ECONOMIC DEVELOPMENT

MAY 7, 2013

PRIORITY

Invest in the underdeveloped parts of the City and effectively harness the opportunities available through the Urban Neighborhood Initiative, Land Bank, Green Impact Zone and other programs to improve housing and commercial development

INDICATORS

1. **% of Land Bank properties sold, reused or repurposed**
2. **% change in value of permits in designated urban core area**

LAND BANK PROGRESS

Land Bank of Kansas City Mission Statement:

The Land Bank of Kansas City, Missouri, will acquire, manage, and transfer properties in an appropriate manner that satisfies community needs, creating beneficial uses and opportunities for economic development and neighborhood revitalization.

Draft Goals for Land Bank:

- Determine the policies and procedures to be adopted immediately.
- Reduce the inventory of properties by an established percent/number to be determined.
- Expand sources and amounts of revenue.
- Analyze the initial inventory and prioritize the use of each.

BREAKDOWN OF LAND BANK PROPERTIES

Square Footage	# of properties with structures	# of properties w/o structures
Less than 2,500	7	**270***
2,500 to 6,000	327	**1,385***
6,000 to 10,000	106	451
10,000 to 15,000	16	133
15,000 to 25,000	9	83
25,000 to 50,000	2	51
50,000 to 100,000	2	32
100,000 plus	1	22
TOTAL	**470**	**2,427**

***Cost to Buy (for vacant lots next to owner-occupied parcels):**

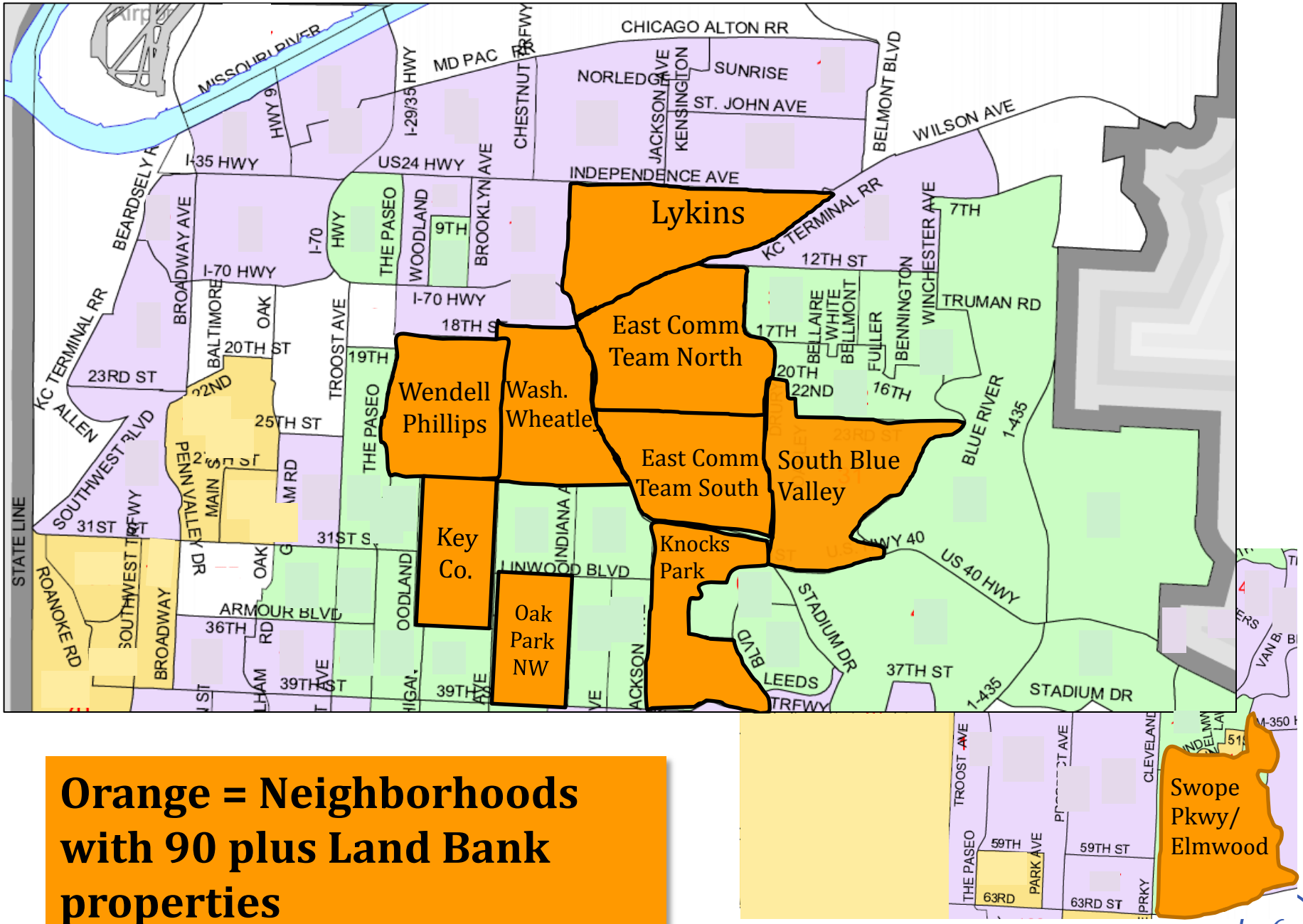
Less than 2,500 sf = $1

2,500 to 6,000 sf = $75

6,000 or more sf = offer based

LAND BANK BY NEIGHBORHOOD

Neighborhood	# of Land Bank Properties
Washington Wheatley	278
East Community Team South	247
East Community Team North	160
Oak Park Northwest	123
Swope Parkway-Elmwood	107
Lykins	106
Key Coalition	101
Wendell Phillips	101
South Blue Valley	100
Knoches Park	93



Orange = Neighborhoods with 90 plus Land Bank properties

PRIORITY

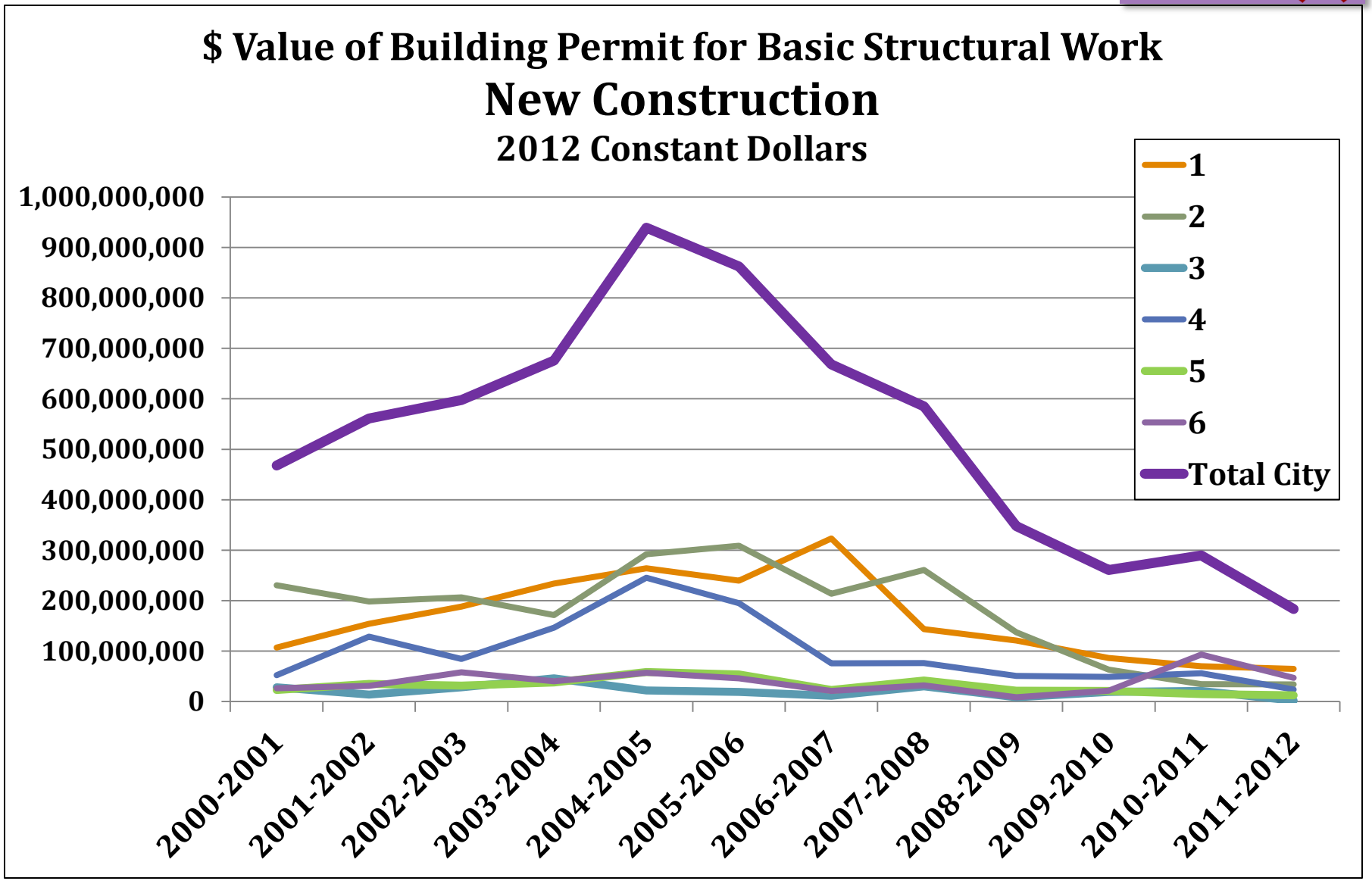
Invest in the underdeveloped parts of the City and effectively harness the opportunities available through the Urban Neighborhood Initiative, Land Bank, Green Impact Zone and other programs to improve housing and commercial development

INDICATORS

1. **% of Land Bank properties sold, reused or repurposed**
2. **% change in value of permits in designated urban core area**

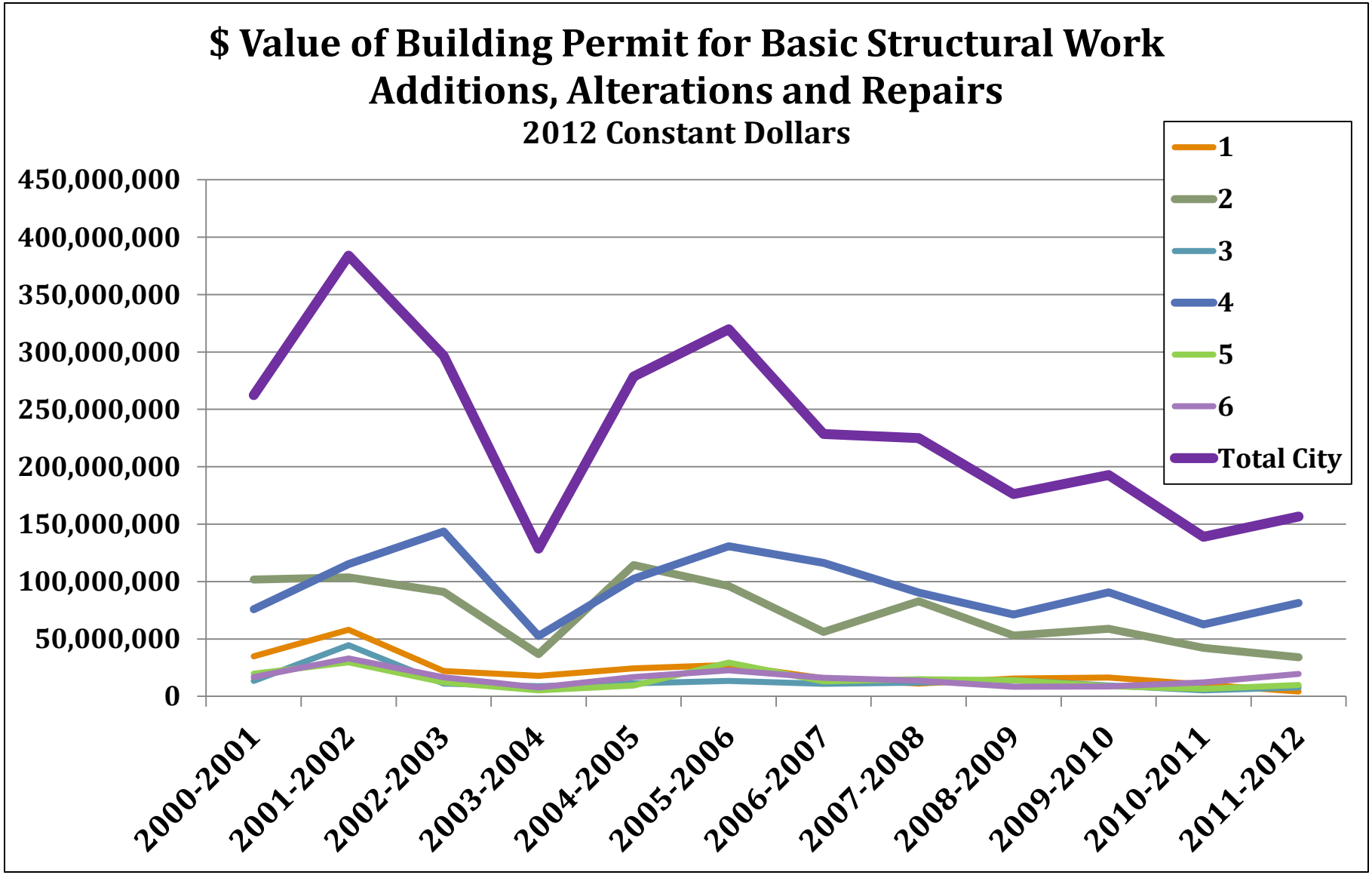
VALUE OF NEW CONSTRUCTION PERMITS

Negative Trend: ✗



VALUE OF ALTERATION/ADDITION/REPAIR PERMITS

Negative Trend: ✗



WHAT ARE ADDITIONAL WAYS OF MEASURING THIS PRIORITY?

- **Property Assessment data (assessed value vs. market)**
- **Capital investments via PIAC**
- **Citizen and Resident Satisfaction measured by Annual Citizen Survey and Area Plan resident survey**
- **Other Area Plan data?**
- **Other Economic Development indicators from AdvanceKC applied to designated urban core area**

PRIORITY

Implement the City's Advance KC plan, maximize the collaborative opportunities to further this plan by partnering with community efforts that keep and grow businesses in KCMO, attract more residents to live in KCMO and celebrate the unique offerings that bring people and business to KCMO

INDICATORS

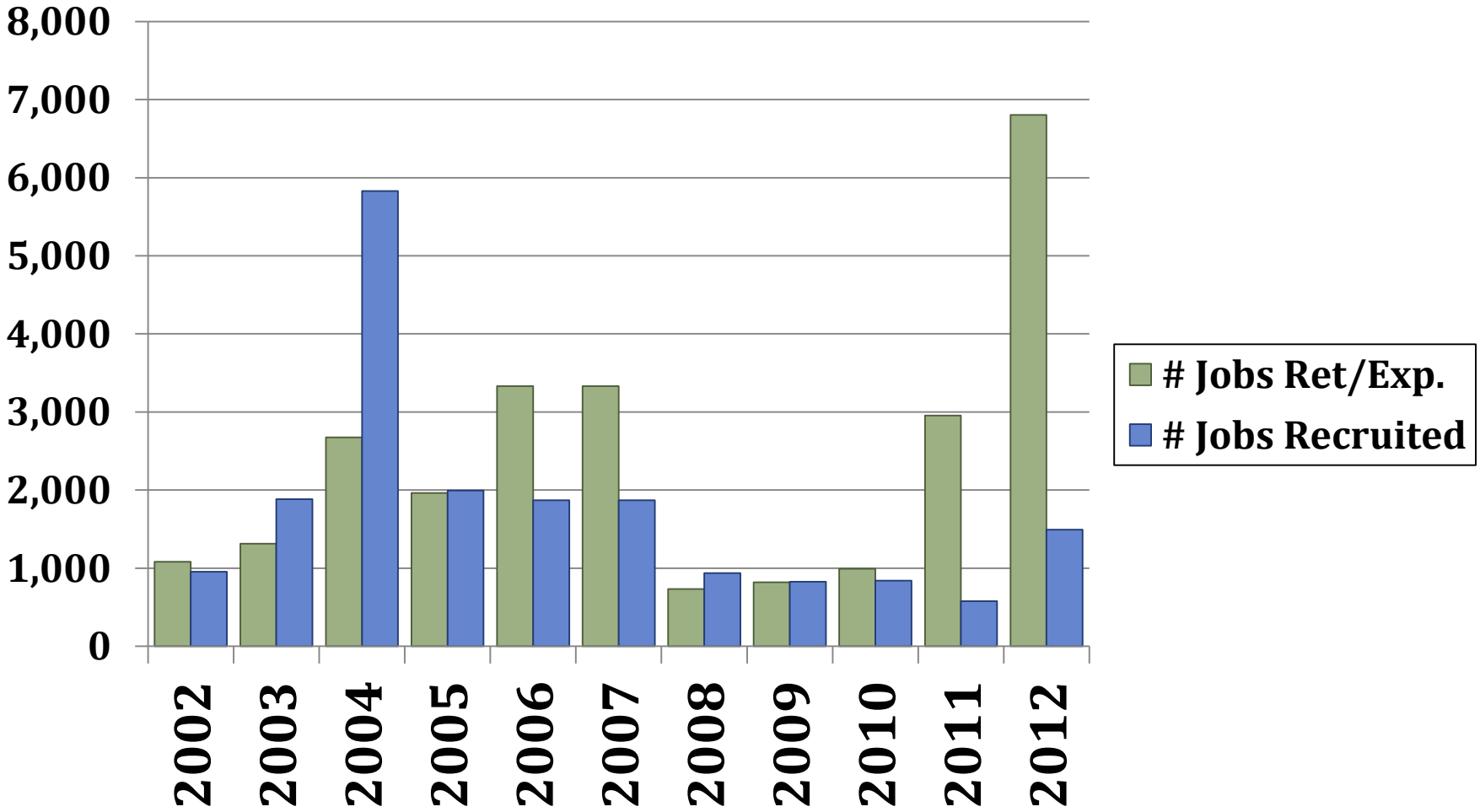
1. **Jobs created or retained through economic development efforts**
2. **Downtown commercial vacancy rate**

Additional Indicators to inform discussion:

1. National Rankings as Indicators

JOBS RETAINED AND CREATED DUE TO EDC ACTIVITY

Positive Trend:



PROJECTED NEW PAYROLL FROM ADDED JOBS

Watch Trend

	FY2012	FY2013 YTD (4.1.13)
From Business Retention/Expansion Projects	$101,427,431	$85,416,730
From Business Recruitment Projects	$108,492,180	$111,547,772
TOTALS for Ret./Exp./Recruitment	**$209,919,611**	**$196,964,502**

MARKET STATISTICS - SPACE VACANCY RATES

Space type	Downtown	Midtown	North of River	South KC
Office – Class A	20%	14.1%	5.1%	15.8%
Office – Class B	15.2%	9.4%	16.3%	15.4%
Retail		3.9%	8.6%	20.8%
Net Absorption	-25,877	-4,506	-30,161	-138,894

Source: Block Real Estate Services, LLC "The Real Estate Report" Year-end 2012

ADVANCEKC COMPETITIVE SNAPSHOT

A detailed look at Kansas City's competitive position included metrics across three broad areas:

- **People: Population change, diversity, age distribution, educational attainment, and school quality**
- **Prosperity: Employment trends, economic structure, business climate and innovation and commercialization capacity**
- **Place: Cost of living, housing stock, healthcare, crime, infrastructure and other quality of life measures**

ADVANCEKC: CITY-LED INITIATIVES

1. **INTEGRATE the findings and recommendation of the Task Force on the Arts into AdvanceKC.**
2. **DEVELOP an Action Plan to optimize the facilities, programming, promotion, and access to Kansas City parks and boulevards.**
3. **SUPPORT the implementation of priority recommendations for the City of Kansas City's Special Committee on Small Business.**
4. **REVISIT the City of Kansas City's incentives policy based on the dynamics of AdvanceKC.**
5. **CREATE a Kansas City Strategic Coordination Council.**
6. **DEVELOP a research-supported list of Kansa City's highest priority infrastructure projects for inclusion in a public funding referendum.**
7. **CONSTRUCT a modern streetcar line in Kansas City as the first link in a broader intermodal transportation network.**
8. **IMPLEMENT the MetroGreen plan in coordination with Kansas City bike and pedestrian trail development efforts.**
9. **CONTINUE to emphasize the importance of public safety to economic development outcomes.**
10. **DEVELOP research-supported Action Agendas for Kansas City's priority target business sectors.**
11. **REFOCUS the KC Best (Business Expansion Support Team) program on Kansas City's highest value target sectors.**
12. **SUPPORT implementation of the KC Rising strategy.**
13. **DEVELOP a Land Use and Planning Update to the FOCUS Plan.**
14. **LEVERAGE the Land Use and Planning Update to inform economic development and revitalization activities.**

RETURNING EDC TO ITS ROOTS – REFOCUS EFFORTS

EDC combining staff from all Econ. Dev. agencies

+

EDC Improved Process Flow for Projects

+

EDC as Single Point of Entry

=

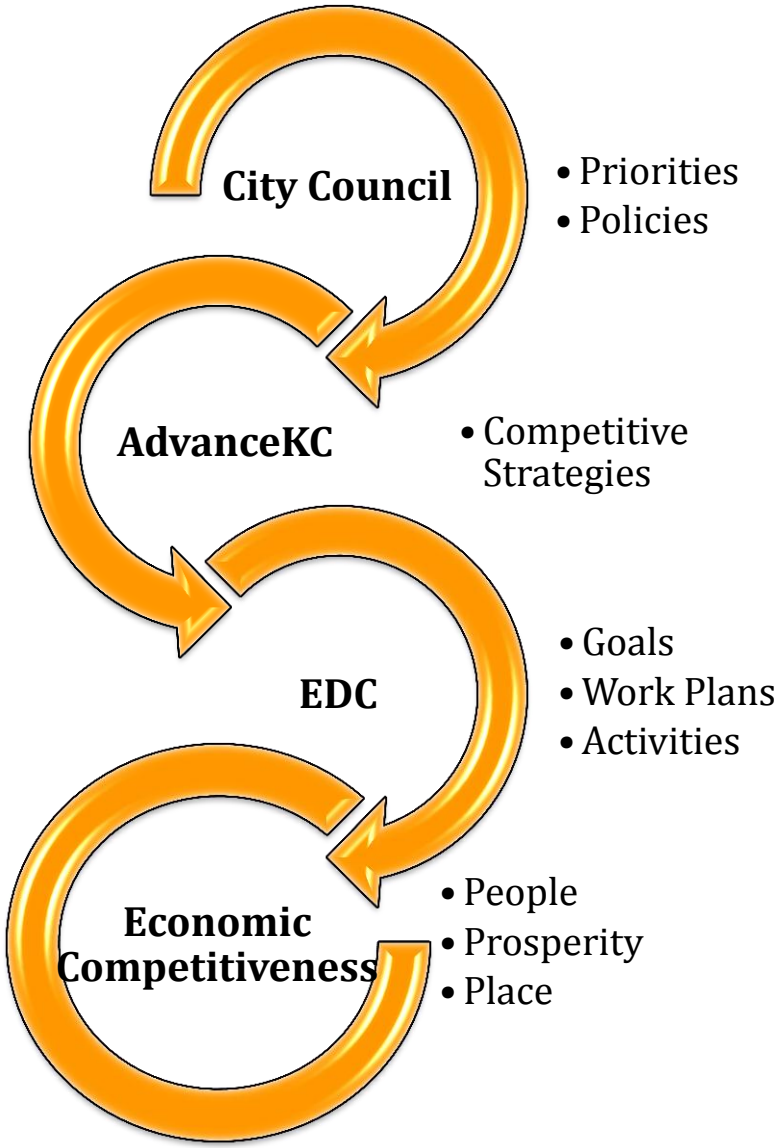
- Increases economic development productivity
- Makes it easier to do business in our City
- Creates a more efficient decision making process

MAJOR MILESTONES OF ADVANCEKC

Short-Term Milestones

- **Restructuring of EDC (by end of 2013 calendar year)**
- **Incentive Policy Adoption (in FY2014)**
- **Research and support businesses in target industries**
- **Communicating progress of AdvanceKC initiatives**

ADVANCEKC LAYERS OF MEASUREMENT



People	**Community Growth**	Population
	Age Dynamics	Population Change by Age Group, Age Distribution
	Diversity	Racial/Ethnic Distribution, Population Change by Race and Ethnicity, Population by Race
	Educational Attainment	Educational Attainment
	Income	Per Capita Income, Household Income
	Poverty	Poverty Rates, Poverty Status by Race
	Workforce Dynamics:	Accredited Child Devt Centers, Info from School Districts, ACT Scores, Degrees Conferred
Prosperity	**Growth and Prosperity**	Employment Index, Total Employment, Milken's Best Performing Cities, Unemployment Rates, Labor Force Participation Rates, Employment: Working Age Population, Worker Inflow/Outflow
	Economic Structure	Employment and Location Quotients, Employment and Average Annual Wage by Sector
	Business Climate	State Business Climate Index and Rankings, State and Local Tax Rate
	Utilities	Power Costs
	Vacancy Rates	Vacancy Rates for Office, Retail, and Industrial
	Bankruptcy	Personal and Business Bankruptcies
	Innovation/ Commercialization	R&D Expenditures, Patent Activity, Entrepreneurship Rates, Growth Dynamics of Stage 1 Cos
Place	**Cost of Living**	Cost of Living Index
	Housing	Median Home Values, Median Existing Single-Family Home Price, Rental Affordability
	Health Care	Well-Being Index, County Health Rankings, Health Care Capacity
	Public Safety	Violent Crime Rates, Property Crime Rates, City Crime Rankings
	Transportation & Infrastructure	Airline Passenger and Freight Traffic, Travel Time Statistics
	Quality of Life	Arts Capacity, EPA Envirofacts
	Civic Capacity	Registered Nonprofit Organizations, Volunteering

RANKINGS AS BENCHMARKS – MILKEN INSTITUTE

Watch Trend

"Best-Performing Cities Index" by Milken Institute/Greenstreet Real Estate Partners

- Criteria: Ranking of 200 large MSAs; measures only economic outcomes (jobs, wage/salary and tech. growth); index scores are relative to US average for same time period
- Used by Market Street in AdvanceKC Competitive Snapshot

KC Metro Over Time

2008	2009	2010	2011	2012
77	52	60	137	104

Components of 2012 Best-Performing Cities Index	Weight for each component	KC: 2012 Value	KC: 2012 Rank
5 year job growth relative to US average (2006-2011)	0.143	102.16	60
1 year job growth relative to US average (2010-2011)	0.143	99.74	100
5 year wage/salary growth relative to US average (2005-2010)	0.143	100.39	90
1 year wage/salary growth relative to US average (2009-2010)	0.143	98.52	157
Short-term percent job growth (May11-May12)	0.143	.56	128
5 year high-tech GDP growth relative to US average (2006-2011)	0.071	87.29	162
1 year high-tech GDP growth relative to US average (2010-2011)	0.071	96.88	159
High-tech GDP location quotient (2011)	0.071	1.2	37
# of high-tech industries w/ location quotient > 1 (2011)	0.071	9.0	23

KC METRO AREA ON MILKEN OVER TIME

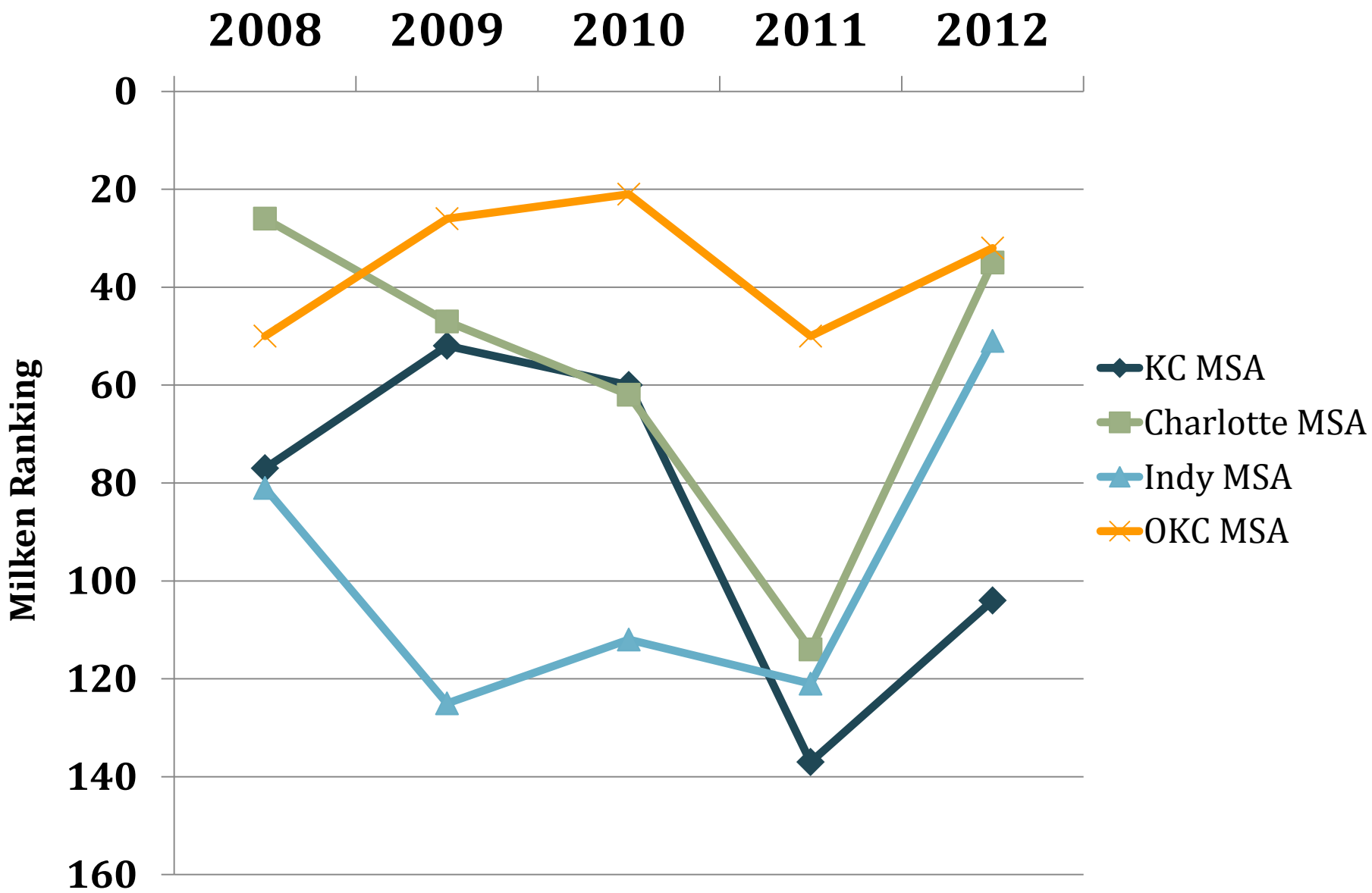
Watch Trend

2008	2009	2010	2011	2012
77	52	60	137	104

Components of 2012 Best-Performing Cities Index	KC 2008 Rank	KC 2009 Rank	KC 2010 Rank	KC 2011 Rank	KC: 2012 Rank
5 year job growth relative to US average (2006-2011)	105	86	70	74	60
1 year job growth relative to US average (2010-2011)	44	54	60	166	100
5 year wage/salary growth relative to US average (2005-2010)	140	131	103	85	90
1 year wage/salary growth relative to US average (2009-2010)	111	56	62	106	157
Short-term percent job growth (May11-May12)	81	42	93	177	128
5 year high-tech GDP growth relative to US avg (2006-2011)	116	106	137	141	162
1 year high-tech GDP growth relative to US avg (2010-2011)	59	163	111	188	159
High-tech GDP location quotient (2011)	31	27	38	35	37
# of high-tech industries w/ location quotient > 1 (2011)	63	57	64	42	23

MILKEN FOR BENCHMARK CITIES

Watch Trend



RANKINGS AS BENCHMARKS – POLICOM

Positive Trend:

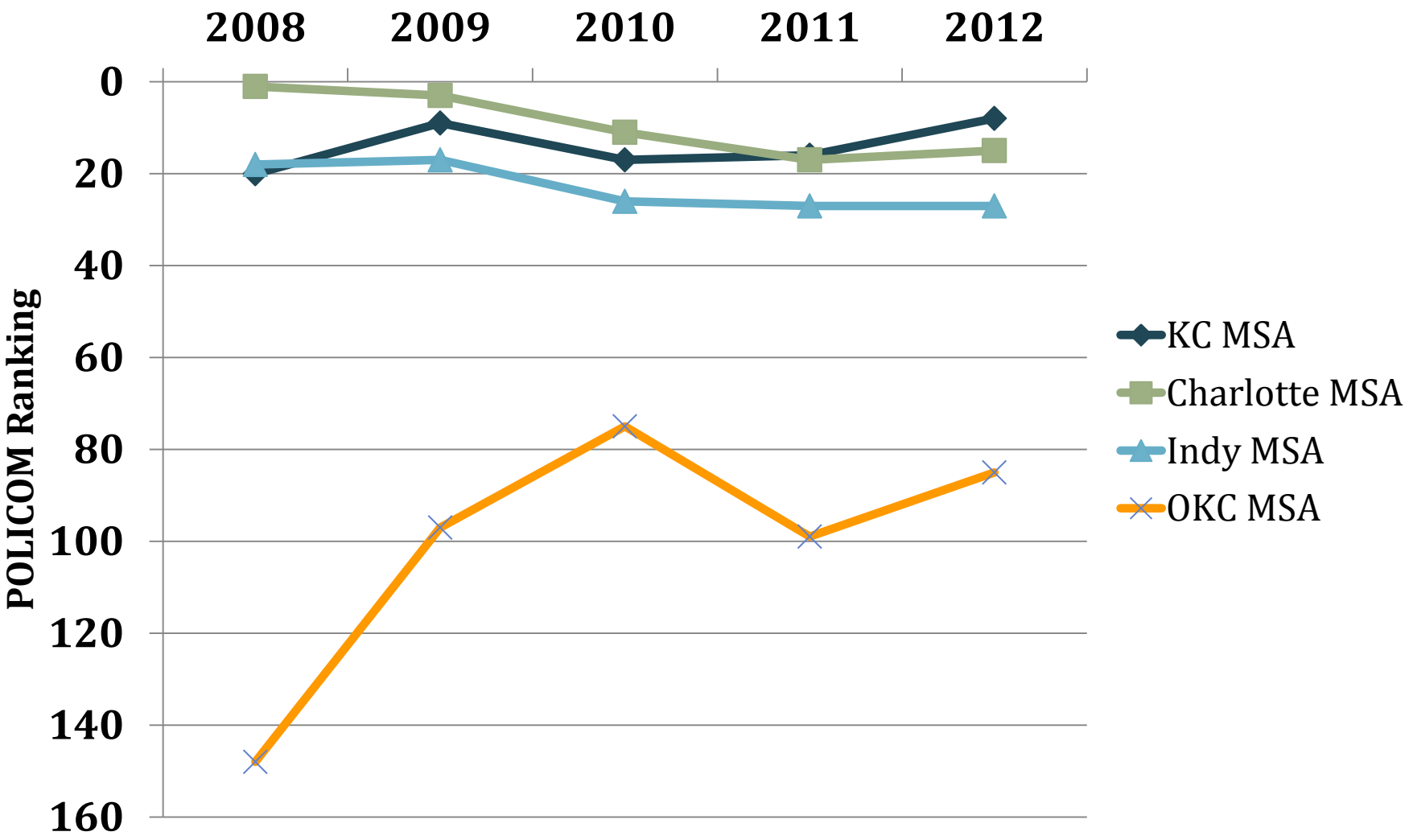
- Ranks 366 MSAs on their economic strength, defined as "the long term tendency for an area to consistency grow in both size and quality. The economic strength rankings are created so POLICOM can study the characteristics of strong and weak economies.
- The highest ranked areas have had rapid, consistent growth in both size and quality for an extended period of time. The lowest ranked areas have been in volatile decline for an extended period of time.
- Categories of indicators used to create rankings:
  - Group 1 – Overall growth in size & quality of economy (earnings, jobs)
  - Group 2 – Focus on sectors reactive to flow of money (Small business, construction and retail growth)
  - Group 3 – Negative indicators for which growth indicates a poor economy (welfare, medical assistance)
- Redundancy and counter balances are built into the criteria which compensates for anomalies which might occur. To measure stability, the calculation also takes into account the deviation in each successive year's percentage of growth.
- Used by KCADC

KC Metro Area Over Time

2004	2005	2006	2007	2008	2009	2010	2011	2012
10	10	11	16	20	9	17	16	8

POLICOM FOR BENCHMARK CITIES

Positive Trend:



PRIORITY

Emphasize the focus on the customer across all City services; engage citizens in a meaningful dialogue about City services, processes, and priorities using strategic communication methods.

INDICATORS

1. **% of citizens satisfied with customer service**
2. **% of citizens satisfied with communication**
3. **% of businesses satisfied with City services**
4. **% of customers satisfied with 311 service request outcomes**

COMMUNITY INPUT

Focus Groups – 250 Representatives, 15 Sectors

Online Surveys	Lending & Financial	Workforce Development	Other Taxing Jurisdictions	Other Chambers & EDCs	EDC Board
Individual Interviews	City Council	Agriculture	Creative Arts	Design	Convention & Entertainment
KC Momentum	Transportation Infrastructure Logistics	Local Development	Community & Social	Small Business	BioScience & Healthcare

Steering Committee

1/Sector
+ Civic Council
+Chamber
+Mayor

FOCUS GROUP ROSTER

UMKC, Metropolitan Community Colleges, Full Employment Council, AFL-CIO, Platte Co. School District, Kansas City Missouri School District, Center School District, North Kansas City School District, Cerner, American Century, VML, Penn Valley, Missouri Bank, United Missouri Bank, Commerce Bank, EDC Loan Corporation, SBA, KC Community Development (KCCDE), Bank Midwest, Arvest Bank, Central Bank, Oppenheimer, Lockton, Merrill Lynch, George K. Baum, State Street, KC Life, City Manager's Office, JB Nutter, City Council, DST, KPMG, Park Hill School District, KC Public Library, Jackson County, Clay County, Platte County, Mid-Continent Library, Raytown School District, Hickman Mills School District, Federal Reserve, Black Chamber of Commerce, Hispanic Chamber of Commerce, Asian American Chamber of Commerce, Missouri Division of Workforce Development, Platte County Economic Development, Clay County Economic Development, Black Economic Union of Greater KC, Civic Council, Downtown Council, Northland Regional, Southtown Council, Hispanic Economic Development Corporation, Greater KC Chamber, MARC, Kansas City Area Development Council, Urban League, Heavy Contractors, Trabon Consulting, Cordish, Mark One, JE Dunn, Legal Aid, Spradley & Riesmeyer, Mayor's Office, EDC of Kansas City, Port Authority, TIF Commission, Ford Motors, Kemper & Co., Operating Engineers, Arts Council, King Hershey, Dolphin Gallery, Charlotte St. Foundation, David Ford (Artist), Sherry Leedy Contemporary Art, CFM Distributors, Hugh Merrill (Artist), H&R Block Artspace, KPAC, Paul Mesner Puppets, City in Motion, KC Rep, Metro Arts Council, KC Film Commission, KC Ballet, KC Fringe Festival, Helix, Watkins & Co, Black & Veatch, HNTB Corporation, Pendulum Studio, T&B, Du Bois, 360 Architecture, BNIM Architects, HDR Engineering, Crossroads District, Burns & McDonnell, SFS, Sprint Center, US Bank, Convention Center, Ameristar, Convention & Visitors Association, The Raphael Hotel, Crown Center Redevelopment, Kansas City Transportation Group, Bishop-McCann, KC Zoo, Starlight, Nelson Atkins Museum, American Royal, Kansas City Industrial Council, KC Area Transportation Authority, KC Terminal Railway, Swope Industrial, Public Works, Google, PIAC, SmartPort, Water Service, YRC Freight, KCP&L, KC Southern, Aviation, DHL, AT&T, US Postal Service, Stinson Morrison, Brian Collins, Cassidy Turley, White Goss, Allen Group, Zimmer, CenterPoint, Copaken Brooks, Caymus, Briarcliff Development, RED, Lathrop & Gage, Bryan Cave, Polsinelli Shughart, Hunt Midwest, Blackwell Sanders, SIOR, Patterson & Assoc., Rose Brooks, TMC, Harvesters, Operation Breakthrough, City Union Mission, Salvation Army, Rockhurst, Swope Community Enterprises, Communities Creating Opportunities, Guadelupe Center, United Way, Mid-America Rehab, YMCA, Don Bosco, The Roasterie, ECCO Select, Tshibanda & Associations, ThinkBig, Urban Entrepreneur Partnership, Burtin & Associates, KC SourceLink, Novita, UMKC Entrepreneurial, Kauffman Foundation, Enturia, Boulevard Brewery, SPIN! Pizza, Avid Communications, KC Area Life Sciences Institute, Blue Cross/Blue Shield, Bayer, Quest Diagnostics, MCC Health Institute, MO Technology Corp, Open Prairie Ventures, Aratana, Greater KC Community Foundation, St. Luke's, Stower's Institute, Livestock Exchange, KC Board of Trade, Cargill, American Italian Pasta, Dairy Farmers of American, Bartlett & Co, DeBruce Grain, Hereford Association, Belfonte Dairy

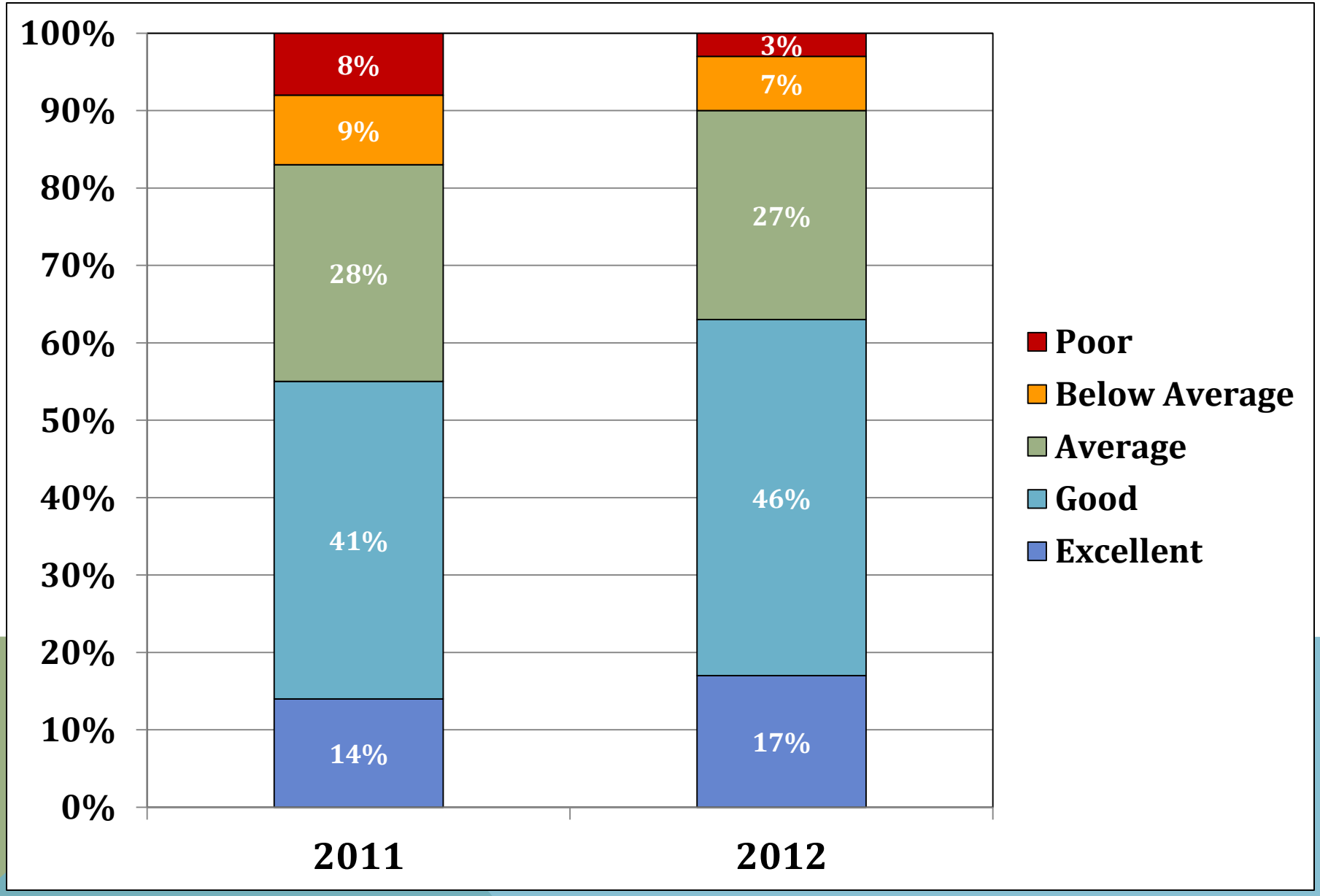
ADVANCE KC

Planning for future jobs and opportunities.

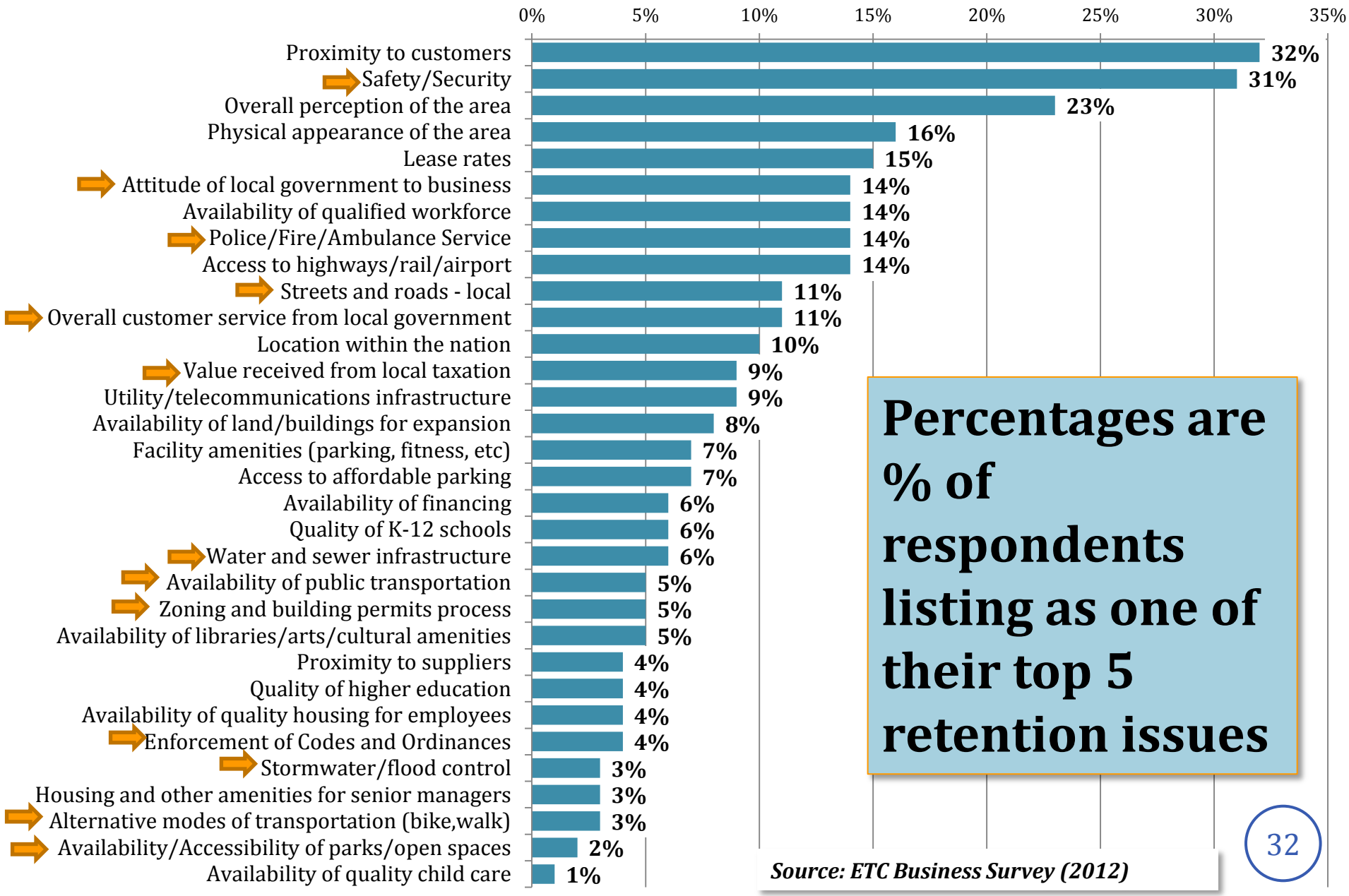
PRIORITY	INDICATORS
Streamline Business Practices	**1. Business satisfaction with customer service from local government (EDC Survey)** **2. Rating Kansas City as a place to do business (EDC Survey)** **3. % of Small Business Committee recommendations implemented**

KCMO AS A PLACE TO DO BUSINESS (EDC SURVEY)

Positive Trend:



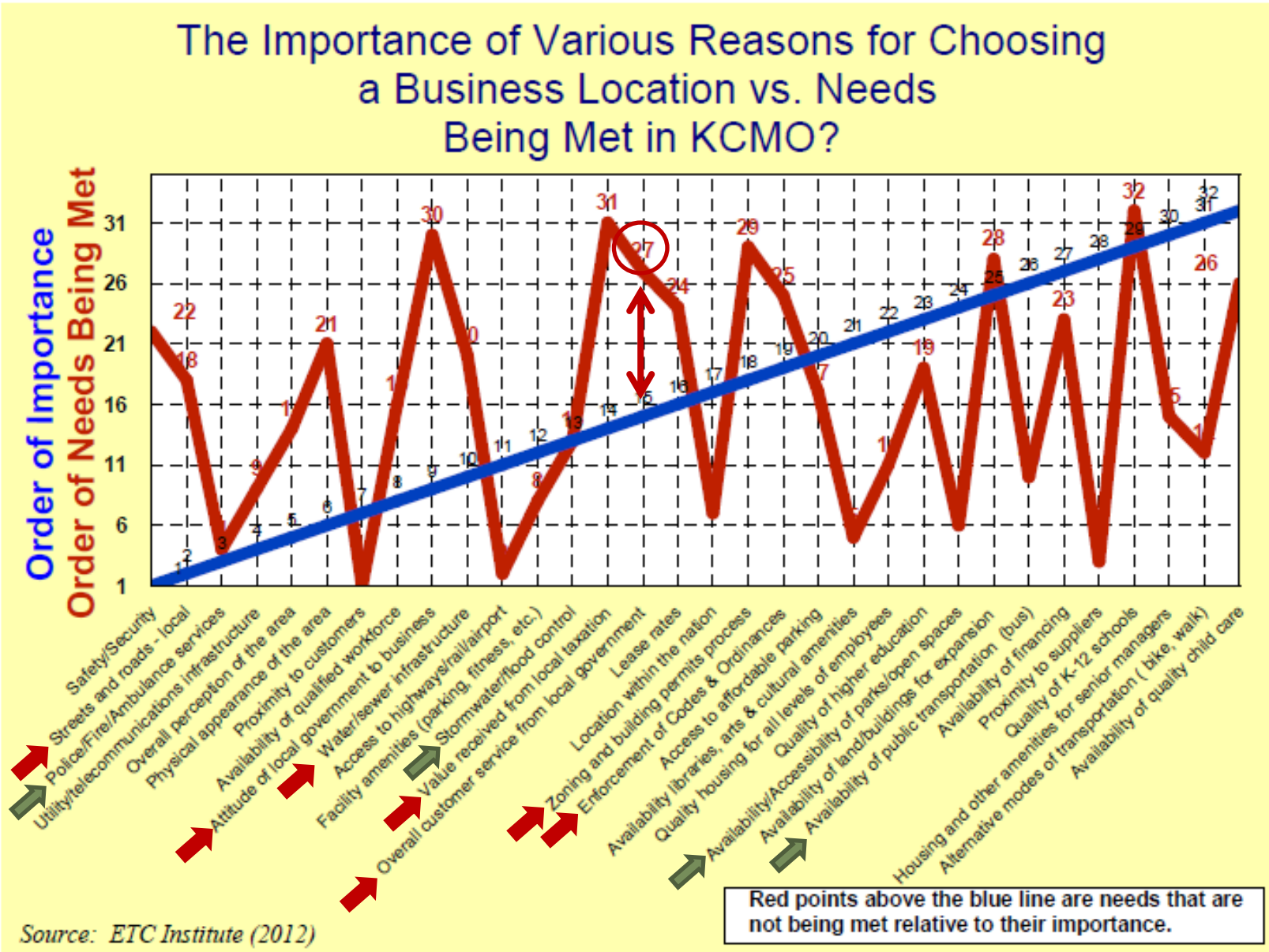
ISSUES IMPACTING RETENTION OF BUSINESS



ISSUES THAT IMPACT RETENTION OF BUSINESS

City of KC Activity/Direct Influence	Impact Rank (of 32)
Safety and Security	2
Attitude of local government to business	6
Police/Fire/Ambulance Service	8
Streets and roads - local	10
Overall customer service from local government	11
Value received from local taxation	13
Water and sewer infrastructure	20
Availability of public transportation	21
Zoning and building permits process	22
Enforcement of Codes and Ordinances	27
Stormwater/flood control	28
Alternative modes of transportation (bike,walk)	30
Availability/Accessibility of parks/open spaces	31

BUSINESS LOCATION FACTORS – SATISFACTION VERSUS IMPORTANCE (LOCAL GOVT CUSTOMER SVC = MIDDLE)



BUSINESS LOCATION FACTORS – SATISFACTION VS. IMPORTANCE

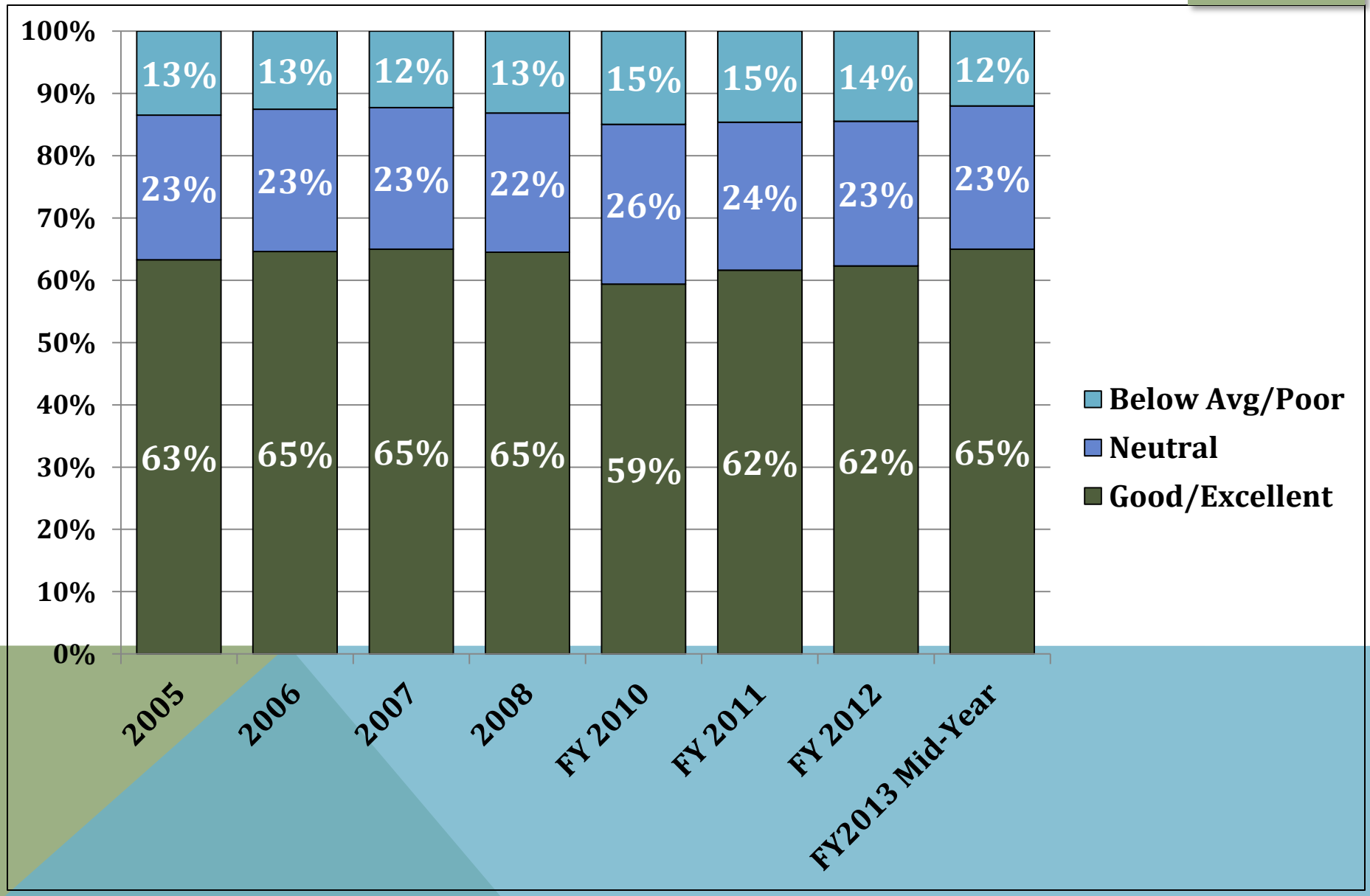
Are local business needs being met?

Yes, needs are being met!	No, needs are not being met.
Proximity to customers	Safety/Security
Access to highways/rail/airport	Streets and roads - local
Facility amenities (parking, fitness, etc.)	Police/Fire/Ambulance services
Stormwater/flood control	Utility/telecommunications infrastructure
Location within the nation	Overall perception of the area
Access to affordable parking	Physical appearance of the area
Availability libraries, arts & cultural amenities	Availability of qualified workforce
Quality housing for all levels of employees	Attitude of local government to business
Quality of higher education	Water/sewer infrastructure
Availability/Accessibility of parks/ open spaces	Value received from local taxation
Availability of public transportation (bus)	Overall customer service from local government
Availability of financing	Lease rates
Proximity to suppliers	Zoning and building permits process
Housing and other amenities for senior managers	Enforcement of Codes & Ordinances
Alternative modes of transportation (bike, walk)	Availability of land/buildings for expansion
Availability of quality child care	Quality of K-12 schools

PRIORITY	INDICATORS
Streamline Business Practices	**1. Business satisfaction with customer service from local government (EDC Survey)** **2. Rating Kansas City as a place to do business (EDC Survey)** **3. % of Small Business Committee recommendations implemented**

KCMO AS A PLACE TO WORK (CITIZEN SURVEY)

Watch Trend



REMAINING SMALL BUSINESS COMMITTEE RECOMMENDATIONS

Recommendation		Lead Agency	Timeline/Update
B-3	Implement a new Integrated Revenue System	Finance	June 2013
D-1	Reduce or eliminate employee-paid fees for Liquor Server permits which are seen as a barrier to employment	NHS	State legislative change
J-1	Review options for elimination of the business license tax while maintaining General Fund Revenues	Citizen's Commission on Municipal Revenue	unknown
U-5	Create a KC Bizcare app that will provide mobile access to City Services available at www.kcbizcare.com	City Manager's Office	CfA project
Z-2	Working with the Office of the Mayor, establish one position to head International Office for Business for the City	Mayor's Office	In Progress FY2014

PRIORITY

Emphasize the focus on the customer across all City services; engage citizens in a meaningful dialogue about City services, processes, and priorities using strategic communication methods.

INDICATORS

1. **% of citizens satisfied with customer service**
2. **% of citizens satisfied with communication**
3. **% of businesses satisfied with City services**
4. **% of customers satisfied with 311 service request outcomes**

BIZCARE UPCOMING EVENTS AND EFFORTS

Ongoing Efforts:

- Articles in Thinking Bigger Business Media Magazine, KCMore and 2 posts on the KCSourcelink blog
- Presentation to the Big Ideas for Small Business group
- Presentation at FCC Gigabit City conference in Washington, D.C.
- Focus groups with Westport business owners, Northeast business owners and mobile vendors
- Bi-monthly office hours for Justine Petersen microloan officer
- Collaboration with Code for America fellows
- 26 resource partner meetings since January 1
- Regular participation in entrepreneurial events such as 1 Million Cups, City Camp, Hack of the Sexes and others

Upcoming:

- Focus groups for Maincor, Southtown Council and the Restaurant Association
- Bright Futures Intern
- Electronic Whiteboard in BizCare conference room to increase functionality of space for businesses

PRIORITY

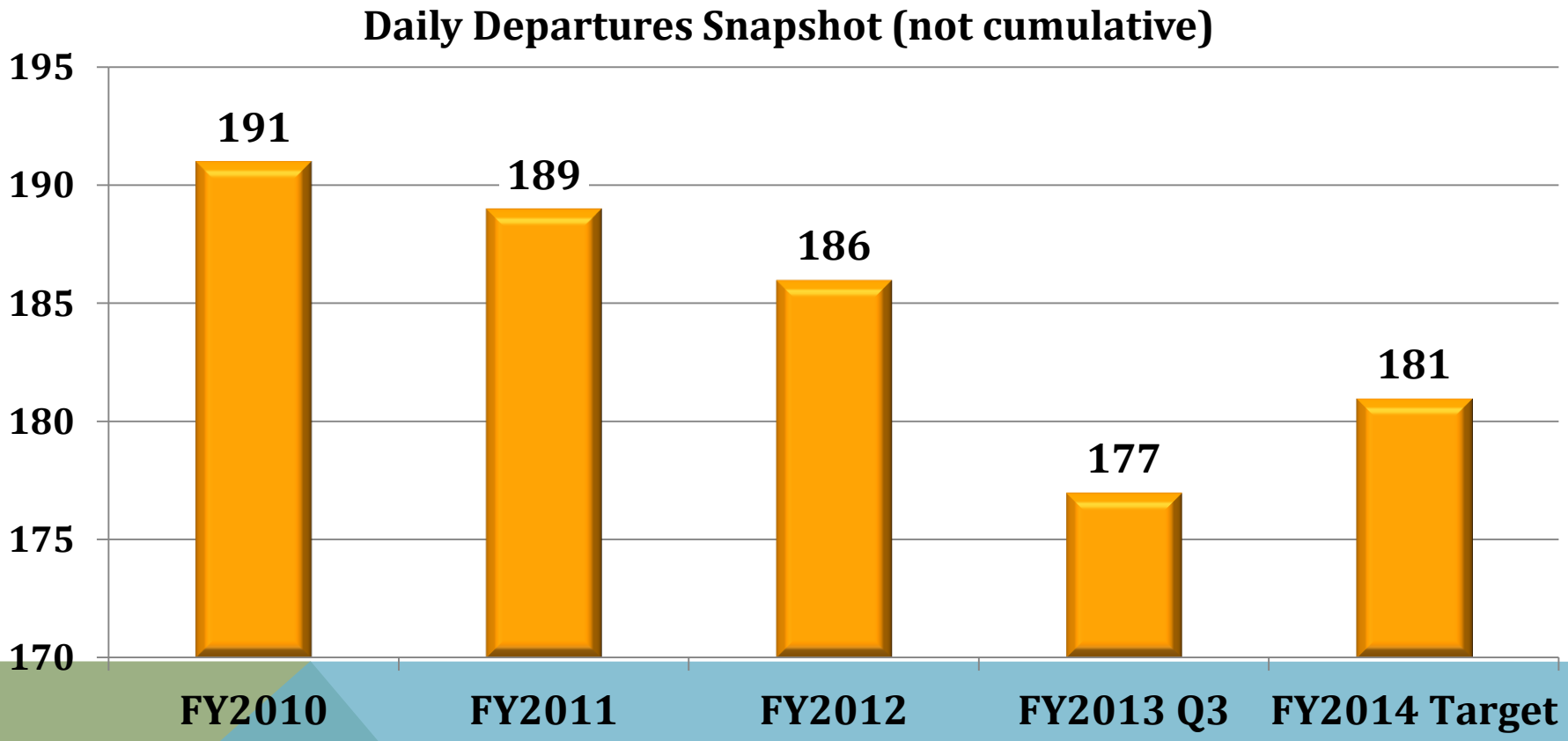
Make Kansas City a destination for personal and business visitors by maximizing the usage of the City's Aviation and Convention assets

INDICATORS

1. **Number of daily departures and arrivals at KCI Airport**
2. **Number of citywide/non-citywide conventions and other events at convention center**
3. **Number of hotel room nights and non-convention hotel room nights booked**
4. **Progress tracker for new terminal at KCI Airport**
5. **National/Int'l rankings and features of KC**

DAILY DEPARTURES

Negative Trend:



CONVENTION ACTIVITY PERFORMANCE

Convention Sales Activity	2011 Goal	2011 Actual	2012 Goal	2012 Actual	2013 Goal
Definite Bookings	272	213	233	210	234
Definite Room Nights*	325,000	232,400	275,000	236,343	300,000
Convention Center Bookings	32	28	30	31	34
Convention Center Room Nights*	210,000	128,054	175,000	158,744	175,000
Sales Leads (Room Nights)	600 (1,020,000)	584 (1,034,645)	550 (975,000)	669 (1,054,258)	675 (1,100,000)
Sales Conversion Rate	No target	20%	No target	20%	25%
Attendance at Conventions Held	n/a	241,349	No target	245,649	245,649
Marketing Impressions	n/a	181,551,743	322,997,769	350,649,954	345,500,000
Incremental Trips Generated through Marketing Campaign	105,300	150,000	132,000	146,900	142,000
Incremental Room Nights from Marketing Campaign	148,000	242,000	185,000	233,640	227,000
Visitor Interactions (Front Desk, Fulfillment, Phone Calls, Emails, Online, Social Media, Print)	No target	7,265,029	No target	8,665,447	9,505,900
Post-Convention Survey Ratings	No target	No data	No target	No data	No target

NATIONAL AND INTERNATIONAL MENTIONS OF KC

Kansas City Tourism and Convention Facilities	Business and Startup News
Facilities & Destination Magazine – Prime Site Award	Forbes (2.11) – America's Biggest Brain Magnets
Travel + Leisure "Top Place to See in 2013"	Market Watch (6.11) – Top 10 cities in the US to find a job
Frommer's – Top Destination for 2012	USA Today (7.11) – Top 10 cities for Green Jobs
Travel + Leisure "America's Most Affordable Getaway"	Wall Street Journal (8.11) – Silicon Prairie/IT Cluster
Saveur Magazine – KC as America's next Culinary Destination for 2012	Kauffman Foundation (5.13) – A- grade for small business friendliness

PRIORITY

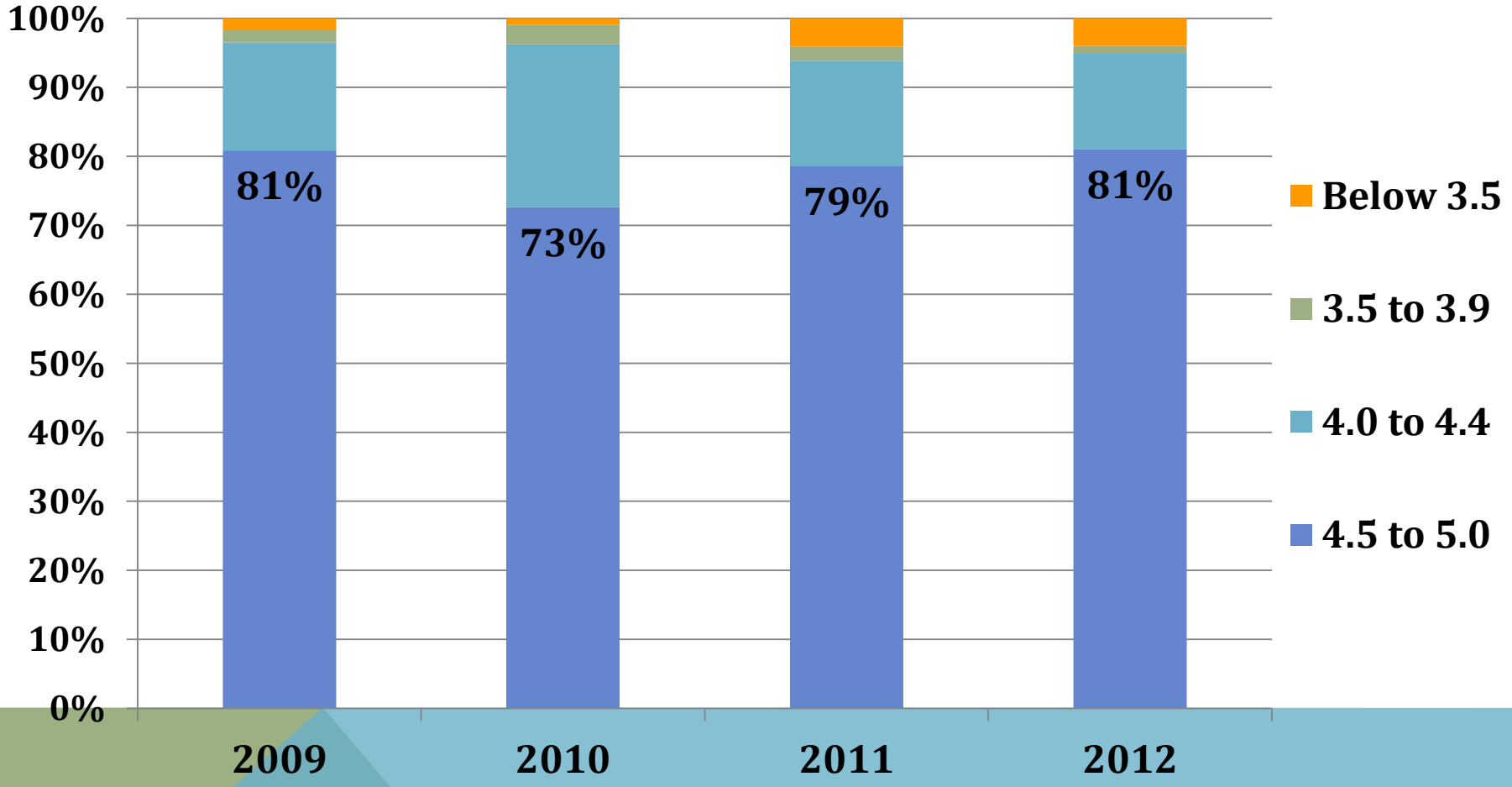
Emphasize the focus on the customer across all City services; engage citizens in a meaningful dialogue about City services, processes, and priorities using strategic communication methods.

INDICATORS

1. **% of citizens satisfied with customer service**
2. **% of citizens satisfied with communication**
3. **% of businesses satisfied with City services**
4. **% of customers satisfied with 311 service request outcomes**

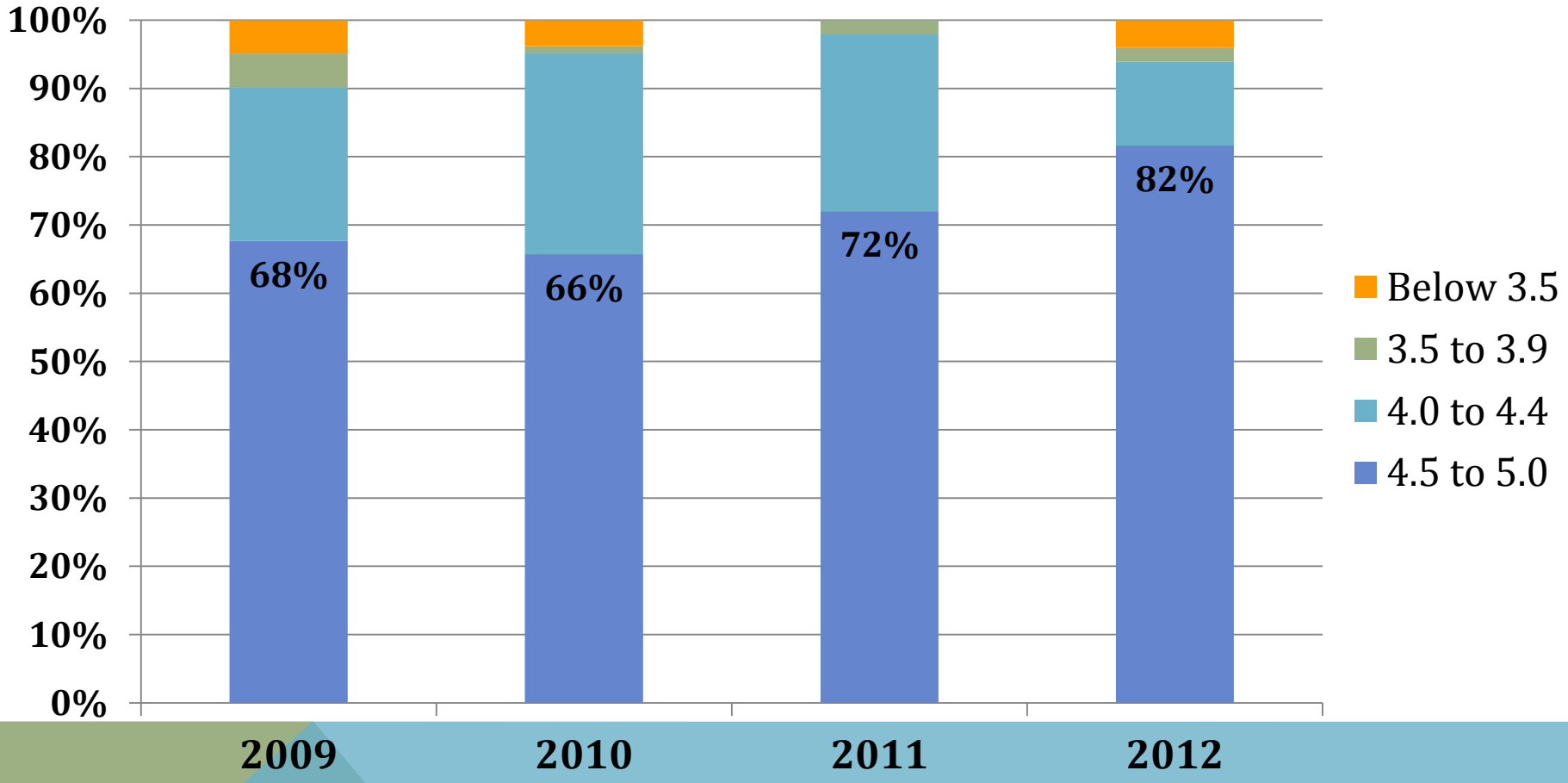
CONVENTIONS **EVENT SERVICES** CUSTOMER SERVICE

Positive Trend:



CONVENTIONS **SALES AND MARKETING** CUSTOMER SERVICE

Positive Trend:



Final Thoughts or Questions?