



Regional Economic Development Inc.
Serving Columbia/Boone County, Missouri since 1988

REDI Strategies for Economic Development

- **Definition of Economic Development**
 - “Economic Development can be defined as a program, group of policies, or activities that seek 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 (important for Columbia)**
 - “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”
 - **Basic Jobs**
 - To understand the importance of business financing assistance, we must understand what sets basic employers apart 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, or brings money into the community, i.e. the colleges and university.*
- **Economic Development is like a Three Legged Stool**
 - Attraction of new companies/business to community
 - Retention & Expansion of existing business in the community
 - Entrepreneurship/Creating new business and supporting entrepreneurial companies.
 - **Attraction Strategies**
 - Develop strategies that are supported by community or university strengths
 - Data Center attraction based upon the assets of the Ewing Certified Industrial Site
 - Participation in the KC Animal Health Corridor based upon the strength of the University of Missouri
 - Other areas to build strategies upon include
 - The MU strategic advantages
 - Health Care
 - Insurance

- **Retention & Expansion Strategies**
 - Establish a formal program to provide support to existing firms and businesses that fit the basic jobs definition
 - Use the e-Synchronist survey tool that is being provided by AmerenUE
 - Visit firms to conduct survey, identify opportunities and/or challenges
 - Assist local firms that are competing to expand
 - Assist local firms maintain an investment in the community

- **Entrepreneurship/Creating New Businesses Strategies**
 - Establish a policy to support the organic growth of business
 - Provide coordination of services for existing service providers
 - Identify service gaps and work to fill gaps
 - Build efforts with the colleges and university to support entrepreneurial efforts
 - Technology commercialization
 - Student entrepreneurship
 - Faculty and staff entrepreneurship
 - Incorporate the MU Strategic Advantages in this strategy
 - Support community interest in entrepreneurship
 - Note: use Littleton, CO as an example of a community that has developed the “Economic Gardening” approach to economic development

- **Business Climate Strategies**
 - Business climate is the foundation for the economic development stool.
 - Tax policies
 - Workforce development policies
 - Incentive use policies
 - Development regulations/licenses
 - Support for economic development (Note, this is not commercial development or land development, economic development may include these, but by themselves they are not economic development)

- **Quality of Place**
 - An economic development strategy that builds upon the strength of the university and encourages the growth of entrepreneurial business will require a high quality of life community.

- **Understanding Competition**
 - **Economic development is about *choices***
 - Attraction projects are being courted by numerous states/communities with incentives for selecting
 - A local firm's potential expansion project in many cases will be competitive, could be competition with other facilities within the corporation for the project, it also could be for the limited resources that the corporation is willing to invest in an expansion project.
 - Entrepreneurial growth may be influenced by competition, where the entrepreneur wants to start a business, the resources to support entrepreneurial growth, or the same type of competition that may come from an attraction project. (*Note, you could include the attraction of researchers/faculty to the university in this program*)
 - **Why incentives are important**
 - 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
 - **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
- **Build Cooperation with Partnering Organizations**
 - There are many organizations that have a role to play in economic development.
 - A *key role* for REDI is to build the necessary relationships to have a team approach to all of the various components of economic development.