

**THE STATE OF TEXAS   §  
  §        **AGREEMENT**  
COUNTY OF BELL       §**

This Agreement is between the City of Killeen, Texas, a municipal corporation (City), acting herein by and through its duly authorized Interim City Manager, Lillian A. Farris, and the Greater Killeen Chamber of Commerce (Chamber), a non-profit corporation, acting herein by and through its duly authorized President, John Crutchfield.

WHEREAS, economic development in the City of Killeen is a high priority objective; and

WHEREAS, the present and prospective right to gainful employment and general welfare of the people of the City of Killeen require as a public purpose the promotion and development of new and expanded business enterprises; and

WHEREAS, the existence, development, and expansion of business, commerce, and industry are essential to the economic growth of the City and to the full employment, welfare, and prosperity of its citizens; and

WHEREAS, the actions authorized in this agreement will further that objective and ensure aggressive and positive economic development activity in the City; and

NOW THEREFORE, in consideration of the premises and covenants herein contained, the City and the Chamber agree as follows:

1. Formation. City does hereby employ, engage, and hire Chamber to provide programs and services for the economic, commercial, and industrial development herein contained, and the Chamber does hereby agree to accept such hiring, engagement, and employment and to discharge such duties in accordance with the terms and conditions herein set forth.

2. Independent Contractor. The Chamber is hired and engaged as an independent contractor and is not an officer, agent or employee of the City in regard to the operations and actions of the Chamber. The Chamber shall select and employ such persons as it may deem necessary to fulfill its obligations and responsibilities under this agreement. Said persons shall be at all times employees of the Chamber and shall not be officers, agents or employees of the City. The power to hire, manage, supervise, direct and discharge such employees shall be vested solely and exclusively with the Chamber. The City shall not manage, direct, supervise or discharge said persons or direct them in the performance of their duties for the Chamber under this agreement.

3. Indemnification. The Chamber agrees to indemnify, save harmless and defend the City of Killeen from any and all claims, causes of action and damages of every kind arising from the operations of the Chamber, its officers, agents and employees, carried out in furtherance of this agreement. The Chamber shall carry or cause to be carried public liability, bodily injury insurance on all automobiles used in the operations embraced by this agreement in the amount of Two Hundred Fifty Thousand and No/100 Dollars (\$250,000) for each person and Five Hundred Thousand and No/100 Dollars (\$500,000) for each occurrence, and property damage liability insurance in the amount of One Hundred Thousand and No/100 Dollars (\$100,000) for each occurrence, or a combined single limit of Six Hundred Thousand and No/100 Dollars (\$600,000) the cost of said insurance policies to be an expense of the Chamber for which funding shall be provided by the City pursuant to paragraph 7 below. Said policies of insurance must be approved by the City and must be written by companies acceptable to the City. Said insurance policies shall name the City of Killeen as an additional insured. Said policies, or duplicate originals thereof, must be filed with the City Secretary or her designated representative, before any operations contemplated by this agreement are begun.

4. Operation. The Chamber shall encourage and promote the development of new and expanded business enterprises in the Killeen and shall solicit the location of business, commerce and industry in the City. The Chamber shall perform, among others, the following functions:

- a. Plan, organize and direct the economic development program;
- b. Coordinate the activities of various groups involved in economic development, including the City of Killeen, Greater Killeen Chamber of Commerce, Killeen Industrial Foundation, and the Killeen Economic Development Corporation;
- c. Maintain liaison with the Governor's Office of Economic Development and other allies;
- d. Prepare and administer a budget and work program for economic development;
- e. Maintain an economic development website and update as necessary;
- f. Initiate and maintain contact with business, commercial and industrial prospects to promote their location in Killeen;

- g. Develop and present programs to business, commercial, and industrial prospects regarding opportunities in Killeen, including travel as necessary;
- h. Conduct public information program about business, commercial, and industrial development activities to the extent deemed necessary; and
- i. Obtain insurance to secure the Chamber's interest in any such projects, as well as liability insurance for the officers and directors of the Chamber against claims of damage based on the actions of said persons in furtherance of their positions and duties in promoting economic development for the City.
- j. Such additional activities as may be necessary and proper to the performance of the above duties and responsibilities.

5. Budget. The Chamber shall submit to the City Manager an annual operating budget for the Economic Development Program for the next city fiscal year based upon the estimated revenue to be paid the Chamber by City as determined by the City each year in consultation with the Chamber. Said budget shall reflect the proposed expenditures based upon estimated revenue, to be made by the Chamber during said fiscal year and the purposes for which said expenditures are to be made. Expenditures shall be made only in accordance with the approved City Council budget. Budgets shall be prepared by the Chamber, approved by the Chamber Board, and submitted to the City Manager for submission to the City Council. The budget is hereby incorporated by reference as if fully stated herein and shall be made an attachment of the agreement.

6. Revenue. City agrees to pay to the Chamber the estimated revenue determined by the City each year in consultation with the Chamber annually for Economic Development to be performed by the Chamber in accordance with the terms of this agreement. The City will advance to the Chamber an amount equal to one-fourth (1/4) of the approved City appropriation at the beginning of each quarter.

The Chamber shall maintain a separate accounting for all revenue provided by City under the terms of this contract for the purpose of fulfilling this contract. The Chamber may include the revenue provided by the City in a pooled account of the Chamber as long as the other funds of the pooled account always have a positive balance such that the revenue from the City included in the pooled account does not offset a negative balance of all other funds.

7. Use of Funds. It is expressly understood and agreed by the City and the Chamber that all funds received from the City that are paid to the Chamber shall be used solely for the purposes of encouraging and promoting economic development of the City of Killeen. The funds may be spent for day-to-day operations, supplies, salaries, office rental, travel expenses and other administrative costs only if said administrative costs are incurred directly in the promotion of economic development for the City. However, funds may not be spent for travel for a person to attend an event

or conduct an activity the primary purpose of which is not directly related to the promotion of economic development or to the performance of the person's job in an efficient and professional manner. In accordance with state law, no funds received from the City of Killeen may be used for any political activity or political advertising, including, but not limited to any activity to further the election or defeat of any candidate for public office or any activity undertaken to advocate passage or defeat of a measure.

No expenditure may be made for economic development under the terms of this agreement unless such expenditure is first approved by the President of the Chamber or his designee.

8. Financial Records. The Chamber shall maintain complete and accurate financial records of each expenditure of the funds made by Chamber and on request of the City Council, the City Manager, or other person, shall make the records available for inspection and review to the City Council or other person. The City Council may, upon reasonable notice, audit all books and records of the Chamber pertaining to the funds. All expenditures shall be made in accordance with the annual budget adopted by the City Council and any amendments thereto.

9. Reporting. The Chamber shall report monthly to the City Council on the Chamber's activities and expenditures and the general progress of the Chamber in promoting economic development for the City of Killeen. The monthly reports shall consist of: (1) a monthly Chamber Board Report and (2) a monthly consolidated economic development report. In addition, a report shall be in a format that tracks the performance measures, financial accounting responsibilities, and action plan set forth under this agreement. The report shall be provided in written format and deliverable at Council workshops.

10. Standards of Performance. The standards for measuring the Chamber's fulfillment of its obligations and responsibilities under this agreement shall be as follows:

- a. Location of new business enterprises, commerce, and industries in Killeen;
- b. Accurate and timely flow of information to the City Council;
- c. Operating the economic, business, commercial and industrial development function within the scope of the budget, work program and standards of performance;
- d. Coordination of various community groups involved with economic, business, commercial and industrial development effort;
- e. Citizen satisfaction with the economic, business, commercial and industrial development effort;
- f. Stable relations with the City Council, citizen groups, economic development allies and business, commercial and industrial prospects;
- g. Development of economic development goals, objectives, and an action plan as

adopted at the annual economic development planning retreat.

- h. Such other standards as may from time to time be established by mutual agreement of the parties to this agreement.

11. Term. The term of this contract shall be for two (2) years from October 1, 2016, to September 30, 2018 unless sooner terminated or extended in writing by City on an annual basis during City's budget process.

12. Termination. It is understood and agreed that either party may terminate this Contract by giving to the other party notice in writing at least thirty (30) days in advance of the first day of a calendar quarterly period, and such termination shall become effective at the end of the calendar quarterly period following such notice.

Upon termination of this agreement, the Chamber shall deliver to the City any and all remaining City funds appropriated that it may have and all removable property that may have been purchased with said funds.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

CITY OF KILLEEN

\_\_\_\_\_  
Lillian A. Farris, INTERIM CITY  
MANAGER

ATTEST:

\_\_\_\_\_  
Dianna Barker, CITY SECRETARY

GREATER KILLEEN CHAMBER OF  
COMMERCE

\_\_\_\_\_  
John Crutchfield III, PRESIDENT

ATTEST:

\_\_\_\_\_  
Sonja Havens, CHAIRMAN