

Broadening the City of Maryville and Northwest Missouri State University Partnership Use of a Transient Guest Tax to Support the Northwest Multipurpose Complex: Information Guide

How have the city of Maryville and Northwest Missouri State University strategically partnered to date?

The ongoing collaboration to power regional impacts through strategic partnering has three primary intentions and outcomes: (1) to lead by doing – strategic partnership with actions; (2) to yield specific infrastructure and relationship impacts and drive enhanced regional economic impact and growth as well as tourism; and (3) to be a touchstone for University growth and academic connections, enhanced University and community linkages, and economic development and growth.

We have focused on strategic action tied to the city’s comprehensive plan and the University’s strategic plan. Creating momentum through a strategic mindset, strong performance and teamwork based on people, culture and partnerships, Northwest Missouri State University and the city of Maryville have redefined “town and gown” and elevated to the pinnacle of cooperation. In fact, a recent third-party economic impact study found Northwest Missouri State University’s regional impact generates \$617.5 million in added regional income or a 9,465 new-job equivalent.

Examples of collaboration include: The Fourth Street Improvement Project, Mozingo Lake Recreation Park rebranding, Watson 9 youth golf course, Missouri Main Street and Missouri Downtown Development District, farmer’s market, academic summit with regional employers, city path system, support for the back road to the Maryville Community Center, neighborhood stabilization/Campus Town Redevelopment Incentive Program (CTRIP), open stadium and fields, parades, staging areas, Mozingo Outdoor Education Recreation Area (MOERA) and Missouri Hope disaster response field training exercise, Maryville City Council student liaison, emergency preparedness and response; Dean L. Hubbard Center for Innovation and Entrepreneurship and the University Community Collaborative.

What is being proposed to broaden the partnership between the city and University?

In support of tourism and economic development and the building and operating of a new Northwest Multipurpose Complex (NMC, though a working title for now as this will be named at a later date), a transient guest tax proposal has been placed on the Nov. 8, 2016 ballot.

What is a transient guest tax?

Commonly referred to as a “bed tax,” a transient guest tax is a fee charged on all sleeping rooms paid by the guests of hotels, motels and licensed lodging facilities. Section 67.1003.1 of the Revised Missouri State Statutes authorizes communities the ability to approve up to 5 percent per occupied room per night. Transient Guest Tax proceeds must be used by the city for the promotion of tourism and economic development. Visitors at Maryville hotels, largely out-of-town or out-of-state visitors (such as business travelers, contractors, event attendees and tourists), would pay this tax.

How common is a transient guest tax?

The tool is used widely, with worldwide, national, state and regional uses. At least 72 cities or counties in Missouri have adopted a transient guest tax to further tourism and economic development efforts and promote their communities as a destination. Nearly 140 cities or counties in Kansas and 170 cities or counties in Iowa have adopted a transient guest tax at an average rate of 5 percent. Maryville voters were presented with a transient guest tax question on the ballot in June 2003. The proposition failed by 21 votes during a time when the tax was less common in the hotel industry. It is estimated that the bed tax would have generated \$2,132,000 for the promotion of Maryville during the last 13 years.

How does a transient tax impact me?

If approved, hotel guests will pay an additional 5 percent transient guest tax per night. Those citizens that do not use lodging facilities in Maryville will not pay anything toward this tax. The Average Daily Rate (ADR) for Maryville hotel

rooms is \$76.40 per night, thus the transient guest tax per night would average an additional \$3.82 toward tourism and economic development efforts. It is estimated that the transient guest tax will generate \$215,000 in additional annual funding to showcase Maryville as a destination for tourists and to drive economic development.

How will revenues be used to promote tourism and economic development?

The city intends to utilize transient guest tax revenues to advance tourism and economic development through assisting with the construction and operation of the new multipurpose facility at Northwest Missouri State University and through additional community marketing and special events. Thousands of visitors each year will participate in a wide range of University and community activities at the facility, generating additional sales to local businesses and increasing community pride. Remaining revenues will be used by the city, Chamber of Commerce and Nodaway County Economic Development to market Maryville as a destination by supporting advertising and special events.

What is the Northwest Multipurpose Complex?

The Northwest Multipurpose Complex, to be located just northwest of College Park and Bearcat Stadium on the Northwest campus, is a planned 137,250 square-foot recreation and multipurpose facility featuring recreation and exhibition space, an indoor flooring system, 100-yard practice turf, 300-meter indoor competition track, spectator seating and tiered meeting rooms. The complex will serve as a host site for a wide range of University and community activities. The project represents the single largest public-private partnership in Northwest's 111-year history – and one of the largest public-private partnerships ever in the region.

The project will broaden and further strengthen the partnership between the city and University as we continue momentum from projects such as the Fourth Street Improvement Project, Watson 9 and growth of the Mozingo Lake Recreation Park as a regional tourist destination.

The Northwest Multipurpose Complex has four goals: (1) promoting health and wellness for Northwest's students, faculty, staff and the Maryville community; (2) providing for a competitive advantage relative to Northwest's intercollegiate athletics teams and overall programming; (3) enhancing Northwest's ability to recruit, engage and retain students; and (4) providing for enhanced University and community partnership opportunities, tourism and economic development outcomes.

Will community members be able to use the Northwest Multipurpose Complex?

Yes. Through an Intergovernmental Services Agreement, the city intends to assist with facility funding and securing community use. Potential uses include, for example, community fundraisers, exhibitions, tradeshow, group activities, youth and high school athletics, Maryville Parks and Recreation programming, business gatherings, all-weather exercise and special events such as commencements and concerts.

How will usage of the Northwest Multipurpose Complex be determined?

The University Community Collaborative, which includes University and community leaders, will use a defined, cross-cutting tourism committee to determine use. The tourism committee will include University members, community members, city leaders and Maryville Parks and Recreation personnel.

What are the Northwest Multipurpose Complex's projected costs, funding mechanisms and like partnerships?

The proposed Northwest Multipurpose Complex is an estimated \$20 million project with multiple financing sources, including commitments from the University, private support and community support. The city is modeling its involvement after successful community partnerships for similar facilities in Pittsburg, Kansas, and Birmingham, Alabama.

If the transient guest tax is approved, the City would execute lease agreement with Northwest Missouri State University to assist in funding with funding and secure common use. The lease agreement would provide \$150,000 annually for 23 years – a \$3,450,000 investment. The tourism committee would utilize remaining revenues of \$65,000+ for events, marketing, additional tourism and economic development efforts.

What is the projected timeline for the Northwest Multipurpose Complex?

An architect and engineer study (A and E) is being conducted between now and December 2016 – a schematic design (SD package) has already been completed. Construction could begin in July of 2017 and should take approximately less than one year. The facility is another example of economic development in Maryville, joining over \$140 million in recent city and University expansion efforts.

Why does Maryville need a transient guest tax for tourism and economic development?

The Northwest Multipurpose Complex is a strategic focus of Northwest Missouri State University – in its strategic plan, campus master plan and Forever Green comprehensive campaign. The Maryville Comprehensive Plan also emphasizes partnership between Northwest and the city to advance the community. More specifically, the plan notes strategies to “institute lodging tax to generate additional tourism-based city revenue” and “use educational opportunities, the availability of health care and recreational assets as branding points” to create a distinct image and positive environment for doing business, living, attending college and playing in the community. Funds will help provide a facility focused on health, wellness and engagement as well as promotion of tourism and economic development.

So, in summary, what is being asked regarding a transient guest tax and the broadening of the partnership between the city of Maryville and Northwest Missouri State University?

The Maryville City Council, at its Aug. 22, 2016 meeting, approved the placing of a transient guest tax question on the Nov. 8, 2016, ballot. The ballot initiative asks city of Maryville voters to vote yes or no on the approval of a transient guest tax. A simple majority is needed for passage.

Approval by voters would help support the realization of the broadened partnership between the city of Maryville and Northwest Missouri State University and advance the ultimate completion and opening of the Northwest Multipurpose Complex. Lack of approval means the city would continue to not realize approximately \$215,000 in additional annual funding to showcase Maryville as a destination for tourists and to drive economic development that the transient guest tax would provide. Momentum would be slowed with the stalling of tourism and economic development and community members would miss usage opportunities. The city and University are experiencing significant momentum through collaborative efforts and the transient guest tax will assist in furthering the efforts.
