

Memorandum

To: Honorable Mayor Shetter and members of the Burleson City Council

From: Shai Roos, AICP, Community and Economic Development Director

Date: October 19, 2009

Subject: Contract for Economic Development Services between the City of Burleson and Burleson Area Chamber of Commerce (FY09-10).

Council Action Requested:

Approve an Economic Development Services contract for \$78,589 between Burleson Area Chamber of Commerce and the City of Burleson.

Background Information:

The City of Burleson contracts with the Chamber for certain economic development services using the Hotel/Motel fund. The attached agreement and the Chamber's hotel/motel fund related budget show a clear expectation of the services that the Chamber will be providing as a result of this agreement. Those services include continuing the Chamber's traditional community events, marketing and promoting the City, and assisting the City in surveying the community as part of increasing visitor and convention business, among others.

Note that the payment dates in this contract precede the dates of hotel tax remittance. In staff's opinion, this does not present a problem in this budget year due to the large fund balance currently available. However, in future years, staff recommends that the payments be after receipt of the corresponding tax remittance and contingent upon same.

Financial Considerations:

The amount of \$78,589 being requested is available in the Hotel/Motel Fund in account number 105-1021-564.82-02.

Attachments:

1. 2009-2010 City and Chamber Services Contract
2. Burleson Area Chamber of Commerce Hotel Occupancy Fund Tax Budget for Fiscal Year 2009/2010.

Staff Contact:

Shai Roos, AICP, Director of Community and Economic Development
817-426-9609
sroos@ burlesontx.com

**Attachment 1:
2009-2010 City and Chamber Services Contract**

THE STATE OF TEXAS

**ECONOMIC DEVELOPMENT
SERVICES CONTRACT**

COUNTY OF JOHNSON

THIS ECONOMIC DEVELOPMENT SERVICES CONTRACT (hereafter referred to as "Contract") is made by and between the **BURLESON CHAMBER OF COMMERCE**, a Texas nonprofit corporation (hereafter referred to as "CHAMBER") and the **CITY OF BURLESON, TEXAS**, a municipal corporation located in Johnson County, Texas (hereafter referred to as "CITY"), each acting by and through its duly authorized representatives.

WHEREAS, CITY desires to contract with the CHAMBER on an independent contractor basis to procure economic development services, and CHAMBER desires to furnish economic development services to CITY. It is the intent of the parties that CHAMBER and CITY shall establish and maintain an "arms length" relationship in which CHAMBER provides specific, measurable services, as more fully described below, in exchange for a specific amount of monetary remuneration, as more fully set forth below; and

WHEREAS, both CITY and CHAMBER formalized their agreement for economic development services by Contract in 1994; and

WHEREAS, periodic modifications have been made to the Contract and as of the execution date of this Contract, the full, complete, revised and current Contract is as stated herein; **NOW THEREFORE**

The parties agree as follows:

- I. **Contract.** CITY contracts with CHAMBER, and CHAMBER agrees in accordance with the Contract, to provide specific measurable economic development services.
- II. **Scope of Services.** CHAMBER shall use its best efforts in rendering specific tourism and convention business related services. In this connection, CHAMBER will accomplish the following activities by providing the following specific, measurable services:
 - A. Assemble community business data by providing:
 - 1.) An update of community assets and liabilities through membership surveys;
 - 2.) Current and complete community information to existing and prospective tourism related industries;
 - 3.) Information on the composition, trends, and needs of the existing visitor and convention industry;
 - 4.) An annual report of economic indicators that assesses the performance of Burleson's economy.

- B. Create an awareness for Burleson as a destination through the following activities:
- 1.) Establish and implement an awareness initiative, that includes:
 - a) Performing initiatives/events designed to heighten awareness of Burleson as a destination:
 - i) Farmer's Market.
 - ii) Honeyfest Bike Tour
 - iii) Combined Honeyfest and Cinco de Mayo Festival
 - iv) Taste of Burleson
 - b) The CHAMBER'S website shall be redone and include up to date visitor and tourism information, as well as a direct link on the Chamber's website homepage directly to the City's website, thus allowing the City to maintain and update its own information.
 - 2.) Manage a business retention program to include:
 - a) Conduct a survey of businesses and residents in association with City's comprehensive planning effort.
 - b) Provide a summary of the number of surveys conducted and the results of the survey as a component of the Annual Report;
 - 3.) Develop marketing materials and conduct promotional events to include:
 - a) A branding campaign for the City (to include brand identity, concept development and logo design for Old Town, Farmer's Market, TOD, Economic Development brochure/handout design, Business Park);
 - 4.) Create a Hospitality and Tourism program, composed of Burleson's major entertainment venues and full service hotels, to guide the efforts to facilitate and support the development of tourism. This will include:
 - a) Organize a Hospitality Task Force to evaluate and make recommendations regarding possible financing and public incentives.

III. Consideration for Services.

- A. In consideration for the economic development services to be provided by CHAMBER to CITY, CITY shall pay to CHAMBER the amount of \$78,589 for the twelve month period beginning October 1, 2009. This amount shall be paid to the CHAMBER by CITY in four equal payments: the first such payment shall be paid by CITY to CHAMBER on or before the 5th day of November 2009, or as soon thereafter as this Contract is approved by both parties, and the additional three (3) payments shall be made on or before the 5th day of February, May and August 2010. Payments in subsequent years, if any, is renewed pursuant to the TERM and TERMINATION provision of this Contract, will be made in a similar manner for the fiscal year for which the payments are budgeted unless changes in the payment schedules are approved by mutual written agreement.
- B. CITY funds provided to CHAMBER shall be used only for economic development activities and programs in accordance with Texas law. It is specifically agreed by both parties that CITY funds will not be used to fund any other portion of CHAMBER's initiatives and that the CHAMBER shall provide to the CITY a full accounting of this expenditure in form of a half yearly report due on May 1, 2010 and an annual report due on November 1, 2010.
- C. It is recognized that all payments are subject to appropriation of funding in the annual budget of CITY as adopted each year by the City Council. CITY funds provided to CHAMBER hereunder shall be used only for specific services and as

may be amended by mutual agreement of both parties. CITY funds provided to CHAMBER hereunder shall not be used to support generally any other activities of CHAMBER or to support generally the CHAMBER.

IV. NOTICES. A notice required under this agreement shall be effective if addressed to the party receiving the notice at the following address:

If to the Chamber: President
Burleson Area Chamber of Commerce
1044 SW Wilshire
Burleson, Texas 76028

If to the City: Director
Community and Economic Development
City of Burleson
141 West Renfro
Burleson, Texas 76028

V. INDEPENDENT CONTRACTOR. The CHAMBER shall operate as an independent contractor under this agreement and not as an agent, representative, or employee of the City. The Chamber shall have exclusive control of and the exclusive right to control the details of its operations and activities and shall be solely responsible for the acts and omissions of its officers, agents, servants, employees, contractors, subcontractors, licenses and invitees. The doctrine of respondent superior shall not apply as between the CITY and CHAMBER, and nothing in this agreement shall be construed as creating a partnership or joining enterprise with the CITY and the CHAMBER.

VI. SOLE AGREEMENT. This agreement constitutes the sole and only agreement of the CITY and CHAMBER and supersedes any prior understandings or written or oral agreement between the parties respecting the management and use of the hotel occupancy tax revenues.

EXECUTED this _____ day of _____ 2009.

CITY OF BURLESON

ATTEST:

Mayor

City Secretary

BURLESON AREA
CHAMBER OF COMMERCE

ATTEST:

Chair of the Board

Vice-Chair of the Board

**Attachment 2:
Burlison Area Chamber of Commerce Hotel Occupancy Fund Tax Budget for
Fiscal Year 2009/2010.**

<i>Expense</i>	<i>Proposed Budget Fiscal Year 2009/10</i>	<i>Expenses to Date</i>
Administration All Year	\$ 5,000.00	
<ul style="list-style-type: none"> • This expense includes administrative costs including salaries for the Chamber President for his work to promote tourism in Burlison • This expense offsets costs for 10 Chamber memberships for City Staff and Council, Annual Banquet, Quarterly Luncheons, Gala admission and lunches at Chamber Board of Director meetings for the City's ad-hoc member 		
Farmer's Market – 25 Booths April - November	\$ 15,000.00	
<ul style="list-style-type: none"> • Expenses for set-up and management of the events including tents, tables, tablecloths, membership to Association of Farmers' Market and reserve for replacements • Truck sign advertisement • Seasonal employees to manage set-up of the market and operational activities during market hours 		
Honey Tour – Bike Ride April - May	\$ 7,500.00	
<ul style="list-style-type: none"> • Organize and manage the Honey Tour Bike Ride • Ensure effective set-up and kick-off and close-down of the event 		
Cinco de Mayo Festival April - May	\$ 2,500.00	
<ul style="list-style-type: none"> • Partner with the Cinco de Mayo committee to plan the event • Provide advertising to promote the event 		
A Taste of Burlison August - September	\$ 5,000.00	
<ul style="list-style-type: none"> • Organize the event including location, food, activities, etc. • Provide advertising to promote the event 		
Advertising and Promotion All Year	\$ 7,500.00	

Expense	Proposed Budget Fiscal Year 2009/10	Expenses to Date
<ul style="list-style-type: none"> Develop advertising and promotional materials to increase tourism in the City of Burleson 		
<ul style="list-style-type: none"> Send advertising and promotional materials to other Cities and Chambers of Commerce 		
<ul style="list-style-type: none"> Participate in joint-venture promotional activities with businesses to increase visitation and tourism in Burleson 		
Marketing Material Design	\$ 4,500.00	
All Year		
<ul style="list-style-type: none"> This expense includes developing a consistent image for the city that encourages tourism highlighting Old Town, the Farmer's Market, the Transit Oriented Development site, local Hotels/Motels and the Business Park 		
Economic Development (ED)	\$ 27,589.00	
All Year		
<ul style="list-style-type: none"> Personnel Support – This will help fund an individual who will spearhead ED activities for the Chamber and work in concert with the City on ED initiatives. 		
<ul style="list-style-type: none"> This expense includes production of ED materials to promote the City and encourage tourism. 		
<ul style="list-style-type: none"> This expense will involve projects that have been reviewed and approved by the ED Director of the City of Burleson and that cover a variety of mediums including radio, newspapers, billboards, print media, etc. 		
Website Design Maintenance	\$ 4,000.00	
All Year		
<ul style="list-style-type: none"> Expenses for integrating and maintaining the Chamber of Commerce web site with the City of Burleson web site to produce a synergistic tool to attract visitors and prospective new businesses to the community. 		
<ul style="list-style-type: none"> Demographic and community information about Burleson will be consistent with links from each web site (Chamber and City) that provide a “one-stop-shop” portfolio for visitors and prospective businesses that access information about Burleson. 		