



CITY OF COMMERCE AGENDA REPORT

TO: Honorable Mayor and City Council **Item No.** _____

FROM: Ernie Hernandez, City Manager

SUBJECT: Consideration to Adopt a Resolution Approving an Agreement with North Star Alliances for Marketing Services related to the Big 4

MEETING DATE: August 11, 2026

RECOMMENDATION:

It is recommended that the City Council consider:

1. Adopting a resolution to:
 - a. Approve an Agreement for services with North Star Alliance (“NSA”), as approved in form by the City Attorney, at a not-to-exceed amount of a total of \$120,000 through August 5, 2028;
 - b. Approve a budget amendment recognizing \$120,000 in additional Card Club revenues and increasing Community Development Department appropriations by \$120,000 to fund economic development consulting services; and;
 - c. Authorize the City Manager, or designee, to take necessary actions to implement these actions; and
2. Take any additional related actions as deemed necessary.

BACKGROUND:

The Cities of Commerce, Industry, Santa Fe Springs, and Vernon are each located in Los Angeles County and collectively represent a significant industrial and commercial corridor. Together, these jurisdictions employ approximately 500,000 workers in industries such as manufacturing, wholesale and distribution, transportation and logistics, and e-commerce. These activities contribute substantially to both local and state tax revenues. However, the cities often do not receive an adequate share of transportation, planning, and grant monies because the distribution formulas are based solely on population.

Recognizing the shared economic and policy challenges facing these industrial and commercial sectors, the Cities have agreed to collaborate through a Memorandum of Understanding (MOU).

This MOU created a partnership that served as a regional coalition to promote legislative initiatives to further promote economic development and support the unique key policy mandates of its member cities.

The cities recognize the need to clearly articulate their economic value, where industrial cities often contribute more than they receive. As part of this effort, the Big 4 cities have agreed to commence by hiring a consulting team to assist in drafting an economic and real estate development strategy.

The Phase I initiative was led by the consulting team DEODATE and North Star Alliances (NSA). Together, DEODATE and NSA provided strategic storytelling to elevate the Big 4 region's visibility among developers, investors, policymakers, and partners.

On January 13, 2026, the City Council approved entering into a Professional Service Agreement with the consultants for a combined total of \$132,125 for Phase I services. However, the City along with Industry and Vernon utilized Santa Fe Springs as the primary signer to the Phase I agreement with Deodate and NSA. All three City's received an evenly distributed invoice noting the Big 4 tasks completed during Phase I.

ANALYSIS:

The City will enter into a Professional Service Agreement with NSA for a total of \$120,000 for a twenty-four-month period. In addition, NSA shall receive thirty percent (30%) of gross revenue generated from all new, renewal, recurring, and ongoing sponsorships, and strategic planning.

Phase 2 focuses on activating the infrastructure established during Phase 1 through coordinated communications, business attraction initiatives, stakeholder engagement, strategic partnerships, city-specific economic development marketing, and ongoing program management.

Success will be measured not only by increased visibility and engagement, but also by the development of strategic partnerships, business attraction opportunities, investment activity, tenant attraction, business recruitment, and economic development outcomes throughout the BIG 4 region. Phase 2 formalizes and expands these efforts into a coordinated economic development activation program designed to support long-term growth and measurable outcomes throughout the BIG 4 region.

The BIG 4 Phase 2 Program is organized around six components designed to transform awareness, relationships, and infrastructure established during Phase 1 into measurable economic development outcomes:

1. Communications & Brand Activation
2. Strategic Partnerships, Stakeholder Engagement & Industry Activation
3. Business Attraction & Opportunity Development
4. City Economic Development Marketing

5. Program Sustainability & Revenue Generation
6. Program Management & Reporting

FISCAL IMPACT:

The FY 2026-28 Budget incorporated a conservative reduction to projected Card Club revenues due to the uncertainty surrounding the then-pending regulation changes. Based on subsequent legal developments, staff is recommending recognition of \$120,000 in additional Card Club revenues, representing a small portion of the previously reduced revenue projection, to fund the proposed agreement.

Approval of the proposed agreement will require a budget amendment recognizing \$120,000 in additional General Fund revenues from Card Club revenues (Acct No. 10-6100-32001) and increasing the Community Development Department's contractual services budget (Account No. 10-1510-52001) by an equal amount. The recommended revenue adjustment represents a small portion of the conservative Card Club revenue reduction incorporated into the adopted FY 2026-28 Budget. As such, the proposed agreement is fully funded through additional revenues and will not require the use of General Fund reserves.

The proposed agreement also provides for performance-based compensation equal to thirty percent (30%) of revenues generated from new, renewal, recurring, and ongoing sponsorships secured by the consultant, as described in the Agreement. Any such payments will be funded from the sponsorship revenues generated.

ALTERNATIVES:

1. Approve recommendation
2. Reject recommendation
3. Provide staff with further direction

Prepared by:	Gisselle S. Delgado, Senior Management Analyst
Reviewed by:	Alvaro Castellon, Director of Finance
Respectfully submitted:	Ernie Hernandez, City Manager
Approved as to form:	Noel Tapia, City Attorney

ATTACHMENTS:

- 1) Resolution
- 2) NSA Proposal