

# LAWRENCE BUSINESS MAGAZINE

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**ECONOMIC  
GROWTH & OPPORTUNITY**



# Growing Forward

Lawrence and Douglas County's diverse mix of businesses positively impacts growth and economic development, but a lack of affordable housing can be a challenge.

by Bob Luder, aerial photography Marc Havener

DOUGLAS COUNTY  
**10,000** BUSINESSES  
**53,000** JOBS

Massachusetts Street lit up at night looking north towards the Kansas River



**According to someone in the know, economic development is all things that occur in an area that create opportunities and prosperity for all who live there.**

“That’s whether it’s private entities or large public institutions like (The University of Kansas), which is a major driver here,” says Steve Kelly, vice president of economic development for the Economic Development Corp. of Lawrence and Douglas County (EDC). “We want to build wealth, build revenue that creates quality of life and everything in between.”

Sounds easy enough in theory, but of course, it isn’t that simple. Planning, initializing and administering all that goes into economic development anywhere, let alone a city as diverse and unique as Lawrence, takes a village, and that village needs a coordinator.

That’s where the EDC comes in.

Formed in the 1970s as Douglas County Development Inc. and founded by the Lawrence Chamber of Commerce to partner with the city and county for the development of East Hills Business Park, the organization was rebranded the Economic Development Corp. of Lawrence and Douglas County 15 years ago to be reflective of development work throughout the entire county.

“We work with industrial properties to identify companies looking to do business here,” Kelly says. “We identify needs and challenges, and do whatever we can to help meet those needs and overcome those challenges so that Lawrence and Douglas County can grow and be prosperous.

“We function as a sort of ombudsman and represent businesses as they work through the processes of getting started,” he continues. “We work with entrepreneurs to provide loans to startup businesses.”

Kelly says the EDC also has a good knowledge of resources outside the county. “And we work on workforce and with the University to make sure companies are aware of resources, make sure they have the best information, make sure they have the best chance at success.”

## A Close and Useful Partnership

The Lawrence Chamber of Commerce operates the EDC for all of Douglas County. The EDC contracts with the Chamber for staffing, with Bonnie Lowe as president and CEO for both entities, and Kelly as vice president of economic development for both. However, the EDC has its own board of directors separate from the Chamber.

“We learn from both the Chamber and EDC Boards about what they’re hearing regarding what businesses need,” Lowe says.

The EDC is financed through a joint effort among the City of Lawrence, Douglas County and the business community. It gets 25 percent of its funding each from the city and county, and the other 50 percent from the private sector. In 2017, the EDC embarked on a campaign called Growing Forward, and the results were impressive: 1,148 new jobs created, \$219 million in new capital investment, the creation of an auto lab at Peaslee Tech and significant expansion of several of the area’s top businesses.

To continue that momentum, the EDC in 2022 launched Rising Together, a detailed five-year economic development initiative aimed at creating new high-tech business, assisting and retaining existing businesses, encouraging entrepreneurship, developing and growing a skilled workforce and helping solve Lawrence’s long-standing housing shortage, all aimed to produce significant economic benefits to the city and county.

When it comes to attracting and finding homes for businesses in the area, the list of applicants is “potentially international,” Kelly explains. A community the size of Lawrence can make it challenging getting on the radar as possible future sites for far-flung companies, but Kelly says the EDC often enlists help from the likes of the Kansas Department of Commerce and the Kansas City Area Development Council, comprised of 18 counties in Kansas and Missouri, which serve as consultants working to identify companies in the area.

“In the course of a year, we might get 40 site requirements,” Kelly says. “We do some soliciting on our own. A lot of it is regional in nature, but calls on businesses could come from anywhere.”

Indeed, Kelly points out that just last year, the EDC helped establish and coordinate meetings between a representative from a company in Germany that was interested in partnering with a local precision machining company.

Simply put, the EDC is willing to do whatever it takes to help bring wealth and prosperity to the area.

“Economic development to me is about creating opportunities and wealth for our citizens and families,” Lowe says. “This gives (the EDC) opportunities to provide assistance.”

## Helping Startups Get Started

As noted, the EDC is involved in many aspects of economic development, including but not limited to in-depth analysis of the region’s available workforce, assistance in identifying and accessing available incentives, supplying current demographic information, serving as a liaison with local government agencies, even providing personal tours of the region and available locations.

One specific initiative it’s especially proud of is Diversify Douglas County (DDC), which came about as the result of a 2017 health study that looked at health in impoverished ar-

reas, particularly among the county’s minority population. The initiative promotes economic prosperity through low-barrier, low-interest loans designed for entrepreneurs starting minority-owned businesses.

“It was a priority identified in the community health plan,” says Joshua Falleaf, director of economic development with the EDC, who heads the program. “The goal is to increase entrepreneurship and new businesses through equitable business and entrepreneurship opportunities.”

The DDC offers up to \$15,000 loans for a 48-month term at an interest rate of 4 percent. There’s no early payoff penalties and no matching funds required.

Kelly says the EDC, which administrates the program with its financial review board through funding from the county and city, is processing about one loan per month.

“Everyone who wants to start a business should have the opportunity,” Falleaf says. “A lot of traditional lending hinges on credit and collateral. The DDC asks only that applicants have a strong, developed business plan and a one-year cash projection.”

The KU Small Business Development Center serves as a partner to Diversify Douglas County, and assistance isn’t limited to just a one-time loan.

“In addition to startup capital, DDC also provides continued support, technical assistance and additional opportunities as appropriate for each entrepreneur,” Falleaf explains. That additional support can be anything from offering business training courses to networking opportunities with complementary businesses.

“It’s a collective, community-based effort,” he says. “We’re doing our best in a comprehensive way to lower barriers to starting a business.”

Falleaf points to Gavin Ayode, owner of Blinded Collections, a flourishing apparel company that benefited directly from DDC funding.

“We’re at a pretty good pace,” he says. “Now that we’re up and running, we are looking for ways to improve.”

Lowe continues, “It’s a wonderful opportunity for the area. Douglas County benefits through suppliers who work with these new companies, and it also aids the workforce.”



*top to bottom*  
Lawrence Chamber staff members: Steve Kelly-Vice President of Economic Development, Bonnie Lowe-President and CEO, and Joshua Falleaf-Director of Economic Development



## A Familiar Challenge

There are roughly 10,000 businesses throughout Douglas County, Kelly says, and Lawrence, with a population of 95,103 per American Community Survey data for 2018–2022, has around 53,000 jobs, with KU easily being the city's largest employer. Of individuals 25 to 64, 56.6 percent have a bachelor's degree or higher compared with 35.8 percent nationally. The median household income in Lawrence is \$59,834, and the median house value is \$247,300.

While wages declined during and directly following the worst of the COVID-19 pandemic in 2020, they've rebounded since. In the spring of 2021, the median wage in the county was \$33,800. Today, that stands at \$41,730.

"The vast majority of businesses are ones that started here in Lawrence," Kelly explains. "We're a university town, but a community like Lawrence, we also have big companies like Berry Global and Hallmark that make products that distribute globally. And we have an influx of tourism."

All that gives the Lawrence and Douglas County area a unique and diverse mix of jobs and businesses, which all contribute to positive impacts of wage growth and attract healthy economic development.

Unfortunately, the fact that people want to live in the area and never want to leave also contributes to a challenge the city has faced for years—lack of available and affordable housing. Inventory of available housing has been tight for quite some time, which has caused prices to climb higher and out of reach for many laborers. That's

forced many to seek more affordable housing outside of the city, in Baldwin City, DeSoto or Eudora, in neighboring Johnson County. It's most likely a key driver in Douglas County having more commuters out of the city, 26,000, than commuters in, 21,000.

"Housing is our biggest challenge," Kelly says. "The Chamber and EDC have been at the forefront of dealing with the affordable housing shortage."

Kelly points to plans currently underway to install infrastructure on land west of the South Lawrence Trafficway, land that one day soon could be available for homes or industrial space, which also is in short supply. The goal is, within three years, to have adequate land annexed to support the development of 800 housing units, with an annual goal thereafter of issuing a minimum of 300 single-family home permits. Within three to five years, the aim is a minimum of 100 acres annexed that are zoned and shovel ready for industrial development.

## Looking Ahead

Housing and industrial property space notwithstanding, Lowe and Kelly are nothing other than optimistic about the future of Lawrence and Douglas County.

The quality of the area's workforce and quality of living—the fact that Lawrence is, in many ways, a big small town—makes it an attractive destination for both business and living, Kelly explains.

"There are a lot of amenities here because of the University and the fact we're 30 minutes away from (Kansas City)," he says. "We have all the rural experience, and we're close to all the amenities of a city. You can get to (Kansas City International airport) in less than an hour."

Kelly says the work he and the EDC are doing with KU Innovation Park and the Lawrence Tech Guild to foster innovative companies, helping sponsor meetups and facilitating meetings with business leaders, looks promising as the tech boom continues its sizzling pace. And of course, there is the new "Godzilla" being birthed nearby in the form of a Panasonic lithium battery manufacturing facility about to open in DeSoto, a mere 15 miles down Kansas Highway 10.

"Panasonic is a huge deal," he says. "They have a lot of employees. It'll take awhile to assess what threat it could be to existing employees. I think employers by and large have worked hard to accommodate employees and put themselves in better position to be competitive for workers."

"It's going to pose challenges," Kelly continues. "But there's great potential for new industries and new spin-off industries to be created." ▲



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Launched <b>OREAD ANGEL INVESTORS</b>	Hosted <b>free events</b> focused on entrepreneurial education and open to everyone

**73** COMPANIES     **\$49.4** ANNUAL PAYROLL     **745** JOBS  
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