



AGENDA REPORT

Meeting Date: August 31, 2010
Item Number: E-4
To: Honorable Mayor & City Council
From: Cheryl Friedling
Subject: AMENDMENT NO. 1 TO AN INTERIM FUNDING AGREEMENT BY AND BETWEEN THE CITY OF BEVERLY HILLS AND THE BEVERLY HILLS CHAMBER OF COMMERCE AND CIVIC ASSOCIATION FOR THE CHAMBER'S ECONOMIC DEVELOPMENT PROGRAM; and

APPROVAL OF A PURCHASE ORDER IN THE AMOUNT OF \$55,000
Attachments: 1. Agreement

RECOMMENDATION

That the City Council approve "Amendment No. 1 to an Interim Funding Agreement By and Between the City of Beverly Hills and the Beverly Hills Chamber of Commerce and Civic Association for the Chamber's Economic Development Program"

INTRODUCTION

The City contracts with the Beverly Hills Chamber of Commerce (Economic Development Division) to provide a range of outsourced programs.

The goals of these programs are to retain existing businesses in the City, attract new businesses to the City, and to develop programs with merchants which may lead to self-determination or the development of business improvement districts.

Additionally, the Chamber is contracted to assist with research and outreach initiatives to promote strategic policies promoted by the City to the business community.

DISCUSSION

The Chamber of Commerce Liaison Committee met several times with the Chamber of Commerce representatives to review the proposed work plan for Fiscal Year 2010-2011, and to develop a mutually-acceptable scope of work.

Achievement of key deliverables is critical to fulfilling this program. The FY 2010-2011 contract details specific deliverables and metrics as to how initiatives are to be measured and counted towards fulfillment of the contract.

For FY 2010-2011, the Chamber's goals can be summarized as follows:

Business Retention – Existing City Businesses: conduct 8 retention meetings with business owners/CEOs per year.

Business Attraction – Potential New City Businesses:

- New York-based Business: Coordinate 1 delegation trip to New York City (with Chamber and CVB leaders) to promote the City and attract new businesses. The deliverable is to produce 1 new business in Beverly Hills by July of 2011.
- Nightlife Business: The deliverable is to create a nightlife committee and secure 2 new nightlife businesses by July 2011, based on a minimum of 10 meetings with prospective businesses.
- Retail: The deliverables are 2 new businesses by July 2011 based on a minimum of 10 meetings with prospective candidate retail prospects.
- Office/Entertainment Business: The goals include 10 meetings with potential candidate firms.

General Business Outreach – The Chamber is to conduct several meetings with the business community to discuss key city initiatives, provide information, and seek consensus.

Economic Sustainability – The Chamber is to take direction from the City regarding outreach and promotional initiatives to promote the City's program in an effort to forge business community involvement.

BID Development – Deliverables include the development of educational/outreach events to promote BID creation, as well as detailed timelines or progression plans to achieve a minimum 30% property owner BID approval along with one merchant marketing program creation by fall of 2011.

Economic Development Council Membership – A revised funding level allows City Council interaction with community leaders at a significantly reduced rate.

The scope of work based on the workplan for 2010-2011 funding is still being finalized. Accordingly, an amendment to the interim funding agreement in the amount of \$55,000 is on the City Council formal agenda this evening. Among other things, that money will be utilized for expenditures related to the New York Sales Mission. A final agreement will be brought to the City Council on September 21, 2010.

FISCAL IMPACT

The Liaison Committee has recommended a contract with the Chamber of Commerce in the amount of \$338,000 for all services. This represents a reduction from the Chamber of Commerce's budget proposal of \$370,000, and a reduction from 2009-2010 funding of \$400,000.

Interim funding in the amount of \$65,500.00 has already been appropriated to the Chamber of Commerce for the months of July and August, 2010. An amendment to that agreement is on the formal agenda for this evening in the amount of \$55,000. The final agreement with the Chamber will be placed on the September 21, 2010 agenda.

 Cheryl Friedling
Approved By

Attachment 1

Agreement

AMENDMENT NO. 1 TO AN INTERIM FUNDING AGREEMENT BY AND BETWEEN THE CITY OF BEVERLY HILLS AND THE BEVERLY HILLS CHAMBER OF COMMERCE AND CIVIC ASSOCIATION FOR THE CHAMBER'S ECONOMIC DEVELOPMENT PROGRAM

This Amendment No. 1 is to that Agreement between the City of Beverly Hills ("City") and the Beverly Hills Chamber of Commerce and Civic Association ("Chamber") for the Chamber's Economic Development Program, identified as Contract No. 231-10, dated June 22, 2010 ("Agreement"), a copy of which is on file in the office of the City Clerk.

RECITALS

A. CITY entered into a written agreement with Chamber dated June 22, 2010 for the Chamber's Economic Development Program.

B. CITY desires to extend the Agreement, add additional interim funding, and amend the Chamber's Economic Development Program until the final 2010/2011 Chamber Economic Development Program funding agreement is placed on the City Council agenda for September 21, 2010.

NOW, THEREFORE, the parties agree as follows:

Section 1. Section 1 of the Agreement entitled, "Fund Authorization/Use of Funds" shall be amended to read as follows:

"Section 1. Fund Authorization/Use of Funds.

(a) For the interim period of July 1, 2010 through August 31, 2010 (“Interim Period”), City shall provide the Chamber for expenditures not to exceed \$72,167, in support of the Chamber’s Economic Development Program as detailed in Exhibit A, attached hereto and incorporated herein. If there are any funds remaining from this allocation to the Chamber, such funds shall be reallocated to the Chamber for the remainder of fiscal year 2010-2011 at the discretion of City. In any event, the funding provided herein shall be made part of any future agreement for support of the Chamber’s Economic Development Program during fiscal year 2010-2011.

(b) For the interim period of September 1, 2010 through September 21, 2010 (“Additional Interim Period”), City shall provide the Chamber for expenditures not to exceed \$55,000, in support of the Chamber’s Economic Development Division Proposed Work Plan 2010/11 as set forth in Exhibit A-1, attached hereto and incorporated herein. If there are any funds remaining from this allocation to the Chamber, such funds shall be reallocated to the Chamber for the remainder of fiscal year 2010-2011 at the discretion of City. In any event, the funding provided herein shall be made part of any future agreement for support of the Chamber’s Economic Development Program during fiscal year 2010-2011.

(c) Chamber shall use the funds from the City during the Interim Period and Additional Interim Period as specified in Exhibits A and A-1, respectively.

(d) In connection with Chamber’s economic development programs, Chamber may, on behalf of and at the sole discretion of City, use the funds to produce, purchase, install and de-install light pole banners or other displays in the public-right-of-way. All such light pole banners shall comply with the City’s adopted Banner Policy, copies of which are available from the Office of Communications and Marketing, and shall be approved in writing in advance by City prior to installation. City shall have sole discretion over the design, placement, and duration of display and shall retain ownership of all banners funded under this Agreement."

Section 2. Section 2 of the Agreement entitled, “Payments,” shall be amended to read as follows:

"Section 2. Payments. Chamber shall submit written requests for advanced payments for expenditures based on the Chamber’s adopted budgets for the various projects as set forth in Exhibits A and A-1. City shall provide payment to the Chamber upon approval of the request by the City’s Chief Financial Officer. City shall use its best efforts to make payment to Chamber within 15 days of receipt of request. Any monies not expended in the Interim Period and Additional Interim Period may be carried over to the remainder of fiscal year 2010-2011 at the discretion of the City. If not carried over, any excess monies not expended shall be returned to the City."

Section 3. Paragraph (a) of Section 3 entitled, "Reports," shall be amended to read as follows:

"(a) Prior to the conclusion of the Additional Interim Period, the Chamber shall submit a report to City and shall be in a form and content acceptable to the City Manager or his designee. The reports shall include, without limitation, information on overall project management and achievement of goals in relation to Chamber's work plan and budget as set forth in Exhibits A and A-1, including the percentage of services completed and defined measurements of goal achievement for the Interim Period and Additional Interim Period. If the City and Chamber enter into an agreement for funding for the remainder of Fiscal Year 2010-2011, the Chamber shall be relieved of compliance with this paragraph (a) and is not required to provide the report set forth herein."

Section 4. Paragraph (b) of Section 3 entitled, "Reports," shall be amended to read as follows:

"(b) Chamber shall also supply the City with an Audited Annual Financial report prepared by a Certified Public Accountant for the Interim Period and Additional Interim Period. Such report shall provide consolidated financial reporting for Chamber as a whole, and separately detailed accounts for each program funded by City. The report shall be due within six months of the end of Chamber's 2010-2011 fiscal year. At City's sole discretion, consolidated annual accounts may be substituted for full audited accounts. This provision shall continue and terminate on January 1, 2012. If the City and Chamber enter into an agreement for funding for the remainder of Fiscal Year 2010-2011, the Chamber shall be relieved of compliance with this paragraph (b) and is not required to provide the Audited Annual Financial report required herein."

Section 5. Section 7 of the Agreement entitled, "Term" shall be amended to read as follows:

"Section 7. Term. This Agreement shall remain in full force and effect from July 1, 2010 until September 21, 2010, unless terminated earlier as provided in Section 8 of this Agreement.

Section 6. Exhibit A-1 shall be added to the Agreement as attached hereto and incorporated herein by this reference.

Section 7. Except as expressly modified by this Amendment No. 1, the provisions of the Agreement dated June 22, 2010, between the City and Chamber shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the _____ day of _____ 2010, at Beverly Hills, California.

CITY OF BEVERLY HILLS, A municipal
corporation

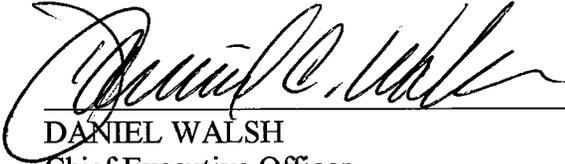
JIMMY DELSHAD
Mayor of the City of Beverly Hills,
California

ATTEST:

BYRON POPE
City Clerk

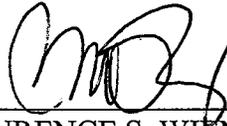
(SEAL)

BEVERLY HILLS CHAMBER OF
COMMERCE AND CIVIC
ASSOCIATION



DANIEL WALSH
Chief Executive Officer

APPROVED AS TO FORM:



LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT:

JEFFREY KOLIN
City Manager



CHERYL FRIEDLING
Deputy City Manager for Public Affairs

KARL KIRKMAN
Risk Manager

Exhibit A-2

City shall provide funding to the Chamber for the interim period of September 1, 2010 through September 21, 2010 for programs and operations in the amount of \$55,000. The programming elements to be carried out by the Chamber pursuant to this Agreement during the Additional Interim Period are set forth in the Chamber's Economic Development Division Proposed Work Plan 2010/11 as set attached herein.