



February 14, 2018

City Manager's Office
Care of: Danielle Buschcutter
City of Lawrence
6 E. 6th Street
Lawrence, KS 66044

Dear City Leaders:

Please find the 2017 annual report from The Chamber, Lawrence, Kansas attached. As always, we are appreciative of the City of Lawrence's partnership, funding, and leadership. The City and the Chamber have similar visions for our community – one that is thriving and economically progressive, with an enviable quality of life for its citizens. The Chamber is focused on promoting growth and economic prosperity by serving as the leading business advocate, cultivating leadership, and facilitating connectivity.

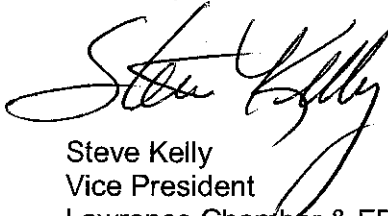
The funding the City provides to The Chamber is specifically dedicated to the economic development needs of this community. It's used in concert with matching funds from Douglas County and substantial investment from the private sector. All three sources are valuable and necessary to work toward the high expectations Lawrencians have for the community they love. Through the funding partnership, the City helps ensure that economic development efforts remain strong, led by a professional staff with decades of expertise in multiple fields. Chamber staff has spent years building local, national, and international business relationships and connections, and has the ability to advocate outside city limits. The Chamber is usually the first point of contact for business attraction efforts and provides additional eyes and ears for the City within the business community. The Chamber is currently following a five-year plan that was created with input from many community stakeholders and focuses on five areas: business retention and expansion, workforce development, business recruitment and marketing, entrepreneurship and startups, and site and infrastructure capacity. The plan was forged in partnership, but The Chamber leads the implementation of that plan, meaning the City's contribution is leveraged and combined with other sources of funding to ensure that all local entities are maximizing efforts to continue to grow Lawrence forward.

The City of Lawrence is an essential partner for economic development. The City is much more than a financial partner, as it also provides critical leadership in planning and zoning for development, tax policy decisions, local incentive packages, and business attraction and retention efforts. The partnership between the City and The Chamber furthers the strategic plans and goals for both organizations. There are daily touches between City Hall and Chamber offices, whether it's an established meeting, an informal gathering, or a phone call. The Chamber works with several entities to ensure that economic development efforts aren't duplicated and existing services of partnership organizations are augmented through mutual support and interaction.

Looking back at 2017, The Chamber, in conjunction with the City and other partners, can reflect on many successes. Over the course of the year, Chamber staff had over 300 unique business interactions and facilitated 11 community tours. The City's Catalyst program was formalized in April, and included Chamber staff assistance with writing guidelines, channeling input from the business community, and providing research on how comparable communities handle streamlined incentives. The Chamber provides business research support for anyone who holds a Lawrence Public Library card through a purchased subscription to the Mergent Intellect database. The Chamber provided its first Metropolitan E-Community loan in 2017, furnishing \$45,000 in gap funding to a local acupuncturist. The Chamber had great outcomes in the areas of business recruitment and expansion, including business recruitment on an international scale and several local expansion projects. And when it comes to workforce development, The Chamber provided \$140,000 in funding to the Dwayne Peaslee Technical Training Center in 2017 alone, including the behind-the-scenes work to bring together six local car dealerships to help create the Lawrence New Car Auto Dealers Lab. Chamber staff also spearheaded a conversation and brought together twelve local financial institutions to provide over \$1.4 million in financing for Peaslee Tech.

The partnership between The Chamber and the City is vital to our community and its citizens. We look forward to seeing that partnership continue to grow and thrive, as we are just entering the second year of our five-year plan, Growing Forward. The foundation has been laid and The Chamber continues to work diligently on growing jobs and expanding our economic base.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Kelly". The signature is fluid and cursive, with the first name "Steve" and last name "Kelly" clearly distinguishable.

Steve Kelly
Vice President
Lawrence Chamber & EDC

City of Lawrence Outside Agency Annual Report For Calendar Year 2017

Reports on activity should be submitted electronically to Danielle Buschkoetter, at dbuschkoetter@lawrenceks.org by Thursday, February 15th 2018 at 5:00pm. For the following questions please refer back to your [2017 application for funding](#).

Reporting Period: Calendar Year 2017

Agency Name: Lawrence Chamber of Commerce

1. Refer to the program in which your agency received funding; provide a participant success story that helps demonstrate the accomplishments of the program.

Among the Chamber's various accomplishments for 2017 were two industrial expansion projects (both underway in 2018), the creation of sustainable funding for workforce training and two international business relocations. Of the latter projects, the opening of Polymeric Labels' first U.S. manufacturing facility, near 31st and Iowa, is a representative "success story."

Headquartered in Manchester, England, Polymeric Labels, a polymer label manufacturer, conducted a nationwide site search in 2016 for its first expansion outside of the U.K. It eventually selected Lawrence for its centralized location, proximity to its customer base and cultural amenities. Polymeric has invested roughly \$1.5 million in the facility and will employ up to 40 people at full operation.

Aside from initial site selection services, the Chamber has also supported Polymeric with work-visa application assistance, connectivity to local business community and advocacy with state and local entities.

Please see the press release, attached to this report as Addendum A, for complete details on the project.

2. Refer to your 2017 application for funding; provide a brief narrative of the activities funded with City funds.

The Chamber's economic development arm, the Economic Development Corporation (EDC), undertakes a variety of activities to support its five strategic initiatives:

- Business retention and expansion
- Workforce development
- Business recruitment and marketing
- Entrepreneurship and start-ups
- Site and infrastructure capacity

The attached report, titled Addendum B, provides a detailed summary of strategies, activities and outcomes supporting these core economic development initiatives. Please note, the activities shown only reflect those undertaken with public funding. They are not comprehensive of all Chamber economic development support activity as there is substantial overlap with tradition Chamber support activities that are funded through member investment.

3. Refer to your 2017 application for funding; provide specific detail (use supportive documents, if needed) to demonstrate what progress was made toward your proposed outcomes.

Please see Addendum B, as described above.

4. Refer to the line-item budget provided in your 2017 application for funding; is this accurate to how your allocation was actually spent? If no, what changed and why?

Economic development is an increasingly fast-paced and fluid environment requiring similarly responsive and adaptable support strategies. As such, there are several differences between the application budget submitted in early 2016 and actual 2017 spending. Most notably, throughout the latter half of 2016, the Chamber embarked upon a lengthy, but measured, recruitment process for the position of Vice President of Economic Development (resulting in the hiring of Steve Kelly in December 2016). As is often the case with such transitions, this resulted in postponement of some planned efforts, such as out-of-market travel and advertising, and the elimination of others, such as the BizFuel branding effort. As another example, over the course of 2017, the Chamber provided more than \$140,000 in unbudgeted support to Peaslee Tech to ensure its sustainability and the continued provision of workforce training for the community.



The Economic Development Corporation of Lawrence and Douglas County

FOR IMMEDIATE RELEASE

UK-based manufacturer chooses Lawrence for first US plant

Polymeric Labels, Ltd. expands polymer label operations to Kansas

Contact: Lindsey Slater, Communications Director
(785) 865-4420
lslater@lawrencechamber.com

Lawrence, Kan. – An international polymer label manufacturer is opening its first United States-based operation in Lawrence, Kan. Polymeric Labels, Ltd. makes printed polymer labels for rubber and plastics industries. The Lawrence plant will offer the same services as the current location in Oldham, England. The company is investing \$1.5 million in a 14,000-square foot facility in southeast Lawrence near 31st Street and Haskell Ave. Greg Marlor will be the US plant manager. Polymeric Labels will be looking to recruit experienced people from the local area in the near future to join them moving forward.

"This is a major commitment to the future of Polymeric Labels. It's been a long time coming and we're excited to serve customers across two continents," said Marlor. "Our investment in new equipment, staff and facilities shows we're committed, as always, to outstanding customer service and the delivery of a brilliant product. We are looking forward to continuing our world class production from the Lawrence area."

Polymeric Labels has been independently owned by the same family since 1986. The company designs, manufactures, and delivers printed polymer labels that have applications across many industries, including hoses, tires, belts, clothing, rubber mats, and sporting goods.

"Polymeric Labels was looking at the Midwest, as most of their US manufacturing customers are in the region. Lawrence had the available space and a quality of life that appealed to the company," said Steve Kelly, vice president of economic development for the EDC and The Chamber. "We're working with leadership there to connect them with local providers for their business needs, everything from metal work to insurance."



The Economic Development Corporation of Lawrence and Douglas County

Polymeric Labels is looking to have their US plant up and running in late 2017.

About Polymeric Labels Ltd.

Polymeric Labels have an ongoing commitment to investing in the latest equipment. Which ensures we not only keep pace with demand, but also with advances in manufacturing techniques. Our in-house team of experts continues to stretch the possibilities of polymer labeling to allow new technologies to reach their full potential.

Delivering exceptional customer service is our primary goal. We'll move mountains to overcome technical problems, meet the tightest timescales and refine vulcanizable label designs to suit your specific needs. Our Polymer Technologists are experts in their field. They will find a way around any problem, continuously testing and developing products that dovetail technological developments. Learn more about Polymeric Labels at www.polymericlabels.com.

About The EDC

The Economic Development Corporation of Lawrence & Douglas County is an allied partner of The Chamber, Lawrence, Kansas, the City of Lawrence, and Douglas County, Kansas. The goal of the EDC is to 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.

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EDC

LAWRENCE-DOUGLAS COUNTY

Economic Development Strategic Plan
2017 Year End Progress Report

2017 - 2018 Strategic Plan

*This plan focuses on the first two years of Growing Forward, our five-year strategic plan.
To see the full plan, visit edclawrence.com/growingforward.*

Document Key

- Green text indicates that the action step is actively being worked on or has been completed.
- Gray text indicates that the action step has not been started yet.
- Text in italics is additional information, detailing specific activities that have been done for each step.

1 BUSINESS RETENTION & EXPANSION

Strategy #1: Develop programs for businesses to interact and create opportunities for growth.

Action Steps:

- Leverage Network Kansas partnership to implement programs for small business growth:
 - Ice House Entrepreneurship Program
 - Growing Rural Business Program
 - Economic Gardening Program
 - Destination Business Bootcamp
- Metropolitan Entrepreneurial Community Revolving Loan Fund
 - October 12, 2017 - issued first E-Community loan of \$45,000 in gap funding to local acupuncturist, allowing building purchase, new staff hires, and expansion of services, helping a \$250,000 project get underway that would not have happened otherwise
- Reform East Hills Business Park Consortium Board of Trustees with local representation
 - June 29, 2016 - Park covenants amended altering election process & makeup of Board of Trustees
 - Throughout 2017, new Trustees appointed, park's protective covenants amended & restated
 - Creation of a wholly separate, autonomous owner's association underway
 - Transfer of park governance to new group slated for completion by December 31, 2017

Strategy #2: Develop relationships to better assist existing businesses with their future needs.

Action Steps:

- Conduct regular visits and tours of existing facilities
- Regularly poll local industry leaders on current and future challenges, as well as potential growth opportunities
- Familiarize industry leaders with the suite of support services available through The Chamber and EDC, as well as local and state resources (incentives, import/export assistance, etc.)
 - 300+ unique business touches throughout 2017
 - 11 community tours conducted: Reuter Organ Co., API Foils, Hallmark Cards, Berry Global, Horizon PSI, PROSOCO/BuildSmart, K-Mart Distribution Center, UAV Systems, Bowersock Mills & Power Co., Amarr Entrematic, Grandstand Glassware + Apparel
 - Peaslee Tech, KU Innovation & Collaboration, and Kansas Department of Commerce representatives added to tour group, joining the City, County, Chamber/EDC, and BTBC leadership

1 BUSINESS RETENTION & EXPANSION (continued)

Strategy #3: Serve as the BRE liaison between government, business, and education.

Action Steps:

- Acquire customer relationship management (CRM) software to house and aggregate relevant community data
 - 53 projects entered to date
 - 148 company listings created
 - 579 business contacts, like site selectors, finance sectors, company CEOs, etc., and growing
- Create a baseline data set of critical economic development metrics by which to measure growth
- Utilize business analysis software to assess industry health and identify trends, challenges, and potential growth sectors within our region
 - Acquired Mergent Intellect access, a worldwide resource of business information, industry analytics, & intelligence. We partnered with the Lawrence Public Library to purchase at a lower rate and enable community-wide access via Library account.
 - Acquired Chmura Economics & Analytics - Jobs EQ platform. We shared an annual subscription with the BTBC and the platform provides up-to-date business analytics, industry information, community demographics, labor and workforce data, etc. It's the same data used by site selection consultants and allows us to better tailor RFI responses and target specific industries.
- Conduct monthly facility tours of major community employers in conjunction with City, County, and educational officials and elected leaders
 - See Strategy No. 2 above.

2 WORKFORCE DEVELOPMENT

Strategy #1: Implement systems and staffing to ensure the long-term viability of Peaslee Tech.

Action Steps:

- Create a \$1.5 million funding partnership to reduce debt and further renovate and expand technical training facilities and programming at Peaslee Tech
 - Consortium of local lenders assembled to assume Peaslee mortgage loan
- Fund a contract grant writer for Peaslee Tech to pursue state, federal, and foundation funds available for workforce development initiatives
 - A contract grant writer has been hired and has been working on grants
- Hire a program manager for Peaslee Tech to work with industry leaders and develop custom training, connect with community colleges to develop credit programming, and meet with community stakeholders to create non-credit programming
 - \$50,000 was provided to hire this position. Kevin Kelley was hired and recently took over as Executive Director.
- Consistently communicate the customized training capabilities of Peaslee Tech to existing employers and prospective business relocation clients
 - Ongoing throughout course of campaign

2017 - 2018 Strategic Plan

2 WORKFORCE DEVELOPMENT (continued)

Strategy #2: Develop workforce training programming that fulfills the stated needs of local employers and creates a competitive edge in business recruitment opportunities.

Action Steps:

- Collaborate with community partners in the ongoing renovation of Peaslee Tech to create spaces for expanded programming and enhanced customized training abilities
 - New programs: Pharmacy Technician, Commercial Driving, CISCO Networking, Industrial Maintenance Mechanic
 - New lab spaces: Belcher Family HVAC Lab, Lawrence New Car Auto Dealers Auto Lab
- Maintain a presence of the Kansas Local Area Workforce Development Board of Directors and the Peaslee Tech Board of Directors to ensure that workforce training interests are aligned with the Lawrence and Douglas County business community
 - Chamber President & CEO Larry McElwain - Peaslee Tech board
 - EDC Board Chair (currently Pat Slabaugh) - Peaslee Tech board
 - Chamber VP of External Affairs, Hugh Carter - Kansas Local Area Workforce Development board
- Through BRE efforts, assess the workforce needs of existing employers to develop relevant workforce training programs at Peaslee Tech
 - Ongoing throughout course of campaign

3 BUSINESS RECRUITMENT AND MARKETING

Strategy #1: Develop and implement an in-depth strategic economic development marketing plan.

Action Steps:

- Provide accurate, up to date, and comprehensive research on demographics, regional data, and other information typically requested by site selectors
 - Addressed with BRE Strategy No. 3 above
 - See Addendum A for pertinent examples
- Utilize business analytics software, BRE data, and strategic partner resources to assess regional strengths, weaknesses, opportunities, and threats
 - Ongoing throughout course of campaign
- Enhance the understanding of the EDC initiatives and services within the business community and among the citizens of the areas it serves
 - Ongoing throughout course of campaign
- Direct marketing toward the recruitment of businesses operating within targeted industries
 - Major employment sectors (see Addendum A for Top 10 by employment)
 - Existing industry clusters (see Addendum A for cluster industries graphic)
 - Target industries based on University programming being assessed

2017 - 2018 Strategic Plan

3 BUSINESS RECRUITMENT AND MARKETING (continued)

Strategy #1: Develop and implement an in-depth strategic economic development marketing plan.

Action Steps:

- Develop and/or update marketing materials promoting the area and our assets both nationally and internationally
 - Outside evaluation & recommendations conducted via professional ED partners
 - Updates & new materials to be developed the first quarter of 2018

Strategy #2: Leverage established relationships with existing employers, and community and regional partners (BTBC, KUIC, KCADC, KDOC, KUSBDC, etc.) to identify potential business recruitment opportunities.

Action Steps:

- Convene City, County, Chamber, EDC, and University officials monthly to discuss pertinent efforts and potential economic development projects
 - ED Partners meetings held the first Wednesday of each month
 - Updates on project reporting on respective efforts, strategies to address needs
- Work closely with BTBC partners on tech and bioscience-related recruitment and expansion efforts
 - Two attraction projects currently underway
 - One startup business service business currently in development
 - Partnering on KU Alumni survey data assessment and outreach efforts
 - Shared subscription access to Chmura JobsEQ business intelligence database
- Maintain consistent visibility and involvement with strategic partner organizations and industry-related events (Kansas Research Nexus, KC Animal Health Corridor, KCADC, Network Kansas, KDOC, etc.)
 - Ongoing throughout course of campaign
 - In-person site consultant marketing trips to Dallas & Chicago
 - Regular attendance at KCADC networking events
 - Prospect recruitment event for Van Trust spec project held December 6, 2017
- Reestablish communication and engagement with other community economic development partners in Baldwin, Eudora, and Lecompton
 - Consistent presence with Baldwin City EDC board
 - Ex-officio positions for Baldwin and Eudora on EDC board
 - Conducted economic development tours of rural communities:
 - Baldwin City community tour - January 17, 2017
 - Eudora community tour - February 21, 2017
 - Lecompton community tour - August 9, 2017

2017 - 2018 Strategic Plan

3 BUSINESS RECRUITMENT AND MARKETING (continued)

Strategy #3: Capitalize on the assets and resources of the University of Kansas and other educational institutions.

Action Steps:

- Maintain an active and vocal presence on the Bioscience & Technology Business Center and KU Center for Research boards of directors
 - Chamber President & CEO Larry McElwain - BTBC and KU Center for Research boards
 - Chamber Chief Operating Officer Bonnie Lowe - BTBC board
 - Chamber VP of Economic Development Steve Kelly - KU Center for Research and KU Innovation & Collaboration boards
 - KUIC President Julie Nagel - Chamber and EDC boards, ED Partners group
- Work with the KU Alumni Association to design and distribute a targeted survey to KU alumni assessing the key, deciding factors in business relocation decisions
 - Survey completed June 2017
 - Distribution of 97,000 emails with 16,414 opened and 1,365 survey participants
 - 353 respondents requested ongoing Chamber communications
 - 323 respondents requested economic development materials
 - 178 self-identified as site selection influencers for their employer/business
 - Partnering with BTBC to evaluate 178 influencers and develop outreach plan
- Maintain a sponsored presence at KU Alumni events help in strategic, out-of-state markets throughout the year
- Identify targeted industry overlap with key research and education programming at KU
 - In progress as of this writing

4 ENTREPRENEURSHIP AND STARTUPS

Strategy #1: Support existing entities, organizations, and programs that foster an entrepreneurial ecosystem within Lawrence and Douglas County.

Action Steps:

- Promote and support collaborations between industry and local universities for innovation
 - Addition of KU representatives to ED partners group & monthly ED community tours
 - Creation of new KU facility/department tours held quarterly
 - Creation of Vice Chair of Innovation & Entrepreneurship position on Chamber board
 - Currently exploring the possibility for a community startup school based on KU model
- Provided financial and administrative support to the KU Small Business Development Center to ensure assistance with product development, business plan creation, and marketing strategy implementation
- Provide business research support to the local library
 - Funded two-year subscription to Mergent Intellect database
 - Accessible to community via Library account

2017 - 2018 Strategic Plan

4 ENTREPRENEURSHIP AND STARTUPS

Strategy #1: Support existing entities, organizations, and programs that foster an entrepreneurial ecosystem within Lawrence and Douglas County.

Action Steps:

- Work with youth education partners to encourage business and entrepreneurial programming
 - Joint Metro and Douglas County E-Community hosting Youth Entrepreneurship Challenge, slated for Friday, March 2
- Maintain consistent presence within local entrepreneurial development circles (1 Million Cups, BTBC Tech Tuesdays, KU tech community, etc.)
 - As of October 2017, formalized partnership with 1 Million Cups program via Chamber membership
 - Regular meetings, discussions, and co-hosted events with BTBC
- Explore out-of-market tech-related marketing opportunities via event attendance and/or sponsorships (South by Southwest, LaunchKC, KCADC events, etc.)
- Support a network of business mentors for entrepreneurs
 - Exploration of mentorship program for KU Honors students current underway with University

Strategy #2: Accelerate local enterprises through the implementation of a range of resources, education, and funding support.

Action Steps:

- Leverage Network Kansas partnership to implement programs for small business growth:
 - Ice House Entrepreneurship Program
 - Growing Rural Business Program
 - Economic Gardening Program
 - Destination Business Bootcamp
 - Metropolitan Entrepreneurial Community Revolving Loan Fund
 - Kansas Capital Multiplier Venture & Loan Funds
 - Youth Entrepreneurship Challenge
 - Evaluating other Board Certified Programs for 2018
- Develop relationships with existing venture capital resources through which to connect local entrepreneurs
 - May 12, 2017 - BTBC/Chamber conducted familiarity tour of KC entrepreneurial/tech ecosystem
 - Toured Sprint Accelerator, Kauffman Foundation, Westport Plexpod Co-working Space, Heartland House, BTBC's KUMC facility
- Survey entrepreneur-led and startup businesses to gain knowledge about their market, employment, workforce needs, and growth potential

2017 - 2018 Strategic Plan

5 SITE AND INFRASTRUCTURE CAPACITY

Strategy #1: Partner with the City of Lawrence and Douglas County to encourage development of additional site and building inventory.

Action Steps:

- Explore public infrastructure funding opportunities
- Work with City leadership to develop a streamlined permitting and incentive process to spur private investment in Lawrence VenturePark and East Hills
 - Catalyst program formalized April 2017
 - Streamlined permitting & incentive process for qualified projects
 - Provision of free land
 - Up to 70 percent tax abatement for 10 years
 - Application fees waived
 - Minimal review & reporting processes
 - First project awarded to VanTrust Real Estate to develop roughly 550,000 square feet over multiple spec buildings

Strategy #2: Develop a long-term site and building inventory plan.

Action Steps:

- Explore site certification programs for existing industrial sites
 - Kansas Department of Commerce developing process for site certification
 - Application process
 - Free to KEDA members
 - Expect to have VenturePark sites certified
- Complete an industrial site assessment and continue future site planning
 - Continuing effort began in 2016 & several locations under evaluation
- Maintain an up-to-date database of existing sites and buildings located throughout Douglas County and ensure its accessibility to developers, site selectors, and existing business leaders
 - Ongoing throughout course of campaign

Strategy #3: Enhance existing infrastructure at Lawrence VenturePark

Action Steps:

- Conduct an in-depth cost analysis of existing rail retrofit and new rail construction
- Evaluate structural stability and renovation costs of existing 120,000 square foot warehouse
- Commission conceptual renderings of transload facility (parking, loading docks, street infrastructure)
- Pursue local and state funding opportunities to offset development costs
- Conduct national outreach to preferred transload operators to seek private facility investment, development, and operation

ADDENDUM A – Douglas County Economic Stats

Demographic Profile

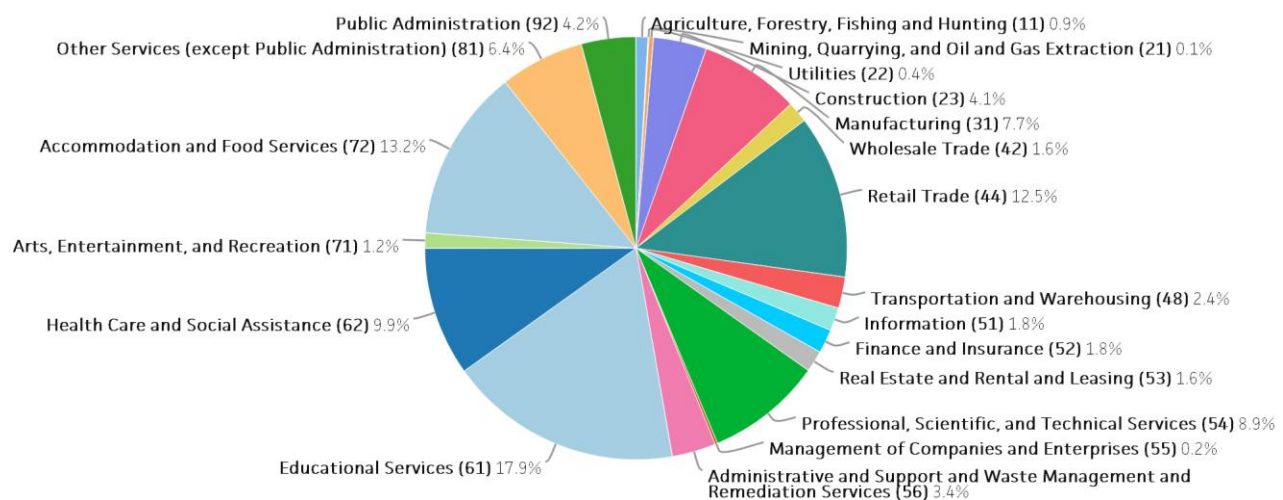
In 2016, the population in Douglas County, Kansas was 119,440. Between 2006 and 2016, the region's population grew at an annual average rate of 1.1%.

The region has a civilian labor force of 65,834 with a participation rate of 69.0%. Of individuals 25 to 64 in Douglas County, Kansas, 51.2% have a bachelor's degree or higher which compares with 31.3% in the nation. The median household income in Douglas County, Kansas is \$50,939 and the median house value is \$179,800.

Industry Snapshot

The largest sector in Douglas County, Kansas is Educational Services, employing 9,341 workers. The next-largest sectors in the region are Accommodation and Food Services (6,902 workers) and Retail Trade (6,532). High location quotients (LQs) indicate sectors in which a region has high concentrations of employment compared to the national average. The sectors with the largest LQs in the region are Educational Services (LQ = 2.17), Accommodation and Food Services (1.48), and Other Services (except Public Administration) (1.46).

Total Workers for Douglas County, Kansas by Industry



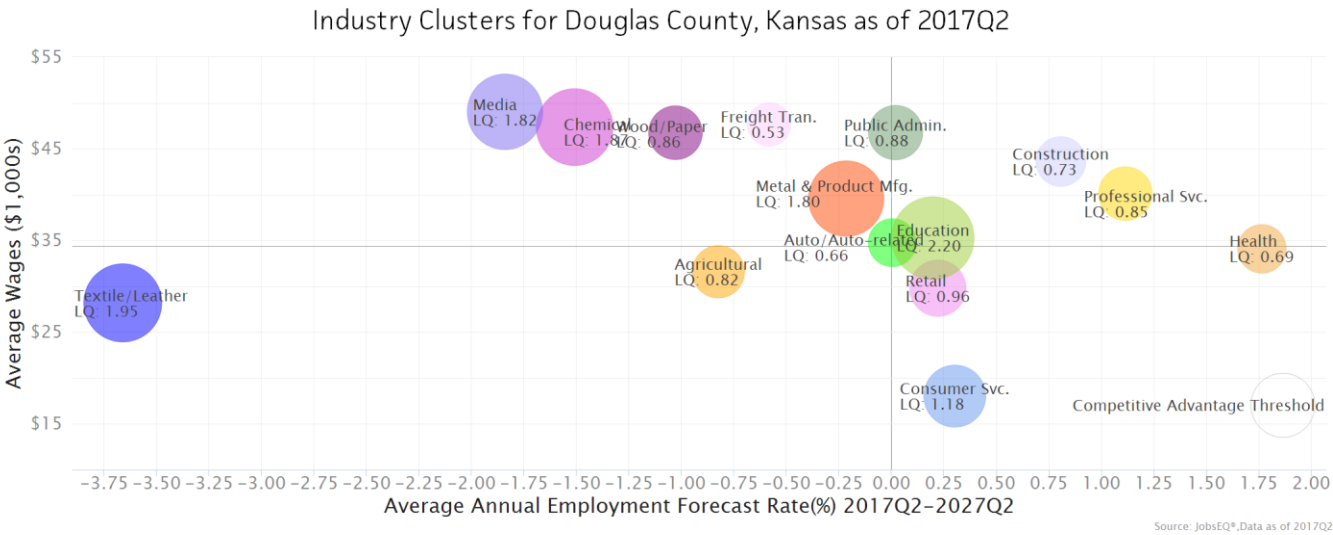
Employment data are derived from the Quarterly Census of Employment and Wages, provided by the Bureau of Labor Statistics and imputed where necessary. Data are updated through 2016Q4 with preliminary estimates updated to 2017Q2. Source: JobsEQ®, Data as of 2017Q2

Sectors in Douglas County, Kansas with the highest average wages per worker are Utilities (\$82,612), Management of Companies and Enterprises (\$69,532), and Wholesale Trade (\$66,659). Regional sectors with the best job growth (or most moderate job losses) over the last 5 years are Professional, Scientific, and Technical Services (+1,261 jobs), Accommodation and Food Services (+808), and Retail Trade (+662).

Over the next 10 years, employment in Douglas County, Kansas is projected to expand by 2,000 jobs. The fastest growing sector in the region is expected to be Health Care and Social Assistance with a +1.8% year-over-year rate of growth. The strongest forecast by number of jobs over this period is expected for Health Care and Social Assistance (+983 jobs), Professional, Scientific, and Technical Services (+686), and Educational Services (+274).

Existing Industry Clusters

A cluster is a geographic concentration of interrelated industries or occupations. The industry cluster in Douglas County, Kansas with the highest relative concentration is Education with a location quotient of 2.20. This cluster employs 11,734 workers in the region with an average wage of \$35,266. Employment in the Education cluster is projected to expand in the region about 0.2% per year over the next ten years.

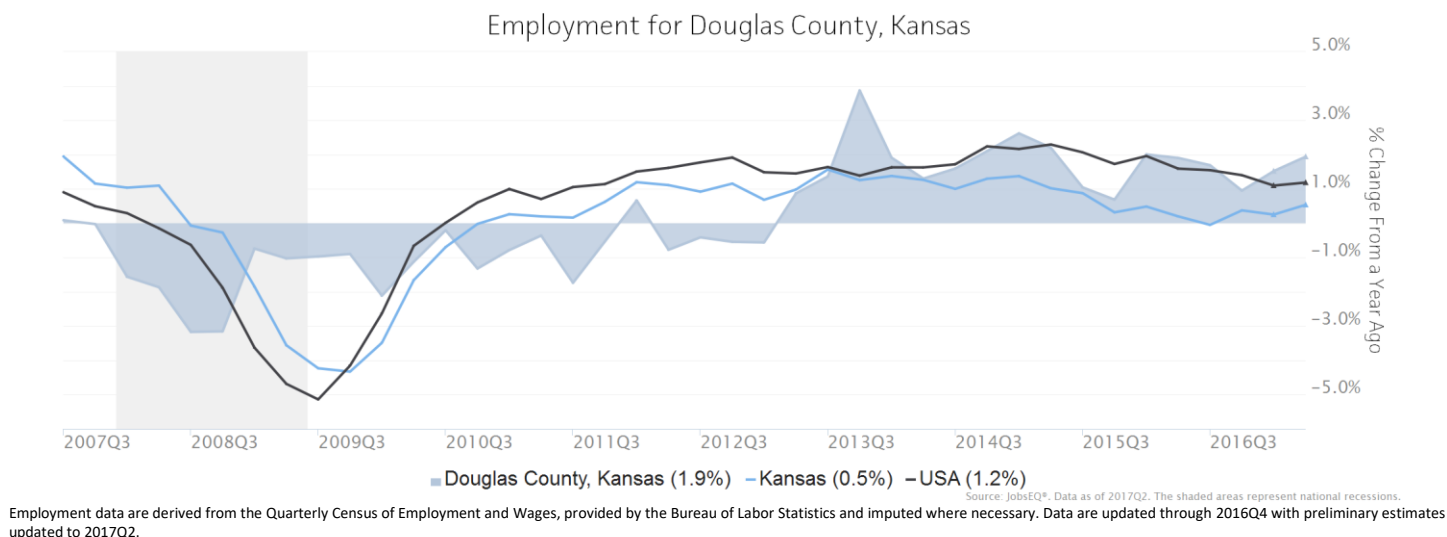


Top 10 Industries by Employment

Rank	Industry	Current Four Quarters Ending with 2017q2		Historical Total Change over the Last 5 Years Employment	Forecast Over the Next 10 Years		
		Employment	Avg. Annual Wages		Total Approx Repl Demand	Total Growth Demand	Avg. Annual Growth Percent
1	Educational Services	9,341	\$36,584	118	1,971	274	0.3%
2	Accommodation and Food Services	6,902	\$14,785	808	2,433	174	0.2%
3	Retail Trade	6,532	\$22,952	662	2,034	131	0.2%
4	Health Care and Social Assistance	5,147	\$34,085	410	1,069	983	1.8%
5	Professional, Scientific, and Technical Services	4,641	\$43,994	1,261	1,019	686	1.4%
6	Manufacturing	4,008	\$50,764	636	869	-525	-1.4%
7	Other Services (except Public Administration)	3,365	\$28,941	184	841	10	0.0%
8	Public Administration	2,182	\$46,885	29	527	4	0.0%
9	Construction	2,128	\$43,965	-50	432	181	0.8%
10	Administrative and Support and Waste Management and Remediation Services	1,762	\$26,489	53	408	141	0.8%

Employment Trends

As of 2017Q2, total employment for Douglas County, Kansas was 52,233 (based on a four-quarter moving average). Over the year ending 2017Q2, employment increased 1.9% in the region.



Unemployment Rate

The seasonally adjusted unemployment rate for Douglas County, Kansas was 3.2% as of September 2017. The regional unemployment rate was lower than the national rate of 4.4%. One year earlier, in September 2016, the unemployment rate in Douglas County, Kansas was 3.7%.

