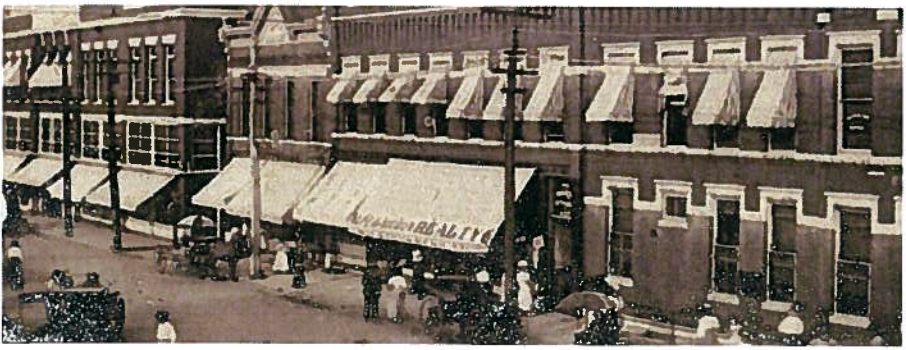
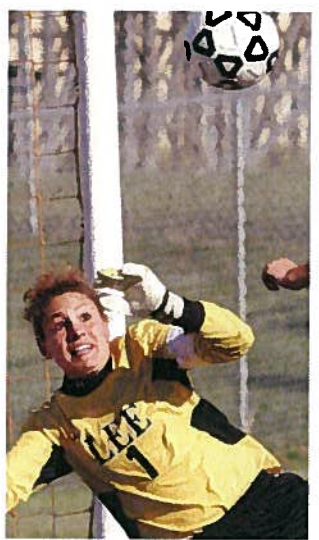
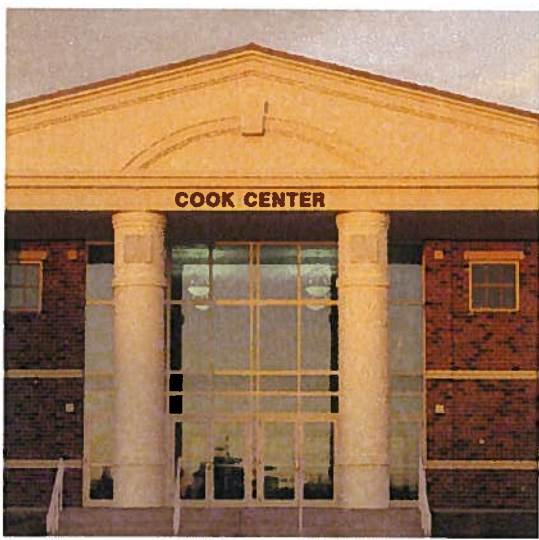
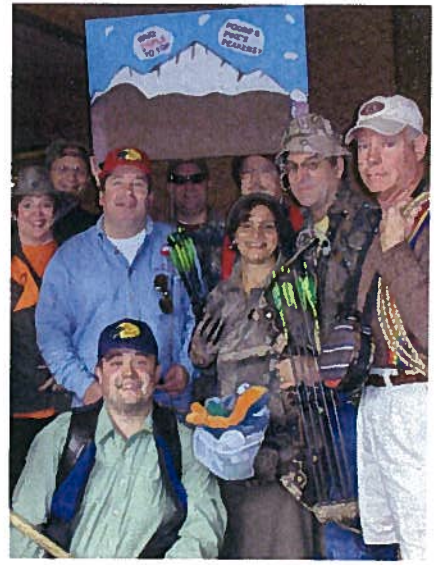


# OLATHE CHAMBER OF COMMERCE

## ENVIRONMENTAL SCAN 2007





# ENVIRONMENTAL SCAN

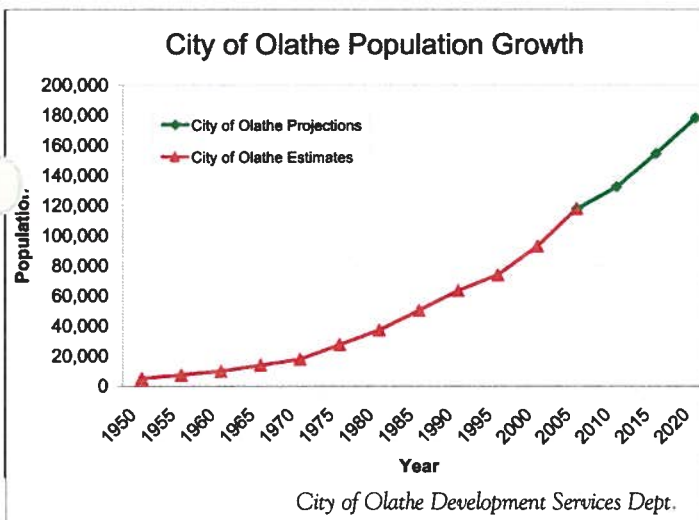
## Olathe Chamber of Commerce • May 2007

### EXTERNAL SCAN

#### Population

A 60-square-mile city that serves as the county seat of Johnson County, Olathe, Kan., is one of the fastest-growing cities in the United States, according to the U.S. Census. The population, which grows by a net average of 10 new residents a day, exceeds 122,107 (City of Olathe estimate for 2006). The number of residents is double what it was in 1990 and is expected to reach 180,000 by 2020.

As further indication of the city's growth, Olathe District Schools is the third largest school district in Kansas and grows by the equivalent of one or two new elementary schools every year.



The population of Johnson County is more than half a million; the population of the Kansas City metropolitan area, almost 2 million. Olatheans represent 22 percent of Johnson County's population.

Olathe's population is young; the median age is 32.1. Nearly 40 percent of Olatheans are between the ages of 20 and 44. Residents are well educated with more than 91 percent having at least a high school education. Forty percent hold a college degree.

As in cities throughout the country, the fastest-growing segment of the population is Hispanic (possibly 6 percent—although that figure is elusive because it is not tracked by the Census). The Olathe

School District reports that it has 1,500 ELL (English Language Learners) students, 1,100 of whom are Latino/Hispanic. In total the 1,500 ELL students speak 42 different native languages. As a further measure of diversity, the Olathe School District reports that almost 20 percent of Olathe students are not Caucasian/"white."

**Implications for Chamber:** The Chamber works closely with the City to continue addressing needs related to rapid growth and a young and diverse population. Both entities prioritize economic development, job creation, infrastructure, transportation, schools, inclusion of Hispanics and other minorities, variety in housing, and public safety. The Chamber advocates vigorously for the economic well-being and quality of life in Olathe.

The Chamber has identified the need to recruit more minority-owned businesses as members, especially from the rapidly growing Hispanic business community. A task force is exploring means of attracting greater diversity to Chamber membership and implementing programs to help address their needs.

#### OLATHE POPULATION DISTRIBUTION

Age 0-4	10,634
Age 5-9	10,443
Age 10-14	9,213
Age 15-19	8,171
Age 20-24	7,207
Age 25-44	38,667
Age 45-64	25,257
Age 65-84	5,468
Age 85 plus	793
<b>Total population, Nov. 2006</b>	<b>115,854</b>

#### Economic Factors

##### *Income and cost of living*

Olathe is situated in one of the most affluent counties in the United States. The average Olathe household earns \$88,618 a year, compared to the national average of \$67,931. Total household income in Olathe is \$3.62 billion. In 2006, more than 72

percent of all households earned more than \$50,000; 31.2 percent, more than \$100,000. Just over 9 percent of Olathe households earned less than \$25,000.

The cost of living in Kansas City is 94.4, lower than the national average (100).

#### INCOME 2006

Olathe average household .....	\$89,697
Percent of KC metro area .....	123%
Percent of United States .....	128%
Kansas City metro average household .....	\$72,723
United States average household .....	\$70,148
Olathe per capita income .....	\$32,445
Percent of KC metro area .....	111%
Percent of United States .....	120%

*CERI's Olathe Trade Area Profile*

#### RESIDENTIAL GROWTH PERMITS

	2004	2005	2006
Single family .....	998	833	825
Duplex .....	12	53	75
Apartment .....	207	282	461

### Housing

Olathe has one of the most affordable housing markets in the area. More than 100 subdivisions exist with homes ranging from modest to upscale. The average sale price for a newly constructed home in Olathe in 2006 was \$292,792. The average monthly rate for renters is \$766. Homeowners outnumber renters 3 to 1.

In 2006, Olathe issued 706 single-family permits and 686 attached housing and apartment complex units—an increase overall from 2005. The popularity of maintenance-provided town homes and condos is growing, especially among aging Baby Boomers. Duplexes and apartments help meet a need for more moderately-priced housing.

The city annexed 383 acres and rezoned 781 acres of property in 2006. Expansion of the City's boundaries increases the diversity of housing opportunities available.

### Development

Of Olathe's developed land, 62 percent is residential; 19 percent industrial; 8 percent, commercial; 10 percent, public or school development; and 3 percent office (City of Olathe 2006 *Demographics & Development*). Approximately 10 to 15 square miles

of Olathe's 59.7-square-mile area is still undeveloped, underdeveloped or not developable (for example, land in flood plains). Olathe's ultimate growth area totals 92 square miles. The City's Planning Department estimates that the city will be completely built out some time in 2050—give or take a decade.

There are approximately 3,300 companies in Olathe, but that figure is a difficult one to report precisely because Olathe does not have a business registry or license. There are more than 15 office and industrial parks and 17 large (100,000 sq. ft. or more) shopping centers in Olathe. Smaller office, industrial, and retail spaces exist throughout the city, and new ones are under construction. Olathe has approximately 220 restaurants.

### Taxes

Property taxes are balanced by thriving commercial and industrial growth, which has been robust for the last 15 years. New construction totaled more than 4 million square feet in 2006. It is worth noting that while 62 percent of Olathe's land area is residential, about 80 percent of the tax base is residential. Thirty percent of the developed land is industrial, commercial, and office combined (see paragraph above for breakdown), and 8 percent consists of public buildings and schools that are not taxed. The combined total of school, city, county, and other taxes is 120.634 mills. In 2006, Olathe's mill levy was 24.843—a rate that has held steady or declined since 1994.

Olathe's sales tax is 1.125 percent. Added to state (5.3 percent) and county (1.1 percent) sales taxes, the total is 7.525 percent.

#### PROPERTY TAX 2005-2006

Taxing Authority	Mill Levy
Olathe District Schools .....	65.180
City of Olathe .....	24.843
Johnson County .....	17.949
Other .....	12.662
<b>Total .....</b>	<b>120.634</b>

#### SALES TAX

State of Kansas .....	5.3%
Johnson County .....	1.10%
City of Olathe .....	1.125%
<b>Total .....</b>	<b>7.525%</b>

**Implications for Chamber:** The Chamber's economic development successes have had a major impact on the community's balanced tax base with new business and industry lightening the burden on property owners. With so much of Olathe's land still undeveloped, the Chamber anticipates vigorous growth and continued success in attracting quality, planned development for many decades to come.

Balancing the ratio between residential and commercial growth is an important, ongoing component of the Chamber's mission; the goal is to reach a ratio of 30/70 commercial to residential. Currently that ratio is 28/72. The ratio represents an ongoing balancing act because commercial development follows residential, and more and more residents move to the city for its rapid development, growth, and amenities.

### Social/Quality of Life

Olatheans enjoy a hometown flavor with big city amenities. Among those factors contributing to the city's outstanding quality of life are these:

- the nationally-recognized Olathe District Schools
- safe, friendly, affordable neighborhoods
- excellent employment opportunities
- great access via air, highway, and rail
- a thriving business environment
- ample parks, trails, and green spaces
- shopping and recreational opportunities
- Olathe's proximity to Kansas City

Among the institutions that contribute to the quality of life in Olathe are MidAmerica Nazarene University, a four-year university with almost 2,000 students; the nationally recognized Olathe Medical Center and its campus; and international corporations such as Garmin International, Farmer's Insurance Group, Honeywell, Sokkia, and many others.

Money magazine ranked Olathe as the "Thirteenth Best City" in which to live in the United States in 2006. And Olatheans are happy with their city. According to the City of Olathe's 2006 Direction Finder Survey, Olathe residents' overall satisfaction with their city was more than twice as high as residents surveyed elsewhere in the

metropolitan area and 24 percent higher than respondents nationally.

**Implications for Chamber:** Recognizing that excellent schools are the Chamber's most important economic development tool, the Chamber advocates for support of education. It also, by mission and vision, advances the cause of other quality of life issues.

### Political

Olathe is the county seat of Johnson County and its downtown has evolved into a government center. The City of Olathe, the Olathe District Schools, Johnson County Government, the Olathe Chamber of Commerce, Olathe Medical Center, MidAmerica Nazarene University, and other members of the business community have forged valuable partnerships that help set the stage for prosperity and growth.

Historically, Olathe has had a lower voter turnout than the rest of Johnson County. That changed this year in part because of the Chamber's VoteOlathe program to increase voting. For many years, too, Olathe was not always invited to the table when decisions that affect the entire metropolitan area were being made. Great strides have been made in the last ten years, however, to position Olathe as an important member of the Greater Kansas City community and as a player in the political arena.

**Implications for Chamber:** The Chamber prides itself on being the catalyst in forming partnerships that accomplish important civic initiatives. The Chamber's tagline, "One Vision. One Voice," encapsulates the Chamber's ability and desire to serve as a voice of unity.

The Chamber's Business-to-Government Advocacy program is among its highest priorities. The Chamber monitors legislative activities on the local, state, and national level, advocates for business-friendly legislation, builds relationships with legislators and other elected officials, and promotes voting. Further, it strives to provide means for the business community/ members to interact with decision makers and elected officials on all levels (for example, VoterVOICE software, legislators' attendance at

Chamber events and in its leadership structure).

The Chamber and other Olathe community leaders are stepping up their leadership roles within the metropolitan area. For example, the Olathe Chamber initiated formation of the Johnson County Public Policy Council as a subdivision of the Johnson County Chamber Presidents Council. Increasingly, the rest of the metro area sees Olathe as important to include in decision making related to high level issues with a potentially broad impact.

## Infrastructure

Olathe enjoys excellent accessibility by highway, air, and rail—a factor that has contributed to Olathe’s growth. Further, the City of Olathe and the Chamber as its partner prioritize highway and street projects, their funding and construction. Olathe is easy to get to via Interstates 35 and 435, U.S. Highways 56 and 169, and State Highways K-7, K-10, and K-150. Johnson County Executive Airport and New Century AirCenter are nearby, and Kansas City International Airport is only 35 minutes away.

Over the years, Olathe has evolved into a community divided diagonally by an interstate (I-35). Consequently, east-west travel is challenging. Fifty-three percent of Olatheans express dissatisfaction with east-west traffic. In addition to the I-35 barrier to traffic, Olathe historically has more train traffic than the vast majority of communities with the traffic problems that result from blocked intersections.

The City works hard to address these problems, no small task in a city that is growing as rapidly as Olathe. As an example of recent projects, in 2006 the City completed an overpass at 127th and I-35, sought and received funding for the 159th/Lone Elm Interchange over I-35, and is in the process of raising BNSF train tracks over four important intersections. Other overpasses and interchanges are in various stages of planning, funding, or construction.

Olathe, a full-service community, invests in infrastructure that is essential to residents and critical to further business development. It is progressive and proactive in putting in place the streets, sewers, cables, and other infrastructure needed.

**Implications for Chamber:** The Olathe Chamber continues to emphasize the need for investment in highways, constantly reminding elected offi-

cial on the state and national level of the importance of funding such projects in the state’s fastest-growing large city. The Chamber’s EDC Department continues to work with developers and the City to secure TIF funding and other incentives to ensure infrastructure is in place to accommodate growth. The Chamber surveys its members formally and informally and established task forces to provide input on desired development along the city’s growth corridors and highways.

## Tourism

Tourism in Olathe has had a yearly economic impact of at least \$30 million. That figure is expected to be significantly higher in the future with more attraction development and improved forms of measuring tourism.

Bass Pro Shops opened in Olathe in early 2007 and has already become one of Olathe’s most important attractions. Even before the national sports retailer’s arrival, the Chamber’s Convention & Visitors Bureau began including the store in its marketing materials and building relationships with its developers and general management staff. It is having a major impact on tourism.

Based on leisure visitor surveys the CVB commissioned with Ruf Strategic Solutions and ETC Institute, the CVB has determined the following about Olathe visitors:

- They tend to be older (78 percent aged 45 or more), married, and relatively affluent.
- Half have visited Olathe more than once, 77 percent stayed for two or more nights, and 73 percent stayed in a hotel.
- On an average, the per-person expenditure totaled \$214.25 for lodging, transportation, meals, entertainment, and shopping.

Of Olathe attractions, the greatest number of visitors (64 percent) visited the Great Mall of the Great Plains, followed by Mahaffie Stagecoach Stop and Farm (17 percent), Ernie Miller Nature Center (14 percent), and Veteran’s Memorial Park (12 percent), the Historic Tour of Olathe (11 percent), and Old Settlers Festival (10 percent). It is worth noting that this survey was completed just prior to Bass Pro’s opening in Olathe. In addition to the Old Settlers Festival, approximately 3 to 4 percent of visitors to



Olathe went to other festivals (Hidden Glen Arts Festival, Civil War on the Border, the Wild West Show) and to other attractions.

Visitors responding to the surveys reported overwhelming satisfaction with the quality of Olathe's shopping (92), dining (92), friendliness (89), and hotels (75). Forty-two percent received information about Olathe from brochures, 36 percent from magazines, 35 percent from the Chamber, 34 percent from family or friends, 25 from Web site, including the Chamber's. Seventy-three percent rated the services of the Chamber's Convention & Visitors Bureau as good or excellent. Fifty-six percent said they would visit Olathe again.

Sports marketing on the part of the CVB has dramatically increased the numbers of visitors to Olathe and will continue to grow as more national, regional, and state athletic events come to the city. Conventions and conferences are limited because of the lack of a meeting space that accommodates more than 500 people, but the Chamber is seeking a developer for a full-service hotel with larger conference component.

**Implications for Chamber:** The Leisure Visitor Survey findings have had implications for how the CVB markets Olathe to potential visitors. Shopping is being emphasized in advertising, older adults pictured along with younger ones, etc. Advertising is geared toward visitor interest and publication circulation. The information about the popularity of attractions helps to determine which ones could be publicized to a wider market, which ones emphasized.

The CVB staff and the rest of the Chamber will continue to build relationships and partnerships with Bass Pro Shops, market for more sporting events, promote attractions and festivals, and help advocate for a conference center to accommodate larger conventions and events.

## Communication

National studies indicate that the Internet is increasingly important as a source of information for developers exploring building possibilities, to companies and individuals considering a move to a new city, and to travelers or vacationers who plan to visit. Consequently, the Olathe Chamber has developed its Web site, [www.olathe.org](http://www.olathe.org) (and other URLs) to

feature a comprehensive database that emphasizes Olathe and Chamber advantages.

The Chamber's Web site is also an excellent source of information for members, with well-developed members-only features, and for businesses considering membership. It provides a glimpse of the full scope of Chamber programs and activities and provides excellent visibility for members. In 2006 the Chamber's Web site attracted 571,000 visits. That figure is likely to approach 700,000 in 2007. The online membership/business directory and its links yielded more than 930,000 referrals to Chamber members businesses.

Surveys of the Chamber's members reveal that a majority prefer electronic communications. As a result the Chamber depends heavily on broadcast e-mails to keep members informed, sending perhaps one e-mail a week to all members and sending e-newsletters to a wide variety of more segmented member audiences.

Because of its location in a metropolitan area, Olathe is served by a wide variety of newspapers (3 of special importance to Olathe), nine television stations, and more than 40 radio stations. The disadvantage is that Olathe competes with 34 other Kansas City-area communities for media attention, which tends to be focused on the center of the metro area, Kansas City, Kan. and Mo. It is often difficult to obtain desired media coverage.

### Television stations

Channel 19  
KCTV-5  
KCWE-29  
KMBC-9  
KSHB-41  
KSMO-62  
KCPT-19  
WDAF-4  
City Cable Channel

### Newspapers

*Kansas City Star*  
*The Olathe News*  
*The Olathe Sun*

A survey completed by the City of Olathe last year (2006 Direction Finder Citizen Survey) indicates that Olatheans get information about their community in the following ways: the city's newsletter to citizens, *The Kansas City Star* (51 percent), tel-

evision news (48 percent), *The Olathe News* (31 percent), the City's cable channel (24 percent), and *The Olathe Sun* (7 percent). In that survey, the Chamber's Web site was not provided as a response option as a source of information.

**Implications for Chamber:** The Chamber should continue to expand its Web site and publicize it to maximize visibility. At the same time, the Chamber must continue to *optimize* the site to ensure more search engine traffic. Steps have already been taken to add daily updates, positioning the site as the source for late-breaking news, especially on topics of interest to the business community. The Chamber is also working with a local firm to develop an interactive online mapping tool that could supplement the Chamber's database and prove to be a cutting-edge expansion of the Web site.

As a major means of communication with members, broadcast e-mails and e-newsletters need to be expanded but focused on specific groups of members and other constituents, based on their expressed interest and consent. It is essential to balance efforts to communicate by taking care not to overload members with electronic communications.

Media relations are essential in a metropolitan area where there is such competition for attention. The Chamber should continually be positioned as a valuable source of information for media and staff as experts in areas of Chamber expertise. Guest editorials and columns should be placed in willing newspapers.

As revenue increases, the Chamber should expand its advertising budget to include newspaper and magazine promotions that will familiarize other residents of the Greater Kansas City about economic development successes in Olathe and educate local residents about the Chamber and its impact on the city.

**Note:** Statistics quoted in this report are often provided by CERI, the County Economic Research Institute and the City of Olathe Planning Department.

## INTERNAL SCAN

### The Olathe Chamber of Commerce

The Olathe Chamber includes the following departments: Economic Development, Convention & Visitors Bureau (including Sports Marketing), Membership (benefits, services), Communications/Education, and Business-to-Government Advocacy.

The Chamber's member businesses are located primarily in Olathe. However, the Chamber attracts members from throughout the Kansas City area. Approximately 80 percent of member businesses employ fewer than 50 people. The Chamber ratio of large-to-small business parallels that of the city, although, increasingly, large corporations, including national and international headquarters, are locating in the community.

The largest employers in Olathe are the Olathe District Schools (3,700 employees), Johnson County Government (3,000), Farmers Insurance (3,000 by year's end), Garmin International, (1,800), and Olathe Medical Center (1,500). All of these employers are actively involved in the Chamber and are major sponsors of its programs, along with other large companies and organizations such as PepsiAmericas, Systems Material Handling, The Great Mall of the Great Plains, Bass Pro Shops, American International Group, MidAmerica Nazarene University, and many others.

Surveys of members reveal that many companies invest in the Chamber because they believe in the Chamber's mission and want to support it because it is good for Olathe. The Chamber's Economic Development Department is among the best in the Kansas City area. The Chamber is also recognized for its highly successful member benefits, networking events, Business-to-Government Advocacy, its Convention & Visitors Bureau, and outstanding leadership programs.

#### Chamber competition

With 2,700 member representatives, the Olathe Chamber is the second largest chamber in the metropolitan area, next to the Greater Kansas City Chamber of Commerce, and the largest chamber in Johnson County. Within the Kansas City area are 23 chambers of commerce, including the Hispanic

Chamber of Commerce of Greater Kansas City, the Black Chamber of Commerce, and the Asian Chamber of Commerce.

Competition for members is stiff. Many business people belong to more than one chamber at a time.

Also competing for membership or investment dollars are numerous business and professional organizations. Non-profit organizations compete for sponsorships and in-kind donations and for attendance at events.

The Olathe Chamber is known for its excellent networking events, especially its Thursday coffees, which are held in businesses around Olathe and draw from 200 to 300 attendees each week. This event is the largest weekly chamber networking event in Kansas City and is valued highly by members. Other signature events for which the Olathe Chamber is known are its Annual Meeting (a sellout crowd of 450 people), the State-of-the-City Luncheon, the Quarterly Business Lunch Series, Legislative forums and breakfasts, the Blazing New Trails Dinner and Auction, After Hours events, and the Golf Classic.

Economic Development is seen as a major strength and an incentive for membership as are the chamber's Business-to-Government Advocacy and leadership programs.