

## Mickey Fornaro-Dean

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**From:** darnold@linncountyks.com  
**Sent:** Wednesday, January 30, 2013 11:55 AM  
**To:** mickey@harveycoedc.org  
**Subject:** [Fwd: SEK trends]

Dennis Arnold, Director of Linn & Anderson County Economic Development.

My apologies for not being able to present this report in person.

Southeast Kansas is beginning to recover from the recession. Businesses seem to be a bit more optimistic, and while many are still waiting on the sidelines because of uncertainties of what may be happening on the state and federal levels, some are pushing forward. Businesses that have survived are recapturing market share and many are planning expansions. Since the first of the year there has been an increase in new business activity and enquiries as well.

Great Plains Development has completed the transfer of property of the Kansas Army Ammunition facility outside of Parsons. This huge industrial park has also recruited its first business, Progress Rail, a subsidiary of Caterpillar.

The educational facilities in SEK are trying to step forward with new training programs, and certifications in the trade industries. Some are branching into the smaller communities. One of the things we hear from businesses is the disconnect between the available jobs, and the skill sets within the workforce to work at those jobs. Unskilled blue collar jobs are increasingly unavailable, and that trend will continue within most industries.

The reduction of available CDBG funding is hitting our small cities pretty hard. Recent changes to the federal/state programs have slashed funding by almost 40% and increased local matches. This compromises the ability of the cities to repair and upgrade water and sewer services and limits handling other infrastructure needs.

The loss of the tax credits for the regional Prosperity Foundation will affect our ability to raise money for regional economic development programs and loans. The loss of the sales tax exemption is also a blow to our incentives for new construction, especially in our small communities.

Project 17 is continuing with collaboration from several regional entities. We hope to be able to roll out several pilot programs over the coming year.

Senate Commerce Committee

Date: 1-31-13

Attachment: 7