

ECONOMIC DEVELOPMENT TOPIC GROUP
SUB-TOPIC – ECONOMIC DEVELOPMENT
FINAL REPORT – PART 1

Over the course of the past six months, the Economic Development sub-topic group has met on a regular basis to explore new avenues for encouraging business and economic activity in Columbia and the region as a whole. Although many points of view were expressed during these extended discussions, there was solid consensus on the fact that this topic group is named Economic Development, not Economic Discouragement, and that the output of this committee should be pertinent to and supportive of measures that would expand rather than hamper economic opportunities.

By virtue of that fact, the Economic Development sub-topic group adopted a primary goal that states simply, “Columbia will attract, retain and encourage the growth of new businesses by establishing a business-friendly climate, enhancing regional economic partnerships and promoting reciprocal business relationships.” This is a broad goal, but one that encompasses many of the specific topics that were brought up during the course of our meetings.

In an effort to give more specific attention to city policies and practices that directly affect the economic climate of our city, this sub-topic group further identified three priority strategies that could lead to a more positive business climate in Columbia.

Those three priority strategies were defined as: 1) Promote positive attitudes toward economic development; 2) leverage unique local and regional advantages and assets; and 3) promote entrepreneurialism. Each of these priority strategies has been examined and vigorous discussion on each topic has now resulted in the identification of numerous specific action steps that should be taken. Although each of the action steps was not always unanimously endorsed, the steps listed here do reflect the consensus of the group in terms of the areas that should be addressed.

We specifically tried to stay away from areas that went beyond the scope of our sub topic group. For instance, our group did not take a position on new housing development in this town, even though that is certainly part of the economic activity of this community. Instead, we focused on new business development and left the other for the Development Topic Group to wrestle with. Although both may share some of the same frustrations or problems, our recommendations come from the point of view of business creation. Similarly, we make very little mention of issues related to transportation (with the exception of our sister sub-topic group, Airport), the environment, the arts or education. While we did not make our recommendations in a vacuum, we felt that proposals relating to those topics will be forthcoming from other topic groups.

In those instances where different interests collide, we took the position that we think best promotes the development of new economic activity, but that could accommodate

some competing interests. A good example of this approach is our recommendation that some environmental groups try to identify alternative sources of funding for public amenities such as parks and trails that are not related to new development fees or increased taxes. This does not indicate opposition to the creation of those amenities, but it does recognize that currently much of the funding for these projects is incurred by new business projects or increased taxes – both of which tend to discourage rather than encourage new business formation.

Inevitably, there will be some overlap with other topic groups, and even some within our own subtopic groups. In some instances, our recommendations may be diametrically opposed to ideas expressed by other groups. That is an unavoidable outcome from this process that is so segmented on so many levels. However, the notes from our third meeting indicate that there are currently too many existing policies and attitudes in place that hamper rather than promote an expanded economic development climate, and that changing those attitudes should be kept in the forefront of our deliberations and recommendations. That is what we have done here and is reflected in the content of our report.

We strongly believe that this commentary should accompany our final report to add some level of understanding to the work we have produced and to validate the fact that these recommendations have been met with a high degree of consensus.

Three action plan reports accompany this document, along with a “Natural Advantages” worksheet, as the work product of our subtopic group.

C. Community Resources Scan Reporting Form – The Action Plan To be submitted

Citizen Topic Group - Economic Development Development

Subtopic - Economic

Instructions

1. One of these forms should be completed for each Final Priority Strategy prepared by your subtopic group.
2. Write the priority strategy below. Note that the wording of this strategy should match the language used on Form B: Final Subtopic Goal and Final Priority Strategy(ies) Reporting Form.
3. Answer the questions in each section of this reporting form. (Note that Part 3 is optional.) The answers to these questions serve as the Action Plan for the priority strategy.
4. This form should be submitted to your Co-Facilitator at the end of Meeting 6, or by the end of Meeting 7 at the latest. This form is also available in electronic format if you prefer. Please be sure to get the email contact information of your Co-Facilitator if you intend to submit this electronically.

Priority Strategy

Promote positive attitudes toward economic development.

1. Who should be involved?

a. Please document who should be involved in implementing this priority strategy. Focus on the most significant players, and if possible, indicate the type of roles they could play.

Who should be involved	Potential role(s)
City Council	Change city policy to allow for expanded use of business recruitment and retention incentives including Tax Increment Financing, Transportation Development Districts, tax abatement, job creation grants, site preparation and acquisition, job training funds and promotion; abandon insistence on planned zoning; revise zoning regulations to help reduce time and expense relating to property conversion; make council hearings less adversarial in nature and format; create a fast-track process for approval of new, large employer projects; proactively supportive economic development initiatives such as Discovery Ridge and other University related projects; resurrect the Columbia Industrial Development Authority Board; and approach economic

	development policy decisions with a less punitive and more supportive nature.
City staff	Work to make enforcement of business related regulations more consistent and predictable; give economic development personnel expanded discretion regarding use of incentives; and use city resources and personnel to both promote and educate the general public about the advantages of doing business in Columbia.
Business owners and employers	Use associations to develop realistic ideas relating to zoning, regulatory ordinances and use of incentives; actively support recruitment and retention of new and established companies.
Chamber of Commerce	Proactively support new business recruitment strategies including the use of incentives, tax abatements and local and state legislative measures that enable positive economic activity in this community.
Environmental and conservation associations	Identify alternative sources of funding for public amenities such as trails and parks that are not related to taxes or development fees and work proactively to secure such funding.

b. Who should take the **lead role** in implementing this strategy?

The City Council must take the lead in this strategy due to the fact that this body controls the tone and content of the policies and funding streams which govern so many of the economic activities of this community. In the instance where incentives may be granted to facilitate new business creation or retention, other taxing entities such as the public school system, library board, etc. may need to be included in the decision making process in order to achieve a consensus of support.

2. Action Steps

a. Indicate the action steps that should be taken to help position this strategy for implementation.

Action Steps:
1. Working in tandem with various stakeholders, the City Council should modernize the current zoning ordinances in Columbia.
2. City Council should pass a resolution supporting the use of incentives of various sorts, including Tax Increment Financing, Transportation Development Districts, etc., for various economic development projects.
3. Establish a fast-track procedure for the approval of new economic development projects.
4. Take a go-slow approach to enacting new regulations that substantially increase costs and time for new business development projects or that create significant economic hurdles for small business owners.

b. What should be done first in order to **jumpstart** implementation efforts? If possible, indicate who should take the lead in jumpstarting implementation.

Again, because so many aspects of economic development are directly tied to the action of the City Council, they must take the lead in reestablishing themselves as leading supporters of economic development and job creation in this community. Many of the previous action steps can be implemented nearly immediately. Others, that require recodification of existing rules and policies will take a much longer period of time, but the announcement of a consensus desire by the council to achieve these goals could jump start the process.

3. Measuring Success (optional)

As the Columbia community works to implement this strategy, how will we know if we're on the right track? Please document any indicators and/or significant benchmarks that could be used to help measure progress in implementing the strategy.

Indicators and/or Benchmarks:
1. Identify the level of business activity in the Columbia area. Indicators could include new business start-ups, sales tax receipts, job growth or loss – all typical economic indicators. It would also be interesting , if anecdotal, to measure how many new business projects are seeking various approvals or use of incentive programs from year to year.

C. Community Resources Scan Reporting Form – The Action Plan

To be submitted

Citizen Topic Group-- economic development development

Subtopic-- economic

Instructions

5. One of these forms should be completed for each Final Priority Strategy prepared by your subtopic group.
6. Write the priority strategy below. Note that the wording of this strategy should match the language used on Form B: Final Subtopic Goal and Final Priority Strategy(ies) Reporting Form.
7. Answer the questions in each section of this reporting form. (Note that Part 3 is optional.) The answers to these questions serve as the Action Plan for the priority strategy.
8. This form should be submitted to your Co-Facilitator at the end of Meeting 6, or by the end of Meeting 7 at the latest. This form is also available in electronic format if you prefer. Please be sure to get the email contact information of your Co-Facilitator if you intend to submit this electronically.

Priority Strategy

Leverage Columbia's natural advantages-- MU, Columbia's location and environment, and Columbia's people-- to best advantage in fostering economic development.

1. Who should be involved?

a. Please document who should be involved in implementing this priority strategy. Focus on the most significant players, and if possible, indicate the type of roles they could play.

Who should be involved	Potential role(s)
Business leaders	Make the case for economic development and its necessity to the health of the city.
MU's leaders, particularly those involved with economic development	Make the case that MU's highest and best work synergizing research and economic development is in biotech and related areas, and defuse objections.
City leaders and representatives	(a) Help make the case for economic development in a manner that is respectful of the values of Columbians; (b) facilitate development of land in appropriate areas (such as Discovery Ridge but don't stop there).
Neighboring towns, cities, and counties	Seek out, create, and facilitate joint economic efforts.

b. Who should take the **lead role** in implementing this strategy?

Columbia's business leaders. What we have now is not a dialogue, but a restatement of positions. Our business community needs to get out of its comfort zone if it wants to change hearts and minds.

2. Action Steps

a. Indicate the action steps that should be taken to help position this strategy for implementation.

Action Steps:
Prepare information, documentation, and argument to take the case for economic development (in a manner appropriate to Columbia) to outside groups.
Promulgate this information in several formats (e.g., website, printed matter, seminars at library, others).
Create an ongoing dialogue between the business community and groups not traditionally involved with or supportive of economic development activities.
Take active steps to preserve and grow Columbia's I-70 corridor as an economic engine.

b. What should be done first in order to **jumpstart** implementation efforts? If possible, indicate who should take the lead in jumpstarting implementation.

Create coherent and consistent arguments for economic development and how it can be done in a way that respects Columbians' values, emphasizing the admirable qualities of communities such as Austin, the North Carolina Research Triangle, and Madison, that have benefited from the synergy between research universities and economic development.

3. Measuring Success (optional)

As the Columbia community works to implement this strategy, how will we know if we're on the right track? Please document any indicators and/or significant benchmarks that could be used to help measure progress in implementing the strategy.

Indicators and/or Benchmarks:
Monitor new and existing businesses to determine the extent to which these natural advantages have benefited economic development.

OUR NATURAL ADVANTAGES

1. MU

What makes it a natural advantage?

- It's the only public research university in Missouri. In that regard...
- It already has Tier 1-level research facilities for medicine, engineering, and the sciences, among other disciplines
- It has a 165+ year history of being the leading trainer of Missouri's doctors, lawyers, businesspeople, artists, and other college graduates
- It has the most extensive network of alumni of any Missouri university, an advantage for summoning financial and other support
- As a university of its size and stature, it attracts intelligent, ambitious academics, researchers, and students

What can be done to leverage this natural advantage?

- Implement a campaign to educate citizens, both locally and statewide, as to the multiplier effect that a major research university can create in an economy, as well as to the inherent advantages MU can bring, if allowed to pursue these goals in the areas in which it can naturally lead, i.e., agriculture, biotechnology, and medicine. Austin, the North Carolina Research Triangle, and Madison are concrete examples where the synergistic effect of a research university energizes the surrounding economy.
- Ensure that city and county governments contribute to enterprises such as Discovery Ridge where possible, and not present needless interference otherwise.

2. Location and environment

What makes these natural advantages?

- Centrally located both in the state and the country
- On a major transcontinental interstate highway
- Within two hours' drive of the seat of State government, Missouri's two million-plus metropolitan areas, and the most popular recreational water area in the Midwest
- The area's natural beauty
- Venues, such as our hike and bike trails and parks, that foster enjoyment of that natural beauty

What can be done to leverage these natural advantages?

- Demonstrate knowledge of and respect for the values regarding the environment that are commonly shared in the city, and ensure that development projects be seen to respect those values.¹
- Make the city's planning, zoning, and development procedures fair, consistent, and transparent.
- Seek out, create, and facilitate joint economic efforts with neighboring cities, towns, and counties.
- Protect the I-70 corridor as a vital artery for Columbia, and encourage appropriate development along the right of way.

¹ We don't have a dialogue between the business community and the environmentalists in Columbia-- only an exchange of position statements and sniping. This must stop, and the business community should take the lead. No one's mind is going to be changed as to core values, but the choices are either dialogue and consensus or the status quo—ideological bomb-throwing and stasis.

- Encourage the development and improvement of U.S. 63.

3. People

What makes this a natural advantage?

Columbians are--

- Passionate about their community
- Well-educated
- Energetic
- Diverse

How can this advantage be leveraged?

- Make the case to Columbians that economic development and growth are *not optional* if the city is to maintain health and vitality.

C. Community Resources Scan Reporting Form – The Action Plan

To be submitted

Citizen Topic Group: Economic Development

Subtopic: Economic Development

Instructions

9. One of these forms should be completed for each Final Priority Strategy prepared by your subtopic group.
10. Write the priority strategy below. Note that the wording of this strategy should match the language used on Form B: Final Subtopic Goal and Final Priority Strategy(ies) Reporting Form.
11. Answer the questions in each section of this reporting form. (Note that Part 3 is optional.) The answers to these questions serve as the Action Plan for the priority strategy.
12. This form should be submitted to your Co-Facilitator at the end of Meeting 6, or by the end of Meeting 7 at the latest. This form is also available in electronic format if you prefer. Please be sure to get the email contact information of your Co-Facilitator if you intend to submit this electronically.

Priority Strategy

Promote entrepreneurialism.

1. Who should be involved?

a. Please document who should be involved in implementing this priority strategy. Focus on the most significant players, and if possible, indicate the type of roles they could play.

Who should be involved	Potential role(s)
To-be-formed Mayor-appointed “Entrepreneurship Advisory Council” to include representatives from City of Columbia, REDI, Chamber of Commerce, MU, University Center for Innovation and Entrepreneurship, Missouri Innovation Center, Centennial Investors Angel Network, and SCORE	To connect resources that can combine to spawn, grow and nurture small businesses to enhance the quality of life in Columbia. One aspect of this council’s work will be to be an advocate for local regulations and general climate—as well as city funding priorities—which are conducive to small growth and success of locally-grown, locally-owned businesses

b. Who should take the **lead role** in implementing this strategy?

To-be-formed Entrepreneurship Advisory Council
--

2. Action Steps

a. Indicate the action steps that should be taken to help position this strategy for implementation.

Action Steps:
Identify Best Practices. Learn from the experience of cities of similar size, especially those with a vibrant research university.
Support the Life Sciences Business Incubator: Be a proactive partner in promoting success of the new business incubator by providing direct funding (both for developing lab space and early operating costs)
Support creation and expansion of small business: The Entrepreneurship Advisory Council should assess the current environment for starting and growing small businesses (opportunities, red tape, costs, etc.) , take inventory of resources available (i.e., education, technical assistance, coaches, financing options, etc.) , and recommend ways to make Columbia more friendly to small businesses.
Support formation of high-tech startups: The Entrepreneurship Advisory Council should support the growth of <i>all</i> types of small businesses, but—because of the unique resources in Columbia—can target high-tech company formation and growth. It can be an interface among the city, the university and the business community, promoting research, technology transfer, business planning, incubation, start-up and growth capital, and an active mentor network.
Leverage MU’s commitment to economic development. The university’s addition of a fourth mission is evident in many ways: overall encouragement of research (over \$200 million annually), bold additions of faculty with high potential for commercialization success, providing infrastructure (ranging from the Life Sciences Center to other labs to enhancements to the nuclear reactor), overhaul of the technology transfer process, and commitment to build the business incubator and Discovery Ridge. The city and business community should respond with enthusiastic support.
Encourage micro-loans. Encourage growth of micro-loan programs aimed toward small business development

b. What should be done first in order to **jumpstart** implementation efforts? If possible, indicate who should take the lead in jumpstarting implementation.

Quick and visible support (including funding) to help kick start the Incubator
--

3. Measuring Success (optional)

As the Columbia community works to implement this strategy, how will we know if we’re on the right track? Please document any indicators and/or significant benchmarks that could be used to help measure progress in implementing the strategy.

Indicators and/or Benchmarks:
Develop benchmarks that recognize economic development as a key driver of quality of life in Columbia, such as:
Growth in quantity (number) and quality (average wages) of private sector jobs
Per capita income growth rate (inflation adjusted)
Job growth in targeted sectors (e.g., high paying high tech jobs) as well as job growth by socioeconomic sector

Economic Development Topic Group – Economic Development Subtopic Report

Net growth in number of business licenses