiscal growth which includes bond revenues, property tax collections, and the number of retail sales which drive sales tax collections, which are the primary sources of local government revenues.

Jeremy shared the statewide Government Vitality index and shared that the region had a lot of weakness in growth and this is reflected in the ranking. Jeremy explained that general growth is important to government because if the growth is consistent this helps all governments because of the constantly expanding number of houses, more businesses hiring more people, more retail sales, etc. All of these components contribute to government revenues.

Tim Goodpasture stated that when you're talking about growth as a driving factor, with Wichita being the largest city in the state, it has a very large retail base. If you talk about growth as a percentage of what the community already has, a small community that gains two new retailers is going to score higher than a large city every time because we are measuring growth as a percentage of the whole base that already exists.

Jeremy shared the government vitality index rankings for cities in the WAMPO region. He noted that Andover has been expanding in this area and Wichita is number eight in the ranking based on the broader economic factors that are turning upward and contributing to Wichita's ranking moving up.

Jeremy presented the next poll question, which asked attendees to rate from 'strongly agree' to 'strongly disagree' the following statement: '*Local governments are prepared for the expected growth over the next five years.*' Poll responses are included in the attachment. Jeremy stated that this was added in because the region has been fairly stagnant with slow growth, which leads to the question of whether local governments are ready for the upward economic swing. Jeremy invited those that responded strongly disagree or strongly agree to share their thoughts.

Valerie Tovar stated that she neither agreed nor disagreed and she is unsure. We don't know if a big company is going to want to come in the next four to five years and we will need to look at transportation again. The goal would be to be proactive and always be ahead but she doesn't know if that is realistic for government. Affordable housing is also a huge consideration for employers moving to the area and should be alongside transportation and childcare as a barrier. If we have a company coming with 10,000 jobs and they are looking at the region, where will the employees live?

Jeremy shared the last poll question which asked attendees to rank the barriers that local governments face when it comes to sustainable growth. Poll responses are included in the attachment.

Alan Kailer asked what resources are contemplated by the question, beyond capital. Jeremy stated that it was open to anything in terms of resources.

Jeremy asked the group which was the number one barrier of those included. Tim Goodpasture responded that labor has been the number one issue pre- and post-pandemic. It's not necessarily if we have enough people, it's going to be if they are going to comply, show up, do the job, that sort of thing. Pre-pandemic we were not able to outbid private companies. Post-pandemic it's even harder.

KayLene Haug stated that the smaller communities in the K96 Corridor Development Association generally struggle with revenue. Qualifying for moderate-income grants is very difficult because Sedgwick County wages are higher than the maximum threshold to qualify for those types of grants.

Jeremy concluded by asking the group if there was any feedback regarding anything else that should be included regarding households, the dynamism of businesses and growth, and government vitality. What else should we think about or include?

Jane Byrnes stated that affordable housing needed to be included.

Craig Compton stated that the housing report is linked in the agenda and that report includes a small discussion on affordable housing and there is a map included as well.

Jane stated that another consideration should be alternate transportation such as buses, trains, walkability, and biking.

Jeremy stated that we would be talking about labor mobility at the next meeting.

Tim Goodpasture stated that there is a statement circulating that over the next several years Wichita will be short 30,000 housing units. Is that a real number or do we know what the real number is?

Jeremy stated that he has heard Wes Galleon with Wichita Area Builder's Association state that number but he doesn't know where the data is coming from. He generally defers to Stan Longhoffer on that type of data.

6. [Regional Housing Costs Index](#)

Deferred to the next meeting.

7. [Regional Labor Mobility Costs Index](#)

Deferred to the next meeting.

8. WAMPO Economic Development Report Portal

Overview

Deferred to the next meeting.

9. Next meeting proposed 05/15/23, 10-11:30am in the same location at Woolsey Hall on the WSU campus.

WAMPO Economic Development Webpage (includes the dashboards referenced in the reports from Agenda Items 3, 4, and 5): [WAMPO Economic Development](#)

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