



# 2024-2029 Comprehensive Economic Development Strategy

for Metropolitan Kansas City

## **INITIAL REPORT FOR PUBLIC COMMENT**

**MID-AMERICA REGIONAL COUNCIL**  
on behalf of the Mid-America Regional Council  
**Economic Development District**

600 Broadway, Suite 200 | Kansas City, MO 64105  
816-474-4240 | [www.marc.org](http://www.marc.org)

**September 2024**

# MARC

MID-AMERICA REGIONAL COUNCIL

600 Broadway, Suite 200  
Kansas City, Missouri 64105  
816-474-4240 • [marc.org](http://marc.org)

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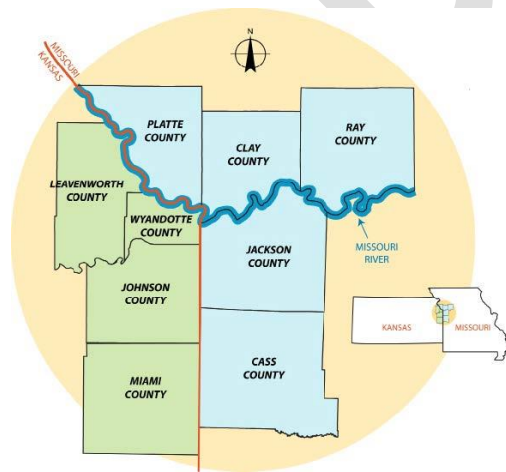
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# INTRODUCTION [or] EXECUTIVE SUMMARY

## PURPOSE OF THE CEDS

The 2024-2029 Comprehensive Economic Development Strategy (CEDS) for Metropolitan Kansas City was prepared by the Mid-America Regional Council (MARC) with public participation from key stakeholders. The CEDS provides a continuing regional economic development planning process designed to capture the driving forces guiding economic growth, resilience and inclusive prosperity. Contributions to the data and SWOT analyses, policy framework, action plan and performance measures were under the review and guidance of the Regional Workforce Intelligence Network (RWIN) and its CEDS Strategy Committee. The plan was adopted by the MARC Board of Directors on [September 23, 2024].

As the region's designated Economic Development District (EDD), MARC has the responsibility to develop and maintain the CEDS in accordance with the requirements of the U.S. Department of Economic Development Administration (EDA). A new CEDS is required at least every five years to qualify for funding through EDA's Public Works and Economic Adjustment Assistance Program. Funding eligibility is extended to communities and organizations in the region to carry out the plan's strategies through infrastructure and planning projects that benefit economically distressed communities and populations.



Greater Kansas City Region

EDA promotes the federal economic development agenda through innovation, competitiveness and collaboration helping to prepare regions for growth and success to advance national and regional economic goals. Efforts focus on strategic investments to foster job creation and attract private investment to support development in economically distressed areas and in areas that require assistance to recover from emergencies and natural disasters.

The Economic Development District includes Cass, Clay, Jackson, Platte and Ray counties in Missouri and Johnson, Leavenworth, Miami and Wyandotte counties in Kansas.

## EMERGING NATIONAL PRIORITIES

The strategy proposed for 2024-2029 is informed by previous CEDS planning efforts and forward-thinking leadership. The 2022 CEDS update incorporated resilience and equity policies to address pandemic-era economic challenges. Recent work by KC Rising, a business-led civic collaborative, has identified metrics to measure the region’s economic competitiveness and growth toward inclusive prosperity. Climate Action KC is working with MARC to create a more sustainable region through mitigation, adaptation and resiliency measures to reduce greenhouse gas emissions.

Further, the UMKC Innovation Center’s recent report on the state of small business reveals opportunities to support the region’s entrepreneurial ecosystem. Respondents to a recent public opinion survey as part of the Connected KC 2050 regional transportation plan update process identified affordable housing options, road and bridge options, and a healthy environment as top regional priorities for the next five years.

And, work on behalf of the Civic Council of Greater Kansas City by Bruce Katz, founder of New Localism Associates and Accelerator for America, provides insights into new national economic priorities and how the region can respond competitively to take advantage of driving forces and local assets to support economic growth.

To measure progress, KC Rising benchmarks the **region against ten aspirational metros** that historically have done a little better than Kansas City on growth, inclusion, or both, and that the region continuously competes against for economic development projects. These metros are Austin, Charlotte, Cincinnati, Columbus OH, Denver, Indianapolis, Minneapolis, Nashville, Portland, and Raleigh.

### ***Early Identification of Opportunities to Unlock Kansas City's Assets in Critical Technologies***

#### **Biotechnology & Medical technology**

KC shows a strong positioning in this technology prioritized by the US government and highly interconnected to the local life sciences cluster.

#### **Advanced energy efficiency technologies**

Cross-sectoral players (construction, batteries, suppliers) that could position the region on these technologies that are essential to the energy transition.

#### **Data storage, Data mgmt. & Cybersecurity**

The region has important federal agencies (such as FBI-Kansas City Division; Fort Leavenworth ) with strong cybersecurity activity, and a rich ecosystem of organizations and chambers.

#### **Grid & Microgrid**

A coordinated ecosystem of construction firms, utilities and R&D could position KC to tap into the growth opportunities driven grid expansion.

#### **Automotive supply chain: EVs & Batteries**

The ecosystem of suppliers and OEMs, alongside recent Panasonic’s investment and the ongoing transition to EVs renew the opportunities for KC.

#### **Transportation & Logistics Hub**

Nearshoring is strengthening trade within the US and across the North Triangle, with KC strategically positioned to attract investments in tradable sectors.

#### **Federal Assets**

Including the National Bio and Agro-Defense Facility, along with the US Army Command and General Staff College at Fort Leavenworth, often recognized as the intellectual hub of the US Army.

*Source: Bruce Katz, New Localism Associates*

## REGIONAL GROWTH & COMPETITIVENESS

The region's diversity of industry clusters is among its economic advantages. Regional and local organizations have worked together with business and industry to create important leadership groups in areas of animal and human health, transportation logistics and warehousing, manufacturing, building construction and design and others. Recent efforts around emerging industries have led to national Tech Hub designations. In addition to current economic development advances in biologics, biodefense, critical minerals, cybersecurity, data storage and electric vehicle technologies, the region is well-positioned to respond to emerging national economic priorities. These new priorities, as defined in the aforementioned Civic Council research, include **reshoring** to bring manufacturing back to the US, **remilitarization** given wars and tensions in Ukraine, Gaza and China, and growing concerns over the changing climate and need for **decarbonization**. Growth opportunities can bring in new federal resources to the region, take advantage of opportunities for critical technologies and green supply chain investments, and increase domestic and global exports as a share of greater Kansas City's total economy.

### KC Rising Pillars of Prosperity

#### Enterprise

A robust entrepreneurial ecosystem sparks scalable business and innovation, leading to breakthroughs that can transform a region's economy.

#### Industry

Building on our strengths enables our region to attract, grow, and retain globally competitive businesses.

#### Inclusion

Economies thrive through increased participation when everyone has equitable access to opportunity.

#### Connectivity

Effective, accessible transportation and Internet options open doors to economic mobility.

#### Culture

Cultural assets are an integral component of our economy, as well as a force to unify and inspire our region.

#### Neighborhoods

Healthy, safe, and attainable housing options allow families to build better futures.

#### Education

Learners of all ages need equitable access to continuous, innovative education to meet evolving workforce needs.

KC Rising established **two overarching growth metrics** to measure regional growth and competitiveness. An economy's overall growth rate is set by its growth in workers and its growth in their productivity.

**Net migration rate** is a key component of population growth, and by extension labor force growth.

**GDP per job** is a measure of productivity, or how much each worker is able to produce.

### INCLUSION & EQUITY

As one of EDA's investment priorities, the CEDS aligns with KC Rising's Pillars of Prosperity to grow the regional economy

through inclusive prosperity. For the region to succeed, socioeconomic inequities must be addressed to allow all people to achieve economic prosperity. KC Rising also established **two overarching inclusion metrics**. In today's economy, self-sufficient incomes may not be enough to cover unexpected expenses or loss of income. It takes wealth for households to be resilient in the face of adversity. The greatest potential to support building wealth is increasing opportunities for homeownership.

**Self-sufficient households** – percent of workers, a measure of whether jobs are sufficient to cover bills for necessities such as housing, transportation, childcare and healthcare.

**Housing wealth gap** – black percent of white housing wealth as indicator for resiliency.

## RESILIENCE

The region's recovery from the pandemic demonstrated the need for increased resiliency to withstand, recover and bounce forward from future events and natural disasters. Many of those who were at an economic disadvantage before and during the pandemic remain at a greater disadvantage.

Climate Action KC and MARC are continuing efforts to address economic and climate resilience with a focus on social equity and public health. The CEDS aligns with the nine

### Kansas City Region's Climate Action Plan – Areas of Focus

1. **Collaboration and Leadership:** Create new patterns of collaboration that engage diverse interests and support leadership development and capacity building around climate action and adaptation.
2. **Energy:** Replace our dependence on fossil fuels with renewable and clean energy to address climate impacts and reduce energy costs for households and for businesses.
3. **Transportation:** Reduce Vehicle Miles Traveled (VMT) by encouraging a shift to other modes of travel (public transit, bicycle, pedestrian) and by locating businesses offering goods and services at key activity centers and along key transportation corridors. Reduce travel by increasing the supply of affordable housing near growing employment centers.
4. **Urban Greening:** Use green infrastructure in the design of new development and redevelopment to achieve important public health and environmental benefits.
5. **Food Systems:** Strengthen local food systems to increase access to affordable healthy food.
6. **Finance and Innovation:** Increase equitable opportunities for a healthy environment, digital technology adoption and green businesses and jobs.
7. **Healthy and Resilient Homes and Buildings:** Support policies and programs to produce more energy-efficient homes and buildings that not only reduce GHG emissions but create healthy living and working environments. Support energy-efficient homes to reduce utility costs for low-income households.
8. **Community Resiliency:** Engage organizations and people of color in the design of policies and programs that create a more inclusive, resilient region.
9. **Industry and Resource Management:** Encourage waste reduction and diversion through recycling, waste diversion and reuse- that could create new economic business opportunities and reduce government, residential and business expenses. Support use of methane from landfills for energy use.



focus areas of this 2021 climate planning effort to reduce greenhouse gas emissions (GHG) and create greater economic opportunity for the greater Kansas City area.

## **COLLABORATION**

Community and private sector organizations support the region's economic progress and inclusive prosperity efforts. Regional and local economic development agencies, chambers of commerce, public institutions, nonprofits and civic and government partners contributed to the establishment of the CEDS policy goals, objectives and strategic actions. The policy areas address investments in industry sector growth, innovation and entrepreneurship, education and workforce preparation, housing, and transportation and other infrastructure investments.

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## **2024-2029 CEDS STRATEGIC FRAMEWORK POLICY AREAS**

### **BUSINESS**

*Strengthen the region's economy by focusing on steps to support robust and emerging traded sectors, including efforts to enable existing businesses to grow and for the region to attract new firms. Encourage steps to increase the region's economic position relative to the nation and peer metros.*

### **INNOVATION AND ENTREPRENEURSHIP**

*A new regional vision for strengthening entrepreneurship is under development by the UMKC Innovation Center. Recognized as a hub for entrepreneurial talent and small business formation, the region's entrepreneurs need better access to investment capital and increased support from the area's established companies to fully achieve their growth potential. With assets provided by the UMKC Innovation Center, KCSOURCELINK and Ewing Marion Kauffman Foundation among many others, further strengthening of the region's pipeline with research institutions is needed.*

### **PEOPLE**

*Build a skilled workforce designed to meet the needs of business and to create economic opportunity for residents. Ensure that the region can develop, attract and retain the talent needed to increase the region's pace of innovation and sustain inclusive growth. The increasing diversity of the region's population poses opportunities and challenges to develop the human capital necessary to meet these needs.*

### **PLACE**

*Invest in vital infrastructure to support economic growth, create vibrant places, a resilient region and increase access to opportunity.*

### **LEADERSHIP, RESILIENCE AND EQUITY (SYSTEMS)**

*Strengthen local governments and other public and civic institutions throughout the Kansas City region to address social equity, economic resiliency and climate resiliency.*

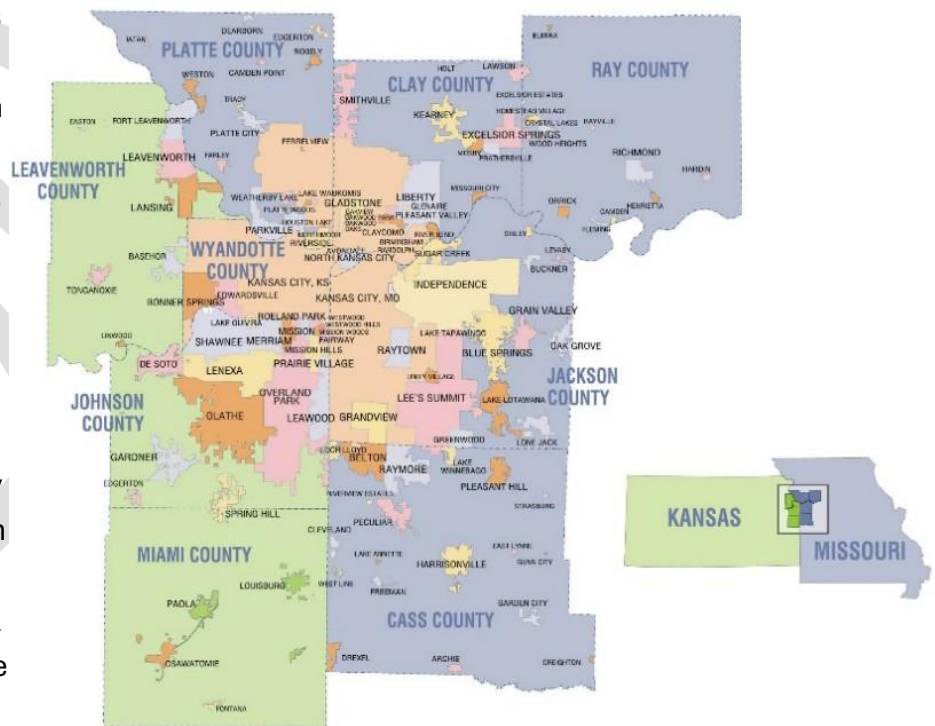
## SUMMARY BACKGROUND

The 2024-2029 Comprehensive Economic Development Strategy Plan (CEDs) for Metropolitan Kansas City provides an economic roadmap to help guide investments to further diversify and strengthen the regional economy. This plan provides an analysis of the current regional economy, integrates human and physical capital into economic planning, and offers useful benchmarks to evaluate progress. This technical report is an assessment of the region’s economic, demographic and geographic systems that influence growth and inclusion.

The Mid-America Regional Council Community Services Corporation, a 501(c)3 subsidiary of the Mid-America Regional Council, serves as the designee for the Kansas City region's Economic Development District and receives funding to support preparation of the CEDs on behalf of the 119 cities and nine counties in the bistate Kansas City region. MARC serves as the association of city and county governments and the metropolitan planning organization for the Kansas City area. MARC provides a forum for local jurisdictions and diverse community interests to work together to address the region’s problems and identify opportunities for cooperative solutions.

Metropolitan Kansas City as defined by the CEDs spans 4,400 square miles in region representing 119 cities and nine counties — Johnson, Leavenworth, Miami and Wyandotte in Kansas, and Cass, Clay, Jackson, Platte and Ray in Missouri.

This area comprises roughly 96 percent of the population of the 14-county Kansas City Metropolitan Statistical Area (MSA) as defined by the Office of Management and Budget. The Kansas City MSA is the 30th largest metropolitan area in the U.S., with over 2.1 million people, 1.2 million jobs and 900,000 households.



## KANSAS CITY ECONOMY

In exploring the region’s economic resiliency and prosperity, the economy’s overall growth rate is measured by its growth in workers and their productivity. However, growth, all by itself, isn’t enough. Inclusion allows everyone to experience the benefits of that growth through a rise in their standard of living.

The 2024-2029 CEDS aligns with the region’s business-led civic collaborative – KC Rising – and its *Pillars of Prosperity* focused on economic prosperity for all. KC Rising established four long-term metrics key to determining how well the Kansas City region is simultaneously achieving both greater economic growth and greater inclusion in receiving the benefits from that growth.

Two of the four are overarching growth metrics followed by two overarching inclusion metrics.

- **Net migration rate**, a key component of population growth thus labor force growth
- **GDP per job**, a measure of productivity, or how much each worker produces.
- **Percent of workers living in self-sufficient households**, a measure of whether jobs that people have are sufficient to cover bills for necessities such as housing, transportation, childcare and healthcare.
- **Black/white housing wealth gap**, based on a measure of homeownership. Even self-sufficient incomes may not be sufficient to cover unexpected expenses. It takes wealth to be resilient in the face of adversity and this starts with owning a home.

### Benchmark Metros

To measure progress, KC Rising benchmarks the **region against ten aspirational metros** that historically have done a little better than KC on growth, inclusion, or both, and that we continuously compete against for economic development projects. These metros are Austin, Charlotte, Cincinnati, Columbus OH, Denver, Indianapolis, Minneapolis, Nashville, Portland, and Raleigh.

What enables the population of some metros to grow faster than others is their ability to attract people from outside the area. This makes net migration a measure of a region's ability to attract and retain talent, which is essential to business attraction and retention.

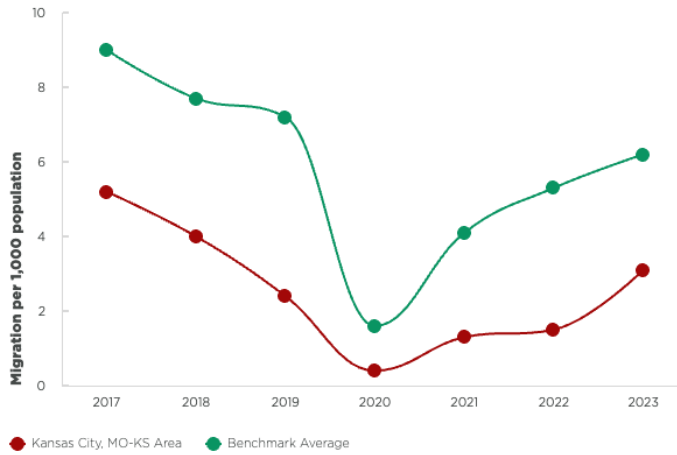
#### BENCHMARK METROS

Austin  
Charlotte  
Cincinnati  
Columbus  
Denver  
Indianapolis  
Minneapolis  
Nashville  
Portland  
Raleigh

**Net Migration**

Kansas City’s *net migration rate* is half that of the benchmark metro average, though in the last year the region began to close a gap that had been widening post-pandemic. Its net migration rate doubled in the past year and currently ranks 8 out of 11.

**Net Migration Rate Over Time**



Sources: Census Bureau Population Estimates 2017-2023  
Note: Calculation based on 3-year moving average.

**Gross Domestic Product (GDP)**

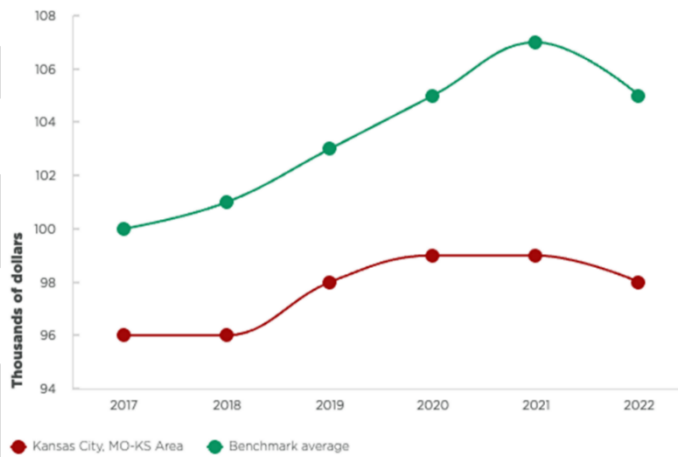
GDP measures the total economic value generated by an economy’s businesses in the process of employing workers to transform inputs into finished goods and services for sale. GDP per job measures the average amount the region's workers are able to contribute to GDP. As such, it is a measure of business productivity.

High levels of business productivity tend to attract other businesses.

Unfortunately, Kansas City’s **GDP per job** currently ranks 10 out of 11 and the gap compared to benchmark metros has grown by \$3,000

per worker over the past five years. Considering the region has more than 1 million workers, this increase costs the economy \$3B annually.

**Yearly Increase in GDP per Job**



Sources: Bureau of Economic Analysis 2017-2022  
Notes: Calculation based on 3-year moving average.

**Self-Sufficient Households**

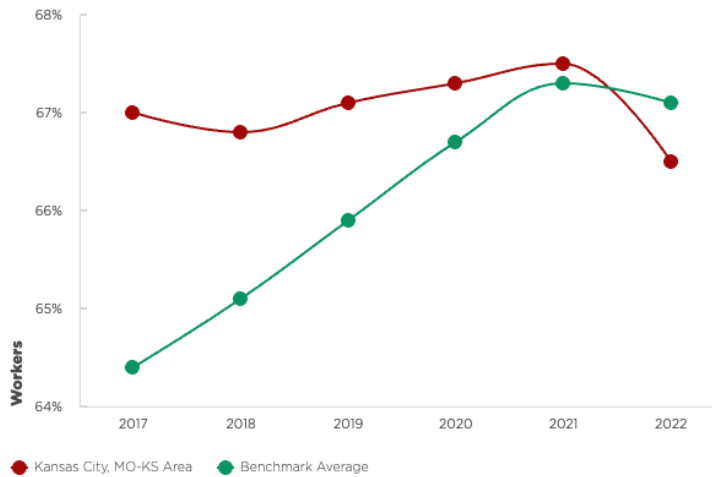
Growth, all by itself, isn’t enough. We want everyone to experience the benefits of that growth through a rise in their standard of living. One measure of whether everyone is benefiting is whether all households earn enough to pay their bills. If they do, then we can

consider them to be **self-sufficient households**.

Increases in self-sufficiency generally mean incomes are rising faster than costs.

Kansas City’s historical affordability advantage is slipping and currently ranks 8 out of 11. While most metros saw significant progress in becoming more affordable between 2017 and 2022, Kansas City’s progress stagnated and appears to have reversed in the last year.

**Percent of Workers in Households with Self-Sufficient Incomes**



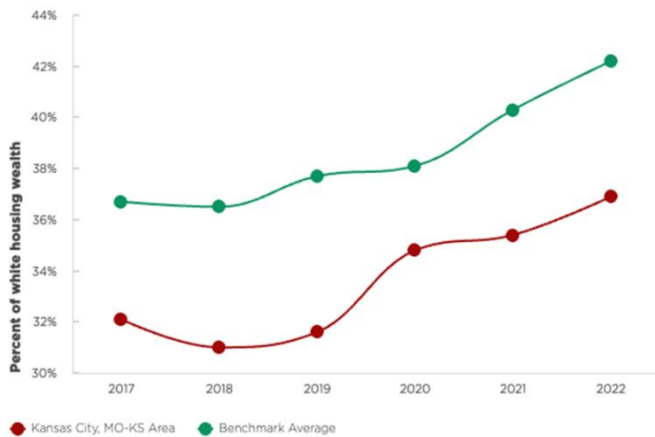
Sources: American Community Survey PUMS 2017-2022.  
Note: Calculation based on 3-year moving average.

### Wealth Gap

Self-sufficiency alone is not enough either. While a self-sufficient income can pay the bills, it can also be fragile if there are unexpected expenses, such as a serious illness, or unexpected loss of income, as when one of the earners in the household loses their job.

**Resiliency in the face of unexpected adversity requires wealth** and, for most households, wealth-building begins with home ownership.

**Black Percent of White Housing Wealth**

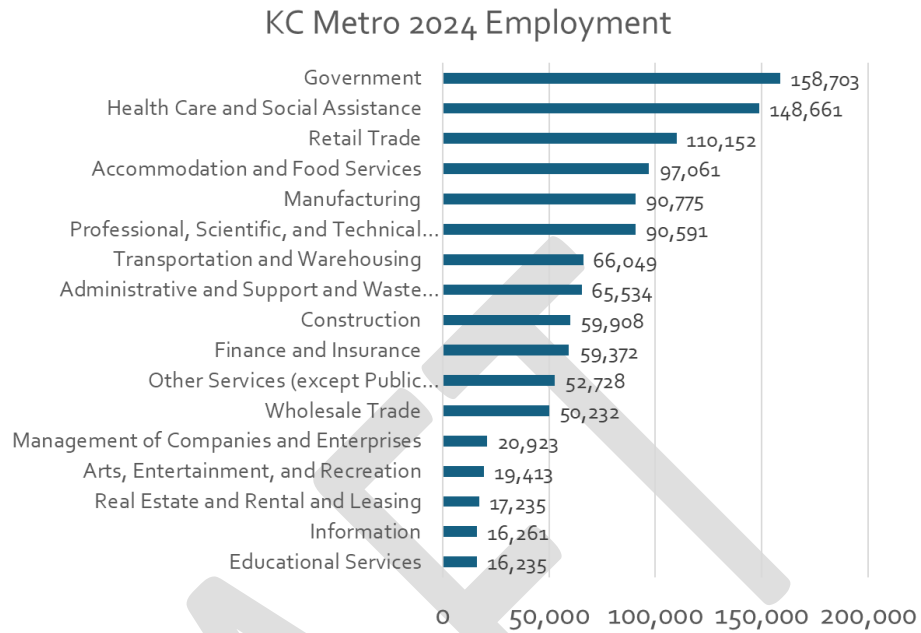


Sources: American Community Survey PUMS 2017-2022  
Note: Calculation based on 3-year moving average. Benchmark average calculated using unweighted average of the metros.

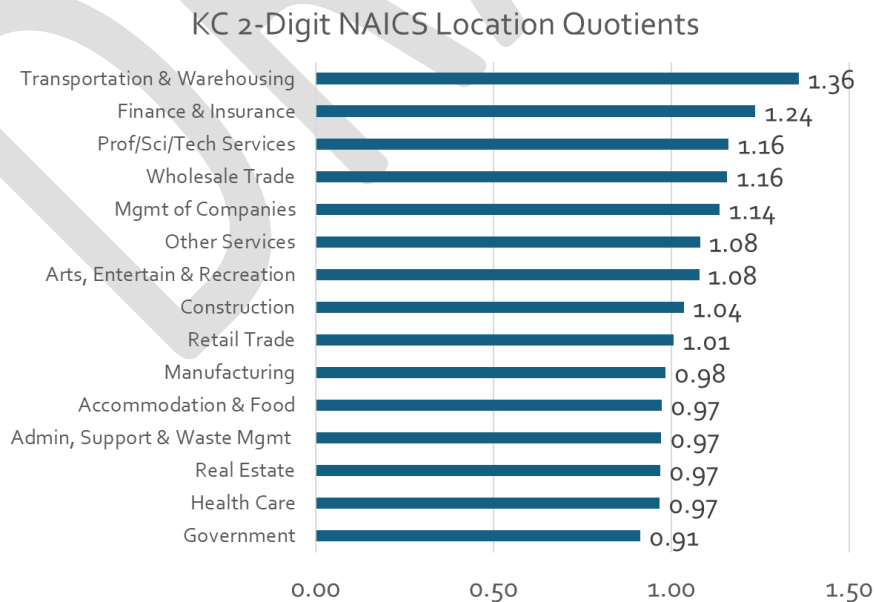
Black households in Kansas City average about 37% of the housing wealth of white households, a rate that ranks 10th among its benchmark metros in 2022. While up from 32% in 2017, Kansas City’s advancement has not enabled it to improve its performance relative to the benchmark average.

**What explains the region’s sluggish economic performance?**

Kansas City’s industrial structure is heavily oriented toward production of services rather than goods. This is similar to the nation.



How similar can be measured by comparing each industry’s proportion of total regional and total national jobs. When they are the same, the ratio of these proportions, called a “location quotient,” is equal to 1. In Kansas City, over 85% of its employment is in industry sectors with a location quotient between 0.9 and 1.2. Only two sectors have LQ’s greater than 1.2 – Transportation and Warehousing, and Finance and Insurance.



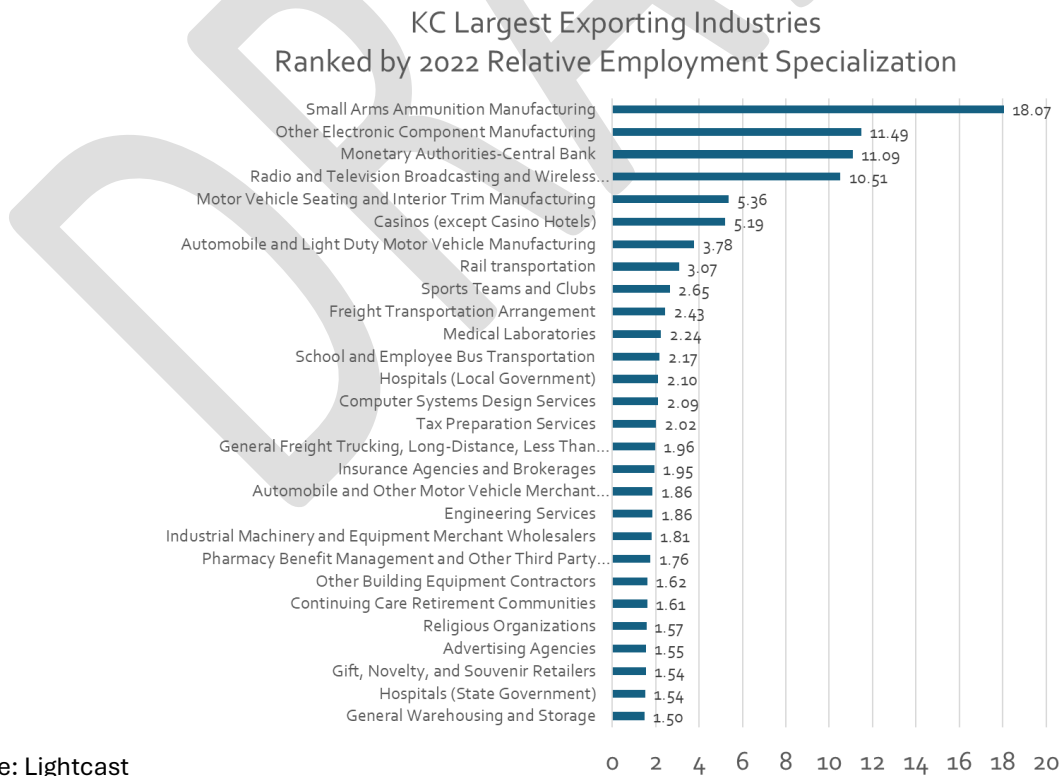
Source: Lightcast

Yet, regions grow by serving a larger economy through exports. The dollars they bring into the region then are used to hire workers whose spending on homes, transportation, food, education, and entertainment create the demand that supports all of a region’s local-serving jobs. In general, for the size of the Kansas City metropolitan area, each dollar earned from the sale of an exported good or service generates at least one additional dollar of sales for local-serving industries.

While having a broad-based economy that mirrors the nation promotes economic stability, it also suggests the region’s capacity to export goods and services to the rest of the world is relatively weak. Exporting depends on being the superior producer of something the rest of the world needs or wants but does not produce or produce it as well. Therefore, specialization is a key to having product to export.

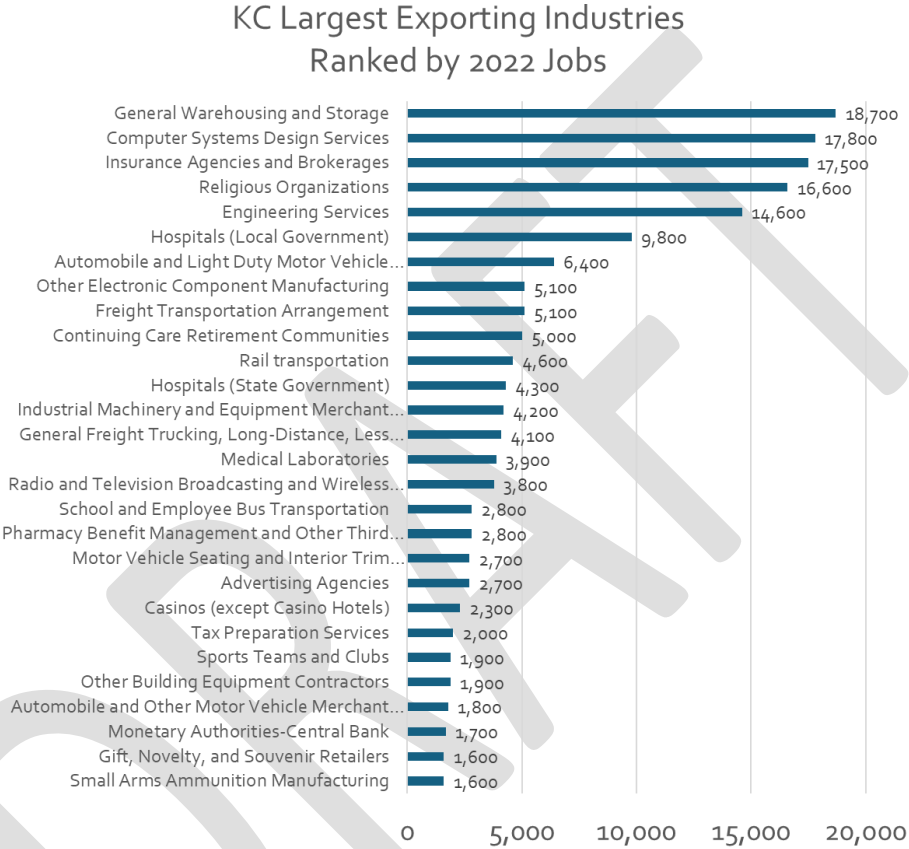
## EXPORTS

Location quotients, then, measure the level of specialization and so are one indicator of export capacity. If we look at more detailed industries than the broad sector level, definite employment specializations emerge. These industries all have location quotients greater than 1.5, with small- arms manufacturing, electronics manufacturing, monetary authorities and communications equipment manufacturing all having LQs greater than 10.



Source: Lightcast

However, by ranking the same industries by their number of employees, a clearer picture emerges of the industries on which the Kansas City regional economy depends – warehousing, computer systems design, insurance, engineering, hospitals, auto manufacturing, electronic manufacturing, freight-related transportation, medical labs. These, then, are the economic clusters that have historically powered the region’s economy.

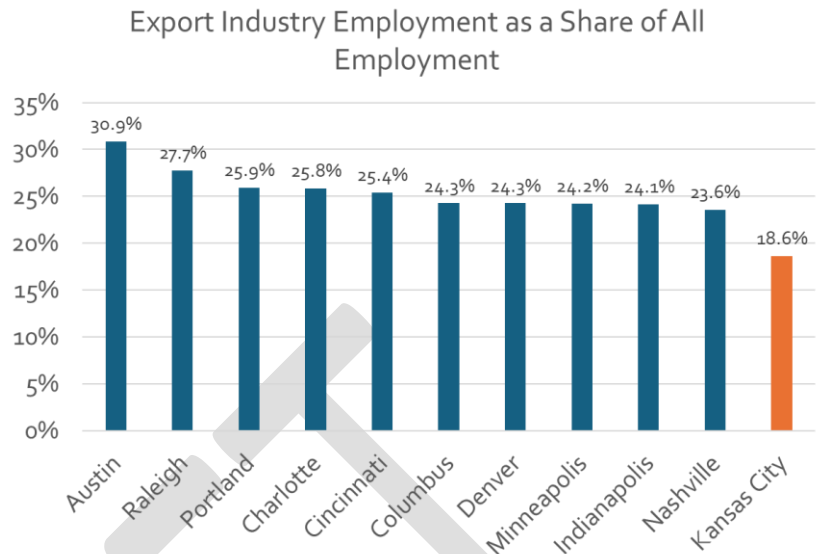


Source: Lightcast

Yet, it appears that compared to other regions, the region’s economic clusters are underpowered. Conducting the same exercise for each of the benchmark metros, looking at the employment in their industries with location quotients greater than 1.5, the Kansas City economy is not nearly as export-oriented.



In fact, Kansas City ranks last among the benchmark metros when export employment is expressed as a share of total employment. In most metros, a quarter to a third of their employment is export-oriented. In Kansas City, only one-sixth of the region’s employment is in industries primed for exporting.



### **Innovation Capacity**

Low export capacity may be related to the region’s relatively low innovation capacity, as measured by its relatively low research and development expenditures and patents. Though this is partially offset by its high level of entrepreneurship capacity, low rates of innovation limit the region’s ability to continually develop new products and services to export, and likely is a contributing cause to the region’s sluggish recovery from the Covid-19 recession compared to benchmark metros.

#### **R&D as a percentage of Gross Domestic Product**

Includes R&D activities conducted in the state by federal and state agencies, enterprises, universities, and nonprofit organizations.

	Year 2021
United States	3.1%
Kansas	1.99%
Missouri	2.36%

<https://nces.nsf.gov/indicators/states/state/kansas>; <https://nces.nsf.gov/indicators/states/state/missouri>

#### **Average Annual Federal Small Business Innovation Research and Small Business Technology Transfer Funding per \$1 Million of Gross Domestic Product**

	Years 2018-2020
United States	\$168.13
Kansas	\$47.16
Missouri	\$92.78

<https://nces.nsf.gov/indicators/states/state/kansas>; <https://nces.nsf.gov/indicators/states/state/missouri>

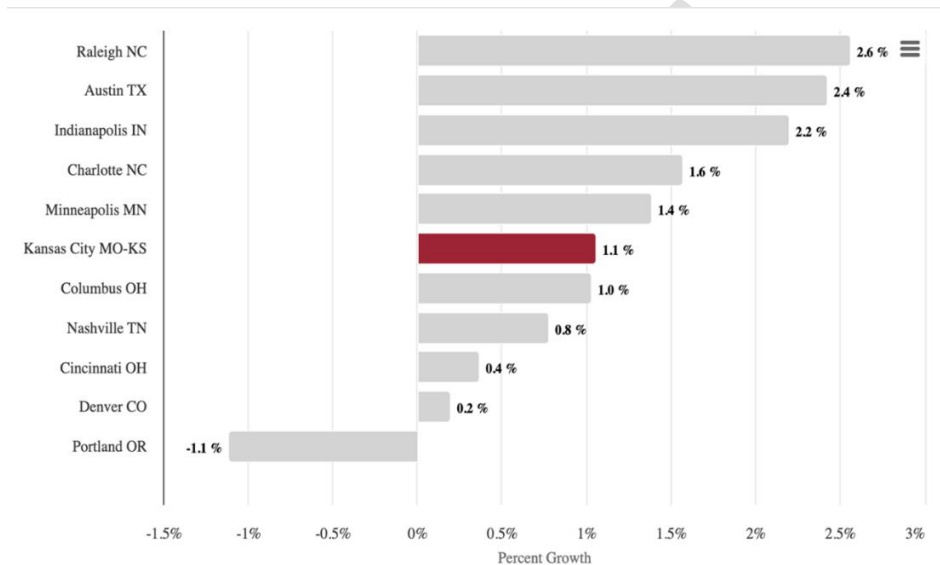
KC Rising Cluster Analysis and Market Overview

Source: EnterpriseKC, “Cluster Analysis & Market Overview,” Fall 2023

## EMPLOYMENT

Growth in total employment lags many benchmark metros though progress has been shown in the first half of 2024. The lag is more severe since long before the pandemic and the recovery from the pandemic, in fact, since about 2000.

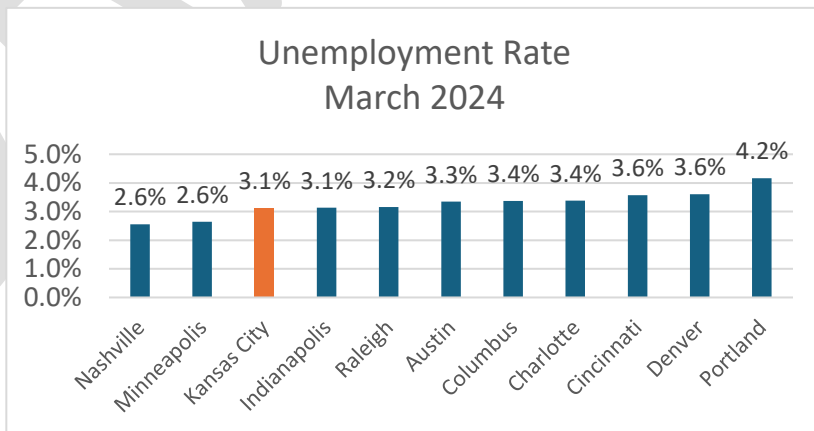
**12-Month Percent Change in Total Employment  
KC vs. Benchmark Metros**



Source: U.S. Bureau of Labor Statistics.  
Last Updated: Thursday, Apr 25, 2024

Highcharts.com

The region's unemployment rate has recently started to stair-step upward though it is still below pre-pandemic levels and very low by historical standards. At 3.1 percent in March 2024, the unemployment rate remains substantially below the nation's 3.7 percent and is the third lowest among the region's benchmark metros.

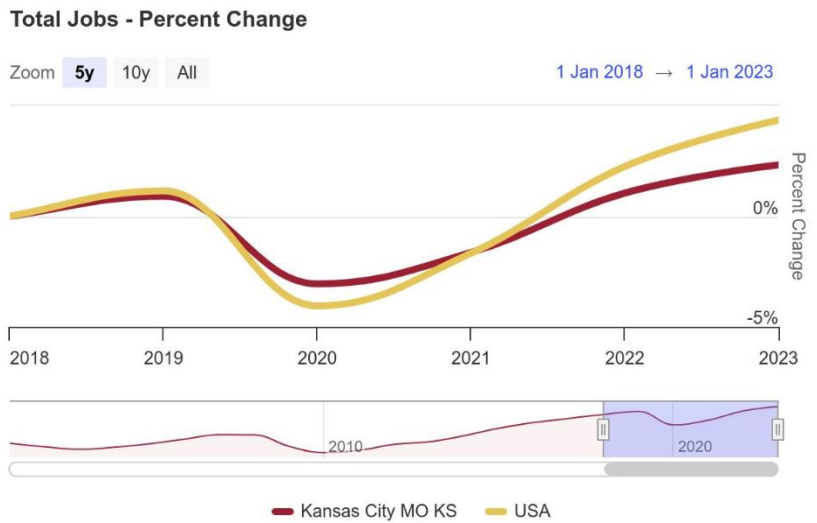


Source: Bureau of Labor Statistics

Yet a relatively tight labor market has not translated into above-average wage gains for area workers. Kansas City’s post-pandemic increase in average hourly earnings for those working for private employers is second lowest among the benchmark metros.

Benchmarks are a relatively high bar, but Kansas City’s growth is also lagging national averages. The adage that the Kansas City economy neither booms as high nor busts as low as the national average proved true during the Covid-19 recession.

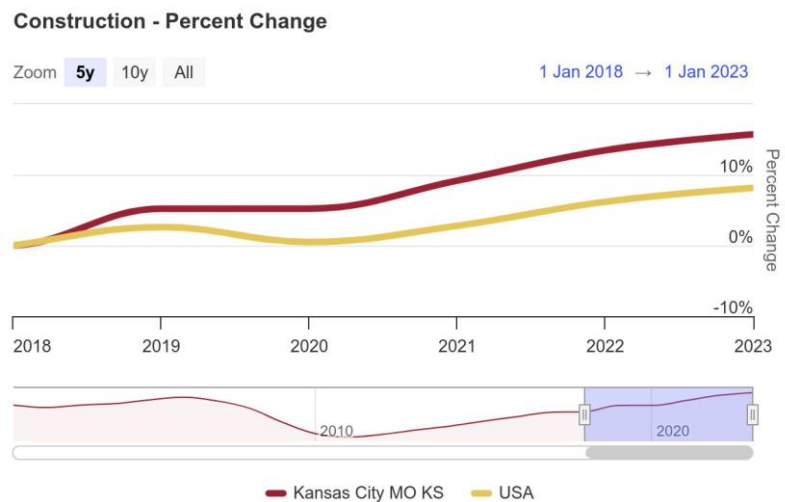
But it wasn’t true in the 2001 recession nor the Great Recession, when the region was hurt as much or more than the nation during the downturn. Moreover, by not “booming as high”, this results in the gap between Kansas City and U.S. performance are gradually growing wider.



Source: Bureau of Labor Statistics

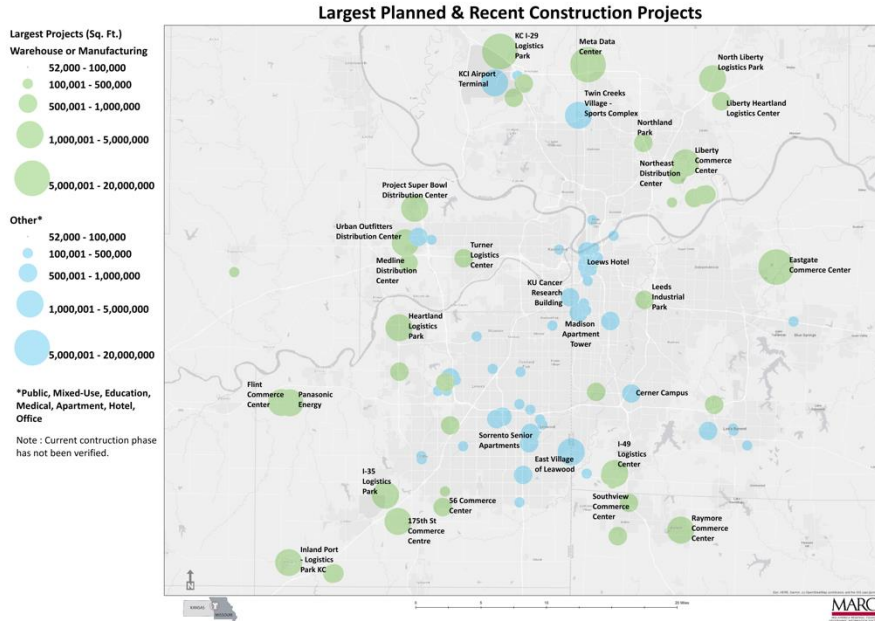
## INDUSTRIES

A few industries in the Kansas City region have recently outperformed the nation, some significantly as the region has benefited from the shift to the distribution economy.



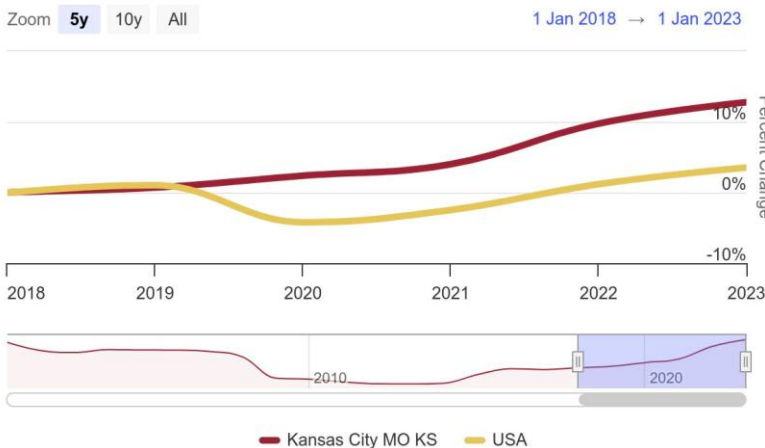
Source: Bureau of Labor Statistics

While residential and commercial construction appears to be down relative to last year, industrial construction remains both widespread and strong as building the new Panasonic plant gets underway.



Source: Dodge Data and Analytics, MARC

**Manufacturing - Percent Change**

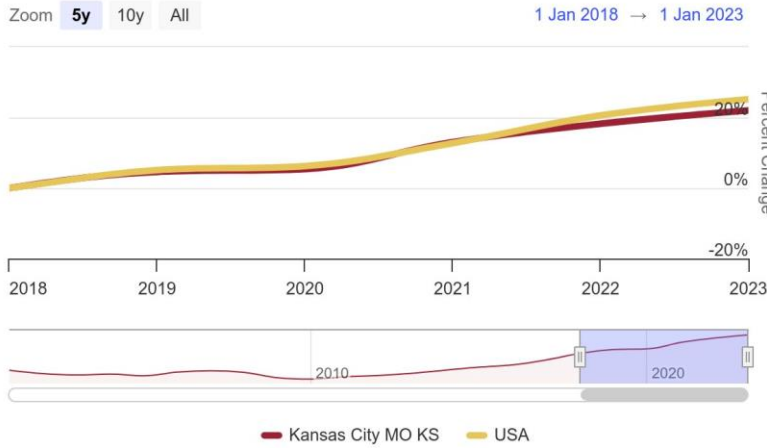


Kansas City has also benefited from the shift to onshoring of manufacturing.

Source: Bureau of Labor Statistics

A few of our strongest clusters are holding their own with respect their employment growth relative to the nation. These include the health care industry and the transportation and warehousing industry.

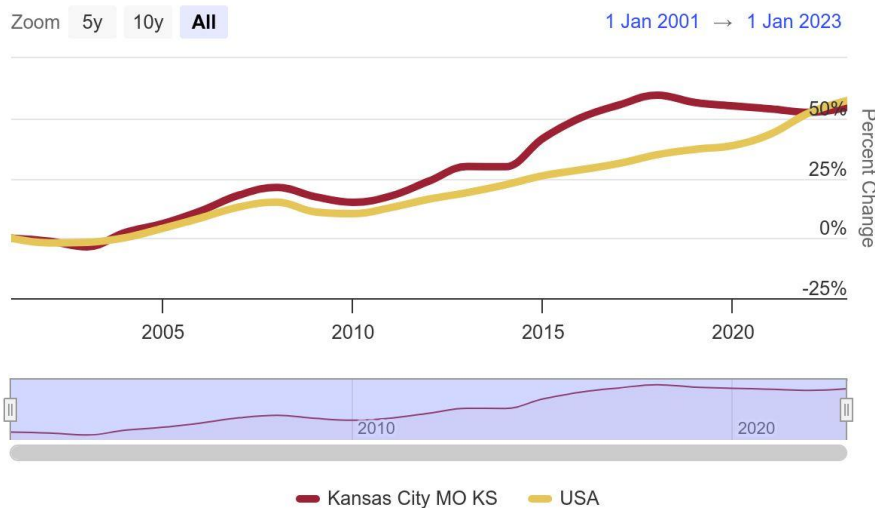
**Transportation and Warehousing - Percent Change**



Source: Bureau of Labor Statistics

But several others – wholesale trade, finance and insurance and professional, scientific and technical services are growing much slower than national averages. This represents a real reversal for Professional, Scientific and Technical Services, which underpinned much of the region’s employment growth until 2018, when Cerner stopped rapidly expanding in the region and ultimately was sold to Oracle.

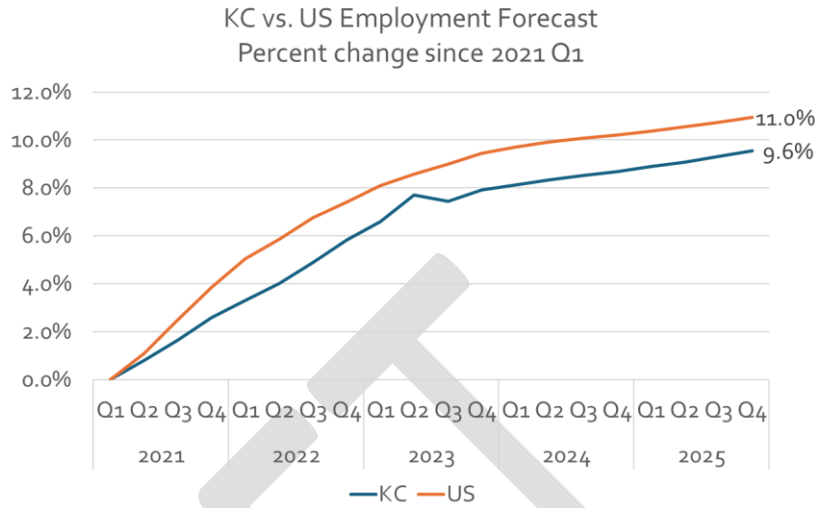
**Professional Scientific and Technical Services - Percent Change**



Source: Bureau of Labor Statistics

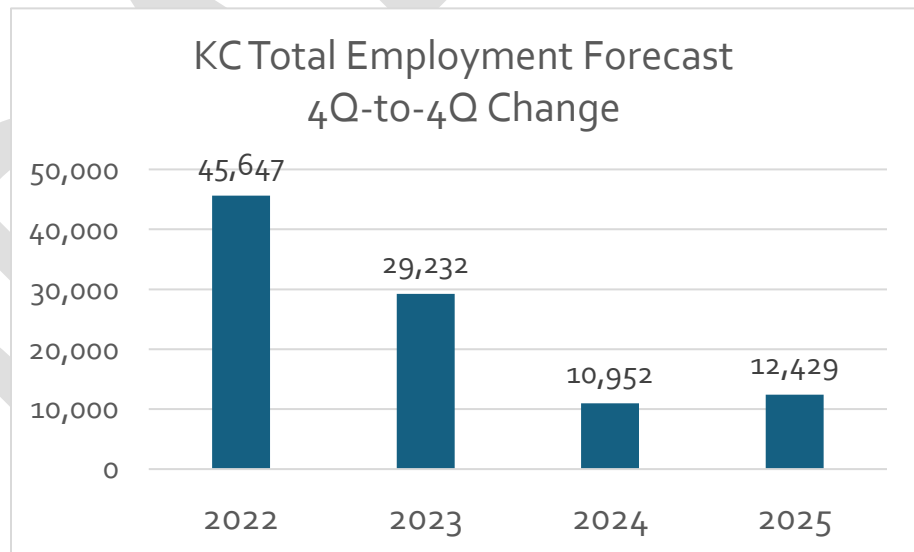
***The forecast is for sluggish growth to continue.***

Consequently, the Kansas City economy has been performing worse than the nation in terms of job growth. While both are forecast to experience significant slowing, the gap between Kansas City and U.S. employment growth rates is not expected to narrow appreciably in the near future.



Source: BLS, RSQE, MARC

In 2022, the economy was still bouncing back from the pandemic-induced recession. Growth moderated substantially in 2023, and employment growth is expected to be about 2/3 that of 2022. Job growth moving forward will be about 1/3 that of 2023.



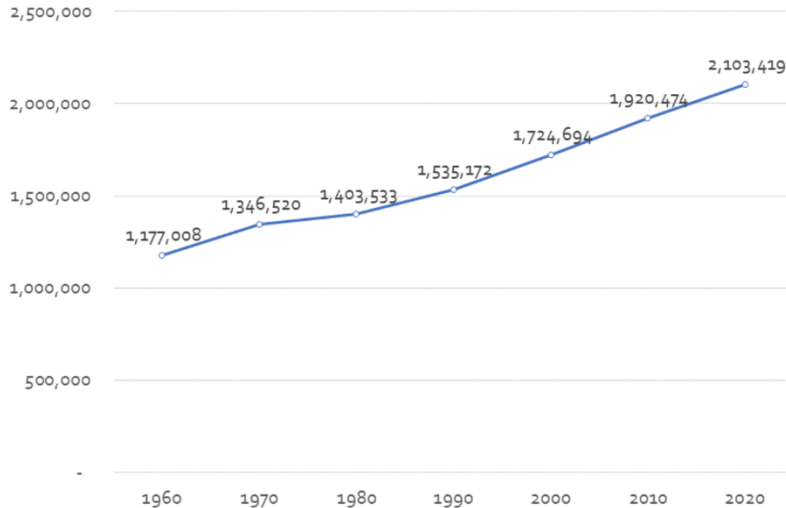
## POPULATION

In MARC’s, *What a Difference a Decade Makes*, 2020 census data revealed the Kansas City region is becoming more racially and ethnically diverse. While white, non-Hispanic residents remain the substantial majority in the population at 68 percent, the increase in the number of residents of color between 2010 and 2020 accounted for 92 percent of the region’s overall population growth. The increase in population diversity contributed to a dramatic shift in how the region is growing, from one where all the growth is focused on the edges of the region while the center declines, to one where all areas are now growing.

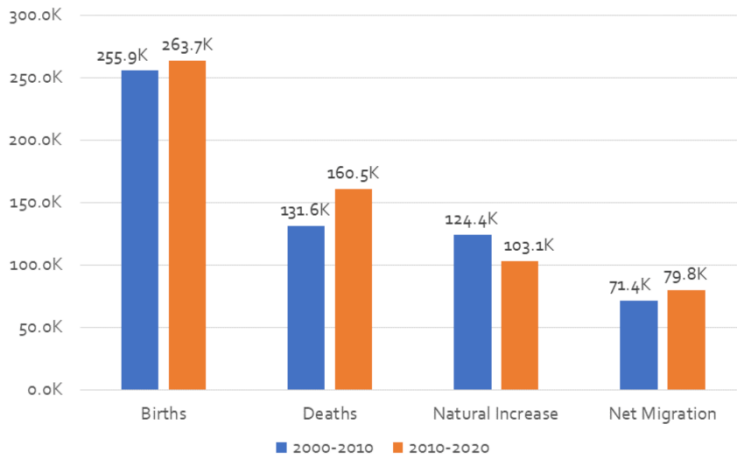
While efforts to fully count the population during the pandemic proved especially challenging, the U.S. census data showed the nine-county Kansas City region is more diverse than ever. The region has historically grown moderately and steadily; however, the rate of growth slipped slightly from 11.4% in the 2000s to 9.5% in the 2010s.

The region typically has a consistent, though moderate, population growth rate, adding close to 200,000 people a decade.

**MARC Region Total Population 1960-2020**

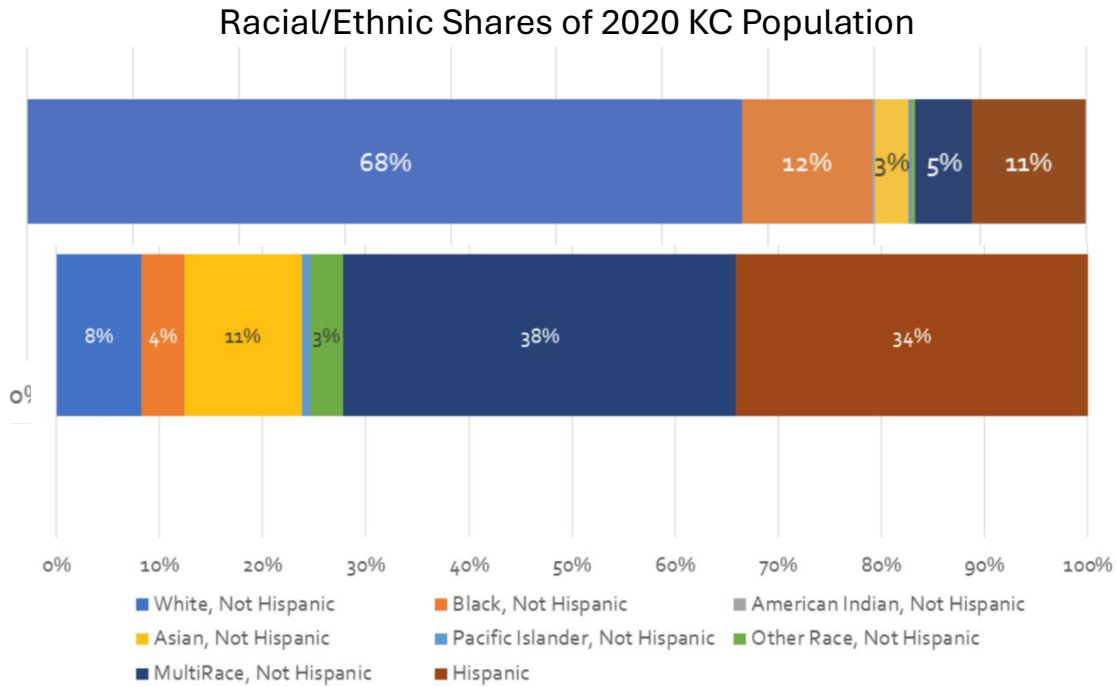


**KC Region Components of Population Change**



Population change is driven by births minus deaths (i.e., the natural increase in population) plus net migration. Births were slightly higher in the 2010s than in the 2000s. Deaths were significantly higher due to the aging of the population, producing a smaller natural increase. Net migration was somewhat higher, indicating the region continued to attract talent.

The region’s population continues to be majority white. However, the white population share is shrinking. This is because nearly all of the net gains in population were from people of color. Their increase in the 2010s accounted for 92 percent of the region’s population growth.



At a county level, Jackson continues to be the most populous county, followed by Johnson, Clay and Wyandotte. Johnson County continued to grow the most, followed by Jackson and Clay counties. Johnson County’s growth slowed significantly during the 2010s, while Jackson and Wyandotte counties saw significant acceleration. As a result, growth was spread across counties much more evenly than in prior decades.

	Population			Change 2000-2010	Change 2010-2020
	2000	2010	2020		
Johnson	451,086	544,179	609,863	93,093	65,683
Leavenworth	68,691	76,227	81,881	7,536	5,654
Miami	28,351	32,787	34,191	4,436	1,404
Wyandotte	157,882	157,505	169,245	-377	11,740
Cass	82,092	99,499	107,824	17,407	8,325
Clay	184,008	221,939	253,335	37,931	31,396
Jackson	654,880	675,530	717,204	20,650	42,964
Platte	73,774	89,314	106,718	15,540	17,404
Ray	23,354	23,494	23,158	140	-336
MARC Region	1,724,118	1,920,474	2,103,419	196,356	184,234

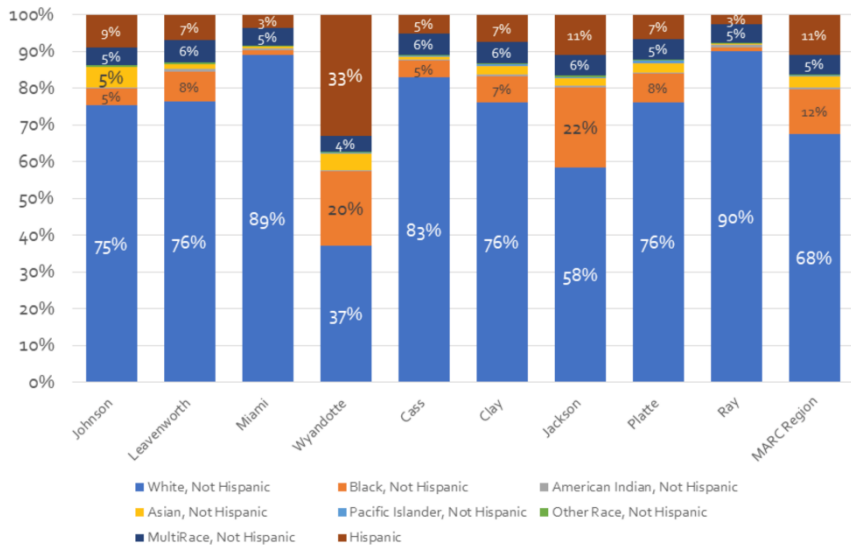


Most counties remain more than 75 percent white, not Hispanic or Latino. The exceptions are Wyandotte, which is majority people of color, and Jackson where the white majority is under 60 percent.

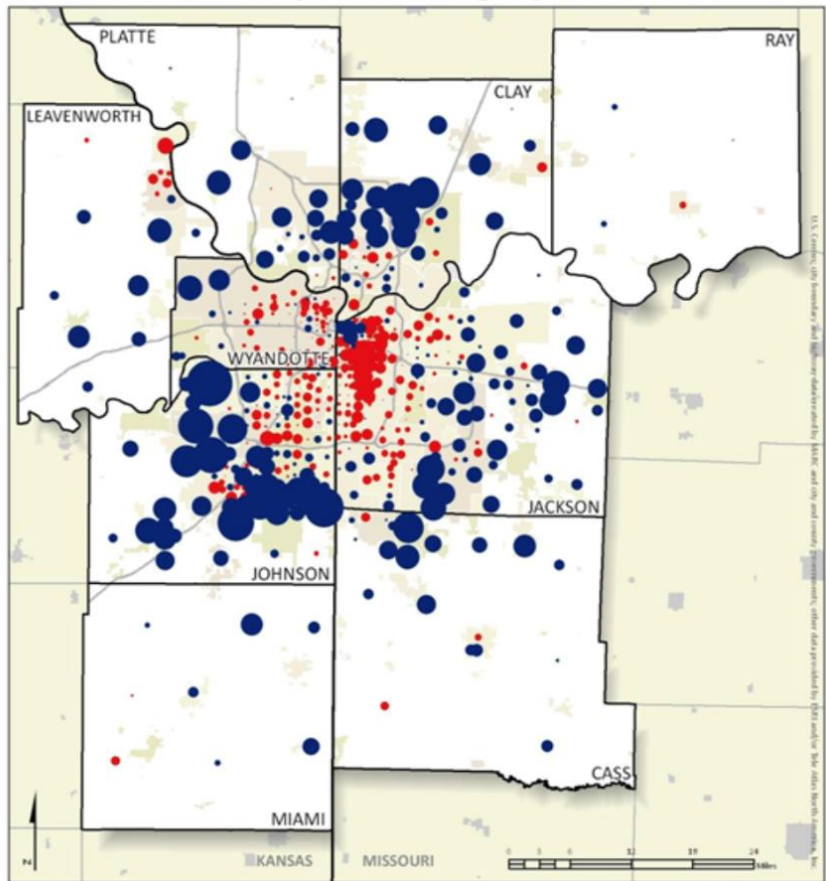
In all counties, people of color accounted for most of their net population growth. In Miami, Wyandotte, and Jackson counties, the white population declined. As a result, the growth in the number of people of color exceeded the total population growth of the county. This then results in calculating their growth as a proportion of the county's growth to be greater than 100%.

At a neighborhood (census tract) scale, the region's growth pattern has generally been one of outward expansion accompanied by decline inwards. This pattern persisted for nearly 100 years. Change started in the 2000s when the scale of redevelopment around Downtown Kansas City, Missouri, exceeded the rate of population loss in other parts of that area. Nonetheless, the existing area that had developed prior to 1990 still lost 20,000 people between 2000 and 2010, or 10 percent, of the region's population.

**Race/Ethnic Composition by County, 2020**



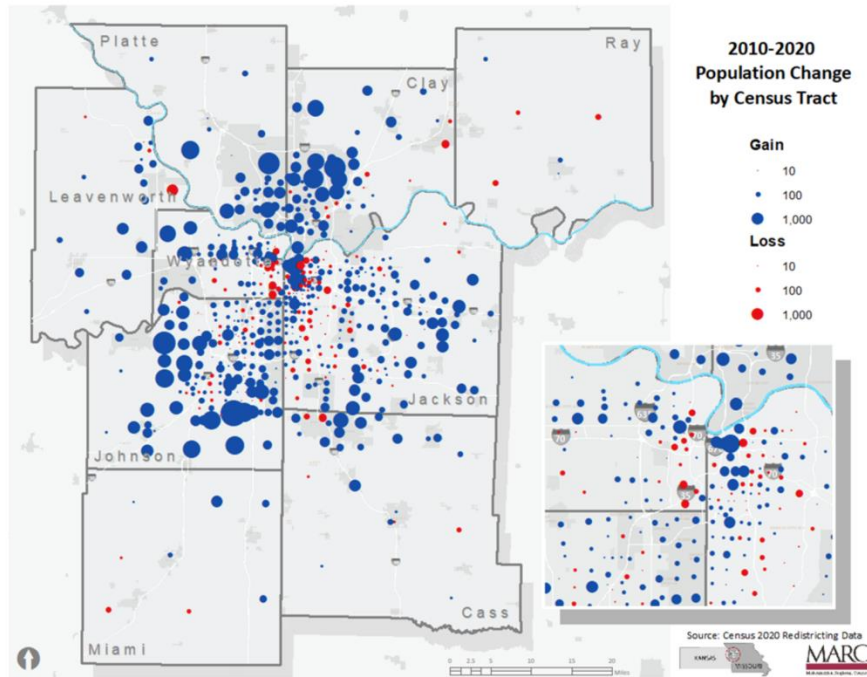
**2000-2010 Population Change by Census Tract**



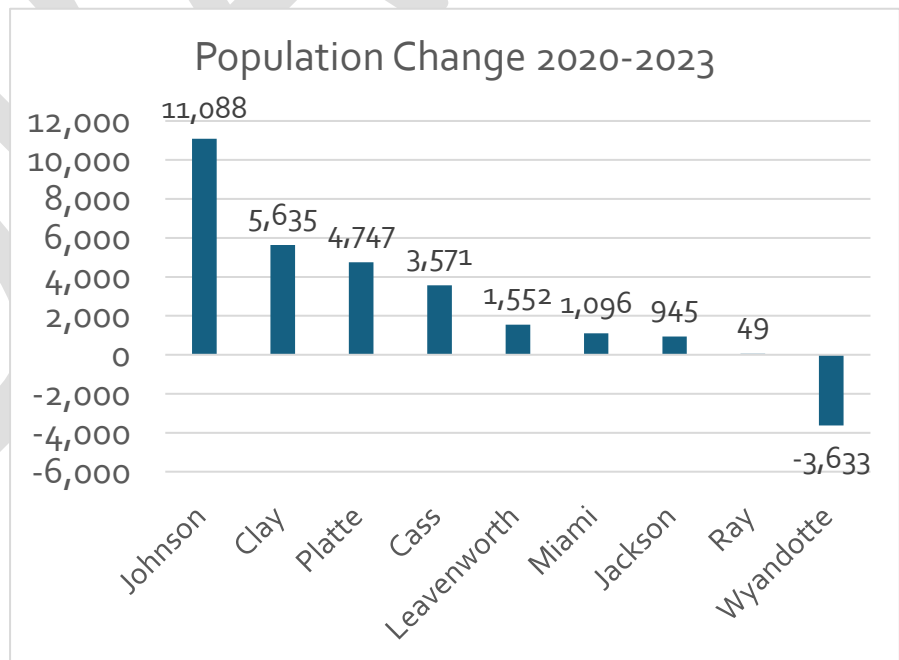
In the 2010s, the region's urban core did not continue to decline in population. Instead, the region's growth pattern became much more balanced with all parts attracting people.

In large part, the shift reflected local policy changes in planning for redevelopment as intently as planning for new development.

Between 2010 and 2020, some 37 percent of the region's population growth occurred inside the area that had developed prior to 1990. According to the most recent population estimates from the Census Bureau (2023), Jackson County remains the region's largest county, followed by Johnson, Clay, and Wyandotte counties.



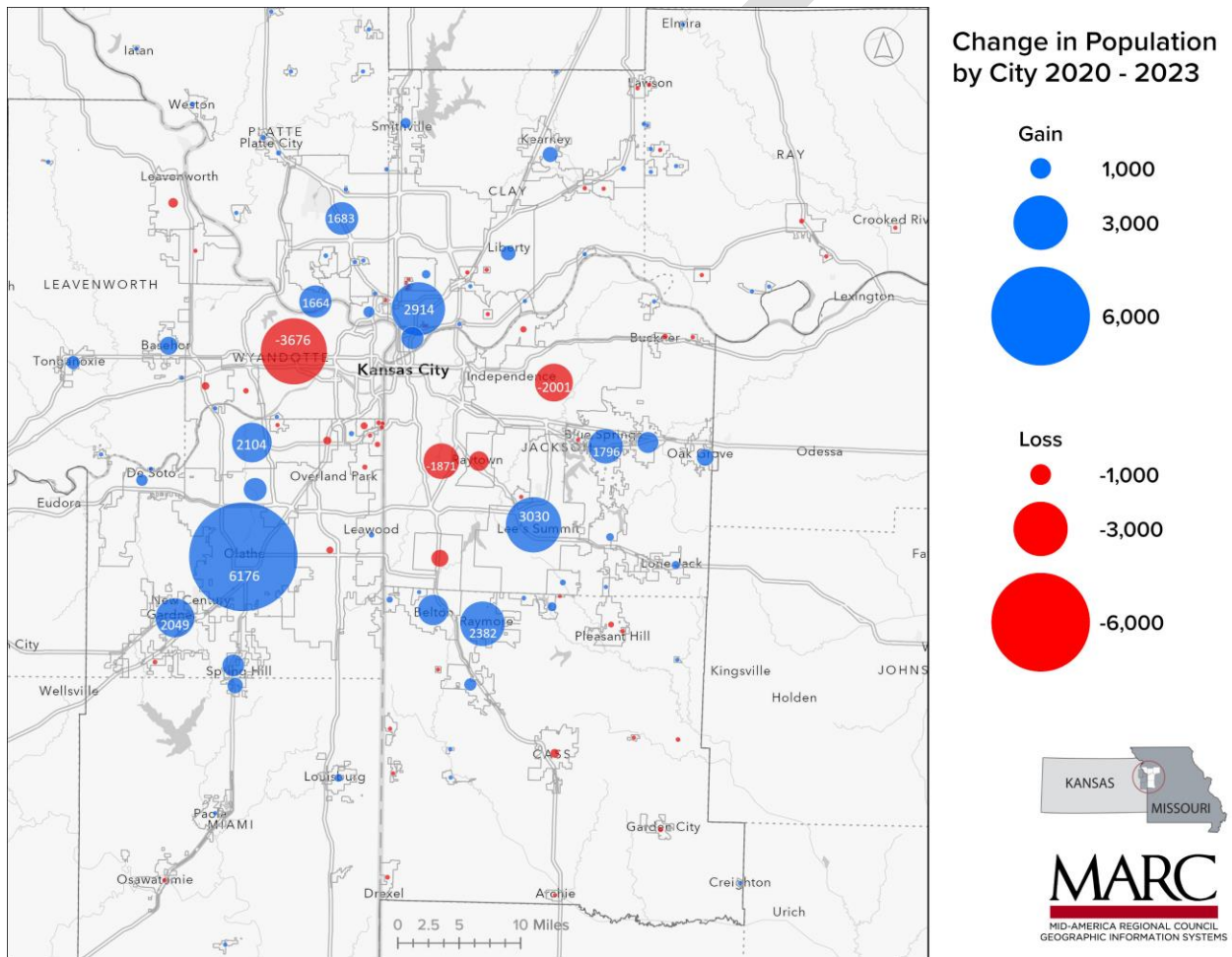
Between 2020 and 2023, the Kansas City region added 25,000 people and all counties grew, except Wyandotte County. Johnson County's population grew the most, adding 11,100 people and accounting for 44 percent of the region's growth. Johnson County was followed by Clay County, which added 5,600 people and comprising 22 percent of the region's population growth.



The pattern of growth is significantly different than the 2010-2020 trends, when the core counties of Jackson and Wyandotte showed strong growth. Now Wyandotte has resumed

declining and Jackson County’s growth has been sharply curtailed. Also, population growth appears to have slowed significantly in most counties so far in the 2020s compared to the 2010s, not just the core counties. Cass is the one county showing significant acceleration from the prior decade.

Examining data by city confirms that, according to the most recent estimates, population growth is again concentrated on the edges of the region while decline is occurring in the older portions in the center, especially south of the Missouri River.



When we look at the population estimates by city, this perception of shifting growth to the edges of the region is born out as we see much growth in smaller cities generally on the periphery of the region as well as historic growth centers like Olathe to the south and Kansas City, Missouri north of the Missouri River.

## WORKFORCE

Previous work by the Brookings institution determined that the wage required in the Kansas City region for a good job, one that leads to self-sufficiency, is about \$45,000 per year. Nearly half (45 percent) of the region’s workers make less than this amount, however. In fact, the occupations making less than \$45,000 annually with the largest numbers of workers are often much less than that. Most also require only limited education, making upskilling the existing labor force a priority path to more broadly sharing prosperity.

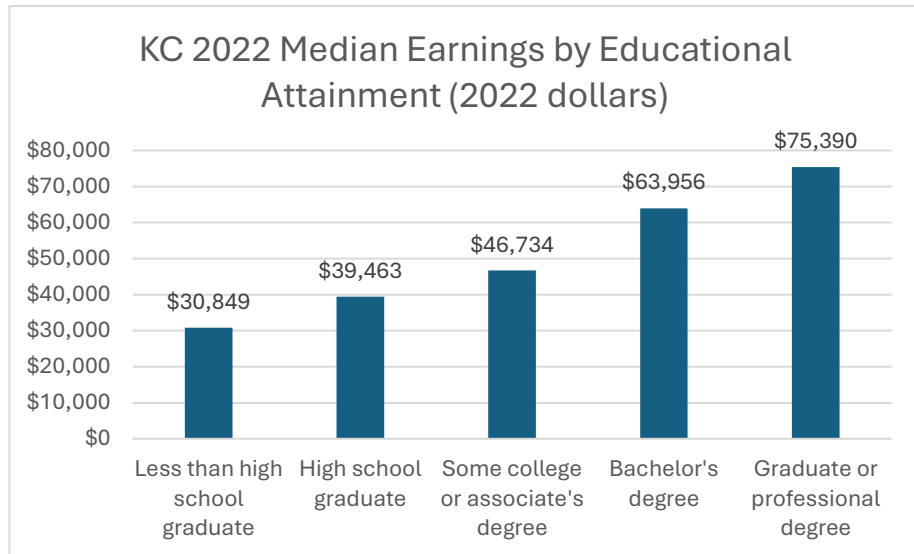
Moreover, such upskilling is increasingly critical to the future growth of the economy. The current and projected decline in national and regional labor force growth makes fully utilizing the talents of every worker paramount.

Description	2023 Jobs	Median Annual Earnings	Typical Entry Level Education
Stockers and Order Fillers	25,049	\$36,387	High school diploma or equivalent
Retail Salespersons	23,900	\$33,405	No formal educational credential
Cashiers	23,817	\$30,447	No formal educational credential
Customer Service Representatives	23,697	\$40,367	High school diploma or equivalent
Home Health and Personal Care Aides	21,529	\$30,922	High school diploma or equivalent
Office Clerks, General	20,777	\$38,722	High school diploma or equivalent
Laborers and Freight, Stock, and Material Movers, Hand	19,547	\$38,852	No formal educational credential
Fast Food and Counter Workers	19,066	\$29,527	No formal educational credential
Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	17,835	\$41,116	High school diploma or equivalent
Waiters and Waitresses	17,510	\$34,803	No formal educational credential
Miscellaneous Assemblers and Fabricators	15,758	\$42,884	High school diploma or equivalent
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	14,420	\$33,942	No formal educational credential
Nursing Assistants	12,273	\$38,175	Postsecondary nondegree award
Cooks, Restaurant	11,318	\$35,645	No formal educational credential
Cooks, Fast Food	10,635	\$29,621	No formal educational credential

Source: Lightcast

## Educational Attainment

The traditional path to upskilling is to increase educational attainment. Higher levels of education have been the most reliable way to raise earnings. Someone with a bachelor's degree will typically earn about 50 percent more than someone with a high school degree only.



Source: 2022 American Community Survey, 1-year data

Unfortunately, the proportion of Kansas City residents 25 and over with a bachelor's degree or higher ranks relatively low compared to its benchmark metros. The proportion of Kansas City adults 25 and over that have earned a college degree is currently just under 40 percent, which ranks 8<sup>th</sup> among the 11 metros.

Additionally, the disparities in educational attainment between white residents and Black or Latino residents are especially large here. Black residents earn a bachelor's degree at a rate that is just over half (56 percent) that of white residents. Similarly, Latino residents achieve this level of educational attainment at a rate that is just under half (48 percent) that of white residents. In both cases, KC ranks 9<sup>th</sup> out of the 11 Benchmark metros on its level of educational attainment disparities.

The bachelor's degrees that yield the highest annual earnings are most often those in STEM fields – Science, Technology (computers), Engineering and Math. Only business degrees earn comparable salaries. STEM jobs are also among the fastest growing. The combination of good pay and high demand make STEM careers a viable path to prosperity. However, the proportion of residents with bachelor's degrees that earn them in STEM fields reveals the Kansas City region underperforms relative to the benchmark metros. Kansas City ranks 10<sup>th</sup> for both all adults over the age of 25 (30 percent) and for young adults, 25-39 (33 percent).

A bright spot for the region is how much STEM degree achievement among young adults exceeds the region's average among all adults ranking 4<sup>th</sup> among the benchmark metros.

The region’s programs to introduce STEM careers to K-12 students and early post-secondary work may be beginning to have a positive impact. Also, research is in the early stages in studying the impacts of AI. A 2023 report by McKinsey Global Institute, *Generative AI and the future of work in America*, shows how occupations will be affected by the adaptation of AI in the workplace. STEM jobs will be affected in substantial ways, but not necessarily replaced with workers focused on other tasks due to the high demand for STEM workers among other occupations.

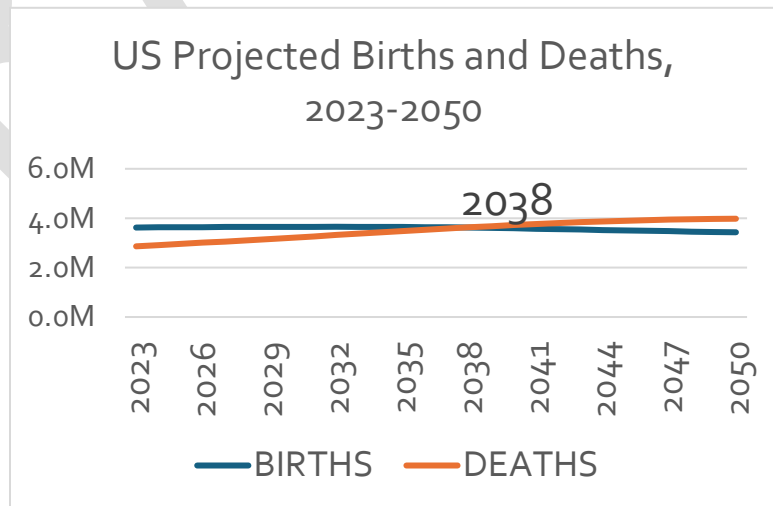
Not everyone can or wants to obtain a college degree, however. More recently there has been a shift toward identifying and measuring the specific skills needed to succeed in jobs, rather than employers using the bachelor’s degree as a simple way to screen for candidates who are believed likely to succeed. This shift increases the potential job pool for employers while expanding opportunities to more job seekers, potentially improving prospects on both sides of the labor market:

- > Good jobs that don’t need a bachelor's degree
- > Specific skills most often sought in job postings

Nonetheless, much work remains to be done to identify the shortest path for workers in lowest-paid occupations – food service, health aids, cashiers, retail workers – to successfully make the transition at scale to those that are higher paid.

## LONG TERM FUTURE

Long-term, the region is facing continued slow growth, though largely the result of national demographic trends. As late as 2007, U.S. fertility rates were at the replacement level of 2.1 births per woman over her lifetime. Along with the Great Recession of 2008, fertility rates started to decline. Unexpectedly, this decline continued even as the economy rebounded.



Fertility rates are expected to do no more than stabilize in the future. An aging population means births gradually decline while deaths increase even though life expectancy

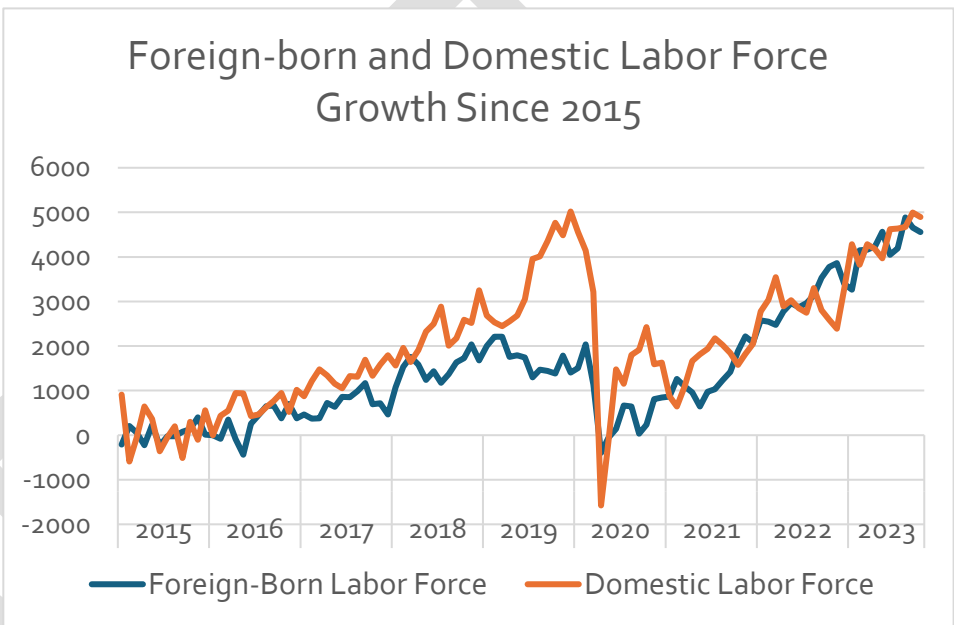
continues to improve. As a result, deaths exceed births beginning in 2038, leaving immigration as the only source of net population growth after that point.

One reason for the decline in fertility in recent years appears to be the increase in the opportunity cost of having children. Difficulty in finding quality, affordable childcare for young children is causing more women to drop out of the labor force.

***So, what is projected for immigration levels?***

Both the Census Bureau and the Congressional Budget Office see the current high rates of immigration as reverting to something approaching historical levels.

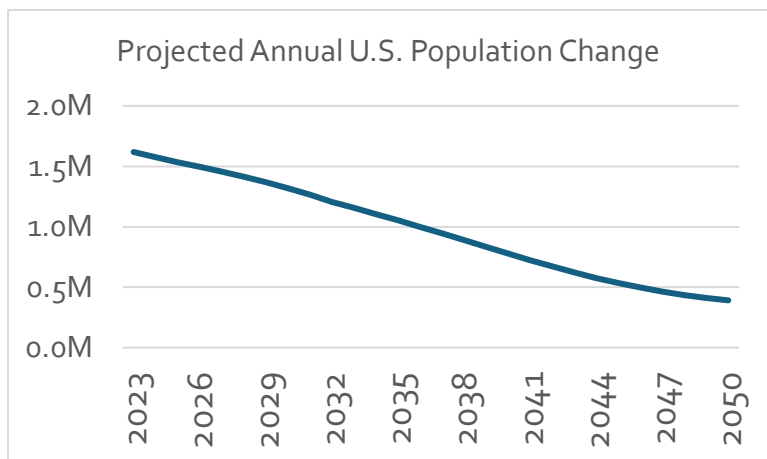
This assumption that immigration reverts to historical average is critical. The natural increase in the U.S. population is currently only adding 100,000 workers per month, but the economy has been adding over 200,000. This excess demand is being met by increases in the foreign-born



workforce, enabling the U.S economy to continue to add jobs while at the same time the rate of inflation gradually declines.

In fact, any labor force growth beyond the pre-pandemic peak can be attributed to growth in foreign-born workers.

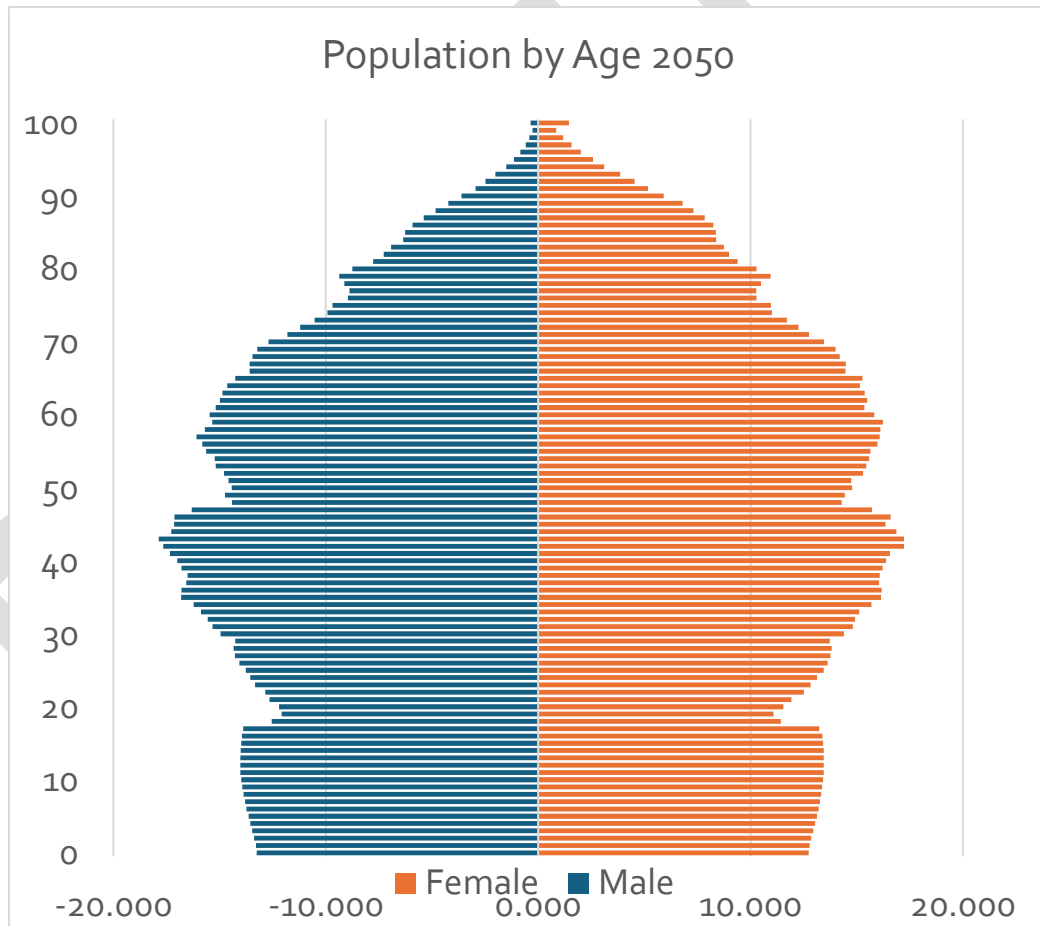
Employment in the U.S. would not be larger today than it was pre-pandemic without an influx of foreign workers. In the future, however, immigration is not expected to increase above the



historical average, due to policy and political constraints. As a result, fewer births and more deaths lead to U.S. population growth that is one-quarter of the current rate by the end of the projection period.

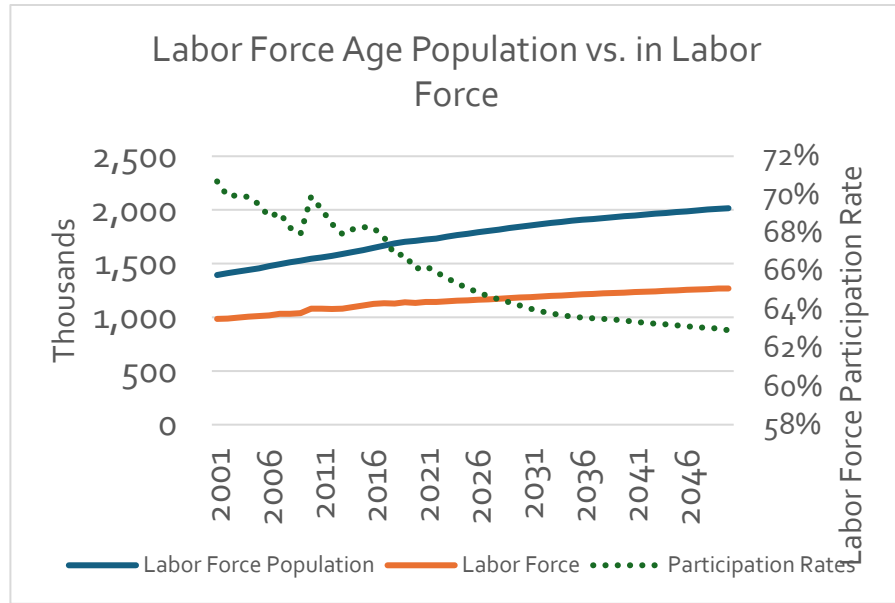
The slower rate of U.S. population change impacts the region moving forward as well. Over the projection period, the region's population growth rate is expected to be about half that of the previous two decades. The lower fertility rate and the aging of the baby-boom generation produce a dramatically older age distribution, which affects labor force availability.

**Population by 1-year age group, 2050**  
**Population 16 and over that is 55+ = 43%**





Aging population produces declining labor force participation, limiting the growth of the workforce. Labor supply constraints limit overall employment growth ensuring continuing labor shortages. Lower labor force growth limits employment growth. Employment growth spikes between 2020 and 2025 reflecting the rebound from the 2020 recession but grows < 5,000 jobs per year thereafter.



**PUBLIC SECTOR WORKFORCE SPOTLIGHT**

**Government-To-University (G2U) Coalition**

formed from a partnership between MARC and The Volker Alliance to build sustainable connections between government and universities. The performance of the region’s government institutions depends significantly on the training of talented public servants.

The initiative seeks to cultivate a talent pipeline into the public sector workforce, ensure the workforce has the skills to meet public sector challenges, and assist with government’s top priority research questions. Local, state and federal government leaders in the region with key faculty and administrators from surrounding colleges and universities focus efforts on regional recruitment, public sector professional development, market analysis and networking.

**EDUCATION**

An educated workforce helps attract and retain businesses that strengthen the regional economy. Workforce training and development is a focus of many public, private and nonprofit efforts to build a talent pool to meet the growing needs not only for the private sector but also the public sector. A vast array of career training programs and support services through secondary and postsecondary providers, institutions, universities and

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*A list of workforce development-related programs and providers, including workforce investment boards, K-12 intermediaries, higher education, workforce support, and wrap-around service support for workforce development are included in Appendix B.*

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nonprofits offer curriculum, pre-apprenticeships and apprenticeships programs, scholarships, career exploration tools for youth and adults. Recent efforts have focused on public sector workforce development.

## HOUSING

The Kansas City region has long touted **affordability** as a major draw to businesses and people looking for a place to establish themselves, relative to benchmark metros. Rents across the region climbed to unprecedented rates between 2021 and 2022. As that growth cooled among other peer metros, Kansas City's rates continued to climb through the first half of 2023. As a result, Kansas City's rent increases were the third highest among the benchmark metros last year.

The **availability** of affordable housing is complicated by the lack of nearly 64,000 affordable rental units in the region. The market segment most acutely affected by this deficit are low-income households who can afford monthly rents at or below \$650. Exacerbating this issue, the region has been underbuilding for the last 15 years since the great recession leaving a shortage of 12,000 to 24,000 units.

The market alone cannot supply traditional new units at this price point without substantial public subsidy, new housing types, or combination of the two.

The implications of housing affordability and availability and the impact on the region's

competitive advantage to attract and retain businesses and talent are being addressed through the Regional Housing Partnership (RHP). The RHP initiative – convened and supported by MARC and the LISC Greater Kansas City– addresses these regional housing challenges through seven elements of an effective housing system: data analysis,

### REGIONAL HOUSING PARTNERSHIP SPOTLIGHT

The Greater Kansas City Regional Housing Partnership (RHP) is working to address challenges and barriers to the development of a variety of healthy, energy-efficient, affordable housing options for owners and renters to meet the needs of a diverse population. Recommendations of a recent Developer Needs Assessment include supporting programs to reduce pre-development barriers including financing, work on efforts to streamline local housing policies and processes, and increase growth opportunities for those in housing development.

Creation of a **regional community land trust consortium** will enable more affordable housing options for first-time moderate-income households and the establishment of a **regional housing fund** will support the development and preservation of housing throughout the region to meet the needs of workers, young families and older adults.

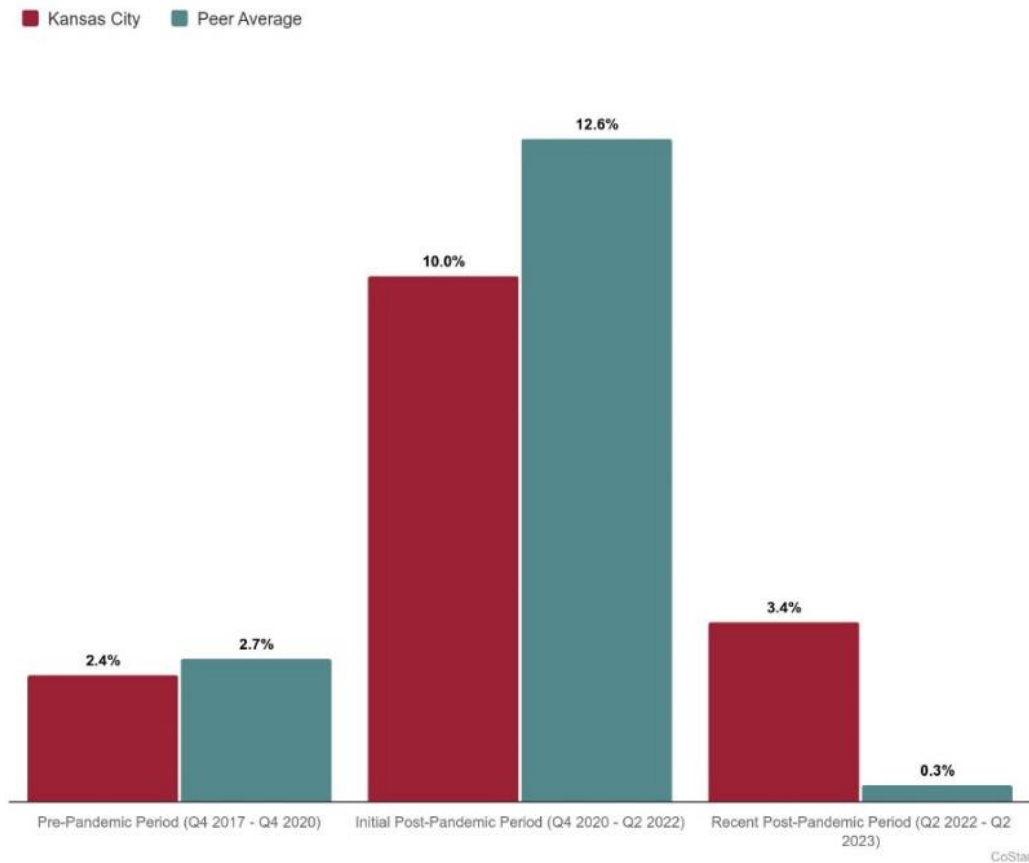
networked leadership, financing tools, production capacity, rental and homeowner resources, public policy and engagement.

### Affordability

In the past year, Kansas City’s rents continued to increase while those in most peer metros fell. As a result, Kansas City’s rent increases were the third highest among the benchmark metros in the last year. The net result over (Q4 2020 to Q2 2023) is that Kansas City’s cost advantage is shrinking. Post-pandemic annual rent increases for the region are very close to the average for benchmark metros. If the recent trends continue, it will put the Kansas City region at risk of losing its competitive edge in housing affordability.

#### Region's rent growth outpaces majority of peer metros over the last year.

Values below represent the percent change in effective rents for Kansas City compared to peer averages by period.



### Workforce housing impacted by affordability and availability concerns

Recent trends, particularly rising home prices, accelerating rents, and slow growth in wages are creating challenges for area communities. Housing costs are increasing at a

pace not matched by increased income. Meaning more working individuals are left without a place they can afford to live.

Adding to the problem for low-income households is the difficulty in finding locations that accept housing vouchers, and rental assistance programs cannot keep pace with rising costs and need. Social service agencies are strained given their finite capacity to serve this ever-growing need, while homelessness numbers are increasing.

### **Availability**

It is estimated that the nine-county region is missing 64,000 housing units most at the \$650 and below rent price – approximately 37,428 missing units.

In addition to the current housing gap, the region could lose nearly 11,000 units of affordable housing in the next decade as Low-Income Tax Credits (LIHTC) affordability requirements begin to expire. In the three focus counties that equates to roughly 9,500 units. The housing gap will only continue to grow as the region has not kept pace with needed production at all levels of housing need.

#### **PUBLIC OPINION TOP PRIORITIES SPOTLIGHT**

A recent transportation public opinion survey found that affordable housing options are important or very important to 74 percent of respondents. When asked which three items in the survey should be prioritized in the region over the next five years, housing was the highest ranking with 44 percent choosing **affordable housing**. This was **followed by road and bridge construction** and **healthy environment** each at 38 percent and **access to jobs using public transportation** at 30 percent.

## **TRANSPORTATION**

The Kansas City region’s transportation system provides facilities, infrastructure and services that drive the regional economy. As a major transportation hub, the bistate region lies at the intersection of four interstate highways — Interstates 70, 35, 29 and 49 — which connect the region to both coasts, Canada and Mexico. Numerous interstate beltways, and U.S. and state highways also serve the region.

The transportation system supports the region as a distribution hub with major trucking companies operating out of the Kansas City area. Air transportation, including considerable air freight operations and general aviation activity, is served by Kansas City International Airport, Downtown Kansas City Airport and a number of smaller airports. Kansas City is the second busiest railroad center in the nation, with major rail yards for Union Pacific, Burlington Northern Sante Fe, and Canada Pacific which acquired Kansas

City Southern in 2021 to form CPKC – the largest railroad merger in decades. Barge transportation, with about a dozen regulated barge lines transporting goods through the metropolitan area on the Missouri River, also serves the region.

As the Metropolitan Planning Organization, MARC is responsible for regional transportation planning to establish priorities, guide investments and support coordinated operations to implement the region’s long-range plan for a safe, balanced and equitable transportation system. The plan advances the region’s vision for quality places focusing on development and redevelopment around mixed-use, walkable activity centers connected by multi-modal transportation corridors.

### **Roadway System**

Kansas City’s system of roadways is among the most extensive in the nation with the third highest total roadway miles per person and one of the highest daily vehicle miles traveled (VMT) per person. The most recent target data on road conditions shows percentages of interstate pavement and bridges in poor and good condition are on track; however, non-interstate pavement is worsening.

### **Bicycle and Pedestrian Facilities**

Bicycle and pedestrian facilities in the Kansas City metropolitan region are expanding at an increasing rate as many communities recognize the importance of offering residents and visitors greater mobility choices. Many communities in the region have adopted local plans for both on-road and off-road facilities, and many have adopted Complete Streets policies to include bicycle and pedestrian accommodations as roadways are constructed or improved. Data compiled by MARC in 2022 identified 2,125 miles, including walking and hiking trails representing a little more than half of the total. On-road bike lanes and share the road routes account for about 40 percent.

### **PLANNING SUSTAINABLE PLACES SPOTLIGHT**

MARC’s Planning Sustainable Places (PSP) program advances local transportation and land use planning and project development. Actions support three key concepts:

1. Vibrant places that offer a mix of options for housing, jobs, services and recreation
2. Connected places with a variety of transportation options
3. Green places that support healthy living and a health natural environment

The PSP program promotes concepts consistent with sustainable communities and the advancement of site-specific activities within key activity centers and corridors. Funding for planning projects is provided through Surface Transportation Block Grant. All projects require meaningful community engagement in a collaborative dialogue.

Walkability plays an essential role in a multimodal transportation system and increases the vitality of the built environment. Walkability affects how we get to work and school, our health through exercise for recreation, our access to transit, the quality of the air we breathe, our economic vitality, and our safety as transportation users. Walkability supports creating quality communities and vibrant corridors and centers.

### **Freight and Goods Movement Facilities**

Freight is fundamental to the Kansas City region’s economy and quality of life with the daily movement of goods from production to market to end-user, both locally and across the country. Kansas City’s freight industry supports more than 100,000 jobs in the region. Freight transported by air, barge, rail and truck is supplied through regional freight zones, freight-related companies and infrastructure.

Kansas City’s rail system consists of six of the seven Class I railroads and several regional or short line carriers. The extensive rail network throughout the region serves local industry with major intermodal yards and provides connections to international markets. BNSF Railway’s Transcontinental Route runs diagonally through the region from the southwest to the northeast and connects the Ports of Los Angeles and Long Beach to Chicago via Kansas City. The Union Pacific (UP) Railroad’s major coal route runs east-west through the region from Topeka into Missouri where it parallels the Missouri River.

Other significant routes in the region include the Canada Pacific Kansas City (CPKC) serves Kansas City with a single line rail network connecting Canada, the U.S. and Mexico, and Norfolk Southern (NS) east-west route that ends in Kansas City.

#### **CONNECTED FREIGHT KC 2050 SPOTLIGHT**

Connected Freight KC 2050 is a regional freight planning effort to support rural and urban efficient movement of goods. The Study supports planning efforts encompassing 14 counties. These are the planning areas of the Pioneer Trails Regional Planning Commission (Saline, Johnson, Lafayette and Pettis Counties, MO), the metropolitan planning organizations (MPO) of Lawrence-Douglas County in Kansas (Douglas County, KS) and MARC (Johnson, Leavenworth, Miami, Wyandotte Counties KS and Cass, Clay, Jackson, Platte, Ray Counties, MO).

If a community needs food, medical supplies, construction materials and almost anything else, those goods will arrive via the freight system. A talented workforce is needed to coordinate logistics, communications, customer service, multimodal transportation logistics, agricultural accommodations, and other means to move goods around the regionally, nationally and internationally.

The region currently has five intermodal rail yards serving BNSF, CPKC, NS and UP and numerous switching yards, classification yards, trans-load facilities and other rail operations. The former Richards Gebaur Airport site allows more opportunities for complimentary development at the CenterPoint Intermodal Center – Kansas City. BNSF has moved its intermodal operations to Logistics Park KC in southern Johnson County, Kansas, where significant warehouse space is under development.

The Kansas City Port Authority operates the area’s only public port, located along the Missouri River near the confluence of the Kansas and Missouri Rivers. The port is an intermodal facility, transferring freight between barge, truck and rail. In addition, the Kansas City region benefits from numerous private ports, which are used by companies shipping commodities that include grains, sand and gravel, fertilizer, chemicals, coal and coke.

The Kansas City area is also one of the nation’s top five trucking centers with truck volumes heavily concentrated on interstates and U.S. highways. The region’s national freight corridors are estimated to carry approximately 70 percent of truck vehicle miles traveled with historic trends indicating its high rate of growth is likely to continue.

### **Aviation**

The regional aviation system includes the Kansas City International Airport (KCI) and 13 general aviation airports in the nine-county region. KCI is home to the region’s air cargo terminal, one of the highest-volume air freight hubs in the six-state region. KCI expanded service capabilities will enhance the attractiveness of aviation facilities associated with manufacturing and industrial operations. An 800-acre master planned site, the KCI Intermodal Business Centre, began operation in 2015 and will include more than 5 million square feet of distribution, air cargo and on-ramp airport-related logistics buildings.

The new \$1.5 billion single terminal at KCI opened in early 2023. The new modern terminal will serve businesses, airlines and travelers and enable expansion of air passenger travel. Total passengers at KCI were 11.5 million in 2023, a 17.7 percent increase from 923,034 in 2022. A total of 233.5 million pounds of air freight moved in and out of KCI in 2023, a 9.3 percent decrease from the previous year.

### **Passenger Rail**

Amtrak Missouri River Runner provides inter-city passenger service between St. Louis and Kansas City and includes two access points to national Amtrak routes. Kansas is exploring Amtrak connections from Kansas City to Oklahoma City, OK through Newton KS and Missouri is exploring extending Amtrak service to St. Joseph, MO and an additional Missouri River Runner between St. Louis and Kansas City. The Kansas City Area Transportation Authority (KCATA) is exploring an intercity rail system with 107 miles of passenger train

service mostly on existing track used by the region's freight railroads and new track connecting the greater Kansas City area from Leavenworth to Lee's Summit with bridges linking Platte and Wyandotte Counties and link to existing Amtrak-served lines including Topeka and DeSoto. The proposed system would connect with the existing bus service and Kansas City Streetcar.

The Kansas City Streetcar has a current route in downtown Kansas City serving the central business district from River Market to Crown Center and Union Station with a planned 3.5 mile extension underway south of Union Station along Main Street to UMKC. The Riverfront Extension broke ground in early 2024 to bring access from River Market north to Berkley Park along River Front Drive.

### **Transit Service and Ridership**

Transit service in the region is provided by the Kansas City Area Transportation Authority (KCATA); Johnson County Transit (JCT); Unified Government Transit (UGT); the city of Independence, Missouri; and the Kansas City Streetcar Authority. For more than 20 years, MARC and area transit providers have worked cooperatively to develop and implement the Smart Moves Regional Transit and Mobility Plan, a regional transportation plan for expanded transit and mobility services throughout a seven-county area.

For the past several years, the Kansas City area has seen an overall decrease in total bus transit ridership, on par with national transit ridership trends. This decrease was largely due to an improving economy, low gas prices, increased car ownership and the introduction of transportation network companies as a mobility option. Despite the overall decrease in bus-based ridership, local agencies continue to improve and expand the transit system with a focus on connecting more people to jobs. A shift to zero fares on transit buses during the pandemic had increased ridership at a time when federal resources helped replace the fare revenues. The KCATA and local communities are examining whether to maintain no fare transit.

The Kansas City Streetcar Authority, in partnership with Kansas City Area Transportation Authority, and the city of Kansas City, Missouri, are pursuing extensions to the streetcar line north along the Riverfront and south to the University of Kansas City-Missouri. The first phase of the system resulted in \$18 million in private investment along the corridor. The south extension is expected to be completed in 2025 and the north extension by 2026 prior to the summer World Cup events.



**Modes of Travel**

The Kansas City metropolitan area remains heavily dependent on the automobile as the dominant mode of transportation. While the percentage of people working from home has decreased slightly post-pandemic, the number remains at a much higher level than before 2020. Commute trips in the Kansas City region are generally characterized by very low vehicle occupancy rates. Kansas City’s average is 1.05 workers per car, truck or van.

Average workers per car, truck or van: **1.05** <sup>2021</sup>

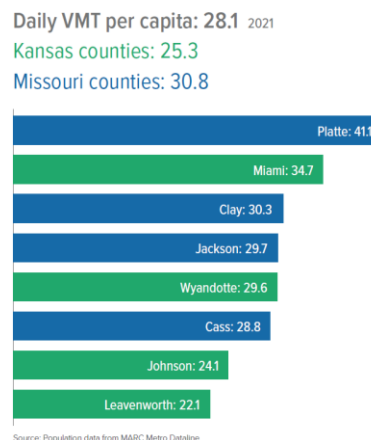
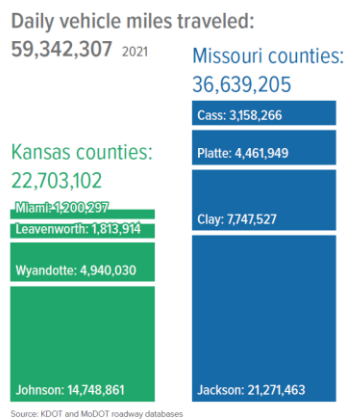
Kansas counties: 1.05

Missouri counties: 1.05

Johnson: 1.04	Clay: 1.04
Miami: 1.04	Jackson: 1.04
Leavenworth: 1.05	Cass: 1.05
Wyandotte: 1.08	Platte: 1.05

Source: U.S. Census Bureau, 2017-2021 American Community Survey

Roadway users in the Kansas City urban area travel more vehicle miles on average than roadway users in other urban areas of similar population size (1 to 3 million). The region experienced a modest increase in the total miles traveled to 59,342,307 in 2021, compared to 58,332,878 in 2016 and daily vehicle miles traveled (DVMT) per capita fell from 29.3 to 28.1 in 2021.



**Congestion & Travel Time**

Recent analysis of 2022 traffic congestion and reliability data by MARC shows the majority of region’ congestion management network (CMN) remains uncongested and reliable. This network includes a series of roadways in the Kansas City region selected for an increased focus on traffic congestion, both recurring congestion at predictable times and non-recurring congestion caused by traffic incidents or inclement weather.

The results suggest:

- Congestion and unreliable conditions are worse on major roadways in the afternoon peak period (4-6 p.m.) than in the morning peak period (7-9 a.m.).
- Congestion and reliability are worsening over time.

- Historical commuting corridors have decreased in the a.m. and p.m. peak periods suggesting growth in congestion and reliability is occurring outside these corridors.
- Kansas City commuters experience less delay compared to commuters in most other peer metros.

While research shows that traffic congestion has increased post-pandemic; the nature of the congestion change is likely influenced by the flexibility in hybrid work schedules.

Commuters into the Central Business District in Kansas City, Mo. experienced an increase in travel time. Major new development in outlying suburban locations, including the Panasonic plant in DeSoto, Kansas, will increase travel time to work for many workers and create congestion challenges in outlying communities until workforce housing is available to enable workers to live closer to their places of employment.

### **Transportation Technologies**

Changing transportation technologies requires coordination among a strong network of partners to overcome challenges in the areas of automated vehicles (AV) and the use of regional unmanned aircraft systems, i.e. drones (UAS). The region is working through MARC to create a policy and regulatory environment that supports high-quality economic development, innovation, training and education. Newer technologies like AV and UAS will require state and local public policy to support innovation, safety, training, education and economic development. Technology-driven business development could attract new companies and create new business opportunities.

Transportation and traffic management data systems like HERE, INRIX traffic data are used to aggregate data from individual roadway segments and supported with calculation tools by the Probe Data Analytics Suite run by the University of Maryland's CATT lab. Other traffic systems like Operation Green Light and Kansas City Scout improve traffic management and

### TRANSPORTATION MANAGEMENT SPOTLIGHT

#### **Operation Green Light and Kansas City Scout**

coordinate when traffic conditions require diversion from freeways to arterials adapting signal timing to manage overflow conditions when and where possible. KC Scout is a freeway management system to help respond to traffic incidents. Operation Green Light's wireless communications system allows analysts to make changes remotely to a signal without having to visit the intersection. By decreasing how long motorists idle at intersections or during traffic incidents, the combined effort helps to reduce emissions that contribute to the formation of ground-level ozone, Kansas City area's main air pollutant.

incident coordination to reduce unnecessary delays, improve traffic flow, and reduce vehicle emissions that contribute to ozone pollution.

## **INFRASTRUCTURE**

Overall, the Kansas City region is well served by public infrastructure, including ground, air, rail and port transportation facilities; water, wastewater and stormwater facilities; and green infrastructure. Maintaining existing systems continues to be a challenge in portions of the region as facilities age or were designed prior to modern standards or changing climate conditions. Many jurisdictions have passed special sales taxes and/or bond issues to support new facilities and improvements to existing systems. Examples of recent major infrastructure investments include:

- KC International Airport New Terminal opened in 2023
- Kansas City Streetcar extension in Kansas City, MO to be completed in 2025/2026
- New Missouri River Buck O'Neil Bridge to be completed in 2025
- Upgrades and New Wastewater Treatment Plants for Johnson County, Kansas in 2024 and 2026
- Significant Levee & Stormwater Investments through US Army Corps of Engineers and Local Communities to reduce flooding risks and address environmental quality

MARC is working with local governments and other community stakeholders on an updated set of resilience-focused stormwater engineering design standards (i.e., APWA 5600) scheduled for completion in 2025. These new standards will improve the region's infrastructure, water quality, and reduce risks of extreme weather conditions.

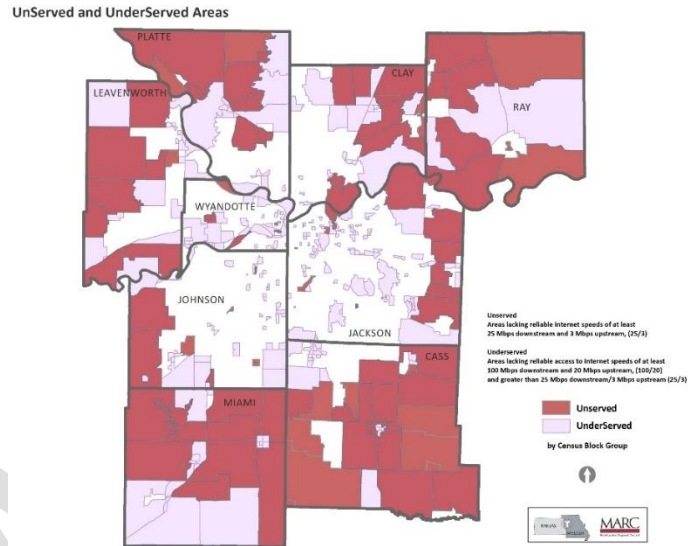
### **Broadband Access and Digital Equity**

The ability to access the internet and use technology for education, to apply for a job or access health care or community information or stay socially connected has become a necessity for social and economic success. The need for connectivity and knowledge of using the internet and computers became more critical during the COVIDi-19 pandemic and has continued to influence everyday living.

MARC, the Federal Reserve Bank of Kansas City and KC Rising initiated broadband and digital equity planning for the Kansas City region in late 2022 as the federal government announced large funding to be distributed to the states to reduce disparities in broadband infrastructure in rural areas and increase digital access for disadvantaged populations in urban, suburban and rural parts of the nation.

The broadband analysis found that the metropolitan area needs additional infrastructure investment.

Much of the Kansas City region is well served with broadband infrastructure; however, gaps exist in urban, suburban and rural areas. In particular the rural periphery of the region has slower service at much higher prices, and in some cases virtually no broadband service at all.



While most households in the region have adequate broadband services in their homes, about one in ten households lack broadband subscriptions, computers and know-how to effectively use the technology. The digital equity strategy plan evaluated digital equity needs for target populations throughout the region and outlined recommendations to address digital access and services.

### **Energy & Utilities**

The Kansas City region is well served by the electric grid and natural gas distribution companies. Modernization of the grid is expected to require major investment to accommodate the region's growth in large industrial and data system facilities and the installation of solar and other renewables. In addition, the electric grid will need investment to ensure the region is resilient to extreme weather events.

The Kansas City region has adequate electric and natural gas services to support residential, industrial, commercial and institutional needs throughout the metro area. Most of the electric utilities offer assistance and incentives to support lowering energy bills, and many offer support for solar installations. Mid-America Assistance Coalition and other organizations offer utility assistance for low-income households through federal, utility company and philanthropic resources.

The costs for electricity in Kansas City, Missouri, averaged \$12.52 kWh in April 2024, which was 26 percent less than the national average. Rates vary by company, time of day and season. Natural gas average costs are \$17.45/1,000 cubic feet about 17 percent more than the national average.

### **Renewable & Clean Energy**

The region is working to address climate impacts and reduce energy costs for households and businesses by replacing our dependence on fossil fuels with renewable and clean energy. Major investment in wind will continue with solar anticipated to grow at an accelerated rate. The region's growth in solar deployment may require state legislative action. Energy efficiency investments will complement this increased focus on renewable energy. Efforts supporting this transition include:

- Evergy's integrated resource plan calls for carbon-free energy generation by 2045 with focus on wind and solar.
- Utility investments in energy efficiency programs approved by both the Missouri and Kansas state utility commissions will bring more significant resources for residential, commercial, institutional, and industrial retrofits.
- Growth in the region's electric vehicle charging infrastructure is projected to build on recent previous investment by Evergy to support the electric vehicle sector.
- New economic development strategies tied to national climate policy is helping create the demand for electric vehicles.
- Strong potential for additional related business growth at the Astra Enterprise Park in DeSoto where the \$4 billion Panasonic battery plant will open in 2025 and in other locations around the metro area.

### **Electric Vehicles**

Electric vehicle (EV) registrations have been steadily rising over the last several years. A majority of EV charging stations are classified as Level 2 with chargers common for home, workplace and public charging. While there is a dense network of EV charging stations in the Kansas City metro, faster and more advanced platforms like DC Fast Charging are concentrated outside central Kansas City. A recent transportation public opinion survey shows increased interest in EVs with 46 percent of respondents considering a future purchase with 16 percent planned within 1, 5 or 10 years. Three percent already own an EV.

## ENVIRONMENT AND HEALTH

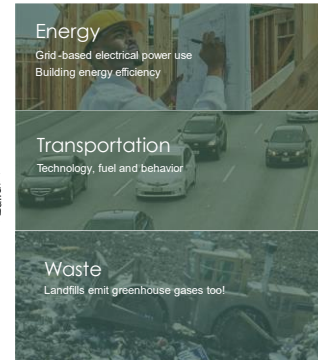
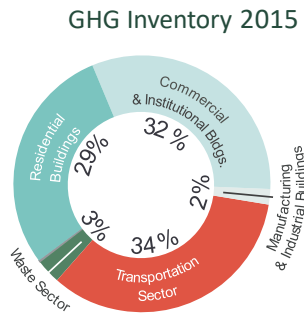
The Kansas City economy is tied to how well the region reduces pollution and greenhouse gas emissions, preserves and restores ecosystem health, and fosters healthy communities. Recent initiatives on building decarbonization, green infrastructure, and air and water quality are driving a focus on economic and climate resilience and equity to ensure quality of life for all residents of the region.

Climate Action KC and MARC are leading efforts to implement climate actions that touch on these and other focus areas. The regional climate action plan, adopted in 2021, guides this implementation by providing a voluntary, flexible and collaborative framework tailored to meet local needs in ways that can scale up for regional benefits and impact.

### Building Decarbonization

The region's building stock accounts for 63 percent of regional greenhouse gas emissions – with transportation at 34 percent and waste at three percent. Significant investments in building energy-efficiency will save money, reduce energy burdens for low-income populations, improve public health – all in ways that align with regional climate plans.

Climate Action KC launched the Kansas City Building Energy Exchange to support the transition to support decarbonation of the region's building stock. Other key strategies to support this work include utility and federal programs and incentives, local government policies, and workforce development. Emerging job and business opportunities focus on building retrofits and renewable energy like energy audits, HVAC, insulation, solar installations and more.





## **EMERGENCY PREPAREDNESS AND RESILIENCY**

The Kansas City region’s local officials have dedicated time and resources to ensure that risks to lives and property from natural and man-made disaster events are mitigated through sound planning, resource allocation and coordination, proper policy adoption and public education.

From flooding to drought, tornados, ice storms, and extreme heat, the Kansas City region has a long history of confronting natural hazards. Understanding how climate change might exacerbate the region’s risks and vulnerabilities to extreme weather is fundamental to formulating strategic priorities to achieve our vision of health, resilience and sustainability. These natural hazards pose a risk to both homes and businesses and could severely impact the region's economy.

A 2021 Climate Risk and Vulnerability Assessment included a downscaled climate model for the Kansas City region. The metro area could reasonably anticipate changes to heat and precipitation patterns in the coming years. Changes in precipitation are projected to lead to increased frequency, intensity and duration of storm events, causing anticipated impacts such as flooding, stream bank erosion and weakened water quality. Extended periods of rain-free days in the summer months are anticipated to accompany a more than twentyfold increase in the number of extremely hot days.

The impacts and implications of climate change are diverse. Changes in precipitation patterns — be it flood or drought — cause increased risks to infrastructure and property. More extreme heat and flooding also impact public safety. Extreme heat, air and water quality impairments, and increased allergens all pose significant public health challenges, and economic impacts are anticipated to affect vulnerable communities in a disproportionate manner.

The increased severity of natural events – rain, drought, heat, and severe winter weather - threaten the region's economic activity. These impacts could disrupt the ability of our transportation systems to adequately serve workers traveling to jobs, customers attempting to engage in commerce or freight moving to destinations. Recent storms have created significant challenges for our region's utilities, with most electric power lines above ground and impacted by tree damage.

### **Hazard Mitigation**

Local cities and counties have adopted a Regional Hazard Mitigation Plan developed by MARC for the five Missouri counties in the region, and individual county plans on the Kansas side of the state line. The nine area counties have recently initiated an update of



their Hazard Mitigation Plans. The current Regional Hazard Mitigation Plan outlines actions that communities may take to reduce risks from both natural and man-made disasters. The plan supports the region's goal of a disaster resilient community.

Proper planning, land management, resource allocation and policy adoption could reduce risks, lower insurance premiums, and address stress on vulnerable populations living in areas of greater vulnerability.

The region's homeland security and emergency services program has established a vision for a region prepared to prevent, protect, respond to and recover from a broad range of threats and hazards — including terrorism — through strong relationships, protocols for regional action, strong regional and local plans, sharing and coordination of resources, equipment investments, coordinated training and exercise, improved surveillance capabilities, and the early detection and mitigation of hazards and threats. To achieve that vision, local communities have worked together through MARC's Regional Homeland Security Coordinating Committee since 2003 to invest federal resources and develop and strengthen regional capabilities.

Cyber-attacks have created new challenges for public and private organizations and businesses. Recent global and national events have impacted air travel, banking, communications, healthcare and government operations.

### **Recovery**

The Homeland Security Strategy Plan outlines specific goals for the region to prevent, deter, respond to and recover from disaster events. MARC provides support to local communities affected by disasters, particularly small communities, including application and grant assistance for federal disaster funds to help the communities restore basic infrastructure and services and recover from the disaster.

The strong working relationships developed throughout the region through homeland security work have enabled communities to respond to neighboring jurisdictions when disasters create the need for support. Events such as tornados, floods, ice storms and heat-related power outages have impacted many local communities. For many of those events, both during and following the event, communities have provided critical mutual aid.

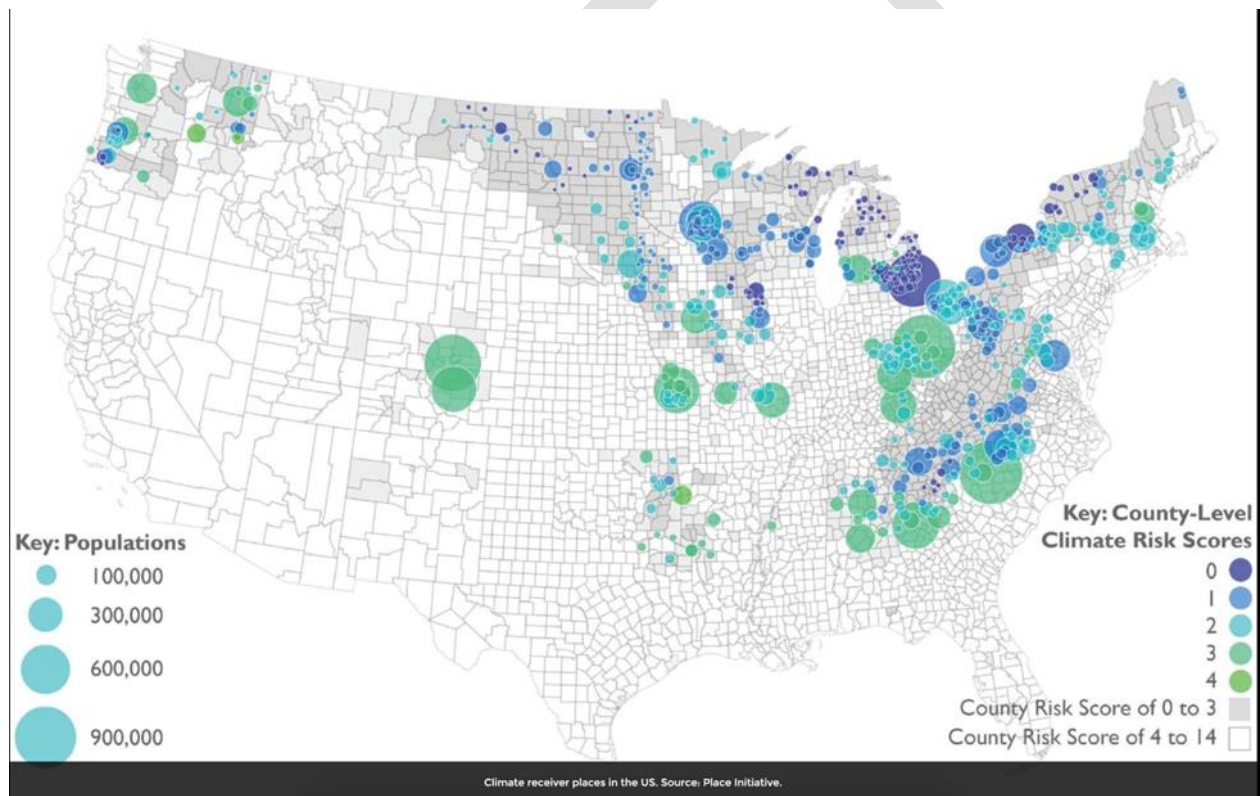
Efforts are underway to expand private sector involvement in emergency preparedness and recovery, in particular. Many businesses lack plans to support their efforts to operate during and after a disaster event; however, many businesses also have resources that could support other companies and the broader community. The Regional Homeland Security Coordinating Committee, FEMA and others seek to establish stronger public-

private partnerships to aid recovery capabilities and support the region's economic resilience following disaster events. Work with federal agencies and private cybersecurity firms is underway to increase public and private sector protections from cyber-attacks and the ability to recover.

### Climate Migration

Climate change may reduce the region's historical net migration to the Sunbelt metros as populations shifts from other areas experience more dramatic effects. The greater Kansas City area may become a climate receiver for this migration based on lower county-level climate risk scores ranked by Place Initiative and several counties potentially considered climate receiver counties.

Climate Receiver Places



## SWOT ANALYSIS

A Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis was prepared to assess the region's capabilities and capacities to support the strategic direction of the CEDS. This analysis is a compilation of a recent review of the 2022 SWOT conducted with the Regional Workforce Intelligence Network in April 2024. Discussion was also informed by the recent work of New Localism Associates for the Civic Council of Greater Kansas City that identified opportunities and weaknesses to encourage the region's leaders to better position the metro area in the pursuit of new national economic priorities.

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### STRENGTHS

#### Business

- Diverse economy, particularly traded sectors of logistics, manufacturing, professional services, construction, and biologics/pharmaceuticals.

#### Innovation and Entrepreneurship

- KC Rising Fund offers resources for business start-ups.
- Alt-Cap and other CDFIs provide important business financing for business start-up and expansion.
- Strong set of programs supporting entrepreneurship with foundation leadership and support (Kauffman Foundation).

#### People

- Number and quality of public and non-profit higher education institutions in and around the metro area.
- Specialized career and technical education, experiential learning through Real World Learning, education intermediaries like PREP-KC and KC STEM Alliance/Project Lead the Way and the DeBruce Foundation's Agilities Profiler in K-12 schools.
- Scholarship opportunities, including support for post-secondary education and career technical training, through KC Scholars.
- Strong public workforce system.

- Missouri Regional Apprenticeship Programs with an Earn and Learn Model; Strong Kansas Apprenticeship office expanding opportunities for apprenticeships across industries.
- Women are well represented in the healthcare industry (diagnosing and treating practitioners and technologists and technicians).
- Persons of color are well represented in occupations related to the energy transition including production, material moving and construction, installation and repair.

## Place

- Extensive highway and major road system across the region, extensive railroad network, to support freight and commuter travel.
- Expanding streetcar system and bikeway system.
- Adequate water, wastewater, broadband, natural gas and other resources to support development and business operations.

## Leadership, Resiliency and Equity (Systems)

- Strong regional and local economic development organizations, including the coordinated regional marketing led by the Kansas City Area Development Council.
- UMKC Innovation Center/KCSourceLink leadership in bringing numerous organizations serving entrepreneurs and small businesses together.
- Civic and business leadership focused on region's economic progress through KC Rising.
- Collaborative leadership for key industry sectors, including KC Global Design, BioNexus and Kansas Manufacturing Solutions/Missouri Enterprise.
- Mid-America Regional Council brings local governments together to address regional issues and pursue opportunities.
- MARC and Climate Action KC have engaged local governments, organizations and residents to prepare and advance a regional Climate Action Plan.
- MARC, KC Rising and numerous organizations are intentionally focused on addressing racial, ethnic and other under-represented group disparities.

## WEAKNESSES

### Business

- The region has few industry clusters, particularly those in traded sectors, with a high location quotient, and a competitive advantage over peer metros.
- Workers with at least a bachelor's degree and skills are leaving the region.

- Losing or downsizing of large companies and loss of headquarter businesses through mergers/acquisitions.
- GDP growth and exports from metro businesses lag metro peers.
- Export activity is stagnant despite a diversified export bucket (transportation equipment, agricultural products, chemicals, processed foods and computer and electronic equipment), R&D (innovation) is relatively weak.

### Innovation and Entrepreneurship

- Inadequate capital for business start-up and small business growth, particularly those led by persons of color.
- Lack of angel investors.
- Inadequate capital for business start-up and small business growth, including resources to enable successful small businesses to scale up. Minority and women-owned firms and entrepreneurs face greater challenges securing financing from mainstream lenders.

### People

- Difficulty retaining international students who may be able to study in area higher education institutions and remain in the region filling technical jobs.
- Limited federal funds to support education, particularly for disadvantaged students.
- Large number of adults without necessary skills to fill in-demand available jobs.
- Business engagement is not sufficient in career technical education.
- Need for continued education for trade sectors.
- Need more education for children and youth about entrepreneurship.
- More middle skill workers needed for the area's manufacturing businesses.
- There is a lack of wrap-around services for disadvantaged job seekers, particularly transportation and childcare.
- Women and persons of color are under-represented in critical technology industries and women are under-represented in occupations related to the energy transition.

### Place

- Limited public transportation system to connect workers to growing employment centers.
- Inadequate broadband infrastructure in many parts of the metro area (access) and barriers, including costs, for many households to sign up for internet subscriptions and acquire computers.

- Lack of low-cost housing and affordable housing near suburban job centers.
- Vehicle miles traveled are increasing, leading to increased emissions that harm air quality.
- Growing divide among income groups, and growth in suburban poverty.
- Low density dispersed development patterns make economic development and access to jobs difficult, while degrading the region's natural resources.

### Leadership, Resilience and Equity (System)

- Low state support for education and workforce preparation — pre-K, K-12 and higher education.
- Racial and ethnic disparities, economic and racial segregation.
- Racial disparities exist in education, income, housing and health.
- Federal and state earmarks need to be better coordinated for transformative impacts.
- Greater coordination among government, business and civic groups are needed for the region to pursue new and large economic opportunities.
- Lack well-resourced business/civic leadership groups to support economic growth
- Low state support for business and entrepreneurship economic investments
- The ecosystem of higher education institutions is relatively weak, with limited collaboration in areas of research.

## OPPORTUNITIES

### Business

- Use of AI in business and education applications (e.g., supportive production/automation tool, language asset).
- Employer co-location with education hubs (e.g., UMKC Health Sciences District).
- Take advantage of opportunities to increase suppliers for the Dept. of Defense through nearby bases or national defense supplies/services.
- The KC region has the greatest strengths to advance key technology industries, including biotechnology and medical technology (strong pipeline of talent, research, higher education resources, strong industry players), advanced manufacturing (strong talent pool) and advanced energy efficiency technologies (strong talent pool and research).

- Modest strengths have been identified for data storage, data management and cybersecurity (talent pool and industry players), AI (industry players) and quantum information science (talent pipeline and industry players).
- KC has a relatively strong positioning on advanced energy efficiency technologies with talent pool, R&D efforts and industry players. The strongest sector position is with electric/smart grid and microgrid technology, EV batteries and electric vehicles.
- The region has a strong logistics and transportation system and Kansas City is strategically positioned to attract investments in tradable sectors.

### Innovation and Entrepreneurship

- Increased presence of organizations offering financing and guidance to support minority and immigrant entrepreneurs and small businesses.

### People

- Educated workforce and opportunities to increase post-secondary attainment through extensive online and in-person learning, evening offerings, scholarships and career support. Increasing interest in career technical education and youth and adults entering trade programs.
- College and universities' abilities to attract and educate international students, providing potential for an expanded skilled workforce.
- Availability to retain or attract older adults to support the need for skilled talent.

### Place

- Over 50 census tracts in the KC region have been designated as Qualified Opportunity Zones.
- Numerous urban core and other census tracts identified as Justice 40 neighborhoods eligible for new federal investment.
- New opportunities for federal investment in infrastructure (transportation, broadband, water and sewer, clean energy, climate adaptation).

### Leadership, Resilience and Equity (Systems)

- Government, business and civic leadership could take more deliberate action to align the region's assets with shifting market dynamics and to address disparities for disadvantaged populations to achieve economic success.
- KC Rising is working with New Localism Associates and regional groups to develop an economic development playbook (beyond the CEDS) that identifies a clear sense of economic position with assessment of economic environment, advantages,

federal assets, R&D capabilities, infrastructure, industry hubs, supplier network and workforce pools. Respond to new economic forces with new diagnostic tools to assess areas for regional growth, including federal spending, military assets, key technology areas such as green supply chains and foreign and domestic trade.

- The states of Missouri and Kansas are placing greater emphasis on workforce preparation and business support, particularly around broader use of apprenticeships to prepare workers and fill employer talent needs.
- New interest and leadership in affordable housing to support attracting and retaining talent needed to grow the economy through a Regional Housing Partnership (MARC and LISC) and increased interest by area local governments.
- Adoption of new energy building codes by cities, including Kansas City, Missouri, offer opportunities to produce more energy efficient commercial and residential properties.

## BARRIERS/THREATS

### Business

- > Potential for AI to replace workers.
- > Minority-owned firms' participation in strategic economic sectors is low.
- > Vulnerability of supply chains for manufacturing, construction, and other business activity.
- > The nation is experiencing a highly distributed manufacturing boom in efforts at reshoring, with the region not well positioned for manufacturing investment in city centers or with a shortage of skilled workers.

### Innovation and Entrepreneurship

- Promising small business startups are leaving the region for places where capital and other supports are more available.

### People

- Limitations on use of Pell grants and availability of other resources to support training for disadvantaged youth and adults.
- Need to strengthen the ecosystem of higher education institutions with stronger connections and more emphasis on R&D.



## Place

- Maintaining infrastructure, particularly water and sewer, is increasing costs for local governments and customers.
- Rising energy costs are impacting businesses and households.
- Climate change is likely to impact public infrastructure and require larger investments to address electricity, stormwater and other systems.

## Leadership, Resiliency and Equity (Systems)

- Numerous political boundaries, including a state line, often complicate efforts at growing the regional economy and creating a skilled workforce.
- Political backlash to DEI policies.
- There is a need for greater emphasis on language translation support to welcome and integrate immigrants into the community and workforce.
- Higher interest rates and downpayment requirements, increasing property values and out-of-town investor purchasing have limited home ownership.
- Perceptions about personal safety is a growing concern for many neighborhoods and business areas.
- Need for long-term local leadership and funding beyond initial planning and seed grant investments (EDA Tech Hubs, South Loop, NSF Engines, RAISE grants)
- New patterns of collaboration are needed to support the region's efforts to secure federal resources.
- New patterns of collaboration are needed around climate action and adaptation
- The region is dependent on fossil fuels and needs to invest in renewable and clean energy.

## STRATEGIC FRAMEWORK/ACTION PLAN

The 2024 Comprehensive Economic Development Strategy (CED) Policy Framework has been informed by previous CEDS planning between 2019 and 2022; work led by KC Rising to identify key metrics measuring the region's economic competitiveness and growth toward inclusive prosperity; work led by MARC and Climate Action KC to create a more sustainable region; a new report on the state of small business by the UMKC Innovation Center; and, work on behalf of the Civic Council by Bruce Katz, founder of the New Localism Associates, and Accelerator for America.

The Policy Framework identifies goals, objectives, five-year strategies and metrics in five key areas:

- Business
- Innovation and Entrepreneurship
- People
- Place
- Leadership, Resilience and Equity (Systems)

## GOALS, OBJECTIVES, AND ACTIONS

### BUSINESS

Strengthen the region's economy by focusing on steps to support robust and emerging traded sectors, including efforts to enable existing businesses to grow and for the region to attract new firms. Encourage steps to increase the region's economic position relative to the nation and peer metros.

**GOAL 1:** Focus regional economic development efforts to respond to new national priorities - reshoring to bring manufacturing back to the US, remilitarization given wars and tensions in Ukraine, Gaza and China, and growing concerns over the changing climate and need for decarbonization—with a focus on securing new federal resources, taking advantage of opportunities for critical technologies and green supply chain investments and increasing domestic and global exports as a share of Greater Kansas City's total economy.

### OBJECTIVES

#### Reshoring

- Strengthen domestic and international export trade activity from the region to increase exports as a percentage of GDP.
- Further investments in the region's transportation and logistics systems to support

international trade, particularly from Mexico, Canada, Japan, and Germany, which are current top export destinations.

- Identify new domestic and international markets for the region's traded goods and services beyond transportation equipment, agricultural products, chemicals, processed foods and computer and electronic equipment (current leaders).
- Support the region's efforts for the recently designated Tech Hubs focused on biologics, including the production of pharmaceuticals and vaccines; and the Tech Hub on critical minerals supporting EV batteries and other emerging technology products.
- Support efforts identified in the KC Playbook to establish a Destination Healthcare Hub that takes advantage of the sizable healthcare system and advanced diagnostic and treatment resources. Establish an Incubator for Graduation power.

### **Remilitarization**

- Strengthen the region's investments to support the US defense industry at military facilities in and around the region – Fort Leavenworth, Fort Riley, Whiteman AFB, with large and small vendors, and large businesses supporting defense spending or future opportunities – Honeywell, Olin Manufacturing, Veteran's Administration electronic medical records and other systems. Consider how assets in cybersecurity, clean energy, health informatics, bioterrorism research, and advanced manufacturing could further support growth in industries supporting the nation's military.
- Support the biodefense industry assets and programs being led by Kansas State University and NBAF (National Bio & Ag-Defense Facility) and UMKC Critical Minerals.
- Support a new energy materials campus, create a regional cybersecurity center of excellence and a secure vaccine facility as outlined in the KC Playbook support of the nation's defense industry.

### **Decarbonization**

- Examine how the region could strengthen its work on grid and microgrid assets, and support for advanced energy in areas of construction, EV vehicles and batteries, and renewable energy work around hydrogen (KU) and solar.
- Through Building Energy Exchange KC, create a high-performance building hub that supports building decision-makers in advancing energy performance, lowering building-related emissions, and growing a clean energy economy within our regional real estate market. The hub would work with public and private leadership to build a regional ecosystem capable of providing the technical and financial resources required to meet this economic opportunity.

**GOAL 2:** Promote growth of Greater Kansas City’s diverse set of existing traded sectors by developing more robust industry clusters or concentrations of assets with a special focus on new critical technologies, equity and economic resiliency.

## **OBJECTIVES**

### **Support Leadership Groups to Strengthen Industry Clusters**

- Support KC Global Design to position the region to be a global center of excellence for top talent in engineering, architecture, construction and technology.
- Support BioNexus KC and Bio Kansas to position the region to capitalize on economic growth opportunities for life sciences research, biologics, animal health, data analytics and Collaborate2Cure.
- Through the Digital Health KC cluster, support growth in the digital health industry.
- Through KC Smart Port, continue to support growth in the logistics industry. Consider the opportunities for specialized storage and shipping capacities, such as cold storage, to offer unique assets that further distinguish the region as a center for the biologics industry.
- Through the KC Animal Health Corridor, continue to support growth in the animal health industry.
- Through the Kansas City Building Energy Exchange, support growth in the renewable energy and energy efficiency sectors for the region's buildings and built environment.
- Continue to support growth in the manufacturing sector, particularly in those areas where the region has a competitive advantage (vehicle and food manufacturing) and areas where technology and biosciences offer opportunities to attract companies to locate and grow in the region. Support building the manufacturing industry around electric batteries, building off the recent announcement of a Panasonic Energy plant in DeSoto, Kansas.

### **Build on Assets and New Opportunities in Advancing Critical Technologies, Equity and Economic Resiliency**

- Support the development of the Tech Hubs’ designated clusters, KC BioHub (BioNexus KC), Critical Minerals for Advanced Energy (University of Missouri system), and Biomanufacturing for biodefense and biosecurity (Kansas State University and University of Kansas).
  - **KC BioHub:** Many know Kansas City as the heart of the Animal Health Corridor stretching from Manhattan, Kansas, to Columbia, Missouri. What is less well known is that this same corridor is an active player in human health as it accounts for an estimate of 5 percent of global human vaccine production. In recognition, the Kansas City region was designated as a Tech Hub by EDA for

its biologics cluster, the KC BioHub. The region seeks to build on this designation by delivering new “scale-up” space for start-ups in or near UMKC’s new Health Sciences District, increasing the level of biotech workforce development, establishing a four-university platform (the KC BioCollaboratory) for speeding and de-risking commercialization of university-developed innovation, and generating access to new sources of capital for start-ups.

- **Critical Materials:** The Kansas City region has the potential to play a significant role in the nation’s energy transition from fossil fuels to electricity. The region is a national leader in both the production of minerals and materials for lead-acid batteries and the manufacturing of batteries themselves, with seven battery manufacturing corporations operating 13 plants along the Kansas-Missouri border. The area is richly endowed with mineral resources needed for next-generation batteries – cobalt, nickel, iron and fluorophosphates – with the metallurgy expertise to extract them and the transportation and logistics infrastructure to access them and deliver finished products to the nation. What is missing is the manufacturing capacity to produce the intermediate materials needed for key battery components, especially their cathodes and anodes. The region’s Critical Materials Crossroads initiative aims to fill this gap. Building on the attraction of the Panasonic plant to the region and the plans of existing manufactures to expand into next-generation battery technologies, this initiative will construct the needed advanced manufacturing capacity, with the goal of meeting 10 percent of the U.S. lithium-ion battery demand by 2035.
- **Biodefense, biosecurity and biomanufacturing:** Capitalize on the recent NSF Tech Hub designation for Kansas State University, NBAF and the University of Kansas around biodefense, biosecurity and biomanufacturing. This NSF engine development award could offer opportunities to produce commercially important biomaterials and biomolecules for these industry sectors.
- Create a more resilient region by examining how the region's strengths in water supply, electricity grid, logistics, and other contributors to clean energy might create opportunities through innovation, production and/or deployment.
- Evaluate and address how AI (artificial intelligence) and changes in the nature of work will affect the Kansas City region’s economy, opportunities for business and job creation and growth.

**GOAL 3:** Identify industry clusters with the greatest opportunities for future growth.

**OBJECTIVES**

- Build Kansas City's leadership position as a **multi-state health care leader** given unique assets through Children's Mercy Hospital, University of Kansas Medical Center and strong hospitals and other health care institutions in the Kansas City region.
- Bring business, civic, government and other sector stakeholders together to identify and pursue collaborative efforts at strengthening existing and building future industry clusters through federal, state and local investments.
- Consider critical technologies and new diagnostic tools across research and development, talent and industry players. Critical technologies identified by the federal government include:

Artificial intelligence	Biotechnology and medical technology
High performing computing	Data storage, data management, and
Quantum information science	cybersecurity
Disaster prevention and mitigation	Advanced energy efficiency technologies
Advanced materials science	Advanced communications technology

The New Localism Associates identified three "legacy" industries for continued support - strong construction sector with large companies that are industry leaders - Burns and McDonnell, Black and Veatch and JE Dunn; life sciences cluster with advanced research institutions - Stowers Institute, MRI Global, KU Medical Center, Evogen and NBAF; and growing cluster in the automotive supply chain - Ford, GM and Panasonic Energy.

New opportunities include:

- Biotechnology and Medical Technology, biologics and vaccine production (connected to Life Sciences cluster)
- Advanced Energy Efficiency Technologies (construction, batteries, suppliers)
- Advanced Renewable Energy Technologies (agriculture, construction, manufacturing, use of solar, hydrogen, wind)
- Data Storage, Data Management & Cybersecurity (strong federal presence – FBI and Fort Leavenworth and rich ecosystem of organizations)

- Grid and Microgrid – rich ecosystem of construction firms, utilities and R&D
- Automotive Supply Chain: EVs and Batteries – suppliers and OEMs along with Panasonic Energy
- Transportation & Logistics Hub – nearshoring is strengthening trade within US and across the North Triangle
- Federal Assets – NBAF and Fort Leavenworth US Army Command and General Staff College

### **STRATEGIC ACTIONS (FIVE-YEAR)**

- Focus on three industry areas and two cross-cutting priorities that align with the new economic order outlined in the KC Playbook - defense, energy and biologics - supported by a skilled workforce and entrepreneurship and small business development.
- Adjust economic priorities in response to changes in critical technologies that could impact the region's domestic and international trade, including foreign investment in land, buildings and companies.
- Build awareness and involvement of business, civic, government and other stakeholders in the work being led by the Civic Council on an economic development playbook focusing on the region's economic competitiveness in alignment with new national economic priorities.
- Invest in regional initiatives designed to strengthen the region's current leadership groups around key traded sectors – World Trade Center, BioNexus-KC, KC Global Design, KC Smart Port, KC Animal Corridor and KC Building Energy Exchange.
- Develop a regional ecosystem focused on innovation in battery chemistries and production processes by attracting start-up activity and generating new jobs in battery-related production and applied R&D. Support reinvestment in a 400-acre \$4.1 billion KC Energy Materials Catalyst Manufacturing campus.
- Bring key leaders together to consider new regional collaborations around new opportunities identified above.

### **METRICS**

- ❖ Growth in GDP per job (KC Rising Horizon Metric)
- ❖ Growth in Exports, both domestic and international
- ❖ Change in industry clusters with competitive advantage to metro peers

## **INNOVATION AND ENTREPRENEURSHIP**

The Kansas City region is recognized as a hub for entrepreneurial talent and small business formation, with assets provided by the UMKC Innovation Center, KCSOURCELINK, Ewing Marion Kauffman Foundation and many others. The region's pipeline with research institutions needs strengthening. A new regional vision for strengthening entrepreneurship is under development by the UMKC Innovation Center. Initial key findings include:

- More than 7,000 people in the region are working to start a business at any given time.
- The region is short \$1.4 billion in growth capital for entrepreneurs.
- The region is developing clusters in digital health, biologics, cybersecurity and critical materials for battery manufacturing in addition to strong clusters in animal health and global design.
- Collectively the four regional research universities would rank among the top 25 for research expenditures in 2021, and work is needed to convert intellectual assets into market opportunities.
- First-time employers are creating 66 percent of net new jobs, yet necessary talent doesn't exist.
- Kansas City has a compelling entrepreneurial story to tell, and all regional organizations must collaborate to craft it.
- Entrepreneurship can close wealth gaps for Black and Hispanic business owners.

**GOAL 1:** Improve greater Kansas City's performance rate in overall business creation. Create a culture that supports risk and offers intensive support to enable early-stage companies to persist in their efforts. Open doors to entrepreneurship and small business ownership by dismantling barriers. Cultivate entrepreneurial talent.

### **OBJECTIVES**

- Integrate entrepreneurship into existing workforce and professional development initiatives to include talent needs of entrepreneurs and develop collaborations to address those needs.
- Coordinate efforts that maximize the availability, visibility, use and effectiveness of entrepreneurial support resources. Address barriers such as health care, childcare, elder care, student loan debt and investing in retirement.
- Expand and sustain small business support resources to serve all parts of the metro area and to meet the diverse needs of entrepreneurs, including minorities and women, and those lacking English proficiency (or lack ability to obtain a Social



Security number). Meet entrepreneurs where they are geographically, culturally and linguistically. Increase investment and delivery of resources to support overlooked communities, ensuring their success as they navigate the ecosystem.

- Expand recruitment of existing talent into small businesses, educating prospective talent about opportunities and entrepreneurs about alternative approaches to attracting and retaining talent.
- Increase support for small business formation and job creation in targeted industries.
- Increase climate resilience-focused firm formation and employment, with a focus on the energy, food, waste, green infrastructure and transportation sectors.

**GOAL 2:** Move ideas from the Research Lab to the Marketplace. Capitalize on regional research assets to build the innovations that Kansas City, the nation and the world need. Create a strong pipeline of innovation by developing flow between research institutions, entrepreneurs and corporations to connect ideas and move them toward commercialization. Create additional space such as the KU Innovation Park for such innovation to be demonstrated and supported, such as wet labs and facilities with tools to support prototype manufacturing.

#### **OBJECTIVES**

- Make prospective national and regional partners aware of emerging technology as regional universities and research institutions. Attract entrepreneurs and corporations to the region that can commercialize existing technology in research institutions. Grow technology and bioscience commercialization efforts.
- Expand research and development capabilities for area universities and research institutions to engage with area employers. Improve processes at research institutions to support the movement of innovations from technology concept to validation in a relevant environment to draw industry interest.
- Establish easily accessible grant funding at research institutions that allows a researcher to perform early assessment needed to move an innovation toward commercialization.
- Share research institution assets with one another and the community. Support cross-university research efforts, such as the Quality Value Innovation Consortium and design technical assistance programs for researchers at any area institution to take ideas to commercialization. Create a Regional Technology Commercialization Collaboratory.

**GOAL 3:** Capitalize entrepreneurs, dramatically increasing access to capital for start-up and early-stage businesses, especially for women and minorities.

**OBJECTIVES**

- Increase networked capital for start-up and early-stage business growth.
- Address the wealth gap that limits the ability of some entrepreneurs without access to grants and/or other programs to start and grow businesses. Increase debt and equity investment in women and minority-owned businesses to address disparities in investment.
- Increase the amount of alternative debt capital available by maximizing use of federal loan intermediary programs.
- Better engage banks, traditional lenders and CDFIs in implementing new debt products that support diverse communities.
- Increase the amount of proof-of-concept funding available to move companies through "the valley of death" including increasing access to SBIR/STTR funds.
- Grow the number and size of venture capital deals, and drive equity investments between \$500,000 and \$1 million to move companies past minimal viable product to revenue.

**GOAL 4:** Increase awareness of the Kansas City region as a hub for entrepreneurship.

**OBJECTIVES**

- Design and implement a regional awareness campaign to improve visibility of resources available to support entrepreneurs from idea to exit.
- Position Kansas City as a hub for entrepreneurial finance in a broad region from Dallas to Minneapolis and from Chicago to Denver.
- Be recognized as a leader among peer communities for entrepreneurial activities and small business development. Define, illustrate and communicate the power of entrepreneurship to Kansas City.
- Maintain the world's largest celebration of entrepreneurship through the annual Global Entrepreneurship Week KC event.
- Use the upcoming World Cup 2026 to promote the region as an entrepreneurial hub.

**GOAL 5:** Build Entrepreneur Support Capacity

**OBJECTIVES**

- Enhance the expertise of entrepreneur support organizations through education and

leadership certification. Encourage ESOs to focus on organizational expertise and collaborate with and refer among one another to ensure small businesses receive the best support available.

- Convene diverse groups of stakeholders regularly to gain an understanding of gaps in service and develop programs and programs to serve entrepreneurs, especially for growth and developing traded sector companies.
- Develop a shared regional dashboard among partner organizations to demonstrate the impact of entrepreneurial support.
- Identify, educate and invite corporate, philanthropic and government agencies to invest in the entrepreneurial ecosystem. Develop a regional system to identify grant opportunities and foster collaboration in securing grants.

**GOAL 6:** Engage the corporate community in building small businesses.

#### **OBJECTIVES**

- Develop exchange and mentorship programs among corporations, small businesses and ESOs. Foster the development of early-stage management teams through mentorship and connections to seasoned management teams.
- Actively engage small businesses in developing priority industry clusters.
- More fully develop programs to forge supplier relationships between large companies and small businesses.
- Increase corporate investment in small businesses and entrepreneurial initiatives.

#### **STRATEGIC ACTIONS (FIVE-YEAR)**

- Continue to grow the number of options and value of capital funds for entrepreneurs and small businesses, particularly for women and minority-owned firms in ways that reduce barriers due to company location, size, and proof of cash flow. Encourage greater corporate finance involvement to assist entrepreneurs, offer mentorships and lower interest rates.
- Strengthen the ecosystem of higher education institutions across the greater metro area and encourage research and development across institutions and with key research companies. The BioTech Hub application supports a four-university platform for commercialization. Although not funded by EDA the region should continue to pursue this important initiative to strengthen collaboration among the four research universities. Efforts such as K-State's biodefense efforts, KU's cybersecurity, UMKC Health Sciences and critical minerals and other initiatives all offer new opportunities for joint research and commercialization.

- Expand small business support services to serve all parts of the metro area and to meet the diverse needs of entrepreneurs, including those lacking English proficiency.
- Increase opportunities for equity acquisitions of family-owned small businesses by local entrepreneurs, particularly minorities and women afforded the ability to build wealth through business ownership.
- Support employee groups to consider employee ownership of business as a wealth building strategy.
- Increase capacity for support by subject matter experts, finance, advocacy, translation and communications, to champion and help maximize opportunities from federal, state and private investment.

### **METRICS**

- ❖ Change in small business growth, particularly among women and minority-owned firms in the metro area
- ❖ Change in the number of patents issued in the metro area
- ❖ Change in amount of capital available for start-up, early-stage business growth and to support scale-up of existing small businesses

### **PEOPLE**

Build a skilled workforce designed to meet the needs of business and to create economic opportunity for residents. Ensure that the region can develop, attract and retain the talent needed to increase the region's pace of innovation and sustain inclusive growth. The increasing diversity of the region's population poses opportunities and challenges to develop the human capital necessary to meet these needs.

**GOAL 1:** Support the development of an educated and skilled workforce.

### **OBJECTIVES**

#### **Adults**

- Develop and scale up the capacity to offer demand-driven training and post-secondary education programs for high- growth occupation areas: information technology, construction, health care, manufacturing and skilled trades, logistics, and engineering.
- Increase pre-apprenticeships and apprenticeships in a broad range of occupations and industries.
- Identify emerging occupations and industries, and work with training and education

institutions to develop and offer programs to prepare adults for new career opportunities.

- Integrate entrepreneurship development through education into workforce development strategies and initiatives.
- Strengthen the region's workforce system to reduce disparities in skilled workers by gender, race and ethnicity and attract and retain talent.
- Encourage the states to provide more resources to support adult workforce development through the public workforce system.
- Focus attention on the region's untapped talent not in the workforce with workforce training and support services. These target populations include re-entry, veterans leaving the military, and those who fear losing public benefits by becoming employed.
- Encourage adults with some college, but no degree, to “come back” to complete an in-demand post-secondary credential.
- Evaluate actions to strengthen the region's post-secondary education system's programs and curriculum to produce graduates from an increasingly diverse population with the skills needed by growing industry sectors and by incorporating new critical technologies.

#### **Children and Youth**

- Expand experiential learning opportunities including internships for high school students and adults. Expand opportunities for teachers to engage with employers to better understand skill requirements.
- Increase pre-apprenticeships and youth registered apprenticeships.
- Increase the percentage of students and young adults in the metro area with market-value assets, including college credit, work-based and entrepreneurial experiences, postsecondary credentials and degrees.
- Enhance coordination among post-secondary and training programs to align with industry needs to create stackable credentials and define career pathways that enable youth and adults to consider and pursue careers leading to good-paying jobs in the region.
- Support STEAM learning for young children, school-age children and older youth.
- Expand scholarship opportunities in the metro region (through KC Scholars, Great Jobs KC and other regional programs) for youth and adults to pursue high-quality post-secondary credentials.
- Expand career exploration tools, such as the Agility Profiler, to help youth and adults consider their skills and interests in selecting career pathways.
- Build a stronger regional workforce system that provides supportive services, including strong career coaching/navigation, wrap-around support to remove barriers

to education and employment, and stronger connections with employers to understand job skills needed and expanded experiential learning opportunities.

- Develop successful leaders at all career stages by emphasizing entrepreneurial mindset, technical skills, critical thinking skills and soft skills for success.

**GOAL 2:** Attract highly skilled individuals to locate in the Kansas City region.

#### **OBJECTIVES**

- Promote Kansas City as a vibrant place to live with high-quality careers.
- Support initiatives like those offered by the Kansas City Area Development Council to attract workers to career opportunities in the metro area, including the KC Career Network.
- Support efforts by area colleges and universities to attract foreign students to study and efforts by the Greater Kansas City Chamber of Commerce and others to be a welcoming place to encourage students to work in the region after graduation.

**GOAL 3:** Retain highly qualified individuals to see the Kansas City region as a home for themselves and their families over the long-term.

#### **OBJECTIVES**

- Integrate new residents into the workforce and ensure that employers and communities are welcoming and culturally competent.
- Ensure affordable and more childcare options are available for workers with efforts to increase the number of qualified early education and childcare teachers.
- Increase relationships between industry and education so students stay or return to the metro area for employment.

#### **STRATEGIC ACTIONS (FIVE-YEAR)**

- Promote apprenticeship programs with support offered by the Kansas Office of Apprenticeship and the Missouri Department of Higher Education and Workforce Development's Registered Apprenticeship Office.
- Promote expansion of experiential learning opportunities, including internships, to expose students to industries and careers.
- Encourage workforce development organizations and programs to work together to share information and resources to meet the needs of residents seeking careers and better opportunities.
- Support post-secondary education scholarship opportunities, including those offered

by KC Scholars and others, particularly those targeting disadvantaged youth and adults.

- Support career training through Career Technical Education programs offered through area school districts and through programs including Good Jobs KC.

## **METRICS**

- ❖ Workers with Self-Sufficiency Incomes
- ❖ Net Migration
- ❖ Reduction in number of vacancies for in-demand jobs

## **PLACE**

Invest in vital infrastructure to support economic growth, create vibrant places, a resilient region and increase access to opportunity.

**GOAL 1:** Create a region that increases economic opportunity by encouraging strategic locations for business investment.

## **OBJECTIVES**

- Create a reliable, regional, public, multi-modal transportation system for residents to travel to work, school, for health care, and other purposes. Ensure that public transportation is available to help residents access jobs in employment hubs around the region.
- Increase opportunities for businesses to locate along key transportation corridors and within or adjacent to activity centers close to where workers live.
- Create 15-minute neighborhoods (walkable, accessible to amenities with 15 minutes — nodes and activity centers) to link job creation with inclusive, sustainable neighborhood development.
- Expand the availability of high-speed broadband infrastructure and support digital equity to enable all households in the region to have access to high-speed broadband subscriptions, computer devices and digital literacy training.

**GOAL 2:** Invest in quality, durable and resilient infrastructure to support economic development and quality of life for all residents and invest in a multi-modal transportation system that improves access to jobs and economic opportunity.

## **OBJECTIVES**

- Create and maintain a robust multimodal transportation system to serve the region's economy and make Kansas City more attractive to potential talent.
- Support public investments to make sites around the region "ready" for development with infrastructure in place.
- Support infrastructure and other investments to enable smaller communities with important corridors and activity centers to meet the needs of their residents for economic opportunity.
- Invest in electric grid and micro-grid infrastructure to support the region's development and as back-up power for continuity of operations during disaster events.
- Use technology to foster inclusive and innovative education and workforce development. Support additional broadband infrastructure and household adoption and services to enable all persons throughout the region to have access to quality, affordable broadband and related technology.
- Integrate advanced technologies and renewable energy into the region's transportation system.
- Invest in water and wastewater systems to support sustainable and resilient reinvestment in urban core areas as well as new suburban areas.
- Conserve, protect and restore green infrastructure throughout the region to protect air and water quality, protect wildlife habitat, reduce flooding, protect public health, reduce heat islands and facilitate bicycle and pedestrian transportation.
- Invest in clean energy to support reinvestment and new development.
- Protect the natural environment by maximizing use of existing gray and green infrastructure.
- Employ sustainable materials management in the development of regional supply chains.

**GOAL 3:** Create a region that supports greater housing choices and focuses development along key corridors and older built-up neighborhoods.

## **OBJECTIVES**

- Support the development of a variety of healthy, energy-efficient, affordable housing options for owners and renters to meet the needs of a diverse population.
- Promote residential and commercial development along key transportation corridors and at key activity centers.
- Support targeted investment in disadvantaged areas that offer the opportunity for



business development and an increase in household wealth.

- Support the creation of a regional community land trust consortium to enable more affordable housing options for first-time and moderate-income households.
- Support the establishment of a Regional Housing Fund to support the development and preservation of housing throughout the region to meet the needs of workers, young families and older adults.

### **STRATEGIC ACTIONS (FIVE-YEAR)**

- Work with local governments, local developers and stakeholders to develop and enact policies and processes that encourage development of multiple housing types and multiple price points.
- Encourage local governments, civic and business organizations to participate in community education and outreach on the need for a diversity of housing options for owners and renters.
- Support investment in a Regional Housing Fund to support housing options throughout the region.
- Produce quality data and analysis around the regional housing system to assist policymakers, local government staff and community members in understanding the housing challenges and potential solutions for the region.
- Support the Kansas City Community Land Trust (KCCLT) as part of the Regional Housing Partnership (MARC and LISC) on the development of a regional community land trust consortium.

### **METRICS**

- ❖ Change in Black/White Housing Ownership Gap (KC Rising Horizon Goal)
- ❖ Creation of the Regional CLT Consortium and Regional Housing Fund

### **LEADERSHIP, RESILIENCE & EQUITY (SYSTEMS)**

Strengthen local governments and other public and civic institutions throughout the Kansas City region to address social equity, economic resiliency and climate resiliency.

**GOAL 1:** The region will be more interconnected. Local governments will work collaboratively with regional and local government partners, business, nonprofit, community and educational organizations and state governments to pursue opportunities for economic growth.

### **OBJECTIVES**

- Identify and pursue shared services among local governments and with community partners.
- Strengthen transportation and communications systems to improve access to jobs, goods and services — connecting people to opportunity.
- Encourage local and regional organizations to work together to pursue support from both states on economic development priorities.

**GOAL 2:** The region's public, civic and business stakeholders will strive to support social and economic mobility for all residents.

### **OBJECTIVES**

- Encourage leadership among employers to look for talent by emphasizing skills over formal education, offer apprenticeships to allow workers to earn while learning, consider persons re-entering the workforce from incarceration and veterans and encourage continued training for current workers to adjust to changing technology and other job requirements.
- Provide training and technical assistance to public and civic institutions to ensure transparency and opportunities for engagement and fairness in decision-making around public investments.
- Encourage public institutions to review employment policies and practices to ensure that they are encouraging, selecting and supporting a diverse employee base.
- Evaluate public investments to ensure support for the region's most vulnerable residents.

**GOAL 3:** The region will strive to become more resilient, with the increased institutional and infrastructure capacity to withstand public health, weather, economic and other adverse events through increased collaboration and strategic investments.

### **OBJECTIVES**

- Expand training for public and private sector employees about the importance of data analysis and increase their ability to use data to understand the region's economy, their industry position and to set metrics to measure progress.
- Expand training and exercises for public sector elected officials and administration staff to understand the Kansas City Metropolitan Area Regional Coordination Guide for all hazards facing the region.
- Increase investment in pre-disaster mitigation, reducing risks and vulnerabilities with

a focus on the region's most disadvantaged communities.

### **STRATEGIC ACTIONS (FIVE-YEAR)**

- Support the work of **KC Rising's Economic Development Playbook** to help the region build cohesive leadership to support public investment in priority economic opportunities and take full advantage of the nation's new economic priorities. In particular, focus on collaboration in areas of applied research and development, business attraction and expansion, entrepreneurship, workforce and governance. The playbook should help the region gain a thorough assessment of its economic environment, competitive advantages, federal assets, R&D capabilities, infrastructure, industry hubs and supplier networks, and workforce strengths.
- Encourage public and civic organizations to collaborate to bring new federal and state resources into the Kansas City region.
- Encourage collaboration among organizations to maximize the availability of private and philanthropic resources.
- Support well-resourced business/civic leadership groups, emphasizing regional projects with significant impact.
- Encourage the states to support priorities within the region, with greater collaborative efforts at the regional level.

### **METRICS**

- ❖ Increase in federal and state resources, particularly in support of the region's economic development

## PERFORMANCE MEASURES

Performance measures help to evaluate the progress of the proposed economic development strategies and actions. Metrics in each policy area were identified to evaluate the effectiveness of the strategies and quantify the impacts of the proposed actions when possible.

### KEY METRICS

#### Business

- Growth in GDP, per job (KC Rising Horizon Metric)
- Growth in Exports, both domestic and international
- Change in Industry Clusters, with competitive advantage to metro peers

#### Innovation and Entrepreneurship

- Change in Small Business Growth, particularly among women and minority-owned firms in the metro area
- Change in the Number of Patents, issued in the metro area
- Change in the amount of Capital Available for start-up, early-stage business growth and to support scale-up of existing small businesses

#### People

- Workers with Self-Sufficient Incomes
- Net Migration
- Reduction in Number of Vacancies for In-Demand Jobs

#### Place

- Change in Black/White Housing Ownership Gap (KC Rising Horizon Goal)
- Creation of the Regional Community Land Trust Consortium and Housing Fund Policy Adoption

#### Leadership, Resilience & Equity (Systems)

- Increase in Federal and State Resources, particularly in support of the region's economic development

## CONCLUSIONS

**What should the region's economic strategies address to ensure future growth and prosperity for all based on what the key data is telling us?**

### **Population and Labor Force**

- Our population trends are impacting our region's economy. Much of the region's population growth will be persons of color. The region's population is growing more modestly than in previous decades due to a declining birth rate, a growing number of deaths due to the aging population and fewer immigrants entering the region.
- Not only might the region lack enough workers to support a growing economy as part of a necessary labor force, but disparities in educational and skill attainment could result in many workers limited to filling low skill, low wage jobs.
- The region's unemployment rate has remained low, creating a tight labor market. Yet, this high demand for labor and limited supply has not translated into above average wage gains. Less than half of the region's workers earn a salary considered adequate for self-sufficiency.

### **Business and Industry Profile**

- Our regional economy continues to be diverse, which has been a longstanding strength. Yet our GDP per worker is not keeping up with our peer metros, in part due to our economy's greater reliance on services rather than the production of goods through our traded sectors.
- Some of our traded sectors have not grown much beyond pandemic recovery. Professional and business services, wholesale trade and information -- three key traded sectors, have shown no or slow growth. The region lags behind all peer metros in export industry employment as a share of all jobs.

### **Need for Innovation and Support for Small Business**

- The region has relatively low research and development expenditures and patents. The region has demonstrated strong entrepreneurial activity, and job growth across the region has been fueled by the strength among small businesses. Increased capital, a focus on supporting entrepreneurship among persons of color, increased support for commercialization through research institutions and entrepreneurs, and increased technical support services could bolster the region's position as a strong entrepreneurial region.

### **Create Capable Workforce and Enable Households to Achieve Inclusive Prosperity (People)**

- The region has strong workforce development organizations, but the state line and lack of awareness of available programs and services limits support for those seeking education and training.
- The two states offer strong apprenticeship support systems, and the region could benefit from interest by area employers to offer apprenticeship opportunities to build their workforce.
- The region's K-12 system and intermediaries have strong career readiness and career exploration programs. In some cases, programs need to be scaled up to serve more students.

### **Address Challenges of Creating Places that Support Economic Progress (Places)**

- The region, like much of the nation, has a deficit of workforce housing, particularly in and around emerging and growing employment centers. The ability of the region's workforce to find affordable rental and owner housing to meet their needs has become increasingly challenging and limits opportunities for the region to attract new workers.
- The region has a strong transportation system but lacks adequate public transportation to help workers travel to training and jobs.

### **Encourage collaboration among local governments, public institutions, economic development agencies and others to pursue economic opportunities. (Leadership)**

- Expand industry support organizations to strengthen the region's key industry sectors for continued growth.
- Encourage public and private organizations to work together to address economic and environmental resilience.

### **What does the policy framework outline for a regional economic development strategy?**

Our region's business goals have been reframed around new national priorities – reshoring, remilitarization, and decarbonization.

**Reshoring** - These national priorities require the region to focus on strengthened domestic and international export trade, including a greater emphasis on manufacturing and transportation and logistics. The region is focusing on advancing new opportunities in biologics, biodefense and biotechnology, critical materials, cybersecurity, green energy including electric vehicles and batteries.

**Remilitarization** - The region, more broadly defined, has three military facilities (Fort Scott, Whiteman AFB and Ft. Leavenworth), and other major enterprises, including the Olin Manufacturing, Honeywell, and Veteran's Administration facilities. There are sizable opportunities for Kansas City area businesses to provide goods and services to support the nation's military through these facilities.

**Decarbonization** - The region has opportunities to expand upon EV investments in vehicle manufacturing and battery manufacturing, to expand the number of energy efficient buildings throughout the region, and strengthen use of renewables, including solar and hydrogen.

FIVE-YEAR ACTION PLAN CHART

BUSINESS	INNOVATION AND SMALL BUSINESS	PEOPLE	PLACE	LEADERSHIP
<p>1. Focus on three industry areas and two cross-cutting priorities that align with the new economic order outlined in the KC Playbook - defense, energy and biologics - supported by a skilled workforce and entrepreneurship and small business development.</p>	<p>1. Continue to grow the number of options and value of capital funds for entrepreneurs and small businesses, particularly for women and minority-owned firms in ways that reduce barriers due to company location, size, and proof of cash flow. Encourage greater corporate finance involvement to assist entrepreneurs, offer mentorships and lower interest rates.</p>	<p>1. Promote apprenticeship programs with support offered by the Kansas Office of Apprenticeship and the Missouri Department of Higher Education and Workforce Development's Registered Apprenticeship Office.</p>	<p>1. Work with local governments, local developers and stakeholders to develop and enact policies and processes that encourage development of multiple housing types and multiple price points.</p>	<p>1. Support the work of KC Rising's Economic Development Playbook to help the region build cohesive leadership to support public investment in priority economic opportunities and take full advantage of the nation's new economic priorities. Collaborative areas: applied research and development business attraction and expansion entrepreneurship workforce governance. Use KC Playbook to assess economic environment, competitive advantages, federal assets, R&amp;D capabilities, infrastructure, industry hubs and supplier networks, and workforce strengths.</p>
<p>2. Adjust economic priorities in response to changes in critical technologies that could impact the region's domestic and international trade, including foreign investment in land, buildings and companies.</p>	<p>2. Strengthen the ecosystem of higher education institutions across the greater metro area and encourage research and development across institutions and with key research companies. Pursue BioTech Hub's four-university platform for commercialization</p>	<p>2. Promote expansion of experiential learning opportunities, including internships, to expose students to industries and careers.</p>	<p>2. Encourage local governments, civic and business organizations to participate in community education and outreach on the need for a diversity of housing options for owners and renters.</p>	<p>2. Encourage public and civic organizations to collaborate to bring new federal and state resources into the Kansas City region.</p>

Comprehensive Economic Development Strategy

	<p>initiative to strengthen collaboration among the four research universities. Efforts such as K-State biodefense efforts; KU cybersecurity, UMKC Health Sciences and critical minerals and other initiatives offer new opportunities for joint research and commercialization.</p>			
<p>3. Build awareness and involvement of business, civic, government and other stakeholders in the work being led by the Civic Council on an economic development playbook focusing on the region's economic competitiveness in alignment with new national economic priorities.</p>	<p>3. Expand small business support services to serve all parts of the metro area and to meet the diverse needs of entrepreneurs, including those lacking English proficiency.</p>	<p>3. Encourage workforce development organizations and programs to work together to share information and resources to meet the needs of residents seeking careers and better opportunities.</p>	<p>3. Support investment in a Regional Housing Fund to support housing options throughout the region.</p>	<p>3. Encourage collaboration among organizations to maximize the availability of private and philanthropic resources.</p>
<p>4. Invest in regional initiatives designed to strengthen the region's current leadership groups around key traded sectors – World Trade Center, BioNexus-KC, KC Global Design, KC Smart Port, KC Animal Corridor and KC Building Energy Exchange.</p>	<p>4. Increase opportunities for equity acquisitions of family-owned small businesses by local entrepreneurs, particularly minorities and women afforded the ability to build wealth through business ownership.</p>	<p>4. Support post-secondary education scholarship opportunities, including those offered by KC Scholars and others, particularly those targeting disadvantaged youth and adults.</p>	<p>4. Produce quality data and analysis around the regional housing system to assist policymakers, local government staff and community members in understanding the housing challenges and potential solutions for the region.</p>	<p>4. Support well-resourced business/civic leadership groups, emphasizing regional projects with significant impact.</p>
<p>5. Develop a regional ecosystem focused on innovation in battery chemistries and production processes by attracting start-up activity and generating new jobs in battery-related production and applied R&amp;D. Support reinvestment in a 400-acre \$4.1 billion KC Energy Materials Catalyst Manufacturing campus.</p>	<p>5. Support employee groups to consider business ownership as a wealth building strategy.</p>	<p>5. Support career training through Career Technical Education programs offered through area school districts and through programs including Good Jobs KC.</p>	<p>5. Support the Kansas City Community Land Trust (KCCLT) as part of the Regional Housing Partnership (MARC and LISC) on the development of a regional community land trust consortium.</p>	<p>5. Encourage the states to support priorities within the region, with greater collaborative efforts at the regional level.</p>



<p>6. Bring key leaders together to consider new regional collaborations around new opportunities identified above.</p>	<p>6. Increase capacity for support by subject matter experts, finance, advocacy, translation and communications, to champion and help maximize opportunities from federal, state and private investment.</p>			
<p>Business &amp; Industry Lead Partners: KC ADC and GKC Civic Council with support from local and regional economic development agencies, chambers of commerce, and industry sector representatives.</p>	<p>Innovation &amp; Small Business Lead Partner: UMKC Innovation Center with support from industry, education, institution, economic development, and equity representatives.</p>	<p>People Lead Partners: Education, nonprofits, and other workforce-related organizations with support from public and private sector representatives.</p>	<p>Places Lead Partner: MARC with support from local, state and federal government partners and institutions and nonprofit representatives.</p>	<p>Leadership Lead Partner: KC Rising with support from civic, business and government representatives.</p>

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