

January 23, 2006

Chambers walk a fine line: Business groups seek greater clout, but must remain local

By: CHRIS BAGLEY - Staff Writer

Through much of 2003 and 2004, chambers of commerce in Lake Elsinore, Murrieta and Temecula had "legislative action" committees that met occasionally, though chamber executives acknowledge that they didn't take much action.

So the three chambers teamed up to create a joint advocacy organization, the Southwest California Legislative Council, in January 2005. They staffed it with a part-time political consultant, who set up an interactive Web site that helps member businesses contact legislators. The consultant, a former chief lobbyist for the California State University students' association named Shaun Lumachi, meets monthly with the group's 15-member board.

Lumachi and Rex Oliver, chief executive of the Murrieta chamber, are set to address an audience of several hundred who'll gather next month in Los Angeles for the annual conference of the Western Association of Chamber Executives.

At last year's conference, the two outlined their plans for the Southwest California Legislative Council, the advocacy group created by the three chambers. This year, they plan to tell the chamber executives that they've made local businesses more effective in pushing and protecting their interests.

It's an example that many chambers are seeking to follow, said Dave Kilby, president of the western association.

"In the last handful of years, chamber alliances have been up and coming," said Kilby, whose group represents chambers in 14 western states. "This is one way for chambers in a region to speak with one voice."

The conference comes as several chambers in Southwest County struggle to overcome one or another limitation of their size.

Struggles for funding, coordination

The case of two small chambers of commerce in the Menifee-Sun City area illustrates a pitfall that some chambers come upon when they try to team up with neighbors through mergers or partnerships.

The Menifee Valley Chamber of Commerce moved early last year toward a partnership with the Hemet-San Jacinto chamber, itself the product of a 1999 merger, a move that would have allowed Menifee Valley to share resources with its larger neighbor, and provided the two a forum to discuss transportation, legislation and other regional issues.

But dozens of members defected last spring, grumbling that the organization hadn't done enough to promote local businesses and worried that a proposed regional partnership would further shift focus away from that goal.

The breakaway members formed the Menifee-Sun City Chamber of Commerce. That group rejected the older chamber's offer to recombine earlier this month.

In both Menifee and Wildomar, chambers have helped spawn movements to incorporate as cities. Though the Menifee Valley chamber raised tens of thousands of dollars for that local effort, several members, including a member of the incorporation committee, have joined the new chamber because, they say, it's more focused on cityhood. Some also chafed at the old chamber's history of financial troubles, including a patch where it nearly closed in the mid-1990s.

#### Economies of scale

The challenges facing the local chambers are typical, according to Kilby and leaders of other business groups in Southern California. They show the range of roles that chambers play in their various communities. Some chambers exist mainly as business networking organizations. Others offer seminars to business owners and hopeful entrepreneurs. For some members, chamber meetings and mixers are mainly social events.

Many of the groups lobby for or against government actions that affect their member businesses. Some even form political action committees that raise and spend money for specific candidates and specific ballot measures.

And the organizations have also varied in their approaches to the problems of size and scale. A decade ago, chamber leaders in El Cajon and La Mesa fretted that their modest size didn't allow them to muster enough resources to keep the attention of local government officials, according to Terry Saverson, president of the San Diego East County Chamber of Commerce, which those two groups combined in 1997.

"There is much clout in numbers," Saverson said. "Mainly, our job is to give as much support as possible to the business community and we can give that ... support when we have clout."

And yet there were turf spats, Saverson said, prompting her to advise members to "check your egos at the door."

The two cities had paid the private organizations to act as visitors' bureaus for the cities. City councils worried that they would forsake that function. Even now, Saverson said, a few long-standing businesses in La Mesa grumble that the chamber's office is in El Cajon.

The two chambers' size before the mergers ---- about 500 members each ---- was typical. Only about 15 percent of all chambers have more than 1,000 members, Kilby said.

There's no particular ideal size for a chamber, Kilby said. By his estimate, about 19 percent

of the chambers have fewer than 300 members, including the chamber in Wildomar and both in Menifee.

Kilby said he worries that some groups struggle for funding and attendance even while resisting calls to merge with other nearby chambers.

"It's certainly not an official position, but from our department's point of view, we are very pro-merger," Kilby said. "There are too many chambers that are understaffed and underfunded."

As strip malls sprout up in and around the unincorporated community of Wildomar, the new shop owners ---- and a range of existing businesses ---- are joining the Wildomar Chamber of Commerce. Earlier this month, the chamber decided to add a second work station in its office.

But it couldn't shell out \$500 for a new desktop computer. So Snyder e-mailed the group's 100 members, seeking a donated computer ---- "not too old or slow, please."

Rick Estes, the chamber's president, said he's never considered the possibility of a regional chamber or any sort of merger, though.

For one thing, he said, such a move could take steam out of the local effort to incorporate Wildomar as a city. The organization backing cityhood, Wildomar Incorporation Now, originally formed as a committee within the chamber. It separated about two years ago, but has since received about \$2,000 from the business group. The chamber also helps it to organize fundraisers.

#### Sharing members

The multiple chambers exist as neighbors, even as their memberships overlap geographically. And interviews with several members show how that arrangement helps some broaden their net of business contacts while steering some out of their immediate area.

Linda Dozier, a public-relations consultant who lives in Menifee, became a member of the Murrieta Chamber of Commerce after attending several meetings of the Business Forum, a monthly lunchtime seminar organized by that chamber. Dozier said she simply wouldn't have time to join one of the groups in Menifee, though that might make sense for a large business that had enough personnel to send to events at multiple chambers.

Artist Touch Art and Frame Studio in Temecula is among the 23 percent of the members of the Murrieta Chamber of Commerce whose members don't have Murrieta mailing addresses. It's also a member of the Temecula Valley Chamber of Commerce.

Both chambers are already relatively large, and co-owner Don Endresen said the two chambers' set of priorities are too unique to be accommodated by a merged, regional chamber.

"Would it be better to do away with the cities of Murrieta and Temecula and just have

Southwest Riverside County City?" he asked.

Oliver, the chief executive of the Murrieta chamber, said it makes sense to merge the organizations only in areas that are "built out," or have otherwise stopped growing. That doesn't apply to his organization, he said: it has grown to 940 members from about 910 just a month or so ago. The Wildomar chamber plans to double its membership to 200 by the end of the year, Estes said.

Oliver said his organization has shown little interest in merging with neighboring groups. Instead, it teams up with them only for specific purposes.

"Chambers don't merge unless there are extenuating circumstances," Oliver said. "As long as we're capable ---- Temecula as well as Murrieta ---- we will maintain our individuality."

**Contact staff writer Chris Bagley at (951) 676-4315, Ext. 2615, or [cbagley@californian.com](mailto:cbagley@californian.com). To comment on this story, go to [www.californian.com](http://www.californian.com).**