Wichita State University
Annual Accounting & Auditing Conference

Robert Layton – City Manager
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Introduction

• 2018 Economic Growth and Development

• Short and Long Term Budget Challenges
Stryker / K-96

• Stryker Sports Complex - $22,000,000
  (STAR bond funded)
• 150,000 competitors annually
• 34,000 hotel room nights
• $15,000,000 - $22,400,000 new spending annually
West Bank Redevelopment

- Baseball Stadium
- Baseball museum
- 888,400 visitors annually
- River bank improvements
- Pedestrian bridge (stadium to CII)
## West Bank Redevelopment

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Funding Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parking - TIF</td>
<td></td>
<td>$6,000,000</td>
</tr>
<tr>
<td>Greenway/multi-modal path - TIF</td>
<td></td>
<td>$1,500,000</td>
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<tr>
<td>Infrastructure - TIF</td>
<td></td>
<td>$1,500,000</td>
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<tr>
<td>Riverbank Improvements - STAR</td>
<td></td>
<td>$3,000,000</td>
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<tr>
<td>Pedestrian Bridge - STAR</td>
<td></td>
<td>$3,000,000</td>
</tr>
<tr>
<td>Baseball Museum - STAR</td>
<td></td>
<td>$3,000,000</td>
</tr>
<tr>
<td>Stadium - STAR, TIF, CID</td>
<td></td>
<td>$74,000,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$92,000,000</strong></td>
</tr>
</tbody>
</table>
Cargill

- Cargill Protein Headquarters
- Retain over 700 high wage jobs (average annual wages $66,814)
- Will grow up to 800 employees
- 170,000 square foot new facility
- $60,000,000 investment
• **2017**: Completion of 293,000 square foot renovation (Air Capital Flight Line)

• **$35,000,000 investment** (part of $1B commitment); part of 5 year plan to create 349 jobs

• **2018**: Announced creation of 1,000 new jobs over 2 years & $500M new investment over 10 years. $56,000 average wage

• City / County / Spirit partnership
EPC Real Estate

• Development of Delano Catalyst Site (next to new Advanced Learning Library)

• $53,000,000 investment

• 200 unit high end multi-family project

• 90 room hotel; 5,000 sf commercial space

• Project will fund development of Green Way Path
Uptown Landing

• 176 unit high-end multi-family project (near Douglas and Hillside)
• Former vacant City lots
• 15,000 square feet commercial space
• $25,000,000 investment
• Industrial Revenue Bonds for sales tax exemption
Spaghetti Works

- Conversion of former Spaghetti Works building to 41 unit multi-family project (Douglas and rail corridor)
- 62,000 square feet of new commercial space on Douglas
- Redevelopment of Naftzger Park
- $27,500,000 investment
• 156,000 square foot expansion
  (29th & Ohio)
• Addition of 384 new employees
  over 5 years
• $132,000,000 investment
• In spite of growing local economy, City revenues are projected to be stagnant

• Many City revenues are based on outdated technology

• Structural operating deficits have been forecasted
The Zero-Based Budgeting (ZBB) process provides the opportunity to identify:

• whether activities are correctly aligned with goals
• whether activities are considered priorities
• what activities are funded and to what level
In 2016, the City of Wichita launched the ZBB process to address projected structural deficits.

- Designed to align activities with the City’s mission, goals and strategic priorities.
- Developed from ground up, with a resident focus and a view toward excellent performance.
City of Wichita Mission

As an exceptionally well-run city, we will:

• Keep Wichita safe
• Grow our economy
• Build dependable infrastructure
• Provide conditions for living well.
• These goals are powerful tools to determine and evaluate the importance of City activities

• Staff identified 311 activities which were all aligned to City Council goal areas
Examples of Zero-Based Budgeting

Activities are aligned by goal area:

Focus Area: Keep Wichita Safe

Activities: Police Beat Patrol
Fire Suppression
Emergency Medical Response
Zero-Based Budgeting Overview

- Identified and ranked all activities as core, support and non-core to the Department’s mission or the City’s mission
- Identified all activities that are considered “untouchable”
- City Council has endorsed the classification and ranking of all “untouchable” activities
Zero-Based Budgeting Overview

- Developing funding scenarios for activities to strive for excellence in service delivery
- Based on a resident perspective
- Budgets based on “clean sheet of paper” - not incremental changes
Topics for continued study and inclusion in future budgets include:

- Best practices research on school resource officers
- Centralization of snow removal
- Coordination of graffiti removal
Zero-Based Budgeting Next Steps

• Completion of Cost Recovery Study
  • Reviewing how much each activity costs and its cost recovery percentage
  • Based on a cost recovery continuum
Zero-Based Budgeting Next Steps

• Continue alignment of activities to City Council focus areas

• Continue review of operating strategies, best practices and cost recovery