

CITY COUNCIL STUDY SESSION

TO: Mayor and City Council

FROM: Mari E. Macomber, City Manager

SESSION DATE: May 2, 2016

TIME: 4:30 pm

PLACE: City Council Chambers

AGENDA:

- Regional Entrepreneurship Assessment & Strategy
- Policy Discussion
- Study Session Topics
- Update on Projects
- Council Agenda Review
- Council Newsletter Review

Regional Entrepreneurship Assessment & Strategy

In 2015, a report was issued for the Northeast Missouri Regional Planning Commission (NEMO RPC) that outlines the key outcomes that this region of the State would need to invest in to encourage and support entrepreneurial development. The NEMO RPC region includes: Adair, Knox, Lewis, Schuyler, Scotland and Clark counties.

This report was developed through the work of the Institute for Regional Innovation and Entrepreneurship at Southeast Missouri State. The Institute conducted an entrepreneurial assessment of our region to help identify specific actions that could be taken to improve what they called our “entrepreneurial ecosystem.” The entrepreneurial ecosystem describes an environment that has the right mix of technical support, capital, networks, training, and regulatory requirements to support emerging entrepreneurs.

According to the Institute’s research there are **five factors that drive** an entrepreneurial ecosystem:

1. Developing a Pipeline of Educated and Skilled Entrepreneurs;
2. Cultivating Technology Exchange and Innovation;
3. Improving Access to Capital;
4. Promoting Awareness and Building Networks; and
5. Optimizing the Regulatory Environment.

To obtain the information for our region, the Institute gathered data from the following:

1. A regional survey
2. An interactive focus group

3. The National Establishment Time Series (NETS)¹
4. Industry Clusters
5. Occupation Clusters

¹Business establishment information is archived into a time-series database (shows economic variable changes over time)

From there the Institute identified seven (7) key areas where the region would need to invest to encourage that “grow your own” system of economic development.

- Developing new opportunities for entrepreneurial training and education
- Create an attractive region for young adults to live and work in
- New ways to implement tech-focused training and education
- Continue investing in improvements to broadband access
- Establish formal investor groups and continue developing gap financing tools
- Develop strong entrepreneurial a network
- Continuously evaluate the health and stability of the entrepreneurial ecosystem

This report was released to the NEMO RPC after the start of the year and provided to its member communities at the end of February.

The City partners with the Missouri Rural Enterprise and Innovation Center (MREIC). MREIC’s mission is to help small businesses grow and succeed. Carolyn Chrisman serves as the Executive Director of MREIC and will be in attendance to visit with the Council about this report identifying things the City can be doing to support the entrepreneurial ecosystem and to update the Council on the current efforts of MREIC.

Included the summary report from the Regional Entrepreneurship Assessment & Strategy, as well as additional information about MREIC.

Policy Discussion

At the April 18 Study Session the City Council discussed funding for not-for-profit agencies. Certainly all members were in agreement that the Northeast Missouri Inclusion Playground Project was a project of interest to the Council and one that tied closely to the services provided by the City. Before leaving Councilmember Moritz had asked the Council to consider providing funding to the Take Root Café. From much of the conversation that had occurred, it did not appear that the Council believed the mission of this not-for-profit tied into the direct services that the City Council provides. Is this a correct statement?

Also, does the Council want a policy on when you will fund a project, program, etc. that is brought before you or would you prefer to consider these as they come forward?

Included in this report is a list of some of our partners and additional Policy information previously provided.

Study Session Topics

During your annual planning meeting, the Council reviewed a list of Study Session topics that would be brought forward for discussion by the City Council.

Included with this Study Session packet is a list of the dates and topics that have already been discussed or plan to be discussed for this year.

This would be a good opportunity to review the list, ask questions about what the topic is about and identify other topics that may be of interest. A few topics that had been identified by at least one Council member and added as discussion topics included: requirement for underground utilities; and impact fees assessed to developments due to the additional costs they place on city services.

As provided last year, the following is more information on each of these topics.

Update on Projects

If time allows on Monday, I would like to provide a summary report of where we are with the various projects we have planned for this fiscal year.

Attachments

- Regional Entrepreneurship Assessment & Strategy Summary
- MREIC Information and Services
- Partnerships and Excerpt from Council Policy #3
- Study Session Topics

Enclosure

- Regional Entrepreneurship Assessment & Strategy Recommendations

Summary & Recommendations

Summary

The following three pages summarize the strengths, challenges, and opportunities in the region. Each section is intended to give a brief, but focused, overview of the main outcomes of the analysis.

Regional Strengths

The region's main strengths include:

- Student led entrepreneurship club, ENACTUS, at Truman State University.
- The importance of higher educational institutions is clearly recognized.
- Entrepreneurship curriculum is taught in some middle and high schools.
- Jobs in the educational sector have increased in the last decade.
- The Location Quotient for the Education & Knowledge Creation cluster was 2.46 in 2012.
- The Location Quotient for the Post-secondary Education & Knowledge Creation Occupation cluster was 1.29 in 2010.
- Percentage of adults with some college or an associate degree increased from 2010-2013.
- A STEAM (Science, Technology, Engineering, Arts, and Mathematics) Alliance has been organized.
- All of the regional colleges offer various forms of degrees in the STEM fields.
- Girls Coding Club has been developed and implemented.
- Moberly Area Community College is developing the Mechatronics Mobile Laboratory.
- There are two revolving loan funds available in the region.
- At least three banks in the region are qualified SBA lenders.
- Both Location Quotient and employment in the Business and Financial Services cluster increased from 2004 to 2012.
- Kirksville Area Chamber of Commerce has a Leadership Institute.
- Plans are in development for a new business incubator in Kirksville.
- Several communities participate in the Missouri Main Street Connection Program.
- Missouri's Economic Development Agency named best in the nation in 2014.

Regional Challenges

The Northeast Missouri region also experienced some challenges that may affect the region's entrepreneurs and stakeholders abilities to thrive and succeed. These are areas where both public and private entities can come together and help make investments to improve the area's foundation for fostering entrepreneurship. None of these things can be fixed overnight and priorities must be made to determine which to deal with first, but the goal should be to make long-term investments in high-impact initiatives.

The region's main challenges include:

- No dedicated entrepreneurship major or minor at regional colleges.
- Availability of internship programs is viewed as mediocre.
- Collaboration between regional businesses and colleges is viewed as mediocre.
- Effectiveness of training programs for starts-ups and entrepreneurs is viewed as lacking.
- Percentage of adults with a bachelor's degree or higher stayed flat from 2010 to 2013.
- The average annual change in the young adult population is -1.4%.
- Availability of IT professionals is viewed as scarce.
- Quality of technical assistance from regional colleges is viewed as mediocre.
- Jobs in technology based industries have declined since 2002.
- The Location Quotient in the IT & Telecommunications industry was a low 0.48 in 2012.
- The Location Quotient in Tech-based Knowledge Occupation cluster was 0.58 in 2010.
- Regional broadband penetration appears relatively low.
- Access to capital from investors is viewed as very scarce.
- Access to capital from banks is viewed as somewhat scarce.
- A slight majority feel that business people are not actively investing in economic development or start-up projects.
- No formal investor group was identified in the region.
- Income levels for both employees and proprietors appear to have fallen below comparative rural Missouri levels.
- The level of interaction between businesses and residents is viewed as mediocre.
- Very few large companies with the capacity to support larger networks and events.
- Decline in both resident and nonresident jobs since 2002.
- Overall negative view of state and local efforts to support small businesses.
- Effectiveness of government-sponsored growth incentives is viewed very negatively.
- Need for more support and funding for improving infrastructure.

Regional Opportunities

Based on the existing resources and trends in the region, there are several opportunities that can help foster a stronger entrepreneurial ecosystem. These regional opportunities require collaboration and commitment from stakeholders throughout the region.

The region's main opportunities include:

- Develop entrepreneurship focused curriculum at all educational levels.
- Integrate entrepreneurial teachings into existing school programs and organizations.
- Teach social media marketing to regional entrepreneurs and small businesses.
- Identify ways to retain more bachelor's and master's degree students to improve educational attainment levels in the adult population.
- Conduct a workforce focus group with regional businesses focusing on their future needs for technically skilled workers, technology adaptations, expectations of the regional colleges, etc.
- Identify the feasibility of implementing a makerspace in the region.
- Continue developing better access to high-speed internet, particularly making sure that it reaches smaller communities as well as larger ones.
- Identify regional investors and form an investor group.
- Build more capacity for micro-lending and gap financing tools.
- Promote cross-county collaboration and promotion of available resources such as training programs, support organizations, events, networks, etc.
- Continue developing networking and mentoring programs to support regional entrepreneurs and small businesses.
- Conduct regional "small business friendliness survey" to identify exact areas of concern for small business in the region.
- Develop small-business start-up package with key information about legal requirements, forms, licenses, regulations, etc.
- Set up small business owners focus groups to discuss specific ways to improve regional regulatory and political challenges.

MREIC - Missouri Rural Enterprise and Innovation Center

Established in 2006, The Missouri Rural Enterprise and Innovation Center is a non-profit innovation center located in Kirksville, Missouri. The MREIC is dedicated to the needs of entrepreneurs in Northeast Missouri. Its primary focus is to enhance entrepreneurship by providing a supportive infrastructure for entrepreneurs allowing them to enhance their capabilities, broaden their network and successfully grow their companies.

MREIC's location near Truman State University and A.T. Still University allows the center to focus on available University resources to generate new ventures; including innovations in healthy aging and information intensive technologies. MREIC currently is supporting the start-up of client ventures with products ranging from food innovations to construction components and from products with military applications to those for information-intensive security systems.

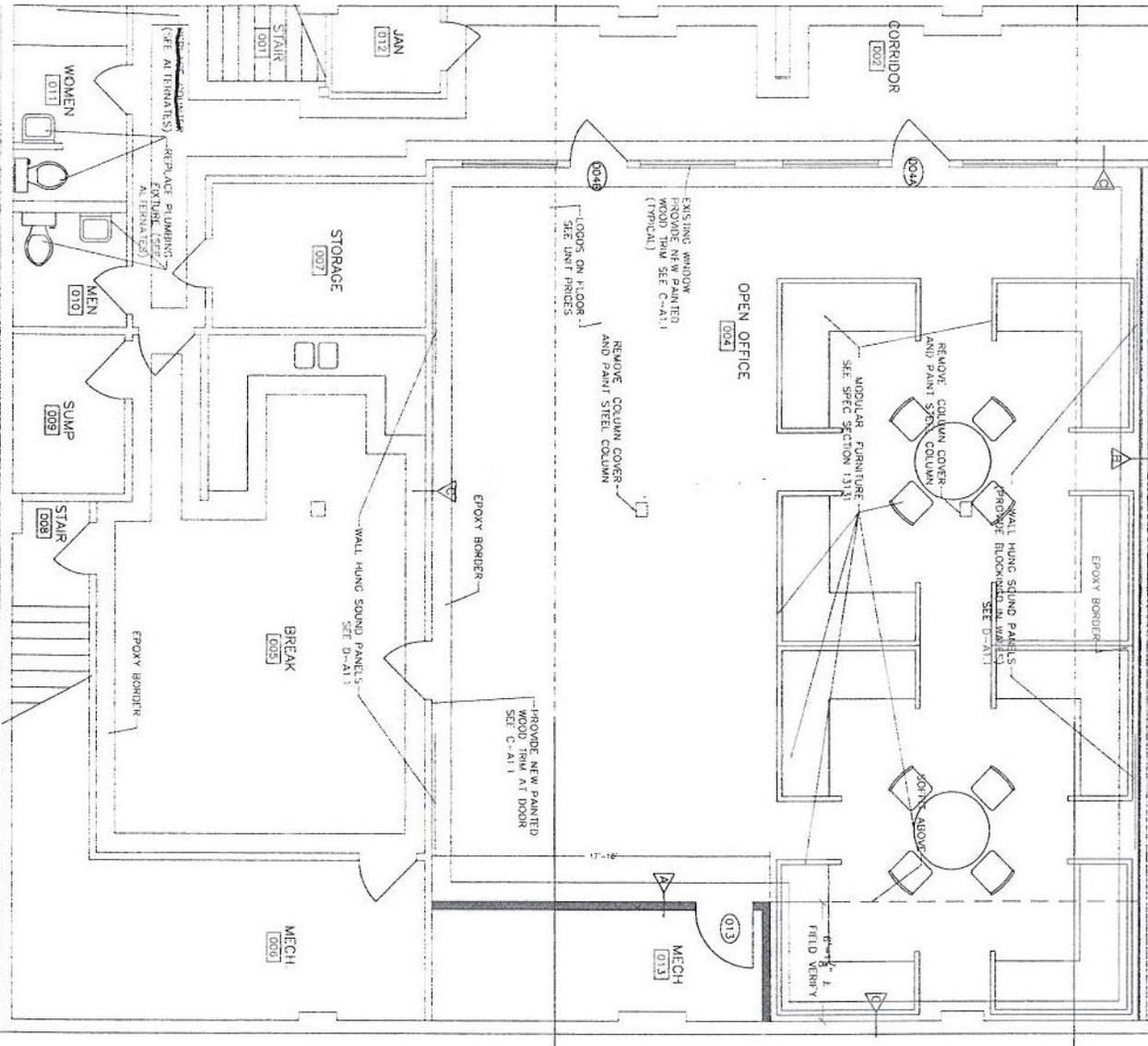
MREIC encourages regional economic growth based on commercialization of innovations in Northeast Missouri. We provide support to new and established entrepreneurs through both one-on-one advising as well as connections to workshops, funding resources and technology development solutions. We actively pursue a communications program that creates a broader understanding of the role of entrepreneurship in our economy. We are organizing a network for idea exchange opportunities among entrepreneurs— contact us to join in.

MREIC SERVICES

MREIC/SBTDC offers numerous services for entrepreneurs. These include:

- **Business Start-up Information and Assistance:** The issues involved in starting, running, or expanding a business are often complex. Should you form an LLC or S Corporation? Is a business license required? Will you own or lease your equipment? If you need answers, the center's counselor(s) can offer assistance to meet your needs.
- **Business Planning:** Our business counselors can provide assistance for developing a full scale business plan for your business start-up.
- **Intellectual Property Management:** Ideas often need to be protected before taking them to the marketplace. MREIC/SBTDC provides information on a variety of means for doing that – patents, trademarks, copyright, etc. and information on cost effective means to provide protection.
- **Development and Marketing:** MREIC/SBTDC has the tools available to help you assess the competition, thoroughly analyze your business, and develop a plan for success.
- **SBIR Grant Assistance:** The center provides expertise with SBIR funding, including help in locating appropriate funding opportunities and expertise in grant writing.
- **Funding Assistance:** Most entrepreneurial small businesses are confronted with funding needs. Center staff is skilled in financial analysis and financial statement preparation. Counselors are also familiar with the loan guarantee program offered through the Small Business Administration.

EDA INCUBATOR SPACE



As a reminder the following are ways in which the City partners with various not-for-profit organizations.

- Kirksville Arts Association - \$1,000 per year for Summer Concert Series
- Kirksville Area Chamber of Commerce - \$1,000 for Fireworks
- Chamber of Commerce - \$1,000 for Shop Kirksville promotion
- Kirksville R-III - \$1,000 for Ready Workforce Project
- Kirksville R-III – School Resource Officer
- Kirksville Arts Association - \$500 for Art in the Park
- Gents & Joules - \$500
- Fourth of July Parade - \$200
- North Central Missouri Food Bank Summer Feeding Program
- Chamber and Tourism – marketing sign
- K-REDI – Economic Development
- MREIC – Economic Development
- Tourism – Economic Development

Council Policy 3 outlines the services that are priorities for the City as follows:

Services provided by the City are categorized in order to set priorities for allocating available funds and are defined as follows:

1. *Basic or Core Services*: Includes (1) legally mandated commitments or services, (2) those most closely linked to the health and safety of the citizens of Kirksville, and (3) those providing a net revenue contribution, or reducing identifiable costs in the same fiscal year.
2. *Maintenance of Effort Services*: Services that (1) maintain control of City resources, (2) reduce identifiable costs in future years, and (3) are necessary to keep the public adequately informed of legislative matters.
3. *Quality of Life Services*: Activities which are provided for more specialized groups, or are more aesthetic or promotional in nature.

The above categories have been applied to the City services as follow:

<u>Basic or Core Services</u>	<u>Maintenance of Effort Services</u>	<u>Quality of Life</u>
Debt Services	Council	Parks
Police & Fire	Administration	Recreation
Water & Sewer	Finance	Aquatic Center
Street & Land Maintenance	Personnel	North Park
	Municipal Court	Airport
	Public Facilities	
	Economic & Community Development	
	Codes & Engineering	

TOPICS COVERED FROM JANUARY – May 2

- Brush Site Program – 1/4
- Economic Development Sales Tax – 1/4
- State of the City – 2/1
- Kraft-Heinz Parking Lot, Road Extension – 3/7
- Stormwater Projects – 3/7
- Rotary Park Master Plan – 3/7
- Façade Renovation Assistance Program – 3/7
- Municipal Court – 3/21
- TEAP Report – 3/21
- Fire Truck Report – 3/21
- Comprehensive Plan Review – 4/4
- Comprehensive Airport Report – 4/4 (EAS, Apron Project, Capital List, Marketing Grant)
- TAP Fees – 4/4
- Not For Profit Funding – 4/4
- Sale of Alcohol at North Park – 4/18
- Public Information Policy – 4/18
- FLATS Grant Application – 4/18
- Downtown Sidewalk Replacements – 4/18
- Regional Entrepreneurship Assessment Strategy – 5/2
- Policy Discussion – 5/2
- Study Session Topics – 5/2
- Update on Projects – 5/2

TOPICS TO BE COVERED FROM MAY 16 to December 19

- TEAP Report – 5/16
- Shooting Range Update – 5/16
- E-911 Center Funding – 5/16
- Proposed Body Camera Policy – 5/16 (tentative)
- Summary Report of Roadway Evaluation – 5/16 (tentative)
- Review Results of Legislative Session – 6/6
- Economic Development Partners Report – 6/6
- Missouri Main Street Provisions – 6/6
- Landscape Ordinance – 6/20
- Tour Community to discuss Policies and Solutions – 6/20
- No Study Session / Council Meeting – 7/4
- Humane Society Report - 7/18
- Health Insurance Report – 7/18
- Audit Report and Review of CAFR - 7/18
- Property Tax Levy Review – 8/1
- Aquatic Center Evaluation Report - 8/15
- No Study Session / Council Meeting – 9/5
- Planning Meeting – 9/19
- Wastewater Plant Update – 10/3
- Review Capital Equipment Replacement - 10/3
- Health Insurance Report - 10/17
- Trap/Neuter/Return Report - 10/7
- Utility Rate Review – 11/7
- Sign Ordinance – 11/7
- Budget Review – 11/21
- Glass Recycling and Household Hazardous Waste Updates - 12/5
- 12/5
- 12/19
- 12/19