



# Economic Development Report | 2010





# A Collaborative Process

## ECONOMIC DEVELOPMENT BENEFITS

### Creating & Growing Jobs in Douglas County

The challenge of creating jobs under current economic circumstances is substantial. Reflecting that challenge, the Federal Reserve Bank recently announced job creation will be a major consideration as it develops monetary policy. Consider that every \$1 spent in job creation translates into many more jobs and dollars for the community. For every five new manufacturing jobs created, an additional four jobs are created throughout the city. The average manufacturing job pays about \$41,000 per year in Douglas County, and helps support jobs with an average salary of about \$21,000 per year.

A strong partnership between the City of Lawrence, Douglas County, Lawrence Chamber of Commerce, Lawrence-Douglas County Bioscience Authority, Lawrence Regional Technology Center and The University of Kansas plays a key role in ensuring the continued growth and security of our community by creating an environment in which existing business grow and new businesses are attracted to the community.

"Economic development has a direct relationship to our quality of life," said Beth Johnson, the Chamber's vice president for economic development. "A robust tax base ensures our community can continue to enjoy the benefits and services that make Lawrence and Douglas County such a wonderful community."

The partnership strives to position Lawrence/Douglas County as a center of economic vitality and quality of life unparalleled in the state. This joint economic development program has two main goals. The first is to help existing businesses, both large and small, grow and expand their operations in Lawrence. Keeping businesses in Lawrence/Douglas County helps the community and represents a significant investment in the community by those businesses. The second, but equally important, goal focuses on creating jobs by bringing new businesses to Lawrence.

"The entire community wins when a new company decides to call Lawrence home," said City Manager David L. Corliss. "Those new companies do business in our community. They create jobs and they bolster our tax base by investing in Lawrence."

Businesses are attracted to Lawrence because of its location in the center of the country, its educated workforce and because the City of Lawrence offers big-city amenities in a small city environment. Conversely, business prospects that considered Lawrence before selecting a different location for their business most commonly cited facility requirements and the lack of available buildings and sites as the reason for their choice to locate elsewhere.

However, with the city's recent acquisition of the Farmland property and re-zoning of property near and along the I-70 corridor, Lawrence has become an even more attractive location for new businesses, providing a balance between a business-friendly environment and the quality of life businesses need to attract employees.



**Former Farmland Industries Fertilizer Plant**



# A Collaborative Process



Funding for the partnership comes from City of Lawrence, Douglas County and Lawrence Chamber of Commerce funds. The partnership works together to address concerns from the business community and to create an environment that balances economic development with quality of life.

"The unique capabilities and assets the County, City and Chamber of Commerce bring to this partnership allow us to identify the resources available to help our businesses and communities grow," said Craig Weinaug, Douglas County Administrator. "We work together to match opportunities and resources that ensure Douglas County and Lawrence have the educated and trained workforce we need for the future."

"When a community demonstrates unity as this partnership does, it makes a positive impression on businesses considering our region," said Tom Kern, President/CEO of the Lawrence Chamber of Commerce. "It shows that while we are committed to working with businesses, we are equally committed to ensuring those companies fit in our community."

Having the City and County engaged in the earliest stages of attracting new businesses streamlines the process by identifying potential zoning or regulatory issues. It provides an opportunity to ensure all involved parties understand and can address desires, restrictions and any potential impact on the community.

"While it is important to attract new businesses, and the jobs they create, to the area, we also work to provide an environment where our existing businesses grow and remain in Lawrence," said Corliss. "Businesses that choose to remain in Lawrence, or select Lawrence as a new location, invest significantly in our community. The City, County and Chamber of Commerce are committed to the community's continued economic vitality and ensuring residents reap the benefits of a positive economic climate."



*Quality of Life in Lawrence*



*Outdoor Dining on Massachusetts Street*

## ECONOMIC DEVELOPMENT BENEFITS

### Providing Workforce Skills & Training

Businesses must be competitive to survive. For a business to grow and remain competitive in today's environment, it relies largely on the education and skills of the available workforce. Workforce training programs help local businesses remain competitive in an increasingly global economy and ensure a workforce ready to meet the needs of industry. The availability of a skilled labor force ranks among the top five factors companies consider when choosing a location. In recent surveys 92% of site selection consultants identified skilled labor as a critical factor in the process.



# Success Stories

## ECONOMIC DEVELOPMENT BENEFITS

### Responding to Changing Economic Challenges

A business friendly environment reflects the city's needs, addresses its priorities and takes advantage of the opportunities presented by attracting new business and growing existing businesses. Together, this helps create new jobs and diversify the types of businesses in a community, creating a more robust local economy. A positive business climate allows elected officials to quickly respond to evolving economic challenges and enhance the city's ability to be competitive in attracting and retaining businesses.

### Lawrence-Douglas County Bioscience Authority

Located in Lawrence, Kansas, the LDCBA is leading our community's efforts to develop a thriving life sciences industry to strengthen and diversify the local economy. In short, the LDCBA wants to make Lawrence a great place for life sciences companies to do business. In cooperation with its partners (the City of Lawrence, Douglas County, the Lawrence Chamber of Commerce, the University of Kansas, and the Lawrence Regional Technology Center), the LDCBA offers valuable resources and services, through its Bioscience and Technology Business Center, to life sciences companies that currently operate or desire to locate their businesses in Lawrence.



### Lawrence Regional Technology Center

LRTC provides the guidance and business assistance necessary to help accelerate the creation and growth of companies that excel in commercializing innovative technologies developed at the University of Kansas and by local entrepreneurs. LRTC is not your typical business incubator. Working side-by-side with its clients, the LRTC staff shares the entrepreneurial drive, passion and commitment essential for providing its clients with the highest possible quality of service. From corporate formation to exit strategies, LRTC has the expertise, tools and dedication necessary to help technology entrepreneurs and start-up companies grow and prosper. Over the last seven years LRTC's clients have raised ~\$182,000,000. The following are examples of the "hands-on" business assistance and services available to LRTC's clients:



- Corporate Formation
- Market Research & Analysis
- Competitor Research & Analysis
- Business Plan Writing
- Grant Proposal Writing
- Strategic Planning
- Business Model Development
- Revenue Model Development
- Organizational Modeling
- Sales & Marketing Strategy
- Financial Strategy
- Capital Acquisition
- Financial Management
- Operations Management
- Accounting Services
- Business Valuation
- Exit Strategy

# Success Stories



## Bioscience and Technology Business Center (BTBC)

The Bioscience and Technology Business Center opened for business on August 1, 2010. Located on The University of Kansas' West Campus, this \$7.25 million facility, combined with its expansion facility near the intersection of Bob Billings Parkway and Wakarusa in west Lawrence, provides more than 35,000 square feet of bioscience research and laboratory space. The BTBC is a partnership between the City of Lawrence, the Kansas Bioscience Authority, the Lawrence Douglas County Biosciences Authority, the Lawrence Regional Technology Center, KU Endowment and The University of Kansas.



*The Bioscience & Technology Business Center*

The BTBC represents a unique partnership between local and state entities created to expand the local economy by promoting the local bioscience and technology industries. The center provides the following resources to help entrepreneurs successfully grow their businesses in Lawrence.

- Two facilities comprised of ~35,000 sq. ft. of office and laboratory space;
- Commercialization and business development consulting service;
- Access to early stage capital;
- Access to world-class research capabilities at the University of Kansas;
- Information regarding available labs, offices, buildings, and industrial sites;
- Data regarding the local life sciences industry and companies operating in the region;
- Help understanding and applying to state programs designed to assist life sciences companies.



## ECONOMIC DEVELOPMENT BENEFITS

### Ensuring a Tax Base that Supports Community Needs

A diversified tax base can help insulate a community and its citizens during tough economic times. A diversified tax base helps maintain social services and amenities throughout the community.

The current revenue from property tax dollars received in Lawrence is 68% residential and 32% non-residential. As a community, we strive to increase the percentage of non-residential tax revenues to more closely match our peer cities.





# Success Stories

## ECONOMIC DEVELOPMENT BENEFITS

### Investing in a Robust Infrastructure

Communities that invest in sound infrastructure - water, sewer, electrical, maintained highways and sidewalks and public safety to name a few - increase their competitiveness in attracting new businesses to the area. More than 75% of executives questioned, cited the availability of land (with existing infrastructure) and buildings as being "very important" in their decision process. Site selection consultants identified it as one of the top 10 factors they consider in making recommendations to a client. Regions lacking these services are not seen as an area to locate or grow business.

### BTBC Success Stories

Since opening its doors, the BTBC signed four tenants in its first four months of operation. The BTBC is 40% occupied.

**Propylon** became the BTBC's first tenant and moved into the BTBC Main Facility in September of 2010. The company works with legislative and regulatory clients to create software solutions that meet complex requirements for data processing and content management. The company's clients include the Irish Parliament, LexisNexis, and the state legislatures of Pennsylvania, North Dakota, and Kansas. Propylon employs 14 people in Lawrence and hopes to grow to 30 during the next 2 years.

**BrightEHR**, a Lawrence-based software startup, became the second tenant of the BTBC Main Facility in October, 2010. BrightEHR is a software development company that specializes in electronic health record solutions for the behavioral healthcare industry. The company employs 3 people and plans to grow to 10 during the next 2 years.

**Sunlite Science and Technology** became the third tenant in the BTBC Main Facility in November, 2010. The company uses proprietary technology to produce unique LED lighting products with applications from flashlights, to warehouse ceilings to kitchen under-cabinets. Sunlite Science & Technology currently employs 5 people in Lawrence and plans to grow to 10 this year.

**Garmin**, the BTBC's fourth tenant, moved into the BTBC in January, 2011. Several of these employees are the result of a relationship developed between the University of Kansas School of Engineering and Garmin International. The agreement provides an opportunity to a select group of engineering students that works closely with the Garmin team that develops, maintains, and enhances software on its nüvi personal navigation devices. The company employs 13 in Lawrence and hopes to expand to 20 within a couple of years.

### BTBC Expansion Facility

The BTBC Expansion Facility, located near the intersection of Bob Billings Parkway and Wakarusa, was acquired by the City of Lawrence and Douglas County on behalf of the LDBCA in early 2010.

The first tenant, Crititech, is a KU spin-out company that is an emerging small particle pharmaceutical company developing cancer drugs. The tenant prospects pipeline for both BTBC facilities looks promising heading into 2011.



**BTBC Expansion Facility**

# Success Stories



## Farmland Industries Complex

The City of Lawrence acquired the former Farmland Industries fertilizer plant on K-10 Highway in September 2010. The city acquired the facility as an additional site for industrial and business park expansion. The 467-acre site is a great location for growing the local economy to provide additional employment opportunities and an increased community tax base. The site includes a BNSF rail service, has contiguous acreage for larger businesses and sites, is adjacent to the existing East Hills Business Park, leverages existing access to K-10 Highway, and has relative close proximity to utilities and infrastructure.

The city received \$8.5 million from the Farmland Trust for remediation efforts, which focus on the removal of excess nitrogen and ammonia associated with the plant's former location as a fertilizer plant.



*Storage tanks are in the process of being removed at the former Farmland property*

## Open For Business - Retention, Expansion and Attraction in 2010

### Business Retention and Expansion

Berry Plastics' decision to further invest in Douglas County will take the form of a new 600,000 square foot warehouse located on Farmer's Turnpike adjacent to I-70. This multi-million dollar construction project will provide immediate benefits to the Lawrence/Douglas County business community. Once the warehouse is complete, approximately 50,000 square feet of manufacturing space will become available at the existing plant. Already the community's largest manufacturer, employing more than 850 people, this expansion holds promise for additional manufacturing jobs in our community.



*The Oread Hotel*

Lawrence Memorial Hospital invested \$10.2 million in capital assets through buildings and equipment in 2010. The healthcare industry continues to have a major impact on the Douglas County community with 6,500 jobs and an estimated local economic impact of \$300 million in 2010.

Deciphera Pharmaceuticals was courted by several other cities when it needed room to expand. The company opted for Downtown Lawrence as the location for a new 16,000 square foot lab facility, bringing increased vitality to the downtown business district. The facility eventually will employ about 70 bioscience researchers, in the heart of the Lawrence community.

The Oread Hotel is a new destination location in Lawrence. A new addition to the Olivia Collection that includes the historic Eldridge Hotel, the Oread was a \$35 million construction project adding needed hotel rooms to the community, and several hundred new jobs to the region.

Crititech, a local pharmaceutical company that is currently in clinical trials to produce a promising ovarian cancer drug, was retained in Lawrence in 2010 through efforts of the city and county. This firm is an example of a local business that started pharmaceutical research at The University of Kansas and then expanded to a commercial operation; Crititech is located in the BTBC Expansion Facility.



# Success Stories

## Business Attraction

Plastikon, a manufacturer of products for the medical, health and electronics industries, announced it will expand its operations to the East Hills Business Park, creating 50 new jobs in the near-term, growing to about 125 in the next three years. All of these new jobs will be filled from our local labor pool and at an average wage of more than \$45,000. The company will refurbish the former Serologicals Building, bringing renewed vibrancy to the business park.

## Planning for the Future

Helping existing businesses to grow within our local community is a primary goal of economic development efforts. That effort requires advance planning that takes into consideration the lifestyle and needs of the community while sustaining an environment that encourages the business investment that fuels our tax base and funds many of the services citizens now enjoy.

Lawrence and Douglas County welcomed several new retail establishments to serve the needs of the community. Tractor Supply Co., Orscheln's, and Discovery Furniture are among the newest businesses in Lawrence. Tractor Supply and Orscheln's occupy new buildings in the local area, while Discovery Furniture's location in the former Food-for-Less building on Iowa Street, rehabilitated an existing commercial space into a new state-of-the-art furniture store, while adding 35 new local jobs.

In 2011, our local region will see the benefits of projects undertaken last year. A new seven-story building at 9th and New Hampshire will house a combination of residential apartments, retail and office space bringing new jobs and people to the downtown area.

The City's acquisition of the former Farmland Industries property and a new 51-acre parcel on Farmer's Turnpike and Queens Road position Lawrence/Douglas County to attract new businesses, and the jobs they create, to the region. Both sites take advantage of Lawrence's central location and access to major interstates, rail and air transportation.

Businesses recognize the vibrancy of our economy and continue to invest significantly in our community, benefitting the community at large.

## ECONOMIC DEVELOPMENT PARTNERS

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| City of Lawrence                             | <a href="http://www.lawrenceks.org">www.lawrenceks.org</a>           | (785) 832-3400 |
| Lawrence Chamber of Commerce                 | <a href="http://www.lawrencechamber.com">www.lawrencechamber.com</a> | (785) 865-4411 |
| Douglas County                               | <a href="http://www.douglas-county.org">www.douglas-county.org</a>   | (785) 832-5268 |
| Lawrence-Douglas County Bioscience Authority | <a href="http://www.ldcba.org">www.ldcba.org</a>                     | (785) 856-2676 |
| Laurence Regional Technology Center          | <a href="http://www.lrtc.biz">www.lrtc.biz</a>                       | (785) 832-2110 |