

# JOPLIN AREA CHAMBER of COMMERCE



Thank you for the opportunity to convey to you our projected needs to assist in the rebuilding of Joplin.

The May 22 tornado, the most deadly and destructive single tornado in the U.S. in six decades, cut a swath nearly ten miles long and  $\frac{3}{4}$  of a mile wide through Joplin and its neighboring village of Duquesne. The national media did a credible job of covering the devastation of this storm, but it is the jobs side of the impact that most concerns the Joplin Area Chamber of Commerce.

The storm destroyed or substantially damaged nearly 530 places of employment, impacting more than 5,000 jobs. An additional 400 firms suffered indirectly, with loss of utilities, loss of customers or having a number of employees injured in this disaster. I will say our employers, from small mom and pop operations all of the way up to St. John's Regional Medical Center, with more than 2,000 employees, have made extraordinary efforts to keep their people on the payroll.

However, we have heard from cities that have suffered large-scale natural disasters, such as Galveston, TX and Cedar Rapids, IA, that business either can not sustain in the intermediate term up to 12 months, or continue to struggle two and three years out. Many eventually close their doors, which cost the community jobs and revenue. Our Chamber colleagues in these cities tell us that insurance, SBA disaster loans, bank programs and all of the "typical" forms of assistance are aimed to restore businesses to the status quo. Unfortunately, the status quo has changed and many companies can't survive the long road to full recovery. We need resources to help sustain companies and keep jobs in our area. When people have jobs and their children have their schools, they are more likely to stay and rebuild here.

Beyond just recovering, however, we have heard from our citizens that they see the opportunity for a better community. They want to see more, and better, job opportunities and recognize it will take additional education and training to make that happen. We will respond to that challenge, but as noted above, the programs that exist to help recovery do not support the growth our citizens would like to see.

To help us in our efforts, we immediately created the Joplin Business Recovery and Expansion Initiative, pulling together our existing economic and workforce development partners to assess the immediate and longer term needs. This group is supported by Market Street Services. This Atlanta, GA based economic and community development planning company has worked closely with us over the last five months to craft a plan to assist existing and new firms.

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To help fuel the efforts, we also established a “business recovery fund” as a restricted account within the Joplin Area Chamber of Commerce Foundation. The JACC Foundation is a twenty-year old, 501-c-3 entity that typically funds education and workforce initiatives. Based on the review and recommendation by our attorney, we have designated the JACC Foundation as the point for contributions. From there, the Foundation Board, comprised of eight business people, will determine the expenditure of the funds, either directly or as a grant or loan to another of the JBREI entities.

In general we anticipate the initial funding to be in several key categories as follows:

**Business Stabilization revolving loan fund.** This fund provides small companies with short-term, working capital loans at very low-interest rates to help them through difficult times. This gap-financing works in conjunction with a company's bank to maximize the resources available. This funding will be issued through the JACC Foundation, on the recommendation of the Joplin Capital Corporation, a certified community development corporation bank.

**Joplin Tomorrow** is aimed at existing companies and companies new to the area that will create new jobs. Joplin Tomorrow is also gap-financing, with low-interest, longer term loans based on the number and quality of new jobs being created. Joplin Tomorrow is a 501-c-3 entity of its own, overseen by a five-member board of trustees. It works in conjunction with the Foundation.

**Shell Building program.** Through the Joplin Business & Industrial Development Corporation, an affiliate of the JACC, the community constructed and marketed a shell or speculative building ready to sell to a company to finish out to its specifications. The existing 50,000 sq. ft. building is now East Middle School, consequently the community needs a new shell to help local firms expand and/or to attract new companies. With funding from the Foundation, the building may be sold, to replace Foundation funds, or leased at low to market rates depending on the project and retained as a Foundation asset.

**Job Training fund,** which may be used by one company or a consortia of companies to retrain and train team members in new skills. It may also be used to train a pool of people to fill existing jobs or for jobs in newly target business sectors.

**Incubator funding.** We anticipate funds may also be needed to obtain existing building space and offer it at minimal charge for a short time to help struggling companies get back on their feet. It is anticipated this would be a facility sufficient to house a number of small companies. This is different from the Shell Building, which is for a single tenant.

**Medical School.** For the past three years, the Chamber, City and economic development partners have been working with Missouri Southern State University to add a medical school to the region. Given the lack of state resources, it is unlikely this will be a state-funded project. More likely, it will be a private medical school, located adjacent to MSSU. There are several well-established medical schools that have shown an interest in locating in Joplin. How-

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ever, all have indicated they prefer to make their investment in equipment and faculty and will lease a building. The community was in the early stages of assessing facility size needed and construction costs, depending on which school came forward, when the tornado occurred. Because of the opportunity to help regional hospitals meet their long-term professional staff needs and the vision such a school would create for area students, JBREI partners consider having a fund started for the facility for this school a priority.

Other communities have received significant federal funding through EDA or SBA to establish revolving loan funds, as well as for projects such as shell buildings. Because of the current budget issues, it appears that Joplin will receive little, if any, such support for business, which means that supporting the retention and creation of jobs will require private sector support.

To address the anticipated needs, we believe the following are conservative numbers for the various projects funded through the Foundation:

Business Stabilization revolving loan fund:	\$ 3,000,000 - \$ 5,000,000
Joplin Tomorrow new jobs loan fund:	\$10,000,000 - \$12,000,000
Shell Building program:	\$ 5,000,000 - \$ 7,000,000
Job Training funding:	\$ 2,000,000 - \$ 4,000,000
Incubator funding:	\$ 1,000,000 - \$ 1,500,000
Medical School facility:	\$10,000,000 - \$15,000,000
Total:	\$31,000,000 - \$44,500,000

Support for any and/or all of these programs is already reaching a critical state. Businesses have followed through with their insurance, SBA and banking relationships and more than 80% are back in operation in some form. Going forward, it is vital we have these funds in place and with capacity to address the needs we know will arise.

Thank you for your interest and support.

Sincerely;

Rob O'Brian, CECD  
President