



City of La Quinta

TO: The Honorable Mayor and Members of the City Council

FROM: Chris Escobedo, Assistant to City Manager
Ted Shove, Business Analyst

DATE: May 19, 2015

SUBJECT: EAST VALLEY COALITION UPDATE

In February 2014, the City received a letter from the City of Indio and County of Riverside ("County") with an invitation to a meeting that would explore an eastern Coachella Valley economic development partnership. The meeting was as a result of State legislation dissolving the enterprise zone program, which included the Coachella Valley Enterprise Zone Authority that consisted of the Cities of Indio and Coachella, and the County. Representatives met throughout the year to discuss regional collaboration of economic development. These discussions also included the Coachella Valley Economic Partnership (CVEP).

The Riverside County Economic Development Agency presented a proposal to form an East Valley Economic Group. Representatives of the Cities of Indio, Coachella, La Quinta, CVEP and the County were present. The purpose of the proposal was to establish a formal partnership for regional economic development in the eastern Coachella Valley. The proposal included a resource allocation for County resources and identified a County staff member (Economic Development Regional Manager) to act as a business ambassador to manage the overall program and serve as clearinghouse for business assistance, lead generation, and be accessible to other leveraged resources available to the County. The proposed plan outline indicated that each participating organization would contribute \$10,000 per year. Each entity will contribute and participate on a committee to oversee the completion of identified activities and outcomes comprised of elected and staff members from each entity. The plan will also require in-kind staff

resources, as necessary. In addition, the City of Indio would also act as the Fiscal Agent. CVEP has indicated that they will not participate in the EVC due to financial reasons.

The proposed EVC would bind the communities together by a Memorandum of Understanding (MOU) with a two-year initial term and a financial commitment of \$10,000 per year (see Attachment 1). The MOU requires a total cash contribution of \$20,000 and in-kind staff resources to administer the program for Fiscal Years 2015/2016 and 2016/2017 from each participating agency.

While contemplating the regional association, an emphasis was placed on outlining definable activities and measurable outcomes with each proposed budget line item. The City of La Quinta authored a matrix containing measurable outcomes to ensure La Quinta received a direct, quantifiable return on its investment (should it participate) as well as support the regional body (Attachment 2). The matrix encompasses business expansion, attraction and retention of retail and industrial development at the regional level. Additionally, the matrix provides for development of a stand-alone website with interactive GIS programming, basic community event and tourism metrics, a regional infrastructure strategic planning component and a program evaluation. Upon opting-in to the two-year agreement, an annual report will be developed with a presentation of findings to each governing body. The annual report will provide a program evaluation, describing the identified measurable outcomes and end results, in terms of aligning desired and actual outcomes. The report will also provide recommendations for measurable outcomes and budget appropriation for year two.

On April 30, 2015, staff and elected officials met to discuss the proposed agreement and measurable outcomes for EVC. Representatives from all entities except the City of Coachella were present and verbally affirmed willingness to advance this item to their respective governing boards. To date, the City of Coachella has not indicated their intentions to participate in the proposed EVC.

Staff anticipates bringing the MOU, measurable outcomes matrix, and tentative schedule of jurisdiction approvals back to the Council during the first meeting in June for consideration.

- Attachments:
1. East Valley MOU
 2. Annual Goals and Budget Resources Matrix

**MEMORANDUM OF UNDERSTANDING
FOR THE
EAST VALLEY COALITION**

This Memorandum of Understanding (“MOU”) is made and entered into this ____ day of _____, 2015 by and between the COUNTY OF RIVERSIDE, and the cities of COACHELLA, INDIO AND LA QUINTA, hereinafter individually and collectively referred to as the “PARTY” or “PARTIES”.

RECITALS

WHEREAS, the PARTIES have determined that there exists a need to stimulate economic development growth in areas within the boundaries of the PARTIES;

WHEREAS, the PARTIES have determined that there exists a desire to jointly manage, coordinate, market and administer economic development programs and projects in the eastern Coachella Valley; and

WHEREAS, the PARTIES desire to enter into an MOU as hereinafter set forth for matters concerning the conduct of economic development activities;

WHEREAS, the PARTIES have the common power to undertake economic development activities and pursuant to Government Code Section 6500 et. seq., have the power to enter into this agreement;

NOW THEREFORE, for and in consideration of the mutual covenants, conditions and advantages herein stated, the PARTIES hereto do agree as follows:

SECTION I

CREATION, PURPOSE AND GOALS

- 1.1 In undertaking the economic development activities set forth in this MOU, the PARTIES agree to jointly conduct such activities under the moniker of the “East Valley Coalition”, hereinafter referred to as the “EVC”.
- 1.2 The purpose of this MOU is to formalize the understanding between the PARTIES and set forth the terms by which the PARTIES will manage, coordinate, market, and administer economic development activities, programs and projects in the eastern portion of the Coachella Valley within the boundaries of PARTIES. The PARTIES agree that the purpose for conducting the activities as a coordinated group (i.e. EVC) shall include, but are not limited to the following:
 - a. Implement a regional marketing program for areas that comprise the EVC;
 - b. Act as a resource and business center to aid start-up and business expansion efforts, provide financial assistance information, job creation efforts, and other economic development incentives;
 - c. Assist coordination and targeting of available federal, state and local funds and development programs;

- d. Assist development of computerized economic information systems, establishing and/or utilizing data bases necessary for economic growth;
 - e. Perform such other functions as may be deemed necessary and appropriate to meet the objectives of the EVC.
- 1.3 The Goals of the EVC were developed by PARTIES and are outlined and specified in Exhibit A, GOALS AND MEASURED OUTCOMES, attached hereto and incorporated by this reference. The PARTIES agree to put their best effort in accomplishing such goals.

SECTION II

ROLES AND RESPONSIBILITIES

In conducting the economic development activities set forth in this MOU, the PARTIES individually agree to perform the following tasks or undertaking:

2.1 The County of Riverside will:

- a. Create and maintain a basic web site for the EVC with links to the jurisdictions;
- b. Provide a lead staff member to coordinate all activities of the EVC;
- c. Provide financial support as determined in Section 5.2; and
- d. Assist in the development of economic development strategies for the EVC;

2.2 The City of Coachella will :

- a. Provide staff member to assist in coordinating activities of the EVC;
- b. Provide financial support as determined in Section 5.2; and
- c. Assist in the development of economic development strategies for the EVC;

2.3 The City of Indio will:

- a. Serve as fiscal agent for the EVC, producing financial reports and statements;
- b. Provide staff member to assist in coordinating activities of the EVC;
- c. Provide financial support as determined in Section 5.2; and
- d. Assist in the development of economic development strategies for the EVC;

2.4 The City of La Quinta will:

- a. Provide a staff member to assist in coordinating activities of EVC;
- b. Provide financial support as determined in Section 5.2; and
- c. Assist in the development of economic development strategies for the EVC;

SECTION III

EFFECTIVE DATE AND TERM

3.1 This MOU shall become effective as of the date on which the last governing body approves this MOU ("Effective Date").

- 3.2 The Term of the MOU will commence on the Effective Date and continue for two years at which point the MOU will automatically terminate unless otherwise extended by an amendment to this Agreement executed by all of the Parties.

SECTION IV

ASSOCIATE PARTNERS

- 4.1 The EVC, through the PARTIES, may engage other public agencies as partners for the undertaking of the economic development activities described herein. Public agencies desiring to become an Associate Partner shall submit minute order from their governing body for consideration to each of the PARTIES for their individual approval. Unanimous approval by all PARTIES will be required to grant Associate Partner status, evidenced by a minute order from each of the PARTIES. Once approved by all the PARTIES and upon payment of the partner contribution (in an amount determined collectively by the PARTIES), the Associated Partner status shall be approved. A partner shall be entitled to participate in the programs of the EVC but is not a party to the MOU.

SECTION V

FINANCING AND BUDGETING

- 5.1 It is the intent and understanding of the PARTIES to this MOU that the activities conducted in the name of the EVC will be financed by mandatory contributions from the PARTIES.
- 5.2 Each PARTY shall contribute a mandatory contribution of Ten Thousand Dollars (\$10,000.00) per fiscal year (“Mandatory Contribution”). The Mandatory Contribution shall be used only for administrative and other matters of general benefit to all PARTIES that further the purposes of the MOU and for the activities described in this MOU.
- 5.3 Payments shall be made yearly on July 1st. Payments shall be made payable to and remitted to the PARTY that is the fiscal agent.
- 5.4 A general administrative budget shall be approved by the City Managers in the case of the cities of Coachella, Indio and La Quinta, and the Assistant County Executive Officer/EDA, in the case of the County of Riverside. The budget shall be prepared in sufficient detail to constitute an operating outline for the use of the Mandatory Contributions and shall cover expenditures to be made during the ensuing year for the purposes set forth in Section 5.2.

SECTION VI

ACCOUNTING

- 6.1 The City of Indio is designated as the fiscal agent.

SECTION VII

GENERAL PROVISIONS

- 7.1 Indemnification. Each of the PARTIES agree to defend, indemnify and hold harmless each and every other PARTY and its officers, officials, employees or agents from and against any damages including, but not limited to, attorneys' fees, expert and consultant fees, and other costs and fees of litigation, arising out of the alleged negligence, intentional or willful misconduct, or other legal fault of the PARTY, its agents, officers, officials, employees or representatives in the performance of this MOU.

It is the intent of the PARTIES that where negligence or responsibility for injury or damages is determined to have been shared, principles of comparative negligence will be followed and each PARTY shall bear the proportionate cost of any loss, damage, expense and liability attributable to that PARTY'S negligence. In the event a claim or suit is filed and liability is based on the active conduct of two or more of the PARTIES, then such parties shall cooperate and contribute to the defense and indemnity of the claim or suit on an equal basis until such time as comparative negligence is established and damages apportioned. At that time, the responsible PARTIES shall reimburse the other PARTIES for their costs in accordance with their proportionate share of liability.

The PARTIES each hereby certify that they have adequate self-insured retentions or a Joint Powers Authority or other self-insurance program sufficient to meet any obligation arising under this Section 7.1

- 7.2 Notices. Any notices, bills, invoices, or reports relating to this MOU, and any request, demand, statement or other communication required or permitted hereunder shall be in writing to the addresses set forth below and shall be deemed to have been received on (a) the day of delivery, if delivered by hand during regular business hours or by confirmed facsimile during regular business hours; or (b) on the third business day following deposit in the United States mail, postage prepaid:

City of Coachella
1515 Sixth Street
Coachella, CA 92236

City of Indio
100 Civic Center Mall
Indio, CA 92201

City of La Quinta
78495 Calle Tampico
La Quinta, CA 92253

County of Riverside
Economic Development Agency
3403 10th Street
Suite 400

Riverside, CA 92501

- 7.3 Entire Agreement. This MOU, and any other documents incorporated herein by specific reference, represents the entire and integrated agreement between the parties. This MOU supersedes all prior oral or written negotiations, representations or agreements. This MOU may not be amended, nor any provision or breach hereof waived, except in a writing signed by the parties which expressly refers to this MOU.
- 7.4 Assignment. The parties shall not assign, transfer, or subcontract any interest in this MOU. Any attempt to so assign, transfer, or subcontract any rights, duties, or obligations arising hereunder shall be null, void and of no effect.
- 7.5 Amendments. This MOU may be amended, in writing, from time-to-time by unanimous vote of the PARTIES acting through their governing bodies.
- 7.6 Exhibits; Precedence. All documents referenced as exhibits in this MOU are hereby incorporated in this MOU. In the event of any material discrepancy between the express provisions of this MOU and the provisions of any document incorporated herein by reference, this provisions of the MOU shall prevail.
- 7.7 Independent Contractor. Each party to this MOU shall have no power to incur any debt, obligation, or liability on behalf of another party to this MOU or otherwise act as an agent of another party.
- 7.8 Construction. The validity, interpretation, and performance of this MOU shall be controlled by and construed under the laws of the State of California. In the event of any asserted ambiguity in, or dispute regarding the interpretation of any matter herein, the interpretation of this MOU shall not be resolved by any rules of interpretation providing for interpretation against the party that causes the uncertainty to exist or against the party who drafted the MOU or who drafted that portion of the MOU.
- 7.9 MOU Administration. The City Managers in the case of the cities of Coachella, Indio and La Quinta, and the Assistant County Executive Officer/EDA, in the case of the County of Riverside, or their designees, shall administer the terms and conditions of this MOU for their respective city or county.
- 7.10 Cooperation; Further Act. The Parties shall cooperate fully with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this MOU.

IN WITNESS WHEREOF, the PARTIES hereto have caused this MOU to be executed by their duly authorized representatives.

Date: _____

COUNTY OF RIVERSIDE, a political
subdivision of the State of California

Marion Ashley, Chairman
BOARD OF SUPERVISORS

ATTEST:
Kecia Harper-Ihem
Clerk of the Board of Supervisors

_____,
Deputy

APPROVED AS TO FORM:
Gregory P. Priamos
County Counsel

By: _____

DRAFT

Date: _____

CITY OF COACHELLA,

Steven Hernandez, Mayor

ATTEST:
Beatrice Barajas
City Clerk

By: _____

APPROVED AS TO FORM:
Carlos Campos
City Counsel

By: _____

DRAFT

Date: _____

CITY OF INDIO, a municipal
corporation

Mayor Lupe Ramos Watson

ATTEST:

By: _____
Cynthia Hernandez, CMC
City Clerk

APPROVED AS TO FORM:

By: _____
Roxanne Diaz
City Attorney

DRAFT

Date: _____

CITY OF LA QUINTA,
a California municipal corporation

Linda Evans, Mayor
City of La Quinta, CA

ATTEST:

SUSAN MAYSELS, City Clerk
City of La Quinta, California

APPROVED AS TO FORM:

WILLIAM H. IHRKE, City Attorney
City of La Quinta, California

DRAFT

EXHIBIT A

DRAFT

East Valley Coalition Annual Goals and Budget Resources					
Function	Target	Measurable Outcomes	Associated Activities	Estimated Budget	
OBJECTIVE 1: Sustaining the regional economic base through business expansion, attraction and retention					
Marketing	Retail Development	Stimulate 3 new retail locations, consisting of at least 50,000/sf; 40 permanent jobs; and a capital investment of at least \$750,000	Identify low cost, high value business attraction venues	\$ 10,000	
			Identify 5 (per entity) retail development sites/vacant buildings		
			Develop collateral materials for specific retail sites		
			Representation at ICSC and other regional events, set and attend at least 35 appointments		
			Conduct at least 12 site tours with site selector/corporate rep		
	Industrial Development	Successfully attract one new industrial user, consisting of at least 50,000/sf with 20 permanent jobs and a capital investment of at least \$3,000,000	Identify 5 sites for industrial development in the region, 5 sites with industrial vacancy		\$ 10,000
				Retain at least 2 industrial end users, with at least 20 jobs	
Stimulate expansion of one industrial user, increasing permanent jobs by 3 with a				Conduct at least 40 industrial business outreach visits	

		increasing permanent jobs by 5, with a capital infusion of at least \$100,000	Attend local real estate conferences, functions - focus on industrial business development	
Marketing (cont.)	Tourism / Attraction	Partner with event promoters (i.e. CVB, other stakeholders) for development of 1 regional event or 3 community events in the first year to attract visitors and consumer spending to the Coalition communities	Identify legitimate event promoters	\$ 5,000
			Define theme for event(s) through stakeholder collaboration	
			Secure additional funding (if needed) for event(s)	
	Tourism / Attraction	Identify and focus marketing efforts through targeting marketing of international tourism	Create Action Plan to include marketing plan with relevant metrics	\$ 10,000
Identify most common regions that tourists originate; define marketing plan with relevant metrics				
Originate virtual marketing to international tourists with highly defined analytics, flexibility and low cost				
Regional Branding	Develop a regional brand within 120 days of full funding commitment	Identify low cost consultant to assist Partnership is identifying brand symbol/logo and associated color coded theme	\$ 5,000	
OBJECTIVE 2: Enhance business contact through customer service and technology				
One - Stop Resource Center / Region Clearinghouse for Leads	Virtual Communication	Development of unique website for EVC partnership; with Search Engine Optimization (SEO) features, GIS Data for EVC region (ESRI platform)	Fully functional and relevant regional website with a 'live date' within 120 days of full funding commitment by all partners	In-Kind
			Website will be optimized by current internet standards utilizing the latest website analytics as a baseline for comparison - to be completed before fully operational site goes 'live'	

			GIS Data platform to be embedded into website, fully tested and operational before fully operational website goes 'live'	
One - Stop Resource Center / Region Clearinghouse for Leads (cont.)	Virtual Communication	Development of unique website for EVC partnership; with Search Engine Optimization (SEO) features, GIS Data for EVC region (ESRI platform) - cont.	Establish relevant website analytic tools and measures, establish baseline metrics	In-Kind
	Social Media Platform	Establish Social Media platforms for additional marketing resource (i.e. Twitter, facebook, etc.); link/garner relevant at least 100 followers in the CV Business community and regional real estate brokers; push at least 4 noteworthy development media alerts in first year	Identify optimal Social Media Platform - Create accounts	In-Kind
			Secure 100 followers/friends	
			Push media alerts through SM platforms	
	Customer Service	Identify and establish physical location	Set appointments for Coalition staff at trade shows, events	In-Kind
	Customer Service	Identify and establish physical location	Coordinate site tours with staff resulting from Partnership marketing	In-Kind
			Act as central point of contact/liasion to perspective businesses resulting from Partnership marketing	
			Record and provide periodic reports (quarterly) to Partnership communities	
			Act as central point of contact for any grant opportunity applications and reporting	
			Act as coordinator for ALL regional meetings	

OBJECTIVE 3: Collaboratively position the East Valley for long term growth				
Strategic Planning	Fiscal Sustainability	Identify, author and secure funding opportunities and other relevant business incentive programs	Identify potential grant/funding opportunities to sustain entity through innovative initiatives	In-Kind
Strategic Planning	Fiscal Sustainability	Identify, author and secure funding opportunities and other relevant business incentive programs	Collectively author grant applications	In-kind
			Secure funding and complete all required reporting requirements	
Strategic Planning (cont.)	Regional Infrastructure	Stimulate regional collaboration for infrastructure alignment	Identify critical infrastructure needs, potential funding sources for region	In-Kind
			Host a series of focus groups with staff and elected officials from each Partnership to weigh in on infrastructure needs and potential funding	
			Total Estimated Annual Budget:	\$ 40,000
OBJECTIVE 4: Program Evaluation		Optimize resources for desired outcomes in Year 2	Evaluate Year 1 Measurable Outcomes	In-Kind
			Identify potential issues that resulted in not achieving all measurable outcomes (if any)	
			Reallocate funding/resources for optimized alignment	
			Develop and disseminate annual report of achievements and recommendations	