



Section IV: Corridor Foundation

CORRIDOR FOUNDATION

In attempting to define the future of the K-96 corridor, three reoccurring elements were evident. Those elements include the corridor development pattern, addressing the multiple jurisdictions within the corridor, and continuity of regulations within the corridor boundaries. Each element is capable of addressing various issues and goals of the corridor. The elements individually represent necessary components of the plan and will promote the future success of the corridor.

Development Pattern

It is important to establish a development pattern that will guide the future physical development of the K-96 Corridor. The need to direct potential development before it happens, as opposed to reacting to it, is important to promote orderly and efficient development. Four different development patterns were prepared as alternatives for the future development of the corridor. They were reviewed by the K-96 Corridor Study Coalition and a preferred direction was identified. The development patterns are detailed in the next section.

Corridor Cooperation

The situation under which this plan is being created is unique in central Kansas. The coalition represents

collaboration of two counties, four municipalities, located along a state designated highway. While these collaborative efforts are a good initial step, the same cooperation and determination that produced the planning process will be necessary to implement the product.

The participants in the process generally agreed that what is good for part of the corridor is good for the entire corridor and its surrounding community. This spirit of sharing and collaboration needs to be maintained as the corridor continues to develop. Friendly competition is positive and will help promote quality development, however, a "one for all and all for one" approach also needs to be maintained.

Planning Regulations

Each of the jurisdictions currently develops under different regulatory laws and procedures. The existing regulations for the counties and the municipalities can substantially differ from one to another. For instance, the portion of Reno County in which K-96 lies does not have zoning. All the municipalities and Sedgwick County have zoning regulations. The necessity to "level the playing field" across the corridor and across county lines is evident. Quality development within the corridor is a goal of the plan, and antiquated, inefficient, or uneven regulatory laws and procedures should not deter that goal.

DEVELOPMENT PATTERN ALTERNATIVES

During the planning process, a series of development pattern alternatives were presented to the coalition. The alternatives were not presented as disparate solutions for the corridor, however, they collectively represented several different solutions to the numerous issues and goals that needed to be addressed. They were presented during the workshop, as outlined in ***Section I***. Comments and reactions to the different alternatives and their individual elements helped to form the core concepts of the plan.

An important part of the planning effort was to establish a development pattern for the corridor. The pattern will guide the future development of the corridor based on the market analysis. To understand the way that the corridor could be developed, four conceptual alternatives were prepared. The patterns were named in accordance with their prevalent development themes. They included **Metropolitan Growth**, **Nodal Clusters**, **Modified Strip/Large Lot**, and **Expanded Corridor** scenarios.

The *Metropolitan Growth* concept recognizes that Wichita and Hutchinson are the primary economic development generators at each end of the corridor. As such, this concept recognizes that if the status quo is maintained, the cities and their suburban development patterns will continue to spread outward and eventually engulf the smaller towns along the corridor. This concept was seen as the easiest to implement, as little cooperation or changes to existing practices would be necessary. However, the loss of identity and the consumption of valuable agricultural land, while not protecting the scenic nature of the corridor, are contradictory to the goals of the plan.

On the other end of the spectrum, the *Nodal Cluster* concept recognizes the contributions of smaller individual towns along the corridor. It attempts to protect and enhance them by clustering development around the towns.

Several issues were raised with regard to the implementation of this concept. The most evident is the amount of intergovernmental cooperation that would need to take place for implementation to be effective. Second, a change in development habits and

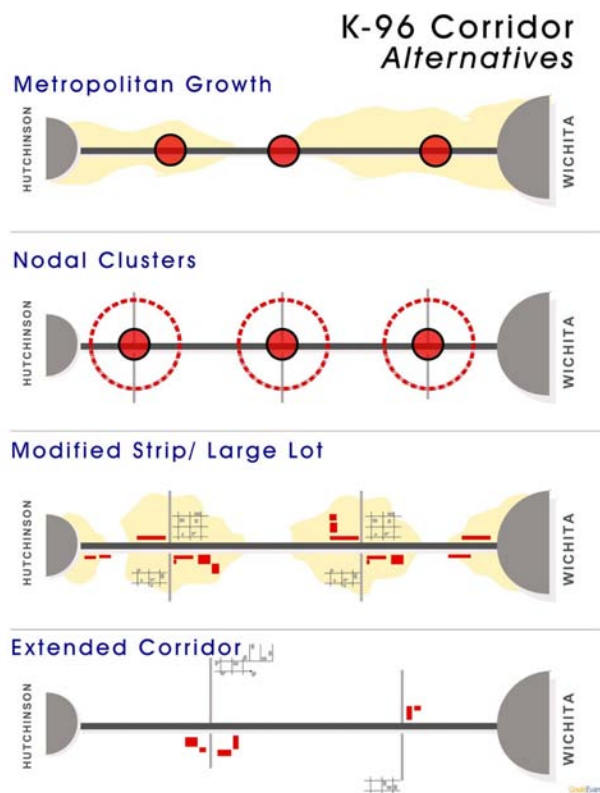


Figure 4-1: Development Pattern Alternatives

patterns would be required. Future development of the corridor would be directed by this plan and reduce the reactive nature of development approval in the corridor. While the K-96 Corridor would be used as an asset for development, not all portions of the corridor would be recommended for future growth. One change that would be necessary is the modification of land use and development regulations within the corridor. Similar development regulations across jurisdictions would "level the playing field" for all entities to be both competitive and cooperative in attracting development.

Positives associated with this type of development pattern include the ability to build on existing infrastructure systems, efficient and consolidated development, protection of agricultural resources, the maintenance of the individual identities of the municipalities involved, and the ability to create an enhanced corridor, both visually and aesthetically.

The *Modified Strip/Large Lot* concept uses the corridor's visibility to its greatest extent. The pattern encourages "strip development" along the corridor in any location. This development pattern encourages sprawl along the corridor and is an inefficient use of infrastructure and other resources, since it may require significant utility extensions at outlying locations. Unlike the *Nodal Cluster* concept, this concept promotes the use of K-96 Highway as a development amenity and seeks to exploit it to the greatest extent. Development would be allowed in response to development applications, and it would be encouraged along the entire length of the corridor.

Similar to the *Metropolitan Growth* concept this alternative is consumptive of land, uses of infrastructure inefficiently, and does not protect the scenic nature or agricultural resources of the corridor. These issues will need to be addressed in any concept that is chosen.

The *Extended Corridor* concept is the least restrictive alternative, and it promotes further development of agricultural land in and outside of the corridor. The *Extended Corridor* promotes development outside of the corridor in reaction to development proposals that are submitted. This concept is also a result of reacting to development, and its impacts are very similar to the positives and negatives associated with the *Modified Strip/Large Lot* concept.

Preferred Direction

The overwhelming choice as the preferred development pattern for the K-96 Corridor was the *Nodal Cluster* concept. The study coalition felt that the positive effects on the resource base and the corridor outweighed the challenges that are inherent in the concept. The negatives that are associated with each of the other alternatives were not in conformance with the "vision" of the corridor. Although unified in the selection of the *Nodal Cluster*, the coalition members recognized that the concept inherently has its challenges. Those challenges reaffirm the foundation assumptions that the concepts of "*one corridor*" and the adoption of unifying "*development regulations*" will need to be addressed. By addressing those issues, the vision and goals of the plan will be enhanced. **Section V: Corridor Structure** will address the assets and challenges associated with the *Nodal Cluster* concept.

DEMAND ANALYSIS

Future Development Factors

The projected demand for commercial and industrial development along the K-96 corridor and its communities has been assessed to ascertain the appropriate amount of new development through 2020. This market demand analysis for commercial and industrial space considers a combination of factors. They were derived from an inventory of the existing business climate, conversations with community leaders, commercial real estate brokers and developers, as well as a detailed evaluation of the most relevant local, state, and federal published data.

A wide range of demographic and economic factors influence demand and absorption of new commercial and industrial development including:

1. *Projected Population* – An increased population generates growth in the available labor force residing in the corridor, thus, impacting the supply of potential employees for new businesses.
2. *Prevailing Business Climate* – The presence of existing businesses, such as the concentration of industrial businesses found in South Hutchinson, demonstrates to prospective businesses that an adequate work force is available to support their operational requirements. Therefore, this analysis also considers the prevailing business setting as reported in the number of business establishments in the four corridor cities and adjacent unincorporated areas. (See Figure 15: “K-96 Corridor Business Profile 2001”).
3. *Educational Attainment of the Labor Force* – The most common characteristic considered by companies in evaluating the local labor market is the educational level of the local population. The percentage of high school and college

graduates in a community influences the type and the amount of new business in a developing area, such as the K-96 corridor.

4. *Property Taxes Rates* – The cost of doing business, especially property taxes, will induce or discourage private investment. It is considered in decisions regarding competitive sites and/or buildings in other cities. State and federal income tax rates and business taxes are, of course, almost uniform among Kansas communities. Retail sales tax rates, though slightly varied among the communities, are not a determining factor for retail business location, although shoppers are not completely indifferent to varying sales tax rates.
5. *Competitive Building Values* – The K-96 corridor communities will compete with their larger, neighboring communities that have existing buildings, business parks with existing infrastructure, and aggressive and sophisticated business recruitment efforts as practiced in both Wichita and Hutchinson. Nevertheless, the corridor's recent and projected population growth, the less demanding development and/or regulatory environment, and more favorable land prices will cause new and/or expanding commercial and industrial development to increasingly consider the corridor's communities.

Projected Population

The four incorporated cities along the K-96 corridor experienced a wide range of growth rates since 1980, ranging from a 4.9 percent increase in Mt. Hope to over a 40 percent growth in the City of Maize. Overall, the corridor's communities grew by a combined average of approximately 19.8 percent. (See Figure 12: "K-96 Corridor Population 1980 – 2003"). This figure is significantly higher than Reno County's rate during that period and about two-thirds the rate of Sedgwick County.

Figure 4-2: K-96 Corridor Population, 1980 – 2003

Source: U.S. Census; State of Kansas Department of Administration.

Jurisdiction	1980	2000	2003	1980 – 2000 Actual	1980 – 2000 Percentage
South Hutchinson	2,226	2,539	2,507	281	17.4%
Haven	1,125	1,175	1,170	45	10.9%
Mt. Hope	791	830	843	39	4.9%
Maize	1,294	1,868	2,042	574	40.6%
Unincorporated (Greeley and Yoder townships)	1,483	1,848	Est. 1,861	365	24.6%
K-96 Corridor	7,041	8,248	8,411	1,207	19.8%
Sedgwick County	367,088	462,896	461,937	95,808	26.1%
Reno County	64,987	64,790	63,790	(193)	(0.3%)

There are a wide range of population projections and goals, some incomplete, available for the corridor’s cities. The various sources for these projections include the Kansas Water Office, the University of Kansas Policy Research Institute, the Sedgwick County Comprehensive Plan, and the current Reno County 2020 Vision Task Force. Furthermore, the amount of new development over the next two decades will be influenced by public policies and other critical choices made by community leaders. Therefore, in order to project the amount of new commercial and industrial development, different sources of data were considered, resulting in three alternative growth scenarios.

- A. Low Growth Scenario – This scenario suggests that the communities along K-96 will not actively plan for new development but rather take a “laissez faire” attitude, (i.e. let development occur without any individual community or coordinated effort to attract new development). The low growth scenario projects that the population of the communities along the corridor will increase by the same total number of persons through 2020 as experienced between 1980 and 2000, resulting in population growth rate of 14.6 percent, or

approximately 1,207 new residents by 2020. (See Figure 13: "K-96 Corridor Projected Population Scenarios 2000 – 2020").

- B. Moderate Growth Scenario – This scenario assumes that the K-96 communities will more actively plan for the future by designating new business sites, marketing the corridor's communities, and planning for and constructing infrastructure required to accommodate new growth. This scenario results in a projected increase in population for the corridor of approximately 19.8 percent, or approximately 1,633 new residents. This matches the percentage growth rate experienced from 1980 to 2000.

- C. High Growth Scenario – This scenario incorporates the 1999 Sedgwick County Comprehensive Plan population projections for the county and its communities, and it assumes that the current Reno County Vision Task Force plan to aggressively grow the county's population by 2020 will successfully result in a population of over 70,000 by 2020. This scenario further assumes that the communities along the corridor will actively promote the corridor, aggressively compete with financial incentives to attract new development, and routinely invest in the necessary infrastructure to accommodate this growth. It also assumes that a portion of the older, existing commercial and industrial space in the corridor's communities will be expanded and/or replaced, in part, by new development. This scenario results in a population increase of 2,586 or 31.4 percent above the population in 2000.

Table 4-3: K-96 Corridor Projected Corridor Population Scenarios, 2000 – 2020
 Source: U.S. Census; RICHARD CAPLAN & ASSOCIATES.

Year	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
2000 Population	8,248	8,248	8,248
2020 Population	9,455	9,881	10,834
Net Increase	1,207	1,633	2,586
Projected Increase	14.6%	19.8%	31.4%
<i>Key Assumptions:</i>	<i>1980-2000 actual persons; limited planning effort</i>	<i>1980-2000 actual percentage; coordinated planning and marketing</i>	<i>Aggressive planning; 1980-2000 SG County Comp. Plan and Reno County Task Force</i>

Prevailing Business Climate

A review of the most recently published data, the 2001 U.S. Department of Commerce Economic Census, identified approximately 239 businesses along the corridor. These reported business establishments are within the ZIP code boundary of the community and may not necessarily be located within each city’s limits. (See Figure 14: “K-96 Corridor Business Establishments 2001”). South Hutchinson reports the most business establishments, containing 46 percent of the corridor’s businesses, and Mt. Hope the fewest of the four cities with 34 establishments.

Figure 4-4: K-96 Corridor Business Establishments, 2001

Source: U.S. Economic Census 2001.

Community / ZIP Code						
Industry Code / Description	Haven 67543	Mt. Hope 67108	Maize 67101	South Hutchinson 67505	Unincorporated 67585	TOTAL
23 Construction	3	9	13	13	0	38
31 Manufacturing	4	0	4	12	2	28
42 Wholesale Trade	3	4	2	8	0	17
44 Retail Trade	10	3	4	15	5	37
48 Transportation & Warehousing	3	3	2	6	0	14
52 Finance & Insurance	4	3	-	3	1	11
54 Professional, Scientific & Technical services	0	0	3	4	0	7
61 Educational services	0	1	0	0	0	1
72 Accommodation & Food services	0	2	4	8	1	15
All Others	13	9	13	40	2	77
TOTAL ESTABLISHMENTS	40	34	45	109	11	239
Percent of Total	16%	14%	19%	46%	5%	100%

Educational Attainment of the Labor Force

The level of education among area residents is a factor in determining the type of businesses that may be attracted to the corridor. The commonly considered components are the percentage of the population that is high school and college graduates. Based on the 2000 U.S. Census figures, three of the corridor's four cities high school graduate rates exceed the average in each county. More importantly, two of the corridor's four cities exceed the average education levels for all of Reno County, although they are still lower than the Sedgwick County average.

Figure 4-5: Area Education Attainment Levels

Source: 2000 U.S. Census.

Jurisdiction	Percent of High School Graduates	Rank	Percent of College Graduates	Rank
Haven	90.6%	1 st	18.2%	3 rd
Maize	89.2%	2 nd	19.8%	2 nd
Mt. Hope	89.1%	3 rd	13.2%	5 th
South Hutchinson	76.8%	6 th	12.2%	6 th
Reno County	82.7%	5 th	17.3%	4 th
Sedgwick County	85.1%	4 th	25.4%	1 st

Property Tax Rates

Property tax rates are higher among the corridor's cities than in the City of Wichita, but lower than the property tax rate in the City of Hutchinson. (See Figure 16: "2004 Property Tax Rate Comparison"). These two cities are the biggest competitors to the corridor communities for new development. This circumstance suggests that Wichita offers a higher degree of competitiveness in this area to those developers and companies predisposed to seeking lower property taxes.

All of the communities have the potential to offer property tax abatements for manufacturing-related development. Therefore, the ability of the corridor communities will be competitively strengthened subject to the political willingness and economic feasibility of the communities to adopt a common, pro-active strategy to minimize direct competition with each other. Together, they can capture a higher proportion of Hutchinson and Wichita's potential development. Mt. Hope has the highest local property tax, but the lowest total property tax rate among the corridor's four cities. This provides Mt. Hope officials with the highest degree of flexibility in offering property tax incentives.

Figure 4-6: 2004 Property Tax Rate Comparison

Source: Kansas Municipal League.

Municipality	City Tax Rate	Rank	Total Tax Rate	Rank
Haven	29.049	1 st	130.066	4 th
South Hutchinson	36.628	3 rd	144.486	5 th
Maize	37.172	4 th	128.682	3 rd
Mt. Hope	51.052	6 th	127.077	2 nd
Hutchinson	40.521	5 th	152.710	6 th
Wichita	31.995	2 nd	115.539	1 st

Competitive Building Values

As noted earlier in this report, Reno and Sedgwick County both have active marketing and professional business recruitment efforts. They also contain a large number of vacant commercial buildings. Nevertheless, a survey of 25 vacant commercial/manufacturing buildings offered for sale in August 2004 found that the median asking price per square foot was lowest in South Hutchinson and highest in Wichita. (See Figure 17: "Existing Manufacturing Building Price Comparisons 2004). As a result, existing buildings in the corridor offer the communities a price competitive advantage compared to their larger neighboring cities.

Figure 4-7: Existing Manufacturing Building Price Comparisons, 2004

Source: Wichita Area Chamber of Commerce LoopNet.

Location	Range of Asking Price Per Square Foot	Median Asking Price
<u>K-96 Corridor:</u> Maize	\$56.23	\$56.23
South Hutchinson	\$5.66 - \$19.37	\$12.51
Hutchinson:	\$5.94 - \$27.17	\$16.55
Wichita	\$11.60 - \$107.14	\$59.37

Projected Commercial and Industrial Demand

Based on these findings and demographic and economic analysis, the demand for commercial and industrial space for the K-96 corridor through 2020 has been projected. The corridor's commercial market is defined as the area encompassing the cities of Maize, Mt. Hope, Haven and South Hutchinson, as well as the unincorporated portions in Sedgwick and Reno Counties that include Greeley and Yoder townships. This specific trade area definition and analysis distinguishes the cities north (Hutchinson) and south of the corridor (Wichita) as representing separate markets, characterized by a more urbanized, diverse and competitive environment.

In order to project the amount of the total demand that each community along the K-96 corridor can expect to absorb, a combination of factors were considered. These also included the size of the current work force employed in the community and the share of the corridor's population. As indicated in Figure 18 ("Share of K-96 Corridor Employment and Population 2000"), Maize contains 61 percent of the corridor's population, a factor that contributes to commercial demand, while South Hutchinson has the highest number of persons employed among the corridor's communities, almost two of every three jobs, a primary consideration in attracting additional industrial development. Additional factors that also influenced the projected community capture rate include the availability of land, infrastructure, proximity to other employment and population, and property tax rates.

Figure 4-8: Share of K-96 Corridor Employment and Population, 2000

Source: Kansas Department of Human Resources; U.S. Census.

Jurisdiction	2002 Employment / Percent of Corridor	2000 Population Percent of Corridor	Estimated Combined Share
Mt. Hope	217; 8%	3%	6%
Maize	302; 11%	61%	36%
Unincorporated (Yoder / (Greeley townships)	186; 7%	12%	9%
South Hutchinson	1,857; 65%	17%	41%
Haven	242; 9%	7%	8%
TOTAL	2,804; 100%	100%	100%

These factors influence the projected capture rate of the new commercial and industrial development for each of the corridor’s cities, as well as the unincorporated areas of the corridor. Therefore, it is projected that Maize will capture the largest share of new commercial development, and South Hutchinson will capture the largest share of new industrial growth, although each community can be expected to attract some of each, benefiting from joint K-96 marketing and recruiting efforts.

Figure 4-9: Development Capture Rate by Corridor Community

Land Use	Maize	Mt. Hope	Haven	South Hutchinson	Unincorporated (Yoder, Greeley townships)	CAPTURE
Commercial Capture Rate	55 - 65%	5%	5 - 10%	20 - 25%	5%	100%
Industrial Capture Rate	20 - 25%	5%	5 - 10%	60 - 70%	0	100%

The projected demand for new commercial (retail and office) and industrial development has been projected through 2020 using a combination of factors including:

- Retail, office and industrial industry averages per capita in other Kansas communities
- Currently zoned property and planned land use patterns
- The amount of existing business activity
- The amount of available commercial and industrial properties in Reno and Sedgwick Counties
- The projected demand for new commercial (retail and office) and industrial development has been projected through 2020.

As noted earlier, each of the three development scenarios results in a different quantity of demand. However, based on the results of these three scenarios and attitudes and opinions expressed by area residents in the preparation of this plan, a mid-point between the moderate growth and high growth scenarios has been selected as the most likely amount of development expected through 2020. (See Figure 20: "K-96 Corridor Projected Demand Scenarios through 2020"). This projection is defined as the "target" amount that should be planned to be absorbed among the corridor communities. These projected targets result in the K-96 corridor absorbing between 375,000 and 425,000 square feet of new commercial development and approximately 375,000 to 450,000 square feet of additional industrial development.

Figure 4-10: K-96 Corridor Projected Demand Scenarios through 2020

Source: RICHARD CAPLAN & ASSOCIATES.

Major Land Use	Corridor Low Scenario	Corridor Moderate Scenario	Corridor High Scenario	Total TARGET
Retail (square feet)	100,000	135,000	215,000	Commercial: 375,000 – 425,000 square feet
Office (square feet)	75,000	110,000	310,000	
Net Total Commercial	175,000	245,000	525,000	
Industrial (Square Feet)	150,000	225,000	550,000	375,000 – 450,000 square feet
<i>Key assumption:</i>	<i>Laissez Faire approach</i>	<i>Active planning, marketing and recruitment</i>	<i>County Vision Task Force / SG Comp Plan plus replacement</i>	<i>Mid-point between moderate and high scenarios</i>

In summary, the communities along the K-96 corridor through 2020 should plan for a total of between 750,000 and 875,000 square feet of new commercial and industrial development.

Based on these targeted amounts of new commercial and industrial development and the projected capture rate for each community, the following Figure 21:

“Projected Demand by Corridor Community Through 2020” presents the amount of square footage that should be planned for each corridor community.

Figure 4-11: Projected Demand by Corridor Community Through 2020

Source: RICHARD CAPLAN & ASSOCIATES.

Community / Land Use	Maize	Mt. Hope	Haven	South Hutchinson	Unincorporated (Yoder; Greeley)	TOTAL Targeted Square Feet
Commercial Square Feet	230,000– 250,000	Up to 20,000	20,000– 35,000	85,000– 100,000	Up to 20,000	375,000 – 425,000
Industrial Square Feet	80,000– 90,000	15,000– 25,000	25,000– 35,000	255,000– 300,000	None	375,000 – 450,000

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