



SPRINGFIELD BUSINESS & DEVELOPMENT CORPORATION

2006 ANNUAL REPORT

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2006 PRESIDENT

J. MICHAEL PHILLIPS



Since its inception in 1983, the Springfield Business and Development Corporation, a 501c(3) subsidiary of the Springfield Area Chamber of Commerce, has served as the region's umbrella economic development organization. In partnership with the Chamber, City Utilities of Springfield, the City of Springfield and Greene County, the SBDC's role in region-wide business development is to promote our area as an attractive location to business and industry; support the expansion of existing business and play a lead role in establishing economic development programming as the region continues to grow and prosper.

In 2006, we celebrated the build-out of Partnership Industrial Center, continued to make substantial progress in meeting - and exceeding - the key measures of success of our five-year economic development initiative, *Partnership for Prosperity*, and expanded our efforts in image enhancement, and national marketing and media relations.

The measurement and evaluation of economic development programs is critical to high performance. Establishing priorities and developing programming is the responsibility of the Board of Directors of the Springfield Business and Development Corporation. Perhaps most important is the creation of realistic measures of success.

Since 2003, more than 23,900 new jobs have been added to Springfield's metropolitan area workforce and more than 28,200 net new jobs have

been created in our 10-county region. In that same time period, our rate of growth in per capita income exceeds 13.6 percent while the state of Missouri has experienced a rate of 11.9 percent. Also since 2003, the Springfield Business and Development Corporation and its partners have directly aided in more than \$156 Million in new capital investment in the 10-county region. This is tremendous progress as we move toward the development of a prospectus for the organization's second five-year capital campaign initiative.

On behalf of the Board of Directors, I would like to thank the business and professional organizations that financially support the Springfield Business and Development Corporation. It's my hope that you find value in the work we do and that you will continue supporting the SBDC for years to come.

I have certainly enjoyed my experience as a member of the Board of Directors, especially my role as president of this organization in 2006. It's been my privilege to serve with so many talented and committed people.

A handwritten signature in black ink that reads "J. Michael Phillips". The signature is written in a cursive, flowing style.

J. MICHAEL PHILLIPS
KIRKPATRICK, PHILLIPS & MILLER, CPAs, PC

PARTNERSHIP FOR PROSPERITY

COMMITMENT RENEWED

At its July 17, 2006 meeting, the board of directors of the Springfield Business and Development Corporation voted unanimously to conduct a second five-year capital campaign for economic development. *Partnership for Prosperity*, the first-ever economic development capital campaign in the SBDC's 24-year history, is a five-year initiative set to expire on December 31, 2007.

In October, the board selected Resource Development Group, a Columbus, Ohio-based economic development fundraising consultant to conduct a regional assessment on behalf of the Springfield Business and Development Corporation. The assessment will involve a series of individual interviews and focus groups with current *Partnership for Prosperity* investors and will be a guiding tool in developing a consensus for the next five-year planned program of work. The board of directors of the SBDC will receive the regional assessment report in mid-March 2007.

"The *Partnership for Prosperity* prospectus has essentially been the SBDC's business plan for the past four years, and it is again in 2007." said Greg

Williams, senior vice president of economic development at the Springfield Area Chamber of Commerce. "The capital campaign allowed us to elevate our program of work in regional development, workforce development, existing business development, national marketing and media relations and investor relations." Williams noted.

"In conjunction with our economic development partners, we have raised the bar in delivery of economic and industrial development programs and services." said Williams. "The financial support of our member investors has allowed us, as a region, to experience tremendous advancement in workforce growth, new capital investment and per capita income."

Twenty years ago, economic development meant chasing companies for corporate relocations with no real interest in who they were, how they looked or what they really meant to a community. Jobs, jobs, jobs was the mantra and just about any community - large or small - was willing to play the game. Today, economic development is a business of international competition for new investment. It is sophisticated and complex.



PARTNERSHIP FOR PROSPERITY

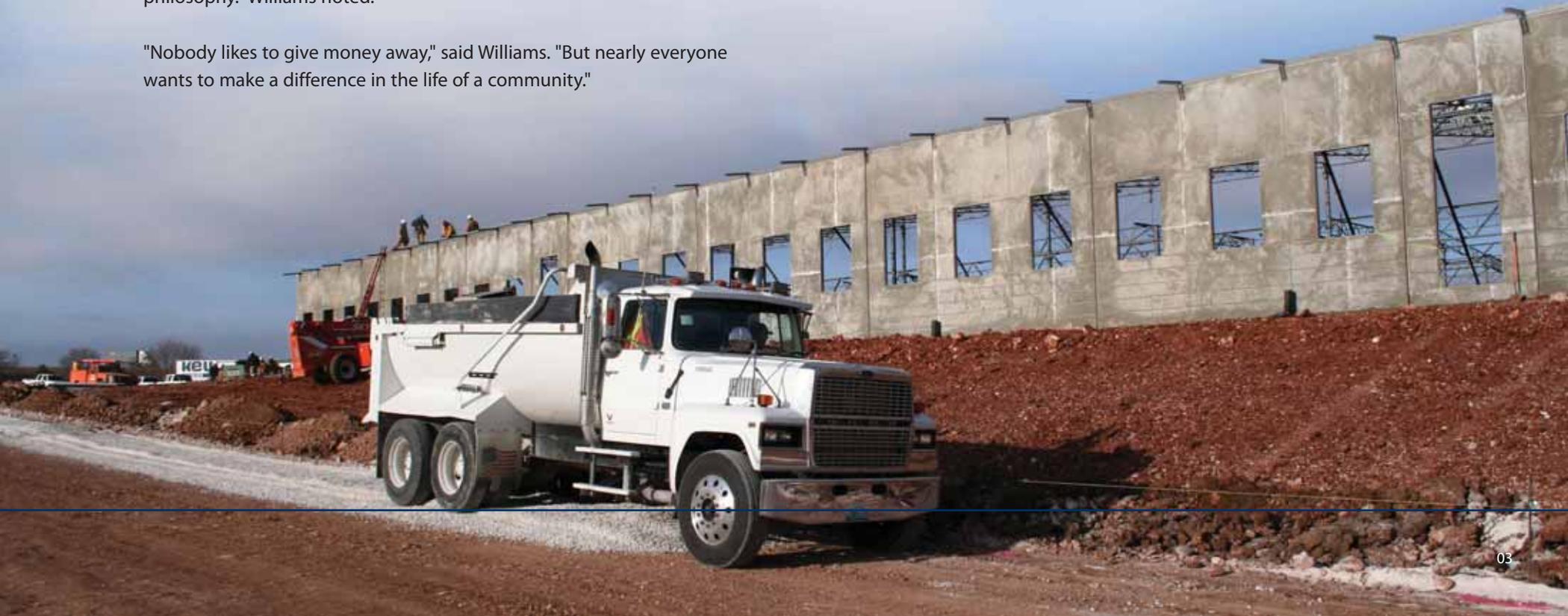
COMMITMENT RENEWED

Williams points out that there are more than 15,000 economic development organizations in the United States. Cities, counties, townships, multi-county regions, community improvement corporations, and states are all trying to elevate their respective stature in the business of economic development. "Those that leverage assets, build on their strengths and generate appropriate revenue streams will survive, and they'll prosper," says Williams.

"Successful economic development organizations, whether they be public-private partnerships, private-sector led, or entirely government driven, share the following characteristics: strong leadership, pro-active programming, strong and stable funding and a return on investment philosophy," Williams noted.

"Nobody likes to give money away," said Williams. "But nearly everyone wants to make a difference in the life of a community."

The major components of the proposed *Partnership for Prosperity II* initiative have not been adopted but board leadership strongly supports the continuation of the regional economic development program, industrial park development, existing business retention and expansion, workforce development and the many collaborative efforts of which the SBDC and its various partners are involved. "SBDC leadership has directed staff in recent months to focus on international business development, capital formation and partnerships to help market our airport to a national audience," says Williams. "It's our job to focus on where the jobs are today, and in the next 20 years, and to work with our partners to ensure that the quality of life we enjoy in southwest Missouri is maintained and enhanced."



PARTNERSHIP FOR PROSPERITY

INVESTORS

Platinum

City of Springfield
Greene County
Great Southern Bank
THE SIGNATURE BANK
Associated Electric Cooperative
BKD, LLP
BNSF Railway Company
Commerce Bank
Concrete Companies of Springfield
Meeks Building Centers
Blackwell Sanders

Gold

Bank of America
Banta Foods
Empire Bank
Husch & Eppenberger, LLC
Missouri State University
Springfield-Branson National Airport
White River Valley Electric Cooperative

Silver

Altria Group
Citizens National Bank
CoxHealth
Drury University
Metropolitan National Bank
Lathrop & Gage, LC
St. John's Health System
Regions Bank
US Bank

PARTNERSHIP FOR PROSPERITY

INVESTORS

American Dehydrated Foods

APAC-Missouri

AT&T

Aviation Enterprises

Beyer Commercial Realtors

Bryan Properties

Butler, Rosenbury & Partners

Carol Jones Realtors

The Casey Associates

Chase Card Services

City of Hollister

City of Republic

City Utilities of Springfield

Clarion Hotel - Springfield, Morris Group Properties

Dade County

DeWitt & Associates

The Empire District Electric Company

Esterly, Schneider & Associates, AIA

Evangel University

Ferrell-Duncan Clinic

The Forrester Group

Hammons Products - Stockton

Jack Henry & Associates

Huckstep & Associates, LLC

Kirkpatrick, Phillips, & Miller, CPAs, PC

Kraft Foods

KYTV

Liberty Bank

The Maiman Company

Mathews & Associates

McLean Enterprises

McCloud & Company, LLC

Morelock-Ross Builders

Murney Associates

Nabholz Construction Corp.

Ollis & Company

Ozark Electric Cooperative

Ozarks Coca-Cola / Dr Pepper Bottling Co.

Ozarks Technical Community College

Palmerton & Parrish

Preston & Nancy, CPA's

Quest Capital Alliance, LLC

R.B. Murray Company

Rich Kramer Construction

Sapp Design Associates

Silver Dollar City

SMC Packaging Group

Southwest Electric Cooperative

Sperry Van Ness/Rankin Company

Springfield Business Journal

Springfield Industrial Properties, LLC

Springfield Remanufacturing Corp.

Springfield Underground

TCSI / Transland

Tillman Redevelopment, LLC

UMB Bank

Walton Construction Company

Webster Electric Cooperative

Wendy's of Missouri

Willow Brook Foods

Yates, Mauck, Bohrer

LOCAL ECONOMY

ECONOMIC IMPACT ANALYSIS

HEALTH CARE AND HIGHER EDUCATION

In August, the SBDC and the City of Springfield released the results of an economic impact analysis of the health care and higher education sectors on the Springfield area. The research revealed that the health care sector contributes \$4.5 billion annually to the metro Springfield economy, while higher education contributes \$896 million. More than 51,000 of the area's jobs can be attributed directly or indirectly to health care, while 13,500 jobs are a result of the higher education presence in the area.

Development Strategies, Inc., a St. Louis-based real estate, economic and community development consulting firm conducted the research. The analysis was the result of a review of standard economic statistics obtained through state and federal sources, and a survey of eleven health care and higher education institutions in the metro Springfield area.

Collectively, the eleven institutions spend more than \$2.15 billion per year. Not all of that money is spent in the Springfield area, but based on the survey; approximately 57 percent of all operating expenditures and 82 percent of

payroll expenditures of these institutions is paid directly into the regional economy. These expenditures become income or revenue for the institutions' employees and area businesses, which then spend that money to support their households and businesses. That re-spending creates a ripple effect throughout the area's economy. Essentially, the \$2.15 billion in spending by health care and higher education institutions in the Springfield area triggers an estimated:

- \$3.3 billion in additional economic activity in the five-county metropolitan area (Greene, Christian, Webster, Polk and Dallas counties)
- \$1.1 billion in additional household income for the Springfield area labor force
- 38,500 jobs throughout the region, both full and part-time, in addition to the approximately 26,200 employed by the survey respondents. Together, these 64,700 jobs in metropolitan Springfield account for nearly one-quarter of the region's economy.

The economic impact of health care in Springfield's MSA is \$4.5 billion per year. Total Economic Activity (GDP)



The economic impact of Higher Education in Springfield's MSA is \$896 million per year. Total Economic Activity (GDP)



LOCAL ECONOMY

ECONOMIC IMPACT ANALYSIS

MANUFACTURING AND LOGISTICS

In December, the SBDC and the City of Springfield released the results of an economic impact analysis of the manufacturing and logistics (transportation and distribution) sectors on the Springfield area.

This research was also conducted by Development Strategies, Inc.

The research revealed that area manufacturers contribute \$18.6 billion to the metro economy each year while logistics contributes \$14.3 billion.

The number of direct jobs in manufacturing and logistics make up 16.6 percent of all jobs in the region. In addition, more than 90,000 jobs (full and part-time) can be attributed directly or indirectly to manufacturing,

while more than 98,900 jobs are a result of the logistics presence in the area.

The study also showed that manufacturers spend more than \$6.74 billion per year, while area logistics firms spend \$5.2 billion per year. Based on the survey, approximately 54 percent of all manufacturing operating expenditures and 89 percent of manufacturing payroll expenditures are paid directly into the local economy. For logistics those figures are 34 percent and 97 percent respectively.

The economic impact of Manufacturing in Metro Springfield is \$18.6 billion per year. Total Economic Activity (GDP)



The economic impact of logistics firms in Springfield's MSA is \$14.3 billion per year. Total Economic Activity (GDP)

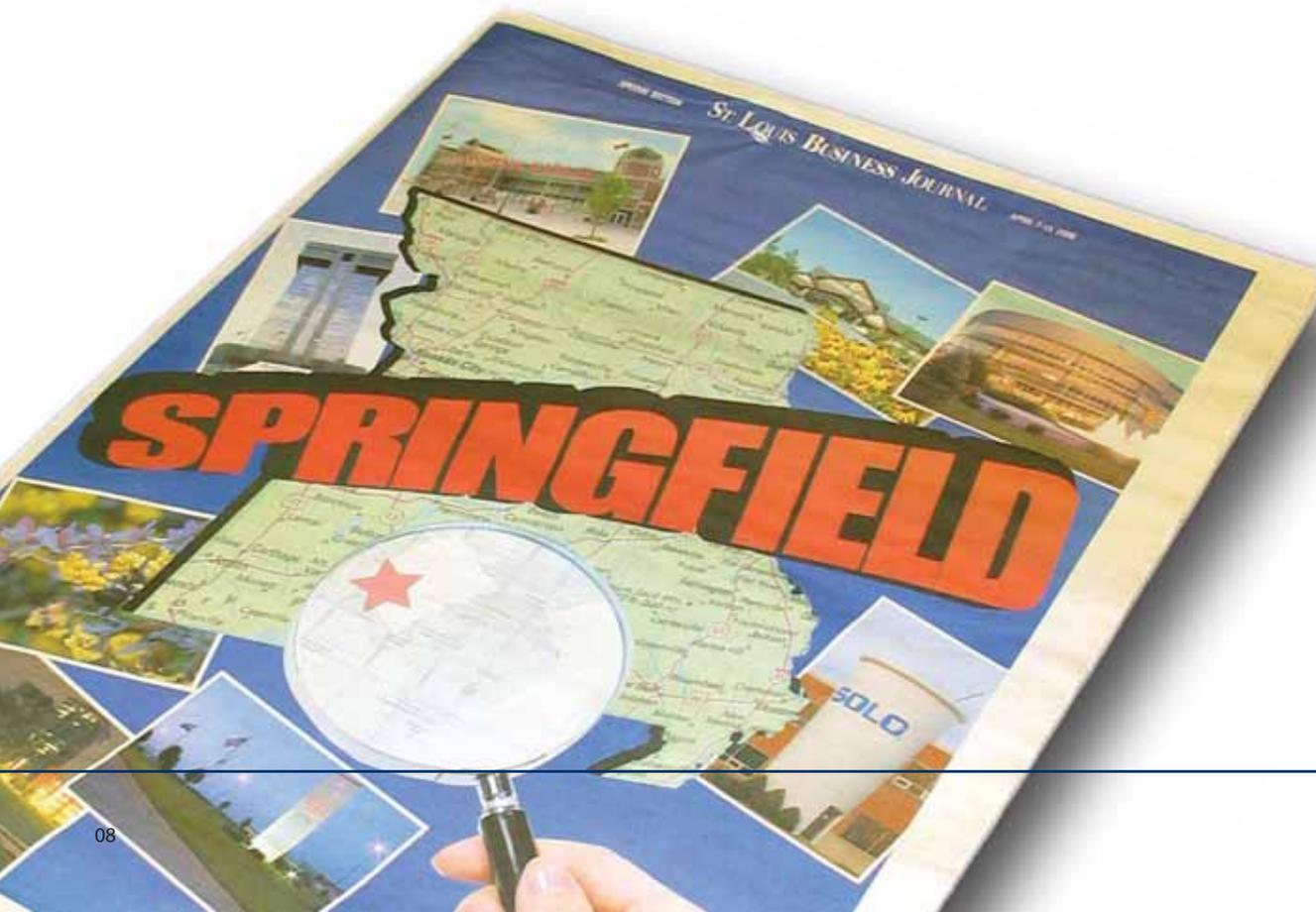


MARKETING SPRINGFIELD

MEDIA

Image is everything. In 2006, a 16-page supplement in the St. Louis and Kansas City Business Journals revealed Springfield's image as "Missouri's Economic Engine" to a regional audience. The report hit the high points of the area's economic development and helped to position the community as a prime location for economic opportunity with more than 35,000 business decision makers who subscribe to the publications.

That message was reinforced to an even broader audience when Inc. Magazine ranked Springfield as one of the hottest mid-sized cities for entrepreneurs. The magazine cites job growth as the best measure of a region's economic vitality, especially as it relates to entrepreneurs. Inc. Magazine reaches a nationwide audience of nearly 600,000 business-minded readers.



MARKETING SPRINGFIELD

DIRECT CONNECTIONS

In 2006, SBDC was also actively involved in marketing efforts that provided direct connections with targeted companies. Active involvement by the economic development staff team in several national organizations provided opportunities to promote Springfield to key decision makers within several sectors. Those efforts included:

- Representation for Springfield at the annual CoreNet trade show; (CoreNet is an international association of corporate real estate and related professionals.)
- Participation in the International Council of Shopping Centers (ICSC); Several "deal making" sessions provided opportunities to use creative methods of promoting business development in Springfield. One approach used at ICSC was recognized by the economic professional organization, the Missouri Economic Development Council with a "best in class" marketing award.

- Ryan Mooney, the Chamber's manager of business development, was named 2006 Professional Economic Developer of the Year by the Missouri Economic Development Council. Mooney was nominated for his role as project manager for the T-Mobile project. He was the key contact for T-Mobile when the wireless carrier was selecting a city for its 700 employee call center. He was also instrumental in several plant expansions in the Partnership Industrial Center.

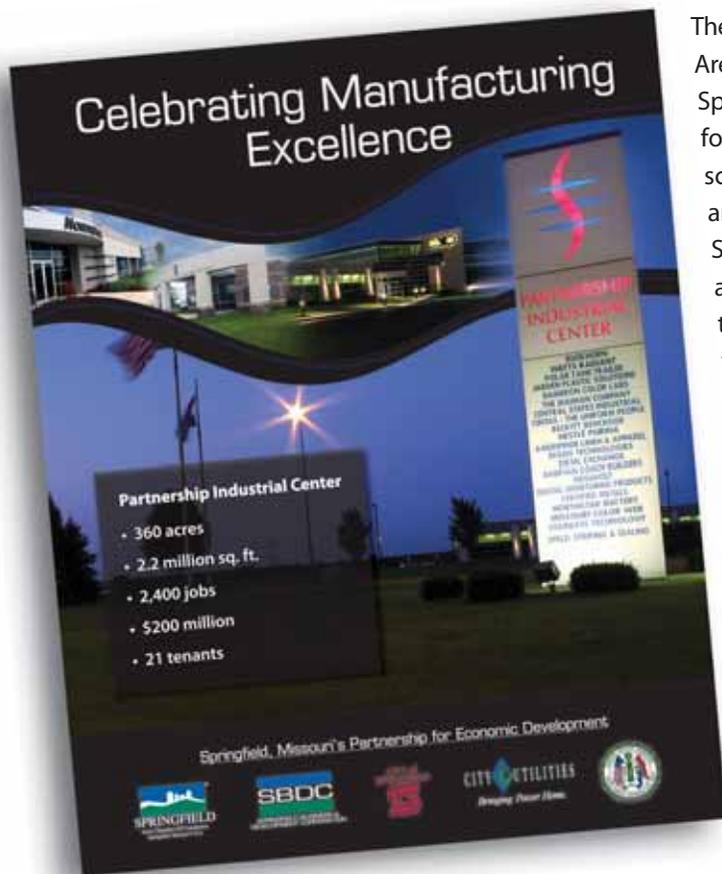


PARTNERSHIP INDUSTRIAL CENTER

CELEBRATING BUILDOUT

In 2006, Springfield's Partnership for Economic Development officially celebrated the successful build-out of Partnership Industrial Center (PIC), a project which spanned more than a decade.

At the groundbreaking in 1993, it was projected that full development of the PIC would take 15 years or more, but through the leadership of Springfield's Partnership for Economic Development and the PIC Administrative Council, the park reached build-out earlier than expected.



The partnership between SBDC, the Springfield Area Chamber of Commerce, the City of Springfield and City Utilities of Springfield formed in 1993 in an effort to develop large scale, master-planned industrial parks to create and retain quality manufacturing jobs for Springfield, to inject capital investment into the area's economy, to increase utility revenue, and to provide opportunities for businesses to thrive in Springfield.

PIC is home to 21 companies and more than \$200 million in private investment. 2,400 jobs have been retained or created as a result of the Partnership Industrial Center.

PIC tenants include:

- AC Buckhorn
- AmeriPride Linen & Apparel
- Dameron Color Labs
- Central States Industrial
- Certified Metals
- Cintas Corporation
- DaBryan Coach Builders
- Diesel Exchange
- Digital Monitoring Products
- Jarden Plastic Solutions
- Megavolt
- Missouri Color Web
- Nestle Purina PetCare
- NorthStar Battery Co.
- Polar Tank Trailer
- Reckitt Benckiser Midwest Logistics
- ReGen Technologies
- Springfield Striping & Sealing
- Stainless Technology
- The Maiman Company
- Watts Radiant

PARTNERSHIP INDUSTRIAL CENTER WEST

MOVING FORWARD

With build-out of PIC official, the Partnership Administrative Council turned its full attention toward continuing the success of PIC and Partnership Industrial Center West. PIC welcomed a fifth partner, Greene County, to join in the development of PIC West. PIC West is a 420-acre development adjacent to Springfield-Branson National Airport.

- PIC West's infrastructure continued to develop with the city and county honoring commitments to industrial development by extending Alliance Avenue to Division Street (Highway EE). The \$5 million road project provided access to additional sections of the park for immediate development.
- Gold Mechanical built a 43,000 square foot manufacturing facility on six acres on the corner of Alliance and Division.
- Green Seed Company purchased six acres and constructed a 50,000 square foot building to house its operation.
- Stamina Products, the first tenant of PIC West, announced a facility expansion project in 2006 and purchased the 7.3 acres directly behind the company's current 80,000 square foot building. The exercise equipment manufacturer is building a 50,000 square foot addition to keep up with a growing demand for its products.



MORE HIGHLIGHTS

2006

- The Springfield area continued to be the fastest growing metro area in the state with the United States Bureau of the Census releasing its population estimate of 398,124 for the region.
- Air service at Springfield-Branson National Airport continued to expand in 2006 with Allegiant Airlines announcing a non-stop route to Tampa.
- The Springfield-Branson National Airport was ranked 4th in the nation for passenger growth.
- Missouri Governor Matt Blunt recognized the Chamber for innovation in workforce development at the annual Governor's Conference on Economic Development. The Chamber and J.P. Morgan/Chase Service Center received the 2006 Innovative Workforce Development Award. The award is given to organizations that demonstrate innovative ways of developing a workforce and providing a major impact on the economy and quality of life of the areas they serve. The Chamber was instrumental in bringing J.P. Morgan to Springfield seven years ago. As a result, the company now employs more than 1,600 workers with an average wage of more than \$14 per hour with full benefits.



Peter Ricchiuti, assistant dean at the Freeman School of Business at Tulane University was the guest speaker at the Economic Outlook Conference.



- Nearly 300 Springfield area executives and business professionals attended the Third Annual Economic Outlook Conference presented by the City of Springfield and the Springfield Business and Development Corporation.

A panel of local industry experts in the areas of higher education, professional services, manufacturing and retail provided their perspective on the state of the region's economy and offered insight into trends they expect to make an impact on their respective industries. Dr. Michael Nietzel, President, Missouri State University, represented higher education, Virginia Fry, Attorney, Managing Partner, Blackwell Sanders spoke on professional services, Jack Stack, President and CEO, SRC Holdings Corporation, offered his insight on manufacturing and Jim Batten, Treasurer, O'Reilly Auto Parts, represented the retail sector.

Peter Ricchiuti, assistant dean at the Freeman School of Business at Tulane University and founder of the university's investment research program BURKENROAD REPORTS, rounded out the program with his insight on our nation's economic future and the challenges our country will face economically.

MISSION STATEMENT

The Springfield Business & Development Corporation is the economic development subsidiary of the Springfield Area Chamber of Commerce and its mission is to provide a continued revenue source for the Chamber's economic development program, assisting business and industry, and attracting new business and industry to the Springfield area.

www.business4springfield.com



SPRINGFIELD BUSINESS &
DEVELOPMENT CORPORATION
