

ITEM # 38
DATE 04-22-2008

COUNCIL ACTION FORM

SUBJECT: APPROVAL OF CONTRACT FOR SERVICES WITH THE AMES ECONOMIC DEVELOPMENT COMMISSION

BACKGROUND:

For several years the Ames Economic Development Commission (AEDC) has provided economic development services to the City of Ames under a contract of services agreement. In addition to economic development services, the agreement includes a provision that provides for City of Ames representation on the AEDC Board.

The proposed contract includes a maximum reimbursement for services in an amount not to exceed \$90,000; this is the amount that was approved by Council as part of the FY 08/09 budget. The contract specifies the services to be provided by AEDC and the method for payment. Under the proposed contract, AEDC will continue to serve as the lead contact for economic development in the City of Ames. Similar to other City contracts for services, the total dollar amount of the contract is not guaranteed, but payment is made for services delivered as specified in the contract.

ALTERNATIVES:

1. Approve a \$90,000 contract for economic development services with the AEDC.
2. Approve a contract for economic development services agreement with the AEDC at an amount less than \$90,000.
3. Refer to staff with recommendations for changes to the contract terms.

MANAGER'S RECOMMENDED ACTION:

The AEDC plays a key role in the economic development of the City of Ames. The services provided by the AEDC cannot be provided internally with the current approved staffing levels at the City of Ames. The contract terms are consistent with the FY 08/09 budget.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving a \$90,000 contract for economic development services with the AEDC.

CONTRACT FOR ECONOMIC DEVELOPMENT SERVICES

THIS AGREEMENT, made and entered into the 1st day of July, 2008, by and between the **CITY OF AMES, IOWA**, a municipal corporation organized and existing pursuant to the laws of the State of Iowa (hereinafter called "City") and the Ames Economic Development Commission, an adjunct of the Ames Chamber of Commerce (hereinafter called the AEDC);

WITNESSETH THAT:

WHEREAS, the City of Ames desires to expand employment opportunities and the property tax base in Ames through purchase of certain economic development services from AEDC;

NOW, THEREFORE, the parties hereto have agreed and do agree as follows:

I PURPOSE

The purpose of this Agreement is to procure for the City and its citizens certain economic development related services as hereinafter described and set out; to establish the methods, procedures, terms and conditions governing payment by the City of Ames for such services; and to establish other duties, responsibilities, terms and conditions mutually undertaken and agreed to by the parties hereto in consideration of the services to be performed and monies paid.

II SCOPE OF SERVICES

In consideration for the payment of \$90,000 in accordance with Section III, the AEDC shall provide the following economic development related services to the City of Ames and its citizens during the term of this agreement:

- The AEDC will serve as the lead contact for communication with representatives of businesses who express interest in locating or expanding in Ames. In this capacity, the President of the AEDC will respond to information requests, coordinate the completion and submittal of state and local incentive applications, and show available industrial and commercial sites to prospects.
- The AEDC will visit annually with all major companies located in Ames to identify challenges and opportunities facing Ames' businesses.
- The AEDC will serve as the primary marketing entity for business recruitment and highlight Ames by:

- attending major industry trade shows;
- partnering with the Iowa Department of Economic Development (IDED) on a number of marketing events;
- attending, along with IDED and the Greater Des Moines Partnership, a European marketing event that will focus on companies considering relocation or expansion to the U.S., and visiting the home offices of those companies that currently have facilities in Ames or could potentially locate an operation in Ames.
- The AEDC will deploy an aggressive marketing campaign that will focus on targeted industries such as biotechnology, information technology, and advanced manufacturing businesses that can locate or expand in Ames without significant expansion of public infrastructure.
- The AEDC will invest in maintaining marketing materials that promote Ames as a business location, including website, brochures, and proposal packets to better reflect the image of Ames as a great place to do business.

III METHOD OF PAYMENT

A. All payments to be made by the City of Ames pursuant to this Agreement shall be reimbursement for actual costs incurred by AEDC in providing services required by Section II above.

B. The City will disburse payments no more frequently than monthly based on requests for reimbursement under the contract with AEDC. Requests for disbursement shall be made in such form and in accordance with such procedures as the Director of Finance for the City shall prescribe. Said form shall include, but not be limited to, an itemization of the nature and amount of costs for which reimbursement is requested.

C. The maximum total amount payable by the City of Ames under this agreement is \$90,000 as detailed in the SCOPE OF SERVICES (Section II of this contract), and no greater amount shall be paid.

IV FINANCIAL ACCOUNTING AND ADMINISTRATION

A. All monies disbursed under this Agreement shall be accounted for by the accrual method of accounting.

B. All costs for which reimbursement is claimed shall be supported by documentation evidencing in proper detail the nature and propriety of the charges. All checks or other accounting documents pertaining in whole or in part to this Agreement shall be clearly identified as such and readily accessible for examination and audit by the City or its authorized representative.

C. All records shall be maintained in accordance with procedures and requirements established by the City Finance Director, and the City Finance Director may, prior to any disbursement under this Agreement, conduct a pre-audit of record keeping and financial accounting procedures of the AEDC for the purpose of determining changes and modifications necessary with respect to accounting for funds made available hereunder. All records and documents required by this Agreement shall be maintained for a period of three (3) years following final disbursement by the City.

D. At such time and in such form as the City may require, there shall be furnished to the City such statement, records, reports, data, and information as the City may require with respect to the use made of monies disbursed hereunder.

E. At any time during normal business hours, and as often as the City may deem necessary, there shall be made available to the City for examination all records with respect to all matters covered by this Agreement and AEDC will permit the City to audit, examine, and make excerpts or transcripts from such records.

V REPRESENTATION ON THE BOARD OF DIRECTORS

It is agreed that the City of Ames will be guaranteed three representatives on the AEDC Board of Directors (two City Council members appointed by the Mayor, and the City Manager). Furthermore, the City Manager will be guaranteed membership on the Executive Committee of the Board of Directors.

VI SUMMARY REPORT

The AEDC further agrees to provide the City of Ames a written report no later than August 31 each year summarizing the accomplishments of the activities promised in Section II.

VII DURATION

This Agreement shall be in full force and effect from and after July 1, 2008, until June 30, 2009. This agreement shall renew automatically as long as the provisions set forth herein are met.

VIII DISCRIMINATION PROHIBITED

In accordance with Chapter 14 of the Ames Municipal Code, no person shall, on the grounds of age, race, color, creed, religion, national origin, disability, sexual orientation, or sex be excluded from participation in, be denied the benefits of, or be subjected to

discrimination under any program or activity funded in whole or in part with funds made available under this Agreement.

IN WITNESS WHEREOF the parties hereto have, by their authorized representatives, set their hand and seal as of the date first above written.

CITY OF AMES, IOWA

ATTEST:

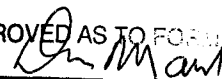
BY _____
Ann H. Campbell, Mayor

Diane Voss, City Clerk

AMES ECONOMIC DEVELOPMENT COMMISSION

BY _____
Authorized Representative

Print Name:

APPROVED AS TO FORM
BY 
DOUGLAS R. MAPS
CITY ATTORNEY