

## **AGREEMENT FOR ECONOMIC DEVELOPMENT SERVICES**

**THIS AGREEMENT** entered into this \_\_\_ day of \_\_\_\_\_, 2023, by and between **CITY OF MARSHALLTOWN, IOWA** (hereinafter “City”), and **MARSHALLTOWN AREA CHAMBER OF COMMERCE** (hereinafter “Chamber”).

**WHEREAS**, the City wishes to contract for Economic Development Consulting Services, and;

**WHEREAS**, the Chamber wishes to provide Economic Development Consulting Services to the City, and;

**WHEREAS**, the parties desire to memorialize the terms, covenants, and conditions for the Economic Development Consulting Services in this Agreement.

**NOW THEREFORE**, in consideration of the mutual promises contained in this Agreement and other good and valuable consideration,

1. **Term and Renewal.** This Agreement shall be for a term of five (5) years, effective July 1, 2024, and ending June 30, 2029. This agreement shall automatically renew for successive one-year terms unless either party terminates the Agreement or in the event a new agreement is executed. Any renewal term is contingent on and subject to budget appropriation adopted annually by the City Council.
  
2. **Services to be Provided.** During the term of this Agreement, the Chamber shall:
  - Respond to Request for Proposals received from the State of Iowa, Iowa Area Development Group, or other sources.
  - Conduct business recruitment activities designed to provide new jobs and an improved tax base for the community.
  - Produce materials that market and promote the City including a website and information packets for prospective businesses.
  - Build mutually beneficial relationships with national, state, and regional entities engaged in economic development.
  - Assess issues of concern to local businesses and assist with promoting a healthy business climate within the community.
  - Facilitate programs for business retention and expansion for existing businesses in the City.
  - Support Retail, Restaurant, & Entertainment business recruitment and development.
  - Work to increase housing development through development of new tools and expending existing resources.

- Provide tools & resources to assist businesses in addressing workforce shortage and barriers to workforce recruitment and retention.
- Such other services, as the parties agree may be feasible, necessary, and appropriate to help expand the City’s job base and improve the City’s tax base.

3. **Payments and Annual Appropriation**

- **Payments.** In recognition of the Chamber’s obligations set out above, the City agrees to make quarterly economic development tax increment payments (the “Payments” and, individually, each a “Payment”) to the Chamber, in each fiscal year as set forth below, pursuant to Chapters 15A and 403 of the Code of Iowa, provided however that the aggregate, total amount of the Payments shall not exceed \$500,000.
- The Payments will be made on September 1, December 1, March 1 and June 1 in each of the fiscal years 2025 through 2029, provided however that (a) the aggregate total of Payments made hereunder shall not exceed \$500,000; and (b) all Payments shall be made subject to annual appropriation by the City Council as hereinafter set forth.
- The Payments shall not constitute general obligations of the City, but shall be made solely and only Incremental Property Tax Revenues (as hereinafter defined) received by the City from the Marshall County Treasurer which have been generated within the Urban Renewal Area and accumulated in the Urban Renewal Tax Revenue Fund.
- For purposes of this Agreement, Incremental Property Tax Revenues are calculated by: (1) determining the consolidated property tax levy (city, county, school, etc.) then in effect with respect to taxation of the property situated in the Urban Renewal Area; (2) subtracting (a) the debt service levies of all taxing jurisdictions, (b) the school district instructional support and physical plant and equipment levies and (c) any other levies which may be exempted from such calculation by action of the Iowa General Assembly; (3) multiplying the resulting modified consolidated levy rate times any incremental growth in the taxable valuation of the property situated in the Urban Renewal Area, as shown on the property tax rolls of Marshall County above and beyond the base valuation of such property; and (4) deducting any property tax credits which shall be available with respect to the property situated in the Urban Renewal Area.
- **Annual Appropriation.** The Payments shall be subject to annual appropriation by the City Council. Prior to December 1 of each year during the Term of this Agreement, commencing in calendar year 2023, the City Council of the City shall consider the question of obligating for appropriation to the funding of the Payments scheduled to be made in the following fiscal year, an amount (the “Appropriated Amount”) of Incremental Property Tax Revenues to be collected in the following fiscal year equal to an amount to be supplied to the City Council annually by City staff. In no event shall the Appropriated Amount exceed \$100,000.

- In any given fiscal year, if the City Council determines to not obligate the then-considered Appropriated Amount, then the City will be under no obligation to fund the Payments scheduled to become due in the following fiscal year, and the Chamber will have no rights whatsoever to compel the City to make such Payments, to seek damages relative thereto or to compel the funding of such Payments in future fiscal years. A determination by the City Council to not obligate funds for any particular fiscal year's Payments shall not render this Agreement null and void, and the City Council shall make the next succeeding consideration of an Appropriated Amount, provided however that no Payment shall be made after June 1, 2029.
4. **Notices.** Any notice required to be given under this Agreement shall be served by certified mail, postage prepaid, delivery, fax (receipt confirmed), or overnight courier.
  5. **Entire Agreement.** This Agreement sets forth the entire agreement and understanding between the parties on the subject matter of this Agreement. Neither party shall be bound by any conditions, definitions, representations, or warranties with respect to the subject matter of this Agreement other than those as expressly provided herein.
  6. **Amendments and Waivers.** Changes, modifications, or amendments in scope, price, or fees to this Agreement shall not be allowed without a prior formal contract amendment approved by the Mayor and the City Council in advance of the change in scope, price, or fees. No modification of this Agreement shall be binding unless made in writing and executed by both parties. No waiver by either party or any breach or obligation of the other party under this Agreement shall constitute a waiver of any other prior or subsequent breach or obligation.
  7. **Performance Measures.** The Chamber shall provide the deliverables outlines in the Scope of Work. Performance measures are included for each item and will be used to evaluate the work performed throughout the entire term of the Agreement.
  8. **Scope of Work.** The Scope of Work listed below is intended to clarify roles around economic development and outline the expectations of both the City and the Chamber in regards to economic development in Marshalltown.
    - A. **Business Retention and Expansion. (\$20,000)** The City wants to ensure existing businesses thrive and remain or expand in Marshalltown. The Chamber shall solicit regular feedback from existing businesses to determine how they can best be served and how programs can be developed to leverage their assets and the assets of other similar

businesses and the assets of the City of Marshalltown. The Chamber shall develop concepts which promote existing business.

Performance measure:

- o Provide access to technical assistance to existing businesses to assist them to retain jobs and/or expand. Bring or organize appropriate seminars and training to Marshalltown, or offered with the region that would benefit Marshalltown-based companies. Develop or recommend training & education opportunities to start-up businesses.
- o Provide resources to entrepreneurs as requested.
- o Conduct an annual Business Retention & Expansion survey for large provide sector businesses engaged in interstate commerce.
- o Produce an Annual Business Retention & Expansion report highlighting significant findings within the survey.

- B. **Business Attraction. (\$25,000)** The Chamber shall take steps necessary to ensure that Marshalltown is involved in pursuing prospective businesses at local, state, and national levels. In addition, the Chamber shall actively promote the City at the state, and national, levels, particularly to companies identified in an economic development plan. The Chamber acknowledges the City desires to attract jobs with higher skills, higher wages, and higher benefits, and the Chamber will pursue companies in the targeted sectors that meet those goals.

Performance measure:

- o Measure and track new businesses in Marshalltown.
- o Advise on number of business contacts made and status of pending projects.
- o Maintain active website with updated content related to economic development.
- o Create and maintain community profile with state and regional economic development agencies.
- o Develop key sectors for targeted recruitment and develop marketing materials specific to each industry.

- C. **Strengthened Relationship with State and Regional Economic Development Organizations. (\$15,000)** These organizations are assets to the City's economic development efforts. They can provide free marketing for the City and expand our contact base and opportunities. Fostering relationships with these organizations will provide a competitive advantage at the state and regional level and ensure that the City receives feedback from prospective companies about what Marshalltown can do to provide an attractive business package. The Chamber shall serve as the primary point of contact for the City for economic development related purposes.

Performance measure:

- o Regular meetings with State and Regional Economic Development Organizations and other relevant organizations.
- o Positive relationship with State and Regional Economic Development Organizations and appropriate communicated vision for Marshalltown.

- D. **Market Statistics and Demographics. (\$5,000)** The City is interested in receiving up to date market statistics and demographics for existing businesses and laborshed and market data for businesses interested in locating in Marshalltown.

Performance measure:

- o Utilize and provide updated market, trend, and demographic analysis through current studies of Marshall County and Marshalltown (as available) to inform economic development strategy.

- E. **Retail, Restaurant, & Entertainment Business Development. (\$5,000)** The Chamber shall continually evaluate gaps and potential growth opportunities for retail, restaurant, and entertainment business opportunities in Marshalltown and shall proactively market our community, sites, and available spaces for those opportunities.

Performance measure:

- o The Chamber shall keep an updated leakage report to show the largest economic opportunities.
- o As the City of Marshalltown works to dispose of commercial properties, The Chamber shall advise on business categories that would be of highest and best use for the space.
- o The Chamber shall continue to maintain membership with International Council of Shopping Centers and will, from time to time, attend their conferences to market to potential businesses.
- o While The Chamber continues to have their Retail & Restaurant Grant, The Chamber shall work to recruit businesses that complement our business mix and strive to generate new sales tax locally.

- F. **Housing Development. (\$10,000)** The Chamber shall support housing growth and development across the community.

Performance measure:

- o Issuance of building permits for new housing developments for both multi-family and single-family.
- o Utilization of the \$10,000 Make Marshalltown Home Grant Program.

- o With particular emphasis on the need for market-rate housing, an annual report of the balance of new housing in the community between LMI and market-rate.

G. **Workforce Development. (\$20,000)** The Chamber shall organize, launch, and maintain tools and resources to assist our business community with workforce challenges they face. Particular emphasis should be given to the communities' largest employers and positions that would be considered "high-quality" jobs. This work will involve collaboration between the business community, community college, and community school districts within the area.

Performance measure:

- o Provide annual update on key tools and resources to show a multi-faceted approach to addressing the issue.
- o The Chamber shall launch a dedicated job board to assist businesses in connecting with qualified candidates within our market. The data collected from this job board should help to inform the strategies for addressing workforce challenges.
- o The Chamber shall assist the State of Iowa in timely responses for the Laborshed Study and make that publicly available for the business community and potential prospects.
- o Conduct quarterly meetings with HR managers, hiring professionals, individuals doing hiring for companies throughout Marshalltown to share best practices and hear of emerging challenges within hiring.

H. **Reports and Presentations to the Mayor and City Council.** The Chamber shall provide a written report for the Mayor and City Council on a quarterly basis. Reports and presentations should outline the tasks accomplished and include statistics for each performance measure outlined herein.

Performance measure:

- o Written report quarterly to Mayor and City Council
- o Semi-annual presentation to Council.
- o Timely updates to Mayor and City Council on potential and ongoing projects as necessary.

The City recognizes that the overall economy will affect some of the performance measures and success will be outside the control of the Chamber. The City also recognizes that some of the needed statistics are not currently collected in a systematic way. However, the City expects the Chamber to show evidence of experience in conducting trend analysis and due diligence in amassing the detailed information necessary to support the Economic Development efforts.

9. **Independent Contractor Indemnification.** The parties to this Agreement agree that the Chamber if an independent contractor and shall not, under any circumstances, be deemed an employee of the City. The Chamber and the City agree to indemnify, defend, and hold harmless each other, its officials, employees, and agents, from and against any and all loss, liability, or damage as a result of claims, demands, costs, or judgments arising by virtue of this Contract, or of whatever nature, made by or on behalf of any person or persons for any wrongful act r omission arising from its operation under this Contract.
  
10. **Indemnification.** The Chamber and the City shall abide by all federal, state, and local laws, rules, regulations, and ordinances, which may now or hereafter be in effect, applicable to providing services under the Agreement, and agrees to indemnify, defend, and hold harmless, the City, its officials, employees, and agents, from and against any violation of said laws, rules, regulations, and ordinances. The City agrees to also indemnify, defend, and hold harmless the Chamber, its officials, employees, and agents, from and against any violation of said laws, rules, regulations, and ordinances.
  
11. **Workers' Compensation Insurance.** The Chamber shall provide any workers' compensation insurance for its employees as required by State law. The Chamber shall also maintain motor vehicle insurance pursuant to minimum State requirements for operation of any motor vehicles under its direction and control.
  
12. **Equal Employment Opportunity.** This Agreement is subject to all federal, state, and local laws, rules and regulations pertaining to equal employment opportunities. The Chamber shall not discriminate or permit discrimination in violation of federal or state laws or local ordinances because of race, color, sex, age, disability, political or religious affiliations or national origin.
  
13. **Conflicts of Interest.** The Chamber agrees that no employee of the Chamber, or its designees or agents, shall have an interest, direct or indirect, in this Agreement other than in the direct course of his/her employment with the Chamber.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first written above.

**Marshalltown Area Chamber of  
Commerce**

**City of Marshalltown**

BY: \_\_\_\_\_  
Erin McGregor, Board Chair

BY: \_\_\_\_\_  
Joel Greer, Mayor

BY: \_\_\_\_\_  
John Hall, President & CEO

ATTEST: \_\_\_\_\_  
Alicia Hunter, City Clerk