



TOWN OF APPLE VALLEY

TOWN COUNCIL STAFF REPORT

To: Honorable Mayor and Town Council **Date:** February 28, 2012

From: Frank Robinson, Town Manager **Item No:** 9
Town Manager's Office

Subject: APPLE VALLEY CHAMBER OF COMMERCE AGREEMENT FOR BUSINESS
RETENTION SERVICES

T.M. Approval: _____ **Budgeted Item:** Yes No N/A

RECOMMENDED ACTION:

Approve an Agreement for Business Retention Services ("Agreement"), Attachment No. 1, between the Town and the Apple Valley Chamber of Commerce in an amount not to exceed \$18,820.

SUMMARY:

This item was initially placed on the agenda by Council Member Nassif at the January 24th Council meeting. Based upon Council's direction that evening, the Chamber drafted the revised Proposal for Businesses Retention Services ("Proposal"), Exhibit A. The Chamber worked collaboratively with Town staff to identify and prioritize the most critically needed business retention programs and activities. Accordingly, the Agreement reflects a mutually agreed upon Scope and Cost of Services.

BACKGROUND:

The Apple Valley Chamber of Commerce is seeking funding to complement their business retention programs and services for businesses operating in the Town of Apple Valley. The Chamber provides a wide range of services to the Town and was previously partially-funded from tax increment from the former Apple Valley Redevelopment Agency. However, pursuant to AB x1 26, tax increment revenues are no longer available. Further, any unencumbered funds cannot be appropriated toward new contracts or toward modifying existing contracts that are not considered "enforceable obligations". This fiscal impact required staff to identify alternative funding sources should the Council approve the Agreement.

The Chamber utilizes a variety of social media, local vendors, business leaders and unique community partnerships to promote businesses in Apple Valley. General benefits that the Chamber provides include:

(Continued)

- Computer skill training to adults in the High Desert region by partnering with companies such as Mitsubishi Cement, Kaiser Permanente Health Care and Walmart Distribution Center;
- Investing in technology for business owners at little or no cost to the business, including assisting businesses in designing a website, launch an e-commerce shopping program and quickly introduce social marketing techniques;
- Introducing “90210” text marketing to businesses located in the Village; and
- Providing Business Community Planning and Advocacy for on-going education and training opportunities

FISCAL IMPACT:

Staff has identified available funding to continue the existing public/private partnership with the Chamber for services described in the attached Agreement, for a six-month term.

The cost for all proposed services per six month term is \$18,820.

Attachment 1
AGREEMENT FOR BUSINESS RETENTION SERVICES

AGREEMENT FOR BUSINESS RETENTION SERVICES

THIS AGREEMENT, effective February 28, 2012, is entered into by and between the Town of Apple Valley, a municipal corporation (hereinafter referred to as "The Town") and the Apple Valley Chamber of Commerce, a non-profit corporation (hereinafter referred to as "Chamber").

WITNESSETH:

WHEREAS, The Town desires to promote its advantages as a business, retail, commercial, recreational and residential center, disseminating information relative thereto, and to properly follow up and give consideration to inquiries made from time to time relative to the various activities of The Town and its opportunities; and

WHEREAS, The Town desires the Chamber to perform certain promotional and other services for The Town, which The Town believes will be of great advantage and benefit to The Town, and to the citizens, residents, property owners, and taxpayers thereof, and will promote the general welfare; and

WHEREAS, the Chamber represents it is organized for such promotional activities on behalf of The Town, and is in a position to accomplish such aims and purposes of The Town in an efficient and economical manner; and

WHEREAS, Section 37110 of the Government Code of the State of California authorizes the expenditure of public funds by a municipal corporation for advertising or publicity as therein and herein provided;

NOW, THEREFORE, in consideration of the covenants and promises hereinafter set forth, the parties hereto hereby agree as follows:

1. That the foregoing recitals are true and correct and constitute statements of fact herein upon which the parties rely and are incorporated herein by this reference.

2. The Chamber shall carry on promotional activities as follows:

a. Maintain an office available to the public to be identified by a suitable sign that will be readily identifiable by members of the public, and provide information to visitors, tourists, businesses, commercial interests, professional people and residents. A staff member or members of the Chamber will be available daily during regular office hours by the Town, Monday through Friday. If additional office hours are required, The Town agrees to pay separately for those hours and for the reasonable cost for such hours, and upon such terms and hours as are agreed to by the parties.

b. Employ competent personnel to carry on promotional activities herein enumerated.

c. Answer promptly all correspondence to the Chamber and as may be referred to the Chamber by the Town relative to the business, industrial, residential, educational, cultural and recreational advantages and opportunities in The Town and disseminate information by correspondence, newspaper publicity and personal contacts, favorably advertising such advantages and opportunities.

d. Prepare articles and news releases and stories, compile data, gather and assemble news items, photographs, literature and demographic and historical articles descriptive of The Town's

resources, and develop proper surveys whereby outside interests and individuals may be induced to locate in the Town, in reliance on and based upon the Town's General Plan or specific Council direction.

e. Supply maps and promotional literature about The Town and maintain files on economic conditions, commercial and industrial sites, tourist information and general business information about the community. The Chamber will be responsible for updating published information included in Chamber literature, although The Town agrees to cooperate with the Chamber in sharing information. These materials will be available to visitors, tourists and potential commercial interest who are seeking information.

f. Aid in promoting the development and use of unoccupied and vacant properties.

g. Interview business and industrial executives with the view of urging the establishment of their business activities in The Town, in reliance on and based upon the Town's General Plan or specific Council direction.

h. Promote and invite trade and business meetings, celebrations and conferences whereby outside interests and individuals may become acquainted with the advantages and opportunities in The Town.

i. Carry on such other duties as may be requested by The Town to promote the business, industrial and residential development of the Town.

3. The Chamber shall furnish semi-annual reports of its promotional activities to The Town, which shall consist of the activities scheduled for the next six succeeding months and a review of the activities accomplished during the preceding six months. Said reports shall include a detailed breakdown of all amounts expended and expected to be expended by the Chamber for said activities.

4. The Chamber will submit to The Town a budget request and program for the term of the Agreement (paragraph 5) in the manner, at the time, and in the form requested by the Town Manager. The amount of the budget request shall be based upon a Proposal for Business Retention Services, Scope and Cost of Services approved by the Town Council, attached to this agreement as Exhibit "A", and as amended at the discretion of the Council from time to time. The amount shall be allocated as follows: one-half shall be paid in advance in March and the balance due in September, following the completion of the Agreement.

5. This Agreement shall become effective on the date of execution hereof by both parties, and shall continue in effect until August 31, 2012; provided, however, that this Agreement will be renewed each fiscal year thereafter, for periods of one year, upon action of the Town Council budgeting funds as provided in Paragraph 4 hereof, and upon the Chamber's written acceptance of said final budget allocation.

6. The Town reserves the right to award separate bids for more specific advertising and promotional projects approved by the Town Council during the term of this Agreement.

7. In the event, in the opinion of the majority of the Town Council, the Chamber is not functioning effectively, The Town may give the Chamber notice of this fact, specifying in detail the alleged default(s) or problem(s), and the Chamber must forthwith correct said default(s) or problem(s) within [30] days; this Agreement may be terminated by action of the majority of the Town Council if the Town Council in its discretion determines the alleged default(s) or problem(s) has (have) not been effectively corrected.

8. This Agreement may be amended, signed by both parties, with the exception of the procedure outlined in Paragraph 4. Failure on the part of either party to enforce any provision of this Agreement shall be construed as a waiver of the right to compel enforcement of such provision or provisions at that time, but shall not be construed as a waiver to enforce such provision or provisions with respect to future occurrences; if the parties intend thereby to modify any provisions for future purposes, that modification should be made by said written amendment thereto.

9. It is understood that the contractual relationship of the Chamber to The Town is that of independent contractor.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in duplicate on the date indicated below.

By: _____
Barb Stanton
Mayor

By: _____
Janice H. Moore, CEO, President
Apple Valley Chamber of Commerce

ATTEST:

By: _____
Ms. La Vonda M. Pearson
Town Clerk

APPROVED AS TO FORM:

BEST BEST & KRIEGER LLP

By: _____
John Brown
Town Attorney

Exhibit A
Proposal for Business Retention Services



APPLE VALLEY CHAMBER OF COMMERCE

"In Step With Progress"

16010 Apple Valley Road • Apple Valley, California 92307
760-242-2753 • Fax 760-242-0303 • info@avchamber.org • www.avchamber.org

February 21, 2012

Mr. Frank Robinson, Town Manager
Town of Apple Valley
14955 Dale Evans Parkway
Apple Valley, CA 92307

Dear Mr. Robinson,

It was our pleasure to meet with you and your staff on February 7, 2012 to discuss another year of partnering between the Chamber of Commerce and the Town of Apple Valley. The Executive Committee met on February 13 and the full board met on February 16 to discuss our business retention strategy.

We believe you will be pleased with the format presented identifying five projects to revitalize our local economy, rebuild confidence for our local business owners, and restore our community's faith in free enterprise.

As with any plan we consider this to be a living document: fluid, flexible, and responsive to changing conditions whether political, economic, philosophical, or "just because". Included are pricing points that embrace the Town's budgetary constraints. It is our hope that you select a project with an investment level that will match your budget and meet your objectives for the 2012 – 2013 fiscal years.

Included in this report are results of our good faith efforts for the 2011-2012 fiscal year; we were unable to continue our Profiles In Business radio show which ran for four years on Stardust 910 AM. We do not expect payment for these efforts, but is part of the conversation when evaluating our commitment to our Town's retention efforts.

We did not want to overwhelm this document with specific tactics; however we are pleased to provide any level of detail you may request. The list of our board of directors is attached for your review; these individuals represent years of experience in many levels of business: corporate, home based, retired, entrepreneur, manager, CEO. These are collective experiences of our chamber leadership. Additional outside expertise is available through the Chamber's membership in CALED, IEDC, US Chamber of Commerce and CAL-Chamber; additionally relationships exist with the IESBDC, CAL State San Bernardino School of Entrepreneurship and the Women's Business Center.

We are available for further discussion. Thank you for the opportunity to partner and together make this place we call home a Better Way of Life.

Sincerely,

Janice Moore
CEO/President

1 Apple Valley Chamber of Commerce Proposal for the
2 Town of Apple Valley
3 February 21, 2012
4 Submitted by: Janice Moore, CEO
5

6 Apple Valley Chamber of Commerce is honored to present to the Town of Apple Valley programs that
7 will speak to the **“Town of Apple Valley Vision 2020 Strategic Plan May 2009 (This plan represents
8 a collaborative effort between Town Council and Town staff members, as facilitated by PMC®)”**

9 **I. Introduction**

10 **Vision 2020**

11 “After celebrating 20 years of incorporation, Apple Valley’s staff and elected officials embarked the
12 development of this strategic plan, setting the stage for a successful future.”

13 “A strategic plan is a roadmap for the future and an organization’s guiding frame-work. Its foundation
14 is the vision statement which describes the Apple Valley of the future. Building off of this vision, and
15 the mission of the town, the strategic plan outlines the programs and actions that must occur in order to
16 realize this future.”

17 **Partnering for Success:**

18 “The vision outlined in Vision 2020 will not be achieved without participation from all Town staff and
19 citizens. In addition, partnerships with neighboring communities, members of the business community
20 and the education community will be vital to the implementation of this plan.”

21 **Situation Assessment:**

22 “The Town of Apple Valley has identified as Goal 2 in the **“Town of Apple Valley Vision 2020
23 Strategic Plan May 2009 (The collaborative effort between Town Council and Town staff
24 members, as facilitated by PMC®)”**:

25 • Goal 2: A Thriving Economy:

26 Objective: Enhance and expand the Town’s economic base.

27 • Strategies:

28 2.1: Implement the North Apple Valley Industrial Specific Plan

29 2.2: Focus on job creation.

30 2.3: Develop a comprehensive business Attraction and Retention program.

31 2.4: Market the Town of Apple Valley to businesses and entrepreneurs locally and at regional,
32 statewide and national events.

33 The Town of Apple Valley has identified a collaborative effort between Town Council and Town staff
34 members that will focus on job creation.

35 “The Citizen Satisfaction Survey performed by True North Research, Inc. © 2011 indicated that
36 when asked to prioritize among a series of projects and programs that could be funded by the Town of
37 Apple Valley in the future, providing incentives to attract new employers and jobs to town was assigned
38 the highest priority (71% high priority), followed by improving the maintenance of streets and roads
39 (52%), and hiring more police officers (41%).

40 II. Scope of Services

41 The Chamber’s Response

42 Apple Valley Chamber of Commerce Mission, Vision, and Values 2012

43 **Mission:** The Mission of the Apple Valley Chamber of Commerce is to promote a prosperous
44 environment by representing and serving our members and the community.

45 **Vision:** Our vision is be the first line of defense for business, to perform as the premier agency for
46 education, business advocacy, resulting and serving as a catalyst for a prosperous and productive
47 business community.

48 **Values:** Our chamber is privileged to contribute the economic growth and stability of our community.
49 We take pride in collaborating with stakeholders to protect the principles of free enterprise,
50 entrepreneurship, and accountability in all services thus preserving the integrity of the Chamber’s stake
51 holders.

52 **Four Core Chamber Competencies:**

53 The Apple Valley Chamber of Commerce embraces the opportunity to serve our community with our
54 commitment to Four Core Competencies.

- 55 • Create A Strong Local Economy
- 56 • Promote the Community
- 57 • Provide Business Building Opportunities
- 58 • Represent the Interests of Business to Government

59 The Objectives for this Proposal:

- 60 • .Revitalize our local economy
- 61 • Rebuild confidence in our local business owners
- 62 • Restore our community’s faith in the values and principles of free enterprise

63 Our Nuts and Bolts:

64 The Apple Valley Chamber of Commerce provides the following functions:

- 65 • Maintains a multi-purpose facility with office, training, education, and hospitality components
66 available to the public identified by an historical sign that is readily identifiable by members of the
67 public. The twin to our historical sign is at the gateway of Apple Valley on Highway 18.

- 68 • The Chamber provides information to visitors, tourists, businesses, commercial interests,
69 professional people and residents. A staff member of Chamber is available daily during regular
70 office hours, Monday through Friday.
- 71 • The Chamber provides conference facilities after hours, week-ends and as needed to many
72 businesses and organizations. There are affordable rental fees charged for these services.
- 73 • The chamber employs competent personnel to carry out the promotional activities of the Town of
74 Apple Valley. Staff members have been employed by the chamber for nine years plus and have
75 completed the Western Association of Chamber Executives Academy, a three year training program.
- 76 • Chamber office staff answers promptly all correspondence to the Chamber relative to the business,
77 industrial, residential, educational, cultural and recreational advantages and opportunities in The
78 Town. The chamber disseminates information by correspondence, newspaper publicity and personal
79 contacts.
- 80 • Chamber office staff prepares articles, news releases, stories, compile data, gather and assemble
81 news items, photographs, literature and demographics. Additionally, historical articles are archived
82 in the Chamber office.
- 83 • The chamber is responsible to supply the most current street map of the Town, promotional literature
84 about The Town, and maintains files on economic conditions, commercial and industrial sites, tourist
85 information and general business information about the community.
- 86 • The Chamber is responsible for updating published information included in Chamber literature and
87 makes these materials available to visitors, tourists and potential commercial interest who are
88 seeking information.
- 89 • The Chamber aides in promoting the development and use of unoccupied and vacant properties.
- 90 • Chamber executive staff and board members interview business and industrial executives with the
91 view of urging them to establish their business activities in The Town.
- 92 • The Chamber promotes and invites trade and business meetings, celebrations and conferences
93 whereby outside interests and individuals may become acquainted with the advantages and
94 opportunities in The Town.
- 95 • The Chamber maintains the following web sites: www.avchamber.org;
96 www.vuccalomabridge.com; www.avvillage.org Analytics from July 1, 2011 – February 15, 2012
97 identified 10,739 visits to www.avchamber.org web site; 7,719 were unduplicated visitors or 69 %
98 were new visits; 32% or 3,357 visits were returning visitors. www.avvillage.org Analytics from the
99 same period indicate 1,066 visits to the web site; and 62% or 680 were new visitors; 38% or 406
100 visits were returning visitors.

- 101 • The Apple Vally Chamber is the premier networking organization providing meaningful connections
102 to the business community. The chamber maintains a robust range of options for member businesses
103 to connect and to expand their business exposure and markets.
- 104 • For the merchants in the Town of Apple Valley, the growth of profit provides more stability than the
105 growth of their business. Business development and retention uses a number of techniques designed
106 to grow an economic enterprise – a specific business as opposed to an economy. Business
107 development is exactly what it spells – the development of a business; a greater degree of limited
108 commerce.

109 **III. Cost of Services**

- 110 • Introduce pricing strategy: Fixed Costs are: \$145,000 per year
- 111 • Break down per month: \$12,083
- 112 • Break down per day: \$558 based on a 5 day work week
- 113 • Break down per hour; 2,080 hours per year: \$70.00 per hour
- 114 • Margin: \$50 per hour
- 115 • Total \$120 per hour using in-house Facility
- 116 • \$60 per man hour / away from Facility
- 117
- 118 • **Project 1:** Previously the Town held a recognition luncheon for these star players, however, absent
119 from the scene were the micro-enterprises that were successful in profit growth. Invite businesses
120 that have celebrated a growth in profit from the previous year; “Home Grown Heroes”. Recognize
121 the top 25 top sales tax producers, “The Milk and Honey” of our Town. Recognize business with
122 growth in profit; not necessarily growth in organization.
- 123 **Option A: For six months of the Fiscal Year: \$1,820**
- 124 **Option B: For twelve months of the Fiscal Year: \$3,640**
- 125
- 126 • **Project 2:** Support the Town in crafting a policy that clearly defines local priority. Encourage the
127 town to “unbundle contracts” that allow the smallest micro-enterprise the opportunities to meet the
128 town’s needs in the most mundane requirements. Unbundle as many contracts as available currently
129 required by the Town. Host a workshop: “How to do Business with Public Agencies: AV Ranchos
130 Water; Town; AV Fire; VVWRA; AVUSED; SB County
- 131 **Option A: For six months of the Fiscal Year: \$1,500**
- 132 **Option B – For twelve months of the Fiscal Year: \$3,000**
- 133

134 • **Project 3:** Revitalize and rebuild confidence in our local business owners by offering low cost or no
135 cost training on a variety of business topics. Utilizing business development consultants and experts
136 in each field, each workshop is designed to help business owners, managers and employees
137 successfully operate, strengthen, and improve profitability. The twelve topic curriculum has been
138 approved by the Small Business Administration and Wells Fargo Hands on Banking ® Certificates
139 of completion will be awarded to participants completing all twelve topics.

140 **Option A. For six months of the Fiscal Year: \$8,000**

141 **Option B – For twelve months of the Fiscal Year: \$16,000**

142

143 • **Project 4:** The Apple Valley Chamber is the premier networking organization providing meaningful
144 connections to the business community. Maintain a robust range of options for member businesses
145 to connect and to expand their business exposure and markets. Utilize the latest technology to
146 provide marketing and business exposure opportunities. Design, pilot and access web-based
147 workshops that feature the expertise of professionals that embrace the twenty-first century approach
148 to twenty-first-century challenges; demonstrate the efficiency of technology.

149 **Option A – For six months of the Fiscal Year \$1,500**

150 **Option B – For twelve months of the Fiscal Year \$3,000**

151

152 • **Project 5:** Leverage dollars for a strong radio/media campaign to promote the Town of Apple
153 Valley as a great place to live, work, and do business. Using radio as a business recruitment tool,
154 high profile personalities will promote our Town thru out the Inland Empire.

155 **Option A – For six months of the Fiscal Year \$6,000**

156 **Option B – For twelve months of the Fiscal Year \$12,000**

157

158

IV. Past Experience

159 **July 1, 2011 – December 31, 2011 (Six Months) = \$27,725**

- 160 • Launching Initiative “Buy Close By” – Developing map to specifically identify where to shop and
161 for what in our Town
- 162 ○ 2 Hours per day; (three day work week;) 79 Days; 158 Hours @ \$120.00 p/hr = \$18,960
 - 163 • Grow text messaging, social networking – Classes are 2 per month/10 participants per session;
 - 164 ○ Total of 60 participants enrolled in 1.5 hour p/class
 - 165 ○ 1.5 Hours per class; 2 classes per month; 5 months @ \$120.00 p/hr = \$1,800
 - 166 • Roy Roger’s Centennial Birthday Party – \$2,000 unfunded costs
 - 167 ○ This was a defining signature community event for Apple Valley

- 168 ○ In 2012 Dale Evan's Centennial Birthday Party is planned for late September 2012 (another
169 defining signature community event for Apple Valley)
- 170 • Grand Openings/ Ribbon Cuttings
- 171 ○ 19 Ribbon Cuttings and Grand Openings –
- 172 ○ 1.5 hours p/event @ \$60.00/hr = \$135 per event; = \$2,565 total
- 173 • Meet the CEO's
- 174 ○ 4 Events – 2.0 hours p/event @ \$120 p/hour = \$960 p/event;
- 175 ○ Reception - \$360 p/event = \$1,440 total
- 176 ○ Total for Meet the CEO's = \$960 + \$1,440 = \$2,400 total
- 177 **End**