



CITY COUNCIL STAFF REPORT

TO: Honorable Mayor and City Council **DATE:** December 2, 2019

FROM: Matthew Bronson, City Manager

PREPARED BY: Matthew Bronson, City Manager

SUBJECT: City-Chamber Agreement for Economic Development Services

RECOMMENDATION

Approve an agreement with the South County Chambers of Commerce to provide economic development services for the City from January 1, 2020 through June 30, 2021 and authorize the City Manager to execute the agreement.

BACKGROUND

On November 4, 2019, staff presented information to the Council on the City's economic development activities and requested input and direction on potential activities the City could undertake. Economic development has long been one of the City's priorities and is one of the City's Major City Goals for 2019-21. An impetus for November 4th agenda item was the City's allocation of \$220,000 in one-time SB 1090 funds from the County for economic development activities to augment the City's current budget of \$25,000 for economic development. Since the adoption of the City's Economic Development Strategy in 2017, the City made significant progress in advancing the actions included in the Strategy particularly in building on local assets, enhancing quality of life, and fostering collaboration. However, the City has not achieved or implemented all the actions identified in the Economic Development Strategy particularly with regards to building image and awareness. Such ongoing efforts are important in building a stronger identity and telling the story about why the city is a great location for business.

With the context of the Economic Development Strategy and the current work program, staff identified possible economic development activities that could be considered as shown below:

- Revisit 2011 West Grand Avenue Master Plan and prioritize continued implementation
- Improve lighting, trees, and other streetscape improvements on West Grand Avenue
- Improve traffic calming/pedestrian/bicycle amenities on West Grand Avenue
- Additional wayfinding and/or gateway signage
- Business improvement grants such as façade or sign improvements
- Focused tourism marketing and outreach
- Industrial area marketing and recruitment to businesses for investment opportunities
- Technology company marketing and recruitment given the broadband fiber network
- Enhanced business recruitment, site selection, and retention assistance

The South County Chambers of Commerce (Chamber) submitted a proposal to the City to assist with the City's economic development services similar to partnerships between the cities of Morro Bay and Paso Robles and their respective Chambers. The Chamber's proposal included specific actions related to business attraction, business retention, economic asset website, cowork space,

and an incubation program. The Chamber proposed to carry out these services for \$120,000 from January 1, 2020 through June 30, 2021. The Council was supportive of such a partnership with the Chamber and provided direction to staff to prepare an agreement with these actions for consideration by the Council.

Attachment 1 contains the proposed agreement between the City and the Chamber as developed by the City Manager and the Chamber President/CEO. The agreement specifies a cost of \$120,000 for a defined list of services and activities shown in Exhibit A along with the estimated timeframe for completion. For the business attraction actions, the City will provide a monthly payment of \$3,333 over the 18 months of this agreement from January 1, 2020 through June 30, 2021. The other tasks are one-time tasks for which the City will pay the Chamber upon completion. The agreement states that City funds will not be used for general Chamber activities or work done to influence legislation, engage in political activities, or other advocacy work though the Chamber may engage in such activities as a 501(c)6 organization using other funds. Either party may terminate the agreement at any time with 30 days' notice to the other party.

Pending Council approval, staff will finalize and execute the agreement with the Chamber to begin work on January 1, 2020. The Chamber will present quarterly reports to the City Manager and bi-annual reports to the Council with the first quarterly report submitted by April 15, 2020 and the first bi-annual report submitted by July 15, 2020 to meet the Council's interest in reviewing the initial progress of this agreement within six months. Staff will also begin work on other economic development activities as identified by the Council including development of a business grant program for façade and sign improvements and a community marketing and branding initiative in conjunction with additional improvements to West Grand Avenue.

FISCAL IMPACT

There is a total of \$220,000 in one-time funding available from the SB 1090 allocation for economic development activities. The cost of this proposed agreement is \$120,000 which leaves \$100,000 for other economic development activities including the business grant program and the community marketing and branding initiative.

ALTERNATIVES

The City Council has the following alternatives to consider:

1. Approve an agreement with the South County Chambers of Commerce to provide economic development services for the City from January 1, 2020 through June 30, 2021 and authorize the City Manager to execute the agreement; or
2. Do not approve an agreement with the South County Chambers of Commerce; or
3. Provide alternative direction to staff.

PUBLIC NOTIFICATION

The agenda was posted in accordance with the Brown Act.

ATTACHMENTS

1. Agreement

AGREEMENT BETWEEN THE CITY OF GROVER BEACH AND THE SOUTH COUNTY CHAMBERS OF COMMERCE FOR ECONOMIC DEVELOPMENT SERVICES

This AGREEMENT is made and entered into by and between the City of Grover Beach, a municipal corporation (hereinafter called “City”), and the South County Chambers of Commerce, a California non-profit corporation (hereinafter called “Chamber”).

WHEREAS, City and Chamber will benefit from business attraction, incubation, and retention within Grover Beach;

WHEREAS, Chamber and City have a record of working together to achieve a viable and vibrant business community; and

WHEREAS, Chamber and City desire to continue and enhance those efforts through focused economic development efforts funded by the City.

NOW, THEREFORE, the parties agree as follows:

Section 1. Intent

City and Chamber recognize the strength and successes of collaboration and cooperation. It is the intent of this Agreement to reflect a formalized cooperative agreement between the two parties to further the business climate in Grover Beach in an effective and efficient manner. This Agreement describes the scope of services Chamber will provide with funding provided by City during the term of this Agreement. This Agreement is not intended to be all-inclusive of all efforts between the parties regarding economic development but does set forth the parties’ understanding of the use of the Funding.

Section 2. Term

This Agreement shall remain in full force and effect from January 1, 2020 until June 30, 2021, unless terminated earlier as provided in Section 11 of this Agreement.

Section 3. Funding and Scope of Work

During the term of this Agreement, the City shall provide \$120,000 to Chamber for services and activities shown in Exhibit A along with the estimated timeframe for completion. For Task 1 under Objective 1, the City will provide a monthly payment of \$3,333 over the term of this Agreement. All other tasks are one-time tasks for which the City will pay the Chamber upon completion of the respective task. These payment provisions are outlined in Section 5 of this Agreement.

Section 4. Other Activities

A. Chamber shall also do the following:

1. Ensure no funding provided by City shall be used to support activities that generally serve and benefit only Chamber membership or programs not directly related to the economic

development program described in this Agreement;

2. Operate the program hereunder for the general public good for the promotion of business, industry, and trade within City;
3. Make its books and financial records, concerning the funds expended under this Agreement, available to City for inspections, review and audit; and
4. Establish and maintain an accounting system in accordance with generally accepted accounting principles and standards. The system shall detail all costs chargeable to City under this Agreement and shall substantiate all such costs and comply with any applicable State and Federal standards.

B. Chamber shall not use City funding for any of the following:

1. Attempting to influence legislation;
2. Organizing or engaging in protests, petitions, boycotts, or strikes;
3. Assisting, promoting or deterring union organizing;
4. Impairing existing contracts for services or collective bargaining agreements;
5. Engaging in partisan political activities or other activities designed to influence the outcome of an election to any public office;
6. Participating in, or endorsing, events or activities that are likely to include advocacy for or against political parties, political platforms, political candidates, proposed legislation, or elected officials;
7. Engaging in religious instruction; conducting worship services, providing instruction as part of a program that includes mandatory religious instruction or worship, constructing or operating facilities devoted to religious instruction or worship, maintaining facilities primarily or inherently devoted to religious instruction or worship, or engaging in any form of religious proselytization;
8. Any other activity prohibited by any law, rule or regulation or City cannot legally perform or participate in

Section 5. Payments

Chamber shall submit an invoice for each monthly payment and completion of one-time tasks to be used for expenditures consistent with this Agreement. City shall provide payment to Chamber upon approval of the invoice by the City Manager within 14 days after receipt of a request.

Section 6. Reporting

A. Chamber, through its Executive Director, and City, through its City Manager, shall meet

regularly to collaborate and coordinate economic development strategies.

- B. Chamber shall present quarterly reports to the City Manager and bi-annual reports to the City Council at a regularly scheduled City Council meeting on the status of the Chamber's efforts. The reports shall include:
 - 1. Key activities in implementing the tasks listed in Section 3 of this Agreement;
 - 2. Quantitative and qualitative data that measure Chamber's success reflective of key deliverables;
 - 3. Number of City businesses that received direct assistance from Chamber for business retention or expansion;
 - 4. Number of prospective businesses Chamber talked with about relocating to or opening in City; and
 - 5. Chamber staff involved to support the work of this Agreement.
- C. Chamber shall provide City Manager with the first quarterly report by April 15, 2020 and provide the first bi-annual report to the City Council by July 15, 2020. The Chamber shall also provide a report reviewed by a Certified Public Accountant, itemizing how Chamber expended City's payment specified in Section 3. Such report shall provide separately detailed accounts for each program funded by City and be due no later than 6 months after the end of the term. This provision shall survive the termination of this Agreement.

Section 7. Ownership of Work Product

- A. Unless otherwise agreed upon in writing, all reports, documents, or other written or visual material or any other material in any media, including any images, taglines, logos, or other media created or developed by Chamber or any third party contracted by Chamber, in the performance of this Agreement, if paid in whole by the funding provided by this Agreement ("Work Product") shall be and remain the property of City without restriction or limitation upon its use or dissemination by City. All Work Product shall be considered to be "works made for hire," and all such Work Product and any and all intellectual property rights arising from their creation, including, but not limited to, all copyrights and other proprietary rights, shall be and remain the property of City without restriction or limitation upon their use, duplication or dissemination by City. Chamber shall not obtain or attempt to obtain copyright protection as to any of the Work Products.
- B. It is understood and agreed Chamber currently owns exclusively intellectual property rights to its name, committee and event titles, and logos, which will be utilized in the performance of this Agreement, ("Chamber Property"). Chamber reserves all rights, title and interest in Chamber Property, and hereby grants City a revocable, nonexclusive, license to the use of Chamber Property to the extent it becomes incorporated into, and inseparable from, the Work Product.
- C. This section shall survive termination of this Agreement

Section 8. Assignment

This Agreement shall not be assigned by Chamber without the written consent of City.

Section 9. Independent Contractor

At all times during the term of this Agreement, Chamber shall be independent contractors and Chamber, their officers, employees and agents shall not be employees of City.

Section 10. Personnel

Chamber represents it has, or will secure at its own expense, all personnel required to perform the services under this Agreement. Chamber shall be solely responsible for the work performed by third party contractors, including timely performance and payment.

Section 11. Termination of Agreement

City or Chamber may terminate this Agreement at any time, with or without cause, upon thirty-days written notice to the other party. In the event of such termination, City shall pay Chamber for all costs and obligations reasonably incurred by Chamber in satisfactorily performing its services under this Agreement prior to the date of termination, and such payment shall be in full satisfaction of City's obligations hereunder. City shall not be obligated to pay additional funds after issuance or receipt of such notice.

Section 12. Insurance

- A. Chamber shall at all times during the term of this Agreement carry, maintain, and keep in full force and effect, a policy or policies of Comprehensive General Liability Insurance written on a per occurrence basis with minimum limits of Two Million Dollars (\$2,000,000) for each occurrence, combined single limit, against any personal injury, death, loss or damage resulting from the wrongful or negligent acts by Chamber.
- B. Chamber agrees to maintain in force at all times during the performance of work under this Agreement workers' compensation and employer's liability insurance as required by law.
- C. Chamber agrees to maintain Business Auto Coverage on ISO Business Auto Coverage form CA 00 01 including symbol 1 (Any Auto) or the exact equivalent. Limits are subject to review, but in no event to be less than \$1,000,000 per accident. If Chamber owns no vehicles, this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described above. If Chamber or Chamber's employees will use personal autos in any way to perform the Scope of Services, then Chamber shall provide evidence of personal auto liability coverage for each such person.
- D. Chamber shall require each of its sub-consultants or sub-contractors to maintain insurance coverage, which meets all of the requirements of this Agreement unless otherwise determined by the City's Risk Manager.
- E. The policy or policies required by this Agreement shall be issued by an insurer admitted in the

State of California and with a rating of at least a B+; VII in the latest edition of Best's Insurance Guide.

- F. If Chamber fails to keep the aforesaid insurance in full force and effect, then City shall notify Chamber it is a breach of this Agreement and Chamber has three days to cure such breach. If such breach is not cured by Chamber as required in this paragraph, then City may terminate this Agreement or, if insurance is available at a reasonable cost, then City may take out the necessary insurance and pay, at Chamber's expense, the premium thereon. Chamber is under a continuing obligation to maintain the aforesaid insurance irrespective of whether City provides such notification to Chamber.
- G. At all times during the term of this Agreement, Chamber shall maintain on file with City's Risk Manager a certificate or certificates of insurance on the form required by City, showing the aforesaid policies are in effect in the required amounts. Chamber shall, prior to commencement of work under this Agreement, file with the Risk Manager such certificate or certificates. The policies of insurance required by this Agreement shall contain an endorsement naming City, its officers, employees and agents as an additional insured. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty-days' prior written notice to City, and specifically stating that the coverage contained in the policies affords insurance pursuant to the terms and conditions as set forth in this Agreement.
- H. The insurance provided by Chamber shall be primary to any coverage available to City. The policies of insurance required by this Agreement shall include provisions for waiver of subrogation.
- I. Any deductibles or self-insured retentions must be declared to and approved by City prior to commencing work under this Agreement.

Section 13. Indemnification

Chamber shall defend, indemnify, and hold harmless City, its officials, officers, employees, volunteers and agents serving as independent contractors in the role of City officials (collectively "Indemnitees") from any and all claims, demands, causes of action, costs, including reasonable attorney's fees and court costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, ("Damages") in any manner arising out of or incident to any act or omission of Chamber or any of its employees or its agents in connection with the performance of this Agreement, including without limitation the payment of all consequential damages and reasonable attorney's fees and other related costs and expenses, except for such loss or damage arising from the sole negligence or willful misconduct of any of the Indemnitees; provided, that the obligation to indemnify and hold harmless is only to the extent Chamber or its officers, employees or agents cause the Damages. All duties of Chamber under this Section shall survive termination of this Agreement.

Section 14. Extent of Agreement

This Agreement represents the entire and integrated Agreement between the parties on the matters included herein and supersedes any and all prior negotiations, representations or agreements,

instrument signed by all parties to this Agreement. This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

Section 15. Severability

Invalidation of any provision contained herein or the application thereof to any person or entity by judgment or court order shall in no way affect any of the other covenants, conditions, restrictions, or provisions hereof, or the application thereof to any other person or entity, and the same shall remain in full force and effect.

Section 16. Waiver

No delay or omission in the exercise of any right or remedy by non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. A party's consent to or approval of any act by the other party requiring the party's consent or approval shall not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

Section 17. Interpretation

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

Section 18. Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

Section 19. Attorneys' Fees

If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which any be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees, whether or not the matter proceeds to judgment.

Section 20. Non-liability of City Officers and Employees

No officer or employee of the City shall be personally liable to the Chamber, or any successor in interest, in the event of any default or breach by the City or for any amount, which may become due to the Chamber or to its successor, or for breach of any obligation of the terms of this Agreement.

Section 21. California Law

This Agreement shall be interpreted, construed and governed both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the

Superior Court of the County of San Luis Obispo, State of California. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Central District of California, in the County of San Luis Obispo, State of California.

Section 22. Notice

Whenever it shall be necessary for any party to serve notice on another respecting this Agreement, such notice shall be served by certified mail, postage prepaid, to the addresses below, unless and until a different address may be furnished in writing by any party:

To City: City Manager
City of Grover Beach
154 S. 8th Street
Grover Beach, CA 93433

To Chamber: President/CEO
South County Chambers of Commerce
800 A West Branch Street
Arroyo Grande, CA 93420

Such notices shall be deemed to have been served within seventy-two hours after the same has been deposited in the United States Post Office by certified mail. This shall be valid and sufficient service of notice for all purposes.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the 2nd day of December 2019, at Grover Beach, California.

CITY OF GROVER BEACH

SOUTH COUNTY CHAMBERS OF COMMERCE

By: _____
MATTHEW BRONSON
City Manager

By: _____
JOCELYN BRENNAN
President/CEO

Attest:

WENDI SIMS,
City Clerk

Approved As To Form:

DAVID HALE
City Attorney

Exhibit A

OBJECTIVE	FUNDING	TIMELINE
<p>1. Business Attraction Aggregate and interpret Grover Beach business data and survey results to develop key business attraction strategy and business engagement liaison for lead generation, business tours and consultation. Partner with Workforce Development Board, trade unions, SLO Partners in Education, Hourglass Project and Economic Vitality Corporation, and others on business expansion opportunities.</p>	\$60,000	1/1/2020-6/30/2021
<p>2. Business Retention Conduct comprehensive survey of current businesses and corresponding follow-up with analysis for business retention.</p>	\$10,000	1/1/2020-6/30/2020
<p>3. Economic Asset Website</p>		
<p>Develop and complete website</p>		
<p>Website Build</p>	\$6,000	1/1/2020-6/30/2020
<p>Manage Website</p>	\$9,000	Manage website until 6/30/2021
<p>Promotional videos and photography</p>	\$10,000	1/1/2020-6/30/2020
<p>Digital ads</p>	\$5,000	1/1/2020-6/30/2020
<p>Total</p>	\$30,000	
<p>4. Cowork Space Grover Beach Build out and operate cowork space. Implement marketing campaign and develop cowork space website.</p>	\$10,000	Timing to be determined based on location.
<p>5. Incubation Program Develop incubation program with SLO Hothouse and/or others for incubation programing.</p>	\$10,000	Timing to be determined based on location.