

CITY COUNCIL STUDY SESSION

TO: Mayor and City Council
FROM: Mari E. Macomber, City Manager ^{MSM}

SESSION DATE: October 13, 2008
TIME: 4:00 p.m.
PLACE: Second Floor Conference Room

AGENDA:

- **KREDI Update**
- **TOURISM Update**
- **Newsletter Review – October September 26 and October 10, 2008**

KREDI UPDATE

The City is completing the second year of our second three year agreement with the Northeast Missouri Economic Development Corporation formerly known as NEED, now called KREDI.

The purpose of the agreement was for KREDI to hire a qualified economic development professional who would work to attract industrial/manufacturing employers to the community and to work with the existing industrial/manufacturing employers to retain and expand their operations. The City first entered into an agreement with KREDI back in October 2003. The current agreement runs through September 30, 2009.

To monitor economic success, KREDI is to provide an economic development master plan on an annual basis first with the Board of Directors, and then once approved by the Board it should be shared with the City Council for the purpose of evaluating what additional steps need to be made to further economic development within the community. KREDI is to also provide a quarterly report to the City Council. Included is a copy of the last agreement between the City and KREDI. The City Council questioned the responsiveness of KREDI to these requirements and asked that the Council be given these reports.

Phil Tate, Director of Job Creation will be in attendance at the City Council Study Session to provide an update to the City Council on the work that he is doing. This will be a good opportunity for the City Council to emphasize the importance of receiving the information as outlined in the agreement.

Recommended Action – The City Council will need to make sure that you have received the information that you believe important to allow you to make informed decisions, and

to emphasize the importance of receiving both the economic development master plan and the quarterly reports.

TOURISM UPDATE

The hotel/motel lodging tax was approved by citizens in the fall 2006 with collections beginning January 2007. The City entered into an agreement with the Chamber of Commerce requiring the Chamber to perform the necessary tourism functions. The City Council passed an Ordinance that spells out the membership, budget guidelines, and reporting responsibilities of the Convention and Tourism Advisory Board. The Convention and Tourism Advisory Board has been active for over one year now. The bylaws of the organization were approved by the City Council and a copy is included with your packet.

The first Tourism Director, Debi Boughton, was hired in July of last year. Ms. Boughton responds to the direction of the Advisory Board and is an employee of the Kirksville Area Chamber of Commerce. Ms. Boughton will be in attendance at the Study Session to meet the City Council and to give an overview of the Tourism Program and progress that has been made.

Because the lodging tax is a tax that the City is ultimately responsible and accountable for the use of the funds, the Chamber of Commerce is required to submit its proposed annual budget to the City for review. Attached to this Newsletter is the proposed budget which has been reviewed and approved by the Tourism Board and will be presented to the Chamber of Commerce for final adoption after City Council review and comments. We have been pleasantly surprised that the lodging tax receipts have exceeded the original estimates for this tax as a result more funds will be able to be spent on marketing the area to encourage a variety of conferences and events to come to Kirksville.

Recommended Action – It is recommended that the City Council visit with Ms. Boughton about the work that she is doing and the plans that she is developing for the local tourism program. The City Council is also asked to review the budget and ask questions about the allocation of funds.

NEWSLETTER REVIEW – September 26 and October 10, 2008

Attachments

Economic Development Summary Report – pg 3 - 4

KREDI Agreement – pg 5 - 6

Tourism Bylaws – pg 7 - 10

Tourism Proposed 2009 Budget – pg 11

KIRKSVILLE CITY COUNCIL STUDY SESSION ATTACHMENT

SUBJECT: Economic Development in Kirksville

STUDY SESSION MEETING DATE: October 10, 2008

CITY DEPARTMENT: Economic Development

The Kirksville community is fortunate to have several entities working on economic development efforts. To enhance the use of our limited resources, an effort has been made to avoid duplication of efforts, with each group having a specific focus. Some of the groups that are taking part in economic development activities in Kirksville include: K-REDI; Kirksville TCRC; Missouri Rural Enterprise and Innovation Center; the Chamber of Commerce; as well as City of Kirksville staff.

Kirksville Telecommunications Resource Center (TCRC) – The TCRC is a part of Missouri Extension and focuses on providing assistance to existing business through educational opportunities in the community. The TCRC hosts a number of workshops on a wide variety of topics that would be useful to a small business owner or someone considering starting a small business. The use of laptops, projectors and other equipment can also be facilitated through the TCRC.

MREIC (Missouri Rural Enterprise & Innovation Center) – This newly formed venture is a collaboration of Truman State University, AT Still University, K-REDI, the Chamber of Commerce, the Adair County Commission, the City of Kirksville, and Northeast Regional Medical Center. The Center's Executive Director will work with local entrepreneurs to help bring new ideas and businesses to the market.

Tourism – The niche that the Chamber of Commerce fills is in the area of tourism. While the Chamber has long been involved in tourism efforts, there was no dedicated funding for a tourism program. Kirksville voter's passed a 3.6% lodging tax which took effect January 1, 2007 and funds a tourism program administered by the Chamber of Commerce. This has allowed the Chamber to hire a full-time Tourism Coordinator who will work on attracting visitors to Kirksville. The main areas of concentration will be small market meetings and underutilized hunting seasons. However, many other avenues for attracting visitors; including recreational events and tournaments, festivals, etc. will be pursued.

Kirksville Regional Economic Development, Inc. (K-REDI) – The focus of this group has been narrowly defined on recruiting industrial/manufacturing businesses into Kirksville and working with our existing manufacturing base to encourage retention and expansion. Bringing jobs that pay at least the County average and jobs with benefits to Kirksville has been their goal.

City's Role in Economic Development

The City of Kirksville's economic development efforts are led by the Assistant City Manager and cover a broad spectrum of activities. City staff works with retail and service businesses that are considering opening in Kirksville. Assistance provided depends on the needs of the specific business, but could include, assisting with site location, providing demographic data, discussing current zoning, or setting up meetings with other departments (Codes and Planning, etc.). The City also maintains a Community Profile publication that has information that a business might want when checking out a prospective community. This includes information on taxes, utility costs, and major employers in the community, transportation, the school system, and much more. These profiles are not only used by City staff, but are also distributed by K-REDI and the Chamber as they work with businesses.

The City is an active participant of the Downtown Improvement Committee. This group of downtown business owners and property owners meets monthly to discuss ways to improve business in the downtown area. They work to plan events in the downtown that draws business (Halloween Carnival, Sidewalk Sales, Christmas hayrides and Santa). They discuss other related issues such as snow removal, parking, and beautification.

The City also administers the Downtown TIF (tax increment financing) program, which is an economic development tool that funds public infrastructure projects in the Downtown to encourage private investment and business expansion. Funds from the Downtown TIF have been used to renovate the Courthouse Square, and will soon make streetscape improvements on Franklin Street between Truman State University and the Downtown.

City staff is also involved in reviewing City policies and ordinances and making sure they are as business-friendly as possible. For example making sure that our business licensing and inspection processes are adequate to ensure that the businesses are safe for operation, without causing undue burden on the business.

Working with the Codes Department on community-wide beautification of properties also plays a role in our economic development efforts. Making sure properties (both business and residential) are well-maintained makes an impact on prospective residents or businesses considering locating in Kirksville.

Another periphery activity of economic development that the City pursues is grant writing. Dollars coming from outside the community that are awarded to Kirksville are often spent with local contractors and local suppliers to complete projects. This not only benefits our community through the dollars that are spent locally, but also expands the capabilities of our local resources.

It takes all of these entities working on their piece of the economic development puzzle to make positive things happen in Kirksville. We are fortunate that each of these groups is committed to these efforts and work well together to get things accomplished.

ECONOMIC DEVELOPMENT AGREEMENT

THIS AGREEMENT made and entered into this 2nd day of August 2006 by and between the City of Kirksville, MO, hereinafter referred to as "City", and Northeast Missouri Economic Development Corporation dba K-REDI, a Missouri not-for-profit corporation, hereinafter referred to as "K-REDI".

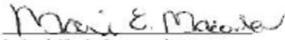
In consideration of the terms contained herein, the parties hereto agree as follows:

1. The term of the Agreement shall be for a period of three (3) years commencing the 1st day of October 2006 and ending the 30th day of September 2009.
2. The City shall pay K-REDI the sum of One Hundred Thousand Dollars (\$100,000.00) annually during the term of this Agreement, which shall be payable each year in twelve (12) equal consecutive monthly payments commencing on the first day of October 2006.
3. The City shall appoint two (2) individuals who shall be members of the K-REDI Board of Directors, with one such member serving on the Executive Committee of said Board of Directors. The City's Assistant City Manager shall be an ex-officio member of the KREDI Board of Directors. These appointments shall continue to be included in the By Laws of KREDI.
4. K-REDI shall hire and employ a suitably qualified economic developer or industrial recruiter, who shall be an executive employee of K-REDI. Said executive employee shall perform such duties as are provided for in this Agreement together with such other economic development activities as may be assigned and required by K-REDI. The K-REDI Board of Directors shall evaluate the performance of said executive employee on a semiannual basis during the first year of employment and on an annual basis each year thereafter.
5. The City shall provide office space for said executive employee and support staff which shall be located in City Hall. K-REDI shall be responsible for purchasing or otherwise providing necessary office equipment and furnishings for said executive employee and support staff.
6. Said executive employee shall prepare an economic development master plan annually which shall be submitted to and approved by the K-REDI Board of Directors. Said executive employee shall review said economic development master plan annually to the KREDI Board of Directors recommending any proposed amendments thereto deemed necessary or desirable by said executive employee. This economic development master plan should then be shared with the City of Kirksville for the purpose of evaluating further steps needed to improve economic development within the City of Kirksville and Adair County.
7. KREDI shall submit a progress report to the City on a quarterly basis.

-
8. K-REDI shall adopt an annual budget and approve funding for programs implementing the economic development master plan.
 9. K-REDI shall use its best efforts to obtain annual cash contributions during the term of this Agreement from each of the other participating public entities in an amount not less than Five Thousand Dollars (\$5,000.00) per year.
 10. The City has or will budget and appropriate the necessary funds to make all of the City's payments required hereunder for the remainder of the fiscal year in which this Agreement is executed; and the City intends to make all of the payments required hereunder so long as funds are appropriated in each fiscal year by its governing body. The City reasonably believes that moneys in an amount sufficient to make all payments required hereunder can and will lawfully be appropriated and made available therefore. All payments required hereunder shall be payable out of the general funds of the City or out of other funds legally available therefore. If the City's governing body fails to appropriate sufficient funds in any fiscal year for payments, then a "Non-Appropriation Event" shall be deemed to have occurred. If a Non-Appropriation Event occurs, then the City shall give K-REDI immediate notice of said event, and this Agreement shall immediately terminate without penalty or expense to the City, provided that the City shall pay such amounts hereunder for which funds shall have been appropriated or are otherwise available.

IN WITNESS WHEREOF, this Agreement has been executed the day and year first written above.

CITY OF KIRKSVILLE, MO

By: 
Mari E. Macomber
City Manager

NORTHEAST MISSOURI
ECONOMIC DEVELOPMENT
CORPORATION dba K-REDI

By: 
Ron Winkler
President

**THE BYLAWS OF THE
CONVENTION AND TOURISM ADVISORY BOARD
KIRKSVILLE, MISSOURI**

ARTICLE I

General

Section 1. Name

Per Ordinance No. 11804, section 6, City of Kirksville, Kirksville, Missouri, the name of the Lodging Tax oversight committee shall be the Convention and Tourism Advisory Board.

Section 2. Object

The Convention and Tourism Advisory Board objective is to assist the Kirksville Area Chamber of Commerce in the expenditure of funds received from the lodging tax.

Section 3. Area

The area covered by the Convention and Tourism Advisory Board is the city of Kirksville and its limits. Those establishments promoted by the board will be those hotel/motel/bed and breakfast agencies who either collect the lodging tax or those who are members of the Kirksville Area Chamber of Commerce.

ARTICLE II

Membership

Section 1. Appointments

The Convention and Tourism Advisory Board shall consist of nine (9) members, with two (2) members being appointed by the City Council; five (5) members being appointed by the Chamber of Commerce (with at least three of these members being from the lodging industry within Kirksville); one (1) member being appointed by the President of Truman State University; and one (1) member being appointed by the President of A T Still University.

Section 2. Ex Officio Member

The Executive Director of the Kirksville Area Chamber of Commerce shall serve as an ex officio board member. The Executive Director may designate another staff in his/her place.

Section 3. Term of Office

The initial members of the board shall serve as follows: three of the initial members of the board shall serve for a three-year term, three (3) of the initial board shall serve for a two-year term and three (3) of the initial members of the board shall serve for a one-year term. Thereafter, the appointed members of the board shall serve for three-year terms. The initial term shall commence on June 1, 2007. Prior to the expiration of each member's term of office, the city council and chamber of commerce shall appoint, as applicable, their successor to a three-year term. Except in the case of resignation or removal, members shall hold office until their successors are appointed.

Section 4. Dismissals

The City Council may remove any member of the Convention and Tourism Advisory Board for misconduct or neglect of duty.

The Kirksville Area Chamber of Commerce Board of Directors may remove its appointees at any time for misconduct or neglect of duty.

ARTICLE III
Meetings of the Board

Section 1. Meetings

The Convention and Tourism Advisory Board will convene at least once every other month at a date and time decided upon by the board.

Section 2. Additional Meetings

The Convention and Tourism Advisory Board will meet for additional meetings at the call of the Board Chairman.

Section 3. Quorum

A quorum of a majority of members appointed to the Convention and Tourism Advisory Board is needed to vote on any issue brought before the Convention and Tourism Advisory Board. Therefore a meeting will be canceled if a quorum is not present.

ARTICLE IV
Officers

Section 1. Election

The Convention and Tourism Advisory Board shall elect one chairman, vice-chairman and secretary/treasurer.

Section 2. Executive Committee

The chairman, vice-chairman, and secretary/treasurer shall serve as the executive committee.

Section 3. Yearly Election of Officers

The Convention and Tourism Advisory Board shall elect annually each June their officers for a one year term.

Section 4. Committees

The Convention and Tourism Advisory Board may create committees to assist with any task, as they deem necessary.

Section 5. Duties of Officers

Chairman:

1. Shall serve as the chief elected officer of the Convention and Tourism Advisory Board and shall preside at all meetings of the Board of Directors and Executive Committee.
2. Shall, subject to approval of the Board of Directors, determine all committee personnel. The chairman shall appoint committee chairs subject to Board approval.

Vice-chairman:

1. Shall serve in the absence of the chairman.

Secretary/Treasurer

1. Shall be responsible for the safeguarding of all funds received via the lodging tax.
2. Such funds shall be kept on deposit in a financial institution, or invested in a manner approved by the Board of Directors.
3. Shall prepare a monthly financial report to be made to the Board.
4. Shall be responsible for minutes and notices of meetings.
5. Shall prepare an annual report of the boards activities to the city council by the 1st of November of each year.

ARTICLE V

Finances

Section 1. Budget

The Convention and Tourism Advisory Board shall establish a line item budget for each fiscal year, with the year beginning January 1 and ending December 31.

Section 2. Review

The Convention and Tourism Advisory Board shall submit its budget for review to the Kirksville Area Chamber of Commerce Board of Directors and the Kirksville City Council. Each organization shall have a copy of the budget no later than November 1 of each year.

Section 3. Recommendation

The Convention and Tourism Advisory Board shall submit along with its budget, recommendations concerning methods used to promote tourism and conventions.

ARTICLE VI

Tourism

Section 1. Data Collection

The Convention and Tourism Advisory Board shall require the Kirksville Area Chamber of Commerce to report the following statistics to its Board of Directors at the annual meeting.

1. Number of phone calls received that are tourism related
2. Number of packages mailed that are tourism related
3. Number of visitors to the Chamber Office that are tourism related
4. Number of inquiries on the home webpage
5. Number of faxed inquiries that are tourism related

Section 2. Financial Statistics

The Convention and Tourism Advisory Board shall require the Kirksville Area Chamber of Commerce to report all fiscal matters pertaining to the collection of the lodging tax on a monthly basis.

ARTICLE VII
Parliamentary Procedures

Section 1. Authority

The most recent edition of Robert's Rules of Order shall be the final source of authority in all questions of parliamentary procedure when such rules are not inconsistent with the bylaws of the Convention and Tourism Advisory Board.

ARTICLE VIII
Amendments

These bylaws may be amended or altered by a two-thirds vote of the entire Board.

2009 Tourism Budget Proposal

2008 Estimated Income = \$137,000.00

2008 Estimated Expenses = \$137,000.00

Salary	\$33,000.00	
Payroll Taxes	\$ 3000.00	
Health Insurance	\$ 3600.00	
Chamber Support	\$ 4738.00	25% of Office Manager Salary
Accounting and Outside Services	\$ 6000.00	
Small Equipment	\$ 2000.00	
Miscellaneous	\$ 2000.00	
Cell Phone Reimburse.	\$ 475.00	
Trd Shw/Ad Mktg	\$45,000.00	
Meetings/Travel Conf.	\$ 9000.00	
Mileage Reimburse.	\$ 5000.00	
Office Supplies	\$ 1000.00	
Printing and Design	\$ 500.00	
Rent	\$ 6000.00	33% of Office Rent and loan payment for reconstruction
Postage	\$ 3000.00	
Office Phone	\$ 1000.00	33% of office phone
Utilities	\$ 750.00	33% of office utilities
Janitorial Services	\$ 140.00	33% of office janitor services
Copy Machine	\$ 605.00	33% of office copy machine
Dues and Subscriptions	\$ 2500.00	
Hospitality/Entertain.	\$ 1000.00	
Other Insurance	\$ 279.50	\$217 workers comp, \$62 furniture replacement
Education	\$ 1000.00	
Advertising Partnership	\$ 5000.00	
Cash Reserve	\$ 887.00	