

**PUBLIC SERVICE AGREEMENT BY AND BETWEEN  
VELOCITY, INC. AND THE CITY OF LEE'S SUMMIT, MISSOURI**

This Agreement, made and entered into this \_\_\_\_\_ day of November, 2017, is by and between the Velocity Lee's Summit, Inc., a Missouri not for profit corporation (hereinafter "Velocity,") and the City of Lee's Summit, Missouri, a Missouri constitutional charter city (hereinafter "City.")

WITNESSETH:

WHEREAS, Velocity is a nonprofit corporation which was organized to provide high quality mentoring and leadership services, administrative support, and low cost facilities to growth oriented companies that will result in positive business activity and job creation in Lee's Summit, Missouri; and,

WHEREAS, Velocity seeks to empower local entrepreneurs and rapidly growing small business owner through providing relevant events and impactful networking opportunities as well as leadership services and administrative support, and through connecting community stakeholders intentionally and collaboratively by helping to identify entrepreneurial needs and matching resources to assist with those needs; and

WHEREAS, Velocity, in partnership with the City of Lee's Summit, envisions our community becoming regionally known as an innovation minded collective requiring the collaborative efforts of a variety of interconnected stakeholders, and expects that in order to achieve this, it is necessary to enable a fertile environment for the entrepreneur to flourish, which will ultimately attract more jobs to Lee's Summit and will foster a culture of retention of homegrown talent long term; and

WHEREAS, City, through its Mayor and City Council, adopted an Economic Development Vision Statement that "Lee's Summit will build upon and promote its unique downtown, education excellence, and cultural heritage to create and nurture a business environment which fosters entrepreneurship, commercial and neighborhood redevelopment, and the attraction and retention of high quality jobs in targeted businesses. In doing so, the tax base will grow ensuring the City's continued ability to deliver an outstanding quality of life and services to both businesses and residents;" and,

WHEREAS, City has determined that Velocity's purpose is in direct furtherance of the City's Economic Development Vision Statement regarding entrepreneurs and growth in business and industry and provides a service to City; and,

WHEREAS, as a new, not for profit entity, Velocity is in need of funds for administrative and programming expenses, including insurance, business development and communications, website support and oversight, events, and other miscellaneous general operating expenses, in order to begin achieving its objectives; and,

WHEREAS, the City, by Ordinance No. 4611, did levy a license tax on certain gross receipts of hotels, motels, and similar places of business, the resulting revenue of which was to be used to promote the general economic welfare of the City, including but not limited to the attraction and retention of business and industry to the community and/or the promotion and provision of facilities for tourism, conventions, and visitors; and,

WHEREAS, the Business and Industry Fund was established for the deposit of said hotel and motel tax revenue to be spent as the City Council deems it best expended to fulfill the purposes as recited herein; and,

WHEREAS, City has determined that it is in the best interest of the City, and important to the promotion of the attraction and retention of entrepreneurs and the new and growing businesses and industries of Lee's Summit, Missouri to allocate funds to Velocity as compensation for the performance of Services pursuant to this Agreement.

NOW, THEREFORE, in consideration of the mutual undertakings and mutual benefits from the services set forth herein, Velocity and City agree as follows:

**I. SCOPE OF SERVICES**

Velocity will organize its efforts and work to fulfill its purpose of providing high quality mentoring and leadership services, administrative support, and low cost facilities to growth oriented companies that will result in positive business activity and job creation in Lee's Summit, Missouri through various events, meetings, and other initiatives to be determined by the Board of Directors.

Velocity shall perform economic development services for the benefit of the community. Velocity will work independently and collaboratively with City Staff, as necessary, to provide the following services (the "Services"):

- A. Velocity will proactively promote the City of Lee's Summit as a destination for entrepreneurs.
- B. Velocity will facilitate partnership opportunities with community stakeholders and organizations.
- C. Velocity will organize a series of events designed to further connect and educate entrepreneurs.
- D. Velocity will coordinate grant opportunities through a partnership with Digital Sandbox to benefit potential high growth Lee's Summit entrepreneurs.

**II. TERM AND TIME OF PERFORMANCE**

The term of this Agreement shall be from the date of execution of the Agreement to June 30, 2018, and shall be eligible for up to two (2) additional automatic one year renewals, with the final expiration to occur on June 30, 2020, unless notification of intent not to renew by either party is given, in writing, no less than thirty (30) days prior to the date of automatic renewal and subject to appropriation by the City Council as contemplated herein.

Within forty-five (45) days prior to the end of each term, Velocity shall provide the City Manager with a copy of the then current fiscal year budget and projected budget for its next fiscal year.

**III. COMPENSATION AND METHOD OF PAYMENT**

City hereby agrees to compensate Velocity for the services as outlined in Section I, above, in annual lump sum payments as follows: 1) Fiscal Year 2018 in the total sum of ONE HUNDRED THOUSAND AND 00/100 DOLLARS (\$100,000.00), payable upon execution of this Agreement; 2) Fiscal Year 2019 in the total sum of SEVENTY-FIVE THOUSAND AND 00/100 DOLLARS (\$75,000.00), payable upon the adoption and effective date of the City's Fiscal Year 2019 budget; and 3) Fiscal Year 2020 in the total sum of FIFTY THOUSAND AND 00/100 DOLLARS (\$50,000.00), payable upon the adoption and effective date of the City's Fiscal Year 2020 budget. Said amount includes reimbursement for all expenses incurred by Velocity in providing the Services outlined herein. All compensation for Services is subject to annual appropriation by City with payment to be issued from the City's Business and Industry Fund (Fund 220).

**IV. AUDIT, INSPECTION OF RECORDS, AND PERFORMANCE REVIEW**

Velocity shall permit an authorized representative of the City to inspect and audit all data and records of Velocity related to its performance under this Agreement upon request by City.

Velocity shall submit an accounting of all funds spent by Velocity for each fiscal year contemplated in this agreement on or before September 30 annually.

**V. SUBCONTRACTS**

Velocity and City hereby agree that this Agreement shall not be assigned, transferred, conveyed or otherwise disposed of without the prior consent of the other party to the Agreement.

**VI. NON-DISCRIMINATION PROVISIONS**

Velocity will not discriminate against any employee or applicant for employment because of race, color, creed, religion, ancestry, national origin, sex, sexual orientation, disability or other handicap, or age.

**VII. COMPLIANCE WITH THE LAW**

All parties shall comply with all applicable federal, state and local laws, ordinances, codes and regulations.

**VIII. CONFLICT OF INTEREST/POLITICAL ACTIVITY**

The elected officials, public officials, employees, and agents of City shall comply with all applicable laws and regulations relating to conflicts of interest with regard to the work and compensation covered by this Agreement.

Velocity shall not use the compensation paid through this Agreement for political activities or legislative activities. For purposes of this Agreement, the terms "political activities" and "legislative activities" shall have the meanings ascribed to them by the Internal Revenue Service.

**IX. INDEPENDENT CONTRACTOR**

Velocity is not authorized or empowered to make any commitments or incur any obligation on behalf of City, but merely to provide the Services provided for herein as an independent contractor.

**X. INDEMNIFICATION**

Velocity shall indemnify, release, defend, become responsible for and forever hold harmless City, its officers, agents, employees, elected officials, and attorneys, each in their individual and official capacities, from and against any and all lawsuits, suits, actions, costs, claims, demands, damages, disability, losses, expenses, including reasonable attorneys' fees and other defense costs or liabilities, of any character and from any cause whatsoever brought because of bodily injury or death received or sustained, or loss or damage received or sustained, by any person, persons, or property arising out of or resulting from any act, error, omission, or intentional act of Velocity or its agents, employees, or subcontractors, arising out of or in any way connected with the subject matter of this Agreement and the work and operations expressly authorized herein; provided, however, that Velocity need not save harmless City from claims, demands, losses, and expenses arising out of the sole negligence of the City, its employees, or its agents. In addition, the City shall not be liable or responsible in any manner to any subcontractor with whom Velocity has contracted for additional services under the terms of this Agreement.

**XI. CANCELLATION, TERMINATION, OR SUSPENSION**

- A. This Agreement may be terminated at any time by the written, mutual agreement of the parties. City may terminate this Agreement immediately if funds are not appropriated for the Services described herein. City shall have the right to terminate this Agreement in the event that Velocity is in default or violation of the terms or provisions of this Agreement and fails to cure each default or violation in the manner specified in subsection "B" below.
- B. In the event of such default or violation by Velocity, City shall send to Velocity by certified mail a Notice Demand to Cure Default, explaining the specific nature and extent of the default or violation. Velocity shall cure or remedy the violation or default within twenty (20) working days after receipt of said Notice, unless a longer time is agreed to by both parties in writing. In the event that the violation or default is not cured or remedied within twenty (20) working days or the agreed upon longer time, City may exercise its option to terminate this Agreement upon five (5) days written notice thereafter. Termination as aforesaid shall not relieve Velocity of any liability to City for damages sustained by City by virtue of any breach of this Agreement.

**XII. NOTICE**

Any notice required by this Agreement is deemed to be given if it is mailed by United States certified mail, postage prepaid, and is addressed as hereinafter specified:

Notice to City shall be addressed to:

City Manager  
City of Lee's Summit  
220 SE Green Street  
Lee's Summit, Missouri 64063

Notice to Velocity shall be addressed to:

President  
Velocity Lee's Summit, Inc.

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**XIII. AMENDMENTS**

In order to provide necessary flexibility for the most effective execution of this Agreement, whenever both City and Velocity mutually agree, changes to this Agreement may be effected by placing them in written form and incorporating them into this Agreement as an amendment.

**XIV. SEVERABILITY**

It is mutually agreed that in case any provision of this Agreement is determined by a court of law to be unconstitutional, illegal, or unenforceable, it is the intention of the parties that all the other provisions of this Agreement shall remain in full force and effect.

**XV. ENTIRE AGREEMENT**

This Agreement constitutes the entire agreement between the parties with respect to its subject matter and any prior agreements, understandings, or other matters, whether oral or written, are hereby merged into and made a part hereof, and are not of further force or effect.

**[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

CITY OF LEE'S SUMMIT, MISSOURI  
Missouri Constitutional Charter City

VELOCITY, INC.  
Missouri Not for Profit Corporation

\_\_\_\_\_  
Stephen A. Arbo, City Manager

\_\_\_\_\_  
Chuck Cooper, President

ATTEST:

ATTEST:

\_\_\_\_\_  
Denise R. Chisum, City Clerk

\_\_\_\_\_  
Jon Cundiff, Secretary

APPROVED AS TO FORM:

\_\_\_\_\_  
Jackie McCormick Heanue  
Chief Counsel of Management and Operations/Deputy City Attorney