

Legislation Text

File #: BILL NO. 21-132, **Version:** 1

An Ordinance approving a public service agreement between the City of Lee's Summit, Missouri and the Lee's Summit Economic Development Council and authorizing the City Manager to execute the same by and on behalf of the City.

(Note: First read by Council on June 22, 2021. Passed by unanimous vote.)

Background/Key Issues:

COVID-19 impacted the travel industry and created the need to reconsider the allocation process for the Business and Industry Fund ("B/I Fund"). The B/I Fund is supported through the collection of a 5% tax for lodging and hotel activities within the City of Lee's Summit. Due to the reduction of this revenue since March 2020, when COVID-19 restrictions began to impact personal and business travel, the City has been assigning temporary 6-month funding periods, to monitor the revenues and reserve balance of the B/I fund.

Since March 2021, the City Council conducted the following steps to arrive at its final direction as reflected in the attached ordinance and agreement:

- a) Gather input from the City Councilmembers through online survey
- b) Identify the general consensus of desired outcomes
- c) Communicate these desired outcomes to the Public Service Agreement (PSA) organizations
- d) Create listening sessions between the City Council and PSA organizations based upon the desired outcome consensus
- e) Develop a funding structure based upon City Council direction

This process culminated in a May 5, 2021 City Council discussion and directions to the City Staff and PSA organizations. Attached is the summary report written by Daren Fristoe, consultant to the City on the B/I Fund allocation process.

The Lee's Summit Economic Development Council ("LSEDC") serves as a non-profit organization with the mission of supporting and promoting business and economic development in the Lee's Summit community. The City of Lee's Summit enters into a PSA with the LSEDC for the purpose of furthering the City's efforts to promote business and economic development in the community, which in turn supports a healthy tax base that provides for city services. Annually the City appropriates funding from the B/I Fund, therefore enters into a PSA to formalize the services provided by LSEDC and funding provided to accomplish the stated goals.

The proposed agreement with LSEDC is based upon the direction provided by the City Council at its May 5, 2021 meeting. Under the agreement, LSEDC would receive up to \$200,000 a year in equal monthly distributions in exchange for providing certain services. The term of the agreement up to 3 years, in annual increments.

Proposed City Council Motion:

SECOND READING: I move for adoption of an Ordinance approving a public service agreement between the City of Lee's Summit, Missouri and Downtown Lee's Summit Main Street, Inc. and authorizing the City Manager to execute the same by and on behalf of the City.

Steve Arbo, City Manager