



Department Source: Economic Development

To: City Council

From: City Manager & Staff

Council Meeting Date: September 8, 2020

RE: Authorizing an Economic Development Agreement between the City of Columbia, Boone County, Curators of the University of Missouri, Columbia Chamber of Commerce, and Regional Economic Development Incorporated (REDI)

## Executive Summary

With the execution of this Economic Development Agreement between the City of Columbia, Boone County, Curators of the University of Missouri, Columbia Chamber of Commerce, and Regional Economic Development Incorporated (REDI), the agreement dated July 1, 2005, will be rescinded and replaced with this agreement.

## Discussion

REDI was founded in 1988 by Columbia Mayor Mary Anne McCollum, City Manager Raymond A. Beck, County Commissioner David A. Horner, and Columbia business leaders Earnest K. Gaeth and Thomas R. Gray. These were the first Class A Directors – one representing Boone County, two representing the City of Columbia, and two representing the Chamber of Commerce. The University of Missouri became a Class A Investor just one year later in 1989. Articles of Incorporation, organizational bylaws, and an economic development agreement were created in 1988 by the City, County, and the other founding members. The economic development agreement was amended in 1990, and new agreements executed in 1991 and 2005.

This proposed Economic Development Agreement reflects minor amendments to the 2005 agreement, and includes more current nomenclature and formatting as the existing agreement has been in place for more than 15 years. This agreement has also been updated to reflect review by the respective parties at least every five (5) years with the goal of either executing a new agreement or re-executing the existing agreement prior to expiration with automatic renewals for successive one year periods. It also properly reflects the founding members' annual contribution amounts to REDI as Class A Investors for the past ten years (or longer) and as identified in the bylaws; however, it is still subject to annual appropriation of the City and County. The City commitment for number of employees funded remains at three positions with the option of the City (or other partners) to fund additional employees as resources may allow in any particular year.

REDI brings together the City of Columbia, Boone County, the University of Missouri, and nearly 100 local businesses and organizations to coordinate successful comprehensive economic development programs that create jobs. It is through this collaboration along with other educational institutions, regional and state economic development agencies as well as the private sector that REDI attracts new businesses, retains and expands existing businesses, and fosters a strong entrepreneurial ecosystem for minority and women owned



# City of Columbia

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enterprises, business startups and emerging technologies. REDI also collaborates with various community programs and efforts that work specifically to decrease economic disparities.

REDI's budget to provide these services is generated through investments by both public and private sector funding. Leveraging investments of the City, County, University, local organizations and municipalities, and area businesses offers an incredible cost savings in providing these crucial services for Columbia and Boone County.

REDI serves all residents of Columbia and Boone County as a whole with broad benefits including an increased tax base to benefit public entities such as schools, libraries, roads and government entities; and diversification of the local economy resulting in long-term economic stability.

REDI's goal is to promote positive economic growth in Columbia and Boone County, while maintaining an exceptional quality of life. The success of businesses and the creation of jobs generates opportunities for upward economic mobility of all Columbia and Boone County residents.

The REDI partnership harnesses the synergy of collaboration, avoids the costs of duplicate efforts among its partners, and brings in private investments to cover much of the cost of these efforts, supplementing government investments and saving taxpayer dollars.

## Fiscal Impact

Short-Term Impact: \$46,000 annually

Long-Term Impact: Enter the cost of proposed legislation to the city for years **beyond two**.

## Strategic & Comprehensive Plan Impact

### Strategic Plan Impacts:

Primary Impact: Economy, Secondary Impact: Social Equity, Tertiary Impact: Operational Excellence

### Comprehensive Plan Impacts:

Primary Impact: Economic Development, Secondary Impact: Inter-Governmental Cooperation, Tertiary Impact: Livable & Sustainable Communities

## Legislative History

8/20/1990	012699 – An Ordinance authorizing the City Manager to execute an amendment to the Economic Development Agreement among the City, the Chamber of Commerce, Boone County, the Curators of the University of Missouri and Regional Economic Development Incorporated to allow parties funding the agreement to increase appropriations without amending the agreement



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4/01/1991	012928 – An Ordinance authorizing the City Manager to execute on behalf of the City an Economic Development Agreement with the Columbia Chamber of Commerce, Boone County, the Curators of the University of Missouri and Regional Economic Development Incorporated
3/07/2005	018445 – An Ordinance authorizing the City Manager to execute an Economic Development Agreement with the Columbia Chamber of Commerce, Boone County, the Curators of the University of Missouri and Regional Economic Development Incorporated

**Suggested Council Action**

Authorize the City Manager to execute the Economic Development Agreement between the City of Columbia, Boone County, Curators of the University of Missouri, Columbia Chamber of Commerce, and Regional Economic Development Incorporated (REDI).