

RE: BUDGET AMENDMENT FOR HOTEL MARKET AND FINANCIAL FEASIBILITY STUDY

Background:

Staff has been looking into hiring a consultant firm to conduct a hotel market and financial feasibility (hospitality) study in 2023. We recently met with Show Me Christian County and they discussed the possibility of partnering with the City of Ozark and Christian County to have a hospitality study completed this year. The City of Nixa and the City of Ozark were asked to identify two (2) potential locations in each city for the study. After the locations were identified, Show Me Christian County received a proposal from Hunden Strategic Partners to complete the study with a total cost of \$39,000. The City of Nixa's portion to participate in the study would be \$13,000. Show Me Christian County would handle the coordination of the project.

Analysis:

Conducting a hospitality study would provide the information needed for us to better market our community to potential hotel developers. The study would evaluate Christian County area's position as an economic center of activity, as well as a destination for overnight visitors. Hunden would complete 6 tasks as part of the study. These include the following:

Task 1: Kickoff, Project Orientation and Interviews

This includes things such as obtaining data, touring the project sites, interviewing stakeholders, etc.

Task 2: Economic, Demographic and Tourism Analysis

This would utilize data to analyze geographic attributes, accessibility, transportation links, trends in population growth and income, corporate presence, major employers and tourism attractions.

Task 3: Corridor Profiles and Corridor Assessments

This would provide an overview of the proposed sites and the immediate areas to assess site size, access, visibility, and other factors.

Task 4: Hotel Market Analysis

This would look at industry trends, the local market, competitive set as part of the study. The study will show the market segmentation within three primary categories, including commercial transient, group and leisure.

Task 5: Recommendations

This would analyze the gathered information and provide implications and recommendations for a proposed hotel. The study would show what the market would support immediately as well as longer-term positive impacts.

Task 6: Demand and Financial Projections

This would determine how the market would absorb the proposed hospitality development over time, including a ten-year projection. This would include projections for things such as occupancy, rate and revenue per available room.

To allow Show Me Christian County to move forward with the study, we would need to approve a budget amendment in the amount of \$13,000 to cover the City of Nixa's portion. I will also be bringing an intergovernmental agreement between Show Me Christian County, the City of Ozark and the City of Nixa to City Council in the future for consideration.

Recommendation:

As mentioned above, conducting a hospitality study would provide us the information we need to properly market our area to potential hotel developers. Utilizing the available opportunity to conduct a study in partnership with the City of Ozark and Christian County would save the City of Nixa a significant amount of money. Staff's recommendation would be for Council to approve the budget amendment in the amount of \$13,000 allowing Show Me Christian County to move forward with the study.

MEMO PREPARED BY:

Jimmy Liles | City Administrator

Jliles@nixa.com | 417-725-3785



Issue: Budget Amendment for Hotel Market and Financial Feasibility Study

Date: 08/10/2022

Submitted By: Jimmy Liles, City Administrator

Background

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AN ORDINANCE OF THE COUNCIL OF THE CITY OF NIXA AMENDING THE 2022 ANNUAL BUDGET TO APPROPRIATE FUNDS FOR A HOTEL MARKET AND FINANCIAL FEASIBILITY STUDY.

WHEREAS Section 67.040 RSMo. provides that after a budget has been approved no increase in the revenues or expenditures from any fund shall be made unless the governing body adopts a measure setting forth the facts and reasons making the increase necessary and authorizing the increase; and

WHEREAS Section 8.7 of the City Charter authorizes the City Council to amend budgeted revenues and expenditures upon the request of the City Administrator; and

WHEREAS the City Administrator has requested a budget amendment as reflected in "Council Bill Exhibit A" and for the purposes referenced therein; and

WHEREAS the City Council desires to amend the City's 2022 budget for the purposes identified herein.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF NIXA, AS FOLLOWS, THAT:

SECTION 1: The City of Nixa's 2022 Annual Budget is hereby amended in the accounts and the amounts as shown on "Council Bill Exhibit A," which is attached hereto and incorporated herein by this reference.

SECTION 2: City Council finds that the budget amendment enacted by this Ordinance has been recommended by the City Administrator. The City Administrator is directed to cause the appropriate accounting entries to be made in the books and records of the City to reflect the budget amendment enacted by this Ordinance.

SECTION 3: This Ordinance shall be in full force and effect from and after its final passage by the City Council and after its approval by the Mayor, subject to the provisions of section 3.11(g) of the City Charter.

ADOPTED BY THE COUNCIL THIS ___ DAY OF _____, 2022.

ATTEST:

PRESIDING OFFICER

CITY CLERK

APPROVED BY THE MAYOR THIS ___ DAY OF _____, 2022.

COUNCIL BILL NO. 2022-084

ORDINANCE NO. _____

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MAYOR

APPROVED AS TO FORM:

CITY ATTORNEY

ATTEST:

CITY CLERK

City of Nixa, MO
Budget Amendment

| <u>Budget Amendment Amount</u> | <u>Fund</u> | <u>G/L Description</u> | <u>G/L Line #</u> | <u>Revenue Source</u> |
|--------------------------------|-------------|------------------------|-------------------|-----------------------|
| \$13,000 | 11 | Economic Development | 11-175-5118000 | Current |

Explanation: To amend the current budget of the City of Nixa to appropriate funds for a cost share in a Hospitality Feasibility Study.

This proposed Budget Amendment has been approved and requested by the City Administrator, pursuant to City Charter section 8.7.

Jimmy Liles, City Administrator

Authorized by Passage of Ordinance No. _____

Date of Passage: _____

Total Budget Amendments by Department Year to Date:

| | |
|------------------------|--------------------|
| Electric | \$285,700 |
| Water | \$932,177 (net) |
| Wastewater | \$385,107 |
| ARPA | \$40,000 |
| Admin | \$92,595 (net) |
| Police | \$110,329 |
| Street | |
| Park | \$47,500 |
| Planning & Development | |
| TOTAL | <u>\$1,893,408</u> |