

**AMENDED AGENDA
REGULAR SESSION
NOVEMBER 2, 2011**

**REVISED
AGENDA ITEM #11
WITH REVISED LETTER**

**REVISED
AGENDA ITEM #12
WITH REVISED LETTER**



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**AMENDED AGENDA
REGULAR SESSION
MAYOR AND COUNCIL
COUNCIL CHAMBERS · 473 S. Main Street, Room #106
WEDNESDAY, NOVEMBER 2, 2011
6:30 P.M.**

1. **Call to Order**
2. **Roll Call**
3. **Pledge of Allegiance**
4. **Consent Agenda** – All those items listed below may be enacted upon by one motion and approved as consent agenda items. Any item may be removed from the Consent Agenda and considered as a separate item if a member of Council requests.
 - a) **Approval of the Minutes:**
 - 1) Regular Session – October 19, 2011
 - b) **Set Next Meeting, Date and Time:**
 - 1) November 16, 2011 at 6:30 p.m. – Regular Session/Council Hears P&Z Matters (Tentatively Combined)
 - 2) November 23, 2011 at 6:30 p.m. – Council Hears Planning & Zoning Matters – **CANCELLED**
 - 3) December 7, 2011 at 6:30 p.m. – Regular Session
 - 4) December 21, 2011 at 6:30 p.m. – Regular Session – **CANCELLED**
 - 5) December 28, 2011 at 6:30 p.m. – Regular Session/Council Hears P&Z Matters combined
 - c) **Possible approval of and authorization for the Mayor to sign the 2011/12 Intergovernmental Agreement and all other documents necessary to comply with the terms of the agreement with Yavapai County Free Library District for Library Services.** The Town will receive \$88,992 for library services in this budgeted item. Staff Resource: Gerry Laurito
5. **Special Announcements & Presentations.**
 - ❖ **Possible approval of proclamation declaring October 29, 2011 as “Ralph Showers Day” in the Town of Camp Verde.**
6. **Council Informational Reports.** These reports are relative to the committee meetings that Council members attend. The Committees are Camp Verde Schools Education Foundation; Chamber of Commerce, Intergovernmental Association, NACOG Regional Council, Verde Valley Transportation Planning Organization, Yavapai County Water Advisory Committee, and shopping locally. In addition, individual members may provide brief summaries of current events. The Council will have no discussion or take action on any of these items, except that they may request that the item be placed on a future agenda.
7. **Call to the Public for items not on the agenda.**
8. **Public hearing, discussion, consideration, and possible recommendation for approval of a liquor license application for Casa de Las Margaritas, LLC located at 77 General Crook Trail (owner Yolanda R. Olmedo).** Staff Resource: Deborah Barber
9. **Presentation and possible discussion of the quarterly report from Fort Verde State Park.**
10. **Discussion, consideration, and possible direction to staff to proceed with the CIP Planning Process.** Staff Resource: Russ Martin
11. **Discussion, consideration, and possible approval of a LETTER ADVISING THE CAMP VERDE CHAMBER OF COMMERCE THAT THE TOWN DOES NOT INTEND TO RENEW THE AGREEMENT FOR CONTRACTED SERVICES BEYOND JUNE 30, 2012. Notice of Intent Not to Renew the Agreement for Contracted Services between the Town of Camp Verde and the Camp Verde Chamber of Commerce per direction from the October 19, 2011 Council meeting.** Staff Resource: Russ Martin.

12. **Discussion, consideration, and possible approval of a LETTER PROVIDING AN 18-MONTH NOTICE TO THE CAMP VERDE CHAMBER OF COMMERCE THAT THE TOWN DOES NOT INTEND TO RENEW THE LEASE AGREEMENT DATED JULY 5, 2011. ~~Notice of Intent to Not Renew the Lease Agreement between the Town of Camp Verde and the Camp Verde Chamber of Commerce~~ per direction from October 19, 2011 Council Meeting.**
Staff Resource: Russ Martin
13. **Call to the Public for items not on the agenda.**
14. **Manager/Staff Report** Individual members of the Staff may provide brief summaries of current events and activities. These summaries are strictly for informing the Council and public of such events and activities. The Council will have no discussion, consideration, or take action on any such item, except that an individual Council member may request that the item be placed on a future agenda.
15. **Adjournment**

Posted by: *O Jones* Date/Time: *11-1-11 4:00 p.m.*
Note: Pursuant to A.R.S. §38-431.03.A.2 and A.3, the Council may vote to go into Executive Session for purposes of consultation for legal advice with the Town Attorney on any matter listed on the Agenda, or discussion of records exempt by law from public inspection associated with an agenda item.

The Town of Camp Verde Council Chambers is accessible to the handicapped. Those with special accessibility or accommodation needs, such as large typeface print, may request these at the Office of the Town Clerk.



Exhibit A - Agenda Item Submission Form – Section I

Meeting Date: November 2, 2011

- Consent Agenda Decision Agenda Executive Session Requested
- Presentation Only Action/Presentation

Requesting Department: Town Manager

Staff Resource/Contact Person: Russ Martin

Agenda Title (be exact): Discussion, consideration, and possible approval of a letter advising the Camp Verde Chamber of Commerce that the Town does not intend to renew the Agreement for Contracted Services beyond June 30, 2012.

List Attached Documents: Actions Taken from 10/19/11 Council Meeting, Agreement for Contracted Services between the Town of Camp Verde and the Camp Verde Chamber of Commerce, Letter of Intent, 10/19/11 Agenda Submission Report

Estimated Presentation Time: 5 minutes

Estimated Discussion Time: 10 minutes

Reviews Completed by:

Department Head: Melissa Preston **Town Attorney Comments:**

Finance Department

Fiscal Impact:

Budget Code: _____ **Amount Remaining:** _____

Comments:

Background Information: On October 19, 2011, Council voted to approve Option #4, which provided for the continued funding to the Chamber of Commerce for Visitor Center Services throughout the end of the fiscal year (June 30, 2012), as well as termination of both the Agreement for Contracted Services and the Lease Agreement in the next fiscal year.

Recommended Action (Motion): Approve and authorize the Mayor to sign the letter advising the Chamber of Commerce that the Town does not intend to allocate funding for the Agreement for Contracted Services beyond June 30, 2012.

Instructions to the Clerk: Process letter as approved/amended



Town of Camp Verde

Gateway to the Verde Valley

◆ 473 S. Main Street, Suite 102 ◆ Camp Verde, Arizona 86322 ◆

◆ Telephone: 928.567.6631 ◆ Fax: 928.567.9061 ◆

◆ www.campverde.az.gov ◆

November 2, 2011

Dave Freeman, Chair
Camp Verde Chamber of Commerce
385 S. Main Street
Camp Verde, AZ 86322

Re: Agreement for Contracted Services

Dear Mr. Freeman:

Per Council direction on October 19, 2011, the Town will not be renewing the current Services Agreement with you for the operation of the Visitor Center moving ahead into fiscal year 2013. The Agreement, as written, expires on June 30, 2012. The Town wishes to provide ample notice to allow both parties to plan for a change.

If you have any questions regarding this notice, please contact Russ Martin at 567-6631 ext. 102.

Sincerely,

Bob Burnside, Mayor
Town of Camp Verde



Handicap Relay: 711 or Voice: 1-800-842-4681 TTD: 1-800-367-8939



Code Chapter 12, Article 12-3, Parking, Section 3-4, Authority to Erect Signs; **with Burnside opposed.**

Councilor German requested the following item:

- 11. **Request for Council direction as to whether or not to prepare and amend the current budget to reallocate funds from the Chamber of Commerce Visitor Center Agreement to the General Fund to be used for economic development activities, such as placing the operation of the Visitor Center Services, marketing, and promotion under the direction of the Town.**

On a motion by **Whatley**, seconded by **Burnside**, the Council **voted 3-4** for Option 1, to continue with the current Visitor Services Center and Lease Agreements; however, the Town and Chamber of Commerce would work more closely to develop and enhance the Chamber's marketing efforts; the Town would be more involved in the Chamber's marketing and planning campaigns and how the Town's funds are spent on these efforts; **with Kovacovich, Baker, Buchanan and German opposed.**

On a motion by **Baker**, seconded by **German**, the Council **voted 5-2** to direct staff to pursue Option 4, which would allow the longest period of time for both entities to transition successfully; **with Burnside and Whatley opposed.**

On a motion by **German**, seconded by **Kovacovich**, the Council **voted 5-2** to amend the last motion to include Work Session with the Chamber; **with Burnside and Whatley opposed.**

PUBLIC INPUT

(Comments from the following individuals are summarized in the Minutes.)

- Dave Freeman**
- Cindy Walker**
- Roy Birnbaum**
- Nancy Floyd**
- Linda Buchanan**
- Kyle French**
- Ramona Aldridge**
- Gary Thompson**
- Ashton Powell**

There was no further public input.

A recess was called at 7:59 p.m.; the meeting was called back to order at 8:07 p.m.

Councilor George requested the following:

- 12. **Discussion, consideration, and possible authorization to place the Verde River Basin Partnership back into the Council Committee Assignments, and if approved, possible appointment of a Council member to serve on the committee. Councilor George has volunteered to serve as the representative for the Town in this organization.**

On a motion by **Buchanan**, seconded by **German**, the Council unanimously approved authorization to place the Verde River Basin Partnership back into the Council Committee Assignments, and appoint Bruce George to serve on the Verde River Basin Partnership committee through May 2012.

- 13. **Call to the Public for items not on the agenda.**
(Comments from the following individuals are summarized in the Minutes.)

- Ramona Aldridge**
- Sheila Stubler**

There was no further public input.

- 14. **Manager/Staff Report**

Martin said he wanted to update the Council on the ongoing Redistricting saga with the State, and that he had some

Agreement for Contracted Services
Between
The Town of Camp Verde
and the
Camp Verde Chamber of Commerce

This Agreement is entered into this 22nd day of June, 2011 by and between the CHAMBER of Commerce, a non-profit corporation, hereinafter referred to as "CHAMBER" and the Town of Camp Verde, an Arizona municipal corporation, hereinafter referred to as "TOWN." This Agreement is awarded pursuant to Procurement #11-093.

WHEREAS, pursuant to A.R.S. § 9-500.11, the TOWN desires to appropriate funds to enhance tourism by promoting Camp Verde as a destination and by assisting visitors to Camp Verde and Camp Verde residents with information and facilities which improve the quality of their experience when in Camp Verde; and

WHEREAS, the TOWN receives a significant portion of its tax revenue from tourist spending in the community and sales tax revenue from businesses; and

WHEREAS, the TOWN desires to maintain a strong and vital local economy and to require certain minimum levels of staffing at the Visitor Center located in Town to promote Camp Verde and in order to assist in the retention of existing businesses, the attraction of new businesses, and tourism that are deemed desirable; and

WHEREAS, the CHAMBER is qualified and has the expertise, organization to provide visitor services, and promote Camp Verde, and such efforts will generate tax revenue to assist the TOWN in providing facilities and services to all residents of Camp Verde; and

PURPOSE OF THE AGREEMENT

TOWN hereby retains the CHAMBER to promote, develop and enhance tourism for the TOWN and its surrounding areas, and to render specific professional and technical services to the TOWN. It is understood and agreed that the CHAMBER, while retained under this Agreement, will also be rendering other services to its members.

NOW, THEREFORE IN CONSIDERATION OF THE MUTUAL PROMISES AND COVENANTS OF THE PARTIES, AND OTHER GOOD AND VALUABLE CONSIDERATION, THE PARTIES AGREE AS FOLLOWS:

1. **Visitor Center:** Annually the TOWN may allocate funding for the purposes of staffing and operating a Visitor Center. The TOWN agrees to make payment to the CHAMBER following quarterly reports generally in four (4) installments on July 1; October 1, January 1, and April 1, of each fiscal year. Allocations are made from the TOWN.
 - a. In exchange of this value the CHAMBER agrees to spend the amount allocated to maintain and staff the TOWN's Visitor Center within TOWN for such purposes only. The CHAMBER will ensure The Visitor Center will abide by the criteria set forth by the Arizona Office of Tourism to be a state designated LVIC (Local Visitor Information

Center). The Visitor Center will be open to the public during weekdays and weekends to answer all correspondence, telephone or walk-in inquiries for general information relating to Camp Verde. The Visitor Center will be open no less than 44 hours per week, except on weeks which include Christmas, Thanksgiving, or the New Year's holiday.

This shall cover costs such as:

- i. Utilities
- ii. Telephone
- iii. Insurance
- iv. Wages and Benefits for paid visitor center staff
- v. Supplies and Copier
- vi. Postage, mailing costs, freight

2. **Promotion/Marketing:** Annually the TOWN may allocate for tourism in promoting and marketing Camp Verde as a destination. The TOWN agrees to make payment to the CHAMBER following quarterly reports in four (4) installments on July 1; October 1, January 1, and April 1, of each fiscal year allocations are made from the TOWN.
 - a. In exchange of this value the CHAMBER agrees to spend the allocation of the funds received from the TOWN for the following purposes related to marketing activities:
 - i. Website maintenance
 - ii. Website hosting fees
 - iii. Website promotion campaigns
 - iv. PR/Media
 - v. Print advertising campaigns
 - vi. Attend Annual Governor's Conference on Tourism
 - vii. Participation in Sedona Verde Valley Tourism Council (SVVTC)
 - b. The CHAMBER agrees that all printed materials created and distributed by the CHAMBER with funds from the TOWN contain a statement recognizing and acknowledging that funding has been provided by the TOWN for such documents.
3. **Reporting:** The CHAMBER will provide quarterly presentations to the Town Council that minimally include:
 - a. Number of visitors to the Visitor Center broken down by home location.
 - b. Hours to include paid and volunteer staff hours
 - c. Estimated revenue generated from visitors to the community
4. **Coordination:** The TOWN Council Liaison to the CHAMBER and the Town Manager will meet periodically, but not less than quarterly, with the CHAMBER to discuss the coordination between the TOWN and the CHAMBER on items of mutual interest that promotes tourism and provides visitor information.
5. **Annual Financial Audit:** The CHAMBER agrees to provide the TOWN with a copy of its annual financial audit.
6. **Termination:** If and in the event that a dispute between the parties arises as to the service to be provided under this Agreement, then the TOWN and the CHAMBER shall attempt to resolve said dispute. This Agreement is entered into in the State of Arizona and shall be construed and interpreted under the laws of the State of Arizona including, without limitation, the provisions of A.R.S. § 38-511.

7. **Term:** This Agreement will be in force from July 1, 2011. The TOWN will provide use of the Visitor Center to the CHAMBER under the terms and conditions as exist under the current lease. This agreement shall end if no funding is allocated from the TOWN or 12 month written notice given by either party.

8. **Town Duties:**

- a. At the request of the CHAMBER, the TOWN shall disclose to the CHAMBER any information that pertains to the business community that may be legally released; provided that the TOWN shall have no obligation to incur any cost outside the ordinary course of business.
- b. TOWN shall make available TOWN facilities as it deems necessary to accommodate activities associated with CHAMBER business.
- c. TOWN shall endeavor to work with the CHAMBER on a Business Recruitment Program and an Economic Development Program.

9. **Independent Contractor:**

- a. The parties agree that the CHAMBER provides specialized services and that the CHAMBER enters this Agreement with the TOWN as an independent contractor. Nothing in this contract shall be construed to constitute the CHAMBER, nor any of its personnel, volunteers, or directors, as agents, employees, or representatives of the Town of Camp Verde.
- b. As an independent contractor, the CHAMBER is solely responsible for all labor and expenses in connection with this Agreement and for any and all damages, which may arise during the operation of this Agreement.

10. **Insurance, Liability and Indemnity:** The CHAMBER agrees to procure and maintain at its sole expense insurance adequate to meet TOWN Policies currently requiring:

- a. Certificate of Insurance for a General Liability Insurance Policy against claims for bodily injury, death and property damage with limits of at least:

1. Each Occurrence	\$1,000,000
2. General Aggregate.....	\$2,000,000

- b. In addition, the Certificate of Insurance must name the Town of Camp Verde, Arizona as an Additional Insured in connection with the facilities as provided herein and must briefly describe the services being performed, e.g. Lease of TOWN Facilities.
- c. Certificate of Insurance for Workers' Compensation Insurance Policy (Statutory).
- d. All Certificate(s) of Insurance referenced above and completed (signed by all pertinent parties) Services and Lease Agreement as provided herein shall be delivered simultaneously to the TOWN. Upon the TOWN's receipt of both the aforementioned documents the Agreement will be considered fully executed.
- e. CHAMBER liability under this Agreement is not in any way limited by the insurance required by this Agreement.
- f. CHAMBER shall keep said policies in force for the duration of the Agreement and for any possible extension thereof.

-
11. **Indemnification:** CHAMBER assumes and agrees to hold harmless, indemnify and defend the TOWN, its officers, agents and representatives from and against all losses, claims, demands, payments, suits, actions, recoveries, judgments and all liability of every kind, nature, and description for injury to persons including wrongful death, or damage to property or both occurring during, or in consequence, of the performance or failure to perform by CHAMBER. The TOWN assumes no liability, obligation or responsibility of any nature whatsoever, in connection with this Agreement except for payment of fees as stated or referred to herein.

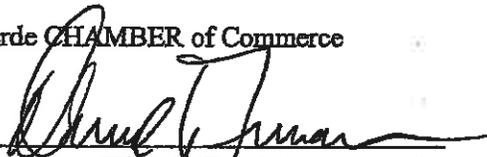
 12. **Subcontracting:** It is understood and agreed that the CHAMBER is free to contract with other parties or to otherwise provide additional services.

 13. **Immigration Law Compliance:**
 - a. Under the provisions of A.R.S. § 41-4401, the CHAMBER hereby warrants to the TOWN that the CHAMBER and each of its subcontractors (if any) will comply with, and are contractually obligated to comply with, all Federal Immigration laws and regulation that relate to their employees and A.R.S. § 23-214 (A) (hereinafter "Contractor Immigration Warranty").
 - b. A breach of the Contractor Immigration Warranty shall constitute a material breach of this contract and shall subject the CHAMBER to penalties up to and including termination of this contract at the sole discretion of the TOWN.
 - c. The TOWN retains the legal right to inspect the papers of any contractor or subcontractor employee who works on this contract to ensure that the contractor or subcontractor is complying with the Contractor Immigration Warranty. The TOWN agrees to assist the TOWN in regard to any such inspections.
 - d. The TOWN may, at its sole discretion, conduct random verification of the employment records of the CHAMBER and any subcontractors to ensure compliance with Contractor's Immigration Warranty. The CHAMBER agrees to assist the TOWN in regard to any random verifications performed.
 - e. Neither the CHAMBER nor any subcontractor shall be deemed to have materially breached the Contractor Immigration Warranty if the CHAMBER or any subcontractor establishes that it has complied with the employment verification provision prescribed by sections 274A ad 274B of the Federal Immigration and nationality Act and the E-Verify requirements prescribed by A.R.S. § 23-214, Subsection A.
 - f. The foregoing provisions of subparagraphs a-e of this article must be included in any contract that the CHAMBER enters into with any and all its subcontractors who provide service under this contract or any subcontract.

APPROVAL AND EXECUTION BY CHAMBER

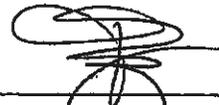
PASSED AND APPROVED BY CHAMBER OF COMMERCE ON THE 22nd day of June, 2011.

Camp Verde CHAMBER of Commerce

By: 
Dave Freeman, CHAMBER of Commerce Chairman

ATTEST:

Camp Verde CHAMBER of Commerce

By: 

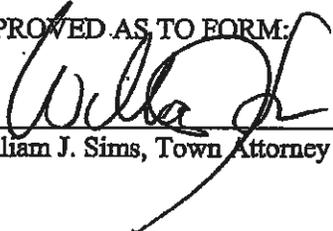
Print Name: Tracee Schimikowsky

APPROVAL AND EXECUTION BY TOWN

IN WITNESS WHEREOF to be executed by their duly authorized officials on June 22, 2011


Bob Burnside, Mayor 6-22-2011

Attest: 
Debbie Barber, Town Clerk

APPROVED AS TO FORM:

William J. Sims, Town Attorney

#11



Town of Camp Verde

Agenda Item Submission Form - Section I

Meeting Date: October 19, 2011

- Consent Agenda Decision Agenda Executive Session Requested
- Presentation Only Action/Presentation

Requesting Department: Councilor Carol German

Staff Resource/Contact Person: Russ Martin

Agenda Title (be exact): Request for Council direction as to whether or not to prepare and amend the current budget to reallocate funds from the Chamber of Commerce Visitor Center Agreement to the General Fund to be used for economic development activities, such as placing the operation of the Visitor Center Services, marketing, and promotion under the direction of the Town.

List Attached Documents:

1. Visitor Center and Marketing Services Agreement
2. Visitor Center Lease Agreement
3. Minutes to joint meetings held in 2010 and 2011

Estimated Presentation Time: 10 Min

Estimated Discussion Time: 20 Min

Reviews Completed by: Russ Martin

- Department Head: Town Attorney Comments:

Finance Review: Budgeted Unbudgeted N/A

Finance Director Comments/Fund:
Fiscal Impact:

Budget Code: _____ Amount Remaining: _____

Comments:

Background Information: The Town entered into an agreement for contracted Visitor Center Services and a Visitor Center Lease Agreement on June 22, 2011. The Town has had a relationship with the Chamber of Commerce since 1989 whereby the Chamber of Commerce provided such services to the Town at a cost varying from year to year. The fee for fiscal year 2011/12 is \$55,000, with an additional \$25,000 fee for marketing purposes. To date, the Town has paid the Chamber of Commerce \$20,000 this fiscal year under the contract. The Chamber of Commerce uses the Town's facility for the Visitor Center at a nominal annual charge under the Lease Agreement. The Chamber of

relationship would cease effective June 30, 2012. However, due to the 18-month required cancellation notice, the Chamber of Commerce would have the option of continuing to offer Visitor Center Services at outlined under Sections 1a of the Lease Agreement until the 18-month period ended, April 30, 2013. Should the Chamber of Commerce decide not to continue to provide the services beyond January 1st as outlined, the lease would terminate and the Town would work with the Chamber of Commerce to transition it out of the facility as soon as possible.

Comparative Analysis:

It is important to recognize the amount of effort this relationship has taken to maintain over the years. The Chamber of Commerce has worked to keep the Visitor Services Center open seven days per week with smaller amounts of money coming in each year. Whatever direction Council provides, the Town must continue to foster a good relationship with the Chamber of Commerce with the goal of promoting and helping our businesses in the community. This will require frequent communication and enhanced working relationships.

Fiscal Impact to the Town:

Dependent upon the option selected, the adopted 2011/12 Budget could be amended. Any action taken is for the sake of impacting businesses positively this fiscal year and beyond.

Other Impacts: The relationship between the Town and the Chamber of Commerce will be strained as a result of any change implemented. It is important that adequate consideration is given to the Chamber of Commerce and its need for transitional time as a result of any of these options. The current relationship is defined as a Contractor/Contractee. It is critical to the community that the Town/Chamber of Commerce relationship is maintained in a manner that exhibits a cooperative effort and assists the business community positively.

Conclusion:

Staff is preparing for your direction. We anticipate much discussion on the future of the Visitor Services Center. Your direction must be clear so that the option selected shines a professional and positive light on the Town of Camp Verde and the community it represents. Both organizations desire enhanced success for our businesses. It is our hope that common goals will lead us to a better way of interacting with one another and supporting the residents of Camp Verde.

Recommendation: Direct staff to pursue Option 3 or 4 which would allow the longest period of time for both entities to transition successfully. Staff is willing to work with the Chamber of Commerce to make the transition occur with as little difficulty as possible.

Statement of the Problem or Opportunity:

The Town must make strides toward aggressively pursuing opportunities which will bring business and tourism to the Town. It appears that we may have an opportunity to work toward a different partnership in the future, not only with Fort Verde State Park, but also with the Chamber of Commerce. While changes must occur, allowing for ample planning will ensure a smoother transition.

Alternatives/Options/Solutions:

- Option 1
Continue with the current Visitor Services Center and Lease Agreements. However, the Town and Chamber of Commerce would work more closely to develop and enhance the Chamber's marketing efforts. The Town would be more involved in the Chamber's marketing and planning campaigns and how the Town's funds are spent on these efforts.
- Option 2
Notify the Chamber of Commerce of the Town's intent to terminate the Visitor Center Agreement, and pay the Chamber of Commerce a pro-rated portion of the second quarter \$20,000 fee based upon the date of termination (approximately less than one-third of the amount reliant upon date of notice of termination). Amend and reallocate the remaining 2011/12 budget to the Economic Development Department. The Chamber of Commerce, under the current Lease Agreement, would receive required notice of the Town's 18-month notice of intent to terminate the Agreement. If the Chamber of Commerce continued to provide Visitor Center Services as outlined in Section 1a of the Lease Agreement, the Chamber of Commerce would be allowed to continue to occupy the facility until the 18 month-period ended, April 30, 2013. Should the Chamber of Commerce decide not to continue to provide the services as outlined, the lease would terminate and the Town would work with the Chamber of Commerce to transition it out of the facility as soon as possible.
- Option 3
Continue to fund the Chamber of Commerce for Visitor Center Services throughout the remainder of the calendar year, and pay the Chamber of Commerce the second-quarter \$20,000 payment for those services. Amend and reallocate the remaining 2011/12 budget to the Economic Development Department. The Chamber of Commerce, under the current Lease Agreement, would receive required notice of the Town's 18-month notice of intent to terminate the Agreement. If the Chamber of Commerce continued to provide Visitor Center Services as outlined in Section 1a of the Lease Agreement, the Chamber of Commerce would be allowed to continue to occupy the facility until the 18 month-period ended, April 30, 2013. Should the Chamber of Commerce decide not to continue to provide the services beyond January 1st as outlined, the lease would terminate and the Town would work with the Chamber of Commerce to transition it out of the facility as soon as possible.
- Option 4
Continue to fund the Chamber of Commerce for Visitor Center Services throughout the remainder of the fiscal year, and pay the Chamber of Commerce the second, third, and fourth-quarter \$60,000 payment for those services. The Visitor Center Services and Lease Agreements would not be renewed and the

Commerce contributes approximately \$20,000 annually toward Visitor Center Services as well for operations and marketing.

The Chamber of Commerce has repeatedly stated that it cannot take direction from Town under the current services agreement as a contracted provider. The Town believes that marketing and cross promotion is not actively pursued by the Chamber of Commerce in its current role as contractor for the Visitor Center at a value of \$55,000. Additionally, the money provided to the Chamber of Commerce for marketing and promotion does not appear to be attracting visitors and generating revenue at a value of \$25,000. In an effort to get more for the amounts spent on these two activities it is believed these services could be better managed internally under an Economic Development Department where staff may be better equipped to aggressively seek out partnerships with neighboring organizations. Cross promotion, pursuing relocation of the Visitor Center service to a more visible location, and a tourism business incubation program are just a few of the concepts being considered if termination of this agreement is directed by Council.

The Town is not convinced that official designation by the Arizona Office of Tourism enhances the Town's ability to cross promote and partner with other Verde Valley chambers and destinations nor does it bring the Town additional tourism revenue. The official designation requires a minimum 44 hours of operation per week, among other specific requirements, and there are other more cost effective opportunities to better showcase our Town.

The Chamber of Commerce, by its very nature, represents businesses that have chosen membership with the organization, and encourages non-members to join. Since the Chamber of Commerce is unable to promote businesses that are not members, both the Town and Chamber of Commerce have difficulty explaining how \$80,000 goes towards promotional efforts that may not fairly represent all members of the business community. A conflict of interest exists which prohibits the Chamber of Commerce from fully and fairly marketing all Camp Verde businesses. This is a common problem which has occurred in many cities across the state and nation and in many cases, has resulted in the two distinctly different organizations operating independently of one another.

While the Town is appreciative of the services provided in the past, it is time to try something different to entice visitors and business and bring in desired tourism revenue and jobs. This change would allow the Chamber of Commerce to focus on its membership exclusively and not be bogged down with the responsibility of the Visitor Services Center.

Recommended Action (Motion): Move to direct staff to proceed with options 1, 2, 3 or 4 and prepare the necessary documents for Council approval.

Instructions to the Clerk: None.

Agenda Item Submission Form - Section II (Staff Report)

Department: Administration

Staff Resource/Contact Person: Russ Martin

Contact Information: Russ @ ext. 102; russ.martin@campverde.az.gov

Background:

Same as above.



Exhibit A - Agenda Item Submission Form - Section I

Meeting Date: November 2, 2011

- Consent Agenda Decision Agenda Executive Session Requested
- Presentation Only Action/Presentation

Requesting Department: Town Manager

Staff Resource/Contact Person: Russ Martin

Agenda Title (be exact): Discussion, consideration, and possible approval of a letter providing an 18-month notice to the Camp Verde Chamber of Commerce that the Town does not intend to renew the Lease Agreement dated July 5, 2011.

List Attached Documents: Letter, Actions Taken from 10/19/11 Council Meeting, Lease Agreement between the Town of Camp Verde and the Camp Verde Chamber of Commerce.

Estimated Presentation Time: 5 minutes

Estimated Discussion Time: 10 minutes

Reviews Completed by:

Department Head: Melissa Preston Town Attorney Comments:

Finance Department

Fiscal Impact:

Budget Code: _____ **Amount Remaining:** _____

Comments:

Background Information: Official 18-month advance notice that the Town does not intend to renew the lease agreement must be given to the Camp Verde Chamber of Commerce in order for the Chamber to determine if it will continue to operate as a Visitor Center or if they plan to quit providing operations services as of June 30, 2012 when the contracted services agreement ends. The 18-month notice would take effect once the notice is approved by Council. If the Chamber continues to provide operation services, they would continue to occupy the facility until May 2, 2013, unless another agreement is reached prior to that date.

Recommended Action (Motion): Approve and authorize the Mayor to sign the letter advising the Camp Verde Chamber of Commerce that the Town does not intend to renew the lease agreement when it expires.

Instructions to the Clerk: Process letter as approved/amended.



Town of Camp Verde

Gateway to the Verde Valley

◆ 473 S. Main Street, Suite 102 ◆ Camp Verde, Arizona 86322 ◆

◆ Telephone: 928.567.6631 ◆ Fax: 928.567.9061 ◆

◆ www.campverde.az.gov ◆

November 2, 2011

Dave Freeman, Chair
Camp Verde Chamber of Commerce
385 S. Main Street
Camp Verde, AZ 86322

Re: Lease Agreement

Dear Mr. Freeman:

The Lease Agreement (Agreement) dated July 5, 2011 stipulates that an 18-month cancellation notice to the Chamber is required. However, the Chamber has the option of continuing to offer Visitor Center services as outlined in the Agreement until the 18-month period ends on May 2, 2013. Should the Chamber decide not to continue to provide services as outlined beyond June 30, 2012, the lease will automatically terminate. Please note that the Town is prepared to work with you as you transition out of the facility.

The Town would appreciate written notice as to the Chamber's intent to either continue offering Visitor Center services until the 18-month period ends as outlined in the Agreement, or provide a specific date as to when the Chamber intends to cease these services and vacate the facility.

If you have any questions regarding this notice, please contact Russ Martin at 567-6631 ext. 102.

Sincerely,

Bob Burnside, Mayor
Town of Camp Verde



Handicap Relay: 711 or Voice: 1-800-842-4681 TTD: 1-800-367-8939



Code Chapter 12, Article 12-3, Parking, Section 3-4, Authority to Erect Signs; **with Burnside opposed.**

Councilor German requested the following item:

11. **Request for Council direction as to whether or not to prepare and amend the current budget to reallocate funds from the Chamber of Commerce Visitor Center Agreement to the General Fund to be used for economic development activities, such as placing the operation of the Visitor Center Services, marketing, and promotion under the direction of the Town.**

On a motion by **Whatley**, seconded by **Burnside**, the Council **voted 3-4** for Option 1, to continue with the current Visitor Services Center and Lease Agreements; however, the Town and Chamber of Commerce would work more closely to develop and enhance the Chamber's marketing efforts; the Town would be more involved in the Chamber's marketing and planning campaigns and how the Town's funds are spent on these efforts; **with Kovacovich, Baker, Buchanan and German opposed.**

On a motion by **Baker**, seconded by **German**, the Council **voted 5-2** to direct staff to pursue Option 4, which would allow the longest period of time for both entities to transition successfully; **with Burnside and Whatley opposed.**

On a motion by **German**, seconded by **Kovacovich**, the Council **voted 5-2** to amend the last motion to include Work Session with the Chamber; **with Burnside and Whatley opposed.**

PUBLIC INPUT

(Comments from the following individuals are summarized in the Minutes.)

Dave Freeman
Cindy Walker
Roy Birnbaum
Nancy Floyd
Linda Buchanan
Kyle French
Ramona Aldridge
Gary Thompson
Ashton Powell

There was no further public input.

A recess was called at 7:59 p.m.; the meeting was called back to order at 8:07 p.m.

Councilor George requested the following:

12. **Discussion, consideration, and possible authorization to place the Verde River Basin Partnership back into the Council Committee Assignments, and if approved, possible appointment of a Council member to serve on the committee. Councilor George has volunteered to serve as the representative for the Town in this organization.**

On a motion by **Buchanan**, seconded by **German**, the Council unanimously approved authorization to place the Verde River Basin Partnership back into the Council Committee Assignments, and appoint Bruce George to serve on the Verde River Basin Partnership committee through May 2012.

13. **Call to the Public for items not on the agenda.**
(Comments from the following individuals are summarized in the Minutes.)

Ramona Aldridge
Sheila Stubler

There was no further public input.

14. **Manager/Staff Report**

Martin said he wanted to update the Council on the ongoing Redistricting saga with the State, and that he had some

Lease Agreement

LANDLORD: Town of Camp Verde ("LANDLORD"), an Arizona municipal corporation, 473 South Main Street, Ste. 102, Camp Verde, AZ 86322

TENANT: Camp Verde Chamber of Commerce ("TENANT"), a non-profit corporation, 385 South Main Street, Camp Verde, AZ 86322

WHEREAS, the LANDLORD and TENANT agree it would be in the public interest to establish larger facilities for use by the TENANT and other related public agencies, for promotion of tourism as a visitor's center; and

WHEREAS, the LANDLORD has provided a remodeled building at 385 South Main Street, formerly known as "Custards", and adjoining parking areas, located at the entrance to Fort Verde State Historic Park, from Main Street, that would serve as a gateway center for future development connecting the downtown area and the Fort; together the remodeled building and adjoining parking areas shall be referred to as the "Premises"; and

WHEREAS, the parties have entered into an Agreement for Contracted Services as of the date of this Lease ("Services Contract") for promotion of tourism and economic development.

NOW, THEREFORE, THE LANDLORD AGREES TO EXECUTE THIS LEASE WITH THE TENANT ON THE FOLLOWING MUTUALLY AGREEABLE TERMS AND CONDITIONS:

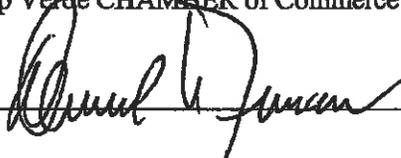
1. **Property and Use:** TENANT shall lease the Premises other than areas reserved by the LANDLORD for municipal use, for Tenant's office facility both to fulfill the terms of the Services Contract, and its role as the administration center for its member businesses and the public. TENANT shall allow other public agencies, as authorized by the Town Manager, space for displays and volunteers from those agencies that will present tourist and related information to visitors. A conference room will be available for LANDLORD's use to be scheduled by the Town Manager (or his/her designee), through the Chamber Director. The TENANT will be responsible for all scheduling and coordinating use of the building.
2. **Term and Use of Visitor's Center:** The term of the lease shall continue until written notice is given by either party to the other. The LANDLORD will provide use of the Visitor Center (as that term is defined in the Services Agreement) to the TENANT under the terms and conditions as exist under this lease. This lease shall terminate:
 - a. eighteen (18) months following proper notice in writing in order to allow the TENANT to continue to operate as a Visitor Center and/or make plans for its operation at another location; or
 - b. at any time that Tenant ceases to use the Premises for visitor services to the benefit of the citizens of the TOWN.

3. **Improvements:** TENANT will not make any modifications or improvements to the property without the prior consent of the LANDLORD. Any office equipment, supplies, or other fixtures brought to the property shall remain the property of the TENANT.
4. **Rent:** In consideration of the leasehold interest granted hereby, Tenant shall perform its obligations for the benefit of the Town as set forth in the Services Agreement, and Tenant shall payof rent during the term of the lease in the amount of \$1.00 per year, acknowledging that the occupancy and use of the premises for visitor services will be a benefit of the citizens of the TOWN and the surrounding communities. Also the TENANT, in exchange for the use of the Premises, Tenant will pay the following to offset the estimated benefit of its use of office spaces, storage and conference room currently estimated at as allocated in the annual budget:
 - a. Wages, benefits & workers compensation
 - b. Utilities
 - c. Office supplies
 - d. Phone ??
5. **Utilities:** Costs of the utilities to the premises such as electrical service and any separate heating/cooling costs, where they may be prorated, shall be the responsibility of the TENANT.
6. **Sublease:** TENANT will not sublease any portion of the Premises without the written consent of the Landlord.
7. **Maintenance:** TENANT will maintain the Premises in the condition of the facility at the time of initial occupancy, and Landlord shall maintain the heating/cooling and other services.
8. **Signs:** TENANT will not install any exterior signage on the Premises without the prior approval of the Landlord.
9. **Remodeling:** The building and surrounding property are an integral part of Main and Hollamon Street and will link the historic areas of the TOWN with Fort Verde State Historic Park. Therefore, the LANDLORD reserves the right to effect changes in the building structure, parking, and access consistent with the surrounding parking areas that indicates the primary uses of the facility.

APPROVAL AND EXECUTION BY CHAMBER

PASSED AND APPROVED BY CHAMBER OF COMMERCE ON THE 5th day of July, 2011.

Camp Verde CHAMBER of Commerce

By: 

Dave Freeman, CHAMBER of Commerce Chairman

ATTEST:

Camp Verde CHAMBER of Commerce

By: _____

Print Name: Trace Schimkowsky

APPROVAL AND EXECUTION BY TOWN

IN WITNESS WHEREOF to be executed by their duly authorized officials on 6-22-2011,
2011

Bob Burnside
Bob Burnside, Mayor 6-22-11

Attest: Debbie Barber

Debbie Barber, Town Clerk

APPROVED AS TO FORM:

William J. Sims
William J. Sims, Town Attorney