
Economic Development in Columbia

Columbia City Council Winter Retreat
12-12-09



Regional Economic Development, Inc.

Today's Discussion

- Columbia Strategies for New Jobs by:
 - Attraction/Retention & Expansion
 - Technology Based Economic Development
 - Start-ups/Entrepreneurship
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Strategy Purpose

- Jobs...Investments are Key Priorities!
 - Improve ability to recruit/retain jobs
 - Develop stronger synergies with University to promote business development opportunities in Columbia
 - Both university and non university related

What do we need to do to---
MOVE TO THE NEXT LEVEL

Basic Jobs

- To understand the importance of business financing assistance, we must understand what sets basic employers from other types of businesses/organizations. A basic employer to the Columbia community is any entity that sells goods or services outside of the Greater Columbia economic region.
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Economic Development Definition

- What is Economic Development?
 - “Economic Development can be defined as a program, group of policies, or activities that seeks to improve the economic well-being and quality of life for a community by creating and/or retaining jobs that facilitate growth and provide a stable tax base.”
 - Technology-Based Economic Development
 - “Importance of knowledge to economic transitions has made science and technology key components of economic growth a critical concern of states and communities across the country”
 - “Competitive communities in this knowledge-driven-economy can develop, transfer, commercialize and deploy advanced technologies”
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Competition

- Whether the project is an *Attraction* or *Retention/Expansion* project: we are nearly always in competition.
 - Competition may be with other facilities at other locations in the same company
 - Competition may be for limited capital investment dollars within the company
 - Competition may be with other communities for the site location
 - Attraction
 - Extremely competitive: Over 11,000 economic development organizations
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Public Sector – Business Financing Assistance and Incentives – WHY?

- Encourage new business investment
 - Encourage job creation or retention
 - Increase local and state tax base
 - Improve local economic conditions
 - Target: specific industries or market segments, geographic areas, minorities or low-income
 - Competition among alternative sites
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Some Examples of Business Assistance

- Help fill the “capital gap”
 - Lower the cost of lending (*lower interest rates*)
 - Lower the risk (*with guarantees, subordination*)
 - Reduce taxes
 - Chapter 100 Policy
 - Fund infrastructure, site work, buildings, equipment, etc.
 - Training assistance, technical assistance
 - Reduce operating costs e.g. Business Incubator
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Develop Strategies:

Jobs & Investments for Columbia

- Develop Master Development Policy
 - Target Columbia Advanced Manufacturing/Technology Zones
 - Comprehensive package of development tools for targeted areas
 - County to take lead subject to City Council approval

 - Primary Target Areas
 - Route B Industrial Corridor
 - Discovery Ridge Research Park
 - CAJF Mid-Pointe Business Park

 - Secondary Target Areas
 - Reviewed for Similar Concepts
 - Downtown/other areas in community where council desires to encourage new investment
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Develop Strategies

- Retail Development to be excluded from development priorities/strategies
 - City partner with County on comprehensive development plan
 - Electric Transmission Rate
 - State legislative agenda
 - Request Columbia legislators to introduce legislation to provide benefits to “Certified Industrial Sites” in Missouri
 - Support **Missouri Jobs For the Future**
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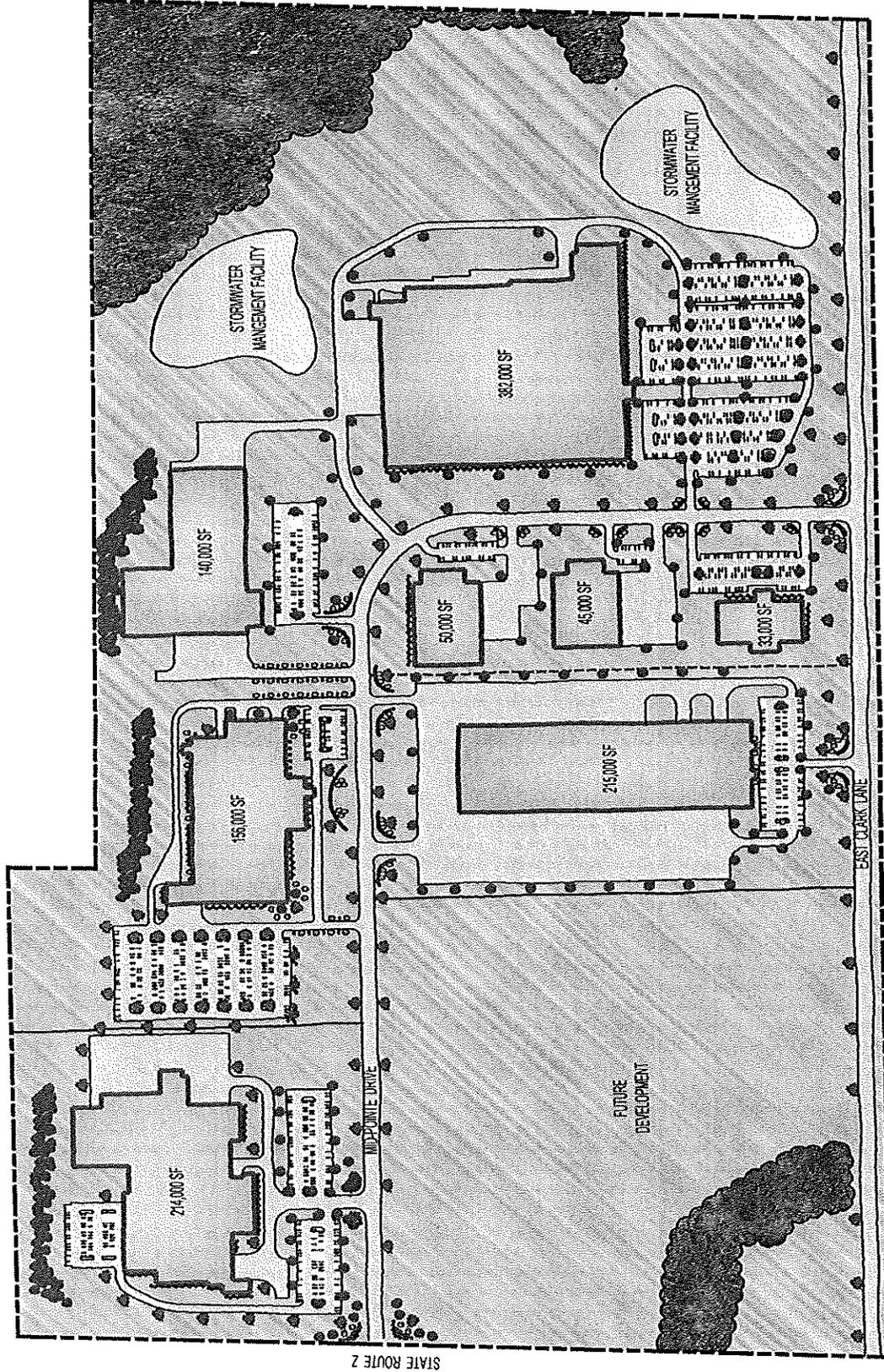
Shovel Ready Sites

- Route B – Ewing Site – Private
 - CAJF – Located in unincorporated Boone County -- Rangeline and I-70
 - Discovery Ridge – University Controlled
 - City of Columbia Site
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CAJF Property



MID-POINTE BUSINESS PARK



STATE ROUTE 2

CRACKETT
ENGINEERING CONSULTANTS
10000 N. 10th Street
Phoenix, Arizona 85021
602-998-4949
www.crockett-engineers.com

redt & CAJF
Columbia Area
Jobs Foundation

Discovery Ridge



12/1/2009

Mr. Geoffrey V. Henrikson, Trustee
Harold Lee Henrikson Intervivos Trust
15 Monticello Avenue
Piedmont, CA 94611

Dear Mr. Henrikson:

Thank you for discussing the sale of your family's property on north Route B with me over the past several months. Over those months we have managed I believe to agree on several issues, which by acknowledging below, we can use to proceed to a purchase agreement. The buyer which I represent, the City of Columbia, MO, and it's City Manager in particular, would like to have an agreed upon letter describing the business terms of an eventual purchase agreement in order to begin discussions with the City Council of the City of Columbia. Towards that end, I am sending you this letter describing terms agreed upon by you and the City to date, and asking you to acknowledge by signing below. Once acknowledged by both parties, the City Manager will advise the City Council of status of negotiations and seek authorization to proceed to preparation of a purchase agreement.

Subject Property: 214 acres m/l located generally northeast of the intersection of State Route B and Waco Road, in the City of Columbia, Missouri, and as depicted on the attached tax assessor aerial map. The property is described as two separate tax parcels-a 114 acre parcel comprising the western part of the property, and a 100 acre parcel comprising the eastern part of the property.

Purchase Price: Four million dollars (\$4,000,000.00)

Process: It is the City of Columbia's intent to acquire the property and make it available to end-users that are industrial/light industrial in nature and whose presence enhances the employment opportunities and tax base of it's citizens. The parties (City of Columbia and the Henrikson Trust) agree that upon execution of purchase agreement(s) and option to purchase agreement(s) the City of Columbia will pay to the Trust (Seller) the sum of One Million Dollars (\$1,000,000) in exchange for fee simple interest in the eastern 100 acre parcel. Closing will be subject to, but not limited to, normal contingencies concerning title, environmental issues and survey.

Once this letter is acknowledged by both parties, the City Manager will advise the City Council of status of negotiations and seek authorization to proceed to preparation of a purchase agreement for your consideration. However, this letter itself is not intended to be an offer to sell, offer to purchase or purchase agreement, and it is not intended to bind either party to the sale or purchase of the property.

The Seller will grant the City of Columbia (Buyer) an option to purchase the balance of the tract (114 acres m/l) for a period of 5 years. The sale price, at the exercise of the option to purchase, will be established at Three Million Dollars (\$3,000,000.00)

Option Agreement Terms:

1. The City shall have the right to acquire the property at any time during the five year option period.
2. There shall be a cost to the City of Columbia for the option of \$500 per year, and the option shall be for a term of 5 years.
3. The City agrees to purchase the property no later than the end of the 5 year option period.
4. The Trust (Seller) shall have the right to use the 114 acre tract for agricultural purposes.
5. The City (Buyer) shall have the right to rezone, subdivide, extend utilities to and market the property for its purposes.
6. The City shall have the right to exercise its option on no more than one-half of the property before it must acquire the entire property. In other words, the City will not be required to close on the entire tract, unless it is selling more than one-half of the tract to another party.
7. The City shall be responsible for the costs of utility extensions to the property.

Sincerely,

John Hancock

John Hancock

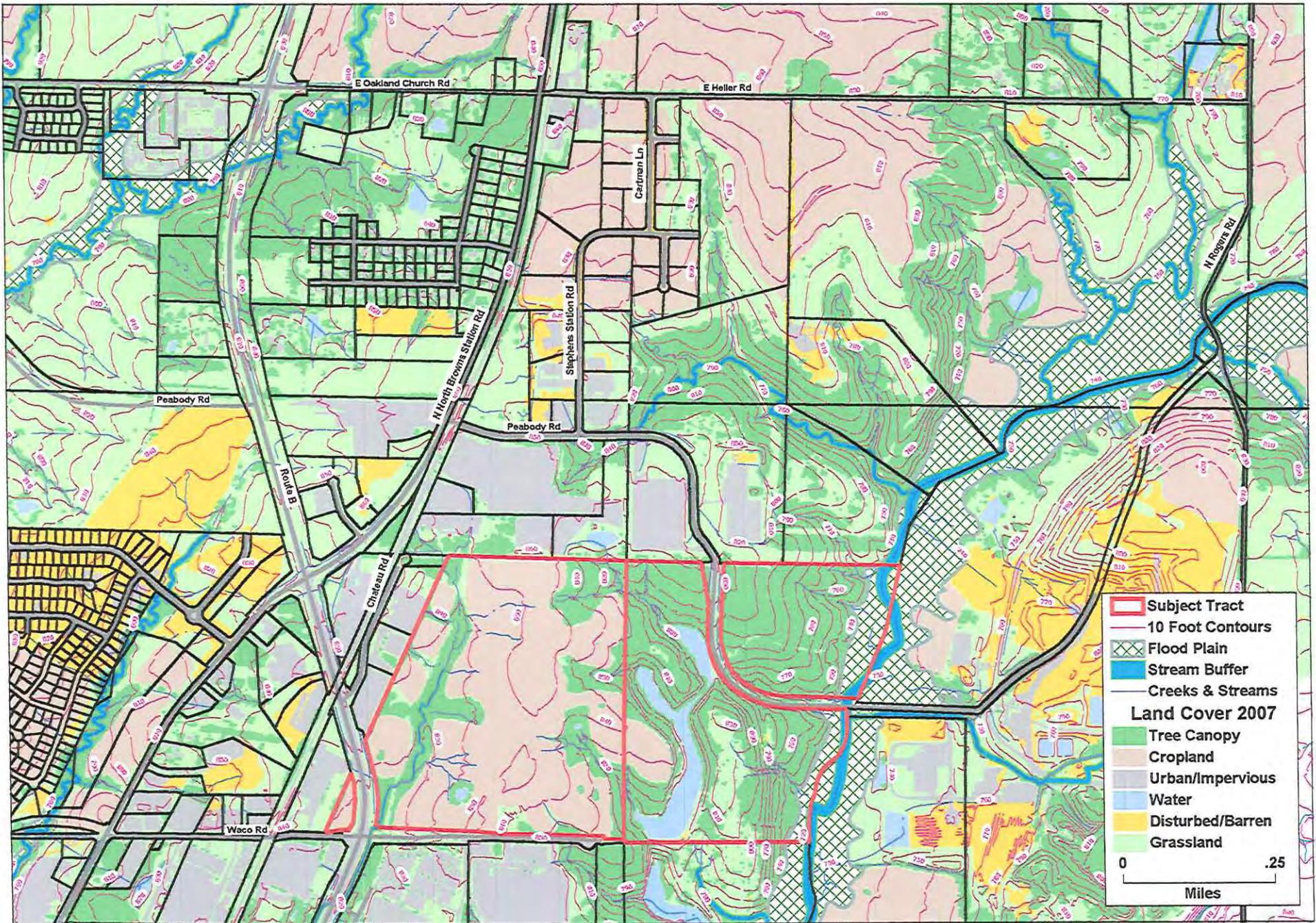
Acknowledged:

By: *Jeffrey V. Denmark*
For the Henrikson Trust

Acknowledged:

By: _____
For the City of Columbia, MO





	Subject Tract
	10 Foot Contours
	Flood Plain
	Stream Buffer
	Creeks & Streams
Land Cover 2007	
	Tree Canopy
	Cropland
	Urban/Impervious
	Water
	Disturbed/Barren
	Grassland
0 .25	
Miles	

Draft Legislative Proposal

21st Century Jobs for Comprehensive Clustered Development
(Certified Industrial Site Program)

■ **Purpose**

- Create a comprehensive state and local incentive program that will provide a competitive platform to attract knowledge-based businesses and quality, twenty-first century jobs to targeted areas with the capacity to accommodate the unique demands of the twenty-first century user.

■ **Target Area**

- The target site will include: an area designated by the local County or City that is either i) a blighted area or ii) an area in jeopardy of becoming blighted under one or more of the current economic development statutes that also includes an area *not less* than 100 acres that has been designated as a Certified Site by the Missouri Department of Economic Development.
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Legislative Proposal

21st Century Jobs for Comprehensive Clustered Development (Certified Industrial Site Program)

■ **Benefits**

■ **State Revenue Sources.**

- 50% of the incremental state revenue generated from the construction and business activity within the target area for up to 30 years, such potential sources to include the incremental increase in state income tax withholdings attributable to any new jobs created within the target area and the incremental increase in state sales use taxes attributable to any economic activity in the target area including without limitation, construction purchases and any taxes attributable to utilities, if any.
- It is proposed that the state revenues be available i) to provide a source of direct reimbursement on any pre-qualified costs and accumulated interest on such costs as such sources or state revenue are available, ii) to pay debt service on bonds or other forms of financing used to finance pre-qualified costs, or iii) when such amounts are generated, a certificated tax credit can be issued to the applicant that is fully assignable and refundable.

■ **Local Revenue Sources.**

- To the extent not exempted by Chapter 100, the local jurisdiction will be granted ability to capture *up to* 100% of incremental increase in personal property taxes attributable to construction and quipping a new or expanded facility in the target area with such amount used either as i) a source of reimbursement for pre-qualified costs or ii) as a direct rebate to the applicant.
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Proposed Legislation: Jobs For the Future



- Missouri needs a job creation strategy that helps its citizens, businesses and economy gain a competitive advantage in growing 21st Century Jobs for the Future.
 - Missouri has the opportunity to shift away from its past economic growth plan which is limited to helping individual companies grow and expand to a plan focused on supporting, investing in and nurturing targeted business clusters that are already present in Missouri and which provide leverage for Missouri-based amenities.
 - The state should provide a legislative tool that encourages and promotes partnerships and investment to achieve global competitive advantages that are sustainable beyond individual companies.
 - Partnerships and investments between higher education, public and private sector institutions will encourage the use of resources and investments to stimulate the growth of regional and statewide business clusters, innovation, and commercialization spanning entire business sectors within Missouri's targeted business clusters.
 - The enabling legislation creates a state sales and income tax tool that can be used for strategic capital investments by local governments in land and infrastructure assets that are the first step and foundation necessary to attract and grow knowledge-based jobs and investment.
 - It will also link shared areas of focus and interest between education, public and private sector employers in one or more of Missouri's eight targeted business clusters geared to creating knowledge-based Jobs for the Future.
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How Cities Can Support Second-Stage Companies to Grow Local Economies

by Katie Seeger

This is the fourth article in a series focusing on entrepreneurship and small business development. This part focuses on strengthening local economies through support of second-stage companies.

Slowly building momentum over the past 20 years, economic development policies in cities are shifting from the primary goal of attracting new companies to also focusing on growing local assets. This economic development concept, commonly referred to as economic gardening, strives to create an entrepreneurial culture where local businesses can begin, grow, and prosper.

Support, *from page 1*

increases the likelihood that a company will not relocate to another city.

Penny Lewandowski, director of entrepreneurship development at the Edward Lowe Foundation — which is dedicated to supporting economic and community growth through entrepreneurship — outlined efforts local elected leaders can take to encourage and support second-stage companies:

“Think of the resources and efforts your city invests to attract outside businesses, and then ask what efforts you are doing to support the needs of businesses that are already in your area,” she said. “Cities need to make

Slowly building momentum over the past 20 years, economic development policies in cities are shifting from the primary goal of attracting new companies to also focusing on growing local assets.

per. An important part of an economic gardening strategy is supporting second-stage companies.

Second-stage companies are commonly defined as companies with 10 to 99 employees and/or \$750,000 to \$50 million in receipts and are in the revenue-generating phase. These businesses are no longer in need of the traditional small business services offered by cities, like business plan writing, but

instead need opportunities like networking with other second-stage companies that share similar issues and challenges.

For cities, supporting these companies can be very important to their local economies. As these businesses grow, they can create more jobs and add to a culture of entrepreneurship. Establishing strong local ties also *see page 10, column 1*

“Think of the resources and efforts your city invests to attract outside businesses, and then ask what efforts you are doing to support the needs of businesses that are already in your area. Cities need to make sure they are focusing on both sides of the equation.”

— Penny Lewandowski, director of entrepreneurship development at the Edward Lowe Foundation

sure they are focusing on both sides of the equation.” According to Lewandowski, local leaders have the unique ability to help create a culture of entrepreneurship by championing second-stage companies and sharing success stories. In most cities, ribbon cutting happens when a new business opens, but what can a city do to

celebrate the successes of locally grown businesses that are prospering?

In addition, Lewandowski stressed, that cities need to make sure city policies support their local businesses and do not hinder growth.

For example, a city could form a task force with the local chamber of commerce and

other stakeholders like regional technology councils to better understand the needs of local businesses and make sure policies are supportive of an entrepreneurial culture.

As cities strive to support local businesses, it is important to first have an understanding of local industry make-up. To help, The Edward Lowe

Foundation has created a tool to help cities access in-depth information about their business communities. The free tool allows users to access data about businesses and jobs at the state, metropolitan statistical area (MSA), and county levels. To learn more, visit www.YourEconomy.org. To learn more about the Edward Lowe Foundation and second-stage companies, visit www.edwardlowefoundation.com.

Details: To learn more about NLC’s Center for Research and Innovation’s work on finance and economic development issues, contact Christiana McFarland at mcfarland@nlc.org or Katie Seeger at seeger@nlc.org.

