

Survey: Dodge City in top 4 percent of small cities in economic strength

The Dodge City area micropolitan economy ranks well in a study of economic strength

Below is an article written by Christopher Guinn published by the Dodge City Daily Globe on Aug. 25, 2014.

The high economic strength ranking of the Dodge City micropolitan area, 21 on a list of 536 in the nation, is likely skewed when compared to many of the 20 above it, the analyst that compiled the rankings said.

Without North Dakota oil boomtowns and dense northeast towns packing the top of the list, Dodge City's ranking could be higher, William Fruth of the municipal planning firm Policom said.

Each year Fruth's firm, based out of Florida, ranks the nation's micropolitan and metropolitan economies. Dodge City has been on a steady increase since it bottomed out at 310 in 2006. It is now the highest ranking micropolitan economy in Kansas, according to Fruth's methodology. Junction City at 59 is the next highest.



The annual survey is designed to identify the “what” more than the “why,” Fruth said. Once the highest performing economies are identified, it becomes simpler to look for the reasons.

“The ‘why’ is very enlightening,” Fruth said. When he started the survey 20 years ago, he primarily focused on job growth but he soon realized that sometimes job growth is coming for the wrong reasons.

A rapid increase in retail employment, for example, could mask a poor economy since U.S. labor statistics treat a part time job and a full time job as an equal job, but during economic turmoil retailers may fire full timers and replace them with more flexible, and lower paid, part timers.

Fruth's survey differs in some respect from others: “Economic strength is not a measure of the fastest growing areas, but a measure of the economic foundation of the community,” he said.

Growth however is taken into account, and huge booms like those experienced by several towns in the North Dakota oil fields have seen rapid increases on the rankings which “skews the data” somewhat. Some of those cities with their rapid influx of skilled laborers will soon exceed the micropolitan population limit, he suspects.

The northeast corridor poses its own issues, as cities like No. 1 ranked Concord, N.H., may be more of a product of the Northeast's unique density of small independent cities in an area most people would consider metropolitan in nature.

Micropolitans are typically the relatively small cities that act as hubs for their surrounding rural areas, but also include areas outside of major metropolitans where the cities are smaller. These designations are set by the U.S. Census, but in short, micropolitan areas are surrounding cities with populations between 10,000 and 50,000 residents.

Ford County and the rest of the Midwest weathered the Great Recession far better than the finance-focused coasts and the real estate-driven economies of Arizona, California and Florida. In particular, the Dodge City economy grew consistently through this period, adding 2,698 jobs between May 2008 and May 2014 without a year of declines.

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Fruth did not have the specific Dodge City data available, but it was likely more than the Midwest economic bump that helped its rankings, he said.

“Look at strongest economies and see they are all over the country. Any state can have a strong economy; a lot of it is what is going on locally. Many times a strong economy is strong because of local leadership. The opposite is true, local leadership can cause a decline in an economy,” Fruth said.

Dodge City and Ford County Development Corporation Director Joann Knight attributes the ranking to a diverse mixture of industries including the stability of the ag-economy, the wind boom and solid growth in the area’s 25 manufacturers.

More importantly, however, is the continuing de-packing of the tight housing market. “The beef industry has been stable, but I think a lot of it is we’re addressing the housing issues and we’re starting to see our companies expand. I think there’s more confidence in how we’re addressing housing and related issues,” Knight said. Companies that couldn’t recruit workers and find them housing couldn’t expand, especially with the types of top office professional services that have been traditionally difficult to recruit for in rural communities.

As the local housing market tightened, taking the issue under the development corporation’s wing was essential, she said.

“In 2008, that’s why our organization got involved in housing. I told the city and county that we just couldn’t do economic development without housing,” Knight said.

Retail will follow, she said. With the city putting a purchase option on more than 100 acres on the northeast of the city and new tax incentives, she believes things will develop quickly on that front.

The development corporation is also considering hiring Fruth to perform an economic analysis of the area with comparisons to other communities.

Fruth was hired by the Finney County development corporation in 2005 to help kick-start that area’s economy following the closure of the packing plant there in 2000 that cost Garden City 2,500 jobs.

Fruth’s survey identified the city’s strengths and weaknesses, and surveyed local residents’ perceptions of their city’s strengths and weaknesses. Often, residents’ views did not align with the independent analysis, showing local biases and blind spots.

From that plan emerged Garden City’s five-year plan that was an important piece of its development as a retail center in southwest Kansas. Since then, Garden City’s retail growth has continued and during the most recent city elections, the successes of Dodge’s western neighbor were central to many residents’ questions to the commission candidates.

“Economic development is not a mystery,” Fruth said. “It’s very simple. The hard part is implementing it.” One of the big takeaways from Finney County was the development of workforce training, accomplished by Garden City Community College, and the acquisition of land by the city to prevent price gouging.

The most recent Policom rankings were validating, Knight said. Retail development is important as sales taxes will offset property taxes and provide for “Why Not Dodge?” projects, but most of the area’s important industrial bedrock has seen good growth.

Included among those investments were expansions by Pride Ag, Oferle Coop and soon, Right Coop; a \$5.5 million expansion at Roto-Mix; Crustbuster’s \$1 million expansions in Dodge City and Spearville; an expansion by Fed Ex; ITC, the electrical transmission firm, built a new office in the city; and Koch Nitrogen has invested \$14 million in expansions in recent history.

There are others, including major multi-million dollar investments at the National Beef plant and the Cargill plant.

“I think retail will eventually follow and we’re working hard on that,” Knight said. “Yes we want that balance and we want the retail here ... but it’s definitely our number 1 focus is retention and expansion in industry and livability.”