

Hello,

The following represents my own views and does not purport to be the view of the City of Dickinson, City Council, Dickinson Management District, or the Dickinson Economic Development Corporation.

The city received the Dickinson Chamber of Commerce's certified letter in March written in response to the draft agreement that was put together by the DEDC's legal council. Your letter states that the Chamber decided to reject this agreement after reviewing the document in January, however that statement is not accurate. The Chamber made it clear in December of last year in correspondence to staff and, in public comments during a council meeting, that it rejected the agreement at that time despite not speaking with the city or EDC about its intent and without seeing any of the details of the agreement. This is regrettable as the entire agreement was subject to amendment based on any discussions the EDC and Chamber would have had.

It is clear that the Chamber's leadership believes that this agreement was intended as city takeover of the Chamber. However, a reading of this agreement makes it clear that this agreement would be a poor method through which to take over the organization. I would like to take a moment to clarify this and several other mischaracterizations of this agreement:

- This agreement proposes raising the size of the chamber board to 11 members and allowing city entities to appoint three of those members. This proposal stems from the fact that city entities would have been providing significant financial support to the chamber and it would be reasonable to ask for a seat at the table. Three members out of a board of 11 maintains a supermajority of members not selected by city entities. This composition would not allow city entities to "take over" the Chamber.
- The primary goal of this agreement was to aid the chamber by funding a full time, salaried Chamber director as the Chamber lacks the resources to fund such a position. Much has been made of the fact this agreement states that this director would be an employee of the city and would report directly to the city manager. There seems to be a belief that reporting to the city manager directly would be another means through which the city would "take over" the Chamber. However, if one reads the next paragraph of the agreement, it becomes clear that the Chamber director would work wholly for the Chamber. That paragraph states that the director will perform duties consistent with, and prescribed by, the Chamber's board of directors. This means that the director works for the board and thus for the chamber. So why would the Chamber director report to the city manager? The reason is that the chamber Director would be eligible for municipal medical and retirement benefits. These benefits are very competitive with benefits typically offered by Chambers and would have helped to attract a strong candidate. Additionally, reporting to the city allows the city to administer benefits and payroll for this employee and would free the Chamber from this administrative burden.
- Your letter implies that the city does not understand what the relationship between a city and a Chamber should be. However, agreements similar to what was proposed exist throughout the country. Locally, League City provided direct financial assistance to its Chamber for many years. The purpose of such agreements is to work constructively with a Chamber in order to promote business retention and expansion as these are goals shared by both cities and Chambers. Today, League City's Chamber has been nationally recognized and has grown into a vibrant organization. One might argue that Dickinson does not have the economic base of League City,

but our smaller economic base makes it even more important for our community to be aggressive with business retention and expansion. The goal of this agreement was to aid our Chamber with a full time director to expand resources available to our businesses and to aid the Chamber in expanding its membership. This would have helped to increase our Chamber's revenue and its footprint.

- It has been implied that this agreement was drafted without any consultation with Chamber officials. In reality, the city worked with a Chamber officer for several months and he felt a partnership between the city and the EDC would be beneficial. We provided him the draft agreement included in your certified letter. Prior to the drafting of this agreement, this officer appraised the Chamber that an offer from the city was in the works and arranged to have the agreement presented to the Chamber board. However, once the agreement had been drafted, the Chamber informed the city manager that it had decided to reject the agreement prior to being presented with it or discussing the agreement.
- Chamber officers have publicly stated that this agreement would be a misuse of public funds with social media comments stating that this agreement would constitute a "gross misappropriation" of public funds. These funds come from the Economic Development Corporation and they must be used for economic development purposes. Funding such an agreement is directly in line with the mission of the EDC and this agreement was fully consistent with the law. Supporting businesses is a primary goal of both EDCs and Chambers of Commerce. This agreement was intended to support that goal.
- In fact, the Dickinson Chamber of Commerce sought assistance in the form of public monies in 2022. During a public meeting, then Councilman Shrader expressed support for using Hotel/Motel taxes (which would have been an unlawful use of those funds as they are restricted to the promotion of tourism) to purchase the building the Chamber currently offices in. It was expressed to me that the Chamber hoped that the city would purchase this building and deed it over to the Dickinson Chamber of Commerce. I expressed support for potentially purchasing the building from legal funding sources and working out a favorable lease with the Chamber, but felt that the city would need to retain ownership of the building. It is interesting that using public funds to purchase a building for the chamber's benefit would have been an appropriate use of public funds, but this proposed agreement with the Chamber would be a "gross misappropriation" of funds.

All that said, the Chamber has made it's position on this agreement clear. I believe that is unfortunate. I doubt that the Chamber's leadership will believe this, but I have a great deal of respect for what has been accomplished over the past 6 years. Dickinson's Chamber had died and our community lacked an organization whose mission was to support Dickinson's businesses. The Chamber's leadership has worked without pay, without much in the way of thanks, and resurrected this organization. This is a tremendous accomplishment.

The EDC's goal in drafting this agreement was not to dominate or destroy the chamber, but to honor and support the efforts of those that worked to build the organization. Dickinson does not have the business community of a League City or Texas City and our goal was to give the Chamber additional resources to further grow the organization and to support volunteer efforts with a professional staff. This would have allowed for an expansion of business activities and workshops for Chamber members

and to possibly expand the Chamber into a regional Chamber as many of our surrounding cities have done. The ultimate beneficiaries of this agreement would have been our local business community.

Unfortunately, a fully negotiable offer of assistance and partnership was immediately framed as a takeover. I lament that the Chamber's leadership did not give the EDC the opportunity to explain the intent of this agreement. The Chamber rejected this agreement sight unseen. The Chamber refused to speak with the EDC about the agreement. The only communication with the city or EDC on this issue has been via critical public comments, social media posts, and certified letters. I can only hope that one day there can be a constructive relationship in Dickinson between the city and those that advocate for our business community. In the meantime, the EDC will work to attract new businesses and to support existing business.

Sean Skipworth
Mayor
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