

**CITY OF TEMECULA
AGENDA REPORT**

TO: City Manager/City Council

FROM: Betsy Lowrey, Assistant to the City Manager

DATE: July 11, 2023

SUBJECT: Approve a Five-Year Sponsorship and Economic Development Funding Agreement Between the City of Temecula and the Temecula Valley Chamber of Commerce for Fiscal Year 2023-24 Through Fiscal Year 2027-28 (At the Request of Subcommittee Members Mayor Pro Tem Stewart and Council Member Kalfus)

PREPARED BY: Christine Damko, Economic Development Manager
Cassandra Tabares, Administrative Assistant

RECOMMENDATION: That the City Council approve a Five-Year Sponsorship and Economic Development Funding Agreement between the City of Temecula and the Temecula Valley Chamber of Commerce for Fiscal Year 2023-24 through Fiscal Year 2027-28.

BACKGROUND: With nearly 1,000 local business/community members, the Temecula Valley Chamber of Commerce (TVCC) is a pivotal component to Temecula's business community and effecting positive impacts throughout Temecula Valley. The TVCC works on behalf of the City of Temecula with a focus on building a strong local economy through being the "boots on the ground" business advocate for Temecula's robust and diverse business community. With over 55 years of experience serving the Temecula Valley, the TVCC accomplishes this through providing its members and the community at large unprecedented benefits, top notch educational events such as the Economic Forecast, Legislative Summit, State of the City Address, hundreds of classes/programs and networking opportunities, and resources to help one succeed in their business. These benefits are available to all businesses – whether it be a large manufacturing company, a local non-profit, or small one-person marketing firm. The TVCC serves as an advocate for all businesses dedicated to regional prosperity. The TVCC has become a focal point for business/community support and can direct its resources, as well as align partners, to address key issues. The TVCC Board of Directors is comprised of 21 respected business owners and members; each representing a key business segment.

The TVCC also assists the City of Temecula in responding to numerous requests for information on a vast range of topics including relocation assistance, tourism, and business information via phone, walk-in, social media, email, and U.S. mail. The TVCC continues to assist companies seeking to relocate to Temecula and provides them with exceptional customer service, including guidance and information that could make or break a business' decision to relocate. In addition, the TVCC's CEO works in conjunction with City Staff and the Economic Development Coalition (EDC) to participate in site visits throughout the year in order to maintain continued, positive relationships with our existing businesses.

The TVCC's CEO is also credited for facilitating and overseeing the Southwest California Manufacturing Council (SCMC), which allows our manufacturing community to actively foster the economic development of a thriving manufacturing sector in Temecula Valley. The Manufacturing Council has a strong membership with a forum to share best practices, do business with one another, and serve as a catalyst for a high school summer internship program that helps educate our local high school students on good-paying manufacturing careers that are available locally.

The TVCC currently coordinates over 170 events, programs, and opportunities each year for members to network and connect with other local businesses. The TVCC partners with the Small Business Development Center (SBDC) to offer business counseling services and, on a monthly basis, provides educational workshops offering information on key business issues, such as employer taxes, opportunities for doing business with the Government, and Small Business Assistance (SBA) Loans. The TVCC also provides meeting space to local non-profit organizations, at no charge, and is a strong partner in the Temecula Valley Entrepreneurs Exchange (TVE2). As part of this agreement, the TVCC provides a trial one-year membership, to a maximum of ten start-up companies, who will locate within the City's TVE2 Business Incubator.

It is important to note that current City Economic Development Staff would not be able to absorb the amount of work and services that the TVCC Board of Directors, Staff and volunteer members do to support our business community. With the job count in the City reaching over 55,000 jobs, the highest ever in City history, the need for increased business support and services has also significantly increased.

On March 14, 2023, the Economic Development Committee consisting of Mayor Pro Tem James Stewart and Council Member Brenden Kalfus convened a publicly noticed meeting to discuss the Economic Development Funding Requests for FY 2023-24. At this meeting, the Committee commented on how the TVCC works extremely close with the City Staff on economic development and business growth. Through this successful partnership, a healthy business community has been formed with various resources available for support and growth.

The previous TVCC, 5-year Funding Agreement was \$950,000 at \$175,000 annually for the first two fiscal years and \$200,000 for the remaining three fiscal years. The TVCC has now requested to increase Economic Development funding by a total of 5% to account for inflationary costs of operations after the COVID 19 pandemic and the growth that the Temecula Valley business community has seen in the past few years. This again is evidenced by our low unemployment rate and highest job count ever in City history. The Committee recommended approval of \$200,000 annually for five fiscal years beginning Fiscal Year 2023-24 through Fiscal year 2027-28. Exhibit "A" to the attached agreement outlines services to be provided during Fiscal Years 2023-28.

FISCAL IMPACT: A total of \$200,000 is identified in the City Manager's/Economic Development line item in the FY 2023-24 Budget. The Finance Department has also programed the \$200,000 for each year of the TVCC Agreement in the 5-year budget forecast.

ATTACHMENTS: Sponsorship and Economic Development Funding Agreement