

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT.

The meeting was called to order by Chairman William G. Mason at 3:35 p.m. on February 1, 2000 in Room 522-S of the Capitol.

All members were present except: Representative Larry Campbell - E
Representative Broderick Henderson - E
Representative Lloyd Stone - E

Committee staff present: April Holman, Legislative Research Department
Rena Jefferies, Revisor of Statutes
Lynne Holt, Legislative Research Department
Rose Marie Glatt, Committee Secretary

Conferees appearing before the committee: Secretary Gary Sherrer, KDOC&H

Others attending: See Attached List

Representative Gatewood moved, seconded by Representative Kuether that the minutes from the January 27 meeting be approved. The motion carried.

Chairman Mason gave a brief history of the loss of the Saturn project in El Dorado and Wichita due to the lack of funds in the state treasury. He spoke about the origination and reason for the KEOIF funds and introduced Secretary Sherrer for an overview of the program.

Secretary Gary Sherrer, introduced KDOC&H staff members attending the briefing: Fred Schwien, Deputy Secretary, Steve Kelly, Director, Business Development Director and Sherry Brown, Fiscal Officer. He thanked the Chairman for his request to review the process and success of the program, stating that due to work flow on as many as sixty projects a year, one tends to lose sight of the whole picture.

He presented a packet, as his written testimony, to the committee members for their perusal (Attachment 1). He provided details on: (1-1) KEOIF Process of identifying prospects through negotiations to the signing of a contract, (1-2) Cost Benefit Analysis citing the example of the Aluminum Company of America, (1-3) Loan Agreement and Promissory Note, the contract outlining the twenty-eight requirements and stipulations, (1-11) Document outlining the specific criteria agreed upon in the contract and the actual performance of the business, (1-12) Security Agreement used in taking a lien on certain properties, (1-15) Two News Releases on opening a business in local community, (1-17) KEOIF Performance to-Date, providing data on employment and payroll information, delineated in their 1st, 2nd, 3rd and 4th year and Special Projects, (1-21) Regional Econometric Model (REMI) on the Speedway, Wyandotte County Site, (1-28) Sykes, Inc. Economic Impact Analysis and (1-31) Summary Impact Analysis FY 1995-96 KEOIF Projects.

In conclusion Secretary Sherrer stated that the KEOIF dollars, less than \$20 million of them, have impacted \$620 million payroll, either actual or under contract, over one-half billion dollars in construction, which related to a KEOIF grant and over 15,000 jobs making the KEOIF program one of the best economic development tools, today.

Chairman Mason gave credit to David Hineman for the predecessor plan. He voiced his concern about the use of KEOIF dollars being used for a special projects directed by the Legislature. Secretary Sherrer stated that there might have been a proviso on the Treasurers of the Czar, however it would have been an exception not the norm.

Discussion followed regarding the review committee process. Secretary Sherrer stated that due to several problems with the review process, in 1995 the Legislature determined that he could run the agency and hold him accountable for the program, however what they learned during the recent review was that one step in the KEOIF program had been overlooked. They were to review the year's program, after the fact with a five member panel and to date that hasn't been done. The panel members were sent the annual reports with all the data, but there wasn't a meeting convened. They will start this process immediately.

Chairman Mason asked about the process and problems associated with the Speedway project. Secretary Sheer discussed the difficulty of projects that require land being taken from owners and the REMI model that had provided information that changed attitudes regarding the project. The balance of KEOIF funds distributed throughout the state has also been a major factor in acceptance of Speedway project by creating a win/win situation.

Chairman Mason reiterated that when KEOIF was put into place, the strategy was that KDOC&H have as much latitude as possible. He was pleased to know that concept is working, however he was going to recommend a bill that would add the Economic Development Committee and the Senate Commerce Committee to the review report process. Secretary Sherrer stated that they concurred, however he cautioned that micro managing and confidentiality could be a concern. Discussion followed regarding the benefits of the Speedway to the community and state, importance of confidentiality of the report and data on employment, payroll and penalty information.

Chairman Mason thanked the Secretary for his report and briefing. He noted that by being informed the committee will be able to evaluate any challenges on the floor for funding of things that may not be appropriate.

Chairman Mason asked if there were any introduction of bills.

Representative Aday stated that he has requested a bill draft which would create a housing finance agency in accordance with the recommendations of the Governor's Commission on Housing. Representative Aday noted that a briefing on the report of Governor's Commission on Housing is scheduled for Thursday's Committee meeting. Representative Aday moved that the conceptional bill be introduced to the house, seconded by Representative Osborne. The motion passed.

Representative Mason moved that the *Economic Development Committee of the House and the Senate Commerce Committee* be added to the phrase "the panel shall report its findings to the governor, etc. Representative Aday seconded the motion, with a comment. He questioned whether confidentiality was an issue and the Chairman assured him that the report was after the fact and would not disclose confidential information. The motion carried.

Representative Mason asked the Committee for the introduction of a House Concurrent Resolution requesting the state to undertake and fund an ongoing strategic plan. He went on to discuss a strategic plan, developed in 1986, which revolutionized the Economic Development strategy of the state. He noted this plan had not been updated and he recommended that the committee consider the importance of this issue by requesting that the state undertake and fund an ongoing strategic analysis of the state's economy. The Chairman noted that he preferred it be a committee resolution. The resolution urges that sufficient funding for this undertaking be the result of matching contributions made with private sector and public sector. It would direct Kansas, Inc. to update existing Strategic Economic Development analysis, which is long overdue. Discussion followed regarding various previous studies that had been done. Representative Aday made the motion that a House Concurrent Resolution request the state government to undertake and fund an ongoing strategic analysis of the state's economy, seconded by Representative Sharp. The motion carried.

The next meeting is Tuesday, February 3.

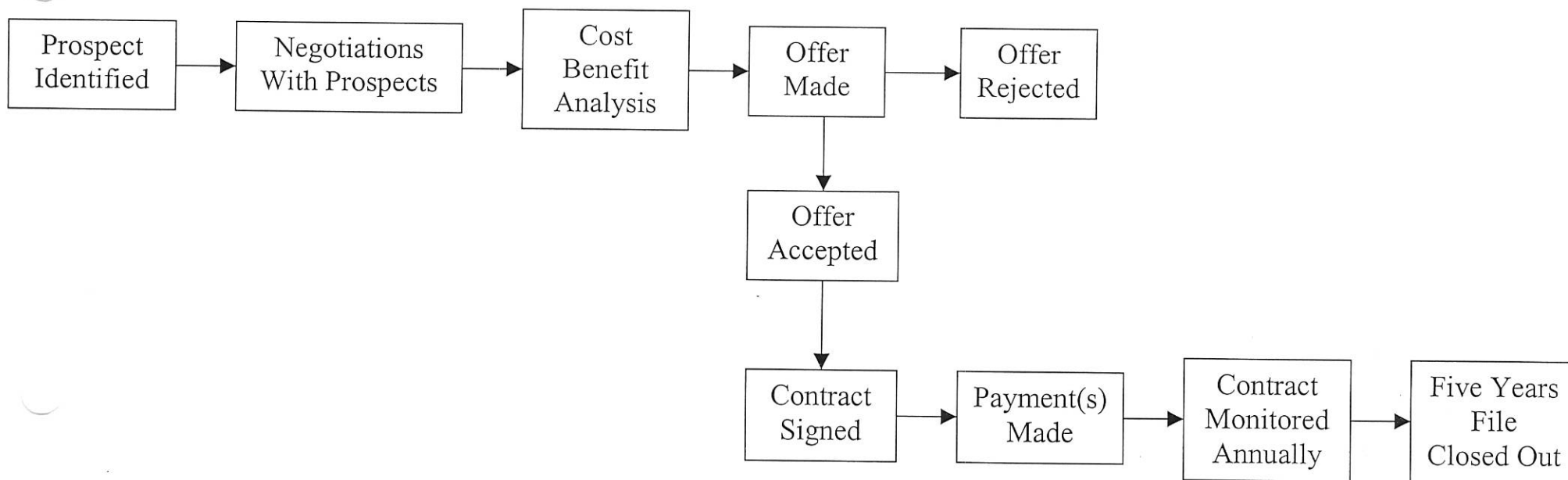
Chairman Mason adjourned the meeting at 4:49 p.m.

**HOUSE ECONOMIC DEVELOPMENT COMMITTEE
COMMITTEE GUEST LIST**

DATE: February 1, 2000

NAME	REPRESENTING
Stephanie Buchanan	DOB
Wicky Boudreau	City of Columbus
Steve Kelly	KDOC&H
Fred Schwin	KDOC&H
Bud Burke	Issues Mgmt. Group, Inc.
Sherry Brown	KDOC&H
Ruth Ryan	KFB
Ed Eberth	KFB
Roga Trandul	KGC

KEOIF PROCESS



Cost Benefit Analysis
Impact on State Revenues

Company:
By:
Date:

Aluminum Company of America (ALCOA)
documentation provided
November, 1995

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DATA ESTIMATES

Annual Employment Increase (1)
Annual Increase in New Households (2)
Estimated Number of New Students per New Household
Annual Increase in Appraised Commercial Property Value (3)
Annual Increase in Appraised Residential Property Value (4)
Existing payroll and annual Increase in Total Payroll

	Existing or Retained	Post-Expansion/Location/Investment									
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Annual Employment Increase (1)	NA	30.0	50.0	75.0	80.0	90.0					
Annual Increase in New Households (2)	NA	0.0	0.0	0.0	0.0	0.0					
Estimated Number of New Students per New Household	NA	NA									
Annual Increase in Appraised Commercial Property Value (3)		\$4,500,000	\$4,700,000	\$1,000,000							
Annual Increase in Appraised Residential Property Value (4)	NA	\$340,000	\$180,000	\$100,000	\$0	\$0					
Existing payroll and annual Increase in Total Payroll		\$900,000	\$1,500,000	\$2,100,000	\$2,240,000	\$2,520,000	\$231,500	\$237,288	\$243,220	\$249,300	\$255,533
Average Annual Wages:		\$30,000	\$30,000	\$29,032	\$28,681	\$28,492	\$29,205	\$29,935	\$30,683	\$31,450	\$32,236
Average Hourly Wages:		\$14.42	\$14.42	\$13.96	\$13.79	\$13.70	\$14.04	\$14.39	\$14.75	\$15.12	\$15.50
Average Annual Wage Increase:	2.50%										
Cumulative Number of Employees:	0.0	30.0	80.0	155.0	235.0	325.0					
Cumulative Total Wages:	\$0	\$900,000	\$2,400,000	\$4,500,000	\$6,740,000	\$9,260,000	\$9,491,500	\$9,728,788	\$9,972,007	\$10,221,307	\$10,476,840

NOTE:

SCHOOL FINANCE COSTS

Annual Increase in New Households (2)
Cumulative Increase in School Aged Children
State School Finance Multiplier

Annual Increase in New Households (2)		0	0	0	0	0	0	0	0	0	0
Cumulative Increase in School Aged Children		0	0	0	0	0	0	0	0	0	0
State School Finance Multiplier	3770										

TOTAL ANNUAL COSTS

	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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PROPERTY TAX REVENUE BENEFITS

Cumulative Increase in Appraised Commercial PROPERTY Value
Cumulative Increase in Appraised Residential PROPERTY Value
Cumulative Increase in Commercial ASSESSED Value (5)
Cumulative Increase in Residential ASSESSED Value (6)
Cumulative Increase in TOTAL ASSESSED Valuation
Annual Benefit from Property Tax Revenue (7)

Cumulative Increase in Appraised Commercial PROPERTY Value	\$0	\$4,500,000	\$9,200,000	\$10,200,000	\$10,200,000	\$10,200,000	\$10,200,000	\$10,200,000	\$10,200,000	\$10,200,000	\$10,200,000
Cumulative Increase in Appraised Residential PROPERTY Value	NA	\$340,000	\$520,000	\$620,000	\$620,000	\$620,000	\$620,000	\$620,000	\$620,000	\$620,000	\$620,000
Cumulative Increase in Commercial ASSESSED Value (5)	\$0	\$1,125,000	\$2,300,000	\$2,550,000	\$2,550,000	\$2,550,000	\$2,550,000	\$2,550,000	\$2,550,000	\$2,550,000	\$2,550,000
Cumulative Increase in Residential ASSESSED Value (6)	NA	\$39,100	\$98,900	\$170,200	\$241,500	\$312,800	\$384,100	\$455,400	\$526,700	\$598,000	\$669,300
Cumulative Increase in TOTAL ASSESSED Valuation	\$0	\$1,164,100	\$2,398,900	\$2,720,200	\$2,791,500	\$2,862,800	\$2,934,100	\$3,005,400	\$3,076,700	\$3,148,000	\$3,219,300
Annual Benefit from Property Tax Revenue (7)	\$0	\$42,490	\$87,560	\$99,287	\$101,890	\$104,492	\$107,095	\$109,697	\$112,300	\$114,902	\$117,504

RETAIL SALES TAX REVENUE BENEFITS

Cumulative Increase in Payroll
Taxable Retail Sales (8)
Annual Benefit from Retail Sales Tax Revenue (9)

Cumulative Increase in Payroll	\$0	\$900,000	\$2,400,000	\$4,500,000	\$6,740,000	\$9,260,000	\$9,491,500	\$9,728,788	\$9,972,007	\$10,221,307	\$10,476,840
Taxable Retail Sales (8)	\$0	\$209,700	\$559,200	\$1,048,500	\$1,570,420	\$2,157,580	\$2,211,520	\$2,266,807	\$2,323,478	\$2,381,565	\$2,441,104
Annual Benefit from Retail Sales Tax Revenue (9)	\$0	\$10,275	\$27,401	\$51,377	\$76,951	\$105,721	\$108,364	\$111,074	\$113,850	\$116,697	\$119,614

PERSONAL INCOME TAX REVENUE BENEFITS

Cumulative Increase in Payroll
Annual Benefit from Personal Income Tax (10)

Cumulative Increase in Payroll	\$0	\$900,000	\$2,400,000	\$4,500,000	\$6,740,000	\$9,260,000	\$9,491,500	\$9,728,788	\$9,972,007	\$10,221,307	\$10,476,840
Annual Benefit from Personal Income Tax (10)	\$0	\$27,720	\$73,920	\$138,600	\$207,592	\$285,208	\$292,338	\$299,647	\$307,138	\$314,816	\$322,687

TOTAL ANNUAL BENEFITS

	\$0	\$80,485	\$188,881	\$289,264	\$386,432	\$495,422	\$507,797	\$520,417	\$533,288	\$546,415	\$559,805
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NOTE:

Current/Annual (Cost) Benefit	\$0	\$80,485	\$188,881	\$289,264	\$386,432	\$495,422	\$507,797	\$520,417	\$533,288	\$546,415	\$559,805
CURRENT/CUMULATIVE (COST) BENEFIT	\$0	\$80,485	\$269,366	\$558,629	\$945,062	\$1,440,483	\$1,948,281	\$2,468,698	\$3,001,986	\$3,548,401	\$4,108,206

Notes:

- (1) Net new Kansas jobs created. Enter existing jobs if applicable.
- (2) Net new Kansas households created.
- (3) Includes existing value, proposed project plus projected future expansions.
- (4) Indicates new homes built.
- (5) Commercial appraised value x 25%.

- (6) Residential appraised value x 11.5%.
- (7) Base State Aid per Pupil (BSAPP) will increase to \$3820 for 2000-01 school year.
- (8) Reflects Taxable Sales Ratio multiplier of 0.233 calculated by IPPBR.
- (9) Reflects Kansas Sales Tax of 4.9%.
- (10) Reflects Personal Income Tax multiplier of 3.08% calculated by IPPBR.

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**LOAN AGREEMENT and
PROMISSORY NOTE**

This Loan Agreement and Promissory Note (the Agreement), effective November 27, 1995, is entered into between the following parties:

Lender: Kansas Department of Commerce & Housing
Business Development Division
700 SW Harrison Street, Suite 1300
Topeka, Kansas 66603-3712
Phone: (913) 296-3481, Fax: (913) 296-5055
Contact Person: James T. Janousek

Borrower: Aluminum Company of America (ALCOA)
425 Sixth Ave. - 1370D ALCOA Building
Pittsburg, PA 15219-1850
Phone: (412) 553-4974
Contact Person: Tom Seligson
FEIN: 25-0317820

WHEREAS, Chapter 258 of the 1994 Session Laws of Kansas establishes a Kansas Economic Opportunity Initiative (the Fund), and

WHEREAS, the Kansas Economic Opportunity Initiatives Fund committee has determined that an economic emergency or unique opportunity exists which warrants funding to secure economic benefits or avoid or remedy economic losses, as defined in the aforementioned Session Laws, and

WHEREAS, the Borrower has specified that this funding will allow it to proceed with construction of a new aerospace parts manufacturing facility in Hutchinson, Kansas, and

WHEREAS, the Governor has, by approval of the committee's recommendation, authorized an expenditure of up to \$300,000 from the Fund for the purpose of making a loan to the Borrower under such terms and conditions as may be prescribed by the Secretary of Commerce and Housing;

NOW THEREFORE, in consideration of the mutual promises, covenants and agreements, the parties agree as follows:

1) **Loan Amount and Terms:** Subject to the terms and conditions of the Agreement, the Lender hereby agrees to provide the Borrower with the principal sum of three hundred thousand dollars (\$300,000) for a sixty (60) month period. Interest will accrue at the rate of zero percent (0.0%) per annum on the unpaid balance. Should a default occur, repayment of all principal and interest will be made immediately in accordance with the provisions shown below. The

Borrower shall have the right to prepay any part or all of the unpaid principal and interest balance at any time without penalty. This loan is not transferable.

2) **Offset of Loan Proceeds:** The Borrower will work diligently and in good faith to obtain any available funding from the State Energy Conservation Program (SECP), administered by the Kansas Corporation Commission. Any such SECP funding which is used to develop the Hutchinson facility will reduce the funding commitment made by the Lender in this Agreement on a dollar-for-dollar basis. The Borrower will promptly notify the Kansas Department of Commerce of its receipt of any SECP funding. Any SECP funding received by the Borrower after all loan proceeds in this Agreement have been disbursed will be promptly forwarded to the Secretary of the Kansas Department of Commerce and Housing.

3) **Forgiveness of Debt:** The Borrower promises to create minimum employment and payroll levels in each of five (5) years as shown in the following schedule:

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
Jobs	30	50	75	80	90
Payroll	\$900,000	\$1,500,000	\$2,100,000	\$2,240,000	\$2,520,000

Job figures reflect full-time positions only. Payroll is based on gross earnings taxable to the individual employee. The start of Year 1 is anticipated to coincide with the final disbursement of these loan monies, but under no circumstance will it begin later than 12 months after the initial disbursement of these loan monies.

At each scheduled anniversary, the outstanding principal balance will be divided by the number of remaining anniversary dates. The resultant amount since the previous anniversary date will be forgiven if the scheduled job and payroll commitments have been met.

4) **Availability of Loan Funds:** Loan monies will be disbursed from the Fund on a reimbursement basis when the Borrower submits to the Lender copies of invoices generated by the Borrower's suppliers in connection with the project activities outlined above.

5) **Collateral:** None is required under this Agreement.

6) **Mortgage/Security Agreement:** Not applicable.

7) **Insurance:** The Borrower agrees to provide and maintain at its own expense casualty and hazard insurance covering loss by fire or wind with extended coverage insuring all of the real estate, buildings, fixtures and improvements and all business machinery, equipment, furnishings and furniture at its Hutchinson, Kansas facility. Evidence of such coverage will be provided to the Lender. The total amount of the insurance policy shall be sufficient to pay all

indebtedness to lienholders and other parties with an interest in this property, and pay the Lender the entire outstanding principal balance and accrued interest. The State of Kansas shall be named a beneficiary on the insurance policy. Self insurance is an acceptable alternative, if the Borrower provides reasonable evidence that adequate insurance coverage is in place.

- 8) **Release of Mortgage/Security Agreement:** Not applicable.
- 9) **Life Insurance:** Not applicable.
- 10) **Use of Funds:** The monies from this loan shall be used by the Borrower to pay for site improvement, infrastructure, and building costs related to construction of a new manufacturing facility in Hutchinson, Kansas, or to reimburse Borrower for such costs already incurred.
- 11) **Services Provided to Borrower:** The Lender is not obligated to provide any services to the Borrower other than those specified in the Agreement.
- 12) **Related Contracts:** Upon request, the Borrower shall promptly provide copies of all contracts entered into by the borrower for activities covered by the loan monies.
- 13) **Period of Performance:** The Borrower may be reimbursed with loan funds for expenses incurred prior to the date of this Agreement, if they were made in connection with activities to establish the new Hutchinson facility, as defined in item (10) above. This Agreement will be terminated when all conditions have been met within specified timeframes, or by mutual consent of all parties to the Agreement, or when a default situation arises unless the Lender chooses not to terminate the Agreement.
- 14) **Financial Management:** Borrower shall keep accounting records in conformance with generally accepted accounting principles, and make such records and all related reports, files, documents and other papers pertaining to the funds provided under this Agreement available for audits, examinations and monitoring if requested by Lender; such records will be retained for a period of three (3) years after termination of the loan period or repayment of the debt in full.

The accounting system used by the Borrower shall clearly establish records of budgets and expenditures for the activities funded with the loan monies.

- 15) **Monitoring:** A random audit may be conducted by the Lender, or a designated representative of the Lender, to assure accountability of loan expenditures.

Following the period of performance, Lender, or a designated representative of the Lender, will conduct a final program audit of all loan expenditures. At Lender's option any unauthorized or unaccountable expenditures may be subject to repayment by the Borrower to the Lender. If deemed necessary by the Lender, an outside audit may be conducted at the expense of the Borrower. The cost to the Borrower of this outside audit is not to exceed five hundred dollars (\$500.00), unless the audit reveals evidence of mismanagement of loan funds, in which case the entire cost of the audit will be borne by the Borrower.

Any loan funds which, upon audit, are shown to have been used for other than the intended purposes of the loan shall be repaid with interest to Lender by Borrower. The amount to be repaid shall be the principal plus twenty-five percent (25%) compounding interest accrued from the date of the initial drawdown against this loan.

16) **Waivers:** The Borrower hereby waives presentment, demand of payment, protest, and any and all other notices and demands whatsoever. No waiver of any payment or other right under this Agreement shall operate as a waiver of any other payment or right.

17) **Default:** This Agreement shall be considered in default:

(A) If, on the scheduled anniversary, job or payroll levels are below the minimums specified in item (3) of this Agreement, the following repayment is required within 30 days:

i) job and payroll components will be weighted equally, so that a blended percentage of overall job and payroll accomplishment is determined; the outstanding principal balance will be divided by the number of remaining anniversary dates, with the resultant portion of the principal balance multiplied by the inverse of the blended percentage to produce the proportionate principal amount due, and

ii) it is understood that this default provision does not apply to situations where the Hutchinson, Kansas facility never becomes operational, or where it is vacated within sixty (60) months of becoming operational. In these situations, the default remedies apply as set forth in Item 17(B) below.

(B) If the Borrower otherwise defaults in any manner on the obligations set forth in this Agreement, the following repayment is required:

i) any principal balance outstanding on the loan is due and payable.

ii) interest penalties equal to a nine percent (9%) compounded annual rate calculated against the principal balance for the period during which it has been outstanding.

In the event of continued default following fifteen (15) day written notice of default, the Lender may, at its option, declare all unpaid indebtedness evidenced by this Agreement and any modifications hereof, immediately due and payable, without further notice, and regardless of date of maturity. The Lender's failure to exercise this option when available at any point in time shall in no way invalidate its right to exercise the option in future default situations. Should it become necessary to collect the monetary obligations of this Agreement through an attorney, the Borrower agrees to pay all costs of collecting these monies, including reasonable attorneys' fees to the extent permitted by law, whether collected by suit, foreclosure, or otherwise.

18) **Indemnification:** The Borrower shall indemnify, defend, and hold harmless the State, the County and the City and their respective officers and employees from any liabilities, claims, suits, judgments, and damages arising as a result of the performance of the obligations under this Agreement by the Borrower or any party in a relationship with the Borrower which is a result of this Agreement. The liability of the Borrower under this Agreement shall continue after the termination of the Agreement with respect to any liabilities, claims, suits, judgments and damages resulting from acts occurring prior to the termination of this Agreement.

19) **Other Requirements:** The Borrower will provide to the Kansas Department of Commerce and Housing, on an annual basis for a period of ten (10) years, a report for the Borrower's Hutchinson, Kansas facility which lists the number of full-time-equivalent employees, the total payroll as defined in item (3) of this Agreement, and a record of capital investment for the most recent report period and accumulated since the beginning of the report periods. The first report will coincide with the first anniversary date as defined in item (3) of this Agreement.

20) **Amendments:** Changes to this Agreement will not be effective or binding unless in writing and signed by both parties to the Agreement.

21) **Contractual Provisions Attachment:** The provisions found in Contractual Provisions Attachment (form DA-146a), which is attached hereto, are hereby incorporated in this contract and made a part thereof.

22) **Compliance with the Law:** The Borrower agrees to operate its Hutchinson, Kansas facility in material compliance with applicable federal, state and local laws without limitation.

23) **Authorization to Contract:** Before or at the time of execution of the Agreement, the Borrower must be able to provide evidence that it is duly incorporated, in good standing in the state of its incorporation, authorized to do business in the State of Kansas, and authorized to borrow money; and evidence shall be provided that

IN WITNESS WHEREOF, the parties have signed their names below.

By: 

SECRETARY OF COMMERCE & HOUSING



NOTARY:



CONTRACTUAL PROVISIONS ATTACHMENT

Important: This form contains mandatory contract provisions and must be attached to or incorporated in all copies of any contractual agreement. If it is attached to the vendor/contractor's standard contract form, then that form must be altered to contain the following provision:

"The Provisions found in Contractual Provisions Attachment (Form DA-146a, Rev. 9-93), which is attached hereto, are hereby incorporated in this contract and made a part thereof."

The parties agree that the following provisions are hereby incorporated into the contract to which it is attached and made a part thereof, said contract being the 27th day of November, 1995.

1. TERMS HEREIN CONTROLLING PROVISIONS

It is expressly agreed that the terms of each and every provision in this attachment shall prevail and control over the terms of any other conflicting provision in any other document relating to and a part of the contract in which this attachment is incorporated.

2. AGREEMENT WITH KANSAS LAW

All contractual agreements shall be subject to, governed by, and construed according to the laws of the state of Kansas.

3. TERMINATION DUE TO LACK OF FUNDING APPROPRIATION

If, in the judgment of the Director of Accounts and Reports, Department of Administration, sufficient funds are not appropriated to continue the function performed in this agreement and for the payment of the charges hereunder, State may terminate this agreement at the end of its current fiscal year. State agrees to give written notice of termination to contractor at least 30 days prior to the end of its current fiscal year, and shall give such notice for a greater period prior to the end of such fiscal year as may be provided in this contract, except that such notice shall not be required prior to 90 days before the end of such fiscal year. Contractor shall have the right, at the end of such fiscal year, to take possession of any equipment provided State under the contract. State will pay to the contractor all regular contractual payments incurred through the end of such fiscal year, plus contractual charges incidental to the return of any such equipment. Upon termination of the agreement by State, title to any such equipment shall revert to contractor at the end of State's current fiscal year. The termination of the contract pursuant to this paragraph shall not cause any penalty to be charged to the agency or the contractor.

4. DISCLAIMER OF LIABILITY

Neither the state of Kansas nor any agency thereof shall hold harmless or indemnify any contractor beyond that liability incurred under the Kansas Tort Claims Act (K.S.A. 75-6101 et seq.).

5. ANTI-DISCRIMINATION CLAUSE

The contractor agrees: (a) to comply with the Kansas Act Against Discrimination (K.S.A. 44-1001 et seq.) and the Kansas Age Discrimination in Employment Act (K.S.A. 44-111 et seq.) and the applicable provisions of the Americans With Disabilities Act (42 U.S.C. 12101 et seq.) (ADA) and to not discriminate against any person because of race, religion, color, sex, disability, national origin or ancestry, or age in the admission or access to, or treatment or employment in, its programs or activities; (b) to include in all solicitations or advertisements for employees, the phrase "equal opportunity employer"; (c) to comply with the reporting requirements set out at K.S.A. 44-1031 and K.S.A. 44-1116; (d) to include those provisions in every subcontract or purchase order so that they are binding upon such subcontractor or vendor; (e) that a failure to comply with the reporting requirements of (c) above or if the contractor is found guilty of any violation of such acts by the Kansas Human Rights Commission, such violation shall constitute a breach of contract; and the contract may be canceled, terminated or suspended, in whole or in part, by the contracting state agency or the Kansas Department of Administration; (f) if it is determined that the contractor has violated applicable provisions of the ADA, such violation shall constitute a breach of contract and the contract may be canceled, terminated or suspended, in whole or in part, by the contracting state agency or the Kansas Department of Administration.

Parties to this contract understand that the provisions of this paragraph number 5 (with the exception of those provisions relating to the ADA) are not applicable to a contractor who employs fewer than four employees during the term of such contract or whose contracts with the contracting state agency cumulatively total \$5,000 or less during the fiscal year of such agency.

6. ACCEPTANCE OF CONTRACT

This contract shall not be considered accepted, approved or otherwise effective until the statutorily required approvals and certifications have been given.

7. ARBITRATION, DAMAGES, WARRANTIES

Notwithstanding any language to the contrary, no interpretation shall be allowed to find the State or any agency thereof has agreed to binding arbitration, or the payment of damages or penalties upon the occurrence of a contingency. Further, the state of Kansas shall not agree to pay attorney fees and late payment charges beyond those available under the Kansas Prompt Payment Act (K.S.A. 75-6403), and no provision will be given effect which attempts to exclude, modify, disclaim or otherwise attempt to limit implied warranties of merchantability and fitness for a particular purpose.

8. REPRESENTATIVE'S AUTHORITY TO CONTRACT

By signing this contract, the representative of the contractor thereby represents that such person is duly authorized by the contractor to execute this contract on behalf of the contractor and that the contract agrees to be bound by the provisions thereof.

9. RESPONSIBILITY FOR TAXES

The state of Kansas shall not be responsible for, nor indemnify a contractor for, any federal, state or local taxes which may be imposed or levied upon the subject matter of this contract.

10. INSURANCE

The state of Kansas shall not be required to purchase any insurance against loss or damage to any personal property to which this contract relates, nor shall this contract require the State to establish a "self-insurance" fund to protect against any such loss or damage. Subject to the provisions of the Kansas Tort Claims Act (K.S.A. 75-6101 et seq.), the vendor or lessor shall bear the risk of any loss or damage to any personal property in which vendor or lessor holds title.

11. INFORMATION

No provisions of this contract shall be construed as limiting the Legislative Division of Post Audit from having access to information pursuant to K.S.A. 46-1101 et seq.



KANSAS

DEPARTMENT OF COMMERCE & HOUSING

Bill Graves, Governor
Gary Sherrer, Lt. Governor/Secretary

March 9, 1999

Tom Seligson
Aluminum Company of America
425 Sixth Avenue - 1370D ALCOA Building
Pittsburg PA 15219-1850

Dear Mr. Seligson:

According to our records, your Kansas Economic Opportunity Initiatives Fund (KEOIF) loan, agreement #95-KEOIF-010, has met, or will soon meet, an anniversary date on March 28, 1999. As required by the agreement, please submit job and payroll information (Section 2) and capital investment information (Section 19) on the form provided at the bottom of this page and return to this office within the next 30 days. The job and payroll information may be verified with the Department of Human Resources. Failure to respond may cause your loan to be in default per sections 17 and 19 of the agreement.

If you have any questions, please give me a call at 785/296-5298.

Sincerely,

David L. Ross
Business Finance Specialist

Please fill out the following information for the period from 3/28/98 through 3/28/99:

Contract Years	Year 1	Year 2	Year 3	Year 4	Year 5
Start of Year 1 - 3/28/96	3/28/96 to 3/28/97	3/28/97 to 3/28/98	3/28/98 to 3/28/99	3/28/99 to 3/28/00	3/28/00 to 3/28/01
Jobs Committed	30	50	75	80	90
Jobs Reported	62	112	109		
Payroll Committed	\$900,000	\$1,500,000	\$2,100,000	\$2,240,000	\$2,520,000
Payroll Reported	\$1,513,000	\$4,047,000	\$ 4,179,000		
Capital Investment Made	\$10,055,000	\$1,490,000	\$ 886,000		

The above information is being reported in accordance with agreement #95-KEOIF-010. The information is true and accurate and based on the most accurate information available at the time of this reporting.

ALAN R. HERING LOCATION CONTROLLER 12-8-99
 Printed Name/Title Date
 Signature Alan R. Hering Notary: Shannon L. McColl
 BUSINESS DEVELOPMENT DIVISION My Appointment Expires 5-28-02

1411

ADDITIONAL PROVISIONS

DEBTOR WARRANTS AND COVENANTS:

- (1) That except for the security interest granted hereby Debtor is, or to the extent that this agreement states that the Collateral is to be acquired after the date hereof, will be, the owner of the Collateral free from any adverse lien, security interest or encumbrance; and that Debtor will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein.
- (2) The Debtor agrees to do such acts and things as the Lender may from time to time request to maintain a valid security interest on the part of the Lender in the Collateral (free of all other liens and claims whatsoever) to secure the payment of the liabilities.
- (3) That no financing statement covering the Collateral or any thereof is on file in any public office and that at the request of the Lender, Debtor will join with Lender in executing one or more financing statements pursuant to the Kansas Uniform Commercial Code in form satisfactory to Lender and will pay the cost of filing such financing statement, this security agreement and any continuation or termination statement, in all public offices wherever filing is deemed by the Lender to be necessary or desirable; and if the Collateral is attached to real estate prior to the perfection of the security interest granted hereby or if the Collateral includes crops or oil, gas or minerals to be extracted or timber to be cut, Debtor will, on demand of the Lender, furnish Lender with a disclaimer or disclaimers or subordination agreement signed by all persons having an interest in the real estate, disclaiming or subordinating any interest in the Collateral which is prior to the interest of the Lender.
- (4) Not to sell, transfer or dispose of the Collateral, not take the same or attempt to take the same from the city where kept as above stated without consent of the Lender.
- (5) To pay all taxes and assessments of every nature which may be levied or assessed against the Collateral.
- (6) Not to permit or allow any adverse lien, security interest or encumbrance whatsoever upon the Collateral, and not to permit the same to be attached or replevined.
- (7) That the Collateral is in good condition and that he will at his own expense, keep the same in good condition and from time to time, forthwith, replace and repair all such parts of the Collateral as may be broken, worn out or damaged without allowing any lien to be created upon the Collateral on account of such replacement or repairs, and that the Lender may examine and inspect the Collateral at any time, wherever located.
- (8) That he will at his own expense keep the Collateral insured in a company satisfactory to the Lender against loss, as appropriate, by theft, collision, fire and extended coverage, with loss payable to the Lender as its interest may appear, and will demand deliver said policies of insurance or furnish proof of such insurance to Lender.
- (9) At its option Lender may procure such insurance, discharge taxes, liens or security interest or other encumbrances at any time levied or placed on the Collateral and may pay for the repair of any damage or injury to or for the preservation and maintenance of the Collateral. Debtor agrees to reimburse Lender on demand for any payment or expense incurred by Lender pursuant to the foregoing authorization. Until such reimbursement, the amount of any such payment, with interest at the rate of 6% per annum from the date of payment until reimbursement, shall be added to the indebtedness owed by Debtor and shall be secured by this agreement.
- (10) That he will not use the Collateral in violation of any applicable statute, regulation or ordinance and if any of the Collateral is motor vehicles the same will not be rented, used in rental service nor in any speed or endurance contest.
- (11) That in the event this security agreement is placed in the hands of an attorney for enforcement Debtor will pay the reasonable attorney's fees of Lender, and will pay Lender any and all costs and expenses incurred in recovering possession of the Collateral and incurred in enforcing this security agreement, and the same shall be secured by this security agreement.

UNTIL DEFAULT Debtor may have possession of the Collateral and use it in any lawful manner not inconsistent with this agreement and not inconsistent with any policy of insurance thereon, and upon default Lender shall have the right to the immediate possession of the Collateral.

DEBTOR SHALL BE IN DEFAULT under this agreement upon the happening of any of the following events or conditions:

- (1) default in the payment or performance if any obligation, covenant or liability contained or referred to herein or in any note evidencing the same;
- (2) any warranty, representation or statement made or furnished to Lender by or on behalf of Debtor is found to have been false in any material respect when made or furnished;
- (3) any event which results in the acceleration of the maturity of the indebtedness of Debtor to others under any indenture, agreement or undertaking;
- (4) loss, theft, damage, destruction, sale or encumbrance to or of any of the Collateral, or the making of any levy, seizure of attachment thereof or thereon;
- (5) death, dissolution, termination or existence, insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy of insolvency laws by or against Debtor or any guarantor for surety for Debtor.

UPON SUCH DEFAULT and at any time thereafter, or if it deems itself insecure, Lender may declare all obligations secured hereby immediately due and payable and shall have the remedies of a secured party under the Kansas Uniform Commercial Code. The Lender may assess a collection charge on each installment in default for a period of 10 days or more as an additional charge against the debtor(s), in an amount not in excess of 5% of such installment or \$2.50, whichever is less. Lender may require Debtor to assemble the Collateral and deliver or make it available to Lender at a place to be designated by Lender that is reasonably convenient to both parties. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Lender will give Debtor reasonable notice of the time and place of any public sale thereof or of the time after which any private sale of any other intended disposition thereof is to be made. Expenses of retaking, holding, preparing for sale, selling or the like shall include Lender's reasonable attorney's fees and legal expenses.

No waiver by Lender of any default shall operate as a waiver of any other default or of the same default on a future occasion. The taking of this security agreement shall not waive or impair any other security said Lender may have or hereafter acquire for the payment of the above indebtedness, nor shall the taking of any such additional security waive or impair this security agreement, but said Lender may resort to any security it may have in the order it may deem proper, and notwithstanding any collateral security, Lender shall retain its rights of setoff against Debtor.

All rights of Lender hereunder shall inure to the benefit of its successors and assigns; and all promises and duties of Debtor shall bind its heirs or administrators or his or its successors or assigns. If there be more than one Debtor, their liabilities shall be joint and several

This agreement shall become effective when signed by the Debtor.



ECONOMIC
DEVELOPMENT
COUNCIL

One copy of
Bus. Dev. Division

NEWS RELEASE

FOR RELEASE AFTER 2:00 PM MONDAY, MAY 22, 1995.

Alcoa Selects Hutchinson For New Aerospace Parts Plant

HUTCHINSON, KS -- Aluminum Corporation of America executives were here today to announce the choice of this central Kansas community as the site for a new \$9 million Aerospace Center.

The decision came after months of evaluating various locations for the processing and warehousing facility for the company's Aerospace/Commercial Rolled Products Division. The 165,000 square foot plant will be built on a 22-acre tract in Hutchinson's Airport Industrial Park II between 11th and 17th Streets, just west of the municipal airport.

At a news conference held in the lobby of the airport, Dell Skluzak, General Manager of Alcoa's Aerospace Center, made the official announcement. Jon Daveline, President of the Reno County Economic Development Council, and Linda Laird, Vice-Mayor of Hutchinson, also participated in the news conference. City and county officials, members of the Chamber and Reno County Economic Development Council, and other interested local residents were on hand to receive the much-awaited good news.

Daveline expressed appreciation to Alcoa "for this significant addition to the economic base of Reno County," adding, "Hutchinson enthusiastically welcomes a company of Alcoa's stature to our community."

continued...

The skilled labor pool, work ethic, and quality of life were cited by Skluzak as among the factors leading to Alcoa's decision to build the plant in Hutchinson. He said that he and his colleagues have made numerous visits here during the selection process and were impressed with the people they met as well as the many amenities this area has to offer.

Skluzak indicated construction will get underway as soon as technical analysis of the site is completed, explaining that standard testing has been delayed because of the frequent rains this area has received over the past several weeks. Nonetheless, the company does plan to have the plant in operation later this year. Division President L. Patrick Hassey is expected to come here in early June for the groundbreaking ceremony.

The new facility will house metal polishing and finishing equipment as well as warehousing space for supplying value-added products to aircraft manufacturers. Services will include polishing of aluminum fuselage sheets for aircraft, inventory planning, and just-in-time deliveries of the Alcoa aerospace industry products. Employment is expected to reach 90 when full production is attained.

Skluzak pointed out that the Aerospace/Commercial Rolled Products Division, headquartered in Bettendorf, Iowa, is Alcoa's premier general purpose operation that also serves the auto, commercial transportation, lighting, lithographic sheet, tooling plate, and computer industries. The division has operations in six states, Europe, and Asia. Alcoa, with corporate headquarters in Pittsburg, Pennsylvania, is the world's largest aluminum company with 164 operating and sales locations in 24 countries. The company's sales in the first quarter of 1995 were \$3 billion.

###

CONTACTS:

Alcoa Aerospace/Commercial Rolled Products Division:

T.M. Wilkinson, Bettendorf, Iowa, 319 344-3008

Alcoa Corporate: A.T. Posti, Pittsburgh, Pennsylvania, 412 553-4465

Hutchinson/Reno County Chamber of Commerce: Jon Daveline, 316 662-3391

Outlook

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Volume 1 Issue 8

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A monthly publication of the Hutchinson/Reno County Chamber of Commerce
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Hutchinson, Kan. 67501
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Email: hutchcoc@southwind.net

Jon Daveline
President and CEO
Tom Dooley
Vice-President-
Membership Services
Jan Peters
CVC Director
Sara Peterson-Davis
Director of
Communications

ALCOA Aerospace opens new Hutchinson center

April 22 grand opening celebrates latest phase for aluminum processor

Just six months after the first shovels of dirt were turned over and just days after the first product rolled off the line, ALCOA Aerospace/Commercial Rolled Products Division celebrated the grand opening of its Hutchinson fuselage sheet metal polishing and processing center.

"From a business view, the reason this is here is that our business has changed," said John Piowaty, vice president ALCOA Aerospace/Rolled Products Division during the April 22 ceremony. "Our customers wanted 'just-in-time' product."

From a people view, Piowaty said, the new facility landed in Hutchinson because of the efforts of representatives from the city of Hutchinson, the Kansas Department of Commerce and Housing, the Hutchinson/Reno County Chamber of Commerce and the Reno County Economic Development Council.

More than 300 people turned out for the grand

opening ceremonies at the new 165,000 square-foot facility at 1501 Airport Road. The ceremony included remarks by ALCOA executives and local community leaders, as well as a video presentation and plant tour. The \$9 million facility

"This is an important company for the state of Kansas. It augments the aerospace industry and we expect great things from ALCOA Hutchinson. We couldn't be more pleased."

**-Steve Kelly
Kansas Department of
Commerce and Housing**

offers just-in-time, cut-to-size and electronic data interface capabilities to ALCOA's customers, particularly those in aerospace manufacturing. The facility also services customers for the company's extrusion/tube systems.

The Hutchinson facility features state-of-the-art polishing equipment that will finish ALCOA's Specul-air fuselage sheet product. The new equipment is capable of handling aluminum sheet product more than 120-inches wide and 500-inches long needed for the aerospace

industry's newest generation of aircraft. The Hutchinson center will furnish more than 60 percent of the aluminum product used by Wichita's aerospace and aircraft manufacturers.

The Hutchinson aerospace center employs more than 30 people and will eventually employ 100 people who will work in self-directed work teams.

A project like ALCOA's takes a special effort and special resources and Hutchinson had the right combination to make a perfect match, said Steve Kelly, director of the business development division of the Kansas Department of Commerce and Housing.

"If you don't have the right community matched with the right company, it isn't going to work," he said. "We need to recognize the effort (that went into this project.)"

The economic impact of ALCOA's Hutchinson facility, as well as its influence on other industries will not only be felt in Hutchinson/Reno County but throughout the state, Kelly said.

"This is an important company for the state of Kansas," he said. "It augments the aerospace industry and we expect great things from ALCOA Hutchinson."

"We couldn't be more

pleased."

While the ALCOA Aerospace Center's economic impact will be significant in the future, the company has been contributing to the economy for nearly three years.

Since the project started, ALCOA Aerospace Division

catalyst for more than a dozen real estate transactions.

"We've almost worn a groove to Wal-Mart," Skluzak quipped. "Things start adding up."

Skluzak pledged ALCOA's commitment to Hutchinson/Reno County,



Hutchinson ALCOA Aerospace Center General Manager Mike Day (center left) and ALCOA Vice President John Piowaty (center right) cut the ribbon at the April 22 grand opening ceremony at the recently completed 165,000-square-foot aluminum polishing facility. Also pictured (left to right) are: Jon Daveline, president Hutchinson/Reno County Chamber of Commerce; Dell Skluzak, general manager ALCOA Aerospace Division; Reno County Commissioner Joe Stucky; Hutchinson City Commissioner Jim Fee.

General Manager Dell Skluzak estimated that company representatives have stayed 250 nights in local hotels, eaten more than 1,000 meals in area restaurants, brought in more than 30 new people and been the

especially in the areas of safety and the environment.

"We call ourselves a quiet neighbor," Skluzak said. "We won't do splashy things for the community. You will hear about the quiet ways we support the community."

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KEOIF Performance To-Date
(Includes all projects having made their first required performance report)

21-1

Contract Information				Employment Information							Payroll Information			
Project Type	Organization Name	Contract Amount	Location of Project	Retained Jobs Committed	New Jobs Committed	Contract year	Total Jobs Reported	Retained %	Actual New Jobs Reported	New Jobs %	Payroll Commitment	Payroll Reported	Payroll %	
	Contract has been completed													
1995	KEOIF	Fuller Brush Company, The	\$100,000	Great Bend	245	40	5	336	100.0%	91	227.5%	\$6,432,000	\$8,983,000	139.7%
	Contracts are in their 4th year													
1995	KEOIF	Aluminum Company of America (ALCOA)	\$300,000	Hutchinson	0	90	3	109	NA	109	121.1%	\$2,100,000	\$4,179,000	199.0%
1996	KEOIF	Bayer Corporation AG	\$500,000	Shawnee	400	439	3	895	100.0%	495	112.8%	\$11,248,235	\$14,629,545	130.1%
1995	KEOIF	Dayton Superior Corporation	\$100,000	Parsons	0	100	3	124	NA	124	124.0%	\$2,585,000	\$3,668,610	141.9%
1996	KEOIF	Hays, City of - Sykes Enterprises	\$600,000	Hays	0	275	3	614	NA	614	223.3%	\$3,744,000	\$9,049,227	241.7%
1995	KEOIF	Marley Cooling Tower Company, The	\$70,000	Overland Park	325	54	3	325	100.0%	0	0.0%	\$13,350,000	\$15,119,469	113.3%
1996	KEOIF	Mid America Fittings	\$40,000	Overland Park	0	18	3	13	NA	13	72.2%	\$480,000	\$617,219	128.6%
1997	KEOIF	Wichita Sedgwick County Partnership for Growth	\$150,000	Wichita	3,500	0	3	13,302	100.0%	9,802	#DIV/0!	\$88,306,400	\$335,614,781	380.1%
	Contracts are in their 3rd year													
1998	KEOIF	Alliance Data Systems, Inc.	\$450,000	Lenexa	0	580	2	300	NA	300	51.7%	\$13,270,400	\$6,800,000	51.2%
1998	KEOIF	Alliant Foodservice, Inc.	\$85,000	Topeka	0	110	2	88	NA	88	80.0%	\$2,165,518	\$2,700,659	124.7%
1997	KEOIF	Cannon Valley Woodwork, Inc.	\$300,000	El Dorado	0	325	2	203	NA	203	62.5%	\$3,000,000	\$3,564,052	118.8%
1997	KEOIF	Century Plastics, Inc.	\$30,000	El Dorado	0	42	2	40	NA	40	95.2%	\$716,352	\$615,354	85.9%
1995	KEOIF	Cessna Aircraft Company	\$1,000,000	Independence	724	149	2	860	100.0%	136	91.3%	\$18,800,000	\$19,550,000	104.0%
1996	KEOIF	Damark International Inc	\$130,000	Junction City	0	275	2	323	NA	323	117.5%	\$4,262,500	\$5,698,529	133.7%
1998	KEOIF	Douglas County Development, Inc. - NCS	\$200,000	Lawrence	0	286	2	576	NA	576	201.4%	\$4,184,000	\$8,332,700	199.2%
1998	KEOIF	Emporia, City of - Menu Foods, Ltd.	\$200,000	Emporia	0	180	2	136	NA	136	75.6%	\$1,568,250	\$4,284,134	273.2%
1995	KEOIF	Frito-Lay Inc.	\$95,072	Topeka	564	100	2	749	100.0%	185	185.0%	\$22,683,250	\$29,208,156	128.8%
1996	KEOIF	Kraft Tool Company Inc	\$100,000	Shawnee	0	95	2	116	NA	116	122.1%	\$2,103,317	\$2,666,619	126.8%
1998	KEOIF	Maico Industries	\$40,000	Ellsworth	0	50	2	32	NA	32	64.0%	\$600,000	\$1,151,976	192.0%
1997	KEOIF	Medical Communications Software, Inc.	\$40,000	Shawnee	0	60	2	48	NA	48	80.0%	\$1,261,342	\$1,800,000	142.7%
1997	KEOIF	Miller Building Systems Inc	\$48,000	Burlington	0	60	2	50	NA	50	83.3%	\$563,000	\$1,301,338	231.1%
1997	KEOIF	NCM Foods, LLC	\$500,000	McPherson	0	121	2	41	NA	41	33.9%	\$1,458,016	\$2,360,223	161.9%
1996	KEOIF	Swift-Ekrich, Inc.	\$200,000	Junction City	0	375	2	507	NA	507	135.2%	\$5,492,000	\$11,364,280	206.9%
1997	KEOIF	U.S. Research & Development	\$100,000	Oswego	25	39	2	71	100.0%	46	117.9%	\$1,297,920	\$1,560,000	120.2%
1998	KEOIF	Airsys ATM, Inc.	\$275,000	Shawnee	0	330	1	224	NA	224	67.9%	\$12,200,000	\$10,582,940	86.7%
	Contracts are in their 2nd year													
1999	KEOIF	Automate Wire & Cable	\$25,000	Chanute	30	33	1	52	100.0%	22	66.7%	\$842,261	\$865,000	102.7%
1997	KEOIF	Columbus, City of - TAMKO Roofing Products, Inc.	\$57,809	Columbus	0	25	1	13	NA	13	52.0%	\$286,000	\$290,000	101.4%
1997	KEOIF	Diamant Boart, Inc.	\$300,000	Olathe	0	220	1	189	NA	189	85.9%	\$6,200,000	\$9,437,115	152.2%
1998	KEOIF	Lone Eagle, Inc.	\$10,000	Hiawatha	0	40	1	19	NA	19	47.5%	\$264,000	\$289,093	109.5%
1999	KEOIF	Manhattan, City of - Sykes Enterprises	\$590,000	Manhattan	0	432	1	541	NA	541	125.2%	\$2,939,040	\$7,052,500	240.0%
1997	KEOIF	Med-Plans 2000 Inc	\$150,000	Fort Scott	60	240	1	108	100.0%	48	20.0%	\$2,160,000	\$2,096,440	97.1%
1999	KEOIF	Pittsburg Illuminating Corporation	\$10,000	Columbus	2	3	1	5	100.0%	3	100.0%	\$102,000	\$102,000	100.0%
1998	KEOIF	Ritz Camera Centers, Inc./Boater's World	\$25,000	Topeka	0	75	1	58	NA	58	77.3%	\$468,000	\$1,051,161	224.6%
1997	KEOIF	Southwestern Bell Telephone	\$150,000	Topeka	0	275	1	552	NA	552	200.7%	\$3,350,000	\$3,424,779	102.2%
	KEOIF Totals:		\$6,970,881			5,536		21,619		15,744		\$240,482,801	\$530,009,899	

KEOIF Contracts Not Yet Reporting

(Shows projects which have not yet reached their first reporting period)

Identification Information			Contract Information		Employment Information		Payroll Information
FY	Project Type	Organization Name	Contract Amount	Location of Project	Base Employment	New Jobs Committed	Payroll Commitment
1995	KEOIF	Great Bend Industries*	\$100,000	Great Bend	225	25	\$4,746,000
1996	KEOIF	Abilene, City of - Russell Stover*	\$100,000	Abilene	0	20	\$250,000
1996	KEOIF	Naturall Fibre Board Salina LC**	\$149,253	Minneapolis	0	20	\$500,000
1996	KEOIF	Thermo Plastics Display, Inc.**	\$100,000	El Dorado	0	80	\$1,454,000
1996	KEOIF	Smith Center, Inc - Biofoam Corporation**	\$80,000	Smith Center	0	20	\$400,000
1997	KEOIF	Liberal, City of - Trailmobile Reefer Corporation	\$600,000	Liberal	0	150	\$2,496,000
1997	KEOIF	Telenational Marketing Inc.**	\$50,000	Atchison	0	170	\$1,379,000
1998	KEOIF	Branel Laboratories, Inc.**	\$50,000	Hill City	0	7	\$98,300
1999	KEOIF	Royal Caribbean Cruises, Ltd.	\$50,000	Wichita	0	170	\$3,092,300
1999	KEOIF	The Scribes, Inc.	\$275,000	Leavenworth	0	405	\$7,380,000
1999	KEOIF	Shar Optical, LLC	\$50,000	Winfield	4	6	\$123,600
1999	KEOIF	Douglas County Development, Inc. - CAE Vanguard	\$25,000	Lawrence	0	23	\$410,000
1999	KEOIF	Minneapolis, City of - A-1 Fiberglass Corporation	\$25,000	Minneapolis	0	15	\$265,200
1999	KEOIF	Skyjack Equipment, Inc.	\$100,000	Wathena	0	20	\$820,000
1999	KEOIF	Harte-Hanks Kansas City	\$200,000	Shawnee	330	45	\$11,731,396
1999	KEOIF	Dayton Superior Corporation	\$30,000	Parsons	112	10	\$3,527,650
1999	KEOIF	Atchison, City of - Shannon Industrial Park Project	\$150,000	Atchison	330	92	\$7,431,920
1999	KEOIF	Chase County Development, Inc. - FAI, Inc.	\$30,000	Cottonwood Falls	0	20	\$202,800
1999	KEOIF	Intek Information, Inc.	\$400,000	Fort Scott	0	210	\$3,941,340
1999	KEOIF	Deere & Company	\$250,000	Lenexa	16	238	\$13,000,000
1999	KEOIF	Aerial Operating Company	\$200,000	Lenexa	0	258	\$4,753,917
1999	KEOIF	Innovative Marketing Strategies, Inc.	\$50,000	Independence	0	150	\$1,856,400
1999	KEOIF	Sauer-Sundstrand Company	\$200,000	Lawrence	0	45	\$1,175,600
1999	KEOIF	Calmar Dispensing Systems	\$132,000	Winfield	0	65	\$1,627,000
2000	KEOIF	Central Plains Book Manufacturing	\$100,000	Arkansas City	0	58	\$1,356,300
2000	KEOIF	Transportation Design & Manufacturing	\$300,000	Manhattan	0	120	\$4,000,000
2000	KEOIF	Diversified Consulting Resources, Inc.	\$40,000	Overland Park	0	10	\$281,667
2000	KEOIF	AmeriServe Food Distribution, Inc. - Shawnee	\$100,000	Shawnee	0	215	\$8,600,000
2001	KEOIF	AmeriServe Food Distribution, Inc. - Wichita	\$100,000	Wichita	0	201	\$7,888,000
2000	KEOIF	NMF America, Inc.	\$100,000	Wichita	0	25	\$500,000

30 KEOIF Projects

\$4,136,253

KEOIF Totals:

1,017

2,893

\$95,288,390

* Projects Have not yet drawn funds

1-1-1

KEOIF Contracts Not Yet Reporting

(Shows projects which have not yet reached their first reporting period)

** Projects have failed, with loans being recovered as follows: (██████████) \$379,253 KEOIF)

Naturall Fibre Board Salina, LC - no repayment possible

Thermo Plastics Display, Inc. - partial payment received - will recover ~ \$100,000

Smith Center, Inc. (Biofoam) - project still possible - will recover fully (\$80,000) if new business found

Branel Laboratories, Inc. - Trying to sell the business; turned over for collection - no recovery likely

Telenational Marketing, Inc. - Business left the state - Met 1st goals and partial 2nd year with forgiveness of \$ ~ 13,900 - Will recover ~ \$36,900

1-20
1-19

Special KEOIF Projects

Identification Information				Contract Information	
FY	Project Type	Organization Name	Project Name	Contract Amount	Location of Project
1993	KEOIF	Sealright Packaging Company		\$500,000	De Soto
1993	KEOIF	A&M Products, Inc.		\$80,000	Spring Hill
1994	KEOIF	Kansas Manufacturers Association		\$250,000	Wichita
1994	KEOIF	South Central Kansas Economic Development District		\$72,000	Wichita
1994	KEOIF	Wichita Sedgwick County Partnership for Growth	Council on Workforce Needs	\$50,000	Wichita
1994	KEOIF	Kings Avionics, Inc.		\$100,000	Gardner
1995	KEOIF	Junction City Geary County EDC	Fort Riley Task Force	\$203,500	Junction City
1995	KEOIF	Plastic Packaging Corporation		\$125,000	Kansas City
1995	KEOIF	Kansas International Museum	Treasures of the Czars	\$250,000	Topeka
1995	KEOIF	Cessna Aircraft Company		\$800,000	Independence
1996	KEOIF	Topeka, City of	Topeka State Hospital	\$100,000	Topeka
1996	KEOIF	Winfield, City of	Winfield State Hospital	\$100,000	Winfield
1997	KEOIF	Winfield, City of	Winfield State Hospital	\$75,000	Winfield
1998	KEOIF	Unified Government of Wyandotte County/KCKS	Kansas Speedway Corporation	\$500,000	Kansas City
1999	KEOIF	Unified Government of Wyandotte County/KCKS	Kansas Speedway Corporation	\$5,500,000	Kansas City

Total of 15 Projects

KEOIF Total: \$8,705,500

* The Unified Government/Kansas Speedway Corporation project will be measured on expenditures, employment, payroll taxes, completion, attendance and revenue.

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ISC Speedway Economic Impact Study

Wyandotte County Site

REVISED --01/20/1998

The following economic impact study is based on data and industry analysis provided by Fine Research & Marketing, Inc. and the International Speedway Corporation. The study findings are a result of analysis performed by the Kansas Department of Commerce and Housing through the use of the Regional Econometric Model developed by REMI, Inc. of Amherst, Massachusetts. Economic multipliers were incorporated via the REMI model. Income, sales and property taxes were calculated through rates provided by the Kansas Department of Revenue. The study looks at the impact of the project during the two-year primary construction phase, the five-year second phase of proposed build-out, and over the first ten-year period of stabilized operation. The study assumes no growth of the speedway facility in terms of employment, event attendance, or the number of events per year.

The study considers the benefits of the project from several perspectives:

1. Impact of the Construction Phase
2. Impact of Speedway Employment
3. Impact of Speedway Operations
4. Annual Tourism Impacts Outside Speedway Facility
5. Annual Tourism Impacts Inside Speedway Facility

IMPACT OF THE CONSTRUCTION PHASE

Assumptions: \$180.8 million of construction costs over a two year period for Phase 1

This analysis does not include the infrastructure improvements made outside the facility that would also have impacts on the regional economy.

\$54 million in construction over five years for Phase 2 build-out.

CONSTRUCTION EMPLOYMENT AND INCOME IMPACTS

PHASE 1 Impacts (2 Years)

	Direct	Indirect	Total
Jobs	892	815	1707
Income	\$79,840,000	\$48,070,000	\$127,910,000

PHASE 2 Impacts (5 Years)

	Direct	Indirect	Total
Jobs	105	26	131
Income	\$26,820,000	\$14,850,000	\$41,670,000

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TAX IMPACTS OF CONSTRUCTION

CONSTRUCTION State Tax Impacts (7 Years)

	Direct	Indirect	Total
INCOME TAXES	\$1,800,000	\$1,100,000	\$2,900,000
SALES TAXES	\$1,580,000	\$930,000	\$2,510,000
PROPERTY TAXES	\$686,000	\$406,000	\$1,092,000
TOTALS	\$4,066,000	\$2,436,000	\$6,502,000

CONSTRUCTION Local Tax Impacts (7 Years)

	Direct	Indirect	Total
INCOME TAXES	0	0	\$ 0
SALES TAXES	\$240,000	\$140,000	\$380,000
PROPERTY TAXES	\$2,750,000	\$1,620,000	\$4,370,000
TOTALS	\$2,990,000	\$1,760,000	\$4,750,000

Positive tax impacts are based on additional employment and earnings generated by the construction activity, not the value of the facility. Increases in income tax collections, property tax collections, and sales tax collections are related to increased purchasing power resulting from increased personal income.

The analysis does not account for employment, income, or tax impacts generated from future investment in the region that may be influenced by the facility.

Impacts projected for the local economy reflect economic impacts in a six-county region that includes: Douglas, Franklin, Johnson, Leavenworth, Miami, and Wyandotte counties.

IMPACT OF SPEEDWAY OPERATIONS

EMPLOYMENT

Assumptions: 195 full-time equivalent employees (includes permanent full-time and seasonal) hired by the facility with \$4.96 million annual payroll and 56 additional jobs, with \$930,000 in annual payroll, created in the region's economy.

Speedway Operations Employment Impacts (10Years)

	Direct	Indirect	Total
Jobs	195	56	251
Income	\$49,600,000	\$9,300,000	\$58,900,000

State Tax Impacts (10 Years)

	Direct	Indirect	Total
INCOME TAXES	\$900,000	\$200,000	\$1,100,000
SALES TAXES	\$700,000	\$100,000	\$800,000
PROPERTY TAXES	\$300,000	\$50,000	\$350,000
TOTALS	\$1,900,000	\$350,000	\$2,250,000

Local Tax Impacts (10 Years)

	Direct	Indirect	Total
INCOME TAXES	\$0	\$0	\$1,100,000
SALES TAXES	\$150,000	\$30,000	\$180,000
PROPERTY TAXES	\$1,300,000	\$240,000	\$1,540,000
TOTALS	\$1,450,000	\$270,000	\$2,820,000

Positive tax impacts are based on additional employment and earnings generated by the operation of the facility, not the value of the facility. Increases in income tax collections, property tax collections, and sales tax collections are related to increased purchasing power resulting from increased personal income.

The analysis does not account for employment, income, or tax impacts generated from future investment in the region that may be influenced by the facility.

Impacts projected for the local economy reflect economic impacts in a six-county region that includes: Douglas, Franklin, Johnson, Leavenworth, Miami, and Wyandotte counties.

NOTE: Portions of the sales taxes projected may be subject to the STAR Bond Zone. Only taxes actually collected on the facility site will be used to retire the STAR bond.

SPEEDWAY FACILITY

Assumptions: \$163.8 million facility.

- There is a proposed abatement of property taxes for facility. No impact projections for property tax effects were calculated for the facility.

ANNUAL TOURISM OUTSIDE SPEEDWAY FACILITY

Assumptions: Three annual major racing events with 405,000 non-local, visitors and 150,000 day visitors are projected. Based on information provided by ISC on attendance and average stay duration 364,500 overnight visitor days and 150,000 local visitor days were used in the calculations.

Impact of tourism on the regional economy

JOBS: 1,376 service and retail sector jobs
PAYROLL: \$45.325 million in annual payroll

**SPEEDWAY TOURISM -- Impact of Employment Generated Outside Facility
State Tax Impacts (10 Years)**

	Direct	Indirect	Total
INCOME TAXES	\$7,900,000		\$7,900,000
SALES TAXES	\$6,690,000		\$6,690,000
PROPERTY TAXES	\$2,918,150		\$2,918,150
TOTALS	\$17,508,150		\$17,508,150

Local Tax Impacts (10 Years)

	Direct	Indirect	Total
INCOME TAXES	\$0		\$ 0
SALES TAXES	\$1,369,000		\$1,369,000
PROPERTY TAXES	\$11,672,610		\$11,672,610
TOTALS	\$13,041,610		\$13,041,610

Positive tax impacts are based on additional employment and earnings generated by the tourism outside the facility, not the value of the facility. Increases in income tax collections, property tax collections, and sales tax collections are related to increased purchasing power resulting from increased personal income.

The analysis does not account for employment, income, or tax impacts generated from future investment in the region that may be influenced by the facility.

Impacts projected for the local economy reflect economic impacts in a six-county region that includes: Douglas, Franklin, Johnson, Leavenworth, Miami, and Wyandotte counties.

NOTE: Portions of the sales taxes projected may be subject to the STAR Bond Zone. Only taxes actually collected on the facility site will be used to retire the STAR bond.

SPEEDWAY TOURISM -- TOURIST EXPENDITURES OUTSIDE FACILITY

Direct Expenditures of \$86,000,000 annually and Indirect (multiplier) impacts of \$164,241,000 annually in the regional economy by tourists. These expenditures include lodging, meals, travel, and incidental expenditures. Over 10 years this amounts to \$608.3 million in direct expenditures in the regional economy.

State Tax Impacts (10 Years)

	Direct	Indirect	Total
INCOME TAXES			\$ 0
SALES TAXES	\$26,826,030	\$35,410,359	\$62,236,389
PROPERTY TAXES			\$ 0
TOTALS	\$26,826,030	\$35,410,359	\$62,236,389

Local Tax Impacts (10 Years)

	Direct	Indirect	Total
INCOME TAXES			\$ 0
SALES TAXES	\$10,949,400	\$14,453,200	\$25,402,600
PROPERTY TAXES			\$ 0
TOTALS	\$10,949,400	\$14,453,200	\$25,402,600

Sales tax impacts are based on direct and indirect expenditures resulting from increased tourism in the region.

NOTE: Portions of the sales taxes projected may be subject to the STAR Bond Zone. Only taxes actually collected on the facility site will be used to retire the STAR bond.

ANNUAL TOURISM INSIDE SPEEDWAY FACILITY

Assumptions: 300,000 visitors averaging \$60 per visitor per day of attendance.. Average on-site spending at ISC events was used as a basis for this calculation.

Impacts: \$18.0 million total annual retail sales generated inside the facility. This includes ticket sales and incidental expenditures by visitors. Projections of \$1.4 million in receipts from private suite rentals and \$6.1 million in race team and media expenditures. This results in a total of \$25.5 million in expenditures inside the facility. Based on information from ISC, 90% of sales are taxable. This results in \$22,950,000 in taxable retail sales annually inside the facility.

State Tax Impacts (10 Years)

	Direct	Indirect	Total
INCOME TAXES			\$ 0
SALES TAXES	\$11,245,500		\$11,245,500
PROPERTY TAXES			\$ 0
TOTALS	\$11,245,500		\$11,245,500

Local Tax Impacts (10 Years)

	Direct	Indirect	Total
INCOME TAXES			\$ 0
SALES TAXES	\$4,590,000		\$4,590,000
PROPERTY TAXES			\$ 0
TOTALS	\$4,590,000		\$4,590,000

NOTE: This generates an average of \$1.584 million in sales taxes annually from sales inside the race facility. It does not capture additional retail sales taxes within the STAR zone that may result from the development of ancillary facilities. The projection does not include the proposed build-out that would add 75,000 additional spectator seats. This would cover the initial debt service without additional tax receipts through the first 10 years of the repayment schedule provided 12/10/97.

TOTAL IMPACTS

Ten Year Projections of impacts on State Income Tax, Sales Tax, and Property Tax Collections

State Tax Impacts (10 Years)

	Direct	Indirect	Total
INCOME TAXES	\$10,600,000	\$1,300,000	\$11,900,000
SALES TAXES	\$47,041,530	\$36,440,359	\$83,481,889
PROPERTY TAXES	\$3,904,150	\$456,000	\$4,360,150
TOTALS	\$61,545,680	\$38,196,359	\$99,742,039

Local Tax Impacts (10 Years)

	Direct	Indirect	Total
INCOME TAXES	\$0	\$0	\$ 0
SALES TAXES	\$17,289,400	\$14,623,200	\$31,912,600
PROPERTY TAXES	\$15,722,610	\$1,860,000	\$17,582,610
TOTALS	\$33,012,010	\$16,483,200	\$49,495,210

Positive tax impacts are based on additional employment and earnings generated by the construction and operation of the facility, not the value of the facility. Increases in income tax collections, property tax collections, and sales tax collections are related to increased purchasing power resulting from increased personal income.

The analysis does not account for employment, income, or tax impacts generated from future investment in the region that may be influenced by the facility.

Impacts projected for the local economy reflect economic impacts in a six-county region that includes: Douglas, Franklin, Johnson, Leavenworth, Miami, and Wyandotte counties.

The impact analysis does not include the economic benefit to the region that would result from any additional investment in the region due to the location of the facility or any subsequent "off-facility" infrastructure improvements.

NOTE: Portions of the sales taxes projected may be subject to the STAR Bond Zone. Only taxes actually collected on the facility site will be used to retire the STAR bond.

Sykes, Inc. Economic Impact Analysis

Prepared By

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Prepared For

Kansas Department of Commerce and Housing
Ellis County Coalition

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Executive Summary:
Sykes, Inc. Economic Impact Analysis

This study measures the Net Present Value of the Economic Benefit (expressed in 1998 dollars) that will accrue to specific governmental units over the period 1996 through 2005 based on expenditure patterns collected from the Sykes, Inc. (Sykes) facility located in Hays, Kansas and its employees for 1998.

Tax Impact of Sykes

- ◆ Economic Benefit to the State of Kansas is \$7,997,000 more than its investment of \$1,545,000.
- ◆ Economic Benefit to Ellis County is \$815,000 more than its investment of \$232,000.
- ◆ Economic Benefit to the City of Hays is \$242,000 more than its investment of \$499,000.
- ◆ Economic Benefit to USD 489 is \$2,135,000. USD 489 did not make an investment in this project.
- ◆ Total Net Economic Benefit to local government is \$391,000.
- ◆ Annual Economic Benefit to these governmental entities per employee is \$17,600.

Employment Impact of Sykes

- ◆ 77 percent of employees are full time.
 - Average hours worked per week is 37.4 hours.
- ◆ Average wage rate was \$8.07 with experienced employees earning about \$10.00 per hour.
- ◆ Total employment was 633 on December 31, 1998.
- ◆ For 59 percent of employees Sykes is the sole source of family income.
- ◆ 68 percent of employees are unmarried.
 - Average family size for those with families is 3.2 persons.
- ◆ 80 percent of employees live in Hays.
- ◆ 84 percent of employees live in Ellis County.
- ◆ 67 percent of employees plan to live in Ellis County in two years.
- ◆ 30 percent of employees lived outside Ellis County before working at Sykes.

- ◆ 51 percent of employees worked full time before employed at Sykes.
 - For 62 percent of these, the previous employer was in Ellis County.
- ◆ 46 percent of employees would seek employment outside Ellis County if they were not working at Sykes.
- ◆ 89 percent of employees have at least some college.
- ◆ 20 percent of employees are involved with community service activities.
- ◆ Total job creation from Sykes recruitment to Hays is 1,107 jobs.

Spending Patterns of Employees

- ◆ Employees spend 23 percent of their income on food.
- ◆ Employees spend 14 percent of their income on vehicles.
- ◆ Employees spend 26 percent of their income on housing.
- ◆ Employees spend 13 percent of their income on services.

Comparison With 1996 Projections

- ◆ Compared with the 1996 projections before Sykes located in Hays this study reveals:
 - Sykes is employing more people (633) than projected (600);
 - Sykes total payroll (\$9,405,600) is higher than projected;
 - Employees receive a lower average salary (\$8.07 per hour) than was projected (\$9.62 per hour);
 - Local expenditures by Sykes (\$836,100) is slightly lower than projected;
- ◆ The earnings multipliers associated with this facility are more than previously estimated.
- ◆ The employment multipliers associated with this facility are less than previously estimated.
- ◆ The impact of Sykes on the local governmental units is \$1,600,000 more than projected in 1996;
- ◆ And the overall economic impact of Sykes on state and local governmental entities is \$1,684,000 less than projected in 1996.

Summary Impact Analysis

FY 1995-96 KEOIF Projects

Conducted by

Jim Janousek, KDOC&H
and
Timothy Paris, Kansas, Inc.

March, 1997

Summary Impact Statement

FY 1995-96 KEOIF Projects

Introduction -

The following narrative highlights the economic impacts of the Kansas Economic Opportunity Initiatives Fund (KEOIF) projects from fiscal years 1995 and 1996. This narrative will cover the added employment benefits, the affects on employment composition, additional population, and added incomes to the state as a whole, and three regions of the state as defined for use by a computer economic forecasting model.

The KEOIF study utilizes a model of the state's economy developed by Regional Economic Models, Inc. of Amherst, Massachusetts. The model, commonly known as REMI, is a complex mathematical representation of the state's economy. The model consists of a large data base that includes almost 2,100 economic and demographic series from 1967 to 1994 for each of the forty-eight continental states. This data base allows the construction of a computer model of the Kansas economy. This model can be used to project economic and demographic activity in the state based on historical performance of the economy.

The REMI model may be used in several ways. In the case of this project, REMI is being used to forecast the economic impact of KEOIF projects. The model allows the manipulation of employment levels, wage and salary payments, and capital investment related to the KEOIF Projects. Using these inputs, the model provides projections of future employment, wage and salary payments, and other economic impacts related to the new jobs in the economy.

This forecast can then be compared to the baseline forecast provided by the model to show how the new jobs and investment would impact the economy. This difference analysis provides information on the total impact of the projects, including multiplier effects.

The KEOIF Program -

The Kansas Economic Opportunity Initiatives Fund (KEOIF) was first established and funded in FY 1995 to provide the state a vehicle to address critical opportunities and/or emergencies with the potential for substantial impact on the Kansas economy. By statute, funds are to be used to address expenses involved in securing economic benefits or avoiding or remedying economic losses related to: 1) major expansion of an existing Kansas commercial enterprise; 2) the potential location in Kansas of a major employer; 3) match required for a significant federal or private sector grant; 4) departure from Kansas or the substantial reduction of the operations of a major employer; or 5) closure of a major federal or state institution or facility.

By statute, a five member panel comprised of the private sector Co-Chair of Kansas, Inc., the President of Kansas, Inc., the Chairman of KTEC, the President of KTEC, and the Secretary of Commerce & Housing is responsible for setting conditions and terms of the loans or grants and recommending approval to the Governor.

Analysis of KEOIF Projects -

This analysis was conducted using only those KEOIF projects which resulted in direct job creation. Other KEOIF projects, such as business retention projects or impact studies where no new jobs were created, were not included.

The state investments through the KEOIF projects analyzed in this study totaled \$5.39 million. Private investment in the KEOIF projects is estimated to total \$283.4 million. These investments are expected to create 3,628 new jobs when all public and private investments in these projects are completed in 1999.

The majority of public and private investments made through the KEOIF program in fiscal years 1995 and 1996 occurred in the eastern portion of the state. Total state investment in these projects amounted to \$4.13 million. This public investment was matched by \$214.25 million by the participating companies. These investments are expected to have a direct job creation impact of 2,798 new jobs.

Public investment through KEOIF in the western region of Kansas totaled \$400,000. These public funds were matched by \$10.0 million from the contracting businesses. Direct job gains through these investments is expected to total 450 new jobs.

Businesses within those counties in the Kansas City metro area received \$860,000 in KEOIF funding in fiscal years 1995 and 1996. These businesses matched the KEOIF funding with private investment of \$59.1 million. Total direct job gains to the KC metro area are estimated at 381 new jobs.

Overview of Forecasted Impacts -

The public and private investments listed above had an immediate and direct impact on job creation, and these projects will continue to produce direct employment gains until 1999 when the majority of the combined investments will be complete. The purpose of this study, however, is to forecast the additional, or indirect gains in employment, income, and population as a result of these investments.

This study estimates that indirect employment gains from KEOIF investments are nearly identical to direct employment gains. That is, for every one job created by a KEOIF project, an additional job is created elsewhere in the economy. *Total* employment gains from the KEOIF projects are expected to peak in the year 1999, with new jobs totaling 7,246. After the direct investments are completed, total job gains are expected to decrease slightly to a total net impact of 7,125 new jobs by 2002.

While it is not possible to calculate the *direct* gains in total personal income, we can estimate the combined direct and indirect gains in personal income. The REMI model estimates that Kansans will earn greater personal income every year as a result of the KEOIF investments, ranging from an increase of \$52 million in 1995 to a maximum of \$311 million in 2002.

Population will also have dramatic increases as a result of the KEOIF program. These investments are expected to raise the Kansas population by nearly 8,000 residents by the year 2002.

Employment -

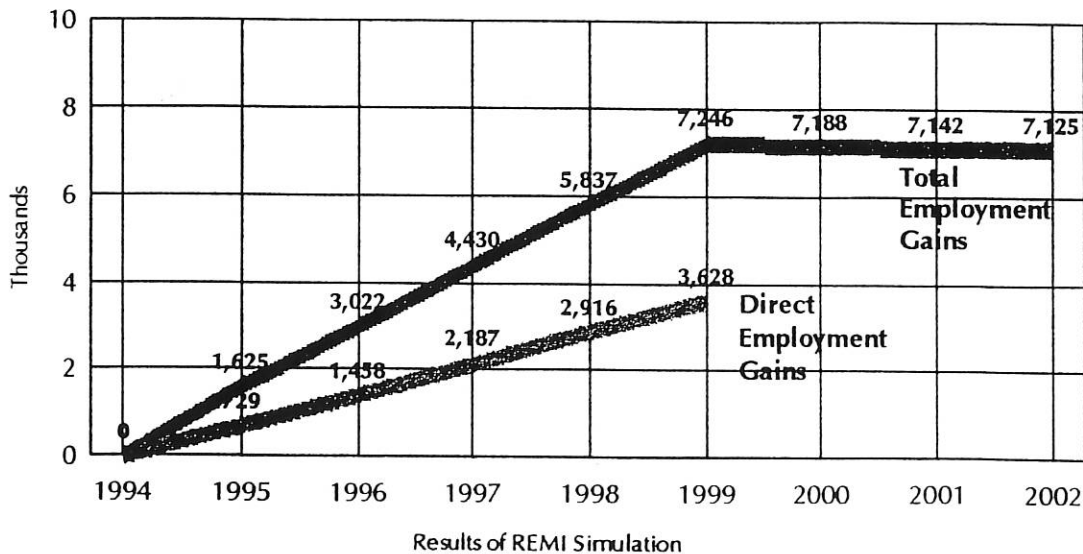
Statewide employment impacts from the FY 1995 and 1996 KEOIF projects can be calculated in two ways: 1) direct employment gains from state investments, and 2) exogenous, or indirect employment gains. The direct added employment gains were distributed over a five year period and input into the REMI model starting with the year 1995. The model simulated indirect employment gains to the year 2002.

The simulation shows indirect employment gains from KEOIF projects nearly double the direct gains from the state's primary investments. Total employment based on the simulation of KEOIF projects is expected to rise from 1,574,445 in 1994, to 1,664,751 in the year 2002. The results of the simulation show an increase of 7,125 jobs over the control forecast. Of this increase, 3,628 are a direct result of the KEOIF projects. The remaining 3,497 jobs are secondary to the KEOIF investments.

As can be seen in the data, the added employment based on the simulation forecast begins to decline in the year 2000. This decline is due to several factors. The REMI model assumes that employment gains will increase the demand for labor, which in turn, will raise wages as competition for available labor increases. As wages increase, the competitiveness of the region (Kansas) as a place to do business is reduced because labor costs are higher, which in turn affects production costs. As production costs increase, some firms will be forced to close or relocate in order to survive in an increasingly competitive business environment, thus causing a slight reduction in the overall level of employment.

Figure 1

**Forecast Effects on Total Employment - State of Kansas
FY 1995-96 KEOIF Projects**



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Additional employment gains are forecast for each region of the state as a result of KEOIF projects. The total regional impact is dependent on the number of projects within each region, and the magnitude of direct employment added by each project. Since a greater number of KEOIF projects were awarded to companies within the eastern region of the state, the majority of additional employment gains are expected to be achieved within this region.

The eastern region is forecast to achieve additional employment of 5,005 workers as a result of KEOIF investments. Of this total number, 2,798 are added directly from KEOIF projects, while 2,207 are secondary employment gains.

Employment gains from KEOIF projects in western Kansas are forecast to increase by 523 over the control forecast. Four hundred fifty of this increase is directly added by the KEOIF investments, while the remaining 73 jobs are secondary gains.

The Kansas City Metro area is forecast to increase its regional employment by 1,597 new jobs. Of this increase, only 381 are created directly by the KEOIF projects. The remaining 1,216 are indirect gains.

The magnitude of secondary, or indirect gains in employment is heavily dependent on the types of new industries started, and also by the regions ability to supply its own raw materials necessary for production. In western Kansas, where the total employment base is considerably smaller than elsewhere in the state, there does not exist the existing product base to provide raw materials to new industry. As a result, these materials are imported into the region, thus reducing the potential for secondary employment gains.

Employment Composition -

There are little or no impacts to the composition of the workforce as a result of KEOIF investments made during fiscal years 1995 and 1996. The *percentages* of employment within each industry are virtually identical when comparing both the simulation and control forecasts.

There are, however, significant gains in the *total* employment within each sector. Based on the simulation forecast, an additional 3,170 manufacturing jobs will have been created as a result of KEOIF investments. Due to increased competitiveness within manufacturing industries, however, the overall increase in employment within this sector is expected to decline slightly to 3,068 additional jobs by 2002.

Service jobs also are expected to increase substantially. By 1999, KEOIF investments are expected to produce an additional 1,555 jobs within the service sector. Of this increase, only 275 are directly created by KEOIF projects. Due to increased competitiveness within service sector industries, however, the overall increase in employment is expected to decline slightly to 1,513 additional jobs by 2002.

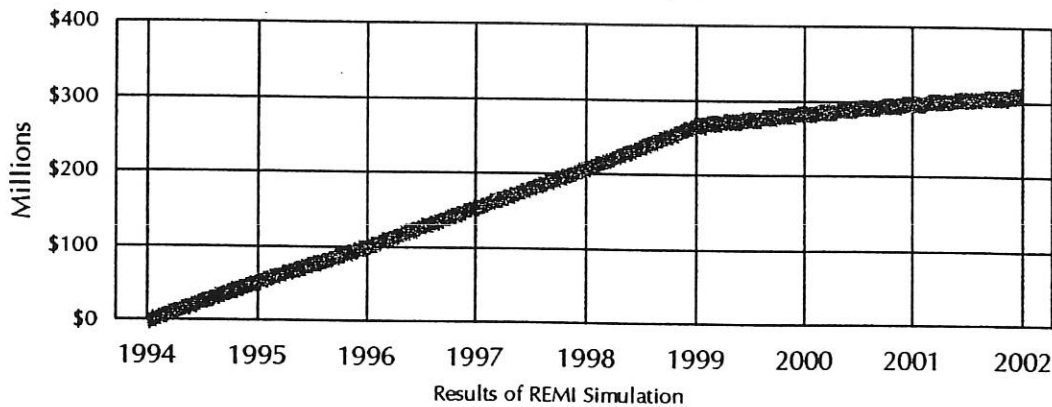
Although only three general sectors were *directly* affected by KEOIF investment in FY 1995-96 (manufacturing, wholesale, and services), every sector is expected to receive an additional boost in employment. Based on the KEOIF simulation, retail is expected to receive an additional 833 jobs, government 659 jobs, and construction 301 jobs. Table 2 (Appendix) lists the expected total job creation figures from KEOIF projects.

Total Personal Income -

Based on the REMI simulation, the Kansas residents can expect to earn an additional \$311 million in personal income by the year 2002 as a direct result of the investments made from the KEOIF program (see Figure 2). The majority of this income will be earned in the eastern region, which is forecast to earn an additional \$227 million. This is followed by the KC metro region, which is forecast to earn an extra \$69 million. The western region is forecast to earn an additional \$15 million by the year 2002.

Figure 2 illustrates the increase in total personal income to the state of Kansas as a whole, as a result of investments made through the KEOIF program in FY 1995 and 1996. It is important to note that, in contrast to the projected gains in employment, overall increases in total personal income do not decrease once the state's investment in KEOIF are complete. Overall personal income continues to rise, even after employment levels begin to fall. This is a clear indication that those jobs which were created by the KEOIF investments will pay higher wages, and will presumably be higher quality jobs, than those jobs which are lost through increased competition in the business environment.

Figure 2
Forecast Effects on Total Personal Income (1992 Dollars)
FY 1995-96 KEOIF Projects

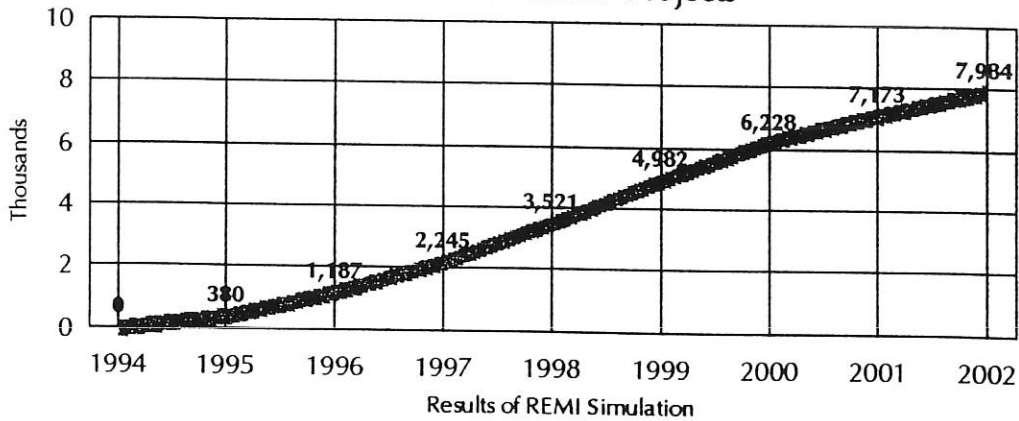


Population -

Kansas can expect nearly 8,000 additional population residing in the state as a result of FY 1995-96 KEOIF projects. Results of the REMI simulation project population will rise from 2.55 million in 1994, to 2,607,994 in 2002. This figure compares to the control forecast (without KEOIF investment) of 2,600,010 million by the year 2002. Unlike the projections of employment, population gains do not decrease after the year 1999, when KEOIF investments made in FY 1995-96 are completed. Figure 3 illustrates the added population to Kansas as a result of the KEOIF projects for fiscal years 1995-96.

As with employment and income, most of the population gains are within the eastern region of the state. The eastern region is forecast to grow by 6,077 new residents by 2002. The Kansas City Metro region is also expected to grow considerably, increasing in population by 1,470 new residents. Western Kansas is expected to increase in population by 437 new residents.

Figure 3
Forecast Effects on Population
FY 1995-96 KEOIF Projects



APPENDIX A

SUMMARY OF KEOIF PROJECTS

FY 1995-1996

KEOIF PROJECT SUMMARIES

Fiscal Year 1995 Projects

Marley Company, Overland Park

This project committed \$75,000 in KEOIF for the retention of the headquarters of the Marley Company. The project represents the retention of 300 jobs and the creation of 75 new jobs in the community. Capital expenditures of \$7.0 million are associated with the project.

Fort Dodge Animal Health, Overland Park

This project includes the development of a new production facility in Overland Park. The project will result in 154 new jobs in the community.

Cessna Aircraft Corporation, Independence

This project was for the development of a new aircraft production facility. The project represents a capital investment of \$30.00 million and will result in 950 new jobs in the community. KEOIF award of \$800,000 was part of a package developed to keep the facility in Kansas.

Alcoa Inc., Hutchinson

This project involved the location of a new production facility in Kansas. The \$300,000 in KEOIF awarded to Alcoa for the development of the \$10.0 million facility will result in 240 new jobs in Hutchinson.

CPAC/Fuller Brush, Great Bend

This KEOIF project was part of a concerted effort to keep the Fuller Brush facility in operation, retaining 250 jobs in the community and expanding the facility with 175 new jobs added to the workforce. \$100,000 in assistance was provided to assist CPAC, Inc. in purchasing the facility which represents development costs of \$1.9 million and an annual payroll of \$5.4 million

Dayton Superior, Parsons

This was a facility retention and expansion project. The KEOIF assistance of \$100,000 retained the facility in Kansas and assisted in the expansion of the facility. Along with 50 jobs retained, 7 additional jobs were added to the facility.

Frito-Lay, Topeka

This is part of a multi-phase project which will expand the current facility. The expansion will add an additional 250 employees and result in \$60.0 million in capital investment when completed. The \$490,000 in KEOIF awarded will be expended over two fiscal years.

Fiscal Year 1996 Projects

Mid America Fittings, Overland Park

This project was a relocation of the manufacturing facility from another state. \$40,000 in KEOIF was awarded to the firm to bring 18 jobs and \$500,000 in annual payroll. The firm is in operation and hiring at the new site.

Kraft Tool, Incorporated, Shawnee

Kraft Tool is a manufacturer of construction tools who relocated their operations from another state. \$100,000 was awarded to bring the new facility and 70 employees to Kansas. When in full production the firm will employ 95 employees with \$2.6 million in payroll and \$2.57 million in capital investment..

Bayer Corporation, Shawnee

KEOIF committed \$250,000 to Bayer Corporation to assist in the construction of a new regional headquarters for Bayer's Animal Health operations. The project will involve the retention of 200 jobs and add an additional 90 jobs with \$11.35 million in payroll, when completed. The project represents a \$56 million investment in the community and is part of a five year plan of \$100 million in capital expenditures for Bayer.

Cessna Aircraft Corporation, Independence

This is a commitment of KEOIF funds for the second phase of the Cessna project in Independence, Kansas. This project represents an additional commitment for 149 jobs, \$2.5 million in capital investment and \$5.25 million in payroll in the development of a new aircraft production facility.

Russell Stover , Abilene

This project resulted in the expansion of the new production facility in Abilene. \$100,000 in KEOIF was awarded to the firm to aid in the development of infrastructure for the facility. The expansion resulted in an additional 40 employees with a payroll of \$500,000 and \$4.5 million in capital investment.

Armor Swift Eckrich, Junction City

This project resulted in the location of a new facility in Kansas. \$200,000 in funding was awarded to the firm to bring the facility and its 375 jobs to Kansas, The project represents an investment of \$40 million and will have an annual payroll of \$5.5 million.

Damark International, Junction City

\$130,000 in KEOIF was awarded to Damark to refurbish an existing building for their catalog operations.

The company plans to employ 250 employees and during seasonal periods will employ additional workers to meet demand. he project represents \$3.00 million in investment in the community and an annual payroll of \$4 million.

NCM Foods, McPherson

This project was for the location of a new facility in McPherson. The facility will employ 100 persons in its pizza dough making operations with a payroll of \$4 million annually. The funds will be used for equipment financing for the facility.

Biofoam Corporation, Smith Center

\$80,000 in KEOIF was awarded to this firm for the location of a production facility. The funds are being used to rehabilitate an existing structure. The project will bring 30 jobs to the community and \$1.2 million in payroll.

Troy Design Manufacturing (TDM), Manhattan

This project was for the establishment of a research and testing facility for the development of alternative fueled vehicles. The project committed \$150,000 for the development of the facility which will employ 50 in its first year with employment reaching 150 when the facility is in full production. when completed the facility will represent \$4.0 million in capital investment and have an annual payroll of \$6.0 million.

Phillips Lighting, Salina

This project, which included \$100,000 in KEOIF, involves a \$50 million expansion of the current facility. The expansion will add 50 new jobs and \$1.6 million in annual payroll to the existing workforce of 600 employees.

Sykes Enterprises, Hays

The location of this firm in Hays will bring 350 new jobs to the community when completed. Sykes provides technical assistance to a variety of software companies. The project includes an investment of \$10.00 million and will have an annual payroll of \$6.0 million.

Natural Fibre Board, Minneapolis

KEOIF committed \$150,000 to the firm for financing to purchase addition equipment as part of a facility expansion. The firm, which produces building materials currently employees 19 and will be expanding their production facility with an additional 20 employees. Employment is projected to reach 60 employees with a payroll of \$1.6 million when the project is completed.

Appendix B
Tables and Charts

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**Forecast Effects on Total Employment - State of Kansas
FY 1995-96 KEOIF Projects
Results of REMI Simulation**

Simulation	1994	1995	1996	1997	1998	1999	2000	2001	2002
Forecast Employment	1,574,445	1,580,978	1,585,542	1,594,095	1,601,326	1,613,811	1,624,370	1,634,172	1,644,751
Control Forecast Employment	1,574,445	1,579,353	1,582,520	1,589,665	1,595,489	1,606,565	1,617,182	1,627,030	1,637,626
Difference Between Forecasts	0	1,625	3,022	4,430	5,837	7,246	7,188	7,142	7,125
Direct Emp. Gain from KEOIF	0	729	1,458	2,187	2,916	3,628			

**Forecast Effects on Employment Composition
FY 1995-96 KEOIF Projects
Results of REMI Simulation**

	Simulation 1994	Simulation 1995	Simulation 1996	Simulation 1997	Simulation 1998	Simulation 1999	Simulation 2000	Simulation 2001	Simulation 2002
Agric.	19,367	19,797	20,118	20,783	20,837	21,180	21,532	21,879	22,224
Mine	26,707	26,668	26,543	26,534	26,377	26,184	25,999	25,781	25,535
Mfg.	194,207	193,276	192,140	191,611	190,628	189,980	189,125	188,311	187,581
Const.	74,952	74,661	75,282	75,694	75,745	76,287	76,812	77,310	77,880
TCU	76,854	76,543	76,329	76,208	76,004	75,860	75,748	75,586	75,414
FIRE	97,129	97,061	97,330	97,738	98,098	98,545	98,977	99,315	99,649
Retail	263,054	267,106	267,844	270,091	272,651	273,858	273,718	273,376	273,255
Whlsl	75,305	75,890	75,598	75,702	75,887	75,929	75,813	75,659	75,520
Svcs	391,367	397,669	406,815	417,432	427,785	438,980	450,004	460,756	471,967
Gov.	277,137	275,542	272,347	269,032	265,310	266,656	267,900	269,454	270,270
	Control 1994	Control 1995	Control 1996	Control 1997	Control 1998	Control 1999	Control 2000	Control 2001	Control 2002
Agric.	19,367	19,792	20,110	20,471	20,882	21,163	21,516	21,864	22,210
Mine	26,707	26,652	26,516	26,497	26,331	26,132	25,945	25,744	25,503
Mfg.	194,207	192,608	190,839	189,679	188,074	186,810	185,996	185,217	184,513
Const.	74,952	74,565	75,116	75,460	75,447	75,928	76,475	76,992	77,579
TCU	76,854	76,485	76,226	76,060	75,813	75,628	75,525	75,370	75,203
FIRE	97,129	97,003	97,230	97,596	97,916	98,324	98,763	99,108	99,447
Retail	263,054	266,852	267,417	269,494	271,887	272,936	272,833	272,521	272,422
Whlsl	75,305	75,818	75,466	75,508	75,634	75,615	75,508	75,361	75,227
Svcs	391,367	397,301	406,156	416,478	426,533	437,425	448,477	459,243	470,454
Gov.	277,137	275,511	272,250	268,850	265,027	266,253	267,393	268,514	269,611
	Diff. 1994	Diff. 1995	Diff. 1996	Diff. 1997	Diff. 1998	Diff. 1999	Diff. 2000	Diff. 2001	Diff. 2002
Agric.	0	5	8	312	(45)	17	16	15	14
Mine	0	16	27	37	46	52	54	37	32
Mfg.	0	668	1,301	1,932	2,554	3,170	3,129	3,094	3,068
Const.	0	96	166	234	298	359	337	318	301
TCU	0	58	103	148	191	232	223	216	211
FIRE	0	58	100	142	182	221	214	207	202
Retail	0	254	427	597	764	922	885	855	833
Whlsl	0	72	132	194	253	314	305	298	293
Svcs	0	368	659	954	1,252	1,555	1,527	1,513	1,513
Gov.	0	31	97	182	283	403	507	940	659

**Forecast Effects on Total Employment - Eastern Kansas
FY 1995-96 KEOIF Projects
Results of REMI Simulation**

	1994	1995	1996	1997	1998	1999	2000	2001	2002
Simulation Forecast Employment	895,045	895,647	896,667	900,267	902,803	909,005	913,870	918,185	922,911
Control Forecast Employment	895,045	894,504	894,549	897,173	898,730	903,951	908,845	913,180	917,906
Difference Between Forecasts	0	1,143	2,118	3,094	4,073	5,054	5,025	5,005	5,005
Direct Employment Gains	0	560	1,120	1,680	2,240	2,798			

**Forecast Effects on Employment Composition - Eastern Kansas
FY 1995-96 KEOIF Projects
Results of REMI Simulation**

	Simulation 1994	Simulation 1995	Simulation 1996	Simulation 1997	Simulation 1998	Simulation 1999	Simulation 2000	Simulation 2001	Simulation 2002
Agric.	9799	10028	10201	10397	10584	10776	10950	11129	11307
Mine	14,110	13,831	13,660	13,583	13,440	13,288	13,153	13,013	12,865
Mfg.	128,921	127,891	126,848	126,283	125,327	124,693	123,816	122,927	122,049
Const.	42,351	41,847	42,201	42,449	42,496	42,845	43,163	43,450	43,778
TCU	37,945	37,649	37,506	37,421	37,287	37,205	37,129	37,029	36,924
FIRE	48,955	49,012	49,195	49,452	49,670	49,942	50,187	50,374	50,555
Retail	149,650	151,284	151,392	152,438	153,574	154,104	153,825	153,414	153,135
Whlsl	33,694	33,933	33,833	33,886	33,978	34,021	33,980	33,916	33,855
Svcs	218,184	221,341	226,349	232,231	237,884	244,050	250,075	255,881	261,945
Gov.	165,482	163,817	161,388	158,984	156,340	156,837	157,283	157,707	158,115
	Control 1994	Control 1995	Control 1996	Control 1997	Control 1998	Control 1999	Control 2000	Control 2001	Control 2002
Agric.	9,799	10,024	10,196	10,389	10,574	10,755	10,939	11,119	11,297
Mine	14,110	13,824	13,649	13,570	13,425	13,272	13,142	13,006	12,862
Mfg.	128,921	127,363	125,808	124,737	123,282	122,153	121,306	120,442	119,582
Const.	42,351	41,778	42,085	42,287	42,292	42,600	42,931	43,231	43,570
TCU	37,945	37,616	37,447	37,337	37,180	37,075	37,004	36,909	36,806
FIRE	48,955	48,973	49,129	49,359	49,549	49,795	50,045	50,236	50,419
Retail	149,650	151,092	151,075	152,000	153,015	153,430	153,176	152,786	152,521
Whlsl	33,694	33,893	33,761	33,780	33,840	33,849	33,813	33,753	33,695
Svcs	218,184	221,132	225,993	231,727	237,230	243,242	249,286	255,101	261,163
Gov.	165,482	163,792	161,313	158,843	156,121	156,525	156,891	157,253	157,606
	Diff. 1994	Diff. 1995	Diff. 1996	Diff. 1997	Diff. 1998	Diff. 1999	Diff. 2000	Diff. 2001	Diff. 2002
Agric.	0	4	5	8	10	21	11	10	10
Mine	0	7	11	13	15	16	11	7	3
Mfg.	0	528	1,040	1,546	2,045	2,540	2,510	2,485	2,467
Const.	0	69	116	162	204	245	232	219	208
TCU	0	33	59	84	107	130	125	120	118
FIRE	0	39	66	93	121	147	142	138	136
Retail	0	192	317	438	559	674	649	628	614
Whlsl	0	40	72	106	138	172	167	163	160
Svcs	0	209	356	504	654	808	789	780	782
Gov.	0	25	75	141	219	312	392	454	509

**Forecast Effects on Total Employment - Western Kansas
FY 1995-96 KEOIF Projects
Results of REMI Simulation**

	1994	1995	1996	1997	1998	1999	2000	2001	2002
Simulation Forecast Employment	209,707	210,437	210,429	210,981	211,541	212,402	213,043	213,533	214,155
Control Forecast Employment	209,707	210,297	210,191	210,637	211,091	211,849	212,503	213,003	213,632
Difference Between Forecasts	0	140	238	344	450	553	540	530	523
Direct Employment Gains	0	90	180	270	360	450			

**Forecast Effects on Employment Composition - Western Kansas
FY 1995-96 KEOIF Projects
Results of REMI Simulation**

	Simulation 1994	Simulation 1995	Simulation 1996	Simulation 1997	Simulation 1998	Simulation 1999	Simulation 2000	Simulation 2001	Simulation 2002
Agric.	5,396	5,507	5,588	5,678	5,764	5,846	5,930	6,012	6,092
Mine	10,996	11,237	11,297	11,379	11,381	11,355	11,320	11,256	11,174
Mfg.	19,273	19,519	19,651	19,883	20,148	20,391	20,661	20,980	21,372
Const.	7,998	7,874	7,943	7,995	8,014	8,074	8,130	8,176	8,228
TCU	9,210	9,197	9,172	9,158	9,135	9,103	9,078	9,040	8,999
FIRE	9,080	9,038	9,013	9,004	8,997	8,986	8,975	8,950	8,925
Retail	32,965	33,468	33,477	33,688	33,989	34,048	33,940	33,772	33,631
Whlsl	9,902	10,003	9,980	10,002	10,035	10,044	10,032	10,011	9,991
Svcs	40,591	41,130	41,985	43,016	44,060	45,133	46,144	47,099	48,098
Gov.	37,214	36,935	36,337	35,754	35,134	35,109	35,077	35,049	35,024
	Control 1994	Control 1995	Control 1996	Control 1997	Control 1998	Control 1999	Control 2000	Control 2001	Control 2002
Agric.	5,396	5,506	5,588	5,678	5,764	5,846	5,930	6,012	6,093
Mine	10,996	11,230	11,285	11,362	11,360	11,330	11,297	11,236	11,155
Mfg.	19,273	19,501	19,633	19,857	20,116	20,353	20,627	20,950	21,345
Const.	7,998	7,867	7,932	7,979	7,994	8,050	8,108	8,156	8,209
TCU	9,210	9,193	9,166	9,150	9,125	9,091	9,067	9,030	8,990
FIRE	9,080	9,034	9,006	8,995	8,985	8,973	8,962	8,938	8,914
Retail	32,965	33,451	33,451	33,654	33,946	33,998	33,894	33,729	33,591
Whlsl	9,902	9,995	9,965	9,981	10,008	10,011	10,000	9,980	9,960
Svcs	40,591	41,058	41,848	42,815	43,795	44,804	45,818	46,776	47,777
Gov.	37,214	36,933	36,331	35,742	35,115	35,082	35,042	35,008	34,978
	Diff. 1994	Diff. 1995	Diff. 1996	Diff. 1997	Diff. 1998	Diff. 1999	Diff. 2000	Diff. 2001	Diff. 2002
Agric.	0	1	0	0	0	0	0	0	(1)
Mine	0	7	12	17	21	25	23	20	19
Mfg.	0	18	18	26	32	38	34	30	27
Const.	0	7	11	16	20	24	22	20	19
TCU	0	4	6	8	10	12	11	10	9
FIRE	0	4	7	9	12	13	13	12	11
Retail	0	17	26	34	43	50	46	43	40
Whlsl	0	8	15	21	27	33	32	31	31
Svcs	0	72	137	201	265	329	326	323	321
Gov.	0	2	6	12	19	27	35	41	46

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**Forecast Effects on Total Employment - KC Metro
FY 1995-96 KEOIF Projects
Results of REMI Simulation**

	1994	1995	1996	1997	1998	1999	2000	2001	2002
Simulation Forecast Employment	469,693	474,893	478,445	482,846	486,982	492,404	497,456	502,453	507,686
Control Forecast Employment	469,693	474,552	477,779	481,855	485,667	490,765	495,834	500,847	506,089
Difference Between Forecasts	0	341	666	991	1,315	1,639	1,622	1,606	1,597
Direct Employment Gain	0	76	152	228	304	381			

**Forecast Effects on Employment Composition - Kansas City Metro
FY 1995-96 KEOIF Projects
Results of REMI Simulation**

	Simulation 1994	Simulation 1995	Simulation 1996	Simulation 1997	Simulation 1998	Simulation 1999	Simulation 2000	Simulation 2001	Simulation 2002
Agric.	4172	4263	4329	4408	4489	4568	4652	4737	4825
Mine	1,601	1,600	1,586	1,572	1,556	1,541	1,526	1,512	1,497
Mfg.	46,013	45,867	45,641	45,445	45,153	44,896	44,648	44,403	44,160
Const.	24,603	24,940	25,139	25,250	25,235	25,368	25,519	25,683	25,874
TCU	29,699	29,696	29,651	29,629	29,581	29,552	29,541	29,517	29,491
FIRE	39,094	39,010	39,122	39,281	39,432	39,617	39,815	39,992	40,169
Retail	80,439	82,353	82,975	83,964	85,088	85,706	85,954	86,190	86,489
Whlsl	31,709	31,954	31,785	31,814	31,874	31,864	31,801	31,732	31,674
Svcs	132,592	135,197	138,482	142,185	145,841	149,797	153,785	157,776	161,925
Gov.	74,441	74,791	74,622	74,294	73,836	74,710	75,539	76,346	77,131

	Control 1994	Control 1995	Control 1996	Control 1997	Control 1998	Control 1999	Control 2000	Control 2001	Control 2002
Agric.	4,172	4,261	4,326	4,405	4,484	4,562	4,647	4,732	4,820
Mine	1,601	1,598	1,582	1,565	1,547	1,530	1,515	1,502	1,487
Mfg.	46,013	45,744	45,398	45,085	44,676	44,304	44,063	43,825	43,795
Const.	24,603	24,920	25,099	25,193	25,161	25,279	25,436	25,605	25,800
TCU	29,699	29,676	29,612	29,573	29,508	29,462	29,454	29,432	29,407
FIRE	39,094	38,996	39,095	39,243	39,382	39,556	39,756	39,935	40,114
Retail	80,439	82,309	82,891	83,841	84,926	85,507	85,763	86,006	86,310
Whlsl	31,709	31,930	31,740	31,747	31,786	31,754	31,695	31,629	31,572
Svcs	132,592	135,111	138,315	141,936	145,509	149,379	153,372	157,366	161,514
Gov.	74,441	74,786	74,606	74,265	73,791	74,647	75,459	76,253	77,027

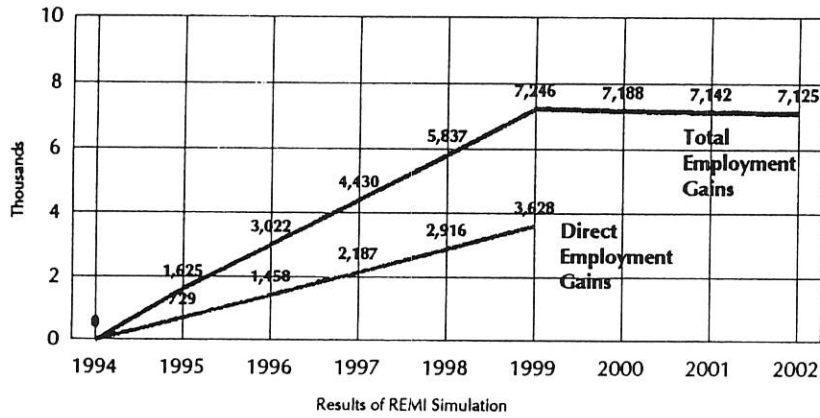
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Agric.	0	2	3	3	5	6	5	5	5
Mine	0	2	4	7	9	11	11	10	10
Mfg.	0	123	243	360	477	592	585	578	365
Const.	0	20	40	57	74	89	83	78	74
TCU	0	20	39	56	73	90	87	85	84
FIRE	0	14	27	38	50	61	59	57	55
Retail	0	44	84	123	162	199	191	184	179
Whlsl	0	24	45	67	88	110	106	103	102
Svcs	0	86	167	249	332	418	413	410	411
Gov.	0	5	16	29	45	63	80	93	104

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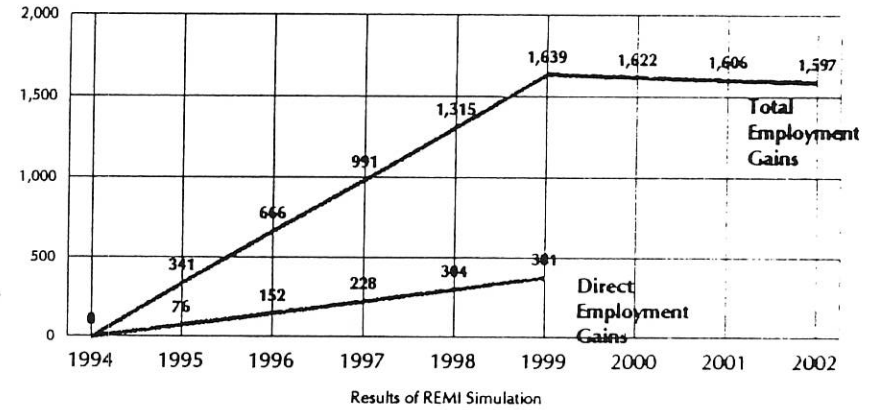
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Additional Employment as a Result of FY 1995-96 KEOIF Projects

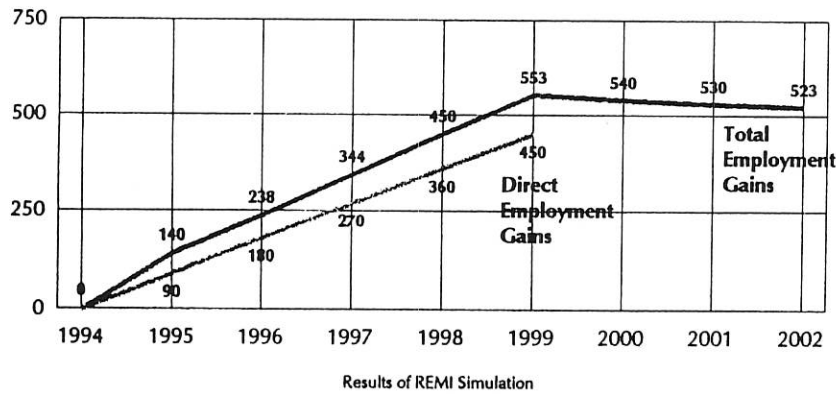
Forecast Effects on Total Employment - State of Kansas
FY 1995-96 KEOIF Projects



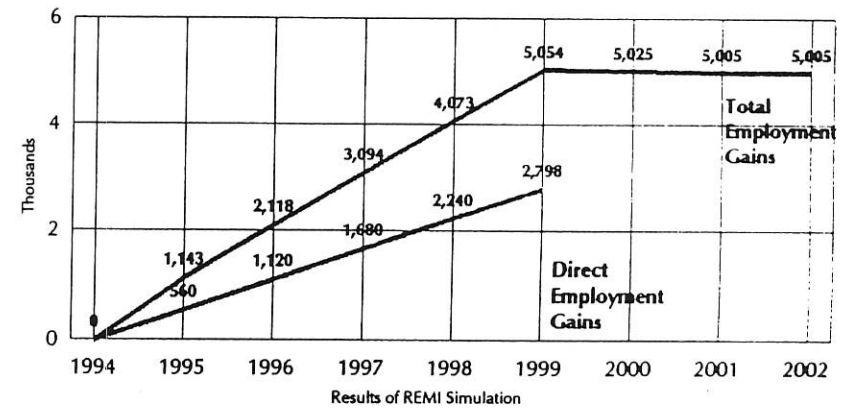
Forecast Effects on Total Employment - KC Metro
FY 1995-96 KEOIF Projects



Forecast Effects on Total Employment - Western Kansas
FY 1995-96 KEOIF Projects



Forecast Effects on Total Employment - Eastern Kansas
FY 1995-96 KEOIF Projects



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Forecast Effects on Total Personal Income (1992 Dollars)
FY 1995-96 KEOIF Projects
Results of REMI Simulation

05-1
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Simulation Forecast	1994	1995	1996	1997	1998	1999	2000	2001	2002
TPI	53,025,000,000	55,728,000,000	58,092,000,000	60,448,000,000	62,665,000,000	65,046,000,000	67,410,000,000	69,807,000,000	72,334,000,000
Control Forecsat									
TPI	53,025,000,000	55,672,000,000	57,990,000,000	60,293,000,000	62,456,000,000	64,777,000,000	67,124,000,000	69,509,000,000	72,023,000,000
Difference Between Forecasts	0	56,000,000	102,000,000	155,000,000	209,000,000	269,000,000	286,000,000	298,000,000	311,000,000

**Forecast Effects on Total Personal Income (1992 Dollars) - Eastern Kansas
 FY 1995-96 KEOIF Projects
 Results of REMI Simulation**

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Simulation	1994	1995	1996	1997	1998	1999	2000	2001	2002
Forecast TPI	28,863,000,000	30,180,000,000	31,350,000,000	32,527,000,000	33,616,000,000	34,814,000,000	35,988,000,000	37,171,000,000	38,424,000,000
Control Forecsat TPI	28,863,000,000	30,138,000,000	31,273,000,000	32,414,000,000	33,462,000,000	34,617,000,000	35,779,000,000	36,954,000,000	38,197,000,000
Difference Between Forecasts	0	42,000,000	77,000,000	113,000,000	154,000,000	197,000,000	209,000,000	217,000,000	227,000,000

Forecast Effects on Total Personal Income (1992 Dollars) - Western Kansas
FY 1995-96 KEOIF Projects
Results of REMI Simulation

15-1
25-1

Simulation	1994	1995	1996	1997	1998	1999	2000	2001	2002
Forecast TPI	6,505,000,000	6,815,000,000	7,060,000,000	7,306,000,000	7,549,000,000	7,794,000,000	8,034,000,000	8,267,000,000	8,511,000,000
Control Forecsat TPI	6,505,000,000	6,812,000,000	7,054,000,000	7,298,000,000	7,538,000,000	7,780,000,000	8,019,000,000	8,252,000,000	8,496,000,000
Difference Between Forecasts	0	3,000,000	6,000,000	8,000,000	11,000,000	14,000,000	15,000,000	15,000,000	15,000,000

**Forecast Effects on Total Personal Income (1992 Dollars) - KC Metro
 FY 1995-96 KEOIF Projects
 Results of REMI Simulation**

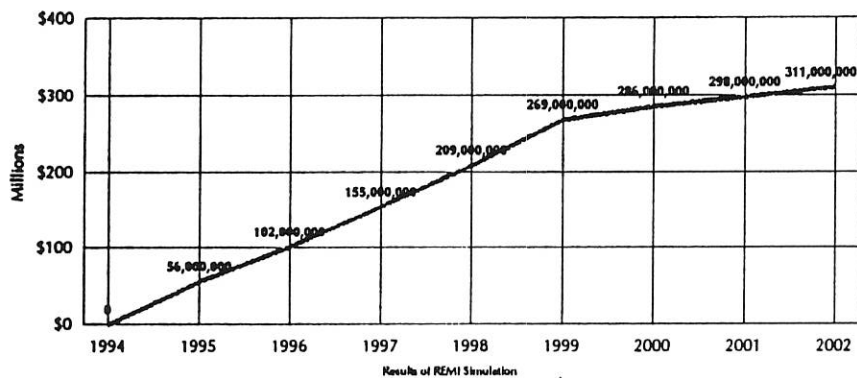
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Simulation Forecast	1994	1995	1996	1997	1998	1999	2000	2001	2002
TPI	17,657,000,000	18,732,000,000	19,683,000,000	20,614,000,000	21,501,000,000	22,439,000,000	23,388,000,000	24,369,000,000	25,400,000,000
Control Forecsat TPI	17,657,000,000	18,722,000,000	19,662,000,000	20,582,000,000	21,456,000,000	22,380,000,000	23,326,000,000	24,303,000,000	25,331,000,000
Difference Between Forecasts	0	10,000,000	21,000,000	32,000,000	45,000,000	59,000,000	62,000,000	66,000,000	69,000,000

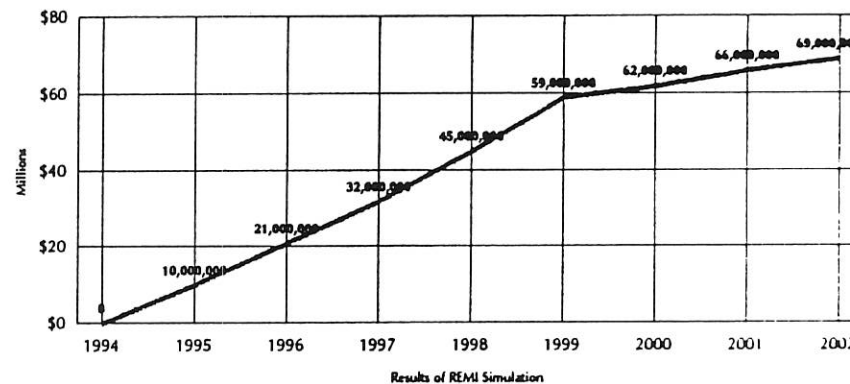
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Additional Personal Income Generated as a Result of FY 1995-96 KEOIF Projects

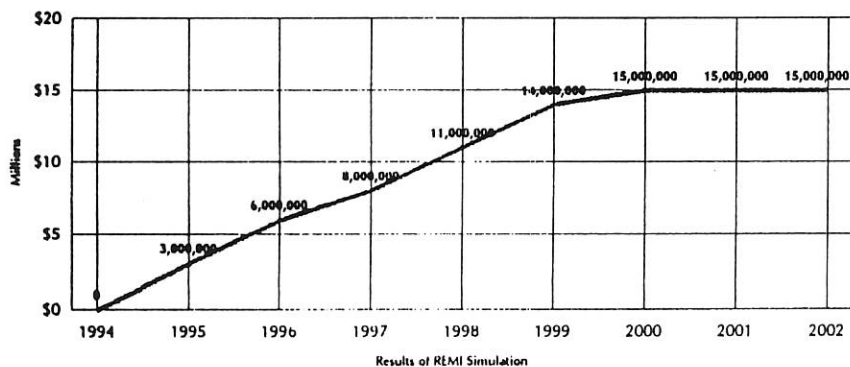
Forecast Effects on Total Personal Income (1992 Dollars)
FY 1995-96 KEOIF Projects



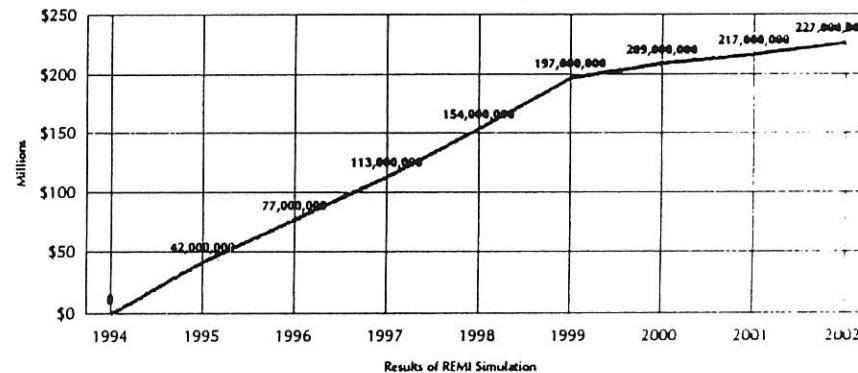
Forecast Effects on Total Personal Income (1992 Dollars) - KC Metro
FY 1995-96 KEOIF Projects



Forecast Effects on Total Personal Income (1992 Dollars) - Western Kansas
FY 1995-96 KEOIF Projects



Forecast Effects on Total Personal Income (1992 Dollars) - Eastern Kansas
FY 1995-96 KEOIF Projects



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**Forecast Effects on Population
FY 1995-96 KEOIF Projects
Results of REMI Simulation**

Simulation	1994	1995	1996	1997	1998	1999	2000	2001	2002
Forecsat Population	2,553,900	2,562,375	2,569,758	2,576,683	2,582,699	2,590,219	2,597,038	2,602,659	2,607,994
Control Forecast Population	2,553,900	2,561,995	2,568,571	2,574,438	2,579,178	2,585,237	2,590,810	2,595,486	2,600,010
Difference Between Forecasts	0	380	1,187	2,245	3,521	4,982	6,228	7,173	7,984

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Forecast Effects on Population - Eastern Kansas
FY 1995-96 KEOIF Projects
Results of REMI Simulation

Simulation	1994	1995	1996	1997	1998	1999	2000	2001	2002
Forecsat Population	1,485,000	1,483,490	1,481,868	1,480,467	1,478,762	1,478,438	1,477,944	1,476,882	1,475,812
Control Forecast Population	1,485,000	1,483,201	1,480,961	1,478,752	1,476,074	1,474,637	1,473,197	1,471,417	1,469,735
Difference Between Forecasts	0	289	907	1,715	2,688	3,801	4,747	5,465	6,077

95-1
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Forecast Effects on Population - Western Kansas
FY 1995-96 KEOIF Projects
Results of REMI Simulation

Simulation	1994	1995	1996	1997	1998	1999	2000	2001	2002
Forecsat Population	316,000	313,570	311,054	308,705	306,511	304,531	302,610	300,675	298,823
Control Forecast Population	316,000	313,549	310,993	308,589	306,327	304,267	302,275	300,284	298,386
Difference Between Forecasts	0	21	61	116	184	264	335	391	437

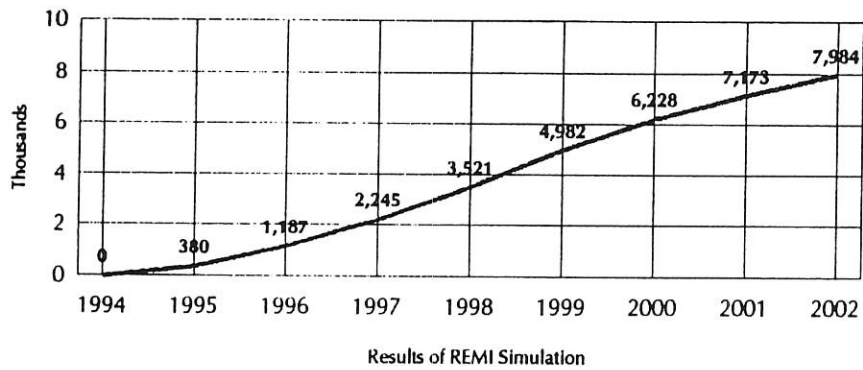
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Forecast Effects on Population - KC Metro
FY 1995-96 KEOIF Projects
Results of REMI Simulation

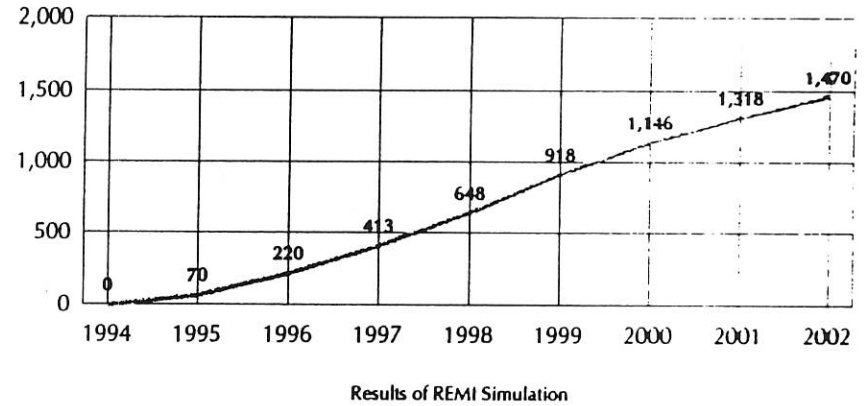
Simulation	1994	1995	1996	1997	1998	1999	2000	2001	2002
Forecast Population	752,900	765,315	776,837	787,511	797,426	807,250	816,484	825,102	833,359
Control Forecast Population	752,900	765,245	776,617	787,098	796,778	806,332	815,338	823,784	831,889
Difference Between Forecasts	0	70	220	413	648	918	1,146	1,318	1,470

Additional Population Generated as a Result of FY 1995-96 KEOIF Projects

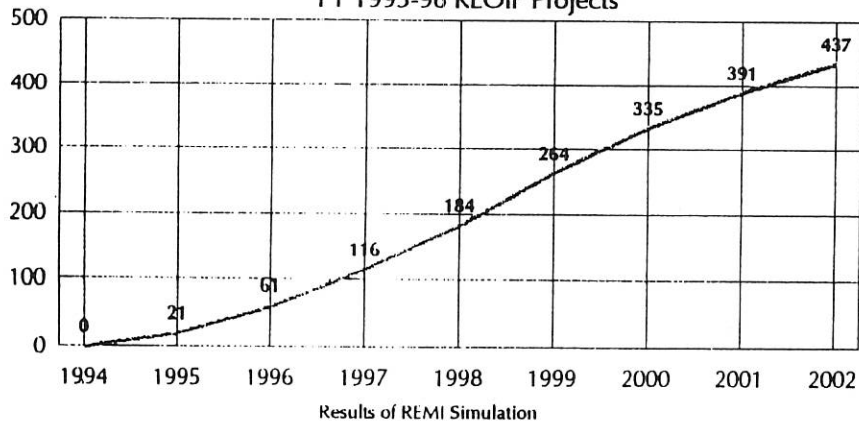
Forecast Effects on Population FY 1995-96 KEOIF Projects



Forecast Effects on Population - KC Metro FY 1995-96 KEOIF Projects



Forecast Effects on Population - Western Kansas FY 1995-96 KEOIF Projects



Forecast Effects on Population - Eastern Kansas FY 1995-96 KEOIF Projects

