University of Missouri opening 'Mizzou Center' to boost presence in Kansas City area

By Associated Press

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COLUMBIA, Mo. (AP) — University of Missouri officials are turning their attention to the Kansas City area with an open house for the new "Mizzou Center" in Blue Springs.

The event was scheduled for Tuesday afternoon in leased quarters in the Kansas City suburb. The rented office space is the first step toward a center that will include university research and economic development offices.

The city of Blue Springs is building a 500-acre biological services complex called Missouri Innovation Park that will feature the university as its anchor tenant.

University leaders planned to announce the Mizzou Center's new director at the open house.
MU to launch center in Blue Springs

By Janese Heavin

Posted May 17, 2010 at 12:12 p.m.

**MU administrators** will officially launch the "Mizzou Center" in Blue Springs tomorrow.

The **center** is expected to house several MU programs aimed to connect the university with industry leaders, researchers, prospective students and alumni in the Kansas City area.

Initial tenants in the center include representatives from the MU School of Information Science and Learning Technologies, MU Extension Food and Nutrition, the MU College of Veterinary Medicine, the MU College of Engineering, Mizzou Career Services and MU's Office of Research.

The launch party starts at 3 p.m. in the Heartland Financial Building, located just south of I-70 at 1600 NE Coronado Dr. in Blue Springs.

Speakers include Steve Wyatt, MU vice provost for economic development, Jacqueline Clark, Mizzou Alumni Association president, MU Chancellor Brady Deaton, Provost Brian Foster, Curator Warren Erdman and officials from the KC region.
IBM to open Columbia service center, add 800 jobs

By Alan Scher Zagier
Associated Press Writer / May 17, 2010

COLUMBIA, Mo.—Big Blue is coming to the land of black and gold.

Global technology company IBM announced Monday that it is opening a technology service delivery center in a Columbia office park that could create as many as 800 new jobs in central Missouri.

Gov. Jay Nixon and other state and local officials joined company leaders Monday afternoon for the announcement outside City Hall before hundreds of supporters crowded onto a closed city street and office workers watching overhead from second- and third-floor windows.

Nixon called the International Business Machines Corp. center -- code-named "Project Tiger" after the University of Missouri mascot during the secret negotiations leading up to the move -- "a home run for mid-Missouri and the entire Show-Me State."

"There is no bigger name in the global information technology industry," he said.

The state is offering IBM more than $28 million in tax credits and other economic incentives to come to Missouri, including $4.2 million toward job training. And the City Council is expected to approve a proposal Monday night to purchase for $3.2 million the abandoned office building in east Columbia where IBM will locate its center.

In turn, IBM will pay $1 in annual rent over 15 years while paying just 50 percent of the personal property taxes on its equipment.

Company officials said they plan to work closely with the university to cultivate partnerships and groom potential new hires. IBM senior vice president Tim Shaughnessy said the service center should be open by the fall with 100 new hires and fully staffed by 2012. He could not specify how many of the estimated 800 jobs would be local hires as opposed to current IBM employees who relocate to Missouri.
"We needed a site that had the right attitude," he said. "We found that in Columbia."

The technology services delivery center will be the company's third new U.S. site in the past 18 months, and part of a global network of 80 similar sites. The other new centers are in Lansing, Mich., and Dubuque, Iowa.

The centers provide server system operations, security services and maintain and monitor hardware and software systems, primarily for IBM clients in the United States and abroad.

The average annual wage for the new jobs is $55,000, according to Regional Economic Development Inc., the Columbia public-private agency primarily responsible for recruiting the company since talks began in January.

Mayor Bob McDavid called Monday's announcement the city's second most important collaboration between Columbia and a major employer -- second only to the university's creation in 1839. Should the number of projected new jobs meet expectations, IBM would become one of the largest private employers in Boone County.

"This is the beginning of an economic revival in Columbia," he said.

IBM will add an estimated $7.3 million in city tax revenue over the next decade, with another $4.3 million toward the city public school system and $4.7 million to Boone County, according to city estimates.

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IBM set to bring 800 jobs to Columbia

100 will be hired this year; average salary to be $55K.

By Jodie Jackson Jr.

Monday, May 17, 2010

The city known for the black and gold of the University of Missouri is about to get what some are calling a historic financial shot in the arm from Big Blue. IBM is getting ready to take up quarters in a former manufacturing plant on LeMone Industrial Boulevard and plans to eventually have a $44 million annual local payroll.

Gov. Jay Nixon and several representatives from an ambitious public/private partnership announced today that IBM has selected Columbia for a new technology service delivery center that will employ as many as 800 technical professionals. Department of Economic Development officials said today’s announcement on the plaza of the City Hall Addition at Eighth Street and Broadway would rank among the nation’s top 10 job creation projects in 2010.

Average annual wages will be $55,000 per job, according to materials provided to the Tribune.

Dave Griggs, chairman of Regional Economic Development Inc., billed the announcement as “the single-most significant impact in private sector jobs for Mid-Missouri in the history of Columbia.”

Renovations to the 93,000-square-foot building at 2810 LeMone Industrial Blvd. are expected to begin as early as tomorrow. Company officials said hiring will begin this summer, and operations are set to begin by November with 100 employees. Griggs said a consortium of colleges, universities and technical schools have agreed to provide customized training courses that would eventually help build IBM’s local employment to as many as 800 workers.

Tim Shaughnessy, senior vice president of service delivery for IBM Global Technology Services, described the new facility as a data delivery center that will provide information technology services to national and global clients that outsource IT work to IBM.

Shaughnessy said in a telephone interview this morning that the company expects to have 800 employees in Columbia by the end of 2012.
"I don’t see any reason why we won’t achieve that number," he said. A “large majority” of the initial work force of 100 will be local hires, Shaughnessy said.

Company officials considered more than two dozen locations across the country during “a very competitive process” before selecting Columbia, he said.

The job creation initiative, dubbed “Project Tiger,” was accomplished with a series of state and local economic incentives that include a sales tax exemption for personal property and a 50 percent property tax abatement. Those incentives are provided through Chapter 100 bonds, an economic development tool endorsed by the Columbia and Boone County governing executives. The incentive package calls for the city to purchase the former Tri-Con Industries manufacturing plant for $3 million and lease the building to IBM for $1 a year for 15 years.

Griggs said a group of local banks has provided $9.5 million in financing for IBM to refurbish the building. The eventual tally of 800 new jobs would make IBM Boone County’s 10th-largest employer.

Another major factor in IBM’s decision to locate in Columbia was the extension of Maguire Boulevard north to Stadium Boulevard, a project that should be completed by early summer, Griggs said.

Griggs said REDI learned in January about IBM’s search for a location from a contact with the Missouri Partnership, a state economic development program. City, county and university officials have all been involved in the effort to secure the company’s investment in Columbia.

Griggs said bringing IBM to Columbia will complement efforts by REDI and others who are working to attract new and expanding businesses to Columbia and Boone County. Griggs said REDI is working with Grindstone Development to recruit one or more companies to locate data centers in the Ewing Industrial Park in northeast Columbia.

“There is a big picture here,” he said. “Locating a project of this magnitude in Columbia, Mo., with a company of this reputation will generate the kind of publicity that will make other companies sit up and take notice.”

Instead of being the end of an economic development plan, Griggs said Project Tiger is “just the beginning” and could be the engine that drives additional development and capital investment from businesses being courted by REDI.

Boone County Presiding Commissioner Ken Pearson this morning lauded the successful recruitment of IBM as “a wonderful example of a community coming together.”

“It will have a substantial impact on the whole economy of Columbia and Boone County,” he said. “People spending money in the community will be significant.”

ECONOMIC BAIT
“Project Tiger” is being lauded by REDI as a job creation initiative that represents a public/private partnership between the city, county, state, private business and the region’s colleges and universities.

The following economic incentives are part of the package that attracted IBM to Columbia.

State incentives

Missouri Build program: $11.6 million

Missouri Quality Jobs program: $14.7 million

New jobs training: $4.2 million

Customized training grant: $300,000

Recruitment assistance: $412,500

Chapter 100 sales tax exemption for personal property

Local incentives

City purchasing building at 2810 LeMone Industrial Boulevard and leasing to IBM for $1/year for 15 years.

Chapter 100 personal property tax abatement (50 percent for depreciable life of equipment and sales tax exemption).

Work force training consortium donating office space for recruitment and training.

Local media donating $88,000 for job recruitment advertising.

**Boone County’s top employers**

1. **University of Missouri: 8,545**
2. University Hospital and Clinics: 4,238
3. Columbia Public Schools: 2,438
4. Boone Hospital Center: 1,652
5. City of Columbia: 1,285
6. MBS Textbook Exchange: 1,269
7. Truman Memorial Veterans Hospital: 1,250
8. State Farm Insurance Cos.: 1,104
9. Shelter Insurance Cos.: 1,095
10. IBM: 800 (projected by 2012)
11. State of Missouri, Division of Personnel: 611
12. Hubbell Power Systems Inc.: 585
14. Columbia College: 423
15. Boone County government: 377
IBM to establish service delivery center in Columbia

By Washington Gikunju
May 17, 2010 | 6:52 p.m. CDT

COLUMBIA — Information technology company IBM will open a new service delivery center that will create 800 new jobs in Columbia and an annual payroll of $44 million.

The new facility, which will move into a vacant building at 2810 LeMone Industrial Blvd., is expected to be operational by November; hiring of new employees will start this summer.

IBM service delivery centers offer information technology support services and business process outsourcing services to its clients in the United States and around the world.

“We anticipate creation of up to 800 jobs by 2012,” said Timothy Shaughnessy, senior vice president for IBM’s Global Technology Services, during the announcement outside City Hall on Monday afternoon.

Speaking at the event, Missouri Gov. Jay Nixon, Mayor Bob McDavid and Shaughnessy of IBM all said that attractive incentives put together by promoters of the initiative, dubbed “Project Tiger,” made IBM’s location here possible.

Dozens of people and institutions — including Regional Economic Development Inc., the city of Columbia, Boone County, MU, Columbia College and others — have been involved since January in bidding for the project to come to Columbia.

It will be the global tech company’s third service center to open in the U.S. in the past 18 months; the others are in Lansing, Mich., and Dubuque, Iowa. The new center also will rank among the biggest private sector employers in Boone County.

Economic impact unprecedented
McDavid called IBM's decision to come here “the second most important public-private partnership in the history of Columbia,” exceeded only by the founding of MU.

He said IBM is expected to benefit public schools and government by paying millions in taxes. It also is expected to stir the real estate market by creating new demand for at least 300 houses for company employees.

The annual average wage of all the new jobs will be $55,000, according to a statement issued by Regional Economic Development Inc., a public-private partnership that promotes business development in Boone County.

REDI President Mike Brooks said the impact eventually will extend beyond IBM.

“The secondary jobs created in the community from this project could generate upwards of $70 million (per year) in payroll dollars,” Brooks said, adding that IBM will count among the top 10 employers in the region and that the deal will rank among the biggest new projects of the year nationally.

Boone County Southern District Commissioner Karen Miller said IBM's location here will be a huge boost to the regional economy.

“I believe people felt that the economy was starting to turn around, but this is that shot in the arm that gives us all some confidence that our little piece of the world will be better off,” Miller said Monday afternoon. “It will have a great impact on our average median wage in the community, and I really believe that it's kinda like a rising tide floats all boats. I believe that this is going to help underpaid people, and it will help people who don't have jobs be able to find jobs.”

Jerry Wade, a candidate for mayor this spring who was Columbia's Fourth Ward councilman when the project was negotiated, said the impact of IBM and of smaller entrepreneurial start-ups over time will be monumental.

“What that clearly says is the transformation of the Columbia economy is underway, and we have the potential of becoming a national, if not global, center of high-tech activity,” Wade said. “Now, that potential is there. That's what this does. This gets us that kind of potential identification and has the potential for that kind of momentum. It clearly says we're the place to be."
Shaughnessy said IBM chose Columbia from among "several dozen" competing cities. He refused to disclose the other cities that were in the running.

Shaughnessy cited Columbia's "strong sense of public-private partnership, a competitive business model and availability of a talented work force" as the three factors that attracted the global information technology giant to mid-Missouri.

He added that IBM will work with institutions of higher learning in Columbia to recruit and train professionals for the high-tech jobs. The company also plans to create partnerships with learning institutions to design courses that will prepare students to work at IBM.

"We expect that 80 percent of the total work force will come from the university and the local community," Shaughnessy said.

The new IBM service center will be one of an estimated 80 such centers in 20 countries around the world, including emerging economies China and India.

The Columbia center, however, will primarily be expected to support IBM's strategic outsourcing clients based in the U.S., according to a company statement.

IBM also intends to renovate the service center into a green building that will match the goals of the city's Sustainable City program. The company will plant trees and add bike paths connecting with downtown.

Shaughnessy would not give an estimate of the budget IBM has set aside for initial investment in the project.

Former Columbia Mayor Darwin Hindman, who was in office during negotiations for the project, recounted the secretive process of wooing IBM to Columbia that involved signing strict nondisclosure agreements.

"The negotiations took time and were complex," Hindman said. "They were, of necessity, done in confidentiality."

**Historic incentives**
The project brings an unprecedented set of incentives from state and local government. The state government offered IBM more than $28 million in tax credit incentives that include the Missouri BUILD program ($8.6 million), the Missouri Quality Jobs program ($14.7 million) and the New Jobs Training program ($4.2 million), among others.

Another key strategy is the use of Chapter 100 bonds. Miller said IBM plans to spend $3.5 million on furnishings and fixtures. Those will be exempt from sales tax and will be exempt from personal property tax for seven years. IBM also plans to spend $1.5 million on computers, which will be off the property tax rolls for five years.

Miller said that even with those abatements, the IBM plant will bring an additional $21,566 in annual property revenue to the county.

The city of Columbia will buy the building for $3.2 million. The city then will lease the building to IBM for $1 per year for 10 years, with the option of extending the lease at the same price for five years.

McDavid said the City Council would conduct a first reading of an ordinance appropriating money for the building on Monday night.

Nixon, who recently has waged a campaign to reduce the number of state tax credits as a way of shoring up tax revenue that has been declining during the recession, said the IBM center is a special project whose long-term returns would exceed the incentives given.

"I have always argued that the return on the tax credits is what matters, and in this case, IBM is likely to create jobs for decades to come," Nixon said.

Asked whether she foresees more use of incentives in the future, Miller said "absolutely."

"I think that this is the way of the world, and especially when you have businesses that have to compete internally with each other to expand. ... When you have that kind of competition going on internally, you have to expect that it's going on nationwide."

Miller also cited the council's approval of the McGuire Boulevard Bridge, which will provide a northern entrance and exit off LeMone Industrial Boulevard. As it stands, the
boulevard is a lengthy cul-de-sac. IBM would never have considered that property had the new bridge been rejected.

“I think we owe a lot to former council people and present council people who took a lot of heat for putting that bridge in,” Miller said.

**MU, colleges ready to roll**

Higher education officials promised that they had plenty of information technology training firepower to boost IBM and could develop more.

They said IBM is interested in several levels of training, from two- and four-year degrees for potential hires to specialized certificate programs for its employees.

A mix of higher education representatives gave at least three presentations to IBM identifying what their programs could contribute.

“Whenever you’re talking with a company as prominent as IBM, you pull out all your guns,” said Vicki Schwinke, dean of Academic and Student Affairs at Linn State Technical College in Jefferson City.

Dale Musser, director of the information technology program at MU’s College of Engineering, said IBM’s arrival could help change a curriculum that’s already being revised.

Musser wants to better connect his students’ learning with real-life experience, something IBM could provide.

At the presentations, he said, “I think that everybody that came together were telling them the same story: We’re willing to work with them to fit their needs.

“That’s the way it’s working these days.”

**Educators interviewed from Linn State, Moberly Area Community College and MU said that they and other colleges offered:**

- Revisions to current curricula to accommodate IBM’s needs;
• New, specialized classes or degree programs;
• Internships that connect more closely — and over a longer period — to classwork; and
• Collaboration among mid-Missouri schools to make it all happen.

Schwinke gave this example:

At one point, she said, rural electrical co-ops were forced to hire line workers from out of state. The college worked with the co-ops to create an associate of applied science degree to train electric line workers.

Linn State, Moberly Area Community College and MU Extension already have a partnership at Advanced Technology Center in Mexico.

That kind of collaboration will help educators ramp up for the increased demand, said Evelyn Jorgenson, president of Moberly Area Community College.

IBM officials haven’t made specific requests yet, she said, so it’s too early to know whether changes would be made in the curriculum.

Boost should resonate

Others who spoke about the news on Monday had nothing but good things to say about the announcement.

“This is definitely a good time for this kind of announcement,” said Bill Harper, a broker sales agent for Century 21 who also owns Ashland Industrial Park adjacent to Columbia Regional Airport. He said real estate should rebound and noted that the industrial park is in a prime location between Columbia and Jefferson City.

“We're looking forward to seeing business come to town because we've invested in the future of business in the city," he said.

Todd Culley, CEO of Boone Electric Cooperative and a member of the REDI board of directors, said the impact of IBM “is going to be tremendous. The name recognition that IBM brings will position us for growth opportunities in the future.”
Connie Leipard works with Quality Drywall Construction, which worked on design planning for the IBM plant.

"These top-paying jobs are going to be great for Mizzou grads coming out of college," Leipard said. "Mizzou's engineering and IT programming were a huge part of why IBM chose to come here."

Assistant City Manager Tony St. Romaine, who was closely involved in negotiations, said it was more than incentives and the prospect of an educated work force that lured IBM to town.

"The other incentive for choosing Columbia that we heard loud and clear (from IBM) was because they were attracted to the community," he said. "The culture, the arts, parks and trails can be an important piece of economic development. They attract employers like that because they want a good place for their employees to live."

Kristina Casagrand, Tom Warhover and Scott Swafford of the Missourian staff contributed to this report.
Forsee looks for help with performing arts center

By Janese Heavin

Monday, May 17, 2010

Community leaders this morning walked away from a meeting with University of Missouri President Gary Forsee agreeing to help MU explore creative ways to fund a new performing arts center in Columbia.

It was an outcome Forsee was hoping for when he convened the morning session with business leaders at the Reynolds Alumni Center. During the three-hour meeting, about 30 business and university leaders were asked to brainstorm ways to help the university find new funding streams in an economy where state aid for facility improvements no longer is on the table but interest rates are low.

“I’m very optimistic we may find opportunities to partner in different ways,” Forsee said.

The Performing Arts Center, which also would house MU’s School of Music, is one of the campus’s top building priorities, second only to Lafferre Hall. This morning, business leaders seemed to agree it’s a project they want to support.

“I think it’s critical,” said Mike Brooks, president of the Regional Economic Development Inc. The arts are directly tied to economic development, he said, pointing to IBM’s decision to locate a technology center here. “Performing arts is a critical part of that quality of life issue.”

The College of Arts and Sciences, which includes the School of Music, has been discussing the need for a new arts facility since the 1980s, Dean Michael O’Brien said. It also was identified as a key component of the Sasaki plan, drafted to help Columbia figure out how to make its central core more vibrant. The center is expected to be built at the northeast corner of Hitt Street and University Avenue and house learning spaces as well as a 1,000-seat concert hall and a 350-seat recital hall.

In the coming month, Forsee plans to continue the discussion with a smaller working group to explore more specific funding options. One idea discussed this morning was to consider whether the city could pass either a sales or lodging tax increase and dedicate some of the money to the performing arts center.

Under that type of arrangement, the tax revenues would be used to finance revenue bonds that would pay for construction. A similar arrangement in Cape Girardeau uses a voter-approved
lodging tax to finance a performing arts center on the Southeast Missouri State University campus.

One participant questioned whether MU could revive a plan to put a convention center near campus. In late 2004, MU officials abandoned a plan to lease campus property near Stadium Boulevard and College Avenue to a convention center and hotel operator and use that money to build a performing arts center. The plan, which sparked opposition from other hotel operators, would have required legislative approval.

Provost Brian Foster said a convention center near campus “makes sense” because thousands of visitors come to MU for research summits and other events.

In general, Forsee said, he wants the university to build more private partnerships that would create “win-win” situations for both campus and the community in the future.

“We’ve had a great 170 years; it’s time to kick it up a notch,” he said. “And the time’s right to do that now.”

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