

Legislation Details (With Text)

File #: BILL NO. 18-05
Name:
Type: Ordinance - Committee
Status: Agenda Ready
File created: 10/26/2017
In control: City Council - Regular Session
On agenda: 1/18/2018
Final action:
Title: AN ORDINANCE APPROVING THE EXECUTION OF A PUBLIC SERVICE AGREEMENT BY AND BETWEEN VELOCITY LEE'S SUMMIT, INC. AND THE CITY OF LEE'S SUMMIT, MISSOURI, FOR SERVICES TO BE PROVIDED TO THE CITY. (F&BC 11-6-17)

Sponsors:

Indexes:

Code sections:

Attachments: 1. Ordinance, 2. Agreement, 3. Velocity 3 Year Business Plan, 4. Presentation - Finance & Budget Committee, 5. Presentation - City Council, 6. Business and Industry Fund Cash Flow Statement, 7. MOBEC Economic Impact

Date	Ver.	Action By	Action	Result
1/18/2018	1	City Council - Regular Session	for second reading	Fail
11/6/2017	1	Finance and Budget Committee	forwarded without recommendation	Pass

AN ORDINANCE APPROVING THE EXECUTION OF A PUBLIC SERVICE AGREEMENT BY AND BETWEEN VELOCITY LEE'S SUMMIT, INC. AND THE CITY OF LEE'S SUMMIT, MISSOURI, FOR SERVICES TO BE PROVIDED TO THE CITY. (F&BC 11-6-17)

Issue/Request:

AN ORDINANCE APPROVING THE EXECUTION OF A PUBLIC SERVICE AGREEMENT BY AND BETWEEN VELOCITY LEE'S SUMMIT, INC. AND THE CITY OF LEE'S SUMMIT, MISSOURI, FOR SERVICES TO BE PROVIDED TO THE CITY

Proposed City Council Motion:

FIRST MOTION: I move for second reading of AN ORDINANCE APPROVING THE EXECUTION OF A PUBLIC SERVICE AGREEMENT BY AND BETWEEN VELOCITY LEE'S SUMMIT, INC. AND THE CITY OF LEE'S SUMMIT, MISSOURI, FOR SERVICES TO BE PROVIDED TO THE CITY.

SECOND MOTION: I move for adoption of AN ORDINANCE APPROVING THE EXECUTION OF A PUBLIC SERVICE AGREEMENT BY AND BETWEEN VELOCITY LEE'S SUMMIT, INC. AND THE CITY OF LEE'S SUMMIT, MISSOURI, FOR SERVICES TO BE PROVIDED TO THE CITY

Key Issues:

Velocity Lee's Summit, formerly known as the Market Center of Ideas, is a 501c3 organization whose mission is to empower local entrepreneurs and rapidly growing small business owners 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.

Velocity's work enhances economic development efforts by serving entrepreneurs and small early stage businesses. According to the Kauffman Foundation, approximately 20% of all new jobs created come from entrepreneurs or early stage businesses. Companies less than one year old have created an average of 1.5 million jobs over the past three decades. During the recent recession, these companies added or created jobs while older larger firms eliminated jobs. Without Velocity, this population would be underserved which could create the possibility for growth oriented businesses to locate outside the City of Lee's Summit.

To continue the work started in 2014-2015, Velocity seeks to enter into a Public Service Agreement (PSA) with the City to continue their programs and services. The proposed PSA would cover a three year period from 2017 to 2020. Velocity seeks a three year investment totaling \$225,000. As part of this request, Velocity will continue the work to develop an entrepreneurial ecosystem which would entail the delivery of grants to Lee's Summit entrepreneurs, education, mentorship, and development through strategic partnerships with the University of Central Missouri, the Missouri Innovation Campus, the Lee's Summit Chamber of Commerce, the Lee's Summit Economic Development Council, the R-7 school district, and many other stakeholders.

Currently, the Business and Industry Fund has an approximate balance of \$338k, or 84.7%, of total annual expenses. This fund shows a positive trend of revenue growth which is supported by the development of additional hotels and growth in tourism. Velocity's request of \$225k would leave a fund balance of approximately \$110,000 or 28%.

Background:

A Market Center of Ideas task force was formed in September 2014, comprised of seasoned community business leaders to identify various models of spaces for entrepreneurship in Lee's Summit, to create business and governance plans and to create a culture of entrepreneurship and business development identifying Lee's Summit as a Startup Community.

On April 2, 2015, the Mayor-appointed Market Center of Ideas Task Force made a presentation to the City Council in support of the establishment of an entity and location with the intention of attracting and fostering medium to high growth entrepreneur-led companies to the City. The City Council responded to the presentation by creating the Market Center of Ideas Ad Hoc Council Committee with the assignment of working with the Market Center of Ideas Task Force to develop a proposal for the establishment of an entrepreneurial resource center for review and consideration by the full City Council.

The Market Center of Ideas Task Force and the Market Center of Ideas Ad Hoc Council Committee met on Wednesday May 27, 2015. At that meeting, it was determined that the most effective course of action to promote the endeavor moving forward included the formal creation of a separate legal entity to take charge of the project and the infusion of capital to support beginning processes, including raising capital from investors, planning programs and initiatives, and ultimately identifying a location for the center.

The Market Center of Ideas Board of Directors met to begin planning. At the first meeting the Board of Directors identified a need for funding to pay for essential services that would allow the Board to continue its work. In 2015, the City Council approved a PSA, in the amount of \$30,000, for startup expenses and services provided by the Market Center of Ideas. Currently, Velocity holds approximately \$20,000 of funding from the initial PSA.

Presenter: Chuck Cooper | Velocity President

Recommendation: Staff recommends approval of AN ORDINANCE APPROVING THE EXECUTION OF A PUBLIC SERVICE AGREEMENT BY AND BETWEEN VELOCITY LEE'S SUMMIT, INC. AND THE CITY OF LEE'S SUMMIT, MISSOURI, FOR SERVICES TO BE PROVIDED TO THE CITY

Committee Recommendation: A motion was made by Councilmember Faith, seconded by Vice Chair Edson, that this Ordinance be forwarded without recommendation to the City Council - Regular Session for further discussion due back on 11/16/2017. The motion carried by the following vote: Binney & Faith - Aye, Edson - Nay.