

## 2020 Budget Request Form – Douglas County, KS

### Summary and Community Partner Overview

Community Partner:	<b>Bioscience and Technology Business Center</b>
2020 Request	\$200,000

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#### Community Partner Overview:

The Bioscience and Technology Business Center (BTBC), formerly the Lawrence-Douglas County BioSciences Authority, was collaboratively created in 2005 by the City of Lawrence, Douglas County, University of Kansas (KU), and the Lawrence Chamber of Commerce. Its primary purpose is to build and recruit companies that produce jobs. This is accomplished by providing an infrastructure of professional talent, business services, modern facilities, specialized equipment, and capital around targeted core competencies currently emerging at KU and in the community private sector. The Lawrence business community, KU, and all citizens of Douglas County are served by the initiative in as much as it will expand the tax base, create job opportunities and provide overall economic development. In 2012, the BTBC completed a virtual merger with the Lawrence Regional Technology Center. Funding for the BTBC comes from both private and public sources including the City of Lawrence, Douglas County, and Kansas University. Private revenue is provided by client company rent revenues and management fees. Discontinuation of public funding, or reduction of it, will significantly impair BTBC from carrying out the purposes for which it was created. In addition, BTBC lost some of its annual grant funding that was provided by the Kansas Department of Commerce via the Innovation Growth Program (IGP). BTBC’s previous \$200K grant was reduced in 2015 and there is no available IGP funding in 2016.

#### Service Overview - Metrics and/or data that describe the service impact:

BTBC funds will be used for supporting the infrastructure, noted in the Agency Overview, above, as well as the marketing of Lawrence, Douglas County, and Kansas University as a destination location for emerging bioscience and technology companies.

Metrics as of 12/31/2018

Metric	BTBC Companies	BTBC Graduates	BTBC System Total
Companies	39	11	50
Jobs – Direct	211	78	289
Jobs – Indirect/Induced <sup>(1)</sup>	173	64	237
Jobs – Total	384	142	526
Direct Payroll	\$12,709,374	\$4,698,252	\$17,407,626
Indirect Payroll <sup>(2)</sup>	\$3,812,812	\$1,409,475	\$5,222,287
Annual Payroll	\$16,522,186	\$6,107,727	\$22,629,913

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### Alignment to County Focus Areas and Collaboration:

Community Partner:	<b>Bioscience and Technology Business Center</b>
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<b>Focus Area:</b>	Workforce Development/Economic Development
<p>The BTBC is a unique coalition consisting of the City, Douglas County, University of Kansas, and the local business community via the Lawrence Chamber of Commerce—the first of its kind for Lawrence. The BTBC creates, recruits, grows, and retains companies that produce high quality, high paying jobs by supporting growth of the bioscience and technology industries in the City of Lawrence, Douglas County, and Kansas City. By producing these jobs, the BTBC increases the local tax base and creates wealth in the community. To help its tenant companies grow and succeed, the BTBC provides: • Customized office and laboratory space • Access to the BTBC’s network of business and industry contacts • Access to KU resources • High bandwidth, low latency fiber internet connection • Business services and support.</p> <p>BTBC currently has 52 companies that have 298 jobs, with about \$18 MM in annual payroll. With the addition of Phase III, BTBC is projecting to add an additional 12 – 18 companies that have about 225 – 250 high paying jobs, with about \$13 – 15MM in annual payroll.</p>	

## 2020 Budget Request Form – Douglas County, KS

double click on spreadsheet to open

[2020 Budget Request Detail](#)

calculated fields

Community Partner:	<b>Bioscience and Technology Business Center</b>					
	2016 Actuals	2017 Actuals	2018 Actuals	2019 Adopted Budget	2019 Current Estimates	2020 Budget Request
<b>Revenues:</b>						
Unrestricted Fund Balance 1/1/xx						
<b>Douglas County</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>
City of Lawrence	200,000	200,000	200,000	200,000	200,000	200,000
University of Kansas			200000	200000	200000	200000
Other: Management Fees	326483.5	172500	126000	126000	126000	126000
Other: Const Management Fees	0	50000	66500	50000	50000	150000
Other: Partner Contributions	95000	105000	20000			30000
Other: Building Contributions	450000	250000	250000	175000	175000	150000
Other: Advisory Services	69408	106600	218600	200000	105000	100000
Other: Reimbursed Expenses	0	0	0	0	0	0
Partnet In-kind Services	210731	53305	0	0	0	0
Grant Funds	100000	360000	50000	50000	175000	50000
Interest	18861.04	14725	7023		0	16000
Rents	770107.54	860983	1190000	1260000	1260000	1310000
Other:						
Other:						
Interest						
<b>Total Revenues:</b>	<b>2,440,591</b>	<b>2,373,113</b>	<b>2,528,123</b>	<b>2,461,000</b>	<b>2,491,000</b>	<b>2,532,000</b>
<b>Total Revenues and Fund Balance</b>	<b>2,440,591</b>	<b>2,373,113</b>	<b>2,528,123</b>	<b>2,461,000</b>	<b>2,491,000</b>	<b>2,532,000</b>
<b>Expenditures:</b>						
Salaries	506,579	549,000	558,000	558,000	570,000	622,000
Employee Benefits	28,342	34,556	37,500	37,500	37,500	40,000
Health Insurance	24,138	32,307	35,000	35,000	42,000	48,500
Supplies	4,663	4,663	5,000	5,000	5,000	5,500
Building Maintenance	151,740	220,000	220,000	220,000	220,000	259,000
Utilities	345,000	372,000	401,000	401,000	401,000	410,000
Interns Services Expense			133,000	133,000	133,000	60,300

0.00%

# 2020 Budget Request Form – Douglas County, KS

## Budget Request Analysis

Community Partner:	<b>BTBC</b>
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<b>Analysis of Revenue Sources:</b>
<p>BTBC has both public and private revenue. Public revenue comes from Douglas County, the City of Lawrence, University of Kansas, and through grant funding. The public funding is utilized to underwrite the support services BTBC provides to its tenant companies, which are essential to the creating, recruiting, and growing the high-tech and life science companies. In 2019, public funding is estimated to be about 35% of the total BTBC funding.</p> <p>The private revenue of BTBC primarily comes from rent, but also includes business management services, project management, accounting services, and internet/phone service revenue.</p>
<b>Analysis of beginning &amp; ending fund balances, and dedicated or restricted cash reserves:</b>
<p>See included budget request detail for beginning and ending fund balances. BTBC’s cash reserves will be needed to support the next phase of BTBC growth, Phase III, which will be another building of KU’s West Campus. BTBC is currently at capacity and will need additional space if it is to continue with the mission for which it was created.</p>
<b>Analysis of expenditure changes:</b>
<p>BTBC has not identified any major operational expenditure changes in 2020.</p>

## 2020 Budget Request Form – Douglas County, KS

### Supplemental Request for Additional Funding

(This is in addition to the 2020 Request amount on page 1)

Community Partner:	<b>BTBC</b>	<b>\$75,000 Capital Reserve Fund</b>
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#### **Purpose for additional revenue from County:**

The requested capital reserve funding will be held in a reserve account by the BTBC and be utilized to off-set any necessary future capital contributions of the County to the next phase of BTBC development, which is likely to be a phase III construction project. The BTBC is currently in the process of leveraging the County's continued capital funding to raise significant additional funding for Phase III.

Since the inception of BTBC, the County has been supportive of BTBC's capital projects. The County initially pledged \$750K in funding toward the BTBC's phase I construction project that was paid \$75K/year over a 10 year period. That commitment was satisfied in 2017, but BTBC is requesting the County continue to contribute the same amount in anticipation of future expansion. In addition, the county makes annual payments of \$100K toward its \$1MM commitment to BTBC's phase II project and has two additional payments left on its phase II commitment.

#### **Impact if supplemental request is not funded:**

Not continuing the capital funding will impact the ability to raise leveraged funding to support the Phase III project and capital structure.

## 2020 Budget Request Form – Douglas County, KS

### Supplemental Request for Additional Funding

(This is in addition to the 2020 Request amount on page 1)

Community Partner:	<b>BTBC</b>	<b>\$25,000 Incentive Fund</b>
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#### **Purpose for additional revenue from County:**

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.

#### **Impact if supplemental request is not funded:**

**Impact will result on less available funding for BTBC to leverage in recruiting and creating new companies that could establish and grow operations in the region and generate wealth in the region through high-paying jobs.**

Bioscience and Technology Business Center, Inc.

Accrual Basis

Consolidated Statement of Activities  
2020 Initial Base Projections

Last Updated:  
04/15/19

	BTBC Inc. Operations	BTBC KUMC Facility	BTBC Main Facility	BTBC Phase III Construction	BTBC West Facility	2019 BTBC Consolidated YE Projection	Kaw Inc	LRTC Inc.	Adjustment & Eliminations	2019 Consolidated All Entities	2018 Budget All Entities	Variance From Budget	Percentage Variance	
<b>Revenues -</b>														
Douglas County Contribution	200,000.00		175,000.00			375,000.00				375,000.00	375,000.00	0.00	0.00%	
City of Lawrence Contribution	200,000.00		-			200,000.00				200,000.00	275,000.00	(75,000.00)	-27.27%	
KU Contribution	200,000.00		-			200,000.00				200,000.00	225,000.00	(25,000.00)	-11.11%	
KU Contributions - In-Kind			-			-				0.00	0.00	0.00	0.00%	
KUMC		126,000.00				126,000.00				126,000.00	126,000.00	0.00	0.00%	
Grant Funding/KDOC	50,000.00					50,000.00				50,000.00	50,000.00	0.00	0.00%	
Catalyst Partner Contributions						0.00				0.00	0.00	0.00	0.00%	
Lawrence Chamber of Commerce	20,000.00					20,000.00				20,000.00	20,000.00	0.00	0.00%	
Accounting Services	42,000.00					30,000.00			(12,000.00)	30,000.00	30,000.00	0.00	0.00%	
Project Management Fees	125,000.00					125,000.00				125,000.00	66,500.00	58,500.00	87.97%	
Rental Income			987,808.34		262,730.68	1,250,539.02				1,250,539.02	1,192,702.48	57,836.54	4.85%	
Reimbursed Expenses			-			0.00				0.00	0.00	0.00	0.00%	
Business Management Services	92,250.00					92,250.00				92,250.00	158,600.00	(66,350.00)	-41.83%	
Internet and Phone Service Revenue			30,000.00			30,000.00				30,000.00	30,000.00	0.00	0.00%	
Investment Income						0.00				0.00	304.12	(304.12)	-100.00%	
Interest Income	7,200.00		1,600.00			8,800.00	7,500.00	1,425.00		17,225.00	7,023.65	10,701.35	152.36%	
<b>Total Revenues</b>	<b>936,450.00</b>	<b>126,000.00</b>	<b>1,194,408.34</b>	<b>-</b>	<b>262,730.68</b>	<b>(12,000.00)</b>	<b>2,507,589.02</b>	<b>7,500.00</b>	<b>1,425.00</b>	<b>0.00</b>	<b>2,516,514.02</b>	<b>2,556,130.25</b>	<b>(39,616.23)</b>	<b>-1.55%</b>
<b>Expenses -</b>														
Administrative and Miscellaneous	13,200.00	3,230.00	18,000.00		150.00	34,580.00	310.00	235.00		35,125.00	35,125.00	0.00	0.00%	
Building Expenditures	1,000.00	-	156,000.00		102,000.00	259,000.00				259,000.00	218,000.00	(41,000.00)	-18.81%	
Contractual Services	1,200.00	1,020.00	4,800.00			7,020.00	6,000.00	6,000.00	(12,000.00)	7,020.00	7,020.00	0.00	0.00%	
Depreciation			546,000.00		315.00	546,315.00	360.00			546,675.00	548,675.00	(2,000.00)	0.36%	
Economic Development Software	3,000.00					3,000.00				3,000.00	5,000.00	(2,000.00)	40.00%	
Insurance														
Employee's Withholding	(3,000.00)	(480.00)			(476.16)	(3,956.16)				(3,956.16)	(3,420.00)	(536.16)	-15.68%	
Health	34,438.20	8,475.18				42,913.38				42,913.38	41,268.36	(1,645.02)	-3.99%	
Disability	8,400.00	900.00				9,300.00				9,300.00	8,556.00	(744.00)	-8.70%	
General Liability/Property	7,260.00		22,800.00		10,800.00	40,860.00	850.00	850.00		42,560.00	40,640.00	(1,920.00)	-4.72%	
Worker's Comp	2,218.31	254.92				2,473.24				2,473.24	2,401.56	(71.67)	-2.90%	
D&O	2,400.00					2,400.00	1,200.00	1,200.00		4,800.00	4,800.00	0.00	0.00%	
Interest			441,421.80			441,421.80				441,421.80	409,459.60	(31,962.20)	-7.81%	
Intern Program	60,312.00					60,312.00				60,312.00	132,912.00	(72,600.00)	54.62%	
KU Innovation and Collaboration Liaison										0.00	0.00	0.00	0.00%	
Marketing and Public Relations	16,750.00	1,500.00	6,200.00			24,450.00				24,450.00	31,950.00	(7,500.00)	23.47%	
Miscellaneous Expense	2,000.00	120.00	240.00			2,360.00				2,360.00	2,360.00	0.00	0.00%	
Payroll	554,578.38	84,973.88			67,947.75	707,500.00				707,500.00	684,190.32	(23,309.68)	-3.41%	
Professional Development	3,600.00					3,600.00				3,600.00	3,600.00	0.00	0.00%	
Professional Fees	23,000.00		600.00			23,600.00	1,850.00	3,600.00		29,050.00	33,250.00	(4,200.00)	12.63%	
Rent														
BTBC Expansion Facility - City of Lawrence					25,000.00	25,000.00				25,000.00	25,000.00	0.00	0.00%	
BTBC Main Facility - KUEA			1,000.00			1,000.00				1,000.00	1,000.00	0.00	0.00%	
Research Park Development Expenses										0.00	36,000.00	(36,000.00)	100.00%	
Retirement Contributions	31,992.00	5,098.43			4,076.87	41,167.30				41,167.30	39,578.92	(1,588.38)	-4.01%	
Taxes														
Income										0.00	0.00	0.00	0.00%	
Payroll	46,204.47	10,110.56			4,076.87	60,391.89				60,391.89	50,203.54	(10,188.36)	-20.29%	
Property										0.00	0.00	0.00	0.00%	
Real Estate					72,000.00	72,000.00	65.00	140.00		72,205.00	76,623.17	(4,418.17)	5.77%	
Ks Secretary of State Annual Report Fee										0.00	0.00	0.00	0.00%	
Travel and Meals	12,000.00	600.00	1,300.00			13,900.00	50.00			13,950.00	13,950.00	0.00	0.00%	
Technology										0.00	0.00	0.00	0.00%	
Utilities	3,600.00	600.00	253,000.00		152,500.00	409,700.00				409,700.00	401,700.00	(8,000.00)	-1.99%	
<b>Total Expenses</b>	<b>824,153.36</b>	<b>116,402.97</b>	<b>1,451,361.80</b>	<b>-</b>	<b>438,390.32</b>	<b>(12,000.00)</b>	<b>2,830,308.45</b>	<b>10,685.00</b>	<b>12,025.00</b>	<b>(12,000.00)</b>	<b>2,841,018.45</b>	<b>2,849,843.47</b>	<b>(8,825.02)</b>	<b>0.31%</b>
<b>Net Revenue Over (Under) Expenses From Operations</b>	<b>112,296.64</b>	<b>9,597.03</b>	<b>(256,953.46)</b>	<b>-</b>	<b>(175,659.64)</b>	<b>(12,000.00)</b>	<b>(322,719.43)</b>	<b>(3,185.00)</b>	<b>(10,600.00)</b>	<b>12,000.00</b>	<b>(324,504.43)</b>	<b>(233,814.97)</b>	<b>(90,689.45)</b>	<b>3.18%</b>
Depreciation Add-Back			546,000.00		315.00	546,315.00	360.00			546,675.00	491,425.00	(55,250.00)	-11.24%	
Intercompany Advisory Services										0.00	(16,140.00)	(16,140.00)	0.00%	
Interest Accrued										0.00	0.00	0.00	0.00%	
Principal Payments			(94,106.36)			(94,106.36)				(94,106.36)	(153,144.57)	(59,038.21)	38.55%	
Net Cash Provided (Used) From Operations	112,296.64	9,597.03	194,940.18	0.00	(175,344.64)	(12,000.00)	129,489.21	(2,825.00)	(10,600.00)	12,000.00	88,325.46	41,163.76	46.60%	
Phase III Project Capital Expense				(40,000.00)		(40,000.00)				(40,000.00)	0.00	(40,000.00)	0.00%	
Capital Projects/Building Improvements*										0.00	(40,000.00)	(40,000.00)	-100.00%	
Investment and Incentives			(40,000.00)			(40,000.00)	0.00			(40,000.00)	(40,000.00)	0.00	0.00%	
Rents Accrued but no Cash Receipt Anticipated										0.00	0.00	0.00	0.00%	
Net Cash Provided (Used) During Period	112,296.64	9,597.03	154,940.18	(40,000.00)	(175,344.64)	(12,000.00)	49,489.21	(2,825.00)	(10,600.00)	12,000.00	48,064.21	8,325.46	39,738.76	477.32%
Cash, Beginning of Year - Est.	712,000.00	22,000.00	575,000.00	0.00	10,500.00	1,319,500.00	101,500.00	82,500.00		1,503,500.00	939,450.51	0.00	0.00%	
<b>Cash, End of Year Projected</b>	<b>824,296.64</b>	<b>31,597.03</b>	<b>729,940.18</b>	<b>(40,000.00)</b>	<b>(164,844.64)</b>	<b>(12,000.00)</b>	<b>1,368,989.21</b>	<b>98,675.00</b>	<b>71,900.00</b>	<b>12,000.00</b>	<b>1,551,564.21</b>	<b>947,775.97</b>	<b>603,788.25</b>	<b>63.71%</b>

Detailed budgets for each individual entity available upon request.