

TERM OF COMMISSION: June Session of the April Adjourned Term

PLACE OF MEETING: Roger B. Wilson Boone County Government Center
Chambers

PRESENT WERE: Presiding Commissioner Dan Atwill
District I Commissioner Fred Parry
District II Commissioner Janet Thompson
Director Purchasing Melinda Bobbitt
Deputy County Clerk Michelle Thompson

The meeting was called to order at 9:30 a.m.

Purchasing

1. First Reading; Contract Amendment One: 17-29APR16 – Short Term Lease of Real Property

Melinda Bobbitt read the following memo:

Contract 17-29APR16 – Short Term Lease of Real Property was approved by Commission for award to UPS on August 9, 2016, Commission Order # 372-2016.

This amendment extends the contract for the period 7/1/19 – 12/31/19. Total rent for that period will be \$5,462.10 and will be deposited in 1190 – Non-Departmental, 3822 – Other Lease Revenue.

There were no comments or questions from the Commission.

Commissioner Atwill stated this is a first reading and requested the Deputy County Clerk to schedule this item for a second reading at the next available commission meeting with appropriate order for approval.

2. Second Reading; Contract Amendment One: 04-15FEB19 for Inmate Hygiene and Other Supplies (Charm-TEX Contract) for the Boone County Sheriff's Department (1st read 5-30-19)

Commissioner Parry moved now on this day, the County Commission of the County of Boone does hereby approve the attached Contract Amendment Number One to Contract 04-15FEB19 for Inmate Hygiene and Other Supplies (Charm-TEX Contract) for the Boone County Sheriff's Department.

The terms of the amendment are stipulated in the attached Amendment. It is further ordered the Presiding Commissioner is hereby authorized to sign said Contract Amendment Number One.

Commissioner Thompson seconded the motion.

The motion carried 3 to 0. **Order #233-2019**

3. Second Reading; Bid Award: 22-16APR19 – Tree Trimming Services, Tree Cutting and Removal Services, Stump Removal/Grinding Services (1st read 5-30-19)

Commissioner Thompson moved now on this day, the County Commission of the County of Boone does hereby award bid 22-16APR19 – Tree Trimming Services, Tree Cutting and Removal Services, Stump Removal/Grinding Services to the following:

Asplundh Tree Expert – Primary Contractor

Arthur Ratliff Tree and Stump Removal – Secondary Contractor

Braik's Tree Care – Secondary Contractor

Terms of the award are stipulated in the attached Contract Agreements. It is further ordered the Presiding Commissioner is hereby authorized to sign said Contract Agreements.

Commissioner Parry seconded the motion.

The motion carried 3 to 0. **Order #234-2019**

Resource Management

4. Second Reading; Letter of Credit Extension Agreement: Rokes Bend Southwest Private Drive (1st read 5-30-19)

Commissioner Parry moved now on this day, the County Commission of the County of Boone does hereby approve the attached extension agreement and extension of the Letter of Credit No. 151886-0399 between the County of Boone and Tompkins Homes and Development, LLC.

The terms of the agreement are stipulated in the attached Extension Agreement. It is further ordered the Presiding Commissioner is hereby authorized to sign said Extension Agreement.

Commissioner Thompson seconded the motion.

The motion carried 3 to 0. **Order #235-2019**

Commission

5. ABC Labs Chapter 100 Summary

Dave Griggs and Bill Watkins presented the Commission with a handout for this item. That handout is included at the end of these minutes.

Commissioner Parry said ABC Labs was a great success story. It has been impressive to see the growth over the years and the impact had on the community, as well as the ability ABC Labs has had to attract other innovators to the community. It is a perfect model for what happens when research and technology is taken from a university or academic lab and put out into the real world. Dr. Gerhke and a lot of other people probably never dreamed it would become what it has. It would be great to see a lot more of this in the community.

Commissioner Thompson explained for the 4H visitors that Dr. Gerhke was one of the founders of ABC Labs. She had the privilege of knowing him growing up, as she lived down the street from him. Dr. Gerhke brought the moon rocks to her fourth-grade class. He was the scientist that was given the privilege of analyzing the rocks that were brought back by the astronauts from the first moon walk. That kind of curiosity was what led to the starting of ABC Labs. Dr. Gerhke enhanced this community nationally, in terms of science, to the world because when people talked about the moon rocks in the NASA community, they knew Dr. Charles Gerhke and they talked about Columbia, Missouri. Keeping ABC Labs in Boone County is really important for the community. That economic tool, the Chapter 100, is what allowed Boone County to keep Dr. Gerhke and that tie to the moon rocks here.

6. Public Comment

Commissioner Parry welcomed the 4-H group visitors. He asked that each student introduce themselves and explain what clubs they are in and their projects. The students present were:

Lucy Smith – Adventurers: Cats, photography, and international foods

Sophia White – Adventurers: Junior Leader in knitting club

Delaney Thiessen – Tomorrow’s Leaders: Cake decorating

Shane Thiessen – Tomorrow’s Leaders: Archery project

Kira Melchert-Cushman – Four Paws: Dog project

Abe Ninichuck – Adventurers: Hams, wildlife conservation, leadership, and bicycling

Laura Miller – Tomorrow’s Leaders: Getting projects ready for fair

Nathaniel Miller – Tomorrow’s Leaders: Robotics

Cody Heyer – Adventurers: Horse project

Tina Gladbach, the representative for the 4-H visitors, asked the Commission what areas 4-H could look at for service projects for the coming year.

Commissioner Thompson said 4-H would be a great tool for projects involving preparation for disasters. The first thing that needs to be thought about in terms of disasters striking is planning. If planning hasn’t been done before the disaster occurs, it is too late. Looking at how head counts will be done is the first thing to look at. The second thing to look at is what skills and assets do they all have as individuals that can be translated into helping others.

Commissioner Parry said a fun project would be involvement in the County’s Bicentennial next year. Finding information on what Boone County looked like 200 years ago, finding stories about what families were doing and other things of the like would be a great contribution to that celebration.

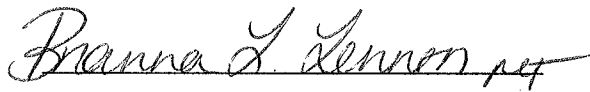
Commissioner Thompson wanted to recognize some other 4-H leaders that were not present at the meeting. Heather Snow was elected President of the 4-H State Council. Matt Vaughn was elected as the Northeast Regional Representative.

7. Commission Reports

None

The meeting adjourned at 10:08 a.m.

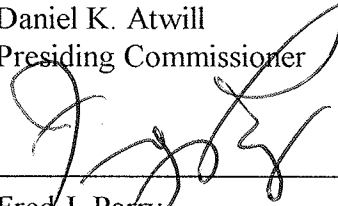
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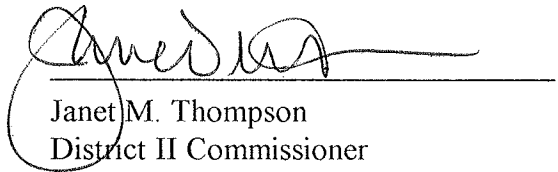
Brianna L. Lennon
Clerk of the County Commission



Daniel K. Atwill
Presiding Commissioner



Fred J. Parry
District I Commissioner



Janet M. Thompson
District II Commissioner



Regional Economic Development Inc.

MEMORANDUM

DATE: May 23, 2019

TO: Daniel K. Atwill, Presiding Commissioner, Boone County
Fred J. Parry, District I Commissioner, Boone County
Janet M. Thompson, District II Commissioner, Boone County

FROM: REDI Incentives Subcommittee: Dave Griggs, Bill Watkins, Matt Williams

CC: Taxing Entities: State of Missouri, Boone County, Boone County Family Resources, Columbia Public Schools, City of Columbia, Daniel Boone Regional Library; Stacey Button, REDI President; Bernie Andrews, REDI Vice President

RE: ABC Laboratories, Inc. Chapter 100 Project Completion Summary

As of December 31, 2018, the ABC Laboratories, Inc. Chapter 100 project officially ended the 10-year Chapter 100 tax abatement program. ABC Laboratories was the first Chapter 100 tax abatement project after Boone County adopted a Chapter 100 policy in October 2005. Since ABC Laboratories is the first project to complete the 10-year abatement process, we wanted to provide summary information to the Boone County Commission and the taxing entities.

As background on the project, ABC Laboratories was the largest life sciences company in Boone County in 2005. The company had been expanding their contract services to the pharmaceutical industry, and in order to grow their business they needed to locate/expand in a state-of-the-art laboratory facility. Many customers of ABC Laboratories were located on the east coast, so locations in other states and other Missouri communities were considered for this new facility. Other states and other Missouri cities also offered competitive incentive packages in order to try and attract this new facility. One Missouri community competing for the project offered Chapter 100 on the real property with a 100% abatement for a term of 15 to 20 years. New York offered placing the company in an Empire Zone to virtually eliminate the company's corporate tax burden. New York State had no personal property tax for companies, and placement in the Empire Zone would abate real estate taxes, as well as sales tax on any items purchased to open or expand operations.

At the same time ABC Laboratories was exploring opportunities outside of Boone County, the University of Missouri was doing some master planning on a research park that was part of the South Farm property. With the potential to be the anchor tenant and help leverage a new research park at the

University of Missouri, ABC Laboratories made plans to expand into the research park (now named Discovery Ridge), contingent upon Chapter 100 incentives.

ABC Laboratories became the first applicant for Chapter 100 in May 2006. After going through the Taxing District Review Panel process, the Boone County Commission approved the Chapter 100 abatement on \$15 million new investment in July 2006. Construction on the project began in 2006.

A performance agreement was completed in November 2008. This performance agreement provided for 50% abatement on real property in Discovery Ridge for a period of 10 years. No personal property was abated per the performance agreement. The performance agreement also required that ABC Laboratories retain the 224 existing jobs in Boone County, and create and maintain not less than 50 additional new jobs. The test date to satisfy the performance agreement employee count was set as March 31st of each year that the abatement was in place, with the reporting to the Boone County Commission occurring by May 10th during each abatement year. The tax abatement period began in 2009, with a Payment In Lieu Of Tax (PILOT) being issued for 50% of the real estate tax that would have otherwise been due on the real estate located in the Discovery Ridge Research Park. The tax abatement and PILOT collection period ran from 2009 to 2018.

Because the abatement on this project was 50% of the real property, the amount of the PILOT collected is also equal to the amount of incentive or abatement that was received by ABC Laboratories.

A summary of the PILOT collected from 2009 to 2018 is shown below.

| <u>Taxing Entity</u> | <u>PILOT Collected</u> |
|-------------------------------|------------------------|
| State of Missouri | \$ 7,200.00 |
| Boone County | \$ 40,620.00 |
| Boone County Family Resources | \$ 27,374.40 |
| Columbia Public Schools | \$ 1,308,511.20 |
| City of Columbia | \$ 98,400.00 |
| Daniel Boone Regional Library | \$ 73,200.00 |
| TOTAL | \$ 1,555,306.60 |

A feature of the Boone County Chapter 100 Policy is that the commercial surtax of \$.61 per \$100 of assessed valuation is not abated. Therefore, in addition to the PILOT collected in the summary above, ABC Laboratories paid approximately \$29,000 annually to the Boone County Collector, or approximately \$290,000 over the 10-year abatement period for this commercial surtax.

For the ABC Laboratories Chapter 100 project, all existing real and personal property located at 7200 E. ABC Lane was taxed fully. Additionally, any and all new personal property at the Discovery Ridge location was not included in the Chapter 100 abatement. It was the expectation of the REDI Incentives Subcommittee and the taxing jurisdictions that the project would increase personal property expenditures at both the Discovery Ridge location and the ABC Lane location, and that those expenditures would result in additional real and personal property tax collections to each of the taxing jurisdictions. The analysis over the last 10 years of ABC Laboratories real and personal property taxes paid show that this was the case.

In 2008, the base year before the tax abatement period began ABC Laboratories paid \$85,186 in personal property taxes, and \$76,738 in real property taxes for a total of \$161,924. In 2018, ABC Laboratories paid a total of \$189,650.96 in personal property taxes, \$130,575.15 in real property taxes, and a PILOT of \$172,228.80 for a total of \$492,454.91.

Real and Personal Property Taxes Collected from ABC Laboratories from 2009-2018 is shown below.

| <u>Taxing Entity</u> | <u>Taxes Collected</u> |
|-------------------------------|------------------------|
| State of Missouri | \$ 9,685.07 |
| Boone County | \$ 54,689.38 |
| Boone County Family Resources | \$ 36,852.71 |
| Columbia Public Schools | \$ 1,787,087.58 |
| City of Columbia | \$ 132,362.37 |
| Daniel Boone Regional Library | \$ 98,687.16 |
| TOTAL | \$ 2,119,364.27 |

In regards to jobs, ABC Laboratories successfully met their job creation and retention requirements for each of the 10-year abatement years. In the final report that was submitted to the Boone County Commission in 2018, the company had 370 employees, which was significantly above the 274 required.

At the County Commission meeting of September 6, 2018, Andy Housely, Vice President, Finance and Corporate Controller also provided an update on the ownership of ABC Laboratories. ABC had been previously acquired by EAG Inc. Mr. Housley indicated that EAG Laboratories was sold in December 2017 to Eurofins Scientific out of Paris, France. Eurofins has about 35,000 employees and labs in 46 countries, including Columbia, Missouri.

Summary

- REDI believes this project should be considered a great success for Boone County. The company made the required investment, created the life science jobs in Boone County that they said they would, and met and exceeded all the performance metrics as required of the Chapter 100 program.
- The ABC Laboratories project helped bring Discovery Research Park to existence because they were willing to be the anchor tenant. Other significant federal, state and local dollars were also invested in the infrastructure in the Discovery Ridge area which has led to significant development on the west side of U.S. 63.
- The ABC Laboratories Chapter 100 process served as the model for the public input process that was used for Chapter 100 approval, and also served as the model that was used for Kraft Heinz, Dana Light Axle, Aurora Organic Dairy, American Outdoor Brands, and Northwest Medical Isotopes Chapter 100 projects. All of these projects are proceeding as planned and meeting their Chapter 100 performance requirements as outlined in their performance agreements.

Without the use of Chapter 100, none of the investments, additional tax revenues, jobs and additional economic activity, such as sales and gross receipts taxes on utility expenditures, would have occurred in Columbia/Boone County.

REDI staff, Board of Directors, and Incentives Subcommittee would like to thank the Boone County Commissioners, County Counselor, Assessor, Collector, other Boone County staff, and all of the impacted taxing entities for their support and assistance on the successful completion of this first Boone County Chapter 100 project.