



The Economic Development Corporation of Lawrence and Douglas County

To: Lawrence City Commission
Douglas County Commission
Mr. David Corliss, Lawrence City Manager
Mr. Craig Weinaug, Douglas County Administrator

From: Hugh Carter, VP External Affairs, Lawrence Chamber of Commerce
On Behalf of the Economic Development Corporation of Lawrence and Douglas County

Date: 5/7/2014

Re: Funding request for the Dwayne Peaslee Technical Training Center

Thank you for the opportunity to provide you with information and a funding request regarding the Dwayne Peaslee Technical Training Center (Peaslee Center).

BACKGROUND

In January 2014, the Economic Development Corporation (EDC) of Lawrence and Douglas County purchased a 77,000 square foot industrial building in east Lawrence to house the Peaslee Center. As part of that purchase, land adjacent to the Peaslee Center was gifted to Unified School District (USD) 497 as the site for the district's new College and Career Center.

The Peaslee Center will focus on customized training to fit the needs of both new and existing local business, as well as assisting local citizens seeking training, while the USD 497 College and Career Center will focus on career pathway training for students. This collaboration will create a campus to streamline workforce development efforts for our business community.

To date, the EDC has invested the following amounts in the Peaslee Center:

- \$750,000 Down payment on property
- \$30,000 Professional fees related to purchase, maintenance costs, etc. (net of rent revenue)

Furthermore, the EDC is scheduled to invest the following:

2014

- \$100,000 Professional fees, salaries, and other operating expenses (net of rent revenue)

2015

- \$215,000 Professional fees, salaries, renovation expenses, operating expenses, etc. (net of rent revenue)

In addition to the EDC's \$1,195,000 investment in the Peaslee Center, the Lawrence Chamber of Commerce has provided in-kind resources to the effort, including dedication of more than half of my time toward the Peaslee Center development since November 2013.

The Chamber recently hosted sixty individuals representing the business, public and education sectors to discuss the needs of business and industry and understand how a variety of sources can support the Peaslee Center. Eleven sectors were represented including higher education, finance, manufacturing, government and partners, professional, retail, healthcare, construction, engineering, bioscience, food/agricultural services.

Representatives from community and technical colleges from across the state were present to discuss models for engaging the business community and successful programs offered. The collaborative development of courses based upon labor market information as well as employer needs and input, delivery of programs in the workplace, the use of equipment on-site, and internships or apprenticeships were excellent examples of both the requirements of the TAACCCT (Trade Act Adjustment Community College and Career Training) grant and successful strategies to ensure training meets the needs of employers.

In coordination with the development of programming, the EDC and the Chamber are creating an operating structure and defining renovation requirements to meet the strategic workforce development objectives. The Chamber will be holding additional meetings with industry clusters to discuss needs and potential collaborations and partnerships during the next few months.

FUNDING REQUEST

The Economic Development Corporation of Lawrence and Douglas County respectfully requests that both the City of Lawrence and Douglas County provide funds toward the Peaslee Center renovation and infrastructure development to ensure the timely delivery of curriculum beginning in August 2015. Additionally, the EDC requests the City and County share in the operating expenses of the Peaslee Center, beginning in 2015. Based on current projections, the City and County's share of renovation and operating expenses are as follows:

City of Lawrence

- \$200,000 in infrastructure assistance in 2014
- \$300,000 in renovation assistance in 2015
- \$100,000 in operations funding in 2015

Douglas County

- \$200,000 in renovation assistance in 2014
- \$300,000 in renovation assistance in 2015
- \$100,000 in operations funding in 2015

The requested amounts equate to a two-year investment (in 2014 and 2015) of \$1,195,000 from the EDC, \$600,000 from the City of Lawrence and \$600,000 from Douglas County.

It is anticipated that rent revenue will increase in the first few years of operations as additional technical training needs are identified. With an anticipated ramp up in revenues, future operational funding needs are estimated as follows:

2016

- \$72,000 in operations funding from the County
- \$72,000 in operations funding from the City

2017

- \$60,000 in operations funding from the County
- \$60,000 in operations funding from the City

2018

- \$50,000 in operations funding from the County
- \$50,000 in operations funding from the City

We believe this is a tremendous opportunity to work together toward workforce and economic development efforts. If you have any questions or need additional information for your deliberations, please contact me at 865.4411 or hcarter@lawrencechamber.com. Thank you for your consideration of our request.