
From the Kansas City Business Journal:

<https://www.bizjournals.com/kansascity/news/2019/10/23/kcmo-among-top-untapped-cities-for-startups.html>

KC lands in top 10 on best untapped cities for startups list

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Entrepreneurs on the hunt for their startup's home base should consider Kansas City, according to a new report.

Kansas City ranks among the top untapped cities for startups and tied with Scottsdale, Ariz., for the No. 10 spot.

"It is definitely on a significant rise," Techstars Kansas City Managing Director Lesa Mitchell said of the local startup scene.

Fundera, an online small business marketplace, analyzed 50 midsize cities with populations under 500,000 residents. It considered factors such as access to a talented labor pool and proximity to a larger startup ecosystem. It also looked at the average costs for office space, labor and living expenses. Those factors are key, especially when most startups launch with a shoestring budget, Fundera said in its report.

In Kansas City, the median household income is \$54,372, and the average office rent per square foot is \$17.13. More than 34% of its population has a bachelor's degree or higher.

"(The) city has recently been embracing tech innovation and has a vibrant startup scene," Fundera said.



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Madison, Wis., took the No. 1 spot, followed by Plano, Texas; St. Paul, Minn.; Cincinnati; and Durham, N.C. St. Louis came in at No. 6.

According to Fundera, Kansas City landed 56 venture capital deals between 2016 and 2019. The rise in venture capital is one metric of the startup scene's success, Mitchell told the *Kansas City Business Journal*. She pointed out how two startups raised more than \$100 million or more in the last 12 months.

"That's a more significant number than we've ever had in the past," Mitchell said. "That's a turning point when companies can raise that kind of money and can raise it from investors that are not in our backyard. We've got the attention of people in other locations, which is important."

As for in-city support, Mitchell highlighted resources such as the recent Pure Pitch Rally event, which featured local entrepreneurs delivering pitches for eight startups. Attendees included a plethora of area movers and shakers, who came armed with checks to give to their favorite startup. Money, however, wasn't the most valuable aspect for the early-stage startups, Mitchell said. The event helped them forge connections, building up their network and potential customer base.

Kansas City's population is growing, and there's ample younger residents to keep it vibrant.

Mitchell, who's currently overseeing an Indianapolis-based Techstars-powered accelerator, said the program has attracted startups from across the world.

"They're saying to me, 'Gee, maybe we should be putting a second office in Kansas City, because I didn't realize there was so much of XYZ there.'"

Boulder, Colo.-based Techstars will make its return to Kansas City in 2020, when Mitchell returns to lead the three-month accelerator program.

Leslie Collins

Staff Writer

Kansas City Business Journal

