





# Staff Report

## City of Manhattan Beach

**TO:** Honorable Mayor Cohen and Members of the City Council

**THROUGH:** Geoff Dolan, City Manager 

**FROM:** Bruce Moe, Finance Director 

**DATE:** September 15, 2009

**SUBJECT:** Consideration of Request by the Manhattan Beach Chamber of Commerce to Fund Specific Programs for Fiscal Year 2009-2010

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### **RECOMMENDATION:**

Staff recommends that the City Council discuss and provide direction.

### **FISCAL IMPLICATION:**

No City funds are allocated in the FY 2009-2010 budget for support of the Chamber of Commerce. In the event the City Council determines that some level of support is desirable, limited funds totaling \$100,000 are available for allocation in the City Council Contingency account. The Chamber of Commerce's attached request totals \$133,000.

### **BACKGROUND:**

Historically, the City Council has allocated funds in support of the Manhattan Beach Chamber of Commerce's activities to promote and enhance community business activities (funds totaling \$196,000 were provided in FY 2008-2009). Due to the fiscal challenges faced in FY 2009-2010, the Council eliminated the regular Chamber of Commerce funding, and instructed the Chamber to identify the most important specific activities in need of City funding, and return to the Council for further consideration.

### **DISCUSSION:**

The Chamber of Commerce has submitted the attached request for funding for City Council consideration. Staff recommends that the Council discuss and provide direction. Representatives of the Chamber of Commerce will be present at this evening's meeting to make a brief presentation and to answer questions.

Attachments: A. Chamber of Commerce Request for Funding

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September 15, 2009  
Manhattan Beach  
City Council Meeting



# Manhattan Beach

## CHAMBER OF COMMERCE

*Where Business and Lifestyle Work Together*

### **REQUEST FOR PARTNERSHIP FUNDING**

Request for partnership funding from the City for the Manhattan Beach Chamber of Commerce in its activities to promote business, tourism, and the community in Manhattan Beach for fiscal year end June 30, 2010.

A strong Chamber makes a strong business community. City business licenses have steadily increased and over the past several years the MB Chamber of Commerce membership has increased 40% by providing solid benefits to help its members' bottom lines and... as part of its mission has worked to promote Manhattan Beach as a first-rate city to visit, shop and do business.

### **BACKGROUND:**

Since 1989 the Manhattan Beach Chamber of Commerce and the City of Manhattan Beach entered into an agreement in which the City provided funding to the Manhattan Beach Chamber of Commerce. This money is a portion of the revenue the city receives from business licenses. This past year ended June 30, 2009, the City paid almost \$196,000 to the Chamber for performance of the various services for and on behalf of the City. Such services included but were not limited to –

- Actively promoting the establishment and retention of business and industry in the City;
- Making available promotional items such as maps and booklets;
- Answering all correspondence and personal inquiries relating to business, industrial, residential, educational, cultural and recreational advantages and opportunities in the City;
- Initiate and promote public events and community activities as may seem desirable to improve the total community and
- Promote trade and business meetings and activities of business in order to create a better business climate within the City.

We are grateful for the City's partnership with the Chamber and we believe the City and Chamber both profited from this long-standing agreement.

Recently the City Council voted to withdraw the total amount of funding the Chamber would have received for fiscal year end June 30, 2010 estimated to have been \$210,000.

**FOR THIS FISCAL YEAR THE CHAMBER HAS IMPLEMENTED THE FOLLOWING COST REDUCTIONS:**

- Charitable Contributions - \$47,000  
We have reduced our annual contributions to Mira Costa High School scholarships, the Wellness Community and other local charitable organizations by 90%.
- Mailing Costs – \$27,000  
We have replaced our monthly mailer to members with a user friendly web based distribution; eliminated direct mail invitations and notifications by replacing them with notices on Facebook and other social/business networking sites.
- Holiday lights - \$10,000  
We have eliminated our solicitation for donations for the installation of the city's holiday lights and we will cancel our contract for installation and storage of these lights.
- Ocean Express - \$10,000  
We will withdraw our sponsorship of the Ocean Express.
- Staff Compensation - \$24,000  
Staff compensation has been frozen for this fiscal year and commissions have been reduced by 25%.

**TOTAL REDUCTIONS \$118,000**

**REQUEST FOR FUNDS**

We are requesting your support as a partner with Manhattan Beach Chamber of Commerce in its efforts to advance the development and retention of businesses in Manhattan Beach, for the following categories:

**DEVELOPMENT OF CITY BUSINESSES - \$40,000**

- The publication and distribution of maps, informational booklets and the Chamber's Annual Business Directory which direct people to Manhattan Beach businesses.
- Publicize city events, trade and business events and community activities as well as trade and business events on our Web site, newsletter and email.
- Use new networking technology to connect members and non-members so that they can grow their businesses.
- Implementation of an annual EXPO, an annual MB Women in Business Conference, and a golf tournament all of which showcase our members and our city to the entire South Bay
- Provide administration for SCORE/SBA counseling which in the last few years helped start 34 new businesses in the city.
- Partner with the State of California to implement the Employment Training Panel which educates business owners in basic business skills for no cost to them.

- Provide new businesses with ribbon cutting photo opps for publication in The Beach Reporter.
- Continuation of Roadrunner, the shuttle between Manhattan Beach hotels and LAX for residents and visitors.
- Continue support for MBYP (Manhattan Beach Young Professionals) activities which have netted their members' 8% business growth.
- Devote staff talent and time to work with council and the Chamber's Business Development Committee in communicating and organizing the business community in the Sepulveda Business Improvement District, as well as Downtown, North Manhattan, Manhattan Village, and the Rosecrans corridor business districts.
- Hold business networking events, both Chamber and Manhattan Beach Young Professionals facilitated.
- Host periodic speakers series to address issues of small and growing businesses. These events are open to all in the community and are a benefit to all business sectors – retail, service and industry.
- Promotion and sale of Cash Keys and discounts for local businesses.
- Publication of the Chamber's newsletter, Sand Dollar, in *The Beach Reporter* which promotes businesses, announces city and community events and brings business information to 55,000 readers weekly.

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#### **VISITORS BUREAU - \$61,000**

The Chamber recognizes that visitors to small business and the City of Manhattan Beach are vitally important. In this economic climate, it is critical that we draw new buyers into our city, to make up for the fewer dollars our residents may be spending. We propose to change the name and expand the mission of the Chamber to the "Manhattan Beach Chamber of Commerce and Visitors Bureau." A Visitors Bureau will improve outreach by:

- The implementation of a "Visitors' e-newsletter"; expanded Web site content; media campaigns; and communication with all of our local area hotels on a regular basis.
- The production of a "Visitors Guide" to be available online.

We believe a new focus on the Chamber Visitors Bureau can have a positive impact on all City stakeholders.

#### **LEGISLATIVE – \$20,000**

- Provide forum for city government by hosting annual Mayors' State of the City breakfast; hosting Candidates forums; providing a forum for the Mayor and the City Manager in the Sand Dollar.
- Publicize city events and initiatives on the Chamber Web site and email blasts. Notify our members about current impactful city events such as water reduction, plastic bag initiatives etc.
- Advocate for local business interests by meeting with governmental officials in Sacramento and Washington D.C. These efforts have been instrumental in keeping the AFB here, retaining the 310 Area Code, and reducing workman comp.

Future issues affecting local businesses and community are water legislation, infrastructure, traffic and transportation.

- Host elected officials' presentations: Senator Diane Feinstein, Representative Jane Harman, Secretary of State Debra Bowen, and Assembly Member Ted Lieu and County Supervisor Don Knabe. These are the only opportunities for local business owners and operators to directly communicate with their representatives on local issues critical to their concerns.
- Represent Manhattan Beach by continued involvement in the Cal Chamber and the South Bay Association of Chambers of Commerce, the Western Association of Chamber Executives, and the Southern California Association of Chamber Executives.

**COMMUNITY - \$12,000**

- Partner with the school district by connecting academics, business and community to promote real world learning. The annual Career Expo at MCHS at which city departments are represented and developing business partnerships are part of this effort.
- Represent Chamber members and promote the City at: the Hometown Fair, the Surf Festival, and the Medal of Valor Awards ceremonies.
- Sponsor Leadership Manhattan Beach which prepares informed and involved citizens of the City.
- Continue the 40 year tradition of the Santa Float, beloved by Manhattan Beach children and adults alike.

**TOTAL \$133,000**