

Mayor
Lois Wynne
Mayor Pro Tem
Jeff Chedester
Council Members
Ray Madrigal
Eddie Neal
William Siegel



**Office of the
City Manager**

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Staff Report

ITEM NO. 2-3

To: Lemoore City Council
From: Andi Welsh, City Manager
Date: September 9, 2015 **Meeting Date:** September 15, 2015
Subject: Chamber of Commerce Agreement

Proposed Motion:

Approve an Agreement with the Lemoore Chamber of Commerce for Economic Development Services through June 30, 2017, in the amount of \$54,000 for fiscal year 2016 and \$55,000 in fiscal year 2017.

Subject/Discussion:

The City and Chamber of Commerce (Chamber) have had a contract for services for many years, likely a decade or more. The agreement between the Chamber and City is a two-year agreement. The base amount of the agreement is \$54,000 with a \$1,000 increase for fiscal year 2017 for a contract total of \$55,000.

The agreement includes the following main provisions:

- Chamber will advertise Lemoore and work with the City to engage local business and assist with recruiting new businesses;
- Explore the challenges and opportunities with increasing the City's Transient Occupancy Tax (T.O.T.);
- Showcase Lemoore's offerings by hosting and coordinating a minimum of 13 public events annually and two business training seminars.
- City Council and Chamber of Commerce Board of Directors will meeting annually.

Financial Consideration(s):

\$54,000 for Fiscal Year 2016 services and \$55,000 for Fiscal Year 2017.

Alternatives or Pros/Cons:

Pros:

- Supports Lemoore's main business organization.
- May result in additional revenue opportunities with the exploration of modifying the T.O.T.

Cons:

- Contract is vague on specific deliverables and will likely be brought back to Council within the next two years for a thorough review and new contract.

"In God We Trust"

Commission/Board Recommendation:

Not Applicable.

Staff Recommendation:

Approve the two year agreement with the Lemoore Chamber of Commerce.

Attachments:

- Resolution
- Ordinance
- Map
- Other Agreement for Services

Review:

- Finance
- City Attorney 9/10/15
- City Manager 9/9/15
- City Clerk 9/11/15

Date:

**AGREEMENT BY AND BETWEEN
THE LEMOORE DISTRICT CHAMBER OF COMMERCE
AND THE CITY OF LEMOORE
TO PROVIDE ECONOMIC DEVELOPMENT SERVICES**

THIS AGREEMENT, is made and entered into in duplicate as of the ___ day of September 2015, by and between the City of Lemoore, a municipality, hereinafter called “CITY”, and the Lemoore District Chamber of Commerce, a non-profit corporation, duly organized and existing under and by virtue of the laws of the State of California, hereinafter called “CHAMBER”.

WITNESSETH

WHEREAS, CITY depends on proactive sustained effort in economic development; and

WHEREAS, CHAMBER and CITY, depends on proactive sustained efforts in economic development to maintain and enhance the economic vitality of Lemoore, and

WHEREAS, the CHAMBER is organized for the purpose of promoting economic development and business welfare in the City and vicinity; and

WHEREAS, the CITY is tasked with preserving and enhancing the economic prosperity of the community, aiding in business development and retention, and developing sales tax generating activities; and

WHEREAS, the CITY is authorized by law, to expend funds for the promotion of such activities; and

WHEREAS, the CHAMBER desires to perform the services herein provided for the benefit of the CITY and the community;

NOW THEREFORE, IT IS HEREBY AGREED by and between the CITY and CHAMBER as follows:

1. **TERM.** The initial term of this AGREEMENT shall commence on July 1, 2015 and end on June 30, 2017, unless either party provides written notice to the other, on or before May 1st of its intent not to renew for the following year. In addition, either party may terminate this agreement, without penalty, upon 60 days’ written notice to the other party at any time during the term or extension of this agreement and without cause for the termination. If the agreement is terminated prior to the end of the fiscal year, the funding for services shall be pro-rated accordingly..
2. **SERVICES.** During the term hereof, the CHAMBER shall undertake the following activities:
 - 2.1 Promote the community and quality of life in Lemoore;
 - 2.2 Provide for the benefit of the CITY those services that will advertise and publicize the resources and advantages of the CITY.
 - 2.3 Assist the CITY in its business and industrial recruiting, marketing and outreach efforts with an emphasis on companies that provide new job and/or sales tax base to the community. The CHAMBER will assist and respond to inquiries that are received in their office, from businesses that are interested in locating to Lemoore, by sending them through the appropriate channels within the CITY.

- 2.4 Exploring the challenges and opportunities with increasing the Transient Occupancy Tax (T.O.T.); Present information to City staff.
- 2.5 The CHAMBER will create a subcommittee, within its Board of Directors, to focus on developing and providing small business development services to its members, which will help boost and sustain business growth in the community.
- 2.6 Organize collaborative meetings between the CHAMBER and CITY to discuss a specific vision for Lemoore's future, which could potentially help the City target precise growth opportunities.
- 2.7 Maintain current information in three community information kiosks. All contents, including city produced maps, paper backing, etc. are to be replaced bi-annually.
- 2.8 Events. In addition to these services, the Chamber will deliver the following events:
- 2.8.1 Showcase Lemoore's offerings by hosting and coordinating a minimum of 13 public events annually and two business training seminars, with the intent that at least two events will attract over 2,000 participants and all other events will attract over 100 participants each. Events and activities may include festivals, celebrations, banquets, parades, concerts or other mutually agreed upon activities. While the Chamber reserves the right to make substitutions, the following are the events scheduled for 2015:
- (1) Central Valley Pizza Festival- April of each year, estimated attendance 2,000
 - (2) Summer Concerts (10) – June-August, estimated attendance 600-800
 - (3) Kings County Salute to Agriculture Banquet – September, estimated attendance 375
 - (4) Christmas Parade – December, estimated attendance 2,500
 - (5) Host or coordinate two or more local business-training seminars or workshops annually.
 - (6) Assist the Downtown Merchants Association with their Holiday Stroll in November.
- 2.9 CHAMBER will provide an annual report to the CITY within ninety (90) days of the end of the City's fiscal year. At the request of the City Manager and Chamber CEO, the CHAMBER will provide an annual oral report to the City Council at the City Council/Chamber joint meeting.
- 2.10 Downtown Business District Association – Participate/Liaison with Downtown businesses.
- 2.11 Annual joint Chamber Board/Council meeting.

3. **FUNDING FOR SERVICES.** CITY shall fund the CHAMBER for economic development services according to the table below, provided that such funding is identified in the CITY’S annual budget and that the conditions above are met.

The first annual allotment for services is \$54,000 and will increase by \$1,000 in the second year for inflation and expanded services. Such funding is identified in items 3.1 and 3.2 below.

- 3.1. One-half of the allotment will supplement the staffing, planning, advertising, expenses and over-head to deliver the CHAMBER sponsored events listed above. The CHAMBER may substitute an event for a comparable event. If the CHAMBER has not completed 13 comparable events by the fiscal year end, \$2,500 will be deducted per missed event, up to one-half of the annual allotment.

- 3.2. One-half of the allotment will support the Services identified above as item #2.

The following table illustrated the annual compensation and shall be paid according to the Funding terms listed below:

	<u>SERVICES</u>
Fiscal Year 2015-2016	\$ 54,000.00
Fiscal Year 2016-2017	\$ 55,000.00
<u>2 year Total</u>	<u>\$ 109,000.00</u>

4. **FUNDING TERMS.**

- 4.1. A written request for payment (invoice) shall be submitted by the CHAMBER to the CITY following the end of each quarter and shall include:

- 4.1.1 Submittal of the Quarterly Update for services performed.

- 4.1.2 A listing of the upcoming quarter’s events and activities.

- 4.2. CITY shall be recognized for participation in all CHAMBER events.

- 4.3. The CITY may require an audit be performed, by an accredited auditing firm, on CHAMBER financial activities, where CITY funds are used, to demonstrate where and how CITY funds have been spent. The cost of the audit shall be funded by the CITY.

5. **PRORATED FUNDING.** Should the Agreement be terminated prior to the end of the term, funding will be prorated through the terminating agency and any excess funding received by the CHAMBER will be returned to the CITY.

6. **LIASION.** The CITY shall appoint the City Manager, or designee, to serve as a liaison to the CHAMBER Board of Directors.

7. **ADMINISTRATION.** The CHAMBER agrees to continue to follow its Bylaws, which are also incorporated by reference into this agreement.

- 7.1 The CHAMBER shall continue to operate as a 501© (6) non-profit corporation and be governed by a Board of Directors that has the ultimate authority for oversight and approval of the CHAMBER'S programs.
- 7.2 The CHAMBER shall utilize an accounting system which will comply with generally accepted accounting principles. The CHAMBER shall establish and maintain a line item budget that identifies expenditures from all funding sources.
- 7.3 The CITY designates the City Manager, or designee, as the City's representative and Contract Administrator. The Contract Administrator shall work with the CHAMBER to coordinate the execution of this Agreement.
8. **INDEMNIFICATION.** CHAMBER agrees to indemnify, defend and hold harmless the CITY and its officials, officers, employees, agents and volunteers from and against all claims, demands, actions, injuries, liabilities, losses, costs or damages, direct or indirect, and any and all attorney's fees and other expenses which CITY or its officials, officers, employees, agents or volunteers may sustain or incur as a consequence of or anyway relate to CHAMBER, or its employees, agents and subcontractor's performance of the services and CHAMBER'S responsibilities and obligation or responsibilities contained in this Agreement. This indemnification shall survive the termination of the Agreement.
9. **NOTICES.** All notices herein required shall be in writing and shall be sent by certified mail, postage prepaid, addressed as follows:
- Chief Executive Officer
Lemoore District Chamber of Commerce
300 E Street
Lemoore, CA 93245
- City Manager
City of Lemoore
119 Fox Street
Lemoore, CA 93245
10. **CONFORMANCE TO APPLICABLE LAWS.** CHAMBER shall comply with all applicable federal, state and city laws, rules and ordinances. No discrimination shall be made by CHAMBER in the employment of persons to work under this Agreement because of race, color, national origin ancestry, sex or religion of such person.
11. **SOLE AND ONLY AGREEMENT.** Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or in writing, have been made by any party or anyone acting on behalf of any party, which are not embodied in the Agreement and no other agreement, statement or promise shall be valid or binding with regard to economic development services.
12. **INVALIDITY.** If any provision of this Agreement is held by court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force and effect without being impaired or invalidated in any way.
13. **AMENDMENT.** No change, amendment or modification of the Agreement shall be valid unless the same be in writing and signed by the parties hereto.

