



## City of Needles, California Request for City Council Action

☒ CITY COUNCIL ☐ NPUA

☒ Regular ☐ Special

**Meeting Date:** July 11, 2023

**Title:** Approve Fourth Amendment to On-Call Consulting Services Agreement Between the City of Needles and Development Management Group, Inc. for Economic Development Consulting Services Increasing the Term and Compensation

**Background:** On March 28, 2023, the City Council amended Development Management Group, Inc.'s contract for on-call economic development services to extend until June 30, 2023.

As our economic development consultant, DMG, Inc. has worked collaboratively with the City Council and City Staff to attract businesses to our community. DMG, Inc. has successfully recruited Dollar General, AutoZone, Hampton Inn and others to the City of Needles.

DMG, Inc. continues to represent the City at numerous events throughout the year. Last month DMG, Inc. hosted a booth at ICSC 2023 in Las Vegas and worked to attract retailers to the City of Needles along with Mayor Jernigan and Councilmembers Campbell, Longbrake, McCorkle, and Merritt.

**Fiscal Impact:** The contract is within the existing budget appropriation for FY 23-24  
Finance Dept       

**Recommended Action:** Approve Fourth Amendment to On-Call Consulting Services Agreement Between the City of Needles and Development Management Group, Inc. For Economic Development Consulting Services in the amount not to exceed \$70,000 and extend the term of the Agreement until June 30, 2024.

**Submitted By:** Patrick Martinez, Assistant City Manager

**City Management Review:**       Rick      

**Date:**       7/12      

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item:       8

**FOURTH AMENDMENT TO  
CONSULTING SERVICES AGREEMENT BETWEEN  
THE CITY OF NEEDLES  
AND DEVELOPMENT MANAGEMENT GROUP, INC.  
FOR ECONOMIC DEVELOPMENT CONSULTING SERVICES**

**1. PARTIES AND DATE.**

This THIRD AMENDMENT TO CONSULTING SERVICES AGREEMENT is made and entered into July 11, 2022 ("Effective Date"), by and between the CITY OF NEEDLES, a California Charter City, (hereinafter referred to as the "City") and Development Management Group, Inc., a California corporation (hereinafter referred to as "DMG"). City and DMG are sometimes individually referred to as "Party" and collectively as "Parties."

**2. RECITALS.**

City and DMG entered into that certain CONSULTING SERVICES AGREEMENT BETWEEN THE CITY OF NEEDLES AND DEVELOPMENT MANAGEMENT GROUP, INC. FOR ECONOMIC DEVELOPMENT CONSULTING SERVICES ("Agreement") dated December 1, 2013 with a term commencing December 1, 2013 and and end date of June 30, 2015;

City and DMG entered into a FIRST AMENDMENT TO CONSULTING SERVICES AGREEMENT dated March 22, 2022 ("First Amendment") which among other things increased the authorized compensation to DMG in the amount of Thirty Thousand Dollars;

City and DMG entered into a SECOND AMENDMENT TO CONSULTING SERVICES AGREEMENT dated April 26, 2022 ("Second Amendment") which amended the Agreement to supersede the compensation terms in the First Amendment to authorize payments previously made by City and to be made against invoices through March 22, 2023.

City and DMG entered into a THIRD AMENDMENT TO CONSULTING SERVICES AGREEMENT dated March 28, 2023 ("Third Amendment") which increased the authorized compensation to DMG in the amount of fifteen thousand four hundred dollars extended until June 30, 2023.

The parties wish to further amend the Agreement to increase the term and compensation to as follows:

**3. AMENDMENT.**

**Section 2 is hereby amended to read as follows:**

*Section 2. COMPENSATION. The term of the Agreement is extended until June 30, 2024 and the compensation is increased accordingly by Seventy Thousand Dollars (\$70,000). CONSULTANT and CITY acknowledge and agree that compensation paid by CITY to CONSULTANTS under this Agreement, as amended, is based upon Consultant's written proposal dated March 14, 2023 for providing the services required hereunder, a copy of which is attached hereto as Exhibit "A" and made a part hereof by this reference.*

**Section 2 is hereby amended to read as follows**

**Section 2. COMPENSATION.** *The term of the Agreement is extended until June 30, 2024 and the compensation is increased accordingly by Seventy Thousand Dollars (\$70,000). CONSULTANT and CITY acknowledge and agree that compensation paid by CITY to CONSULTANTS under this Agreement, as amended, is based upon Consultant's written proposal dated March 14, 2023 for providing the services required hereunder, a copy of which is attached hereto as Exhibit "A" and made a part hereof by this reference.*

All other terms of the Agreement not specifically amended shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have made and executed this Agreement on the date and year set forth above.

**City of Needles**

**By:** \_\_\_\_\_

**Its:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**ATTEST:**

**By:** \_\_\_\_\_

**Its: City Clerk**

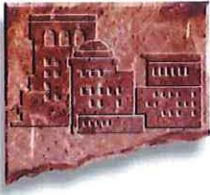
**Date:** \_\_\_\_\_

**Development Management Group, Inc., a  
California corporation**

**By:** \_\_\_\_\_

**Michael Bracken, Managing Partner**

**Date:** \_\_\_\_\_



# Development Management Group, Inc.

economic development ■ fiscal & economic analysis ■ development management

## MEMORANDUM

DATE: March 14, 2023

TO: Patrick Martinez, Assistant City Manager

FROM: Michael Bracken, Managing Partner

RE: **ECONOMIC DEVELOPMENT BUDGET/WORKPLAN (FY 22-23, FY 23-24, FY 24-25)**

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Patrick,

Yesterday we discussed a couple items that you have asked me to memorialize. This pertains to completing FY 22-23 and looking at the next two (2) years (FY 23-24 and FY 24-25)

### FY 22-23

March Retainer: \$2,500\*  
April Retainer: \$2,500  
May Retainer: \$2,500  
June Retainer: \$2,500  
Expense to Graphic Designer for Retail One Sheet: \$1,500  
Expense to Printer to Print Retail One Sheet: \$500  
Updated Banner Stands: \$2,500\*\*  
Travel Expenses for ICSC: \$800\*\*\*  
Post ICSC Follow-up (Postage): \$100

Total to Complete FY 22-23: \$15,400

\* March retainer is the only one for which the current contract directly covers. As you indicated, the contract allows for the contract to continue with the consent of both sides.

\*\*Current banner stands may be sufficient for ICSC in Las Vegas, this would save \$2,500.

\*\*\*DMG, Inc. owns furniture and décor that allows us to save at least \$2,500 in furniture expenses at ICSC (versus having to rent from the Convention Center).

### FY 23-24 and FY 24-25

It is respected the City of Needles has many options it can consider moving forward. If it is with DMG, Inc., we would be honored to assist. The ideas below provide you the input you requested, and I am always open to further discussion.

#### Option 1: Transition to In-House

We briefly discussed the concept of the City of Needles working to identify a person that can be on-staff and over time become your in-house economic development person. This Option contemplates that option:

DMG, Inc. would provide both economic development consulting services and assistance in training an economic development person through a full-year cycle (FY 23-24) at a rate of \$5,000 per month and for FY 24-25 at a rate of \$3,000 per month. The ultimate commitment to Economic Development for the next two (2) Fiscal Years would look like this:

**FY 23-24**

Staff Member (Salary Range of \$50-\$60k plus benefits at 30%):	\$65,000-\$78,000
Retainer for Consulting Services:	\$60,000
Marketing Expenses (Current Level: ICSC/1-Sheet/Banners):	\$10,000
Additional Marketing (From "The Plan"):	\$25,000 - \$100,000
<i>Total Estimated for FY 23-24:</i>	<i>\$160,000 - \$248,000</i>

**FY 24-25**

Staff Member (Salary Range of \$55k-\$65k plus benefits at 30%):	\$70,000-\$83,000
Retainer for Consulting Services:	\$36,000
Marketing Expenses (Current Level: ICSC/1-Sheet/Banners):	\$10,000
Additional Marketing (From "The Plan"):	\$25,000 - \$100,000
<i>Total Estimated for FY 23-24:</i>	<i>\$141,000 - \$229,000</i>

**Option 2: Continuation of DMG, Inc. (at FY 22-23 Levels)**

Retainer for Consulting Services:	\$60,000
Marketing Expenses (Current Level: ICSC/1-Sheet/Banners):	\$10,000
<i>Total Estimated for FY 23-24:</i>	<i>\$70,000</i>

**Option 3: Continuation of DMG, Inc. (FY 22-23 Plus Marketing Budget)**

The third option is a continuation of the work levels we have performed in last year but also calls for a marketing budget and implementation of said marketing. This would increase the workload to implement the budget (hence the higher retainer).

Retainer for Consulting Services:	\$72,000
Marketing Expenses (Current Level: ICSC/1-Sheet/Banners):	\$10,000
Additional Marketing (From "The Plan"):	\$25,000 - \$100,000
<i>Total Estimated for FY 23-24:</i>	<i>\$107,000 - \$182,000</i>

The information provided provides you concepts and I am more than happy to discuss further so that we can talk through the resources available and how to best allocate them. Again, thank you for the opportunity to potentially continue our relationship with the City of Needles.

Mb.