



City of Columbia

701 East Broadway, Columbia, Missouri 65201

Department Source: Economic Development Department/REDI

To: City Council

From: City Manager & Staff

Council Meeting Date: July 18, 2016

Re: Dissolving Authority to Establish a Revolving Loan Fund within REDI; Authorizing an Intergovernmental Agreement with The Curators of the University of Missouri relating to Economic Development

Executive Summary

Approval of this legislation will fulfill City Council's direction to establish a fund for business start-ups based on Ordinance #021725 dated June 17, 2013, that appropriated FY12 General Fund savings for specific projects identified by City Council.

Discussion

On June 17, 2013, City Council appropriated a total sum of \$626,741.00 from FY12 General Fund savings for the following projects:

- Four projects requested by the Disabilities Commission: \$100,000.00
- Establish a revolving loan fund within REDI: \$150,000.00
- Contribute to Microloan Program at CMCA: \$50,000.00
- Construct an infrastructure project after online poll: \$200,000.00
- Acquire permanent home for Day Center: \$126,741.00

Following this appropriation by City Council in 2013, \$150,000.00 was placed in Regional Economic Development Inc. (REDI) account #771-4900-480.71-15 Reserved Fund Balance. Former REDI President Mike Brooks spoke about the intent of this Reserved Fund Balance at numerous REDI Board of Directors meetings as noted in the monthly Board meeting minutes; however, the fund was not established before his departure in December 2014.

REDI President Stacey Button has since looked into the feasibility of establishing such a fund and made the following recommendations to the REDI Board of Directors for consideration and authorization at their June 8, 2016 meeting:

- Staff recommended that the \$150,000.00 be granted to the University of Missouri for the express purpose of supporting early stage companies and new business start-ups where sources of funding may be lacking, and
- Staff recommended, given the recent establishment of an Accelerator Fund at the Missouri Innovation Center, the \$150,000.00 be granted to the University of Missouri for local economic development in lieu of establishing REDI's own revolving loan fund.

The motion was presented at the REDI Board of Directors meeting on June 8, 2016, by Mayor Brian Treece and seconded by Steve Wyatt; and, passed unanimously.



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An Intergovernmental Cooperative Agreement between the City and University of Missouri is required prior to disbursement of City funds for the purpose of granting the \$150,000.00 for economic development initiatives supporting early stage companies and start-ups. These grant funds will maximize the impact and support for new local businesses created by accelerators and incubators and any other local start-ups where sources of funding may be lacking, and will further expand the local economy through the creation of new jobs that will support a living wage and provide opportunities for disadvantaged business start-ups.

Fiscal Impact

Short-Term Impact: \$150,000.00

Long-Term Impact: \$0

Vision & Strategic Plan Impact

Vision Impacts:

Primary Impact: Economic Development, Secondary Impact: Not Applicable, Tertiary Impact: Not Applicable

Strategic Plan Impacts:

Primary Impact: Economy, Secondary Impact: Not Applicable, Tertiary Impact: Not Applicable

Comprehensive Plan Impacts:

Primary Impact: Economic Development, Secondary Impact: Not Applicable, Tertiary Impact: Not Applicable

Legislative History

Date	Action
2013	Ordinance #021725 appropriated FY12 General Fund savings for projects identified by the City Council

Suggested Council Action

Passage of the ordinance to dissolve the authority to establish a revolving loan fund within REDI and execution of the intergovernmental agreement with The Curators of the University of Missouri.