



## Legal Industry Outlook

(front row, left to right)

**George Halper**,  
McAnany Van Cleve & Phillips  
**Joan Archer**, Husch Blackwell

**Dave Schatz**, Spencer  
Fane Britt & Browne

**Wesley Fields**, Bryan Cave  
**Charles Renner**, Husch Blackwell

**Pete Smith**, McDowell,  
Rice, Smith & Buchanan

**Denise Drake**, Littler Mendelson

**Jim Oliver**, Foulston Siefkin

**Ed Marquette**, Kutak Rock

(back row, left to right)

**Scott Kreamer**, Baker  
Strech Cowden & Rice

**Jeff Simon**, Husch Blackwell

**Trent Webb**, Shook, Hardy & Bacon

**Gary Anderson**, Gilmore & Bell

**Pete Heaven**, Lathrop & Gage

**Norm Siegel**, Stueve Siegel Hanson

**Perry Brandt**, Bryan Cave

**Chase Simmons**, Polsinelli

**Rudy Beese**, Dentons

**Joe Sweeney**, Ingram's

### The Legal Perspective on Regional Job Growth

Those who might want a panoramic view of the next Plaza lighting ceremony would do well to cozy up to the attorneys at Husch Blackwell, the hosts of this year's Legal Industry Outlook assembly.

The west-looking view from the 10th-floor of the firm's Plaza office seemed like an appropriate place to discuss this year's theme, the role of attorneys in growing the metro. Sponsoring the event along with Husch Blackwell and was the law firm Bryan Cave.

Co-chair Perry Brandt, managing partner of Bryan Cave summarized the group's task with a reference to hockey great Wayne Gretzky. Said Gretzky famously of his success, "The secret was not skating to where the puck is, but to where the puck was going to be."

Helping Brandt and his colleagues discern where the puck was heading was Jeff Simon, managing partner of Husch Blackwell, the able co-chair. "What's the next big thing?" asked Simon. "What needs to happen next to leverage the creativity that's going on?" The group spent the next two hours answering those very questions.

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## Is Kansas City Growing?

As an initial question, the attorneys were asked whether the Kansas City metropolitan area was growing as it ought, and if not, why not. Bryan Cave's Wesley Fields said he had "cheated a little" and done some homework in preparation for that question. What Fields learned was that the area was growing—but not, said Fields, "as it ought to grow."

"I think we are doing a tremendous job of selling Kansas City," said Fields. "We do a tremendous job in terms of recruiting people to Kansas City. The difficulty I've seen is the retention of great talent in Kansas City."

For Pete Smith of McDowell, Rice, Smith & Buchanan, the foundation for sustained growth in a city is set with creation of a solid business environment. When his office was located in Wyandotte County, Smith listened to empty sloganeering for years before some dramatic political changes finally gave life to those slogans. "We had the environment necessary to accomplish things," said Smith, "and then made sure that people in that environment acted like they gave a damn."

George Halper of McAnany Van Cleave & Phillips did his homework, as well. What he gathered from the Mid-America Regional Council was that Kansas City had been lagging behind the national norm in job growth but had caught up in the past year, especially in Johnson County.

"We hope it's turned the corner," said Jim Oliver, partner in charge of the Kansas City office of Foulston Siefkin. He observed that Kansas City historically does not get hit as hard as some other areas in bad times, but in the good times bounces back a little slower. That trend held true in the most recent recession, but now Kansas City is seeing more business transactions, more money available, more deals being done, and more developments being built.

Denise Drake of Littler Mendelson provided specific numbers. New companies coming into the Kansas City area in 2012 brought 520 new jobs. In 2013, they brought 2,081 and in 2014, that rose to 2,878. "That to me," said Drake, "is at least encouraging to have numbers going up instead of staying stagnant or going down."



1. Jeff Simon launched the conversation with a forward-looking query: What's the next big thing for Kansas City? | 2. Whatever is to come, said Perry Brandt, the legal community in this region needs to assume some ownership. | 3. Pete Smith argued that without a foundation for business growth, we won't see it. | 4. Denise Drake offered statistics that demonstrated a pronounced surge in the numbers of jobs created by companies moving into the region over the past three years.

"It is very much a net gain and it's not just a change in traffic patterns," said Rudy Beese of Dentons, who has worked with numerous companies on relocations and consolidations. He believes the key to the area's success is its ability to retain those companies that want to be here.

Given her specialty in animal health, Joan Archer of Husch Blackwell had a more focused take. She reported seeing a great deal of interest in the Kansas City area at animal-health events and trade shows and with good cause. "Kansas City," she noted, "has now become a centerpiece of animal health in North America, if not quickly becoming one around the world."

Ed Marquette of Kutak Rock affirmed that the growth in the animal-health sector appeared solid, but he was not as satisfied with Kansas City's ability to draw companies and individuals disaffected

with Silicon Valley.

Trent Webb of Shook, Hardy, & Bacon was more bullish about the area's reputation in tech circles. "I can see the perception of Kansas City changing," said Webb. "It used to be flyover country, a bunch of hayseeds, and that used to be a major obstacle." He expects to see some major growth in the future.

"We don't give enough credit to how other people perceive us," said Norm Siegel of Stueve Siegel Hanson. From what he has observed, that perception has improved steadily, especially with regard to entrepreneurship.

Gary Anderson, president of Gilmore & Bell, singled out the automotive industry for its contribution to area growth, specifically the "tremendous investments" by Ford and General Motors. This has led in turn to a number of large parts suppliers moving into this region.



1. Gary Anderson noted the impact that vehicle manufacturing, in particular, was having on the regional economy. | 2. What's needed immediately, said Pete Heaven, is more Class A office space in the area. | 3. Wesley Fields tracked the changes in development rates to changes in the Kansas City mayor's office. | 4. Roughly 30 development projects are taking place in Downtown Kansas City, with an aggregate value of about \$750 million, said Dave Schatz.

"The industrial market in this town for the first time in 20 years is exploding," confirmed Chase Simmons, the real estate practice group chair at Polsinelli.

"I think there's some good news and bad news," said Lathrop & Gage's Pete Heaven. The bad news, as he sees it, is the dearth of Class A office space. The good news is the area's evolution as a transportation hub with the development of multimodal hubs in both Kansas and Missouri.

"Recently, you've see the growth and construction Downtown," said Scott Kreamer, managing partner at Baker Sterchi Cowden & Rice. "I don't know that it's necessarily generated the jobs yet, but perception can tend to lead to reality."

That reality has already set in at the law firm of Littler Mendelson, which is moving the back office for its global labor law practice to Kansas City and as many as 275 new jobs. As Denise Drake noted, the city scored high on livability and centrality.

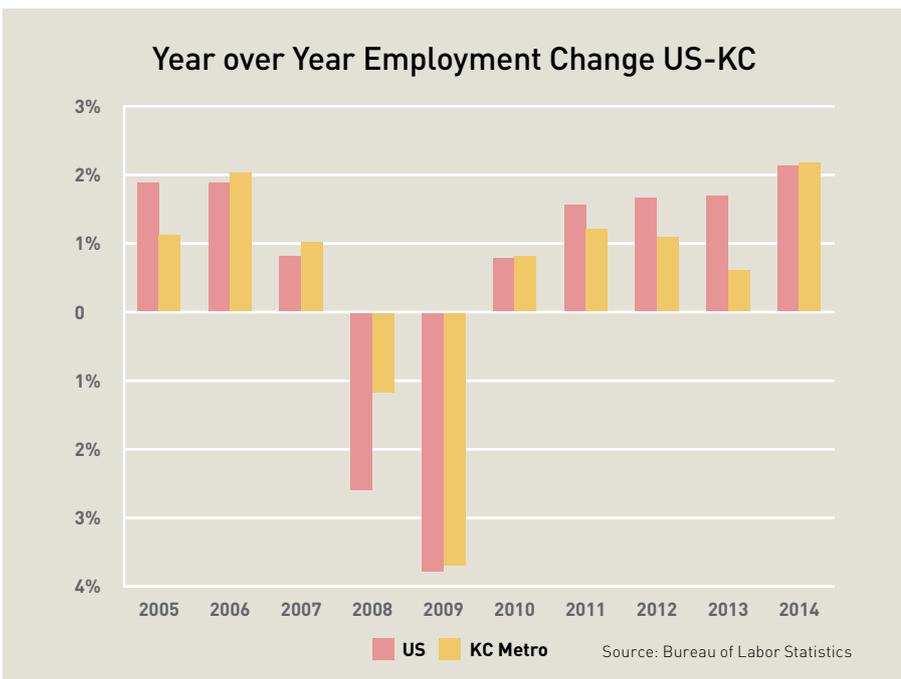
**Downtown**

Jeff Simon observed that when he came to Kansas City in 1988, Downtown was in steep decline, and by the mid-1990s, the area was pretty desolate. The city then invested heavily in the Sprint Center and the Power & Light District, and other development followed. Simon wondered where this was all heading.

Wesley Fields traced the recent development history through a shifting political lens. Mayor Kay Barnes worked to revitalize Downtown. Mark Funkhouser retrenched to focus on basic services, just as the economy was retrenching, as well. And Mayor Sly James has once again focused to a large extent on entertainment and conventions and raising the level of attractiveness of KC to the outward community.

James has also focused on job growth. "You see an administration that's very focused on being part of that, not letting that pass Kansas City by," said Fields. "That's where I continue to see the direction for growth in Kansas City, particularly in the political climate at hand."

"I think we are headed in the right direction," said Charles Renner of Husch Blackwell. He believes that the significant investment in market rate, multi-family housing



and transportation among other things has helped the city attract 25-34 year olds.

Dave Schatz of Spencer Fane Britt & Browne works Downtown and can't help but notice the change. "There's people," said Schatz. "Young people walking the street going to lunch, going to grocery stores. I think that's a good thing." He noted that there are now 30 new renovation projects worth three-quarters of a billion dollars going on Downtown. "Everything's trending, at least in my view, in the right direction," said Schatz. "So the real question is, where do we take it and what happens next?"

Ten years ago was a different story, observed Gary Anderson. "You would have had a drain of the so-called creative class. They viewed Kansas City as kind of a suburban community surrounding a Downtown and a Plaza."

Chase Simmons referred to the initial investment as "priming the pump," adding, "It really has worked." He noted that virtually every single building in the Crossroads and River Market areas had been redeveloped by smaller companies.

"The next Cerner's probably down there. The next Sprint is down there somewhere. The employees are finding places to live," said Simmons. "I think [the initial investment] is coming back tenfold. I think things are working well."

Jeff Simon spoke to the need for a high-tech company like Cerner to continue to meet marketplace needs. "They understand that in order to make that work, they have to attract the talent they need," said Simon. He cited Cerner's LiveKC program as an example of helping make the city as attractive to young people as the Austins, Portlands, and the other hot tech centers. "If we want to continue to attract young talent to our firms, we need to have a place for them to live."

"I saw recently somewhere that Kansas City is the next Portland," said Trent Webb. "I think we really are poised to see just explosive growth." Of additional benefit to growing a business in Kansas City, he believes, is that its professional firms offer services that can compete with anyone at an excellent price because of the area's overhead structure.

Ed Marquette was not quite so sanguine. He noted that Kansas City had improved its

"hip factor" considerably, but he cautioned against complacency, adding that when it comes to recruiting out-of-state companies, "I'm not sure we are quite on the short list for Silicon Valley."

### Recruiting Young Attorneys

Perry Brandt observed that law students Bryan Cave once lost to New York or Washington are now coming to Kansas City. He wondered whether others were having the same experience.

Rudy Beese confirmed Brandt's observation "with the possible exception that a lot are drawn to transportation-oriented development, and there probably isn't as much of that here as we'd like to see or could see in the future."

"Part of that is the function of the job market," Jeff Simon said of Kansas City's increased viability. He argued that law school

students are not getting the offers in the cities they used to because the jobs aren't there. Still, he had to admit that both in terms of the top-flight talent and diversity, Kansas City is proving much more attractive. "If you can create the environment where folks feel welcome to move to," said Simon, "it just builds on itself."

"I think there's a different understanding of what it means to be a young lawyer in those coastal firms," said Norm Siegel. "I think there's a trend that has resulted in a fairly significant job market for lawyers coming in from law school and clerkships."

Trent Webb suggested that making money is no longer the number one priority for young attorneys. "When they come to Kansas City," he noted, "they see so many awesome things besides the firms, and they see so many things they can do and their families can do."



1. The region's ability to attract young lawyers could be stronger, Rudy Beese suggested.
2. Ed Marquette said any "hip factor" Kansas City is enjoying now needs to be nurtured, or it will be lost.
3. Kansas City, said Trent Webb, is poised for both significant growth and a better image among Millennials nationwide.
4. Norm Siegel said his connections with lawyers nationwide tell him that respect is growing for the Kansas City transformation.

Norm Siegel pointed out that Stueve Siegel Hanson's last three recruits came from San Francisco, Dallas and Chicago. He traced their willingness to move to Kansas City to the area's relative livability, certainly in comparison to coastal centers. The fact that law-school admissions have been declining may, however, tighten the market in the near future.

### The Airport

Perry Brandt asked about the impact of the existing airport on our current job situation, and what might the impact of a new airport be.

"Something needs to be done," said Pete Smith. For those flying into Kansas City, he argued, KCI is a "bottom-rung" airport. "The [city's] image sure isn't helped by having that behind us for the people traveling

through," said Smith, who was dismayed to see the airport turning into a major political issue.

The dilemma the city faces is that the residents of the area love the airport's convenience and easy accessibility. "I thought this was a republic, not a democracy," said Smith. "The people in government need to do this for us. They need to strike out and get us something that's good."

"I feel the same way you do, Pete, when I go to a nice airport," said Chase Simmons, "but the more important thing is where the direct flights go." Simmons argued that planners should start with the airlines and determine their needs.

As much as Trent Webb loves the convenience of KCI, he believes "the first impression is really important, and it's terrible. It's one of the worst airports you can go to." He

was not sure a new airport would increase traffic, but it would significantly improve first impressions.

"I've always loved it because of its convenience," said Jim Oliver, but he sensed that the uncertainty around KCI's future was causing an unwillingness to invest in basic upkeep. "There is a point, and I think we're there," said Oliver. "We just have to do something."

"I don't agree with any of this," said George Halper. "I think our airport is very convenient. I don't think anybody wants longer lines and more aggravation." He conceded the need for technological improvement, but he refused to believe that visitors would not want to come here because of the airport.

Said Halper, "I can't imagine people coming here and going, 'This is terrible. I got off the plane and somebody drove up and picked me up, and I put my bags in the car and we went to the Plaza.' I don't see that as a problem."

### Public-Private Partnerships

Jeff Simon cited the role of a public-private partnership (P3) in the building of the city's "crown jewel," the Kauffman Performing Arts Center. He questioned how successful the Kansas City area was in creating these kind of opportunities.

Charles Renner saw an opportunity with Southwest Airlines, whose work with public entities on Love Field in Dallas might be a "workable model." The presence in the city of so many major architecture and engineering firms here also boded well for such opportunities.

"We need to get ready for P3," said Rudy Beese, "because it's coming, because it brings with it finance, it brings capital, which are two really important components."

Gary Anderson cautioned that the numerous jurisdictions in this metropolitan area made coordination and cooperation difficult. "Every mayor likes to see the red truck with their city's name on the side of it," said Anderson, "but every citizen, all they care about is, when they dial 911, the red truck shows up to put out the fire. They don't care whose truck it is."

As Wesley Fields observed, one factor that influences all corporate decision mak-



1. Chase Simmons said discussions about a better airport should start with airline officials themselves. | 2. Jim Oliver said it was clear that additional maintenance was needed at KCI. 3. Public-private partnerships, said Charles Renner, can advance large-scale infrastructure projects, like new airports, that taxpayers don't want to shoulder alone. | 4. George Halper said he felt that concerns about the quality of travelers' experiences at KCI were overblown, and that convenience should matter when policy-makers ponder the fate of the airport.

ing is just how efficiently the company can work with local government in completing the project at hand. “That’s huge,” said Fields.

### The Role of Law Firms

“I think our biggest historical impediment has been the two state lines, the five counties and the river. That’s created diffusion of political power,” said Perry Brandt. But he believes the current political and economic environment to be opportunity-rich, and he raised the question as to what law firms could best do to stimulate it.

“Most jobs are created by businesses that are already here,” said Gary Anderson. Lawyers can help create an environment, local and state, in which a company wants to expand. This means the right kind of tax policy, the right kind of work-force training, and the availability of work force.

Anderson shared a story about one of his firm’s clients, a large welding operation. Unable to find enough available welders, the company started a program that trains non-violent ex-convicts to become welders. “Everybody wants their kids to go to college,” said Anderson, “but there are a tremendous number of manufacturing jobs going unfilled because we don’t have enough people that are skilled in those trades.”

As a way of improving the educational environment, Baker Sterchi has partnered with Garfield Elementary School. “People want to get involved,” Scott Kreamer noted. “They want to make a difference in the community, and this is a nice opportunity for us to give back and help the educational process.”

Lathrop & Gage has a distinctive strategy in place to encourage local growth. “We have always been very aggressive about Kansas City,” said Pete Heaven. “We’ve decided in the real estate group to start spreading the word about Kansas City to our other offices.” The object of the exercise, he explained, is for the firm’s lawyers in Los Angeles, say, to be able to speak intelligently about Kansas City to a client that wants to expand.

Anderson observed, too, that it helps to show appreciation to those firms that either come to the area fresh or expand their operations here. In the way of example, he told of how the mayor of Olathe personally



1. The rise of the animal-health corridor, said Joan Archer, is increasingly putting Kansas City into business-expansion conversations around the world. | 2. Scott Kreamer said his law firm hoped to do its part in bolstering public education by forming a partnership with Garfield Elementary School. | 4. The assembly filled Husch Blackwell’s conference room with prominent development lawyers and litigators.

thanked the president of a large national company for opening a facility in that city, and he stunned the president in so doing. “We have 50 facilities around the country,” said the grateful president, “and we have never heard anybody ever say that.”

“It’s really important for us as lawyers to see that the growth really does happen with companies that are already here,” affirmed Denise Drake. Law firms should work with those companies, encouraging them to continue to grow and bring people here. Importantly, too, lawyers have considerable contact with political leaders and should use that contact to influence pro-growth legislation.

One role for attorneys, Charles Renner suggested, is to help companies and local jurisdictions work through the regulatory environment to welcome that new progressive tech. He cited Google Fiber as

an example of a case in which there were a number of legal issues with several communities that needed to be resolved expeditiously. He sees a major role for law firms in updating regulatory structures to accommodate growth.

“It’s also important for us to encourage a set of policies on both sides of the state line,” said Rudy Beese. Beese acknowledged the “political hazard” that goes along with such involvement, but he thought it worth the risk. “I don’t think there is enough recognition of the fact that we’re competing outside of the Kansas City area,” he said.

“It seems to me the lawyers always emerge as leaders in these situations,” said Perry Brandt in conclusion. “So to the extent we’re talking about growing the community and the economy here, we all kind of own this and should be very active participants in the process.” **I**