City of Fayetteville Staff Review Form

2018-0412

Legistar File ID

9/4/2018

City Council Meeting Date - Agenda Item Only
N/A for Non-Agenda Item

Devin Howland	8/14/2018	ECONOMIC DEVELOPMENT (050)
Submitted By	**Submitted Date**	**Division / Department**

Action Recommendation:

AN AMENDMENT TO EXTEND THE ECONOMIC DEVELOPMENT CONSULTING CONTRACT WITH THE FAYETTEVILLE CHAMBER OF COMMERCE FOR THREE MONTHS.

Budget Impact:

1010.050.0500-5315.00	General Fund
Account Number	Fund
N/A	N/A
Project Number	Project Title

Budgeted Item?	Yes	Current Budget	$	541,500.00
		Funds Obligated	$	202,500.00
		Current Balance	**$**	**339,000.00**
Does item have a cost?	Yes	Item Cost	$	45,000.00
Budget Adjustment Attached?	No	Budget Adjustment		
		Remaining Budget	**$**	**294,000.00**

V20180321

Purchase Order Number:	2016-0679	**Previous Ordinance or Resolution #**	185-16
Change Order Number:	2	**Approval Date:**	
Original Contract Number:	2016-0011		

Comments:

CITY OF FAYETTEVILLE ARKANSAS

CITY COUNCIL MEMO

MEETING OF SEPTEMBER 4, 2018

TO: Mayor and City Council

THRU: Don Marr, Chief of Staff

FROM: Devin Howland, Director of Economic Vitality

DATE: August 2, 2018

SUBJECT: AN AMENDMENT TO EXTEND THE ECONOMIC DEVELOPMENT CONSULTING CONTRACT WITH THE FAYETTEVILLE CHAMBER OF COMMERCE FOR THREE MONTHS

RECOMMENDATION:
Staff is recommending approval of the attached contract extension for the Fayetteville Chamber of Commerce.

BACKGROUND:
In October of 2016, the Fayetteville City Council authorized an economic development consulting contract with the Fayetteville Chamber of Commerce which is set to expire on September 30, 2018. This has placed the contract's cycle on an October to September year, rather than a calendar year. The contract allows for the option of extending services for three (3) additional two (2) year periods. This amendment would impact all future contract extensions.

DISCUSSION:
The three-month extension being proposed would align the contract with the City's budget cycle, aligning the contracts performance metrics with the Department of Economic Vitality's performance metrics. Furthermore, the extension would enable the economic development updates to align with the calendar year beginning in 2019, providing a mid-year update and end of year update to the City Council.

BUDGET/STAFF IMPACT:
The amendment has no impact to the Department of Economic Vitality's budget.

Attachments:
Fayetteville Chamber of Commerce Contract Amendment
Startup Junkie Consulting Contract Amendment

AMENDMENT NO. 2 TO THE CONTRACT FOR ECONOMIC DEVELOPMENT CONSULTING SERVICES BETWEEN THE CITY OF FAYETTEVILLE, ARKANSAS AND THE FAYETTEVILLE CHAMBER OF COMMERCE

WHEREAS, on October 4, 2016, the City of Fayetteville, Arkansas ("City") and the Fayetteville Chamber of Commerce ("Chamber") entered into a contract for Economic Development Consulting Services (the "Contract") to be provided through September 30, 2018, and;

WHEREAS, on December 21, 2017, the parties executed Amendment No. 1 to the Contract revising the scope of services; and

WHEREAS, the parties desire to extend the amended Contract by three months to allow future contract terms to match the City's fiscal year.

NOW, THEREFORE, BE IT KNOWN TO ALL:

That the City and the Chamber, on this 6th day of August, 2018, hereby agree:

A. That the Contract for Economic Development Consulting Services dated October 4, 2016, as amended on December 21, 2017, is hereby extended by an additional three months and shall now expire on December 31, 2018.

B. That the City will pay the amount of $45,000.00 for the extension period.

C. This amendment does not alter, amend or abridge any of the rights, obligations, or duties of the parties not expressly addressed herein.

IN WITNESS WHEREOF, the parties hereto have caused their signatures to be set by their authorized representative effective the date set forth herein above.

FAYETTEVILLE CHAMBER OF COMMERCE

By: _____ Date: 8/6/18

J. Steven Clark, President and CEO

Witness: _____ Date: 8/6/18

CITY OF FAYETTEVILLE, ARKANSAS

By: _____ Date: _____
Lioneld Jordan, Mayor

ATTEST:

_____ Date: _____
Sondra E. Smith, City Clerk-Treasurer

AMENDMENT NO. 1 TO THE CONTRACT FOR ECONOMIC DEVELOPMENT CONSULTING SERVICES BETWEEN THE CITY OF FAYETTEVILLE, ARKANSAS AND THE FAYETTEVILLE CHAMBER OF COMMERCE

WHEREAS, on October 4, 2016, the City of Fayetteville, Arkansas ("City") and the Fayetteville Chamber of Commerce ("Chamber") entered into a contract for Economic Development Consulting Services (the "Contract") to be provided through September 30, 2018, and;

WHEREAS, the parties desire to amend this agreement as set forth below.

NOW, THEREFORE, BE IT KNOWN TO ALL:

That the City and the Chamber, on this 21st day of December, 2017, hereby agree:

A. That the Schedule of Deliverables and Performance Measures referenced in Section 3(a) and the third bulleted paragraph of Section 4 of the original Contract shall be replaced by the Revised Schedule of Deliverables and Performance Measures attached to this Amendment as "Exhibit A" and incorporated herein.

B. The parties agree and understand that this Amendment is supplemental to their Contract for Economic Development Consulting Services dated October 4, 2016, and that it does not alter, amend or abridge any of the rights, obligations, or duties of the parties not expressly addressed herein.

IN WITNESS WHEREOF, the parties hereto have caused their signatures to be set by their authorized representative effective the date set forth herein above.

FAYETTEVILLE CHAMBER OF COMMERCE

By: _____ Date: 12/15/17
J. Steven Clark, President and CEO

Witness: _____ Date: 12/15/17

CITY OF FAYETTEVILLE, ARKANSAS

By: _____ Date: 12-21-2017
Lioneld Jordan, Mayor

ATTEST:

_____ Date: 12-21-2017
Sondra E. Smith, City Clerk-Treasurer

CITY CLERK / TREASURER
CITY OF
FAYETTEVILLE
ARKANSAS
WASHINGTON COUNTY

CONTRACT FOR
ECONOMIC DEVELOPMENT CONSULTING SERVICES
BETWEEN
THE CITY OF FAYETTEVILLE, ARKANSAS
AND
THE FAYETTEVILLE CHAMBER OF COMMERCE

WHEREAS, the City of Fayetteville, Arkansas wishes to contract for Economic Development Consulting Services, and;

WHEREAS, the Fayetteville, Arkansas Chamber of Commerce wishes to provide certain Economic Development Consulting Services to the City of Fayetteville, Arkansas, and;

WHEREAS, the Fayetteville, Arkansas Chamber of Commerce has been selected to perform Economic Development Consulting Services for the City of Fayetteville utilizing the competitive Request for Proposal selection process (via RFP 16-05, Economic Development Consulting Services – Business Retention and Expansion), and;

WHEREAS, the City Council of Fayetteville, Arkansas has approved a contract for Economic Development Consulting Services with the Fayetteville, Arkansas Chamber of Commerce,

NOW THEREFORE:

In consideration of the mutual promises contained in this Agreement and other good and valuable consideration,

1. Agreement is made this 4th day of October, 2016 by and between the City of Fayetteville, Arkansas located at 113 W. Mountain, Fayetteville, Arkansas 72701 and the Fayetteville, Arkansas Chamber of Commerce located at 21 West Mountain Street, Suite 300, Fayetteville, Arkansas 72701. **Term**: This Agreement shall be for a two year period, for a term ending September 30, 2018. This contract may be canceled by either party with thirty days written notice.

2. **Renewals:** This agreement may only be renewed by approval of the City Council and with mutual agreement of the Chamber of Commerce. The City may exercise an option to renew the contract for three (3) additional two (2) year terms with approval of both parties.

3. **Attachments:** The Contract documents which comprise the contract between the City of Fayetteville and the Fayetteville Chamber of Commerce consist of this Contract and the following documents attached hereto, and made a part hereof:

a.) Exhibit A - Schedule Detail for Deliverables and Performance Measures

** The City of Fayetteville shall coordinate with the Fayetteville Chamber of Commerce for modifications to this schedule. Any modifications to Exhibit A shall not reduce the quality or quantity of the services to be provided pursuant to this contract, as determined by the Mayor or his/her designee. Any modifications shall be agreed upon by both the City and Fayetteville Chamber of Commerce; however, any changes affecting price shall have prior approval by the Fayetteville City Council. In the event Exhibit A is revised and price is not modified, such revised document shall be provided to the City Council at the next regularly scheduled update.*

4. **Services to be Provided:** During the terms of this Agreement, the Fayetteville Chamber of Commerce shall:

   - Serve as the first point of contact as the City's contractor for Business Retention and Expansion services for economic development as defined in the Fayetteville First Economic Development Strategic Plan and maintain good relations with the Arkansas Economic Development Commission and other economic development partners locally, nationally and internationally;
   - Maintain clear and open communication with the City on all economic development services and activities provided under the scope of this contract; and clearly articulate when communicating on behalf of the Chamber of Commerce versus City-contracted initiatives to create clear accountability;
   - Provide all deliverables and performance measures outlined in the attached Exhibit A

5. **Fees and Expenses**: The City of Fayetteville agrees the consulting fee shall be paid upon invoice as follows:

   Consultation Services shall be invoiced for each quarter in the amount of $45,000 per quarter. Total fees for consultation services shall not exceed $360,000, from the date of contract. The Fayetteville Chamber of Commerce shall track, log and report hours and expenses directly related to this Agreement along with invoice for payment for each month. Invoices shall be itemized.

6. **Notices**: Any notice required to be given under this Agreement to either party to the other shall be sufficient if addressed and mailed, certified mail, postage paid, delivery, fax (receipt confirmed), or overnight courier.

7. **Applicable Law**: This Agreement shall be governed by and construed in accord with the laws of the State of Arkansas.

8. **Entire Agreement**: This Agreement sets forth the entire agreement and understanding between the parties on the subject matter of this Agreement. Neither party shall be bound by any conditions, definitions, representations or warranties with

respect to the subject matter of this Agreement other than those as expressly provided herein.

9. **Amendments and Waivers**: Changes, modifications, or amendments in cost or fees to this contract shall not be allowed without a prior formal contract amendment approved by the Mayor and the City Council **in advance** of the change in cost or fees. No modification of this Agreement shall be binding unless made in writing and executed by both parties. No waiver by either party or any breach or obligation of the other party under this Agreement shall constitute a waiver of any other prior or subsequent breach or obligation.

10. **Performance Measures**: The Fayetteville Chamber of Commerce shall provide the deliverables as outlined in the attached Exhibit A, which serves to implement the adopted Fayetteville First Economic Development Strategic Plan. Performance measures are included for each item and will be used to evaluate the work performed throughout the entire term of the contract.

11. **Contract Administration**: The Mayor or his/her Designated Representative shall be the Contract Administrator for this contract. The Fayetteville Chamber of Commerce President and CEO or his/her Designated Representative shall be the primary contact for all matters pertaining to this contract. While it is understood that many facts pertaining to projects must be held in the strictest confidence, the Fayetteville Chamber of Commerce President and CEO will insure that the Mayor is kept abreast of details and progress made pertaining to Economic Development prospects considering development in Fayetteville to the greatest extent possible.

12. **Freedom of Information Act**: City contracts and documents prepared while performing city contractual work are subject to the Arkansas Freedom of Information Act. If a Freedom of Information Act request is presented to the City of Fayetteville, the Fayetteville Chamber of Commerce will do everything possible to provide the documents in a prompt and timely manner as prescribed in the Arkansas Freedom of Information Act (A.C.A. §25-19-101 et. seq.), exempting those records that, "if disclosed would give advantage to competitors or bidders," as described in Section (b)(9)(A) Only legally authorized photocopying costs pursuant to the FOIA may be assessed for this compliance.

IN WITNESS WHEREOF, the parties have executed this Agreement.

Fayetteville Chamber of Commerce

By: _____ Date: 9/9/16
J. Steven Clark, President and CEO

Witness: _____ Date: _____

The City of Fayetteville, Arkansas

By: _____ Date: 10-4-16
Lioneld Jordan, Mayor

Attest:

_____ Date: 10-07-2016
Sondra E. Smith, City Clerk/Treasurer

CITY CLERK / TREASURER
CITY OF
FAYETTEVILLE
ARKANSAS
WASHINGTON COUNTY

Exhibit "A"

Contract for Economic Development Services-

Business Retention and Expansion

REVISED Schedule of Deliverables and Performance Measures

As outlined herein, the Chamber of Commerce shall provide the following services, more generally referred to as Business Retention and Expansion or BR&E services:

One. Create a robust retention and expansion program for the business community, with a more focused strategy for the target sectors of legacy industry, regional headquarters and startup/entrepreneurial businesses;
Two. Determine property availability, data and building needs for targeted business sectors;
Three. Develop a focused retail development strategy based on a thorough inventory and analysis of the city's existing retail base and gaps;
Four. Coordinate with NWA Council and others to ensure workforce and training needs can be met, with a thorough understanding of existing and future industry and targeted sector needs; coordinate with area educational providers and business sectors to ensure appropriate skilled trade programs and training are available;
Five. Support programs and initiatives that improve the outstanding lifestyle quality in Fayetteville. Promote, foster, and seek development opportunities that help create an environment and amenities that attract the new millennial worker and/or business owners.
Six. Collaborate with the City for communication with the public
Seven. Report Outcomes

One: Create a robust business retention and expansion (BR&E) program

1. At a minimum the following deliverables shall be included for each of the action items identified in the BR&E program:
    a. Goals for the number of businesses to be visited each year within the identified business sectors, coordinating closely with the Northwest Arkansas Council so as to not duplicate regional economic development services and business visits related to employer retention and expansion, workforce development and education efforts. The city expects at least 100 businesses to be visited annually through the contract period, based on employment numbers, sales impact, relationship to target sectors, or other criteria. Annually,

b. The development of a survey or questionnaire to be used during interviews with existing businesses with results tabulated in a regularly updated and shared reporting document
c. The development of a process for addressing any business needs or challenges that were identified during the visit and survey;
d. Use of a shared spreadsheet for timely tracking of visits, employer input, business challenges or needs, and other data identified as needed for tracking purposes;
e. A summary report of the accomplishments of the program that year, including the information above, as well as the number of new expansion projects, jobs created or saved, average wages (when disclosed) and investment related to the program(s);
f. Demonstrate efforts to acquire and track the following:
    i. An increased number of net new businesses established in the city over time;
    ii. An increase in annual sales from businesses located in the city over time;
    iii. An increase in the percentage of residents employed over time;
    iv. An increase in the number of net new jobs over time;
    v. A decrease in the unemployment rate of residents over time;
    vi. Various business sector employee wages, and how they increase or decrease as jobs are gained/lost.
    vii. An increase in the number of inquiries from prospective companies over time; and
    viii. An increase in net new retail and accommodation establishments over time.

2. *Legacy Industry:* Develop and maintain an up-to-date directory of legacy industries (including but not limited to manufacturers) within the City. Develop a BR&E program with questions and data designed to meet this business sector's needs, exploring questions related to facility retention and expansion, new equipment investment, workforce attraction and training, and physical infrastructure needs such as rail, broadband, transportation or utilities.

3. *Regional Headquarters:* Develop and maintain an up-to-date directory of businesses headquartered in Fayetteville, whether they maintain a home office or a regional headquarters within the City. Develop a questionnaire to explore the corporate services sector, including healthcare, to develop good working relationships with local management teams and to identify and establish relationships with parent headquarters outside of Fayetteville when deemed valuable.

4. *Start-up/Entrepreneurial Businesses*: Work in partnership with the City's Entrepreneurship and Innovation contractor to develop a BR&E program for interviewing and gathering data for the start-up/entrepreneurial business sector. Customize questions to understand how the City can best support the creation and

sustaining of start-up companies created in Fayetteville, coordinating closely with other City-initiated entrepreneurial efforts. Support the advertising of appropriate seminars or training for Fayetteville or NWA in coordination with other City-initiated entrepreneurial efforts.

Two: Assess and meet property, building and data needs of targeted business sectors

Fayetteville First identifies five targeted business sectors: Corporate Services, Entrepreneurs and Innovators, Legacy Manufactures, Retail and Specialized Technologies. Each of these target sectors will have varying needs, and some will have similarities.

1. *Determine available properties.* Create a comprehensive inventory of all sites and buildings that are available for potential development and ensure that the AEDC sites and buildings database are kept updated accordingly.

2. *Assess site and building needs of targeted business sectors.* Assess the potential site, building, and data needs of each of the targeted sectors, determine the need to identify additional sites and encourage the development of appropriate property in the future. Consideration must be given to match a company's requirements to the types of service available, which shall be assessed using measurable criteria through the BR&E surveys.

Three: Develop a focused retail development strategy

1. *Conduct a thorough inventory and analysis of Fayetteville's existing retail base and gaps.* Working with the Northwest Arkansas Council and/or others, identify and inventory the existing retail base and gaps in the city.

2. *Examine local and regional demographic and retail trends.* Demonstrate a clear understanding of the demographics of the city and region (to include Fort Smith as well as Northwest Arkansas), evaluating typical factors considered by the retail sector in its location decisions, which often include population, population growth, educational attainment and income. A retail infographic deliverable, coordinated with the City's Communications and Marketing team, shall reflect the results of this analysis and be used to market Fayetteville and the region to potential retailers and retail developers, with the goal of filling identified gaps.

3. *Identify potential commercial properties.* Identify potential commercial properties, large to small, to be mapped and marketed to potential retailers and retail developers, where appropriate as identified through the retail analysis. Potential redevelopment sites that may be appropriate for retail shall also be identified and catalogued, particularly in targeted redevelopment areas identified by the City.

4. *Identify potential retail targets.* Based on the outcome of the retail base and gap analysis, as well as the commercial property inventory, identify potential specialty retailers to focus marketing efforts.

5. *Attend the designated International Council of Shopping Centers (ICSC) national and/or Regional conventions and participate with the City of Fayetteville representatives and regional economic development efforts at the National and Regional ICSC Show.* Coordinate with the Mayor's designated staff to determine who should attend the ICSC convention or an applicable regional event, arrange for interviews, and coordinate with the City's Marketing and Communications team to provide marketing or information materials.

Four: Ensure Workforce and Training needs can be met

1. *Understand existing industry and targeted business sector needs.* Review and participate in workforce analysis studies conducting for the region to gain an understanding of the workforce availability related to the occupations required of the targeted business sectors, potentially partnering with the NWA Council on this initiative.

2. *Research and conduct a survey of regional higher educational institutions.* Develop an understanding of enrollment, degrees offered and graduates of regional institutions of higher education that may serve Fayetteville.

3. *Convene regional educational leadership.* Coordinate with the Northwest Arkansas Council to participate in discussions with local institutions of higher education, public school career and technical education program leaders, as well as local industry and targeted sectors, and determine whether the workforce and training needs of the identified target markets can be met. Work with these institutions to expand skilled trade programs and training, and determine possible new program development in the future to meet the needs of the targeted business sectors and existing business and industry. Once established, create and measure performance standards to fill gaps in the workforce and training needed.

Five: Support initiatives and programs that continue to improve the outstanding lifestyle quality in Fayetteville

1. *Explore redevelopment opportunities.* During the stakeholder engagement process, many mentioned that they would like to see redevelopment along 71B (College Avenue and South School Avenue). In line with the CityPlan 2030 goals to prioritize infill over sprawl, to accommodate growth, and to bring more people to live, shop and play along Fayetteville's original Main Street, redevelopment of 71B is important for the city and should include improvement in walkability, new retail, residential and business development. Initiate a process to create immediate, short- and long-term priorities to

explore and encourage redevelopment opportunities along 71B, as well as other areas of the city that should be identified as priorities for redevelopment.

2. *Attract and retain the workforce of today and tomorrow.* With the presence of the U of A and the lifestyle quality the city offers, Fayetteville should be a prime location for the millennial population, as well as the future Generation Z, and attracting and retaining that population must be a focus related to talent. Maintaining and enhancing an authentic culture for its residents and student population to remain in the city requires coordination in many of the identified focus areas. Walkable neighborhoods with commercial areas, including urban mixed-use developments, diversity, transportation alternatives and amenities like arts, culture and restaurant choices appear in numerous studies identifying where millennials want to be. Care for the environment and the desire to live in communities that practice sustainable development are also prevalent. The Chamber of Commerce will collaborate with and support the City and other City-led entrepreneurial efforts in the creation of a millennial advisory panel that can recommend policies, education and development practices that provide the best quality of life amenities and environment for this diverse population.

3. Promote, foster, and seek development opportunities that help create an environment and amenities that attract the new millennial worker and/or business owners. Work with the development community and City to explore initiatives meeting these stated goals.

Six: Collaborate with the City for Communication with the Public

1. The City's Economic Development web site will be used to communicate the implementation of the Fayetteville First plan, using the City's branding and marketing. All communication and engagement with the business community via surveys and questionnaires will be done from a link within the City's Economic Development web site pages and will be promoted on the City's social media channels via coordination with the City's Communications and Marketing Team. All performance measures and reports will be updated on a regular basis via the City's web site. The Chamber of Commerce will work with the City's Communications and Marketing Team to ensure that the deliverables from this contract remain up to date on the City's Economic Development web site. Responses to requests for information and updates shall be timely and within reason.

2. Communications from the Chamber of Commerce related to economic development initiatives within the scope of this contract, major decisions and/or development matters, and public-facing activities should be coordinated with the Mayor's office or his assigned staff. This includes statements at City Council meetings, Agenda Sessions, public presentations, press conferences, etc.

Seven: Reports and Presentations

1. Reporting results and milestones will be done as deliverables are met in the implementation of the Fayetteville First Economic Development Strategic Plan and will be formatted to fit within the City's Economic Development branding on the city web site. The City's internal Economic Development team will meet regularly with the Chamber of Commerce (at a minimum on a monthly basis) to discuss the status of deliverables. The Mayor and/or City Council may request periodic updates and public engagement for citizens to be kept informed of the city's economic development goals. The Fayetteville Chamber of Commerce will be expected to attend quarterly "collaboration meetings" with the City of Fayetteville and Entrepreneurship and Innovation contractor. The Fayetteville Chamber of Commerce will attend weekly conference calls with the Director of Economic Vitality.

2. The Chamber of Commerce shall provide written reports and prepare a brief presentation to the Mayor and City Council on at least a bi-annual basis. Reports and presentations should outline the tasks accomplished, outcomes achieved and include statistics for each performance measure outlined herein.

3. A schedule for completion of outlined performance measures and a monthly status report shall be submitted for each month of the contract, delivered during regular monthly meetings with the City's internal team.