

AGENDA REPORT

TO: Mayor Pat Humphrey and the Clare City Commission
FROM: Jeremy Howard, City Manager
DATE: July 11, 2024
RE: Middle Michigan Development Corporation Services Contract

For the Agenda of July 15, 2024

Background. The City of Clare has enjoyed a very beneficial services relationship with the Middle Michigan Development Corporation (MMDC) for decades. We, like all the other governmental entities in Clare, Gladwin, Isabella, and Osceola Counties are clients of MMDC. We currently pay MMDC \$15,000 annually for their services, and this rate has been in place since 2018 with no increases to the yearly fees. Our current contract with MMDC is up for renewal for another 3 years and a small yearly increase is being requested to increase the annual contribution to \$17,500. City staff have reviewed the contract and the amount and feel it is a very fair amount. The increase being proposed is actually less than if we had an automatic inflationary increase in place. The new contract amount will be locked in as well for the next three years.

The City Commission is asked to consider and approve the proposed renewal contract agreement with the new contract amount for the next three years.

Issues & Questions Specified. Should the City Commission approve the proposed contractual services agreement with Middle Michigan Development Corporation?

Alternatives.

1. Approve the proposed agreement.
2. Approve the proposed agreement with amendment(s) and/or stipulation(s).
3. Disapprove the proposed agreement and concurrently terminate the relationship with MMDC.
4. Set the matter aside for consideration, deliberation, and decision at a subsequently scheduled Commission meeting.

Financial Impact. The cost to the City is \$17,500 annually. This amount has been included in the proposed appropriations for the 2024/2025 budget.

Recommendations. I recommend that the City Commission approve the proposed contractual services agreement and contract amount increase by adoption of Resolution 2024-056 (*copy att'd*).

Attachments.

1. Proposed Contractual Agreement.
2. Resolution 2024-056.

Contract for Economic Development Services

City of Clare

This agreement made on this 1st day of July 2024, by and between the City of Clare ("Client") and Middle Michigan Development Corporation ("MMDC").

WHEREAS, MMDC was created as a collaborative effort among many local entities in 1981 with the expressed purpose of establishing a full-time, professionally-staffed economic development organization to serve as a single voice and point of contact to initiate and carry out economic development activity on behalf of their clients; and

WHEREAS MMDC has the necessary and appropriate personnel, facilities, and professional expertise to provide economic development services on behalf of their clients; and

WHEREAS, the Client intends to contract with MMDC to provide said economic development services;

NOW, THEREFORE, for and in consideration of the mutual covenants hereinafter contained, the Client and MMDC do hereby agree as follows:

- I. Description of Services: MMDC shall provide to the Client comprehensive economic development services which focuses on business retention and expansion, business attraction and community development. In connection herewith, MMDC shall provide an annual report along with a copy of its current strategic plan to the Client's Board and provide additional communications to the Client as necessary.
- II. Term: This contract shall be for a period of three (3) years, which begins on the first day of July 2024 and is set to expire on the last day of June, 2027.
- III. Compensation: The Client shall pay MMDC the annual sum of \$17,500 due payable July 1st of each contract year.
- IV. Amendment to Contract: This contract may be amended only in writing and signed by both parties. However, Exhibits may be added or modified from time to time without need for contract amendment.
- V. Termination: Unless otherwise terminated by notice in advance of expiration, this contract may be terminated by either party if the other party fails to meet obligations represented under this agreement made through no fault of the terminating party. No such termination shall be made unless notice is given by the terminating party not less than sixty (60) days after written notice of the intent to terminate and an opportunity to correct the default. In addition, the Client may terminate this agreement for legal or financial cause in its sole determination upon not less than sixty (60) days written notice.

VI. Further Pronouncement: MMDC is a private, non-profit economic development corporation, acting as an independent contractor and is neither an agency nor an employee of the Client.

Jeremy Howard, City Manager Date James McBryde, President MMDC Date

Witness Date Witness Date

Witness Date Witness Date

RESOLUTION 2024-56

A RESOLUTION OF THE CLARE CITY COMMISSION APPROVING A CONTRACT SERVICE AGREEMENT WITH MIDDLE MICHIGAN DEVELOPMENT CORPORATION.

WHEREAS, the City of Clare has enjoyed the consulting services of Middle Michigan Development Corporation for decades; and

WHEREAS, said relationship with Middle Michigan Development Corporation has been mutually beneficial in respect to regional industrial and economic development; and

WHEREAS, the City desires to continue said services and relationship; and

WHEREAS, Middle Michigan Development Corporation has offered a 3-year renewal contractual services agreement to outline the terms and conditions of said relationship with the City; and

WHEREAS, Middle Michigan Development Corporation has not increased the annual amount of the contract since 2018 and is now proposing a small increase in the annual contract amount from \$15,000 to \$17,500; and

WHEREAS, the City has reviewed the proposed services agreement and deems it to be in its best interests to enter into a contractual services agreement with Middle Michigan Development Corporation.

NOW THEREFORE BE IT RESOLVED THAT the Clare City Commission hereby approves a renewal 3-year contractual services agreement in the amount of \$17,500 annually with the Middle Michigan Development Corporation, the terms, conditions, and stipulations of said relationship as outlined within said agreement.

The Resolution was introduced by Commissioner _____ and supported by Commissioner _____. The Resolution declared adopted by the following roll call vote:

YEAS:

NAYS:

ABSENT:

Resolution approved for adoption on this 15th day of July, 2024.

Diane Lyon, City Clerk