



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: MAY 13, 2024

SUBJECT: EXPENDITURE NOT TO EXCEED \$69,245 FOR SERVICES AND SPONSORSHIPS PROVIDED TO RIVERSIDE PUBLIC UTILITIES BY GREATER RIVERSIDE CHAMBERS OF COMMERCE FOR FISCAL YEARS 2024/2025 AND 2025/2026

ISSUE:

Consider approving the annual expenditure of \$69,245, for Fiscal Years 2024/2025 and 2025/2026 to the Greater Riverside Chambers of Commerce for sponsorships and services specifically provided to the Public Utilities Department, as further described in this report, and conceptually approve the scope of services and sponsorships specifically provided to the Public Utilities Department as described herein.

RECOMMENDATIONS:

That the Board of Public Utilities:

1. Approve an expenditure in an amount not to exceed \$69,245 for Fiscal Years 2024/2025 and 2025/2026 with option to extend for a second two-year term to the Greater Riverside Chambers of Commerce for sponsorships and services specifically provided to the Public Utilities Department as described herein; and
2. Conceptually approve the scope of services and sponsorships specifically provided to the Public Utilities Department as described herein.

BACKGROUND:

The Greater Riverside Chambers of Commerce (Chamber) has served the City of Riverside (City) and surrounding communities for over 100 years. The organization started in 1900 and took on two (2) important projects, which included bringing a rail line to Riverside and writing a City Charter later adopted by the City of Riverside board of Trustees in 1907. Collaboration between the City of Riverside and the Chamber began immediately and contracts between the two entities date back at least 50 years. The Chamber was instrumental in convincing the State to establish a Citrus Experiment Station at the base of Mt. Rubidoux and then to gain a larger station near Box Springs Mountain, convincing the Federal government to establish March Field as an aviation training facility in 1918, now known as March Air Reserve Base, helping to establish the Riverside National Cemetery in 1976, working to bring the Sherman Institute and the School for the Deaf to Riverside, establishing University of California, Riverside Liberal Arts College through letters, telephone calls, and trips to Sacramento and Washington D.C.. The Chamber also campaigned for Park

Bonds in support of the creation of the 8th Street underpass and for the planning of Riverside's first freeway in the 1940's and 1950's.

In 1934, in the midst of a depression, the Chamber was successful in attracting 30 conventions to the Consolidated Costs for Chamber Services. Through the years, the Chamber has recruited many businesses to Riverside, such as Rohr Aircraft, Bourns, Flexsteel, Ralph's/Food 4 Less, Amtrak Call Center, Nordstrom, Wal-Mart, Hunter Engineering, and the Wall Street Journal. The Chamber has also assisted with the reopening of the Mission Inn Hotel and Spa, the Cal Tower Project, the creation of the Justice Center, and the establishment of Keep Riverside Clean and Beautiful to help improve Riverside's image to the rest of the Country.

The Chamber has established itself as the voice of businesses in Riverside, speaking on behalf of approximately 1,500 member firms and collectively representing 112,000 employees. The Chamber helps local companies grow their business by taking the lead in programs and efforts that help create a strong local economy and make the community a great place to do business. It recognizes that the best interests of the business community are the same as the long-term interests of the community at large and thus supports initiatives that lead Riverside to a prosperous future. As a member-driven organization, the Chamber works daily to provide programs, product services, advocacy and networking designed to give its members a return on their investment.

Through the Chamber's work, they have created a micro culture of networking and relationship development that leads to an environment of inclusiveness and servitude. They provide numerous opportunities for members and others to increase their contact base via various meetings, networking events and committees and serve as an advocate for business in the greater Riverside area. Often, a business will consider the Chamber the first "call" when it comes to expansion and referrals of ancillary businesses to the community. In addition, through the Chamber's active member call program, the Chamber is able to connect to all 1,144-chamber members annually to conduct a business check-up, which often leads to referrals to City Departments.

In 2001, Riverside Public Utilities (RPU) entered into a partnership whereby the Chamber would conduct certain targeted economic development activities in exchange for a set dollar annual commitment of funds. Since 2001, the amount varied slightly each year. The funds were paid from RPU's Public Utilities – Customer Engagement (Community Support Outreach and Education). The activities were meant to 1) target businesses for attraction that provided a significant electrical load growth that could benefit from RPU's Economic Development rate, 2) target businesses for attraction that could benefit from reduced electric and water rates compared to their current jurisdiction and 3) help facilitate meetings with current commercial ratepayers that were considering facilities' expansion.

Additionally, RPU opted to attend certain Chamber events, many of which were recognized at a sponsorship level that was higher than the amount paid. RPU finds Chamber events a great opportunity to engage with commercial business customers. For fiscal year 2018-2019, Chamber sponsored events included the following:

1. Business Expo
2. Mega Mixer
3. KRCB Recognition Luncheon
4. Good Morning Riverside Sponsor
5. Legislative Summit
6. Mayor's State of the City

7. Inaugural Ball
8. Athena Luncheon
9. Leadership Riverside Lunch

In general, RPU delivers electricity to customers through distribution and transmission facilities. These facilities represent long-term capital investment whose dollars are spread amongst all customers and recovered over periods in the range of 20 to 30 years. Energy is produced and/or obtained from generation Consolidated Costs for Chamber Services and facilities through long-term contracts to meet base load needs, with cyclical and peaking needs obtained through short-term contracts, internal generation or on the open market. The purchases through short-term contracts and the open market represent the marginal cost of power for increased load requirements. RPU has a number of fixed costs which must be paid regardless of customer demand or load. Additional revenue generated by expanded load (new customers) will reduce the costs to existing customers, as the fixed costs will be allocated over a larger group of customers. Below is a brief description of RPU's fixed costs:

Distribution and Transmission Costs: Cost recovery for distribution and transmission facilities are built into electric rates based upon the number and load of existing customers and include a limited growth factor. Cost recovery for these fixed costs is spread over several decades. Over a longer, several-year period, an increase of new customer load would help reduce the overall distribution and transmission costs for all customers.

Generation Costs: Energy costs for a significant new load represent RPU's marginal cost of power, a variable cost. At a minimum, any new customer should be charged for this marginal cost to ensure RPU receives revenues to cover new costs.

To encourage load growth and maintain current load, RPU works with the Chamber to attract and retain businesses.

Prior to 2019, the services provided by, and the sponsorships and memberships paid to the GRCC were done at the Department level and did not generally require Riverside Public Utilities Board or City Council approval. In an effort to provide greater public transparency and clarification, all GRCC services, sponsorships, memberships, and other benefits were consolidated and itemized into a singular, comprehensive Professional Consultant Services Agreement (PSA) with a detailed scope of services. The agreement included services already budgeted and received in previous fiscal years and was not intended to add new GRCC services.

The services included with this agreement provide important benefits to the City such as retention and expansion of local businesses; attraction and expansion of businesses from desired industries; support and training in key areas for businesses and entrepreneurs; increased awareness of local programs and resources that support businesses; State of the City; Festival of Lights; corporate memberships with all chambers including, but not limited to, the Greater Riverside Chambers of Commerce, the Greater Hispanic Chambers of Commerce, the Riverside County Black Chamber of Commerce, and other multi-cultural chambers and regional chambers.

On October 28, 2019, the Board of Public Utilities, approved an expenditure in an amount not to exceed \$68,000 for Fiscal Year 2019/20 to the Greater Riverside Chambers of Commerce (GRCC) and conceptually approved the scope of services for sponsorships and services specifically provided to the Public Utilities Department.

On November 19, 2019, The City Council approved the (PSA) with GRCC for Services and

sponsorships provided to the City of Riverside for Fiscal Year 2019/20 in a total amount not to exceed \$95,500, which includes the Public Utilities Board approved expenditures, for a term ending June 30, 2020 with two optional two-year extensions and authorized the City Manager, or designee, to execute the agreement and the optional extensions as outlined in the agreement.

The justification for the adjustment in terms pertaining to the agreement related to this report is to align and run in tandem with the City's budgetary schedule and procedures.

DISCUSSION:

The current PSA for Retention and Expansion of Local Businesses, Attraction and Expansion of Businesses from Desired Industries, Support and Key Areas for Businesses and Entrepreneurs, Increased Awareness of Local Programs and Resources that Support Business, State of the City, and Festival of Lights is set to expire on June 30, 2024. The objective is to maintain continuity in the range of services, support, and sponsorships, while strategically realigning the focus from the Festival of Lights component towards a new direction.

The Scope of Services will include, but will not be limited to, the following services and benefits:

1. Retention and expansion of local businesses

The Chamber will encourage a dialogue between businesses and RPU to share priorities, concerns, plans for future growth and opportunities, gain, and disseminate advance insight when businesses are considering potential changes or evaluating new directions, and enhance positive working relationships between businesses and the City, in order to retain current businesses.

2. Attraction and expansion of businesses from desired industries

The Chamber will continue Riverside's reputation as a City and community that welcomes business investment and growth, enhanced by our partnerships and collaborations between private and public stakeholders, and increase awareness of Riverside's potential and the many resources, talents, and treasures available to businesses and residents.

3. Support and training in key areas for businesses and entrepreneurs

The Chamber will provide training and resources to develop successful and sustainable businesses, including energy efficiency and conservation.

4. Increased awareness of local programs and resources that support business

The Chamber will provide multiple avenues and platforms to share local resources, economic development updates, and other information in a comprehensive and cohesive manner so that individuals looking to invest in, start, retain, or expand a business in Riverside can easily and quickly find beneficial information.

5. State of the City

The Chamber will facilitate a "State of the City" consistent with section 405 of the Riverside City Charter, to allow the Mayor of Riverside to present the Mayor's programs, objectives, and priorities.

6. Festival of Lights

The Chamber will coordinate all multi-partner Festival of Lights meetings and facilitate Consolidated Costs for Chamber Services – including RPU, sponsorships.

7. Schedule of Sponsorships

The following sponsorships by the City will result in completion of Task 1 by the Chamber and will be defined in the scope of services:

Department	Activity/Event
Riverside Public Utilities:	Economic Development Services Advertisements Advertisements KRCB Business Expo/Mixer/Riv Forward Mega Mixer/Tradeshow/Job Fair GMR Sponsorship Legislative Summitt Mayor's State of the City Address Inaugural Ball Athena Luncheon Leadership Riverside Luncheon Festival of Lights
Community and Economic Development:	Festival of Lights Riverside College & Career Fair Business Expo/Mixer/Riv Forward Mayor's State of the City Address
Public Works:	Mayor's State of the City Address Legislative Summitt
Police:	Mayor's State of the City Address Leadership Riverside Luncheon
Citywide:	Chamber Memberships Leadership Training

The chart below provides a summary of the FY 2022-2023 deliverables for this Agreement:

Description	Quantity
Outreach to Local Businesses	2,120
Grand Opening Celebrations	48
Online Surveys of Business Perspectives	16
Major Employer Visits	20
Businesses Contacted - Attraction/Expansion	5
Community Awareness Tour	4
Training Programs offered (IESBDC and others)	45
Business in Action Attendees	348 (Impacted 3,480)
SCORE operations have transitioned to virtual meetings	2
City Community Engagement Featured on GRCC Social Media	7
City and GRCC Partnerships in GRCC E-Publications	78
City and GRCC Partnerships in GRCC Newspaper	12
Mayor's State of the City Address	2022 (Virtual); 2023 (885)
GRCC Promotion of Mayor's State of the City Address	6
Mission Inn Hotel & Spa Festival of Lights Switch-On Ceremony Planning Meetings	10
Mission Inn Hotel & Spa Festival of Lights Switch-On Ceremony GRCC Staff Participation hours	139

The City is consolidating all Chamber services, sponsorships, memberships, and other benefits across all City Departments into a single agreement for a single payment for a total amount not to exceed \$98,775 for Fiscal Years 2024/2025 and 2025/2026, which includes a \$69,245 expenditure from RPU. The agreement will include services already budgeted and received in the current and previous Fiscal Years and is not intended to add new Chamber services at this time. The intent is only to consolidate Chamber services Citywide in one place for public clarification and transparency. Additionally, the agreement, including the scope of services, schedule of sponsorships and associated costs, will be reviewed and evaluated every two years during budget preparation and brought before the Board and City Council with the budget adoption.

Purchasing Resolution 24101, Section 702(w) states that Competitive Procurement through the Informal Procurement and Formal Procurement process shall not be required, "When approved by the Manager, Services not subject to the bidding requirements of Section 1109 of the City Charter, which are of such a nature that suitable technical or performance specifications describing them are not readily available and cannot be developed in a timely manner to meet the needs of the City, in which case the Manager shall be authorized to negotiate with any Person or Persons for the Procurement thereof upon the price, terms and conditions need by the Manager to be in the best interest of the City and in doing so may utilize Informal Procurement or Negotiated Procurement process."

The Purchasing Manager concurs that the recommended actions are in compliance with Purchasing Resolution No. 24101, Section 702(w).

STRATEGIC PLAN ALIGNMENT:

This item contributes to **Strategic Priority #5 - High Performing Government and goal 5.3 - Enhance communication and collaboration with community members to improve transparency,**

build public trust, and encourage shared decision-making.

This item aligns with each of the five Cross-Cutting Threads based as follows:

1. **Community Trust** – This report provides a transparent view and communication of Utility finances in a forum that accommodates community engagement and the involvement of the Board of Public Utilities.
2. **Equity** – Greater Riverside Chamber of Commerce provides events available to all members in a public forum that accommodates community engagement from all members of the public.
3. **Fiscal Responsibility** – Sharing the agreement with other departments demonstrates the Utility's commitment to responsible management of the Utility's financial resources.
4. **Innovation** – Participation in the Greater Riverside Chamber of Commerce will help in identifying and meeting the community's changing needs.
5. **Sustainability & Resiliency** – Utilizing community involvement through the Chamber demonstrates the Utility's commitment to the long-term fiscal health of the Utility and preservation of Utility services.

FISCAL IMPACT:

The total fiscal impact is \$69,245 for the Schedule of Sponsorships associated with RPU. Upon City Council approval of the biennial budget on June 25, 2024, sufficient funds will be available in Public Utilities Community Support Outreach Education Account No.6020000-456022.

Prepared by:	Jennifer Lilley, Community and Economic Development Director
Approved by:	David A. Garcia, Interim Utilities General Manager
Certified as to availability of funds:	Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by:	Rafael Guzman, Assistant City Manager
Approved as to form:	Phaedra A. Norton, City Attorney

Attachments:

1. Agreement
2. Presentation