City of FRESNO REPORT TO THE CITY COUNCIL

AGENDA ITEM NO.	10
COUNCIL MEETING	11/19/09
APPROVED BY	
DEPARTMENT DIRECTOR	
CITY MANAGER	

November 19, 2009

FROM: Craig Scharton, Director
Downtown & Community Revitalization Department

SUBJECT: APPROVE AGREEMENT BETWEEN THE CITY OF FRESNO, THE ECONOMIC DEVELOPMENT CORPORATION SERVING FRESNO COUNTY, AND CALIFORNIA STATE UNIVERSITY FOUNDATION IN THE AMOUNIT OF $366,000 AND AUTHORIZE STAFF TO EXECUTE DOCUMENTS

RECOMMENDATIONS

It is recommended that the City Council approve this agreement.

EXECUTIVE SUMMARY

In June of 2009, Council approved the Downtown & Community Revitalization Department's FY 2010 budget, which included $416,000 in funding for an agreement between the City, The Economic Development Corporation Serving Fresno County (EDC), and California State University Fresno Foundation (CSUF.) The purpose of the agreement is to continue the services that the EDC has been providing for the past several years to the City, as well as CSUF's ongoing management of the industry clusters. The amount of the agreement has been reduced by $50,000 for FY 2010 due to the need to reduce Department expenditures in light of the current economic situation. The scope of services has also been reduced to reflect this adjustment.

BACKGROUND

The City of Fresno has benefited from the services provided by the EDC for several years. The EDC is often the first organization that is contacted by site selectors. The EDC is also the first organization contacted by the State of California, when a large national recruitment is underway. The EDC supports the City's marketing efforts at recruitment events that the City does not have the resources to attend. Over the last five years, the EDC agreement has been modified to ensure accountability for results. The FY 2010 agreement follows the same structure as the FY 2009 agreement.

The involvement of CSUF in this agreement relates to their ongoing management of the industry clusters. Industry clusters continue to be one of the most widely used and accepted economic development strategies. Coordinated networks of similar businesses can work toward the removal of economic barriers. They can work toward increased research and development, and can work to build their workforce. Clusters are used throughout the world in both developed and under developed countries. The approach is favored because limited resources can be used to coordinate the business-led effort.

Clusters are important because they form the core of regional economies, as they define the jobs that will be created as the economy grows and changes. Furthermore, firms in a cluster have more rapid growth than in their industry because they are competitive, and they are inherently networked.

The industry cluster strategy for economic development was piloted in the Fresno Region through the Regional Jobs Initiative. The five-year Regional Jobs Initiative has concluded that the network of industry

clusters remains an effective vehicle to address business climate issues in the Fresno Area. The target industry clusters include: (1) Clean Energy, (2) Health Care, (3) Manufacturing, (4) Water Technology, (5) Food Processing, (6) Logistics & Distribution, (7) Software Development, (8) Information Processing: Call Centers, (9) Tourism, (10) Arts & Culture, (11) Construction, and (12) Public Sector.

Despite the economic downturn, access to a qualified workforce continues to be a bottleneck for expanding the target industries in Fresno. The partnership between the EDC and CSUF will support grant applications for new workforce development programs (e.g. Green Workforce, Allied Health Care, and State Energy Programs, and other funding opportunities) applied through partner organizations including the Fresno County Workforce Investment Board, the County of Fresno Employment & Temporary Assistance Department, and other educational and training institutions in Fresno County. When partners are awarded funding, the partnership between the EDC and CSUF will be a link between training providers and the industry cluster businesses. The EDC and CSUF will also continue to support the Careers in Manufacturing Technology Program, hosted by the International Center for Water Technology. The program includes student internships, a Career Expo, and Supervisor Training for the Manufacturing, Water Technology and Food Processing Clusters. The EDC and CSUF will develop an internship program plan for the other targeted industry clusters.

The targeted industry clusters have identified several specific, priority issues that will help them expand their business in the Fresno Area. In 2009-10, the EDP will work closely with the CITY and its Government Affairs team, the California Partnership for the San Joaquin Valley, and others to advance the following priority goals:

- Full implementation of the Highway 99 Master Plan
- Establishment of a UC Merced Medical School with a significant presence in Fresno
- High Speed Rail alignment that is consistent with the economic development goals of the CITY
- Locating the high-speed rail maintenance yard in Fresno County
- Support partners in the establishment of an "Angel Capital" fund to serve early stage companies in the Fresno Area

These are long-term and difficult goals. The measure of performance will be the degree to which some (perhaps not all) of these goals will have been significantly advanced during the course of the year. Accomplishing the above goals will require maintaining the coalition of businesses, non-profits, and public agencies that comprise the industry clusters. The clusters provide the structure and communication channels necessary to advance on these broad reaching, economic development goals. Performance Metric/Deliverables:

- Recruit additional industry cluster members
- Provide staff support to the industry cluster leaders
- Update the RJI strategic plan
- Update and maintain the website.
- Issue monthly newsletter.

FISCAL IMPACT

Funds have been included in the FY 2010 adopted budget to fund this agreement.

Attachment(s):

Agreement between the City, the EDC, and CSUF.

AGREEMENT BETWEEN THE CITY OF FRESNO, THE ECONOMIC DEVELOPMENT CORPORATION SERVING FRESNO COUNTY, AND CALIFORNIA STATE UNIVERSITY FOUNDATION
ANNUAL BASIC SERVICES AND BUSINESS RETENTION & EXPANSION PROGRAM AND CLUSTER MANAGEMENT FOR FY 2010

THIS AGREEMENT is made and entered into the ____ day of _____ 2009, by and between the CITY OF FRESNO, a California municipal corporation (hereinafter referred to as "CITY"), ECONOMIC DEVELOPMENT CORPORATION SERVING FRESNO COUNTY (hereinafter referred to as "EDC"), and CALIFORNIA STATE UNIVERSITY FOUNDATION, a California corporation (hereinafter referred to as "CSUFF"). For purposes of this Agreement, EDC and CSUFF shall individually and collectively hereinafter be referred to as EDC/CSUFF.

RECITALS

WHEREAS, the CITY recognizes the importance of a balanced and diversified economy as one of its most important priorities for ensuring the future well-being of the citizens of Fresno; and

WHEREAS, the CITY is committed to the attainment of its economic development and customer service goals related to the retention and expansion of existing businesses to ensure the economic vitality of the CITY; and

WHEREAS, the CITY and the EDC/CSUFF recognize that the attainment of job creation, expansion, and retention goals is a team effort, with team accountability, and team attainment of the results-oriented, measurable job creation objectives being shared by all members of the team; and

WHEREAS, the EDC/CSUFF will assist the CITY in attainment of its economic development objectives, where such participation and expertise is essential to goal achievement; and

WHEREAS, the CITY and EDC/CSUFF agree that our collective success is best measured by the community outcomes, as outlined in **Exhibit A**, attached hereto and incorporated by reference herein.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and of the covenants, conditions and premises hereinafter contained, to be kept and performed by the respective parties, it is mutually agreed as follows:

I. SERVICES

All services provided in this Agreement shall be in accordance with applicable law and consistent with **Exhibit A**, specifically:

A. SERVICES – INDIVIDUAL GOALS (Pre-requisite to job creation)

1. **BUSINESS ATTRACTION AND PROMOTION:** EDC/CSUFF agrees to assist CITY in promoting CITY's economic growth by providing the following services to CITY and its prospects, with the purpose of facilitating the creation of jobs via outside recruitment of businesses and industry:

a. Provide general information, and when appropriate, site specific information, to business and industrial representatives not currently located in the incorporated limits of CITY for the purpose of recruiting new businesses and industries to CITY.

b. Maintain a booth and participate in trade shows with CITY, and/or represent Fresno, based upon mutual agreement as to number and participation.

c. Serve as a distribution point for CITY economic development materials.

B. SERVICES – TEAM GOALS

1. **RETENTION AND EXPANSION SERVICES:** EDC/CSUFF agrees to assist CITY in its retention and expansion objectives by providing early intervention services to ***prevent business loss and help existing businesses create jobs***, and by working with CITY to respond to business survey findings that identify potential negative factors needing resolution, including the following:

   a. House this segment of the CITY's Business Retention and Expansion Program, and manage the program according to the program and performance based goals outlined in **Exhibit A**.
   b. Continue to maintain system/data tracking software, survey development, data collection, analysis, and on-going training of team members.
   c. Continue to coordinate A and B Teams from CITY staff and community partners to respond to client needs.
   d. Continue to make contact with businesses based on priorities set by CITY, and provide timely assistance to ensure that priority economic development issues are addressed and a satisfactory resolution has been attempted.
   e. Continue to market the program to the CITY business community.
   f. Assist existing CITY businesses and industries that contact EDC/CSUFF with informational and technical assistance needs for those firms, with the goal of retaining and creating new jobs.
   g. Make the existing business and industrial community aware of CITY's and EDC/CSUFF's availability and interest in assisting existing businesses and industries considering a locational move from the incorporated limits of CITY.
   h. Provide team follow up related to CITY business survey findings.

2. **TEAM CONTRIBUTION TO JOB CREATION, EXPANSION, AND RETENTION:** In a concerted effort to function as a truly integrated economic development team, EDC/CSUFF is encouraged to: (1) bring CITY to the table whenever a prospect has identified a preference for a CITY location; and (2) quickly and professionally pass qualified leads to CITY as soon as their preference for a CITY location becomes apparent, thereby furthering the outward appearance of a collaborative economic development community, and increasing success in the attainment of the team job creation goals.

   EDC/CSUFF will assist CITY in the implementation of a business retention and expansion program that retains and creates jobs. The two components of the support include the provision of CITY-EDC/CSUFF joint counseling sessions to: (1) existing

businesses that have either called EDC/CSUFF to request such assistance; or (2) through EDC/CSUFF's proactive identification of businesses within the community considering a relocation outside CITY, with the goal of assisting the business in their decision to stay and/or expand within the CITY limits.

II. TERM

The term of this Agreement shall commence July 1, 2009 and end June 30, 2010 regardless of the date this Agreement is executed by the parties. It shall be subject to CITY Council action appropriating funds in an amount identified within the CITY'S budget. In the event of a mid-year budget reduction, the parties agree to mutually modify this Agreement in writing.

III. TERMINATION

Any party shall have the right to terminate this Agreement upon 30 days written notice thereof being served on the other parties.

In the event this Agreement is terminated by CITY for its convenience, EDC shall be paid an amount which bears the same ratio to the total compensation as the services actually performed by EDC/CSUFF bear to the total services of EDC/CSUFF covered by this Agreement, as determined by CITY, less payments from compensation previously made.

IV. PAYMENT

For performance of the services described in Section I, above, CITY agrees to pay EDC a total amount not to exceed $366,000. CSUFF agrees all monies to be paid by CITY hereunder, be paid directly to EDC. CITY will pay EDC in four (4) equal quarterly payments, with the first payment being for services performed during July 1st through September 30, 2009, and the last quarterly payment for services performed during April 1st through June 30, 2010. Payments will be made quarterly for services performed in the preceding quarter following receipt of an undisputed invoice. EDC shall submit an invoice, along with the corresponding report on performance measure attainment, to CITY within 30 days of the end of each quarter of this Agreement. These payments shall be made for progress made toward goals as scheduled on the attached scope of services.

The above services shall be performed in a manner satisfactory to the City Manager for the CITY, which satisfaction shall not be unreasonably withheld, and whose discretion allows flexibility in the amount of a progress payment where, in his/her determination, good faith progress is being made.

It is understood that specific performance measures may, by the nature of the economic development process, result in year end goal attainment, as opposed to regular quarterly attainment in a constant and even amount.

No funds paid by CITY shall be used directly or indirectly for lobbying or political activity.

V. JOINT AND SEVERAL LIABILITY

For purpose of providing services pursuant to this Agreement, EDC and CSUFF agree they are jointly and severally liable.

VI. INSURANCE

Throughout the life of the Agreement, EDC and CSUFF shall pay for and maintain in full force and effect all policies of insurance required hereunder with an insurance company(ies) either (i) admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A-VII" in Best's Insurance Rating Guide; or (ii) authorized by the CITY's Risk Manager. The following policies of insurance are required:

(i) COMMERCIAL GENERAL LIABILITY insurance which shall include contractual, products and complete operations coverage, bodily injury and property damage liability insurance with combined single limits of not less than $1,000,000 per occurrence, and $2,000,000 aggregate.

(ii) COMMERCIAL AUTOMOBILE LIABILITY insurance, endorsed for "any auto" with combined single limits of liability of not less than $1,000,000 per occurrence.

(iii) PROFESSIONAL LIABILITY insurance (Errors and Omissions) with a limit of liability of not less than $1,000,000 per occurrence.

(iv) WORKERS' COMPENSATION insurance as required under the California Labor Code.

The above described policies of insurance shall be endorsed to provide an unrestricted 30-day written notice in favor of CITY, of policy cancellation, change or reduction of coverage, except of the Workers' Compensation policy which shall provide a 10-day written notice of such cancellation, change or reduction of coverage. In the event any policies are due to expire during the term of this Agreement, EDC and CSUFF shall provide a new certificate evidencing renewal of such policy not less than 15 days prior to the expiration date of the expiring policy(ies). Upon issuance by the insurer, broker, or agent of a notice of cancellation, change or reduction in coverage, EDC and CSUFF shall file with CITY a new certificate of insurance for such policy.

The General Liability and Automobile Liability insurance policies shall be written on an occurrence form and shall name CITY, its officers, officials, agents, employees, and volunteers as an additional insured. Such policy(ies) of insurance shall be endorsed so EDC and CSUFF's insurance shall be primary and no contribution shall be required of CITY. EDC and CSUFF's Worker's Compensation insurance policy is to contain, or be endorsed to contain, the following provision: "EDC and CSUFF and its insurer shall waive any right of subrogation against CITY, its officers, officials, employees, agents and volunteers." In the event claims made forms are used for any Professional Liability coverage, either (i) the policy(ies) shall be endorsed to provide no less than a 5-year discovery period, or (ii) the coverage shall be maintained for a minimum of 5 years following the termination of this Agreement and the requirements of this section relating to such coverage shall survive termination or expiration of this Agreement. EDC and CSUFF shall furnish CITY with the certificate(s) and applicable endorsements for ALL insurance prior to CITY's execution of the Agreement. EDC and CSUFF shall furnish CITY with copies of the actual policies upon the request of the CITY's Risk Manager at any time during the life of the Agreement or any extension.

If at any time during the life of the Agreement, or any extension, EDC and CSUFF fails to maintain the required insurance in full force and effect, all work under this Agreement shall be discontinued immediately, and all payments due or that become due to EDC shall be withheld

until written notice is received by CITY that the required insurance has been restored to full force and effect and that the premiums therefore have been paid for a period satisfactory to CITY. Any failure to maintain the required insurance shall be sufficient cause for CITY to terminate this Agreement.

If EDC or CSUFF should subcontract all or any portion of the work to be performed under this Agreement, EDC and CSUFF shall require each subcontractor to provide insurance protection in favor of CITY, its officers, officials, employees, agents, and volunteers in accordance with the terms of each of the preceding paragraphs, except that the subcontractors' certificates and endorsements shall be on file with EDC and CSUFF and CITY prior to the commencement of any work by the subcontractor.

VII. INDEMNIFICATION

To the furthest extent allowed by law, EDC and CSUFF shall indemnify, hold harmless and defend CITY and each of its officers, officials, employees, agents and volunteers from any and all loss, liability, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including but not limited to personal injury, death at any time and property damage), and from any and all claims, demands and actions in law or equity (including reasonable attorney's fees and litigation expenses) that arise out of, pertain to, or relate to the negligence, recklessness or willful misconduct of EDC, CSUFF or any of their principals, officers, employees, agents or volunteers in the performance of this Agreement.

If EDC or CSUFF should subcontract all or any portion of the services to be performed under this Agreement, EDC and CSUFF shall require each subcontractor to indemnify, hold harmless and defend CITY and each of its officers, officials, employees, agents and volunteers in accordance with the terms of the preceding paragraph.

This section shall survive termination or expiration of this Agreement.

VIII. REPORTING AND AUDIT

EDC and CSUFF will maintain records, books, and accounts in accord with generally accepted accounting practices. Quarterly reports to the City Manager, through the Director of the Downtown and Community Revitalization Department (DCR), will be submitted by EDC/CSUFF, detailing the progress of this portion of the Business Expansion Attraction and Retention ("BEAR") program activities, and EDC/CSUFF will provide a workshop presentation upon request from the DCR Director.

As a part of the annual financial audit of the books and records of EDC and CSUFF by EDC/CSUFF's independent auditor, the audit shall include tests for compliance with this Agreement. These tests shall be performed in conformance with generally accepted auditing standards. The auditor shall prepare a separate written report on the compliance with the provisions of this Agreement. CITY reserves the right to review and copy, during normal business hours, the books and records of the EDC/CSUFF's expenditures which are related to the programs required by the provisions of this Agreement.

IX. CONFLICT OF INTEREST

Prior to CITY's execution of this Agreement, EDC and CSUFF shall each complete a CITY Conflict of Interest Disclosure Statement. Said Statement is attached hereto as **Exhibit B** and

incorporated herein by reference. During the term of this Agreement, EDC and CSUFF shall have the obligation and duty to immediately notify CITY in writing of any change to the information provided respectively on **Exhibit B**.

EDC/CSUFF shall comply, and require any of its subcontractors to comply, with all laws and regulations including, without limitation, conflict of interest laws, such as Government Code 1090 et.seq., the California Political Reform Act (Government Code Section 87100 et.seq.) and the regulations of the Fair Political Practices Commission concerning disclosure and disqualification (2 California Code of Regulations Section 18700 et.seq.).

At any time, upon written request of the CITY, EDC/CSUFF shall provide a written opinion of its legal counsel and that of any subcontractor that, after a due diligent inquiry, EDC/CSUFF and the respective subcontractor(s) are in full compliance with all laws and regulations. EDC/CSUFF shall take, and require any subcontractors to take reasonable steps to avoid any appearance of a conflict of interest. Upon discovery of any facts giving rise to the appearance of a conflict of interest, EDC/CSUFF shall immediately notify the CITY of these facts in writing.

EDC and CSUFF each represents and warrants that it has not paid or agreed to pay any compensation, contingent or otherwise, direct or indirect, to solicit or procure this Agreement or any rights/benefits hereunder.

Neither EDC, CSUFF, nor any of their subcontractors performing any work on this program, shall bid for, assist anyone in the preparation of a bid for, or perform any work pursuant to, any other contract in connection with this program. EDC, CSUFF and any of their subcontractors shall have no interest, direct or indirect, in any other contract in connection with this program unless such interest is fully disclosed to and approved by CITY, in advance and in writing.

X. COMPLIANCE WITH GOVERNMENTAL REGULATIONS

EDC/CSUFF represents that it shall, at its sole cost and expense, comply with all applicable municipal, county, state, and federal requirements now in force pertaining to any and all activities contemplated under this Agreement including any legal limitations placed upon EDC/CSUFF as a result of the source of funds received by EDC under this Agreement.

XI. SUBCONTRACTS

Neither EDC or CSUFF shall enter into subcontracts in the amount of Ten Thousand Dollars ($10,000) or more, for any work contemplated under this Agreement without first obtaining CITY's written approval.

XII. ASSIGNMENT

Without CITY's prior written consent, this Agreement is not assignable by EDC or CSUFF, either in whole or in part.

XIII. SUCCESSORS AND ASSIGNS

The terms, conditions and provisions herein contained shall apply to and bind the successors, executors, administrators and assigns of all the parties hereto.

XIV. NOTICES

Any notice required or intended to be given to any party under the terms of this Agreement shall be in writing and shall be deemed to be duly given if delivered personally, transmitted by facsimile followed by telephone confirmation of receipt, or sent by United States registered or certified mail, with postage prepaid, return receipt requested, addressed to the party to which notice is to be given at the party's address set forth on the signature page of this Agreement or at such other address as the parties may from time to time designate by written notice. Notices served by United States mail in the manner above described shall be deemed sufficiently served or given at the time of the mailing thereof.

XV. ATTORNEY'S FEES

If any party is required to commence any proceeding or legal action to enforce or interpret any term, covenant, or condition of this Agreement, the prevailing party in such proceeding or action shall be entitled to recover from the other party(ies) its reasonable attorney's fees and legal expenses in addition to any other relief to which such party may be entitled.

XVI. SEVERABILITY

The provisions of this Agreement are severable. The invalidity, or unenforceability of any one provision in this Agreement shall not affect the other provisions.

XVII. PRECEDENCE OF DOCUMENTS

In the event of any conflict between the body of this Agreement and any Exhibit or Attachment hereto, the terms and conditions of the body of this Agreement shall control and take precedence over the terms and conditions expressed within the Exhibit or Attachment. Furthermore, any terms or conditions contained within any Exhibit or Attachment hereto which purport to modify the allocation of risk between the parties, provided for within the body of this Agreement, shall be null and void.

XVIII. INTERPRETATION

The parties acknowledge that this Agreement in its final form is the result of the combined efforts of the parties and that, should any provision of this Agreement be found to be ambiguous in any way, such ambiguity shall not be resolved by construing this Agreement in favor of or against any party, but rather by construing the terms in accordance with their generally accepted meaning.

XVIII. INDEPENDENT CONTRACTOR

In the furnishing of the services provided for herein, EDC/CSUFF is acting solely as an independent contractor. Neither EDC, CSUFF, nor any of their officers, agents or employees shall be deemed an officer, agent, employee, joint venturer, partner or associate of CITY for any purpose. CITY shall have no right to control or supervise or direct the manner or method by which EDC/CSUFF shall perform its work and functions. However, CITY shall retain the right to administer this Agreement so as to verify that EDC/CSUFF is performing its obligations in accordance with the terms and conditions thereof.

This Agreement does not evidence a partnership or joint venture between EDC/CSUFF and CITY. EDC/CSUFF shall have no authority to bind CITY absent CITY's express written consent. Except to the extent otherwise provided in this Agreement, EDC/CSUFF shall bear its own costs and expenses in pursuit thereof.

Because of their status as independent contractors, EDC, CSUFF and each of their officers, agents and employees shall have absolutely no right to employment rights and benefits available to CITY employees. EDC/CSUFF shall be solely liable and responsible for all payroll and tax withholding and for providing to, or on behalf of, EDC or CSUFF employees all employee benefits including, without limitation, health, welfare and retirement benefits. In addition, together with its other obligations under this Agreement, EDC/CSUFF shall be solely responsible, indemnify, defend and save CITY harmless from all matters relating to employment and tax withholding for and payments of EDC's employees and CSUFF's employees, including, without limitation, (i) compliance with Social Security and unemployment insurance withholding, payment of workers compensation benefits, and all other laws and regulations governing matters of employee withholding, taxes and payment; and (ii) any claim of right or interest in CITY employment benefits, entitlements, programs and/or funds offered employees of CITY whether arising by reason of any common law, de facto, leased, or co-employee rights or other theory. It is acknowledged that during the term of this Agreement, EDC/CSUFF may be providing services to others unrelated to CITY or to this Agreement.

XIX. NO THIRD PARTY BENEFICIARIES

The rights, interests, duties and obligations defined within this Agreement are intended for the specific parties hereto as identified in the preamble of this Agreement. Notwithstanding anything stated to the contrary in this Agreement, it is not intended that any rights or interests in this Agreement benefit or flow to the interest of any third parties.

XX. EXTENT OF AGREEMENT

Each party acknowledges that they have read and fully understand the contents of this Agreement. This Agreement represents the entire and integrated agreement between the parties with respect to the subject matter hereof and supersedes all prior negotiations, representations or agreements, either written or oral.

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IN WITNESS WHEREOF, the parties have executed this Agreement at Fresno, California, the day and year first above written.

CITY OF FRESNO
a California municipal corporation

By_____
Its: City Manager Date

ATTEST:
Rebecca E. Klisch, City Clerk

By_____
Its: Deputy City Clerk Date

ECONOMIC DEVELOPMENT
CORPORATION SERVING FRESNO COUNTY

By_____
Its: President Date

APPROVED AS TO FORM:
James C. Sanchez, City Attorney

By_____
Nancy A. Algier Date
Senior Deputy City Attorney

CALIFORNIA STATE UNIVERSITY,
FRESNO FOUNDATION,
a California corporation

By: _____
Its: Associate Vice President Date

By: _____
Its: Director of Financial Services Date

Addresses:

EDC:
Economic Development Corporation
Serving Fresno
Attn: Stephen Geil, President & CEO
PO BOX 1552
Fresno, CA 93716
Phone: (559) 476-2501
FAX: (559) 233-2156

CITY:
City of Fresno
Attn: Andy Souza, City Manager
2600 Fresno Street
Fresno, CA 93721
Phone: (559) 621-7782
FAX: (559) 621-7776

CSUFF:
California State University, Fresno Foundation
Attn: Mike Dozier, Director
Office of Community and Economic Development
Suite 200 M/S WC142
5010 N Woodrow Ave., Fresno, CA 93704
Phone: (559) 294-6027
FAX: (559) 294-6024

Attachments:

Exhibit A – Scope of Services and Performance Metrics
Exhibit B – Disclosure of Conflict of Interest Statement

EXHIBIT A
SCOPE OF SERVICES AND PERFORMANCE METRICS

The City of Fresno (CITY) will pay the Economic Development Corporation Serving Fresno County (EDC) the amount of $366,000 ($91,500 quarterly) for services provided by the EDC and by California State University, Fresno Foundation (CSUFF). Services are described below.

All services to be performed under this Agreement will be coordinated with the City of Fresno Downtown and Community Revitalization Department (DCR), which will have oversight responsibility for the performance of this work. The EDC/CSUFF will meet regularly with the DCR and provide monthly reports in order to assure seamless integration with the DCR goals and strategies. It will also provide a formal semi-annual progress report to the CITY.

A. CITY, STATE, AND REGIONAL REPRESENTATION for Business Attraction

- Serve as a State-authorized, single point of contact for regional representation, while also serving as a gateway for prospects considering a location within our region. This representation/point of contact enables the EDC/CSUFF to efficiently and effectively provide leads, qualify those leads according to CITY criteria for target companies, and arrange site visits, as required by the performance measures outlined below.
- Technical expertise to complement, and supplement CITY's economic development resources, including site location packaging, loan services, and industrial site development.
- Performance Metrics/Deliverables:
  - Monthly updates on business attraction activity to CITY's Local Business Initiatives Manager.
  - Ongoing maintenance of market and demographic data.
  - Number of leads received and generated: 328.
  - Number of leads qualified according to CITY's criteria for target companies: 28.
  - Number of site visits: 10.
  - Businesses located in the City of Fresno: 2.
  - Number of new jobs attracted to the City of Fresno: 25.

B. EXPANSION AND RETENTION OF LOCAL BUSINESSES

- Use the Business Expansion Attraction and Retention ("BEAR") Action network to provide business outreach, including but not limited to: onsite visitations, problem solving, and resource referral to support local businesses in the City of Fresno.
- In coordination with the CITY, promote the various incentive programs, such as the Enterprise, Empowerment, and Municipal Restoration Zones.
- Continue to improve the effectiveness of the BEAR Action Network.
- Maintain system/data tracking software, survey development, data collection, and analysis.
- On-going training of resource partners.
- Performance Metrics/Deliverables:
  - Monthly updates on companies served by BEAR Action Network given to CITY's Local Business Initiatives Manager.
  - Number of businesses contacted: 344.
  - Number of businesses receiving an initial assessment for services: 82.
  - Number of businesses receiving services: 56.
  - Report number of jobs resulting from expansions semi-annually.
  - Report number of at-risk jobs retained semi-annually.

C. SUPPORT GROWTH OF TARGET INDUSTRIES

Industry clusters continue to be one of the most widely used and accepted economic development strategies. Coordinated networks of similar businesses can work toward the removal of economic barriers. They can work toward increased research and development, and can work to build their workforce. Clusters are used throughout the world in both developed and under developed countries. The approach is favored because limited resources can be used to coordinate the business-led effort.

Clusters are important because they form the core of regional economies, and they define the jobs that will be created as the economy grows and changes. Furthermore, firms in a cluster have more rapid growth than in their industry because they are competitive, and they are inherently networked.[1]

The industry cluster strategy for economic development was piloted in the Fresno Region through the Regional Jobs Initiative. While the five-year Regional Jobs Initiative has concluded, the network of industry clusters remains an effective vehicle to address business climate issues in the Fresno Area. The target industry clusters include (1) Clean Energy, (2) Health Care, (3) Manufacturing, (4) Water Technology, (5) Food Processing, (6) Logistics & Distribution, (7) Software Development, (8) Information Processing: Call Centers, (9) Tourism, (10) Arts & Culture, (11) Construction, and (12) Public Sector. [2]

The EDC/CSUFF will support the continued growth and expansion of these industries in the Fresno Area by addressing the priority issues they identify, including previously identified issues below:

- **Workforce Development**

  Despite the economic downturn, access to a qualified workforce continues to be a bottleneck for expanding the target industries in Fresno. The EDC/CSUFF will support grant applications for new workforce development programs (e.g. Green Workforce, Allied Health Care, and State Energy Programs, and other funding opportunities) applied through partner organizations including the Fresno County Workforce Investment Board, the County of Fresno Employment & Temporary Assistance Department, and other educational and training institutions in Fresno County. When partners are awarded funding, the EDC/CSUFF will be a link between training providers and the industry cluster businesses. The EDC/CSUFF will also continue to support the Careers in Manufacturing Technology Program, hosted by the International Center for Water Technology. The program includes student internships, a Career Expo, and Supervisor Training for the Manufacturing, Water Technology and Food Processing Clusters. The EDC/CSUFF will develop an internship program plan for the other targeted industry clusters.

  Performance Metrics/Deliverables:

  - Number of promoted programs.
  - Number of businesses contacted about programs.
  - Develop an internship program plan for other industry clusters.

[1] "Planning Local Economic Development," Blakeley and Bradshaw

[2] Targeted industries were selected based on (1) their growth potential; (2) ability to create a range of employment opportunities, including entry level and high paying jobs; and (3) their alignment with available resources in the region.

- **Development of Technical Centers**
  Innovation and technology commercialization fuel business growth and expansion. Prosperous regions have extensive research and development (R&D) partnerships between area universities and the private sector. Fresno has lacked in such technical partnerships, although we have begun to make progress. The objective in the next year is to explore the establishment of additional technical centers similar to the International Center for Water Technology for other targeted industries. In 2009-10, the focus will be to secure facility funding for the Institute for Food and Nutrition Innovation (IFNI), and revisit outdated technical center business plans to determine next steps
  Performance Metrics/Deliverables:
    - Determine next steps for outdated center business plans.
    - Continue to develop partnerships between universities, primarily California State University, Fresno, and industry cluster businesses in Fresno County.
    - Secure funding for IFNI facility.

- **Sales and Marketing Support**
  "Reverse trade missions" (i.e. bringing major buyers to Fresno) have proven to be effective in increasing sales for the targeted industry clusters, such as the reverse trade mission conducted with Costco buyers with local food production companies. In 2009-10, the EDC/CSUFF will provide reverse trade mission event support to the County of Fresno and/or the CITY (if applicable).
  Performance Metrics/Deliverables:
    - Provide marketing support.
    - Promote events to industry cluster businesses.
    - Provide staff support the day before and the day of the event.
    - Circulate event evaluation survey to industry cluster businesses.

- **Infrastructure** – the EDC/CSUFF will continue to work with, support and/or advise the CITY on infrastructure issues related to business growth as requested by the CITY, particularly industrial park and water infrastructure.

- **Advocacy**
  The targeted industry clusters have identified several specific, priority issues that would help them grow their business in the Fresno Area. In 2009-10, the EDC/CSUFF will work closely with the CITY and its Government Affairs team, the California Partnership for the San Joaquin Valley, and others to advance the following priority goals:
    - Full implementation of the Highway 99 Master Plan.
    - Establishment of a UC Merced Medical School with a significant presence in Fresno.
    - High Speed Rail alignment that is consistent with the economic development goals of the CITY.
    - Locating the high-speed rail maintenance yard in Fresno County.
    - Support partners in the establishment of an "Angel Capital" fund to serve early stage companies in the Fresno Area.

  Performance Metrics/Deliverables:
    - These are long-term and difficult goals. The measure of performance will be the degree to which some (perhaps not all) of these goals will have been significantly advanced during the course of the year.

- **General Support for the Targeted Industry Clusters**
  Accomplishing the above goals will require maintaining the coalition of businesses, non-profits, and public agencies that comprise the industry clusters. The clusters provide the structure and communication channels necessary to advance on these broad reaching, economic development goals.
  Performance Metric/Deliverables:

  - Recruit additional industry cluster members.
  - Provide staff support to the industry cluster leaders.
  - Update the RJI strategic plan.
  - Update and maintain the website.
  - Issue monthly newsletter.

D. GENERAL SERVICES

- Marketing of the EDC/CSUFF program to the City of Fresno business community.
- Plan and hold annual event to communicate progress to the public.
- Performance Metric/Deliverable:
  - Monthly updates on industry cluster activity to CITY's Local Business Initiatives Manager.

Present progress report to CITY on a semi-annual basis (January 2010 and June 30, 2010).

Exhibit B

DISCLOSURE OF CONFLICT OF INTEREST

EDC Annual Basic Services and Business Retention & Expansion Services and Cluster Management for FY 2010
PROJECT TITLE

		YES*	NO
1	Are you currently in litigation with the City of Fresno or any of its agents?	☐	☐
2	Do you represent any firm, organization or person who is in litigation with the City of Fresno?	☐	☐
3	Do you currently represent or perform work for any clients who do business with the City of Fresno?	☐	☐
4	Are you or any of your principals, managers or professionals, owners or investors in a business which does business with the City of Fresno, or in a business which is in litigation with the City of Fresno?	☐	☐
5	Are you or any of your principals, managers or professionals, related by blood or marriage to any City of Fresno employee who has any significant role in the subject matter of this service?	☐	☐
6	Do you or any of your subcontractors have, or expect to have, any interest, direct or indirect, in any other contract in connection with this Project?	☐	☐
* If the answer to any question is yes, please explain in full below.			

Explanation: _____

_____

_____

_____

_____

☐ Additional page(s) attached.

_____
Signature

_____
(name)

_____
(company)

_____
(address)

_____
(city state zip)