

RE-ESTABLISHING A CHAMBER OF COMMERCE

2022 Strategic Project List & Work Plan

CHAMBER OF COMMERCE

2022 STRATEGIC PROJECT LIST & WORK PLAN

At the March 15, 2022 Saginaw City Council meeting, the Council approved Resolution No. 2022-07 that adopts the Work Plan for FY 2022. This Work Plan sets priorities and gives direction for the City Manager to lead staff toward progress on identified projects.

- **“RE-ESTABLISHING A CHAMBER OF COMMERCE”** – This item was assigned to Keith Rinehart (Director of Community & Economic Development). Over the past 9+ months, ED staff has been investigating multiple options that include:
 - *Starting a chamber from scratch*
 - *Forming a pilot chamber with Tarrant County College NW, and*
 - *Joining other established chambers of commerce.*

OPTION #1

*FORMING A PILOT CHAMBER WITH TARRANT
COUNTY COLLEGE NW*

CHAMBER OF COMMERCE

2022 STRATEGIC PROJECT LIST & WORK PLAN

FORMING A PILOT CHAMBER WITH TCC NW:

- In early February 2022, Mayor Flipppo, City Manager Reaume and Economic Development Director Rinehart met with administration of Tarrant County College NW about the possibility of forming a new chamber.
- After discussion, no details were worked out. However, it was determined that a chamber of commerce was needed for this area since the former Saginaw Chamber and the former Northwest Chamber serving northwest Tarrant County have both folded/closed. This option is possible but there are a lot of unanswered questions and it is potentially cost prohibitive.

OPTION #1 – FORMING A PILOT CHAMBER WITH TARRANT COUNTY COLLEGE NW

PROS:

- We would have our own Chamber of Commerce probably with our city name on it.
- It could be managed by students of Tarrant County College NW.

OPTION #1 – FORMING A PILOT CHAMBER WITH TARRANT COUNTY COLLEGE NW

CONS:

- **FACT:** A Chamber of Commerce is NOT a municipal governmental operation. A Chamber of Commerce is NOT a Community College operation. Chambers of Commerce are established by the business community.
- **WHO WILL BE TASKED WITH BUILDING A CHAMBER FROM SCRATCH?** Asking City staff to build a pseudo governmental organization is political suicide for your staff. You would be setting your City Staff up to fail.
- **COST:** The cost of starting a Chamber of Commerce would be between \$250,000 to almost \$500,000. This will include a minimum of one (1) full time Executive Director, one (1) full time Marketing/Membership Coordinator and a minimum of one (1) part time assistant. This also includes funding for rent, electrical, water, phone, internet, events, programs, consultants, training, etc.
- **BOARD MEMBERS:** Who selects the Board Members and Executive Board? Asking City staff to select a pseudo governmental organization board is political suicide for your staff. You would be setting your City Staff up to fail.
- **BYLAWS:** Who draws the bylaws and standard operating procedures?
- **LOCATION:** Where will they be housed and who is going to pay for it?
- **PROGRAMS/EVENTS:** Who is going to establish their programs/events? Who is going to fund their programs/events?
- **RETURN ON INVESTMENT:** The City of Saginaw nor TCC-NW would never receive their return on their investment and would never recoup their startup money. *NOTE: There are much more important things in the City of Saginaw City Departments where the money could be better spent.*

OPTION #2

*JOINING A WELL ESTABLISHED AND DYNAMIC
CHAMBER OF COMMERCE IN OUR REGION*

CHAMBER OF COMMERCE

2022 STRATEGIC PROJECT LIST & WORK PLAN

JOINING A WELL ESTABLISHED AND DYNAMIC CHAMBER OF COMMERCE IN OUR REGION:

- Several months ago, the Northeast Tarrant Chamber of Commerce reached out to ED Staff about the possibility of joining their Chamber. They are one of the top Chambers of Commerce in North Texas if not the State of Texas.
- ED Staff met with the Northeast Tarrant Chamber of Commerce on Thursday, June 16th to converse and listen.
- ED Staff presented an update to the City Council at the June 21 meeting. At the June 21, 2022 meeting, the City Council gave ED Staff direction to develop a budget to determine costs for establishing our own Chamber of Commerce as well as providing pros and cons.
- ED Staff met with NE Tarrant Chamber Chairwoman Dr. Kenya Ayers-Palmore (President – Tarrant County College NE Campus) and Past Chamber Chairman Ish Arebalos (Coca-Cola Southwest Beverages) about Saginaw's potential membership.
- ED Staff has met with the President/CEO of the Northeast Tarrant Chamber of Commerce. He shared and expressed their interest in Saginaw joining their Chamber of Commerce to form a regional chamber of commerce that would serve ALL of northwest Tarrant County.
- Regional Chamber of Commerce concept.

OPTION #2 – CHAMBER COLLABORATION WITH NE TARRANT CHAMBER OF COMMERCE

PROS:

- Significant financial savings for the City of Saginaw. Collaboration will save money by not having to invest in the complete start-up costs for a new Chamber for the City of Saginaw (staff and admin costs are some of the biggest Chamber expenses).
- NET Chamber brings 65-Year Chamber experience to the partnership.
- NET Chamber has great relationships with their current partner cities of North Richland Hills, Haltom City, Richland Hills and Watauga.
- Geographic sense. NET Chamber plans to open a satellite office in Saginaw.
- NET Chamber would bring substantial Chamber experience of working with local Networking Groups, Member Luncheons, Major Events, School District Partnerships, Tarrant County College Partnership, and Non-Profit engagement to the City of Saginaw.
- Collaboration would include the inclusion of Saginaw businesses in the North Tarrant Marketplace, the NET Chamber Web/Mobile App.
- No initial admin costs to the City of Saginaw (no hiring of staff, no new website, no start-up costs, only cost would be annual Chamber City Partnership).
 - *PARTNER CITY (5-Star City Sponsor). The annual cost would be \$3,495*
- Experienced and successful CEO overseeing City of Saginaw integration.
- Sharing of best practices.
- The City of Saginaw would be welcomed into monthly collaboration with economic development directors from North Richland Hills, Richland Hills, Watauga and Haltom City.
- Cheapest, but the BEST option for both the Saginaw Business Community as well as the City of Saginaw. *(i.e. The NE Tarrant Chamber can provide what we can not and what our previous chamber never could provide.)*

OPTION #2 – CHAMBER COLLABORATION WITH NE TARRANT CHAMBER OF COMMERCE

CONS:

- We would not have our own Chamber of Commerce with our city name on it.

OPTION #3

*CITY OF SAGINAW ESTABLISHING A NEW CHAMBER
FROM SCRATCH*

CHAMBER OF COMMERCE

2022 STRATEGIC PROJECT LIST & WORK PLAN

CITY OF SAGINAW ESTABLISHING A NEW CHAMBER FROM SCRATCH:

- The Saginaw Area Chamber of Commerce folded and closed in 2019 due to not meeting the needs of the business community.
- The Northwest Chamber of Commerce recently folded and closed due to not meeting the needs of the business community.

OPTION #3 – CITY OF SAGINAW ESTABLISHES A NEW CHAMBER FROM SCRATCH

PROS:

- We would have our own Chamber of Commerce with our city name on it.

OPTION #3 – CITY OF SAGINAW ESTABLISHES A NEW CHAMBER FROM SCRATCH

CONS continued:

FACT #1: The Chamber of Commerce is NOT a municipal governmental operation. Chambers of Commerce are established by the business community.

FACT #2: The main reason that the previous chamber folded/dissolved a few years ago was that they did not meet the needs of the business community.

FACT #3: About 1-1.5 years before the chamber folded/dissolved, there was talk with the Northwest Chamber of Commerce to merge and join forces. The two Chambers did not want to merge because the board members were more concerned about losing their titles on the board than doing what was best for their respective chambers and business communities. Therefore, they did not merge. Within three years of that meeting, BOTH chambers of commerce folded/dissolved.

FACT #4: They lost significant money each year and operated in the red.

FACT #5: They did not pay their rent on the building for the last 12 months of operation.

FACT #6: They morphed from a business-first organization to an event planning and social organization. Board members used being on the Chamber board as a self-admitted “*good resume material*”. Every event managed by the chamber lost money with the exception of Run the Rails (which was managed by the Saginaw Community & Economic Development Director FOR the Saginaw Chamber).

FACT #7: Staffing. The previous Chamber was not able to afford an Executive Director with any experience. The Executive Board either hired friends for the job; hired a person with no experience; or hired a Director with part-time pay/hours and no experience and expected them to function like a full-time Director who had experience.

FACT #8: Did not understand the chamber’s role for the business community.

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OPTION #3 – CITY OF SAGINAW ESTABLISHES A NEW CHAMBER FROM SCRATCH

PROS:

- We would have our own Chamber of Commerce with our city name on it.

OPTION #3 – CITY OF SAGINAW ESTABLISHES A NEW CHAMBER FROM SCRATCH

CONS:

WHO WILL BE TASKED WITH BUILDING A CHAMBER FROM SCRATCH? Asking City staff to build a pseudo governmental organization is political suicide for your staff. You would be setting your City Staff up to fail. A Chamber of Commerce is NOT a municipal governmental operation. Chambers of Commerce are set up by the business community.

COST: The cost of starting a Chamber of Commerce would be between \$250,000 to almost \$500,000. This will include a minimum of one (1) full time Executive Director, one (1) full time Marketing/Membership Coordinator and a minimum of one (1) part time assistant. This also includes funding for rent, electrical, water, phone, internet, events, programs, consultants, training, etc.

*****RE-ESTABLISHING TRUST WITH THE BUSINESS COMMUNITY:** The previous chamber lost trust from the business community. The business community consistently proclaimed that all the Chamber did was ask for more money and still not provide any services, business promotion, or Saginaw Texas promotion.

BOARD MEMBERS:

- *ISSUE #1* – Lost trust from the business community. The board members had no understanding of what a board member does nor what a chamber does...no training.
- *ISSUE #2* – Previous board members would want to be board members again and you would have the exact same problems as before.

LOCATION: Where will they be housed and who is going to pay for it?

RECOUPING SEED/START-UP MONEY: The City of Saginaw would never receive their return on their investment and would never recoup their startup money. Saginaw City Staff just went through an exercise to see how much money could be cut from the budget...there are much more important things in each of the Saginaw City Departments where the money could be better spent.

PROGRAMS/EVENTS: Who is going to establish their programs/events? Who is going to fund their programs/events?

***DIRECTION FROM THE
CITY COUNCIL?***