

City of Lawrence Outside Agency Annual Report For Calendar Year 2021

Reports on activity should be submitted electronically to Britt Crum-Cano, at bcano@lawrenceks.org by 5:00pm on Friday, February 15, 2022. To answer the following questions please refer to your [2021 application for funding](#).

Reporting Period: Calendar Year 2021

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.

The Chamber's economic development program is designed to function in collaboration with a number of strategic partners (City, County, KU Inn. Park, KU, etc.) and in most cases success is attributable to the efforts of multiple partners as well. Calendar year 2021, which saw continuance of the Covid-19 pandemic was something of a roller coaster as we seemingly emerged from the cloud of covid in the late Spring and early summer only to find ourselves once more in distress as first the Delta variant surged in the summer and early fall, which was followed by the Omicron variant as we were nearing the end of 2021. These fluctuations in disease levels and changing health/safety protocols to combat disease surges, created many challenges for the Chamber/EDC and continued the need to be nimble and to pivot as required to help our business community weather the storm.

In the midst of these many challenges we continued to focus and provided service to assist our local business community. We continued to deliver on our commitments as set forth in our 2021 budget request. We encouraged and assisted several local businesses to make investments and expand their business operations and worked with employers to add good jobs in the community. We facilitated connections between employers and job seekers to ensure opportunities were communicated to the broadest audience possible. It was also gratifying to have the opportunity to assist several small companies with strong growth prospects to access outside resources to leverage their own investment and give them the opportunity to succeed and grow their employee base here.

While we did not have the high-profile, recruitment successes of 2020, we did see some of those earlier successes begin operations in 2021. Pretzels, Inc. began production in late 2021. Modern Manufacturing in Eudora also opening its doors. Construction on US Engineering's new facility in Lawrence VenturePark began and is slated to open in the Spring of 2022. In each of these were able to play a significant role in identifying additional resources, assisting with labor recruitment and providing support as needed to help them succeed. Existing companies like Standard Beverage and Berry Plastics began construction on significant capital projects at their local facilities-this expansion and re-investment is critical to our long-term economic success.

On the entrepreneurial front - we continued our financial support for the Launch Lawrence entrepreneurial initiative and have redoubled our efforts to provide resources and a pathway to success for underserved segments of our population, namely minorities and women. We are currently working with partners on the establishment of a pathway for success for minority entrepreneurs that would include networking and mentorships, business and entrepreneurial training and financial resources (RLF) using private-source Chamber funds leveraged with partner funds. We plan to officially launch this effort Spring of 2022. We continued to support start-ups and local small businesses with our metro E-Loan program and new non-Lawrence resources which we were able to identify and leverage. It was also an honor to be able to support 20 scholarships for BIPOC members of the community to get training certifications in fields where local labor demand is high.

A significant local success in 2021 was the announced investment of \$61 million and creation of 84 new jobs by Berry Global, a long-term manufacturing presence in Lawrence. Berry Global is now part of a global company with multiple facilities in the US and other countries. We learned in early May that the Lawrence facility, along with several others, was under consideration for significant investment. We worked through the summer with company officials and consultants, City officials and staff, the KS Department of Commerce and utility providers to make certain that the Lawrence facility would be competitive. Ultimately, in mid-September, the company did announce their decision to make the major capital investment in the Lawrence facility. Investment like this is meaningful to the company and to the community. It is critical that a company increase its technological capacity and productivity to remain competitive. It is important for this investment to occur in our local facility to provide more employment opportunities, raise the tax base and increase the prospects that the company will continue its operations here far into the future.

2. Refer to your 2021 application for funding; provide a brief narrative of the activities funded with City funds.

The Chamber’s economic development program is broad in scope and functions in support of the City’s broader economic development interests. The program strives to facilitate primary job growth and expansion of the community tax base through five strategic initiatives:

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

These priorities were developed in concert with City leadership and other community stakeholders as part of a five-year strategic, economic development plan. Activities in pursuit of these initiatives are numerous and varied, ranging from on-site facility tours and expansion assistance to connecting university students with local employers and marketing the community for outside business recruitment.

3. Refer to your 2021 agreement for funding; report what progress was made toward your proposed outcomes and comment as necessary.

Outcomes	List 2021 outcomes from agreement	Comment as necessary
Outcome #1	Market Lawrence as a location for new companies, jobs and investment	See Addendum A
Outcome #2	Assist local companies to grow and prosper	See Addendum A
Outcome #3	Create a more vibrant entrepreneurial ecosystem	See Addendum A

4. Refer to your 2021 application for funding; provide specific detail (use supportive documents, if needed) to demonstrate what progress was made toward your proposed outcomes.

Please see Addendum A attached to this report.

5. Refer to the line-item budget provided in your 2021 application for funding; is this accurate to how your allocation was actually spent? If no, what changed and why?

Economic development in almost all cases operates in a changing and fluid environment requiring responsiveness and adaptability. Our actual expenses were largely in-line with our budget. The Workforce Development line item allocation does appear overspent. This was due to an allocation to Peaslee Tech in

March 2021. Upon reviewing the 2020 carry-forward cash, it was determined that due to the pandemic the carry-forward was larger than normal. So it was decided that we should use a portion of the excess carry-forward for funding for Peaslee touse as scholarship funds for minority and women applicants in high demand occupations.



Addendum A:

2021 Lawrence Chamber & EDC Program Activities Summary

The Chamber's economic development program is broad in scope and functions in support of the Lawrence's broader economic development interests. The program strives to facilitate primary job growth and expansion of the community tax base through five strategic initiatives (listed below). These priorities were developed in concert with city leadership and other community stakeholders as part of a five-year strategic, economic development plan (2017 – 2021). A summary of key efforts in pursuit of these initiatives appears below. This list is not intended to be comprehensive.

Economic Development 5-Year Strategic Priorities:

- Business Retention & Expansion
- Workforce Development
- Business Recruitment & Marketing
- Entrepreneurship & Startups
- Site & Infrastructure Capacity

We have been an active partner with the city staff and others in the development of a new Lawrence strategic plan for economic development, the first ever done in our community. Development of the plan transitioned into implementation, and we have continued our commitment as we work through the implementation and integration with the City's overall strategic plan. We are committed to working closely with the City and other partners to align our goals and objective with those of the City, County, KU and our other partners to maximize the impact that we collectively have on the community and county. This effort to align our efforts with partners is evident in the Chamber's "Rising Together" 5-Year Capital Campaign which took place during 2021. Many of the initiatives and objectives within this plan parallel and/or are incorporate many initiatives in the City's strategic economic development plan and those of our other partners.

Business Recruitment & Marketing:

The Chamber EDC generated and/or worked 50 recruitment/expansion project leads over the course of 2021. The majority of the recruitment project opportunities came via our regional economic development partners, the Kansas City Area Development Council (KCADC) and the Kansas Department of Commerce (KDOC), while others came directly from the business community or Chamber generated contacts. Of these project leads we had viable real estate options and/or could meet primary requirements that allowed us to be considered in approximately 50% of the RFP/RFI opportunities. Real estate options in Lawrence VenturePark being the most viable options for the majority. Lawrence is still in the running for several of these projects, including an animal health project in which a Lawrence site is currently the preferred site, and we are on the short list for at least two other projects that will carry forward into 2022. The Van Trust spec building in Lawrence VenturePark, which was completed in late 2018, along with the City's Catalyst incentive for development of industrial property in Lawrence are both important pieces that allow us to be on the radar and in consideration for a significant number of projects.



Pretzels, Inc.

Pretzel's Inc, an Indiana-based manufacturer of pretzels and other snack foods, completed construction of their new Lawrence VenturePark facility and began operations in the fall of 2021. This plant involves capital investment of approximately \$90 million and will bring a projected 281 jobs to the community when fully staffed. Company officials cited the ease with which they were able to bring the facility online, as representative of the way this project advanced from the point they chose the Lawrence site on through the beginning of operations here.

Modern Manufacturing

We had also assisted with the attraction of a new manufacturing operation, Modern Manufacturing, which opened in 2021, in the Intech Business Park in Eudora. Modern Manufacturing, which primarily manufactures rail transportation products, while not within the Lawrence city limits, will be bringing approximately 80 jobs to Douglas County that provide opportunities for Lawrence residents. They seem very pleased with their early operations and their local reception and believe there are possibilities for significant growth in the future.

US Engineering

US Engineering's new facility at Lawrence VenturePark, following delays in early 2021, advanced steadily through the rest of the year. It is anticipated, they will be ready to begin operations in the spring of 2022. The early 2021 delays were the result of unanticipated site problems that caused significant concern and threatened to stop the project. We worked with the officials at the Kansas Department of Commerce to identify additional funds that could be used to help offset these unanticipated remediation costs. Those funds in combination with additional commitments from the City and US Engineering allowed the remediation to be completed and the project to advance. This new 150,000+ square foot facility should ultimately bring 140 new, high paying jobs to our community.

Target Industry Analysis/Business Recruitment Marketing Materials:

As part of an effort several years ago to identify appropriate targets for industry development, Chamber/EDC staff did extensive research and identified the following as priority opportunities for the community:

Research indicates these industries are as follows:

- Computer Systems Design & Related Services (NAICS 5415)
- Architectural, Engineering, and Related Services (NAICS 5413)
- Scientific Research & Development Services (NAICS 5417)
- Transportation Equipment Manufacturing (NAICS 336)

Both the City of Lawrence Economic Development Strategic Plan developed by Ernst & Young, and analysis done by the University of Kansas to identify areas of strength and targets of opportunity from a university research and economic development perspective are in considerable alignment with the Chamber's findings. In late 2021 a working group comprised of City and Chamber/EDC staff was established to seriously work on development of strategies, platforms and initiatives to proactively pursue these targets. Since those first meetings the group has been expanded and now includes the University of Kansas, Kansas University Innovation Park and Explore Lawrence. We continue work on



initiatives to be more targeted and effective in our marketing efforts and to better collaborate and leverage our assets and expertise to maximize effectiveness.

Business Retention & Expansion:

In 2021, despite significant economic challenges associated with the Covid pandemic, we saw a number of our local companies have strong business years with several moving forward with announced projects or making decisions to expand/upgrade their local operations.

Standard Beverage Corporation

Standard Beverage moved ahead with their 118,000 square foot expansion of their wholesale alcohol distribution operation on Lakeview Road. The project is nearing completion. This will be a state-of-the-art facility incorporating significant automation to improve efficiency and productivity. This expansion is slated to add 16 jobs to their existing workforce and includes \$13.5 million of capital investment in the building alone.

Berry Global

In September of 2021, Berry Global announced that they would be making a capital investment of \$61 million and adding 84 new jobs. The company determined this after a several month-long process of evaluation of their future needs and the opportunities represented at various plants within their set of manufacturing facilities. This investment will significantly boost production at Berry Global-Lawrence and enhance the capabilities of the local plant to compete for future capital investment and growth opportunities.

Alarm.com

Alarm.com, based in Tysons, Virginia, is a technology company that provides remote control, monitoring and home automation services nationally. Alarm.com has an office in Lawrence. We learned that the local operation had done well and had opportunities for growth. We approached state officials to see if there might resources available to enhance their growth and were successful in getting additional resources to increase employee count. It is anticipated that with this help, that Alarm.com might increase its jobs count by 20 to 30 jobs high wage jobs over the next several years.

Supporting Local Business

The Chamber/EDC have traditionally been unfailing supporters of our local business community, but the advent of the pandemic brought even more urgency to those efforts. The support provided has not gone to just that portion of the business community that would traditionally be the Chamber base but has gone to anyone who has sought our help and to those we've identified as having a need.

Entrepreneurship & Startups:

Metro E-Community Program and Related Programs

The Metropolitan Entrepreneurship Community Program is a loan program, administered by the Chamber, on behalf of Network Kansas, a state-wide entrepreneurial support organization. The program is designed to spur growth in underserved areas or to assist underserved members of the community. The program first came to the Chamber from the City in late 2015, but did not fund its first project until October of 2017. Since that time, we have been funding 3 or 4 loans on average per year, however, with the number of PPP and IDLE loans available during the pandemic the number of E-Community loans



closed was down in 2021, though we did work several leads. We have seen renewed interest recently and currently have \$90,000 of loans under review. Loans made through Metro E-Community loan program leverage significant additional bank financing but not all businesses or entrepreneurs are able to access the initial public funding needed to provide a match for the E-Community loans. We are trying to address these entrepreneurial needs as part of our entrepreneurial support throughout Douglas County (mentioned in Entrepreneurship Development).

We have also worked with Network Kansas and their partners to make funds available to Douglas County businesses through other Network Kansas programs, including a loan for a local tech start-up that allowed the company to access capital without giving up equity, as is normally the case in early-stage tech company funding. We've also learned about and have been promoting the Kansas Healthy Food Initiative for grants/loans to businesses who qualify. We've supported several initiatives through KHFI, including a grant for over \$15,000 to a local minority owned business in 2021. The Kansas Innovation and Technology Enterprise (KITE) has a proof-of-concept tool for providing resources to faculty and non-faculty led businesses for commercialization. We have had several leads for the KITE program but unfortunately none of them have been found to be a fit for the program. Finally, we partner with the Douglas County E-Community to host the annual E-Community Youth Entrepreneurial Challenge which encourages students throughout Lawrence and Douglas County to bring their best entrepreneurial ideas and present them in a competition for cash prizes and a chance to move to the next round of YEC statewide competition. This year all participants were from Lawrence Public Schools.

Regional Revolving Loan Fund (RLF)

In 2020 we approached the US Economic Development Agency (EDA) for consideration of funding to establish a local revolving loan fund, which was not enthusiastically supported due to their focus on establishing regional networks. We then approached Network Kansas to see if their organization might have interest in seeking EDA funding for a regional revolving loan fund (RLF), which they ultimately agreed to do. We supported and participated in this Network Kansas effort throughout the application and approval process. To date, we have had a number of leads for this program in 2021, were able to fund one business in Douglas County, one application was denied, and we have one application in process that appears promising.

Entrepreneurship Development

Growing our business base through entrepreneurship is a tremendous opportunity for our community and despite the pandemic we have made significant progress on this front. Our plans for monthly social events built around an opportunity for entrepreneurs to pitch their idea to an audience made up of other entrepreneurs and entrepreneurial minded people to benefit from their critiques and insights, combined with a social event to develop and build out an entrepreneurial network was made impossible by the pandemic. But as so many have done in 2021, we pivoted and beginning in July have been conducting Launch Lawrence sessions/showcases which provide a pitch opportunity for the entrepreneur and constructive criticism from the online audience. A concern that fledgling entrepreneurs did not have the early help to develop their idea and a reasonable pitch deck led us to also establish Sketchpad Lawrence with the intent of doing just that—helping entrepreneurs organize their thoughts and approach and honing their capability to articulate their vision. We have also been an active member and leading voice in the newly formed Douglas County Entrepreneurial Support Network which was established to create better collaboration and communication among those supporting development of a more robust entrepreneurial ecosystem in Douglas County. There are other resources



for entrepreneurs that are active in Lawrence and Douglas County and we regularly work and collaborate with those entities in pursuit of common goals.

One major area of concern for our entrepreneurial ecosystem is the underrepresentation of minorities and woman entrepreneurs in Douglas Co. We are working with several community partners to address this challenge by building a stronger entrepreneurial ecosystem for these members of our community. We are partnering with the Boys and Girls Club to create an Entrepreneurship Curriculum as part of their workforce grant program, with the intent of supporting more diverse students. One goal is students participating in our annual Youth Entrepreneurship Challenge (mentioned above) where students from across Douglas Co. present their best business ideas and compete for cash prizes. We have also learned minority individuals in our community need better entrepreneurial resources such as networking opportunities, training opportunities, and access to capital. Through our partnership with the United Way, KU SBDC, Douglas Co., and Network Kansas we are bringing minority businesses together to share existing resources (like those mentioned above), implementing business training for minority owned businesses, and developing a community wide Revolving Loan Fund that will have diverse leadership and will provide no match, low interest loans to help start new businesses. Over the last five years we have directly helped entrepreneurs in Lawrence and Douglas County access over \$750,000 in capital through loans and grants of various programs. While we celebrate these businesses successes and look for more wins we also recognize additional support is needed for entrepreneurs facing systemic barriers to business networking, business training, and capital. In response we are working with partners to enhance and bring more equitable resources into our entrepreneurial ecosystem in an effort to make it a better place for all of Lawrence and Douglas County to pursue entrepreneurship and create wealth for themselves and others.

Workforce Development:

Connecting University Career Resources, Students & Local Industry:

Talent/labor is the number one factor in business retention, recruitment and entrepreneurial success across the United States. We have worked on workforce issues-both supply and skills in a variety of ways in 2021. We provided 20 scholarships for minority members of the community to get training in high need positions where minorities are not normally well represented. We partnered with Peaslee Tech on two industry working groups for manufacturing and skilled trades to bring those groups together around their common workforce needs/challenges as they struggle to find the necessary labor to staff their businesses. We worked with the USD 497, University of Kansas, and the Boys and Girls Club to expose young people to the opportunities that exist in our community. We have connected local job seekers with local employers, promoting local employment opportunities through both traditional and non-traditional employment networks to ensure the entirety of our community has access to economic opportunity. We also educate, connect and refer local industries to the education and training resources available through Peaslee Tech, our universities, and local school districts.

Site and Infrastructure Capacity:

Kansas University Innovation Park

We are anxiously awaiting the completion of the Phase III building on KU's West Campus. This new building will be a springboard for job growth and innovation. Interest is high by companies looking for a presence on KU's west campus. Planning on the next two proposed buildings for KU Innovation Park are well underway.



Industrial and Office Opportunities

Significant interest in sites for industrial projects continued in 2021, and overall interest in industrial properties continues to be strong. We have several active projects for which Lawrence VenturePark remains in consideration, and our supply of usable lots is limited. It is important for the community to consider investment for future industrial development and to identify sites that accommodate industrial investment and job growth. In 2021 we established a working group to explore our options for future industrial sites and are trying to meet with a regional/national developer to determine what requirements and amenities are critical for success and the framework that an established, reputable developer what require to be a partner/participant in a new industrial park.

The Chambers's Rising Together 5-year capital campaign which took place in 2021 calls for both new industrial/business sites. It also calls for annexation of property for new residential development to increase and improve housing available to all individuals, with a special emphasis on housing for our workforce which is so vital to our future. This plan calls for 100 acres of new zoned, shovel-ready industrial sites in our inventory within 3-5 years. It also projects the annexation of sufficient land to support the development of 800 housing units within 3 years and a related goal of issuance of 300 single family housing permits each year thereafter.