

Outside Agency Funding 2019

April 16, 2018 at 11:59 am

Section 1: Applicant Information

Legal Name of Agency

Lawrence Chamber of Commerce

Program

Economic Development Program

Primary Contact (must be available by phone on May 17, 2018 from 8:30 to 12:30)

Adam Handshy

Title

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Section 2: Request Information

Amount of funds requested for calendar year 2019

\$220,000.00

Will these funds be used for capital outlay (equipment or facilities)?

No

Will these funds be used to leverage other funds?

Yes

Please describe how these funds be used to leverage other funds

In 2016, The Chamber initiated an economic development capital campaign, wherein it worked closely with City, County and other community leaders to develop a five-year strategic plan. The plan's key objectives and strategies fell into five primary categories: business retention and expansion; workforce development; business recruitment and marketing; entrepreneurship and start-up support; and site and infrastructure capacity development.

The requested City funding will be used in concert with matching funds from Douglas County and substantial investment from the private sector in all efforts to implement this plan and achieve its stated objectives.

Did you receive City funding for this program in 2018?

Yes

What was the amount of the funding?

\$220,000.00

What was the source of the funding (i.e. General Fund, Alcohol Fund)?

General Fund

How would any reduction in City funding in 2019 impact your program?

A reduction in City funding would greatly reduce the efficacy of the Chamber's economic development program and erode the strength of the long-standing City, County and Chamber partnership.

The five strategic priorities of the Chamber's economic development program were determined in conjunction with City, County and other community leaders to reflect the needs of the broader community and were designed to be implemented over a five-year period, from 2017 to 2021. A reduction in funding in the middle of this timeline would force reevaluation, redirection or possible elimination of current and ongoing initiatives, such as business recruitment, site and infrastructure development and entrepreneurial support efforts.

If you are requesting an increase in funding over 2018, please explain why and exactly how the additional funds will be used:

The Chamber is highly sensitive to the budgetary constraints facing the City. No additional funding is requested at this time.

Does your agency receive City support outside of this application request process (i.e. CDGB Funds, facility support, Transient Guest Tax (TGT) Funds, Affordable Housing Funds, etc.)

No

Section 3: Special Alcohol Fund Information

Is your agency requesting special alcohol funds? To determine eligibility please review City Charter Ordinance 33.

No

Section 4: Statement of Problem/Need to be Addressed by Program

Provide a brief statement of the problem or need your agency proposes to address with the requested funding and/or the impact of not funding this program. The statement should include characteristics of the client population that will be served by this program. If possible, include statistical data to document this need.

Community vibrancy, quality of life, prosperity and sustainability are referenced throughout the City's mission and vision statements and strategic planning documents. Thus the importance the City of Lawrence places on economic development is clear, as it is through economic development initiatives that such goals are realized. This is true of any community.

The Chamber's economic development program is intentionally multi-faceted. It is designed to serve a variety of community constituents and to impact economic growth on a number of fronts. The following are the Chamber's five strategic priorities:

- Business Retention & Expansion: roughly 80% of a community's job growth stems from existing business
- Workforce Development; a talented and available labor pool is the number one deciding factor in business relocation decisions

- Business Recruitment & Marketing: this is essential to expansion of the tax-base and job creation
- Entrepreneurial & Startup Support: entrepreneurship and innovation are catalysts for job growth
- Site & Infrastructure Capacity: land/building availability, ease of transport, water, sewer, electric and internet are factors in site selection

Each of these initiatives impact the City's vibrancy and quality of life goals in a different manner, though all are undertaken with the underlying goal of job creation and retention for the community's citizens.

How was the need for this program determined?

A community's long-term viability is hinged on the ability of its citizens to obtain work and earn a living. Earned income is essential in providing for one's basic needs, but also to purchase a home, a car, to pay school or childcare fees, etc. Such purchases, in turn, generate taxes necessary to ensure the community's ability to provide crucial services, maintain infrastructure and create a certain quality of life for the citizens therein.

As it is through business growth, attraction and creation that job opportunities are created, it is determined that a measured and consistent approach to economic development is critical in sustaining a vibrant community.

Based on agency history, management structure, and staffing pattern, does the organization have the capacity to implement the proposed program and achieve the desired outcomes?

The Chamber's history spans more than 140 years, throughout which it has worked on a great many economic development initiatives. From industrial park developments and business attraction to school bond issues and community work programs, the Chamber has helped shape the community we know today. However, few efforts throughout this history were accomplished in a vacuum.

While the Chamber certainly has the staff and leadership capacity to impact meaningful change on its own, it would be severely challenged to realize the full potential of its current plan without the financial and leadership support of its strategic partners (City, County, EDC, BTBC, Peaslee, etc.), as it was in conjunction with them that the plan was developed (i.e. the Chamber may help identify the next industrial park, but can not annex it; the Chamber may learn of an existing business' expansion, but it cannot provide the financial assistance to support it, etc.).

The Chamber is excited and encouraged at the progress made thus far in the furtherance of its strategic plan, but will be reliant on the continuance of its partnerships to bring about the highest and best results.

Why should this problem/need be addressed by the City?

As stated above, community vibrancy and sustainability are reflections of successful economic development planning and initiatives, thus such activities must be considered core objectives of any community seeking to obtain them.

The City is much more than a financial partner in addressing this need. The City of Lawrence provides critical leadership in planning/zoning for development, tax policy decisions, business recruitment incentive packages and more. Meaningful economic growth cannot happen without the support of the City and, in turn, the City cannot thrive without a strategic focus on economic development.

How does the proposed program align with the City Commission Strategic Plan? Please cite specific Critical Success Factor(s) and explain how it aligns with your program.

The Chamber's economic development program, and its core strategies, align closely with the critical success factors of the City's strategic plan. Specifically, the two plans converge most directly upon the factors - Innovative Infrastructure and Asset Management, Collaborative Solutions, and Economic Growth and Security.

Innovative Infrastructure and Asset Management:

Since its inception in 1878, the Chamber has played a role in Lawrence's industrial development - from the formation of the Santa Fe Industrial Park in the 50's, the collaborative structure and creation of East Hills in the 80's, and the outward marketing of VenturePark since its completion in 2014. Its original mission statement proclaimed the creation of the

organization for "...the purpose of fostering, promoting and improving the trade, commerce, manufacturing, industrial, railroad and general interests of the city and county." While the language has changed slightly, the essence of this mission continues today.

Most recently, in addition to the ongoing efforts for VenturePark, the Chamber has worked with the City and County to identify the next industrial park. While Venture still has land available, it is not large enough to fulfill many of the requests for proposal the Chamber fields for industrial projects each year. Starting in 2018, the Chamber has also began an effort to better understand the City's current high-speed internet infrastructure and how it compares to the current and future needs of certain industries for business recruitment.

Economic Growth and Security:

The bulk of the Chamber's economic development activities are directed toward this success factor. As stated previously, the Chamber's five, strategic ED priorities are designed to impact the community in a number of ways, but all with the eventual intent of job creation and retention, as it through this effort that the City's goal of "...individual prosperity and a vibrant, sustainable local economy" is realized.

Collaborative Solutions:

As the above to success factors illustrate, economic development is a core function of the City of Lawrence. The Chamber, through its economic development program, serves as the "collaborative solution" for the City, allowing it to leverage the synergies of the organization to impact economic growth in a more "fiscally sound and responsible manner" than it may be otherwise possible. The Chamber, in turn, is reliant on the City's leadership and financial support to achieve its strategic initiatives. This is the definition of "collaboration."

Section 5: Description of Program Services

Provide a brief description of the service you will provide and explain how it will respond to the need you identified in Section 4. The description should describe as specifically as possible the interaction that will take place between the provider and the user of the services.

As stated above, the Chamber will work to impact community vibrancy, quality of life, prosperity and sustainability through the following economic development initiatives:

- Business Retention & Expansion: Chamber staff will maintain a consistent presence with existing businesses, identifying and quantifying resource needs, barriers to growth and opportunities for expansion. The Chamber will leverage local, state and regional partnerships to further these efforts when needed.
- Workforce Development: Recruitment of skilled labor is one of the key challenges employers face today and will remain so for the near future. The Chamber, through its business retention and expansion efforts, works closely with Peaslee Tech to ensure programming is meeting the current needs of local employers. This effort ensures local employers have a pipeline to talent and allows our community to better compete in business attraction opportunities.
- Business Recruitment & Marketing: The Chamber works closely with a number of local, regional and state partners to market the community for outside investment. It maintains memberships in several economic development organizations, advertises in national trade and industry magazines, and attends out-of-market networking opportunities to ensure Lawrence's visibility with key business relocation decision makers.
- Entrepreneurial & Startup Support: The Chamber leverages partnerships with existing, entrepreneurial-focused organizations, such as the KU Small Business Development Center, the Bioscience & Technology Business Center, and the University of Kansas to actively support small business and start-up growth in our community. The Chamber also administers the Network Kansas, Metropolitan E-Community revolving loan program.
- Site & Infrastructure Capacity: While Lawrence currently has VenturePark and few lots in East Hills, it is often eliminated from expansion and relocation projects due to a lack of appropriate sites, buildings and infrastructure. The Chamber is currently working with the City and County to identify the next industrial park location as well as examining the strength of the

city's current high-speed internet infrastructure.

How many clients will be served?

120,000

What other agencies in the community are providing similar types of services? What efforts have you made to avoid duplication or coordinate services with those agencies?

Economic development is a broad term and several local organizations work within the community to impact different aspects of it. As a small staff with aggressive economic development goals, it is critical that the Chamber leverage partnerships with such organizations to identify synergies and avoid duplication of efforts. This is achieved through a variety of meetings, sub-groups and reciprocal board of directors engagements. Notably, the Chamber works closely with the following strategic partners: The City of Lawrence, Douglas County, Bioscience Technology and Business Center, Peaslee Tech and the University of Kansas.

Fees & Services

Requested Amount

\$220,000.00

Cash Match

\$250,000.00

In-Kind

\$0.00

Subtotal

\$470,000.00

Explanation

See detailed budget attached.

Grand Total

Total Requested

\$220,000.00

Total Applicant Contribution

\$250,000.00

Total In-Kind

\$0.00

Total Cash Match

\$250,000.00

Grand Total

\$470,000.00

Program Revenue

City of Lawrence

\$220,000.00

Douglas County

\$220,000.00

Donations (Individual/Corporate)

\$250,000.00

Charges for Service

\$15,000.00

Total Revenue

\$705,000.00

What percent of 2019 program costs are being requested from the City?

Section 6: Program Objectives

Objective One

Business Retention & Expansion:

Chamber staff will maintain a consistent presence with existing employers to identify challenges and opportunities for growth. This will be accomplished through a variety of means, but most notably through direct, on-site business visits. It will conduct regular interviews with industry leaders to capture relevant data, such as workforce, facilities, capital or infrastructure challenges and relay this information to City, County or State leaders as appropriate. Through this effort, the Chamber will effectively serve as the BRE liaison between government, business and education.

Specific measurements for this effort include: number of jobs created and retained, with a goal of 500 over five years; amount of increased capital investment, with a goal of 10 percent increase over five years; and increase in wage growth, with a goal of 20 percent over five years.

Objective Two

Entrepreneurship and Startups:

The Chamber will continue to further entrepreneurial and start-up efforts through its partnerships with KU Small Business Development Center, the Bioscience Technology and Business Center, and the University of Kansas. In addition, the Chamber will work more directly to impact business growth through the administration, and strategic promotion, of the Network Kansas Metropolitan E-Community Revolving Loan fund.

This program leverages traditional financing to provide gap-funding for small businesses and entrepreneurs seeking to expand or start a business. While still in its infancy locally, the Chamber has successfully utilized the program to impact three local businesses (two expansions and one start-up).

Specific measurements for this effort will include: number of businesses supported, with a goal of at least three in 2019; total of dollars loaned out, with a goal of \$100,000, in 2019; and number of jobs created or retained, with a goal of at least 15 in 2019.

Objective Three

Business Recruitment & Marketing:

Efforts are underway in 2018 to develop a strategic, economic development marketing plan based on community assets and comparative advantages. Through this effort, the Chamber will identify specific target industries for business recruitment and identify avenues through which to pursue them. Key factors in this process will include the marketing of VenturePark and other industrial properties, touting University of Kansas strengths and leveraging regional partnerships.

Specific measurements for this effort will include: number of new jobs created and capital investment stemming from attraction projects.

Section 7: Supplemental Information

File

- [Chamber-EDC-2019-Budget.pdf](#)
- [Chamber-Form-990-Financials.pdf](#)
- [Chamber-Annual-Report-to-City-2017.pdf](#)

What is the total number of volunteers (estimate if necessary)?

200

What are your agency's total liabilities?

\$71,709.00

What are your agency's total assets?

\$523,766.00

What are your agency's total assets?

\$452,057.00

What are your agency's permanently restricted net assets?

\$0.00

What is your agency's land, building, or equipment fund?

\$61,354.00

What are your agency's total expenses?

\$1,312,540.00