

**TOWN OF
APPLE VALLEY, CALIFORNIA**

AGENDA MATTER

Subject Item:

CHAMBER OF COMMERCE AGREEMENT FOR BUSINESS RETENTION SERVICES

SUMMARY STATEMENT

The Chamber of Commerce is seeking a contract to implement a business retention program for businesses operating in the Town of Apple Valley. The Chamber has developed a tracking system to measure business growth and to support, nurture and protect existing businesses in Apple Valley. Some of the benefits that the Chamber will provide are:

- Create and implement a Town-wide “shop local” marketing effort in support of small business;
- Design and implement an effective image program to attract small business to locate in Apple Valley and grow home based businesses;
- Develop initiatives linking education and training to economic development to meet workforce needs of small business;
- Establish and maintain the network of organizations and resources that provide assistance to foster the growth of small businesses in Apple Valley;
- Identify concerns, needs and issues of business owners operating in Apple Valley;
- Provide seminars and workshops to enhance the entrepreneurship of business owners; and
- Develop strategic partnerships with the agencies serving Apple Valley youth to develop leadership skills, invite entrepreneurial education and career development

Staff recommends approval of this Professional Services Agreement and partnership with the Chamber of Commerce in providing business retention services to the Town of Apple Valley.

Recommended Action:

That The Town Council Approve the Agreement with the Chamber Of Commerce for Business Retention Services.

Proposed by: James L. Cox, Town Manager

Item Number _____

T. M. Approval: _____

Budgeted Item Yes No N/A

Agreement for Business Retention Services

THIS AGREEMENT, effective _____ 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 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, 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. Chamber shall carry on promotional activities as follows:

a. Maintain an office available to the public to be identified by 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 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. Chamber will be responsible for updating published information included in Chamber literature, although The Town agrees to cooperate with 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. 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 Chamber for said activities.

4. Chamber will submit to The Town a budget request and program for each fiscal year (July to June 30) in the manner, at the time, and in the form requested the Town Manager. The amount of the budget request shall be based upon a formula approved by the Town Council, attached to this agreement as Exhibit "A", and as amended at the discretion of and by Resolution of the Council from time to time. The amount shall be allocated as follows: one-half shall be paid in advance in July (or

immediately after the Town's annual budget is adopted, whichever is later) and the balance due in January of the same fiscal year.

5. This Agreement shall become effective on the date of execution hereof by both parties, and shall continue in effect until June 30, 2009; provided, however, that this Agreement will be renewed each fiscal year thereafter, for periods of one year, commencing July 1 through June 30 of the succeeding year, upon action of the Town Council budgeting funds as provided in Paragraph 4 hereof, and upon 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 the Town Council during the term of this Agreement.

7. In the event, in the opinion of the majority of the Town Council, Chamber is not functioning effectively, The Town may give Chamber notice of this fact, specifying in detail the alleged default(s) or problem(s), and 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 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: _____ Date: _____
Chamber of Commerce

By: _____ Date: _____
Timothy J. Jasper, Mayor
Town of Apple Valley

Exhibit "A"

**Performance Based Formula for
Calculating Annual Chamber of Commerce Fee**

1. A weighted average shall be used to calculate the annual fee. The fee will be calculated as follows:
 - a. Ten percent (10%) of the prior year's business license fee receipts; plus
 - b. Six and one-half percent (6.5%) of the prior year's Transient Occupancy Tax (Bed Tax) receipts; plus
 - c. One quarter percent (0.25%) of the prior year's sales tax receipts.
2. the first semi-annual installment due in July will be based upon the Town's latest estimates for the above three revenues; the second installment due in January will reflect the audited figures and may be more or less than the first installment, due to any variance between estimated and actual figures.
3. The annual fee will be rounded to the nearest hundred.
4. The above formula may be amended by Resolution of the Apple Valley Town Council.
5. The formula, outlined above, results in the sum of \$34,500 to be available to be paid to the Apple Valley Chamber of Commerce for Business Retention Services.