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Legislation Details (With Text)

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On agenda:	8/24/2016	Final action:			8/24/2016
Title:	REGIONAL EXPORT PLAN IMPLEMENTATION FUNDING AGREEMENT. Presented by: Chris Chronis, Chief Financial Officer.				
	RECOMMENDED ACTION: Approve execution of the contract by the Chairman.				
	PUBLIC COMMENT				

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Date	Ver.	Action By	Action	Result
8/24/2016	1	Board of Sedgwick County Commissioners	Approved	Pass

REGIONAL EXPORT PLAN IMPLEMENTATION FUNDING AGREEMENT.

Presented by: Chris Chronis, Chief Financial Officer.

RECOMMENDED ACTION: Approve execution of the contract by the Chairman.

PUBLIC COMMENT

In December 2013, the Wichita region was chosen as one of eight communities in the United States to participate in the second cohort of the Brookings Institution Global Cities Initiative (“GCI”). The Global Cities Initiative is a project launched by the Brookings Institution (“Brookings”) in partnership with JPMorgan Chase in 2012 and is aimed at helping American communities strengthen regional economies through the development of an export and foreign direct investment plan.

Prior to Wichita's inclusion, 12 communities had participated in the GCI program. This includes the four pilot programs in Portland, Oregon; Minneapolis, Minnesota; Los Angeles, California; and Syracuse, New York; as well as the eight cities in the first cohort: Chicago, Illinois; Columbus, Ohio; San Diego, California; Tampa, Florida; Charleston, South Carolina; Des Moines, Iowa; Louisville, Kentucky; and San Antonio, Texas.

The seven other cities/regions participating with Wichita in the second cohort include Atlanta, Georgia; upstate South Carolina (Greensburg-Spartanburg-Anderson); Indianapolis, Indiana; Jacksonville, Florida; Milwaukee, Wisconsin; Phoenix, Arizona; and Sacramento, California. The Wichita area selected to participate in the program includes the following ten counties: Butler, Cowley, Harper, Harvey, Kingman, Marion, McPherson, Reno, Sedgwick, and Sumner.

Brookings has provided, and will continue to provide, market data for each community and will coordinate efforts by the peer communities. Each community brought together public, private, and civic leaders to develop an export plan, which was released in 2015.

Developing and implementing a regional export plan is critical for the south central Kansas region to recover from the 2008 economic downturn. Research from Brookings and others have shown that export companies create more jobs, have higher wages, and experience more revenue growth than non-exporting companies. Increasing exports offers the potential to create a more diversified customer base for companies, increases the potential for foreign direct investment, and offers opportunity for economic diversification.

The Regional Export Plan focuses on five broad topics:

a. Supply Chain

Objective: Understand the role of supply chain members to determine direct export opportunities and needs to maintain global competitiveness.

b. Under-exporters

Objective: Define companies with potential to export and understand their needs to dramatically increase exports.

c. Physical & Service Infrastructure - resources needed to export

Objective: Understand the infrastructure (physical, e.g. customs port and highways, and services, e.g. export management company) needed by regional firms to trade, including what is currently available and what is needed for dramatic improvement. This should include public and private sector resources.

d. Labor & Workforce - Readiness & Contribution

Objective: Understand human resource needs of the globally competitive company, recognize the value of current human resources to exporting companies and determine what is needed for dramatic improvement.

e. Communications & Government Relations: Public relations, marketing & government relations.

Objective: Assess the level of awareness of the regional community at large regarding exporting and trade and determine actions to increase awareness to grow our region's global fluency including policy recommendations and media strategies.

Based on the broad goal of nurturing an intentional export economy in the Wichita region that accelerates job growth, diversifies exports and improves global competitiveness and fluency, and key findings that suggested barriers to expanded exports by companies in this region, the plan establishes a series of performance metrics which are used to evaluate the success of the implementation effort.

1. Catalyze export growth at five aviation suppliers per year.
2. Diversify exports by fostering growth of non-aerospace exports by 30 percent in five years and of services exports by 15 percent in five years.
3. Coordinate export assistance and promotional efforts to build a recognizable export eco-system in two years.
4. Increase global fluency of the Wichita region by educating regional community leaders and companies in at least two meetings annually.
5. Increase exports of small-medium sized companies by adding five new-to-export non-aerospace companies annually, increasing the number of new markets entered per year, and introducing

exporting as a growth strategy to 100 companies in five years.

Kansas Global Trade Services, a non-profit organization dedicated to building international growth and commerce for Kansas companies, led the regional effort to develop the export plan and is charged with the responsibility to implement it. The recommended action would provide \$40,000 of County funding to support Kansas Global's \$320,200 budget for the second year of the five-year implementation. Other implementation funding has been provided by the City of Wichita (\$200,000), Kingman County (\$640), MAMTEC (\$15,000), Harper County (\$400), McPherson County (\$4,000), Sumner County (\$1,360), Network Kansas (\$7,500), and a variety of private companies (\$7,500). Additional funding has been requested but not yet approved by several other counties and private companies.

Alternatives: The Board of County Commissioners (BOCC) could decline to approve execution of the contract, in which case Kansas Global would need to look elsewhere for implementation funding.

Financial Considerations: The amount of \$40,000 can be provided within the adopted contractual services budget of the Economic Development program for both 2016 and 2017.

Legal Considerations: The contract has been reviewed and approved as to form by the Assistant County Counselor.

Policy Considerations: N/A

Outside Attendees: Karyn Page, President / CEO, Kansas Global Trade Services; Jeff Fluhr, President, Greater Wichita Partnership; Gary Schmitt, Chairman, Greater Wichita Partnership

Multimedia Presentation: