



City of Columbia

701 East Broadway, Columbia, Missouri 65201

Department Source: Economic Development Department

To: City Council

From: City Manager and Staff

Council Meeting Date: January 17, 2017

Re: Authorizing Purchase and Sale Agreement and Authorizing City Manager to Execute Agreement

Executive Summary

Approval of the Purchase and Sale Agreement with AOD-MO Holdings, LLC will fulfill the City Council's direction in 2010 to sell the Sutter Industrial Site for economic development purposes based on job creation, capital investment, and positive fiscal impact on City utility services, as well as meet the City's Strategic Plan initiatives for the purpose of creating living wage jobs.

Discussion

On April 19, 2010, the City of Columbia purchased 100 acres of the Sutter Industrial Site, known as Tract A for a landfill buffer, with the option to purchase the remaining 114 acres, known as Tract B. This contract obligated the City to purchase the remaining Tract B acreage by FY2015 for economic development purposes. In FY2015, City Council allocated funds and authorized the purchase of Tract B for \$3,000,000 (approximately \$26,500 per acre) to facilitate targeted business development for the purposes of attracting manufacturing employers.

This Purchase and Sale Agreement outlines the terms and conditions between the City and AOD-MO Holdings, LLC, including the purchase price of \$2,035,600 (approximately \$20,000 per acre) and related contingencies in order to close on the purchase of the land following the due diligence period outlined in the agreement. This project and the negotiated purchase price was the result of a competitive site search that included several states, several communities within Missouri, or possible expansion of their existing facility in Colorado.

With this sale of the remaining 101.78+/- acres of the Sutter Industrial Site, AOD-MO Holdings, LLC will diversify geographically to meet eastern distribution needs and sales growth nationwide by constructing an approximately 80,000 square foot dairy processing facility including warehouse distribution of their product. Affiliates of AOD-MO Holdings, LLC are the leading producer of store-brand organic milk and butter for U.S. retailers and is headquartered in Boulder, Colorado.

The first phase of the project will include a capital investment of \$89 million in building and equipment and the creation of 100+/- full-time positions that pay an average wage above the Boone County average wage of \$36,225/annually (plus benefits). The facility will be programmed for an expansion in Phase 2 which is anticipated to occur within the first five years of operation with an additional \$50 million investment in building and equipment and 40+/- additional full-time positions. This facility will be a three-shift operation, running 24



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hours/seven days a week and will be a significant customer of the City of Columbia's electric, water and sewer utility services.

Fiscal Impact

Short-Term Impact: \$2,035,000 (to Water & Light)
Long-Term Impact: TBD

Vision & Strategic Plan Impact

Vision Impacts:

Primary Impact: Economic Development, Secondary Impact: Secondary, Tertiary Impact: Tertiary

Strategic Plan Impacts:

Primary Impact: Economy, Secondary Impact: Secondary, Tertiary Impact: Tertiary

Comprehensive Plan Impacts:

Primary Impact: Economic Development, Secondary Impact: Infrastructure, Tertiary Impact: Tertiary

Legislative History

Date	Action
None	None

Suggested Council Action

Approval of the Purchase and Sale Agreement and Execution of Agreement