

Springfield Area Chamber of Commerce

Community Leadership Visit



August 14-16, 2008
Madison, Wisconsin



Report 2008

Springfield, MO to Madison, WI



■ List of Participants

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Springfield Area Chamber of Commerce

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Vice President for Research
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Mary Lilly Smith
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Rusty Worley
Executive Director
Urban Districts Alliance

John Wylie
Councilmember
City of Springfield

In addition to learning about the attributes of another city, the leadership visit provides great opportunities for networking with other Springfield community leaders.



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Springfield, MO to Madison, WI



■ Introduction - Madison: A Community That Knows Where It's Going

In August of 2008, 45 business, government, and education leaders from the Springfield area traveled to Wisconsin to discover how the Madison region approaches economic development and community betterment. Eight program sessions and panel discussions held during the three-day visit allowed the Springfield delegation to study Madison's approach in key areas such as university-business collaboration, early childhood initiatives that have achieved significant results, and programs that retain young professionals in the Madison community.

Madison is located in Dane County, the fastest-growing county in Wisconsin. It has a significant university population, and benefits from a strong regional economy. It boasts natural scenic beauty with lakes, that make it an attractive area for students, faculty, and residents.

While the same could be said of Springfield, a primary difference in the two communities is the high level of public and private

investment made in Madison. That investment can be found in categories ranging from education and social services to transportation infrastructure.

Perhaps one of the significant aspects of Madison's successes involves the recognition of regional assets and key community priorities, and then a long-term commitment to those priorities. Whether it's a commitment to sustainability and quality of life, a commitment to fostering a robust entrepreneurial climate, or a commitment to early childhood and kindergarten readiness; in every case, policies and funding support the long-term vision that Madison's citizens and elected officials have identified.

One of Madison's core assets is the University of Wisconsin-Madison. UW has more funding dedicated to research than both Harvard and MIT. Madison's "knowledge-based" economy creates an atmosphere where community initiatives are driven by data and outcomes.



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Through a regional self-assessment, community leaders identified their strengths in the areas of biotechnology, health care, and agriculture. Subsequently, they have worked to leverage those assets through their economic development efforts. The "convergence" of these three sectors provides significant opportunities for Madison's future economy.

Madison citizens seem to universally have a sense of pride in their community, and this stems in large part from the quality of life the area enjoys. In Madison, quality of life is more than just a phrase. It is a way of life and drives many of the decisions. Both the city and the county place an emphasis on maintaining the quality of life through comprehensive sustainability measures.

"Protecting the county's high quality of life is vital in attracting new business and keeping our best and brightest here," said Kathleen Falk, Dane County Executive. In short, they have turned environmental policy into pro-business policy.

While there are many examples of the richness of their quality of life, one highlight would be the Madison Farmers' Market. Ranked as the top Farmers' Market in the country, it draws a crowd of approximately 25,000 people each Saturday morning during the summer. The market circles the Capitol building, and provides a venue for arts and culture enthusiasts, highlights the region's agricultural producers, and brings a sense of vibrancy to the downtown area.

"Protecting the county's high quality of life is vital in attracting new business and keeping our best and brightest here."

- Kathleen Falk
Dane County Executive





■ City and County Government - A Commitment to Sustainability

Both the City of Madison and Dane County have established models of working with all stakeholders to find pragmatic solutions to the challenges they face. This inclusiveness has created strong community support for numerous initiatives. That support is evident in the level of investment from the local tax base.

Madison aspires to be a leader in sustainability, and the leadership of both the City of Madison and Dane County are clearly focused on achieving that goal. Green initiatives have been funded mostly through the local tax base, but some grants have also been awarded at the state and federal level. A plan known as "Building a Green Capital City" provides a blueprint for Madison's sustainable design and energy future, a framework that facilitates cooperation in working towards the common goal of sustainability.

One highlight of the region's sustainability efforts is the fact that Madison is home to more than 150 miles of bike trails. A long-range plan was recently established for improving bicycling conditions and safety both within the Madison urban area and countywide. Madison is a city easy to traverse, and ranks among the top bike-friendly cities in the nation. As a result, Madison has created a culture that fosters highly-motivated students and citizens committed to bus and bike ridership.

A program known as "MPowering Madison" was championed by Mayor Dave Cieslewicz, and has an established goal of reducing city-wide CO2 emissions by 100,000 tons by 2011. Numerous partners have joined the effort including Dane County, the University of Wisconsin, and Madison's largest utility providers, among others.



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Additionally, the City of Madison was recently awarded a grant from the U.S. Department of Energy. The grant funds a consultant who assists residents and businesses interested in installing a solar energy system by providing technical expertise and education regarding design, permitting, and available rebate programs.

Significant efforts targeted at recycling in the region have resulted in an estimated 60 percent of refuse being diverted from landfills, with overall recycling up 35 percent in the City of Madison.

In regards to land use, the city has aggressively adopted a plan that targets transit-oriented, mixed-use developments. For its part, Dane County formed a citizen-led steering committee to establish a regional land use plan. Citizens and elected officials were engaged to identify agreed-upon plans for long-term development patterns, including integration of land use, infrastructure, environmental protection, economic development, and community character.

A consistent theme with city and county officials was recognition of the importance of getting past the short-term political battles with short-lived victories to a more practical approach of trying to get things done and establish policies that the majority of people support.

Dane County's criminal justice system was also discussed during the Madison visit. Following an extensive system analysis done by an outside expert, changes were implemented that have helped to significantly reduce the length of jail stays and allow for quicker sentencing. A few of those modifications have included speeding up the discovery process, simplifying the scheduling process, and implementing GPS tracking as a part of sentencing. Additionally, alternative programs that encourage community service or outpatient drug or alcohol treatment programs have had very high success rates.





■ University - Business Collaboration Leads to Economic Success

The success of the Madison region's economy is driven in large part by the research, innovation and commercialization of products that emanate from solid university-business partnerships in Madison. The University of Wisconsin-Madison is the second largest research institution in the nation and the university is particularly known for its success in technology transfer. UW-Madison conducts nearly \$1 billion worth of research annually, with much of the funding coming from federal grants.

The core of the university's connection to the business community is through the "three-legged stool" of UW-Madison's Office of Corporate Relations (OCR), the Wisconsin Alumni Research Foundation (WARF) and the University Research Park (URP). The OCR has a mission of building business community awareness of the resources available at UW-Madison and facilitating relationships between companies and the campus. Most importantly, the OCR provides a single portal for businesses to use to learn about and access the vast resources available at the university. The OCR also has a particular focus on promoting entrepreneurship on campus through the "Wiscontrepreneur" program.

In many ways, WARF is the engine that drives innovation in Madison. Begun by university alumni in 1925, WARF is the designated patent licensing organization for UW-Madison but it functions separately from the university. We are "an 82-year-old startup," said WARF's Managing Director Carl Gulbrandsen.

WARF holds the title to intellectual property that is derived from all federally funded research on the campus. WARF has 1,100 current U.S. patents and 850 applications pending. The proceeds derived from patent licensing are invested to fund further research at the university. In this way, WARF is essential to moving UW-Madison inventions to the marketplace and also perpetuating support for future research at the university. Thirty-seven WARF startups are active companies in the fields of biotechnology, medical devices, telecommunications, software and pharmaceuticals.

Established in 1984, University Research Park is an internationally respected research and technology park that fosters development and commercialization of new ideas. With over 4,000 researchers and staff members, University Research Park is home to more than 70 innovative companies. Mark Bugher, the director of URP, outlined the five primary goals of the park:

- 1) encourage economic development;
- 2) provide opportunities for UW faculty and staff;
- 3) create and build an asset for the university;
- 4) be a recruitment and retention tool for UW-Madison in an incredibly competitive environment; and
- 5) help grow the biotech industry in Madison



Mark Bugher, director of University Research Park, speaks to the Springfield delegation about university – business collaboration in Madison.

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"We believe we have a responsibility to help create jobs for our students to fill," said Bugher, highlighting the URP's role in stemming brain drain from Wisconsin. This collaboration between University of Wisconsin and University Research Park creates a culture of entrepreneurialism and encourages both research and the technology transfer necessary to bring products to the commercialization phase. Madison's success speaks for itself and the partnership of the organizations in the "three-legged stool" is central to that success. "It's all about partners," said Gulbrandsen of WARF.

Clearly, Madison's vibrant and growing economy is directly related to the availability of angel capital for early stage and mezzanine-level investments. While Madison is becoming more recognized as a venture capital hub, the formation of more than 20 angel investor networks throughout the state of Wisconsin has driven project development, job creation and capital investment for nearly two decades.

Toni Sikes, founder and artistic advisor of The Guild, Inc., the world's largest website and catalog for artists, has raised \$53 million since first starting the company in 1985. Sikes took advantage of venture capital funds based on the West Coast but eventually returned to Madison to operate her business. "We have developed an ecosystem in Madison that truly supports entrepreneurs," said Sikes. "And the angel recipients are growing up, requiring more and more money." Entrepreneurs who first required \$1 million or \$2 million are now requiring \$12, \$13 or even \$14 million to operate their enterprises.

Startup companies in Madison who first elected to fund their enterprise by capturing early customer money, a "rather unique way of raising capital," according to Shawn Guse, secretary and general counsel at TomoTherapy, Inc., have transitioned to seeking angel capital. Madison-based firms who have enjoyed success have moved to public markets for substantial capital needs.

TomoTherapy is indicative of the types of entrepreneurial successes and economic growth the Madison area has seen in recent years.

As a very small startup, TomoTherapy sought angel investor funds to provide necessary seed capital. With growth that outpaced predictions, they now employ more than 700 and market their products worldwide with a presence in 18 countries. TomoTherapy specializes in cancer radiation technology and other biotech equipment. They have recently moved to the next phase by seeking \$500 million from institutional investors to continue their growth.

John Neis, managing director of Venture Investors, Inc., has funded more than 45 companies in Wisconsin (half of them are based in Madison). The fund does not establish geographic boundaries, however Neis emphasized that proximity matters. "A hands-on approach to deal-making is important," said Neis. "There is no substitute for locally-managed capital. Angel funds require leadership locally to identify gaps, fill them and keep pushing."

Neis also stressed that failures do occur and angel investors can become discouraged. "But when a company in the portfolio hits a home run, there's a huge impact on the community and region," said Neis.

In 2005, only six angel networks existed statewide in Wisconsin. Today, 20 independent networks "from Green Bay to Madison" share deal flow. Some networks are focused on funding female-owned enterprises, while most focus primarily on technology and health care related companies.

A key ingredient in the investment into startups is the availability of angel investor tax credits at the state level. The State of Wisconsin made a commitment three years ago to make \$6.5 million in tax credits available annually over a ten-year timeframe and these tax credits have spurred tremendous investment. According to Tom Still, president of the Wisconsin Technology Council, "tax credits get people in the game. The perception is as much a benefit as the actual tax credits in driving investment into the state."



■ Beginning at Birth - Madison's Commitment to Education and Workforce Development

"It's the right thing to do as a corporate citizen, and it makes good business sense. We are investing in Madison's quality of life."

- Steve Goldberg
Executive Director
CUNA Mutual Foundation

"Two years ago, more people turned 65 than 18, which tells us the workforce is shrinking," said Ed Clarke, director of grants and special projects at Madison Area Technical College. Being in the Midwest and not in a larger city or near a coast requires the Madison region "to be very intentional about workforce development," Clarke said. As a result, the region's commitment to developing a high-quality workforce can be seen beginning in the early childhood years and continues through the young professional years and beyond.

Early Childhood Efforts

The City of Madison, Dane County, Madison Metropolitan School District, and United Way of Dane County are all committed to early childhood education and work in partnership with each other. Numerous initiatives have been started with a combination of funding sources including state and federal grants, local tax dollars, corporate underwriting, and private foundation dollars. The ongoing emphasis over the last decade in the area of early childhood at the city, county and school district level is one critical component of the continued success.

Programs such as the United-Way led "Schools of Hope" initiative to ensure all students are reading at grade level by third grade have utilized 700 community volunteers and have been very successful. "Schools of Hope" has effectively closed the achievement gap for the minority population, which had previously performed below established state and national standards.

Unlike Missouri, the delivery of human services is funded at the county level rather than the

state level. As such, Dane County has a social services budget of over \$200 million with a staff of nearly 600. Several innovative programs have been implemented with successful outcomes, and now serve as national models.

Specifically, at-risk neighborhoods in Madison are targeted and homes are canvassed by a team of social workers. These "family support specialists" work directly with families to increase access to prenatal care, infant and toddler health screenings and immunizations, parenting education and support, and provide case management focused on job training and self-sustaining employment. Families are also encouraged to participate in neighborhood parenting groups and school PTA organizations. "Our objective is to work with families to ensure they understand the basics such as quality parenting, healthy eating, financial literacy and most importantly, how to be self-sufficient," said Lynn Greene, director of the Dane County Department of Human Services.

As one tangible example of the level of corporate commitment to early childhood issues, CUNA Mutual Insurance has pledged nearly \$250,000 annually over the next several years to support a "Kinder Ready" initiative to ensure at-risk children will have the necessary skills to be successful in kindergarten. "It's the right thing to do as a corporate citizen, and it makes good business sense. We are investing in Madison's quality of life," said Steve Goldberg, executive director of CUNA Mutual Foundation.

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The United Way of Dane County has an annual campaign goal of \$16 million, and is instrumental in driving the business community's support of key programs aimed at early childhood. In part, they are successful in their fundraising efforts because initiatives are fact-based with proven methodology. Additionally, according to Goldberg, corporate involvement in the community increases employee job satisfaction and is good, strategic visibility for companies such as CUNA.

Retaining Madison's Young Professionals

Community leaders agree that retaining recent university graduates and talented young professionals is critical to a community's economic health. Springfield leaders learned about the successful Madison Magnet Young Professionals program. Developed to fill a void in providing community connections for young professionals, Madison Magnet was established in 2004 as a 501(c)(3) organization with a governing board of directors.

Funded largely by corporate sponsorships, employers who support the organization and its members understand that Madison is competing not just with Milwaukee and Chicago, but also nationally with cities like Boston and Los Angeles. According to Rebecca Thorman, executive director for Magnet, "people stay because they have relationships and are connected with other people, and they care about the city. Magnet helps to facilitate that."

More than 400 members strong, the organization provides young professionals with opportunities for community involvement and career development, including access to city, county, and business leaders.

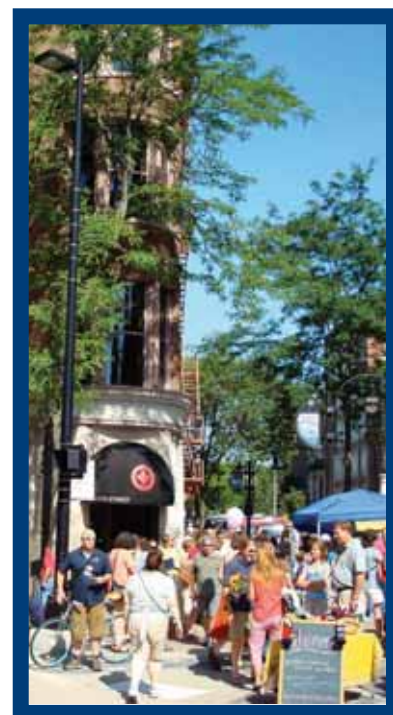
Madison Magnet averages five events per month, including broad-ranging topics such as public policy debates, professional development sessions, community service opportunities, and social networking events. A recent success is the formation of an entrepreneurship committee established to provide young professionals with the tools needed to start a small business.

One very popular event that resonated with Springfield participants was the "Interest to Action" series, where members of Magnet get a chance to hear from city, county and state officials on a regular basis, which helps to engage young professionals in civic matters and public policy. "This is not the type of generation that just wants to sit and listen," said Magnet Executive Director Thorman.

Matt Kures, GIS state specialist for the University of Wisconsin-Extension Center and Magnet board member summed it up by saying Madison's young professionals are inherently proud of Madison but Magnet is a great way to help get that word out to others. "We love this place. Now admit it...in public," said Kures.

"This is not the type of generation that just wants to sit and listen."

- Rebecca Thorman
Executive Director
Madison Magnet





■ Beginning at Birth - Madison's Commitment to Education and Workforce Development

Workforce Development

Madison's goal for workforce development is to provide every young person an opportunity to graduate from high school and receive a post-secondary education. As such, key community stakeholders came together in recent years to formulate benchmarks for measuring success of keeping at-risk kids in school. They were successful in reaching the benchmark of reducing the dropout rate by five percent and continue to work towards a high school graduation rate of 95 percent.

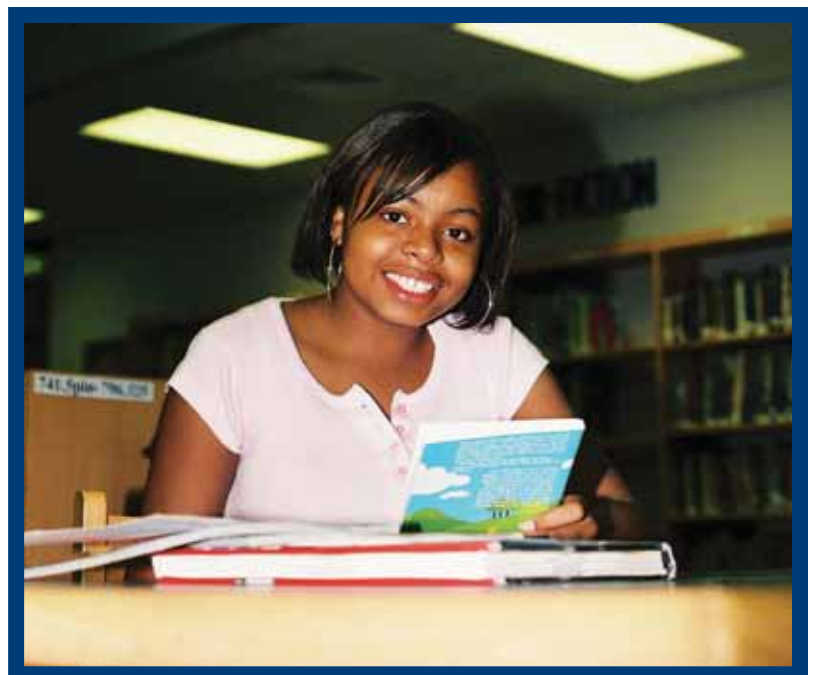
Madison Area Technical College is the technical and community college for the greater Madison area. It serves approximately 44,000 students annually and focuses on teaching vocational skills to train and retrain the workforce. The campus includes a high-tech business incubator that provides critical support to early-stage entrepreneurs.

Strategic alliances exist between business, MATC, and the workforce development board to allow for ongoing dialogue to identify industry needs and then package customized training to meet those specific needs. It was also noted that workforce is a "pre-competitive" area in which businesses in the same sector can work together and establish a collaborative approach to developing training curriculum in a given industry.

Madison's public-private partnerships are also a key factor in the attraction of federal funding to support workforce development. According to Ed Clarke of MATC, "the kinds of collaboration we've set up have been very instrumental in bringing in millions in federal grant dollars to our area."

**"What do I like best?
Seeing the good teaching
that is in Madison schools.
Developing a trust with
students working with me.
Bringing individual attention
to students. Seeing progress
in students. Seeing and
feeling the enjoyment and
enthusiasm for learning in
students."**

- Community Volunteer
"Schools of Hope" program



Shaneequa's School of Hope tutor helped her achieve her academic goals.

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■ Conclusion - Bringing Home Ideas for Improvement

Several themes emerged from the Madison Community Leadership Visit that are relevant to the future development of the Springfield-Greene County metropolitan area.

In Madison we saw a community that is aware of the importance of "quality of life" and we met leaders who are adept at using that benefit as a selling point in the recruitment of young professionals, technology researchers and university faculty. Numerous people, from all walks of life, were very willing to share how much they love living in the Madison area. Admitting that affinity and marketing it to others has become a key part of the community's outreach to university graduates and young professionals. The emphasis on sustainability, including recycling efforts, bike trails, alternative energy and regional land use planning comes through loud and clear as city and county leaders discuss their priorities.

These goals, however, are not just lofty concepts or political platitudes in Madison and Dane County. Public decision-making

there is very knowledge-based and data-driven. This should not come as a surprise for such a highly educated area, but the prevalence of this theme was notable during our time in Wisconsin. From the strategic identification of their region's economic strengths to the United Way's targeted initiatives on early childhood issues, Madison community leaders are in the habit of using data to "make the case" for public and private financial support.

That approach has been successful, as one of the biggest differences between the Madison area and Springfield is the magnitude of resources they have at their disposal. Now it is fair to say "you get what you pay for" as residents of Madison-Dane County carry a much greater tax burden than we do in southwest Missouri. However, they also have attracted a tremendous amount of federal funding, particularly for research and development. Additionally, the level of private investment in research, economic development and community betterment is ahead of the Springfield region.





■ Conclusion - Bringing Home Ideas for Improvement

There are important similarities between Madison and Springfield. Both communities value partnerships. University-business collaboration is very strong in Madison and Springfield as both cities clearly recognize the community asset of higher education. City-County cooperation is evident in both communities, probably even to a greater degree in Springfield-Greene County. The involvement of the business and professional community in support of long-term workforce issues like early childhood development is impressive in Madison. Springfield's leaders have similar enthusiasm, but we must continue working to ensure that the right individuals and groups are involved and encourage broad support in this area.

The Madison visit reminded participants that many of Springfield's initiatives are on the right track. The Partnership for Sustainability has brought together numerous community organizations, educational institutions and businesses to underscore the importance of sustainability, share best practices and establish Springfield-Greene County as a model community for livability.

The Network for Springfield's Young Professionals has just completed its first year and is nearly as large as Madison Magnet. A recent survey indicates that Springfield's young professionals are satisfied with the area's quality of life but a lack of career development opportunities and salaries that lag behind larger cities are the major obstacles to retaining university graduates and attracting young professionals. As our nation's Baby Boomers reach retirement age, this workforce and talent attraction challenge must be addressed if Springfield is to successfully compete with peer cities.

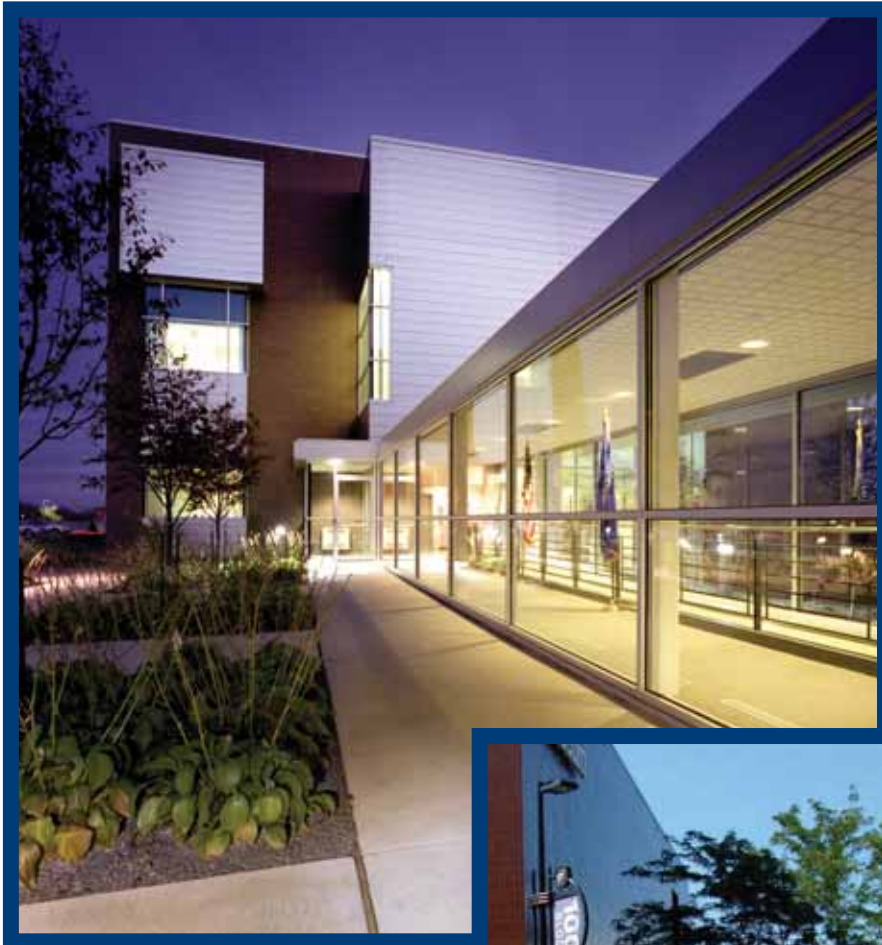
From the standpoint of technology-based economic development, it is important to remember that Madison has been at it

for a long time. The main catalyst for generating financial support for research and development in Madison, the Wisconsin Alumni Research Foundation, is more than 80 years old. With that perspective, however, it is heartening to see Madison's success and realize Springfield is traveling much the same path, albeit on a smaller scale. The Roy Blunt Jordan Valley Innovation Center is going strong and an angel investor network has been formed to help secure local funding to usher innovative ideas from university research to commercialized products.

A key part of Madison's success in capital formation is the availability of angel investor tax credits in Wisconsin. The State of Missouri should follow suit and adopt a similar program in order to effectively compete in this important new realm of economic development. Our state's economy will benefit if Missouri develops a climate that encourages innovation by stimulating the investment of early stage seed capital in the ideas of entrepreneurs.

In regards to enhancing our quality of life, continued emphasis in center city is critical. There was considerable interest among the participants to bring Springfield's main Farmers' Market to Park Central Square. The community has shown strong support of similar outdoor events such as First Friday Artwalk and Artsfest. The Urban Districts Alliance organization has already begun working with major stakeholders to explore the possibility of a downtown Farmers' Market.

Additionally, our community should continue to identify opportunities to expand and better connect our greenway trails system and to encourage development of a downtown centered on water and water features.



"Tax credits get people in the game. The perception is as much a benefit as the actual tax credits in driving investment into the state."

- Tom Still
President
Wisconsin Technology Council



Madison Farmers' Market is ranked as the top farmers market in the United States, with an average attendance of 25,000 every Saturday from spring through fall.



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