REQUEST FOR PROPOSAL
FOR
LONG-TERM LEASE OF REAL PROPERTY

INCLUDES TWO (2) PARCELS:
PARCEL 1: 135.9 ACRES KNOWN AS THE CENTRAL MISSOURI EVENTS CENTER
PARCEL 2: 53.61 ACRES WITH 12,016 SQUARE FOOT BUILDING

RFP # 01-08JAN19
Release Date: October 1, 2018

PRE-PROPOSAL CONFERENCE
October 19, 2018, 1:00 p.m.

QUESTION DUE DATE:
December 14, 2018, 5:00 p.m.

Submittal Deadline:
January 8, 2019
not later than 9:00 a.m. Central Time
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A. INTRODUCTION

The County of Boone – Missouri (the “County”) is accepting proposal responses for a long-term lease of real property known as the Central Missouri Events Center, 5212 N. Oakland Gravel Road, Columbia, Missouri which includes multiple buildings and two parcels of land totaling 189.51 acres. The County will entertain accepting proposals for a ground lease of both combined parcels for a single award or a multi-vendor award for each individual parcel.

**Lease Term:** The Lease will commence following an agreed-upon date between County and Lessee, not earlier than January 15, 2020. The longest initial lease term contemplated at this time is fifty (50) years. The parties may mutually agree in writing to extend the Term by executing an amendment to the Lease.

The contemplated 50-year land lease is to allow for the construction of improvements that the Lessee will be able to use for their full economic life. Construction must comply with all applicable state and local laws. At the conclusion of the lease, the improvements will become the property of Boone County.

Offerors should clearly illustrate the potential reuse of the property including, if any, plans to maintain public access. Offerors need to perform their own due diligence with respect to zoning, building, and historical issues.

The proposal should outline renovation and site plans together with a time frame for completion. The award will be partially based upon the proposed plan for development in addition to the lease price offered. See Section E. - Terms, Conditions, and Proposed Uses below for more information on the proposal evaluation criteria.

B. BACKGROUND

**County Profile:**
The County is a first-class non-charter county in central Missouri, dissected by Interstate 70 and US Highway 63. The County has a population of approximately 177,000 and contains 685 square miles. It contains 13 population centers consisting of cities, towns, villages and small communities. With a population of nearly 120,612, the City of Columbia serves as County seat.

**Previous Management:**
The County of Boone purchased the property known as the Central Missouri Events Center (CMEC) in 1999. The management of this facility/property was provided by the Boone County Fair Board, Inc., (the Boone County Agricultural and Mechanical Society) from the time of purchase through the end of 2011.

As a pilot program to determine the viability of operating the facility as an events center, the County issued a RFP in 2011 that contemplated a temporary taxpayer subsidy for the duration of the pilot program. TAG Events LLC was awarded a contract and managed the property from January 1, 2012 through June 30, 2014. As a result of the pilot program, it was determined in consultation with the contractor that the events center business model was not viable without a significant, ongoing public subsidy from a dedicated revenue stream. The County Commission proposed a sales tax initiative to the voters of Boone County on August 5, 2014, in an effort to provide the necessary, ongoing, dedicated public revenue to support the facility as an events center. That measure was defeated with approximately 66% of the votes being in opposition to the measure. The CMEC was closed in January 2015.
A RFP was issued in 2016 for a short-term lease of the property. Veterans United Home Loans is currently leasing the Coliseum, out-building (22,000 square foot), and parking lot north and east of the Coliseum. The United Parcel Services is leasing one of the parking areas. Both leases expire on December 31, 2019.

C. DESCRIPTION OF THE FACILITIES/PROPERTY

The premises described below will be made available in the current condition without representation or warranty as to physical condition. All Offerors must be knowledgeable of the physical conditions of the buildings, grounds, and other property which is the subject matter of this request, and Offeror assumes full responsibility for same. Should the Offeror be interested in an appraisal of the parcel(s), the County will assist and help to facilitate the appraisal. Offeror is responsible for the cost of the appraisal.

Parcel 1:

Location – Central Missouri Events Center, 5212 North Oakland Gravel Road, Columbia, Missouri.

It is located east of Oakland Gravel Road and north of Starke Avenue in the northeast quadrant of the Highway 63 and Oakland Gravel Road interchange, at the northeast edge of Columbia, in Boone County, Missouri.

Land Size – Property includes 135.9 acres with street frontage on two sides and access from three internal publicly maintained drives.

Zoning – Property is zoned M-L, Light Industrial. This district allows for agricultural activity, any permitted use and any conditional use in the C-G commercial District which includes most office and retail use, but no residential dwellings, however resident caretakers are allowed. Light manufacturing uses are allowed.

Public Road – The site is currently bisected by a public road that can, at the option of the County Commission, be made a private drive internal to the parcel. The road will automatically become a private drive if the area is annexed into the City of Columbia. Should this occur, the County will cease to maintain the private drive and it will be considered an internal access road.

Frontage – The site has approximately 2,000 feet of frontage on N. Oakland Gravel Road at the west boundary and 2,100 feet of frontage on the north side of Starke Avenue.

Building Sites –

Coliseum – Approximately 88,000 square foot building with dirt arena, office space, and concession areas. Approximately 22,000 square feet is an air-conditioned multi-purpose room.

Out-Building – Approximately 22,000 square foot building adjacent to Coliseum with dirt floors and lighting.

Grandstand Area - Dirt track with fixed seating capacity for up to 400.

Ancillary Buildings – Four (4) horse barns, (4) livestock barns, six (6) small free-standing concession buildings, and three (3) restroom buildings.
**Parcel 2:**

**Location** – The property is located west of Oakland Gravel Road and south of Prathersville Road, at the northeast edge of Columbia, Missouri.

**Land Size** – Property includes 53.61 acres.

**Zoning** – Property is zoned M-L, Light Industrial. This district allows for agricultural activity, any permitted use and any conditional use in the C-G commercial District which includes most office and retail use, but no residential dwellings. However, resident caretakers are allowed. Light manufacturing uses are allowed.

**Frontage** – The site has approximately 3,400 feet of frontage on Oakland Gravel Road at the east, 800 feet of frontage on Prathersville Road on the north and 4,400 feet of frontage on Highway 63 at the west.

**Building Site** – There is an older, pole frame, metal-clad, building on the site that includes 12,017 square feet. The building is a former County maintenance building currently used for equipment storage.

**D. SITE UTILITY SERVICES**

The Lessee shall be responsible for the payment of all utilities relating to the facilities covered within the scope of any final Agreement.

**Parcel 1:**

**Electrical Service** - Boone Electric Cooperative is the service provider for all electric meters located on site. There are approximately 54 meters.

**Water Service** – City of Columbia is the service provider for all water meters located on site. There are approximately five meters.

**Sewer Service** – The sewer system at this site is connected to the City of Columbia system. At the present time, the City of Columbia charges for this service. It is understood there are two sewer dumping sites on the property for use by the RV renters and other leased sites on the grounds.

**Natural Gas** – Ameren Missouri provides the gas service at this site but the exact location of this service is unknown.

**Trash Service** – City of Columbia provides the trash service. The Contractor is responsible for the removal of trash in a timely fashion.

**Telephone Service** - The Contractor may utilize the current telephone system located on site. The Contractor shall be responsible for the monthly service fees and any other costs associated with the use of this system.
Parcel 2:

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<th>Public</th>
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<td>Electric:</td>
<td>Public</td>
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<tr>
<td>Gas:</td>
<td>Ameren UE</td>
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<tr>
<td>Sewer:</td>
<td>City of Columbia on the east and west sides of the site. May require annexation to connect. Capacity is assumed adequate for all potential uses.</td>
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E. TERMS, CONDITIONS, AND PROPOSED USES

The County is seeking proposals for a long-term lease for the parcels that demonstrate the highest lease price and the best use of the property. Offeror(s) should clearly illustrate the potential reuse or redevelopment of the property, including plans, if any, to maintain public access. The County, in evaluating each proposal, may consider (but not be limited to) the following factors. Please describe in your proposal response the following:

1. **Price Offered** – The proposal may include financing contingency, but the County will give more weight to cash offers. The price should be framed as a monthly, quarterly, or annual land lease sum that will be paid in advance of the month, quarter, or year for which the rent will be applied.

2. **Property Use** – A narrative explaining the proposed or intended use of the property, including any demolition and redevelopment plans which may include a site plan.

3. **Renovation Plans with timeline** – The intended plans for renovation of the buildings/property with estimated completion date.

4. **Financial strength of Offeror** - Offeror should provide any information defining/detailing the financial stability of the organization necessary to demonstrate the ability to carry out this lease. At a minimum, Offeror should provide a statement affirming that Lessee has the financial ability to complete the lease and renovation. Also, provide an affirmative statement consenting to provide representatives of the County satisfactory evidence of Lessees financial ability upon request.

5. **Compatibility of the proposed use with the surrounding area**

6. **Public benefit of proposed use**

7. **Relative experience of the Offeror in similar redevelopment projects**

8. **Executive Summary** – A narrative summarizing the vendor’s ability to meet the requirements of this lease. Include the address of headquarters. Provide the name, telephone number and e-mail address of primary contact.

9. **References** – Provide at least three (3) references that will verify your ability to perform the obligations you describe in the lease offer.

10. **Cover Page Signature Form** – The attached Cover Page signature form must be signed as outlined for the RFP response to be considered and placed at the beginning of your RFP response.

Lessee will comply with all applicable state and local laws, including all applicable zoning regulations, building regulations, and subdivision regulations. The Offeror shall undertake its
own review and analysis (due diligence) concerning the physical and environmental condition of the premises, applicable zoning and other land use laws, required permits and approvals and other development, ownership and legal considerations pertaining to the premises, the lease agreement and the use of the premises, and shall apply for and obtain all approvals and permits required for the project with the consent of the County.

No County funds will be available to the lessee of the property. The County will not make any repairs or improvements to the property prior to lease.

Offerors are urged to physically inspect the property prior to submitting a proposal. Under no circumstances will failure to inspect be considered grounds for a claim or grounds for a violation of the contract to lease.

The County will consider offers to lease up to a term of 50 years. The buildings and surrounding areas to be leased shall be leased “as is”. The Lessee agrees to accept said property in its present condition. Furthermore, the property is being offered absolutely “as is”, “where is” and “with all faults” as of closing without any representation or warranty whatsoever as to its condition, fitness for a particular purpose, except as specifically set forth in this proposal. The County specifically disclaims any warranty, guaranty or representation, oral or written, past or present, express or implied, concerning the property, except as specifically set forth in this proposal. Lessee acknowledges that Lessee is offering for such property based solely upon Lessee’s own independent investigations and findings and not in reliance upon any information provided by the County or its agents or contractors except as specifically set forth in this proposal. Without limiting the foregoing, Lessee acknowledges that the County has made no agreement to alter, repair, or improve any of the property. None of the information set forth in the property information materials or any other materials supplied by the County, its agents, employees or commissioners, encompasses conclusions of law; rather, that information is subject to the operation and effect of all applicable laws and legal consequences and to the legal rights of all persons and entities involved.

Sub-lease of Facilities – Lessee may be allowed to sublease facility with prior written consent of the County with the following stipulations:
- with Sublessor providing the same insurance coverages required of Lessor and providing County, in advance, with a Certificate of Insurance documenting such coverages are in place.

Damages – The Lessee shall promptly report any damage to adjacent facilities, property, streets, parking lots and sidewalks as a result of work performed under this contract. The Lessee shall be responsible for any such repairs needed.

Earnest Money Deposit - A deposit of $5,000 is required with each proposal in the form of a bank check or certified check made payable to Boone County, Missouri.

Non-profit organizations may submit a proposal using the same format provided herein but need not include a deposit. No County funds are available for such organizations.

Proposal response shall include an annual lease price. Commencing on the first anniversary of the Effective Date of the Lease and on each anniversary thereafter during the Initial Term, the per annum lease price amount shall be increased, but not decreased, by the positive change in the Consumer Price Index, if any, as certified by the Missouri State Tax Commission for the immediately preceding calendar year. (For example, the CPI rate certified by the Missouri Tax Commission in 2019 shall be the increase amount for these lease purposes for the lease year that runs 7/1/20 – 6/30/21.) Said certified CPI rates can be found via the Missouri State Tax...
Commission’s website, www.stc.mo.gov under the “Clerk’s” tab. The only Consumer Price Index that will be used for this Lease is that rate certified by the Missouri State Tax Commission for the immediately preceding year.

**Background Check** – Each Offeror, including the principals thereof, and/or its assigns, may be subject to a background and credit check, which may be necessary to determine responsibility and responsiveness to all items required by this RFP.

**F. SPECIAL CONDITIONS**

Below is a list of special conditions that will govern the lease of the property.

1. Prior written approval is required if you intend to make any building modifications or demolitions during the term of the lease.
2. The buildings are being leased “as is”. Upon termination of Lease, buildings are to be restored to usable, clean condition.
3. Insurance: Lessee shall be responsible for procuring before the commencement and during the term of this Lease any insurance as specified on the attached Boone County Insurance Requirements.
4. No subleases shall be granted for any adult-oriented businesses or conventions.
5. All development on the property will be subject to applicable zoning regulations, subdivision regulations, stormwater ordinances, building codes, fire codes as administered by the Boone County Fire Protection District, and other applicable laws and regulations governing the development of land. The offeror is advised to schedule and participate in a concept review meeting with Boone County Resource Management to ascertain the applicable requirements and how they may impact offeror’s plans for the property.
6. Any proposed annexation of all or a portion of the subject property will require the consent of the County Commission.
7. Going Dark / Maintenance of Property: Should the successful offeror cease to operate (“go dark”) for a period of 12-months or more, or should the successful offeror ever allow the property to fall into disrepair or otherwise permit nuisances to occur on the property (vegetation of excessive height, trash or debris permitted to accumulate, or other waste or harborage permitted to exist), the County may reenter the property to remedy the condition at the offeror’s cost and may declare a default under the terms of the land lease that will be entered into between the parties.

**G. INSTRUCTIONS**

**Copies:** The offeror is advised to submit one (1) original proposal, and two (2) copies of the proposal (for a total of three copies), plus an electronic copy of the original proposal on a thumb drive (USB memory stick).

**Delivery of RFP Responses:** All RFP responses shall be delivered before 9:00 A.M., Central Time, on January 8, 2019 to:

Boone County Purchasing Department  
Boone County Annex  
Melinda Bobbitt, Director of Purchasing  
613 E. Ash Street, Room 110  
Columbia, Missouri 65201-4460

RFP responses must be submitted in a sealed envelope identified with the RFP number and date of closing. List the RFP number 01-08JAN19 on the outside of the box or envelope and note “Response to Request for Proposal enclosed.”
Bid Opening: RFP responses will be opened shortly after 9:30 a.m. on January 8, 2019 in the Boone County Government Center, Commission Chambers, 801 E. Walnut, Columbia, MO.

The following is a tentative schedule for the RFP process. Note times are central time:

a. Issuance of Request for Proposal October 1, 2018
b. Pre-Proposal Conference with site visit October 12, 2018, 1:00 p.m.
c. Deadline for Submitting Questions December 14, 2018, 5:00 p.m.
d. RFP Response Deadline January 8, 2019, 9:00 a.m.
e. Clarifications with Selected Offerors January - April 2019
f. Award of Contract May 2019

RFP Response Preparations:

1. RFP responses shall be signed by an authorized representative of the firm. All information requested should be submitted. The Director of Purchasing will review all responses to ensure required information is included. Failure to submit all information requested may result in a request to submit the missing information. Responses which are substantially incomplete, or lack key information may be rejected as incomplete.

2. Response should be prepared simply and economically, providing a straightforward, concise description of capabilities to satisfy the requirements of the RFP. Emphasis should be placed on completeness and clarity of content.

3. Responses should be organized in the order in which the requirements are presented in the RFP. All pages of the response should be numbered. Each response to Section E – Terms, Conditions, and Proposed Services, #1-#12 should reference the corresponding requirement number in Section E. Repeat the text of the requirements as it appears in the RFP before each response. Information which the firm desires to present that does not fall within any of the requirements of the RFP should be inserted at an appropriate place or be attached at the end of the response and designated as additional material. Responses that are not organized in this manner risk elimination from consideration if the evaluators are unable to find where the RFP requirements are specifically addressed.

4. Each copy of the paper response should be bound or contained in a single volume where practical. All documentation submitted with the response should be contained in that single volume.

5. **Pre-Proposal Conference:** To assist interested firms in preparing a thorough response, an optional pre-proposal conference with walk thru of facilities has been scheduled for October 12, 2018, at 1:00 P.M. at the Central Missouri Events Center, 5212 N. Oakland Gravel Road, Columbia, Missouri. Offerors have the option to submit questions in advance. Representatives from the County will be available to answer questions. Offerors are advised to do their own due diligence. Neither the County nor any of its agents or representatives is responsible for representations made regarding the physical condition of the site. Additional inspections will be permitted for bona fide prospective Offerors at dates and times to be determined and agreed upon with the County. Contact Melinda Bobbitt, Director of Purchasing, Phone: (573) 886-4391 or E-mail: mbobbitt@boonecountymo.org.

6. **Guidelines for Written Questions:** Offerors and their agents (including subcontractors, employees, consultants, or anyone else acting on their behalf) must direct all questions or comments regarding this RFP, the evaluation, etc. to the buyer of record (contact information on cover page of RFP). Offerors and their agents may not contact any County employee other than the buyer of record listed on the front page of this RFP regarding any of these
matters during the solicitation and evaluation process. Inappropriate contacts are grounds for suspension and/or exclusion from specific procurements. Offerors and their agents who have questions regarding this matter should contact the buyer of record.

Questions shall be submitted in writing no later than 5:00 P.M., December 14, 2018 in order to allow enough time for the County to provide a response. All questions must be mailed, faxed or e-mailed to the attention of Melinda Bobbitt, Director of Purchasing. All such questions will be answered in writing, and such answers will be provided to all parties having obtained a RFP. The responses and usage will become a part of a written addendum, which will be mailed or emailed prior to RFP opening.

Melinda Bobbitt, CPPO, CPPB, Director of Purchasing
Boone County Purchasing
613 E. Ash, Room 110
Columbia, Missouri 65201
Phone: (573) 886-4391; Fax: (573) 886-4390
E-mail: mbobbitt@boonecountymo.org

The County will not reimburse firms for any costs associated with the preparing or submitting of any RFP response.

7. Information provided in RFP responses will be considered proprietary and will not be divulged during the selection process. The successful firm’s RFP will become public record after its acceptance by the County Commission. All responses and tabulation sheets are kept by the County for a period of time established by regulation or statutes after the award is made and are available for inspection at any time during regular working hours.

H. SELECTION OF LESSEE(S)

Selection of the lessee(s) is subject to the best offer(s) received that adds value to the property and is determined to be in the best interest of the County. Selection may also be based on proposed use of property. The lease is subject to final approval of the Boone County Commission. The County reserves the right to reject any or all offers.

Evaluation and Award Process:

Boone County will select an evaluation team to review responses and to make a formal recommendation for award to the County Commission. After determining a responsible Offeror and a responsive proposal through the determination that the proposal satisfies the mandatory requirements stated in the Request for Proposal, the evaluation team will use both objective analysis and subjective judgment in conducting a comparative assessment of the proposal in accordance with the evaluation criteria stated below:

a. **Method of Performance (15 points)**
   - Property Use
   - Demolition and Renovation Plans with Timeline
   - Compatibility of the proposed use with the surrounding area
   - Public benefit of proposed use

b. **Experience/Expertise of Offeror (15 points)**
   - Financial Strength of Offeror
   - Relative experience of the Offeror in similar redevelopment projects
Executive Summary
References

c. Proposed Annual Lease Price (70 points)

After an initial evaluation process the County may choose to interview the Offeror or Offeror’s designated representative. Offeror may be asked to make an oral presentation of their proposal to the evaluation team at a location designated by the County. Attendance cost shall be at the Offeror’s expense. The County will coordinate all arrangements and scheduling.

I. NEGOTIATION OF CONTRACT

Competitive Negotiation of Proposals: The Offeror is advised that the County reserves the right to either negotiate proposals received or to award a contract without such negotiations. If such negotiations are conducted, the following conditions shall apply:

The County may negotiate in person, in writing, or by telephone.

The County will negotiate only potentially acceptable proposals. The County reserves the right to limit negotiations to those proposals which received the highest rankings during the initial evaluation phase.

Any features of the proposals, including but not limited to services, conditions, prices, methodology, or other may be subject to negotiation and revision. As part of the negotiations, the Offeror may be required to submit supporting financial, pricing and other data in order to allow a detailed evaluation of the feasibility, reasonableness, and acceptability of the proposal.

This Request for Proposal’s mandatory requirements are not negotiable and shall remain unchanged unless the County determines that a change in such requirements is in the best interest of the parties.

J. APPENDIX
a. Cover / Response Page
b. Boone County Insurance Requirements
c. Area Data
d. Boone County Survey
APPENDIX A

COVER/RESPONSE PAGE
PLEASE COMPLETE AND PLACE IN FRONT OF YOUR RFP RESPONSE

Organization Name: ____________________________________________
Address: ____________________________________________________
Telephone: ______________________ Fax: _________________________
E-mail Address: ______________________________________________
Web Site URL: _______________________________________________

Note: This form must be signed. All signatures must be original and not photocopies.

The undersigned hereby certifies that he/she is a duly authorized official of their organization and has the authority to sign on behalf of the organization and assures that all statements made in the response to the RFP are true.

Print Name: __________________________ Title: ____________________
Signature: ___________________________ Date: _____________________

1. The annual long-term lease price for Parcel 1 – Central MO Events Center shall be: $__________

2. The annual long-term lease price for Parcel 2 – Fonner County Maintenance Building shall be: $__________

3. The proposed security deposit for Parcel 1 will be: $__________
   (complete if only proposing for Parcel 1)

4. The proposed security deposit for Parcel 2 will be: $__________
   (complete if only proposing for Parcel 2)

5. The proposed security deposit for combined Lease of parcel 1 and Parcel 2 will be: $__________

6. Any changes from the provisions of this Request for Proposal or to the Insurance Requirements shall be specifically noted here:
   ____________________________________________________________
   ____________________________________________________________

7. Proposed term of lease if other than fifty (50) years: ________________

8. Desired start date of lease: ________________________________

9. Attach an earnest deposit of $5,000 in the form of a bank check or certified check made payable to Boone County, Missouri.
**Insurance Requirements:** The Contractor shall not commence work under this contract until they have obtained all insurance required under this paragraph and the Certificate of Insurance has been approved by the County, nor shall the Contractor allow any subcontractor to commence work on their subcontract until all similar insurance required of subcontractor has been so obtained and approved. All policies shall be in amounts, form and companies satisfactory to the County which must carry an A-6 or better rating as listed in the A.M. Best or equivalent rating guide. Insurance limits indicated below may be lowered at the discretion of the County.

**Employers Liability and Workers Compensation Insurance** - The Contractor shall take out and maintain during the life of this contract, **Employers Liability and Workers Compensation Insurance** for all of its employees employed at the site of work, and in case any work is sublet, the Contractor shall require the subcontractor similarly to provide Workers Compensation Insurance for all of the latter’s employees unless such employees are covered by the protection afforded by the Contractor. Workers Compensation coverage shall meet Missouri statutory limits. Employers Liability limits shall be $500,000.00 each employee, $500,000.00 each accident, and $500,000.00 policy limit. In case any class of employees engaged in hazardous work under this Contract at the site of the work is not protected under the Workers Compensation Statute, the Contractor shall provide and shall cause each subcontractor to provide Employers Liability Insurance for the protection of their employees not otherwise protected.

**Commercial General Liability Insurance** - The Contractor shall take out and maintain during the life of this contract, such commercial general liability insurance as shall protect it and any subcontractor performing work covered by this contract, from claims for damages for personal injury including accidental death, as well as from claims for property damages, which may arise from operations under this contract, whether such operations be by themselves or for any subcontractor or by anyone directly or indirectly employed by them. The amounts of insurance shall be not less than $3,000,000.00 combined single limit for any one occurrence covering both bodily injury and property damage, including accidental death. If the Contract involves any underground/digging operations, the general liability certificate shall include X, C, and U (Explosion, Collapse, and Underground) coverage. If providing Commercial General Liability Insurance, then the Proof of Coverage of Insurance shall also be included.

Contractor may satisfy the minimum liability limits required for Commercial General Liability or Business Auto Liability under an Umbrella or Excess Liability policy. There is no minimum per occurrence limit of liability under the umbrella or Excess Liability; however, the Annual Aggregate limit shall not be less than the highest “Each Occurrence” limit for either Commercial General Liability or Business Auto Liability. **Contractor agrees to endorse the County as an Additional Insured on the umbrella or Excess Liability, unless the Certificate of Insurance state the Umbrella or Excess Liability provides coverage on a “Follow-Form” basis.**

**Business Automobile Liability** – The Contractor shall maintain during the life of this contract, automobile liability insurance in the amount of not less than $3,000,000.00 combined single limit for any one occurrence, covering both bodily injury, including accidental death, and property damage, to protect themselves from any and all claims arising from the use of the Contractor’s own automobiles, teams and trucks; hired automobiles, teams and trucks; non-owned and both on and off the site of work.

**Subcontractors:** Contractor shall cause each Subcontractor to purchase and maintain insurance of the types and amounts specified herein. Limits of such coverage may be reduced only upon written agreement of County. Contractor shall provide to County copies of certificates of
insurance evidencing coverage for each Subcontractor. Subcontractors’ commercial general
liability and business automobile liability insurance shall name County as Additional Insured and
have the Waiver of Subrogation endorsements added.

**Proof of Carriage of Insurance** - The Contractor shall furnish the County with Certificate(s) of
Insurance which name the County as additional insured in an amount as required in this contract).
The Certificate of Insurance shall provide that there will be no cancellation, non-renewal or
reduction of coverage without 30 days prior written notice to the County. In addition, such
insurance shall be on an occurrence basis and shall remain in effect until such time as the County
has made final acceptance of the services provided.

**INDEMNITY AGREEMENT:** To the fullest extent permitted by law, Contractor shall
indemnify, hold harmless and defend the County, its directors, officers, agents, and employees
from and against all claims, damages, losses and expenses (including but not limited to attorney’s
fees) arising by reason of any act or failure to act, negligent or otherwise, of Contractor, of any
subcontractor (meaning anyone, including but not limited to consultants having a contract with
contractor or a subcontract for part of the services), of anyone directly or indirectly employed by
contractor or by any subcontractor, or of anyone for whose acts the contractor or its subcontractor
may be liable, in connection with providing these services. This provision does not, however,
require contractor to indemnify, hold harmless, or defend the County of Boone from its own
negligence.

Nothing in these requirements shall be construed as a waiver of any governmental immunity of
the County, its officials nor any of its employees in the course of their official duties.

Failure to maintain the required insurance in force may be cause for contract termination. In the
event the Agency/Service fails to maintain and keep in force the required insurance or to obtain
coverage from its subcontractors, the County shall have the right to cancel and terminate the
contract without notice.

**Certificate Holder address:**

County of Boone, Missouri
C/O Purchasing Department
613 E. Ash Street
Columbia, MO 65201
AREA DATA

LOCATION
The City of Columbia is located in central Missouri at the intersection of Interstate Highway 70 and U.S. Highway 63. Columbia is midway between St. Louis and Kansas City, being approximately 125 miles from the center of each metropolitan area. Jefferson City, the state capitol, is located 33 miles to the south of Columbia.

GOVERNMENT
The City of Columbia operates under a home rule (Council-Manager) form of government. The City has a zoning ordinance, building codes and a comprehensive city plan. The City Council is composed of the mayor and six ward representatives. The Council is the policy and lawmaking body for Columbia.

Columbia is the county seat of Boone County. The County is governed by a commission composed of three commissioners. The Commission oversees the budget and makes policy decisions pertaining to county government. The County maintains a planning and zoning program by use of a zoning ordinance, subdivision regulations and building codes.

POPULATION AND WORK FORCE
The US Census Bureau estimated population in 2010 at 108,500 for the City of Columbia and 162,642 for Boone County. The Columbia population showed an increase of 28.36% from the 2000 Census estimate of 84,531. The 2015 census estimate is 119,108 persons. The population of Boone County increased 20.1% from the 2000 census of 135,454 to a total of 162,642. The county population is currently estimated at about 177,000.

The period from 1960 to 2000 was a time of dramatic population growth in Boone County. From 1960 to 1980 the population of Boone County changed from 55,205 to 100,376, an increase of 81.8%. This represents an average annual increase of 4%. The period from 1980 to 2000 indicated a change in population of Boone County from 100,376 to 135,454, an increase of 34.9%. This represents an average annual increase of 1.7%. The period from 2000 to 2010 represents an average annual increase of 2.8%.

EMPLOYMENT AND ECONOMY
The unemployment rate in Columbia is consistently lower than state and national rates due to the diverse economic base of the area. The largest employment sectors in the Columbia MSA are education, services, government, and retail trade. The education sector includes the University of Missouri, Columbia's largest employer. The service sector includes a large healthcare and insurance component.

Below is a list of employers within the Columbia MSA that employ 500 or more people. An analysis of the most significant industries/sectors is provided after the list of employers.

<table>
<thead>
<tr>
<th>Organization</th>
<th>Product/Service</th>
<th>Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Missouri (MU)</td>
<td>Education</td>
<td>8,750</td>
</tr>
<tr>
<td>University Hospital &amp; Clinics</td>
<td>Medical/Education</td>
<td>4,502</td>
</tr>
<tr>
<td>Columbia Public Schools</td>
<td>Education</td>
<td>2,524</td>
</tr>
<tr>
<td>Boone Hospital Center</td>
<td>Medical Care</td>
<td>2,000</td>
</tr>
<tr>
<td>City of Columbia</td>
<td>Government</td>
<td>1,360</td>
</tr>
</tbody>
</table>
HEALTH SERVICES
With six major hospitals and approximately 1,256 hospital beds, Columbia has hospital facilities capable of serving a regional population of 450,000. The employed labor force working in medically related occupations includes over 1,000 doctors specializing in every medical field and over 2,200 registered nurses and over 660 licensed practical nurses.

Columbia's healthcare facilities include a major teaching hospital and children's hospital (University Hospital), one private community hospital (Boone Hospital Center), a veteran's hospital (Harry S. Truman Memorial Veteran's Hospital), a cancer treatment center (Ellis Fischel Cancer Center) a 60-bed rehabilitation hospital (Rusk Rehabilitation Center), a psychiatric care facility (Missouri Psychiatric Center) and a long term acute care hospital (Landmark Hospital of Columbia). Both the University and Boone hospitals recently expanded their facilities and programs. The University projects include three phases with a projected cost of $850 million dollars. The Ellis Fischel relocation to the University of Missouri campus was completed in 2013. Boone Hospital completed a 920 space-parking garage and patient tower in 2013. The cost was $120 million dollars. Boone Hospital recently completed the first phase of a south campus office facility. The south campus will include a 65,000 square foot main building, two 12,000 square foot buildings and a 35,000 square foot facility. Some of the building will be available for lease to health care professionals.

It is anticipated that Columbia's medical industry will continue to grow; due in part to a large referral practice conducted by central Missouri physicians. The medical industry not only provides an excellent level of health care for residents, but also has a positive impact on the economy. The Boone Hospital Center lease with BJC is up for renewal and the hospital is seeking proposals for a new management agreement. The University of Missouri Health Care system is considering a partnership, however, negotiations recently paused.

Recently Columbia is expanding the Health Services industry by attracting high-tech medical companies. Clinical Research Organization, BioPharma Services Inc. has recently chosen Columbia to open new facilities. Northwest Medical Isotopes recently revealed plans to invest $50 million dollars to construct a radioisotope production facility at Discovery Ridge Research Park, which will bring 68 high-paying jobs to the region.

EDUCATION
Education is Columbia's largest and most important employment sectors. Education accounts for a majority of the jobs in Columbia. The education system includes: one university, two liberal-arts colleges, trade schools, satellite locations of other colleges, the public-school system, parochial schools, and private schools.
The flagship campus of the University of Missouri is located in Columbia. The Columbia campus was established in 1839 as a land grant institution. The campus, which includes 1,358 acres of land, is located in the central sector of the city at the south edge of the central business district (“The District”).

At present, the University offers degree programs in 18 schools and colleges and maintains an enrollment of over 30,000. The enrollment has grown significantly over the past 10 years but has declined since 2015. The 2018 freshman class is projected to stabilize or increase slightly; however, it will be smaller than the 2018 graduating class, thus, total enrollment will likely decline again.

Significant cuts in enrollment and funding have been met with reductions in staff and course offerings. Additional cuts to staff/programs are projected for Fall 2018. The University is making significant strides to improve the situation with changes in administration including a new chancellor and president.

In the near term, the funding cuts and lower enrollment will adversely affect most segments of the local economy to some extent. Real estate will not escape the effects. Student oriented businesses and student housing are projected to be the most directly impacted, however, all segments will be affected to some extent. Staff reductions and uncertainty will adversely affect the single-family home market to some degree.

Vacancies for Fall 2017 have increased while future rates will be dependent on the extent of enrollment declines and new apartment construction.

The number of students enrolled at the University of Missouri for the last seven years is as follows:

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Campus Total</td>
<td>32,415</td>
<td>33,805</td>
<td>34,748</td>
<td>34,658</td>
<td>35,441</td>
<td>35,448</td>
<td>33,266</td>
<td>30,870</td>
<td></td>
</tr>
<tr>
<td>Increase (%)</td>
<td>3.77%</td>
<td>4.29%</td>
<td>2.79%</td>
<td>-0.26%</td>
<td>2.26%</td>
<td>0.20%</td>
<td>-6.16%</td>
<td>-7.20%</td>
<td></td>
</tr>
</tbody>
</table>

Enrollment had previously been projected to continue increasing through 2019, however as of August 23, 2016, the Fall 2016 enrollment was 2,182 students lower than 2015. The decline is due to a combination of factors including shrinking freshman class size, including smaller high school class sizes, increased recruiting from other universities, and campus turmoil in the Fall 2015. Further declines occurred in 2017.

Columbia College, a private college founded in 1851, is located at the north edge of “The District”. The Columbia campus currently maintains an enrollment, including evening and extended studies students, of 16,946 students. The total annual enrollment including day, evening, nationwide campuses, online campus, and graduate studies is about 27,500. Thirteen major programs offered at Columbia College include art, business administration, criminal justice administration, education, administration, psychology, and social work. Fall 2017 enrollment is expected to grow about 10% with about 1,050 traditional students. The college recently received approval for a four-story classroom and residence hall.

Stephens College is a private women’s college located at the east edge of “The District”. Established in 1833, the college has a current enrollment of 866, including graduate and
continuing studies programs. The residential student population is 700. The college offers
programs for business administration, radio-TV-film, fashion, legal assistants, and equestrian
science. Moberly Area Community College, Bryan College, William Woods University, and
Central Methodist University have Columbia campuses.

The Columbia Public School District includes 21 elementary, 6 middle schools and 4 senior high
schools, and an area vocational school. Battle High School opened in 2013. Over 18,170 students
were enrolled in the 2016-2017 school year, and over 2,000 faculty and staff members are a part
of this system. The school district has an AAA rating, the highest possible in Missouri, and is
recognized for excellence on a regular basis both state and nationwide. According to the Missouri
State Board of Education there are 12 non-public schools in Columbia with an enrollment of over
1,200 students. In 2012, Father Tolton Catholic High School completed construction in south
Columbia on Gans Road west of Highway 63. Columbia Independent School purchased and
renovated a former office building for school use in 2009. There is a total of 17 private and
parochial schools.

INSURANCE
The insurance industry has a significant role in Columbia's economy. Columbia is the corporate
headquarters of Shelter Insurance and the regional headquarters of State Farm Insurance. In 2004-
05 State Farm relocated several jobs to Columbia as a result of closing offices in Monroe,
Louisiana. They added 188 jobs in 2004, and 180 in the first half of 2005, plus another 60
unrelated training jobs. Other insurance companies operating in Columbia include Columbia
Mutual Insurance Company and Missouri Employers Mutual Insurance Company.

INDUSTRY AND MANUFACTURING
The manufacturing sector continues to represent a decreasing percentage of Columbia's economic
base. According to the Missouri Economic Research and Information Center, about 4% of the
employed labor force in Boone County is employed in manufacturing.

The largest industrial employers in the area include: Hubbell/Chance Co, Columbia Foods (Oscar
Mayer), Square D Company, Watlow Electric, Dana Corporation, EAG Laboratories, Inc., 3-M
Company, Otscon, and PepsiCo.

A majority of Columbia's industrial base is made up of "clean" industry. There are very few
"smokestack" type industries operating here. Our market has had difficulty, along with the region,
in securing larger manufacturing concerns and the local economic development corporation is
focusing on the recruitment of technology or knowledge-based employers that can benefit from a
relationship with MU.

American Outdoor Brands Corporation, a leading provider of quality products for shooting,
hunting, and rugged outdoor enthusiasts, announced March 2 plans to potentially establish a
national distribution center in the Columbia area of Boone County, Missouri. Under the plans,
the company would break ground on the new 500,000 sq. ft. facility in the next several months. The
company's plans to establish the new facility in Boone County are contingent upon the approval
of incentives, completion of due diligence, and the finalization of agreements related to other
terms and conditions.

On February 6, 2017, the Columbia City Council unanimously approved the Purchase and Sale
Agreement of the city-owned Missouri state certified Sutter Industrial Site to AOD-MO
Holdings, LLC. Affiliates of AOD-MO Holdings, LLC are the leading producers of store-brand
organic milk and butter for U.S. retailers and is headquartered in Boulder, Colorado.
With this purchase and capital investment, AOD-MO Holdings, LLC will construct an approximately 80,000 square foot dairy processing facility including warehouse distribution of their product. The first phase of the project will include a capital investment of $89 million in building and equipment. It will also create 100 or more full-time positions that pay an average wage above the Boone County average wage of $36,225/annually (plus benefits). The project includes plans for an expansion anticipated within the first five years of operation that would bring an additional $50 million capital and add an additional 40 or more full-time positions.

RETAIL TRADE
Approximately 13% of the employed labor force works in the retail sector. Columbia serves as a regional shopping center for mid-Missouri and has tremendous buying power within its own population. Sales growth slowed in 2008 due to the recession and expansion of shopping facilities in other central Missouri towns, such as Jefferson City, but has resumed increases since 2010. The trend in taxable sales, which are tabulated by the MO Department of Revenue, provides a good indication of the growth in this sector. A summary of taxable sales for Columbia, published by the City of Columbia for the last 6 years, is provided. Note: These figures are not adjusted for inflation.

<table>
<thead>
<tr>
<th>Year</th>
<th>Taxable Sales</th>
<th>$ Increase</th>
<th>% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$1,959,805,400</td>
<td>$38,000,700</td>
<td>1.98%</td>
</tr>
<tr>
<td>2011</td>
<td>$2,074,241,900</td>
<td>$114,436,500</td>
<td>5.80%</td>
</tr>
<tr>
<td>2012</td>
<td>$2,173,169,500</td>
<td>$98,927,600</td>
<td>6.00%</td>
</tr>
<tr>
<td>2013</td>
<td>$2,255,243,500</td>
<td>$82,074,000</td>
<td>3.78%</td>
</tr>
<tr>
<td>2014</td>
<td>$2,342,346,600</td>
<td>$87,103,100</td>
<td>3.86%</td>
</tr>
<tr>
<td>2015</td>
<td>$2,380,825,200</td>
<td>$38,505,600</td>
<td>1.64%</td>
</tr>
<tr>
<td>2016</td>
<td>$2,431,853,000</td>
<td>$51,000,800</td>
<td>2.14%</td>
</tr>
</tbody>
</table>

CONVENTION AND TOURISM TRADE
Columbia maintains a strong convention trade due to its strategic geographic location within the state and the facilities it offers for lodging and convention type business. There are four exhibition facilities and numerous hotels with meeting facilities.

The Columbia hotel/motel market includes a total of 37 hotels/motels with 3,555 guestrooms. The most recent completed new construction in the local market is the Candlewood Suites, which was recently completed just north of Clark Lane. This extended-stay hotel includes 96 rooms. The Holiday Inn Express and Suites, was constructed in 2014 at the Stadium Boulevard and Highway 63 interchange. This hotel includes 121 rooms. The Broadway Columbia, a Doubletree hotel located downtown was completed in 2014 and includes 114 guestrooms. A Best Western Plus was opened in 2015 at the Highway 63 and I-70 interchange. This hotel had formerly been a Comfort Inn but had been closed in recent years. A Springhill Suites is currently under construction north of Clark Lane and this hotel will include 82 rooms. A TownPlace by Marriott is under construction at the Highway 63 and Gans Discovery Parkway interchange and this hotel will include 96 rooms. The Howard Johnson Inn located on I-70 Drive Southeast was recently razed and construction of a new Drury Inn & Suites with 210 rooms is ongoing at a cost of approximately $9 million. The Baymont Inn & Suites located at 801 Keene Street recently converted to a Quality Inn.

Columbia's tourism trade is supported by college events such as sports and graduation, and by other events such as the annual Show-Me State Games and Special Olympics state games (both multi-sport competition with participants from throughout the state) and the Roots and Blues and BBQ festival.
One measure of the health of Columbia's convention and tourism trade is the tax collected for the Convention and Tourism Fund. This room tax was increased in January 2000 from 2% to 4%, and again in January 2017 to 5% of all receipts from the rental of any sleeping accommodations at hotels or motels. A summary of the tax for 2010 through 2016 follows. Annual reporting is on a fiscal year of October 1 to September 30 for the City of Columbia.

<table>
<thead>
<tr>
<th>YEAR</th>
<th>TAX REV</th>
<th>$ CHANGE</th>
<th>% CHANGE</th>
<th>GROSS ROOM REV</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$1,799,349</td>
<td>$77,570.00</td>
<td>4.5%</td>
<td>$44,983,723</td>
</tr>
<tr>
<td>2011</td>
<td>$1,939,309</td>
<td>$139,960.00</td>
<td>7.8%</td>
<td>$48,482,725</td>
</tr>
<tr>
<td>2012</td>
<td>$1,968,362</td>
<td>$29,053.00</td>
<td>1.5%</td>
<td>$49,209,050</td>
</tr>
<tr>
<td>2013</td>
<td>$2,154,762</td>
<td>$186,400.00</td>
<td>9.5%</td>
<td>$53,869,052</td>
</tr>
<tr>
<td>2014</td>
<td>$2,328,765</td>
<td>$174,003.00</td>
<td>8.1%</td>
<td>$58,219,125</td>
</tr>
<tr>
<td>2015</td>
<td>$2,491,275</td>
<td>$162,510.00</td>
<td>7.0%</td>
<td>$62,281,875</td>
</tr>
<tr>
<td>2016</td>
<td>$2,496,674</td>
<td>$5,399.00</td>
<td>0.2%</td>
<td>$62,416,850</td>
</tr>
</tbody>
</table>

Based on an STR report provided by the Columbia Convention and Visitors Bureau, the overall occupancy rate for hotels/motels in Columbia was 59.0% for 2016 vs. 56.5% for 2015. The ADR was $88.57 for 2016 vs. $86.97 for 2015. RevPAR was $52.23 for 2016 vs. $49.13 for 2015.

COMMERCIAL DEVELOPMENT
Permits for commercial construction activity during the last six years, as tracked by the Columbia Community Development Department, are summarized below.

<table>
<thead>
<tr>
<th>YEAR</th>
<th>PERMITS</th>
<th>AMOUNT</th>
<th>PERMITS</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>33</td>
<td>$20,778,190</td>
<td>218</td>
<td>$42,349,821</td>
</tr>
<tr>
<td>2011</td>
<td>42</td>
<td>$19,058,403</td>
<td>164</td>
<td>$46,905,325</td>
</tr>
<tr>
<td>2012</td>
<td>35</td>
<td>$58,015,303</td>
<td>197</td>
<td>$40,782,599</td>
</tr>
<tr>
<td>2013</td>
<td>41</td>
<td>$55,653,531</td>
<td>251</td>
<td>$60,808,332</td>
</tr>
<tr>
<td>2014</td>
<td>36</td>
<td>$59,173,040</td>
<td>211</td>
<td>$53,652,668</td>
</tr>
<tr>
<td>2015</td>
<td>57</td>
<td>$49,635,694</td>
<td>213</td>
<td>$71,644,778</td>
</tr>
</tbody>
</table>

HOUSING DEVELOPMENT
As of the 2010 Census, the City of Columbia included 46,758 total housing units. Total housing units increased from 35,916 in 2000, an average annual increase of 3%. While total sales appear to have stabilized over the past three years, new home sales and permits have declined somewhat. New home sales in 2017 were the lowest since 2011. As interest rates and development costs increase, new home sales for 2018 are expected to decline again and total home sales may decline somewhat over the next few years.

COLUMBIA APARTMENT MARKET
Moore and Shryock conducts a survey of the Columbia apartment market every year. The Fall 2017 report indicated the following vacancy rates.
Table 1: Market Sector Vacancy Rate

<table>
<thead>
<tr>
<th>Market Sector</th>
<th>Vacancy Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conventional</td>
<td>5.66%</td>
</tr>
<tr>
<td>Student Downtown</td>
<td>5.64%</td>
</tr>
<tr>
<td>Student Off-Campus</td>
<td>23.18%</td>
</tr>
</tbody>
</table>

The 2017 survey included 65 apartment complexes within the Columbia market. These complexes comprise two distinct market segments: the conventional market and student market. Each of which contain sub-sectors which were analyzed in the survey. The student complexes are defined as those that are purpose-built for this use and offer amenities that are attractive to this segment of the market. Twenty-three complexes in this survey were defined as student complexes. The remainder were defined as conventional complexes.

The off-campus student sector had the highest vacancy rate and the southwest sector of the conventional market had the lowest vacancy rate. The student market had the highest number of units added in the last two years. Many units were added to the downtown sector and it continues to capture a higher percentage of the market demand.

The off-campus student market showed a significant increase in vacancy over the last three years. During this period, the downtown sector has increased supply and captured a larger share of the overall student market, maintaining a relatively low vacancy rate compared to the off-campus sector. Some off-campus units have continued to have strong occupancy while some have struggled. The downtown student sector added about 1,400 beds to the market in the fall of 2017. These additional units came on-line in the face of two years of declining enrollment at the University of Missouri. The MU enrollment is projected to stabilize or increase somewhat in the Fall of 2018 and development of new units targeted for students is minimal. However, the graduation of one of the larger MU classes with replacement by a significantly smaller sophomore class will further adversely impact the apartment market.

Additional market rate apartments are also being added. The 2018 vacancy rates are expected to increase.

COST OF LIVING INDEX
The Columbia, MO MSA index averaged near 95% for several years. This rate is higher than Kansas City, Springfield, and St. Louis. Columbia's cost of living is below the U.S. average due in part to the affordability of housing.

SUMMARY AND OUTLOOK
Overall, Columbia is a prosperous community and an appealing place to live. The city's economic success is indirectly supported by its exceptionally high quality of life. There are a wide variety of cultural, social and recreational opportunities available to visitors and residents.

The economy of Columbia is generally stable due to the diversity of industries, which comprise the base. The government sector is large, and these jobs are generally affected less by business cycles than manufacturing and retail sectors. The medical and insurance industries are also reasonably stable. The stability of these industries filters into other businesses and job sectors, and the real estate market in general. The lower enrollment at the University of Missouri will adversely impact the local economy to some extent over the next few years.
In the future, we expect additional population growth as new job opportunities develop. Columbia's strategic location, economic stability, quality of life, and non-union orientation will continue to attract new employers over the long term.

MARKET CONDITIONS SUMMARY-1ST QUARTER 2018
According to the January Beige Book for the Eighth District economic conditions have continued to improve at a modest pace since our previous report. Labor market conditions remain tight, the pace of hiring remains slow, while wage growth has been moderate. Reports on consumer spending were positive. Residential real estate conditions have improved modestly after a few months of sluggish home sales. District bankers reported moderate loan growth across most categories. Price pressures have increased moderately. Reports from general retailers, auto dealers, and hoteliers indicate consumer spending has grown modestly since our previous report. November real sales tax collections increased. Most manufacturing contacts expect conditions in 2018 to be similar to those in U.S. GDP is forecast to range from 2.2% to 2.8% with a midpoint of 2.5% in 2018. If tax changes provide a boost to growth 2018 real GDP may trend to the upper side of the range. This is the 10th year of economic expansion and GDP has averaged about 2.1% per year.

The Wells Fargo Housing Market Index (HMI) rose 5 points to 74 in December. This index is now at an 18-year high. Recession remains a low probability in the next few months. It appears likely the Federal Open Market Committee will raise short term interest rates three times in 2018.

Commercial property owners are the biggest beneficiaries of the tax bill. The 1031 exchange provision remains in place. Commercial landlords will still be entitled to a full mortgage interest deduction, in addition to benefiting from the reduced corporate tax rate of 21%. The bill also reduces the depreciation period for multifamily and commercial properties to 25 years. The new plan will likely be a net positive for the multifamily sector by discouraging home ownership.

The current 4.1% unemployment rate is indicative of a labor market that continues to tighten. Meanwhile, hiring, though strong, has been slowing since 2015.

Because the new economy is built on technology it will change the commercial real estate sector forever. Many brick and mortar stores are struggling to stay afloat as customers are increasingly choosing to make online purchases. Many retail properties are in prime locations and can easily be repurposed. E-commerce is propelling demand for warehousing in some locations. Situs RERC survey respondents did not predict much change in the CRE values in the next year as 80% said CRE values would remain the same, and 20% predicted a 1% increase. More respondents felt that the CRE price growth over the past recovery cycle will continue in 2018 and that the eventual correction in values will be minimal.

In Columbia, the local economy is buoyed by the number of persons employed by the University of Missouri, other state supported institutions, the medical industry and the insurance industry. At present, the University offers degree programs in 18 schools and colleges and maintains an enrollment of over 30,000. The enrollment has grown significantly over the past 10 years but has declined since 2015. The 2018 freshman class is projected to stabilize or increase slightly; however, it will be smaller than the 2018 graduating class, thus, total enrollment will likely decline again. Significant cuts in enrollment and funding have been met with reductions in staff and course offerings. Additional cuts to staff/programs are projected for Fall 2018. The University is making significant strides to improve the situation with changes in administration including a new chancellor and president.

In the near term, the funding cuts and lower enrollment will adversely affect most segments of the local economy to some extent. Real estate will not escape the effects. Student oriented businesses
and student housing are projected to be the most directly impacted, however, all segments will be affected to some extent. Staff reductions and uncertainty will adversely affect the single-family home market to some degree. Vacancies for Fall 2017 have increased while future rates will be dependent on the extent of enrollment declines and new apartment construction.

As the U.S. economic recovery gains momentum, most commercial markets have improved. The volume of land sales with commercial development potential has improved. There have been additional land sales for single-family residential development in 2017 as residential lot absorption continues at a steady pace and a backlog of cheaper lots has been absorbed. A strong demand for lots and small acreage home sites outside the city limits continues.

Land suitable for multi-family or student housing was in strong demand until 2016, especially in "The District", however, the number of units under construction, combined with significant declines in enrollment at MU, has softened demand. Based on interviews with commercial brokers, demand for downtown land suitable for large multi-family projects has declined significantly due to the current market trends and uncertainty regarding the new development code. These same brokers indicated remaining interest is at considerably lower land prices than experienced through 2015.

Commercial improved property sales and leasing are reasonably strong. Appealing listings of commercial property are limited. The Plaza Commercial Realty 2017 Market Report indicates increases in occupancy for office and decreases for industrial markets. Retail occupancy remained stable. All remain below the national averages.

Nationally cap rates for most property segments declined since 2015 and projections are for stabilization through 2018. Higher interest rates are forecast to have more impact on deal volume than cap rates in 2018, but further interest rate increases could put upward pressure on cap rates.

Apartments have been the strongest segment both locally and nationally for the past few years and expansion of this market has continued through 2017. There were several student-oriented complexes that opened in August 2017. The new apartments delivered included downtown student housing (1,400+ beds) and market rate units in the southwest and southeast areas.

Demographics of increasing population, young people entering the housing market, increasing immigrants likely to lease, and the increasing number of single person households all will have a positive effect on the future apartment market, however, declines in MU enrollment will likely offset gains in the next few years.

The local retail market has improved. Most national sources expect a stabilization of this sector through 2018. Online sales are adversely affecting growth of city revenue and the city’s ability to fund operations.

The retail and office space in The District (downtown business district) has experienced improved occupancy and increased rents. There have been more sales of improved properties for office or retail use. The retail market segment will be directly impacted by MU enrollment declines.

The demand for office space within The District remains relatively stable with governmental and financial institutions providing a stable base. Trends of less space per employee and more efficient use of space are likely to continue. Squeezing more people into less space will put structural stress on office building systems and public parking.

The general office market has been generally steady with limited new product coming on line. Demand by Veterans United, the largest local employer, has absorbed significant available supply. Medical office space in the local market continues to be in average demand however,
some projects are taking a wait and see approach regarding the future of Boone Hospital’s operator. There are a few vacancies within medical office buildings in the local market.

The manufacturing/warehouse market is steady. While there has been growth in the industrial sector nationwide, locally there has been limited new development. Sources are indicating an improvement in leasing demand due to the improvement in the economy. While our market has had difficulty, along with the region, in securing larger manufacturing prospects, several older industrial buildings have sold, and several larger tracts of industrial land have been absorbed for new development.

American Outdoor Brands Corporation, a leading provider of quality products for shooting, hunting, and rugged outdoor enthusiasts, announced March 2 plans to potentially establish a national distribution center on about 180 acres east of Columbia in Boone County. Plans call for the company to break ground on the new 500,000 sq. ft. facility in the next several months. The company’s plans to establish the new facility in Boone County are contingent upon the approval of incentives, completion of due diligence, and the finalization of agreements related to other terms and conditions.

On February 6, 2017, the Columbia City Council unanimously approved the Purchase and Sale Agreement of 100 acres of the city-owned Missouri state certified Sutter Industrial Site to AOD-MO Holdings, LLC. Affiliates of AOD-MO Holdings, LLC are the leading producers of store-brand organic milk and butter for U.S. retailers and are headquartered in Boulder, Colorado.

With this purchase and capital investment, AOD-MO Holdings, LLC will construct an approximately 80,000 square foot dairy processing facility including warehouse distribution of their product. The first phase of the project will include a capital investment of $89 million in building and equipment. It will also create 100 or more full-time positions that pay an average wage above the Boone County average wage of $36,225/annually (plus benefits). The project includes plans for an expansion anticipated within the first five years of operation that would bring an additional $50 million capital and add an additional 40 or more full-time positions. Columbia ranked 4th among Missouri cities in 2016 with the most rentals and income for homeowners offering either one room or an entire house to out of town guests through Airbnb. The median Airbnb income for Columbia hosts was about $2,200 or $422,000 total. The local hotel market has experienced expansion of new facilities as some older properties struggle. A Drury Inn is under construction and an expansion of the Broadway Hotel downtown is planned. While long-term prospects for the area are good, the decline of MU enrollment and funding cuts will adversely impact the local economy to some extent over the next few years.

NEIGHBORHOOD DESCRIPTION

The subject property is located east of Highway 63 and Oakland Gravel Road and north of Starke Avenue at the northeast edge of the City of Columbia. The subject neighborhood is defined as those properties located along the Highway 63 corridor north of the Vandiver Drive interchange to the Wagon Trail Road overpass north of the subject. Said interchanges include (from north to south) Prathersville Road, Brown School Road, Route B, and Vandiver Drive.

The Prathersville Road interchange with Highway 63 includes mixed commercial uses. The northeast quadrant, with access from Masonic Drive, is developed with three fraternal related buildings that are office or institutional type use. There is also some undeveloped land zoned for office and residential uses in this area. The southeast quadrant and southwest quadrants are owned by Boone County and used for institutional uses including a juvenile detention facility and the former county Central Missouri Events Center. The northwest quadrant is developed with a Case farm implement dealership and some second-tier industrial uses.
Prathersville Road is a one-mile, two-lane, corridor between Range Line Street and Oakland Gravel Road. This area of mixed development includes residential, industrial and other second-tier commercial land uses. Developments along Prathersville Road include a retail strip center with a gas/convenience store located at the corner of Prathersville Road and Range Line, a fitness center located in an older shop/warehouse building, an automotive repair business, a beer brewing facility and a Boone County Fire District station. There is also a large, multi-tenant office/warehouse building on Tower Drive toward the east end of the Prathersville Road corridor west of Highway 63. Commercial occupancy in the area is stabilized. Overall, Prathersville Road is a mixed-use corridor with residential and second-tier commercial land uses. While there are several tracts of industrial land for sale in the area, there has been recent sale and construction activity to suggest demand for the land is improving. At the east end of the corridor near Oakland Gravel Road is the former Boone County Central Missouri Events Center (subject). Cottonwoods RV Park is located on the east side of Oakland Gravel Road adjacent to the subject’s northwest corner and includes a 97 pad RV park and campground.

Continuing south on Highway 63, the Oakland Gravel Road/Brown School Road interchange includes institutional uses in the northwest and northeast corners including the county jail and former Central Missouri Events Center with a few smaller commercially zoned, but largely undeveloped, tracts closer to the corners. The subject property is located in the northeast quadrant of this interchange on the east side of Oakland Gravel Road and north of Starke Avenue.

Route B is a major thoroughfare providing access from downtown through northeast Columbia, with traffic volumes ranging from approximately 13,000 to 20,000 cars per day. Route B, north of Highway 63, was widened to five lanes with existing development consisting of primarily sales/service and industrial type uses including Quaker Oats, 3M, Schneider Electric, Mid-City Lumber Co., Tractor Supply, and Kraft Foods/Oscar Mayer. A considerable amount of vacant land remains available along the east side of Route B north of Highway 63. The southern section of Route B, south of Highway 63, has also been widened. Commercial properties along this part of Route B are retail and service oriented. Some of the commercial uses south of Highway 63 include an Orscheln Farm and Home, Landmark Bank, Linweld, Midwest Block & Brick, RSC Rental Equipment, and UPS Freight.

The Vandiver Drive interchange includes a significant amount of vacant land, as well as a mix of commercial and residential uses. The west side of Highway 63 includes most of the existing development, with the Centerstate project anchored by Bass Pro Shops retail store and Menard’s home improvement store, both located south of Vandiver, and residential and office-oriented uses north of Vandiver. The east side of Highway 63 is undeveloped; however, most of the land outside of the Hinkson Creek floodplain already has entitlements in place to permit additional commercial development. A 70-acre tract sold in the last two years at the southeast quadrant of Vandiver and Highway 63 and a 7-acre tract sold in the last three years at the northeast quadrant of the same intersection. No development has occurred on either tract. Both sites were purchased by investors. The I-70 and Highway 63 interchange is about one mile south of Vandiver. While most other Highway 63 interchanges within the city are near fully developed, considerable other vacant land along Highway 63 exists near the south city limits at the Gans Road interchange. This land would compete with the subject location to some extent but is generally considered superior in location.

The subject neighborhood is best described as a destination oriented, mixed use, neighborhood with mostly scattered public institutions, a few destination retail uses at prominent corner locations, offices, and considerable vacant land (much of which has infrastructure and entitlements in place). Demand for other retail and office use is projected to be weak. While some evidence of multi-family development exists further south along the corridor, demand for such use closer to the subject is projected to be weak. There has been recent demand for larger tracts
for light industrial use in the west part of the neighborhood and along Route B and Route Z. Future development is expected to be limited in the near term despite the availability of land, improving economy, and improving demand for properties further south of the subject. The Columbia CATSO major roadway plan shows extension of Prathersville/Waco Road extending east to Route Z and I-70 which would improve access throughout the neighborhood, but the timeframe for development is likely be several years.

LOCAL INDUSTRIAL LAND MARKET
Columbia benefits from its centralized location and association with one of nation’s top universities; however, until the past two years, the local market has experienced nominal demand for new industrial development. A summary of industrial land sales in Columbia over the past 8 years is summarized below.

<table>
<thead>
<tr>
<th>Date</th>
<th>Location</th>
<th># of Acres</th>
<th>$/Acre</th>
<th>Rail</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>Route Z</td>
<td>22</td>
<td>$10,000</td>
<td>No</td>
</tr>
<tr>
<td>2011</td>
<td>Leupold Court</td>
<td>10</td>
<td>$18,000</td>
<td>No</td>
</tr>
<tr>
<td>2011</td>
<td>Trade Winds Parkway</td>
<td>113</td>
<td>$13,000</td>
<td>No</td>
</tr>
<tr>
<td>2011</td>
<td>Brown Station Road</td>
<td>50</td>
<td>$8,000</td>
<td>Yes</td>
</tr>
<tr>
<td>2012</td>
<td>Rangeline Road S.</td>
<td>14</td>
<td>$18,557</td>
<td>No</td>
</tr>
<tr>
<td>2013</td>
<td>Tower Drive</td>
<td>3.46</td>
<td>$40,462</td>
<td>No</td>
</tr>
<tr>
<td>2013</td>
<td>Paris Road</td>
<td>4.3</td>
<td>$45,000</td>
<td>No</td>
</tr>
<tr>
<td>2014</td>
<td>Confidential</td>
<td>&gt;75</td>
<td>$8,000</td>
<td>No</td>
</tr>
<tr>
<td>2016</td>
<td>Trade Winds Parkway</td>
<td>30.24</td>
<td>$13,000</td>
<td>No</td>
</tr>
<tr>
<td>2016</td>
<td>N. 763</td>
<td>134</td>
<td>$11,190</td>
<td>No</td>
</tr>
<tr>
<td>2017</td>
<td>Route Z</td>
<td>22</td>
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<td>No</td>
</tr>
<tr>
<td>2017</td>
<td>Route Z 186</td>
<td>186</td>
<td>$15,000</td>
<td>No</td>
</tr>
<tr>
<td>2017</td>
<td>Waco</td>
<td>103</td>
<td>$20,000</td>
<td>No</td>
</tr>
<tr>
<td>2017</td>
<td>Tower Drive</td>
<td>11</td>
<td>$32,727</td>
<td>No</td>
</tr>
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</table>

The three properties that sold in 2011 were tracts of land that had been developed as industrial subdivisions with most of the necessary infrastructure already in place. Each of these tracts were bank-owned and were sold at auction after foreclosure. In an interview with the former listing agents most thought the sale prices were below market value. Market conditions have improved since 2011, however, there has been minimal development on the 2011 sale tracts.

The small industrial tracts provide limited comparability to a larger tract such as the subject, but two small tracts (<10 acres) are considered herein as support of the overall volume and type of market activity that has occurred since the end of the recession. The two 2013 sale tracts sold to end users for prices over $40,000 per acre. Several smaller tracts similar to these sales remain available in the market. Considering the market trends, supply, and demand, the larger subject parcel will command significantly lower unit values compared to these sales. More recent sales of larger tracts support a reasonably strong demand at prices below $20,000 per acre.

We have also considered the number of active listings currently competing with the subject in the local market. A partial list of the properties and their respective sizes and list prices are noted on the following page. Additional land with industrial potential exists but is not presently listed on the open market. Also, similar land in surrounding smaller towns is available at prices of $20,000 per acre or less.
The listings are comprised of land in all different phases of development, with most of the lots having the necessary infrastructure in place to permit immediate development; however, some of the larger tracts will require extension of public utilities and/or additional off-site improvements before development would be permitted. The smaller lots are located in various developments throughout the Columbia market.

<table>
<thead>
<tr>
<th>Certified Sites</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
</tr>
<tr>
<td>Heller Road</td>
</tr>
<tr>
<td>Highway 63 &amp; Discover Parkway</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Sites Listed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
</tr>
<tr>
<td>North</td>
</tr>
<tr>
<td>5000 Paris Road Hinshaw East</td>
</tr>
<tr>
<td>Singleton Road (Centralia)</td>
</tr>
<tr>
<td>5001 Paris Road Hinshaw West 26</td>
</tr>
<tr>
<td>11507 Route B (Hallsville) 200</td>
</tr>
<tr>
<td>Cartwright Park (Ashland)</td>
</tr>
<tr>
<td>Heller Road 174</td>
</tr>
<tr>
<td>East</td>
</tr>
<tr>
<td>I-70 Drive SE &amp; Route Z</td>
</tr>
<tr>
<td>South</td>
</tr>
<tr>
<td>Meyer Industrial Drive</td>
</tr>
<tr>
<td>696 Highway UU</td>
</tr>
</tbody>
</table>

There are currently two Missouri Certified Sites available including: 109 acres also in northern sector at Brown Station Road and Heller Road (Ewing Industrial Park/Lender); and 123 acres in the southern sector at Highway 63 and Discovery Parkway (University of Missouri). Site certification provides a standardized tool by which both development professionals and businesses can review prospective sites for compatibility with their development needs. Economic development sources indicated that those sites that are not certified are at a considerable disadvantage when competing against other sites that are certified.

Most of the listed tracts have been marketed for an extended period of time and have received nominal interest. The list price of some parcels has been lowered over the past two years. Activity for this type of land has increased recently, with roughly 450 acres being purchased for three developments. This absorption level is in stark contrast to the prior 10-year rate and is due in part to improvement in the overall economy, lower land prices, and strong industrial development efforts by REDI.

As supported by the data available, there is a limited, but competitive/active, market for the smaller (<5 acres) tracts, which is primarily comprised of local buyers/end-users that have purchased the tracts for immediate development. Sales prices for these smaller tracts has increased somewhat, but volume remains low.
Although there have been recent large sales for immediate development, the long-term average absorption by end industrial users is lower. Based on local sites marketed publicly, a total of about 1,400 acres are available. These sites range in size and do not include the subject property. Five tracts are over 100 acres. The past 10-year absorption rate is estimated at about 80 acres per year, however, it is unknown if this rate can be sustained. Roughly one-half of this absorption occurred in the past two years. At a rate of 80 acres per year the present availability would supply the market demand for about 17 years. Considering the industrial market trends, demand for industrial land has fluctuated significantly over the past ten years. The most recent sales of larger industrial tracts have sold at prices significantly below the historical list prices for similar land.