



JEFFERSON CITY, MISSOURI ORGANIZATIONAL ASSESSMENT

Submitted by Market Street Services, Inc.
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OVERVIEW

Jefferson City, Missouri is located in a prime geographical area between St. Louis and Kansas City. Considering the City's location as the state capital along with major employers and solid post-secondary institutions, it has the opportunity to take full advantage to grow and thrive economically. However, under unforeseeable circumstances the City has not grown in population since 2010 and the Jefferson City Metropolitan Statistical Area (MSA) has seen the same fate. To make matters worse, the City was hit with a major tornado in May 2019, leaving behind devastation to some of its citizens and employers.

In 2006, Market Street Services worked with the Jefferson City Chamber of Commerce to create a holistic strategy for the area. While much work has been done following that strategy, followed by a second one, the need for an updated strategy is vital. There needs to be a comprehensive look at business retention and expansion; entrepreneurship and small business; and an extensive look at talent to see how Jefferson City can attract jobs to the City and grow in population. Fortunately, the City and Chamber recognize the need for an updated strategy that is responsive to the needs of Jefferson City and surrounding area.

Under the leadership of the Jefferson City Area Chamber of Commerce and the City of Jefferson, the community is pursuing a collective vision for its future to ensure that population and economic growth is strengthened in order to create wealth, enhance quality of life, and strengthen its appeal as a destination for companies, visitors, and talent. To facilitate this process, the Chamber and City have contracted with Market Street Services. The initiative has brought together committed leaders to fashion a way forward for the area and create a holistic, actionable, and realistic strategy to help the Jefferson City area chart its course for the next five years.

This will be accomplished by leveraging robust data analysis and outreach to constituents across the Jefferson City area to determine competitive strengths, challenges, and opportunities and formulate an actionable strategic plan to advance the community towards its goals. The process will be overseen by a **Steering Committee** of influential public and private leaders who will inform the development of strategic deliverables, discuss and approve draft reports, and ensure that strategic implementation is positioned for success.

KEY COMPONENTS OF THE JEFFERSON CITY, MO STRATEGIC PROCESS INCLUDE:

1. Community Assessment and Competitive Scorecards

It is important that local leaders have an honest appraisal of current trends affecting the Jefferson City area's competitive position. This Assessment synthesizes existing research, community and stakeholder input, and a wealth of quantitative data covering Cole County, Missouri to produce a narrative about the community – where it has been, where it stands today, and where it may be heading. Research and findings will be structured according to key narrative "stories" that emerge from the analysis. The stories presented in the Community Assessment include comparisons to three peer communities: **Boone County, MO (Columbia)**; **Cape Girardeau County, MO (Cape Girardeau)**; and **Shawnee County, KS (Topeka)**, as well as the state of

Missouri and the U.S. Accompanying Competitive Scorecards will illustrate how Cole County compares to the three benchmark areas as well as six additional communities.

Public input was a vital piece of this component. Feedback was gained from ten one-on-one interviews of key leaders, six focus groups, and an online survey that garnered over 1,600 responses.

2. Community and Economic Development Strategy

The Strategy represents the culmination of all the quantitative and qualitative research to date through the development of detailed action items geared towards addressing challenges and capitalizing on opportunities for a visionary future. The plan will be supported by innovative best practices successfully implemented by communities from around the country. Where possible, the Strategy will incorporate the numerous efforts already underway in the Jefferson City area. Upon approval by the project Steering Committee, the Strategy will serve as Jefferson City's blueprint for competitive enhancement across a broad range of strategic categories.

3. Organizational Assessment

The Organizational Assessment provides an opportunity to bolster the community's economic development programming through a review of Jefferson City's primary organizational economic development needs. The Assessment examines the need for a new organization that could be developed to fill any target needs identified, its mission and corresponding program of work, and its alignment with existing economic development partners.

4. Implementation Plan

A plan, no matter how visionary, is only valuable when it is implemented. The Implementation Plan represents a work plan for the Chamber and its implementation partners to ensure that the Strategy is activated and sustained for the next five years and beyond. The Plan will formalize timelines for phasing in the Strategy's multiple actions, identify lead and support implementation entities, determine existing and necessary financial and personnel capacity to drive implementation, propose optimal staffing and governance operations, and confirm performance metrics to track implementation progress and success.

STEERING COMMITTEE

This process is supported by multiple organizations and will be guided by a diverse Steering Committee comprised of representatives from the public, private, and non-profit sectors. The following individuals have generously volunteered their time to serve the community and this process by providing strategic guidance, input, and oversight throughout the process, attending five meetings from September 2019 through March 2020.

INDIVIDUAL

Dave Minton, Committee Co-Chair

Darren Heckman, Committee Co-Chair

Carlene Bax

Gregg Bexten

Sam Bushman

Gasper Calvaruso

Morgan Delong Costello

Jeff Davidson

Kirk Farmer

Andy Fechtel

Diane Gillespie

Elizabeth Huber

Ken Hussey

Mike Kehoe

Larry Kolb

Larry Linthacum

Rick Mihalevich

Doug Otto

Quentin Rice

Shawn Strong

Carrie Tergin

Janet Wear-Enloe

Jerald Woolfolk

REPRESENTING ORGANIZATION

Central Bank

High 5 Communications

RE/MAX Jefferson City

Hawthorn Bank

Cole County

Capital Region Medical Center

DeLong's Inc.

Modern Litho Print

Farmer Holding Company

Fechtel Beverage

JC Convention & Visitors Bureau

Huber & Associates

City of Jefferson

State of Missouri

Kolb Properties

Jefferson City Public Schools

City of Jefferson

American Family Insurance

JQ's on High

State Technical College of Missouri

City of Jefferson

SSM Health

Lincoln University

ORGANIZATIONAL REVIEW

This Organizational Review is one phase of an effort to develop an effective economic development strategic plan for Jefferson City. This review assesses the dynamics of economic development led by the Jefferson City Area Chamber of Commerce, the City of Jefferson, and its various partners. Challenges related to these organizational dynamics were identified from stakeholder feedback from interviews, focus groups, an online survey, and Steering Committee feedback. Findings will complement the Jefferson City Community and Economic Development Strategy and inform the impending Implementation Plan.

HISTORY OF PARTNERSHIP IN JEFFERSON CITY

There are many entities that are a part of economic and community development in Jefferson City and Cole and Callaway Counties. The public sectors in Jefferson City and Cole County each have resources allocated to economic and community development. These sectors are joined by private entities such as the Chamber of Commerce, the Convention and Visitors Bureau and various businesses that have resources designed to increase their footprint and economic growth. The Chamber has a long history of working closely with the City of Jefferson and Cole County on economic development efforts. For many years, the Chamber has been contracted by the city and the county to lead economic development in the Jefferson City Area. However, Cole County did not renew its contract with the Chamber, due in part to the lack of tangible and deliberate regional focus. This change has of course created a sense of uncertainty for the Chamber.

In terms of regionalism, there have been past efforts to work with other jurisdictions to achieve mutual goals. One example is the **Missouri CORE** (Connecting Our Regional Economy), a non-profit economic development agency representing Audrain, Boone, Callaway, Cole, and Cooper counties. Although not currently active, the Missouri CORE was an effort to foster collaboration and cooperation throughout the mid-Missouri region by building a coalition. One accomplishment of note was the creation of a regional economic development tax district by the General Assembly. Reviving this effort is a worthwhile goal—re-engaging those partners that were active previously to build on past success and identifying mutual priority goals in order to set an agenda for the relevant partners to pursue collaboratively would be the foundation the larger region needs to build momentum.

Other key partnership efforts include the Heartland Port Authority of Central Missouri and MSP Community Partners. The **Heartland Port Authority**, which was formally approved in September 2018, is a formal public port authority for Cole and Callaway counties that will leverage the region's access to the Missouri River and advance the goal of providing multimodal transportation options. The Chamber is a vital partner in the effort as it has been pursuing the idea since 2008 and now serves as support staff for the Authority's Board of Commissioners. The board consists of three Cole County officials, three Callaway County officials and three City of Jefferson officials. The **Missouri State Penitentiary Community Partners** is a task force of city, state, county, and local civic organization representatives created in 1999 to create a plan for redeveloping the 142-acre MSP site when the Jefferson City Correctional Center moved to another site. The group includes the mayor of Jefferson City, three city council members, three county commissioners, the Convention and Visitors Bureau president, the Missouri Office of Administration Director of Facilities, and the Chamber president. In 2017, the Missouri General Assembly pass legislation that gave the City ownership of a portion

of the property so that the City would have the ability to redevelop the property. Since then, the Partners accepted proposals from various developers and have narrowed the options down to two. Both proposals include a convention center—one option includes a park or soccer fields, while the other includes a hotel, retail, an ice arena, and reserved space for a steamboat museum. The Partners will make a final decision in early 2020. Both of these partnerships are priority areas for the future of Jefferson City and its economic development activities.

Other local partnerships include collaborations with the **Jefferson City Convention and Visitors Bureau** when needed, particularly as it relates to the marketing of Jefferson City and the sharing of information that may lead to business prospects as a result of tourism efforts. The CVB has been a strong partner with the Chamber particularly as it relates to the longstanding MSP redevelopment effort and on the pursuance of a convention center.

A partnership that will need to be strengthened is with **Lincoln University**. One of the potential keys to the success for the Jefferson City area lies in the growth and success of Lincoln University. Lincoln already touches many aspects of the region. Its nursing program is recognized as excellent provider of quality nurses. The University has a Small Business Development Center in place, but it is not widely utilized. Lincoln is also working to rebuild a university research center. Linking into these assets with specific needs and involvement of the small businesses of the region could serve a dual purpose: creating a go-to resource for area small businesses and adding value to the entire region. Lincoln, other partners that provide resources to small businesses and entrepreneurs, the Chamber, and other relevant stakeholders must develop new and creative partnerships. Work needs to be done to ensure that the mutual needs and interests are known, that existing plans are aligned, and that a working plan of partnership activities is created and implemented.

Small business development and nursing are just two areas where Lincoln can provide tremendous assistance. However, it is important that in implementing an economic development strategy, Lincoln's limitations and concerns are understood in order to identify joint goals and establish where close collaboration can be developed. It will be vital to support them in efforts to secure additional funding, legislative support, and other assistance that may be needed.

Business internships with Lincoln have had minimum success in the region. While there are hurdles to cross and elements to hammer out in order to successfully connect students with internship opportunities at local businesses, it is a worthwhile effort. The business community will benefit through another facet of workforce development, Lincoln will continue to achieve much deserved recognition and support as a result of the partnership, and the region increases its chances of retaining talent upon graduation.

STAFF

The Economic Development function of the Chamber is supported currently by four staff members: the President and CEO, the Director of Economic Development, the Manager of Existing Business Development, and the Economic Development Assistant. Related to Economic Development specifically, the President represents the Chamber in several roles, including special task forces like the aforementioned MSP Community Partners and manages several community development projects that impact economic development opportunities, most importantly revitalization and redevelopment efforts. The Director handles

business attraction efforts, including marketing and managing leads, serves as liaison between the Chamber and various economic development and workforce development partners at the local, regional, and state levels, and serves on committees such as the Transportation Committee and others. The Manager of Existing Business Development manages the Business Retention and Expansion (BRE) Program, provides assistance for prospective projects within the Enhanced Enterprise Zone, and manages several small business support programs. The Economic Development Assistance assists the manager with the BRE Program, provides demographic research, and maintains the economic development website. At one time, there was an additional full-time employee, but that position was cut when there were budget cuts.

Stakeholder and Steering Committee feedback has indicated a need for expanded staff capacity, particularly as it relates to specific strategic recommendations and programs. Ensuring that there is a person responsible for organizing, tracking, and managing programs so that they are not wholly dependent on volunteer time and priority will be key to achieving success in the next five years. Staffing recommendations will be provided after Steering Committee feedback on the final conclusions of this report.

Additionally, there were specific discussions centering on performance. Simply having a program in place does not guarantee that there will be positive results. There must be measurable, performance-driven metrics in place which will drive the activities of the economic development program of work. These measurements should determine what elements of the program are to be evaluated. Certainly new jobs and new capital investment are two indicators of some success based on previous annual numbers. However, there are many more elements of an effective economic development organization that need to be in place. These will be provided in the Implementation Plan following Steering Committee approval of the Strategy and the organizational recommendation of this report.

BOARD OF DIRECTORS

The Chamber Board of Directors consists of 32 members and is responsible for oversight of the operations and direction of the Chamber. All budgets and programs must be approved by the Board. The Board is made up of local City and County officials as well as members of the business community. The Board includes nine ex-officio members:

- Mayor of Jefferson City
- Presiding Commissioner of the Cole County Commission
- Missouri State Commissioner of Administration
- Executive Director of the Jefferson City Convention and Visitors Bureau
- President of Lincoln University
- Superintendent of Jefferson City Public Schools
- President of the Jefferson City Area Board of Realtors
- Chairman of the Chamber Young Professionals
- Member of the most recent graduating class of Leadership Jefferson City

BUDGET

The Chamber has done a good job in developing a broad array of programs and activities that meet its members' needs. Of its 2018 budget of nearly \$1,015,519, the Chamber spent \$626,153 (or nearly 62 percent) on economic development efforts. \$335,000 of this came from contracts from the City (\$185,000) and County (\$150,000). Therefore, the County's contract nonrenewal amounted to 24 percent of economic development spending, if spending remained the same. The bulk of expenses are personnel-related (\$374,990), and another \$164,878 were for economic development, and \$14,585 for community development. The remaining portion of the economic development budget were for operational expenses.

To reach the needed increased funding, this effort cannot be a repeat of what has been done in the past with a little different emphases. Goals must be established that will require new and different approaches than have been exerted in the past. "Business as usual" should not be a part of this strategy!

It is important to note that the Chamber must address the needs of its members by a diversity of programs and activities with the remainder of its budget. Business after hours, leadership programs, membership directories and web sites, relocation services, Partners in Education, just to name a few, are activities that the Chamber provides in hopes of added value to its members as the first priority. Many of these programs also assist in the economic development impact on an indirect basis.

MARKETING

Economic development is a competitive business. Each year, thousands of communities vie for a handful of projects. Economic development organizations that succeed share several characteristics: their initiatives are targeted, sufficiently staffed, and marketing oriented. They are backed by a supportive, positive community because they themselves have a strong local brand. The private sector typically plays a significant role in economic development by contributing time, energy, and funding to the initiative.

Targeted

Effective economic development organizations concentrate marketing efforts on a handful of key market segments. This involves analyzing local strengths and challenges, and identifying audiences whose location needs align with the strengths. Community improvements, such as workforce development or infrastructure investments, are based on target audience needs. Targeting focuses marketing dollars, helps define a community's brand identity, and results in a higher return on investment.

Sufficiently Staffed

Most economic development programs have a minimum of three employees, including an executive director, business development director, and an administrative support and/or research person.

Marketing Oriented

Through marketing, a community increases its name awareness and improves its perception, ultimately generating increased target audience investment. Economic development professionals should be excellent communicators and strategists, as well as be sensitive to market trends.

Marketing activities should address two distinct sets of audiences. The first includes all external audiences – for example, specific industries that a community wants to recruit. The second includes internal audiences, such as local residents, companies, public sector organizations, educators, and the local media.

- External marketing includes all activities directed at informing target audiences about the community’s competitive advantages. An external marketing plan describes the campaign’s objectives and the ideal marketing mix needed to access audiences.
- Internal marketing includes all activities that build name awareness and perception of the EDO within the community. It guides the EDO in establishing its brand, creating widespread understanding of its role, and growing trust among stakeholders.

Both strategies are typically accompanied by a budget, calendar, and metrics to keep the campaign on track.

Local Brand

An economic development organization is most effective when it is backed by a supportive group of public and private sector stakeholders. Building trust and buy-in takes time, communication, and visionary leadership.

Generating a positive local brand identity requires most economic development directors to spend 50 percent or more of their time on internal marketing activities. This includes ongoing communication with investors, elected officials, business leaders, the media, and the community at large. The time they spend within the local community pays off. Residents are more likely to speak highly of their community to friends and colleagues. Investors are more willing to continue funding economic development when they are kept informed. Media is more likely to pay attention to economic development news. Elected officials endorse support business friendly policies and share information with the economic development organization.

Companies and site selectors can immediately detect whether a community’s leadership works well together and prefer to locate in places that do. Signs of local cooperation include shared messaging, a single point of contact, coordinated and rehearsed prospect meetings, and friendly interaction. It is often up to the EDO to foster relationships and provide a vision that unites the community.

Marketing in Jefferson City

The first Strategy that Market Street completed for Jefferson City in 2006 included a list of target business sectors that should be a priority. These were: Advanced Manufacturing, Health Care, Design & Marketing Services, and Finance & Insurance sectors. A refreshed review of these sectors is needed especially as it relates to a regional approach. Some may need to be deleted or adjusted while other sectors need to be added based upon the findings of the Community Assessment and Scorecards and also due to the recommended regional aspects. This work will help to focus the future activities and expenditures for economic development, particularly those related to effective marketing. Since there are new members of the Steering Committee who were not involved in the previous Strategy, some basic information about the approach that MSS recommends is as follows.

The practice of targeting specific business sectors for regional growth is now an almost universally supported and pursued strategy. A Target Sector Analysis presents recommendations regarding business sectors that should be a priority for recruitment spending because of the ability of the region to compete for new jobs and capital investment. These reports and recommendations are developed from an extensive analysis of the community's economic and occupational composition and competitive position for a variety of business activities.

Knowing which sectors the assets of the region support most is an important part of the economic development process. This effort allows the region to position itself to be more competitive—to address competitive disadvantages while leveraging the competitive assets. Currently, the broadband internet capacity and availability in Jefferson City is limited. Therefore, recruiting a business that is very sensitive to this type of technology infrastructure would not be the best use of resources. Targets can develop into strong clusters of activities when there is a symptomatic program undertaken to determine the needs, interests, and concerns of existing businesses. If correctly done, supply chains can be mapped, and gaps in suppliers for existing businesses can be identified and pursued. Building on current business retention and expansion efforts by working with existing businesses to not only identify their business-to-business needs but also including them in those related recruitment efforts can fortify economic development efforts.

Successful economic development entities are laser focused on the best fit of businesses for their region, and they target their efforts in that way. Simply running ads in a national magazine about what a great place it is to work and live does not elevate a community over its competition. Trade shows can have some impact in economic development. However, targeting is critical to this effort as well—ensuring that the investment is not in just attending these shows, but setting up appointments ahead of time with prospective businesses and site consultants creates greater returns on investment.

Tracking of the expenses and investment and the associated returns should be carefully considered. Specific parameters to be considered include number of leads generated; cost per lead; industry type of leads; number of quality prospects that resulted from the leads; of those prospects, the number of proposals sent; the number of actual site visits hosted; and data tracking related to specific needs such as speculative buildings or shovel ready sites and infrastructure needs. A scoreboard should be developed that provides a platform for tracking these kinds of activities with the bottom line showing the results in new jobs and new capital investment each quarter and each year compared to previous time periods for at least a five-year period.

ORGANIZATIONAL RECOMMENDATION

It has been said that, "A rising tide floats all boats". Nothing could be truer when it comes to economic and community development. Payrolls from a business flow in and out of communities and counties. Mortgages as well as everyday consumer items are purchased in close proximity to where people live and to where they work. Based on the commuting issues, most residents nationally are within 25 minutes from where they work to where they live. However, because of Jefferson City's benefit of being in close proximity to Columbia, home of the state's flagship public university, St. Louis, and Kansas City, residents have many options on employment location, and in return, Jefferson City is a contender for being chosen as the home of the many workers beyond Jefferson City's borders.

Unfortunately, there presently is **not one entity** that is focused on the growth and development for the Greater Jefferson City Region. The region itself is not even officially defined. Activities are focused on one part of the region, like a city or a county, without regard to what is best for the region at large. It is understandable that with limited resources, each entity must focus on their immediate and highest return on these resources. However, this type of approach and method of operation almost always leads to individual entity focus that pertains only to that specific area or group of stakeholders. When the political pressure is put into play, the region's welfare and best interests often are not the priority. It is important to remember that site selectors, corporate representatives, and brokers do not limit their search to local jurisdictions—there is added strength and heightened competitive advantages in regional cooperation.

While there are conversations, past and present, about regional issues, often the end results stop with conversations about the **lack of any entity** that is focused on the Greater Jefferson City Region's needs and interests.

A new holistic community and economic development effort requires the commitment and participation from the public and private sectors. It involves building on existing success while also launching new programs and incorporating existing programs and activities that have proven to be fruitful. Sufficient organizational capacity must be committed and in place. Most importantly, **execution must be a top priority**.

During the first phases of the ongoing strategic planning process, it was very apparent through surveys, interviews, and small group and larger group discussions that there was a strong perceived need for regional focus. It was noted that if a business client were looking for property to build on, as it is presently designed, only the property owned by the Chamber or within Jefferson City area would probably be shown. While this may be acceptable if the property meets the clients' needs, it is certainly risky in trying to keep the prospects' interests in the region by only having limited options.

In spite of the efforts and desires, what has become apparent and clear throughout this strategic planning process is that doing a little more with the same delivery systems will not bring about significant change or impact. Certainly, maintaining status quo may be less risky and less costly, but the results will also be minimum.

Therefore, our overall recommendation is not to totally create a brand new organization. The Chamber has an important role to play as a convening organization in Jefferson City, and it has historically provided

economic, community, and workforce development services and programming. However, the Chamber is ultimately a member organization that represents the area's business community and is accountable to its board and its members. The Community and Economic Development Strategy has a much broader mission, represents the entire region yet to be defined (regardless of Chamber membership), and does not "belong" to any one organization. **Instead, a non-profit, Chamber-affiliated, public-private community and economic development partnership should be established.** The following bullets provide a high-level view of how this entity should be organized.

- This entity perhaps called the Regional Jefferson City Partnership should be responsible for the economic development and regionalism-related elements of the Strategy.
 - Workforce development is a critical present and future need for the Region. While primarily the Chamber has been working on several aspects, its focus is primarily limited to Jefferson City and Cole County. If workforce was a regional focus, the chances of other companies looking elsewhere should be lessened. Regional initiatives should help to raise the awareness in the region as well as identify regional priorities to better create a critical mass for workers in occupations most needed in the region.
 - Tourism is another area where the impact of regional tournaments, regional convention, and conferences could further expand the economic impact for the whole region. This does not mean that current organizations would lose their total identity, but instead, a broader focus and market could greatly expand the types of tourism that could be recruited and obtained.
- It is strongly suggested that the governing body of the Partnership consist of a blend of private and public individuals representing key elements within the region. At least one representative from the incorporated public sectors and funding sources should be a member of the entity. Other members should include representatives from the manufacturing, distribution, and small business sectors along with key community leadership.
- The funding for this new entity should be driven by the private sector with strong support from the public sector. Ideally, there would be a minimum yearly operating budget of \$1,000,000 specifically devoted to the purpose of this entity.
- Economic development partnerships are generally allowed to incorporate under one of three sections of the federal tax code: 501(c)(3), 501(c)(4), or 501(c)(6). Market Street suggests that a 501(c)(3) foundation be formed for the specific purpose of regional growth and development. This 501(c)(3) would give the Partnership the utmost flexibility in terms of funding.
 - Typically, all types of foundation, federal, and state grants and monies can be sought and obtained with this tool.
 - Additionally, contributions and gifts from individuals and corporations are tax deductible as charitable contributions. Other non-profit models offer much less in the way of tax benefits for funders. These entities are also mostly barred from lobbying and political campaigning activities, which can help to clearly delineate between organizations that take policy positions such as the Chamber and a community and economic development partnership that works on behalf of all in the Region.

- Often by necessity due to budget restraints, the Chamber staff has to wear many hats. Chambers have to spread themselves very thin in order to meet the demands of its membership. The Jefferson Area City Chamber is no exception. The current staff members are working hard to meet all the demands. It is important to pause and ensure that hard work does not replace smart work. It is also important to recognize some need for overlapping but to be keenly aware to try and prevent duplication. The goal of establishing a Regional Economic Development Partnership is not to duplicate the Chamber but to ensure that there is maximum return from the investments focused on growth and development within the Region.
 - The Partnership would contract to hire the staff and programs needed to implement the specific programs and activities developed by the Partnership. Having adequate staff to carry out the functions for the Partnership will be an important piece. However, simply adding staff to move the status quo along is not acceptable. The regional team will need to report to work every day with only the focus of regional development on their minds and in their actions. The recommended staff structuring will be addressed in the next phase of this Strategy process.