

Council Meeting of
March 16, 2010

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the Council:

**SUBJECT: City Manager – Approve agreement amendment with Civitas Advisors for services in establishing the Torrance Tourism Business Improvement District
Expenditure: \$1,403**

RECOMMENDATION

Recommendation of the City Manager that Council approve an amendment with Civitas Advisors (C2009-121) to extend the contract term to January 31, 2010 and add \$1,403 in order to close out contract for services to establish the Torrance Tourism Business Improvement District

FUNDING

Funding is available in the Economic Development Assistance budget.

BACKGROUND/ANALYSIS

On June 23, 2009 City Council authorized staff to enter into the process of forming a Tourism Business Improvement District and to secure the assistance of Civitas Advisors consulting firm to aid in that process. The process was successful and the Torrance Business Improvement District was officially formed January 12, 2010.

The Torrance Tourism Business Improvement District is a special benefit assessment area made up of tourism-related business owners that contribute to a fund to market the area, including conducting promotional activities, special events, and programs. The funds raised by the assessments are returned to the private non-profit corporation that is being formed to govern the district. In Torrance's case, there are fourteen hotels that participate in the district and are now paying an annual assessment fee of 1% on gross short term room rental revenue.

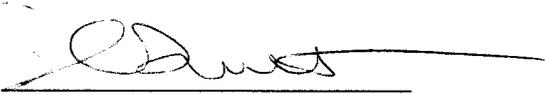
Unfortunately, due to delays in beginning the process of forming the TBID, then encountering further delays due to public notice requirements and holidays at the end of the process, the actions required to finalize the TBID formation ran beyond the

original approved contract end date of November 30, 2009. It has come to staff's attention that the final invoicing for Civitas Advisors cannot be paid without extending the term date of the agreement to January 31, 2010 and increasing the authorized amount of \$25,250.00 by \$1,403.00 to a total expenditure of \$26,653.00.

Staff is requesting at this time that Council approve an amendment to the agreement with Civitas Advisors to extend the term from November 30, 2009 to January 31, 2010 and add an additional \$1,403.00 to the contract amount.

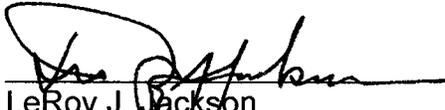
Respectfully submitted,

LeROY J. JACKSON
CITY MANAGER

By 

Fran Fulton
Management Associate

CONCUR:



LeRoy J. Jackson
City Manager

Attachment: A) Amendment to Consulting Services Agreement with Civitas Advisors
B) Consulting Services Agreement with Civitas Advisors
C) Council Item from June 23, 2009

AMENDMENT TO AGREEMENT C2009-121

This Amendment to Agreement is made and entered into as of November 30, 2009, by and between the CITY OF TORRANCE, a municipal corporation ("CITY"), and CIVITAS ADVISORS, a California Corporation ("CONSULTANT").

RECITALS:

- A. CITY and CONSULTANT entered into an Agreement on June 23, 2009, whereby CONSULTANT agreed to provide the work and services set forth in the Proposal attached to the original agreement as Exhibit A.
- B. Both parties wish to amend the contract to extend the term from November 30, 2009 to January 31, 2010.
- C. Both parties wish to amend the contract to add an additional \$1403.00 to the contract.

AGREEMENT:

- 1. Paragraph 2, "TERM," is amended to read in its entirety as follows:

- 2. **TERM**

Unless earlier terminated in accordance with Paragraph 4 below, this Agreement will continue in full force and effect from the Effective Date through January 31, 2010.

2. Paragraph 3, "COMPENSATION" is amended to read in its entirety as follows:

3. COMPENSATION

A. CONSULTANT's Fee.

For services rendered pursuant to this Agreement, CONSULTANT will be paid in accordance with the Proposal attached as Exhibit A, provided, however, that in no event will the total amount of money paid the CONSULTANT, for services initially contemplated by this Agreement, exceed the sum of \$26,653.00 ("Agreement Sum"), unless otherwise first approved in writing by CITY.

3. In all other respects, the Agreement dated June 23, 2009, between CITY and CONSULTANT is ratified and reaffirmed and is in full force and effect.

CITY OF TORRANCE
a Municipal Corporation

Civitas Advisors
a California Corporation

Frank Scotto, Mayor

By: _____
John A. Lambeth
President

ATTEST:

Sue Herbers
City Clerk

APPROVED AS TO FORM:

JOHN L. FELLOWS III
City Attorney

By: _____

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CITY OF TORRANCE
a Municipal Corporation

Civitas Advisors
a California Corporation

Frank Scotto, Mayor

By: _____
John A. Lambeth
President

ATTEST:

Sue Herbers
City Clerk

APPROVED AS TO FORM:

JOHN L. FELLOWS III
City Attorney

By: _____

CONSULTING SERVICES AGREEMENT

This CONSULTING SERVICES AGREEMENT ("Agreement") is made and entered into as of June 23, 2009 (the "Effective Date"), by and between the CITY OF TORRANCE, a municipal corporation ("CITY"), and Civitas Advisors, a California Corporation ("CONSULTANT").

RECITALS:

- A. CITY wishes to retain the services of an experienced and qualified CONSULTANT to assist with the formation of the Torrance Tourism Business Improvement District.
- B. CONSULTANT represents that it is qualified to perform those services.

AGREEMENT:

1. SERVICES TO BE PERFORMED BY CONSULTANT

CONSULTANT will provide the services listed in the Proposal attached as Exhibit A. CONSULTANT warrants that all work and services set forth in the Proposal will be performed in a competent, professional and satisfactory manner.

2. TERM

Unless earlier terminated in accordance with Paragraph 4 below, this Agreement will continue in full force and effect from the Effective Date through November 30, 2009.

3. COMPENSATION

- A. CONSULTANT's Fee.

For services rendered pursuant to this Agreement, CONSULTANT will be paid in accordance with the Proposal attached as Exhibit A, provided, however, that in no event will the total amount of money paid the CONSULTANT, for services initially contemplated by this Agreement, exceed the sum of \$25,250.00 ("Agreement Sum"), unless otherwise first approved in writing by CITY.

- B. Schedule of Payment.

Provided that the CONSULTANT is not in default under the terms of this Agreement, upon presentation of an invoice, CONSULTANT will be paid monthly the fees described in Paragraph 3.A. above, according to the Proposal. Payment will be due within 30 days after the date of the monthly invoice.

C2009-121

COPY

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RECEIVED
CITY OF TORRANCE
JUN 23 2009

4. TERMINATION OF AGREEMENT

A. Termination by CITY for Convenience.

1. CITY may, at any time, terminate the Agreement for CITY's convenience and without cause.
2. Upon receipt of written notice from CITY of such termination for CITY's convenience, CONSULTANT will:
 - a. cease operations as directed by CITY in the notice;
 - b. take actions necessary, or that CITY may direct, for the protection and preservation of the work; and
 - c. except for work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders.
3. In case of such termination for CITY's convenience, CONSULTANT will be entitled to receive payment for work executed; and costs incurred by reason of such termination, along with reasonable overhead and profit on the work not executed.

B. Termination for Cause.

1. If either party fails to perform any term, covenant or condition in this Agreement and that failure continues for 15 calendar days after the nondefaulting party gives the defaulting party written notice of the failure to perform, this Agreement may be terminated for cause; provided, however, that if during the notice period the defaulting party has promptly commenced and continues diligent efforts to remedy the default, the defaulting party will have such additional time as is reasonably necessary to remedy the default.
2. In the event this Agreement is terminated for cause by the default of the CONSULTANT, the CITY may, at the expense of the CONSULTANT and its surety, complete this Agreement or cause it to be completed. Any check or bond delivered to the CITY in connection with this Agreement, and the money payable thereon, will be forfeited to and remain the property of the CITY. All moneys due the CONSULTANT under the terms of this Agreement will be retained by the CITY, but the retention will not release the CONSULTANT and its surety from liability for the default. Under these circumstances, however, the CONSULTANT and its surety will be credited with the amount of money retained, toward any amount by which the cost of completion exceeds the Agreement Sum and any amount authorized for extra services.

3. Termination for cause will not affect or terminate any of the rights of the CITY as against the CONSULTANT or its surety then existing, or which may thereafter accrue because of the default; this provision is in addition to all other rights and remedies available to the CITY under law.

C. Termination for Breach of Law.

In the event the CONSULTANT or any of its officers, directors, shareholders, employees, agents, subsidiaries or affiliates is convicted (i) of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of a contract or subcontract; (ii) under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty which currently, seriously, and directly affects responsibility as a public consultant or contractor; (iii) under state or federal antitrust statutes arising out of the submission of bids or proposals; or (iv) of violation of Paragraph 19 of this Agreement; or for any other cause the CITY determines to be so serious and compelling as to affect CONSULTANT's responsibility as a public consultant or contractor, including but not limited to, debarment by another governmental agency, then the CITY reserves the unilateral right to terminate this Agreement or to impose such other sanctions (which may include financial sanctions, temporary suspensions or any other condition deemed appropriate short of termination) as it deems proper. The CITY will not take action until CONSULTANT has been given notice and an opportunity to present evidence in mitigation.

5. **FORCE MAJEURE**

If any party fails to perform its obligations because of strikes, lockouts, labor disputes, embargoes, acts of God, inability to obtain labor or materials or reasonable substitutes for labor or materials, governmental restrictions, governmental regulations, governmental control, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, or other causes beyond the reasonable control of the party obligated to perform, then that party's performance shall be excused for a period equal to the period of such cause for failure to perform.

6. **RETENTION OF FUNDS**

CONSULTANT authorizes CITY to deduct from any amount payable to CONSULTANT (whether or not arising out of this Agreement) any amounts the payment of which may be in dispute or that are necessary to compensate CITY for any losses, costs, liabilities, or damages suffered by CITY, and all amounts for which CITY may be liable to third parties, by reason of CONSULTANT's negligent acts or omissions or willful misconduct in performing or failing to perform CONSULTANT's obligations under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by CONSULTANT, or any indebtedness exists that appears to be the basis for a claim of lien, CITY may withhold from any payment due, without liability for interest because of the withholding, an amount sufficient to cover the claim. The failure of CITY to exercise the right to deduct or to withhold will not, however, affect the obligations of

CONSULTANT to insure, indemnify, and protect CITY as elsewhere provided in this Agreement.

7. **CITY REPRESENTATIVE**

Fran Fulton is designated as the "City Representative," authorized to act in its behalf with respect to the work and services specified in this Agreement and to make all decisions in connection with this Agreement. Whenever approval, directions, or other actions are required by CITY under this Agreement, those actions will be taken by the City Representative, unless otherwise stated. The City Manager has the right to designate another City Representative at any time, by providing notice to CONSULTANT.

8. **CONSULTANT REPRESENTATIVE(S)**

The following principal(s) of CONSULTANT are designated as being the principal(s) and representative(s) of CONSULTANT authorized to act in its behalf with respect to the work specified in this Agreement and make all decisions in connection with this Agreement:

John A. Lambeth

9. **INDEPENDENT CONTRACTOR**

The CONSULTANT is, and at all times will remain as to CITY, a wholly independent contractor. Neither CITY nor any of its agents will have control over the conduct of the CONSULTANT or any of the CONSULTANT's employees, except as otherwise set forth in this Agreement. The CONSULTANT may not, at any time or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of CITY.

10. **BUSINESS LICENSE**

The CONSULTANT must obtain a City business license prior to the start of work under this Agreement, unless CONSULTANT is qualified for an exemption.

11. **OTHER LICENSES AND PERMITS**

CONSULTANT warrants that it has all professional, contracting and other permits and licenses required to undertake the work contemplated by this Agreement.

12. **FAMILIARITY WITH WORK**

By executing this Agreement, CONSULTANT warrants that CONSULTANT (a) has thoroughly investigated and considered the Proposal to be performed, (b) has carefully considered how the services should be performed, and (c) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement. If the services involve work upon any site, CONSULTANT warrants that CONSULTANT has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of services set forth in this Agreement. Should CONSULTANT discover any latent or unknown conditions that will materially affect the performance of the services set forth in this Agreement, CONSULTANT must immediately inform CITY of that fact and may not proceed except at CONSULTANT's risk until written instructions are received from CITY.

13. **CARE OF WORK**

CONSULTANT must adopt reasonable methods during the term of the Agreement to furnish continuous protection to the work, and the equipment, materials, papers, documents, plans, studies and other components to prevent losses or damages, and will be responsible for all damages, to persons or property, until acceptance of the work by CITY, except those losses or damages as may be caused by CITY's own negligence.

14. **CONSULTANT'S ACCOUNTING RECORDS; OTHER PROJECT RECORDS**

Records of the CONSULTANT's time pertaining to the project, and records of accounts between CITY and the CONSULTANT, will be kept on a generally recognized accounting basis. CONSULTANT will also maintain all other records, including without limitation specifications, drawings, progress reports and the like, relating to the project. All records will be available to CITY during normal working hours. CONSULTANT will maintain these records for three years after final payment.

15. **INDEMNIFICATION**

CONSULTANT will indemnify, defend, and hold harmless CITY, the Redevelopment Agency of the City of Torrance, the City Council, each member thereof, present and future, members of boards and commissions, its officers, agents, employees and volunteers from and against any and all liability, expenses, including defense costs and legal fees, and claims for damages whatsoever, including, but not limited to, those arising from breach of contract, bodily injury, death, personal injury, property damage, loss of use, or property loss however the same may be caused and regardless of the responsibility for negligence. The obligation to indemnify, defend and hold harmless includes, but is not limited to, any liability or expense, including defense costs and legal fees, arising from the negligent acts or omissions, or willful misconduct of CONSULTANT, its officers, employees, agents, subcontractors or vendors. It is further agreed, CONSULTANT's obligations to indemnify, defend and hold harmless will apply even in the event of concurrent negligence on the part of CITY, the City Council, each member thereof, present and future, or its officers, agents and employees, except for liability resulting solely from the negligence or willful misconduct of CITY, its officers, employees or agents. Payment by CITY is not a condition precedent to enforcement of this indemnity. In the event of any dispute between CONSULTANT and CITY, as to whether liability arises from the sole negligence of the CITY or its officers, employees, agents, subcontractors or vendors, CONSULTANT will be obligated to pay for CITY's defense until such time as a final judgment has been entered adjudicating the CITY as solely negligent. CONSULTANT will not be entitled in the event of such a determination to any reimbursement of defense costs including but not limited to attorney's fees, expert fees and costs of litigation.

16. **NON-LIABILITY OF CITY OFFICERS AND EMPLOYEES**

No officer or employee of CITY will be personally liable to CONSULTANT, in the event of any default or breach by the CITY or for any amount that may become due to CONSULTANT.

17. INSURANCE

A. CONSULTANT must maintain at its sole expense the following insurance, which will be full coverage not subject to self insurance provisions:

1. Automobile Liability, including owned, non-owned and hired vehicles, with at least the following limits of liability:
 - a. Primary Bodily Injury with limits of at least \$500,000 per person, \$1,000,000 per occurrence; and
 - b. Primary Property Damage of at least \$250,000 per occurrence; or
 - c. Combined single limits of \$1,000,000 per occurrence.
2. General Liability including coverage for premises, products and completed operations, independent contractors/vendors, personal injury and contractual obligations with combined single limits of coverage of at least \$1,000,000 per occurrence.
3. Professional liability insurance with limits of at least \$1,000,000 per occurrence.
4. Workers' Compensation with limits as required by the State of California and Employers Liability with limits of at least \$1,000,000.

B. The insurance provided by CONSULTANT will be primary and non-contributory.

C. CITY ("City of Torrance"), the Redevelopment Agency of the City of Torrance, the City Council and each member thereof, members of boards and commissions, every officer, agent, official, employee and volunteer must be named as additional insured under the automobile and general liability policies.

D. CONSULTANT must provide certificates of insurance and/or endorsements to the City Clerk of the City of Torrance before the commencement of work.

E. Each insurance policy required by this Paragraph must contain a provision that no termination, cancellation or change of coverage can be made without thirty days notice to CITY.

18. SUFFICIENCY OF INSURERS AND SURETIES

Insurance or bonds required by this Agreement will be satisfactory only if issued by companies admitted to do business in California, rated "B+" or better in the most recent edition of Best's Key Rating Guide, and only if they are of a financial category Class VII or better, unless these requirements are waived by the Risk Manager of CITY ("Risk Manager") due to unique circumstances. In the event the Risk Manager determines that the work or services to be performed under this Agreement creates an increased or

decreased risk of loss to CITY, the CONSULTANT agrees that the minimum limits of any insurance policies or performance bonds required by this Agreement may be changed accordingly upon receipt of written notice from the Risk Manager; provided that CONSULTANT will have the right to appeal a determination of increased coverage by the Risk Manager to the City Council of CITY within 10 days of receipt of notice from the Risk Manager.

19. **CONFLICT OF INTEREST**

- A. No officer or employee of the CITY may have any financial interest, direct or indirect, in this Agreement, nor may any officer or employee participate in any decision relating to the Agreement that effects the officer or employee's financial interest or the financial interest of any corporation, partnership or association in which the officer or employee is, directly or indirectly interested, in violation of any law, rule or regulation.
- B. No person may offer, give, or agree to give any officer or employee or former officer or employee, nor may any officer or employee solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation or any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any way pertaining to any program requirement, contract or subcontract, or to any solicitation or proposal.

20. **NOTICE**

- A. All notices, requests, demands, or other communications under this Agreement will be in writing. Notice will be sufficiently given for all purposes as follows:
1. Personal delivery. When personally delivered to the recipient: notice is effective on delivery.
 2. First Class mail. When mailed first class to the last address of the recipient known to the party giving notice: notice is effective three mail delivery days after deposit in an United States Postal Service office or mailbox.
 3. Certified mail. When mailed certified mail, return receipt requested: notice is effective on receipt, if delivery is confirmed by a return receipt.
 4. Overnight delivery. When delivered by an overnight delivery service, charges prepaid or charged to the sender's account: notice is effective on delivery, if delivery is confirmed by the delivery service.
 5. Facsimile transmission. When sent by fax to the last fax number of the recipient known to the party giving notice: notice is effective on receipt.

Any notice given by fax will be deemed received on the next business day if it is received after 5:00 p.m. (recipient's time) or on a non-business day.

6. Addresses for purpose of giving notice are as follows:

CONSULTANT: Civitas Advisors
7700 College Town Dr
Suite 111
Sacramento, CA 95826
800-999-7781
Fax: 916-325-2312

CITY: City Clerk
City of Torrance
3031 Torrance Boulevard
Torrance, CA 90509-2970
Fax: (310) 618-2931

- B. Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified, will be deemed effective as of the first date the notice was refused, unclaimed or deemed undeliverable by the postal authorities, messenger or overnight delivery service.
- C. Either party may change its address or fax number by giving the other party notice of the change in any manner permitted by this Agreement.

21. **PROHIBITION AGAINST ASSIGNMENT AND SUBCONTRACTING**

This Agreement and all exhibits are binding on the heirs, successors, and assigns of the parties. The Agreement may not be assigned or subcontracted by either CITY or CONSULTANT without the prior written consent of the other.

22. **INTEGRATION; AMENDMENT**

This Agreement represents the entire understanding of CITY and CONSULTANT as to those matters contained in it. No prior oral or written understanding will be of any force or effect with respect to the terms of this Agreement. The Agreement may not be modified or altered except in writing signed by both parties.

23. **INTERPRETATION**

The terms of this Agreement should be construed in accordance with the meaning of the language used and should not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction that might otherwise apply.

24. **SEVERABILITY**

If any part of this Agreement is found to be in conflict with applicable laws, that part will be inoperative, null and void insofar as it is in conflict with any applicable laws, but the remainder of the Agreement will remain in full force and effect.

25. **TIME OF ESSENCE**

Time is of the essence in the performance of this Agreement.

26. **GOVERNING LAW; JURISDICTION**

This Agreement will be administered and interpreted under the laws of the State of California. Jurisdiction of any litigation arising from the Agreement will be in Los Angeles County, California.

27. **COMPLIANCE WITH STATUTES AND REGULATIONS**

CONSULTANT will be knowledgeable of and will comply with all applicable federal, state, county and city statutes, rules, regulations, ordinances and orders.

28. **WAIVER OF BREACH**

No delay or omission in the exercise of any right or remedy by a nondefaulting party on any default will impair the right or remedy or be construed as a waiver. A party's consent or approval of any act by the other party requiring the party's consent or approval will not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and will not be a waiver of any other default concerning the same or any other provision of this Agreement.

29. **ATTORNEY'S FEES**

Except as provided for in Paragraph 15, in any dispute, litigation, arbitration, or other proceeding by which one party either seeks to enforce its rights under this Agreement (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing party will be awarded reasonable attorney's fees, together with any costs and expenses, to resolve the dispute and to enforce any judgment.

30. **EXHIBITS**

All exhibits identified in this Agreement are incorporated into the Agreement by this reference.

31. **CONSULTANT'S AUTHORITY TO EXECUTE**

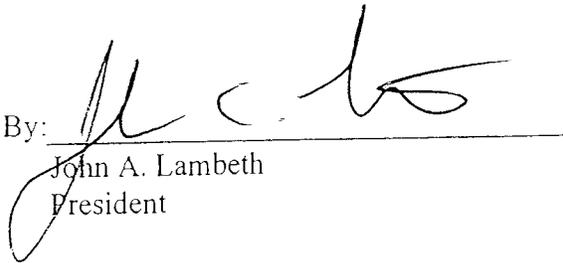
The person(s) executing this Agreement on behalf of the CONSULTANT warrant that (i) the CONSULTANT is duly organized and existing; (ii) they are duly authorized to execute this Agreement on behalf of the CONSULTANT; (iii) by so executing this Agreement, the CONSULTANT is formally bound to the provisions of this Agreement; and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which the CONSULTANT is bound.

CITY OF TORRANCE,
a Municipal Corporation

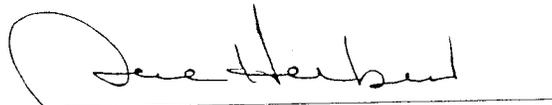


Frank Scotto, Mayor

Civitas Advisors
a California Corporation

By: 
John A. Lambeth
President

ATTEST:



Sue Herbers, City Clerk

APPROVED AS TO FORM:

JOHN L. FELLOWS III
City Attorney

By: 

Attachments: Exhibit A Proposal

Revised: 10/29/2008

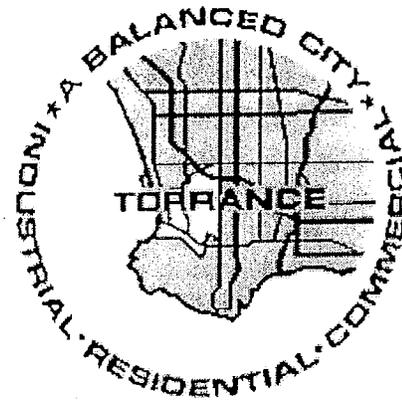
EXHIBIT A
PROPOSAL

See Attached

PROPOSAL TO FORM THE TORRANCE TOURISM BUSINESS IMPROVEMENT DISTRICT

Submitted to the

CITY OF TORRANCE



June 23, 2009

By



FORMATION OF THE TORRANCE TOURISM BUSINESS IMPROVEMENT DISTRICT

Civitas proposes to assist the City of Torrance (City) with the formation of the Torrance Tourism Business Improvement District (TTBID).



BUILDING A SUCCESSFUL PUBLIC/PRIVATE PARTNERSHIP

As you know, thousands of property owners and business owners in cities throughout the United States are successfully using BIDs to improve their businesses. The proven track records of these districts led to the use of BIDs in California for tourism promotion. Stakeholders in the City of Torrance have expressed interest in using this tool to form and grow the stable funding source that will help to support the Torrance lodging businesses, in particular promoting weekend stays in Torrance.

The Property and Business Improvement District Law of 1994 (1994 Act) is a powerful tool available to property and business owners as well as Cities for the purposes of improving tourism. This tool empowers private business owners to work closely with elected and appointed government officials to establish higher levels of services dedicated solely to the improvement of tourism for the benefit of lodging businesses, municipalities, employees, and business and property owners.

As with most areas, there is greater demand for improvements and services than can be provided with limited city funds. Forming a Tourism Business Improvement District (TBID) can address the service gap to provide businesses and other stakeholders with increased revenue and a dependable program to further tourism promotion.

In concert with the City, the Civitas Consultant Team will guide a process that includes developing and manipulating data, developing a TBID Management Plan, and preparing for and executing a petition process, a protest procedure and a hearing process.

This proposal is based on the understanding that the business owners and the City will provide the necessary assistance and time needed to facilitate this process at the local level, including

some of the database work, substantial time devoted to outreach meetings, obtaining owner information, and gathering support from the lodging business owners and other organizations.

OVERVIEW OF TBID FORMATION PROCESS

Civitas will work with the City to make the TBID a reality. After the City, the steering committee, and Civitas develop owner consensus, Civitas will work with the steering committee and the City Attorney to develop a petition, a Resolution of Intention, and a Management District Plan to implement the steering committee's vision for tourism related services. The Management District Plan will serve as the business plan for Torrance tourism efforts, providing recommendations for governance, structure, boundaries, benefit zones, service plan, budgets, and assessments.

Civitas can assist with guiding an ongoing communications program explaining the benefits for forming the TBID. Civitas will also provide recommendations regarding other helpful communications, including media relations, educational materials and campaign marketing materials.



Civitas legal counsel will work with the City Attorney to review the Management District Plan, the Petition, the TBID Resolution of Intention, and the TBID Resolution of Formation. Additionally, Civitas and the City Attorney will establish a process sequence, establish a timetable, and provide general counsel in the organizational development and resolution process.

DETAILED SCOPE OF SERVICES

Four steps are anticipated over a five-month project period, resulting in the successful formation of a Tourism Business Improvement District for Torrance. We understand that you have already done and continue to do the majority of outreach to lodging business owners and ratepayers and would like our services to focus on legal and strategic advice, and document preparation. The four steps are as follows:

- Step One: Project Initiation/TBID Formation Infrastructure**
- Step Two: Preparation of Documents**
- Step Three: Revision of Documents**
- Step Four: Council Hearings**

Step One: Project Initiation/ TBID Formation Infrastructure

This task includes the development of the program infrastructure that will lead to the successful formation of the TBID. Civitas will also assist with developing the database of district tourism businesses, and preparing a brief summary of the key components of other tourism related BIDs.

1.1 Develop Mutual Understanding of the Parameters of the Project

Civitas will work with the City of Torrance and other stakeholders to clarify the parameters of the project. It is recommended that assignments for Civitas, the business owners, and the City be established prior to initiation.

1.2 Establish Leadership Infrastructure

TBID Steering Committee: We recommend you form a TBID steering committee. We recommend that we work together to ensure that this committee provides the overall guidance for keeping the project on track.

1.3 Database Creation/Refinement

The City will be primarily responsible for providing the database information. This database will be used for owner contact and assessment scenario purposes. Variables that may need to be assembled/refined include business ownership, type, size, number of rooms, business contact and mailing information, and TOT information.



Step Two: Preparation of Documents

Civitas will prepare the Management District Plan, draft petition, and draft resolutions. After the Resolution of Intention, the City will mail official notice to all hotel business owners proposed to be assessed in the district and allow the opportunity for protest.

2.1 BID Management District Plan

Civitas will compile the TBID Management District Plan which will incorporate the service plan, benefit zones, and assessment. To comply with California law and be utilized as a user-friendly educational tool for lodging business owners, the Management District Plan will include the following components:

- Management District summary
- District rationale and objectives
- Recommended District boundaries and sub-district benefit zones
- Service plan options with first year budget and a five-year projection
- Recommended assessment methodology
- Recommended governance structure
- City participation issues, including base level of services if applicable
- District rules and regulations

- Exhibits required by California law, including a District map which identifies each business to be assessed and a list of businesses to be benefited

2.2 Management District Plan Legal Review

The preliminary plan will undergo a legal review that it is in compliance with AB3754, the “Property and Business Improvement District Law of 1994”. Legal counsel is also available to confer with the City Attorney and City staff on technical issues related to the plan, including the sequencing timetable for eventual TBID adoption.

2.3 Petition/City Review

The 1994 Act requires the collection of signed petitions in support of the TBID. Civitas will draft the petition for the TBID and will work with the City Attorney for their review and endorsement. It is our understanding the steering committee will be responsible for collecting the signed petitions from the lodging businesses.

2.4 Resolution of Intention

Civitas will draft the necessary Resolution of Intention (ROI). The document will include proposed boundaries, assessments, services, and suggestions for governance. The ROI will also include all elements required by the Streets and Highways Code sections of the 1994 Act that govern business improvement districts.

2.5 Resolution of Formation

Civitas will draft the necessary Resolution of Formation to form the TBID. This document will be the final resolution approved by the City Council and will specify all relevant terms of the BID.

2.6 Legal Review

The documents will undergo a legal review to ensure that they are compliant with the “Property and Business Improvement District Law of 1994.” Legal counsel is also available to confer with staff on technical issues related to the plan, the petitions, the resolutions and the sequencing timetable for eventual TBID adoption.

Step Three: Revision of Documents

Drafts of the Management District Plan, petition, and resolutions will be presented to the City, lodging business owners, and other stakeholders. Based upon the input received, Civitas will revise the documents.

3.1 Consultation with Counsel

Civitas will work with the City Attorney’s office to ensure the plan, petition, and resolutions meet with their satisfaction. Civitas will incorporate comments, as required, and ensure that the legal counsels’ issues have been addressed.

3.2 Finalize Documents

Based on comments from the workshop and the City Attorney, Civitas will present a final draft of the petition, plan, and resolutions to the steering committee, City, and other businesses for final approval.

Step Four: City Council Hearing Process

Once the City and steering committee have approved the documents, Civitas will assist with submitting the documents to City Council. Under the 1994 Act, a City Council must hold a hearing to pass the Resolution of Intention regarding the TBID, hold a public meeting to solicit comments from the public, and hold a second public hearing for final approval of the TBID.

4.1 Finalization of District

Civitas will take all steps necessary to prepare for formation of the District. These tasks include preparing for the multiple hearings, discussing legal matters with City Attorney, and all necessary contacts with the City. This task includes phone calls, conference calls, emails and facsimile transmissions with City and third parties that will be necessary to finalize the district.

4.2 Resolution of Intention Meeting

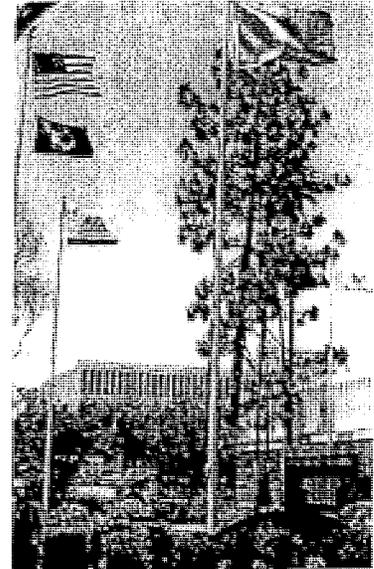
Civitas will attend the Resolution of Intention City Council meeting. Civitas will provide legal guidance and presentations to the City Council to obtain approval of the Resolution of Intention.

4.3 Public Meeting

Civitas will assist the City in preparing for the required public meeting. Civitas will outline the requirements for the meeting and work with counsel to ensure compliance with the TBID statute.

4.4 Public Hearing

Civitas will be present at the final public hearing at City Council and be prepared to address any issues that may arise. If desired, Civitas will be prepared to make brief presentations to the City Council.



PROJECT SCHEDULE, FEES, AND ASSIGNMENT GUIDELINES

A. PROJECT SCHEDULE

We estimate that the proposed TBID project can be achieved in a five month period. Based upon starting in July 2009, most of the formation process could be completed by November 2009. As you know, there are many unknown variables in a project of this nature. Although we would work diligently to form the district, factors outside our control, and outside the City's control, could delay or thwart even the best-developed plans. We would work to minimize these risks and complete the project at the earliest possible date.

B. FEES

Professional Fees

The Civitas Consultant Team's fees for the scope of work defined in this proposal reflect the quality and experience of the professional team. We have carefully analyzed the expected hours for every task and sub-task that must be accomplished in order to project an adequate number of hours to satisfactorily complete the project.

TASK	FEES
1. <u>Project Agreement / BID Formation Infrastructure</u>	\$ 2,500.00
2. <u>Preparation of Documents</u>	\$ 7,500.00
<u>Draft a Management District Plan</u>	
<u>Draft Petitions</u>	
<u>Draft 2 Resolutions</u>	
<u>2 Trips to Meet with City Officials Regarding the Documents and Formation</u>	
<u>1 Trip to Meet with Hotels and/or City Staff</u>	
3. <u>Revision of Documents</u>	\$ 6,000.00
4. <u>Hearing Process</u>	\$ 7,000.00
<u>1 Trip to attend the Resolution of Intention Public Hearing</u>	
<u>1 Trip to attend the Final Public Hearing</u>	
<u>Estimated Expenses</u>	\$ 2,250.00
<u>Total</u>	<u>\$25,250.00</u>

C. EXPENSE REIMBURSEMENT

It is anticipated that John Lambeth, Lorena Parker, and John Cox will work on this project. Civitas proposes a fixed monthly fee for professional services of \$4,600 per month plus expenses for five months beginning July 2009 and ending November 2009. The time charged will include time personnel spend on telephone calls, emails, and meetings relating to the City's matter, including calls, emails, and meetings with the steering committee and the City.

Civitas will incur various costs and expenses in performing legal and consulting services under this Agreement. Expenses will include five (5) trips to Torrance to meet with City Officials, lodging owners and to attend the public hearings. The City agrees to pay all costs and expenses in addition to the professional fees. Ordinary costs and expenses commonly include any travel costs, telephone charges, messenger and other delivery fees, postage, and photocopying. All ordinary office expenses will be charged at 3% of professional fees. Any extraordinary costs such as printing, large mailings, and travel shall be billed at Civitas' cost. Costs shall not exceed \$2,250.

If additional services are required beyond the limited scope of this proposal, we would bill at our current billing rates. Our current billing rates for staff on this project include John Lambeth at \$215 per hour, Lorena Parker at \$180 per hour, John Cox at \$160 per hour.



Civitas will send the City a monthly statement for fees and costs incurred. Each statement will be payable within 30 days of its mailing date. The statements shall include the fixed professional fee and expenses. The basis of calculation or other method of determination of the expenses, other than the ordinary office expenses, will be clearly identified by item and amount. If the project is completed by November 31, 2009, the total project fees and costs shall not exceed \$25,250.

D. COST ASSUMPTIONS AND ASSIGNMENT GUIDELINES

In order to minimize costs of all concerned, avoid the duplication of effort, and ensure mutual understanding, the following will not be provided by Civitas and will be, when necessary, provided by the City:

1. Conference rooms or meeting facilities from time to time with seating 5-20 participants.
2. Costs associated with developing a final contract, if required, between the non-profit and the lead agency. If Civitas is asked to perform this task the cost would be approximately \$3,000 additional and would be covered under a separate Agreement.

We have projected a specific amount of time for the development of the TBID. It is assumed that TBID development will not exceed the budgeted time and the budgeted number of meetings. If unanticipated comments result in additional time or meetings beyond that which has been budgeted, we will propose to renegotiate terms.

Factors that would increase the scope of work and estimated costs outlined above include: additional public and/or private meetings not described in the proposal; analysis of additional issues above those discussed in this proposal; or lack of business owner or steering committee involvement in the adoption of the project.

E. BUSINESS INFORMATION AND DATABASES

The database created for this project relies on information supplied by the City. Errors can and will occur in this data. While Civitas will do its utmost to correct any errors, it is acknowledged that owner business data will always contain data information errors. Civitas recommends that the City continue to pursue other data correction strategies, during and after formation, including mailings and error checking by City officials.

Thank you for the opportunity to submit this proposal. We look forward to talking to you further about your proposed project.

TORRANCE TBID PROJECT

DRAFT PROJECT SCHEDULE

July 2009	<ul style="list-style-type: none"> Set Workplan and Timeline Identify Steering Committee City and Civitas Begin Database Task City Continues Hotel Owner Outreach Begin to Develop Draft Management District Plan Meet with City and Steering Committee
August - September 2009	<ul style="list-style-type: none"> Review Draft Plan Finalize Plan Develop Petition Begin Petition Drive Develop Draft ROI Finalize ROI
October 2009	<ul style="list-style-type: none"> Resolution of Intention Hearing at City Council Public Meeting Civitas Draft Resolution of Formation
November 2009	<ul style="list-style-type: none"> Final Public Hearing at City Council

QUALIFICATIONS AND BACKGROUNDS

CIVITAS CLIENT LIST (PARTIAL)
TBID and Special District Related Projects

Carlsbad Convention & Visitors Bureau	Downtown Long Beach Associates, Long Beach, California
City of Folsom and Folsom Tourism Bureau	Downtown Los Angeles Property Owners Association (DPOA) (Fashion District) Los Angeles, California
Kona-Kohala Chamber of Commerce	Downtown Placerville Management District, Placerville, California
Lodi Conference & Visitor Bureau	Downtown Sacramento Partnership, Sacramento, California
Long Beach Area Convention & Visitors Bureau	Downtown San Diego Partnership, San Diego, California
Mendocino County Lodging Association	Downtown Stockton Alliance, Stockton, California
Monterey County Convention & Visitors Bureau	Figueroa Corridor Improvement Association, Los Angeles, California
Napa Downtown Association	Fulton Avenue Improvement Association, Sacramento, California
Oakland Convention and Visitors Bureau	Midtown Business Association, Sacramento, California
Placer Valley Tourism	Old Pasadena Management District, Pasadena, California
Redding Convention and Visitor's Bureau	Riverside Downtown Partnership, Riverside, California
San Diego Tourism Promotion Corporation	Stockton Boulevard Partnership, Sacramento, California
San Jose Convention & Visitors Bureau	Studio City Improvement Association, Studio City, California
San Luis Obispo County Visitors & Conference Bureau	Sunrise MarketPlace, Citrus Heights, California
South Lake Tahoe Lodging Association	Tarzana Improvement Association, Tarzana, California
Tri-Valley Convention & Visitors Bureau	Town of Truckee, Truckee, California
Vallejo Convention & Visitors Bureau	Waikiki Improvement Association, Waikiki, Hawaii
Yosemite-Mariposa County Tourism Bureau	
Canoga Park, Canoga Park, California	
Central City East Association, Los Angeles, California	
Central Core Restoration Corporation, Vallejo, California	
Central Roseville Partnership, Roseville, California	
City of Concord, Concord, California	
City of West Hollywood, Sunset Strip Business Owners	
Confederation of Downtown Associations, Los Angeles, California	
Downtown Las Vegas Partnership, Las Vegas, Nevada	

Our Professionals

John A. Lambeth



Mr. Lambeth, President of Civitas, specializes in the creation and operation of business improvement districts. Mr. Lambeth, a special district attorney, was the primary author of the "Property and Business Improvement District Law of 1994." He assisted with the creation of the first property-based business improvement districts and tourism improvement districts in California. Mr. Lambeth has been involved in all aspects of BID modification including outreach to lodging and business owners, plan development, and petition / ballot campaigns. Mr. Lambeth is a member of Cal TIA and DMAI. Mr. Lambeth formerly served as clerk to the Honorable Malcolm M. Lucas, Chief Justice of the California Supreme Court.

Lorena Parker



Ms. Parker has actively worked with BIDs for the past eight years in the City of Los Angeles. From 2006 to 2008, she served as the Chairperson of the Los Angeles Business Improvement District Consortium. Under her leadership, she successfully transformed the internal BID formation and renewal process in the City of Los Angeles that eliminated unnecessary steps, particularly with the City Attorney's office. From 1999 to 2001, she was the Executive Director of the Studio City Chamber of Commerce. She also lived in Hong Kong for five years and worked as a Marketing Manager at KPS Retail Stores, Ltd. She holds a bachelor of science degree in Business Administration, Marketing from California State University, Northridge.

John M. Cox



Mr. Cox specializes in project advocacy and the formation of special improvement districts. Prior to Civitas, Mr. Cox worked as the Special Assistant to the Undersecretaries for International Trade and Economic Development at the California Business, Transportation and Housing Agency. From 2004 to 2006 he served as an assistant to Governor Schwarzenegger's chief of staff and deputy chief of staff. Mr. Cox is a native of the Washington DC area. He holds a bachelor of science in Economics from Radford University, and is a recent graduate from the University of Pacific, McGeorge School of Law.

Council Meeting of
June 23, 2009

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the Council:

**SUBJECT: City Manager – Authorization to proceed with formation of Tourism
Business Improvement District (TBID)
Expenditure: \$25,250.00**

RECOMMENDATION

Recommendation of the City Manager that City Council authorize Staff to enter into the process of forming a Tourism Business Improvement District within the City of Torrance and to secure the assistance of Civitas Advisors consulting firm to aid in that process.

FUNDING

Funding is available in the Economic Development Assistance budget. Funds used for this project will be repaid from funds generated by the Business Improvement District, if established.

BACKGROUND

A group made up of hospitality industry representatives, retail, restaurant, the Torrance Area Chamber of Commerce and City staff met for several months pursuing a branding and marketing initiative for the City of Torrance known as "Discover Torrance". "Discover Torrance" is a positive brand identity of the City of Torrance specific to tourism that will be sustainable and far-reaching and will positively impact residents, businesses and municipal offices with the ultimate goal to provide additional overall revenues to the city.

In order to identify an avenue to secure funding on an ongoing basis to sustain the "Discover Torrance" initiative, the concept of a Tourism Business Improvement District has been explored. After speaking with the attorney who had a hand in creating the Property and Business Improvement Law of 1994 in the State of California, it was determined that securing his consulting firm to aid the City of Torrance in the pursuit of forming a TBID would be prudent given his expertise.

The City has long been committed to attracting visitors to Torrance and has worked with the Chamber of Commerce through an annual contract to maintain an internet site and to make information available to visitors and travel planners. In addition, the City realizes and appreciates the importance of the hospitality industry to Torrance and the high amount of revenue that the industry generates, not only in room nights rented, but in the impact on the use of local restaurants, entertainment venues and retail sales.

In order to continue to support tourism and to further branding and marketing plans that will be proposed through "Discover Torrance", Staff is recommending that Council support the formation of a Tourism Business Improvement District within the boundaries of the City of Torrance.

Respectfully submitted,

LeROY J. JACKSON
CITY MANAGER

By 

Fran Fulton
Management Associate

CONCUR:



LeRoy J. Jackson
City Manager

Attachment: A) Consulting Services Agreement with Civitas Advisors