



ECONONIC GROWTH & OPPORTUNITY



Bringing new companies to Lawrence is a joint effort among not only local entities but also many in the surrounding areas, including Kansas City.

by Bob Luder, aerial photography Marc Havener

THE PAST FIVE YEARS 2018 TO 2023
THE ENTIRE KANSAS CITY METRO POPULATION
[WHIICH INCLUDES DOUGLAS DOUNTY]

YEARS

SLT in the middle looking West, Farmlands to the South Lawrence straight ahead

AND OLDER INCREASED

THE POPULATION OF HIGHLY EDUCATED INDIVIDUALS HAS GROWN AT A MUCH FASTER RATE

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At least five days a week, hundreds, perhaps even thousands, of vehicles drive east on 23rd Street past the large, white Hershey Salty Snacks facility giving little thought to how it got there. Perhaps the powers

that be at Pretzels Inc. several years ago simply saw a piece of land on the eastern edge of Lawrence and decided to plant a, well, plant there to manufacture its tasty varieties of Dot's Pretzels.

Most likely, however, that wasn't the case. Far from it. Before companies like The Hershey Co., Berry Global or U.S. Engineering select a site for a major multimillion-dollar facility, hundreds, if not thousands, of man-hours are put in. Entities ranging from local officials, state, even private, out-of-town organizations pore over factors and qualities of persuasion of a particular site, including available space, quality of workforce, logistics such as accessible highways, railways and airports, reliable utilities, culture and quality of life.

All information about what makes Lawrence an attractive location for economic development is gathered, organized and disseminated by some of the finest civic cheerleaders Lawrence, Douglas County and the surrounding areas have to offer. It begins locally with the Lawrence Chamber of Commerce and Economic Development Council of Lawrence and Douglas County (EDC), but there is plenty of input and work put in from agencies such as the Kansas Department of Commerce and even 50 miles east of town at the Kansas City Area Development Council (KCADC).

The Kansas Department of Commerce has a team of five business recruiters to Kansas nationwide, with offices in Chicago and on both coasts. When they get a lead on a company looking to locate or relocate to the central part of the country, they leap into action, serving as a conduit of communication between that company and local civic leaders.

The KCADC, headquartered in Kansas City's iconic Union Station, is a private, not-for-profit organization charged with representing the economic interests of a two-state, 18-county Greater Kansas City region, which stretches as far north as St. Joseph, Missouri, as far east as Lexington, Missouri, as far south as Osawatomie, Kansas, and as far west as Topeka. Among the KCADC's roles are promoting the region as a business and lifestyle location of choice, branding the region as a product to stimulate economic growth, attract new companies and talent to the area, and retain valued businesses already here.

Steve Kelly, vice president of economic development at the EDC and Lawrence Chamber, says the lifestyle qualities and business environment provided in Lawrence make it an attractive sell to any entity seeking relocation.

"I see so many people from around the state and country who came here to (The University of Kansas) and decided to stay," Kelly says. "Lawrence has a lot of amenities that a lot of communities this size don't have."



It's those amenities that Kelly, EDC and Chamber President and CEO Bonnie Lowe and their partners communicate to attract prospective businesses to the area.

"The biggest attraction we have going for us is the quality of life," Kelly says. "Lawrence is a unique place."

The Value of a University

As home to the state's largest university, The University of Kansas (KU), Lawrence is uniquely positioned to offer businesses from local, one-man startups to global giants advantages that are unique to communities its size. Most notable is a large, highly educated workforce.

"We have an incredible talent base," Kelly says. "Very few places have a more educated talent base than Lawrence. Any company looking for a location ... the first driver is talent. Then there's training. Logistics, like accessibility to interstates, an international airport. And a mix of culture and lifestyle."

Statistics provided by the U.S. Census Bureau, American Community Survey, 2023, show that while the entire Kansas City metro population 25 years and older has increased 7.3 percent over the past five years, the population of highly educated individuals has grown at a much faster rate, 20.2 percent. The region's highly educated Gen Z population grew 17 percent since 2018.







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"To me, it's a great place to be," Kelly says. "The University is a big draw. Lawrence is a place where you can hire people, and they'll stay."

Ignoring the Lines

The U.S. Census Bureau population estimates for Kansas City, Missouri-Kansas, 2022–2023 show that the KC metro region was the top market in the Midwest in 2023 for net migration. Tim Cowden, president and CEO of the KCADC, stresses that Lawrence is a very big and important part of that 18-county, two-state region.

"Our customers don't see those (state and county) lines," Cowden says. "Our job is to make those lines go away and show companies what the region has to offer. Eliminate any interference and represent as one.

"The leadership of Lawrence and Douglas County have said we have our own identity, but we need to leverage being close to Kansas City." he adds.

While business-to-business (B2B) is at the core of what the council does, Cowden continues, it also deals with business-to-consumer.

"Students in Lawrence are looking for a place like the Kansas City region to create a career and a life," he says. "We show that this region is a great place to be."

Cowden, who had one of his children matriculate at KU, says when he thinks of Lawrence, he thinks of "power of place."

"Lawrence is a self-contained community," he says. "The University is a big part of what distinguishes the community; it's a big attribute. It builds a power of place around it. It's a magnet for talent. When we bring people to Lawrence, they get it."

Elli Houston, vice president at KC SmartPort, says that while the organization works directly with companies, "We want to directly understand what's driving the site selection process." She explains that 60 to 70 percent of its prospect opportunities comes from site selection consultants. She and her team serve

as a point of contact to assist companies and their consultants with assembling information on available real estate, infrastructure and utilities, labor and market data, and any number of other factors that go into site selection.

Houston describes her organization's role as one of "streamlining complexity" and "top of funnel," and anytime she makes contact with a company looking to do business in Lawrence, she says the first call she makes is to Kelly at the Lawrence EDC and Chamber.

Any successful development partnership and site selection is simply driven by the project itself, she adds.

"Is (the site) shovel ready?" Houston asks. "Is it a greenfield site, or are there issues that need to be addressed? The flatter (the lot), the better. Transportation infrastructure, roads, rail. Utilities. The farther out you must extend (to connect to utilities), the more the cost.

"It all comes down to time and certainty of outcome," she explains.

The biggest win recently for the region and Lawrence was landing the 4,000-employee Panasonic battery plant in DeSoto, which is scheduled to be operational later this year. Houston and Cowden agree many factors had to fall in place for the Japan-based company to finally settle here, but there was one overriding aspect that continually came to the fore: "Relationships were very strong, and it all came down to long-term trust," Houston says.

"Trust is huge," Cowden adds. "We had to make up a lot of ground. Other considerations included places like Oklahoma and several other states. If all things are even, it's the confidence the company has in the team (pitching the site).

"We were able rise above the competition," he continues. "Lawrence was a big part of building that trust."

Cowden says he'd only caution the city about one thing: "Lawrence has had a tremendous amount of success that a lot of communities would be envious of," he says. "Don't get complacent. You're not done."

Landing a Project in Lawrence

As regional director of business recruitment, Missouri and Kansas City Metro for the Kansas Department of Commerce, Barbara Hake is charged with learning about companies in Missouri interested in relocating to Kansas and helping facilitate that move. In doing that, she works closely with Kelly in gathering all the information a company needs and helps to ensure that Lawrence and Kansas provide everything needed to make a successful location for the company.

"If Lawrence is within a company's search area, I get ahold of Steve Kelly, and he tells me what they have," Hake says.

"I send that information on to the client. If they say they're interested, then we set up a site tour and tour of the city."

She was involved in the transitions that brought U.S. Engineering to Lawrence from the Kansas City area, as well as when Pretzels Inc. set up its manufacturing plant on the city's eastern edge.

"Both of those companies were looking for suitable land on which to build," Hake explains. "Lawrence has always been a great partner, very professional, always looking to bring in businesses."

She says companies nationwide look to move to Kansas for a variety of reasons. They're looking for new opportunities to break into new markets. Costs can get too expensive on either of the coasts, making the middle of the country more financially feasible. Labor costs are often lower. Taxes can be lower. For instance, Kansas law exempts property tax on commercial and industrial machinery and equipment purchased or transferred into Kansas after June 30, 2006.

To aid in its mission to attract new business to the Lawrence/Douglas County area, the Department of Commerce offers many incentives to businesses wishing to relocate to the state.

The Promoting Employment Across Kansas (PEAK) program offers qualified companies the ability to retain 95 percent of payroll withholding tax for five to 10 years. The High Performance Incentive Program allows businesses to sell or transfer up to 50 percent of tax credits. The Kansas Industrial Training program provides direct financial assistance for the training of net new jobs to the state. There also are sales tax exemptions for construction, remodels, equipment and furnishings. And those are just a few of the incentives offered.

Hake says companies also like the work ethic found among Kansas employees. She agrees the University is a big factor, along with great infrastructure, proximity to Kansas City and the airport, and a culture that includes great local schools and retail, in attracting new business to Lawrence.

"KU is a big factor for companies to know they're going to have a steady stream of talent coming out of there," she says. "Companies come in that want to employ KU graduates."

Hake says her office even handles international business recruitment, introducing overseas companies to the benefits of doing business in America's Heartland. Success, she says, is landing a new business in Kansas—more specifically, Lawrence.

"When you do a ribbon cutting and look around a business and see employees that have jobs and are making a living for their families, and they have no idea who you are or what you did ... " Hake says.

"To me, that's success."



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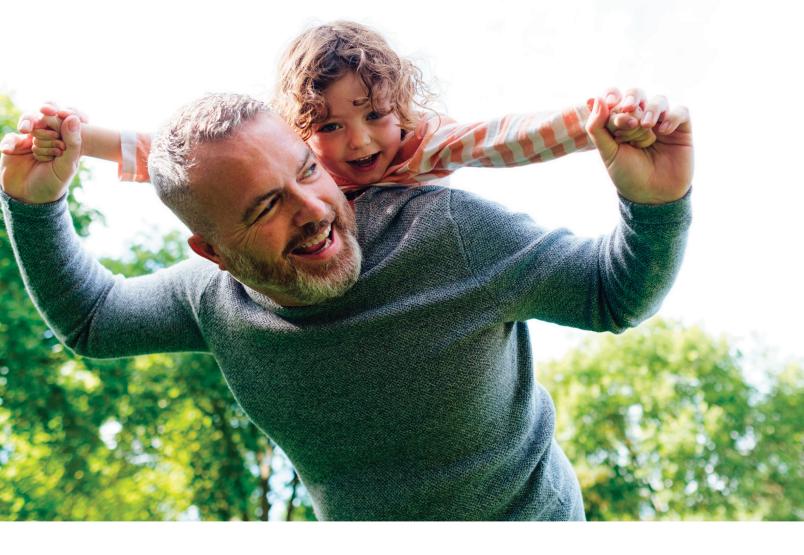






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