

# Economic Development Strategy

A roadmap for positive economic growth.



June 2014

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## Introduction

Like many smaller suburban communities across the nation, the City of Gardner is still struggling with the effects of the collapse of the housing bubble and recession from 2007 to 2009. In the fifteen years prior to the collapse, Gardner experienced explosive population growth. However, growth has been nearly flat since 2009. There are a number of challenges that the City faces, such as a state highway running through the downtown and young families wanting to “move-up” but instead are moving out of Gardner to other communities.

Even with these challenges the City of Gardner has the opportunity, through strategic positioning, to plan a path forward for positive growth utilizing both the City’s assets and the recent location and build-out of the new BNSF Intermodal/Logistics Park (LPKC) in its backyard.

The City of Gardner is finalizing a new comprehensive plan (comp plan) and, related to that effort, initiated developing an economic development strategy as a roadmap for positive economic growth.

The economic development strategy involved an outside assessment of the City’s assets, opportunities and challenges, and engaged key stakeholders in providing input to the findings and direction.

The assessment was conducted by Chabin Concepts, Inc. and The Schjeldahl Group in May and June 2014. At the conclusion of the assessment, the project team presented **seven economic development goals** to the City’s Economic Development Advisory Task Force:

### Seven Economic Development Goals

1. Continue to develop and maintain a quality community with character
2. Create a community that people don’t want to leave.
3. Build an image and identity as a business-friendly community.
4. Recreate downtown as a destination.
5. Utilize existing assets.
6. Be development-ready.
7. Diversify the economic base.

The City of Gardner’s Economic Development Strategy is based on the assessment, stakeholder input and opportunities for further economic growth.

The core of the strategy is Gardner-centric; however, because Gardner’s economy is closely tied to two economic centers, BNSF Logistics Park and New Century Park, implementation of the strategy must always consider the contribution and opportunities of these two developments and economic engines.

This strategy report reviews the assessment, the current situation and outlines five strategic initiatives to begin addressing Gardner’s competitive position for economic growth and achieving the economic development goals.

- | <b>Five Strategic Initiatives to Accomplish Goals</b>   |
|---|
| <ol style="list-style-type: none"><li>1. Business Climate</li><li>2. Quality Community</li><li>3. Downtown – a Catalyst Project</li><li>4. Business Retention &amp; Expansion</li><li>5. Business Development</li></ol> |

Also provided is a strategic “action schedule” for each initiative.

The Economic Development Action Tasks Schedule should be used by the City with the current Economic Development Advisory Task Force, or another appointed body, to prioritize the strategic initiatives and actions, as well as identify those who will take the lead and be responsible for specific actions using a five-year timeline horizon.

# 1.0 Current Situation

The first task in assessing the opportunities for the economic development strategy was to evaluate what is driving the local economy. Economies are driven by three broadly defined markets:

1. **Traded Sector Market** — Businesses providing goods and services outside of the region have the highest economic multiplier effect on a region.
2. **Visitor Potential Market** — Visitor spending has a multiplier effect if the visitors buy goods and services during their visit.
3. **Population Driven Market** — Businesses providing goods and services to local residents, such as medical, grocery stores, cleaners, etc. The multiplier effect is much smaller for this market.



Each driver has a different multiplier effect on the economy. Gardner’s economy is mainly driven by the Traded Sector and Population Driven economic drivers.

The following overview provides a concept of the current market situation that will affect Gardner’s economic growth.

Four factors – market, assets, opportunities and weaknesses – were reviewed with City staff and the Economic Development Advisory Task Force at a work session following a week-long community assessment.

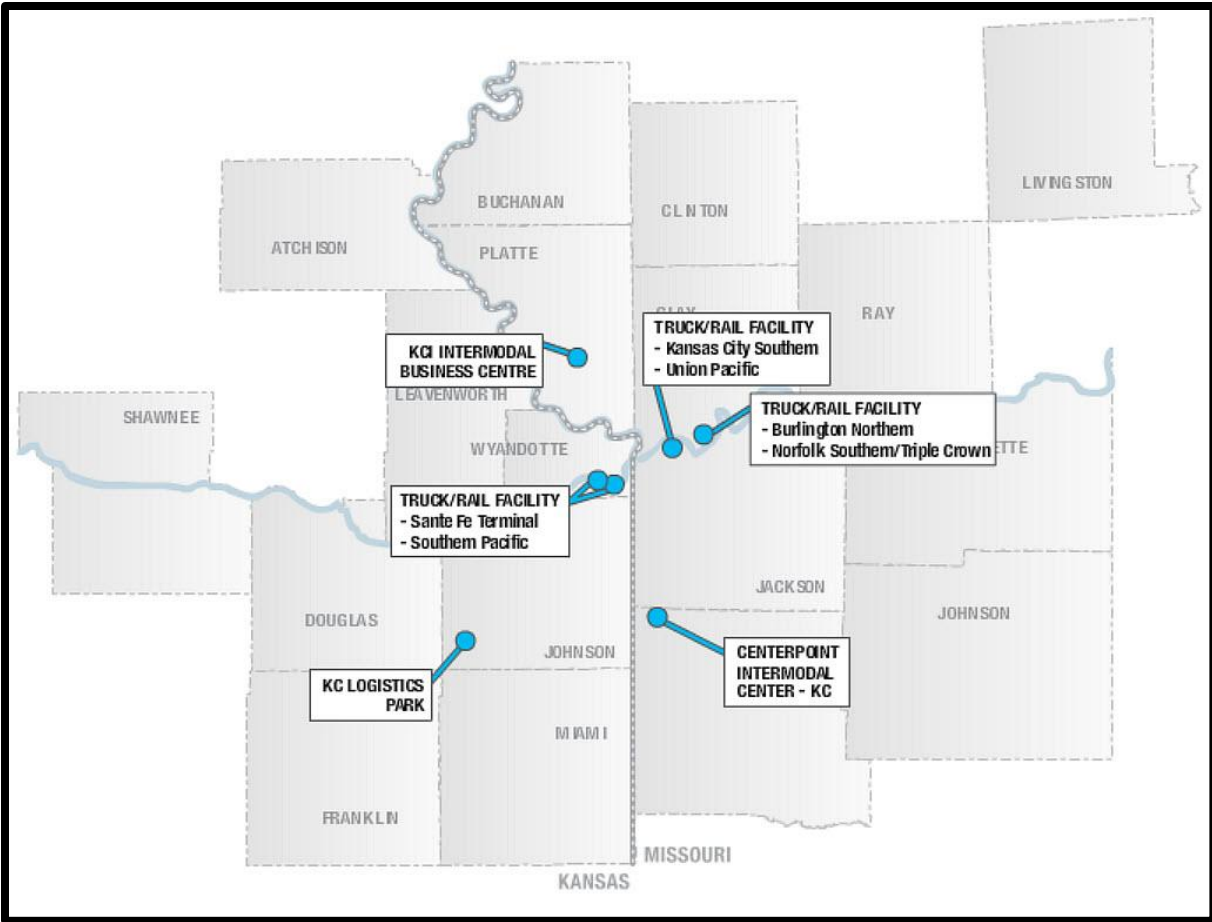
## Market

Market access is an important location factor to business and it ranks as a strength for Gardner because of the great access with I-35 connecting to I-70 and I-29.

Gardner is 30 miles away from Kansas City Civic Center via good roads. The notion that Gardner is a part of the metro region is a fairly recent development. In the minds of many metro area residents, Gardner is a country town. Olathe was that town 30 years ago. Although Gardner has great transportation routes, its proximity to key markets could still be a challenge for certain industries. For example, Gardner is too far away to support just-in-time deliveries to auto plants and other area industrial and commercial customers.

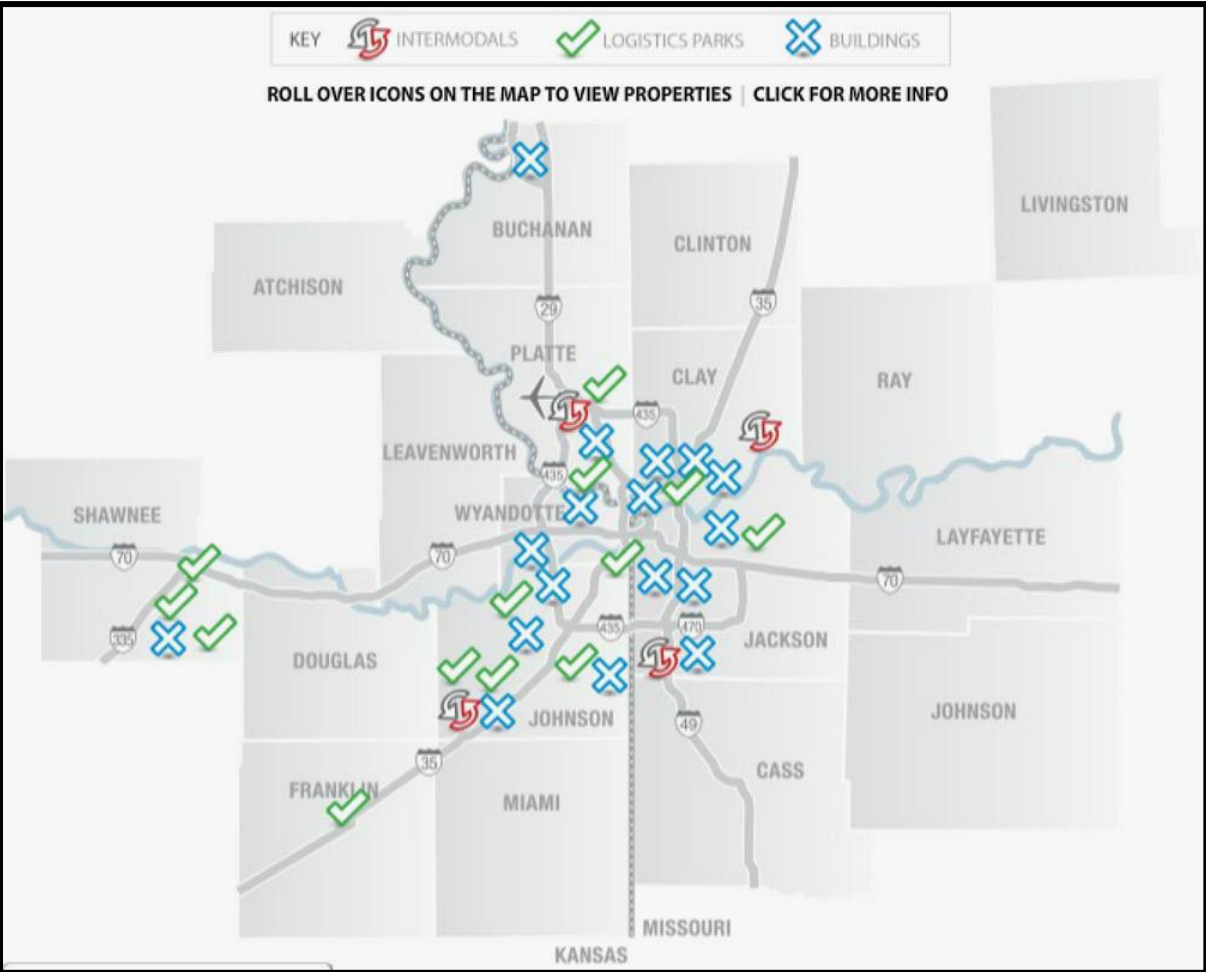
Gardner is one of many places in the Kansas City area where development could occur. There is an abundance of built space and vacant property throughout the greater Kansas City metro area as noted on the following page. The competition is steep.

## KC Area Intermodal Sites



Source: KCADC Site Location Maps, [www.kcsmartport.com/site-location-center/trade-corridors/trade-corridors.php](http://www.kcsmartport.com/site-location-center/trade-corridors/trade-corridors.php)

# KC Selected Large Industrial Sites



Source: KCADC Site Location Maps, [www.thinkkc.com/SiteLocation/MapRoom/MapRoom.php#](http://www.thinkkc.com/SiteLocation/MapRoom/MapRoom.php#)

The presence of the new BNSF Intermodal Logistics Park has triggered significant warehouse and distribution development, both in built space and land availability, around and close to Gardner.

Generally speaking, this market is taking care of itself as it is being driven by developers who understand the demand and supply for the logistics market. This allows the City to focus on compatibility of uses along traffic corridors to the Logistics Park, expansion development at New Century Business Park (properties within the City but adjacent to the Park) and in-fill development of suppliers to these industries vs. prospecting for large warehousing.





## Assets

Although considered on the outer ring of development of the Kansas City metropolitan area, from an economic development standpoint the City of Gardner has these key assets:

- Location along I-35
- BNSF state-of-the-art intermodal facility
  - Supported by 2,000,000+ square feet of spec warehouse in place or planned
  - Excellent primary access via Homestead Lane
- New Century Business Park
  - Attractive, well-managed industrial, office, and airport facility with 64 companies, including Fortune 500 and Fortune 1000 companies; over 500 acres of developable land, and a significant employment base
  - Major expansion underway at Unilever is testimony to the effectiveness of the New Century Park management and SW Johnson County organization
- Downtown district with character
- Community pride, good place to start a family, good schools
- Year-round recreational activities and trail system



## Opportunities

The BNSF Intermodal and Logistics Park and the New Century Business Park are huge economic drivers for the City of Gardner. Even though they are not in the City limits, there is significant opportunity to leverage their growth and development for the benefit of Gardner by:

- recreating downtown as a destination
- generating retail and commercial development
- facilitating and supporting industrial development (existing and new)
- adding “rooftops” and diverse forms of housing development

Business Development	Development Area Opportunities
Retail	Downtown, interchanges
Hotel	Interchanges
Light Industrial	Property along 191 <sup>st</sup> west of Gardner Road (provided an industrial access road is developed), Moonlight and I-35, New Century Business Park and in-fill areas
Distribution	Coleman Area, Midwest Commerce Center, BNSF Intermodal area
Office	New Century, revitalized areas along Main Street
Heavy Industrial	New Century, South Gardner Road/191st
Tourism	As downtown is revitalized, there will be a need for events to draw visitors and customers



## Weaknesses and Challenges

The City of Gardner is at a tipping point, there is new City management and the City recently completed a new comprehensive plan which provides a blueprint for the future. These are both positive for Gardner's future. From an economic development and business location standpoint the weaknesses represent past practices, from a time when it appears economic development was not a priority. As with all community weaknesses, some changes will be challenging given the availability of resources, both human and financial. The following weaknesses should be addressed.

1. Community has not recognized economic development opportunities that will make the community stronger:
  - A sensible development plan is needed for Gardner Road/I-35 area, 191<sup>st</sup> corridor to the Logistics Park where growth is happening and will continue into the future.
  - Community is not engaged with helping local employers to prosper and become part of the community. This includes employers in Edgerton (BNSF, Logistics Park) and New Century Business Park.
  
2. Community has done a poor job of demonstrating economic development readiness:
  - Business proposition is not developed, including the benefits of City-owned utilities, permitting process, location advantages, incentive policies, and documented priority areas for development.
  - Business retention and expansion outreach program to major or emerging employers (formal or informal) is needed.
  - Chamber of Commerce is not fully staffed; currently there is no point person for economic development, business retention or attraction.
  - The City of Gardner does not have staff dedicated to economic development.
  
3. Community lacks amenities and infrastructure assets required to support growth:
  - Communities surrounding Gardner have quality entrances and signage that is missing in Gardner; this leaves a negative image of the community.
  - Shopping, restaurants, hotels are all needed but appear to lack support.
  - Traffic management is needed, particularly as the community grows. Community and KDOT must work together on traffic management and downtown redevelopment as Main Street/US-56 is under KDOT control.
  - Downtown is an underdeveloped asset.

## 2.0 Economic Development Strategy

The City of Gardner has good assets and opportunities, as well as challenges, in being a unique community for residents and business. To **differentiate** Gardner from the rest of the market and competitors, the City should focus on:

1. Maintaining the quality and character of the town;
2. Providing quality housing, schools, parks, trails and services;
3. Creating a business friendly reputation;
4. Retaining people by creating move-up living opportunities; and
5. Utilizing downtown to create a strong sense of place.

Developing a quality community that maintains the character of the town – **where people want to live and businesses want to locate** – should be the number one goal of the City.

Five strategic initiatives were identified that would reposition Gardner in the market to be a competitive location for business:

1. **Business Climate** – Build a reputation as a business-friendly community that delivers on its brand promise.
2. **Quality Community** – Create a community where people don't want to leave; provide quality housing, schools and services.
3. **Downtown, a Catalyst Project for Change** – Revitalize downtown as a unique destination, adding to a strong sense of place.
4. **Business Retention & Expansion** – Utilize and leverage the existing business base, particularly at New Century Business Park.
5. **Business Development** – Attract entrepreneur, retail and industrial (other than warehousing and distribution) businesses.

For economic development to be successful, Gardner, like many other small communities, must focus on what is achievable and draw on multiple approaches while engaging community partners who have a vested interest and are dedicated to the initiatives that are sustained by good leadership and support. The following pages overview the five strategic initiatives which are supported by the Economic Development Strategic Actions/Schedule<sup>1</sup> to be used for prioritizing and implementing action tasks.

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<sup>1</sup> The Economic Development Strategic Actions/Schedule is a separate document to be used for planning and implementing the Strategic Initiatives.

## Strategic Initiative 1: Business Climate

### Why?

Unfortunately a perception exists that the City of Gardner is not business-friendly. This perception has softened given current changes the City has made in staffing and management. However, the City will need to continually demonstrate that a business-friendly climate is a priority for leadership on three factors:

- Clear direction of where the community is headed,
- Consistent support for business and economic development, and
- Demonstrated project assistance and fast tracking.

### Objective:

Build a reputation as a business-friendly community that delivers on its brand promise.

1. Organize an Effective Team
  - Create an internal team that understands the importance of economic development to the City and how it relates to their positions. Assign dedicated staff to economic development.
  - Appoint a business advisory team to provide guidance in prioritizing and implementing the strategy.
  - Develop strong relationships with all partner organizations on implementing the plan.
2. Utilize the Chamber of Commerce & SWJCEDC
  - The chamber needs to be a strong entity representing the City, businesses, and economic development. Assist in building a stronger chamber presence.
  - SWJCEDC's focus may remain with the growth and development of the BNSF Logistic Park and New Century Business Park, engage in identifying best opportunities to utilize their expertise for Gardner developments.
3. Be Development-Ready
  - This is an area where the City, unfortunately, has a negative reputation for projects in the past. The development standards, permitting process and fees need to be clearly communicated and packaged for prospective businesses.
  - Identify specific sites/buildings with economic development potential.
  - Package the workforce availability, skills sets and available training and education.
  - Sustainability is an emerging community-location evaluation factor as businesses are adopting sustainability practices, the City will need to understand this industry practice in the future.
4. Launch a Consistent Marketing Program
  - Develop and upgrade the City's economic development website, marketing materials, maps, social media, and communications.
5. Measure Results
  - Identify metrics for action items and report back at least annually.

## Strategic Initiative 2: Quality Community

### Why?

Creating a high quality of life and a strong sense of place for residents and others is an important but challenging task for the City of Gardner. In order to thrive economically, the community must rise to the level of new and expanding businesses in and around Gardner by creating that strong sense of place.

The housing market in Gardner does not seem to be very diverse. Management-level housing is not obviously present and subsidized housing appears to comprise a disproportionately high percentage of the overall housing stock.

Housing trends indicate that 1) young people come to Gardner for their first home but as their families grow there are no “move-up” opportunities so they move out; and 2) more recently, empty-nesters appear to be buying homes but they want locations where the grandchildren have things to do when they visit.

Schools can be a differentiating point for both residents and businesses. Schools are also a community foundation; they evoke the character of quality where it is about the people. Interviewees expressed a range of attitudes toward the schools, from “excellent” to “ok.” There needs to be a consistent attitude that “these are the best schools in the region, and the students go on to excel in various fields.”

### Objective:

Create a community where people don't want to leave – provide quality housing, schools and services.

1. Enhance the Image – The public's perception is key to promoting Gardner – physical improvements at gateway corridors, streetscapes, as well as way finding signs should be initiated.
2. Create a more diverse housing market to address the diverse needs of residents and potential new residents.
3. Create and deliver a consistent public message about the quality of Gardner-Edgerton schools.
4. Address key traffic issues with highway and arterial road network, downtown and interchanges.
5. Work on developing amenities (restaurants, shopping) that will support people working and living in the community. This is as important as housing and schools to build the quality community that will retain residents moving up the economic ladder (Strategic Initiative 5).

## Strategic Initiative 3: Downtown, a Catalyst Project

### Why?

Gardner's downtown has the fundamental urban fabric necessary for successful redevelopment and creation of a strong **sense of place**.

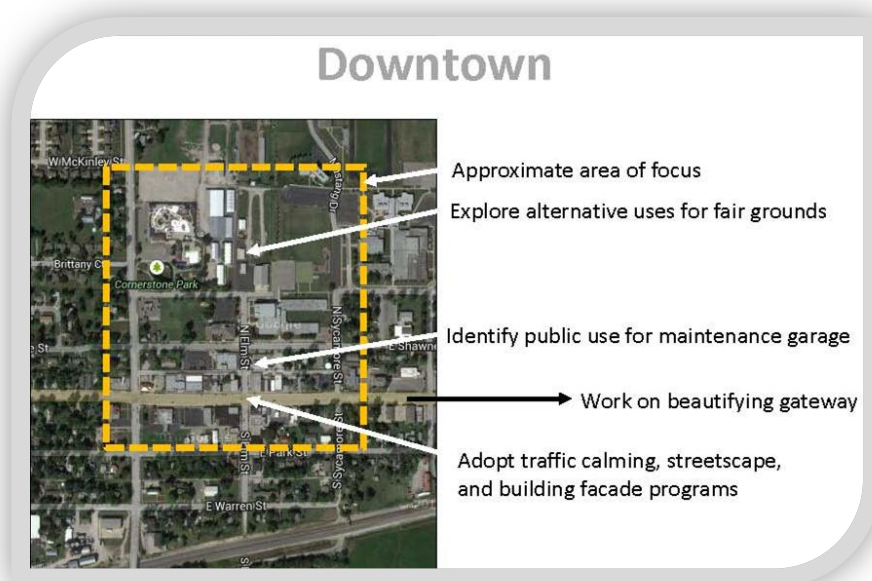
Downtown has a street grid with substantial sidewalks and interesting historic buildings that front the sidewalk. It has the basic ingredients for a pedestrian-oriented destination. The downtown is not only the central district but is the area that truly creates the sense of place. This should be the major, priority project – **a catalyst for change**.

Gardner's downtown should be a vibrant destination, not a "drive-thru." Entrances to downtown and Main Street need to be a part of any revitalization plan.

### Objective:

Revitalize downtown as a unique destination, adding to a strong sense of place.

1. Implement downtown redevelopment goals as identified in the City's new comp plan, including traffic calming, streetscape improvements, and gateways.
2. Repurpose portions of the fairgrounds closest to downtown as gathering hubs.
3. Identify and inventory properties for redevelopment and match to potential users.
4. Target potential users (restaurants, craft breweries, unique shops, and entrepreneur space) that add vibrancy to the downtown.



## Strategic Initiative 4: Business Retention & Expansion

### Why?

Business retention and expansion should be a fundamental element of the economic development strategy. The City of Gardner is fortunate to have many large employers in its sphere. However, most of those businesses, which could be engaging with the community and buying goods and services locally, feel disconnected from the City.

A Business Retention and Expansion program could be the low-hanging fruit to change perceptions of the community, as well as potentially identify supply chain businesses that would want to locate on City in-fill properties and/or provide input on strategic growth opportunities.

### Objective:

Utilize and leverage the existing business base particularly at New Century Business Park.

1. Engage the Chamber, KCADC<sup>2</sup> and SWJCEDC<sup>3</sup> in developing a simple Business Retention and Expansion (BRE) program and identify who will manage and participate in the program, e.g. a potential role for the Chamber.
2. As part of the BRE program, implement an outreach program to “introduce” Gardner’s vision, comp plan and economic development strategy to local businesses.
3. Schedule meetings and roundtable discussions with brokers and developers regarding market opportunities and Gardner’s positioning within the market to retain, expand and attract businesses.



<sup>2</sup> Kansas City Area Development Council

<sup>3</sup> Southwest Johnson County Economic Development Corporation



## Strategic Initiative 5: Business Development

### Why?

If organized for development-ready responsiveness (Strategic Initiative 1), the City should be well-prepared for initiating business development – attracting and recruiting businesses. Given limited buildings and sites in Gardner along with the diverse types of businesses to be targeted for attraction (retail, services, office, commercial, industrial), aligning the target business market with development areas will increase opportunities.

For industrial business development, the BNSF Logistics Park and New Century Business Park are two “draws” for warehousing, distribution and industrial manufacturers with strong national tenants located and locating in the parks. Gardner’s best position is to leverage that activity and target supply chain industries.

### Objective:

Gardner needs to efficiently facilitate development that happens within its jurisdiction as well as have competitive location attributes and incentives to attract entrepreneur, retail and industrial (other than warehousing and distribution) businesses.

1. Organize a retail attraction program with good industry data of the trade area, market potential and an inventory of sites and buildings ready for retail development.
2. Gardner should align industrial targets with KCADC – supply chain, manufacturing and animal health sciences – and be prepared with a competitive package including incentives.
3. Work with KCADC and SWJCEDC utilizing their existing infrastructure and network to market Gardner to prospective businesses.
4. Keep brokers, developers, KCADC and SWJCEDC informed of in-fill development sites for supply chain businesses.

## South Gardner Road / 191<sup>st</sup> Street Industrial & Commercial Services



## South Gardner Road / 191<sup>st</sup> Street Industrial & Commercial Services Development

191<sup>st</sup> Street is already supporting light industrial development, with ample room for expansion, annexation. Industrial growth will come this way if you support it with good truck access.



## 3.0 Implementing the Strategic Initiatives

The Economic Development Strategy is intended to be a living document that will change over time with economic shifts, market trends, local factors, and the completion of action items. Economic development is not a destination; it is a journey and needs to be fluid, adjusting to changes and opportunities. The actions may and should change throughout the five-year time frame to meet the goals and objectives of the strategy.

Included with the strategy is an Economic Development Strategy Action Tasks/Schedule matrix with specific actions for each Strategic Initiative. This Action Task matrix should be used to set priorities, assign responsible leads, set timelines and milestones as well as change over time depending on current conditions.

To begin implementation the recommended next steps would be for the City, along with the Economic Development Task Force, to:

- Prioritize the strategic initiatives.
- For priority initiatives, review the actions for the initiative, prioritize actions, refine actions, identify a responsible lead and set a time frame and milestones (over five years) for completion. The objective of each initiative can be measured and reported on by the completion of actions or updated with new or revised actions based on the current situation.
- Staff should add additional tasks that may need to be taken before an action can be completed. This will help to fully understand the work load and steps that will be required to achieve the action task (i.e. new incentive policy requires review of competitors, draft, review and confirmation by Task Force, and Council approval).
- Continue to complete the actions/schedule matrix with all Strategic Initiatives.

## 4.0 Supporting Documents

Supporting documents for the strategy include:

- PowerPoint presentation highlighting the work session with the Economic Development Advisory Task Force following Phase I — On-site Assessment and Stakeholder Engagement.
- Economic Development Strategy Action Tasks/Schedule — The Action Tasks/Schedule also references communities who have implemented similar tasks and would be representative of best practice.
- Research documents.
- Forms and templates.

## Acknowledgements

Thank you to the over 30 individuals, companies and council members involved in the stakeholder interviews. Their input was invaluable to the process.

Thanks also to the Economic Development Advisory Task Force who played a critical role in the findings review and providing additional input to direction.

### Economic Development Advisory Taskforce

- Stacy Boyajian, Chairman Board of Directors, Gardner Area Chamber of Commerce
- Chip Corcoran, Chairman, Southwest Johnson County EDC
- Tim Cowden, Senior Vice President, Kansas City Area Development Council
- Frank Devocelle, President and CEO, Olathe Health Systems
- Phil DiVilbiss, Principal, The Bristol Group, Developer/Real Estate Broker
- Ed Eilert, Chairman, Johnson County Board of County Commissioners
- Rob Heise, Heise-Meyer LLC, Developer/Real Estate Broker
- Judy Korb, Ph.D., Executive Vice President/Chief Operating Officer, Johnson County Community College
- Paul Licausi, President , LS Commercial Real Estate, Developer/Real Estate Broker
- Steve Rumble, Kansas Area Operations Manager, CenturyLink

The staff commitment and engagement in the project was excellent, providing insights, materials and maps, **as well as** being open to discussions around opportunities and strategic approaches to address Gardner's economic future. **Their dedication to the City is appreciated.**

### City of Gardner Staff

- Cheryl Harrison-Lee, City Administrator
- Brian Faust, Public Works Director
- Laura Gourley, Finance Director
- Mike Hall, Community Development Director
- Jeff Stewart, Parks & Recreation Director
- Michelle Leininger, Planning Manager
- Matt Wolff, Management Analyst

## About the Project Team

Chabin Concepts' core competency is in realistic, achievable and measurable actions.

Our goal is to assist in positioning cities, counties, regions and states to win new jobs and investment by engaging the community and leadership in strategic thinking **and** tactical implementation – ***delivering a "Roadmap" to accomplish their mission.***

The Chabin Project Team included:



### **Audrey Taylor, President and CEO, Chabin Concepts**

With over 34 years experience, Audrey has assisted over 350 communities from the east coast to the west coast including Hawaii and Alaska in developing and executing economic development action strategies.

Her unique understanding of strategy development comes from her work with companies on research, expansion, and locations which include global companies such as 3M, Graphic Packaging International and Sony as well as closely-held companies such as Sierra Nevada Brewery, Spectra-Physics and Springboard Biodiesel. She has served five California Governors in different appointment capacities. [audrey@chabinconcepts.com](mailto:audrey@chabinconcepts.com)



### **Don Schjeldahl, Don Schjeldahl Group**

For more than 30 years Don has assisted companies in developing and implementing location strategies for office operations, manufacturing plants and distribution facilities locating client facilities in both urban centers and rural areas throughout the United States, Canada, Mexico and Europe.

Don's most recent facility location was Sierra Nevada Brewery's east coast expansion. Don partners with Chabin Concepts on assessing community readiness for attracting new facility locations and site location training. [don@donschjeldahlgroup.com](mailto:don@donschjeldahlgroup.com)



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