

## ***ECONOMIC DEVELOPMENT FUNDING AGREEMENT***

This Agreement is entered into between **the City of Lawrence, Kansas**, a municipal corporation (hereafter "City") and **Lawrence Chamber of Commerce, Inc.** (hereafter "The Chamber"), on this 16 day of November 2016, for the purpose of establishing certain conditions on the receipt, expenditure and use of City funds received by The Chamber.

### **I. Use of City Funds and Scope of Work**

As a condition of the receipt of City funds amounting to **\$220,000** during City budget year 2017, The Chamber hereby agrees to use and expend all such funds pursuant to:

- A) All applicable federal, state, and local laws; and
- B) The application for funds, as approved and amended by the City Commission, which states:
  - 1. **\$20,000** will be used to support the KU Small Business Development Center (KUSBDC.)
  - 2. **\$200,000** will be used for the Douglas County Economic Development Program.
  - 3. The funds will only be used to perform the scope of work as outlined in the economic development strategic plan, attached to this agreement as Exhibit A and incorporated by reference and to support the work of the KU Small Business Development Center (KUSBDC). The parties agree that the 2014-2016 strategic plan is being updated for 2017-2021 currently. The City reserves the right to direct revision of the scope of work at the City's discretion.

### **II. Creation of Economic Development Fund**

The Chamber shall create a separate fund or account known as the Economic Development Fund ("Fund") and The Chamber shall place all compensation provided in Section I in the Fund. The Chamber shall budget and account for funds as follows:

- A) Cash carryover and all reserves shall be budgeted.
- B) The budget of the Fund shall be balanced, meaning that total anticipated revenues must equal total expenditures.
- C) In order to build a minimum cash balance in the Fund, a cash reserve expense line-item shall be budgeted. This line item shall remain an un-appropriated expense line item.
- D) The Chamber may comingle the funds provided by the City in its general checking account, provided that the Fund is treated as a separate line item. At no time may the cash balance of the Fund be in a deficit position, regardless of the amount of cash in the checking account.

### **III. Coordination and Roles and Responsibilities between the City and Chamber**

#### **A. Responsibilities of The Chamber:**

- 1) Meet obligations outlined in this agreement.
- 2) Take the lead in responding to requests for information.
- 3) Maintain website and marketing materials.
- 4) Provide accountability and results through reports.

- 5) Draft and finalize economic development strategic plans as requested by either party. These plans are reviewed annually.
- 6) Coordinate with economic development partners, including the City, Douglas County, and other agencies, as needed.

B. Responsibilities of the City:

- 1) Assistance with responses to requests for information about sites, workforce, etc.
- 2) Produce analytical reports related to incentive requests.
- 3) Take the lead in handling incentive requests from businesses.

IV. Independent Contractor

The Chamber further agrees that it is an independent contractor of the City, and that the employees, agents, and vendors of the Organization are not employees of the City.

V. Disbursement of Funds

- A) Requests for disbursements shall be made by The Chamber in writing, on the official letterhead of the agency;
- B) The Chamber shall request disbursement of funds as follows:
  1. A request for fifty percent (50%) of the Chamber's allocation shall be submitted **on or after March 1, 2017.**
  2. A request for the remaining fifty percent (50%) of the allocation shall be submitted **on or after September 1, 2017.**

VI. Reporting Requirements

The Chamber shall provide written reports to the City as follows:

- A) A cumulative progress report that describes the progress made toward meeting the goals and outcomes described in The Chamber's Application for Funding and the strategic plan shall be due February 15, 2018.
  1. The Chamber of Commerce President shall review and monitor the status of the Fund's revenues and expenditures monthly. The President shall produce and provide to the City upon request a financial statement which includes actual year-to-date expenditures and revenues.
- B) **If not submitted with an application for funding for the following calendar year**, the following documents shall be on file with the City within nine months of the end of the agency's last fiscal year:
  1. The Chamber's current IRS Form 990 (i.e. copy of Federal Tax Return) as well as a copy of the current corporate annual report filed with the Kansas Secretary of State – FORM NP (not-for-profit) filing.
  2. A copy of The Chamber's current financial audit. It is suggested that the agency adopt SFAS No. 117. This standard has been adopted by the Financial Accounting Standards Board as a preferred accounting method for non-profit corporations.
  3. A copy of The Chamber's Annual Report that includes a summary of how the funds were used, to include an assessment of the organization's annual accomplishments and outcomes.
- C) The Chamber agrees to comply with K.S.A. 45-240, which requires not-for-profit entities receiving public funds to document and make available the receipt and expenditures of such funds.

VII. Retention and Access to Records

The Chamber will give the City, the City Auditor, or any authorized representatives of the City access to and the right to examine all records related to the expenditure of City funds.

The Chamber shall keep financial records and all other records pertaining to this project being funded for a minimum of three (3) years. The City may, at its sole option, conduct an audit related to this funding agreement. The Chamber shall, upon City's request, make its records and employees available promptly.

VIII. Term and Termination

The term of this agreement shall be for one year, beginning on January 1, 2017 through December 31, 2017, unless terminated earlier in accordance with this Agreement. Upon termination on December 31, 2017, The Chamber shall return any remaining funds to the City, unless the Chamber and the City have entered into a similar agreement for 2018. If the parties do so, any remaining funds shall be cash carryover for the Fund in 2018.

With six (6) months written notice, the City may withhold, or reduce, the payment of any and all monthly installment(s) due hereunder for any reason, including if the City, in its sole discretion, determines that such funds are needed to fulfill other City functions, including increasing the City reserves. In such event, the City or the Chamber may terminate this Agreement with written notice to the other party. The City shall compensate the Chamber for any Services completed before the date that notice of termination or nonpayment was received, and the Chamber shall return to the City any compensation remaining after the Chamber has been paid for completed Services.

The City shall retain the authority to withhold any and all payments to The Chamber if, in the sole judgment of the City, the proposed or continued use of the funds violates the terms of this Agreement, any applicable law, or is contrary to the appropriate use of public funds.

IX. Non-Discrimination

The Chamber must follow all applicable federal, state, and local laws regarding protected classes and may not refuse service to any persons based on race, sex, religion, color, national origin, age, ancestry, familial status, sexual orientation, gender identity, or a real or perceived disability.

**THE UNDERSIGNED, DULY REPRESENTING LAWRENCE CHAMBER OF COMMERCE, INC., THE ORGANIZATION OF THIS AGREEMENT, HEREBY AGREES TO THE CONDITIONS OF THIS AGREEMENT FOR THE RECEIPT, EXPENDITURE AND USE OF CITY FUNDS:**

Signature: \_\_\_\_\_

*Larry K. McElwain*

Print Name and Title: Larry K. McElwain President/CEO

STATE OF KANSAS )

COUNTY OF DOUGLAS )

The foregoing Agreement was acknowledged before me this 16<sup>th</sup> day of November, 2016 by Larry McElwain, representing Lawrence Chamber of Commerce as the Organization of this Agreement. In testimony whereof, I have hereunto set my hand and affixed my official seal on the day and year last above written.

*Catherine M. Lewis*  
Notary Public

My appointment expires: 11/21/18



**THE UNDERSIGNED FOR THE CITY OF LAWRENCE, KANSAS:**

Signature: \_\_\_\_\_

*Thomas M. Markus*

Print Name and Title: Thomas M. Markus, City Manager

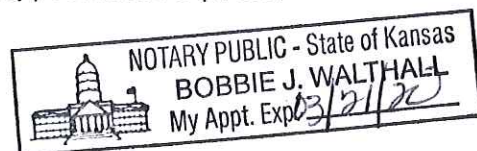
STATE OF KANSAS )

COUNTY OF DOUGLAS )

The foregoing Agreement was acknowledged before me this 20 day of November, 2016 by Casey Toomay, representing the City of Lawrence, Kansas. In testimony whereof, I have hereunto set my hand and affixed my official seal on the day and year last above written.

*Bobbie J. Walthall*  
Notary Public

My appointment expires: \_\_\_\_\_



# Community Economic Development Strategic Plan 2015-2016



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## **Vision Statement**

Lawrence and Douglas County will have the region's top performing economy and be recognized as the best place to live, learn, play, work, and do business.

## **Mission Statement**

Promote economic development in Lawrence and Douglas County through the retention of existing businesses and industries, the support and expansion of existing and new entrepreneurial business opportunities, and the attraction of new high wage business and industry. This will be accomplished by providing the resources that enable development and presenting Lawrence and Douglas County as the preferred industrial, commercial, and residential choice.

## ECONOMIC DEVELOPMENT PYRAMID

### 5. New Business Attraction, etc

The final level is recruiting new industry. Communities need to start at the base of the pyramid. Each level 'feeds' the next one; the elimination or reduction in the lower levels diminishes the strength of higher levels. This means that efforts to recruit new industry are likely to be unsuccessful until a community has a sound economic development organizational structure in place, and the needs of existing industry are appropriately met. )

### 4. Workforce Development

The fourth level of the pyramid is the educating and development of a workforce to provide a qualified labor pool.

### 3. Entrepreneurship pyramid

The third level of the pyramid is creating and maintaining an entrepreneurial environment. Over 80 percent of new businesses in the U.S. are started and developed by entrepreneurs. This includes continuing to support the entrepreneurial efforts inside the BTBC and the Nexus Group.

### 2. Existing Business Support, Retention & Expansion

The second level of the pyramid is working with existing businesses and industry within the community. Existing industry is the most likely source of new jobs for the community. It is also the best source of leads for prospective firms to recruit into the Douglas County communities.

### 1. Economic Development Partnership

At the base of the pyramid is the organizational structure of an economic development partnership. A partnership is foundational because effective economic development efforts require the support and participation of all the key public and private sector players (i.e. City, Douglas County, Kansas University, EDC, and The Chamber).



## **Economic Development Partnership**

**Goal: Strengthen an Economic Development Partnership to support and assure the participation of all the key public and private sector players (i.e. City, County, University, EDC, Chamber, etc.).**

**Strategy:**

1. Develop a strategic vision for the Lawrence and Douglas County's economic and community development.
2. Identify and develop the core competencies that will be needed to achieve the vision.
3. Monitor and review action plans for strategic initiatives to assure implementation.

**Action Steps:**

	<b>Action Steps</b>	<b>Resp.</b>	<b>Supports Strategy</b>	<b>Performance Measurement</b>	<b>Resources Required</b>
1	Complete a strategic vision for Lawrence and Douglas County Economic Development.	EDC JEDC Cities County	1	Review at least annually	EDC Staff time, JEDC time, Cities and County time.
2	Discuss and select core competencies—and develop a plan to apply them.	EDC JEDC Cities County	2	Review annually	EDC Staff time, JEDC time, Cities and County time.
3	Review action plans for each of the strategic initiatives.	EDC JEDC Cities County	2	Review quarterly and adjust as needed	EDC Staff time, JEDC time, Cities and County time.

## **Existing Business Support, Retention & Expansion**

**Goal: Increase primary/living wage jobs created by local businesses and improve levels in assessed values of businesses and property tax collections in Douglas County.**

**Strategy:**

1. Support, assist, and grow primary employers.
2. Build relationships with existing businesses to become the primary support service for retention and expansion.

**Action Plan:**

	<b>Action Steps</b>	<b>Resp.</b>	<b>Supports Strategy</b>	<b>Performance Measures</b>	<b>Resources Required</b>
1.	Connect with existing employers in Douglas County via site visits, recognition and offering support.	EDC	1 & 2	<ul style="list-style-type: none"> <li>• Conduct 12 community visits with primary employers annually</li> <li>• Complete 24 existing business visits annually</li> <li>• Strengthen relationships with at least 20% of the primary employers every year.</li> </ul>	EDC Staff time
2.	Expose existing businesses to the suite of support services offered by the EDC	EDC KUSBDC City Small Business Facilitator SBF)	1 & 2	<ul style="list-style-type: none"> <li>• Conduct at least two related training seminars in expansion planning and available resources.</li> </ul>	EDC Staff, KUSBDC and City SBF time
3.	Recruit local manufacturers to establish the Manufacturers & Large Employers Council.	EDC	1 & 2	<ul style="list-style-type: none"> <li>• Conduct quarterly meetings</li> <li>• Identify action items for follow-up</li> </ul>	EDC Staff time
4.	Report the number of jobs retained & created as a result of the existing business support, retention & expansion program.	EDC	1 & 2	<ul style="list-style-type: none"> <li>• Report quarterly the number of jobs created and retained</li> </ul>	EDC Staff time

## Entrepreneurship

**Goal: Develop programming that supports entrepreneurs and start-ups.**

Strategy:

1. Develop resources for technical assistance.
2. Market entrepreneurship opportunities in the community.
3. Create locally controlled financial resources dedicated to entrepreneurship.
4. Network with local and regional entrepreneurship support programs.
5. Create regional events to attract entrepreneurs.

Action Plan:

	<b><i>Action Steps</i></b>	<b>Resp.</b>	<b>Supports Strategy</b>	<b>Performance Measures</b>	<b>Resources Required</b>
1.	Build a technical assistance consortium between Network Kansas, KUSBDC, City of Lawrence Small Business Facilitator, and EDC Vice President.	EDC City – Small Business Facilitator (SBF) KUSBDC KDOC	1 & 4	<ul style="list-style-type: none"> <li>• Monthly meetings to discuss the status of entrepreneurship needs</li> <li>• Quarterly reports</li> </ul>	EDC Staff time SBF time KUSBDC time
2.	Create the Small Business Spotlight and Entrepreneur Spotlight in the EDC newsletter specifically addressing start-ups and entrepreneurship activities.	EDC	2 & 4	<ul style="list-style-type: none"> <li>• Monthly articles</li> </ul>	EDC Staff time
3.	Begin the development of the Lawrence & Douglas County Entrepreneurship Scholarship fund.	EDC	3	<ul style="list-style-type: none"> <li>• Develop application process</li> <li>• Identify fund governance body</li> <li>• Secure seed funding</li> </ul>	EDC Staff time Additional funding
4.	Begin the development of the Lawrence & Douglas County Revolving Loan Fund.	EDC	3 & 4	<ul style="list-style-type: none"> <li>• Develop application process</li> <li>• Identify fund governance body</li> <li>• Secure seed funding</li> </ul>	EDC Staff time Additional funding
5.	Begin the development of the Venture Capital Fund.	EDC	3 & 4	<ul style="list-style-type: none"> <li>• Identify local/regional investors interested in developing the venture capital fund</li> <li>• Identify companies that would benefit from venture capital</li> <li>• Connect companies to Venture Fund</li> </ul>	EDC Staff time

## **Regional Food System Infrastructure**

**Goal: Develop strategy to support the development of a regional Food System Infrastructure.**

**Strategy:**

1. Provide site selection services for regional “Food System Infrastructure”
2. Assist with assessing workforce needs for regional “Food System Infrastructure”
3. Assist with identifying capital investment needs
4. Develop co-operation opportunities for food-oriented entrepreneurs in the community

**Action Plan:**

	Action Steps	Resp.	Supports Strategy	Performance Measures	Resources Required
1.	Identify locations suitable for “Food System Infrastructure” within Douglas County.	EDC	1 & 2	<ul style="list-style-type: none"><li>• Work with the Douglas County Food Policy Council to identify 4 potential locations and workforce needed for the operation of a food hub.</li></ul>	EDC Staff time Swift Site Implementation LOIS updated
2.	Seek private investment from the region.	EDC	3	<ul style="list-style-type: none"><li>• 1 lead per month</li><li>• Report quarterly</li></ul>	EDC Staff time, networking expenses
3.	Identify co-operation prospects.	EDC	4	<ul style="list-style-type: none"><li>• Provide an aggregate number of prospects based on leads from the community and Douglas County Food Policy Council.</li></ul>	EDC Staff time. Networking expenses

## **Workforce Development**

**Goal: Support new and existing business workforce needs by delivering workforce with appropriate, in demand skill sets.**

Strategy:

1. Complete development of the Dwayne Peaslee Technical Training Center.
2. Collaborate with USD 497's College & Career Center.
3. Collaborate with regional industry and other stakeholders.

Action Plan:

	<b>Action Steps</b>	<b>Resp.</b>	<b>Supports Strategy</b>	<b>Performance Measures</b>	<b>Resources Required</b>
1.	Identify and acquire location for the technical training facility.	EDC	1	<ul style="list-style-type: none"> <li>Complete</li> </ul>	
2.	Assess the workforce needs of incoming and existing businesses in Douglas County.	EDC	1 & 2	<ul style="list-style-type: none"> <li>Identify workforce needs learned from community visits.</li> <li>Identify in demand trades</li> </ul>	EDC & Chamber Staff time
3.	Identify funding mechanisms to support the Peaslee Center in the future.	EDC	1	<ul style="list-style-type: none"> <li>Apply for grants that support technical training.</li> <li>Seek private funding resources</li> </ul>	City and County financial support
4.	Work with area technical and community college to identify the appropriate training curriculum.	EDC	2 & 3	<ul style="list-style-type: none"> <li>Analyze data collected by the KU School of Applied Economics.</li> <li>Identify career paths most in need that fit the mission of the Peaslee Center</li> </ul>	EDC & Chamber staff time
5.	Hire development director for the Peaslee Center.	EDC	1	<ul style="list-style-type: none"> <li>Complete</li> </ul>	City and County financial support

## **New Business Attraction/Recruitment**

### **Goal 1: Broaden employment base and promote new business opportunities in Douglas County.**

#### Strategy:

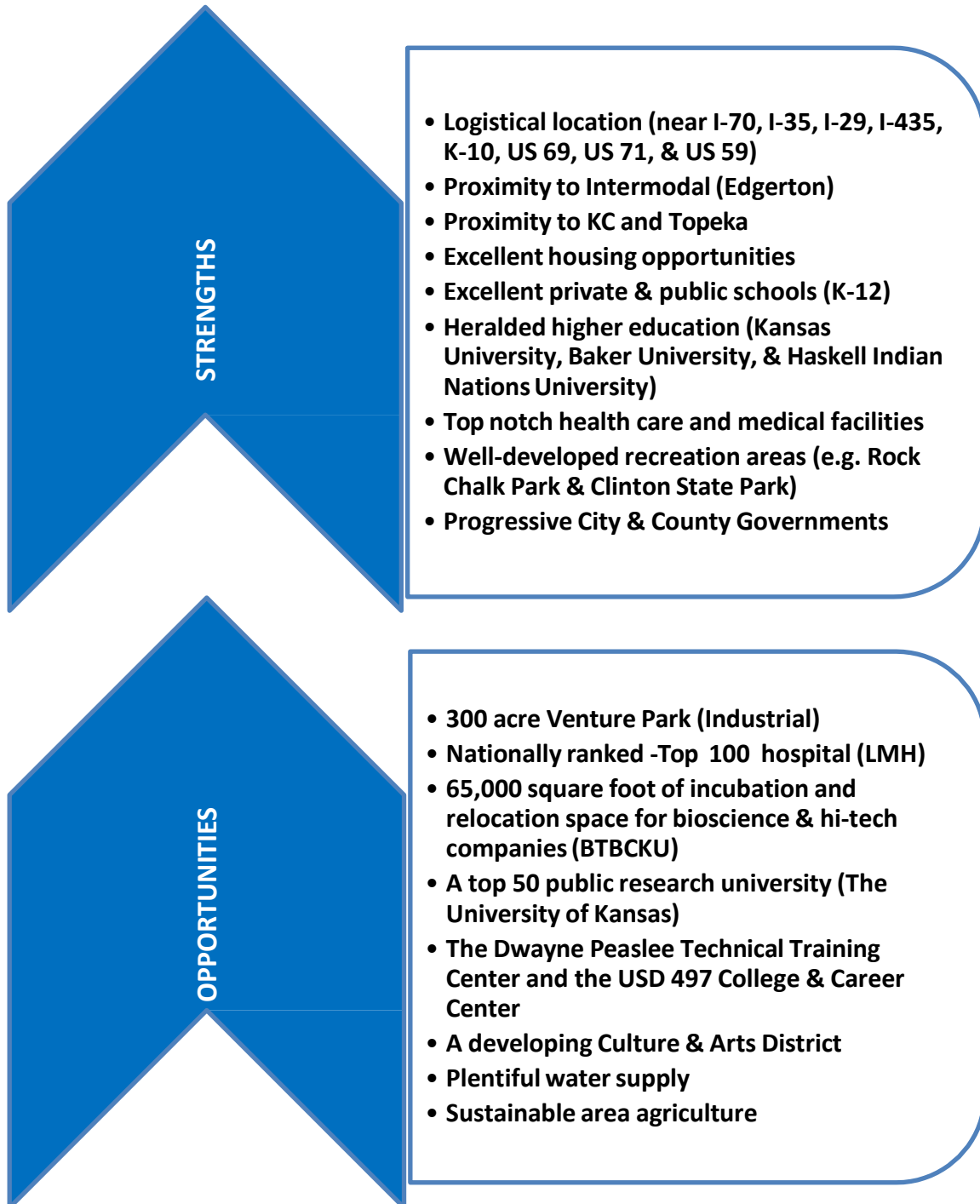
1. Initiate Targeted Industry Study to identify sectors suitable for Lawrence and other communities in Douglas County and initiate target industry marketing plan.
2. Target sectors identified in Target Industry Study. Maintain an aggressive attraction/recruitment program with emphasis on primary jobs where Douglas County has a competitive advantage. Until the study is performed, the following sectors will be targeted:
  - a. Logistics
  - b. Advanced Manufacturing
  - c. BackOffice/Financial
  - d. Bio-sciences (Animal and Human Health)
3. Initiate marketing campaign focused on industry specific site consultants.
4. Customer service approach to project and prospect development.
5. Identify new sites to locate new economic development opportunities.

#### Action Plan:

	<b>Action Steps</b>	<b>Resp.</b>	<b>Supports Strategy</b>	<b>Performance Measures</b>	<b>Resources Required</b>
1.	Complete Targeted Industry Study and Plan.	EDC	1 & 3	<ul style="list-style-type: none"> <li>• Issue RFQ/RFI for study</li> <li>• Establish budget</li> <li>• Initiate study by 2-1-15</li> </ul>	Additional funding based on study cost estimates EDC Staff time
2.	Develop leads and prospects in international/global markets.	EDC	2	<ul style="list-style-type: none"> <li>• 1 per month</li> <li>• Report quarterly</li> </ul>	EDC Staff time Additional funding sources
3.	Develop and maintain core list of site consultants in targeted industry sectors.	EDC	2	<ul style="list-style-type: none"> <li>• Initial database completion by 1-1-15</li> <li>• Quarterly reports</li> </ul>	EDC Staff time
4.	Actively and aggressively pursue leads and prospects developed from site consultants, KDOC, and KCADC.	EDC	4	<ul style="list-style-type: none"> <li>• Quarterly Report as to status and progress</li> </ul>	EDC Staff time Additional funding sources
5.	Attend forums designed to provide one-on-one meetings with site consultants.	EDC	3 & 4	<ul style="list-style-type: none"> <li>• Attend 3 KCADC organized events</li> <li>• Attend 3 KDOC organized events</li> <li>• Attend 3 EDC organized events</li> </ul>	EDC Staff time Travel Budget
6.	Participate in infrastructure planning to support new business development.	EDC	5	<ul style="list-style-type: none"> <li>• Attend Planning Commission meetings</li> </ul>	EDC Staff time

# **STRENGTHS & OPPORTUNITIES**

(Appendix 1)



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## OVERARCHING OBJECTIVES

(Appendix 2)

