

Lawrence & Douglas County

Economic Development Progress Report



City of Lawrence

LAWRENCE·KS
CHAMBER of COMMERCE



Our Goal: Improve Overall Economic Strength of Our Community

Workforce Analysis

The Lawrence, Kansas Labor Basin includes Douglas, Franklin, Jefferson, Johnson, Leavenworth, Miami, Osage and Shawnee Counties.

1,015,212

Labor Basin Population

531,316

Civilian Labor Force

243,055

Available Labor Pool

Demographics

99.4%

High School Diploma

50.4%

Bachelors Degree

22.7%

Masters Degree

45 years old

Average Age

Most Desired Benefits

1. Wage
2. Vacation
3. On-the-job Training
4. Health Benefits

Occupation

24,840

General Labor

22,733

Gov't Services/High Skill Blue Collar

73,324

Service Sector

56,024

Professional

The goal of a community economic development program is a sustained increase in living standards, education and health for its residents.

The three basic elements of economic growth:

- Retaining and growing existing business
- Attracting new business
- Supporting innovation and entrepreneurship

These elements foster the positive business environment needed to create new jobs and improve quality of life for the residents of Lawrence and Douglas County.

Economic development in Lawrence and Douglas County considers appropriate land use; stable, thoughtful planning and infrastructure development; and livability. A positive business climate produces benefits for the community at large through public education, including providing job training opportunities.

The foundation for effective economic development includes a focus on meeting the needs of existing businesses and helping them as they grow and expand. Recent studies have shown that existing small or new businesses create two of every three new net jobs across the country. Complimentary efforts ranging from nurturing entrepreneurs and small business start-ups, attracting large national firms and regularly evaluating development policies and procedures benefit our community through enhanced livability and increased diversity of our economic base.

In the competitive economic development arena, a regional approach to attracting new businesses has been shown to be effective, highlighting an expanded labor pool and skill set. Through collaboration with the Kansas Research Nexus, we market the nine-county region - encompassed by Lawrence, Topeka and Manhattan - positioning this region well within the Animal Health and Bioscience Corridor. Our partners work with the Kansas City Area Development Council to showcase Lawrence and Douglas County.



Retaining Existing Businesses & Fostering Growth

EMR Opts to Keep Headquarters in Lawrence

In 2012, KDOT was granted approval to proceed with building the \$182-million South Lawrence Trafficway. This four-lane highway will complete K-10 Highway from the eastern city limits to Iowa Street and is estimated to have an economic benefit to the region of \$3.7 billion, the largest of any project under the 10-year, \$7.9 billion T-WORKS transportation program.

A local environmental firm headquartered in Lawrence, EMR, contacted the city with concerns about the SLT's impact on their physical location and was considering sites for relocation – both inside and outside of Lawrence. The city expressed a desire to keep the company and their 24 engineers and scientists in Lawrence. The city assisted EMR with costs related to relocating the business within Lawrence's city limits. In 2012, EMR signed a three-year lease for a location at 21st and Delaware Streets and has since moved their headquarters to this new location.

Motorola

Lawrence is home to a broad range of businesses, from unique art galleries to large manufacturing companies, each one contributing to the high quality of life treasured by our residents. At the Motorola Mobility office in Lawrence, some of the top software engineers in the country create what they call the "converged experience," the technology that allows us to consume content - like broadcast television, Internet video, and now, home management applications — in an increasingly connected world.

"Our vision of converged experience is making sure our clients can bring all this content into your home and deliver it anywhere, easily and efficiently," said Jason Rogers, Director of Software Engineering at Motorola Mobility, Lawrence.

Motorola Mobility traditionally has been considered a hardware company and is one of the leading developers of software for next-generation content consumption, be it interactive TV guide experiences using HTML5, streaming video applications for mobile devices or social TV interfaces.

"In the past 6 months, the company has increased its presence in Lawrence, expanding its office capacity by 25%, along with a complete internal renovation," Rogers said. "The presence of KU and the skilled workforce in Lawrence makes this kind of expansion possible."

Downtown Development



Lawrence-based Treanor Architects reaffirmed their commitment to the Lawrence community in 2012 by renovating a building at 1040 Vermont, a property that had sat vacant for 10 years. The 30-year-old firm moved into their downtown offices in December. The architecture firm integrated the original structure with contemporary architectural details including a two-story glass façade.

Through this expansion and renovation, Treanor Architects was able to combine multiple offices into one location. The facility was designed to LEED certification standards and is home to more than 50 employees.

Our Community: Health Care Partners Soaring with Successes

LMH: A Top 100 Hospital

Lawrence Memorial Hospital (LMH) was recently named one of the nation's 100 Top Hospitals by Truven Health Analytics, a leading provider of information and solutions to improve the cost and quality of healthcare.

The Truven Health 100 Top Hospitals study evaluates performance in 10 areas:

mortality; medical complications; patient safety; average patient stay; expenses; profitability; patient satisfaction; adherence to clinical standards of care; post-discharge mortality; and readmission rates for acute myocardial infarction (heart attack), heart failure, and pneumonia.

LMH President and Chief Executive Officer Gene Meyer said, "We are so proud to share this recognition with our community. The 100 Top Hospitals award is based on a set of measures that reflect highly effective performance across the whole organization, including board members, medical staff, management, and nursing. It takes a hospital-wide commitment to excellence and an unwavering focus on patients to realize this kind of achievement. Going forward, we will build on these results to continue demonstrating excellence in all aspects of patient care."

To conduct the 100 Top Hospitals study, Truven Health researchers evaluated 2,922 acute care hospitals.

More information on this study and other 100 Top Hospitals research is available at www.100tophospitals.com.



Lawrence Memorial Hospital

The health care team at Lawrence Memorial Hospital (LMH) is focused on one vision: to be the best community hospital in the nation. Being the best means patients receive quality services in a safe and welcoming environment where staff are skilled, attentive and compassionate, and where technology is second to none. It also means associates are proud to work at LMH because they are empowered to perform to their maximum potential, supported by the resources they need, and acknowledged for their efforts.



The staff has long considered LMH one of the best companies to work for, and in 2012 Ingram's Magazine in Kansas City made it official by recognizing the hospital as one of the region's Best Places to Work For.

In an industry troubled by financial uncertainty, LMH is an exception. Among its strengths are a dominant market position in a favorable service area and strong operating results with 12 years of increasing cash flow growth. In 2012, Moody's Investors Service, one of the country's top credit rating agencies, upgraded LMH's long-term credit rating to A1 level, validating the hospital's strong financial performance and making LMH one of the smallest net revenue hospitals in the country to achieve this rating.

Also in 2012 LMH was honored with an "A" Hospital Safety Score by The Leapfrog Group, a national non-profit quality improvement group formed by employers 12 years ago. Using publicly available data on patient injuries, medical and medication errors, infections, process measures and structural measures, U.S. hospitals were assigned grades for their safety. Only three hospitals in Kansas earned an "A" score.

For the second year in a row, Hospitals and Health Networks magazine named LMH one of the nation's Most Wired Hospitals, recognizing its use of information technology. Also in 2012, The Joint Commission, the leading accreditor of health care organizations, designated LMH one of the Top Performers on Key Quality Measures for performance data in heart attack, pneumonia and surgical care.

Attracting New Businesses

City Continues Efforts to Develop New Industrial Park

In 2012, the city completed the master planning process for the former industrial property located on the eastern edge of the city limits on K-10 Highway. The city is in the process of creating approximately 260 new acres for industrial and business park development opportunities that offer a flexible lot layout. The city controls the site and plans on developing the area into a business park.



The city is now working to develop needed infrastructure at the site, including a traffic signal and additional geometric improvements at 23rd and O'Connell Road, to improve access to the site.

The city is examining various alternatives for generation of energy on site, including solar, biogas and algae to biofuels. The city was awarded an EPA grant and is working with the National Renewable Energy Laboratory on energy alternatives, too. Visit www.lawrenceks.org/farmland for additional information on the property's redevelopment.

Downtown Development

Lawrence-based FirstManagement is moving forward with plans to construct a new 91-room Marriott Towne Place extended stay hotel in downtown Lawrence at 9th & New Hampshire.

In addition to the hotel, the project will feature approximately 6,980 square-feet of retail space on the ground floor and three condominiums on the top (fifth) floor. The project will also provide approximately 100 underground parking stalls.



Workforce Development Consortium

A partnership between the Chamber of Commerce, the Lawrence School District and several community colleges including Johnson Community College, Neosho Community College, Kansas City Kansas Community College, Washburn Institute of Technology and Flint Hills Technical College, will benefit Lawrence and Douglas County through the creation of a technical training campus. With the support of the University of Kansas and the community's economic development partners, this collaboration will provide technical training to create a skilled workforce and help local businesses continually improve their productivity and profitability. Current plans call for the training campus to be ready in late 2014 or early 2015.

This technical training campus will provide local residents with skills necessary for manufacturing and other careers today and into the future. A September 2012 study states that within the next six years, more than 60 percent of jobs will require post-secondary education – including technical training education. Jobs in manufacturing pay higher wages and benefits, on average, than many other industries and create secondary job opportunities throughout the community.



Revising Traditional Business Models

RedTire Program

The impact of brain drain on rural Kansas communities is staggering.

Defined as the loss of younger, talented people migrating to urban areas seeking cultural or educational and employment opportunities, it creates a void and a drag on local economies and businesses.

The University of Kansas recently launched RedTire LLC to help communities sustain economic well-being by assisting business owners with succession planning. In addition to connecting retirement-ready business owners of pharmacies, health practices, and family-owned farms with university graduates, the program provides human resource, financial and operational coordination to ease the transition process.

To ensure financial stability, RedTire will negotiate and act as guarantor of the loan that the university student will use to purchase the business from the outgoing owner.

Find out more about the program online at www.business.ku.edu.



Poehler Historic Lofts Opens & Revitalizes East Lawrence Area

In Lawrence, neighborhoods are defined by their history. It is the people, places and legendary stories that create common threads which weave throughout the lives of our residents – both present and past. In one such neighborhood, it is the common story of commerce, industry and art which fused to create an exciting rebirth of a blighted area that was once forgotten and left to ruin under the weight of neglect. Today, the Warehouse Arts District is an excellent example of how a community came together to save a part of their history, all the while creating a vibrant, innovative project that is being recognized on national and state levels as a successful partnership between the private business community and the local municipality.

For decades, the residents of Lawrence and city leaders struggled to develop a plan that salvaged historical buildings in east Lawrence and added needed public improvements to the neighborhood to foster redevelopment and revitalization. It wasn't until the Poehler Housing Partners, L.P. proposed a partnership with the city in 2011 that a plan, which achieved both the city and the developer's needs, was obtained. The city and private developers created a Development Agreement which specified certain timelines and obligations that each entity had to meet in order to receive funding allocations from the city. The City of Lawrence's participation in the project consisted of funding several neighborhood improvements. The city's cost was \$1.3 million. The developer's investment was \$9 million.

In July 2012 – all 49 apartment units were leased within 24 hours of opening. The loft apartments are utilized today as a mixed-income development with rental rates reflecting workforce housing costs.



Since the initial redevelopment of the Poehler Building, the private developers have invested in multiple adjacent buildings and are in the process of recreating the area into the central hub for the arts in Lawrence. The area has become known as the Warehouse Arts District and has quickly transformed a blighted neighborhood into a thriving cultural center.

As further commitment to the overall project, the city designated the area as a 95% Neighborhood Revitalization Area (NRA) with up to \$500,000 in property tax to be rebated to the development team over a period of 10 years.



Supporting Entrepreneurship

KU Small Business Development Center

At the KU Small Business Development Center (KU-KSBDC), the primary mission is “growing Kansas entrepreneurs.” The consultants at KU-KSBDC believe that small business is the cornerstone of the Kansas economy. Small businesses create jobs, generate tax revenues, and provide essential ingredients to our quality of life.



One of the critical factors to the success of a small business is whether the owner has access to necessary resources and advice. KU-KSBDC provides a wide range of services to small businesses providing low cost training seminars and one-on-one counseling to help aspiring business owners start and expand their operations. Through confidential counseling sessions, clients learn about the business start-up process, business planning, financing and funding, marketing, accounting, human resources and taxes.

In a typical year, clients of the KU-KSBDC start 40-50 businesses, generate more than \$5 million in new capital, \$5 million in new revenues, and create or retain more than 300 jobs.

One of eight small business centers located throughout the state, the KU-KSBDC is co-located with the Lawrence Chamber of Commerce in downtown Lawrence. It is a partnership program between the U.S. Small Business Administration, the Kansas Department of Commerce, the University of Kansas School of Business and the Chamber of Commerce.

The KUSBDC serves small businesses in six counties – Douglas, Franklin, Jefferson, Atchison, Leavenworth and Doniphan. The center works with start-up companies, existing small businesses and individuals who wish to sell or purchase a small business to foster economic development through creation of new businesses and associated jobs.

Phase II BTBC

The Bioscience & Technology Business Center (BTBC) opened its doors in August of 2010. Since then, it has grown to include three additional buildings providing nearly 70,000-square-feet of office and laboratory space, making it the largest job creation system in the Midwest. The combined BTBC locations are home to 29 companies which have created 114 jobs with an annual payroll of over \$4 million.

The BTBC Main Facility, located on KU's West Campus, reached 100% occupancy in January of 2012, three years ahead of projections. Because of this early success, the BTBC has expedited planning and construction of Phase II, an additional 30,000 square feet which will be available for lease in July of 2014. Phase II will include space earmarked for KU's Center for Technology Commercialization, as well as space designed to accommodate the special needs of virtual companies.

The BTBC is a unique coalition of government, business, and academia, closely aligned to achieve a common purpose. BTBC's corporate structure includes five stakeholder members: KU, the City of Lawrence, Douglas County, the Lawrence Chamber of Commerce, and the Kansas Department of Commerce. The governing body constitutes representatives of each of these organizations and three additional at-large members. The Kansas Bioscience Authority and the Kansas University Endowment Association are additional financial partners.



Contact Us

Lawrence Public Schools

Lawrence: a community of learners! In this university town, rich with educational, cultural and recreational resources, children thrive. Lawrence Public Schools, the seventh-largest school district in Kansas, is one of the city's largest employers. About 1,750 teachers and educational support staff go to work at challenging and inspiring more than 11,000 students each day.

The Lawrence school district offers a full continuum of educational services – from a Parents as



Teachers program, supporting families of children from birth to age three, to 22 schools, enrolling students from Pre-K to Grade 12. The fastest-growing virtual school in the state offers families online learning options, while an adult education center promotes personal improvement and employability skills.

Lawrence Public Schools maintain a tradition of excellence in academics, fine arts and athletics, including numerous state championships, National Blue Ribbon School Awards, Kansas Governor's Achievement Awards and Kansas Standard of Excellence honors. Students graduate prepared for college and careers, as evidenced by ACT and SAT scores that exceed state and national averages and recognition as Presidential Scholars, National Merit Scholars and National Advanced Placement Scholars.

What are the keys to our schools' success? Outstanding teachers and staff, university collaborations, active parents and more than 110 business partners, all focused on one goal: student achievement.

ECONOMIC DEVELOPMENT PARTNERS

City of Lawrence	www.lawrenceks.org	(785) 832-3472
Lawrence Chamber of Commerce	www.lawrencechamber.com	(785) 865-4411
Douglas County	www.douglas-county.org	(785) 832-5268
Bioscience and Business Technology Center	http://btbcku.com/	(785) 832-2110
KU Small Business Development Center	http://www.kusbdc.net/	(785) 843-8844

Lawrence Named a "Best Place to Retire"

In the past, numerous publications have recognized Lawrence as a "top college town" due to its low cost of living and varied amenities for residents. In 2012, the city was also recognized a "Best Place to Retire" by Money Magazine. The publication noted Lawrence's meticulously maintained downtown retail district and abundance of historic architecture as reasons for the recognition. In addition, the magazine noted, "As home to the University of Kansas, Lawrence has all of the art, education, medical care, and sports events you'd expect of a major college town."

Lawrence's abundance of recreational opportunities, including outdoor water sports at Clinton Lake and indoor swimming opportunities at the Indoor Aquatic Center, and a plethora of meandering trails throughout the community contribute to the positive quality of life that residents enjoy. Additionally, the Baker Wetlands Research and Natural Area is a boon for bird watchers.

