



2009 Annual Report



SBDC

SPRINGFIELD BUSINESS DEVELOPMENT CORPORATION

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.

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President's Message

The year 2009 will be remembered as one in which economic development organizations across the nation faced many challenges. The Springfield Business Development Corporation chose to use this time, in which prospects and deal flow proceeded at a very slow pace, to accomplish two goals:

1. To assess our strengths and weaknesses relative to our competitor peer cities; and
2. To take aggressive steps to market ourselves in preparation for the pending economic recovery.

To complete our first goal, the SBDC engaged Market Street Services, Inc., from Atlanta, Georgia, to conduct in-depth interviews with stakeholders in our community, and to conduct additional exhaustive research to assess our position as a business location. We have received strong feedback from the assessment, which was presented at the Sixth Annual Economic Outlook Conference in October. It has already served as a call-to-arms to the region, and we have seen many Springfield civic organizations and institutions taking action based on the findings of this assessment.

To reach our second goal of marketing Springfield as an ideal community in which to do business, our staff members conducted 81 face-to-face visits with site selection consultants in 2009. With visits to specialists in cities such as Dallas, Atlanta and Chicago, we should feel confident that among business development organizations nationwide, SBDC's aggressive pace was a hard one to top.

In addition, several staff members continued the tradition of taking Springfield's story abroad. In concert with the Missouri Partnership, SBDC staff members went to a large trade show in China to identify new businesses to attract to the state of Missouri. In the process, other organizations learned about the mission of the SBDC, and our strengths as a community.

The Springfield Angel Network continued in 2009 to provide technology ventures with access to capital that they otherwise would not have obtained. In this manner, the Springfield Angel

Network has continued to link budding entrepreneurs with the Springfield business community. This accentuates the region's growing reputation in the technology sector, an area that the SBDC has identified as a priority.

Congratulations to the other 2009 officers of the SBDC, vice president (and incoming president) John Wanamaker of BKD, LLP and treasurer (and incoming vice president) Tom Babik of Ferrell-Duncan Clinic, for their hard work and cooperation during 2009. We look forward to their leadership, along with that of the incoming treasurer, Shaun Burke of Guaranty Bank, in the year 2010.

The Springfield region is well known for the manner in which its businesses and institutions collaborate to achieve goals which could not otherwise be accomplished. The SBDC Board is a prime example of such collaboration, and the success that we have achieved would not have been possible without the support of all of the Board members, and the contributing institutions they represent, including Ozarks Technical Community College, Missouri State University, the City of Springfield, City Utilities and Greene County. We look forward to many more years of fruitful collaboration with these entities.

Since being launched in 1983, the SBDC's role in region-wide business development has successfully promoted our area as an attractive location to business and industry. As we continue to also support the expansion of existing business and play a lead role in establishing economic development programming for Springfield, I encourage each of you in the region to become a part of the process. Together we can make our outstanding community even stronger as a location for doing business and raising families.

Randell Wallace
Lathrop & Gage, LLP



Partnership for Prosperity II Investors

Diamond Investors

BancorpSouth
 BKD, LLP
 City of Springfield
 CoxHealth
 Great Southern Bank
 Greene County
 Husch Blackwell Sanders, LLC
 St. John's Health System

Platinum Investors

BNSF Railway Company
 City Utilities of Springfield
 Commerce Bank
 Concrete Companies of Springfield
 Empire Bank
 Lathrop & Gage, LLP
 Missouri State University

Gold Investors

Meeks Building Centers
 Metropolitan National Bank
 Regions Bank
 White River Valley Electric Cooperative

Silver Investors

Banta Foods, Inc.,
 Division of Reinhart Food Service, LLC
 Butler, Rosenbury & Partners, Inc.
 Chase Card Services
 Community Foundation of the Ozarks, Inc.
 Drury University
 Guaranty Bank
 Mathews & Associates, Inc.
 Mattax-Neu-Prater Eye Center
 Ozarks Technical Community College
 Sapp Design Associates Architects, PC
 Sperry Van Ness/Rankin Company
 Springfield Remanufacturing Corp.
 Springfield-Branson National Airport
 UMB Bank, NA
 US Bank
 Walton Construction Co., LLC

Partnership for Prosperity II Success Measures (2008-2009)

The SBDC directly aided in two large projects in 2009. This added to the already strong record of capital invested in our region and pushed the total to \$182M in the last 2 years. This makes the 5-year capital investment goal of \$225M more than 80% complete.

While the economic downturn has created an unanticipated decline in employment, Springfield's diverse economy has insulated the area from larger declines in employment experienced by other peer cities. The SBDC's efforts are focused on creating new jobs for the region through expansion of existing companies as well as attraction of new employers. Health Care, Financial Activities, and Professional & Business Services



continue to show positive growth for the area.

Incomes in Springfield and the 10-county region continue to lose pace on the national average and the average of our selected peer cities. The SBDC and Chamber have renewed a commitment to increasing income levels in the region and taking steps to break the cycle of poverty.

For a full prospectus, visit www.business4springfield.com/P4PII

Partnership for Prosperity II Investors

American Dehydrated Foods, Inc.

Arvest Bank

Associated Electric Cooperative, Inc.

Bank of America

Bank of Bolivar

Barker Phillips Jackson, Inc.

Bates & Associates, AIA

Battlefield Mall

Beyer Commercial Realtors

Bryan Properties

Builders' Association of Missouri

Carlisle Power Transmission Products, Inc.

Carnahan, Evans, Cantwell & Brown, PC

Carson-Mitchell, Inc.

Casey Architecture

Central Trust & Investment Company

City of Hollister

City of Republic

DeWitt & Associates, Inc.

Don Wessel Honda, Inc.

Edmonds Dental Prosthetics, Inc.

Edward Jones - Gregory DeLong

Emery Sapp & Sons, Inc.

Empire District

Environmental Works, Inc.

Esterly, Schneider & Associates, AIA

Evangal University

Ferrell-Duncan Clinic, Inc.

Gardner Capital, Inc.

Gilmore & Bell

Greater Springfield Board of Realtors

Hammons Products Co.

Home Builders Association of Greater
Springfield

J. Howard Fisk Limousines

Jared Enterprises, Inc.

Jim Hutcheson Realtors

Kirkpatrick, Phillips & Miller, CPAs, PC

Kraft Foods, Inc.

KTXR-Meyer Communications, Inc.

KY3, Inc.

Liberty Bank

Med-Pay, Inc.

MoDoCo, Inc.

Morelock-Ross Builders

Murney Associates, Realtors

Nattinger Materials Co.

Nexstar Broadcasting (KOLR 10/KSFX Ozarks
Fox)

O & S Trucking Co.

OakStar Bank

O'Bannon Bank

Ollis & Company

Opus Northwest

Ozark Electric Cooperative

Ozarks Coca-Cola/Dr Pepper Bottling Co.

Paul Mueller Company

Preston & Nancy, CPAs

R.B. Murray Co.

Rich Kramer Construction, Inc.

Roberts McKenzie Mangan & Cummings

SMC Packaging Group

Southwest Electric Cooperative

Springfield Contractors Association

Springfield Underground

The Bank of Missouri

Tillman Redevelopment, LLC

T-Mobile USA, Inc.

Trust Company of the Ozarks

Warren Davis Properties

Wendy's of Missouri, Inc.



Marketing the Region

Positioning Springfield for Future Opportunities

Communicating the Springfield region's location advantages to site selection consultants in key markets across the country was a priority in 2009. These consultants represent growing companies in various industry sectors seeking to expand to new locations. SBDC focused on personal visits with site location advisors and business and industrial prospects nationwide.

In 2009, Springfield's Partnership for Economic Development visited consulting firms in the Atlanta, Chicago, Dallas, Kansas City, Phoenix and St. Louis metropolitan areas. This aggressive approach generated face-to-face meetings with 81 consultants, providing the team with an opportunity to convey location advantages and business development opportunities in the Springfield region and also learn about current industry trends. Each meeting had a specific approach depending on the consultant's area of expertise. Most discussions were focused on available sites and facilities, new developments, workforce trends, incentive programs and specific opportunities for data centers, manufacturers, logistics, back office operations and retail developments.



Data Center World Trade Show

Redesigned SBDC website

After nearly 10 years in existence, the SBDC undertook a complete redesign of Springfield's economic development website in 2009. Springfield-based Departika, Inc., was selected for the development of the site, which debuted in early July.

The new site has an enhanced design and easier navigation, allowing internal and external audiences to locate the information needed to select Springfield for business expansion opportunities. The new site features interactive Google maps, RSS feeds and news archives, resources for all types of site selectors, along with a variety of Springfield photos and an enhanced contact section. Feedback from users indicates that the features make the site more productive and interesting. Existing assets like the detailed data profile and the buildings and sites database are still included but also have a new look.

In November, the newly-designed website received the 2009 Award of Excellence in Electronic Communication from the Missouri Economic Development Council.



SBDC website

Marketing the Region

Springfield named a “Next City” for Young Professionals

Next Generation Consulting (NGC) named Springfield number 17 in its “Next Cities” ranking among cities with a population of 100,000-200,000. The Network for Young Professionals, a Chamber program, purchased a dashboard report which provided details on what Springfield is doing well to attract young professionals. The report also presented areas that need improvement as well as examples of best practices from other communities.

City of Springfield ranked 17th on the Next Cities “Mighty Micros” list

City Population 100K-200K
250 cities scored and ranked by population size

As a follow-up to the report, The Network and the Ozarks Regional Economic Partnership hosted a webcast by NGC on November 10. The Madison, Wisconsin-based consultants overviewed the dashboard report and provided more details to participants on the area’s strengths and weaknesses when it comes to attracting next leaders.

- Top tier (75 to 100%): around town, learning and cost of lifestyle
- Second tier (50 to 74%): after hours, earning and vitality
- Third tier (26 to 49%): none
- Fourth tier (0 to 25%): social capital

NGC consultants suggested capitalizing on the fact that Springfield has a low cost of living. A task force of The Network members has been formed to study best practices provided by NGC, then determine how The Network should use the findings to become an even better city and region for young professionals.

National recognition

- Quality of life in the Springfield area received high marks from bizjournals’ “Best Quality of Life” ranking. The Springfield metropolitan area ranked number 40 out of 124 mid-sized metropolitan areas on the list.
- Springfield ranked in the top 50 of Forbes Magazine’s Best Places for Business and Careers for the third year in a row. Out of 200 U.S. metropolitan areas, Springfield ranked 36th on the list.
- The Center for Business and Economic Research at Ball State University gave Missouri an “A” for tax climate in its 2009 Manufacturing and Logistics Report Card.



Forbes Magazine



BALL STATE
UNIVERSITY
CENTER FOR BUSINESS AND
ECONOMIC RESEARCH



Competitive Assessment



Sixth Annual Economic Outlook Conference

J. Mac Holladay, CEO of Market Street Services, presented the findings of a competitive assessment of the Springfield metro at the Sixth Annual Economic Outlook Conference on October 14 at the Doubletree Hotel Springfield. To accurately assess metro Springfield in terms of people, prosperity and place, comparison communities of Knoxville, Tenn.; Colorado Springs, Colo.; and Kalamazoo, Mich., were chosen and profiled for the audience of more than 300 community members.

In exploring the Springfield metro population dynamics, Market Street Services found that although metro Springfield is experiencing population growth associated with net migration from surrounding smaller counties and a low cost of living, there are challenges

related to employee recruitment, low wages and education attainment. The assessment focused on three areas – people, prosperity, and place.

Some key strengths related to People:

- Strong population growth and increasing diversity
- Engaged, committed private-sector leadership
- Strong organization among the region's emerging leaders and young professionals
- High confidence in the region's workforce
- Strong support for – and confidence in – metro Springfield's higher education institutions

Some key weaknesses related to People:

- A reported “culture of poverty” throughout the region, especially related to youth poverty
- A limited number of entry-level jobs offering competitive wages (brain drain)
- Low percentage of adults with bachelor's, master's and professional degrees
- Weak state-level leadership and financial support for higher education
- Difficulty attracting and retaining workers due to negative, outdated, and false perceptions about the region; sticker shock of Springfield's comparatively low salaries; the lack of diversity within the region; and the lack of high-wage jobs

Over the last five years, the Springfield metro has outperformed the state, nation and comparison cities in terms of job growth. While the low average annual wage is a selling point for businesses, it can be a hurdle in retaining existing talent and attracting new residents to the area. According to the Market Street report, much of the community feels that stronger state-level advocacy is needed and a greater willingness to offer incentives to new and expanding businesses that make significant investments in metro Springfield.

Some key strengths related to Prosperity:

- Comparatively high rates of regional job growth, with nearly 65 percent of new job growth occurring in sectors that pay above the region's average annual wage
- An increasingly diversified economy that exports service and product employment outside the region
- Potential to cultivate international contacts in China for economic development
- Strong potential for further growth and investment in innovation at Jordan Valley Innovation Center and IDEA Commons
- Potential to improve the business climate through the competitiveness of local and state incentives, the availability of venture capital and support and retention services for existing businesses

Some key weaknesses related to Prosperity:

- Significantly lower comparative wages that adversely affect wealth creation and worker retention/attraction

- Poor organization and advocacy among potential supporters of economic development
- A reportedly non-business-friendly development process that hinders investment

The Market Street Services assessment of the Springfield metro also analyzed the quality of life and key infrastructure factors in the region. Overall, the community is satisfied with infrastructure investments and capacity within the Springfield metro. Numerous components of the Springfield area's quality of life are said to be great strengths of the region and its communities.

Some key strengths related to Place:

- A dynamic, very competitive quality of life inclusive of numerous cultural and recreational amenities
- Robust health care capacity, which continues to grow and generate jobs
- Momentum in downtown Springfield redevelopment
- Strong philanthropic community and a culture of giving
- Presence of a national airport with cargo capabilities, Class I rail, Interstate highway system and highly competitive utility rates

Some key weaknesses related to Place:

- A perceived lack of community and public leadership, vision and support for change
- High incidence of property crime, drug use and production and over-extended law enforcement agencies
- A local daily newspaper that has lost credibility and objectivity and is said to incite conflict and community opposition to progressive change

The conference concluded with a roundtable response to Holladay's presentation. The participants included Dr. Hal Higdon, Ozarks Technical Community College; Tim Rosenbury, Butler Rosenbury & Partners; Andy Lear, BKD, LLP; Jim Anderson, Springfield Area Chamber of Commerce; Mayor Jim O'Neal, City of Springfield; and Jaimie Trussell, Missouri State University.

The roundtable participants and business leaders made it clear—through the results of Market Street Services' assessment—that the traditional approach to economic development in Springfield and the surrounding area will no longer work. It's time to turn up the energy and set our sights on being a more relevant player in the new economy.



Roundtable participants responded to the findings: Dr. Hal Higdon, Tim Rosenbury, Andy Lear, Jim Anderson, Jim O'Neal, and Jaimie Trussell.

Business Development

New and Expanding Businesses

Given global economic challenges in 2009, the Springfield region was very fortunate to experience business announcements and openings during the year.

In February, McLane Company, Inc., a subsidiary of Berkshire Hathaway, Inc., announced plans to develop a new 400,000 square foot grocery distribution center in Republic. The \$60M facility will create 250 jobs for the Springfield region with an annual salary above the metro area average wage.

Just before year end, Springfield area manufacturer, Buckhorn, Inc., announced plans to create 80 new jobs. The expansion is a result of increased business and a consolidation of the company's plants with production from Kentucky moving to Springfield. The new lines will result in \$6.5 million in capital investment at the facility in Partnership Industrial Center and further solidify Buckhorn's presence in the region.

In west Springfield, three facilities opened in the past year that will retain or add up to 700 jobs for the region. The largest was

NorthStar Battery Company's second Springfield manufacturing facility, a 318,000 square foot facility that will employ 450 at capacity. NorthStar will have four production lines and produce up to 1.2 million batteries per year, for use primarily in the telecommunications industry.

Adjacent to NorthStar, FedEx Freight opened its new 154-dock distribution center. The Fortune 500 logistics company will retain 130 quality jobs in the area while creating an additional 50 jobs. The new facility will service a four-state area for the FedEx Freight division focusing on "Less-Than-Truckload" shipping options.

Glanbia Nutritionals, Inc., a California-based nutritional supplement blender, opened a newly-constructed 83,000 square foot manufacturing facility. The plant, located in Partnership Industrial Center West, will eventually employ 50 people.



Business Development

Increased International Trade Equals Jobs and Economic Development

The two primary goals of the SBDC's international business development program are to promote export opportunities for Springfield area businesses and to position our region as a favorable location for international investment. The Chamber and SBDC were active on both counts in 2009.

The Chamber organized and hosted a four-part seminar series on the "The Basics of International Trade." Presenters encouraged local businesses to begin or expand their exporting by leading them through the steps in planning and executing an export plan. In particular, attendees learned how to:

- Research potential export markets for their product or service;
- Classify their products for export;
- Access trade assistance and financing programs;
- Find an international distributor; and
- Navigate the challenges of global logistics and freight transport.

Laura Beaver, president of New Horizons Hardwoods, attended the seminar series to learn more about international trade for her company, which imports high-quality hardwood from Ecuador for flooring, decking and other uses. Beaver said one of her company's primary goals is to expand its sales into international markets. She found the seminar series beneficial because it covered a variety of areas that impact export success.

"It gave me the tools to understand exporting much better than we did before, and it also put me in contact with a lot of the right people," Beaver said.

As an ongoing resource, the SBDC has developed an online International Trade Resource Center with links to global trade resources and reference databases to help businesses identify

target markets and potential international partners. The website is available at www.business4springfield.com/international.

An important theme of the SBDC/Chamber program is the belief that international relationships can lead to business opportunities. Relationship-building is very important in the effort to attract international investment, particularly in China where the Chamber has established several ties with Chinese chambers of commerce.

The Chamber's Executive Vice President Brad Bodenhausen and Senior Vice President of Economic Development Greg Williams joined several economic development colleagues from Missouri to participate in the inaugural China Overseas Investment Fair in Beijing in November. The expo, which was aimed at helping Chinese companies invest in overseas markets, was attended by more than 1,100 representatives from 122 countries.

While in China, Bodenhausen and Williams also met with dozens of business and government officials in the cities of Haikou, Guangzhou, Qingdao and Changyi to discuss business and economic development opportunities for the Springfield region.



The Chamber welcomes a visiting delegation from China.

Business Development

Ozarks Regional Economic Partnership

In 2009, the Ozarks Regional Economic Partnership (OREP) celebrated 10 years of promoting sustainable economic development opportunities for its 70+ partner members. Partnership meetings in 2009 focused on the core values of economic development such as how to successfully manage business attraction and expansion projects (presented by Steve Johnson of the St. Louis RCGA) and workforce development led by professionals from the Missouri Career Center and Ozarks Technical Community College.

Participating in joint marketing efforts throughout the year enabled OREP staff and key volunteer leaders to continue creating and nurturing relationships that will benefit development in the 10-county region for many years to come. A special focus on trade shows such as the AFCOM Data Center World and the Wind Power Expo, along with site location advisor visits in Atlanta, Chicago and Dallas offered tremendous marketing opportunities for the Ozarks Region.

Also in 2009, the OREP provided vital assistance with projects including the Wilson Creek Marketplace retail development in Battlefield, anchored by a new Price Cutter Plus store, the McLane

distribution center in Republic and strategic economic development planning efforts in Ozark. The organization also assisted several member communities in their efforts to establish Enhanced Enterprise Zones, a business development incentive program of the Missouri Department of Economic Development.

The Ozarks Regional Economic Partnership is a voluntary organization comprised of cities, counties and chambers of commerce representing local community and business leaders from a ten-county area. The ten counties in the region are Barry, Christian, Dade, Dallas, Greene, Lawrence, Polk, Stone, Taney and Webster. The partnership is committed to regional economic development, believing it to be critical to the long-term economic and social well-being of the Ozarks. This commitment is built on protecting and reinforcing individual identities through regional cooperation.

Springfield Angel Network

For years, southwest Missouri has been a hotbed for entrepreneurial activity. The formation of the Roy Blunt Jordan Valley Innovation Center (JVIC) and Drury University's Edward Jones Center for Entrepreneurship and Innovation in recent years has further attracted opportunities for new company formation. One missing link in advancing and supporting new business start-ups and young business expansions in Springfield and southwest Missouri is the availability of seed and early-stage capital.

That's why JVIC, the Edward Jones Center and the Chamber/SBDC collaboratively formed the Springfield Angel Network in 2009.

During one of the most challenging economic periods in the region's history, the Angel Network held regular meetings throughout the year and allowed local entrepreneurs the



2009 OREP Fall Summit

Business Development

opportunity to present business plans and funding requests. Springfield's qualified angels, those who meet the U.S. Securities and Exchange Commission definition of accredited investors, currently total 26 local and regional members. They invest their own money and offer their business acumen and career experience to enhance the benefitting company's potential for long-term success

"Angels are making a difference in job creation and wealth creation," said Tom Singleton, executive in residence at Edward Jones Center. "There are high risks but the potential for high returns is also there," he said.

For more information, go to www.drury.edu/ejc.

Growth Continues at Springfield-Branson National Airport

The Springfield-Branson National Airport often serves as our community's "front door" to those considering new investment and job creation in the region. That front door received a major upgrade in 2009. Not only did the new terminal building open in May, but the year welcomed unrivaled passenger growth and the addition of

new service—all claims that few, if any, airports nationwide are able to make.

The \$117 million midfield terminal is a state-of-the-art facility designed with the latest in airport capabilities. The ability to easily accommodate future growth also makes the airport an important component of our region's future economy.

SGF is also "one-stop to the world" with connections in major hubs like Dallas, Chicago and Atlanta. This reliable, convenient service, along with a decrease in fares nationwide, led to a 4% year-over-year increase in passengers, again pushing the total over 800,000. No other airport in the Midwest posted positive growth in 2009.

Also in 2009, Allegiant Air showed the highest growth with 41% more passengers than the previous year. This was due in part to the addition of nonstop service from Springfield to Los Angeles International Airport (LAX). This new service is the fifth nonstop destination provided by Allegiant since entering the Springfield market in 2005. At 1,425 miles, the flight to LAX is the longest regularly-scheduled flight in the airport's history.



Springfield-Branson National Airport New Terminal

Executive Committee

Randell Wallace, President
Lathrop & Gage, LLP

John Wanamaker, Vice President
BKD, LLP

Thomas Babik, Treasurer
Ferrell-Duncan Clinic, Inc.

Shaun Burke
Guaranty Bank

Greg Burris
City of Springfield

David Coonrod
Greene County

Dr. Hal Higdon
Ozarks Technical Community College

Roger Howard
BNSF Railway Company

Andy Lear
BKD, LLP

James Lewis
Kirkpatrick, Phillips & Miller, CPAs, PC

Doug Pitt
ServiceWorld Computer Center, Inc.

Gary Powell
Husch Blackwell Sanders, LLP

John Schaefer
Ozarks Coca-Cola/Dr Pepper Bottling
Company

Todd Sherman
Kraft Foods, Inc.

John Twitty
City Utilities of Springfield

Board of Directors

Jim Anderson
Springfield Area Chamber of Commerce

Ann Marie Baker
UMB Bank, NA

Dr. Jim Baker
Missouri State University



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