

# THE PITTSBURGH MICROPOLITAN AREA ECONOMIC REPORT

## Pittsburg Area Retail Sales Little Affected By Online Sales

**P**ITTSBURGH IS A REGIONAL CENTER for shopping and consumer services in Southeast Kansas, and total retail sales in the Pittsburg Micropolitan Area are projected to increase 2.3 percent (up \$11.4 million) to \$513.6 million in 2017.

General merchandise sales are expected to have the largest increase at \$2.9 million (up 2.9 percent), followed by motor vehicle and part sales, up \$1.6 million (up 2.1 percent); eating and drinking establishments, up \$1.3 million (up 2.0 percent); building material and garden supplies, up \$1.2 million (up 2.0 percent); gasoline station sales, up \$1.1 million (up 2.1 percent); and all other types of retail sales, up \$3.3 million (up

2.2 percent). Pittsburg's Meadowbrook Mall is doing well, reporting healthy retail sales in 2016 and with a mall expansion in the pipeline. The share of online sales out of total retail sales in Pittsburg is 1.3 percent, according to Woods and Poole, a leading economics data provider.

However, the nature of retail sales is changing nationwide. First estimates show that online sales accounted for 10.2 percent of retail sales nationwide in 2016. Online retailers offer the convenience of shopping from home, can have huge product selections, and in many cases can reduce the delay formerly associated with shopping online by offering expedited shipping. The proportion of

online sales has more than doubled in the last few years and is expected to grow to 14.5 percent of all retail sales in 2022, according to IBISWorld.com. This trend spells trouble for traditional shopping malls nationwide, which have seen visits decline more than 50 percent since 2010.

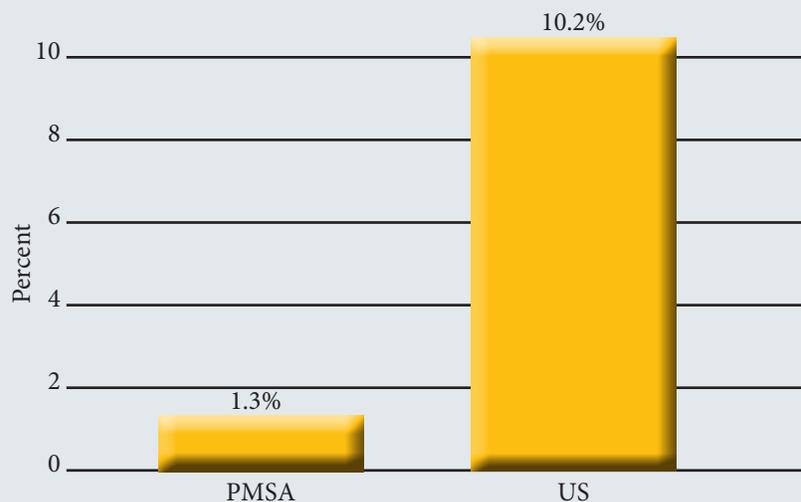
There is a spate of traditional retail store closings in the pipeline nationwide. JCPenney, Macys, Sears, The Limited, Aeropostale, Payless, and others have announced closings amounting to a total of more than 1000 stores, and J. Rogers Kniffen Worldwide Enterprises, LLC predicts that more than a third of shopping malls nationwide will close in the next five years.

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### Retail Sales Share of Online Sales 2016



Source: Woods and Poole and the Census Bureau

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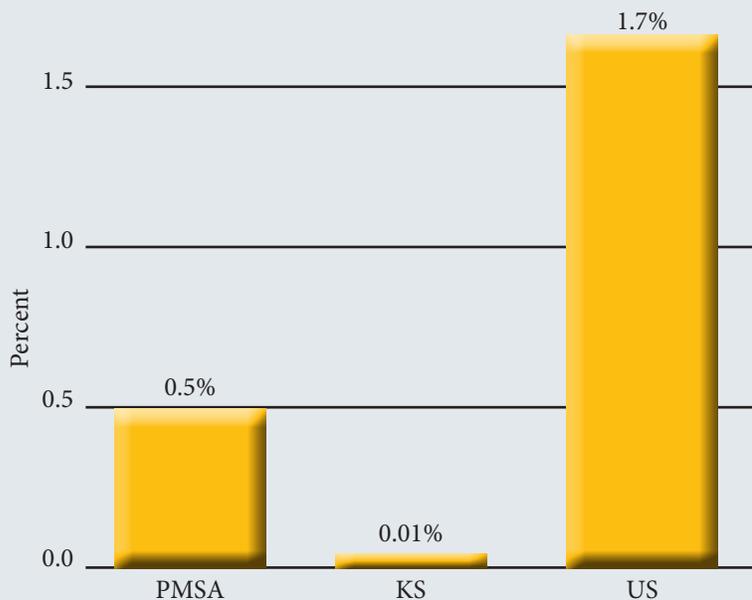
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## TOTAL JOBS

Job growth was robust in the Pittsburgh Micropolitan Area during the first three quarters of 2016 (latest information available), but slowed somewhat during the third quarter. Woods and Poole recently released a new study which estimated that the number of jobs in the Pittsburgh Micropolitan Area increased 1.2 percent in 2016. The Bureau of Labor Statistics (BLS) reports that the average number of monthly jobs during the third quarter was 16,713, up 77 jobs (up 0.5 percent) from the third quarter of 2015, with a total payroll of \$141.4 million, up \$8.2 million (up 6.1 percent). The average number of monthly jobs in the goods-producing industries was 3,187 during the quarter (up 124 jobs), while the service-producing industries posted 9,511 jobs (up 51 jobs), federal government posted 83 jobs (up 3 jobs), state government posted 1,088 jobs (down 77 jobs), and local government posted 2,845 jobs (down 24 jobs).

The average number of jobs statewide increased to 1,360,695 during the third quarter (up 0.01 percent), with a payroll of \$15.2 billion (up 6.0 percent), and 141,978,342 jobs nationwide (up 1.7 percent), with a total payroll of \$1.9 trillion (up 7.3 percent).

## Job Growth Jan'15-Sep'15 to Jan'16-Sept'16



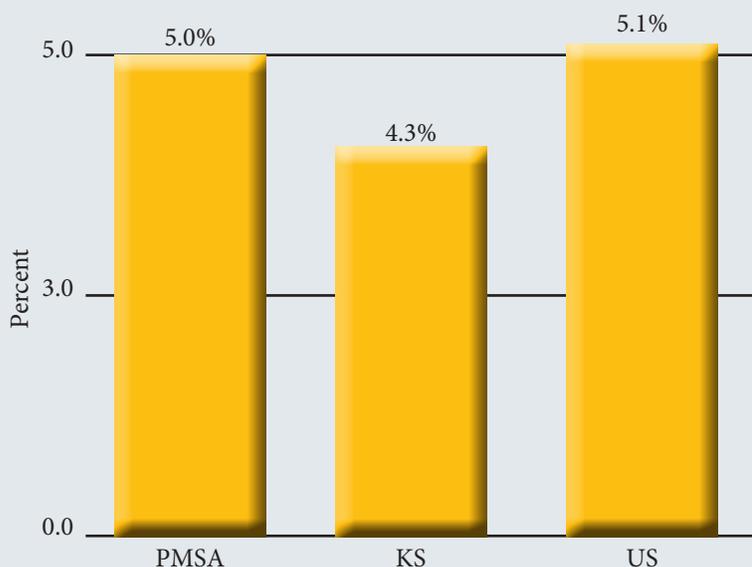
Source: Bureau of Labor Statistics

## UNEMPLOYMENT

The unemployment rate nationwide declined significantly in 2016, with the average unemployment rate dropping to 4.9 percent, down from 5.3 percent in 2015. The statewide unemployment rate declined to 4.1 percent (down from 4.2 percent) and 4.9 percent in the Pittsburgh Micropolitan Area (down from 5.1 percent). The labor force in the Pittsburgh Micropolitan Area is 44.6 percent blue collar and 55.4 percent white collar, and the employment-population ratio for the population above 16 years old is 61.5 percent, compared to 59.3 percent nationwide.

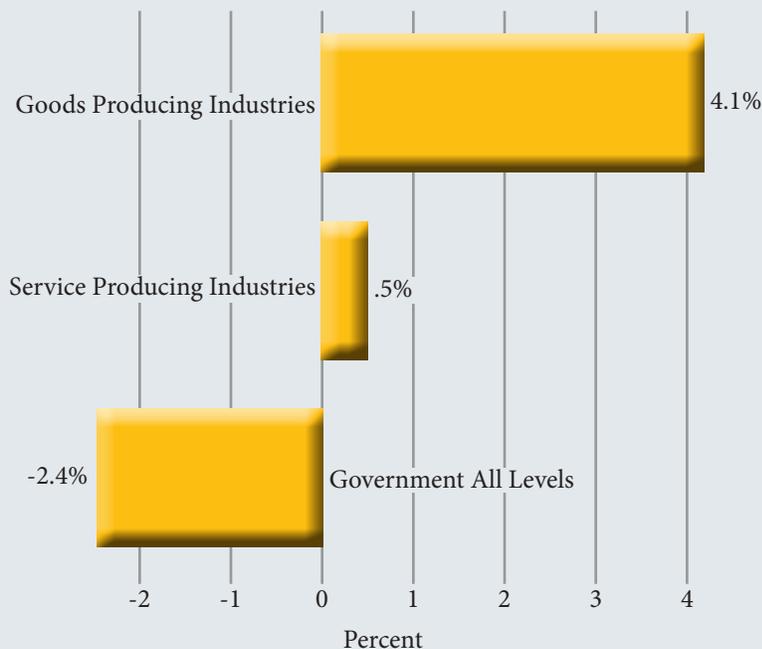
Local employers are now hiring in many skilled occupations such as electricians, welders, cutters, solderers, brazers, machinists, structural metal fabricators, and fitters, and a recent labor force study found that some of these occupations are among the fastest growing in the area. The unemployment rate was 5.1 percent nationwide in January 2017 (down from 5.3 percent in January 2016), 4.3 percent statewide (down from 4.4 percent), and 5.0 percent in the Pittsburgh Micropolitan Area (down from 5.2 percent).

## Unemployment Rate January of 2017



Source: Bureau of Labor Statistics

## Growth In Jobs By Major Industry Pittsburg Micropolitan Area Jan'15-Sep'15 to Jan'16-Sept'16



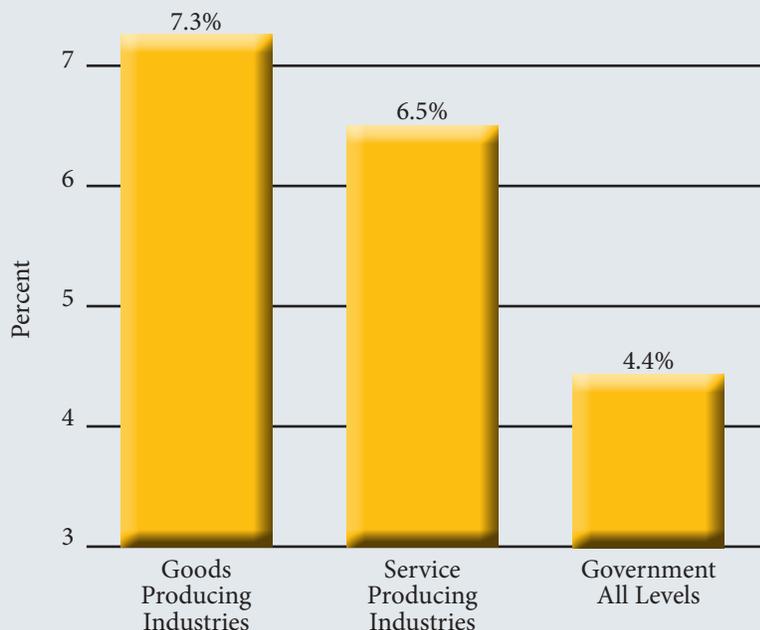
Source: Bureau of Labor Statistics

## JOBS BY INDUSTRY

Six industries added jobs in the Pittsburg Micropolitan Area during the third quarter of 2016, according to the Bureau of Labor Statistics. Professional and Business Services added the most jobs during the quarter, posting a monthly average of 1,288 jobs, up 192 jobs (up 17.6 percent) from the third quarter 2015, followed by Manufacturing with 2,601 jobs, up 95 jobs (up 3.8 percent); Trade, Transportation, and Utilities with 3,003 jobs, up 43 jobs (up 1.4 percent); Construction with 483 jobs, up 20 jobs (up 4.2 percent); Information Services with 266 jobs, up 17 jobs (up 6.7 percent); and Natural Resources and Mining with 102 jobs, up 10 jobs (up 10.4 percent).

Four industries lost jobs during the quarter. Education and Health Services had the biggest loss in jobs during the quarter, posting 2,300 jobs, down 92 jobs (down 3.9 percent), followed by Leisure and Hospitality Services, posting 1,901 jobs, down 86 jobs (down 4.3 percent); Other Services (automobile repair, dry cleaners, etc.) posting 250 jobs, down 11 jobs (down 4.3 percent); and Financial Activities posting 503 jobs, down 10 jobs (down 2.0 percent). Finally, government (all levels) posted 4,016 jobs, down 98 jobs (down 2.4 percent).

## Growth In Payroll By Major Industry Pittsburg Micropolitan Area Jan'15-Sep'15 to Jan'16-Sept'16



Source: Bureau of Labor Statistics

## INCOMES BY INDUSTRY

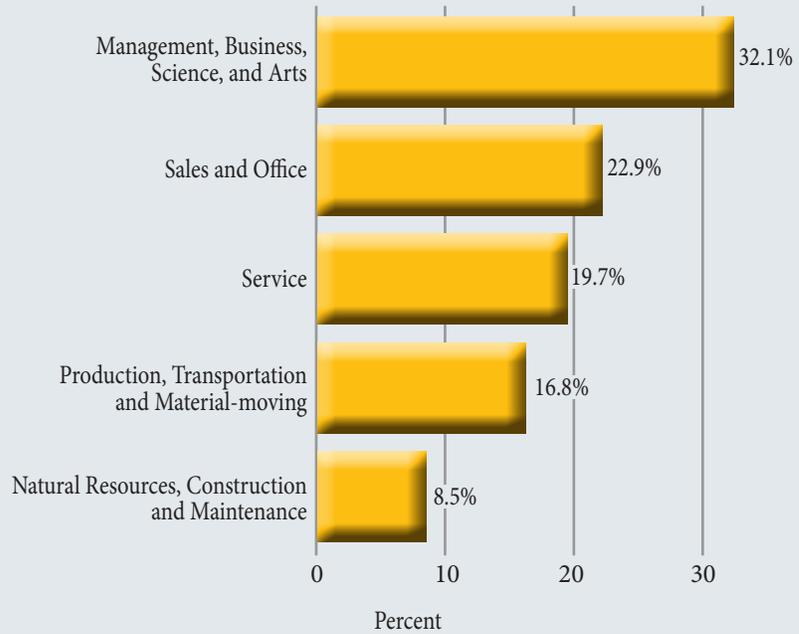
The Bureau of Labor Statistics reports that total payroll in the Pittsburg Micropolitan Area increased to \$141.4 million during the third quarter of 2016, up \$8.2 million (up 6.1 percent) from the third quarter of 2015. This is good news. Trade, Transportation, and Utilities added most to the micropolitan area payroll during the quarter, posting \$25 million in total payroll, up \$2.2 million (up 9.7 percent), followed by Manufacturing, with \$24.9 million in total payroll, up \$1.5 million (up 6.6 percent); Education and Health Services with \$21.3 million, up \$1.5 million (up 7.7 percent); Professional and Business Services with \$12.5 million, up \$0.8 million (up 7.2 percent); Construction with \$4.4 million, up \$0.4 million (up 11.2 percent); Information Services with \$3.2 million, up \$0.3 million (up 10.7 percent); Financial Activities with \$4.8 million, up \$0.2 million, (up 5.0 percent); Natural Resources and Mining with \$1.0 million, up \$78,211 (up 8.1 percent); Other Services with \$1.5 million, up \$68,214 (up 4.8 percent); and Leisure and Hospitality Services with \$5.5 million, down \$0.7 million (down 10.5 percent). Finally, total government (all levels) posted \$37.3 million, up \$1.6 million (up 4.4 percent).

## LABOR FORCE

The average labor force nationwide increased to 159.2 million in 2016 (up 1.3 percent from 2015), and the labor force participation rate increased to 62.8 percent (up from 62.7 percent). However, the national labor force participation rate is still well below the 66.1 percent posted in 2007 before the recession. The average labor force stood at 1.5 million statewide in 2016 (down 0.4 percent) and 19,081 in the Pittsburgh Micropolitan Area (up 0.6 percent).

A quality labor force is vital for economic growth. The labor force in the Pittsburgh Micropolitan Area is hard working and relatively well educated. According to the U.S. Census Bureau, 34.7 percent have a four-year college degree or higher; 36.3 percent have some college or an associate degree; 22.9 percent have a high school diploma; and only 6.1 percent have not completed high school. The Census Bureau reports furthermore that 32.1 percent of the people who live in the Pittsburgh Micropolitan Area and work are employed in management, business, science, and arts occupations; 22.9 percent in sales and office occupations; 19.7 percent in service occupations; 16.8 percent in production, transportation, and material-moving occupations; and 8.5 percent in natural resources, construction, and maintenance occupations.

## Labor Force by Occupation Pittsburg Micropolitan Area



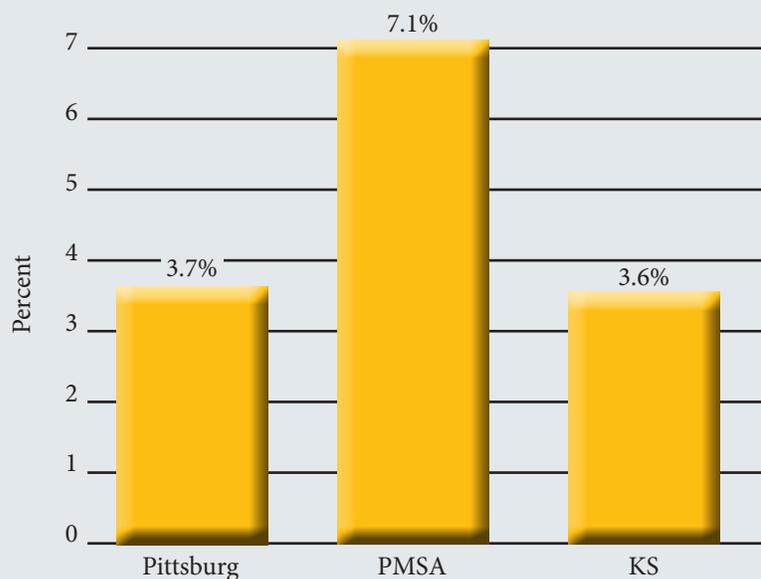
Source: The Census Bureau

## TAXABLE SALES

Local sales tax collections were up significantly in 2016, with collections by the City of Pittsburg increasing to \$21.1 million during the year (up 3.7 percent), \$29.6 million in the Pittsburgh Micropolitan Area (up 7.1 percent), and \$2.7 billion statewide (up 3.6 percent). In 2016, overall taxable sales (some retail, food service, lodging and other taxable services) increased to \$321.5 million in the City of Pittsburg (up 1.0 percent from 2015), \$454.9 million in the Pittsburgh Micropolitan area (up 4.3 percent), and \$42.1 billion statewide (up 0.9 percent).

Total retail sales (excludes lodging and non-taxable retail sales) in the Pittsburgh Micropolitan Area increased to \$502.2 million in 2016, according to Woods and Poole, up \$9.7 million (up 2.0 percent) from 2015. The biggest category of sales was general merchandise, with sales of \$101.4 million, followed by \$77.4 million in motor vehicle and parts dealer sales, \$72.3 million in food and beverage, \$64.5 million in eating and drinking establishment sales, \$58.1 million in building materials and garden equipment sales, \$51.5 million in gasoline station sales, \$25.8 million in health and personal care sales, and \$51.1 million in other types of sales (including \$6.5 million in online sales).

## Growth in Sales Tax Collections 2016



Source: Kansas Department of Revenue

## Value of Residential Permits City of Pittsburgh 2016



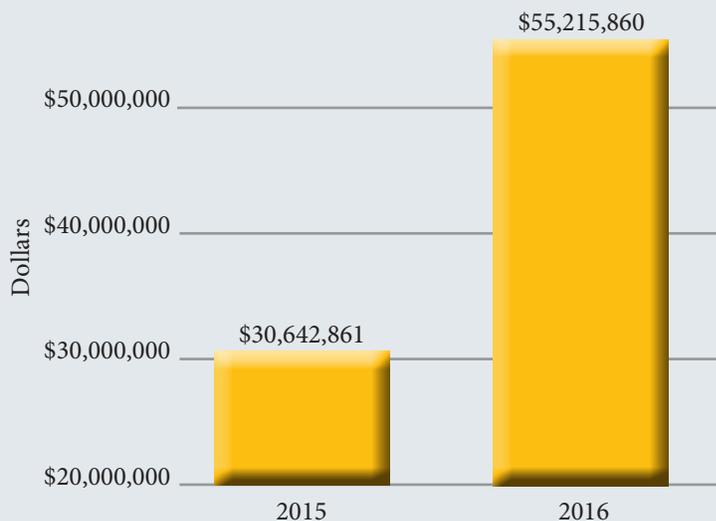
Source: City of Pittsburgh

## RESIDENTIAL PERMITS

The Pittsburgh Board of Realtors reports that 407 homes were sold in Pittsburgh during 2016 (401 existing and six new homes), down 3.1 percent from 2015, for an average sales price of \$96,082 (down 0.3 percent) and median sales price of \$74,700 (down 3.2 percent). The average home remained on the market for 156 days, two days less than in 2015. However, home sales have picked up in 2017, with 55 new homes sold during the first two months of 2017, up 31 percent from the same period in 2016, with the average home selling in 164 days, down from 192 days. As of the end of February, 230 homes were listed for sale.

In 2016, nine new single-family residential building permits were issued by the City of Pittsburgh, for a stated value of \$0.9 million (down 67.4 percent from 2015), zero multi-family permits were issued (the value of multi-family permits was \$0.2 million in 2015), and 93 building permits were issued for additions, alterations, and conversions, for a stated value of \$0.9 million (down 32.1 percent from 2015).

## Value Commercial Permits City of Pittsburgh 2016



Source: City of Pittsburgh

## COMMERCIAL PERMITS

New commercial construction was up significantly in Pittsburgh in 2016, indicating optimism about the future performance of the local economy. In 2016 a total of 131 building permits were issued for commercial construction by the City of Pittsburgh, with a stated value of \$55.2 million (up 80.2 percent from 2015), including 68 building permits for a new commercial construction, with a stated value of \$45.4 million (up 183.6 percent from 2015), and 63 commercial building permits were issued for additions, alterations, and conversions, with a stated value of \$9.8 million (down 32.9 percent).

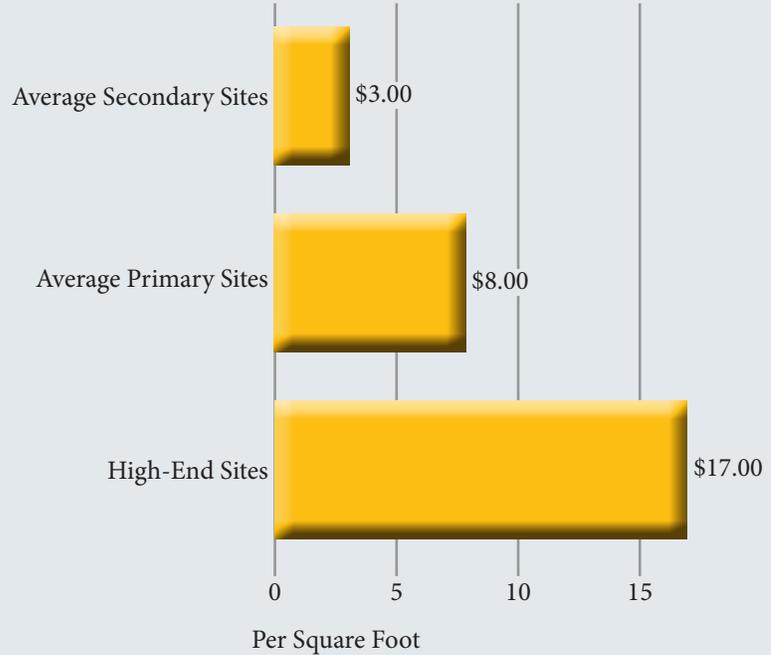
Numerous commercial establishments (restaurants, stores and etc.) have opened locations in Pittsburgh recently or are in the pipeline, including the \$80 million Kansas Crossing Casino, which adds local urban amenities and is projected to have a significant, long-lasting economic impact, including more than 500,000 annual visitors to the Pittsburgh area, \$39 million in annual casino revenue, 300 direct jobs, and \$1.2 million in local taxes. Kansas Crossing's grand opening was April 8, 2017.

## OFFICE SPACE MARKET

The area office space rental market is relatively healthy, according to Jones Heritage Realtors. Gross office rental rates start at an average low of \$3 per square foot and increase to an average high of \$8 per square foot for primary sites, with rates going as high as \$17 per square foot for high-end sites. Office rental rates for high visibility space on North Broadway, which is the prime office market and has the highest traffic counts in Pittsburg, range from \$8 to \$9 per square foot, while high-end medical offices sometimes reach \$13 to \$17 per square foot (for top quality medical space containing elaborate plumbing and mechanical systems).

Mid-size units in the 2,000 square feet to 4,000 square feet range have average rates of \$5.5 to \$13 per square foot for higher-end upscale facilities. Several major companies have their headquarters in Pittsburg, including Miller's Professional Imaging (annual sales of \$120-\$130 million), Jake's Fireworks (\$20-\$50 million), and Watco Mechanical Services (\$1-\$2.5 million). Moreover, NPC International (which owns and manages over 1,150 Pizza Hut and 180 Wendy's restaurants) has most of its functional specializations (accounting and IT) located in Pittsburg.

## Gross Office Rental Rates City of Pittsburg 2016



Source: Jones Heritage Realtors

## COMMERCIAL AND MULTI-FAMILY LAND VALUES

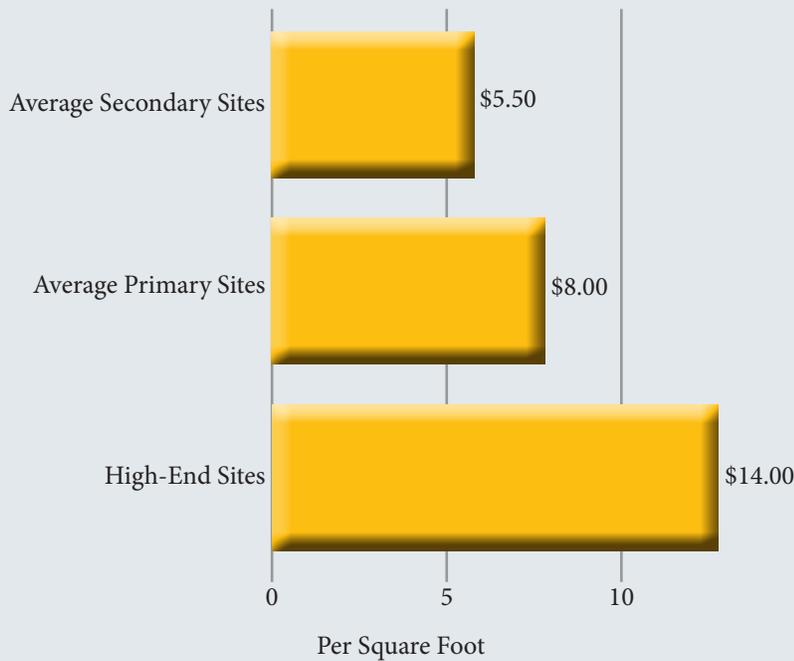
Commercial land values currently average \$10 per square foot for high-end sites, according to Jones Heritage Realtors, \$7 per square foot at primary sites, and \$2.5 per square foot at secondary sites. A 2011 US-69 Corridor Study indicated that traffic volumes on US-69 north of Pittsburg increased 33 percent in the 1990-2010 period and recommended a four-lane highway from Fort Scott to Arma to anticipate potentially significant growth in traffic through the corridor. Construction on the highway expansion is now finally slated to begin. The future looks good for the local commercial land market due to both improvement in the local economy and the widening of Highway 69 from Fort Scott to Arma, which will provide Pittsburg with access to a four-lane highway, connecting Pittsburg to the interstate system. That will be a boost for the local warehouse market and the manufacturing and trade (wholesale and retail) industries, which depend on warehouse space and highway access. Currently, rent for warehouse (light industrial) space starts at an average low of \$3.5 per square foot in secondary sites and increases to an average high of \$7.5 per square foot in primary sites.

## Warehouse Space Rental Rates City of Pittsburg 2016



Source: Jones Heritage Realtors

## Retail Space Rental Rates City of Pittsburgh 2016



Source: Jones Heritage Realtors

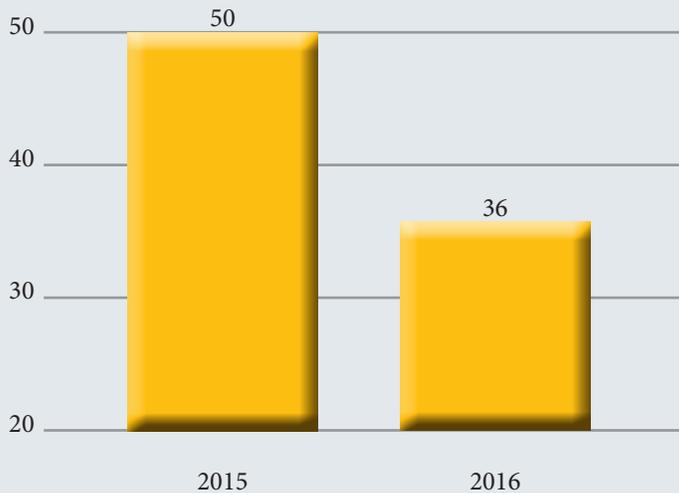
## RETAIL SPACE MARKET

Overall, the retail space rental market in Pittsburgh is doing relatively well, according to Jones Heritage Realtors, with net rental rates for retail space starting at an average low of \$5.5 per square foot, increasing to an average high of \$8 per square foot, and going as high as \$14 per square foot for prime locations.

The most current information shows that recent leases for downtown retail space are \$5 to \$7 per square foot. A medium-sized retail space on North Broadway (the main thoroughfare through downtown) leases for about \$6 to \$8 per square foot, and some very small units in prime locations reach \$10 to \$14 per square foot.

Pittsburgh is the regional center for retail sales and consumer services. Numerous new eating and drinking establishments have opened in the city recently or are in the pipeline, including Buffalo Wild Wings, Guadalajara Mexican Grill, Gusano's Pizzeria, Jimmy's Egg, Colton's Steak House, Jimmy John's, Jolly Fox Brewery, Rib Crib, and Root Coffeehouse. New major retailers include the Tractor Supply Company and Walmart Neighborhood Market.

## Total Bankruptcies Pittsburg Micropolitan Area 2016



Source: US Bankruptcy Courts

## BANKRUPTCIES

Bankruptcies are declining nationwide. In 2016, 794,960 bankruptcies were filed nationwide (down 5.9 percent from 2015) and 6,696 bankruptcies statewide (down 1.8 percent). Total bankruptcies dropped significantly in the Pittsburgh Micropolitan Area, indicating that the local economy is now back on its feet. In 2016, 34 personal bankruptcies were filed in the micropolitan area (down 27.7 percent), with a total of 30 Chapter 7 personal bankruptcies (straight bankruptcy, debt wiped out), down 23.1 percent; zero Chapter 11 personal bankruptcies (reorganization of personal debt and temporary protection from creditors), no change; and four Chapter 13 personal bankruptcies (some debt wiped out and some repayments), down 50 percent.

Two business bankruptcies were filed (down 33.3 percent), which includes one Chapter 7 business bankruptcy (total liquidation with no repayments), down 66.7 percent; zero Chapter 11 business bankruptcies (reorganization of business debt and temporary protection from creditors), no change; one Chapter 12 business bankruptcy (reorganization of debt for family farms), up from zero in 2015; and zero Chapter 13 business bankruptcies (total liquidation with some repayments), no change.

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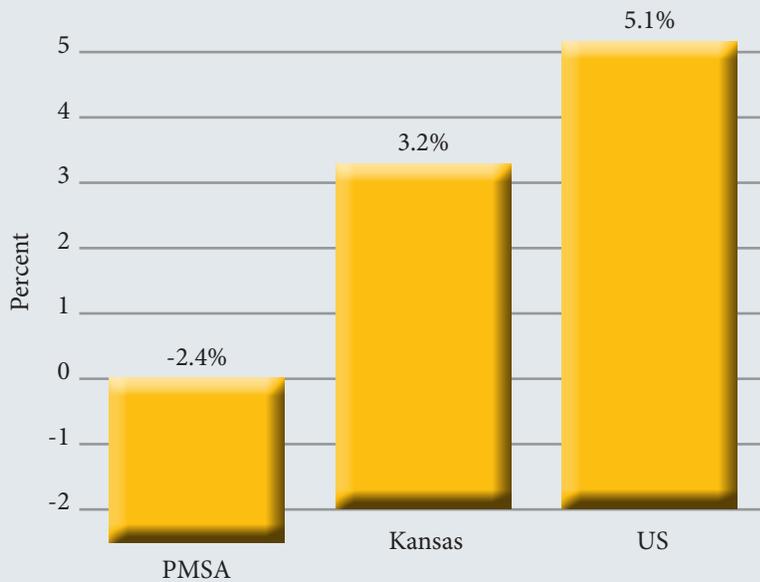
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## Growth in Total Assets Banking Industry 2016



Source: Federal Deposit Insurance Corporation

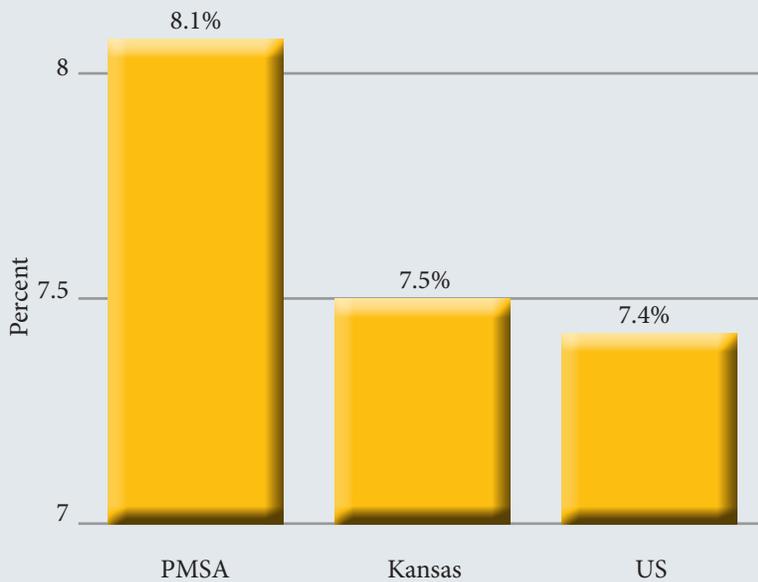
## BANKING INDUSTRY

Community banks did well in 2016, according to the Federal Deposit Insurance Corporation and are now getting more high-tech and attracting more deposits with fewer locations. In 2016, 12 local and national banks were operating in the Pittsburg Micropolitan Area, with total local deposits of \$761.4 million, up 2.8 percent from 2015.

The Girard National Bank had the largest share of deposits, with 24.3 percent of all deposits, followed by Commerce Bank, 18.4 percent; Community National Bank and Trust, 15.5 percent; Labette Bank, 11.1 percent; the First National Bank of Girard, 8.4 percent; and BMO Harris Bank, 5.4 percent. The six remaining banks each had less than five percent share of deposits. The national banking industry posted \$16.8 trillion in total assets in 2016 (up 5.1 percent from 2015), the statewide industry posted \$68.8 billion (up 3.2 percent), and the Pittsburg Micropolitan Area posted \$730.7 million (down 2.4 percent).

The local industry went through some consolidation when Girard National Bank bought University Bank. The outlook for 2017 and beyond is good for the banking industry due to anticipated rollback of some regulations.

## Growth in Total Assets Credit Union Industry 2016



Source: National Credit Union Administration

## CREDIT UNION INDUSTRY

The national credit union industry continued to do well in 2016, according to the National Credit Union Administration (NCUA), with deposits and median loan growth positive in every state. Credit unions with headquarters in the Pittsburg Micropolitan Area did well in 2016 as well, posting \$90.8 million in total assets (up 8.1 percent from 2015), net loans and leases of \$68.0 million (up 31.9 percent), non-current loans and leases of \$0.3 million (up 25.3 percent), and \$0.7 million in net operating income (up 30.5 percent).

Credit unions with headquarters in Kansas posted \$9.5 billion in total assets (up 7.5 percent), net loans and leases of \$6.6 billion (up 10.2 percent), non-current loans and leases of \$55.5 million (up 21.3 percent), and net operating income of \$70.1 million (up 19.3 percent).

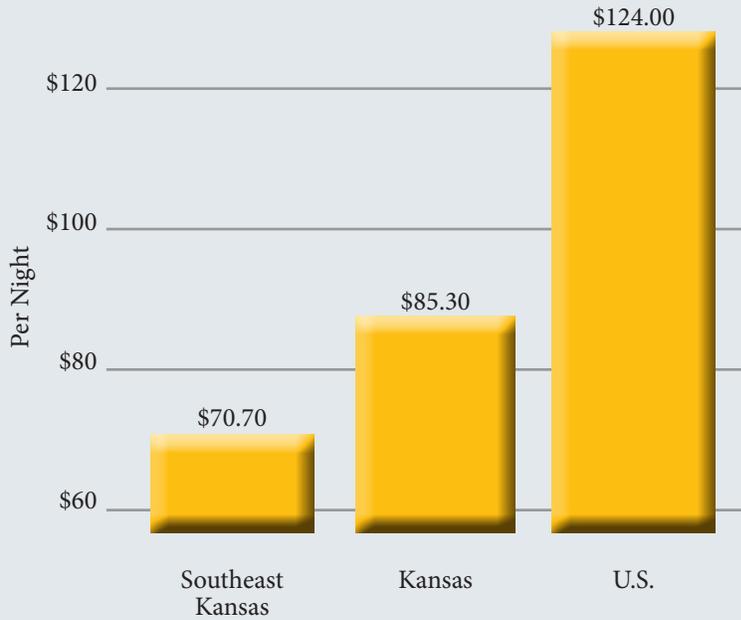
The nationwide credit union industry posted \$1.3 trillion in total assets (up 7.4 percent), \$879.8 billion in net loans and leases (up 10.5 percent), \$7.3 billion in non-current loans and leases (up 13.0 percent), and \$9.7 billion in net operating income (up 9.6 percent).

# Pittsburg Micropolitan Area Business Summary

	2016 Employees	Percent	2016 Establish- ments	Percent	Average Employee size
<b>Forestry, and Fishing (01-09)</b>	205	1.4%	59	4.3%	3.5
<b>Mining (10-14)</b>	27	0.2%	4	0.3%	6.8
<b>Construction (15-17)</b>	580	3.9%	77	5.6%	7.5
<b>Manufacturing (20-39)</b>	1,942	13.1%	62	4.5%	31.3
Food and Kindred Products (20)	415	2.8%	5	0.4%	83.0
Tobacco Products (21)	0	0.0%	0	0.0%	N/A
Textile Mill Products (22)	0	0.0%	0	0.0%	N/A
Apparel, Finished Prdcts from Fabrics and Similar Materials (23)	18	0.1%	3	0.2%	6.0
Lumber and Wood Products, Except Furniture (24)	2	0.0%	2	0.2%	1.0
Furniture and Fixtures (25)	5	0.0%	1	0.1%	5.0
Paper and Allied Products (26)	472	3.2%	3	0.2%	157.3
Printing, Publishing and Allied Industries (27)	289	2.0%	8	0.6%	36.1
Chemicals and Allied Products (28)	106	0.7%	3	0.2%	35.3
Petroleum Refining and Related Industries (29)	0	0.0%	0	0.0%	N/A
Rubber and Miscellaneous Plastic Products (30)	79	0.5%	2	0.2%	39.5
Leather and Leather Products (31)	0	0.0%	0	0.0%	N/A
Stone, Clay, Glass, and Concrete Products (32)	60	0.4%	3	0.2%	20.0
Primary Metal Industries (33)	10	0.1%	1	0.1%	10.0
Fabricated Metal Prdcts, Except Machinery & Transport Eqpmnt (34)	135	0.9%	5	0.4%	27.0
Industrial and Commercial Machinery and Computer Equipment (35)	243	1.6%	15	1.1%	16.2
Electronic, Elctrcl Eqpmnt & Cmpnts, Excpt Computer Eqpmnt (36)	75	0.5%	4	0.3%	18.8
Transportation Equipment (37)	6	0.0%	2	0.2%	3.0
Mestr/Anlyz/Cntrl Instrmnts; Photo/Med/Opt Gds; Watches/Clocks (38)	1	0.0%	1	0.1%	1.0
Miscellaneous Manufacturing Industries (39)	26	0.2%	4	0.3%	6.5
<b>Transportation, Communications, Electric, Gas, &amp; Sanitary Services (40-49)</b>	1,062	7.2%	69	5.1%	15.4
<b>Wholesale Trade (50-51)</b>	633	4.3%	63	4.6%	10.0
<b>Retail Trade (52-59)</b>	2,877	19.5%	261	19.1%	11.0
Building Matrials, Hrdwr, Garden Supply & Mobile Home Dealrs (52)	213	1.4%	14	1.0%	15.2
General Merchandise Stores (53)	541	3.7%	10	0.7%	54.1
Food Stores (54)	186	1.3%	25	1.8%	7.4
Automotive Dealers and Gasoline Service Stations (55)	202	1.4%	29	2.1%	7.0
Apparel and Accessory Stores (56)	88	0.6%	17	1.3%	5.2
Home Furniture, Furnishings and Equipment Stores (57)	132	0.9%	14	1.0%	9.4
Eating and Drinking Places (58)	1,207	8.2%	78	5.7%	15.5
Miscellaneous Retail (59)	308	2.1%	74	5.4%	4.2
Finance, Insurance, & Real Estate (60-69)	524	3.5%	110	8.1%	4.8
Services (70-89)	5,885	39.8%	603	44.2%	9.8
Public Administration (90-98)	1,048	7.1%	56	4.1%	18.7

Source: Demographics Now

## Average Room Price 2016



Source: Smith Travel Research

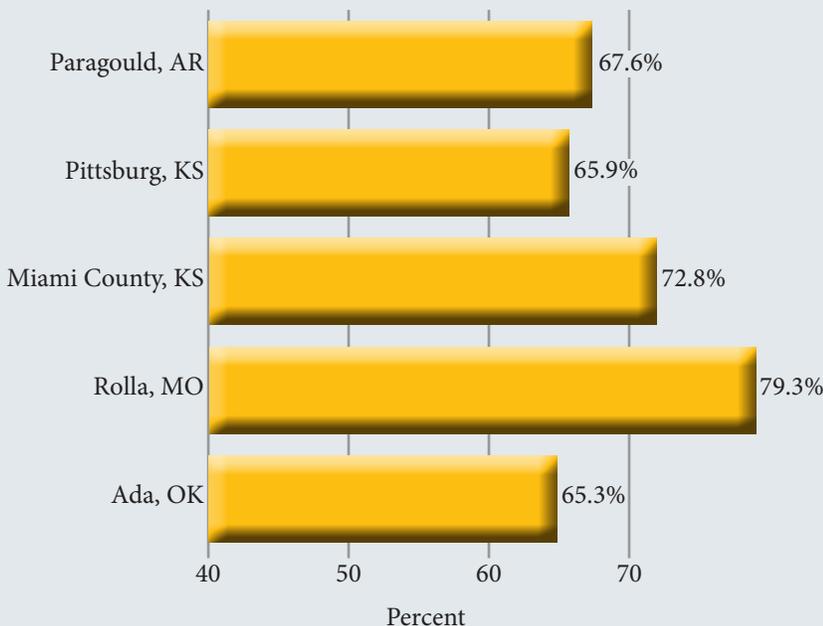
## LODGING INDUSTRY

The latest information from the National Travel and Tourism Office shows that international travel to the US is down 2.1 percent for the first three quarters of 2016, compared to the same period in 2015, and that 58.5 percent of all visitors to the US come from Canada and Mexico.

The occupancy rate in the national lodging industry increased to 65.5 percent in 2016, according to Smith Travel Research (up 0.1 percent from 2015), room supply increased 1.6 percent, room demand increased 1.7 percent, average room price increased to \$124.0 (up 3.1 percent), and room revenue increased 4.8 percent.

The occupancy (for hotel chains) was highest for luxury properties (65.9 percent). The occupancy rate in the Kansas lodging industry increased to 56.9 percent in 2016 (down 3.0 percent from 2015), room supply increased 2.0 percent, room demand decreased 1.1 percent, average room price increased to \$85.3 (up 4.1 percent) and room revenue increased 2.9 percent. The Southeast Kansas Industry posted average occupancy rate of 50.4 percent (down 1.9 percent), room supply declined 2.0 percent, room demand declined 3.9 percent, average room price increased to \$70.7 (up 4.1 percent), and room revenue declined 0.01 percent.

## Housing Costs Percentage of National Average Q3-2016



Source: The Center for Regional Economic Competitiveness

## COST OF LIVING AND QUALITY OF LIFE

Relocating is a significant financial investment, and therefore the mobility of the U.S. population is somewhat constrained by the financial risk involved. Cost of living is an important factor in the decision to relocate to a new area. Housing is the most significant cost for most households, and the cost of housing in the city of Pittsburg is currently in the bottom quintile (below 81.3 percent) of all cities similar to Pittsburg.

The city is very pro-growth, and numerous economic development programs have been implemented or initiated in the last few years, all tending toward making Pittsburg a more modern, cosmopolitan city. These programs include laying miles of fiber optic cable to improve internet infrastructure, providing low-interest loans and grants to small businesses, facilitating startup of the Southeast Kansas Career and Technical Education Center, the Block 22 development (building loft apartments downtown with about 100 housing units already in the pipeline), and revitalizing the downtown area through the Mid-City Renaissance project, a mixed use development in the heart of the city which will include recreational areas, retail and office space, and a possible solar energy complex.

# BUSINESS HIGHLIGHTS

## DEMOLITION BEGINS ON BLOCK 22 PROJECT

Friday's closing on the Block 22 project cleared the way for construction to begin. General Contractor Vecino Group wasted no time, and sledge hammers were swinging Monday morning.

Once work is complete, in August 2018, the buildings will have 105 student housing units aimed at upperclassmen and graduate students, commercial and education space, and an area for The Pittsburg State University Center for Innovation and Business Development. The project is being made possible through a partnership with PSU, the City of Pittsburg, and Vecino Group. Mat Burton, of Vecino Group, said he is excited by the beginning of construction.

"I think from our standpoint this is a really important milestone," Burton said. "This is an exciting time as we bring those buildings back to life and do it in a way that bridges the city's past and future."

Pittsburg State University President Steve Scott was thrilled as well.

"While the city of Pittsburg and the university have enjoyed a mutually beneficial relationship since our founding, this project steps our partnership up to an entirely new level," Scott said.

*Patrick Richardson, The Morning Sun, March 21, 2017*

## EAGLE-PICHER TO EXPAND IN PITT

Between 15 and 20 high-paying jobs will be coming to Pittsburg once further expansion plans for EaglePicher Technologies are complete.

According to a release from the City of Pittsburg, since 2007, EaglePicher has operated an automated thermal battery production facility in Pittsburg. EaglePicher's facility is owned by the City of Pittsburg and the company has just renewed its lease on the property for another five years.

Since opening the facility with 26 employees in 2007, EaglePicher has grown its headcount at the Pittsburg facility to well over 110, including 46 positions created last year alone. These jobs feature an average wage of \$18 per hour, well above the county average.

However, the release said, the company is out of space in the Pittsburg facility and is planning a 1,600 square foot building expansion and the addition of 30 parking spaces. EaglePicher estimates the cost of the building expansion at \$225,000, while the parking lot expansion is valued at \$125,000.

*Patrick Richardson, The Morning Sun, March 10, 2017*

## FOUR-LANE PROJECT BREAKS GROUND

Gov. Sam Brownback visited southeast Kansas to break ground on a nearly \$21 million project to widen U.S. Highway 69 into four lanes for a six-mile stretch. The bid was awarded to Koss Construction of Topeka and is slated to be completed in November 2018.

The project — which begins work later this week — was originally the first of three phases in a Kansas Department of Transportation T-Works project to make Highway 69 four lanes from Kansas Highway 47 to Kansas City. All three projects were delayed indefinitely in April 2016 when Brownback announced budget cuts.

The first phase — stretching from the Bourbon and Crawford county line to the four-lane six miles north — was restored in June 2016. The rest of the highway expansion is still delayed, but Brownback promised to see the entire project through.

"The expansion will help students coming from Kansas City to Pittsburg State University, as well as spur economic development," Brownback said. "Some manufacturing plants require access to a four-lane highway to build, so getting four-lanes to Pittsburg can really open up the area."

*Chance Hoener, The Morning Sun, March 13, 2017*

## HOUSING DEVELOPMENT TO MOVE FORWARD

The City of Pittsburg brought slightly more revenue than what was budgeted in 2016 and only spent 91 percent of what was appropriated, Director of Finance Jamie Clarkson told City Commissioners at Tuesday's meeting.

Additionally, the commission, minus absent commissioners Patrick O'Bryan and Jeremy Johnson, approved a \$300,000 loan and no more than \$66,000 to repair a section of road by 20th and the bypass.

The \$300,000 loan is to Pointe Royale Development to build 20, three bedroom, and two bathroom homes near 31st and Michigan streets. The loan is to be paid back in 15 years.

"It's essence, it's a homeownership program," Pittsburg Director of Housing and Community Development Becky Gray said to commissioners.

For 15 years, the homes will be for rent, Gray said. Then, the homes will be for sale. Renters can get 5 percent credit for each year of rent to build equity in the home before they are sold. Gray said the last piece of the puzzle is to be approved by the state

to sell tax credits to offset the cost, which she hopes will happen by the third quarter of this year.

*Michael Stavola, The Morning Sun, February 15, 2017*

## WITH A BANG

Kansas Crossing Casino and Hotel opened Friday morning with a bang. It was the culmination of a process which began in May of 2016 when the first shovelful of dirt was turned and lead developer Bruce Christianson announced that the oft-delayed project would be \$85 million rather than the \$75 million of the original proposal.

Christianson said the project wouldn't have been possible without the help of the City of Pittsburg and Crawford County. "I want to specifically thank the city and county officials," he said. "Everyone has been so helpful to us."

Christianson also thanked Kansas State Senator Jake LaTurner, (R- Pittsburg), who authored the bill which reduced the initial investment required to build the casino, paving the way for the opening. "An \$85 million investment and 400 employees in Southeast Kansas is a big deal," LaTurner said.

Casino General Manager Doug Fisher said Kansas Crossing is already giving back. The proceeds from Monday's gaming test in which select players club members were allowed to play were donated to several area non-profits. *Patrick Richardson, The Morning Sun, April 1, 2017*

## Pittsburg Micropolitan Area Economic Report

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# PITTSBURG MICROPOLITAN AREA EMPLOYMENT TRENDS

	Average Jobs Q3 - 15	Average Jobs Q3 - 16	Average Weekly Wages Q3 - 15	Average Weekly Wages Q3 - 16	Average Job Growth	Average Weekly Wages Growth
<b>TOTAL, ALL INDUSTRIES</b>	<b>16,636</b>	<b>16,713</b>	<b>\$616</b>	<b>\$651</b>	<b>0.5%</b>	<b>5.7%</b>
Accounting and bookkeeping services	55	58	\$636	\$701	5.5%	10.2%
All other specialty trade contractors	52	69	\$702	\$600	32.5%	-14.5%
Automotive mechanical and electrical repair	39	39	\$553	\$585	0.0%	5.8%
Automotive parts and accessories stores	57	59	\$352	\$345	2.9%	-2.0%
Child day care services	110	116	\$375	\$366	5.5%	-2.4%
Commercial banking	172	206	\$781	\$757	20.0%	-3.1%
Commercial building construction	57	53	\$637	\$747	-5.9%	17.3%
Commercial printing (exc. screen and books)	400	408	\$699	\$673	1.8%	-3.7%
Community care facilities for the elderly	245	233	\$326	\$400	-4.9%	22.7%
Department stores	57	59	\$218	\$245	4.1%	12.4%
Electronics and appliances stores	63	82	\$408	\$667	30.7%	63.5%
Elementary and secondary schools	1,615	1,597	\$550	\$600	-1.1%	9.1%
Executive and legislative offices, combined	503	496	\$551	\$551	-1.3%	0.0%
Furniture stores	31	27	\$411	\$514	-13.0%	25.1%
Grain and field bean merchant wholesalers	52	58	\$964	\$958	10.8%	-0.6%
Home health care services	45	87	\$511	\$676	91.9%	32.3%
Insurance agencies and brokerages	45	46	\$599	\$831	2.2%	38.7%
Janitorial services	76	111	\$488	\$538	45.4%	10.2%
Landscaping services	28	37	\$373	\$351	31.8%	-5.9%
Landscaping services	28	37	\$373	\$351	31.8%	-5.9%
Masonry contractors	30	49	\$589	\$649	64.0%	10.2%
Motorcycle, boat, and other vehicle dealers	37	37	\$761	\$695	0.9%	-8.7%
Nursery, garden, and farm supply stores	18	22	\$367	\$371	26.4%	1.1%
Nursing care facilities	368	346	\$463	\$442	-6.0%	-4.5%
Offices of dentists	129	111	\$881	\$939	-14.2%	6.6%
Offices of optometrists	34	36	\$480	\$493	5.8%	2.7%
Offices of physicians, except mental health	124	123	\$905	\$859	-1.1%	-5.1%
Oilseed and grain combination farming	22	31	\$760	\$714	38.8%	-6.1%
Other accounting services	37	37	\$594	\$702	0.9%	18.2%
Other residential care facilities	57	57	\$395	\$437	0.0%	10.6%
Pharmacies and drug stores	71	61	\$660	\$608	-13.2%	-7.9%
Plumbing and hvac contractors	55	40	\$673	\$675	-26.7%	0.3%
Postal service	61	64	\$984	\$960	4.3%	-2.4%
Residential electrical contractors	17	22	\$629	\$606	31.4%	-3.7%
Services for the elderly and disabled	231	216	\$341	\$355	-6.6%	4.1%
Site preparation contractors	33	36	\$531	\$609	11.2%	14.7%
Social advocacy organizations	26	27	\$312	\$313	3.9%	0.3%
Supermarkets and other grocery stores	245	309	\$397	\$417	26.0%	5.0%
Tire dealers	33	40	\$751	\$643	22.4%	-14.4%
Waste collection	28	27	\$448	\$502	-1.2%	12.1%

Source: Bureau of Labor Statistics



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| Theater Arcade.....232-2256      | Claire's Accessories.....231-1522 |
| Maurices.....231-1940            | Fashion Nails.....231-9141        |
| The Buckle.....231-0210          | KS Drivers License.....231-9141   |
| The Mall Deli.....231-7590       | University Bank ATM.. 231-4200    |
| Cafe Del Rio.....232-5895        | Game Recycle.....308-6855         |
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**MEADOWBROOK ANNEX**

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