

July 29, 2009

The Honorable Greg Canuteson, Mayor
Members of the City Council
Liberty, Missouri 64068

Gentlemen:

The Mayor's Task Force – Light Industrial Park is pleased to submit this final report. You will find this report succinct and to the point summarizing key findings from the task force's work, a set of strategies, and an action plan.

Since the first week in May, the task force has met almost weekly. The meetings have resulted in a comprehensive review of Liberty's existing circumstances and the potential for additional growth of light industrial and business parks. The task force held extensive conversations with Kansas City area developers of industrial/business parks, real estate professionals and representatives of Hallmark Cards. Task force members paid particular attention to Heartland Meadows and evaluated its success.

Liberty's current policies to encourage and/or provide incentives to significant development of light industry/business parks were reviewed by the task force as well as the policies of other cities in the metropolitan area. In addition, the task force was able to factor into this review the information learned from the conversations with developers.

The members of the task force believe that the action plan outlined in this report will make a positive difference for the City in the short, intermediate, and longer term. To that end, members are unanimous in their endorsement of the work of the task force and recommendations contained in this report.

We would be remiss if we didn't acknowledge with appreciation the support provided by City staff; Steve Anderson, Karan Johnson, and Katherine Sharp.

Respectfully submitted,

Bob Saunders, Chair



Ron Mullenmix, Member



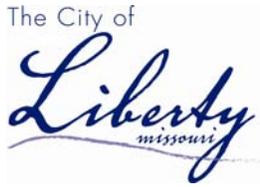
Alicia Stephens, Member



Paul Jenness, Council Member



Karyn Eppler, Member



Final Report
Mayor's Task Force - Light Industrial Park
July 2009

Task Force Members

- Robert Saunders, Chair
- Paul Jenness, Council Member – Ward 1
- Ron Mullennix
- Alicia Stephens
- Karyn Eppler

Mayor's Direction

Encourage additional 1st class light industrial development to create additional well-paying jobs; and to increase the City's tax base.

Focus of Meetings

- Discussions with Kansas City area industrial/business park developers
- Meeting with Hallmark for creation of a strategic alignment with current development
- Review Liberty's current economic development incentive's policy and how Liberty competes across the region
- Overview of Heartland Meadows – quality investment, phasing, infrastructure needs
- Review of available grant applications
- Inclusion of other intermediate and longer range opportunities consistent with future land use map and comprehensive plan

Key Findings

- Heartland Meadows is a success
 - ✓ The Park has served as a significant employment generator for Liberty. As of 2008, Heartland Meadows employed approximately 1,200 persons.
 - ✓ On average, Heartland Meadows generates over \$1.3 million in tax revenues to local jurisdictions each year. Liberty Public Schools alone receives over \$1 million annually while the City receives approximately \$170,000.
 - ✓ The extension of sewer and water will provide an opportunity for new development in the northern part of the city of over 450 acres.
 - ✓ The development of the Park serves as an excellent example of a true partnership whereby a vision was created by the community's leaders who then took the actions necessary to make it a reality.
- Should Heartland Meadows be completed (Phase I & II), it is estimated that the total employment for the Park will be approximately 4,900 and the total tax benefit to local jurisdictions will be approximately \$5.5 million (in 2009 dollars) annually.
- A barrier to completion of Phase I of Heartland Meadows is a lack of infrastructure.
- Major metro-area light industrial/business park developers have indicated that Liberty needs to reposition itself, becoming more competitive while increasing our visibility.
- Considering its strategic location, the range of sites (acreage), and the opportunity for individual ownership, there is – both currently and for the foreseeable future – a market for more ready to develop sites within Heartland Meadows.
- While the City should focus attention on Heartland Meadows, the community must support the build out of other existing light industrial/business parks and also be open to and plan for future light industrial/business park opportunities throughout the City.

- Having infrastructure in strategic locations will result in a better competitive edge by having “development ready” sites resulting ultimately in job creation.
- The City’s current Abatement Policy is not competitive in today’s market. The current policy allows 50% tax abatement with a minimum construction investment.

Principal Strategies

In order to best position the City to compete for new light industrial business, the Task Force determined that Liberty should focus on the following goals/objectives:

- Complete the necessary infrastructure to serve the balance of Heartland Meadows Phase I (south of 69 Hwy) and Phase II (north of 69 Hwy) to create development ready sites.
- Investigate opportunities to extend infrastructure to other light industrial designated areas.
- Amend and expand the City’s approach to incentives to position Liberty as highly competitive.
- Recommit Liberty to active job creation and aggressive marketing to help place Liberty “back on the map”.

Action Plan

The Task Force recommends that the City take several steps to implement the objectives outlined above.

Light Industrial Parks

- Finish the infrastructure for Heartland Meadows Phase I and extend infrastructure to Phase II to create additional development ready sites. The City should investigate all means to accomplish this, including seeking alternative funding sources, possibly dedicating City capital dollars and working with our legislators to find alternative sources of revenues or legislative changes.
- Actively pursue grant applications and other outside opportunities that seek funds to complete infrastructure to Phase I and Phase II of Heartland Meadows.
- Identify other potential light industrial sites within the city to meet the long term objectives of the Comprehensive Plan.

Incentives

- After reviewing the current City policy, examining those in other metro cities, and conferring with area developers, commercial realtors and the Heartland Meadows property owner, the Task Force determined that the City should adopt an ordinance that effectively grants a certain level of tax abatement, dependent upon the development proposal. The group also stipulated that for each incentive project, prospects that fail to perform as intended would revert to a lower tiered abatement.
 1. Tier I abatement: For prospects that invest at least \$6 million in a new development or \$3 million as part of an expansion and the average wage exceeds the county average wage as published by Missouri Department of Economic Development (DED)¹ and at least 50 employees will be hired as a result of the development, the level of abatement should be at 75% for a 10 year term. As an additional enhancement, prospects that achieve any of the following standards shall receive an additional abatement for each satisfied standard (no prospect shall exceed 90% abatement):
 - ✓ Overall development is planned as a Green Park²: +5%
 - ✓ For any particular building that is LEED³ certified: +5%
 - ✓ For any particular building that is designed with a high attention to architectural detail and is comprised of high quality building materials: +5%
 - ✓ For any particular prospect that hires at least 200 new employees: +5%
 - ✓ For any particular project that includes a percentage of employees that are paid double the average county wage as published by Missouri Department of Economic Development (DED)⁴: +5%
 2. Tier II abatement: Maintain current ‘policy’ standard (50% abatement for a 10 year term) for prospects that invest at least \$6 million in a new development or \$3 million as part of an expansion.

Marketing / Communication Strategy

- Work closely with key community partners, seeking consensus on this new direction.
- Develop a one page brochure that clearly sets out the City's new direction pertaining to light industrial development. This strategic brochure should include an outline of the incentive program and development opportunities.
- Create a strategy to re-introduce Liberty as a prime location in the metro area.

^{1&4}Average county wages are based on Census of Employment and Wages, Missouri Economic Research and Information Center (MERIC). Updates to be made annually.

²Green Park – A larger area rather than a single building that is designed with environment and renewable energy in mind. This could include wind turbines and solar power going back into a business park, use of bioswales, stormwater in basins/ponds used to irrigate common areas, use of native landscaping, use of recyclable building materials and preservation of habitat corridors.

³LEED – An internationally recognized green building certification system that provides building developers, owners and operators a concise framework for identifying and implementing practical and measurable green building design, construction, operations and maintenance solutions to address energy savings, water efficiency, CO2 emissions reduction, improved indoor environmental quality, and stewardship of resources and sensitivity to their impacts.