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JUL 9 - 2020

City of South Gate
CITY COUNCIL

CITY OF SOUTH GATE
OFFICE OF THE CITY MANAGER

7:35am

AGENDA BILL

For the Regular Meeting of: July 14, 2020
Originating Department: Community Development

Department Director: Joe Perez
Joe Perez

City Manager: Michael Flad
Michael Flad

SUBJECT: AGREEMENT WITH THE CHAMBER OF COMMERCE FOR COMMUNITY PROMOTION ACTIVITIES

PURPOSE: To consider approving the proposed two-year agreement with the South Gate Chamber of Commerce (Chamber) for Community Promotion Activities in Fiscal Years (FY) 2020/21 and 2021/22. The previous two-year agreement with the Chamber expired June 30, 2020. The terms of the proposed Agreement remain the same as those in the previous Agreement.

RECOMMENDED ACTIONS:

- a. Approve Agreement with the South Gate Chamber of Commerce for Community Promotion Activities for Fiscal Year 2020/21 and Fiscal Year 2021/22, retroactively effective July 1, 2020, in the amount of \$50,000 per year; and
- b. Authorize the Mayor to execute the Agreement in a form acceptable to the City Attorney.

9/1/20

FISCAL IMPACT: Funds, in the amount of \$50,000, were included in the FY 2020/21 budget, in Account Number 100-601-42-6308 (General Fund - Community Development Administration - Civic Engagement). Staff will budget \$50,000 in FY 2021/22.

ALIGNMENT WITH COUNCIL GOALS: The approval of the proposed Agreement will enable the Chamber to continue providing Community Promotion Activities that support the goals of encouraging economic development and workforce development, as well as improving communications and civic engagement.

ANALYSIS: Over the past several years, the City has contracted with the Chamber to undertake business promotion activities. The Chamber is requesting funding from the City in the amount of \$50,000 for FY 2020/21 and \$50,000 for FY 2021/22 to continue providing services to the South Gate business community. This funding request is the same amount provided by the City in FY's 2018/19 and 2019/20.

- The Chamber has met all performance goals for 2018/19 and 2019/20 that included:
- Successfully increasing its membership by at least 15% over the term of the FY 2019/20 Agreement. Membership went from 106 memberships to 122 memberships as of June 30, 2020.
 - Offered relevant business counseling and educational seminars on topics relating to

marketing, accounting, networking, business growth and other relevant topics.

- Promoted youth employment by offering three internships at the Chamber's office to South Gate students that participated in the California Latino Youth Leadership Program, and one internship to a student attending the University of Southern California (USC).
- Provided resources and promotion activities to the business community such as business workshops, trainings, networking events and ribbon cutting ceremonies for new businesses.
- Submitted quarterly performance reports and financial statements.
- Successfully coordinating the following events:
 - Southeast Los Angeles County Career Workforce Development Expo - The 3rd Annual event was held on Saturday, September 14, 2019, at the South Gate Municipal Auditorium from 10:00 am to 3:00 pm. The Chamber Co-hosted this event with the LA County Department of Mental Health. They had a total of 36 resource booths with representatives from schools, corporations, trade techs, community resources and non-profits. There was also a panel of experts in the fields of taxes, financial literacy, marketing, and owning a small business that provided input to the public. Approximately 150 attendees participated in this event. A similar event co-hosted with Hub Cities was held on January 31, 2019.
 - Southeast Los Angeles County Business Expo - The 3rd Annual event was held on June 18, 2019, at the South Gate Municipal Auditorium from 10:00 am to 2:00 pm. Event included seminars and workshops. There were a total of 40 different exhibitors, and 240 guests in attendance.
 - Speaker Series - Partnered with the Rotary Club of South Gate and the City held a February 5, 2020 speakers series event for South Gate businesses.
 - Hosted the 2020 Mayor's State of the City Address.
 - Hosted the 74th Annual Children's Christmas Lane Parade on December 8, 2019.
 - Helped organize a drive through food distribution event on Friday, June 26, 2020 at the American Legion Post #335 in the City from 1:00 pm to 3:00 pm. This event was organized in response to the COVID-19 pandemic to assist families affected by the food insecurity in Southeast Los Angeles. Approximately 750 families in the region received food packages at the event.

The proposed Agreement is for \$50,000 for FY 2020/21 and \$50,000 for FY 2021/22. The Chamber has reviewed the Agreement and agrees to the terms. Provided below is a summary of the terms in the proposed Agreement:

Continued Activities and Services

The Chamber will continue to disseminate information to the public about the benefits of locating a business in the City; serve as an informational bureau; maintain an office within the City which is accessible to the public; publicize City-sponsored activities and functions; advertise and promote the commercial expansion and development of the City; and work with the City, county and other public and private agencies to obtain appropriate information and services for prospective businesses. Furthermore, the Agreement includes partnering with civic groups in holding a "speaker series" event each year for local businesses and conducting ribbon-cutting ceremonies for new South Gate businesses.

The Chamber will continue to host the Children’s Christmas Lane Parade, the Mayor’s State of the City Address, the Career Workforce Development Expo, and the Southeast Los Angeles County Business Expo. The proposed Agreement will continue to include a performance measurement as included in the previous agreement, whereby the Chamber will work to increase its membership by at least 15% each year.

If regular scheduled events in the Agreement are cancelled due to the COVID-19 pandemic, the Chamber will provide mutually agreed upon substitute events, such as virtual events and forums that provide resources to the business community in South Gate.

Chamber’s Tax-Exempt Status

The Chamber's tax exempt status has been confirmed by the Franchise Tax Board and California Secretary of State.

ATTACHMENT: Proposed Agreement

**AGREEMENT FOR COMMUNITY PROMOTION ACTIVITIES FOR
FISCAL YEAR 2020/21 AND FISCAL YEAR 2021/22 BETWEEN
THE CITY OF SOUTH GATE AND
THE SOUTH GATE CHAMBER OF COMMERCE**

This Agreement for Community Promotion Activities for Fiscal Year 2020/21 and Fiscal Year 2021/22 (“Agreement”) is made and entered into on July 14, 2020, and retroactively effective July 1, 2020, by and between the City of South Gate, a municipal corporation (“City”), and the South Gate Chamber of Commerce, a California nonprofit corporation (“Chamber”). City and Chamber are sometimes hereinafter individually referred to as a “Party” and collectively referred to as “Parties.”

RECITALS:

WHEREAS, the City desires to advertise and promote the advantages of South Gate as a commercial and industrial center, disseminate information related thereto, solicit and respond to inquiries concerning its opportunities and advantages, encourage new commercial and industrial concerns, and provide assistance to established commercial and industrial enterprises as to their growth and expansion plans;

WHEREAS, the commercial and industrial expansion of South Gate will benefit the residents and taxpayers of the City by generating additional revenues for the City, including sales tax revenue, and providing commercial and industrial centers conveniently located for South Gate residents, employees and consumers;

WHEREAS, the promotion of industrial and commercial growth will generate new jobs for South Gate residents who are now commuting to out-of-area jobs and will tend to reduce unemployment;

WHEREAS, the Chamber has been active within South Gate in fostering commercial and industrial growth and has facilities for disseminating information, soliciting commercial and industrial prospects, servicing both established and prospective commercial and industrial enterprises, and sponsoring special events which promote the commercial areas of the City;

WHEREAS, the Chamber is a corporate entity separate and apart from the City and neither the Chamber nor the City exercise any governance or control over one another;

WHEREAS, the Chamber confirms that it is in good standing with the Secretary of State and that its corporate filings are current.

NOW, THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. PARTIES TO THIS AGREEMENT

The Parties to this Agreement are as follows:

- A. City: City of South Gate
8650 California Avenue
South Gate, CA 90280
- B. Chamber: South Gate Chamber of Commerce
3350 Tweedy Boulevard
South Gate, CA 90280

2. REPRESENTATIVES OF THE PARTIES AND SERVICE OF NOTICES.

The representatives of the Parties who are primarily responsible for the administration of this Agreement, and to whom formal notices, demands and communications shall be given, are as follows:

- A. The principle representative of the City shall be the City Manager or his designee.
- B. The principal representative of the Chamber shall be the President of the Chamber of Commerce.
- C. Formal notices, demands and communications to be given hereunder by either of the Parties shall be made in writing and may be effective by personal delivery or by mail.
- D. If the name of the principal representative designated to receive the notices, demands or communications, or the address of such person is changed, written notice shall be given five (5) working days of said change.

3. TERM OF AGREEMENT.

This Agreement is **retroactively effective July 1, 2020, and will remain in effect through and including June 30, 2022**, unless otherwise expressly extended and agreed to by both Parties in writing, or terminated by either Party as provided herein.

4. TERMINATION OF AGREEMENT.

The City may terminate the whole or any part of this Agreement if the Chamber fails to meet the requirements of this Agreement. In the event that the City exercises its right to terminate any part or all of this Agreement, the City shall provide the Chamber at least thirty (30) days written notice of termination and shall delineate those sections or all parts of this Agreement which shall be terminated.

5. SCOPE OF WORK.

City hereby engages the Chamber, and the Chamber accepts such engagement, to perform the Scope of Work as described in Exhibit "A" attached hereto and made a part to this Agreement.

6. COMPENSATION.

The total amount of compensation for this Agreement **shall not exceed Fifty Thousand Dollars (\$50,000) per Fiscal Year, and the total sum for the two (2) Fiscal Years shall**

not to exceed One Hundred Thousand Dollars (\$100,000). The payments will be made in installments. The installment schedule is as follows:

For Fiscal Year 2020/21:

- The first installment in the sum of \$20,000 is to be paid by October 27, 2020. (*1st Performance Report is due Tuesday, October 6, 2020*)
- The second installment in the sum of \$10,000 is to be paid by January 26, 2020. (*2nd Performance Report is due Tuesday, January 5, 2020*)
- The third installment in the sum of \$10,000 is to be paid by April 27, 2020. (*3rd Performance Report is due Tuesday, April 6, 2020*)
- The fourth installment in the sum of \$10,000 is to be paid by July 27, 2020. (*4th Performance Report is due Tuesday, July 6, 2020*)

For Fiscal Year 2021/22:

- The first installment in the sum of \$20,000 is to be paid by October 26, 2021. (*1st Performance Report is due Tuesday, October 5, 2021*)
- The second installment in the sum of \$10,000 is to be paid by January 25, 2022. (*2nd Performance Report is due Tuesday, January 4, 2022*)
- The third installment in the sum of \$10,000 is to be paid by April 26, 2022. (*3rd Performance Report is due Tuesday, April 5, 2022*)
- The fourth installment in the sum of \$10,000 is to be paid by July 26, 2022. (*4th Performance Report is due Tuesday, July 5, 2022*)

The City will follow the installment schedule as indicated above provided the Chamber submits the quarterly performance reports as indicated in Section 8 of this Agreement. If the Chamber fails to provide the quarterly performance reports in a timely manner, the City reserves the right to withhold the installment/payment until the Chamber is in compliance with the quarterly performance report schedule.

7. DATA PROVIDED TO THE CHAMBER.

The City shall provide to the Chamber, without charge, all data, including reports, records, maps and other information, now in their possession, which may facilitate the efficient performance of this Agreement.

8. QUARTERLY PERFORMANCE REPORTS & DATA REPORTS.

All data, including reports, records, maps and other information prepared or obtained by the Chamber in the course of performing the work required by this Agreement shall, upon request, be made available to the City free of charge without restriction or limitation on their use.

The Chamber shall provide quarterly performance reports to the City reporting on the funds specifically provided by this Agreement every quarter prior to each payment due date. The quarterly performance report will include the following information:

- Itemization of all monthly bank deposits.
- Itemization of all payables including payroll.
- Copy of complete bank statement.
- Detailed report of memberships paid, including business name and amount.
- Summary of activities for that quarter including dates, event names, participants, purpose, amounts received and expensed for that event.

The quarterly performance reports and financial statements shall be provided to the City before each payment is released. The submittal deadlines for the reports and statements are as follows:

For Fiscal Year 2020/21:

- 1st Quarterly Performance Report and Financial Statement, July 1st – September 30th is due Tuesday, October 6, 2020.
- 2nd Quarterly Performance Report and Financial Statement, October 1st – December 31st is due Tuesday, January 5, 2021.
- 3rd Quarterly Performance Report and Financial Statement, January 1st – March 31st is due Tuesday, April 6, 2021.
- 4th Quarterly Performance Report and Financial Statement, April 1st – June 30th is due Tuesday, July 6, 2021.

For Fiscal Year 2021/22:

- 1st Quarterly Performance Report and Financial Statement, July 1st – September 30th is due Tuesday, October 5, 2022.
- 2nd Quarterly Performance Report and Financial Statement, October 1st – December 31st is due Tuesday, January 4, 2022.
- 3rd Quarterly Performance Report and Financial Statement, January 1st – March 31st is due Tuesday, April 5, 2022.
- 4th Quarterly Performance Report and Financial Statement, April 1st – June 30th is due Tuesday, July 5, 2022.

9. INDEPENDENT CONTRACTOR.

The Chamber is an independent contractor and shall have no power or authority to incur any debt, obligation or liability on behalf of the City.

10. CHAMBER'S PERSONNEL.

A. All work required under this Agreement will be performed by the Chamber, or under the Chamber's direct supervision, and all personnel shall possess the qualifications, permits, and licenses required by state and local law to perform such services.

B. The Chamber shall be solely responsible for the satisfactory work performance of all personnel engaged in performing services required by this Agreement and

compliance with all reasonable performance standards established by the City.

- C. The Chamber shall be responsible for payment of all employees' and subcontractors' wages and benefits, and shall comply with all requirements pertaining to employer's liability, worker's compensation, unemployment insurance and social security.
- D. The Chamber shall indemnify and hold harmless the City from any liability, damages, claims, costs and expenses of any nature arising from alleged violation of the Chamber's personnel practices.

11. NON-DISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY.

- A. In the performance of this Agreement, the Chamber shall not discriminate against any employee, subcontractor or applicant for employment because of race, creed, gender, gender identity (including gender expression), color, religion, ancestry, sexual orientation, national origin, disability, age, marital status, family/parental status, or veteran/military status, in the performance of its services and duties pursuant to this Agreement and will comply with all applicable laws, ordinances and codes of the Federal, State, and County and City governments. The Chamber will take affirmative action to ensure that subcontractors and applicants are employed and that employees are treated during their employment without regard to their race, creed, gender, gender identity (including gender expression), color, religion, ancestry, sexual orientation, national origin, disability, age, marital status, family/parental status, or veteran/military status, in the performance of its services and duties pursuant to this Agreement.. Affirmative action related to employment shall include, but not limited to the following: employment, upgrading, demotion or transfer; recruitment; lay-off or termination; rates of pay or other forms of compensation; and selection for training including apprenticeship.
- B. The provisions of subsection A above shall be included in all solicitations or advertisements placed by or on behalf of the Chamber for personnel to perform any services under this Agreement. The City shall have access to all documents, date and records of the Chamber and its subcontractors for purposes of determining compliance with the equal employment opportunity and non-discrimination provisions of this Section, and all applicable provisions of Executive Order No. 11246 which is incorporated herein by this reference. A copy of Executive Order No. 11246 (relating to federal restrictions against discriminatory practices) is available for review and on file with the City Clerk's Office.

12. SUBCONTRACTING, DELEGATION AND ASSIGNMENT.

The Chamber shall not assign, delegate or subcontract its duties or right hereunder, either in whole or in part.

13. ENTIRE AGREEMENT AND AMENDMENTS.

- A. This Agreement supersedes all prior proposals, agreements and understandings between the Parties and may not be modified or terminated orally.

B. No attempted waiver of any of the provision hereof, not any modification in the nature, extent or duration of the work to be performed by the Chamber hereunder, shall be binding unless in writing and signed by the party against whom the same is sought to be enforced.

14. RESOLUTION OF DISPUTES.

A. Disputes regarding the interpretation or application of any provisions of this Agreement shall, to the extent reasonably feasible, be resolved through good faith negotiations between the Parties.

B. If any action at law or in equity is brought to enforce or interpret any provisions of this Agreement, the prevailing Party in such action shall be entitled to reasonable attorney's fees, costs and necessary disbursements, in addition to such other relief as may be sought and awarded.

15. EXHIBITS.

The Exhibit "A" Scope of Work, to which reference is made in this Agreement, is deemed incorporated herein in its entirety.

16. GOVERNING LAW.

Chamber and City shall comply with all applicable laws, ordinances and codes of the federal, state, county and city governments, without regard to conflict of law principles.

[Remainder of page left blank intentionally.]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed and attested by their respective officers thereafter duly authorized.

CITY OF SOUTH GATE:

By: _____
Maria Davila, Mayor

Dated: _____

ATTEST:

By: _____
Carmen Avalos, City Clerk

(SEAL)

APPROVED AS TO FORM:

By:  _____
Raul F. Salinas, City Attorney

**SOUTH GATE
CHAMBER OF COMMERCE:**

By: _____
Lupe Perez, President

Dated: _____

EXHIBIT "A"

SCOPE OF WORK

- 1.** The Chamber, acting by and through its Board of Directors, officers and members, agree during Fiscal Year 2020/21 and Fiscal Year 2021/22 to advertise and promote the residential, commercial and industrial advantages of the City, and the benefits of living in or locating business or industry within the City. In this regard, the Chamber shall perform the following functions:
 - A.** Respond promptly to all correspondence concerning the advantages and benefits of living in or locating business or industry in the City, and to disseminate information by correspondence, publicity, paid advertising and personal contacts identifying such advantages and benefits.
 - B.** Serve as an informational bureau for the benefit of the local public; to collect data and statistics of general interest, including information on commercial, industrial and residential advantages and opportunities which will benefit its members, the City and its residents and taxpayers.
 - C.** Assemble and distribute such statistical and other information relating to the community as may be requested in inquiries directed to the City or the Chamber.
 - D.** Maintain an office within the City which is accessible to the public and fully equipped for the purpose of disseminating information and answering correspondence and inquiries regarding the City. Maintain its status as active and in good standing with all applicable state and federal agencies.
 - E.** Publicize, upon request, the City-sponsored activities and functions and to assist and coordinate with respect to such activities and functions.

- 2.** The Chamber further agrees to advertise and promote the commercial and industrial expansion and development of the City and to cooperate with all agencies and individuals, whether governmental or private, in achieving such expansion and development. In this regard, the Chamber shall do the following:
 - A.** The Chamber shall assemble and distribute to prospective industrial and commercial enterprises all necessary facts, materials and information relating to the City.
 - B.** The Chamber shall work with the City, county and other public and private agencies to obtain appropriate information and services for prospective industrial and commercial enterprises.
 - C.** The Chamber shall assemble and distribute such statistical and other information as may be necessary to promote the commercial and industrial development of the

City. In this regard, the Chamber shall direct all inquiries relating to commercial or industrial locations or developments within the City to City Departments.

- D. The Chamber will continue to maintain a Business Resource Center. This Business Resource Center will contain maps, demographic information, business assistance information and public funding materials to assist businesses in South Gate.
- E. The Chamber shall plan, organize and conduct grand openings/ribbon-cutting ceremonies for new South Gate businesses.
- F. The Chamber shall actively promote youth employment programs in South Gate, including placement of interns within South Gate businesses.
- G. The Chamber shall partner with civic groups such as the Rotary Club of South Gate in holding a “speaker series” for local businesses.

3. PERFORMANCE METRICS.

Over the term of this Agreement, the Chamber shall work to accomplish the following results:

- A. Membership: Increase Chamber membership (i.e. businesses, organizations, etc.) by at least 15% over the total number of Chamber members as of July 1, 2020, and July 1, 2021.

4. SPECIAL EVENTS.

A. Children’s Christmas Lane Parade.

In consideration of the City’s payment to the Chamber, the Chamber shall be responsible for production of the Christmas Parade, including responsibility for securing all volunteer help, notifying the City in writing of the date of the Christmas Parade and the required security and clean-up needs.

Televising of Christmas Parade: The Chamber shall televise the Christmas Parade on television and make every attempt to also televise the Christmas Parade on local broadcast television at a reasonable date and time for family viewing. In such case, the Chamber shall be responsible for securing a contract for the professional production of the Christmas Parade, including television time and Televidics. A copy of said contract shall be furnished to the City at least ninety (90) days in advance of the Christmas Parade date.

Christmas Parade Hours: The Christmas Parade will be a minimum of two (2) hours in duration. The Chamber shall also be responsible for securing all sponsors, floats, band and other participants in the Christmas Parade and for obtaining adequate publicity in advance of the Christmas Parade. The Chamber shall be responsible for providing the pre-Christmas Parade reception at a location near the Christmas Parade route.

Christmas Parade Security: The City will provide, at no cost to the Chamber, all required police security for the Christmas Parade, a show-mobile for the announcers and judges of the parade, barricades for crowd control, post- Christmas Parade street clean-up and bleachers.

Christmas Parade Entries: Any entry requested by the City will be included in the Christmas Parade if the entry is submitted within the established entry deadlines, in conformance with entry requirements and at no cost to the Chamber.

B. Mayor’s State of the City Address.

The City will provide, at no cost to the Chamber, the use of the South Gate Park Auditorium facilities including the stage, lighting, sound system, and the set-up needed to conduct the event. The Chamber shall provide specific notification to the Parks & Recreation Department for setting arrangements and set-up at least ninety (90) days in advance of the event and based on availability. The City will also make available to the Chamber, without additional charge, the use of the South Gate Park facilities as needed for this event, provided that adequate reservations are secured a minimum of ninety (90) days in advance of the event.

C. Career Workforce Development Expo.

The Chamber will plan, organize and host a Career Workforce Development Expo each year. This event will include organizations such as Hub Cities, East Los Angeles College and top employers in South Gate.

D. Southeast Los Angeles County Business Expo.

The Chamber shall plan, organize and host a Southeast Los Angeles County Business Expo each year. This event will include such organizations as the LAEDC, Go Biz, SBA, and IRS.

E. Use of City Facilities for Additional Chamber Functions.

The Chamber may request the use of City facilities at no cost for special functions provided that the functions are approved by the City, the City facility is available, and that adequate reservations are made at least thirty (30) days in advance of the event.

F. Waiver of Special Events Business License Permit Fees.

The Chamber may request the administrative waiver of two (2) special event permit fees per fiscal year. The Chamber shall be required to obtain and pay for any permits for all other special events in excess of two (2) per fiscal year.

G. Cancelled Events Due To the COVID-19 Pandemic.

If regular scheduled events in this Agreement are cancelled due to the COVID-19 pandemic, the Chamber will provide mutually agreed upon substitute events, such as virtual events and forums that provide resources to the business community in South Gate.