

Southwest Kansas Economy
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By:
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Thank you Senator Lynn and Committee Members for your time. It is my pleasure to present to you an update on the economic climate of Southwest Kansas.

Over the past few years, Southwest Kansas has experienced highs and lows in our predominately agriculture based economy. With the lack of available cattle to process, our four major beef processors have been holding pace but have had to reduce employee hours due to the lack of product. With the closing of the Cargill plant in Plainview, Texas, the Dodge City Cargill plant will be seeing an uptick in both new products as well as more stability in allowing their employees to work a full 40-hour week.

The drought has been detrimental to not only the crop production, but also the hunting and fishing industry in our region. We have experienced a dramatic reduction in the number of tourist coming to experience our outdoor wildlife adventures. Overall though, our number of tourist in the Dodge City market are up substantially due to several factors including the addition of the Boot Hill Casino and Resort, the United Wireless Arena, Magouirk Conference Center and the new Western State Bank Expo Center.

The addition of the wind industry has been a great economic boon for many of our smaller communities. The renewal of the Production Tax Credits will allow us to continue that development and employ many additional contractors and a few maintenance positions with each new farm. New farms were erected in Cimarron, Ingalls and Spearville. The proceeds that the landowners and the school districts are allowed are greatly enhancing the small communities viability for future growth. Spearville is adding an \$8 million dollar expansion to their high school. This is a tremendous investment for a community of 900 residents and a great example of how diversifying your local economy can make a difference. The current construction of transmission lines into the region is also a vital part of the success of this industry.

Our newest industry, oil and gas, is slowly approaching the Southwest Kansas region. We have seen several hundred drilling permits taken out in our area and several new businesses are locating to Western Kansas. Our ability to plan and respond as the industry grows is extremely important. We are in continuous contact with the oil and gas companies as they explore and learn more about the

potential of the Mississippian Lime Formation themselves. We are involved with the State's oil and gas working group as well as have established both regional and local partnerships to help communities across the region better prepare for the impact from the oil and gas production in this play.

With the combination of additional entertainment facilities, wind energy development, oil and gas exploration and existing industry expansion, Dodge City has seen a great need for not only permanent housing, but also motel and temporary housing development. We opened two new motels in 2012 and will begin construction on another two motels next month. Other Southwest Kansas communities are seeing similar need for both temporary and permanent housing.

I have been with the Dodge City/Ford County Development Corporation for over 20 years now. Over the years, we have continued to struggle in Southwest Kansas with an extremely low unemployment rate, lack of workforce housing, and we are also the only region in the State of Kansas with no interstate or four-year regents university. We have been very creative in building public private partnerships to address these critical issues. These partnerships are local, regional and statewide. The workforce and housing issues are both extreme obstacles for the progress of Southwest Kansas, but we are making progress. In Dodge City alone, we have constructed approximately 200 units of housing over the past two years, and have another 200 units either under construction or in the planning stages right now. This is just a dent in what is needed, but it is a start. We have also been very proactive in recruiting people to fill the jobs in our region and partnering regionally and statewide to bring skilled, quality employees to our communities. All of these efforts have been financially supported by our local taxing entities with both current and future revenues being invested to get the housing and workforce issues addressed.

Expansion of our existing businesses has been increasing. In 2012 and 2013, we have experienced several expansions from our long term manufacturing firms in Ford County. I believe that the primary reason for this success in Ford County is our aggressive partnership in addressing the housing issue. Our businesses must have skilled workers and workforce housing is critical for their success. Other issues that impact Southwest Kansas in this area are immigration laws, lack of higher education and the need for more technical education programs.

Overall, my outlook of the Southwest Kansas economy is very optimistic. Several of our counties have been identified in the top ten of the Associate Press Report of Least Economically Stressed Counties across the nation. Southwest Kansas has done a good job of improving our quality of life and investing in programs and partnerships to address our issues. We will continue to work together to ensure the success of our region.

Thanks for your time.