



# City of Maricopa

## Legislation Text

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The Mayor and City Council shall discuss and possibly take action on approving a Public Service Award Agreement and Scope of Services with the Maricopa Economic Development Alliance for FY12-13 and expenditure of up to \$25,000 from Non-Departmental, Program Awards (10010000-53380). Discussion and action.

### **What is an economic development corporation (EDC)?**

EDC's are community organizations that work for commercial revitalization, which includes retail and industrial development. The majority of EDC's are nonprofits, although they can also form as for-profits or public entities. They are run by a community-based Board of Directors and seek to attract public and private investment in targeted areas. They are tax exempt corporations, and if structured appropriately, can buy, sell and hold land; manage properties; and form legal partnerships. The advantage of these organizations is their ability to work on projects and obtain a variety of funding, while remaining non-political.

### **History of the Maricopa Economic Development Alliance**

Shortly after City's inception, it laid out a strategic vision and framework for the City's development of a sustainable local economy. A key component of that strategy was defining the tools that Maricopa would need to put into place so that it can perform in a competitive regional environment. One of the key tools that the City assisted in creating was the Maricopa Economic Development Alliance (MEDA), a 501 (c)(3) organization dedicated to advancing economic growth in the City. The inspiration for this organization began in 2008. In January 2009, The Maricopa City Council facilitated the formation of MEDA through the passage of a City resolution. In Spring 2009, its Articles of Incorporation were prepared and filed. Summer 2009 saw the creation of Bylaws, formation of a volunteer Board and on December 16, 2009, MEDA received a letter indicating it had been granted tax exempt status by the IRS. Since then, the MEDA Board has added a number of key leaders to serve on its Board of Directors, has assisted the City significantly in the creation and execution of the Economic Development Strategic Plan, and has launched private fundraising efforts and new programs to serve local businesses.

### **Activities in FY11-12**

Article IV of MEDA's Articles of Incorporation state that "The corporation initially intends to promote economic development by encouraging the formation, attraction, development, growth and retention of business or other activity that will enhance the economic vitality of Maricopa through the provision of market research, training, assistance with site selection, obtaining zoning and development permits and other matters to facilitate an increased employment base, including the creation and retention of jobs for Maricopa residents in an effort to relieve poverty, eliminate prejudice, lessen neighborhood tensions, and combat community deterioration."

Key activities completed by the Maricopa Economic Development Alliance in accordance with the FY11-12 PSA include:

- Launch of Management Technical Assistance Program
- Facilitation of Three Roundtable Focus Group Sessions and Tech Accelerator Program, graduating four high-tech companies
- Partnered with the City on Seven Business Retention Visit Interviews and the facilitation of the 2012 Small Business Training Program Reunion Event
- Coordinated Data Research and Compilation Activities for Sites Inventory Database, in partnership with Global Water
- Ongoing assistance for utility data needs for prospect proposals and responses for City's economic

development department

### **FY12-13 Public Service Award Agreement Structure**

A significant change in the FY12-13 agreement with MEDA includes a reduction of funding by 50% (FY11-12 funds were for \$50,000 and the FY12-13 request is for \$25,000). In addition, MEDA suggested that these funds be made available to MEDA only as a match to private funds raised by MEDA, up to a maximum match amount of \$25,000. This serves MEDA and the City's previous stated goal of creating an organization that is a partner with the City with the advantage of being able to raise and leverage private funds to support economic development efforts in the community.

In addition to fundraising, MEDA will be obligated per the Scope of Services in this agreement to perform the following services to the City throughout the year, regardless of the amount of matching funds actually received:

*1. Lead generation and prospect resource services.*

a. To focus on generating new business attraction leads and helping to vet out leads that approach the City, MEDA will assist the City in discussions with prospective developers and employers to determine their viability as well as their suitability as a good match for Maricopa per the City's General Plan and Economic Development Strategic Plan.

*2. Partner with the City in the areas of business retention, attraction and expansion, specifically in the tech entrepreneur sector.*

- a. MEDA will partner in calling on existing employers for business intelligence and policy adjustment
- b. MEDA will continue the pilot small business assistance program, the Management Technical Assistance Program

Staff recommends that Council approve the proposed Public Service Award Agreement.