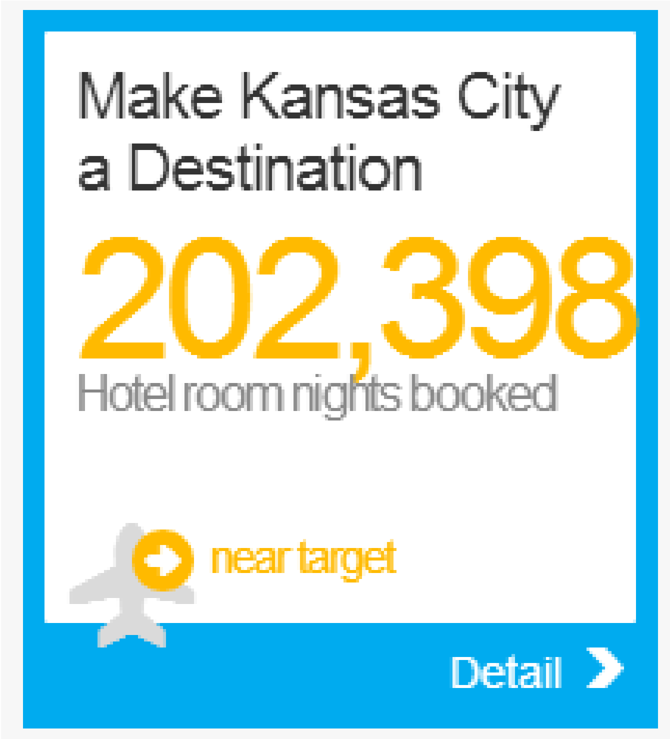
ECONOMIC DEVELOPMENT

APRIL 1, 2014

https://kcstat.kcmo.org

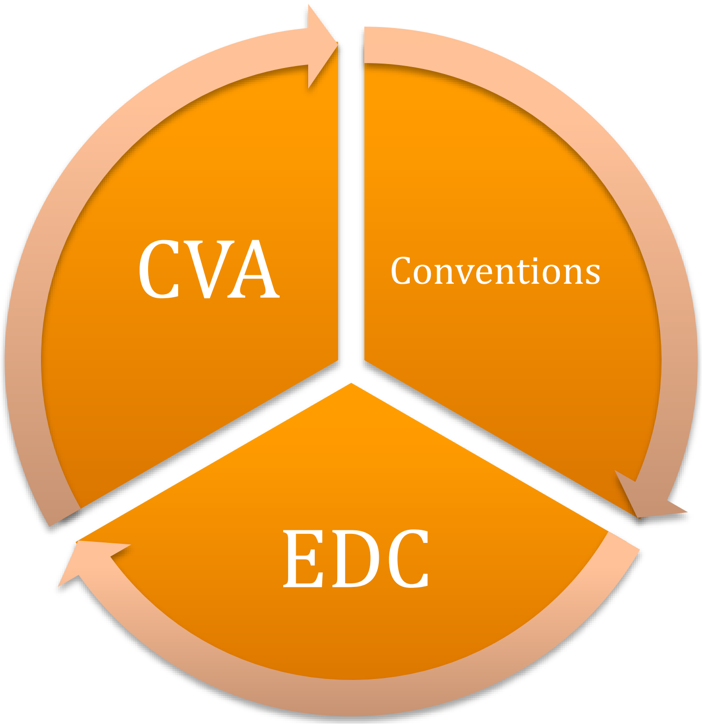
MAKE KANSAS CITY A DESTINATION



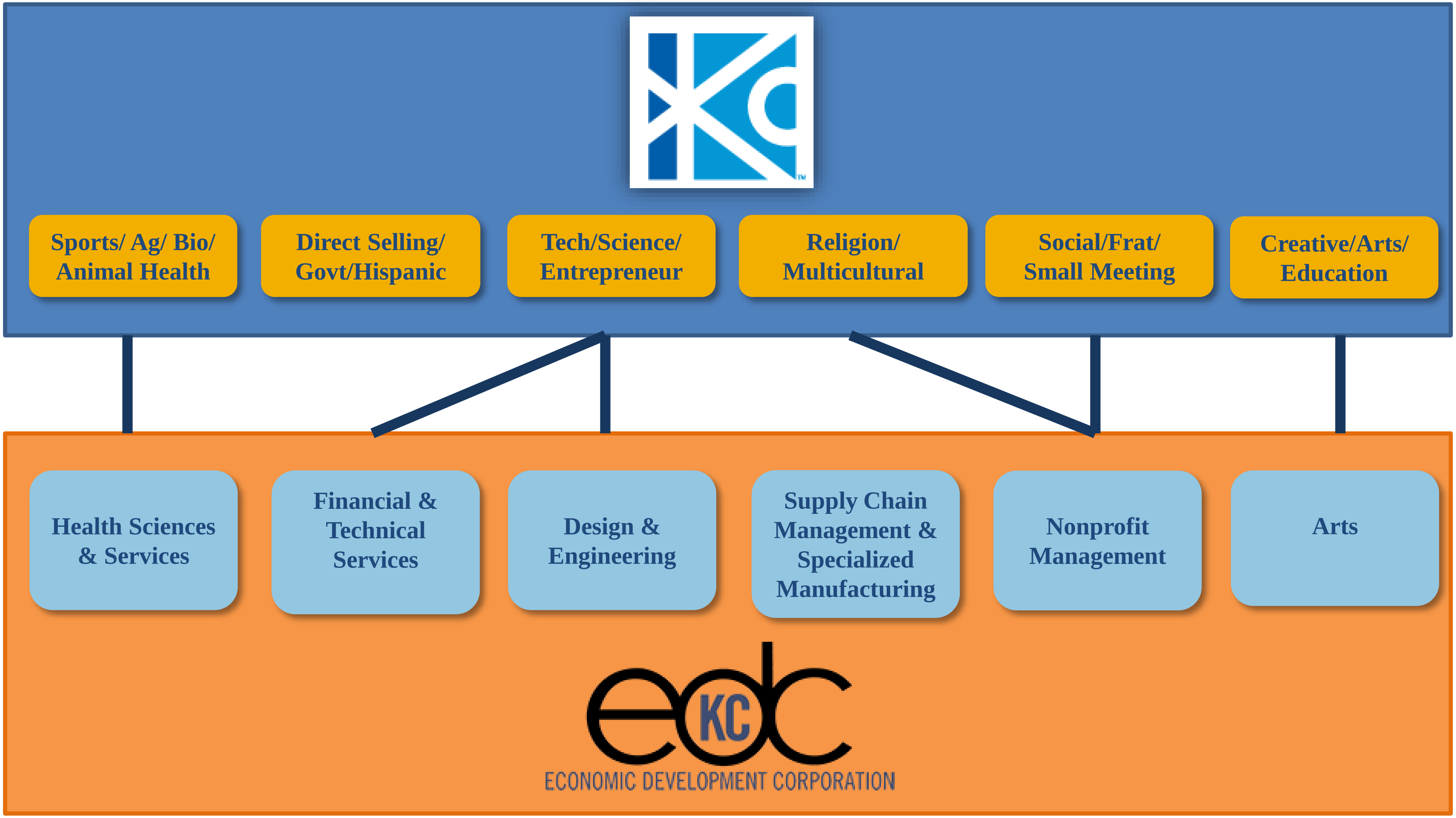
EDC/CVA COLLABORATION

PARTNERSHIP IN ECONOMIC DEVELOPMENT

- **Tools**
  - Staff alignment around targeted industries
  - Coordinate CVA's local advocates with the EDC Industry Councils
  - Coordinate recruitment & retention efforts around targeted industries at conferences and trade shows
- **Marketing**
  - Seek opportunities to market jointly
  - Representatives from CVA, Conventions, & EDC to sit on each other's marketing committees
- **Metrics**
  - Set goals and measure shared metrics to determine ongoing strength of the partnership



TARGET SECTOR COORDINATION



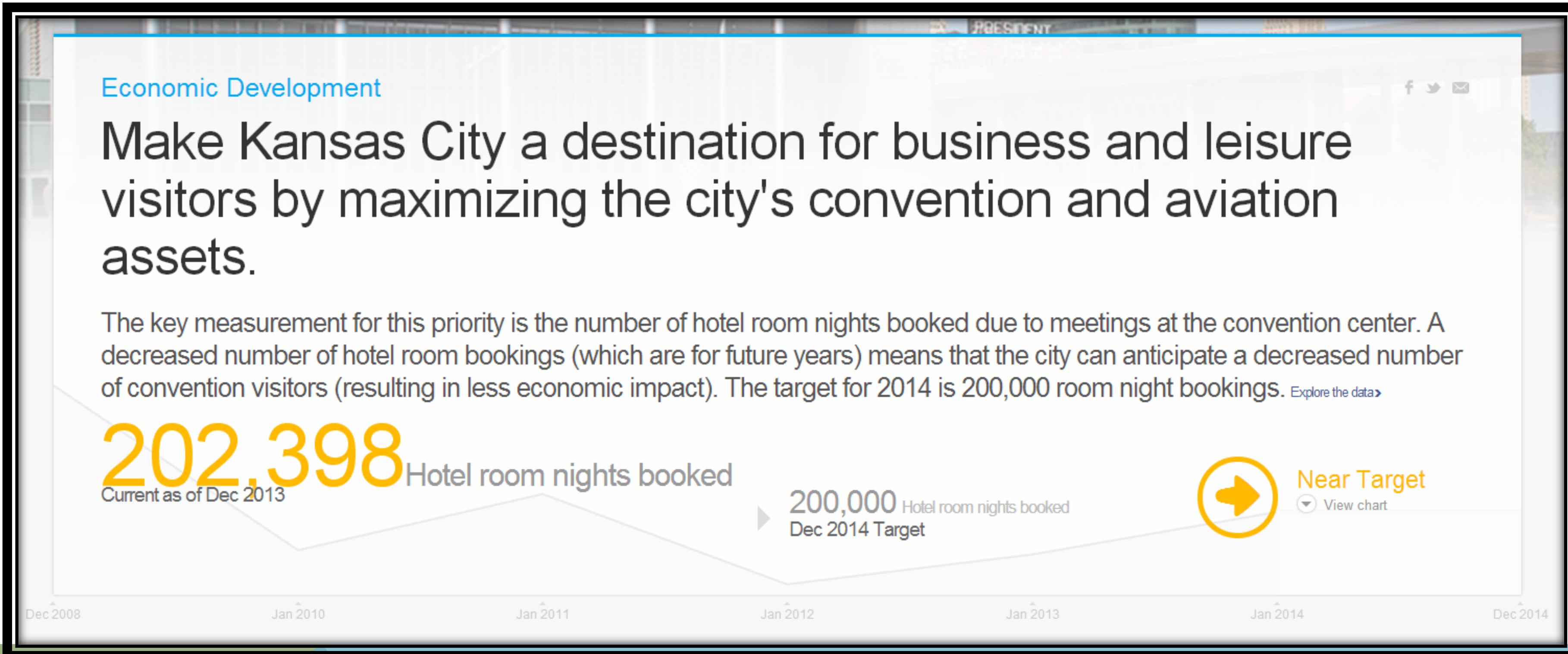
TEAM KC EFFORTS

Reorganized CVA convention sales efforts around cross-departmental sales teams to generate new convention bookings targeting six key industry segments

- Reorganize CVA Staff Teams to Cluster by **Outcome**
- Target our Top Civic Industries & Growth Sectors
- Value Growth, Revenue & Need Periods
- Create “Team KC” in each industry including local industry representatives
- Establish “Meet in KC” Opportunity Fund
- Better Package Our Meeting Destination
- Provide better opportunity for innovation and staff creativity

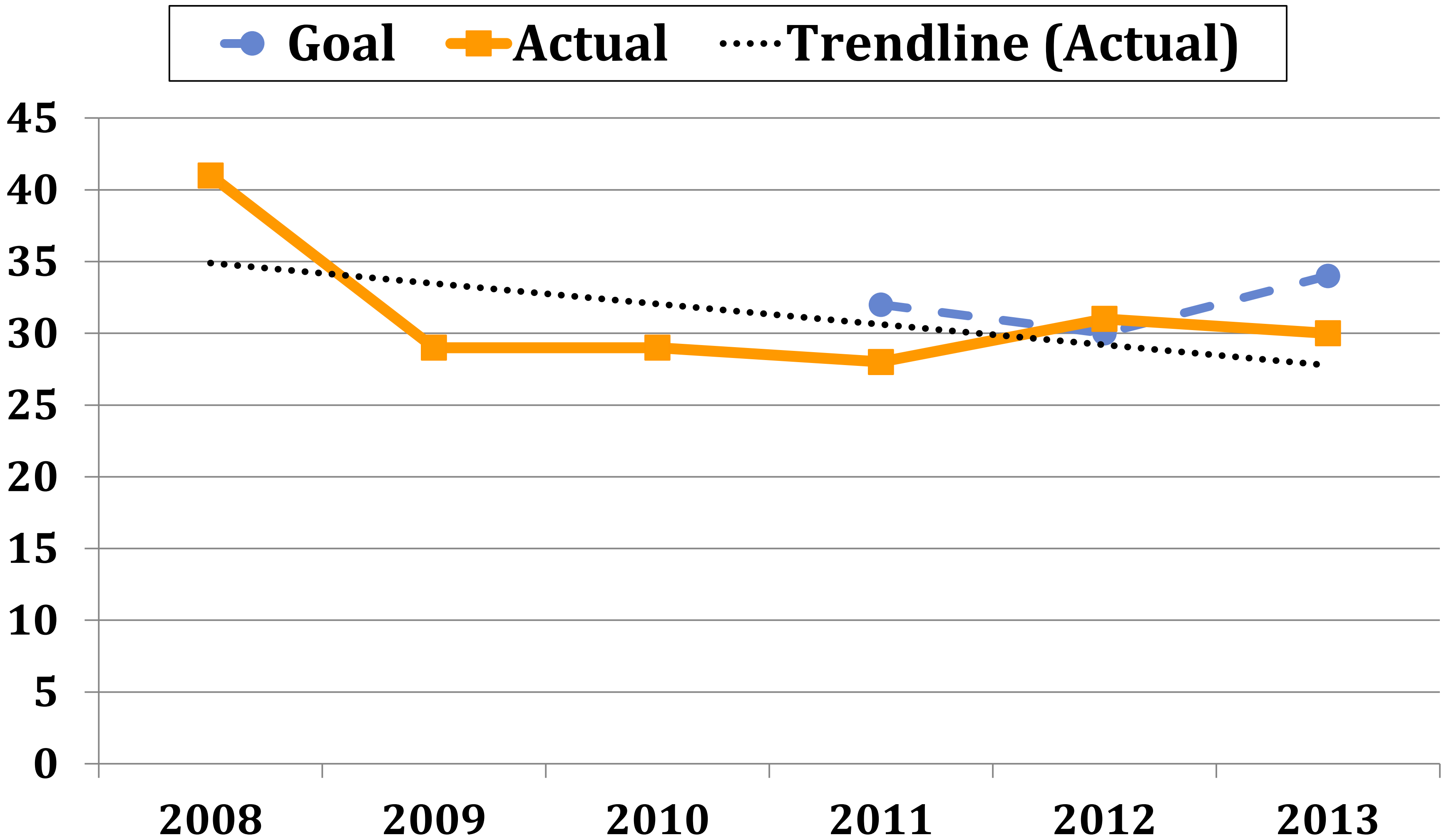
CONVENTION ACTIVITY: CVA AND CEF

INDICATORS OF FUTURE – HOTEL ROOMS BOOKED FOR FUTURE YEARS



Source: kcstat.kcmo.org

INDICATORS OF FUTURE: CONVENTION CENTER <u>BOOKINGS</u> FOR FUTURE YEARS



Source: Kansas City Convention and Visitors Association

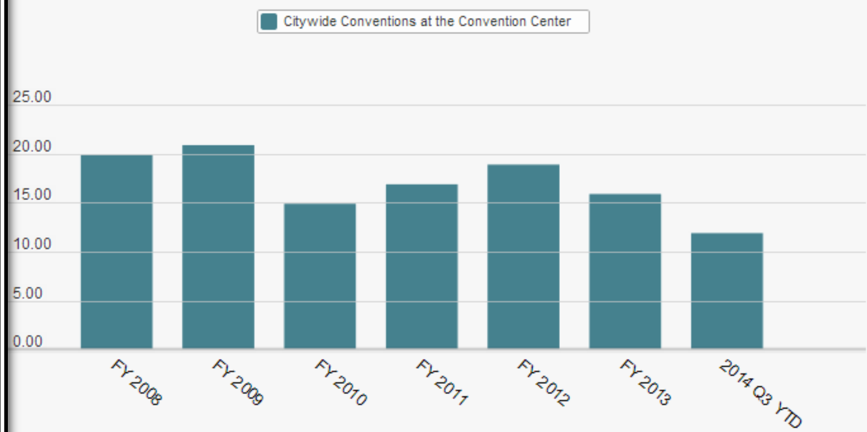
ACTUAL "CITYWIDE" CONVENTIONS HELD AT CONVENTION CENTER AND ATTENDANCE

Measuring Convention Activity

In measuring convention events and attendance, the city focuses on "citywide" conventions, which are the largest conventions (based on number of attendees). This focus is because each of these conventions create a substantial economic impact, and therefore an increase (or decrease is noticeable). These conventions also account for the majority of convention visitors. For more information about the City's convention facilities and how they are utilized, visit: http://www.visitkc.com/convention-center/index.aspx

Number of Citywide Conventions at Convention Center

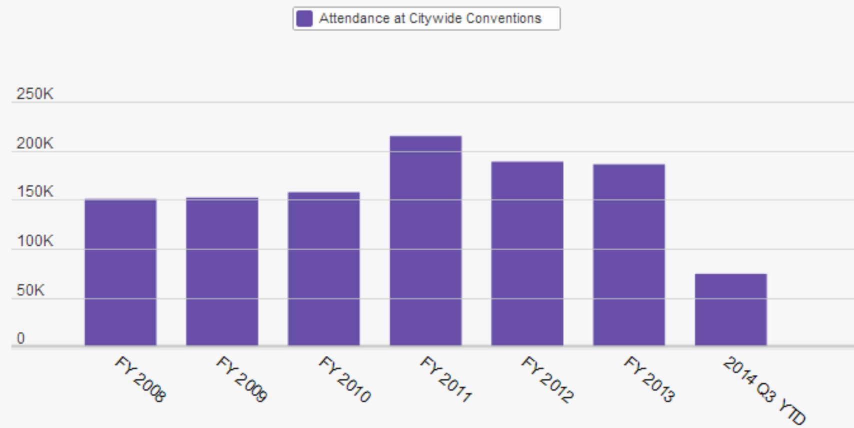
Citywide conventions are defined as those conventions that require 1,000 or more hotel rooms on their peak night. The number of citywide conventions has been declining in recent years. *(updated quarterly)*



› Explore the data

Convention Center Attendance from Citywide Conventions

Attendance at citywide conventions is by definition high, since these are defined as conventions that require 1,000 or more hotel rooms on their peak night. As the number of citywide conventions has declined, so has the number of attendees. *(updated quarterly)*



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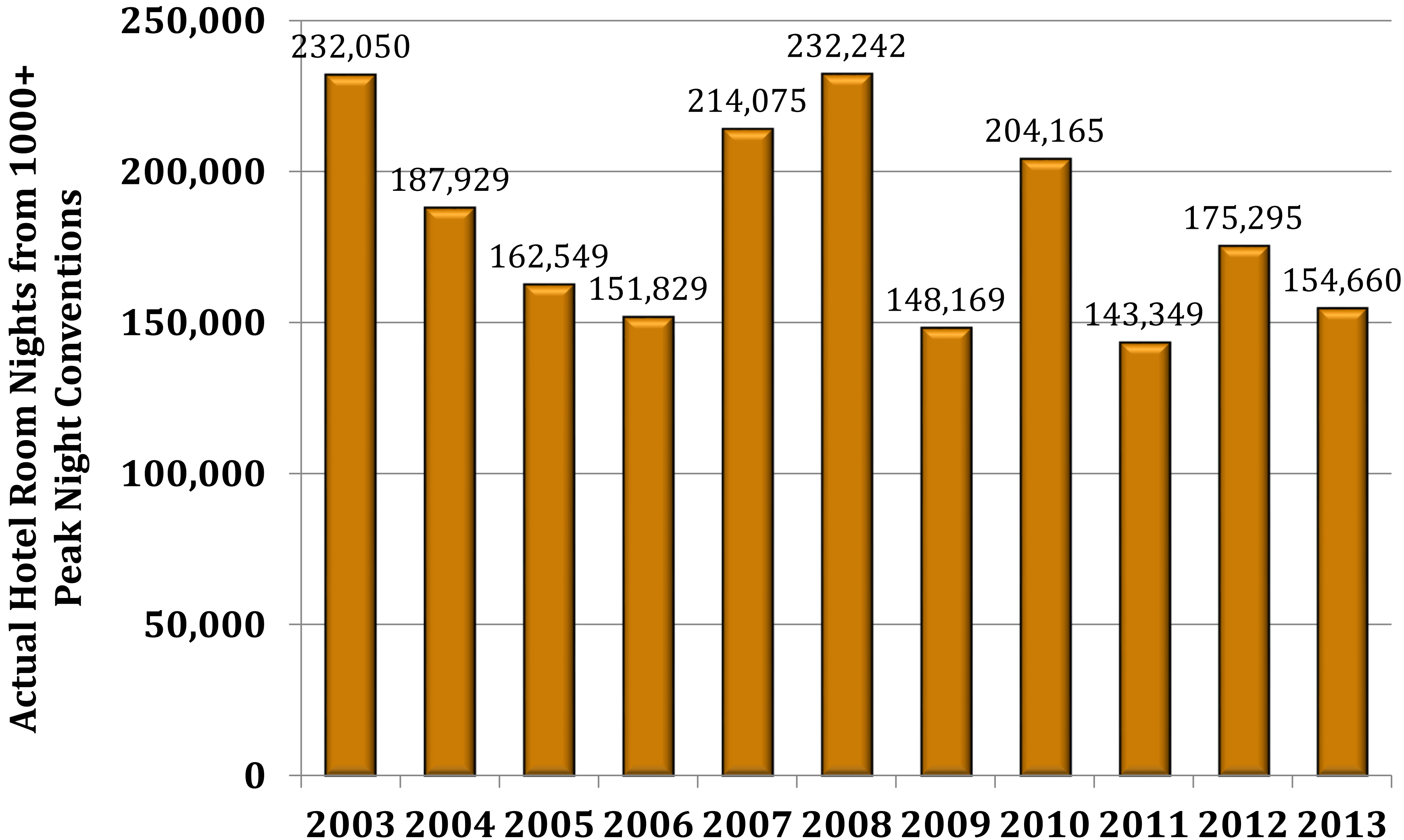
Source: kcstat.kcmo.org

ACTUAL HOTEL ROOM NIGHTS
(“CITYWIDE” CONVENTIONS: 1,000 PEAK NIGHT ROOMS)



Source: Kansas City Convention and Visitors Association

CVA PERFORMANCE TARGETS

Create Interest	2012 ACTUAL	2013 ACTUAL	2014 GOAL
Room Nights Booked (For Future Years)	236,343	305,000	342,000
Site Visits	100	119	110
Brand Impressions	350,649,954	392,363,206	402,731,000

Curate Visitor Experience	2012 ACTUAL	2013 ACTUAL	2014 GOAL
Website Visits	2,142,776	2,505,697	3,017,000
Social Media Followers	83,558	124,705	140,000
Visitor Interactions	8,665,447	9,939,170	10,666,250

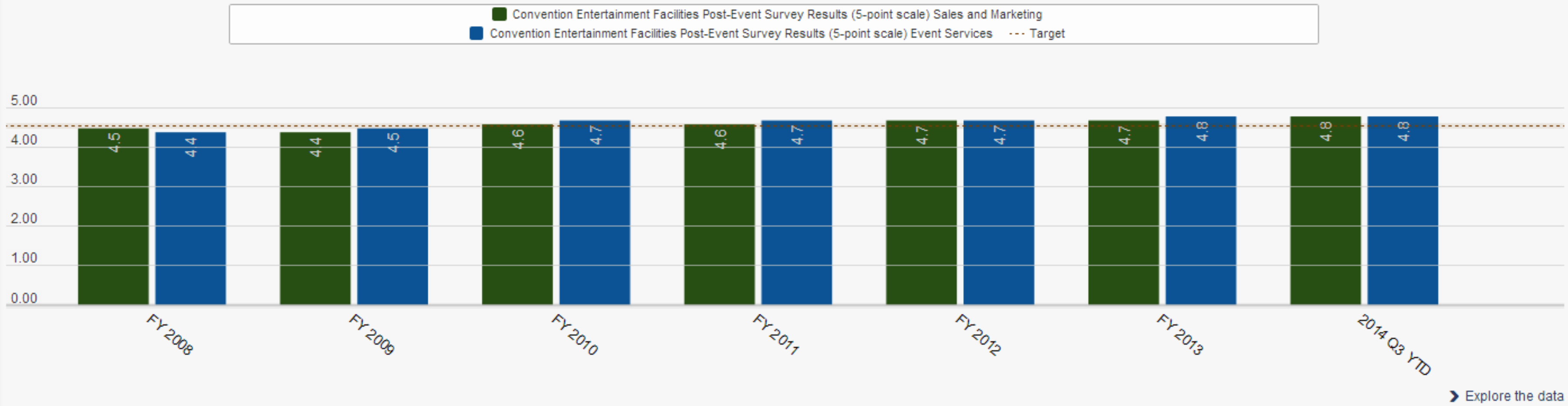
KCMO Hotel Data (Source: Smith Travel Research)	2011	2012	2013
Hotel Occupancy	58.3%	59.2%	60.0%
Hotel Rooms Sold	3,051,621	3,119,211	3,209,816
Hotel Room Revenue	$282,353,652	$300,660,887	$315,929,666

Source: Kansas City Convention and Visitors Association

CONVENTION CENTER CUSTOMER SERVICE

Convention Facilities Post-Event Survey

The City's Convention and Facilities Department, which manages the City's convention facilities, surveys event managers to gauge satisfaction with the city's infrastructure and services in this area. The department closely monitors these response, and provides follow-up action when low results are received. The trend for both the Sales and Marketing and Event Services Division has been on an upward trend and has consistently met the department's target. *(updated quarterly)*



Source: kcstat.kcmo.org

CONVENTION CENTER RECOGNITION

- **2014 Prime Site Award received from Facilities and Destinations (F&D), for 8th year in a row**
- **Industry professionals involved in site selection determine the Prime Site Award by voting for facilities**

2014 2013 2012 2011 2010 2009 2008 2007

MEDIA RELATIONS

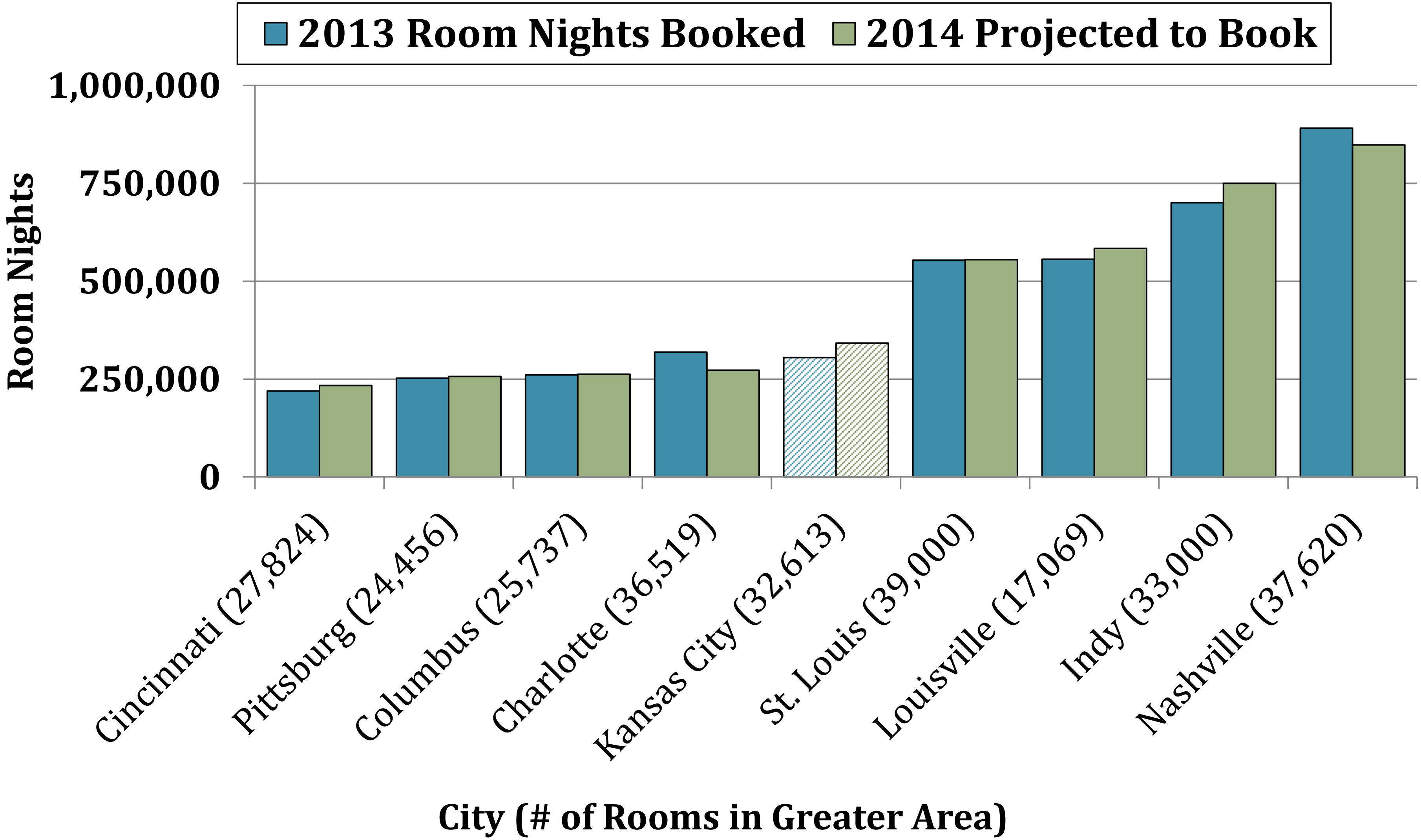
"Top 10 U.S. Destinations in 2014"
– ***Lonely Planet***

"America's #1 Affordable Getaway"
– ***Travel + Leisure*** (three years in a row)

"America's next great culinary destination" –
Saveur (2012)

"America's Next Great Cocktail City"
– ***Chicago Tribune*** (2013)

BENCHMARKING CONVENTION ENVIRONMENTS



Source: Kansas City Convention and Visitors Association

BENCHMARKING CONVENTION ENVIRONMENTS

City	2013 Rooms Booked	2014 Projected Room Bookings	# of Greater Area Hotel Rooms	# of Downtown
Cincinnati	219,855	234,000	27,824	3,200
Pittsburgh	252,250	256,850	24,456	4,570
Columbus	260,611	262,500	25,737	3,800
Charlotte	318,771	273,061	36,519	4,573
Kansas City	**305,000**	**342,000**	**32,613**	**3,778**
St. Louis	553,558	555,000	39,000	7,300
Louisville	556,159	584,000	17,069	4,037
Indy	700,385	750,000	33,000	7,181
Nashville	890,921	848,000	37,620	8,489

Source: Kansas City Convention and Visitors Association

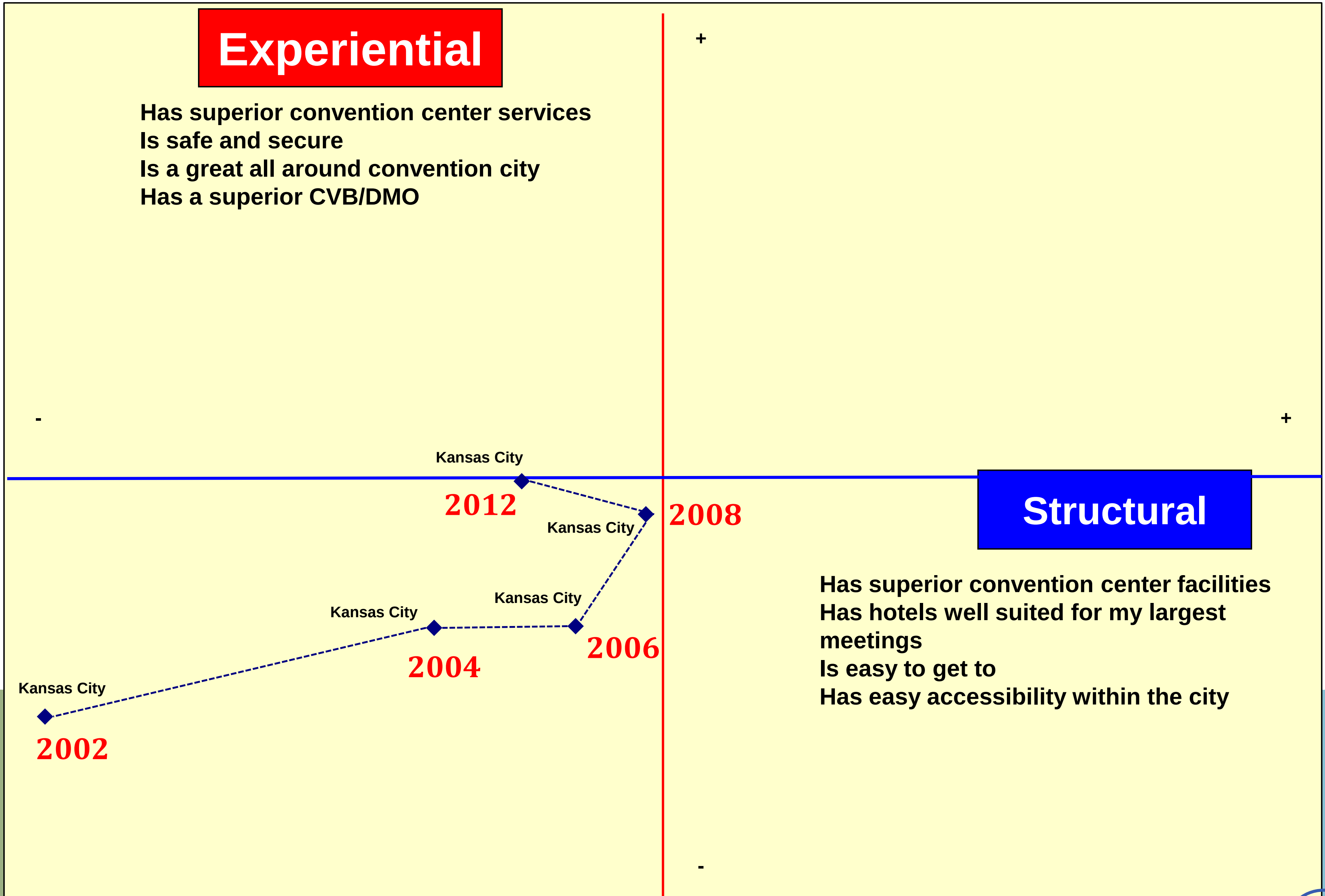
TOP CRITERIA FOR MEETING PLANNERS FOR A CONVENTION CENTER

Research Questions	KC 2012 Overall Score
Has hotels that are well suited for my largest meetings	6.47
Is easy to get to	6.08
Is a great all around convention city	5.84
Has superior convention center services	6.36
Is safe and secure	6.99
Has superior convention center facilities	6.05
Has easy accessibility within the city	6.05
Has a superior CVB/CMO	6.95

Excellent	Good	Average	Problematic
Top Quartile & ≥ 7	Top Quartile or ≥7	≥6 and < 7	< 6

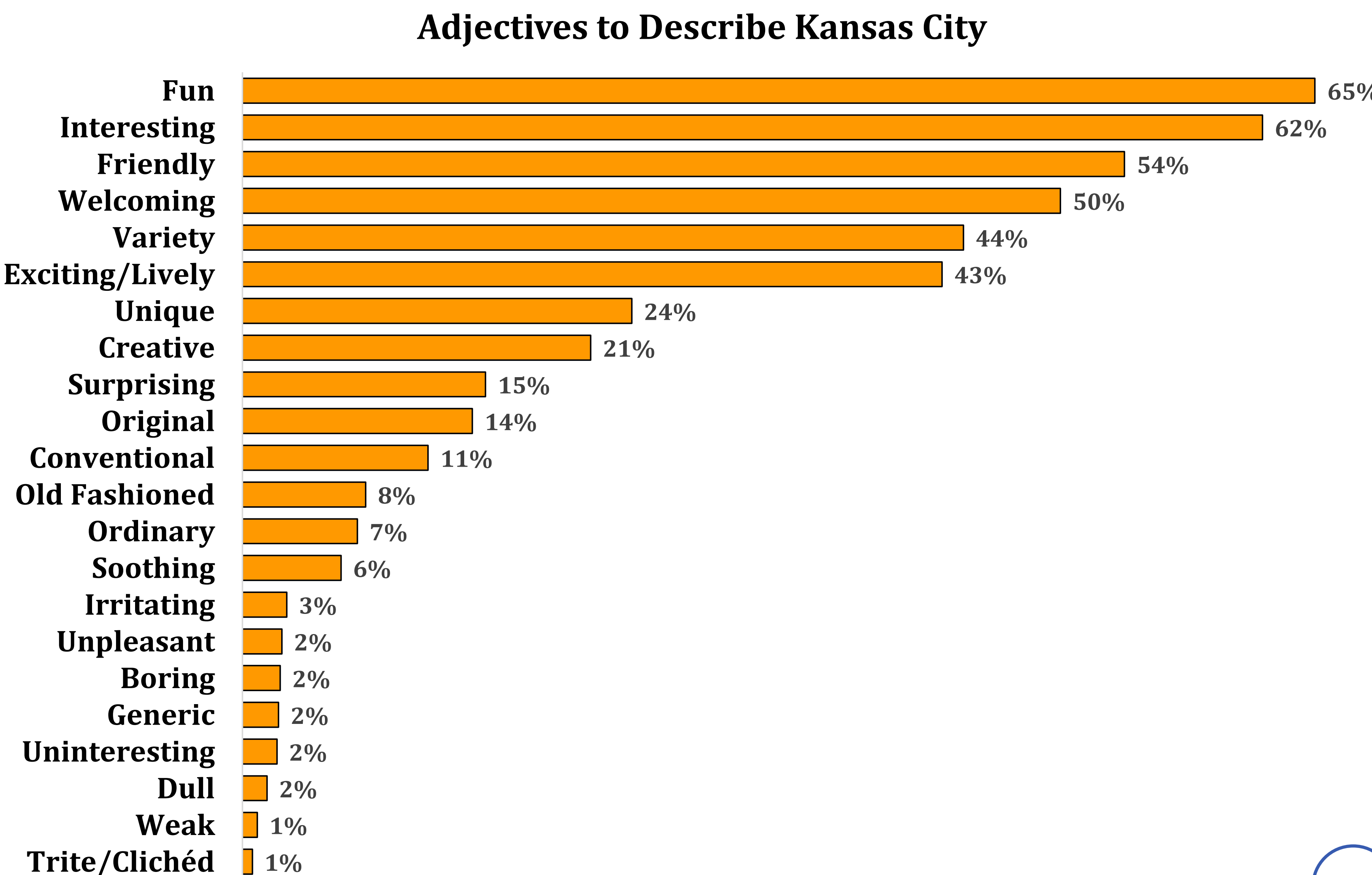
Source: 2012 Watkins Research Group Meeting planner survey ranking of 46 cities

WATKINS MEETING PLANNER RESEARCH



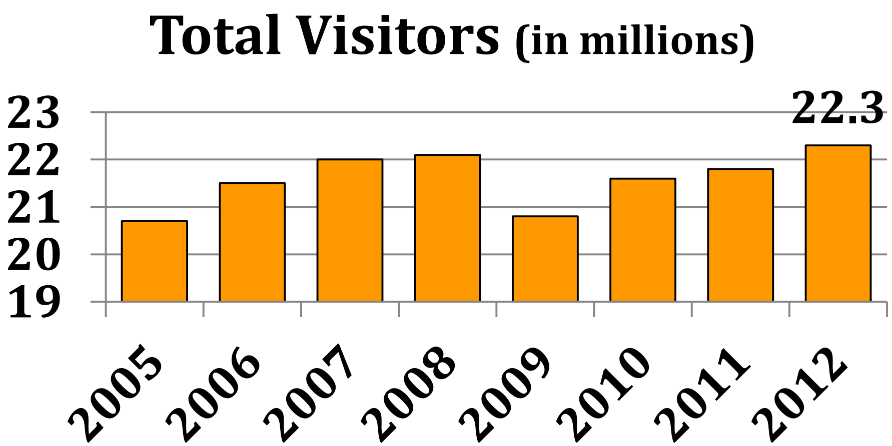
Source: 2012 Watkins Research Group Meeting planner survey ranking of 46 cities

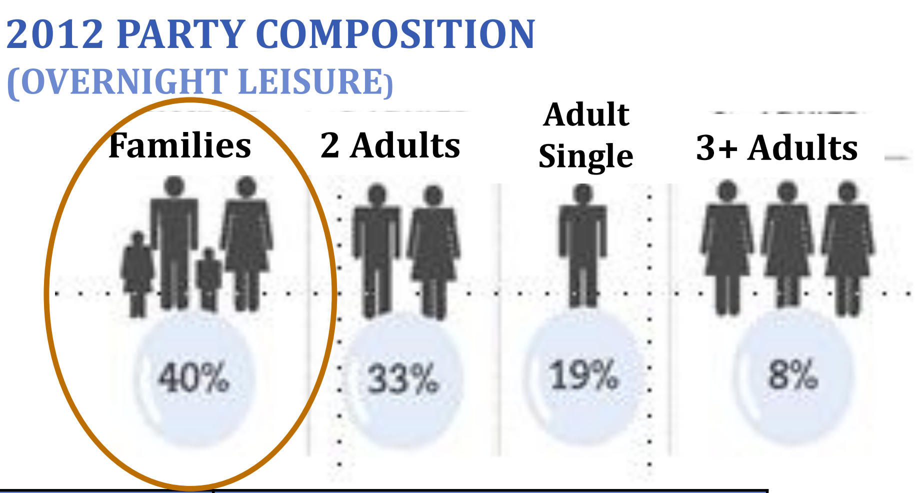
VISITOR IMPRESSIONS OF KANSAS CITY



Source: Kansas City Convention and Visitors Association

2012 VISITOR PROFILE – KC HOSTED A RECORD 22.3 MILLION VISITORS IN 2012





	2010	2012
Gender	Female – 58%	Female – 52%
Age	44.5 years	41.8 years
Party size	2.7	2.9
Daily Spending per person	$110.09	$122.43
Length of Stay	2.98	3.44
% Hotel Stays	47%	56%
% By Car	82%	84%

Source: Kansas City Convention and Visitors Association

ECONOMIC IMPACT OF TOURISM

- **Visitor spending grew $2.8 billion in 2012, a record**
- **Tourism generated $4.6 billion in economic impact for the region, including indirect and induced impact – another record**
- **Tourism-generated employment reached a new high at 45,107 – surpassing pre-recession record of 44,807 in 2008**
- **Local tax revenue - $186.4 million**

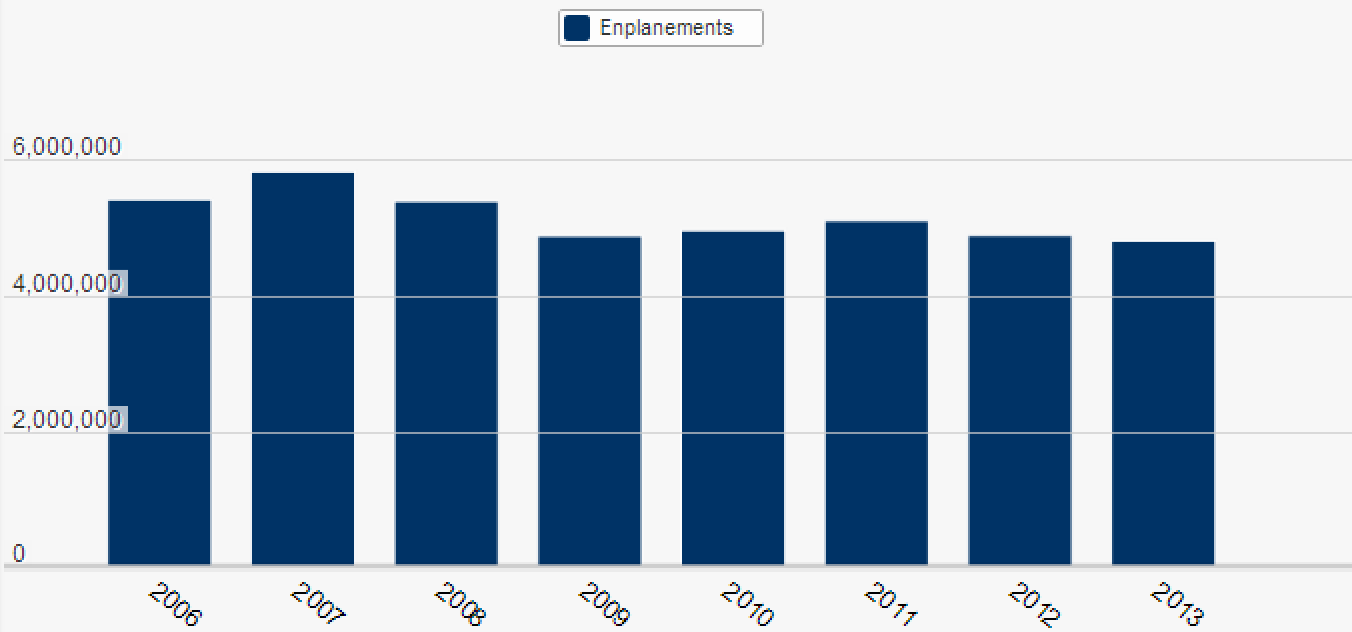
Source: Kansas City Convention and Visitors Association

AIRPORT ACTIVITY

ENPLANEMENTS AT KCI
(ALL PASSENGERS BOARDING PLANES)

Enplanements

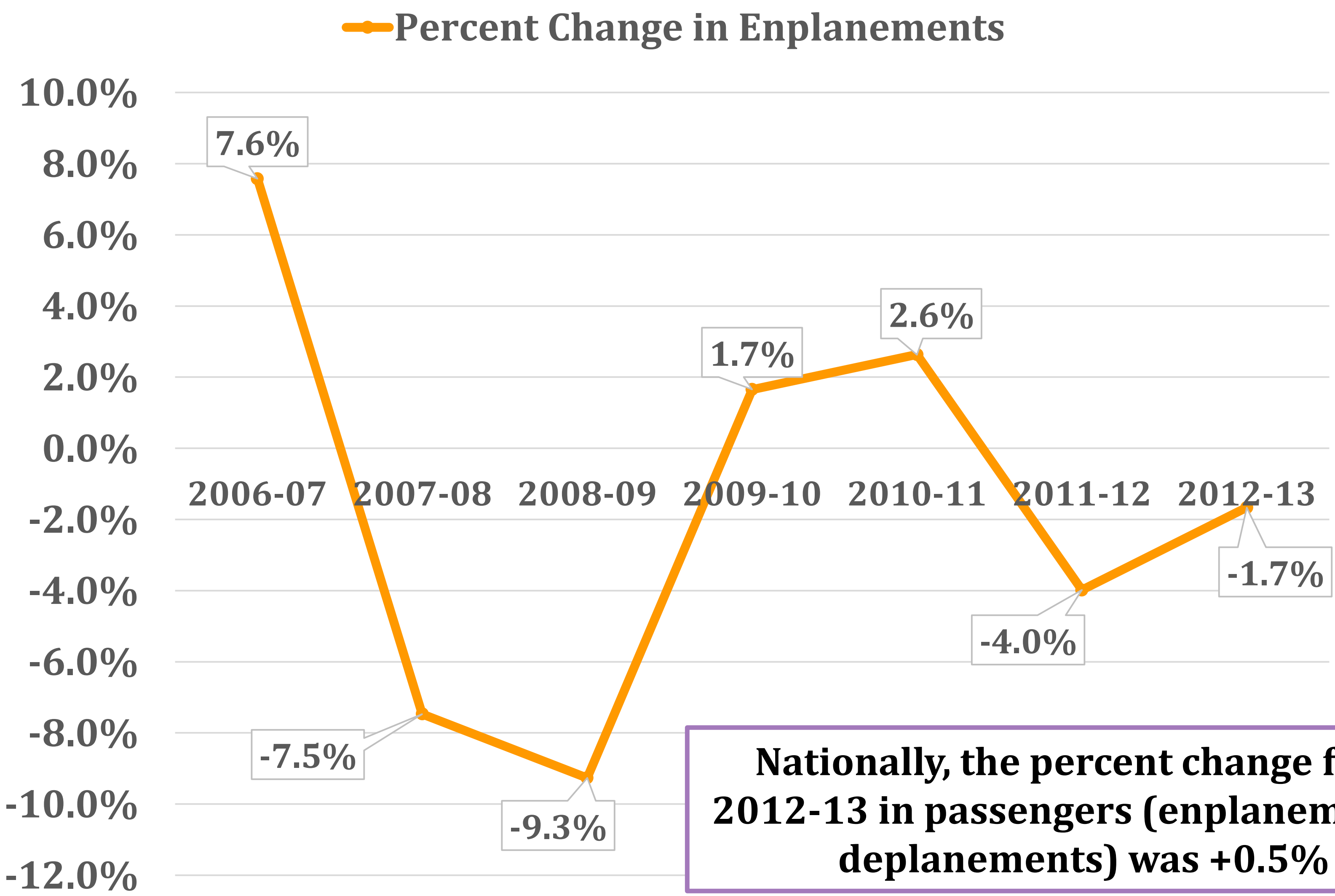
Enplanements are an industry standard measure for airports that count the number of passengers who get on a plane each day at KCI. The number of enplanements has decreased in recent years for KCI.



Explore the data

Source: kcstat.kcmo.org

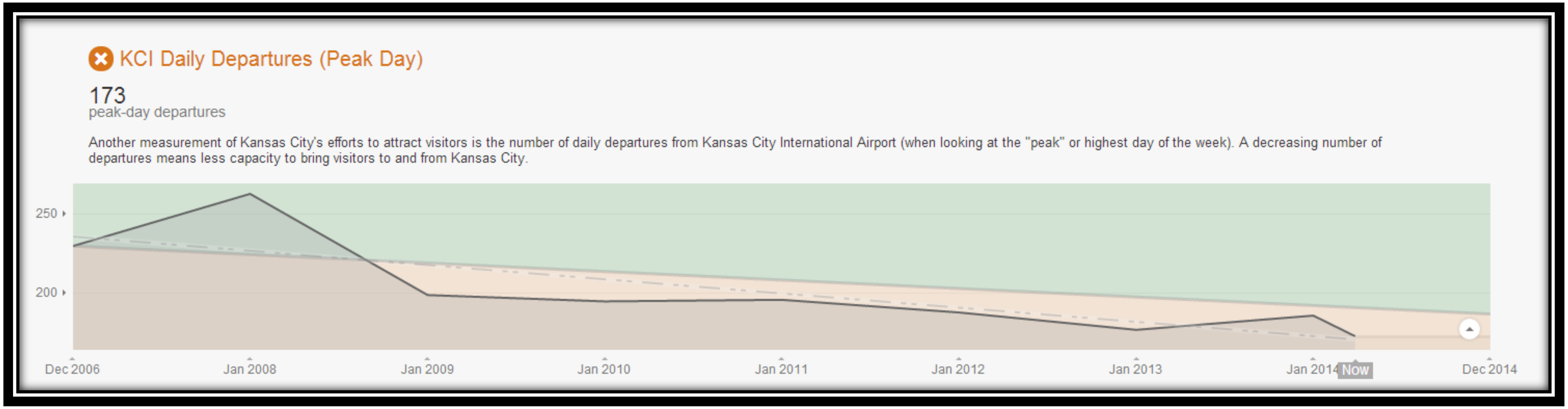
CHANGE IN ENPLANEMENTS OVER TIME



Nationally, the percent change from 2012-13 in passengers (enplanements + deplanements) was +0.5%

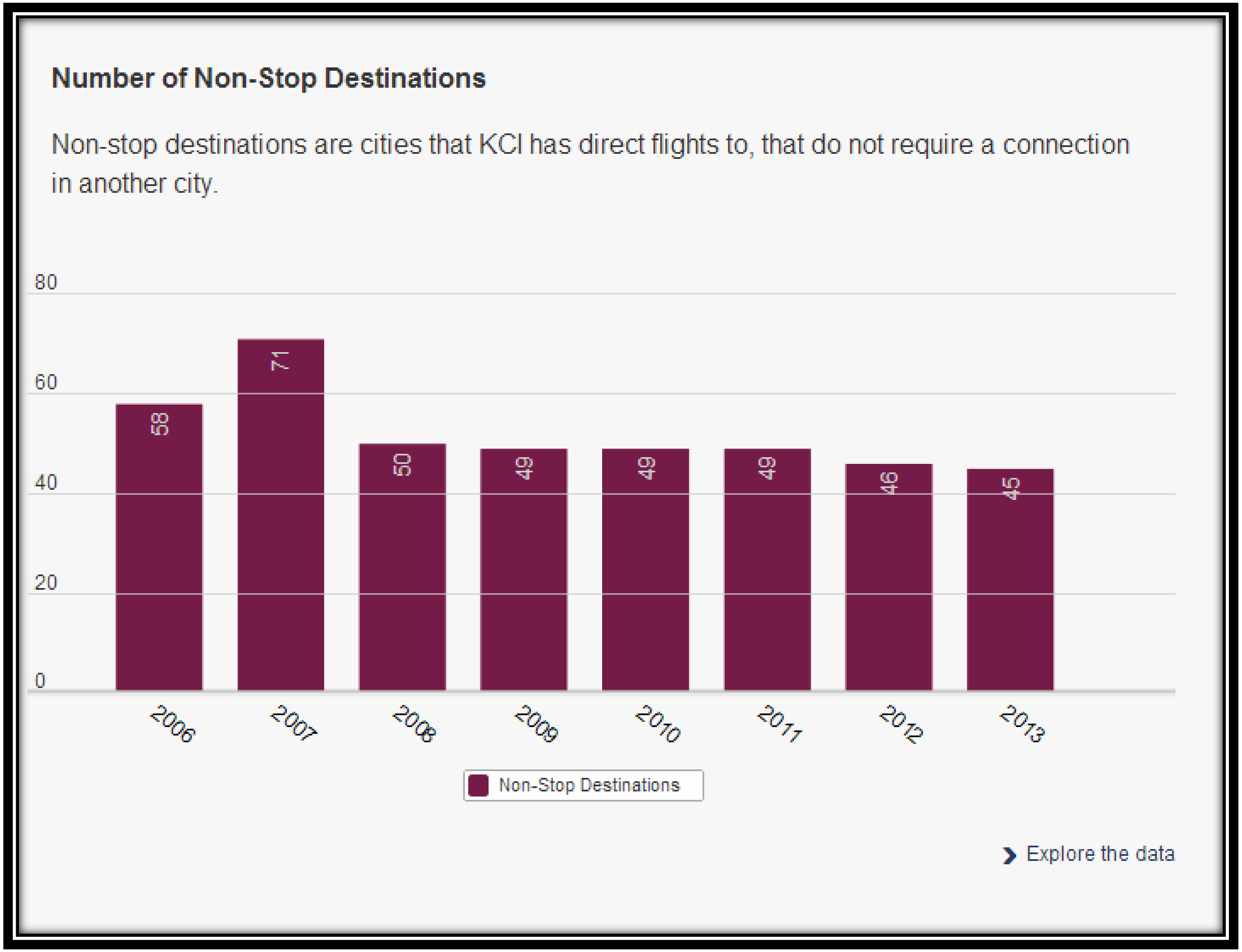
Source: Aviation Department

DAILY DEPARTURES (PEAK DAY)



Source: kcstat.kcmo.org

NON-STOP DESTINATIONS



Source: kcstat.kcmo.org

MCI’s Largest Markets Without Nonstop Service

Rank	Top MCI O&D Markets Without Nonstop Service	Miles	CY 2012 O&D Passengers	PDEW	Average Fare	Peak Period PDEW	Peak Period Year-Ended
1	Austin (AUS)*	649	93,866	129	$130	156	Q2’ 08
2	San Antonio (SAT)	706	92,386	127	$134	167	Q2 ‘08
3	Orange County (SNA)	1,341	84,214	115	$151	131	Q3 ‘04
4	Sacramento (SMF)	1,441	75,114	103	$161	121	Q2 ‘06
5	Raleigh/Durham (RDU)	905	71,072	97	$171	155	Q2 ‘08
6	Ft. Myers (RSW)*	1,156	70,052	96	$146	102	Q4 ‘07
7	Pittsburgh (PIT)	774	58,072	80	$149	104	CY ‘01
8	Columbus (CMH)	633	55,340	76	$165	119	Q2 ‘08
9	Oklahoma City (OMA)*	312	46,092	63	$112	184	Q4 ‘00
10	Jacksonville (JAX)	956	42,762	59	$175	104	Q2 ‘08
	Miami (MIA)	1,252	40,774	56	$179	117	Q2 ’04

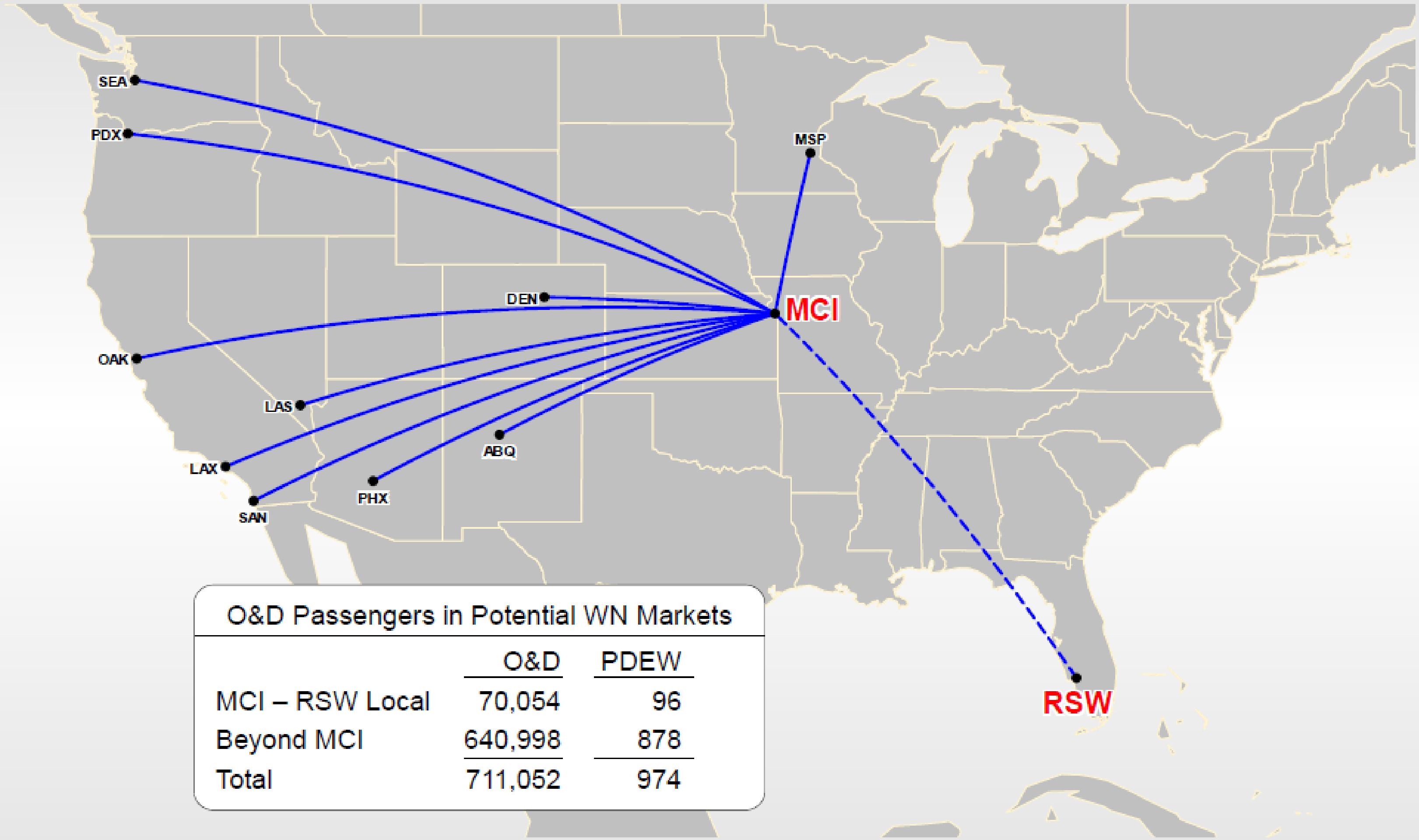
*Nonstop service was flown during calendar year 2012.
Source: Innovata schedule data for March 2013 and U.S. DOT, O&D Survey.

MCI is RSW's Second Largest Market Without Nonstop Service During the Peak Season

Rank	Top RSW O&D Markets Without Nonstop Service	Miles	Q1 and Q2 2012 O&D Passengers	Annualized PDEW	Average Fare
1	Providence (PVD)	1,201	57,541	158	$150
2	Kansas City (MCI)	1,156	40,807	112	$151
3	Nashville (BNA)	722	30,107	82	$157
4	Grand Rapids (GRR)	1,147	29,911	82	$176
5	Los Angeles (LAX)	2,238	29,083	80	$229
6	Flint (FNT)	1,138	28,864	79	$159
7	Las Vegas (LAS)	2,070	25,303	69	$219
8	Phoenix (PHX)	1,868	24,598	67	$193
9	San Francisco (SFO)	2,481	24,493	67	$242
10	Rochester (ROC)	1,166	24,175	66	$167

Source: Innovata schedule data for March 2013 and U.S. DOT, O&D Survey.

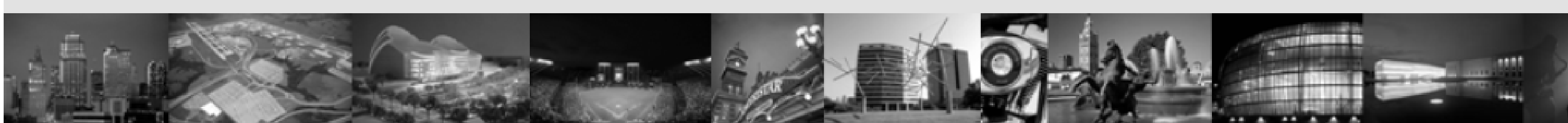
Southwest's MCI – RSW Potential Passenger Pool is Over 700,000 Passengers



O&D Passengers in Potential WN Markets

	O&D	PDEW
MCI – RSW Local	70,054	96
Beyond MCI	640,998	878
Total	711,052	974

Source: U.S. DOT, O&D Survey, calendar year 2012; and Innovata schedule data for July 2013.

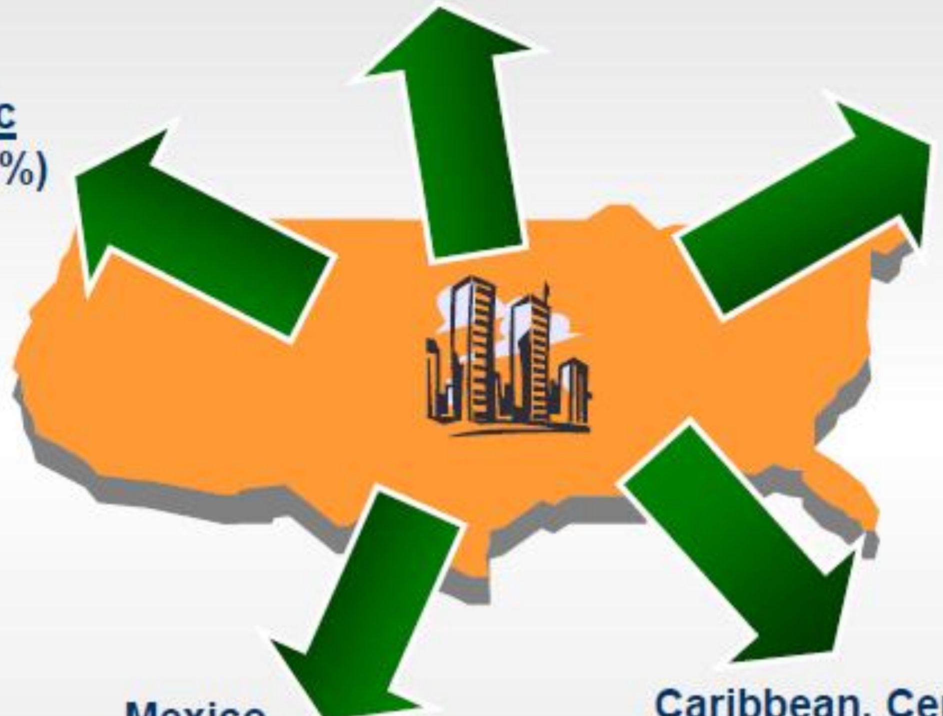


International Traffic Growth

Canada
107 PDEW (+1%)

Transpacific
97 PDEW (+9%)

Transatlantic
298 PDEW (-1%)



Mexico
211 PDEW (+11%)

Caribbean, Central and South America
220 PDEW (+5%)

	YOY
International O&D	+4.0%
Domestic O&D	-2.8%

Note: Transatlantic includes India, Caribbean includes Puerto Rico and the USVI
Canada includes 90% of Air Canada onboard passengers from T100 data
International Passengers per day each way YE Q3 2013 vs. YE Q3 2012, Passenger Origin and Destination (O&D) Survey

MCI'S TOP 10 MEXICO MARKETS

Rank	Mexico Market	YE Q3 2012 O&D Passengers	Service Area Passengers Using DSM, ICT, LNK or OMA	YE Q3 2012 Total
1	Cancun (CUN)	68,195	9,361	77,555
2	San Jose del Cabo (SJD)	21,685	1,407	23,092
3	Puerto Vallarta (PVR)	17,587	1,286	18,872
4	Mexico City (MEX)	9,786	1,609	11,394
5	Cozumel (CZM)	5,972	1,021	6,994
6	Guadalajara (GDL)	3,843	1,658	5,501
7	Monterrey (MTY)	3,203	129	3,332
8	Mazatlan (MZT)	1,327	335	1,661
9	Leon/Guanajuato (BJX)	872	615	1,487
10	Queretaro (QRO)	665	161	827
	Other	5,413	864	6,276
	Total	138,547	18,445	156,992

Source: Adjusted ARC and U.S. DOT, O&D Survey

MCI's Top Hawaii Markets

Rank	Hawaii Market	YE Q1 2013 O&D Passengers	Service Area Passengers Using DSM, ICT, LNK or OMA	YE Q1 2013 Total
1	Honolulu (HNL)	30,514	3,560	34,074
2	Maui (OGG)	11,906	1,435	13,341
3	Lihue (LIH)	5,745	1,020	6,765
4	Kona (KOA)	4,838	353	5,191
5	Hilo (ITO)	448	83	531
6	Kapalua (JHM)	38	20	58
7	Molokai (MKK)	20	-	20
	Total	53,510	6,471	59,981

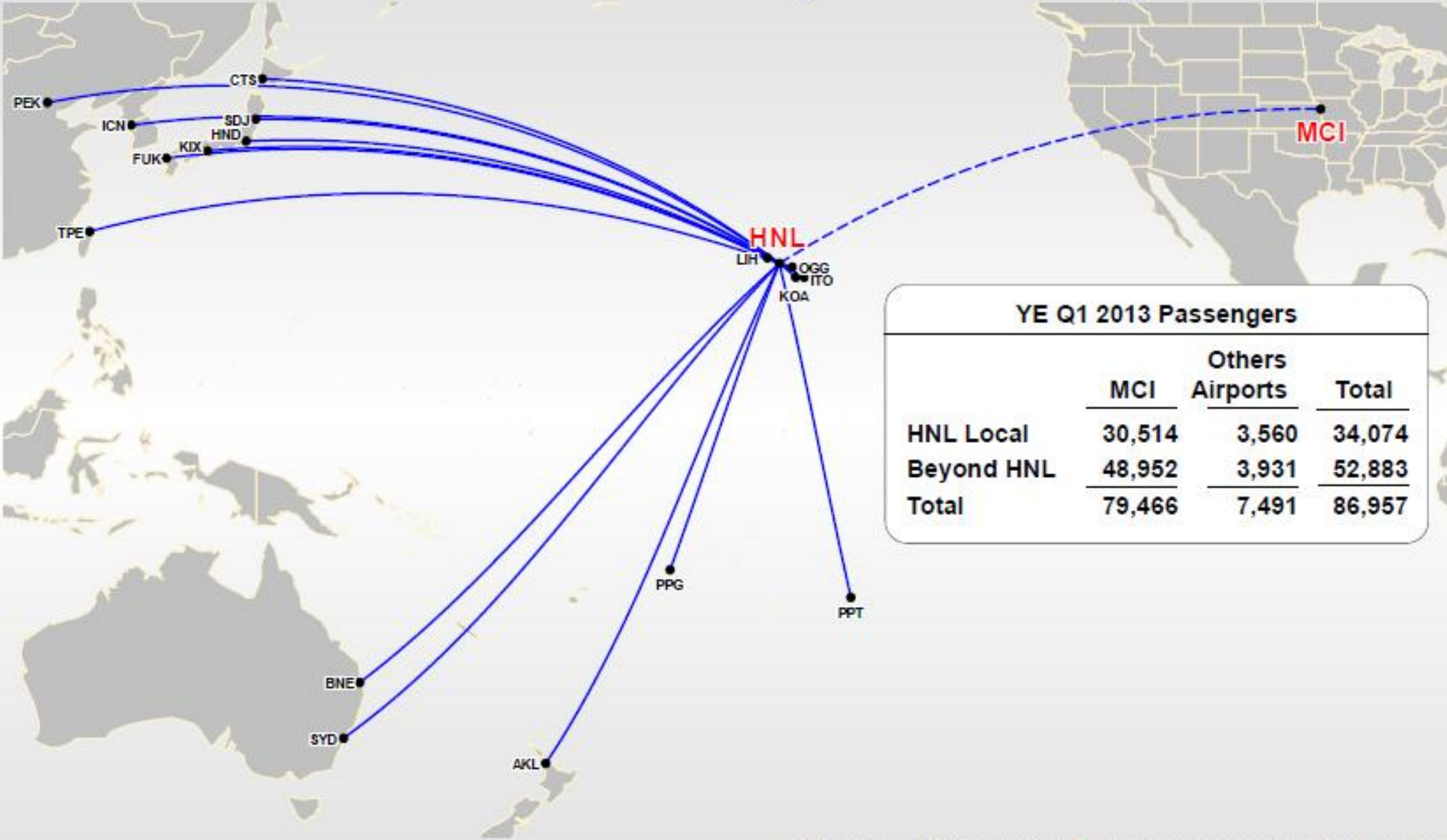
Source: Adjusted ABC and U.S. DOT O&D Survey

U.S. Cities Without Nonstop Hawaii Service

Rank	Top U.S. Markets Without Nonstop Service to Hawaii	YE Q1 2013 PDEW	Average Fare	Average Revenue
1	Minneapolis/St. Paul (MSP)	189	$431	$81,590
2	Boston (BOS)	170	$435	$74,036
3	Detroit (DTW)	126	$456	$57,284
4	Philadelphia (PHL)	116	$447	$51,764
5	St. Louis (STL)	103	$400	$41,242
6	Orlando (MCO)	98	$435	$42,594
7	Austin (AUS)	74	$404	$29,760
8	Kansas City (MCI)	73	$432	$31,644
9	San Antonio (SAT)	65	$453	$29,612
10	Charlotte (CLT)	63	$443	$27,810

U.S. DOT Origin Destination Passenger Survey, YE Q1 2013 and Innovata schedules for December 2013.

HA Service to HNL Would Serve Markets With Over 80,000 Passengers



YE Q1 2013 Passengers

	MCI	Others Airports	Total
HNL Local	30,514	3,560	34,074
Beyond HNL	48,952	3,931	52,883
Total	79,466	7,491	86,957

Source: U.S. DOT, O&D Survey, YE Q1 2013; and Innovata schedule data for October 2013.

TARGET MARKETS FOR KANSAS CITY

- Additional California Service-Orange County, Sacramento
- Additional Florida Service- Miami, Jacksonville
- Mexican business destinations-Mexico City, Monterrey
- Texas is big! Austin now has non-stop service on BA to London Heathrow
- Additional aircraft on Alaska to Seattle/San Jose/San Diego
- Larger aircraft on United/Express- Jet Crew Base announced last month
- 42 out of top 50 cities served currently with non-stops
- Europe? Why not?

Regional Business News

Aviation Technical Services (ATS) to open 607,000 sq.ft. facility at Kansas City International Airport, creating more than 500 new jobs

Grupo Antolin to open 148,800 sq.ft. automotive manufacturing facility creating an estimated 118 new jobs producing parts for Ford Autos.

E.C. Manufacturing will open a manufacturing facility and headquarters where the company will create 252 new jobs and produce advanced, small electrical components.

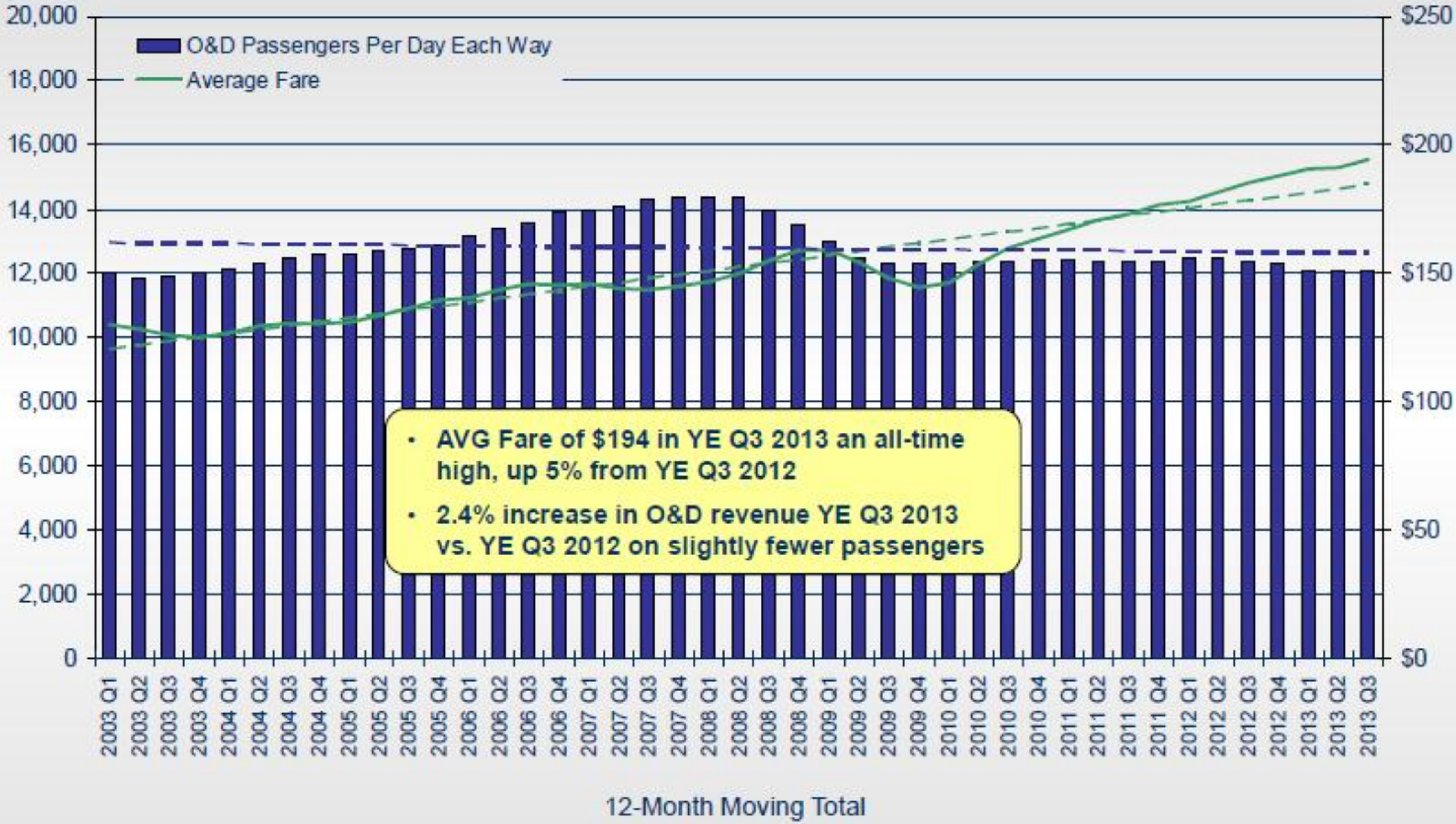
Source: Kansas City Area Development Council

Top 10 Metro Areas:
Tier One New and Expanded Facilities in 2012
(Metros with population over 1 million)

Rank	Metro Area	Total
1	Houston-Baytown-Sugar Land, TX	325
2	Chicago-Naperville-Joliet, IL-IN-WI	311
3	Dallas-Fort Worth-Arlington, TX	224
4	Atlanta-Sandy Springs-Marietta, GA	165
5	Detroit-Warren-Livonia, MI	144
6	Pittsburgh, PA	126
7	Philadelphia-Camden-Wilmington, PA-NJ	124
8	Cincinnati-Middletown, OH-KY-IN	103
9	Kansas City, MO-KS	101
10	Columbus, OH	81

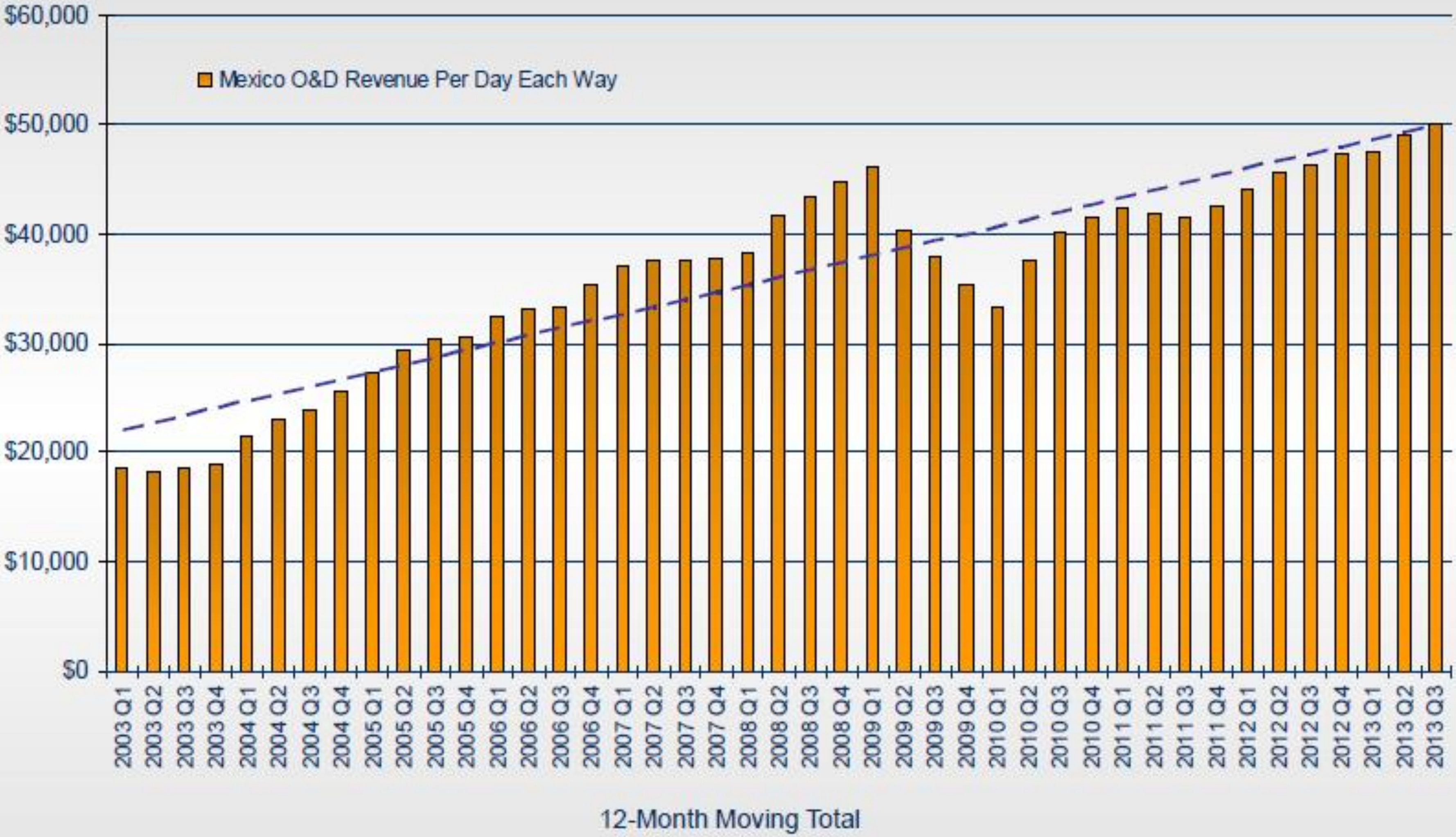
Source: Site Selection magazine

Average Fare is at Record High



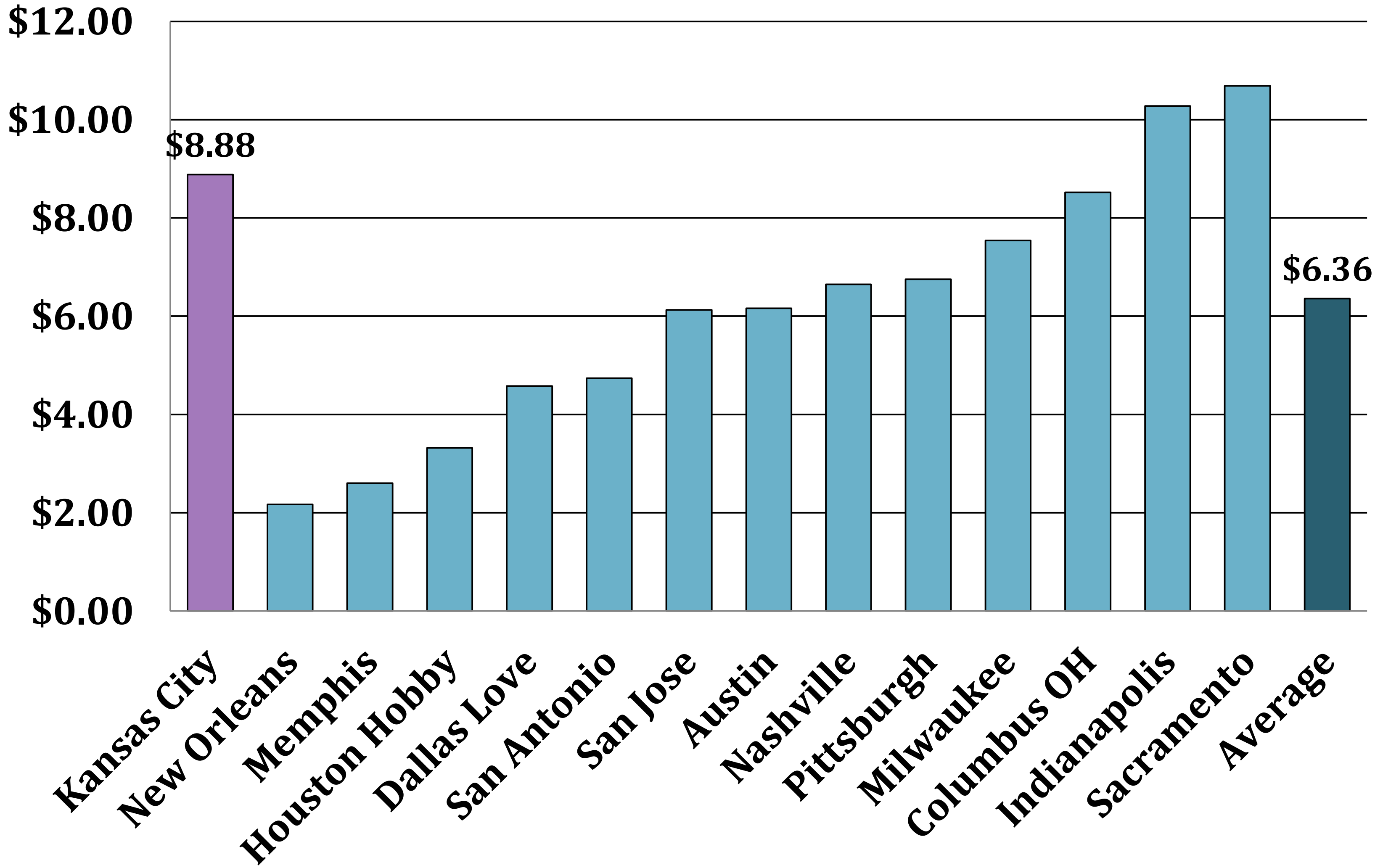
Source: U.S. DOT, O&D Survey

Revenue to Mexico is Growing



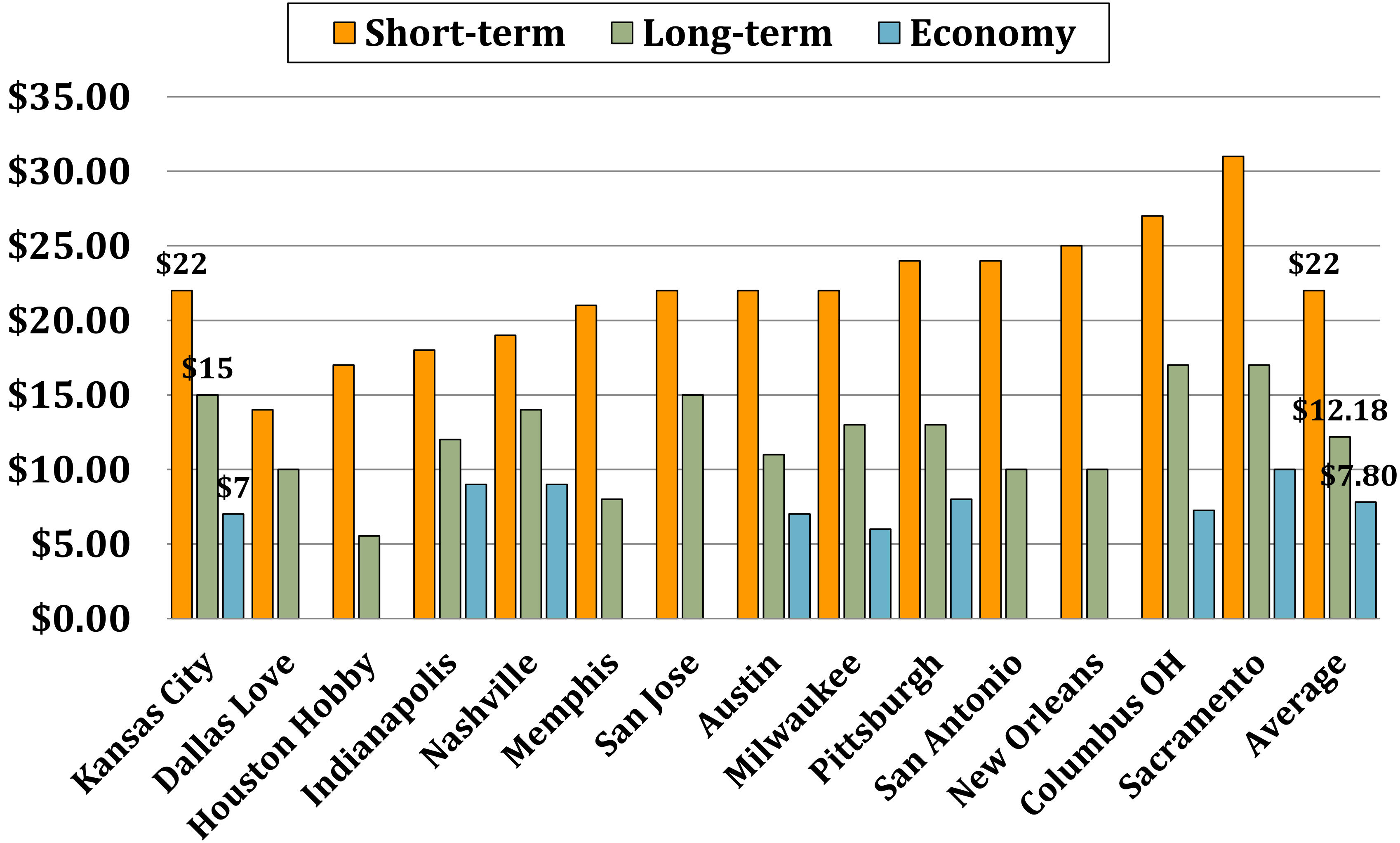
Source: U.S. DOT, O&D Survey and T-100 Data

AIRPORT PARKING BENCHMARKS: PARKING REVENUE PER ENPLANEMENT (2012)



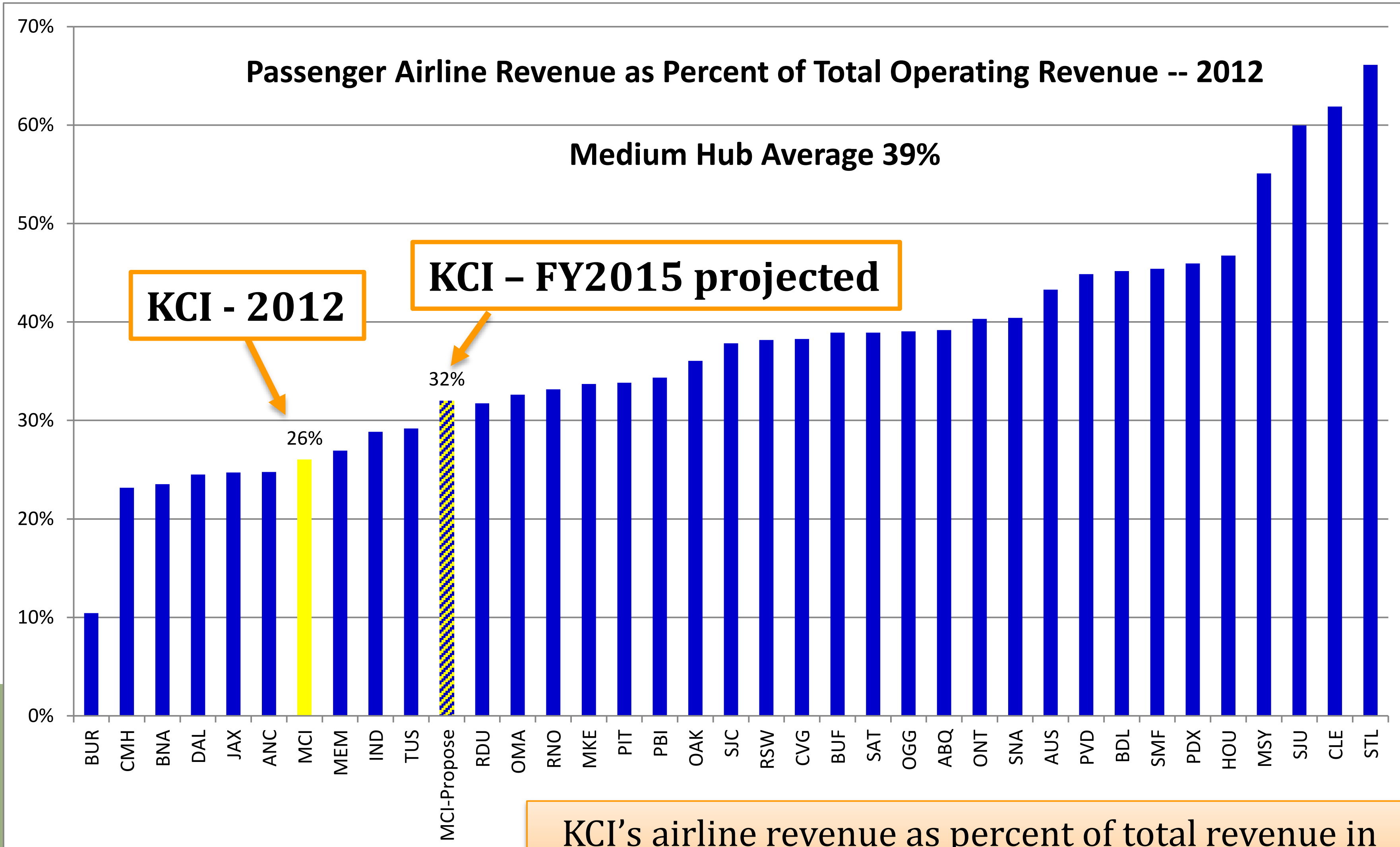
Source: Aviation Department

AIRPORT PARKING BENCHMARKS: PARKING RATES BY TYPE (2012)



Source: Aviation Department

BENCHMARKING: AIRLINE REVENUE AS PERCENT OF TOTAL OPERATING REVENUE



KCI's airline revenue as percent of total revenue in FY 2015 will still be below the average medium hub

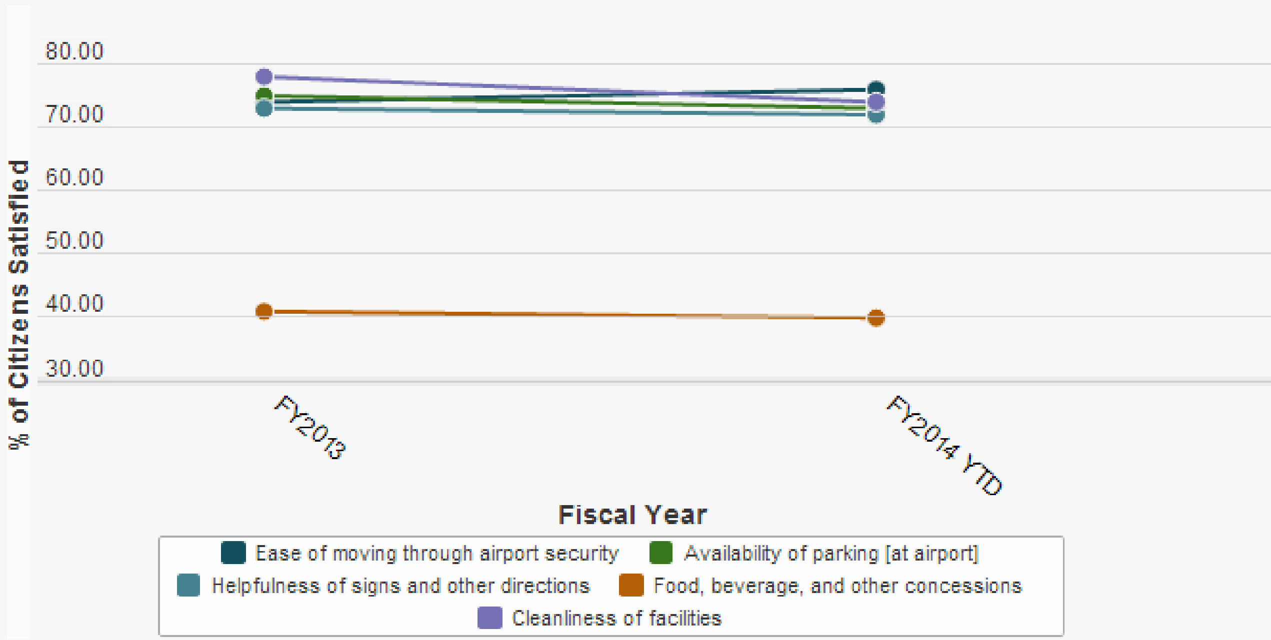
Source: Historical data from FAA Form 127, projected FY 2015 MCI ratio from LeighFisher.

CITIZEN SATISFACTION WITH KCI AIRPORT SERVICES

Citizen Satisfaction with Airport Services

The annual citizen survey includes questions related to airport services. This survey helps represent the perception of residents of Kansas City, Missouri and reflects the opinions of both people who have used the airport and those who have not.

75% of Kansas Citians indicated that they had visited KCI for a flight or to drop off/pick up.



› Explore the data

Source: kcstat.kcmo.org

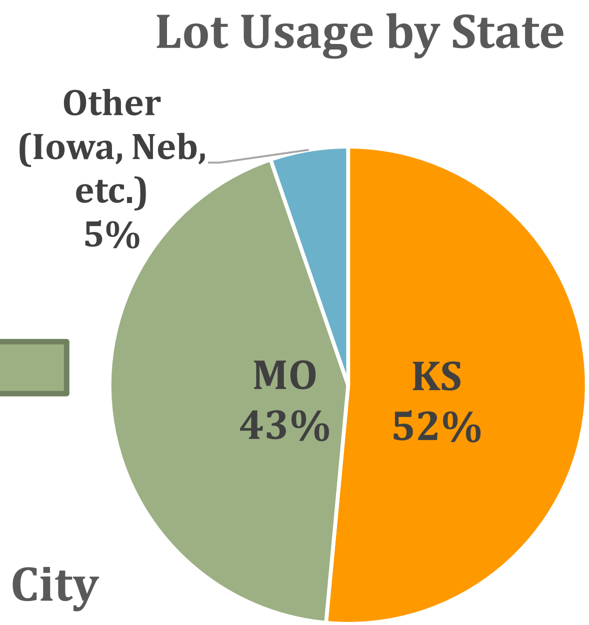
CITIZEN EMPHASIS + SATISFACTION: AIRPORT

Which TWO of the Airport Services listed do you think should receive the MOST EMPHASIS from the City over the next two years?

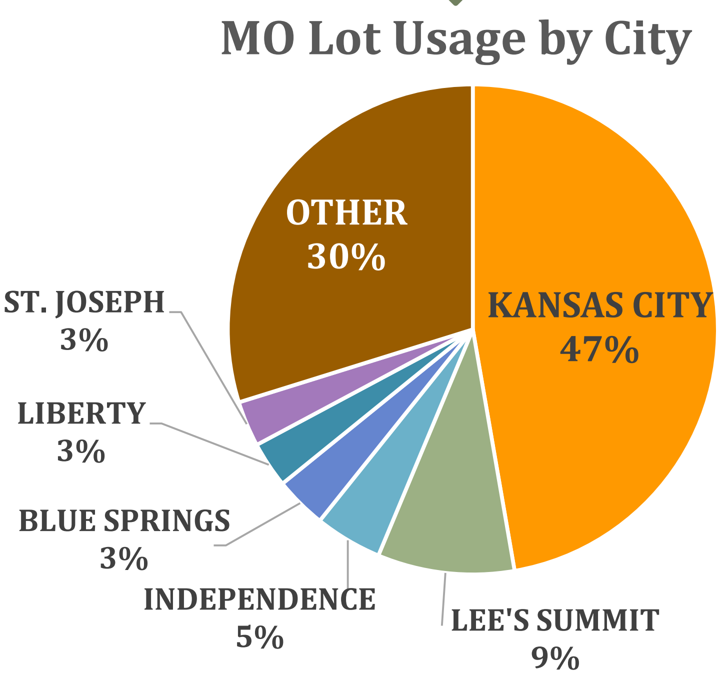
Airport Service	Satisfaction		Emphasis	I-S Rank	
	2013	2014	2014	2013	2014
Food, beverage, and other concessions	40.9%	40.2%	31%	1	1
Price of parking	52.4%	55.0%	29%	2	2
Ease of moving through airport security	74.5%	75.5%	30%	3	3
Availability of parking	74.5%	73.2%	21%	4	4
Cleanliness of facilities	77.6%	74.0%	16%	6	5
Helpfulness of signs and other directions	73.4%	72.2%	12%	5	6

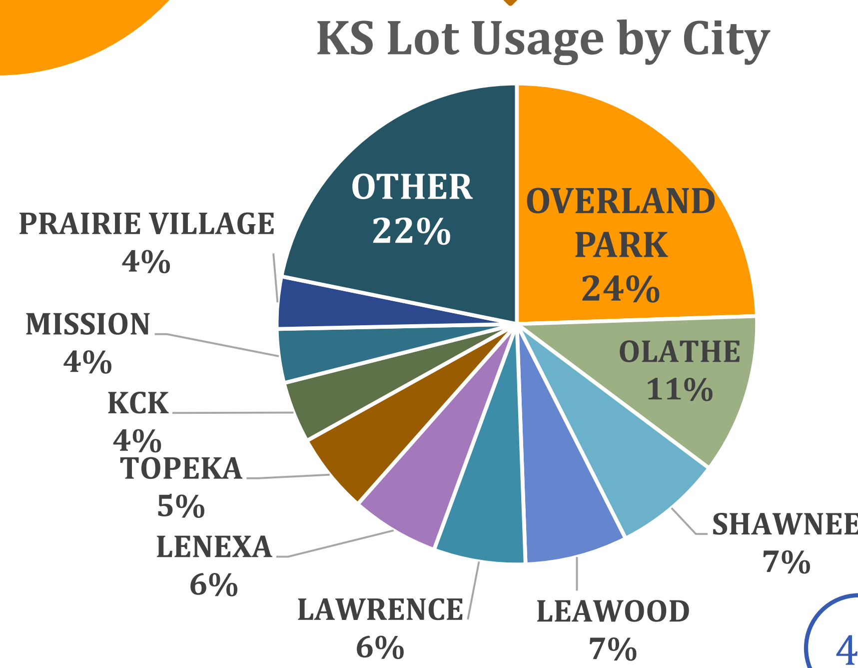
Source: Citizen Survey FY2013-FY2014 Mid-Year

PARKING FACILITIES CUSTOMER ZIP CODES STUDY – OCTOBER 2013



Kansas City = 20% of all lot usage





INVEST IN THE UNDERDEVELOPED PARTS OF THE CITY

KEY METRICS: SALES OF LAND BANK PROPERTIES

Economic Development

Invest in the underdeveloped parts of the City by effectively harnessing opportunities to improve housing and commercial development.

The key measurement for this priority is the number of properties sold or under contract through the Kansas City Land Bank, which is a new entity established in 2013 to assist in managing and reusing vacant properties. Since this is a new process, no target has been set for this measure. Explore the data›

140 Land Bank properties sold or under contract

Current as of Mar 2014

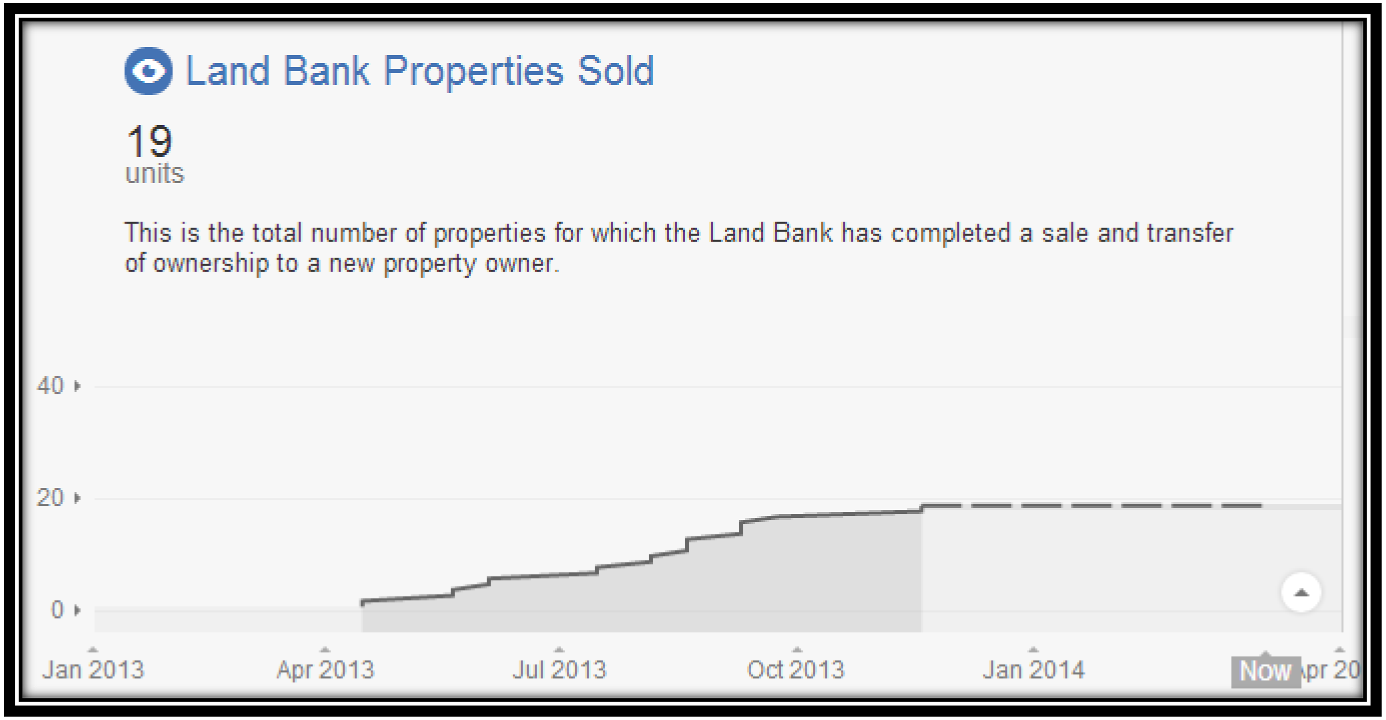
Measuring

View chart

Source: kcstat.kcmo.org

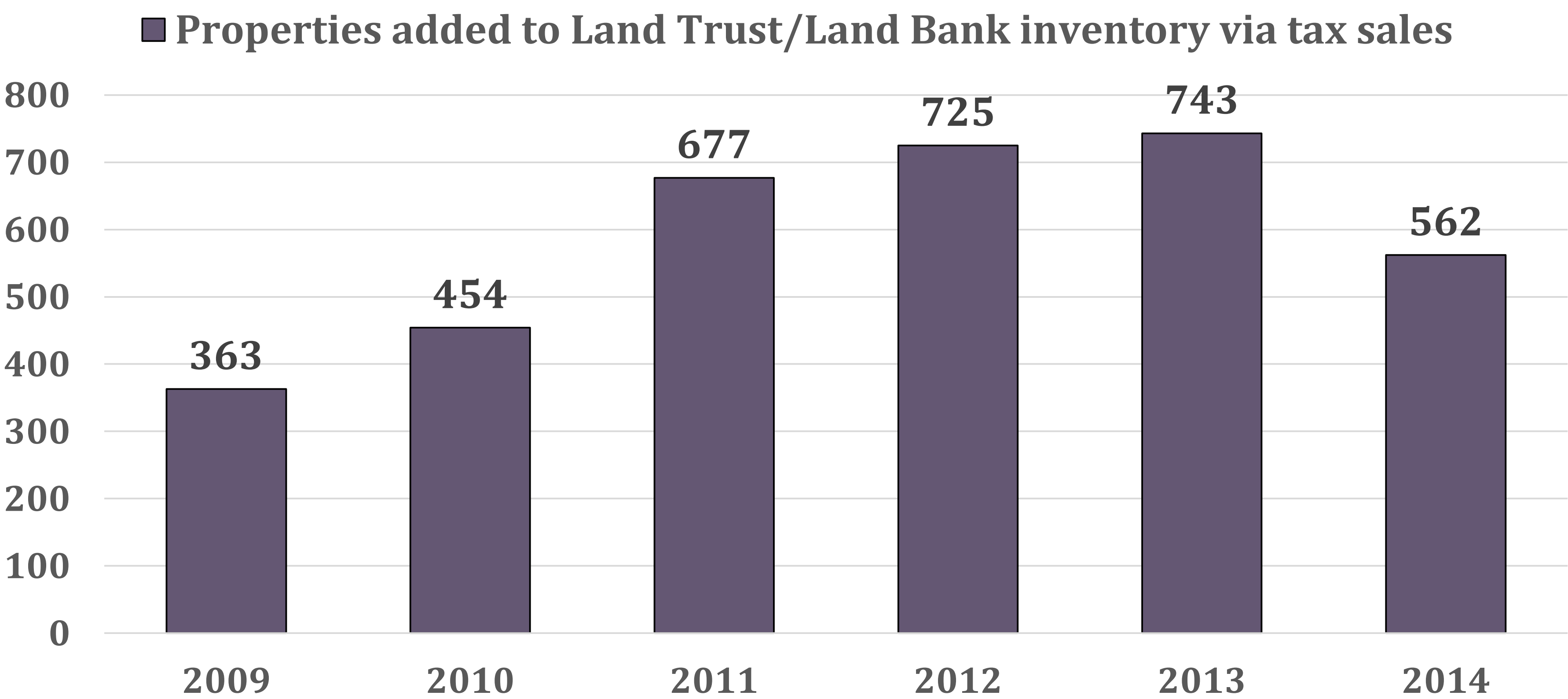
LAND BANK

LAND BANK PROPERTIES SOLD OR UNDER CONTRACT



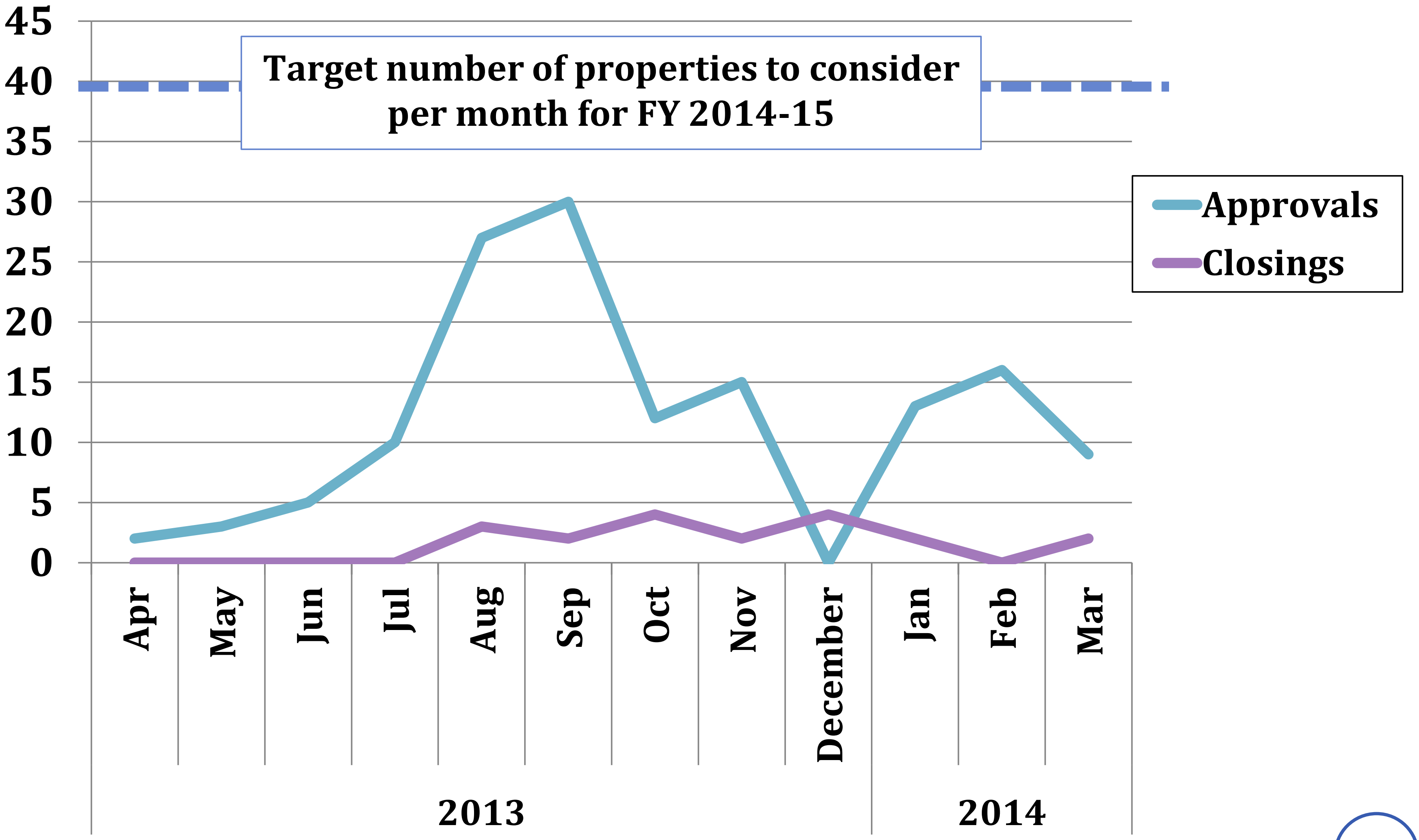
Source: kcstat.kcmo.org

LAND BANK APPROVAL GOAL BASED ON HISTORIC VOLUME



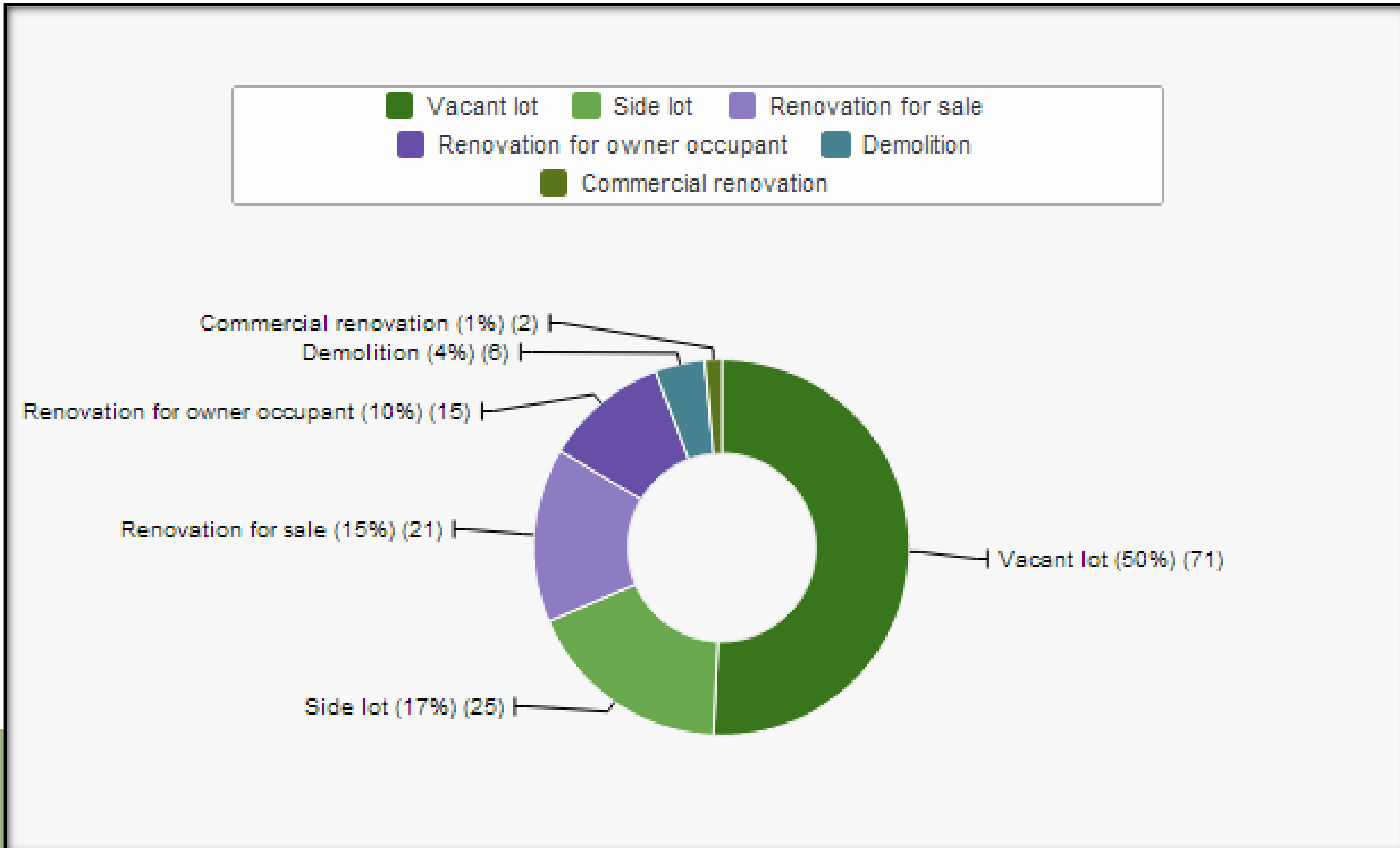
Land Bank goal of considering 40 properties per month is tied to ability to manage overall inventory based on historic influx of properties each year

LAND BANK APPROVALS BY MONTH



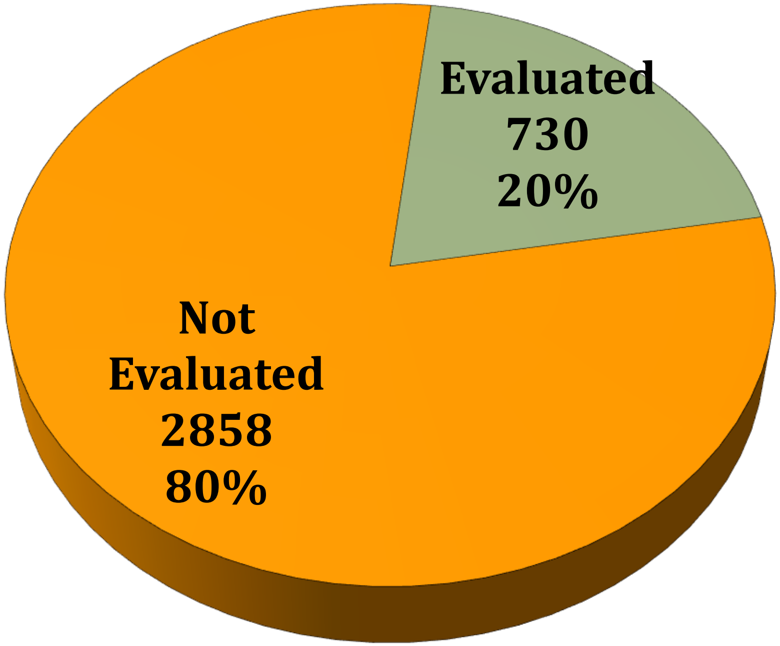
Source: Land Bank

DISPOSITION TYPE



Source: kcstat.kcmo.org

INVENTORY OF LAND BANK PROPERTIES



Evaluating Properties WITH Structures	Evaluating Properties WITHOUT Structures
Approx. 61% complete	Approx. 9% complete
Onsite inspection inside and out with detailed checklist to assess likelihood for rehabilitation; housing rehab staff consulted	Desktop assessment completed by administrative staff using parcel viewer, Google viewer, Google street view and other online tools

CURRENT PARTNERSHIPS AROUND LAND BANK

Active Partnership:

Vacant Lot Taskforce

Potential Partnerships:

Neighborhood Associations

Community Development Corporations

Urban Agriculture Associations

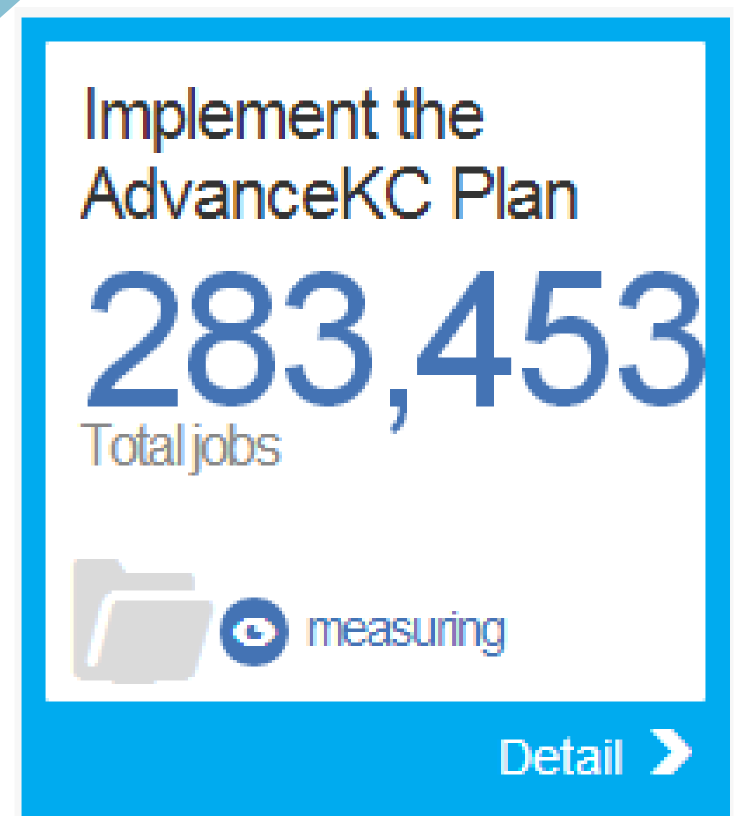
COMMERCIAL INVESTMENT IN UNDERDEVELOPED AREAS

Commercial Developments pending:

- Bannister and Wornall (Burns and McDonnell)
- 26th and Troost (Grocery)
- Crossroads Academy expansion
- 18th and Indiana:
  - Light-industrial development plan
  - Targeted resources towards publically-owned, development-ready land
  - Market research, environmental studies and infrastructure analysis to decide best use for the land
  - Promoting development site to expanding businesses

Staff is currently working on a geographic targeting strategy for incentive policy via an upcoming Planning Zoning and Economic Development Committee work session

IMPLEMENT ADVANCEKC



KEY METRICS: JOBS, POPULATION, UNEMPLOYMENT, AND WAGES

Economic Development

Grow the economy and population of Kansas City by implementing AdvanceKC, the city's strategic plan for economic development.

The key measurement for this priority is Kansas City's total employment, since growth in the number of total jobs signifies increased economic opportunity for residents and businesses alike. Kansas City's employment has remained relatively stable over time. No goal has been established for this measurement. Explore the data›

283,453 Total jobs

Current as of Dec 2011

Measuring

View chart

Jan 2004 Jan 2006 Jan 2008 Jan 2010 Jan 2012 Jan 2014 Dec 20

Kansas City Population

464,310

number of people

Population growth supports economic growth by creating density and demand for business services. Kansas City's population has seen slow growth over the last decade. No goal has been set for this measurement.

Kansas City's Unemployment Rate

5.3

percent unemployed

Lower unemployment means more productivity for the city and more income for its residents. No goal has been set for this measurement. These figures come from the Bureau of Labor Statistics, a reliable source for this type of economic data, and covers the entire Kansas City Metropolitan Statistical Area (MSA).

Average Annual Wage

54,352

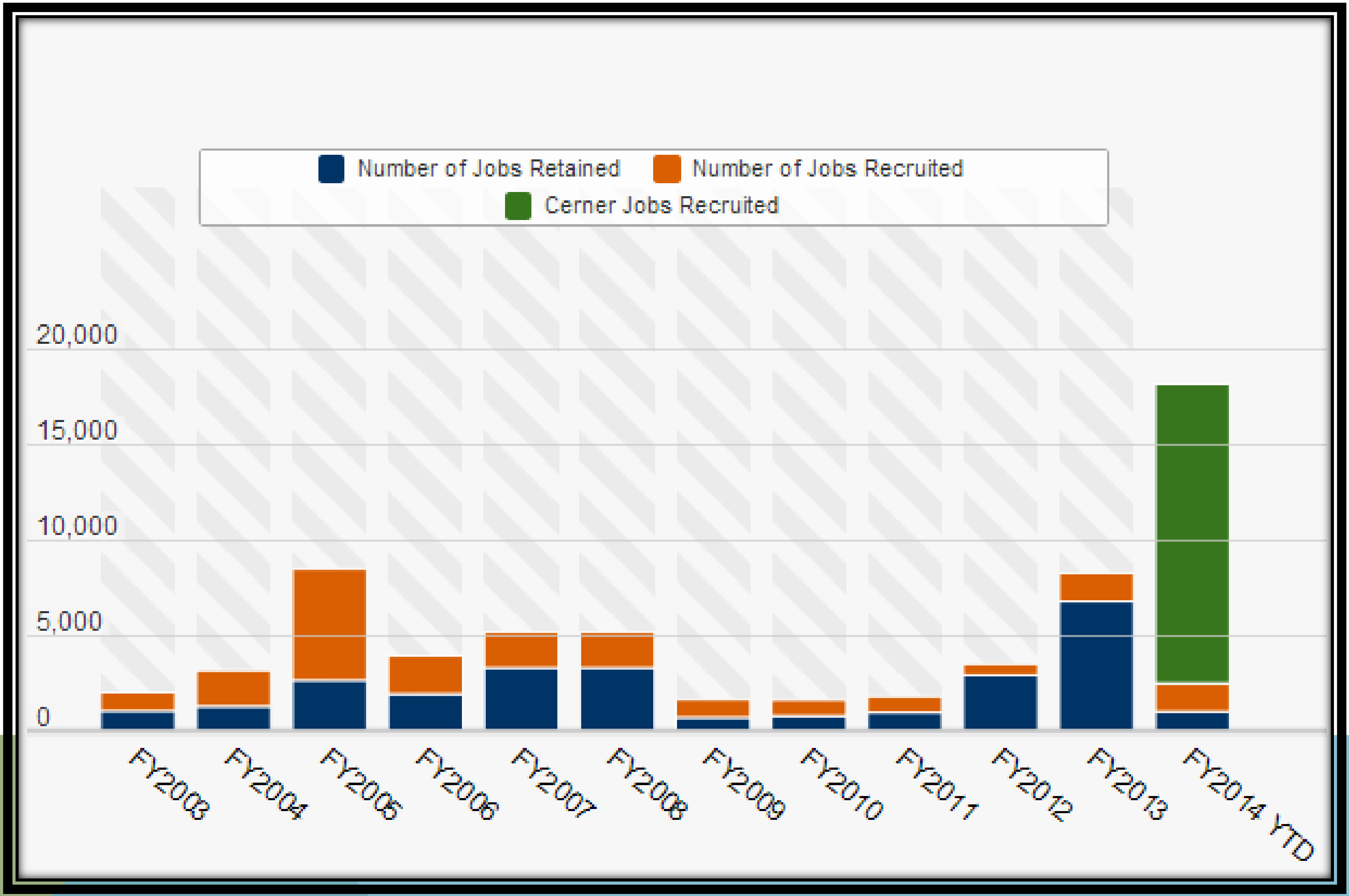
dollars

Average annual wage shows how jobs translate into income for the City's residents. Growth in this figure represents increased economic opportunity for residents and an increased tax base for the city. No goal has been set for this measurement.

Source: kcstat.kcmo.org

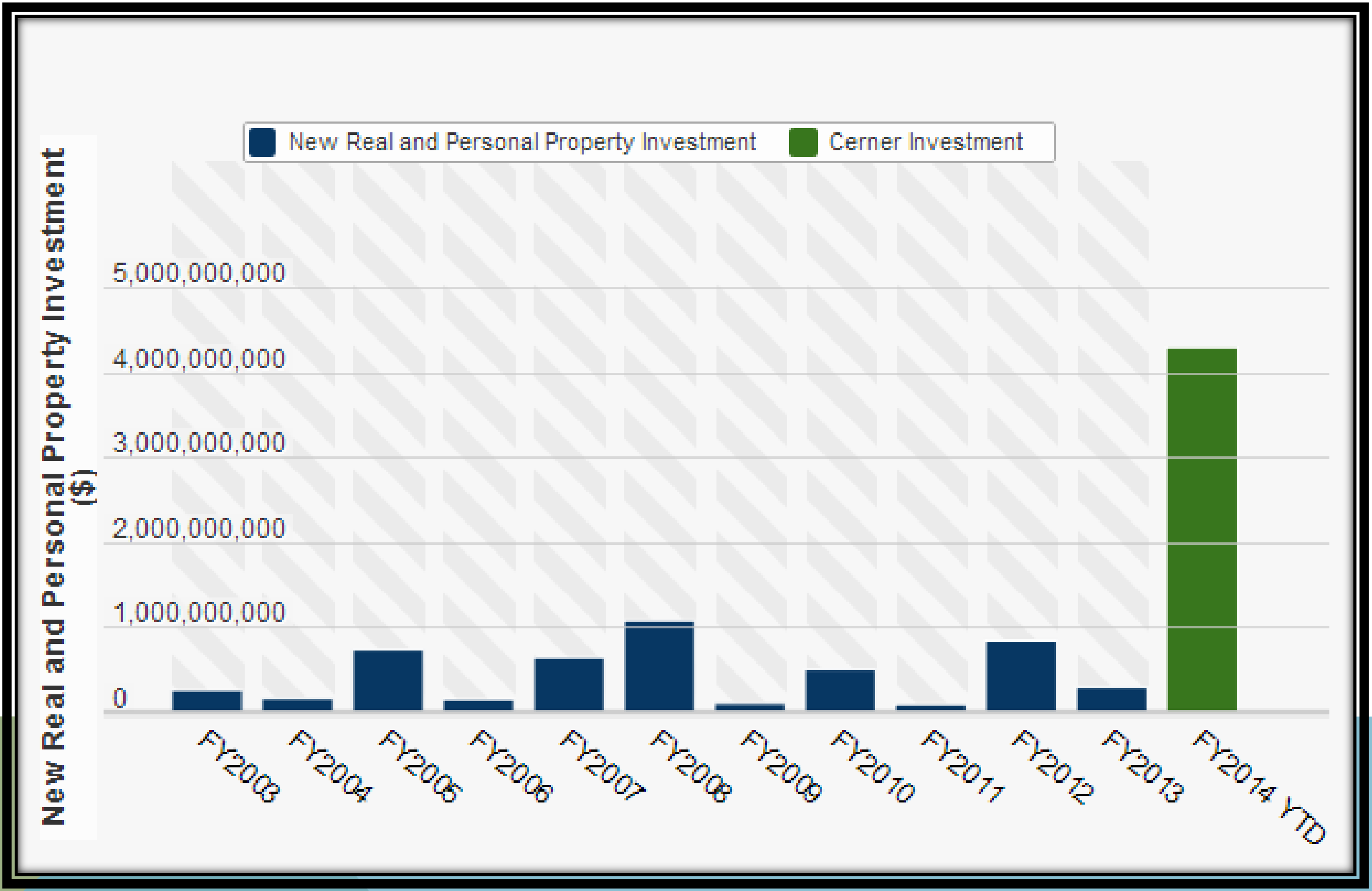
ECONOMIC DEVELOPMENT CORPORATION OF KC

JOBS CREATED/RETAINED



Source: kcstat.kcmo.org

NEW REAL AND PERSONAL PROPERTY INVESTMENT



Source: kcstat.kcmo.org

EDC CONTRACT QUARTERLY PERFORMANCE INDICATORS

AdvanceKC Strategy	Measure	FY2014 through 3Q (1/31/2014)
Target Sector Support	**Announced Projects**	31 (Cerner plus 30)
	Jobs from Announced Projects	18,179* Cerner: 15,659 Other Jobs: 2,520
	Existing Business Visits	280
	Investment for Business Development Activities	$4,303,841,534* Cerner: $4,296,391,021 Other Investment: $7,450,513
Urban Land Use and Revitalization	**Approved Projects**	12 LCRA: 10; TIF: 2
	New Investment for Redevelopment Activities	$4,393,502,245* Other Investment: $97,111,224
Business Climate	**Satisfaction with KC as a Place to do Business**	59%
	Local Tax Incentives Approved	$1,676,611,492* Non-Cerner incentives: $37,939,501
	Ratio of Investments to Incentives	2.62:1
Innovation and Entrepreneurship	**SBA 504 Loans Closed *($ and #)***	$30,440,000 (4)
	Revolving Loans Closed *($ and #)*	$1,389,000 (4)

***includes Cerner expansion**

IMPLEMENTATION OF ADVANCEKC STRATEGIES

IMPLEMENTATION TIMELINE FOR ADVANCEKC

Implementation of AdvanceKC

Since the implementation of AdvanceKC was launched in 2012, progress has been made toward some of the plan's strategic recommendations and ground has been laid for others. A chart showing past and future milestones demonstrates the progress on this plan.

AdvanceKC Strategic Plan & Implementation Timeline

(Strategic Plan Recommendations)

Action/Tasks	12	2013				2014				2015				2016			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1.0 Arts and Leisure																	
1.1 INTEGRATE the findings and recommendations of the Task Force on the Arts into the AdvanceKC framework																	

Explore the data

Source: kcstat.kcmo.org

ACCOMPLISHMENTS

- November 8, 2012: City Council unanimously adopts the AdvanceKC Plan as the economic development strategic plan for Kansas City, Missouri
- April 11, 2013: PZED passed resolution number 130274, which requests that each statutory agency adopt the AdvanceKC recommendation to consolidate staff under EDC, employ a single point of entry and streamlined project process flow to economic development in KCMO
- October 3, 2013: Implementation Committee completes and recommends the Target Sector Analysis to be used by the City Council to target proactive economic development
- December 13, 2013: EDC board votes to amend the bylaws and restructure the EDC governance structure by reducing the board from 40+ representatives to 9 members
- January 1, 2014: EDC officially becomes the single point of entry for all economic development projects
- February 20, 2014: City Council unanimously adopts economic development policies and procedures (repealing the former Economic Development & Incentive Policy) with Ordinance No. 140031
- Projected: May 1, 2014: New process flow, including the incentives scorecard, will be officially used for all economic development projects in KCMO

ADVANCEKC: STRATEGIC RECOMMENDATION AREAS

Planning for future jobs and opportunities.

AdvanceKC Strategic Recommendations
1. Arts and Leisure
2. Business Climate
3. Connectivity and Collaboration
4. Infrastructure Development
5. Innovation and Entrepreneurship
6. Mobility
7. Public Safety
8. Talent Development and Education
9. Target Sector Support
10. Urban Land Use and Revitalization

2.0 BUSINESS CLIMATE

Action Item 2.2: Revisit the City of Kansas City's incentives policy based on the dynamics of the AdvanceKC strategy

Why revisit the incentives policy?

- Lacks specificity
- Does not address eligibility
- Does not allow for targeting
- Inconsistency in use of incentives
- Complexity
- Does not align with AdvanceKC strategic plan

Strategic Plan Recommendations

- Review the usage and efficacy of all existing incentives tools and their potential to support implementation of AdvanceKC's economic development initiatives.
- Based on this assessment, formalize a new, legally binding policy for the provision of public incentives administered and delivered by the City of Kansas City.
- Develop a "grading" system for incentives usage based on anticipated fiscal and strategic project impact
- Ensure that policy dynamics include ongoing data-supported analysis of the impact of awarded incentives based on AdvanceKC priorities.

ECONOMIC DEVELOPMENT & INCENTIVES POLICY

- Unanimously adopted by the City Council on February 20, 2014
- Provides clear Council priorities for economic development
- Separates projects into two categories: Jobs-based or Site-based
- Provides fiscal responsibility policies and implementation guidelines
- Next step: Values-based project scorecard

- Increases transparency
- Increases consistency
- Increases responsiveness

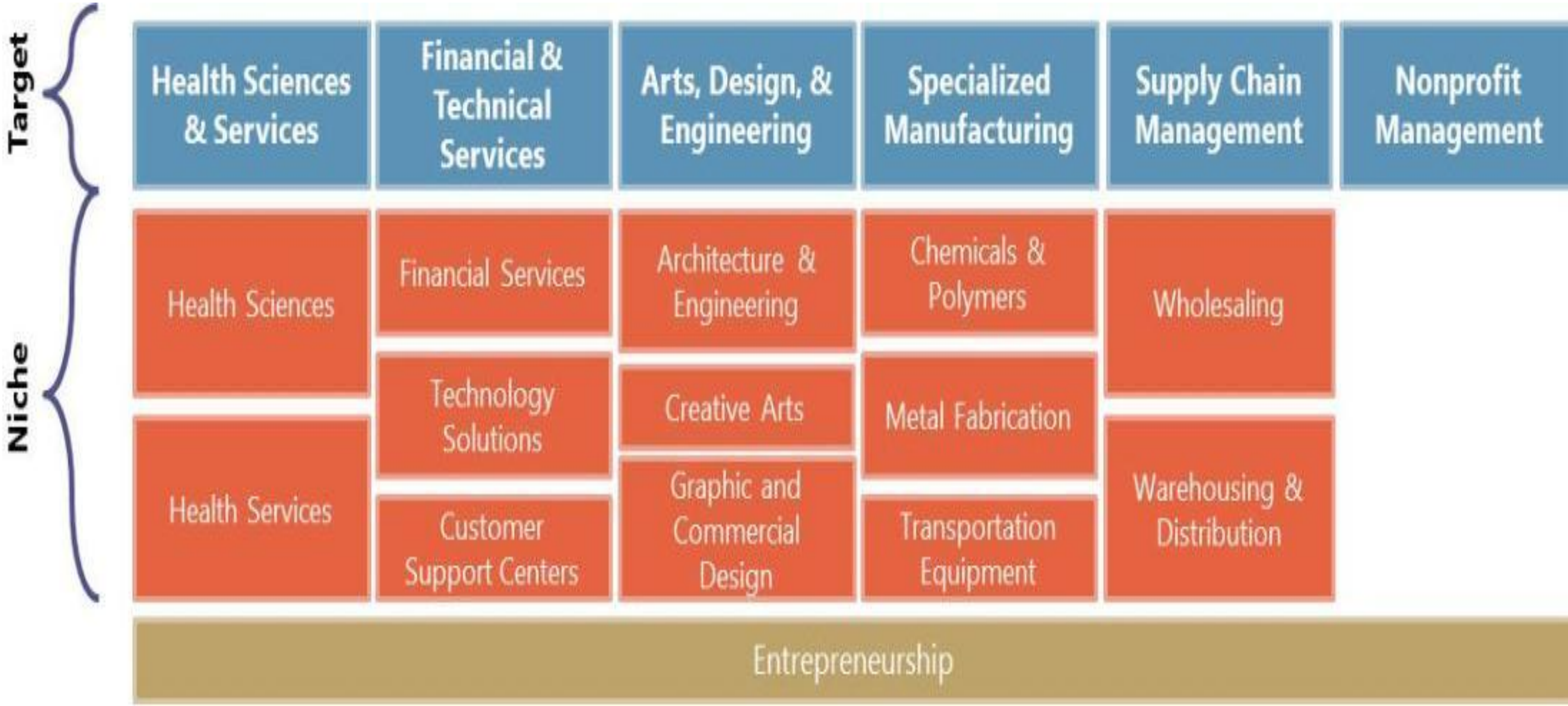
9.0 TARGET SECTOR SUPPORT

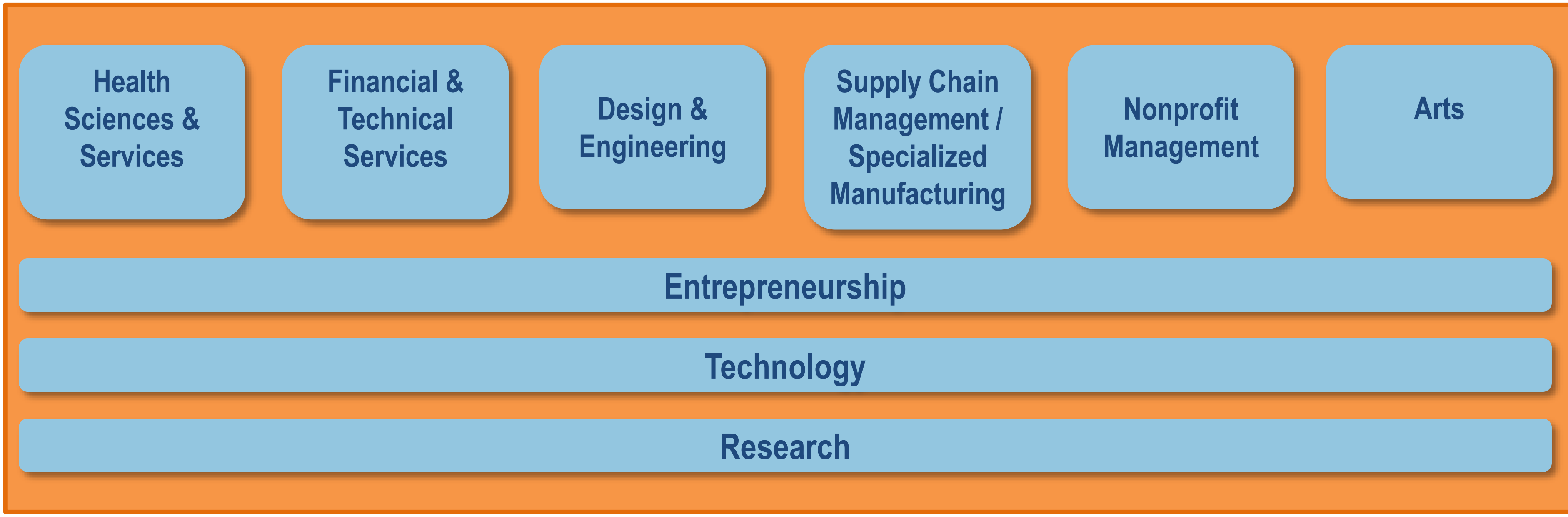
Action Item 9.1: Develop research-supported Action Agendas for Kansas City's priority target business sectors

PRIMARY OBJECTIVES

- Conduct a comprehensive inventory of existing KCMO businesses to identify priority employment sectors to inform local economic development programming
- Assess the presence and capacity of target-supportive resources such as education and training programs, R&D departments and centers, trade and industry associations, and other elements
- Also considers entrepreneurial opportunities under each target and, as applicable, regional context

KCMO TARGET SECTORS





Industry Sector Advisory Councils

- The Councils will serve as the "eyes & ears" for the City, the City Council, and EDC.
- The Councils will conduct visits, referrals, and assist in business retention and attraction with a proactive approach
  - Business *retention* visits will target industry clusters. Steering committees members and others would be recruited and trained to be "ambassadors" for doing business in KCMO.
  - Business *attraction* activities will also target industry clusters and can be done in partnership with the Kansas City Convention & Visitors Association (CVA) and Kansas City's Convention and Entertainment Facilities
- The first *Industry Sector Advisory Council* is the **Financial & Technical Services** sector
  - Darcy Howe, Merrill Lynch & member of the Advance KC Implementation Committee has volunteered to chair this sector council

EDC OPERATIONALIZING THE TARGET SECTOR ANALYSIS: FINANCE TARGET INDUSTRY PILOT

The first meeting of the target industry initiative on the Finance industry met in early March and has selected four sectors of the industry for further investigation:

1. **Investment Advice—projected job growth in next 10 years in KCMO: 1,186 jobs.**
2. **Direct Health and Medical Insurance Carriers-- projected job growth in next 10 years in KCMO: 688 jobs.**
3. **Insurance Agencies and Brokerages-- projected job growth in next 10 years in KCMO: 314 jobs.**
4. **Third Party Administration of Insurance and Pension Funds-- projected job growth in next 10 years in KCMO: 433 jobs**

EDC staff identifying current employers in these categories

MEASURING ARTS AND ECONOMIC DEVELOPMENT:

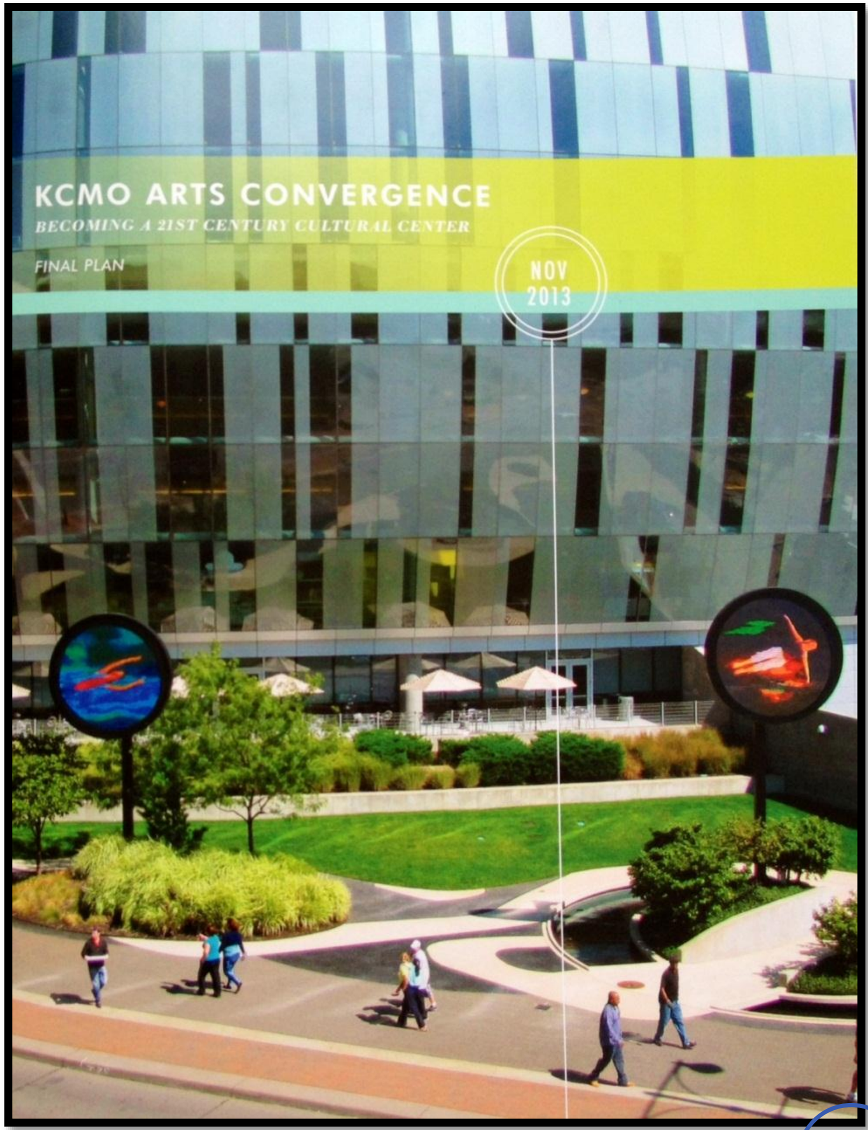
AdvanceKC Strategic Recommendation 1: ARTS AND LEISURE

Action Item 1.1: Integrate the findings and recommendations of the Task Force on the Arts into the AdvanceKC framework.

Mayor’s Task Force for the Arts KCMO Arts Convergence plan

KCMO Arts Convergence - ten goals:

1. Enhance leadership and funding for the arts and culture sector, including creating a new City Office of Culture and Creative Services.
2. Enhance the existing public art program.
3. Improve access to arts education for every student and adults of all ages.
4. Enhance arts and cultural opportunities available in neighborhoods throughout Kansas City, MO.
5. Enhance services and opportunities for individual artists.
6. Facilitate the development and use of facilities, venues and spaces for diverse arts activity throughout Kansas City, MO.
7. Showcase and develop the creative potential of Kansas City, MO’s new Google Fiber technology platform.
8. Create a signature festival focused on the region’s artists and cultural organizations, highlighting Kansas City, MO’s arts, culture and creativity.
9. Increase support for economic development of Kansas City, MO’s creative sector.
10. Provide more comprehensive information to residents and workers about available arts and cultural activities and resources.



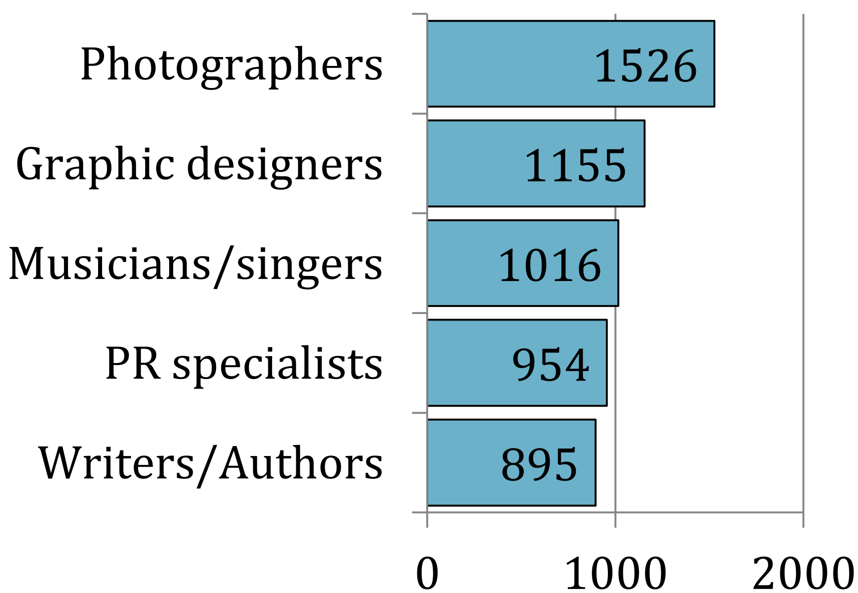
CREATIVE VITALITY INDEX

Two ways to look at it:

Creative Workers

15,258 Creative workers in all industries

Top 5 Creative Occupations



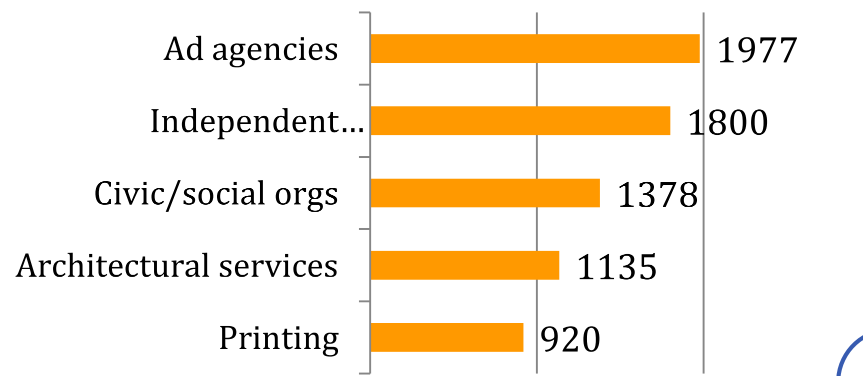
$19.62/hr = Median Wage

Creative Industries

19,027 All workers in the creative industry

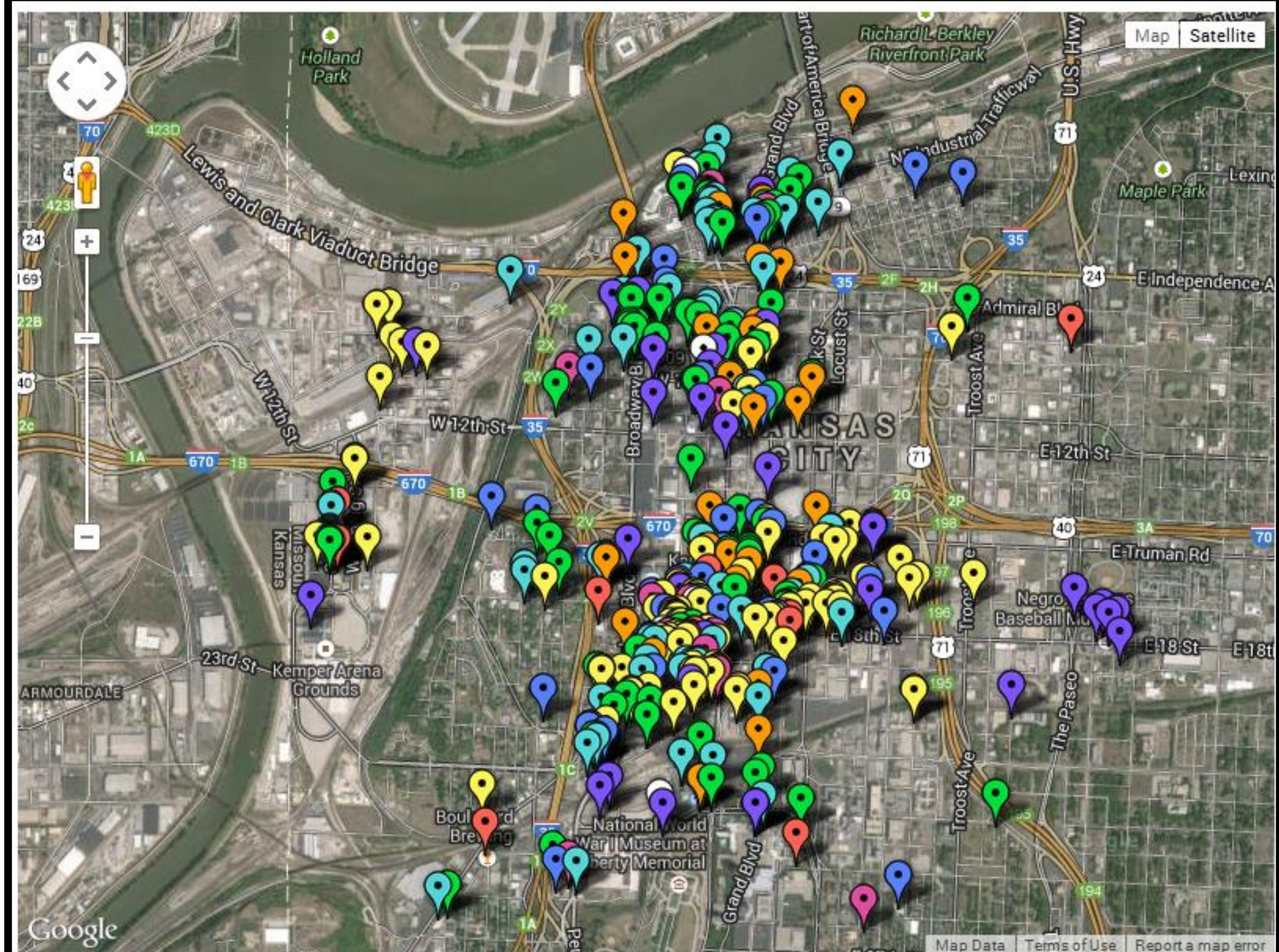
27,936 All workers in the creative industry + workers indirectly created outside of the creative industry

Top 5 Industries



DOWNTOWN COUNCIL: **MAP OF CREATIVE BUSINESSES DOWNTOWN**

www.downtownkc.org/creative/



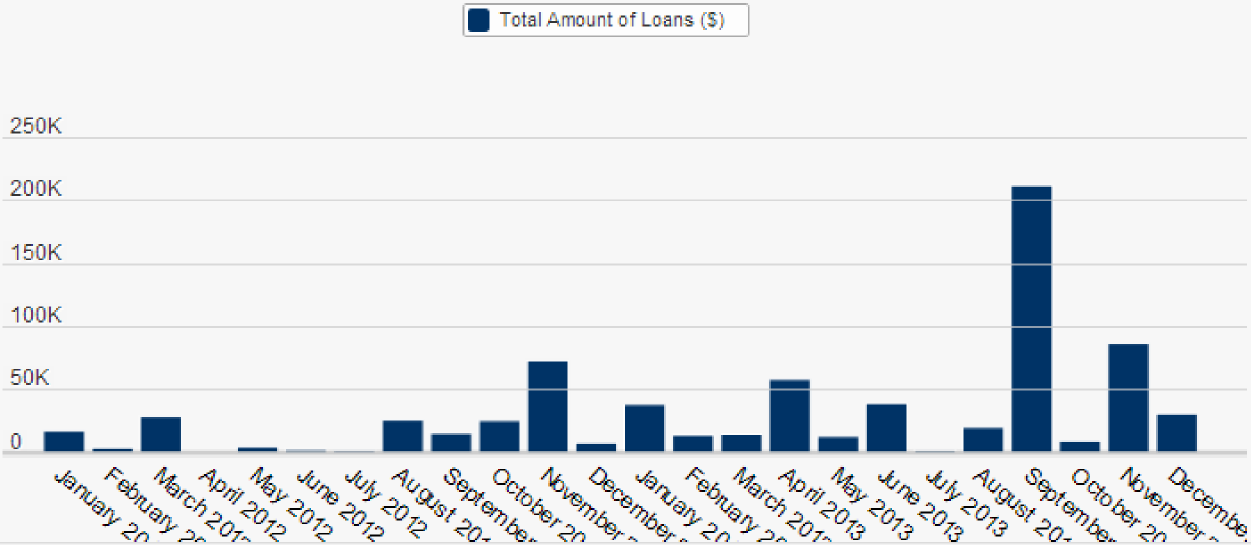
- Architecture & Engineering
- Art Galleries & Studios
- Design
- New Media Marketing & Advertising
- Miscellaneous Creative Businesses
- Information Technology (IT)
- Video/Animation
- Cultural & Performing Arts Organizations
- Collaborative Work Space/Business Incubators

ENTREPRENEURSHIP AS AN ECONOMIC ENGINE

JUSTINE PETERSEN SMALL BUSINESS MICROLOANS

Justine PETERSEN Small Business Microloans

Justine PETERSEN is the nation's largest U.S. Small Business Administration microlending program, which began lending in the Kansas City region in 2012. The goal of the program is to provide access to basic financing for small businesses, both start-up and existing, that might otherwise face barriers when seeking funding from mainstream financial institutions. *(updated monthly)*



Source: kcstat.kcmo.org

ENTREPRENEURIAL SUPPORT: URBAN GROWTH INITIATIVE

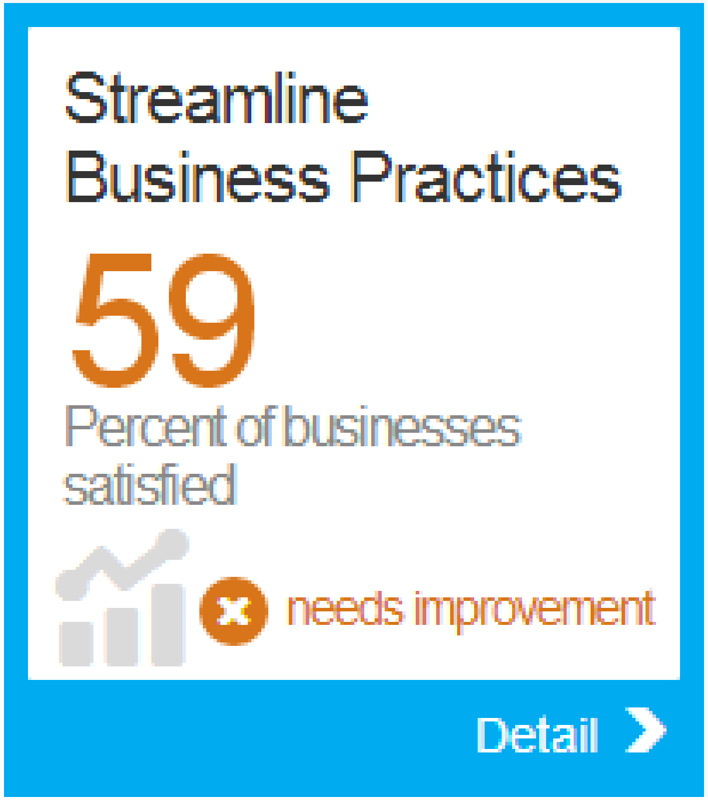
A UMKC SBTDC satellite office:

- Located at Lincoln Building
- Regular office hours (24 hrs/month)
- Counseling for both Lincoln clients and non-Lincoln UBGI clients (since July 1, 2013):
    - Lincoln Building clients: **136**
    - Non-tenant small central city businesses: **69**

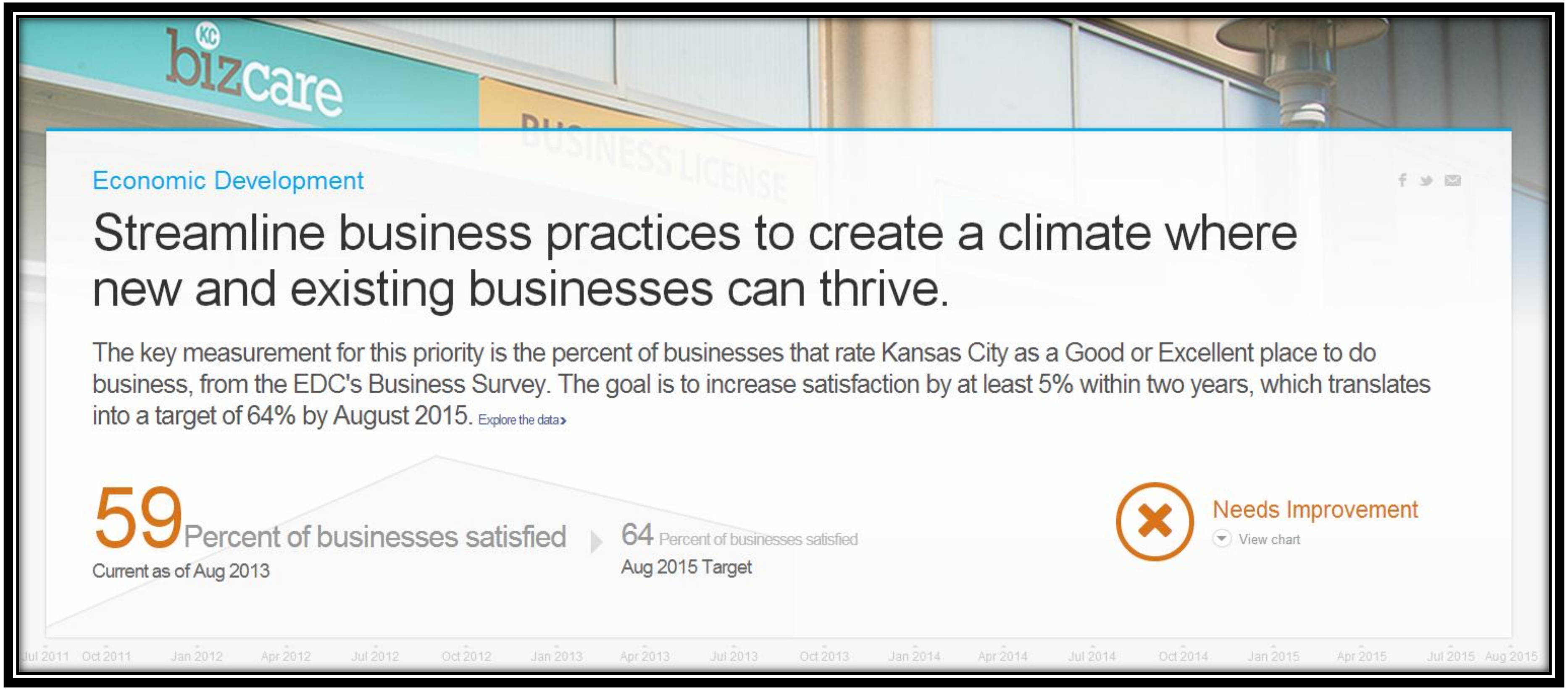
ENTREPRENEURIAL SUPPORT: URBAN GROWTH INITIATIVE

- Provided 70 training scholarships to qualified participants for business building classes including Construction Business Management®, FastTrac New Venture, Icehouse and FastTrac Growth Venture classes
- Referred 3 companies to traditional commercial bank lenders (2 received financing)
- Introduced 3 central city companies to Missouri Procurement Technical Assistance Center to explore options in doing business with governmental entities

STREAMLINE BUSINESS PRACTICES



KEY METRIC: BUSINESS SATISFACTION WITH KANSAS CITY AS A PLACE TO DO BUSINESS



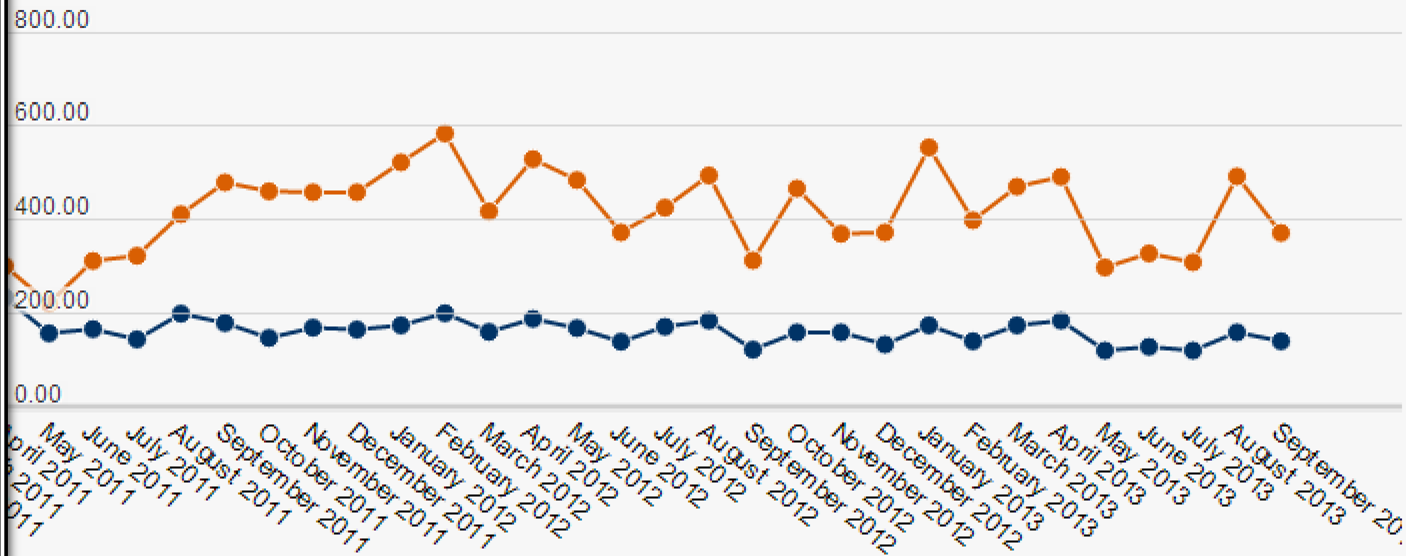
Source: kcstat.kcmo.org

KANSAS CITY BIZCARE

BIZCARE CLIENTS AND REFERRALS

BizCare Referrals

In addition to assisting new and existing businesses with navigating the City's processes, BizCare also provides referrals to a broad range of other organizations based on the business' specific needs. As is evident from the chart below, most clients receive multiple referrals. *(updated monthly)*



Source: kcstat.kcmo.org

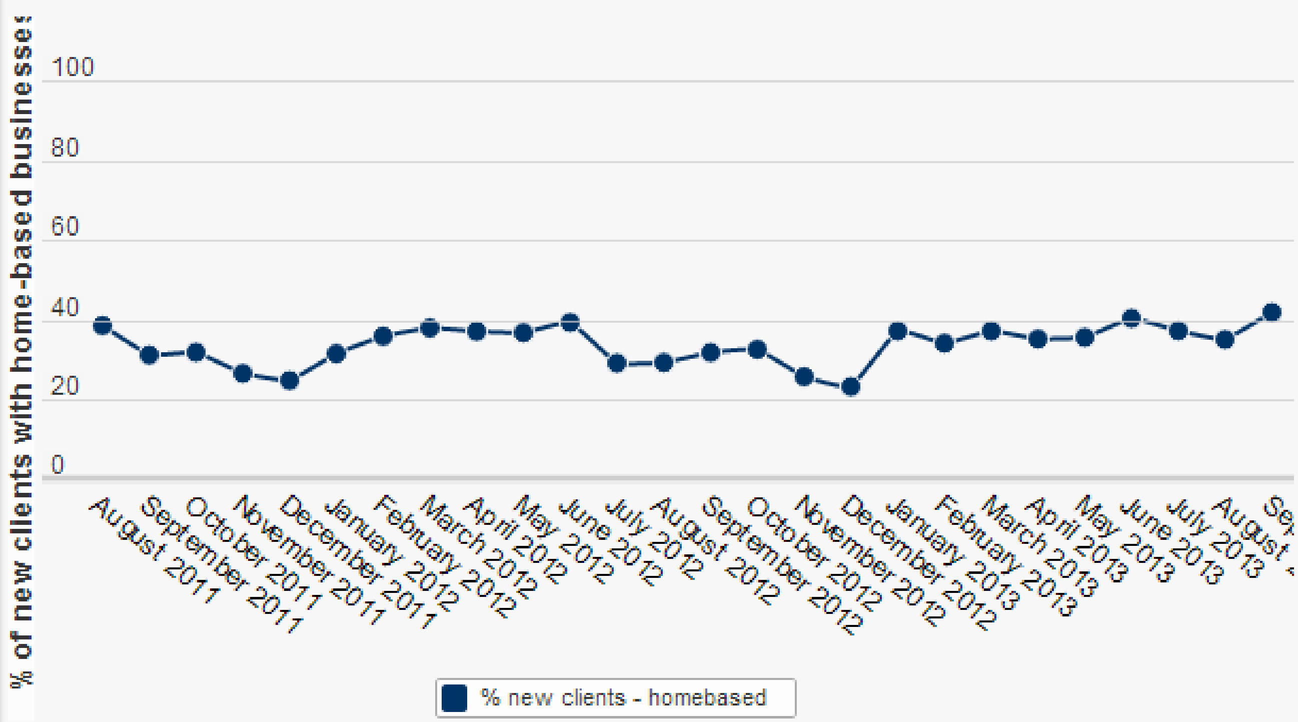
FIRST-TIME BUSINESSES AS CLIENTS OF BIZCARE

Source: kcstat.kcmo.org

HOME-BASED BUSINESSES AS CLIENTS OF BIZCARE

Home-Based Businesses

The percent of BizCare's clients that report having their business based out of their home has also seen a gradual increase since they began tracking it. *(updated monthly)*



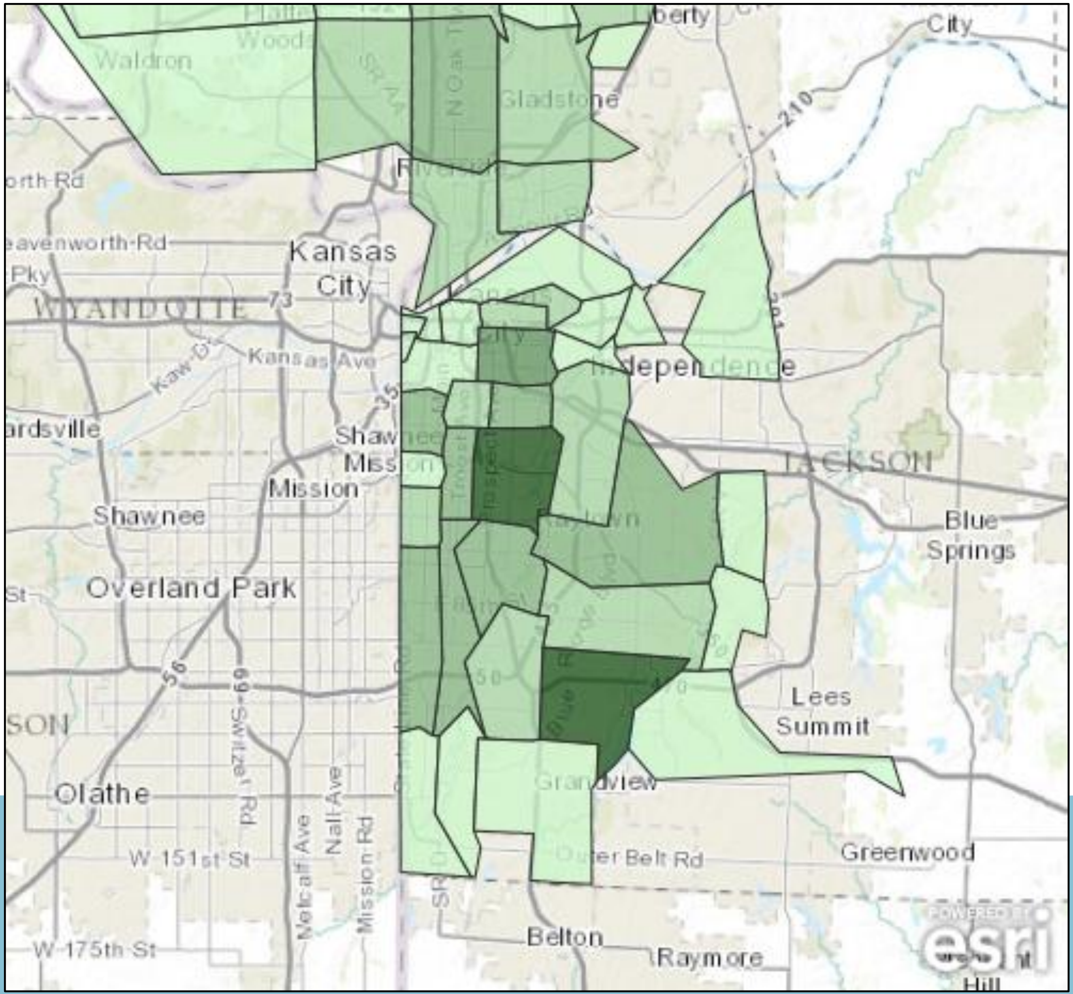
Source: kcstat.kcmo.org

HOME-BASED BUSINESS CLIENTS OF BIZCARE BY ZIP

Number of home-based businesses seeking information from BizCare 2011-2014 YTD

Count of Zip

- Not Grouped
- 1 - 25
- 26 - 50
- 51 - 75
- 76 - 100
- 101 - 128



Source: BizCare


THANK YOU
FOR DOING BUSINESS IN
KANSAS CITY, MO.
KC
CITY OF KANSAS CITY, MO.

Final Thoughts or Questions?