

CERTIFICATION OF CLERK

I, Brenda K. Wolf, the duly appointed, qualified, and City Clerk of Manhattan, Kansas, do hereby certify that the foregoing Agreement was duly adopted at a meeting of the City of Manhattan, Kansas, held on the 15th day of December, 2020, and that said Agreement is the original thereof, electronic only, record on file in my office.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the City of Manhattan, Kansas, this 4th day of January 2021.



Brenda K. Wolf

Brenda K. Wolf, CMC, City Clerk

ECONOMIC DEVELOPMENT AGREEMENT

This Agreement is hereby entered into this 15th day of December, 2020, by and between the City of Manhattan, Kansas, a municipal corporation (hereinafter “City”), and the Manhattan Area Chamber of Commerce, a Kansas Non-Profit Corporation (hereinafter “Chamber”).

WHEREAS, the City and the Chamber have historically cooperated to encourage industry and manufacturing businesses by using the volunteer efforts of Chamber members and through prior agreements of this nature; and,

WHEREAS, specifically, the City and the Chamber have previously entered into an Economic Development Agreement, dated December 17, 2019 (the “Base Agreement”), and similar agreements in prior years, whereby the Chamber agreed to provide services to the City related to attracting industries and manufacturing businesses to the City and its surrounding areas; and,

WHEREAS, the City has recently completed a study (the “Greater Manhattan Project”) which identifies actions that should be taken to expand, and enhance, economic development opportunities within the City and its surrounding areas; and,

WHEREAS, the City and the Chamber desire that the Chamber undertake the actions identified within the Greater Manhattan Project, and the parties, therefore, desire to enter into this Agreement in order to expand the Base Agreement to add the additional provisions necessary for the Chamber to undertake those actions; and,

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises contained herein, the parties agree as follows:

1. **Termination of Base Agreement.**
The Base Agreement is hereby terminated.

2. **Term of this Agreement.**
 - a. The term of this agreement shall be for one year, beginning on January 1, 2021, and terminating on December 31, 2021. Provided, however, the City shall have the right to terminate this Agreement at any time, with or without cause, upon 90 days notice to the Chamber. Upon termination on December 31, 2021, the Chamber shall return any remaining funds to the City, unless the Chamber and the City have entered into a similar agreement for 2022. If the parties do so, any remaining funds shall be cash carryover for the Fund in 2022.
 - b. The City may withhold, or reduce, the payment of any and all monthly installment(s) due hereunder for any reason, including if the City, in its sole discretion, determines that such funds are needed to fulfill other City functions, including increasing the City reserves. In such event, the City or the Chamber may terminate this Agreement upon thirty (30) days written notice to the other party. The City shall compensate the Chamber for any Services completed before the date that notice of termination or nonpayment was received, and the Chamber shall return to the City any compensation

remaining after the Chamber has been paid for completed Services.

3. **Base Services.**

- a. City agrees to retain the Chamber and the Chamber agrees to perform and complete the services related to attracting industries and manufacturing businesses to the City and its surrounding areas, as generally described in the Scope of Work, attached as Exhibit A and incorporated by reference. The Scope of Work shall include services relating specifically to the promotion of the Manhattan Business Park (former Corporate Technology Park). It is intended that the Base Services are those that have historically been provided by the Chamber, as previously set forth in the Base Agreement, and prior similar agreements.
- b. The City reserves the right to direct revision of the Base Services at the City's discretion.
- c. The term "Base Services" when used in this Agreement shall mean all services set forth in the Scope of Work, including Manhattan Business Park services, and revisions thereof.

4. **Base Services Compensation.**

- a. As consideration for performing and completing the Base Services, the City shall pay the Chamber an annual amount of One Hundred Thirty Three Thousand and Eighty Dollars (\$133,080). As consideration for providing the Base Services relating to the Manhattan Business Park, the City shall pay the Chamber an annual amount of Ten Thousand Dollars (\$10,000). The compensation for Base Services may be modified by the parties by the execution of an amendment to this Agreement for that purpose. The City shall pay the consideration set forth in paragraph 3(a) in twelve monthly installments as follows: \$11,090 on or before the 10th of each month commencing in January 2021 through December 2021. Provided, however, the payment of such installments shall be subject to the City's right of termination, as set forth in Paragraph 2. Provided further, the obligation of the City to pay the installments set forth in this paragraph shall constitute a current expense of the City, is from year to year, and does not constitute a mandatory payment obligation of the City in any ensuing fiscal year beyond the then current fiscal year of the City, and shall not in any way be construed to be a debt of the City in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by the City, nor shall anything contained herein constitute a pledge of the general credit, tax revenues, funds or moneys of the City. The City, subject to the provisions of this section, intends to pay the installments. The City reasonably believes that legally available funds, in an amount sufficient to make all of such payments, will be obtained by the City. The City further intends to do all things lawfully within the power of the City to obtain and maintain funds from which all of such payments may be made. Any failure to make any such payment shall be deemed to be an "Event of Nonappropriation." After the occurrence of an Event of Nonappropriation, the City must, or it must instruct the financial advisor to the City to, immediately notify in writing every nationally recognized municipal securities repository and every nationally recognized rating agency which then maintains a rating on any of the bonds of the City of the Event of Nonappropriation.

5. **Expanded Services.**

- a. City agrees to retain the Chamber and the Chamber agrees to perform and complete the Expanded Services related to expanding economic development opportunities for the City and its surrounding areas, as generally described in the Scope of Work, attached as Exhibit A and incorporated by reference.
- b. The City reserves the right to direct revision of the Expanded Services at the City's discretion.
- c. The term "Expanded Services" when used in this Agreement shall mean those actions identified on Exhibit A along with identified accountability factors and targets.

6. **Expanded Services Compensation.**

- a. As consideration for performing and completing the Expanded Services, the City shall pay the Chamber an annual amount of Two Hundred Thousand Dollars (\$200,000).
- b. The City shall pay the consideration set forth in paragraph in twelve monthly installments as follows: \$16,666.66 on or before the 10th of each month commencing in January 2021 through November 2021. The final payment shall be in an amount of \$16,666.74 paid on or before the 10th of December, 2021. Provided, however, the payment of such installments shall be subject to the City's right of termination, as set forth in Paragraph 2. Provided further, the obligation of the City to pay the installments set forth in this paragraph shall constitute a current expense of the City, is from year to year, and does not constitute a mandatory payment obligation of the City in any ensuing fiscal year beyond the then current fiscal year of the City, and shall not in any way be construed to be a debt of the City in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by the City, nor shall anything contained herein constitute a pledge of the general credit, tax revenues, funds or moneys of the City. The City, subject to the provisions of this section, intends to pay the installments. The City reasonably believes that legally available funds, in an amount sufficient to make all of such payments, will be obtained by the City. The City further intends to do all things lawfully within the power of the City to obtain and maintain funds from which all of such payments may be made. Any failure to make any such payment shall be deemed to be an "Event of Nonappropriation." After the occurrence of an Event of Nonappropriation, the City must, or it must instruct the financial advisor to the City to, immediately notify in writing every nationally recognized municipal securities repository and every nationally recognized rating agency which then maintains a rating on any of the bonds of the City of the Event of Nonappropriation.

7. **Economic Development Fund.** The Chamber shall create a fund known as the Economic Development Fund ("Fund") and the Chamber shall place all compensation provided under this Agreement in the Fund. The Chamber shall budget and account the Fund as follows:

- a. The Base Services Compensation and the Expanded Services Compensation shall be accounted for separately and all requirements set forth hereinafter shall apply to both.
- b. Cash carryover and all reserves shall be budgeted.
- c. The budget of the Fund shall be balanced, meaning that total anticipated revenues must equal total expenditures.
- d. In order to build a minimum cash balance in the Fund, a cash reserve expense line-item

- shall be budgeted. This line item shall remain an un-appropriated expense line item.
- e. All fixed assets and debt service payments shall be identified on the monthly reports required in Section 4 as an expense line-item.
 - f. The Chamber may commingle the compensation provided in its general checking account, provided that the Fund is treated as a separate line item. At no time may the cash balance of the Fund be in a deficit position, regardless of the amount of cash in the checking account.
 - g. In July of each year of this Agreement, the Chamber shall evaluate the Fund to identify potential revenue shortfalls or expenditure over-runs and adjust the Fund, as necessary. If needed, the Chamber shall submit a revised budget to the City in the year-end report required in Section 4.
 - h. All goods and services, including professional services, with a total value exceeding \$20,000 that are purchased by the Chamber to meet its obligations under this Agreement, shall be procured through a competitive process such as a request for qualifications, request for proposals, or accepting quotes from a minimum of three qualified vendors.
8. **Reporting to the City.**
- a. **Monthly Reports.** The Chamber of Commerce President shall review and monitor the status of the Fund's revenues and expenditures monthly. The President shall address and correct any problems immediately. The President shall produce and provide to the City a monthly financial balance sheet which includes actual year-to-date expenditures and revenues and a description of any problems corrected by the President.
 - b. **Meeting Minutes.** The Chamber shall invite the City Manager or his staff designee to attend all Economic Development Committee meetings.
9. **Presentation to the Governing Body.** The Chamber shall update the Governing Body about the status of the Fund, including current Chamber financing, projects and programs, along with accomplishments and other identified accountability factors, in an annual report presented at a formal meeting on a date set by the City and the Chamber. The report shall include the past two-year actual, original current year, current year-to-date, revised current year revenues and expenditures, and the Chamber's proposed next year fiscal budget including proposed revenues and expenditures.
10. **Records.** All books and records kept by the Chamber in the ordinary course of business and based upon which the entity prepares the monthly, mid-year, and final reports required under this Agreement shall be maintained and preserved by the entity until one (1) year after the termination of this Agreement. The City shall upon request be given reasonable opportunity to review and inspect, at the business location of the Chamber, or such other mutually acceptable place, such books and records so long as the same exist for the purpose of verifying that funds distributed to the Chamber under this Agreement were expended by the Chamber in accordance with the terms of this Agreement. Such verification shall be documented in the City's annual audit report. The foregoing notwithstanding, the City shall only be permitted to review books, records and transactions pertaining to the Chamber's expenditure(s) of funds distributed to the Chamber under this Agreement and shall not be permitted to review or inspect any books or records which

contain proprietary or protected information; information which as a matter of law or contract, the entity is obligated to maintain in confidence and not disclose to any person; information protected by a recognized legal principle permitting the non-disclosure thereof in any legal proceeding; or, information which is relevant to any pending or contemplated legal or administrative proceeding.

11. **Relationship of the Parties.** The parties agree that the Chamber is an independent contractor in the performance of the Services. The Chamber's employees, agents, or sub-consultants shall not be considered employees of or subject to the direction and control of the City. The Chamber shall be solely responsible for providing workers compensation insurance coverage, liability insurance, and for all other items incidental to employment.
12. **Indemnification.** The Chamber hereby holds the City harmless, and agrees to indemnify the City, for all damages, claims and costs, including attorney's fees, to which the City may become liable, arising out of the Chamber's performance, or lack thereof, of its obligations hereunder.
13. **Discrimination Prohibited.** The Chamber shall not aid or permit discrimination in employment or in the delivery of programs and services because of age, race, religion, color, sex, disability, national origin, or ancestry. The Chamber shall not permit its vendors or subcontractors aid or permit discrimination in the performance of the Services.
14. **Governing Law.** This Agreement shall be governed and construed in accordance with the laws of the State of Kansas.
15. **Entire Agreement.** This Agreement, including attachments incorporated herein by reference, represents the entire Agreement and understanding between the parties, and this Agreement supersedes any prior negotiations, proposals or agreements. Unless otherwise provided in this Agreement, any amendment to this Agreement shall be in writing and shall be signed by the City and the Chamber, and attached hereto.
16. **Assignment.** Nothing in this Agreement shall be construed to give any rights or benefits to any party other than the City and Chamber. The Chamber shall not assign any interest in this Agreement without the City's prior written consent. If the Chamber assigns an interest in this Agreement without the City's prior written consent, such assignment shall be void, and City may immediately terminate or suspend this Agreement.
17. **Third Parties.** The Services to be performed by the Chamber are intended solely for the benefit of the City. Nothing contained herein shall create a contractual relationship with, or any rights in favor of, any person or entity not a signatory to this Agreement.

IN WITNESS WHEREOF, the parties hereto have set their hands the day and year above written.

CITY OF MANHATTAN, KANSAS

MANHATTAN AREA CHAMBER OF
COMMERCE

Usha Reddi

Usha Reddi, Mayor

Jason Smith

Jason Smith, President

ATTEST:

Brenda K. Wolf

Brenda K. Wolf, CMC, City Clerk



EXHIBIT A

Base Services Scope of Work

MISSION: Build a strong community, sustain quality growth, and provide excellent jobs for our citizens while forging a competitive edge for new opportunities in the global marketplace by bringing together the strengths of private business, our great university, technical college, city, county, state, and federal government.

GOALS: In the FY 2020-2025 timeframe we shall strive to achieve the following metrics:

- 500 New Jobs Created through Economic Development Efforts
- \$10 million in Capital Investment in Manhattan through Economic Development Efforts
- Wage Rates of Jobs Created Exceeding Manhattan Average

Additionally, MACC will track the following metrics to be reported annually:

- Employment
- Population
- Poverty Rates (Total and Youth)
- Venture Capital Investments
- Per Capita Regional GDP
- Physicians per 100,000 residents
- Per Capita Income
- Net Domestic Migration/Total Population Change
- Median Home Value
- High School Graduate Rate
- % of Population Ages 25-34
- % of Population Ages 18-24
- % of Adult Population with Bachelor's Degree or Higher

This will be achieved by focusing on three core strategies outlined in the Greater Manhattan Project report by Market Street Services:

- Jobs
- Talent
- Entrepreneurship
- Innovation
- Recovery

Jobs

- Support & Facilitate the Retention and Expansion of Existing Regional Businesses
- Build External Awareness of the Manhattan Region's Assets among Prospect Employers, Investors & Corporate Relocation Professionals
- Attract Investment and Provide Sufficient Supply of Economic Growth Enabling Infrastructure

Talent

- Enhance the Capacity of Pre-K to 20 Educational Institutions
- Increase the Number of Recent Graduates and Fort Riley Soldiers Choosing to Remain in Manhattan
- Partner on Efforts to Improve Health Outcomes and Develop Medical Education Capacity
- Improve the Attraction of Talent
- Construct and Rehabilitate Diverse, High-Quality and Suitable Housing
- Provide Quality of Place Environments and Amenities that Enhance Community, Attract Talent across All Economic Sectors and Enhance Tourism

Entrepreneurship

- Create and Expand Entrepreneurial Support Systems
- Formalize Pipeline from K-20
- Optimize Kansas State University's Entrepreneurship Programs
- Create a K-State-Affiliated and Community "Center of Gravity" Offering Support Mechanisms to Assess, Coach and Fund Entrepreneurial Growth
- Create and Support Community-Based Coworking, Incubator and Event Spaces
- Create Minority and Black-Owned Business Fund and Assistance Programs
- Advance Economic Gardening Strategies to Help Businesses Generate New Revenues from Outside the Region

Innovation

- Align with and Integrate K-State's Global Food and Biosecurity Science Economic Prosperity Strategies to Grow and Diversify the Innovation Ecosystem throughout the Region
- Leverage Research and Talent Assets to Attract Outside Investment, Including Company Attraction
- Evolve Real Estate Strategies Adjacent to the K-State Campus
- Continue to Expand the Capacity and Impact of Existing K-State and Affiliated Research and Commercialization

Recovery

- Identify and Encourage Grants and Loans to Small Locally-Owned Businesses Facing Finance Exigencies Related to Pandemic
- Provide Programming Focused on Recovery, Pivoting, Future Planning and Risk Mitigation
- Reestablish Kansas State University as Economic Driver in the Community
- Secure Long-Term Funding for Recovery and Growth Initiatives, Especially Focused on Entrepreneurship and Small Business Development