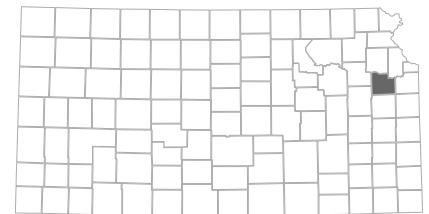


The Economic Value of KU Innovation Park



KU Innovation Park is a growing community of innovation, entrepreneurship, and commercialization. The Park offers a variety of enterprise services for technology and bioscience businesses at any level, from concept to industry. The Park is directly adjacent to the University of Kansas (KU) and works collaboratively with all aspects of the university to meet company needs. The Park strives to support start-ups by supporting entrepreneurs as they take the first steps and hit the ground running by connecting them to the resources they need. The Park also aims to help existing businesses grow and succeed, to bridge the commercialization gap, and to develop a diversified economy.

In the heart of Lawrence, Kansas, KU Innovation Park stands as an example of collaborative economic development progress. It's a place where cutting-edge research and entrepreneurial spirit intersect, fostering the transformation of innovative ideas into thriving enterprises. To kick off the fiscal year, the Brookings Institute's research revealed a remarkable statistic—Lawrence was outpacing all other cities in America in tech job growth during fiscal year (FY) 2019-20. This achievement is a testament to the



Douglas County, Kansas

concerted efforts of entities across Lawrence, particularly the economic development alliance of the University of Kansas, the City of Lawrence, Douglas County, and The Chamber of Lawrence—the Park’s founding partners.

This study measures the economic impacts created by KU Innovation Park on the business community and the benefits the Park generates to Kansas taxpayers. Results of the analysis reflect fiscal year (FY) 2022-23.

Economic impact analysis

In FY 2022-23, KU Innovation Park added **\$136.5 million** in income to the Douglas County economy, a value approximately equal to **2.5%** of the county’s total gross regional product (GRP). Expressed in terms of jobs, the Park’s impact supported **1,015 jobs**. For perspective, the activities of KU Innovation Park support **one out of every 73 jobs** in Douglas County.

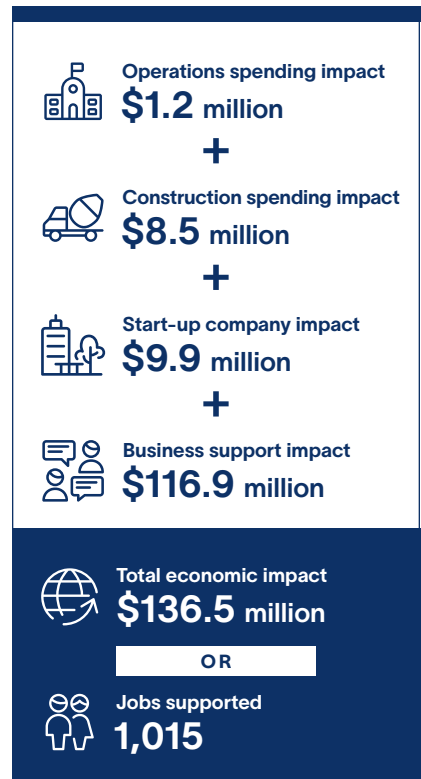
Operations spending impact

- KU Innovation Park employed 10 professional staff and business analyst interns. Payroll amounted to \$965.0 thousand, much of which was spent in the county for groceries, mortgage and rent payments, dining out, and other household expenses. The Park spent another \$2.2 million on its expenses related to facilities, supplies, and professional services.
- The net impact of the Park’s operations spending added **\$1.2 million** in income to the county economy in FY 2022-23.

Construction spending impact

- The final touches of the Park’s Phase III expansion facility were underway in the summer of 2022. It will soon be home to many of the fastest-growing bioscience and technology start-ups in Kansas, featuring larger office spaces and wet labs to

Impacts created by KU Innovation Park in FY 2022-23



Talent pipeline

Money talks. That’s evident in a recent report by Donna Ginther, a distinguished professor of economics at the University of Kansas. Kansas salaries are lower for most business and engineering jobs than surrounding states. But companies located in KU Innovation Park defy those numbers. The Park is focused on creating jobs in high-wage, high-growth industries to ensure a sustainable and healthy economy that’s diverse and resilient.

Brain drain vs. gain: The migration of young people with degrees has been well-documented. Years ago, it was a rural problem. Now, college-educated workers are fleeing America’s biggest cities. Ginther’s

research shows that while Kansas does lose highly educated young people to places like Texas, California, and Colorado, the state also pulls in degree-holders from other states, especially from the Missouri side of Kansas City. Overall, the state is experiencing a decline of less than half a percent of its educated folks between the ages of 20 and 35.

Getting sticky: One of Dr. Ginther’s conclusions is that Kansas companies have an opportunity to recruit young and educated residents to keep them in the state, increasing the stickiness of the Sunflower State. Over the past 12 years, KU Innovation Park’s system has grown from 32 to 669 employees. That’s a compound annual growth rate of over 26%.

Source: KU Innovation Park

accommodate company growth. Dignitaries from local, state and federal offices were on West Campus in August to officially open Phase III, adding 65,000 square feet to the Park's system. The opening of Phase III marked the official launch of a 15-year plan to continue development of the Park, working toward 800,000 square feet across 10 facilities, home to 4,000 jobs.

- While the Park's spending on capital projects varies from year to year, these quick infusions of income and jobs have a substantial impact on the county economy. The net impact of the Park's construction spending in FY 2022-23 was **\$8.5 million** in added income for Douglas County.

Start-up company impact

- KU Innovation Park creates an exceptional environment that fosters innovation and entrepreneurship. The Park supports entrepreneurs by offering a variety of services, including but not limited to initial market validation and competitive analysis, business plan and commercialization strategy, and funding opportunities.
- In FY 2022-23, KU Innovation Park start-up companies added **\$9.9 million** in income to the Douglas County economy.¹

The positive impact of innovation

KU Innovation Park serves as a launching pad for local tech- and bioscience-based start-ups, supporting sustainable growth and fostering innovation in the region. Its collaborative ties with KU enhance research partnerships and provide access to valuable resources. During FY2022-23, Park companies earned over \$7 million in federal funding for things like the development of vaccines, medicine delivery, treatments, disease testing, and even an educational platform to train and inspire future generations of academic entrepreneurs.

For example, after developing an adjuvant that is used in the Covaxin vaccine, India's first Indigenous COVID-19 vaccine, ViroVax's founder began working on different applications for the adjuvant, Alhydroxiqum-II. Currently, no human vaccine is available for Powassan virus or West Nile virus, which are both flaviviruses transmitted by pesky bugs (ticks for Powassan, mosquitoes for West Nile). ViroVax is developing new subunit vaccines for these viruses, formulated with the Alhydroxiqum-II adjuvant.



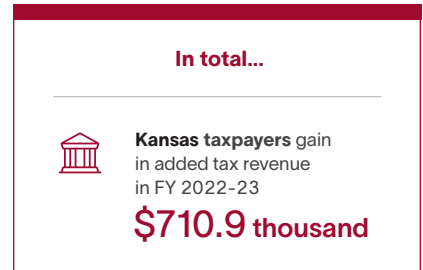
¹ There are a handful of companies that were start-up companies but are not considered KU Innovation Park start-up companies. These start-up companies that still received support services from the Park are included under the business support impact along with other businesses the Park supported during the analysis year. In addition, not all KU Innovation Park start-up companies are directly affiliated with KU and are thus excluded in the university-wide impact study.

Business support impact

- KU Innovation Park supports and offers services to pre-existing start-ups and already established businesses. The Park provides strategic business services, customizable space, and a broad network of connections to help businesses scale and become sustainable.
- In FY 2022-23, the businesses that the Park supported added **\$116.9 million** in income to the Douglas County economy.²

Taxpayer benefits analysis

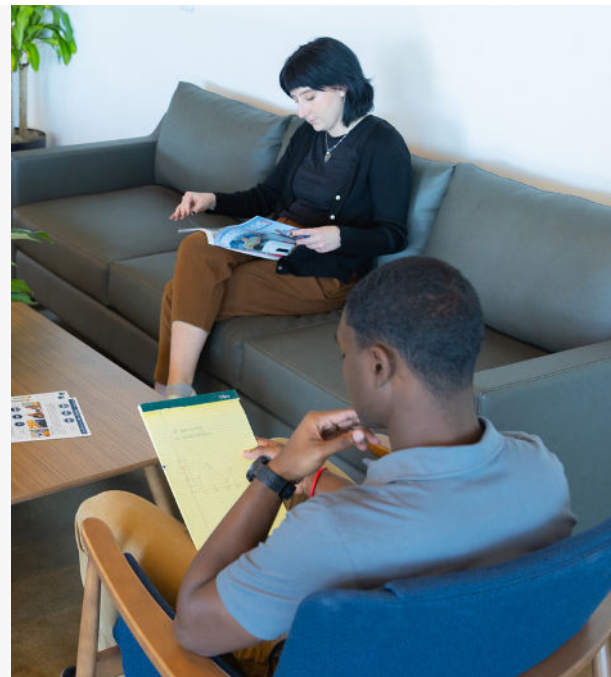
- Benefits to taxpayers consist of taxes³ that the state and local government will collect from the added revenue created in the state. As KU Innovation Park spends money on operations and phase III of its expansion facility, the Park will make higher tax payments. In addition, KU Innovation Park's employees will also be making tax payments, adding to the state's tax base.
- In FY 2022-23, the activities of the Park resulted in **\$710.9 thousand** in added tax revenue for Kansas. Specifically for Douglas County, the county saw **\$461.2 thousand** in added tax revenues because of activities at the Park.



The Crossing

The Crossing is an exciting mixed-use development set to transform the West Campus at the University of Kansas. Nestled at the intersection in the middle of Lawrence, this vibrant space will blend retail, dining, and living areas, creating an environment where people can live, work, play, and explore.

The Crossing is strategically positioned near the research and office facilities of KU Innovation Park. This proximity enhances collaboration between academia, residents, and visitors, strengthening the entire community. The project aims to attract and retain companies, researchers, and entrepreneurs who align with the opportunities created by a research university. The proximity of The Crossing to KU Innovation Park means that students have easy access to companies and research facilities. Students can secure internships or jobs with innovative companies in bioscience, technology, engineering, cybersecurity and more. These experiences provide real-world exposure, networking opportunities, and a chance to apply classroom knowledge.



² While KU Innovation Park is affiliated with KU, not all businesses they support are directly linked to KU and their success cannot be directly attributed to KU. Thus, the KU Innovation Park business support impact is excluded from the KU economic impact study.

³ Taxes include taxes on production and imports, personal property tax, and income tax.