



### C4 Team Ground Rules

- Understand that the Strategic Plan developed in 2019 is the foundation for our work. It will not be revised but will be augmented with the implementation plans developed by the C4 teams.
- Listen with respect
  - Let others finish before you start talking
  - Be attentive to the speaker
- Disagree agreeably
- Be:
  - positive
  - candid
  - patient and respectful
  - engaged and fully present
- Look for opportunities to agree
- Strive for consensus
- Practice “yes, and” rather than “yes/no, but”
- Have fun!

### Agenda

Strategic Economic Development Team  
6 – 8 p.m.  
January 9, 2020  
Missouri Innovation Campus – Room A224



#### Welcome and Introductions

Participants will introduce themselves, what organization (C4) they represent and say one thing they or their organization are doing to further one of the objectives. Each person will only be given 30 seconds.

#### Process Overview

The purpose of this process is to develop strategies and a timeline for an initial implementation of the *Ignite! Your Ideas. Our Future* plan over the next two to three years. We will review the process, the schedule and the desired outcomes.

#### Information Review

Each C4 team was asked to review the environmental scan, community input and summary reports. In addition, some teams were provided additional information as a reference. A high-level overview will be provided.

#### Preliminary Strategy Identification

Team members were asked to identify one strategy for each of the objectives for this critical success factor. This information will be shared as a starting point for the evening’s discussion.

#### Closing/Next Steps

Next Meeting: February 13, 2020  
Strategy Refinement and Prioritization



**To:** Strategic Economic Development Team  
**From:** Lauren Palmer, MARC  
**Date:** January 2, 2020  
**Subject:** Ignite! C4 Team Meeting 1

### **Introduction**

Strategic Economic Development is one of seven C4 teams established to engage the community to develop strategies and a timeline for an initial implementation of the *Ignite! Your Ideas. Our Future* plan over the next two to three years.

The desired outcome of this critical success factor is to *build an adaptable framework for continued growth in a changing environment*. Its objectives are to:

- Define and plan for a diversified economic base
- Focus recruitment and retention efforts
- Implement economic development plans
- Ensure fiscal sustainability

### **Overview**

Each C4 team was asked to review the environmental scan, community input and summary reports, which can be found [here](#). In considering those documents, you will have seen that:

- The economic development challenge to be solved is to create an adaptable framework for continued growth in a changing environment.
- It is hoped that achievements in this critical success factor will result in strong collaboration between the city and community partners (EDC, Chamber, Velocity, others); quality job growth; enhanced infill and redevelopment projects; and economic development incentive policies that are informed by market research and needs assessments.
- In the community survey, “balancing and managing economic development” was cited most frequently as a major challenge facing the community. Comments focused on the need to manage rapid growth, adequately diversify the tax base, both retain existing businesses while also recruiting new businesses, and focus on bringing well-paying jobs to the City.
- There are connections between economic development and the work of other C4 teams, namely Strong Neighborhoods with Housing Challenges (neighborhood stabilization and housing affordability) and Collaborative Relations with Education Partners (workforce development).

### **Pre-meeting Work**

Team members were asked to identify one strategy for each of the four objectives for this critical success factor. At least one of the strategies was to have been for their C4 category (city council, city staff, community partners or citizens).

It should be noted that this exercise was intended to encourage team members to give thoughtful consideration to possible strategies prior to the first meeting and thereby be another resource for the process. It should not be assumed that these suggested strategies will be part of the implementation plan. All strategies and action items will be vetted by the C4 teams and ultimately the Mayor and City Council.

The full list is attached to this memo beginning on page 4 but is summarized here.

#### Define and plan for a diversified economic base

Strategies focused on:

- Adjusting regulations to help grow existing businesses.
- Ensuring housing policies align with economic development goals, particularly related to workforce needs.
- Balancing commercial and residential development needs.
- Performing market analysis to understand the current economic base and to target the most promising sectors for growth.

#### Focus recruitment and retention efforts

Strategies focused on:

- Proactively extending infrastructure (roads, sewers, utilities, etc.) to areas that are prime for development.
- Developing retention policies to give existing businesses access to incentives they could receive by relocating.
- Relying on analysis and market data to target high return and growth businesses.
- Working with partners including the EDC and Chamber of Commerce to lead efforts.

#### Implement economic development plans

Strategies focused on:

- Creating specific, actionable goals for all partners with timelines and accountability checkpoints.
- Developing subplans for targeted businesses/sectors or development properties.
- Engaging citizens and business to assist with recruitment through testimonials and social media.

#### Ensure fiscal sustainability

Strategies focused on:

- Using fiscal impact modeling to evaluate projects and incentives to ensure a positive return on investment.
- Expanding and diversifying the tax base.
- Continuing to support a strong quality of life through schools, parks, infrastructure, etc.

#### **Additional Resources**

In addition to the documents you've already reviewed, you can find additional resources on the Strategic Economic Development page found [here](#).

# Strategic Economic Development Homework Survey Results

## Objective 1: Define and plan for a diversified economic base

- Focus on helping existing businesses grow and expand and find ways to help support them to become larger employers without overburdening them with taxes and regulations. Help them find more ways to become widely diversified and find ways to encourage them to enhance the economic base through helping them grow.
- I'm thinking my expectation was that this group would develop these strategies through discussion.
- A diversified economic base requires workforce housing to support local businesses I suggest that the city staff look at revising the UDO to allow more flexible types of housing and be forward thinking about the topic. In addition, city staff must recognize that the demands of consumers for housing types is very different than it was even 10 years ago including an increase in single member female households (single woman are the fastest growing buying cohort), more dual income no kids and divorced single parent families, and an increase in multi-generational housing. As a city, we need to also focus on attracting higher wage jobs through thoughtful development of office space and co-work office concepts. Last, we must stay focused on controlling budgets as retail sales taxes are at risk due to internet shopping. A use tax is warranted. City council and planning commission need to be lock step with staff to make this happen.
- Target areas for commercial development both greenfield and redevelopment opportunities.
- Determine how much additional business is needed to balance ratio with residential. Adjust promotion and permitting accordingly.
- Create awareness and understanding of current community composition.
- Proportional, balanced incentives, including opportunity zones where applicable, for businesses of various types.
- It's essential that we develop a more pro-active approach to balancing the business/residential tax base. The lack of speculative office, warehouse and light manufacturing has seriously limited many business prospects and will continue to do so as businesses go where facilities are already built and ready for occupancy or have an anticipated occupancy in the near term. The community partner groups along with an aggressive economic development policy need to actively seek outside developers to our community or it may be the City needs to consider co-developing some of our key remaining land areas.
- First, a candid discussion on what diversity means to each of us. Diversity of industries? Diversity of race, religion, cultures, socioeconomics? Then, once we have a grasp of a diversified base, how do we find and attract this base?
- FOCUS on targeted industries for Lee's Summit and KC Metro
- A. Define and plan for a diversified economic base. (Citizens) Establish a structure, in the form of a public/private partnership with broad representation from all institutions that have an impact on the City's economic development opportunities including but not limited to the City, Jackson County, the Chamber of Commerce, State of Missouri, Velocity, EDC, the Technology Park, the R-7 School District, and all other agencies or organizations active in economic development. Efforts of this team should focus on:
  - Business Retention and Expansion that includes all-size companies
  - Product development, such as seeing that adequate real estate inventory in Lee's

Summit exists and business sites are “shovel-ready” and competitively priced; promotional literature is developed; supporting databases are complete and up-to-date on sites, labor force, incentives, taxation, employer lists, and an on utility availability, quality, and cost • Marketing and pro-active business attraction including maintenance of an effective website with links to the websites of the City and other area agencies in the partnership directing economic-development services in Lee’s summit • Improved tourism marketing • Other topics to be determined

- Narrow it down to 1-2 specific categories i.e. healthcare, technology, etc that Lee’s Summit wants to be known for
- Identify existing strengths of current economic base, such as health care, and determining how to create a more complex web of support, such as affordable work-force supply, to build out from existing known strengths. Also, through market analysis, we need to identify the potential of market saturation to prevent incentives injuring existing base
- Perform market analysis to identify baseline position in the KC region and establish the current economic base. – This is being developed as part of the Comprehensive Plan

## Objective 2: Focus recruitment and retention efforts

- Identify the priorities that the community feels are missing with business opportunities in the community.
- Promote the priorities to existing and invested citizens that could help fill those voids that are existing in the community.
- Recruitment and retention of businesses started with low crime, great schools, high quality lifestyle amenities such as parks, pools, and things to do, higher wage jobs and a low cost of living. One strategy to drive economic growth by attracting new development is to enhance the amount of infrastructure spending using various mechanisms available to city government to provide adequate roads, sewer, water and utility connections to vacant ground so that it becomes more attractive to developers. Currently, we rely on the developer to make that investment, but to be frank many developers simply move on when there is not water or sewer or adequate roads to land. Our EDC is an important resource for both recruitment and retention. Our EDC does need to change their policies as it relates to speaking out for economic development projects in the city as many other cities EDC members will speak in favor of projects at Planning Commission and City Council. The EDC needs to focus on the many strong community business partners and investors capable of expanding in our city rather than focusing the bulk of their efforts on businesses and developers not already here in town.
- Target high return and high growth businesses that meet or exceed Eastern Jackson County average wages.
- Go after long-term business versus "Applebees" and "big box" shorter-term business
- Review and update targeted business and industry data/report and develop a comprehensive plan toward business growth and retention efforts that can be publicly available
- Less emphasis on replacing existing jobs with “quality” jobs. Current employers who don’t pay wages consistent with the goal of higher average wages often don’t qualify for incentives and feel unwanted going forward.
- Existing businesses need to have access to economic incentives more in line with what they can receive by leaving the community or we’ll face continued concerns of losing businesses we already have. Providing existing business are investing new dollars to increase employment in the community then such investment should be eligible for some type of tax incentive for some period of time.

- Interview and seek feedback from Lee’s Summit-based business owners. Find out why they chose the city and what it will take to keep them here.
- Utilize all resources available, relying on EDC professionals to lead process
- B. Focus recruitment and retention efforts. (Community Partners) Prepare an analysis of the cost-of-doing-business in Lee’s Summit versus other competing locations. Components should include: • Labor costs • Real estate costs • Construction costs • Utility costs • Taxes • Incentives to reduce costs • Other relevant factors Create and maintain a “Free-to-List/Free-to-View” Available Real Estate Inventory specific to properties within the city limits, with a dedicated section for Downtown. Aspects of this initiative include: • Creation of a standardized format for all listed properties • Improvement of communications channels with brokers and property owners to maximize available information • Inclusion of this inventory on the City’s economic development website.
- Create a plan for being a great partner to local businesses and work closely with the EDC
- Through a partnership with Lee's Summit Economic Development Committee and the Chamber of Commerce, there should be a systematic approach to checking on all sectors of the economic base to determine satisfaction of community services, etc. Recruitment should be expanded beyond response to KCATA or response to potential investors who arrive to Lee's Summit. There should be a proactive process that drives interest to the City of Lee's Summit.
- Utilize results from the baseline market analysis to identify where gaps exist and focus recruitment and retention efforts on filling those gaps.

### Objective 3: Implement economic development plans

- Continue to develop plans or strategies for the highlighted opportunity areas of the community that could be ideal development properties. Work with developers and local investors to promote those plans in order to identify the people who could invest in those opportunity developments that will continue to enhance the community. Be careful not to hurt the existing businesses who are serving those same or similar needs that could feel an economic impact from the new developments.
- I’d recommend the PSA's work together to effect any economic plans with a possibility for a small citizen task force to effect communication between the three and act as a conduit. Ask successful local business people to assist with marketing including reaching out via video telling their story of doing business in LS.
- Focus economic development on targeted areas to assist with and encourage private development specifically speculative office and industrial buildings to meet current demand (provide public infrastructure, targeted incentives, etc.)
- Engage citizens to participate in social media education strategies about economic development plans and responsible growth.
- Complete comprehensive plan update and actively promote and engage the public with its contents
- Convince investors of the necessity for class A office space and warehousing. There is little to no inventory of either today.
- Our current incentive plans and marketing are not sufficient to attract new businesses without more recruitment by community partners. However, based on the balance of public and private currently available, we can only do so much. More thought needs to be given to having additional professional services provided on an ongoing basis.
- Create an action list with timelines to complement what our EDC is already doing. Our strategy should include achievable goals and plans.

- Review all strategic goals of all community partners compare to City's Strategic Plan and assign the appropriate organization to implement.
- C. Implement economic development plans (City Council) Develop, FUND and implement aggressive and effective business attraction, retention/expansion, and startup programs for the targeted industries to diversify and strengthen the City's economic base. This would include investigation into the feasibility of a general business incubator or "Board of Direction". This would need to be funded with line item additions to the budget and tax incentives.
- Determine what our current plan is
- After plans are established, a six-month written report with status updates, suggested amendments, and identified obstacles should be provided to the City Council and leaders of the community partners as appropriate. Perhaps a comprehensive dashboard report could be provided at combined community meetings with these groups.
- Continue to build upon the identified targets (from a and b above) and develop individualized plans for specific areas to attract the identified targets. – Specific opportunity areas can be identified and the incentive package and zoning can be prepared to set the area up for success.

#### Objective 4: Ensure fiscal sustainability

- Communicate regularly with existing businesses on how the city can help them continue to grow and expand what they can deliver to the community.
- We need to be forward thinking about housing choice and the businesses we court. I'd suggest varying housing choice including smaller lot sizes and widths for new construction and also encouraging the development of class B multi-family housing and not just class A as we've seen a run on. Inviting class B for rent housing requires city cooperation and often times incentives such as tax abatement's and even subsidizing rents for below median income renters. The easy answer is continue to balance the budget and keep adequate reserves. I believe we may be overspending right now. Fiscal strength follows a good quality of life including high quality schools, parks, public infrastructure and the like.
- Expand and diversify commercial tax base.
- Don't offer subsidies unless the formula truly shows positive return from investment.
- Develop/implement fiscal modeling for economic development/redevelopment and capture and report data on routine basis
- Don't fall prey to sustainability; we have to expect fiscal growth consistent with the community as a whole. Embrace balance in our business base so that we are best equipped to weather downturns or changing trends.
- Fiscal sustainability will be very reliant on maintaining a quality community but also a balanced tax base. We can achieve a more balanced tax base with greater business investment.
- Obviously, the committee will need to understand financial constraints in pursuing new business in Lee's Summit, as well as how Funding is decided. My suggested strategy is to better understand how our city "negotiates" with potential new businesses. How much is the business "worth" to the city of LS?
- PSAs should raise private funds as the majority funding resource. City should be willing to support the PSA's as a major resource.
- D. Ensure fiscal sustainability (City-Staff) Identify land within the City with development or redevelopment potential for industrial, office and R&D operations, especially those within the our targeted industries, and take appropriate actions with the owners to make those sites shovel-ready as demonstrated by:
  - Availability of the land on the market at a reasonable price
  - Appropriate zoning
  - Environmental assessment
  - Land characteristics that facilitate

development • Full utilities and telecommunications services • Road access suitable for business use • Incentivize

- Determine what is/could be needed in the future to determine what needs to be in place to get there
- Continue work on the City's Fiscal Model that will allow measurement of current financial base, proposed economic growth sectors, and projected cost to provide quality of life services.
- Prepare a fiscal impact model to evaluate proposed projects and their impact on City Services and the Community. – This is being developed as part of the Comprehensive Plan.