



THRIVING ECONOMY

Our vision for Lenexa is to be a place thriving with economic activity, a variety of business types and innovative people that create jobs and sustainable businesses.



THE VISION: THRIVING ECONOMY

Lenexans want our community to be a place where companies, entrepreneurs, universities, researchers and investors work together to create the thriving economy of the future. Lenexa should be a place where the best minds come together to innovate, provide needed services and solve problems. We desire to have a variety of business sectors, shops, food choices and entertainment options.

STRATEGIES

We will create economic prosperity for all Lenexans by:

1. Diversifying our economy.
2. Attracting innovation.
3. Reimagining retail, commercial and industrial areas.
4. Growing our already strong business sectors.
5. Maintaining the city's reputation as a development-friendly community.

OVERALL CONTEXT

- Lenexa’s economy is diverse. Almost 3,000 small, medium and large businesses employ nearly 56,500 people.
- Lenexa has a highly educated workforce.
- The Kansas City metro area is the nation’s second largest rail hub. Lenexa is serviced by the BNSF Railway and has two business parks with rail access.

• Lenexa is at the crossroads of five major highways. With access to Interstates 35, Interstate 435, U.S. Highway 69, Kansas Highway 7 and Kansas Highway 10, transportation in and out of the city is easily accessible. While traveling by car, you are never more than a 10-minute drive from access to a major highway. This enables companies to deliver products to the marketplace and brings employees from around the area.

EMPLOYMENT TRENDS



PROMINENT SECTORS

Health care, manufacturing, wholesale trade, retail and professional, scientific and technical services account for 61% of the jobs in Lenexa.



RETAIL 349 BUSINESSES / 6,487 EMPLOYEES

professional, scientific & technical services



WHOLESALE TRADE
301 BUSINESSES
6,603 EMPLOYEES

CONSTRUCTION
271 BUSINESSES
4,605 EMPLOYEES

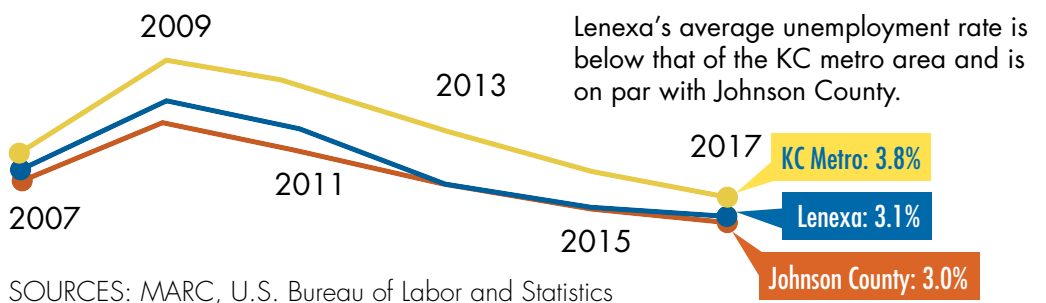


SOURCE: ESRI 2018 Business Summary

LARGEST EMPLOYERS

- UPS**
2,087 employees
- QUEST DIAGNOSTICS**
1,954 employees
- KIEWIT POWER**
1,272 employees
- J.C. PENNEY**
1,200 employees
- AMAZON**
700 employees
- ALLIANCE DATA SYSTEMS**
657 employees
- GEAR FOR SPORTS**
625 employees
- PRA INTERNATIONAL**
576 employees
- CLINICAL REFERENCE LABORATORY**
567 employees
- LAKEVIEW VILLAGE**
565 employees

UNEMPLOYMENT TRENDS

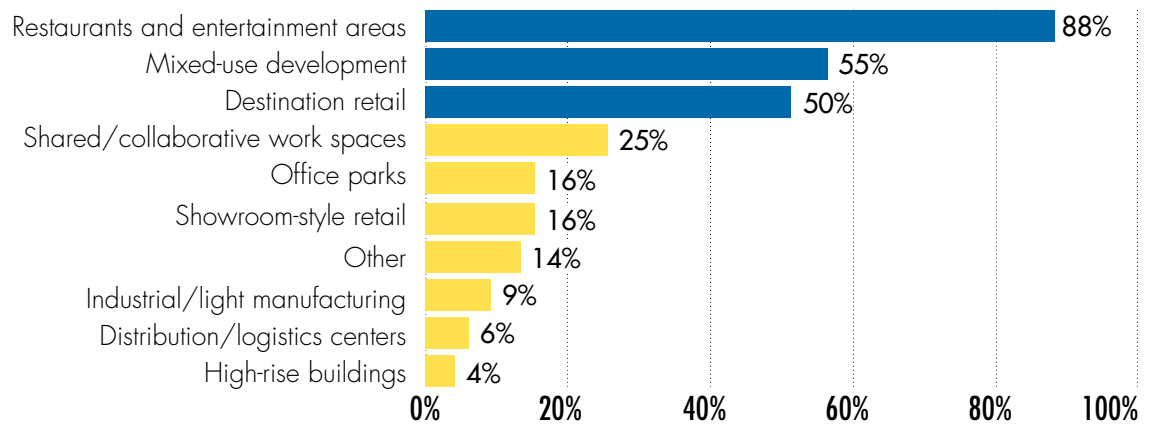


- Lenexa’s daytime population increases by 40% each work day.
- The 21,000+ miles of fiber-optic cable laid throughout the city provide a high-speed connection to a global economy.
- The most significant barrier to business expansion is access to workers due to low unemployment levels and lack of attainable housing.

SURVEYS

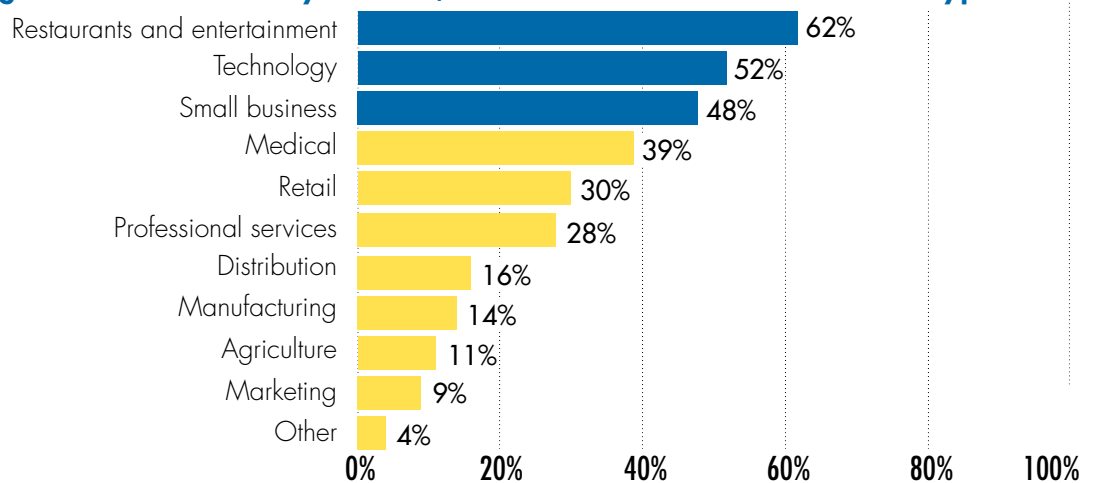
We surveyed the community about a variety of topics regarding infrastructure, facilities and transportation. Their responses are as follows.

In 2040, I’d like Lenexa to have NON-RESIDENTIAL AREAS that include...



SOURCE: Gathering Input — Survey 1. Appendix B

For Lenexa to have a strong and vibrant economy in 2040, we should retain and attract these types of jobs and businesses:



SOURCE: Where to Focus — Survey 2. Appendix B

STRATEGY 1: DIVERSIFYING OUR ECONOMY

Diverse products and a highly skilled workforce make Lenexa's economy more resilient. We can strengthen our economy by focusing on growing the ability to compete in the global marketplace of the future.

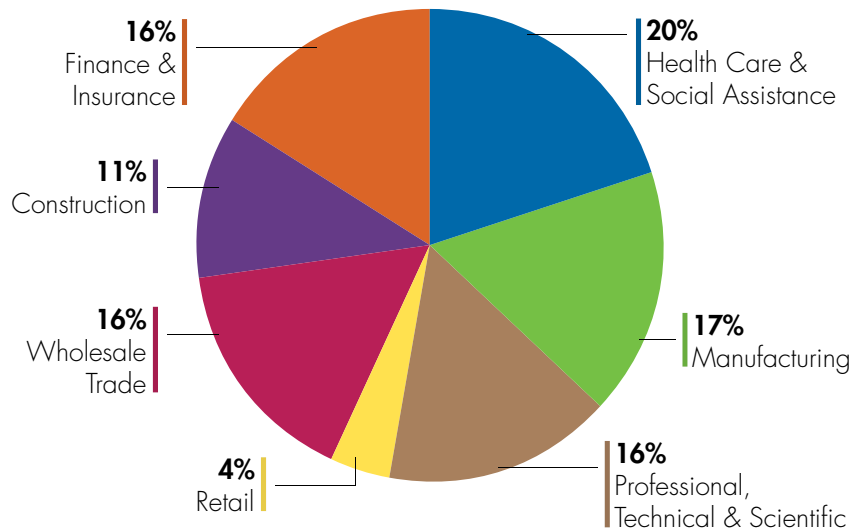


CONTEXT

Lenexa has a highly educated workforce with more than 50% of residents having a bachelor's degree or higher. Lenexa also has a diverse economy. The largest sector is health care and social assistance. Demand for this sector will continue to grow as the elderly population in Johnson County is projected to increase by 2040.

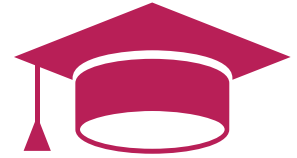
Lenexa also has a significant number of jobs in manufacturing, wholesale trade and professional, technical and scientific sectors. Concentration of these businesses could position Lenexa for future expansion in tech, engineering, science and logistics.

PERCENTAGE OF JOBS PER SECTOR

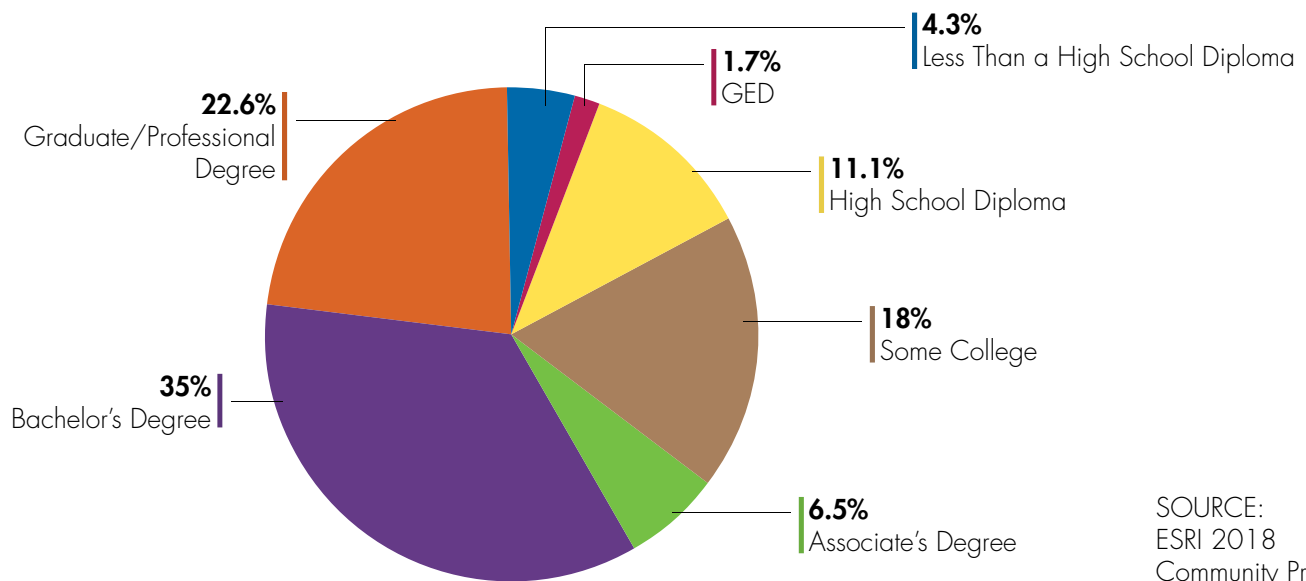


SOURCE: ESRI 2018 Business Summary

EDUCATION ATTAINMENT 2018



Lenexa's residents are highly educated, with more than 50% having a bachelor's degree or higher. This is slightly higher than Johnson County and well exceeds the KC metro area.



TACTICS

We further diversify our economy by:

- Attracting a highly qualified, diverse workforce by creating commercial spaces that are attractive because of their unique character, innovative features, green spaces and connection to retail shops, restaurants and housing.
- Working with employers on transportation needs to move people and goods more efficiently.
- Forming partnerships with educational institutions to provide relevant degree programs, training and certifications in future growth industries.
- Supporting our existing businesses so they can expand and grow.

STRATEGY 2: ATTRACTING INNOVATION

Drive innovation within existing firms and improve the environment for entrepreneurs. Strengthen affiliations with educational institutions, connections to expanding/emerging industries and appeal to the skilled workforce of the future.



CONTEXT

Silicon Valley used to be considered the place for innovative companies, but suburbs across America are attracting leading-edge anchor institutions and companies clustering together and connecting with startups, business incubators and accelerators. These places are physically compact, transit-accessible and technically wired, offering mixed-use housing, office and retail. Lenexa City Center is a step toward creating this type of place.

High education levels, a diversified economy, good quality of life and low crime rates give Lenexa a platform to attract innovation and skilled millennial workers.

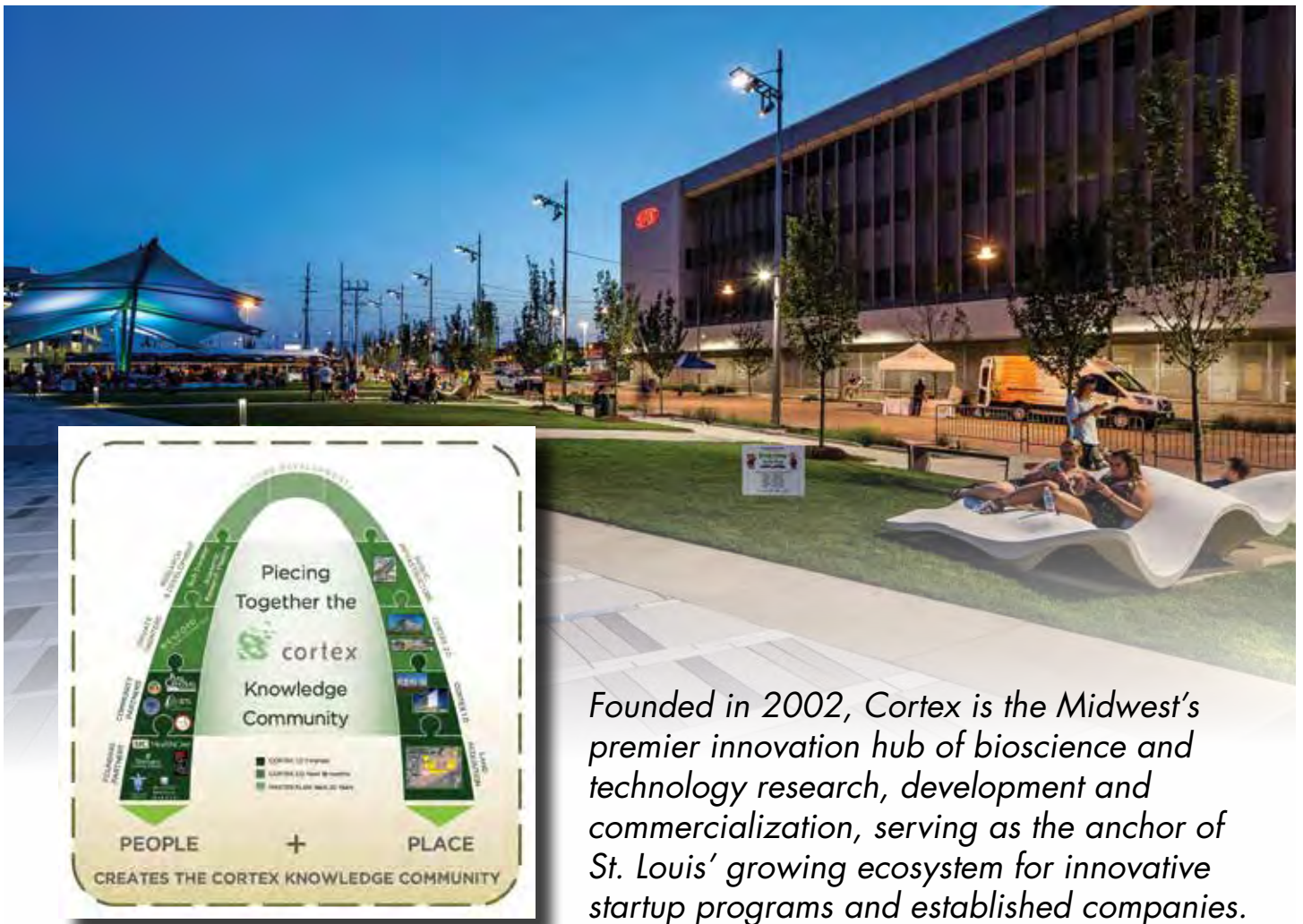
The professional, scientific and technical services sector is a significant part of Lenexa's current economy, with 372 businesses employing 6,210 people. Lenexa is already attracting innovative people and businesses to the community.

TACTICS

We attract innovation by:

- Supporting the community's entrepreneurship ecosystem to accelerate research, innovation and commercial applications in both the startup and corporate environments.
- Developing, attracting and retaining diverse talent needed to increase Lenexa's pace of innovation and accelerate economic growth.
- Encouraging development of transit-accessible, technologically connected commercial areas that offer mixed-use housing, office and retail.
- Encouraging the development of coworking spaces to foster business collaboration.

CONCEPT: INNOVATION DISTRICT



Founded in 2002, Cortex is the Midwest's premier innovation hub of bioscience and technology research, development and commercialization, serving as the anchor of St. Louis' growing ecosystem for innovative startup programs and established companies.

STRATEGY 3: REIMAGINING RETAIL, COMMERCIAL & INDUSTRIAL AREAS

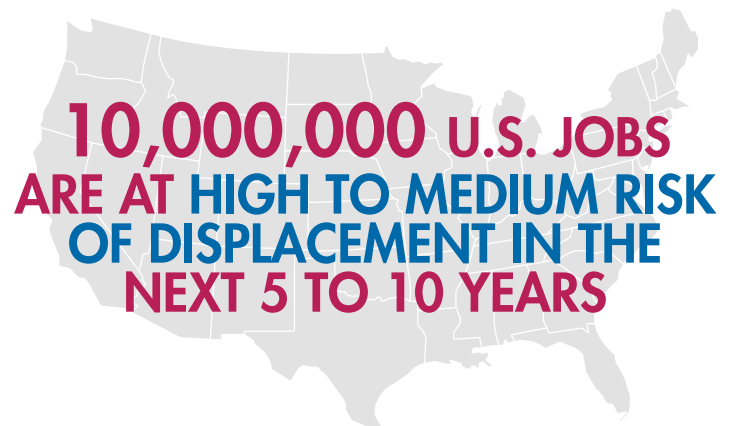
Encourage the construction and redevelopment of spaces that are more adaptable to changes in the economic landscape and more comfortable and attractive to people.



CONTEXT

The retail, commercial and industrial spaces of the future will be very different from today. Technology, consumer preference and employee desires will drive the need for changes to Lenexa's suburban development pattern.

Everyday items will likely be purchased online and delivered the same or next day. As online shopping continues to grow and expand into new markets, retailers are focusing on the customer experience to bring them into the stores. They give shoppers opportunities to touch, feel and taste items, allowing them to try out the goods before committing to buying them. Brick-and-mortar stores are changing to a showroom and digital sales model. Many service-based activities such as dining, exercise and theater involve in-person interactions. People want commercial spaces where they can come together with others in the community and share enjoyable experiences. Lenexa's industrial area will likely turn from warehouses to fulfillment centers with mixed uses including housing and less parking due to autonomous vehicles.



SOURCE: Research Briefs, CB Insights, 2017

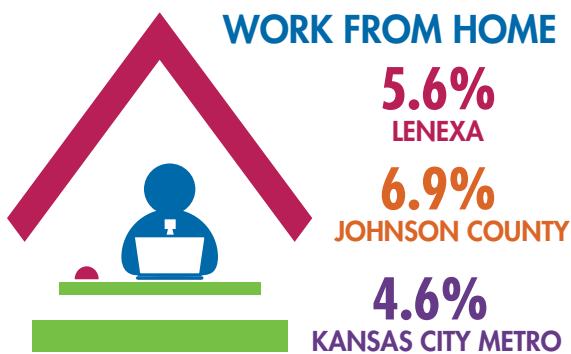
With unemployment at a historic low, it is difficult to find employees. Companies are making their workplaces more attractive by adding in amenities for recreation and relaxation.

Home-based businesses are growing, but people still want to connect with others in the community, so they often work in coffee shops and libraries. Coworking locations where business owners share space and resources are becoming more popular. Lenexa currently has four of these locations.

People are not just sharing office space; they are sharing their homes, vehicles, parking, bicycles and human, physical and intellectual resources via apps.

Many businesses are looking for temporary retail space. Entrepreneurs are setting up pop-up shops that are places where retail businesses can temporarily locate and test customer response to their products.

THIRD PLACES (NOT WORK, NOT HOME) ARE GROWING

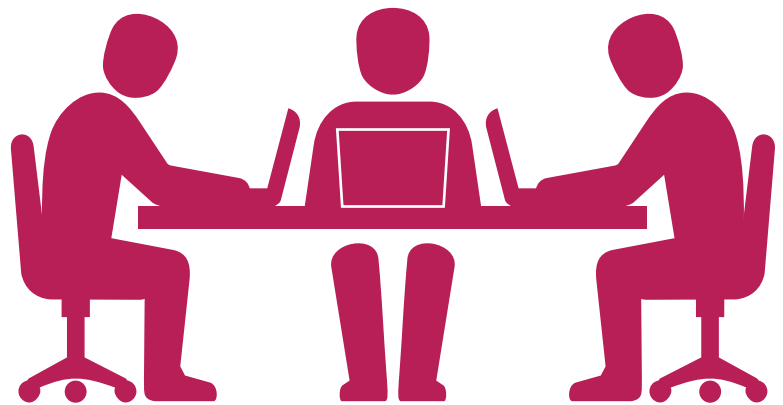


SOURCE: U.S. Census Bureau, 2013–2017
American Community Survey 5-Year Estimates

LENEXA PUBLIC MARKET

A dynamic place where the community connects around food and local products, and local entrepreneurs have an opportunity to launch and grow a business.

LENEXA COWORKING SPACES



4

Currently, there are four coworking spaces in Lenexa. Places people gather to connect, such as coffee shops and libraries, are becoming third work places. Nationally, there is a 37% projected increase in coworking spaces by 2022.

SOURCE: Statista, 2019

TACTICS

We reimagine retail, commercial and industrial areas by:

- Encouraging the development of flexible buildings to meet today's needs and those of the future.
- Repurposing warehouses and big-box retail buildings to new uses.
- Encouraging boutique shops, ethnic restaurants and artisan makers to locate in Lenexa.
- Encouraging development and redevelopment of industrial areas with increased density, less surface parking and innovative, mixed-use facilities.
- Improving industrial areas through walkability and connections to retail areas, neighborhoods, trails and open space to attract the workforce of the future.
- Working with employers to provide amenities that attract workers.



(LEFT) Boutique, local shops like Joyce's Flowers in Old Town are a good example of the types of retail that could withstand changes in economic trends. (RIGHT) Workers of the future desire amenities near their working locations, such as outdoor areas and restaurants in walking distance.

STRATEGY 4: GROWING STRONG BUSINESS SECTORS

Encourage existing companies to prepare for changes in global economy and disruptive technologies to sell more high-value goods and services and increase Lenexa's competitiveness.



CONTEXT

Our devices already talk to us and provide information when requested. Computers are learning from us, so they can perform more functions than we do ourselves today. Robotics and artificial intelligence (AI) mean the types of jobs humans do today will likely change over time. Key industrial sectors in Lenexa this could impact include health care, manufacturing and wholesale trade. Warehousing and distribution, in particular, may see job loss due to AI, including automation, robotics and autonomous vehicles used for freight. Manufacturing and wholesale trade account for almost one quarter of all the jobs in Lenexa.

There is a shortage of skilled tradespeople nationwide. Without skilled tradespeople, expansion in other sectors will be difficult, as buildings need to be retrofitted or constructed for the economy of the future.

TACTICS

We grow our already strong business sectors by:

- Connecting logistics firms with local universities that research best practices and teach logistics and supply chain management.
- Encouraging another commercial kitchen, an art incubator or maker space.
- Attracting destinations and experiential development such as:
 - » A recreation facility
 - » An outdoor entertainment venue
 - » A museum or center to celebrate Lenexa's love of art, culture, history and diversity
- Working with schools to encourage the development of skilled tradespeople to fill labor shortages so construction labor is readily available and construction costs are minimized.

Build upon Lenexa's two major youth sports venues and the Lenexa Rec Center with another destination recreation facility that will attract other businesses and services.

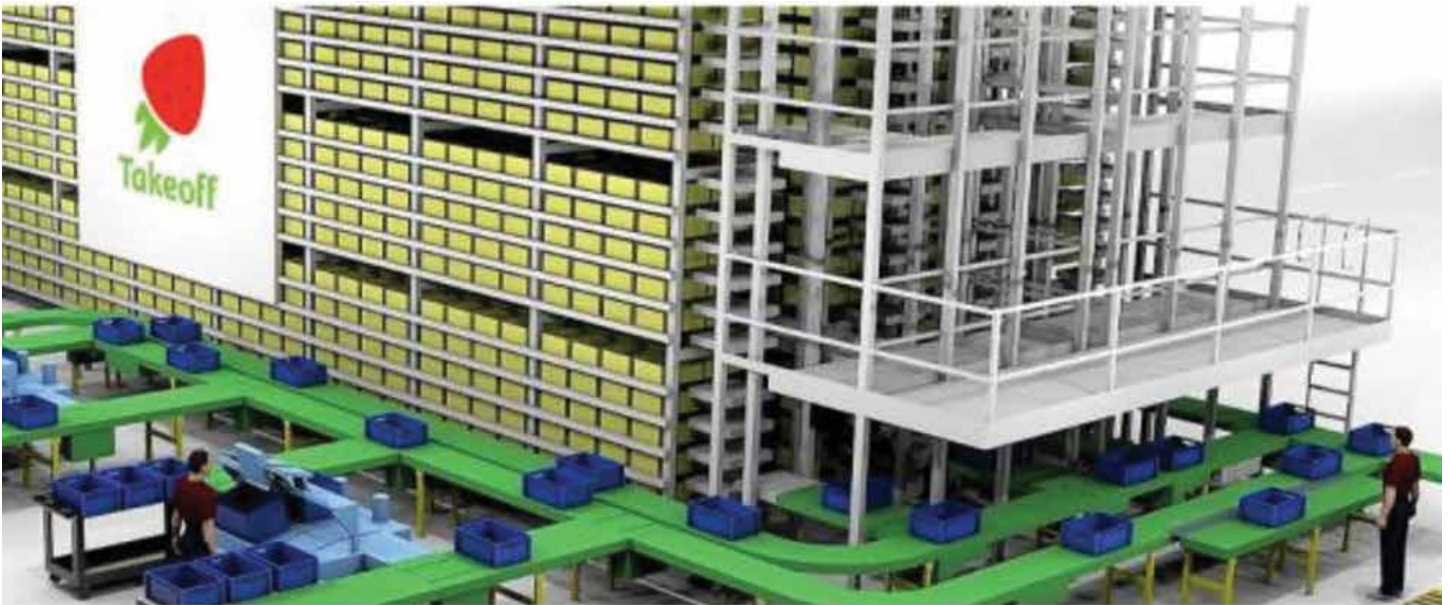


The commercial kitchen at the Lenexa Public Market is launching successful businesses like Red Kitchen Tamales. Consider another commercial kitchen, art incubator or makers space at another public facility.

One of the most popular visions for the future was a gathering spot in Old Town for live theater, music, performance art, activities for kids and food trucks.



CONCEPT: MICRO-FULFILLMENT CENTERS



Micro-fulfillment centers are relatively small in size in relation to a standard warehouse facility, making use of artificial intelligence and robotics to prepare and package orders more easily. Micro-fulfillment centers handle the picking and packing of online orders. In contrast to today's more sprawling facilities, which take two to three years to build, micro-fulfillment centers can go up in a matter of weeks and fit into densely populated suburban markets, closer to stores and consumers' homes.



STRATEGY 4: BEING A DEVELOPMENT-FRIENDLY CITY

Continue to promote Lenexa as a business-friendly community so that businesses large and small choose to locate in our community.



CONTEXT

Lenexa is a development-friendly community with many economic development tools to assist businesses who choose to invest and grow in our city. Over the past five years, there has been nearly \$1.8 billion in new projects completed, underway or planned in Lenexa.

The Lenexa Economic Development Council works in partnership with the city to bring new companies and industries to Lenexa. It also focuses on business retention and expansion.

TACTICS

We maintain the city's reputation as a development-friendly community by:

- Maintaining a mix of non-residential and residential development to ensure a balanced tax base.
- Encouraging revitalization of and reinvestment in established neighborhoods and commercial areas.
- Continuing to promote the city's outstanding quality of life elements, unique brand and positive image throughout the region.
- Facilitating a timely and predictable development review process which emphasizes cooperation between city staff and developers.
- Maintaining competitive economic development policies and utilizing incentives to achieve community goals and ensure high-quality commercial development.

