Recovery and Kansas Growth

Kansas Association of Counties
Virtual Conference
October 14, 2020

Deputy Secretary
Bill Murphy
Leaning into Challenges and Focusing on Growth

1. Revamping Commerce
2. A Look at Recovery
3. Revisiting the Framework for Growth
4. Seizing New Opportunities
5. “SPARK”ing Future Development
FOR THE FIRST TIME IN 7 YEARS, COMMERCE HAS A FULL BUSINESS RECRUITMENT TEAM
IN-STATE BUSINESS DEVELOPMENT TEAM IS ACTIVE STATEWIDE

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Reestablished Community Development Division

- Focusing on key Economic Development drivers:
  - Quality of Life
  - Placemaking
  - Infrastructure
  - Community Revitalization
  - Main Streets and Downtown Corridors
  - Recreation and Entertainment
  - Child Care
Reestablished International Division

New Leadership
• Staffing up our International Trade and Investment Team

Getting Kansas “Back in the Game”
• Fully re-engaged in trade missions and FDI recruitment

Paris Air Show, 2019
Other Commerce Reengineering

- Major Structural Overhauls
- Improved Communication:
  - Website Redesign
  - Live Chat Function
- Statewide Virtual Job Fairs
- Mobile Workforce Centers
- And Much More
APPLICATIONS NOW OPEN!

KANSASCOMMERCE.GOV/CERTIFIED-SITES

Sites Certified:
• Paola – 16.48 acres
• Paola – 13.63 acres

Pending Applications:
• 581.09 acres
• 60 acres

GOAL: 10 Certified Sites by December 31, 2021
New Kansas Projects are up 26% compared to the start of 2019

What does this yield?
## Business Development Stats

<table>
<thead>
<tr>
<th>January – October 14&lt;sup&gt;th&lt;/sup&gt;</th>
<th>2019</th>
<th>2020</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Projects</td>
<td>240</td>
<td>302</td>
<td>+26%</td>
</tr>
<tr>
<td>Potential New Jobs</td>
<td>24,983</td>
<td>25,837</td>
<td>+3%</td>
</tr>
<tr>
<td>Potential Capital Investment</td>
<td>$4.9 Billion</td>
<td>$2.8 Billion</td>
<td>-43%</td>
</tr>
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</table>
What about the pandemic?

New Kansas Projects are up 28% since March, compared to last year.
## Pandemic Business Development

<table>
<thead>
<tr>
<th>March 1&lt;sup&gt;st&lt;/sup&gt; – October 14&lt;sup&gt;th&lt;/sup&gt;</th>
<th>2019</th>
<th>2020</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Projects</td>
<td>193</td>
<td>248</td>
<td>+28%</td>
</tr>
<tr>
<td>Potential New Jobs</td>
<td>16,991</td>
<td>23,839</td>
<td>+40%</td>
</tr>
<tr>
<td>Potential Capital Investment</td>
<td>$3.9 Billion</td>
<td>$2.6 Billion</td>
<td>-33%</td>
</tr>
</tbody>
</table>
Success in 2020 vs 2019

2019
- 93 projects
- $1.32B in capex

2020 TO DATE
- 73 projects
- $1.65B in capex
Kansas Recovery is Underway

• Unemployment Rate: 6.9% (Down from 11.9% in April)

• Total Spending (Consumption) Has Rebounded Since April

• Still Concerns and Sluggish Growth in Certain Industries
UNEMPLOYMENT RATES
AUGUST 2020

Note: County unemployment rates are only available not seasonally adjusted.
Source: Kansas Department of Labor, Labor Market Information Services and the Bureau of Labor Statistics; Local Area Unemployment Statistics (LAUS)
CONSUMER SPENDING REMAINS SLUGGISH

Percent Change in All Consumer Spending*

In Kansas, as of September 20 2020, total spending by all consumers decreased by 9% compared to January 2020.
Key Outcomes:

1. Analyzing Headwinds
2. Refocusing on Strengths
3. Evaluating Growth Tools
4. A New “North Star” for Economic Development

www.KansasGrowth.com
#KansasGrowth
DRAFT INITIATIVES

**Pillars**
- Talent
- Innovation Ecosystem
- Traded Sector Industries
- Digitalization & Broadband

**Cornerstones**
- Advanced manufacturing
- Logistics and Distribution
- Community Development
- Economic Development Toolbox
BUILDING THE NATION’S FIRST COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGIC PLAN THAT REFLECTS THE PANDEMIC

COMING NOVEMBER 2020
Seizing New Opportunities

Reshore Kansas Initiative

Rapid Growth in: logistics, distribution, data storage, inventory management, food processing, transportation and e-commerce
SPARK Grant Categories

- Small Business Working Capital
- Connectivity Emergency Response
- ISP Partnership Adoption Plan
- Securing Local Food Systems
- PPE Procurement
- PPE Manufacturing
- COVID-19 Bioscience PD Accelerate
- Kansas Tech College Manufacturing
- Domestic Supply Chain Fortification
- IT, Cybersecurity and IT Project Management

KansasCommerce.gov/CovidRelief

MORE THAN 7,000 APPLICATIONS RECEIVED AND PROCESSED
CONNECTING KANSAS

67 Projects, $50 Million Awarded: KansasCommerce.gov/Broadband-Map
Complete the Census!

COUNTING ENDS: **OCTOBER 31st**

It costs the State of Kansas and Kansas communities $2,000 per year for 10 years for every person not counted.

STATE OF KANSAS
Population: 2,774,044

If 277,404 (10%) aren’t counted, Kansas loses $554,808,800 DOLLARS, PER YEAR
WE NEED TO GROW