

## MEMORANDUM

TO: Jeff Fluhr, Greater Wichita Partnership  
Jason Gregory, Downtown Wichita  
Evan Rosell, Greater Wichita Partnership

FROM: Sarah Woodworth, Managing Member

RE: Wichita Biomedical Campus Office Market Impact

DATE: June 16, 2023

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W-ZHA conducted the office market analysis for Wichita's 2009 Downtown Plan. In 2021, W-ZHA updated the Downtown office market analysis to forecast Downtown office potential to 2030. W-ZHA's office forecast was based on new employment growth and existing tenants moving from suburban submarkets to the Downtown. Since 2009, Downtown has become more vibrant and now offers the live/work/play environment employers seek to attract talent. W-ZHA concluded that there is a market for 500,000 to 600,000 new office square feet in the Downtown.

W-ZHA was asked to consider how locating the Wichita Biomedical Campus Downtown will affect the Downtown office market. The Wichita Biomedical Campus will bring 3,000 students, 200 faculty and staff members, and 1,594 direct jobs to the heart of the Downtown. As a partnership between Wichita State University, University of Kansas and Wichita Tech, the Wichita Biomedical Campus will function as an anchor institution in the Downtown.

Anchor institutions not only contribute to the vitality of their neighborhoods, but they enhance the economic and cultural power of their neighborhoods. Anchor institutions have proven to have multiplier effects by stimulating economic activity through their capital investment, operations, research initiatives and partnerships. These institutions are also less likely to move, which bolsters economic and social resilience. There is no question that having this anchor institution Downtown will strengthen the Downtown's market potential for a variety of land uses, including office.

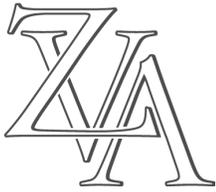
The Wichita Biomedical Campus will enhance the Downtown office market in a variety of ways:

- Businesses that service or collaborate with activities at the Wichita Biomedical Campus will seek locations near the Campus;
- Businesses interested in tapping the Wichita Biomedical Campus' talent pool will find it advantageous to locate Downtown near the campus;
- Entrepreneurs and other academic or research entities may cluster near the Campus to create an innovation economy;
- The Wichita Biomedical Campus will be a catalyst that will strengthen the Downtown's live/work/play environment. This, in turn, will draw young talented workers and the businesses seeking to hire them.
- Finally, "buzz" – attracting such a valuable anchor to the Downtown reinforces Downtown's prominence as Wichita's economic and cultural center.



It is W-ZHA's understanding that COVID-19 has not had a significant impact on the Wichita office market. W-ZHA's office analysis was initially quite conservative by maintaining Downtown's existing capture of office space driven by new employment. With the Biomedical Campus, the Downtown should become more competitive for new office construction. W-ZHA projects that the Downtown can capture another 5% of new office potential or 45,500 square feet.

W-ZHA's 2021 office market analysis did not incorporate office demand related to health and education employment growth (approximately 5,000 new jobs from 2020 to 2030). At the time, W-ZHA did not consider the Downtown a strong location for health and education-related industries. The Kansas Health Foundation's investments Downtown coupled with a Downtown Biomedical Campus will change Downtown's competitive position for these industries. W-ZHA would expect that a medical-related office building (30,000 - 50,000 square feet) will develop Downtown because of these anchors.



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Residential Market Analysis Across the Urban-to-Rural Transect

## M E M O R A N D U M

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To: Jeff Fluhr  
Jason Gregory  
Evan Rosell

Re: Wichita Biomedical Campus Site Selection

Date: May 17, 2023

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You have asked Zimmerman/Volk Associates to provide our professional assessment of the location of the new Wichita Biomedical Campus from the housing perspective, based both on our housing market analysis work in Wichita since 2009 and on our 35-year experience advocating and supporting the use of housing as an economic development tool in scores of downtowns and cities around the country.

Our Downtown Wichita housing studies have covered a Study Area bounded by Murdock Street in the north, Washington Street in the east, Interstate 54 in the south, and Sycamore Street in the west. Site A is a City-owned parcel located just one block south of Douglas Avenue in the heart of the Downtown; Site B is a hospital-owned parcel on the very northernmost edge of Downtown.

It is our understanding that, when complete, the Wichita Biomedical Campus is projected to bring 3,000 students, 200 faculty members, and 1,600 other employees to its location, and would likely require several hundred new housing units to accommodate those households. This memorandum is based on that understanding.

Site A is in close proximity to the multiple and significant financial and infrastructure investments that have been made over the past 15 years in the Downtown. These investments in the Downtown have demonstrated the city's commitment to improving the Downtown as a business and economic center, and with the significant growth in the number of housing units over the past several years, Downtown has now emerged as a 24-hour residential neighborhood.

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It has been our experience that significant increases in housing will be required to support new development at the scale of the Biomedical Campus. Our most recent Downtown update study, dated July, 2021, determined that the Downtown housing market could absorb 383 to 460 new rental units, 28 to 34 new condominiums, and 32 to 38 new townhouses per year—a total of 443 to 532 units per year over a five-year timeframe.

Because of Site A's core downtown location, we forecast that if the Wichita Biomedical Campus is located there, absorption could increase substantially to 575 to 767 new rental units, 40 to 50 new condominiums, and 45 to 57 new townhouses per year—a total of 660 to 874 new units per year over a five-year timeframe.

Site B's location at the northern edge of the Downtown will have less of an impact on the Downtown housing market: absorption could increase to 478 to 575 new rental units, 34 to 40 new condominiums, and 38 to 45 new townhouses per year—a total of 550 to 660 new units per year over a five-year timeframe.

A significant advantage of a Downtown location is that fewer parking spaces per unit would be required. We have often been asked to determine the appropriate ratio of parking spaces per unit based on the vehicle ownership of the target households for downtowns, which ranges from 0.75 to 1.25 spaces per unit, depending on the walkability of the downtown and the number of entertainment venues, parks, bars and restaurants, and local shops located there. Demonstrated shared parking puts less pressure on all uses to provide dedicated spaces.

Individual vehicle ownership is low among the target markets identified for Downtown Wichita, due to the predominance of younger singles and couples (three-quarters of the annual potential market), many of whom forego vehicle ownership altogether in favor of ridesharing or other transportation methods such as bicycling, or who opt to share one vehicle. Younger households now obtain drivers licenses at a much later age than previous generations, some forgoing them altogether.

Given their locations and the Downtown target markets, it is likely that 0.75 to one space per unit would be required for Site A, and one to 1.25 spaces per unit would be required for Site B.