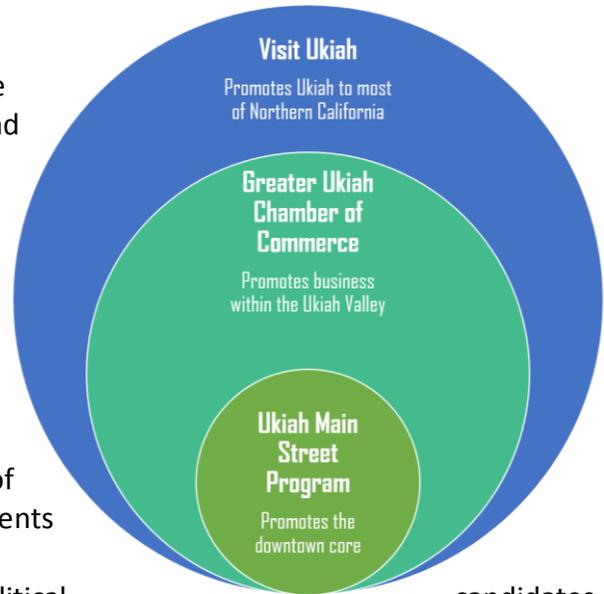


Frequently Asked Questions: Proposed Merger of the Chamber, Main Street, and Visit Ukiah

First, some general info about each organization:

Greater Ukiah Chamber of Commerce

- Operates out of the Ukiah Valley Conference Center with a full-time Executive Director and a volunteer board; accesses resources from the State and National Chamber organizations
- Has been active in Ukiah since at least 1950
- Represents all types of businesses and nonprofits on a membership basis
- Is a 501c6, a special type of nonprofit organization that allows for the promotion of for-profit businesses and political endorsements
- In 2003, the local Chamber elected to stay politically neutral and stopped endorsing political candidates.
- In 2011, the local Chamber elected to focus on member services and discontinued the visitor attraction program and the management of the Visitor Center.
- From 1998 - 2011, the Chamber received \$25,000 per year from the Ukiah Redevelopment Agency. Redevelopment agencies were dissolved in 2011, resulting in a significant loss of operating revenue for the Chamber.
- The Chamber manages a scholarship program for local high school students, and helped bring the Mendocino County Construction Corps to our area.
- Major events and activities include the Celebration of Commerce, the beer/wine booth at Pumpkinfest, the holiday trolley (shared with Main Street Program), Chamber mixers, ribbon cuttings, and miscellaneous business and workforce education programs.



Ukiah Main Street Program (UMSP)

- Local Main Street Program was formed in 1987; was previously the Downtown Merchants' Association. Designed to focus on four "points": historic preservation, design (aesthetic improvements), promotion, and organization (governance of the program)
- Operates out of the Ukiah Valley Conference Center with a part-time Executive Director and a volunteer board (currently without an Executive Director); accesses resources from the State and National Main Street Programs
- Serves businesses in the Downtown Business Improvement District, which extends from Norton to Gobbi, Oak to Main. The Business Improvement District (BID) was formed in 1982 to help provide improvements to the historic downtown; all businesses in this area pay mandatory additional business license fees to fund the District. The current fees collected are approximately \$15,000 per year.

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- In 1997, the Main Street Board was named as the Advisory Committee to the City Council for the Business Improvement District, which made them the administrators of the money collected from the BID.
- From 1998 - 2011, the UMSP also received \$20,000 per year from the Ukiah Redevelopment Agency. Redevelopment agencies were dissolved in 2011, resulting in a significant loss of operating revenue for the program.
- Major events and activities include Taste of Downtown, Pints in the Plaza, the historic plaque program, the beer/wine booth at Sundays in the Park, Comedy Alley, End-of-Summer Show and Shine (car show), Downtown Trick-or-Treating, holiday trolley (shared with Chamber), and more.

Visit Ukiah

- Visit Ukiah is the area's visitor attraction program, formed in 2006 by the voters of Ukiah.
- It is funded entirely by Transient Occupancy Tax (lodging bed tax) from guests in Ukiah lodging establishments for the purpose of generating additional visitors to the area.
- When the program was first formed, the Chamber was named as the administrative agency, which resulted in a performance agreement between the Chamber and the City of Ukiah; in 2011, the Chamber elected to stop administering the program and the visitor center; since that time, the program has been operated as a division of the City of Ukiah.
- Visit Ukiah operates the Visitor Center in the Ukiah Valley Conference Center and is managed by a volunteer board representing various segments of the hospitality industry and two City of Ukiah staff (as a small part of their other job responsibilities).
- Visit Ukiah manages advertising in major publications (Sunset, VIA, etc.) and travel guides, hosts the VisitUkiah.com website and social media sites, represents the area at travel trade shows, and partners with Visit Mendocino to expand advertising reach.
- Since 2011, the revenue generated by transient occupancy tax has more than doubled; all revenue stays in the program.

What is the proposal?

The proposal is to merge all three organizations in an effort to share costs, eliminate redundancies, and strengthen their core missions by providing additional staff and resources. While each program would remain intact in the form of an advisory board, they would also have equal representation on the governing Executive Board. (See Organization Chart, Attachment 1.) Assuming current levels of funding remain somewhat static, the new organization would share a full-time Executive Director, a part- or full-time Event Coordinator, and full time administrative support.

Why is a merger being proposed?

With similar missions, there is an opportunity to share overhead costs and redirect more money and resources into the direct services and members. The idea of a merger between the Chamber and UMSP has come up several times in the past—usually when one or the other is without an

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Executive Director. Across the nation, these types of program have merged numerous times. Also across the nation, Chambers and Visitor Attraction Programs (like Visit Ukiah) have merged. This proposal is somewhat unique in that it includes all three.

What prevents a stronger/more financially-established group from drowning out the others?

The merged organization would be governed by an Executive Board that is comprised of three members from each group, ensuring equal representation. Advisory boards for each group are responsible for developing and carrying forward the core missions/activities of their entities.

How is this decision being made?

Once the concept came up, an informal brainstorming session was held for the staff and board members of all three entities. Here, a SWOT (Strengths-Weaknesses-Opportunities-Threats) analysis was done; questions and concerns were aired. Next, each board designated a subcommittee to do additional exploration. Collectively and individually, these subcommittees met, reporting back to the full boards on a monthly basis. Once a full picture was developed, including a draft organization chart and income/expense report (see attachments 1 and 2), a public forum was held (October 22, 2018). This document represents a summary of that forum.

How is the City of Ukiah involved?

Currently, City staff administers the Visit Ukiah program. Additionally, a City staff member and a City Councilmember serve as the liaisons on both the Chamber and the UMSP's boards. Under the proposed structure, City staff would *no longer* administer the Visit Ukiah program. A staff and Council liaison would still serve, as non-voting members, on the Executive Board.

It is important to note that there are two components that require accountability and reporting to the City on an ongoing basis: the money that is received from the Business Improvement District (currently roughly \$15,000 per year) and the Transient Occupancy Tax for the Visit Ukiah program.

Who would staff the merged organization?

The recommendation is that job descriptions for the Executive Director and the Event Coordinator would be developed jointly and published, to be followed by an open and transparent hiring process.

What would the business structure look like?

Both the Chamber and UMSP have nonprofit status. They are two different kinds, both of which are valuable and important for different reasons. There are existing models for how they can both be retained within a single entity; professional legal/tax advice would be sought on the best way to accomplish this. The proposed organizational structure allows for increased partnership while maintaining membership to the State and National Chamber and Main Street organizations.

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What concerns have been brought up?

The most common concern has been the fear of one organization being “swallowed up” by another. This is why the draft organization chart was created with an Executive Board that has equal representation. Advisory boards for each group continue the core work that they are already doing, only with additional staff for implementation.

Another concern is a possible loss of revenue, particularly from Chamber members. It would be imperative that the merged organization provided tangible enhanced benefits to ALL members. With built-in collaboration and additional staff to support the missions, the new organization should be able to provide even more value—return on investment—for the money.

Also, change is scary. These organizations have been around for a long time and this proposal is a major change. There’s no way around this, other than the fact that any of these changes can be undone at any time.

What are the possible benefits?

The shared resources (rent, staffing, office equipment, etc.) will mean that more of the money can be put back into the members and the execution of the core missions.

The community is often confused about who is responsible for what; a merged organization would provide a single point of contact for visitors and the business community alike.

It has been difficult to attract and retain staff for both the Chamber and UMSP. With a more attractive salary and benefits package, as well as support staff, the likelihood of success is greater.

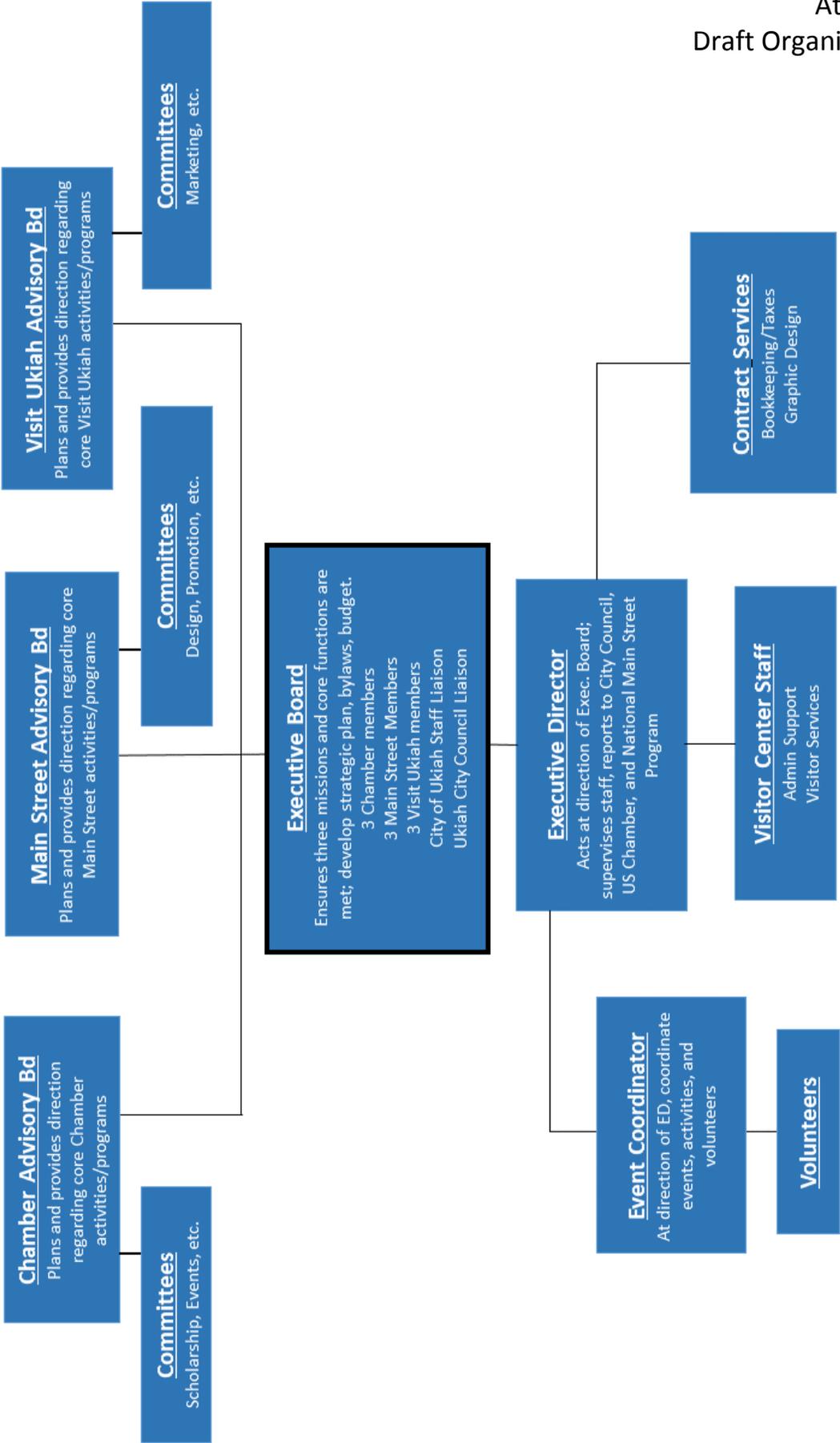
What are the next steps?

First and foremost, each organization will continue to seek input from their stakeholders. Then, in order for a three-way merger to occur, the City Council would need to approve “handing off” the Visit Ukiah program to another organization. Providing there is support in these areas, a transition plan would be developed, likely resulting in a phased approach to the merger. A complete transition could take several months, if not longer, and assurances would be made to avoid any gaps in service during that time.

Where can I get more information?

Contact any of the three organizations and/or their board members:

- Greater Ukiah Chamber of Commerce: 462-4705
- Ukiah Main Street Program: 462-6789
- Visit Ukiah: 467-5793



| Income/Expense Report for Merged Organization - Draft | | | |
|--|------------------|---|--|
| Sources of Revenue | | | |
| Downtown Improvement District Fees | \$15,000 | Restricted to downtown improvement and activities | |
| TOD and Misc. UMSP Fundraisers | \$50,000 | | |
| Chamber memberships | \$100,000 | | |
| Misc. Chamber Fundraising | \$10,000 | | |
| TOT Revenue | \$140,000 | Partially restricted; but will pay share of admin | |
| | \$315,000 | | |
| Expenses | | | |
| Rent | \$12,000 | Estimated; 1 ofc plus Visitor Center and work rm | |
| Salary - Exec. Dir. | \$80,000 | Includes benefits, taxes, etc. | |
| Wages - Visitor Center Staff | \$20,000 | | |
| (Optional) Event Coordinator, P/T | \$30,000 | Estimated (F/T \$50,000 Estimated) | |
| Advertising (Visit Ukiah) | \$70,000 | Approximation of dedicated marketing funds | |
| Supplies/Postage | \$5,000 | | |
| Events/Promotion | \$10,000 | | |
| Bookkeeping (Contract) | \$8,000 | Estimated | |
| Misc. Contract Labor (Design, etc.) | \$5,000 | | |
| Trade Shows (Visit Ukiah) | \$6,000 | | |
| Website Updates | \$1,000 | | |
| Total Expenses | \$247,000 | (\$267,000 w/ F/T Event Coordinator) | |