

TERM OF COMMISSION: September Session of the July 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 Joint Communications Chad Martin  
Legal Counsel CJ Dykhouse  
Treasurer Tom Darrough  
Deputy County Clerk Michelle Thompson

The meeting was called to order at 9:31 a.m.

**Treasurer**

- 1. First & Second Reading; 2017 Tax Sale Surplus to James E. Noel in the amount of \$5,666.34**

Tom Darrough explained this is the first redemption of a surplus that is being applied to the redemption.

CJ Dykhouse supplemented that the General Assembly changed Section 140.230 RSMo with respect to how we hold tax surplus. Set claims period says we have to hold funds for a period of time, 90 days from expiration of redemption period. The exception to that, that was before on the prior law and the law now, is if the tax surplus is called for as part of a redemption effort. So, this is the first application we've had, this actually relates back to the 2017 tax sale. But, the surplus was called for as part of the redemption effort from the owner of record. And so, what the commission order would do is authorize the County Treasurer to release the funds to the County Collector. The owner of record paid everything else as part of the redemption last Friday, and this is the last piece, the transfer of the funds internally will allow the Collector to consummate the redemption, pay off the holder of the tax

certificate, and cancel the tax sales certificate at the Recorder's office.

There were no comments or questions from the Commission.

Commissioner Parry moved on this day the County Commission of the County of Boone does hereby approve the disposition of surplus, per attached summary order description, to James E. Noel in the amount of \$5,666.34.

It is furthered ordered the Boone County Commissioners are hereby authorized to sign said summary order.

Commissioner Thompson seconded the motion.

The motion carried 3 to 0. **Order #416-2018**

### **Joint Communications**

#### **2. First Reading; Training services agreement with Public Safety Training Consultants**

Chad Martin explained that Joint Communications was requesting approval for an agreement between Boone County and Public Safety Training Consultants to conduct training for the employees. This is in regard to the budget revision that was put through a week or so ago for this same thing. It will be providing critical incident stress management training and general wellness for our employees.

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.

Assessor

**3. Second Reading; Budget Revision: Transfer funds to replace broken letter opener  
(1<sup>st</sup> read 9-13-18)**

Commissioner Thompson moved on this day the County Commission of the County of Boone does hereby approve the following budget revision from the Assessor’s Office to move money from Replacement Computer Software to Replacement Machine & Equipment to cover the expense of the purchase of a new letter opener.

Department	Account	Department Name	Account Name	Decrease \$	Increase \$
2010	92300	Assessment	Replc Mach & Equip		4,900
2010	92302	Assessment	Replc Computer Software	4,900	
				4,900	4,900

Commissioner Parry seconded the motion.

The motion carried 3 to 0. **Order #417-2018**

**Purchasing**

**4. Second Reading; Contract Amendment: Amendment 2 to Contract #79-15DEC15 – Law Enforcement Boots – Term & Supply (1<sup>st</sup> read 9-13-18)**

Commissioner Parry moved on this day the County Commission of the County of Boone does hereby approve the attached Contract Amendment Number Two for Agreement 79-15DEC15 between Boone County and Galls, LLC.

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 Two.

Commissioner Thompson seconded the motion.

The motion carried 3 to 0. **Order #418-2018**

**Resource Management**

**5. Second Reading; Boone County Road & Bridge Improvement/Repair Cooperative Contract: Village of Hartsburg (1<sup>st</sup> read 9-13-18)**

Commissioner Thompson moved on this day the County Commission of the County of Boone does hereby approve the attached Boone County Road & Bridge Improvement/Repair Cooperative Agreement between Boone County and the Village of Hartsburg.

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

Commissioner Parry seconded the motion.

The motion carried 3 to 0. **Order #419-2018**

**6. Second Reading; Boone County Road & Bridge Improvement/Repair Cooperative  
Contract: City of Sturgeon (1<sup>st</sup> read 9-13-18)**

Commissioner Parry moved on this day the County Commission of the County of Boone does hereby approve the attached Boone County Road & Bridge Improvement/Repair Cooperative Agreement between Boone County and the City of Sturgeon.

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

Commissioner Thompson seconded the motion.

The motion carried 3 to 0. **Order #420-2018**

**Emergency Management**

**7. Public Hearing & Second Reading; Budget Amendment: To establish a budget for  
LEPC expenses for Fiscal Year 7-1-2018 through 6-30-2019 (1<sup>st</sup> read 9-6-18)**

Commissioner Atwill opened the public hearing.

There were no comments or questions from the public.

Commissioner Atwill closed the public hearing.

Commissioner Thompson moved on this day the County Commission of the County of Boone does hereby acknowledge the following budget amendment from the department of Emergency Management Operations to establish a budget for LEPC expenses for Fiscal Year 07/01/18 through 06/30/19.

Department	Account	Department Name	Account Name	Decrease \$	Increase \$
2101	22000	LEPC/CEPF	Postage		300
2101	23000	LEPC/CEPF	Office Supplies		50
2101	23050	LEPC/CEPF	Other Supplies		8,000
2101	37200	LEPC/CEPF	Seminars/Conferences/Meetings		200
2101	70050	LEPC/CEPF	Software Service Contract		300
2101	71110	LEPC/CEPF	Contract Labor		600
					9,450

Commissioner Parry seconded the motion.

The motion carried 3 to 0. **Order #421-2018**

**Commission**

**8. First Reading; Order approving the Chapter 100 Application filed by Northwest Medical Isotopes**

Carolyn Hauss and Dave Griggs were present to speak on behalf of this item.

Dave Griggs explained that the community has been involved with this project since 2013. It takes the NRC an extremely lengthy process to bring to a conclusion to issue the first permit to build a facility of this type in over 30 years, which we are honored to have Columbia, Missouri as the choice. This is a 108-million-dollar project, at full operation it will have 104 employees at an average wage of \$35 per hour. Just to put that in perspective, the County average wage this June is \$38,256 which works out to \$18.39 per hour. So, these jobs basically overall are almost twice the average of the County average wage. Our process of Chapter 100 is one step of many steps in a process, but obviously a very critical step when it comes to financing a project of this magnitude.

Carolyn Hauss presented a Power Point presentation for this agenda item. The presentation as well as the application are included at the end of these minutes.

CJ Dykhouse said that the most relevant date for Chapter 100 is January 1, and it looks like the facility construction will be going in 2019 but that maybe the building would be mostly built by 1-1-2020 if everything is working the way you want it, correct?

Carolyn Hauss said construction would start in early 2019. The schedule can be somewhat fluid within a quarter, but we are looking at starting construction in the 2019-time frame, depending on weather and those types of things.

Commissioner Thompson asked if they have to get the NRC license before they could start construction.

Carolyn Hauss said no, they do not have to. We have our approval to start construction.

CJ Dykhouse asked if they were starting construction in 2019 then perhaps they might not be at completion at 1-1-2020. So, January 1<sup>st</sup> is the date that I am focused on. I'm wondering what the site is going to look on January 1<sup>st</sup>, 2020.

Larry Mullins said it is going to be dependent in large part on our funding and how quickly we can advance the project. I would say on the safe side for any statutory limits we could say the year 2021. We are going to move as quickly as we can on it, but there are a lot of moving parts.

CJ Dykhouse told the Commissioners that this was just a point of order, anticipating the second reading and approval of the application. It looks like we would be engaging bond counsel and having approvals related to this during calendar year 2020.

Commissioner Parry asked if the abatement would begin in 2021.

CJ Dykhouse said yes.

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.

## **9. Public Comment**

Richard Nolte was present to address an issue regarding Hecht Road. He explained that they are replacing a bridge on Mount Zion Church Road and Hecht Road is part of the detour. After some heavy rain we got in September, the bottom of the road just turned to mud. The following Monday he went out there and saw it was developing a pothole. He called Public Works and was told that for dust control matters, they were not going to do any maintenance on that road and they hadn't had a road grader on it since before August 20, when the project began. After we got that inch and a half of rain, the one pothole turned into two craters, which they have now fixed, probably thanks to my call to you all. But now, we are expecting

more rain, and that road is going to go to pieces again even more than it already has. The road is continually deteriorating. We have construction vehicles on the road, a couple of semis now and then, farm tractors, garbage trucks, and other heavy construction equipment coming through there and it is dangerous. Now, I'm not here about chip and seal for that road, but I would like to see the road fixed. The people driving around in these big vehicles don't understand that what they see or feel in their vehicle is not the same as what it is in a normal car. We just have to take better care of the roads, and this one really needs attention, otherwise I wouldn't be here.

Commissioner Parry said that Greg Edington, who is the director of our Road & Bridge department otherwise known as Public Works, went out there last Thursday morning and they had repaired the potholes by that point. I think the information given to you when you initially called them was either misunderstand or the wrong information was given to you. Because we are doing that road project, we do feel that we have an obligation to repair the road once the construction is done. So, that road will be restored. The clearing work that they did along Hecht Road down towards Low Crossing was to create drainage to try and help with the road being frequently washed out due to low drainage. The road is on their radar and I can assure you they will continue to look at it. We will restore the road to its previous condition before the construction began.

Richard Nolte said we do have a situation where that one crater that got me to call you guys, they are developing in other places between Elkin and Low Crossing. And like I said, with more rain coming our way there is going to be another mess. Where they worked in the flood area, there is no gravel there, so when it rains it just turns to straight mud. So, that's why I would like to see some gravel there.

Commissioner Thompson asked Mr. Nolte if he had been in contact with Darren Kimbrel who is the gravel road supervisor. He is the one that could help the most with this.

The Commission thanked Mr. Nolte for coming to commission today.

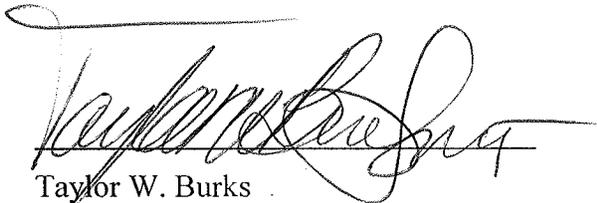
There were no more comments or questions.

**10. Commission Reports**

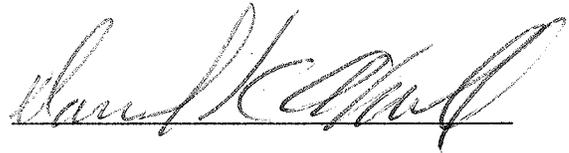
None

The meeting adjourned at 10:03 a.m.

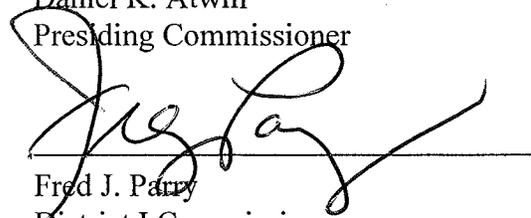
Attest:



Taylor W. Burks  
Clerk of the County Commission



Daniel K. Atwill  
Presiding Commissioner



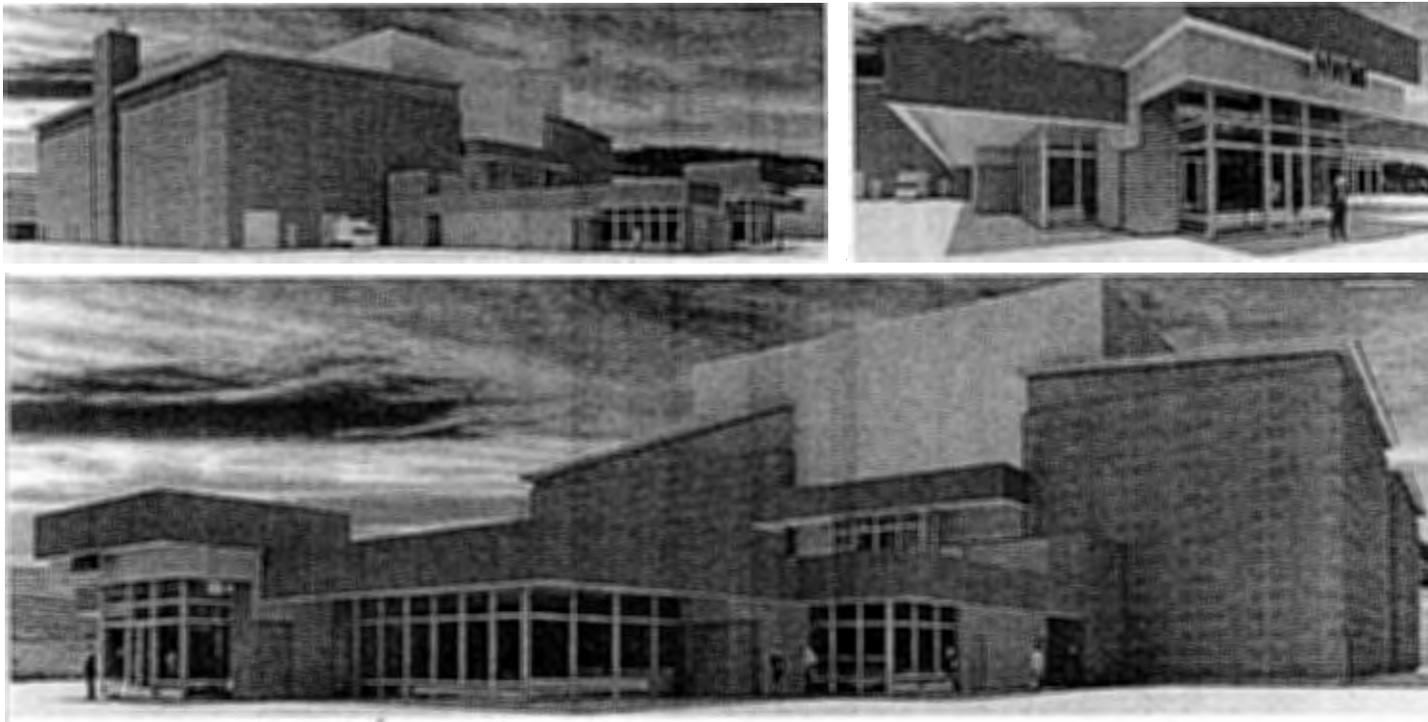
Fred J. Parry  
District I Commissioner



Janet M. Thompson  
District II Commissioner

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# **Northwest Medical Isotopes, LLC Radioisotope Production Facility Overview**



**Boone County Commissioners**

**Carolyn Haass, Chief Operating Officer  
September 8, 2018**

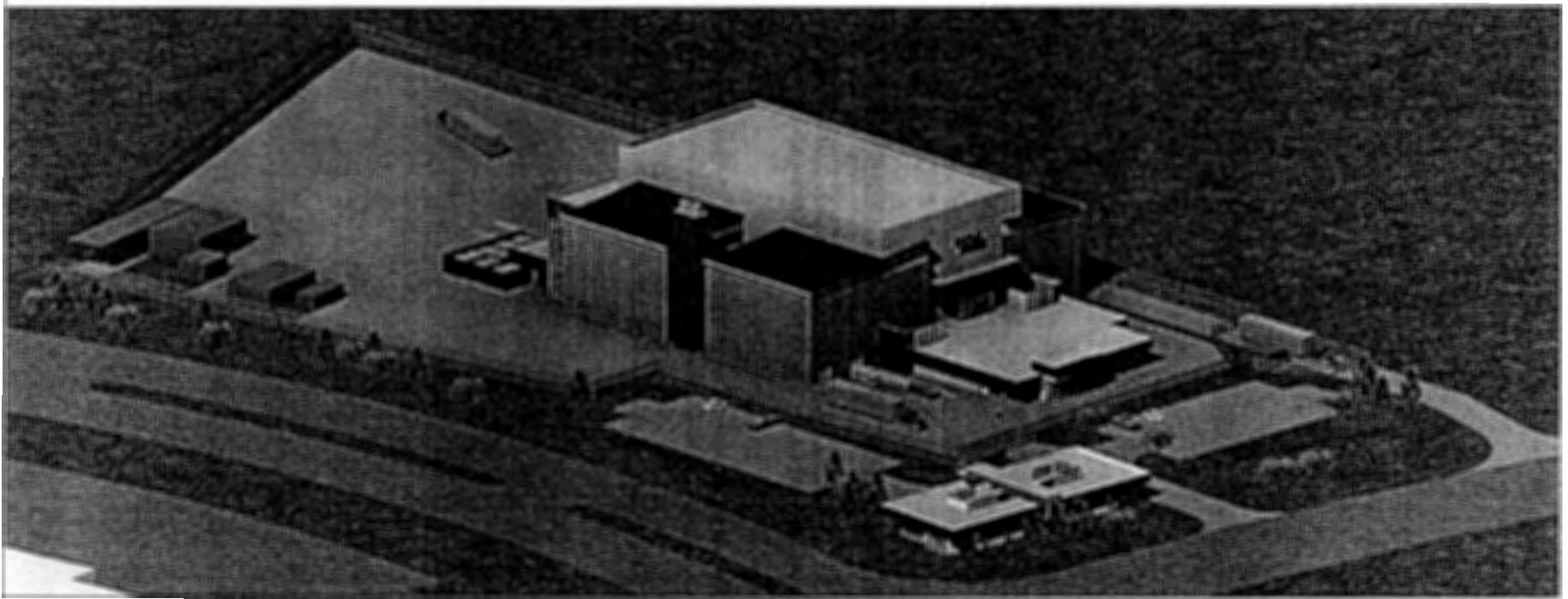
# NWMI's Chapter 100 Application Overview

- NWMI has submitted an application for Boone County, Missouri Chapter 100 Revenue Bonds
  - Privately held company based out of Corvallis, Oregon → Headquarters' will be relocated to Columbia
- NWMI has been approved by U.S.NRC) to construct a medical radioisotope production facility at Discovery Ridge Research Park
- NWMI requests a 50% real and personal property tax abatement from Boone County and its taxing districts
  - RPF will be a newly built facility and looking for assistance to offset construction costs
    - Building – \$50.5M
    - Furniture & Fixtures – \$12M
    - Machinery & Equipment – \$36.5M
    - Contingency – \$9M
  - **Total – \$108M**
  - RPF construction and operations will create both temporary and ~100 long-term employment positions
  - Ancillary jobs and services will positively impact city and county tax base
    - Irradiation services at MURR
    - Equipment/facility repairs and maintenance
    - Professional and administrative support
    - Trucking/shipping logistical support



# RPF Details

- First level footprint ~52,000 square feet (ft<sup>2</sup>)
  - Target fabrication area
  - Hot cell processing area (dissolution, <sup>99</sup>Mo, and <sup>235</sup>U recovery)
  - Waste management, laboratory, and utility areas
- Basement ~2,000 ft<sup>2</sup> (tank hot cell, decay vault)
- Second level ~17,000 ft<sup>2</sup> (utility, ventilation, offgas equipment)
- Waste Management Building ~1,200 ft<sup>2</sup>
- Administration Building (outside secured RPF area) ~10,000 ft<sup>2</sup>
- High bay roof – 65 ft
- Mechanical area, second floor – 46 ft
- Top of exhaust stack – 75 ft
- Loading dock (back) roof – 20 ft
- Support and admin (front) roof – 12 ft
- Depth below grade for hot cell/high-integrity container (HIC) storage – 15 ft



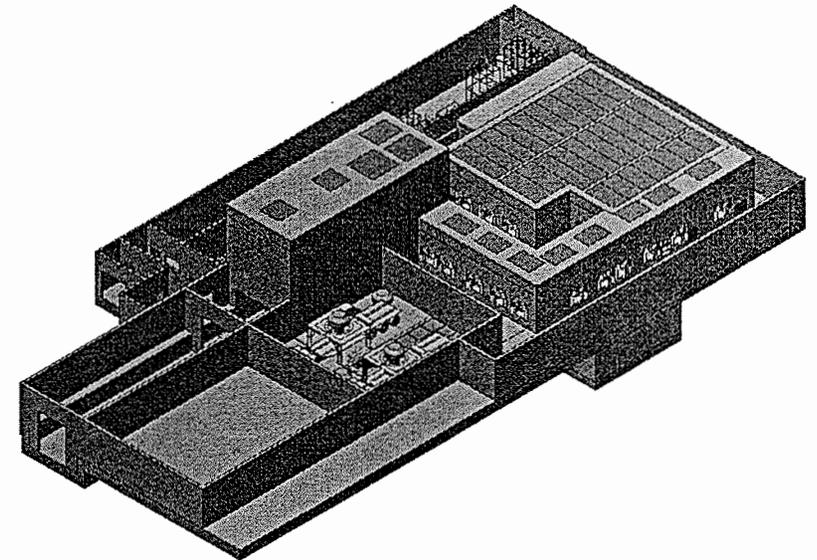
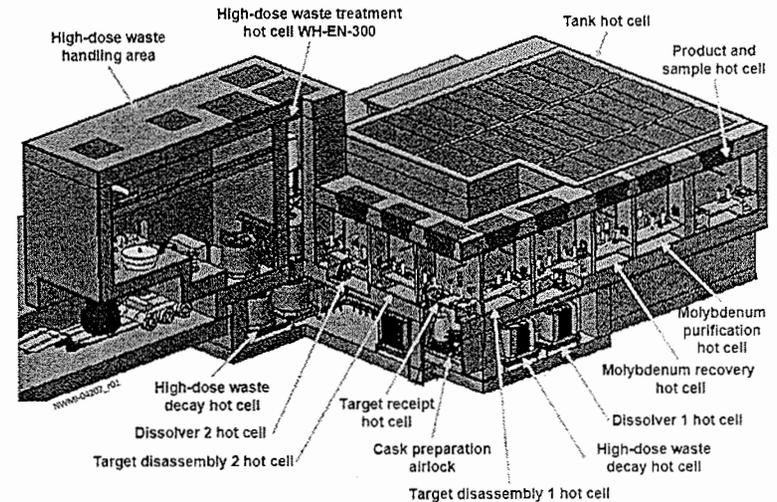
# NWMI Project Status and Schedule

## ➤ Project Status

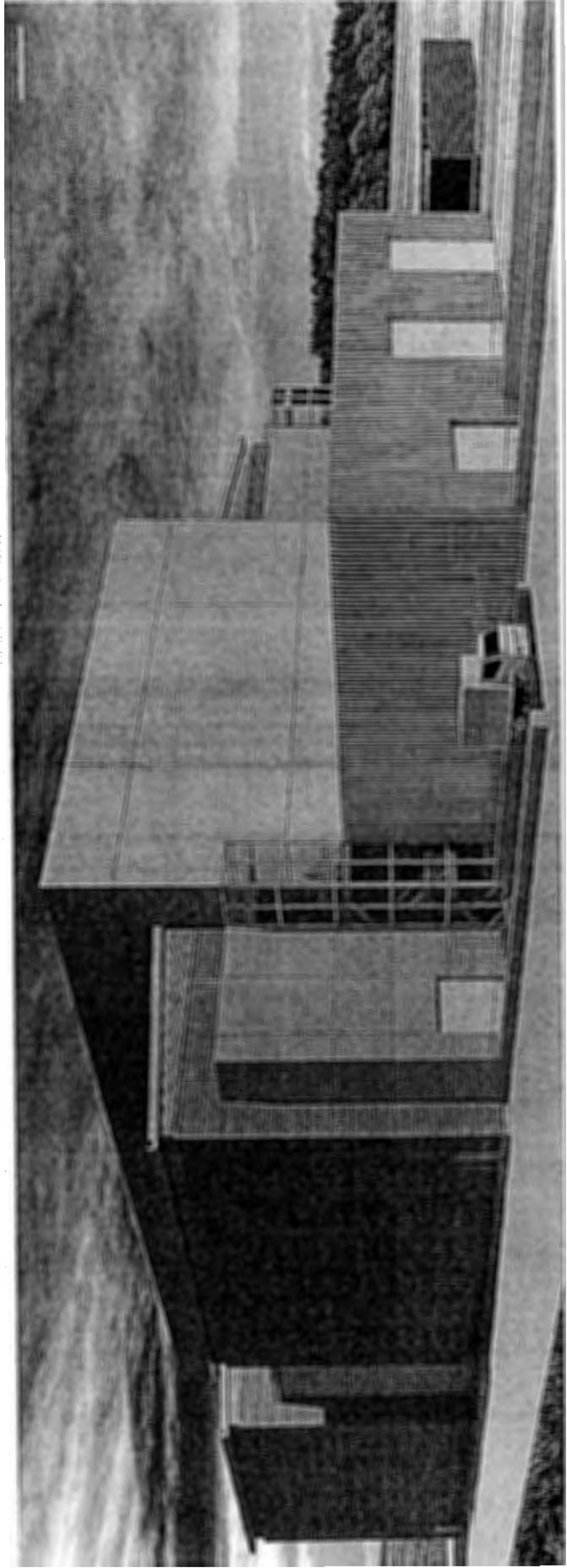
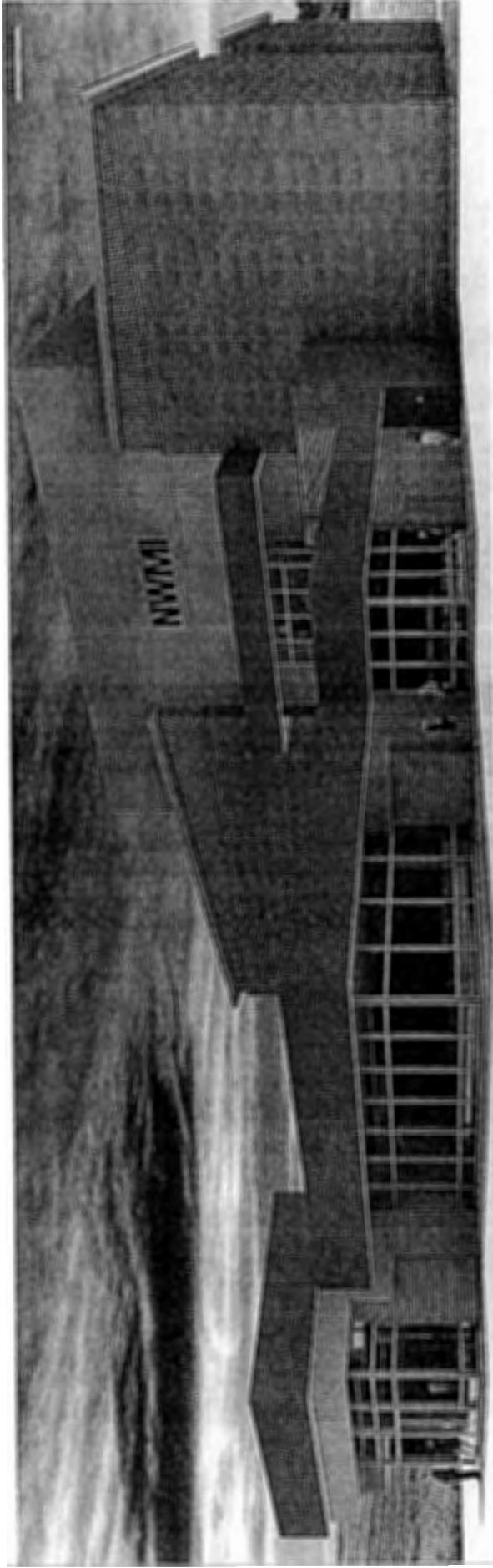
- Extensive testing (cold and hot chemistry) complete; technology optimization continues
- Continuing full-scale commercial generator testing
- Final Environmental Impact Statement Published on published May 31, 2017
- NRC Construction Permit (CP) Application Approved on May 9, 2018
- Initiated final design and NRC Operating License Application → Submission in Q1 2019
- Preconstruction activities initiated → Construction to be initiated in early Q1 2019

## ➤ Project Schedule

- Start date of site preparation/construction → Q4 2018
- End date of construction → Q2 2020
- RPF startup and cold commissioning (pre-operational) → Q3 2020
- Hot commissioning → Q4 2020
- Commercial operations → Q1 2021



# Questions?



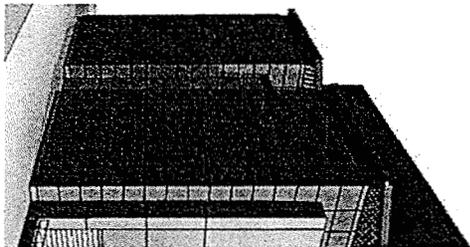
# RPF Site Locations Evaluated by NWMI

- NWMI conducted an exhaustive search throughout the United States for siting the RPF
- Down-selected to four sites
  - University of Missouri Research Reactor (MURR) – Columbia, MO
  - Discovery Ridge Research Park – Columbia, MO
  - Oregon State University (OSU) – Corvallis, OR
  - McClellan Business Park (McClellan) – Davis, CA

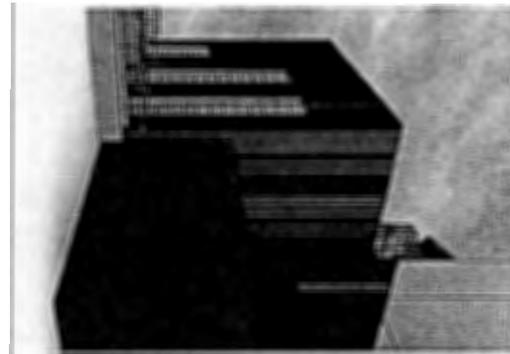


# Siting Conclusions

- Siting study concluded → City of Columbia and Boone County provided best overall fit for NWMI
- Columbia and surrounding community presents an ideal balance between supporting business through:
  - Chapter 100 tax revenue bonds
  - Creating new jobs while supporting a commitment to education
  - Technology innovation
  - Protecting the environment
  - Sustainability
- University of Missouri (MU), City of Columbia, and Boone County have a ready workforce and/or has ability to train workforce in conjunction with MU and surrounding universities and community colleges



SCALE: NTS  
3D View 3



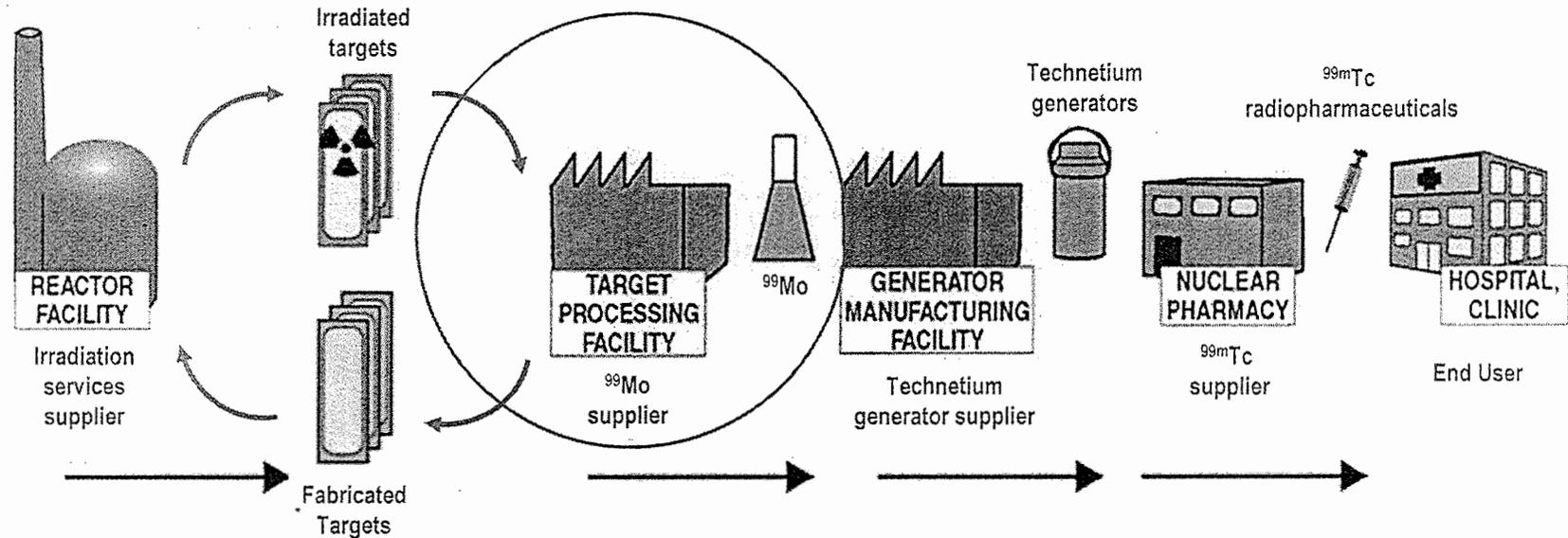
# Mo-99 Primer

- U.S. consumes almost half of world's supply of Mo-99
- No domestic production of this isotope since late 1980s
  - U.S. imports Mo-99 from Europe, Australia, and S. Africa
  - >90% of Mo-99 is produced by nuclear reactors
- Unanticipated/extended shutdowns of aging reactors have resulted in severe Mo-99 supply shortages worldwide → Disrupted delivery of medical care
- Tc-99m is used in ~80% of all nuclear medicine procedures performed worldwide
  - Used predominantly for myocardial perfusion imaging (images blood flow through the heart)
- Mo-99 and Tc-99m have short half-lives (~66 and 6 hours, respectively) → cannot be stockpiled for use and must routinely be produced and delivered to hospitals
- Supply Chain
  - Quantity of Mo-99 in supply chain is time-dependent because of radioactive decay
  - Designed to deliver Mo-99/ Tc-99m on a weekly basis
    - Such “just-in-time” delivery is essential to successful operation of the supply chain due to the short half-lives
    - Mo-99 decays ~1% per hour → must be moved through supply chain quickly to minimize decay losses
    - Elapsed time from Mo-99 production to delivery of a Tc-99m dose to a hospital is ~ 4 days



# NWMI Mission

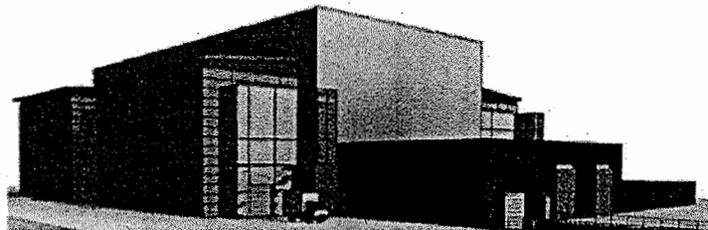
Assure a Domestic, Secure, and Reliable Supply of Molybdenum-99 ( $^{99}\text{Mo}$ )



- Captive Network of University Research Reactors
  - Reliability/assurance of supply
  - Multiple shipments/week

- Radioisotope Production Facility (RPF)
  - Fabrication of LEU targets
  - $^{99}\text{Mo}$  production
  - Uranium recycle and recovery

- Domestic  $^{99}\text{Mo}$  Generator Distributors
  - Hold FDA Drug Master File
  - No changes to generators
  - No changes to supply chain





**Regional Economic Development Inc.**

DATE: AUGUST 29, 2018

TO: COMMISSIONERS OF THE COUNTY OF BOONE

FROM: REDI INCENTIVES SUBCOMMITTEE

RE: CHAPTER 100 BOND APPLICATION FROM NORTHWEST MEDICAL ISOTOPES, LLC

As called for in the policy adopted by the Boone County Commission in October 2005, the taxing jurisdictions impacted by the Chapter 100 Bond Application for Northwest Medical Isotopes, LLC (NWMI) project voted unanimously on Tuesday, August 28, 2018, to forward the Chapter 100 Application to the County Commission for further action. Attached to this memorandum are the Application Review Forms signed by the voting representative of each of the impacted taxing districts impacted by the project location in the Discovery Ridge Research Park. Also included is the Application for the Issuance of Chapter 100 Revenue Bonds from Northwest Medical Isotopes, LLC, along with the contact sheet for the review panel members, and all review panel materials, meeting notices and minutes.

Northwest Medical Isotopes, LLC is a privately held company currently based in Corvallis, Oregon. Northwest has been approved by the U.S. Nuclear Regulatory Commission to construct a medical radioisotope production facility (RPF) at the Discovery Ridge Research Park. The NWMI facility will process molybdenum-99, which is the precursor to technetium-99m, an isotope that is used in medical imaging procedures. NWMI is requesting 50% abatement on real property for 10 years, and 50% abatement on equipment for a period matching the depreciable life of the equipment. As you will see in the application, NWMI is projecting the cost of equipment to be \$47.9 million, with 15% of the equipment expected to have a 3-year class life, 25% of the equipment is expected to have a class life of 5-years, and the remaining 60% of the equipment to have a 7-year class life.

This project was "officially" announced in May, 2014, after NWMI had conducted an exhaustive search throughout the United States for siting the RPF. As outlined in the cover letter from NWMI that accompanies the Chapter 100 Application, NWMI narrowed down the search for a site to four sites in the U.S. Each of the four sites was in close proximity to a university-owned research reactor, had business parks and local business incentive programs. NWMI's siting study concluded that the City of Columbia and Boone County provided the best overall fit for the RPF, which included MURR and Discovery Ridge. During the recruitment phase of the process, REDI worked with Boone County, the City of Columbia, and the University of Missouri on the recruitment of NWMI.

Then Boone County Commissioner Karen Miller provided a letter of support that indicated that the project meets the criteria for Life Science Companies under the existing Boone County Chapter 100 policy, and the letter also stated that the Commissioner would encourage colleagues on the Commission to support up to a 50% abatement of real property for a term of up to 10 years and up to a 50% abatement on new, taxable personal property for a term of up to 10 years.

Total job creation for the project is expected to be 104 employees at an average hourly wage of \$35 per hour. Of the 104 positions, 52 are expected to be production workers that earn an average of \$55,000 annually, and 32 of the positions are classified as technical support that average \$70,000 annually. These salaries are all well above the current Boone County Average Wage of \$38,256 which is in place until June 20, 2019.

In an effort to estimate the annual fiscal impacts of the NWMI project to the taxing districts at the site, REDI staff and the REDI Incentives Subcommittee prepared estimated fiscal impacts to each of the taxing districts. Estimated fiscal impacts to the taxing districts are included with this submission in spreadsheet format, and also include a set of assumptions that are outlined in the spreadsheet. As was expressed to each of the taxing districts, the NWMI project provides some unique challenges in estimating the fiscal impact due to the highly specialized equipment and processes, and the lack of comparable facilities in the U.S. For personal property, the anticipated investment was categorized by class life. For real property, the Chair of the REDI Incentives Subcommittee met with the Boone County Assessor for guidance. The Assessor proposed that we take whatever the actual building cost is and that becomes the "base value" for assessment purposes, and the tax abatement is applied against this base value. In the NWMI Chapter 100 Application, building costs are listed as \$50.5 million dollars. In an effort to provide a conservative estimate, 90% of the project buildings costs (\$45 million) was used as the value of the real property.

It should be noted that the approval of Chapter 100 is just one of a number of important steps needed to bring the NWMI project to fruition. NWMI is also in process of negotiating an irradiation services agreement with the University of Missouri and also is in the process of finalizing a land-lease for their chosen site in Discovery Ridge Research Park. NWMI will also be required to obtain an operating license from the Nuclear Regulatory Commission prior to producing any product. Each one of these steps must be completed for the entire NWMI project to successfully move forward to manufacturing this critical medical imaging product. The Chapter 100 approval is a critical step in securing the required investment and financial viability of project.

In Summary, we would like to stress three important points about the project:

First, this project builds upon the unique strengths of the University of Missouri and the Research Reactor. Both REDI and University of Missouri Strategic Plans have emphasized local economic development efforts based around the research strengths of the university, and there have been many efforts to try and leverage MURR services and expertise to attract a cluster of isotope related companies. The NWMI project and its location in Discovery Ridge Research Park may well be the catalyst for a future cluster of medical isotope related companies in Boone County.

Second, since there is no moly-99 production in North America a domestic supply of molybdenum-99 is a national healthcare concern. Currently this isotope is produced by reactors in other parts of the world. Many thousands of medical imaging procedures are conducted every day in the U.S. utilizing technecium-99m. NWMI can help ensure that this critical imaging agent is readily available domestically for many years into the future.

Third, this project will require more than 100 fully benefited employees earning an average hourly wage of \$35 per hour. Most of these employees will be hired from the local area. This project will also encourage and require the establishment of training programs at the high school, community college, and college level helping make Boone County a national leader in this type of training.

In closing, we want to thank the Boone County Commission and the various Boone County Offices and Departments for their assistance in preparing the information in the Chapter 100 Application and Taxing District Review Panel binder. We also want to thank you for your consideration of this Chapter 100 Application from Northwest medical Isotopes, LLC.

Please do not hesitate to contact the REDI team with any questions or additional information you might require in considering this application.

Enclosures/attachments

**County of Boone  
Chapter 100 Revenue Bond  
Application Review Form**

**PROJECT:** Northwest Medical Isotopes, LLC  
**LOCATION:** Discovery Ridge Research Park  
**DATE:** August 28, 2018

**PROCESS:** As prescribed in the Chapter 100 Policy for Boone County, Missouri, the Boone County Commission, in conjunction with RED1, will establish a Chapter 100 Review Panel consisting of a representative of each taxing jurisdiction impacted by the specific Chapter 100 Proposal, before any formal request is submitted to the County of Boone. After a review of the preliminary project information by the review panel, a majority vote of the review panel is required before the applicant submits a formal application to the Boone County Commission.

**Impacted Taxing District within Boone County:** Boone County Family Resources

**Name and Signature of Representative of Taxing District:**

KENNETH M. PEARSON



28 August 2018

**Ken Pearson, Board Member**

**Date**

**RECOMMENDATION:** After having reviewed the Chapter 100 Revenue Bond Application submitted by Northwest Medical Isotopes, LLC, the Boone County Family Resources recommends the forwarding of the Application for 50% Abatement to the Boone County Commission for further review and action.

X **Yes**

\_\_\_\_\_ **No**

\_\_\_\_\_ **Abstain**

**NOTATION:** Upon completion of this review, impacted taxing entities may also submit a response form projecting the impact of the proposed project on said taxing jurisdictions during the requested abatement period. This report will be a part of the Community Impact Statement submitted to the County Commission of the County of Boone as part of the final approval process.

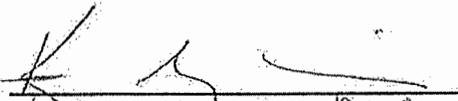
**County of Boone  
Chapter 100 Revenue Bond  
Application Review Form**

**PROJECT:** Northwest Medical Isotopes, LLC  
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**Impacted Taxing District within Boone County:** Columbia/Boone County Library District

**Name and Signature of Representative of Taxing District:**

  
Kathleen Markie

8/28/18

**Kathleen Markie, Board Member**

**Date**

**RECOMMENDATION:** After having reviewed the Chapter 100 Revenue Bond Application submitted by Northwest Medical Isotopes, LLC, the COLUMBIA/BOONE COUNTY LIBRARY DISTRICT recommends the forwarding of the Application for 50% Abatement to the Boone County Commission for further review and action.

Yes

No

Abstain

**NOTATION:** Upon completion of this review, impacted taxing entities may also submit a response form projecting the impact of the proposed project on said taxing jurisdictions during the requested abatement period. This report will be a part of the Community Impact Statement submitted to the County Commission of the County of Boone as part of the final approval process.

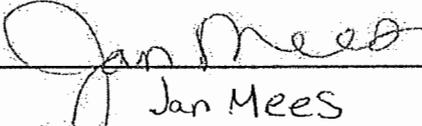
**County of Boone  
Chapter 100 Revenue Bond  
Application Review Form**

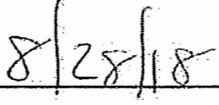
**PROJECT:** Northwest Medical Isotopes, LLC  
**LOCATION:** Discovery Ridge Research Park  
**DATE:** August 28, 2018

**PROCESS:** As prescribed in the Chapter 100 Policy for Boone County, Missouri, the Boone County Commission, in conjunction with REDI, will establish a Chapter 100 Review Panel consisting of a representative of each taxing jurisdiction impacted by the specific Chapter 100 Proposal, before any formal request is submitted to the County of Boone. After a review of the preliminary project information by the review panel, a majority vote of the review panel is required before the applicant submits a formal application to the Boone County Commission.

**Impacted Taxing District within Boone County:** Columbia Public Schools

**Name and Signature of Representative of Taxing District:**

  
\_\_\_\_\_  
Jan Mees  
**Jan Mees, School Board Member**

  
\_\_\_\_\_  
**Date**

**RECOMMENDATION:** After having reviewed the Chapter 100 Revenue Bond Application submitted by Northwest Medical Isotopes, LLC, the Columbia Public Schools recommends the forwarding of the Application for 50% Abatement to the Boone County Commission for further review and action.

**Yes**                       **No**                       **Abstain**

**NOTATION:** Upon completion of this review, impacted taxing entities may also submit a response form projecting the impact of the proposed project on said taxing jurisdictions during the requested abatement period. This report will be a part of the Community Impact Statement submitted to the County Commission of the County of Boone as part of the final approval process.

**County of Boone  
Chapter 100 Revenue Bond  
Application Review Form**

**PROJECT:** Northwest Medical Isotopes, LLC  
**LOCATION:** Discovery Ridge Research Park  
**DATE:** August 28, 2018

**PROCESS:** *As prescribed in the Chapter 100 Policy for Boone County, Missouri, the Boone County Commission, in conjunction with REDI, will establish a Chapter 100 Review Panel consisting of a representative of each taxing jurisdiction impacted by the specific Chapter 100 Proposal, before any formal request is submitted to the County of Boone. After a review of the preliminary project information by the review panel, a majority vote of the review panel is required before the applicant submits a formal application to the Boone County Commission.*

**Impacted Taxing District within Boone County:** City of Columbia

**Name and Signature of Representative of Taxing District:**



28 August 2018

**Brian Treece, Mayor**

**Date**

**RECOMMENDATION:** After having reviewed the Chapter 100 Revenue Bond Application submitted by Northwest Medical Isotopes, LLC, the City of Columbia recommends the forwarding of the Application for 50% Abatement to the Boone County Commission for further review and action.

**Yes**

**No**

**Abstain**

**NOTATION:** Upon completion of this review, impacted taxing entities may also submit a response form projecting the impact of the proposed project on said taxing jurisdictions during the requested abatement period. This report will be a part of the Community Impact Statement submitted to the County Commission of the County of Boone as part of the final approval process.

**County of Boone  
Chapter 100 Revenue Bond  
Application Review Form**

**PROJECT:** Northwest Medical Isotopes, LLC  
**LOCATION:** Discovery Ridge Research Park  
**DATE:** August 28, 2018

**PROCESS:** *As prescribed in the Chapter 100 Policy for Boone County, Missouri, the Boone County Commission, in conjunction with REDI, will establish a Chapter 100 Review Panel consisting of a representative of each taxing jurisdiction impacted by the specific Chapter 100 Proposal, before any formal request is submitted to the County of Boone. After a review of the preliminary project information by the review panel, a majority vote of the review panel is required before the applicant submits a formal application to the Boone County Commission.*

**Impacted Taxing District within Boone County:** Boone County

**Name and Signature of Representative of Taxing District:**

 8-28-18

**Brian McCollum, Boone County Collector**

**Date**

**RECOMMENDATION:** After having reviewed the Chapter 100 Revenue Bond Application submitted by Northwest Medical Isotopes, LLC, the **County of Boone** recommends the forwarding of the Application for 50% Abatement to the Boone County Commission for further review and action.

X **Yes**                                 **No**                                 **Abstain**

**NOTATION:** Upon completion of this review, impacted taxing entities may also submit a response form projecting the impact of the proposed project on said taxing jurisdictions during the requested abatement period. This report will be a part of the Community Impact Statement submitted to the County Commission of the County of Boone as part of the final approval process.



**Regional Economic Development Inc.**

**Chapter 100 Review Panel Meeting  
Wednesday, July 25, 2018 – 9:30 a.m.  
Regional Economic Development Inc.  
500 E Walnut St, Suite 102 – Training Room**

Regional Economic Development Inc. (REDI) has received an application for the issuance of Chapter 100 Revenue Bonds. As specified in the County of Boone's Chapter 100 Policy, the Boone County Commission, in conjunction with REDI, must establish a Chapter 100 Review Panel consisting of a representative of each taxing jurisdiction impacted by the specific Chapter 100 proposal, before any formal request is submitted to the County of Boone.

The Chapter 100 Review Panel Meeting is planned for Wednesday, July 25, 2018, beginning at 9:30 a.m. at the offices of Regional Economic Development Inc., 500 E Walnut St, Suite 102, Columbia, MO 65201.

Members of the public may attend any open meeting. For requests for accommodations related to disability, please call (573) 441.5543. In order to assist staff in making the appropriate arrangements for your accommodation, please make your request as far in advance of the posted meeting dates as possible.



**Regional Economic Development Inc.**

**Chapter 100 Review Panel  
IMPACTED TAXING DISTRICTS MEETING  
NORTHWEST MEDICAL ISOTOPES, LLC**

Wednesday, July 25, 2018- 9:30 A.M.  
REDI TRAINING ROOM, 500 E WALNUT ST, SUITE 102  
COLUMBIA, MO 65201

**AGENDA ITEM**

- I. **CALL TO ORDER – Dave Griggs, REDI Incentives Subcommittee**
- II. **INTRODUCTIONS**
- III. **CHAPTER 100 HISTORY, KEY POINTS, GENERAL PROCESS – Dave Griggs**
- IV. **PROJECT PRESENTATION AND Q & A – NWMI Representatives**
- V. **ESTIMATED TAXING DISTRICT IMPACTS –REDI Incentives Subcommittee**
- VI. **QUESTIONS – Taxing District Representatives**
- VII. **NEXT STEPS AND NEXT MEETING DATE – Dave Griggs, REDI Incentives Subcommittee**
- VIII. **ADJOURN MEETING – Dave Griggs, REDI Incentives Subcommittee**



Regional Economic Development Inc.

## Chapter 100 Taxing District Review Panel Contact Sheet

### Northwest Medical Isotopes, LLC – Chapter 100 Project

#### **Boone County**

Brian McCollum, Boone County Collector  
(573) 886.4285  
BMcCollum@BooneCountyMO.org

#### **Boone County Family Resources**

Ken Pearson, Board Member  
(573) 289-8444  
Kmpearson11@gmail.com

#### **Columbia/Boone County Library District**

Kathleen Markie, Board President  
MarkieK@umsystem.edu

#### **City of Columbia**

Brian Treece, Mayor of Columbia  
(573) 874.7222  
Mayor@CoMo.gov

#### **Columbia Public Schools**

Jan Mees, School Board President  
(573) 823.2626  
JMees@cpsk12.org

#### **REDI Board and Incentives Subcommittee**

Dave Griggs, REDI Incentives Subcommittee Chair  
(573) 489.4965  
Dave\_Griggs@carpetandtile.com

Matt Williams, REDI Incentives Subcommittee Member  
(573) 441.2817  
Matt.Williams@LandmarkBank.com

Bill Watkins, REDI Incentives Subcommittee Member  
(573) 489.0466  
BWatkins@MalyRealty.com

#### **REDI Staff**

Stacey Button, REDI President  
(573) 441.5542  
Stacey.Button@CoMo.gov

Bernie Andrews, REDI Executive Vice President  
(573) 441.5541  
Bernie.Andrews@CoMo.gov

ColumbiaREDI.com

500 East Walnut Street, Suite 102  
Columbia, MO 65201  
573.442.8303

Daniel K. Atwill, Presiding Commissioner  
Karen M. Miller, District I Commissioner  
Janet M. Thompson, District II Commissioner



Roger B. Wilson  
Boone County Government Center  
801 East Walnut, Room 333  
Columbia, MO 65201-7732  
573-886-4305 • FAX 573-886-4311

## Boone County Commission

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June 27, 2013

J. Mike Brooks, President  
REDI  
500 E. Walnut, Ste. 103  
Columbia, MO 65201

Via Electronic Mail: [jmbrooks@gocolumbiamo.com](mailto:jmbrooks@gocolumbiamo.com)

RE: Project Big Tree

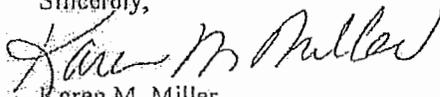
Dear Mike:

In connection with the above-referenced project, and as the Commissioner assigned as liaison to REDI, please accept this letter as evidence of my commitment to encourage my colleagues on the County Commission to award incentives under the County's Chapter 100 program to support this project. Based on the information we have obtained to-date, it is my understanding that this project would fit within the County's existing Chapter 100 policies for Life Sciences Companies.

Per our discussion, I will work with my colleagues to facilitate an incentive package consistent with our Life Sciences Companies policies, which will include up to a 50% abatement of real property taxes for a term of up to 10 years and up to a 50% abatement on new, taxable personal property for a term of up to 10 years.

I am excited and encouraged by the prospects of this project and what benefit it can bring to Boone County and our healthcare system. I will look forward to hearing from you about the process of negotiations. Thank you.

Sincerely,

  
Karen M. Miller  
District I Commissioner

REDI works to attract new employers  
that create quality, living-wage jobs in Columbia  
and Boone County.

# Attraction



# Northwest Medical Isotopes Selects Columbia for Production Facility

Northwest Medical Isotopes, LLC announced May 8 its plan to construct a Radioisotope Production Facility at Discovery Ridge Research Park in Columbia. The facility will be primarily used to produce molybdenum-99, which is used in medical scans for cancer, heart disease, and bone and kidney disease.

Company officials were welcomed to Columbia at an announcement event at the City of Columbia Council Chambers. REDI later hosted a Company Reception for REDI members, company officials and other dignitaries.

"The United States uses half of the global supply of molybdenum-99, yet we have no commercial domestic producers," said CEO Nicholas Fowler. "The mission and vision of Northwest Medical Isotopes is to provide a domestic, secure, and reliable supply of molybdenum-99 for medical diagnostics. At full capacity, the proposed facility could supply half of North America's needs for molybdenum-99, eliminating potential shortages of the medical isotopes and having a major impact on the health of thousands of patients in need of these medical tests each week."

The United States faces potential supply shortages in the future as traditional sources of molybdenum-99 phase out operations. Hospitals use molybdenum-99 to create technetium-99m which is used in the diagnosis of heart disease, but is also used in bone scans, parathyroid scans, brain scans, neuroendocrine tumor scans, and white cell scans. During previous temporary shortages in supply, health care professionals were challenged to maintain their schedule of diagnostic procedures.

"Long term shortages of technetium-99m could have significant repercussions on thousands of patients," said Larry Mullins, President and Chief Executive Officer at Samaritan Health Services. "We partnered with Oregon State University to seek answers to this problem."

Rick Spinrad, vice president of Research for Oregon State University said OSU researchers responded with a cutting-edge discovery.

"University class research reactors had not been thought capable of producing commercial quantities of molybdenum-99, but a unique target design developed at Oregon State promises otherwise," Spinrad said.

NWMI has licensed this novel technology.

*(continued next page)*



Henry C. "Hank" Foley of the University of Missouri addresses the crowd at the NWMI announcement event at City Hall May 8.

"The NWMI technological advancements are very timely for responding to our national need for a domestic supply of this critical isotope," said Milton Cheever, Managing Partner of Cheever Capital Management.

NWMI's commercialization strategy is to utilize a network of university reactors around the United States to supply the radioisotope production facility in Columbia, MO for the extraction and purification of molybdenum-99. Isotopes produced from the proposed Discovery Ridge facility would be the same as the existing supply chain and would not require re-design of the molybdenum generator technology for the U.S. distributors.

"We have been talking about a potential disruption to our supply of molybdenum-99 for many years," said Manoja Lecamwasam, Director of Intellectual Property at Dignity Health. "This is no longer an academic discussion. Our physicians are beginning to face real difficulty in delivering the diagnostic tests their patients need."

Randall Bream, MD, from Samaritan Heart & Vascular Institute and Medical Director of Cardiovascular Services at Samaritan, agreed.

"It is absolutely essential that we have this material for our nuclear cardiac stress tests," Bream said. "We have had to cancel tests because the material wasn't available, so having a steady, reliable supply will greatly enhance our ability to provide potentially life-saving diagnoses."

This was the case for John Nuslein, 66, of Albany, Ore., who was experiencing chest pain but traditional electrocardiograms and cardiac treadmill tests found nothing. It was only when his physician ordered a nuclear medicine pharmacological stress test that two blocked arteries were discovered in his heart. Since then, Nuslein has undergone multiple heart procedures, and nuclear cardiac stress tests have been the preferred tool for quickly, clearly and non-invasively locating the blockages in his arteries.

"I would have been dead if it had not been for nuclear stress testing," Nuslein said. "There is no question in my mind that it would have gotten a lot more severe before they found anything."

NWMI has notified the Nuclear Regulatory Commission of its intent to apply for a construction license. The Northwest Medical Isotopes radioisotope processing facility is an exciting announcement for Discovery Ridge. NWMI selected a site at Discovery Ridge due to its proximity to University of Missouri, efficient transportation logistics, and the region's skilled labor.

"Located in the very heart of the country, Columbia's Discovery Ridge Research Park offers the ideal location for Northwest Medical Isotopes' commercial production facility," said Fowler. "Missouri is home to world-class medical research resources as well as an experienced workforce; and its strategic central location provides the access to critical markets across the country. We couldn't be more pleased to be joining the business community of Columbia"

Northwest Medical Isotopes' expansion in Columbia will include a \$50 million capital investment and is expected to create 68 new high-paying jobs.

"Missouri's low taxes and quality education system that produces a highly skilled workforce continues to attract companies like Northwest Medical Isotopes to the Show-Me State," said Missouri Department of Economic Development Director Mike Downing. "Our competitive business climate and good schools means good jobs for communities like Columbia, and an economy that continues to grow throughout Missouri."

Boone County Commissioner Karen M. Miller said that the project would be a good fit with existing Chapter 100 policies to encourage the location of life science companies in the area. "Any time we can unite to create really great jobs and build on our local strengths is a good time to celebrate. And this is wonderful for the families who come to Boone County for help with their health care decisions," Miller said.

"I am excited to welcome Northwest Medical Isotopes to what I hope will be a long and productive partnership in our community," said Columbia Mayor Bob McDavid. "With our workforce and facilities, locating in Columbia is a smart business decision for them. With our people and our quality of life, Columbia will be a good place for Northwest Medical Isotopes to call home."

"Residents of central Missouri have access to great health care facilities," said Steve Wyatt, Vice Provost for Economic Development at the University of Missouri. "However, health care facilities can't be effective if they don't have the necessary diagnostic tools. Addressing this long-term issue successfully will allow our doctors to continue providing the best care to patients who come from throughout the state."

Since health sciences and services was identified by his Strategic Initiative for Economic Growth as a top target

**DRAFT Chapter 100 Review Panel meeting – Northwest Medical Isotopes, LLC**  
July 25, 2018, 9:30 a.m.

**Committee Attendees:**

Brian McCollum, Boone County Collector  
Robyn Kaufman, Boone County Family Resources  
Kathleen Markie, Columbia/Boone County Library District  
Brian Treece, City of Columbia  
Jan Mees, Columbia Public Schools  
Dave Griggs, REDI Incentives Subcommittee  
Bill Watkins, REDI Incentives Subcommittee  
Matt Williams, REDI Incentives Subcommittee

**Other:**

Carolyn Haass, Northwest Medical Isotopes, LLC  
Ralph Butler, Northwest Medical Isotopes, LLC  
James Gann, University of Missouri  
Heather McArthur, Columbia Public Schools  
Stacey Weideman, City of Columbia  
Margaret Conroy, Daniel Boone Regional Library  
Jim Smith, Daniel Boone Regional Library

**REDI Board and Staff:**

Bernie Andrews, REDI Executive Vice President  
Shannon Hance, REDI Executive Assistant

**Meeting Minutes**

***The meeting was called to order at 9:36 a.m. by Dave Griggs.***

Introductions were conducted. Dave Griggs went through a PowerPoint presentation regarding the Chapter 100 policy which included that this policy was adopted in 2005, amended in 2007, 2009, and 2011 for projects. The policy came to creation due to companies seeking clearly outlined incentive policies when they are selecting a site. The REDI Incentive Subcommittee was formed and a Chapter 100 Policy was approved by the Boone County Commission. Only five companies have applied for and have been approved in the thirteen years that the policy has been in place: ABC Laboratories, Inc., Kraft Heinz Co, Dana Light Axle Products LLC, AOD-MO Holdings LLC, and American Outdoor Brands. Northwest Medical Isotopes, LLC (NWMI) is the sixth company to apply. This is Boone County's only economic development tool that provides abatement on real and personal property tax. There is no legal liability for the County. The applicants buy the bonds. There is no abatement on existing properties. Clawbacks are in place if the company does not fulfill the terms of the policy.

The NWMI project was officially announced in May 2014. The project is a collaboration with the University of Missouri, the University Of Missouri Research Reactor (MURR), the City of Columbia and Boone County. NWMI submitted its U.S. Nuclear Regulatory Commission (NRC) Construction Permit Application in January 2015. The NRC approved the construction permit on May 9, 2018, and the Final Environmental Impact Statement was published on May 31, 2018. The purpose of today's meeting is to review the application and let attendees know the best estimates of impacts.

Kathleen Markie asked "In this instance, with Chapter 100, will the company will be applying for bonds/selling bonds? Will we also be applying abatement?" Dave Griggs responded that Chapter 100 allows for tax abatement with a maximum abatement of up to fifty percent. Personal property is abated with the MACRS scale for three, five, and seven year equipment. The equipment depreciates. After depreciation, or any new equipment purchased within the timeframe will be fully taxed. NWMI is requesting a fifty percent abatement of real and personal property tax. Griggs mentioned that this is a significant project to our community. Bernie Andrews added that the company buys their own bonds and the risk is with their investors and/or lenders. Once the project is in place, the title to the Chapter 100

University's amount of radioactive material. Butler responded that there are different types of radioactive material; however, more is generated at MURR. Haass said one of their unique designs is that they are recycling their uranium. They use less than one percent of the uranium when they irradiate their targets. They will recycle and minimize how much waste they generate. Their facility is designed to safely store the material prior to it going to the permanent storage area in Texas. It is not going to be any different than other facilities production and their production is small compared to what goes up and down the road on a daily basis. Mees asked if NWMI will be using Columbia Regional Airport (COU) to transport their material. Haass responded they don't plan on using COU if the products being purchased are sent to St. Louis; however, if they were to go to the radiopharmaceutical company in Boston, the product would either be transported to St. Louis and then flown to Boston, or it would be air transported directly out of COU. These transportation logistics will not be finalized for another couple of years. She also reiterated they use very specific containers due to safety. McCollum repeated Haass' statement that the NWMI facility could fulfill 60-75 percent of domestic needs and asked if science has validated for a largescale operation. Haass stated they have done large scale and they have a continuous supply chain. Because of the decay time of the mo99 the supply chain is time dependent and made on a weekly basis. Once it is out of the reactor at MURR, it is to the patient in about four days. Mees asked about the cost. Haass and Butler said they could not divulge that information, but said that this is just one component in the entire patient procedure and it is likely around five percent of the procedure cost.

***Estimated Taxing District Impacts:***

Dave Griggs directed the taxing entities to view the spreadsheets provided within their binders for estimated figures on this project. He said that Boone County average wage is approximately \$18.39 per hour. The average wage in the NWMI application is approximately \$35.00 per hour and said this will have a significant financial impact on our community. Griggs asked that all taxing districts review the application to get a feel for their impacts.

***Additional Questions from Taxing District Representatives:***

Treece asked if NWMI was looking at any other site. Haass stated they were not and they would be four to five years out at any other facility. Treece asked if their business could pan out without these incentives. Haass stated that it could. Butler said that the Boone County Chapter 100 policy played a significant role in the foresight of their site consideration and that it was a consideration when they were choosing the Discovery Ridge site. Treece mentioned that NWMI was organized as an LLC and mentioned other not for profits listed as an LLC within NWMI and asked how that worked. Haass said their lawyers organized them as an LLC, but they look like a corporation due to profits to go out on an annual basis. Treece mentioned that he believed that NWMI is the tipping point to make Columbia a destination for other pharmaceutical destinations. Mees asked if they anticipate community push back. Treece said that he could throw a baseball from his house to the reactor, that it was designed remarkably to be a modular, safe facility. He said there have been no incidents there. He thinks there is genuine community enthusiasm for this project and said it is where we want to be as a community to develop the research facility as it was intended to be. Griggs stated this may be a catalyst for phase two of the reactor project. Butler said there was a survey done on this and 30-40% of people have never heard of the reactor. The other 50-60 % support of it due to the lifesaving things that come from it. Griggs said there will be community meetings held to introduce Carolyn Haass, NWMI, and the conceptual idea. He thinks a lot of people will remember the community discussion when NWMI began this mission in 2014. Mees said that as a taxing entity there is so much property in Columbia that we don't receive property taxes on. She wanted to know if there was a chance that this might be taken over by the University. Haass said that there was not a chance. The land lease they are negotiating is 55 years plus 25 years. Griggs made note that after the Japanese reactor incident that the NRC checked all reactors and gave them a safety score. Missouri's reactor is the safest reactor in the United States due to geological structure and is earthquake resistant. MURR had to change nothing when the NRC came in for testing. Mees asked what the biggest obstacle has been. Haass said it has been the time it has taken for the NRC approval process. Butler coupled that with the construction and operating licenses. Griggs mentioned that this is one step in a multi-step process.

Griggs asked the entities to think about what this means to their agencies. He asked them to look over the spreadsheets provided and the MACRS schedule of depreciation, required by the government with seven, five and three year depreciation totals assuming 50% abatement, to see what each taxing entity would receive in what year according to estimated construction schedule. The policy is written where the physical location of a facility determines which taxing entities are involved. The life of equipment shows what taxes would be paid. Real property is a challenge because of

property is transferred to the county during the abatement period. The assessor and collector work together to issue a payment in lieu of taxes for the taxes that are not abated. Griggs added that the County is tax exempt. Markie then asked if the real issue is abatement and loss of income which Griggs agreed. Jan Mees added that this is not a company that has existed before, so the taxing entities have not been previously receiving taxes from it. Griggs noted that many ancillary jobs will be created due to this project such as delivery, packaging and other opportunities, as well.

Dave Griggs referred to the county policy which was included in the binders provided to the taxing entities. Today is the first meeting of this committee. It gives public notice of the project coming forward. It explains to the taxing representatives what the project is and gives taxing districts an opportunity to discuss the project and ask questions. The second meeting will be scheduled later. At that meeting each taxing district representative is asked to vote to approve or decline the project. A majority vote by the taxing districts is required to take the project to the Boone County Commissioners for consideration.

***Project Presentation, Northwest Medical Isotopes, LLC:***

Carolyn Haass and Ralph Butler with Northwest Medical Isotopes, LLC presented an overview about the company and the following questions and comments came forth and were answered and discussed (PowerPoint presentation attached).

Jan Mees asked if MURR currently has a facility that can support this project. Will this make MURR have to expand their employment base or cut back? Ralph Butler responded that this will generate income that will allow the research base to expand ten to fifteen people. The University has been good about allowing them to upgrade and expand. Brian Treece asked if MURR has other commercial clients. Butler said yes, there are seventy to ninety other significant revenue clients which cohabitate nicely together and this allows for additional revenue. Mees asked if this was a stress on the system already in place. Butler responded that it is not because it is what they do. Haass mentioned that this expands both MURR and community opportunities. Mees asked if there was a specific set of job skills needed for this project that can be met by local schools, and asked if these jobs are technically oriented. Haass responded that NWMI plans to work with and utilize the University of Missouri and surrounding area community colleges to develop a training program. Markie asked if the University had contemplated this project in the past and only received a small amount of money. Butler said the University applied for state funding to construct a training education building but that never materialized. He stated that would have created more dedicated space; however, there is already dedicated space for this and training capabilities are there. There have been discussions with Moberly Area Community College and the University Of Missouri School of Health Professionals. Many of these jobs can be taken with high school training. Some will require an associate's degree. Some will require pharmaceutical training and others will require radioactive training. Markie asked if the University is going to compete with NWMI in the future. Butler responded they will not. Haass stated that MURR will be a significant factor to their process, but if MURR wanted to do this they would have to build their own facility which would likely cost around \$150 million. MURR takes the material that NWMI provides, places it in their reactor and then NWMI takes it back for processing. Brian McCollum asked to specify that the amount requested for tax abatement is \$108 million. Haass confirmed yes. Mees asked if there is usually a contingency in a Chapter 100 application. Griggs said that all big constructions have contingencies and the final cost will be used to generate the tax abatement. Haass said the reason it is so large is because this is working with nuclear substance and the amounts are higher due to safety precautions that must be taken. Mees asked if the fence around the building would be concrete. Haass responded no, it will look similar to the fence that surrounds MURR. Markie asked what happens to the radioactive waste since presumably NWMI will have more of it. Will it be kept on site and how will it be disposed of? Haass said they have dedicated a significant part of the facility to waste management. Types A, B and C waste will be stored there. They have gone through the planning process with the NRC and they will use special containers weighing 72,000 pounds. One container will be generated every six weeks and will be stored in the basement to go through the decaying process. It decays for seven to eight months and is then transferred to a disposal site in Texas. Markie asked if the additional radioactive waste would be transported through Columbia. Haass said they would use Highway 63 and then Highway 70 for transport, and again mentioned that they will be using licensed containers regulated by the NRC and the waste would be transported per U.S. Department of Transportation regulations. Brian Treece also said that nuclear waste is transported through Columbia on a regular basis because MURR produces it. Butler said the amount of radioactive material transported along Highway 70 every day is a huge volume and this is not a unique transport. It is also heavily shielded. Markie asked how the amounts of this radioactive material in this location compare to the

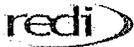
what the building would be in the future if not used for this. Potentially assuming estimates are on building costs the amounts are listed out. Andrews added that on three year equipment, once the three years are up on the equipment that it is fully taxed at residual value. If the equipment is replaced, the new equipment is fully taxed at 100%. It still depreciates, but there is no abatement on second round.

Mees asked if this project blossoms and NWMI earns more money, is it possible that Chapter 100 close down sooner or is it for the specified time regardless of their profits. Haass stated if approved they would keep the abatements over the life of the ten years regardless of their profits. McCollum said if NWMI doesn't pan out, this facility wouldn't be easily retrofitted to another place. What would be NWMI's responsibility to clean up? Haass said that there is a required dedicated fund on building decommissioning that is created to guarantee the decommission of the facility. Basically all infrastructures would be destroyed. They follow the NRC and land lease specific requirements and guidelines.

***Next Steps and Next Meeting Date:***

Griggs said the next steps were going to each of the taxing entities to speak with their boards. He said this project is public knowledge and Andrews will follow up with electronic copies of the packets for their Boards to review. A second meeting of today's group will come together to further discuss and process a vote which will need to be majority in order to present it to the County Commission. Griggs asked for any question that may arise to be sent to REDI who will disburse them to the group.

***Meeting adjourned at 11:24 a.m.***



Regional Economic Development Inc.

## Chapter 100 Review Panel Meeting

July 25, 2018, 9:30 a.m.

ATTRACT. EXPAND. GROW.

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### Chapter 100 History

- Incentives review timeline began in 2002
- Boone County Chapter 100 Policy adopted October, 2005
- Policy Amended in 2007, 2009, and 2011 to remain competitive for projects
- In 13 years, only 5 companies have applied for and been approved for Chapter 100
  - ABC Laboratories, Inc.
  - Kraft Heinz Co.
  - Dana Light Axle Products, LLC
  - AOD-MO Holdings, LLC
  - American Outdoor Brands Corp.




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### Some Key Points of Chapter 100

- Economic development tool – only way to receive personal property exemption
- Only tool in place in Boone County to compete
- Not indebtedness of county, limited liability of county
- No abatement on existing property
- Terms of abatement can be set in Performance Agreement, such as minimum job creation levels
- Clawbacks for failure to meet requirements




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## CHAPTER 100 REVENUE BOND TIMELINE

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### JULY - SEPTEMBER 2002

A Canadian auto parts manufacturer considered Columbia as a location for a new manufacturing operation that would employ 200 people. The company located in another Missouri community that offered incentives, but indicated that had city and county leaders been able to offer virtually any sort of incentive, the company would have chosen Columbia as their new location.

### AUGUST 2002

REDI received a Request For Information (RFI) from a consulting firm on Project Rain. Project Rain was a \$125,000,000 pharmaceutical manufacturing project that would employ 240 people, with more than 95 of the positions requiring college degrees. Columbia was only one of four cities in Missouri to receive the RFI and met all key objectives except "an incentive package responsive to Project RAIN's level of investment, quality of jobs, project specific needs and growth". Columbia was immediately eliminated from consideration due to our "no incentive" position.

### FALL 2002

A national real estate brokerage firm asked REDI to provide information on suitable sites for a \$100,000,000 pharmaceutical operation. Although Columbia was eliminated from consideration, the request further reinforced that Columbia has garnered some attention as a potential location for large life science related projects.

### NOVEMBER 2002

REDI Chair Dave Griggs convened a REDI Board Retreat to discuss the issue of incentives and educate the Board on what incentive programs are available in Missouri and which communities use them. The retreat attendees heard presentations from economic developers from other Missouri communities and a Kansas City law firm that specializes in incentive programs. As a result of the retreat, a REDI Incentives Subcommittee formed to study the various incentive options and make a determination whether any of these programs may be helpful to Columbia/Boone County's economic development efforts.

### DECEMBER 2002 - DECEMBER 2003

Incentives Subcommittee members Dave Griggs, Charlie Digges, Jr., Paul Land, Richard Mendenhall and Joe Moseley, as well as REDI staff, met to discuss incentive issues. The committee looked at Enterprise Zones, Tax Increment Financing (TIF), Chapter 353 Tax Abatement, Chapter 100 Revenue Bonds and other incentive options as allowed by Missouri State Statutes.

### MAY 2003

The City of Columbia released the findings of a citizen survey that asked a variety of questions. When asked about incentives, 65 percent of Columbia residents said they were either very supportive or somewhat supportive of using incentives to attract new businesses or to retain existing business.

### DECEMBER 2003

The REDI Board received the Incentives White Paper from the Incentives Subcommittee. The recommendation from the subcommittee was that Chapter 100 Revenue Bonds were a good fit for Columbia/Boone County for reasons outlined in the Incentives White Paper. The REDI Board approved the Incentives White Paper and recommended that the Incentives Subcommittee present the paper to the Columbia Public Schools, City of Columbia and County of Boone. The proposal was also shared with selected plant managers of existing area manufacturing firms. Overall, plant managers were favorable of the program, and some felt that their company would possibly utilize the program to better compete for expansion opportunities within their corporations.

### DECEMBER 2003

The Incentives White Paper was presented to the Boone County Commissioners in a work session. The Commission recommended that REDI forward the document to the City and the school system for review.

### FEBRUARY 2004

The Incentives White Paper was presented to Columbia City Council in a work session. The Council recommended that REDI forward the document to the school system for review.

### MAY 2004

The Incentives White Paper was presented to Columbia Board of Education.

#### AUGUST 2004

The REDI Incentives Subcommittee reviewed written Chapter 100 Revenue Bond policies from other Missouri communities including St. Louis, Kansas City, Platte County, Liberty, Warrensburg, Lincoln County and Clay County. The Incentives Subcommittee compiled a draft policy integrating the best aspects of those policies.

#### SEPTEMBER 2004

A first draft of the Chapter 100 Revenue Bond Policy was submitted to the Incentives Review Team, which included representatives of the taxing jurisdictions. The policy was discussed at a meeting that included all the representatives of the Incentives Review Team. Several changes to the policy were recommended.

#### OCTOBER 2004

After making changes discussed by the Incentives Review Team, REDI retained the services of Bond Counsel Nancy Lear of Gilmore and Bell, LLC to review the policy. After the policy was reviewed, it was again shared with the representatives of the Incentives Review Team and additional comments were solicited. Comments were received from one of the taxing jurisdictions, and those comments were incorporated into the policy. When no other comments were received from the other communities or taxing entities, the Incentives Subcommittee presented the Chapter 100 Revenue Bond Policy and Application to the REDI Board.

#### NOVEMBER 2004

The REDI Board of Directors reviewed and approved the Chapter 100 Revenue Bond Policy and Application and directed the REDI staff and REDI Incentives Review Team to present the policy to the Boone County Commission and the various cities in Boone County. Members of the Incentives Subcommittee presented the policy to the Boone County Commission at a work session.

#### DECEMBER 2004

Members of the REDI Incentives Subcommittee and REDI staff presented the Chapter 100 Revenue Bond Policy and Application to the Centralia Board of Alderman and the Centralia R-VI School Board.

#### JANUARY 2005

In three separate presentations, members of the REDI Incentives Subcommittee and REDI staff presented the Chapter 100 Revenue Bond Policy and Application to the Ashland Board of Alderman, the Hallsville Board of Alderman and the Ashland School Board, Southern Boone County Fire Protection District and other taxing entities. At a later meeting, the Centralia Board of Alderman approved the Chapter 100 Revenue Bond Policy.

#### MARCH 2005

After a 2-2 vote by the Hallsville Board of Alderman, the Hallsville mayor broke the tie with a "no" vote. Therefore, the Chapter 100 Revenue Bond Policy was not approved in Hallsville. The Ashland Board of Alderman voted unanimously in favor of the Chapter 100 Revenue Bond Policy. The Boone County Commission heard a first read of the Chapter 100 Revenue Bond Policy at a regularly scheduled commission meeting. The REDI Incentives Subcommittee Chair indicated that the only change from prior policies is that the word "PILOT" was removed from the policy and replaced with "grant payments", as the wording affects the school funding formula. Following discussion with REDI Incentives Subcommittee members, REDI staff and a member of the Columbia School Board, the commission spoke in favor of the policy but postponed a second reading until after the Columbia City Council considers the policy.

#### JUNE 2005

Members of the REDI Incentives Subcommittee and REDI staff met with the Boone County Commission in a regularly scheduled work session to discuss changing the county's Chapter 100 Revenue Bond proposal to include retention/expansion project only.

#### JULY 2005

A revised version of the Chapter 100 Revenue Bond Policy, which included the retention/expansion language, was read (first reading) and discussed by the Boone County Commission at a regularly scheduled meeting. At the REDI Board of Directors meeting, Co-Chair Dave Griggs gave a final report to the board, indicating that the research completed by the Incentives Subcommittee shows that Chapter 100 Revenue Bonds are the recommended incentive tool, should the governing bodies chose to implement them, for Columbia and Boone County. The board voted to forward the Chapter 100 Revenue Bond Policy to the Columbia City Council and Boone County Commission.

# INCENTIVES WHITE PAPER

A Report from the REDI Incentives Sub-Committee

December 10, 2003

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## BACKGROUND

Traditionally, Columbia and Boone County have maintained a "no incentives" policy regarding economic development. Since the formation of REDI 15 years ago, that approach has worked relatively well. However, in 2002, Columbia/Boone County lost a desirable project -- and approximately 200 jobs -- to St. Joseph, Missouri. After the company announced their decision to locate in St. Joseph, they added that had city and county leaders here been able to offer some sort of incentive, the company would have chosen the Columbia/Boone County area as home to their manufacturing plant.

In an effort to better understand the incentives that companies look for, and how they could be used in Columbia and Boone County, REDI Board Chair Dave Griggs called a Board Retreat in the fall of 2002. Richard A. King of King Hershey Law Firm attended the retreat and gave a presentation on incentives. As a result of the retreat, a REDI Incentives Sub-committee formed to study the possible incentives that Columbia and Boone County leaders could utilize in future projects. Members of the sub-committee are:

Charlie Digges, Jr.	Dave Griggs	Paul Land
Richard Mendenhall	Joe Moseley	

In May 2003, the City of Columbia released the findings of a citizen survey that asked a variety of questions. In particular, citizens responded to two questions regarding economic development and using incentives to attract new businesses to the area. Questions and answers are as follows:

In general, how do you think the City's efforts to promote economic development in the community should change over the next five years?

Much greater	16.9%
Somewhat greater	37.5%
Stay the same	25.5%
Reduced	3.3%
Don't know	16.7%

In general, how supportive are you of having the city use incentives to attract new businesses and the expansion of existing business in Columbia?

Very supportive	27.2%
Somewhat	38.5%

Not sure	20.7%
Not supportive	13.6%

Fifty-four percent of the respondents indicated that efforts to promote economic development should be somewhat greater or much greater. Also, more than 65 percent of the citizens surveyed agreed that the city should use incentives to attract new businesses and help facilitate the expansion of existing businesses. While the survey showed significant support for incentive use, it did not set parameters as to what companies or types of projects would be eligible for the incentives. The purpose of this proposed incentive use plan is to establish parameters for incentive use and to help REDI:

- Encourage Columbia area businesses to continue to invest here,
- Attract investment from desirable companies,
- Retain and expand existing employer base, and
- Create new jobs.

#### HISTORY OF INCENTIVES

Municipalities have several tools available to them in order to meet the above goals and to remain competitive in an ever-changing business world. While the Missouri constitution prohibits the use of public funds for private purposes, an amendment passed in 1962 that allows for tax abatement for redevelopment to eliminate obsolete, decayed, or blighted areas. Most incentives used today are derived from that 1962 amendment.

Three tools this sub-committee took under consideration all related to the abatement or diversion of a *portion* of the *increased* property tax revenue for new or existing companies considering an expansion. Existing tools, set in place by the State of Missouri, that the City or County could use to implement tax incentives are:

- TIF (Tax Increment Financing),
- Chapter 353 Tax Abatement, and
- Chapter 100 Revenue Bonds.

#### TIF (TAX INCREMENT FINANCING)<sup>1</sup>

Municipalities can only spend public funds for public purposes. If the costs to be funded are public improvements – such as roads, traffic signals or utilities – then the municipality has a variety of options as to how to finance those public improvements. If the costs to be funded are not public improvements – such as land acquisition costs or site development costs – then public funds can be used to finance those costs only if the governing body of the municipality finds that the site is a "blighted area" or a "conservation area," as

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<sup>1</sup> Source: Gillmore and Bell, Attorneys at Law and Missouri Department of Economic Development

defined under Missouri law. TIF is a statutory procedure available to municipalities to encourage the redevelopment of these areas.

The Missouri TIF law authorizes the governing body of a municipality to adopt a redevelopment plan providing for the redevelopment of a designated area and to use TIF to fund the costs of redevelopment projects in the designated area. TIF involves the issuance of bonds or other obligations that are secured by a pledge of payments, in lieu of taxes, attributable to the increase in assessed valuation of taxable real property within the designated area resulting from redevelopment improvements, as well as a portion of the incremental sales taxes generated within the redevelopment area.

The theory of TIF is that by encouraging redevelopment projects, the value of real property in a redevelopment area should increase. When a TIF plan is adopted, the assessed value of real property in the redevelopment area is frozen for tax purposes at the current base level prior to construction of improvements. The owner of the property continues to pay property taxes at this base level. As the property is improved, the assessed value of real property in the redevelopment area increases above the base level. By applying the tax rate of all taxing districts having taxing power within the redevelopment area to the increase in assessed valuation of the improved property over the base level, a "tax increment" is produced. The tax increments, referred to as "payments in lieu of taxes," (PILOTS) are paid by the owner of the property in the same manner as regular property taxes. The PILOTS are transferred by the collecting agency to the treasurer of the municipality and deposited in a special allocation fund. In addition the county and city transfer 50% of all incremental sales and utility tax revenues to the treasurer of the municipality for deposit into the special allocation fund. All or a portion of the moneys in the fund can then be used to pay directly for redevelopment project costs or to retire bonds or other obligations issued to pay such costs.

The net effect of TIF is to permit a developer to use a portion of property taxes that otherwise would be paid on the completed project to repay all or a portion of the development costs, thereby reducing the net annual debt service on the completed project (and thus increasing the rate of return on the project). In this manner, future tax increases are not abated, but rather are used to fund costs of the project.

As defined by state statutes, eligible applicants include commercial or industrial redevelopment projects that create net new local taxes. Most TIF projects in Missouri have been for retail projects, such as the Galleria Shopping Center in St. Louis County. The project must demonstrate that a subsidy is required to make the project feasible. Redevelopment project costs include the costs of studies, surveys, plans and specifications, land acquisition, land preparation, professional service costs and fees, and construction costs of both public

and private improvements. Most TIF projects involve the development of public infrastructure to support a project, however, redevelopment of buildings is also typical.

If TIF is approved, a development agreement is executed, which may include specific expectations by the developer. The approved project's costs may be funded either by the issuance of revenue bonds (paid from the TIF increments) or other loans. In any event, the developer will typically either guarantee the loan or purchase the bonds. The developer may also fund the approved project costs and be reimbursed from the increments over an approved time period.

#### CHAPTER 353 TAX ABATEMENT<sup>2</sup>

Under Chapter 353 of the Revised Statutes of Missouri, real property tax abatement is available within "blighted areas". An urban redevelopment corporation is created under the general corporations laws of Missouri and, once created, it has the power to operate one or more redevelopment projects pursuant to a city-approved redevelopment plan.

The corporation must take title to the property to be redeveloped. Tax abatement is then available for a period of 25 years. During the first 10 years, 100% of the incremental real property taxes may be abated. During the next 15 years, up to 50% of the incremental real property taxes may be abated. Thus, the city may approve a redevelopment plan that provides for tax abatement for up to 25 years.

PILOTS may be imposed on the urban redevelopment corporation by contract with the city. Payments are made on an annual basis to replace all or part of the real estate taxes that are abated. Payments must be allocated to each taxing district according to their proportionate share of ad valorem property taxes.

As defined by state statutes, tax abatement under the Urban Redevelopment Corporation Law is only extended to real property that has been found to be a "blighted area" by the city. For purpose of 353 tax abatement, the term "blighted area" is defined as: *That portion of the city within which the legislative authority of such city determines that by reason of age, obsolescence, inadequate or outmoded design or physical deterioration, have become economic and social liabilities, and such conditions are conducive to ill health, transmission of disease, crime or inability to pay reasonable taxes.* Real property may be property found to be blighted even though it contains improvements, which by themselves do not constitute blight. Tax abatement may also be extended to a tract of real property, which by itself does not meet the definition of a blighted area if such tract is necessary to the redevelopment project and the area on the whole constitutes a blighted area.

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<sup>2</sup> Source: Gillmore and Bell, Attorneys at Law and Missouri Department of Economic Development

The Urban Redevelopment Corporation must carefully plan when it takes title to real property to ensure that it maximizes the benefits of 353 tax abatement. The "25 years" starts to run as soon as the Urban Redevelopment Corporation takes title. Unless the current improvements on the real property have a significant assessed value, the Urban Redevelopment Corporation should not take title to the real property until the improvements to be made under the redevelopment project are completed. Until that time, title to the real property may be held by a related entity. The Urban Redevelopment Corporation may exercise the power of eminent domain to acquire any interest in any real property that is necessary to the development plan, provided that the city has granted the power of eminent domain to the corporation.

### **CHAPTER 100 REVENUE BONDS<sup>3</sup>**

Municipalities are authorized, pursuant to Sections 100.010 to 100.200 of the Missouri Revised Statutes, to issue industrial development bonds (IDBs) to finance industrial development projects for private corporations, partnerships and individuals. The types of projects that can be financed with IDBs include the costs of warehouses, distribution facilities, research and development facilities, office industries, agricultural processing industries, services facilities which provide interstate commerce and industrial plants. The Missouri Constitution also authorizes such bonds to be issued for other types of commercial facilities. In connection with such projects, the bond proceeds may be used to finance land, buildings, fixtures and machinery.

There are two primary reasons to issue IDBs. First, if the bonds are tax-exempt, it may be possible to issue the bonds at lower interest rates than those obtained through conventional financing. Second, even if the bonds are not tax-exempt, ad valorem taxes on bond-financed property may be abated so long as the bonds are outstanding. Such tax abatement may result in a significant financial benefit to a company.

IDBs issued by a municipality do not require voter approval and are payable solely from revenues received from the project. The municipality applies the proceeds from the sale of the bonds to purchase, construct, improve or equip a warehouse, distribution or industrial facility. In exchange, the company promises to make payments that are sufficient to pay the principal and interest on the bonds as they become due. Thus, the municipality merely acts as a conduit for the financing.

The municipality and the company may determine that partial tax abatement -- but not full tax abatement -- is desirable. For instance, if bonds are issued to finance both real and personal property, but the municipality determines that tax abatement on the personal property is not appropriate, the company may agree to make PILOTS to the city or county under a grant agreement. The amount of PILOTS is negotiable; it could be an amount equal to the personal property taxes that would otherwise be assessed against the personal property if

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<sup>3</sup> Source: Gillmore and Bell, Attorneys at Law and Missouri Department of Economic Development

the project was not otherwise exempt from taxation, or it could be any other amount. In any event, the PILOTS would be payable by December 31 of each year, and would be distributed to the municipality and to each political subdivision in the same manner and in the same proportion as property taxes would otherwise be distributed under Missouri law.

In a typical IDB transaction, the company will convey to the municipality fee simple title to the site on which the industrial development project will be located (the municipality must be the legal owner of the property while the bonds are outstanding in order for the property to be eligible for tax abatement). At the same time, the municipality will lease the project site, together with all improvements thereon (including the project), back to the company pursuant to a lease agreement. The lease agreement will require the company, acting on behalf of the municipality, to use the proceeds of the bonds to purchase and construct the project. The company will be unconditionally obligated to make payments in amounts that will be sufficient to pay principal and interest on the bonds as they become due. Pursuant to a trust indenture, the municipality will assign to the trustee, for the benefit of the bondowners, its right to receive rental payments from the company under the lease agreement.

Revenue bonds do not require a public vote and do not have the general credit of the city as a guarantee. Since revenue bonds are merely a "pass through" (as the bonds are sold on the basis of the company's credit), there are four reasons that Chapter 100 Revenue Bonds may be a benefit:

- The interest received by the bondholders may be exempt from federal and state income taxes, if the project is eligible,
- Real estate of other assets may be exempt from some or all property taxes if structured as a lease to the company,
- The company may desire an "off-balance sheet" lease structure, with the city/county owning the facility. The lease could be structured as an "operating" lease under generally accepted accounting standards, and
- If the city/county owns the facility and purchases the building materials, the building material would likely be exempt from state and local sales taxes.

Any municipality proposing a Chapter 100 project for development shall first, by majority vote of the governing body of the city or county, approve the plan for the project. The plans should include the following information pertaining to the proposed project:

- A description of the project,
- An estimate of the cost of the project,

- A statement of the source of funds to be expended for the project,
- A statement of the terms upon which the facilities to be provided by the project are to be leased or otherwise disposed of by the municipality, and
- Such other information necessary to meet the requirements of sections 100.010 to 100.200.

#### **INCENTIVES SUMMARY**

In summation, Mr. King stated that no city or county would stand to lose anything by implementing any of these incentive tools, in that the current tax base can be preserved and new development stimulated with any of these tools. The sub-committee feels strongly that any incentive used or offered should not have a negative impact on the current tax revenue or taxing entity. The incentives proposed in this paper only *defer*, for a defined period of time, future tax revenues in projects that benefit Columbia and Boone County.

Based upon these available tools, the sub-committee recommends that currently, the best incentive “fit” for Columbia and Boone County is Chapter 100 Revenue Bonds. These bonds are true incentives to the types of companies that REDI works with and have been used in many high-profile location projects in the state of Missouri in the last several years. Unlike Chapter 100 Revenue Bonds, TIF and Chapter 353 both require blight. While REDI’s present inventory of developable sites do not contain a blighted area, future projects may consider blighted property and would be well-served by Chapter 353 or TIF incentives.

#### **COLUMBIA/BOONE COUNTY CRITERIA FOR INCENTIVES**

First, the REDI Incentives Sub-committee studied recent Kansas City and Platte County, Missouri policies, which clearly outline a Chapter 100-based incentive program. These types of incentives are feasible and demanded by the types of projects REDI works with. The main difference between their (Kansas City and Platte County) programs, and the ones outlined in this document is that this sub-committee raised the minimum investment criteria. The minimum amount of Chapter 100 Revenue Bond issuance for an existing business is suggested at \$7.5 million versus \$15 million for a new business to the city or county.

On average, REDI works with approximately 100 valid prospects each year. Using the parameters suggested by this committee and the nature of previous prospects, REDI staff projects that less than ten percent of all prospective companies might meet the minimum criteria for the incentives proposed in this plan, in any given fiscal year.

New or existing companies must meet certain criteria to be considered for Chapter 100 Revenue Bonds, Chapter 353, and TIF. In addition to requirements laid out in the Missouri State Statutes, other factors to be considered include how much investment the company plans to make in the community and the net positive

impact to the tax base, as well as the overall economic impact of the project. Taken from the Kansas City and Platte County documents, the following statements could be used by City of Columbia and Boone County leaders as additional criteria to adopt an incentive policy:

- Substantial increase in job creation and/or retention of a substantial number of existing employees,
- Real and personal property investment,
- Average wages of present/future employees,
- Financial strength of the business,
- Potential for future expansion,
- General environmental impact on the area, and
- Evidence of the need for the Chapter 100 Bond in recruitment projects (i.e., a “but for” that demonstrates competition from another state and/or city).

It is important to note the need for incentives among our existing industries. For example, Columbia and Boone County are home to many branch manufacturing plants. For a branch plant to increase their product line, therefore invest more in the community and employ more Mid-Missourians, the local plant must compete with other facilities within their company for expansion opportunities. Our local plant must prove that it's competitive; that it's the lowest-cost choice for an expansion project. All of Columbia's branch plants face these challenges. If REDI can offer incentive tools to existing businesses as they compete within their own company for projects, it will result in more jobs and an increased tax base for companies that have already proven themselves as good corporate citizens and stable employers for local residents.

#### **WHY IS THERE A NEED FOR AN INCENTIVES POLICY?**

A very short amount of time elapses from the time a company contacts REDI for information regarding available site and/or buildings and incentives and the time the company makes a decision as to where to locate a multi-million dollar facility. If parameters are set and a program is in place, REDI staff, after asking just a few questions of the prospect, will know whether or not the company qualifies for Columbia/Boone County's available incentives. The time to consider incentives is not when a prospect is waiting for an answer. If there is an established policy in place, REDI staff will have the ability to answer the prospect's questions quickly and effectively. Even with a policy in place, each individual project request to use incentives would still require approval by the appropriate public entity.

#### **WHAT ARE THE NEXT STEPS?**

The role of the Incentives Sub-committee has been to review the use of incentives in local economic development efforts. After a review of incentive use in other Missouri communities, and after a review of

existing incentive programs allowed by Missouri statutes, the sub-committee has determined that there are cases where the use of incentives to attract or retain quality employers is warranted. In addition, there will be future projects that will be deemed to be a good fit for the Columbia area that will request incentives. A response of "absolutely no incentives" will more than likely portray a lack of interest in obtaining the project, and could hamper efforts to attract some of the larger capital-intensive life science and technology driven projects. A written policy on the use of incentives will allow REDI to respond quickly and professionally if a company does not meet the thresholds, and to compete for quality projects that do meet the thresholds.

REDI has no authority to implement an incentive program. The incentives suggested in this document require approval by the City of Columbia and/or Boone County and other affected taxing entities such as school districts, fire protection districts, and library boards.

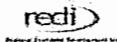
The purpose of this document is to encourage the cities, counties, and taxing jurisdictions to discuss whether they will support the use of incentives for economic development efforts in certain projects that meet the qualifying standards. If the City of Columbia and the effected taxing jurisdictions feel that there may be cases where incentives would benefit the community, the incentive subcommittee would suggest the creation of a written policy and formulation of basic guidelines by a group that includes representation of each of the entities. The written policy and guidelines will then be presented to each of the groups for approval.

If Columbia and Boone County, along with the taxing jurisdictions, are able to articulate an incentive policy, this will allow REDI staff to discuss possible incentives with projects that are deemed to be a good fit for our area, and allow them to clearly state that no incentives are available for projects that do not meet the agreed upon guidelines. Even if a project is deemed eligible, the governing body must still approve the incentive on a per project basis.

There are numerous economic opportunities for Columbia and Boone County. REDI staff is fortunate to have a long list of local assets to use in their marketing material and the incentives suggested in this document will only add to that list. The REDI Incentives Sub-committee asks that the school districts and other taxing jurisdictions, as well as the Columbia City Council and the Boone County Commission, take into serious consideration the economic development tools given to municipalities by state statutes, and the positive impact they can have on the future of Columbia and Boone County. The sub-committee requests that the REDI Board review and endorse this proposal, then present it to city, county, and taxing jurisdiction for approval to ensure the economic vitality of Columbia and Boone County for future generations.

### Current Project Application and General Process

- Project was announced in May, 2014 and was REDI collaboration with MU, City, and County
- This is a competitive project that considered multiple locations in several states
- Chapter 100 Application received from: Northwest Medical Isotopes, LLC
- Company will present project and answer questions



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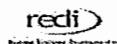
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### General Process

- First meeting July 25, 2018, of Review Panel to review application, assess community impacts, estimate fiscal impacts, ask questions
- Second meeting TBD will be to continue discussion on project, and potentially vote on forwarding to County Commission for further consideration (majority vote required)
- County Commission makes decisions on issuance of the Chapter 100 Revenue Bonds



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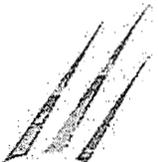
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# GILMORE BELL

GILMORE & BELL, P.C



## Chapter 100 Bonds

November 6, 2008

Jim Caldwell  
Gilmore & Bell, P.C.  
2405 Grand, Suite 1100  
Kansas City, Missouri 64108  
Phone: (816) 221-1000

# Chapter 100 Bonds

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- Bonds issued by cities/towns/villages and counties under Sections 100.010 to 100.200 for industrial development purposes
- General Obligation Bonds:
  - Secured by full faith and credit and taxing power of issuer
  - Amount limited to 10% of assessed valuation
  - Requires 2/3rds voter approval
  - 20-year term limit

# Chapter 100 Bonds

## ► Revenue Bonds:

- Payable solely from revenues received from the project being financed
- Not indebtedness of issuer; limited liability
- Amount not limited by assessed valuation
- Does not require voter approval
- Term not limited by law

# Chapter 100 Bonds

- Types of Projects that can be financed:
- Industrial plants
  - Warehouses and distribution facilities
  - Research and development facilities
  - Agricultural processing industries
  - Service facilities which provide interstate commerce
  - Commercial facilities
  - Office industry

# Chapter 100 Bonds

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➤ Office industry:

- Regional, national or international headquarters
- Telecommunications operation
- Computer operation
- Insurance company
- Credit card billing and processing center

# Chapter 100 Property Tax Exemption

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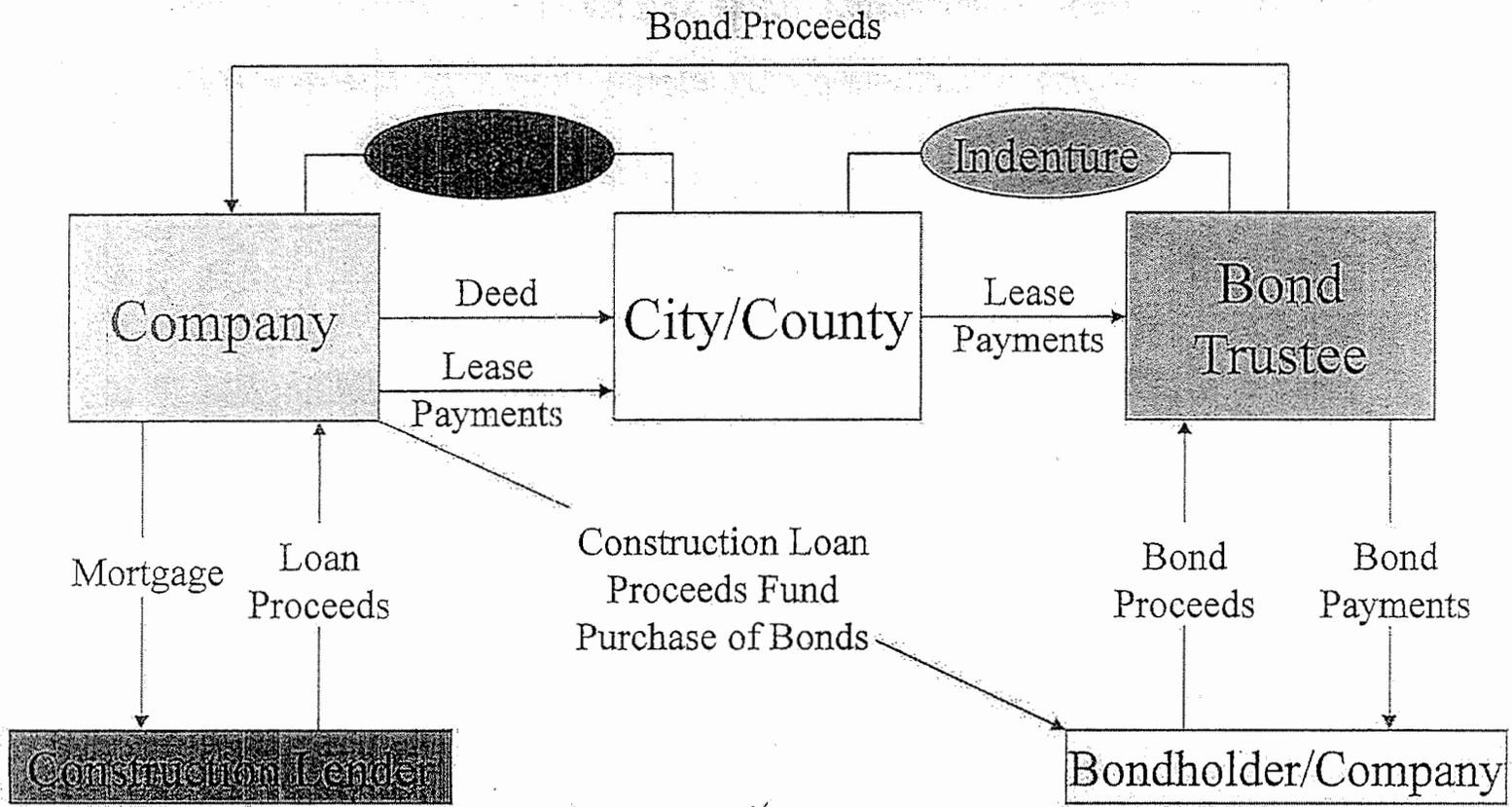
- Property owned by cities and counties is exempt from real and personal property taxation (Art. X, Sec. 6, Mo. Const.; Section 137.100(2))
- Chapter 100 is the only way to get personal property tax exemption
- Property tax exemption requires title to the property financed be held by the city or county

# Chapter 100 Structure

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- At closing, company conveys property to city/county
- City/county leases property back to company
- City/county issues bonds and proceeds are used to pay or reimburse company for project costs.
- Company makes lease payments under lease in amounts sufficient to pay principal and interest on bonds
- Title conveyed back to company when bonds paid

# Chapter 100 Structure



# Chapter 100 Property Tax Exemption

- Although property of city/county is exempt from property taxation, the Mo. Supreme Court has held that the company's leasehold interest is taxable to the extent that the economic value of the lease is less than the actual market value
- If lease payments under the lease agreement equal the actual debt service on the bonds, the leasehold interest has no "bonus" value and the project should be exempt from property taxation

# Chapter 100 PILOTS

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- Full tax abatement is rare
- Company is normally required to make payments in lieu of taxes (PILOTs)
- Percentage and length of property tax abatement is subject to negotiation with city/county.
- Typically no abatement on existing property
- Abatement may be limited to real or personal property or can include both

# Chapter 100 PILOTS and Clawbacks

- Terms of abatement often set forth in a PILOT or Performance Agreement
- Other requirements often imposed:
  - Minimum job creation and/or retention levels
  - Minimum average compensation
  - Minimum investment
  - Infrastructure improvements
- Clawbacks for failure to meet requirements

# Chapter 100 Procedural Requirements

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- City/County must prepare plan for the project:
  - Description of the project and estimate of cost
  - Statement of source of funds
  - Statement of the terms of the lease
  - Statement identifying each taxing jurisdiction
  - Most recent assessed value of property
  - Cost-benefit analysis showing impact on each taxing jurisdiction
  - Description of any PILOTS and how to be distributed

# Chapter 100 Procedural Requirements

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## ➤ Chapter 100 Plan:

- Company may reimburse city/county for actual costs of issuance of bonds and administering the plan
- Remaining amounts paid by company to be disbursed by city/county treasurer or financial officer as PILOTs to taxing jurisdictions
- Prior to approving plan, city/county must provide not less than 20 days notice to taxing jurisdictions inviting them to submit commits to governing body which “shall be fairly and duly considered”

# Chapter 100 Sales Tax Exemptions

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- ▶ Sales tax exemptions:
  - Tangible personal property and materials to construct, repair or remodel facilities of city/county if purchases are related to entity's "exempt functions and activities" (Section 144.062; 1996 DOR private letter ruling okays use)
  - Machinery and equipment to establish new or expand existing manufacturing, mining or fabricating plants if used directly in manufacturing, mining or fabricating a product which is intended to be sold ultimately for final use or consumption (Section 144.030.2(5))

# Chapter 100 Sales Tax Exemptions

- Sales tax exemptions:
  - Sales and leases of tangible personal property under Chapter 100 by any city/county if certified by the Department of Economic Development **before** project announced or property purchased (Section 144.054.3)
  - Department requirements:
    - Competing state (state/local incentive proposal required)
    - Above-average wages (with benefits) or distressed or blighted area
    - Local incentives commensurate with state incentives
    - Positive state fiscal benefit
    - Prior City/County approval of exemption

# Chapter 100 Issues

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## ► Competitive bidding:

- Section 100.170 requires contracts to be let on competitive bidding to lowest and best bidder
- But Mo. Supreme Court has held this provision does not apply to projects financed by industrial revenue bonds payable solely from revenues of the improvements and not from general funds of the issuer (*Wring v. City of Jefferson*, 413 S.W. 2d 292 (Mo. Banc 1967))

# Chapter 100 Issues

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## ➤ Prevailing wages:

- Cities/counties required to pay prevailing wage rates on “public works”
- But Mo. Court of Appeals (Western District) has held that if a city’s involvement in a project is limited to the issuance of industrial revenue bonds as a sponsor rather than a direct participant, workers were not employed “by or on behalf” of the city (*State v. City of Sedalia*, 629 S.W. 2d 578 (Mo. App. 1981))

# Finance Guide

Chapter 100 Bonds and other economic development tools:



<http://www.ded.mo.gov/BDT/topnavpages/Research%20Toolbox/Finance%20Guide.aspx>

**GILMORE BELL**  
SCHMIDT & KELL, P.C.

# CHAPTER 100 POLICY

## BOONE COUNTY, MISSOURI

### STATEMENT OF PURPOSE

This policy is adopted in an effort to attract life sciences, related high tech companies or other basic companies as defined in the Eligibility Qualifications section, all of which would bring or retain significant new capital investment and/or create high tech, high skilled, high paying employment opportunities in the County of Boone. This Chapter 100 Policy will be used as an economic development tool only when absolutely necessary due to competitive situations. Geographically, the County of Boone Chapter 100 Program described in this Chapter 100 Policy is available at any location inside the County of Boone. The actual site selection process is governed by the individual needs of the company/project. The applicant understands that the Chapter 100 Revenue Bond approval process is public in nature and that information provided by the applicant will be open material and subject to public review.

The issuance of revenue bonds under Chapter 100 of the Missouri Revised Statutes ("Chapter 100") is one tool available to the County of Boone to encourage economic development. Chapter 100 authorizes the County of Boone to issue bonds for "the purchase, construction, extension and improvement of warehouses, distribution facilities, research and development facilities, office industries, agricultural processing industries, service facilities which provide interstate commerce, and industrial plants, including the real estate either within or without the limits of such municipalities, buildings, fixtures and machinery." Article VI, Section 27(b) of the Missouri Constitution also allows revenue bonds to be issued for "commercial" purposes, but this policy excludes retail projects. In a Chapter 100 transaction, the assets are owned by the County of Boone and usually leased to the beneficiary company. The revenue bonds are payable solely from revenue (usually rentals) received from the project (the beneficiary company is the underlying credit on the bonds), and the revenue bonds are not a general obligation of the County of Boone. The County of Boone will accept no credit risk in issuing bonds for the proposed project. The revenue bonds may be secured by a mortgage on the project. Because the County of Boone holds title to the project, the project is exempt from real and personal property taxation (although the leasehold interest may be subject to taxation if it determined that there is a "bonus value" under the lease). Although a project is 100% exempt from real and personal property taxes, a negotiated "grant" payment of at least 50% from the beneficiary company shall be made to all impacted taxing jurisdictions. The Boone County Commission may designate an economic development project as a "critical or substantial benefit project". Projects so designated may qualify for additional flexibility under this policy as determined by the Boone County Commission in consultation with REDI and the impacted taxing entities as defined in this policy. The term all "impacted taxing jurisdictions" may include, but is not limited to, fire protection districts, library districts, road districts, etc, in addition to city, school and county. The intent of this

policy is not to exclude any impacted taxing entity. The beneficiary company will enter into an agreement with the County of Boone pursuant to which it agrees to make "grant" payments or equivalent contributions to the County of Boone and all other impacted taxing jurisdictions as detailed in the following Eligibility Qualifications.

The State of Missouri already allows sales tax exemptions for machinery and equipment to establish new or expand existing manufacturing, mining or fabricating plants if used directly in manufacturing, mining or fabrication of a product which is intended to be sold ultimately for final use of consumption. Other possible Boone County Chapter 100 Revenue Bond sales tax exemptions are described below:

Sales tax exemption on purchases of tangible personal property and materials used to construct, repair, or remodel facilities under the Boone County Missouri Chapter 100 Policy may be granted if the project:

- 1) Has been offered competing incentive proposals
- 2) Pays wages above the average county wage
- 3) Has committed state incentives commensurate with local incentives
- 4) Provides a positive County Impact
- 5) And receives prior approval of the county and the impacted taxing entities as detailed in this policy.

To receive sales tax exemption on non-manufacturing tangible personal property not otherwise defined in this policy, the qualifying project must have been determined to meet the eligibility criteria as established by the Missouri Department of Economic Development, and receive certification of Missouri Department of Economic Development project sales tax exemption.

The Commission of the County of Boone is under no obligation to approve any requested incentive. The County of Boone must balance its goal of fostering a healthy business climate with the objective of maintaining a high quality of life.

## **ELIGIBILITY QUALIFICATIONS**

### **1. Life Sciences and Technology Related Companies**

The term "life sciences", as it relates to this policy, is similar to the University of Missouri-Columbia's interdisciplinary approach. Bringing together six schools and colleges (the College of Agriculture, Food and Natural Resources; the College of Arts and Sciences; the College of Engineering; the College of Human Environmental Sciences; the School of Medicine and the College of Veterinary Medicine), the University of Missouri focuses on research and education regarding:

1. The supply and quality of food
2. Prevention and treatment of disease

### 3. Protection and improvement of our environment

Other sources define "life sciences companies" as those in the fields of biotechnology, pharmaceuticals, biomedical technologies, life systems technologies, nutraceuticals, cosmeceuticals, food processing, environmental and biomedical devices.

Simply put, "life sciences" generally encompasses all sciences that have to do with organisms (plants, animals and human beings).

### 2. Basic Sector Employers

The Basic Jobs Sector is also referred to as the Primary or Contributory Sector. This Sector is made up of industries that contribute or import money into a local economy. Basic Employers; sell or export their products or services outside of the area and are not dependent upon local customers, import new money into the community and have greater potential to create spin-off jobs. Manufacturing firms, regional or corporate offices, research and development firms and warehouse and distribution companies meeting capital investment criteria and providing jobs above the county average wage.

Applicants must meet the following minimum amount of capital investment:

- New Companies
  - A life sciences, related high tech business, basic employers and other eligible companies as defined in the eligibility section new to the municipality - \$10 million new minimum capital investment.
- Existing Companies
  - A business currently located in the County of Boone - \$5 million new minimum capital investment for the purchase, construction, extension and improvement of warehouses, distribution facilities, research and development facilities, office industries, agricultural processing industries, service facilities which provide interstate commerce, and industrial plants, including the real estate either within or without the limits of such municipalities, buildings, fixtures and machinery.
- Manufacturing Reinvestment Projects
  - To encourage new capital investment in vacated, or threatened to be vacated, manufacturing facilities for companies investing at least \$3 million in a Boone County manufacturing building. The company must create or retain at least 50 jobs.
- Project must locate or expand in the County of Boone.
- Percentage of grant payments shall be at least 50% of the normal tax revenues generated from real and

personal property taxes, during the incentive period, which shall not exceed 10 years. Annual grant payments may be set up on a variable payment schedule, but shall total at least 50% of the normal tax revenues during the incentive period.

- At the end of the incentive period, which shall not exceed 10 years, the applicant will make grant payments equal to 100% of the normal tax revenues for real and personal property until the real and personal property returns to the tax roles.
- Either real and/or personal property investment is eligible for the County of Boone Chapter 100 Program.
- On personal property, the incentive period will equal the depreciable life of the asset, but cannot exceed 10 years.
- Replacement of equipment financed under a previous Boone County Chapter 100 Bond issuance is not eligible.
- Grant payments are due on the same date that personal and real property taxes are due in Boone County. Late payments will be dealt with using the County's existing late fee schedule. Grant payments will be determined each year based on the levy

### **3. Data Center Projects (NAICS 2007-Code 51820)**

Data Center Sector Projects consist of establishments that create large investments in both real property and personal property. Data Center Sector Projects may not employ large numbers of employees, but the employees are generally paid a wage significantly greater than Boone County or State of Missouri average wages. Data Centers may be single user (enterprise) or co-location facilities (multiple tenants). These establishments also create an opportunity for other related establishments to locate in close proximity to the data center operation, generally to provide support services to the data center operation.

Data Centers generally require large amounts of redundant electricity, telecommunications and water for daily operation.

Community benefits from data center locations include substantial real property tax payments, sales tax revenue from utilities, substantial construction materials and payroll investment. An Economic Impact Statement shall be prepared for each proposal which illustrates current real estate taxes on subject property and the projected real estate taxes based upon the proposed investment for consideration by the taxing entities and the Boone County Commission.

Competition to locate data centers, as indicated by our neighboring states, established policies, requires

an aggressive Chapter 100 policy allowing for abating up to 100% of personal property and sales taxes on computer and computer-related equipment purchased utilizing the Chapter 100 Bond for a period of up to, but not to exceed 20 years. This policy will also allow for consideration of the utilization of some portion, not to exceed 50% of real estate taxes for site and project infrastructure required to successfully locate the business prospect in Boone County. The final abatement term and benefits will be as negotiated by the County on a project by project basis.

The County will request a fee for the abatement of Personal Property Taxes to administer the abate program. Fee to be negotiated with the company.

Applicants must meet the following minimum qualifications:

- Qualify for the City of Columbia Transmission Service Rate (Ordinance B 41-10)
- Real Estate must generate substantial tax revenue when compared to the existing taxes collected on the subject property.

If the governing body of the County of Boone approves the application for a Chapter 100 transaction, the applicant shall agree to follow all current zoning and development regulations and processes once it is located in the County of Boone. Applicant's signature on application shall guarantee that applicant agrees to acknowledge and comply with all current zoning and development regulations and processes.

The applicant must demonstrate that the project will not occur (e.g., the business will not locate in the County of Boone or an existing business will leave or will not expand or reinvest in the County of Boone) or that the project will occur only on a significantly smaller scale or the project will not be as financially stable but for the tax relief. The company must include documentation to justify their request for the use of Chapter 100 Revenue Bonds. For a company with locations only in Boone County, the applicant should submit evidence of competing offers from other states or localities.

#### **COST BENEFIT ANALYSIS**

All County of Boone Chapter 100 Program applications will include a Cost Benefit Analysis, which shall include, but not be limited to:

- A report prepared by the Assessor of the County of Boone and forwarded to the Collector of the County of Boone explaining the amount of expected increased property tax revenue to the County and

all impacted taxing jurisdictions as a result of the project. This analysis shall include expected property tax revenue to all impacted taxing jurisdictions compared to the amount of the proposed property exemption.

- The assessor and the applicant will mutually agree to a depreciation schedule for all assets that are a part of the Chapter 100 Bond issuance.

#### **COMMUNITY IMPACT STATEMENT AND FUNDING CONSIDERATIONS**

A Community Impact Statement shall be generated by the applicant to aid the County Commission of the County of Boone in evaluating the issuance of Chapter 100 revenue bonds. A Community Impact Statement shall be performed on all Chapter 100 projects. The intent of the Community Impact Statement is to provide the County Commission of the County of Boone with a holistic picture of the project's impact. Upon receipt of a Chapter 100 bond application, the County of Boone may ask the applicant to provide additional information.

REDI staff will review issues involved with development of the project and share pertinent information with authorities of all impacted taxing jurisdictions. The Boone County Commission, in conjunction with REDI, will establish a Chapter 100 Review Panel consisting of a representative of each taxing jurisdiction impacted by the specific Chapter 100 proposal, before any formal request is submitted to the County of Boone. The review panel shall consist of those taxing entities providing direct services to the impacted site. The representative of the taxing jurisdiction shall be the chief elected official, chief appointed official, executive director, or officially designated representative of the taxing jurisdiction. After review of the preliminary project information by the review panel, a majority vote of the review panel is required before the applicant submits a formal application to the Boone County Commission. Upon completion of this review, impacted taxing entities may also submit a response form projecting the impact of the proposed project on said taxing jurisdictions during the requested abatement period. This report will be a part of the Community Impact Statement submitted to the County Commission of the County of Boone as part of the final approval process. The review and report of impacts by the taxing jurisdictions will be made in a timely fashion as determined by a mutually agreed upon timetable.

The applicant's responses relating to the following considerations will be considered in determining whether the use of Chapter 100 revenue bond financing will be pursued:

- I. Employment Impact -- In evaluating the employment potential of a given enterprise, the following will be taken into consideration:
  - a. Number of additional employees and number of employees retained due to the expansion.

- b. Number of expected additional residents to the County as a result of the project.
  - c. Skill and education levels of such employees.
  - d. Range of salaries and compensation of employees. The company's average wage for the project will be measured against the average Boone County wage as published annually by the Missouri Department of Economic Development.
2. Financial strength of the beneficiary company.
  3. The impact of the project on schools, existing businesses and infrastructure.
  4. Anticipated revenues and tax generation as a result of the project.
  5. Quality of life concerns (the impact of new business on the region).
  6. Compatibility of uses/zoning issues (due deference is given to the participating municipality), including evidence of applicant's compliance with all current development processes and procedures in the County of Boone and the potential of the beneficiary company to be willing and able to comply with all land-use and zoning requirements and building codes to operate the facility.
  7. Willingness of beneficiary company to accept "clawbacks," or base requirements on employment, wages and penalties for breach of agreement as determined through negotiation.
  8. Extent to which new or expanded business will compete with existing business in the area, including the potential impact on other existing employers.
  9. Discussion of the impact of any relocation of the applicant within the County.
  10. The beneficiary company's willingness to address community impacts caused by the scope of the proposed project.
  11. Potential for future expansion of the project.
  12. General environmental impact on the area using current local development standards for environmental assessments.
  13. The applicant must demonstrate that the project will not occur (e.g., the business will not locate in the County of Boone or an existing business will leave or will not expand or reinvest in the County of Boone) or that the project will occur only on a significantly smaller scale or the project will not be as financially stable but for the tax exemption.

14. The applicant is strongly encouraged to maintain a payroll account with a financial institution with a physical location in Boone County.

#### **APPLICATION FEES AND PROCESSES**

All costs and fees are borne by the beneficiary company or developer seeking to use Chapter 100 financing. A \$1,000 non-refundable pre-application fee will be collected by REDI. The beneficiary company or developer seeking to use Chapter 100 financing will be required to execute a predevelopment agreement. Such agreement shall provide for the payment of costs and attorneys' fees incurred in connection with any Chapter 100 project. If Chapter 100 Bonds are issued, the applicant will provide to REDI and Boone County employment, wage and other information needed to determine compliance with the Boone County Chapter 100 Policy on an annual basis.



July 20, 2018  
NWMI-LTR-2018-004

Regional Economic Development, Inc.  
ATTN: Bernie Andrews  
500 East Walnut, Suite 102  
Columbia, MO 65201

**RE: Boone County, Missouri – Chapter 100 Revenue Bonds**

Dear Mr. Andrews:

Attached is Northwest Medical Isotopes, LLC (NWMI) application for the Boone County, Missouri Chapter 100 Revenue Bonds. NWMI is a privately held company based out of Corvallis, Oregon. NWMI has been approved by the U.S. Nuclear Regulatory Agency (NRC) to construct a medical radioisotope production facility (RPF) at the Discovery Ridge Research Park (DRRP). DRRP is owned and managed by the University of Missouri (MU).

NWMI requests a 50% real and personal property tax abatement from Boone County and its taxing districts. We are requesting this for the following reasons:

1. The RPF will be a newly built facility in DRRP and we are looking for assistance to offset the construction costs.
2. NWMI's RPF construction and operations will create both temporary and long-term employment for the community. NWMI will also bring ancillary jobs and services to support the surrounding community which will positively impact the city and county tax base. These ancillary jobs and services will include irradiation services at the University of Missouri Research Reactor, equipment/facility repairs and maintenance, professional and administrative support as well as trucking/shipping logistical support.

NWMI conducted an exhaustive search throughout the United States for siting the RPF. We down-selected to four sites [University of Missouri Research Reactor (MURR) and Discovery Ridge Research Park (Discovery Ridge) in Columbia, MO; Oregon State University in Corvallis, OR; and McClellan Business Park in Davis, CA]. Our siting study concluded that the City of Columbia and Boone County provided the best overall fit for our RPF which included MURR and Discovery Ridge. In addition, the Columbia and surrounding community presents an ideal balance between supporting business through Chapter 100 tax revenue bonds, creating new jobs while supporting a commitment to education, technology innovation, protecting the environment, and sustainability which these are values that NWMI feels are important to success. These are values our company and the surrounding community share. In addition, MU, the City of Columbia, and Boone County have a ready workforce or has the ability to train the workforce in conjunction with MU and surrounding community colleges

# THE COUNTY OF BOONE, MISSOURI

## APPLICATION FOR THE ISSUANCE OF CHAPTER 100 REVENUE BONDS

Please attach additional pages when necessary. All fields required.

General Information

Applicant: (Firm Name) Northwest Medical Isotopes, LLC Date of Request May 24, 2018  
 Firm Address 815 NW 9<sup>th</sup> Street, Suite 256

City Corvallis State OR Zip 97330 Telephone Number 509-430-6921

Responsible Of ficer Carolyn C. Haass Email Carolyn.haass@nwmedicalisotopes.com

Chief Operating Officer Telephone Number 509-430-6921

Of ficial Title of Responsible Of ficer Chief Operating Officer Telephone Number \_\_\_\_\_  
 Address 23973 E. Roxbury Pl

City Aurora State CO Zip 80016

Michael Phillips michaelphillips@dwt.com

Attorney for, or Authorized Representative of, the Applicant Email \_\_\_\_\_

Address 1300 SW Fifth Ave, Suite 2400

City Portland State OR Zip 97201 Telephone Number 503-778-5214

Applicant/company is (choose one)  an existing Boone County business  a business new to Boone County

Yes  No Company has reviewed Boone County s Chapter 100 Policy

Yes  No Company has a payroll account with an existing Boone County financial institution

Date by which applicant needs proceeds of Chapter 100 Revenue Bonds 08/15/2018 Estimated

Financial

Number of years applicant has been in business 8

Facility funding will be privately held. Currently under investigation is a real estate investment trust by our primary investors.

Portion of project being financed from other funds (in addition to bond proceeds) \_\_\_\_\_

Organization

Organization of applicant: (please choose one and attach copies of organizational documents)

Corporation                       Partnership                       Limited Liability Company                       Other

Oregon

State in which applicant was organized

See attached

Names of principal owners (including percentage of ownership) of the applicant

Larry Mullins – Executive Chairman  
Carolyn Haass – Chief Operating Officer  
Samaritan Health Services (Kirk Gerner)  
Dignity Health (Michael Donovan)

Names of principal officers or partners of the applicant

325412, Pharmaceutical Preparation Manufacturing

Type of business in which the project will be used (NAICS code)

Applicant is a (choose one)  single    OR     multiple plant operation

If multiple, list other locations

Products to be manufactured or assembled, or service to be rendered

Medical isotope production

Yes     No    Litigation pending against the applicant or beneficiary company

If yes, please explain

None

Please attach a detailed statement concerning any environmental issues relating to the applicant/company

The U.S. Nuclear Regulatory Commission has issued a final Environmental Impact Statement (NUREG-2209) - *Environmental Impact Statement for the Construction Permit for the Northwest Medical Isotopes Radioisotope Production Facility, Final Report, May 2017. The link to the final EIS is the following: <https://www.nrc.gov/reading-rm/doc-collections/nuregs/staff/st2209/>.*

Project Nature

Type of equipment to be financed (provide detailed list in Exhibit A)

Radioisotope production facility equipment (e.g., hot cells, tanks, pumps, cranes)

Type and size of building that will be acquired/constructed

Radioisotope production facility will be constructed of concrete and steel with first level approximately 60,000 square feet, height will be 65 feet. There will be 4 outbuildings including administrative, waste management, backup diesel generator and water. The facility will be surrounded by fence except for the administration building.

McCarthy Building Companies, Inc.

Name of Architect and/or Contractor

1341 N. Rock Hill Rd.

Address

St. Louis

MO

63124

City

State

Zip

Telephone Number

DESCRIPTION OF ESTIMATED PROJECT COSTS

	Projected Non-Bond Amount	Projected Cost Financed With Bond Proceeds	Total Amount
Acquisition of Land			N/A
Acquisition of Existing			N/A
Infrastructure Costs	\$50.5M		\$50.5M
Renovation Costs			N/A
Machinery and Equipment		\$36.5M	\$36.5M
Furniture and Fixtures	\$12.0M		\$12.0M
Interest During Construction From _____ to _____			TBD
Accounting: Legal and Misc.			TBD
Contingency			\$9.0M
Total Project Costs	\$62.5M	\$36.5M	\$108.0M

Note: Machinery and equipment include pumps, valves, tanks, hot cells, etc. Furniture and Fixtures include office furniture, computers, security systems, etc.

Economic Measure

Dollar amount of expected sales

\$30M/annually

Percent of sales to be sold locally

None

104

Number of people the beneficiary company will employ

0

If this is a proposed expansion, state the size of current operation

If this is a proposed relocation or replacement, state size and location of present location







Applicant Certification

The undersigned hereby represents and certifies that to his or her best knowledge and belief, this application contains no information or data that is false or incorrect and that it is truly descriptive of the property which is intended as security for any related financing.

Applicant's signature on application guarantees that applicant agrees to acknowledge and comply with all current zoning and development regulations and processes.

\_\_\_\_\_  
 Northwest Medical Isotopes, LLC  
 Company or Firm Name  
 Carolyn C Haass  
 Representative Title  
 Chief Operating Officer  
 Official Title  
 May 24, 2018  
 Date

Affix applicant's official seal below:



**Regional Economic Development Inc.**  
*Serving Columbia/Boone County, Missouri since 1988*

Send completed application to REDI.

Regional Economic Development, Inc., (REDI)  
500 East Walnut Street, Suite 102, Columbia, MO 65201

Applications must include all requested documents and \$1000 application fee. Make check payable to REDI.  
Failure to provide requested documents and \$1000 application fee invalidates application.

This application fee may be tax deductible as an ordinary and necessary business expense. Monies paid to REDI are not a charitable tax deduction for federal income purposes. REDI is not a charity, but serves as an advocate organization for area business.  
Incorporated in the State of Missouri - EIN # 43-1516160

phone: 573.442.8303 • www.columbiaredi.com • contact@ColumbiaREDI.com

Exhibit A

1. Description of Project Site

7.4 acres at Discover Ridge Research Park, Lot 15, Columbia MO.

2. Description of Real Estate Project Improvements

\$87M in building and equipment for radioisotopes production facility

3. Description of Project Equipment and Anticipated Depreciation Schedule

Equipment \$47.9M: 15% on 3-year depreciation on pumps (X1500), heaters, agitators, filters, etc.; 25% on 5-year depreciation on heat exchangers, reduction furnaces, scrubbers, chillers, storage tanks, etc.; and 60% on 7-year depreciation on shielding windows, criticality tanks, cranes, lifts, analytical instruments, hot cell manipulators, etc.

4. Competing Community/State Incentive Offers

NWMI evaluated four other sites in 3 states including Missouri (DRRP and MURR), Oregon (Oregon State University TRIGA Reactor – Corvallis, OR), and California (McClellan Business Park – Davis, CA). All proposed site locations were next or near to a University research reactor. In addition, all locations presented competitive local incentives for their selected sites. For NWMI to determine the preferred site, a Simple Multi-Attribute Rating Technique (SMART) decision analysis methodology was used. The methodology is based on DOE *Guidebook to Decision-Making Methods* (DOE, 2001). NWMI developed the site-specific scoring criteria used in this evaluation. Site selection criteria were developed through discussions between NWMI and its subcontractors. A summary of the siting criteria, description, and ranking is provided in Table 1. The criteria were weighted from 1 to 10 based on importance to NWMI.

**Table 1. Summary of Site-Specific Scoring Criteria (2 pages)**

Siting criteria	Description	Weight
Political and local logistics support	Ability of NWMI to leverage connections for local logistical support, based on regional politics and importance of project to economic development	10
Facility operations	Management and operation of RPF, including staff (i.e., balance of NWMI personnel vs. University faculty staff)	10
Production logistics	Number of 6-day Ci processed and delivered to distributor	10
Transportation	Anticipated transportation costs and inclement weather interference with the process of transporting irradiated targets and <sup>99</sup> Mo product to distributors	8
Radioactive, hazardous, and mixed secondary waste generation (i.e., air, liquids, solids)	Site ability to meet Federal, State, and local requirements and availability of waste disposition pathway	8
Federal, State, local, and county requirements to construct and operate facility	Challenges presented by required NRC licensing (*NUREG-1537) and State, county, and local environmental permitting (e.g., air, water)	5
Federal and State taxes and incentives	Includes costs associated with sales tax, property tax, corporate income tax, hiring credits, etc. Criteria does not include RPF ownership and lease terms; these would be dealt with by NWMI separately	3
Available space	Obtaining required space for RPF (without increasing complexity of RPF design and construction costs) and space for future expansion (i.e., boutique isotopes, education, research and development)	3
Construction costs	Site-specific cost estimates; variations in labor rates and materials; and construction indices	2
Natural or human-made disaster potential	Based on FEMA, local seismic activity, etc.	1
<b>Total Weight</b>		<b>60</b>

\* NUREG-1537, *Guidelines for Preparing and Reviewing Applications for the Licensing of Non-Power Reactors -- Format and Content*, Part 1, U.S. Nuclear Regulatory Commission, Office of Nuclear Reactor Regulation, Washington, D.C., February 1996.

FEMA = Federal Emergency Management Agency.  
NRC = U.S. Nuclear Regulatory Commission.

NWMI = Northwest Medical Isotopes, LLC.  
RPF = radioisotope production facility.

Based on the siting criteria established and using readily available public information and observations from site visits, the sites were scored using a scale of 1 to 5 (5 being most favorable, 1 being least). The NWMI team determined that all four of the sites are viable and acceptable, with Discovery Ridge selected as the preferred site of the proposed RPF (see Table 2).

Table 2. Evaluation of Alternative Sites

Siting criteria	DR		MURR		OSTR		MNRC	
	Score	Wt. score						
Political and local logistics support	4	40	4	40	4	40	1	10
Facility operations	4	40	2	20	3	30	3	30
Production logistics	4	40	4	40	3	30	3	30
Transportation	4	32	4	32	2	16	3	24
Radioactive, hazardous, and mixed secondary waste generation (i.e., air, liquids, solids)	4	32	4	32	4	32	3	24
Federal, State, county, and local requirements to construct and operate facility	4	20	4	20	4	20	2	10
Federal and State taxes and incentives	5	15	5	15	3	9	1	3
Available space	5	15	3	9	1	3	2	6
Construction costs	4	8	3	6	3	6	3	6
Natural or human-made disaster potential	3	3	3	3	4	4	2	2
<b>Total</b>		<b>245</b>		<b>217</b>		<b>190</b>		<b>145</b>
<b>Weighted Percentage</b>		<b>82%</b>		<b>72%</b>		<b>63%</b>		<b>48%</b>

DR = Discovery Ridge. MURR = University of Missouri Research Reactor.  
 MNRC = McClellan Nuclear Research Center. OSTR = Oregon State University TRIGA Reactor.

The Discovery Ridge site total weighted score of 82 percent was followed by the MURR location. Given the high weighting of certain criteria (i.e., political and local logistical support, facility operations, and production logistics) and high scores for these criteria, the MURR and Discovery Ridge sites have an advantage over both the proposed McClellan Business Park and OSTR sites.

The proposed site at the McClellan Business Park ranks fourth for the RPF location. The McClellan Business Park score was 34 percentage points lower than the Discovery Ridge site, primarily due to a lack of political and local support, Federal and state taxes and incentives, limited available greenfield space, and weaker ties to the UC Davis reactor team. However, the site's strengths include an existing building and abundant available space. The OSTR site, which ranked third, had limited available space, transportation routes and State and local financial incentives.

In consideration of these factors, the Discovery Ridge site was selected as the proposed site for the RPF. The siting alternatives of the MNRC Business Park and OSTR locations were not further evaluated.

5. Other Community Impact Information

Corporate involvement in the community and partnership with University of Missouri with opportunities for the students, faculty and staff for research, internships and part-time positions.

Chapter 100 Attraction Project Scenario  
Project: Northwest Medical Isotopes, LLC

Project Investment Schedule - Personal Property Depreciation Schedule by Class Life											
Personal Property - 7 Years MACRS	Net Book Value	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
Investment Occurring in 2018	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Investment Occurring in 2019	\$		\$	\$	\$	\$	\$	\$	\$	\$	
Investment Occurring in 2020	\$ 78,740,000.00			\$ 25,661,946.00	\$ 20,163,984.00	\$ 15,844,362.00	\$ 12,323,712.00	\$ 8,803,062.00	\$ 5,282,412.00	\$ 2,874,000.00	
<b>Total</b>	<b>\$ 28,740,000.00</b>	<b>\$</b>	<b>\$</b>	<b>\$ 25,661,946.00</b>	<b>\$ 20,163,984.00</b>	<b>\$ 15,844,362.00</b>	<b>\$ 12,323,712.00</b>	<b>\$ 8,803,062.00</b>	<b>\$ 5,282,412.00</b>	<b>\$ 2,874,000.00</b>	<b>\$ 90,959,478.00</b>

Personal Property - 5 Years MACRS	Net Book Value	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
Investment Occurring in 2018	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Investment Occurring in 2019	\$		\$	\$	\$	\$	\$	\$	\$	\$	
Investment Occurring in 2020	\$ 11,975,000.00			\$ 10,178,750.00	\$ 7,125,125.00	\$ 4,987,587.50	\$ 2,992,552.50	\$ 1,197,500.00			
<b>Total</b>	<b>\$ 11,975,000.00</b>	<b>\$</b>	<b>\$</b>	<b>\$ 10,178,750.00</b>	<b>\$ 7,125,125.00</b>	<b>\$ 4,987,587.50</b>	<b>\$ 2,992,552.50</b>	<b>\$ 1,197,500.00</b>	<b>\$</b>	<b>\$</b>	<b>\$ 26,481,515.00</b>

Personal Property - 3 Years MACRS	Net Book Value	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
Investment Occurring in 2018	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Investment Occurring in 2019	\$		\$	\$	\$	\$	\$	\$	\$	\$	
Investment Occurring in 2020	\$ 7,185,000.00			\$ 5,388,750.00	\$ 2,694,375.00	\$ 898,125.00					
<b>Total</b>	<b>\$ 7,185,000.00</b>	<b>\$</b>	<b>\$</b>	<b>\$ 5,388,750.00</b>	<b>\$ 2,694,375.00</b>	<b>\$ 898,125.00</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$ 8,981,250.00</b>

Total Personal Property Value - 3, 5, 7 Years		2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	\$ 47,900,000.00	\$	\$	\$ 41,229,446.00	\$ 29,983,484.00	\$ 21,730,074.50	\$ 15,316,264.50	\$ 10,000,562.00	\$ 5,282,412.00	\$ 2,874,000.00	\$ 126,416,243.00

Estimated Personal Property Taxes Collected with 50% Chapter 100											
Assessment Ratio 13.1/1%		2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
Assessment Ratio 13.1/1%		0.3333	0.3333	0.3333	0.3333	0.3333	0.3333	0.3333	0.3333	0.3333	0.3333
Total Personal Property Value by Year	\$	\$	\$	\$ 41,229,446.00	\$ 29,983,484.00	\$ 21,730,074.50	\$ 15,316,264.50	\$ 10,000,562.00	\$ 5,282,412.00	\$ 2,874,000.00	\$ 126,416,243.00
Assessed Value	\$	\$	\$	\$ 13,741,774.25	\$ 9,993,495.22	\$ 7,242,633.83	\$ 5,104,910.96	\$ 3,333,187.31	\$ 1,760,627.92	\$ 957,904.20	\$ 42,134,533.79
Tax Rate of 57.0892		7.0892	7.0892	7.0892	7.0892	7.0892	7.0892	7.0892	7.0892	7.0892	7.0892
Subtotal	\$	\$	\$	\$ 97,418,186.73	\$ 70,845,886.29	\$ 51,344,479.75	\$ 36,189,734.76	\$ 23,679,631.51	\$ 12,481,443.45	\$ 6,790,774.45	\$ 258,700,377.45
Divided by 100 - Taxes Collected without Chapter 100	\$	\$	\$	\$ 974,181.87	\$ 708,458.86	\$ 513,444.80	\$ 361,897.35	\$ 236,296.32	\$ 124,814.43	\$ 67,907.74	\$ 2,587,003.37
<b>50% Abatement - Taxes Collected</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$ 487,090.93</b>	<b>\$ 354,229.43</b>	<b>\$ 256,722.40</b>	<b>\$ 180,948.67</b>	<b>\$ 118,148.16</b>	<b>\$ 62,407.22</b>	<b>\$ 33,953.87</b>	<b>\$ 1,499,500.68</b>

Annual Estimated Impacts to Taxing Districts from Personal Property Included in Chapter 100											
Taxing Entity and Assumed Tax Rate	Percentage	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
Columbia Public Schools - 6.0555	0.8542	\$	\$	\$ 416,073.08	\$ 302,582.78	\$ 219,292.27	\$ 154,566.36	\$ 100,922.16	\$ 53,308.74	\$ 29,003.40	\$ 1,275,748.28
Columbia City - 0.4100	0.0578	\$	\$	\$ 26,153.86	\$ 20,474.46	\$ 14,838.55	\$ 10,458.83	\$ 6,828.96	\$ 3,607.14	\$ 1,962.53	\$ 86,324.34
Columbia Library - 0.3091	0.0436	\$	\$	\$ 21,237.16	\$ 15,444.40	\$ 11,193.10	\$ 7,889.36	\$ 5,151.26	\$ 2,720.95	\$ 1,480.39	\$ 65,116.63
Boone County - 0.1200	0.0169	\$	\$	\$ 8,231.84	\$ 5,986.48	\$ 4,338.61	\$ 3,058.03	\$ 1,996.70	\$ 1,054.68	\$ 573.82	\$ 25,240.16
BCFR - 0.1146	0.0162	\$	\$	\$ 7,890.87	\$ 5,738.52	\$ 4,158.90	\$ 2,931.37	\$ 1,914.00	\$ 1,011.00	\$ 550.05	\$ 24,194.71
Common Road - 0.0500	0.0071	\$	\$	\$ 3,458.35	\$ 2,515.03	\$ 1,822.73	\$ 1,284.74	\$ 838.85	\$ 443.09	\$ 241.07	\$ 10,603.85
State - 0.0300	0.0042	\$	\$	\$ 2,045.78	\$ 1,487.76	\$ 1,078.23	\$ 759.98	\$ 496.22	\$ 262.11	\$ 142.61	\$ 6,272.70
<b>Total</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$ 487,090.93</b>	<b>\$ 354,229.43</b>	<b>\$ 256,722.40</b>	<b>\$ 180,948.67</b>	<b>\$ 118,148.16</b>	<b>\$ 62,407.22</b>	<b>\$ 33,953.87</b>	<b>\$ 1,499,500.68</b>

Estimated 10 Year Real Property Taxes Collected with 50% Abatement													
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
Real Property Value		\$ 45,000,000.00	\$ 45,000,000.00	\$ 45,000,000.00	\$ 45,000,000.00	\$ 45,000,000.00	\$ 45,000,000.00	\$ 45,000,000.00	\$ 45,000,000.00	\$ 45,000,000.00	\$ 45,000,000.00	\$ 45,000,000.00	\$ 45,000,000.00
Assessment Ratio 92%	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92
Assessed Value		\$ 14,400,000.00	\$ 14,400,000.00	\$ 14,400,000.00	\$ 14,400,000.00	\$ 14,400,000.00	\$ 14,400,000.00	\$ 14,400,000.00	\$ 14,400,000.00	\$ 14,400,000.00	\$ 14,400,000.00	\$ 14,400,000.00	\$ 14,400,000.00
Tax Rate Minus Surcharge - 57.0892	7.0892												
Divided by 100 - Taxes Due without Chapter 100	0												
Taxes Collected with 50% Abatement	0	\$ 510,422.40	\$ 510,422.40	\$ 510,422.40	\$ 510,422.40	\$ 510,422.40	\$ 510,422.40	\$ 510,422.40	\$ 510,422.40	\$ 510,422.40	\$ 510,422.40	\$ 510,422.40	\$ 5,104,224.00

\*Assessor Note: It would be a violation of the Uniform Standards of Professional Practice to render an opinion of value for real property prior to reviewing detailed plans and specifications of this project.

Annual Estimated Impacts to Taxing Districts from Real Property Included in Chapter 100														
Taxing Entity and Assumed Tax Rate	Percentage	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
Columbia Public Schools - 6.0535	0.8542	\$ -	\$ -	\$ 436,002.81	\$ 436,002.81	\$ 436,002.81	\$ 436,002.81	\$ 436,002.81	\$ 436,002.81	\$ 436,002.81	\$ 436,002.81	\$ 436,002.81	\$ 436,002.81	\$ 4,360,028.14
Columbia City - 0.4100	0.0578	\$ -	\$ -	\$ 29,502.41	\$ 29,502.41	\$ 29,502.41	\$ 29,502.41	\$ 29,502.41	\$ 29,502.41	\$ 29,502.41	\$ 29,502.41	\$ 29,502.41	\$ 29,502.41	\$ 295,024.15
Columbia Library - 0.3091	0.0436	\$ -	\$ -	\$ 22,254.42	\$ 22,254.42	\$ 22,254.42	\$ 22,254.42	\$ 22,254.42	\$ 22,254.42	\$ 22,254.42	\$ 22,254.42	\$ 22,254.42	\$ 22,254.42	\$ 222,544.17
Boone County - 0.1200	0.0169	\$ -	\$ -	\$ 8,626.14	\$ 8,626.14	\$ 8,626.14	\$ 8,626.14	\$ 8,626.14	\$ 8,626.14	\$ 8,626.14	\$ 8,626.14	\$ 8,626.14	\$ 8,626.14	\$ 86,261.39
BCFR - 0.1146	0.0162	\$ -	\$ -	\$ 8,268.84	\$ 8,268.84	\$ 8,268.84	\$ 8,268.84	\$ 8,268.84	\$ 8,268.84	\$ 8,268.84	\$ 8,268.84	\$ 8,268.84	\$ 8,268.84	\$ 82,688.43
Common Road - 0.0500	0.0071	\$ -	\$ -	\$ 3,624.00	\$ 3,624.00	\$ 3,624.00	\$ 3,624.00	\$ 3,624.00	\$ 3,624.00	\$ 3,624.00	\$ 3,624.00	\$ 3,624.00	\$ 3,624.00	\$ 36,239.99
State - 0.0300	0.0042	\$ -	\$ -	\$ 2,143.77	\$ 2,143.77	\$ 2,143.77	\$ 2,143.77	\$ 2,143.77	\$ 2,143.77	\$ 2,143.77	\$ 2,143.77	\$ 2,143.77	\$ 2,143.77	\$ 21,437.74
<b>Total</b>		\$ -	\$ -	\$ 510,422.40	\$ 510,422.40	\$ 510,422.40	\$ 510,422.40	\$ 510,422.40	\$ 510,422.40	\$ 510,422.40	\$ 510,422.40	\$ 510,422.40	\$ 510,422.40	\$ 5,104,224.00

Annual Estimated Impacts to Taxing Districts from Real and Personal Property Included in Chapter 100														
Taxing Entity and Assumed Tax Rate	Percentage	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
Columbia Public Schools - 6.0535	0.8542	\$ -	\$ -	\$ 852,075.89	\$ 738,585.59	\$ 655,295.09	\$ 590,569.17	\$ 526,974.97	\$ 469,311.06	\$ 416,006.21	\$ 366,002.81	\$ 319,002.81	\$ 275,002.81	\$ 3,635,776.43
Columbia City - 0.4100	0.0578	\$ -	\$ -	\$ 57,656.27	\$ 49,976.88	\$ 44,340.97	\$ 39,981.25	\$ 35,331.38	\$ 31,464.95	\$ 27,502.41	\$ 23,502.41	\$ 19,502.41	\$ 15,502.41	\$ 381,348.49
Columbia Library - 0.3091	0.0436	\$ -	\$ -	\$ 43,491.58	\$ 37,698.82	\$ 33,447.51	\$ 29,143.78	\$ 25,005.68	\$ 21,019.57	\$ 17,184.81	\$ 13,447.51	\$ 9,705.26	\$ 6,063.01	\$ 287,660.80
Boone County - 0.1200	0.0169	\$ -	\$ -	\$ 16,857.98	\$ 14,612.52	\$ 12,964.75	\$ 11,684.17	\$ 10,622.84	\$ 9,680.82	\$ 8,819.50	\$ 8,019.50	\$ 7,261.39	\$ 6,541.39	\$ 111,501.55
BCFR - 0.1146	0.0162	\$ -	\$ -	\$ 16,159.72	\$ 14,007.36	\$ 12,427.75	\$ 11,200.21	\$ 10,182.84	\$ 9,279.84	\$ 8,481.90	\$ 7,724.00	\$ 7,058.84	\$ 6,441.39	\$ 106,883.14
Common Road - 0.0500	0.0071	\$ -	\$ -	\$ 7,082.34	\$ 6,139.03	\$ 5,446.73	\$ 4,908.73	\$ 4,462.85	\$ 4,067.09	\$ 3,724.00	\$ 3,424.00	\$ 3,143.77	\$ 2,888.43	\$ 46,843.85
State - 0.0300	0.0042	\$ -	\$ -	\$ 4,189.56	\$ 3,631.54	\$ 3,222.01	\$ 2,903.76	\$ 2,640.00	\$ 2,405.88	\$ 2,184.38	\$ 1,984.38	\$ 1,794.38	\$ 1,614.38	\$ 27,710.44
<b>Total</b>		\$ -	\$ -	\$ 997,513.33	\$ 864,651.83	\$ 767,144.80	\$ 691,371.07	\$ 628,570.56	\$ 572,829.62	\$ 524,376.27	\$ 481,422.40	\$ 441,422.40	\$ 401,422.40	\$ 6,597,724.68

**Project Details**  
 Project is Northwest Medical Isotope LLC (NWM) which announced their intention to establish this facility in May, 2014  
 This was a competitive project looking at four sites in three states, and all locations provided competitive local incentives  
 Commissioner Miller provided letter of support for Chapter 100 for this project, based on existing policy level of 50% abatement  
 All taxing districts were previously informed in 2014 that NWM's decision process included the use of Chapter 100 incentives  
 Both Boone County and City of Columbia provided testimony and support of project during NRC's permitting process  
 Facility location is 7.4 acre lot 15 in Discovery Ridge Research Park and consist of radioisotope product facility and outbuildings  
 Facility costs are estimated at \$50.5 million  
 Machinery and equipment is estimated at \$36.5 million, and Furniture and Fixtures are estimated at \$11 million  
 The number of full-time permanent jobs expected to be created is 104

**Disclosures**  
 These are not official Boone County estimates or documents  
 These estimates were prepared by HEDI Staff and the Incentives Subcommittee, in consultation with Boone County Officials  
 This is a working document used to illustrate points of discussion  
 These calculations assume that each agency's tax rates remain the same during the life of the project, which is unlikely

**Financial Assumptions**  
 Assumes construction of a new facility by a company that currently has no presence in Boone County  
 Assumes site grading in 4th Q of 2018, Construction on Radioisotope Production Facility start in 1st Q of 2019  
 Assumes occupancy will occur in either 3rd or 4th Q of 2020  
 Assumes Class Life of Equipment: 15% with 3-year class life, 25% with 5-year class life, and 60% with 7-year class life  
 Assumes no personal property investment on January 1, 2019, and all personal property investment occurring in 2020  
 Assumes some construction-in-progress on January 1, 2020  
 Assumes all Chapter 100 Real and Personal Property Abatement begins 2021  
 Assumptions do not include residual value on personal property  
 Assumes no abatement on Commercial Surcharge of \$.61/\$100



**Regional Economic Development Inc.**

**Chapter 100 Review Panel Meeting  
Tuesday, August 28, 2018 – 9:00 a.m.  
Regional Economic Development Inc.  
500 E Walnut St, Suite 103 – Training Room**

Regional Economic Development Inc. (REDI) has received an application for the issuance of Chapter 100 Revenue Bonds from Northwest Medical Isotopes, LLC. As specified in the County of Boone's Chapter 100 Policy, the Boone County Commission, in conjunction with REDI, must establish a Chapter 100 Review Panel consisting of a representative of each taxing jurisdiction impacted by the specific Chapter 100 proposal, before any formal request is submitted to the County of Boone.

The Chapter 100 Review Panel Meeting is planned for Tuesday, August 28, 2018, beginning at 9:00 a.m. at the offices of Regional Economic Development Inc., 500 E Walnut St., Suite 103, Columbia, MO 65201.

Members of the public may attend any open meeting. For requests for accommodations related to disability, please call (573) 441.5543. In order to assist staff in making the appropriate arrangements for your accommodation, please make your request as far in advance of the posted meeting dates as possible.



Regional Economic Development Inc.

## Chapter 100 Review Panel

### IMPACTED TAXING JURISDICTIONS' 2<sup>nd</sup> MEETING

TUESDAY, AUGUST 28, 2018 – 9:00 A.M.

REDI TRAINING ROOM, 500 E WALNUT ST., SUITE 103  
COLUMBIA, MO 65201

### BOONE COUNTY CHAPTER 100 APPLICATION REVIEW NORTHWEST MEDICAL ISOTOPES, LLC

#### *Agenda*

- I. Call to Order – Dave Griggs, Chair, REDI Incentives Subcommittee
- II. Introductions
- III. Review Minutes of July 25, 2018, Meeting
- IV. Additional Questions
- V. Ballot Description (handout)
- VI. Ballot Discussion and Recommendation
- VII. Adjourn Meeting – Dave Griggs

ColumbiaREDI.com

500 East Walnut Street, Suite 102  
Columbia MO 65201  
573.442.8303

**DRAFT Chapter 100 Review Panel Second Meeting – Northwest Medical Isotopes, LLC**  
August 28, 2018, 9:00 a.m.

**Committee Attendees:**

Brian McCollum, Boone County Collector  
Ken Pearson, Boone County Family Resources  
Kathleen Markie, Columbia/Boone County Library District  
Brian Treece, City of Columbia  
Jan Mees, Columbia Public Schools  
Dave Griggs, REDI Incentives Subcommittee  
Bill Watkins, REDI Incentives Subcommittee  
Matt Williams, REDI Incentives Subcommittee

**Other:**

Carolyn Haass, Northwest Medical Isotopes, LLC via phone  
James Gann, University of Missouri  
Margaret Conroy, Daniel Boone Regional Library  
Ben Ross, Engineer Surveys and Services  
Josh Lehmen, Engineer Surveys and Services  
Jasmine Ramirez, ABC 17  
Roger McKinney, Columbia Daily Tribune

**REDI Board and Staff:**

Stacey Button, REDI President  
Bernie Andrews, REDI Executive Vice President  
Shannon Hance, REDI Executive Assistant

**Meeting Minutes**

*The meeting was called to order at 9:03 a.m. by Dave Griggs.*

Introductions were conducted.

***Review Minutes of July 25, 2018, Meeting***

Dave Griggs directed each attendee to the three documents provided for today's meeting: the meeting notice, meeting agenda, and minutes from the July 25, 2018, meeting. The minutes were previously distributed via e-mail prior to the meeting. Griggs requested that everyone review the minutes thoroughly and then asked for any additional questions regarding the project presentation from the initial meeting. There was a motion made to approve the minutes from July 25, 2018, by Jan Mees which was seconded by Brian McCollum. All were in favor and the motion passed unanimously.

***Additional Questions:***

Brian McCollum asked when the first year of tax payments would come in to the taxing entities. Dave Griggs and Bernie Andrews answered that the equipment is scheduled to be assessed in January of 2021, and revenue is projected to be collected in December of 2021.

Jan Mees asked when the Boone County Commission would be speaking on this subject. Bernie Andrews answered that REDI would provide a full binder to Boone County by the end of this week. Boone County will place it on their schedule and REDI will notify the taxing districts when we find out those dates.

***Ballot Description (handout)***

Dave Griggs asked the taxing representatives to read the formal ballot description provided to each taxing entity.

***Ballot Discussion and Recommendation:***

Dave Griggs asked each taxing representative to cast their vote and sign their form.