

**Outside Agency Funding: 2019 : Entry # 23756****Section 1: Applicant Information****Agency**

Bioscience and Technology Business Center, Inc.

**Program**

Economic Development Agency

**Primary Contact (must be available by phone on May 21, 2019 from 8:30 to 12:30)**

Adam Courtney

**Title**

VP Finance

**Address**

2029 Becker Dr.  
Lawrence, Kansas 66047  
United States  
[Map It](#)

**Phone**

(785) 832-2110

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(785) 832-8234

**Email**[adam.courtney@btbcku.com](mailto:adam.courtney@btbcku.com)**Section 2: Request Information****Requested**

\$200,000.00

**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**

**Outside Agency Funding: 2019 : Entry # 23756**

The BTBC leverages the funding of the City of Lawrence with the funding of its other stakeholders, Douglas County and the University of Kansas. BTBC will leverage the funds to obtain additional funding through Federal grant programs (SBA/EDA grants), State of Kansas including the Kansas Department of Commerce, and other identified economic development/entrepreneurial funding available.

**Did you receive City funding, including funds from any component unit of the City, for this program in 2019?**

Yes

**Prior Funding**

\$200,000.00

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

General Fund

**How would any reduction in City funding in 2020 impact your program?**

A reduction in funding would negatively impact our ability to meet operational obligations and our ability to effectively carryout the BTBC mission, which is to recruit, create, grow, and retain early stage companies that produce jobs, in tun helping build a sustainable economic development infrastructure and tax base for the Lawrence/Douglas County area.

**If you are requesting an increase in funding over 2019, please explain why and exactly how the additional funds will be used:**

N/A

**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 you 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.**

BTBC mission is to recruit, create, grow, and retain early stage companies that produce high-paying jobs, which helps build a sustainable economic development infrastructure, tax base, and increased wealth for the Lawrence/Douglas County area.

**How was the need for this program determined?**

The BTBC was formed through a coalition of originally five stakeholders including the City of Lawrence, Douglas County, the University of Kansas, the State of Kansas, and the Lawrence business community through the Chamber of Commerce. The stakeholder group identified a need to recruit, create, retain and grow early stage companies. While the individual impact of the start-up and smaller companies would not have marked impact on the region, the stakeholders understood that the small incremental growth of many small companies would have lasting impacts on the region in terms of the production of high-paying jobs that grow the wealth of the region.

## Outside Agency Funding: 2019 : Entry # 23756

**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?**

BTBC has produced steady growth of the companies, jobs, and payroll of the companies within its system since its inception. The organization has maintained its base management and staffing structure through its life. While there has been a steady increase in demand for BTBC services, BTBC should have sufficient staffing and capacity to continue its mission.

The BTBC system currently includes 52 companies with 300 employees and about \$18.0MM in annual payroll.

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

The city should continue to support the BTBC's economic development mission so it can continue to create high-paying jobs in the region to grow the tax base that will support the future service needs of the community. BTBC companies create jobs that have salaries well in excess of the median salary of jobs in the region.

**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.**

BTBC aligns with the City Commission Strategic Plan in the area of Economic Growth and Security. BTBC assists the City in fostering an environment that provides business and individuals the opportunity for economic prosperity by providing high-potential early stage companies and entrepreneurs business services, incentives, and access to a vast network of resources that will assist the companies achieve success and grow within the community. These companies, through their high-paying jobs, assist residents by supplying jobs that have the potential to create prosperity and wealth in the local economy.

BTBC also aligns with the City's Collaborative Solutions Critical Success Factor. BTBC is a collaborative effort of multiple stakeholders including the City of Lawrence, that creates and recruit life science and technology companies, which are creating high-paying jobs in the region. The collaboration brings together government (City, Douglas County, and State of Kansas), the University of Kansas, and the local business community to assist with the commercialization efforts of KU and the private industry attraction efforts that will positively impact the region.

## 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.**

BTBC mission is to recruit, create, grow, and retain early stage companies that produce high-paying jobs, which helps build a sustainable economic development infrastructure, tax base, and increased wealth for the Lawrence/Douglas County area by leveraging the assets of the region including the University of Kansas.

**How many clients will be served?**

60

**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?**

Business services including: management oversight; business plan review and development; market assessment; pricing model; financial and budget projection and review; company formation; proof of concept analysis; general business guidance; specialized lab and office space; access to BTBC's network including industry contacts and business service providers; and responding to any other needs of our client companies.

## Program Revenue

**Outside Agency Funding: 2019 : Entry # 23756****City of Lawrence**

\$200,000.00

**Douglas County**

\$200,000.00

**School District**

\$0.00

**Grants (Local, State, Federal)**

\$50,000.00

**United Way**

\$0.00

**Charges for Service**

\$415,000.00

**Donations (Individual/Corporate)**

\$30,000.00

**Fundraising/Events**

\$0.00

**Revenue: Other**

\$1,615,000.00

**Total Revenue**

\$2,510,000.00

**If you have other revenue sources, please describe**

BTBC derived other revenue includes rent, interest income, deferred capital improvement revenue.

**What percent of 2020 program costs are being requested from the City?**

8

**Section 7: Program Objectives****Objective One**

## Outside Agency Funding: 2019 : Entry # 23756

Execute plan for private industry recruitment adding to BTBC's base of start-up activity and starter company portfolio; expand commercialization to private industry

- Identify strategic opportunities for selected private industry companies to invest in Lawrence, Douglas County, and KU
- Utilize regional assets, in general, and KU, specifically, as incentives to attract private industry
- Coordinate recruitment efforts with KU's Director of Strategic Partnerships, KUCR, KUCTC, the Chancellor's office as well as BTBC's other stakeholders
- Leverage Phase III project and future research and business park in attracting private industry

### Objective Two

Achieve projected outcomes from BTBC's core business

- Achieve the economic development metrics (see below)
- Strengthen BTBC's management business services and business analytics capabilities; apply to select companies with long term growth potential and/or BTBC investment and to strategic commercialization
- Establish a pipeline for future company creation and/or recruitment; utilize the virtual company status and potential new structures
- Apply targeted financial incentives to qualified companies
- Build a locally-based private investor group

### Objective Three

Plan and launch Phase III

- Finalize Phase III project development plan in 1Q 2019 (size/scope, capital structure and partners, company prospects preliminary commitments)
- Seek BTBC board approval in 1Q 2019
- Begin 18 month construction of Phase III project in 3Q 2019
- Resolve future of the BTBC West facility

## Section 8: Supplemental Information

### File

- [BTBC-2017-Form-9901.pdf](#)
- [2019-BTBC-Budget-Analysis1.pdf](#)
- [BTBC-2018-Financial-Compilation-11.pdf](#)

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

0

**What are your agency's total liabilities?**

\$8,595,911.00

**What are your agency's total assets?**

\$17,130,801.27

**What are your agency's total assets?**

\$8,534,889.98

**What are your agency's permanently restricted net assets?**

**Outside Agency Funding: 2019 : Entry # 23756**

\$0.00

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

\$13,668,670.00

**What are your agency's total expenses?**

\$2,451,050.00

# Outside Agency Funding: 2019

April 26, 2019 at 3:45 pm

## Section 1: Applicant Information

### Legal Name of Agency

Bioscience and Technology Business Center, Inc.

### Name of Program for Which Funding is being Requested

Economic Development Agency

### Primary Contact (must be available by phone on May 21, 2019 from 8:30 to 12:30)

Adam Courtney

### Title

VP Finance

### Address

2029 Becker Dr  
Lawrence, Kansas 66047  
United States

### Phone

(785) 832-2110

### Fax

(785) 832-8234

### Email

[adam.courtney@btbcku.com](mailto:adam.courtney@btbcku.com)

## Section 2: Request Information

### Amount of funds requested for calendar year 2020

\$25,000.00

### 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

BTBC leverages the City incentive funding with that of Douglas County. In addition, BTBC uses the City/County incentive funding to generate other incentive funds, primarily through the Kansas Department of Commerce. In 2018, BTBC was able to use the City/County incentive fund to receive additional funding from KDOC for its companies. BTBC also uses the funding as levered funding to its funding provided to companies.

**Did you receive City funding, including funds from any component unit of the City, for this program in 2019?**

Yes

**What was the amount of the funding?**

\$25,000.00

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

General fund

**How would any reduction in City funding in 2020 impact your program?**

Removing or reducing all funding would inhibit BTBC's ability to provide incentives to start-ups and small companies to locate and create companies with high-paying jobs in the region.

**If you are requesting an increase in funding over 2019, please explain why and exactly how the additional funds will be used:**

The additional funding will match the County's funding of \$25K. In 2017 and 2018, Douglas County contributed \$75K/year and the City contributed \$25K/year. The money would be leveraged and used as additional incentive funding to companies who need small incentives that don't often fit the City's traditional incentive funding opportunities which are more suited toward large projects for mature companies.

**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.**

The purpose of the incentive fund is to allow the BTBC, its stakeholders, and its strategic partners to recruit, create, and retain early-stage bioscience and technology companies in the Lawrence/Douglas County region. The initiative would encourage these companies to locate and expand the business operations and high-paying job base at the BTBC and in the Lawrence/Douglas County area, furthering the BTBC's mission of economic development and growing wealth in the region. The fund is maintained separate and apart from the BTBC operating funds.

In 2017 and 2018, Douglas County contributed \$75K to the incentive fund, while the City contribution to the fund was \$25K. With the 2017 \$100K incentive fund, the County and City approved five incentives. In all, the companies projected to receive incentives are estimated to create an addition 30+ jobs. In 2018, the fund was able to provide small incentives to 5 additional companies.

**How was the need for this program determined?**

BTBC identified a gap in available incentives for small and start-up companies who often don't meet the criteria of the available City and County incentives. There are opportunities to provide as little as a few thousand dollars to get these



companies headed in the right direction. The money is often for the purchase of a piece of equipment, workforce training grant, rent subsidy to get the company in to commercial space, or to overcome other small financial hurdles often standing in the way of these companies. While the amount of funding provided is often not large, the collective impact of these companies can be significant and lasting in the community..

These small incentives can make the difference between choosing to locate in Lawrence or in another city. Sometimes they make a difference in entrepreneurs starting a business at all.

**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?**

yes

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

The City should continue to funding the incentive fund because there is often not access to incentives for small and start-up companies.

**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 City/County Incentive Fund fits both the collaborative solutions and the economic growth success factors. The fund itself is a collaboration between the City, County, and BTBC, which is often leveraged with funding from other State and sometimes federal funding to provide incentives to small and start-up companies in the region.

## 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.**

The following are examples of the types of incentives provided:

- Rent Subsidies or discounts at BTBC
- Wet lab or office improvements
- Furnishings and Equipment
- Capital Instruments
- Workforce Development and Job Training Grants
- Some combination of the above incentives

**How many clients will be served?**

8

**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?**

To our knowledge, there are no other local agencies that are providing small incentives to small/start-up companies.

## Program Revenue

**City of Lawrence**

\$25,000.00

**Douglas County**

\$25,000.00

**Total Revenue**

\$50,000.00

**What percent of 2020 program costs are being requested from the City?**

50

## **Section 7: Program Objectives**

### **Objective One**

The purpose of the incentive fund is to allow the BTBC, its stakeholders, and its strategic partners to recruit, create, and retain early-stage bioscience and technology companies in the Lawrence/Douglas County region.

### **Objective Two**

The initiative would encourage these companies to locate and expand the business operations and high-paying job base at the BTBC and in the Lawrence/Douglas County area, furthering the BTBC's mission of economic development and growing wealth in the region.

### **Objective Three**

Companies should be committed to long-term growth in the Lawrence/Douglas County region.

## **Section 8: Supplemental Information**

### **File**

- [Economic-Development-Incentive-Fund-1-1.pdf](#)

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

0

**What are your agency's total liabilities?**

\$8,595,911.00

**What are your agency's total assets?**

\$17,130,801.27

**What are your agency's total assets?**

\$8,534,890.00

**What are your agency's permanently restricted net assets?**

\$0.00

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

\$13,668,670.00

**What are your agency's total expenses?**

\$2,451,050.00

**Outside Agency Funding: 2019 : Entry # 23758****Section 1: Applicant Information****Agency**

Bioscience and Technology Business Center, Inc.

**Program**

Economic Development Agency

**Primary Contact (must be available by phone on May 21, 2019 from 8:30 to 12:30)**

Adam Courtney

**Title**

VP Finance

**Address**

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Lawrence, Kansas 66047  
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**Phone**

(785) 832-2110

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(785) 832-8234

**Email**[adam.courtney@btbcku.com](mailto:adam.courtney@btbcku.com)**Section 2: Request Information****Requested**

\$75,000.00

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

Yes

**Please describe how these funds be used for capital outlay (equipment or facilities)**

**Outside Agency Funding: 2019 : Entry # 23758**

BTBC is requesting the City contribute \$75k over a five year period to the development of BTBC's Phase III project, which will be a new 80,000 sq ft building on KU's West Campus. This will be the third Phase in the development of a Research and Business Park. The BTBC stakeholders have contributed capital to each of the two previous phases of BTBC development. BTBC's two current facilities in Lawrence are virtually 100% occupied.

Without the development of Phase III, BTBC will be limited in its ability to continue its mission of creating, recruiting, and growing life science and tech companies in Lawrence and Douglas County. In addition, BTBC, Lawrence, and Douglas County will have a hard time retaining some of the companies who are expanding and will require additional space, including specialized wet lab space that is not generally available with in the region.

BTBC is developing Phase III with the support of its stakeholders, The City of Lawrence, Douglas County, the University of Kansas, and the Lawrence Chamber of Commerce. Each of these stakeholders will be providing support to the project. KU's support will be provided through KU endowment providing access to land and capital structure support. Douglas County will be asked to participate in the same amount and manner as the City of Lawrence.

**Will these funds be used to leverage other funds?**

Yes

**Please describe how these funds be used to leverage other funds**

Along with BTBC's request from the City, BTBC is seeking matching funding from Douglas County. With the five year commitments totaling \$750K from both stakeholders, BTBC is going to go to the KS Department of Commerce seeking leveraged, or matching funding for the project. This support from our local government agencies will be leveraged to gain financial support from the State of Kansas.

In addition, BTBC is seeking New Market Tax Credits to finance the building. NMTC's are a federal tax credit program that provides tax credits to qualified projects. The credits would likely contribute 15-20 % equity in the project.

**Did you receive City funding, including funds from any component unit of the City, for this program in 2019?**

No

**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 you 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.**

BTBC mission is to recruit, create, grow, and retain early stage companies that produce high-paying jobs, which helps build a sustainable economic development infrastructure, tax base, and increased wealth for the Lawrence/Douglas County area.

**How was the need for this program determined?**

**Outside Agency Funding: 2019 : Entry # 23758**

As stated previously, without the development of Phase III of KU's West Campus BTBC will be limited in its ability to continue its mission of creating, recruiting, and growing life science and tech companies in Lawrence and Douglas County. In addition, BTBC, Lawrence, and Douglas County will have a hard time retaining some of the companies who are expanding and will require additional space, including specialized wet lab space that is not generally available within the region.

**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?**

BTBC has produced steady growth of the companies, jobs, and payroll of the companies within its system since its inception. The organization has maintained its base management and staffing structure through its life. While there has been a steady increase in demand for BTBC services, BTBC should have sufficient staffing and capacity to continue its mission and the development of the Phase III project.

The BTBC system currently includes 52 companies with 300 employees and about \$18.0MM in annual payroll.

The Phase III project will house another 12 -18 companies with over 200 - 250 direct jobs and \$12.0MM - 15.00MM in annual payroll.

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

The city should continue to support the BTBC's economic development mission so it can continue to create high-paying jobs in the region to grow the tax base that will support the future service needs of the community. BTBC companies create jobs that have salaries well in excess of the median salary of jobs in the region. Without additional development, BTBC's ability to further its mission will be limited.

**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.**

BTBC aligns with the City Commission Strategic Plan in the area of Economic Growth and Security. BTBC assists the City in fostering an environment that provides business and individual the opportunity for economic prosperity by providing high-potential early stage companies and entrepreneurs business services, incentives, and access to a vast network of resources that will assist the companies achieve success and grow within the community. These companies, through their high-paying jobs, assist residents by supplying jobs that have the potential to create prosperity and wealth in the local economy.

BTBC also aligns with the City's Collaborative Solutions Critical Success Factor. BTBC is a collaborative effort of multiple stakeholders including the City of Lawrence, that creates and recruit life science and technology companies, which are creating high-paying jobs in the region. The collaboration brings together government (City, Douglas County, and State of Kansas), the University of Kansas, and the local business community to assist with the commercialization efforts of KU and the private industry attraction efforts that will positively impact the region.

**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.**

BTBC mission is to recruit, create, grow, and retain early stage companies that produce high-paying jobs, which helps build a sustainable economic development infrastructure, tax base, and increased wealth for the Lawrence/Douglas County area by leveraging the assets of the region including the University of Kansas.

**How many clients will be served?**

60

**Outside Agency Funding: 2019 : Entry # 23758**

**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?**

Business services including: management oversight; business plan review and development; market assessment; pricing model; financial and budget projection and review; company formation; proof of concept analysis; general business guidance; specialized lab and office space; access to BTBC's network including industry contacts and business service providers; and responding to any other needs of our client companies.

**Program Revenue****City of Lawrence**

\$75,000.00

**Douglas County**

\$75,000.00

**Grants (Local, State, Federal)**

\$750,000.00

**Total Revenue**

\$900,000.00

**What percent of 2020 program costs are being requested from the City?**

8

**Section 7: Program Objectives****Objective One**

Plan and launch Phase III

- Finalize Phase III project development plan (size/scope, capital structure and partners, company prospects preliminary commitments)

**Objective Two**

- Begin 18 month construction of Phase III project in 3Q 2019

**Objective Three**

Recruit private industry companies who would lease and locate in Phase III.

**Section 8: Supplemental Information**

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

8595911

**What are your agency's total liabilities?**

\$17,130,801.00

**Outside Agency Funding: 2019 : Entry # 23758****What are your agency's total assets?**

\$8,534,890.00

**What are your agency's total assets?**

\$8,534,890.00

**What are your agency's permanently restricted net assets?**

\$0.00

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

\$13,668,670.00

**What are your agency's total expenses?**

\$2,451,050.00