

**COUNCIL ACTION FORM**

**SUBJECT: CONTRACT WITH 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. During the FY 11/12 budget process, this service was expanded to include a shared position for business development and marketing. The attached contract has been modified to reflect the addition of this service as well as the additional expense of \$60,000.

The proposed contract includes a maximum reimbursement for services in an amount not to exceed \$150,000. This is the amount that was approved by Council as part of the FY 11/12 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. This year's contract also includes the addition of business development and marketing services. 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 \$150,000 contract for economic development services with the AEDC.
2. Approve a contract for economic development services with the AEDC at an amount less than \$150,000.
3. Refer this back to staff with instructions for changes to the contract terms.

**MANAGER'S RECOMMENDED ACTION:**

The AEDC plays a key role in the city's economic development. The services provided by the AEDC cannot be provided internally with the City's current approved staffing levels. The contract terms are consistent with the FY 11/12 budget.

The additional \$60,000 of financial support to the AEDC helps the Council achieve its goal of promoting economic development in our community by partially funding a new Business Development position jointly supervised by the City Manager and AEDC President. The new position will focus on the development of "small" or new business

start-ups and assisting these entrepreneurs as they navigate through city and state approval processes.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving a \$150,000 contract for economic development services with the AEDC.

# **CONTRACT FOR ECONOMIC DEVELOPMENT SERVICES**

**THIS AGREEMENT**, made and entered into the 1<sup>st</sup> day of July, 2011, 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 purchase certain services from said organization in lieu of hiring additional permanent staff and expending additional City funds to accomplish these services;

**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**

A. 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 business representatives hoping to locate in Ames or to expand in our community. 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 to identify challenges and opportunities facing Ames' businesses.

- The AEDC will serve as the primary marketing entity for business recruitment to highlight Ames.
- The AEDC will deploy an aggressive marketing campaign that will focus on targeted industries such as ag-biotechnology and advanced manufacturing businesses that do not overtax our infrastructure.
- The AEDC will invest in significantly revising its marketing materials including website, brochures, and proposal packets to better reflect the image of Ames as a great place to do business.

B. In consideration for the payment of \$60,000 in accordance with Section III, the AEDC shall provide the following economic development marketing and liaison services related to the City of Ames and its citizens during the term of this agreement by maintaining a jointly funded Vice-President for Business Development & Marketing position to carry out the following duties and tasks:

1. Focus on the development of “small” or new businesses start-ups in the retail, commercial, and industrial sectors by: a) assisting with the recruitment and/or expansion of these types of businesses in the community; b) assisting entrepreneurs as they navigate through the various City, State, and Federal approval processes; and c) assisting entrepreneurs in obtaining the services available through the Small Business Development Center.
2. Serving as the City Economic Development Liaison, work closely with developers and clients that need assistance in working through the City of Ames approval processes. This will include periodic meetings with the City Manager to keep him apprised of progress related to serving in the Liaison capacity.
3. Provide input on communication pieces that will highlight the efforts of the AEDC and the City of Ames related to the positive developments in the community where the City and/or the AEDC have played an integral role.
4. Implement an aggressive marketing plan focused on targeted industries that dovetail with the competencies of Iowa State University related to food and nutrition technology, plant biotechnology, information technology, and animal science. These efforts should not be limited to the aforementioned, as the AEDC service territory includes site options for advanced manufacturing and distribution facilities.
5. Maintain frequent communication with stakeholders such as the Iowa Department of Economic Development, Alliant Energy, Iowa State University, and partners of the Ames-Des Moines Corridor.
6. Maintain, in conjunction with the President & CEO and Vice-President of Existing Industry, a current list of active projects via the AEDC’s internal project tracking system.

7. Maintain a current list of consultants and site selectors, with assistance from the Director of Member Services & Organizational Programming, for periodic mailings and contacts in various markets so that the AEDC has a fresh list to choose from when visiting various locations around the U.S.
8. Coordinate the activities of the Ames-Des Moines Corridor providing administrative leadership and coordination of its events.
9. Review and analyze, with the President & CEO and Vice-President of Existing Industry, potential recipients of assistance from various economic development incentive offering entities.
10. Assist other AEDC/ACC staff in responding to inquiries and working with economic development prospects, consultants, and supplier contacts, as needed.
11. Provide input into the overall plan of the AEDC and assist in its implementation where appropriate.
12. The position will be jointly supervised by the President and CEO of the Ames Economic Development Commission and the Ames City Manager. As such, perform work as assigned by the City Manager related to the liaison activities and the President and CEO of the AEDC related to marketing activities.
13. The position will be expected to periodically use a secondary office provided in the City Manager's office to better assure assimilation into the City of Ames organization.

### **III METHOD OF PAYMENT**

A. All payments to be made by the City of Ames pursuant to Section II.A of this Agreement shall be reimbursement for actual costs incurred by AEDC in providing services required by Section II.A above. Payments made by the City of Ames pursuant to Section II.B. of this Agreement shall be made in advance of services provide per terms in section III B of this Agreement.

B. The City will disburse payments twice annually on requisitions of the AEDC in January and July of each year. Requisitions for services pursuant to Section II A will be on a reimbursement basis and reflect cost for delivery of services for the prior six months. Requisitions for services pursuant to Section II B will be one-half (\$30,000) of the City's annual contribution for the jointly funded position and paid in advance. If the jointly held position is vacant for more than 30 days, AEDC will provide the City with a pro-rata refund for the payment made in advance.

Requisitions 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, and must be filled out completely.

C. The maximum total amount payable by the City of Ames under this agreement is \$150,000 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. Monies disbursed to AEDC by the City will be deposited by AEDC in an account under the AEDC's name, with a bank located in Story County, Iowa. All checks drawn on the said account shall bear a memorandum line on which the drawer shall note the nature of the costs for which the check is drawn in payment, and the program(s) of service.

C. 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.

D. 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.

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

F. 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, 2012, 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, 2011, until June 30, 2012.

**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 \_\_\_\_\_  
Daniel A. Culhane, President/CEO

Print Name:

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