SPECIAL ECONOMIC WRAPUP
Main Edition After A6

Wichita Business Journal

Part IV

This is the last in a series of four Wichita Business Journal special reports on the Wichita economy.

The stories inside come mostly from a series of roundtable discussions with some of Wichita's most respected business leaders, whose names appear on page A2.

The 12-page special report is in wraparound form and our weekly paper can be found inside, seven pages in.

Our coverage of the economy will continue, in our weekly paper, at wichitabusinessjournal.com, and in special sections and publications.

If you have questions or story suggestions, please contact Editor Bill Roy at 266-6184, or broy@bizjournals.com.

Effort to diversify local economy remains a steep climb

BY CHRIS MOORE

Sometimes, you just have to accept who you are. And that means Wichita, too.

So says longtime economic development leader J.V. Lentell.

And when people lament the layoffs at Wichita's aircraft manufacturers and the dozens of suppliers that feed them — and when they wonder why the community hasn't done more to temper its reliance on a single, recession-prone industry — Lentell shrugs.

See DIVERSITY, Page A11

INSIDE THIS SPECIAL WRAPUP

MEDICAL COMPOSITES: Diversifying the economy could come in finding other uses for composites A3

BUILDING BLOCKS: Building new industries to the A3 Capital will require infrastructure projects A4

THE BID DONAZIA: The big bonus that Kansas will realize could create opportunities locally A5

NAR'S IMPACT: Wichita leaders point to NAR's work as a jump start to future growth A7

A CREATIVE HOT SPOT: Wichita's downtown is home to a cluster of creative media engines A8

BUSINESS ABRAD: The job of attracting foreign business interests to Wichita is ongoing A9

YOUNG AND VIBRANT: Recruiting young leaders to Wichita centers on far more than good careers A10
Orthopedic institute seeks $31 million in startup funds for composites research

BY JOSH HECK

The Via Christi Orthopedic Research Institute is seeking $31 million over five years from the Kansas Bioscience Authority to pay for equipment and research to build a medical composites facility in east Wichita.

Building the $10 million Center of Innovation for Biomaterials in Orthopedic Research is part of an effort to combine aviation and medicine, two of Wichita’s largest economic drivers.

Developing a medical composites industry as a complement to health care is part of a push to diversify Wichita’s economy.

“It’s an obvious way of diversifying composites and a way to counter the cyclical nature of the aircraft industry,” says Paul Wooley, research director at Orthopedic Research.

Composites are made by blending two different metals into a lighter, stronger part.

Wooley is trying to figure out how to mesh existing research on aerospace composites with some of his own to find a way to replace human bones with composite materials in certain instances, such as hip and knee replacements.

That’s where the CIBOR facility fits in.

Wooley has been working with Mike Good, director of research business operations with Via Christi, for more than a year to develop the center.

In May, they will ask the KBA for funding and, if approved, could be in a 37,000- to 47,000-square-foot facility within two years. It would employ 26 people to start.

Good says the facility could be built near the National Center for Aviation Training at Col. James Jabara Airport. The KBA money would not include construction costs, which likely would be funded through bonds.

“We have found universal support and we are getting some positive feedback from the KBA,” Good says.

The facility is projected to create 2,600 jobs and have a $200 million annual economic impact by its 10th year, according to a study by Wichita State University’s Center for Economic Development and Business Research. Good says the business plan calls for CIBOR being self-sustained by its sixth year of existence.

Orthopedic Research is working with Schaefer Johnson Cox Frey Architecture on the project.

ACTIVE RESEARCH

Wooley isn’t sitting idle, waiting to find out whether CIBOR will receive funding.

“The plans and the ability are already in place,” Wooley says. “It’s just not all in the same location right now.”

Wooley conducts research at the St. Francis campus of the Via Christi Regional Medical Center. The National Institute for Aviation Research at WSU is involved as well, says Tom Aldag, director of research and development.

There, materials are tested for strength and durability.

Aldag says medical composites have the potential to be another viable industry in Wichita, but the research isn’t yet there.

“From the sounds of it there is not a lot of composite expertise,” Aldag says.

Wooley and Good hope to change that.

Wooley says there are some external medical devices, such as stretchers, operating tables and braces that use composite materials, but nothing that is fit for long-term use inside the body.

The ultimate goal, he says, is to find a way to replace metal or plastic prosthetics with composite materials that are biologically compatible and last longer.

Mortgage Lending
Business execs view NIAR as linch pin to Wichita-area economic diversity

BY CHRIS MOON

Wichita State University's National Institute for Aviation Research increasingly is being viewed as another major bastion protecting the city's aviation cluster, as well as one that could spin technology from that industry into others.

The center recently secured a deal with Bombardier Learjet to help with the structural qualification and certification of the new, all-composite Learjet 85 business jet. It's expected to be NIAR's largest ever industry contract, worth up to $20 million.

The center also has work with the Air Force to study problems in its aging fleet of KC-135 refueling tankers. And recently, the center has entered into efforts with Via Christi to develop ways to push aircraft composites into the medical field, particularly for artificial joints.

Business executives watching those efforts take comfort in them, especially as the aircraft manufacturing industry enters a downturn that many expect to last for some time. They note the local economy has yet to secure another major industry on which to lean when aviation turns south.

"An encouraging sign is the university's aviation research center for new technology to keep us on the cutting edge," says Steve Clark, owner of Clark Investment Group. "If we don't do some things like that, I'm very concerned."

At NIAR, the focus long has been finding ways to leverage technology across industries, says John Tomblin, the institute's executive director. With a budget of more than $30 million and more than 300 employees, NIAR regularly contracts with private industry on research, some of it outside the aviation field. It has had a research partnership with Via Christi since the early 1990s.

"If we can grab technology that Cessna uses and give it to another industry like biomedical, we will do that," Tomblin says. A 1 percent penetration into the medical device industry could create 2,000 jobs, Tomblin says. And studies have shown companies tend to locate close to the research organizations that are working on new innovation.

Mike Good, director of research business operations for Via Christi, says "the thing with medical devices is it's a straight line going up." As Americans age, there will be more demand for artificial joints that last longer and are more effective than the ones used today.

Good calls NIAR "a perfect model" for an innovation center.

"Everything's done at the speed of business," he says. "NIAR is not your average university entity."

But NIAR has been subject to criticism in the past. A 2001 study by Harvard University on the city's business "clusters" said NIAR wasn't aggressive enough in commercializing new ideas. It noted NIAR had recorded few patents.

"To be relevant to the industry," the report stated, "NIAR may need to adopt more of the culture of the firms it wants to support."

Tomblin dismissed that criticism, noting the institute allows its clients to seek patents for technology it develops on their behalf. He says that's different from similar university research groups.

"They're looking at the wrong metric," he says. "We're trying to partner with industry to get the product out the door."