

NEW BUSINESS

ITEM D-3

**Business Consulting Agreement
Development Management Group, Inc.**

DATE SUBMITTED 01/30//2015
 SUBMITTED BY City Manager
 DATE ACTION REQUIRED 02/04/2015

Agenda Item No D-3
 CITY COUNCIL ACTION (X)
 PUBLIC HEARING REQUIRED ()
 RESOLUTION ()
 ORDINANCE 1ST READING ()
 ORDINANCE 2ND READING ()

**IMPERIAL CITY COUNCIL
 AGENDA ITEM**

<p>SUBJECT: DISCUSSION/ACTION: BUSINESS CONSULTING AGREEMENT FOR ECONOMIC DEVELOPMENT CONSULTING SERVICES BETWEEN CITY OF IMPERIAL AND DEVELOPMENT MANAGEMENT GROUP, INC.</p> <p align="center">1. APPROVE BUSINESS CONSULTING AGREEMENT WITH DEVELOPMENT MANAGEMENT GROUP, INC.</p>	
<p>BACKGROUND/SUMMARY: Development Management Group, Inc. (DMG) assisted the City in 2014 with economic development efforts that have begun to garner some success. Several companies are looking at the City for future expansion. Staff does not have the time or contacts to perform this work alone and have benefited from the relationship with DMG. Michael Bracken, owner of DMG, has provided a proposal to assist the City in 2015 at a cost per hour of \$125 with a maximum of \$36,000 (inclusive of any expense reimbursement). This includes representing the City at various economic conferences, assisting in a city oriented tour for retail contacts and follow-up with individual companies.</p>	
<p>FISCAL IMPACT: \$36,000 partially budgeted in the current year's budget and the balance carried over into next year's budget.</p>	
<p>STAFF RECOMMENDATION: Staff recommends approval.</p>	
<p>MANAGER'S RECOMMENDATION: The Manager recommends approval of the agreement.</p>	<p align="right">MANAGER'S INITIALS <u>MDB</u></p>
<p>MOTION:</p> <p>SECONDED: APPROVED () REJECTED () AYES: DISAPPROVED () DEFERRED () NAYES: ABSENT: REFERRED TO:</p>	

BUSINESS CONSULTING AGREEMENT

Ms. Marlene Best, City Manager
City of Imperial, California
420 South Imperial Avenue
Imperial, CA 92251

RE: Business Consulting Agreement No. 010615: City of Imperial: Economic Development Consulting

Dear Ms. Best:

Thank you for the opportunity to present to you this Business Consulting Agreement (BCA) to provide economic development consulting services to the City of Imperial, California. The purpose of this BCA is to detail services that Development Management Group, Inc. will provide in assisting the City of Imperial with economic investment efforts to expand your local economy.

This document shall detail the agreement between the City of Imperial, a California Municipal Government (hereinafter referred to as "City") and Development Management Group, Inc. (hereinafter referred to as "Consultant").

This Agreement shall act as a Representation Authorization for purposes of meeting with appropriate and applicable officials for activities as directed by City in connection with the tasks described below.

Professional Services of DMG, Inc.

1. DMG, Inc. is qualified to complete demographic research for the City of Imperial and the surrounding market area.
2. DMG, Inc. is qualified to complete retail market opportunity analysis for the City of Imperial and the surrounding market area.
3. DMG, Inc. is qualified to prepare customized research for particular companies that the City of Imperial is targeting for location, expansion and/or relocation.
4. DMG, Inc. is qualified to make specific presentations to business prospects (retail, commercial and industrial) in support of efforts to attract additional investment into the community.
5. DMG, Inc. is qualified to complete economic, employment and fiscal impact analysis of proposed development projects in an effort to properly provide information to the residents, businesses, councilmembers and staff within the City of Imperial.
7. DMG, Inc. is qualified to complete appropriate preparation and represent the City of Imperial at industry trade-shows including the International Council of Shopping Centers (ICSC) Las Vegas International and San Diego Western Regional Conference(s).

8. DMG, Inc. is qualified to provide customized market research for a variety of industries (in addition to retail, which is specified above).
9. DMG, Inc. is qualified to provide ombudsman services to the City of Imperial serving as a go-between and on-going communicator between the City and a developer/development project.
10. DMG, Inc. is qualified to provide economic development training to community members, business leaders, councilmembers and staff (DMG, Inc. has previously designed a 2-3 hour certification course that has been presented over 10 times in various communities).
11. DMG, Inc. is able to provide other economic development and post-redevelopment related services as needed (and mutually agreed upon).
12. DMG, Inc. is both qualified and experienced in the creation and maintenance of relationships with both retailers and retail developers across Southern California and shall be responsible for properly introducing market and location opportunity to said contacts on behalf of the City of Imperial.

Hold Harmless

Development Management Group, Inc. shall hold the City of Imperial harmless regarding any claims resulting from personal injury or automobile accidents.

Termination

In the event that the Consultant does not perform the work in this Agreement or becomes unable to perform such work, the City of Imperial shall have the right to terminate this Agreement with thirty (30) days written notice. At such time, Consultant shall have the right to submit an invoice for work performed to date along with the actual work performed to the City of Imperial. The City of Imperial shall have thirty (30) days for which to make payment to Consultant for all work performed prior to termination.

Compensation

The City shall pay consultant for the services described herein as follows:

DMG, Inc. shall be compensated at a monthly retainer of \$125 per hour. The total contract amount for Calendar Year 2015 shall not exceed \$36,000 (inclusive of any expense reimbursement).

DMG, Inc. will generally work remotely (in our offices in Palm Desert, CA or Encinitas, CA) in an effort to be cost efficient. DMG, Inc. has significant experience in working in a remote environment utilizing conference calling, electronic mail, document storage and transfer services and communication software (such as Skype). To the extent that travel to the City of Imperial is needed (or to the business location of a particular potential business investor): DMG, Inc. will bill the City of Imperial appropriate mileage (as stated within the Internal Revenue Service regulations, currently 56.5 cents per mile).

DMG, Inc. shall be responsible for ancillary costs associated with certain office supply type materials in preparation for various projects (not inclusive of commercial-type designs or commercial scale/quality printing).

All payments to Consultant shall be paid by the City of Imperial within thirty (30) days of submittal of an invoice and a signed United States Internal Revenue Service W-9.

Certainty of Fee Arrangement and Contract Limit

DMG, Inc. shall commit to the proposed fee arrangement being in place until December 31, 2015

Conflict Procedures & Disclosures

DMG, Inc. is a highly experienced economic development consulting firm and does have both active and inactive clients throughout Southern California. Within Imperial County specifically, we are on a pre-qualified list of economists with the County of Imperial and from time to time have completed Fiscal/Employment and Economic Analysis on behalf of the County. Further in the past, we have been used as a consultant with the Imperial Valley Economic Development Corporation on projects related to regional economic development.

In the event that there is a potential conflict whereby a particular community DMG, Inc. is working on behalf of and a specific business client (that is negotiating or comparing multiple communities represented by DMG, Inc.), DMG, Inc. shall offer to represent the first community that identified that particular client to DMG, Inc.

Additionally it is disclosed that the Managing Partner of Development Management Group, Inc. (Mr. Michael Bracken) serves on the Board of Directors of Community Valley Bank, a publically traded financial institution headquartered in Imperial County. Further his direct ownership (inclusive of both stock and stock options) does not exceed 5% of total bank ownership.

Insurance

Development Management Group, Inc. shall have a Certificate of Liability Insurance (ACORD) with the City of Imperial named as additional insured prior to commencement of any work under this Agreement. DMG, Inc. respectfully requests that the City of Imperial accept the following insurance limits as satisfactory based on the professional services being provided.

Professional Error & Omission

Issued by: Continental Casualty Insurance Company / Policy Number: 425311802: \$1,000,000

Commercial General Liability

Issued by: The Hartford / Policy number 72 SBA AF4707
Commercial General Liability: \$2,000,000
Personal and Advertising Injury: \$2,000,000
Medical Expense (any one person): \$10,000

Damages to Premises Rented to DMG, Inc.: \$300,000
Aggregate Limits Products-Completed Operations: \$4,000,000
General Aggregate: \$4,000,000
Umbrella Liability: \$1,000,000 (each occurrence & aggregate) (\$10,000 retention)

Automotive and Automobile Liability

Issued by: Infinity Select Insurance / Policy number 50-4610033137001
Combined Single Limit (each accident): \$1,000,000

Agreement Execution

AGREED: _____
City of Imperial, California
Marlene Best, City Manager

Date: _____

AGREED: _____
Development Management Group, Inc.
Michael Bracken, Managing Partner

Date: _____

SCOPE OF WORK

1. DMG shall create, build and maintain relationships with:

Economic Development Committee/Commission
Chamber of Commerce/Hotelier's Association/Visitor's Center
City Council
Community Development/Planning
Public Works/Engineering
Finance
City Manager's Office
Film Commission
City Attorney's Office
Other professional service consultants under contract

2. DMG shall create new relationships and ongoing communication lines with:

Real Estate Developers
Commercial and Residential Real Estate Brokers
Lending Sources (Banks and other Lending Institutions)
Retailers
Industrial Development Users
Renewable Energy Developers and Users
Additional Potential Businesses that may add to the Employment or Economic Base of the City of Imperial

3. Point of Contact

DMG shall serve as the initial point of contact for developers and businesses that seek to locate in the City of Imperial. DMG shall avail office and mobile phone contact along with email for use by said businesses to communicate with DMG.

4. Ombudsman

DMG shall serve as an economic ombudsman to the City of Imperial and those parties interested in making economic investments. In the role of ombudsman, DMG shall assist in shepherding projects through the entitlement and permit process. DMG shall be furnished with office, mobile phone and email contact information for all department heads in the City of Imperial and authorized alternate contacts. The City of Imperial shall endeavor to return all communication from DMG, Inc. regarding projects and clients (usually status-type or technical communication) four (4) business hours.

5. Sales & Marketing

DMG shall take the lead in the sales & marketing of the City of Imperial to targeted businesses, industries and professionals that could lead to economic investment in the City. This shall include, but not limited to industry groups (such as the International Council of Shopping Centers (and their members)), the Imperial Valley Economic Development Corporation, other identified regional/sub-regional economic development organizations and planning/hosting the annual Tour of Imperial.

6. Technical Assistance

On an as-needed basis, DMG shall work with identified persons and companies seeking to make economic investments in the City of Imperial and provide them with the names and contact information for persons and entities within the region that can assist them with their endeavors (such referrals could include architects, financial sources, EB-5 (foreign direct investors), accountants and other professional services). Referrals shall be made to those persons/entities in which there is no financial or business conflict between that entity and DMG. Additionally, where possible, DMG shall provide multiple referrals so that there is no preference shown.

7. Economic Impact Analysis

As projects move through the entitlement or permitting process, DMG shall produce an economic impact analysis (brief version) for said projects at the request of the City Manager and/or Community Development Director.

8. Demographics/Economic Updates

DMG shall avail a demographic analysis to the City Council, Chamber of Commerce and other business/community organizations in the City of Imperial on an annual basis. Further, DMG shall produce an annual economic brief for the City, Chamber and community utilizing available and generally respected third-party data.

9. Calculation of Economic Activity

On an annual basis, DMG shall work with the City Manager and the staff to calculate the overall economic impact of the previous years' activity including economic investment and job creation in order to put a figure on the value of overall economic, entitlement and permitting efforts.

10. Reporting/Invoicing

DMG shall create and provide a monthly invoice showing the number of hours worked on projects for the City of Imperial. Said invoices shall be paid within 30 days of receipt by the City.

Additionally, DMG shall provide the City of Imperial appropriate project updates either verbally (in the case of certain projects that may need additional confidentiality) or in writing on not less than a monthly basis. Further, DMG shall meet with the City Manager of the City of Imperial (by conference call or in person) at a minimum of one a month to discuss projects and updates.

11. Other Duties as Requested/Mutually Agreed

It is understood that Michael Bracken, as an individual and managing partner of Development Management Group, Inc. has extensive experience in both municipal management and economic development and as such he will avail himself to other duties that may be requested by the City Manager for the City of Imperial in which are mutually agreeable.

12. Scheduled Business Recruitment Activities for 2015

- A. Continued follow-up with brokers, developers and retail representatives
- B. Follow-up on new opportunities as they arise
- C. Implement email marketing campaign
- D. Represent City at Retail Live SD (April, 2015)
- E. Represent City at ICSC Las Vegas (May, 2015)
- F. Represent City at ICSC San Diego (October, 2015)
- G. Plan and execute a FAM Trip in the City of Imperial in the Fall, 2015 (Oct/Nov)



Development Management Group, Inc.

economic development ■ fiscal & economic analysis ■ development management

MEMORANDUM

DATE: December 7, 2014

TO: Marlene Best, City Manager

FROM: Michael Bracken, Managing Partner

RE: **Retail Recruitment Status**

The purpose of this memorandum is to provide a recap and status of retail recruitment for the City of Imperial, CA. This memorandum covers the period of September 1, 2013 – November 30, 2014 (15 months), which represents our initial work and engagement.

Accomplishments

1. Research and design of both hardcopy and electronic version of a demographic & market analysis for the City of Imperial
2. Representation of the City of Imperial at ICSC-San Diego (2), ICSC-Las Vegas (1), Retail Live LA (1). Said representation provided the opportunity to introduce the City of Imperial as a retail location to approximately 75 companies.
3. Planned and executed the first ever FAM (Familiarization Tour) of commercial brokers, developers and retail representatives in the City of Imperial

Projects In Process (In Total)

1. Mobile Phone Store (DUHS Commercial)
2. Restaurant (Duhs Commercial)
3. Auto Parts Store (Lundin Development)
4. General Merchandise Store (Lundin Development)
5. Pharmacy/HABA (Direct Contact from ICSC)
6. General Merchandise Store (Dollar General, Pre-existing)
7. Hotel (Holiday Inn, Pre-existing)

Proposed Next Steps

1. Continued follow-up with brokers, developers and retail representatives
2. Follow-up on new opportunities as they arise
3. Implement email marketing campaign
4. Represent City at Retail Live LA (April, 2015)
5. Represent City at ICSC Las Vegas (May, 2015)
6. Represent City at ICSC San Diego (October, 2015)
7. Plan and execute a FAM Trip in the City of Imperial in the Fall, 2015 (Oct/Nov)

Thank you again for the opportunity to represent the City of Imperial and assist in your retail recruitment. I welcome the opportunity to continue working with your community.

Mb.