

REIMBURSEMENT AGREEMENT

This Agreement (Agreement) is made by and among the City of San Diego, a municipal corporation (City), the Downtown San Diego Partnership (Partnership), a non-profit corporation registered with the Secretary of State of the State of California, and Civitas Advisors, Inc. (Civitas or Consultant), a California corporation, hereinafter collectively referred to as the "Parties."

RECITALS

A. Whereas, pursuant to the Property and Business Improvement District Law of 1994, Streets and Highways Code section 36600 et seq., the City formed the Downtown San Diego Property and Business Improvement District (District) in 2000 and renewed it in 2005; and

B. Whereas, the Partnership has served as the Owners' Association for the District; and

C. Whereas, the District will expire on June 30, 2015, unless it is again renewed; and

D. Whereas, the Partnership wishes to pursue District renewal; and

E. Whereas, the Partnership proposes to facilitate, with the assistance of a registered professional engineering firm and a district formation consultant, all the assessment engineering and special district administration services necessary for formation of the District, including a detailed management district plan (District Plan) prepared by a registered professional engineer and district formation consultant (collectively, Professional Services); and

F. Whereas, the Partnership and Bennett Engineering (Bennett), a registered professional engineering firm, entered into an agreement whereby Partnership hired Bennett to perform a portion of the Professional Services necessary to produce the District Plan required for the renewal of the District (Project); and

G. Whereas, the Partnership incurred costs related to Professional Services provided by Bennett, pursuant to an agreement by and among the Partnership, City, and Bennett, entered into as of November 22, 2013; and

H. Whereas, the Partnership and Civitas, a full-service consultant firm specializing in formation of special districts, entered into an agreement whereby Partnership hired Civitas to perform a portion of the Professional Services in furtherance of the Project; and

I. Whereas, the Partnership has incurred certain costs for the portion of Professional Services provided by Civitas;

NOW, THEREFORE, in consideration of the above recitals and the mutual covenants and conditions set forth in this Agreement, and for good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

ARTICLE I

TERM, TERMINATION & REIMBURSEMENT

1. **Consultant Obligations.** Consultant agrees to provide consulting services in accordance with the Civitas Scope of Services set forth in Exhibit A attached hereto and acknowledges that the City and the Partnership are relying upon Consultant's expertise and professional competence in performing such services with respect to the Project.

2. **Term.** Upon the execution of this Agreement by the Parties and approval of this Agreement by the City Attorney in accordance with Charter Section 40, this Agreement shall be effective as of _____ (Effective Date) and continue for four years until _____ (Term), unless terminated earlier in accordance with the terms of this Agreement.

3. **Extension.** This Agreement may be extended beyond the Term month-to-month until terminated pursuant to paragraph 5.2 of this Agreement, not to exceed a total contract period of five years.

4. **Termination for Curable Default.** City may send written notice (delivered in accordance with the provisions of the Notice section herein) to Partnership if Partnership fails to comply with any term or condition of this Agreement. The written notice shall include a description of Partnership's default. If Partnership fails to cure the default within sixty (60) calendar days of the date Partnership receives the written notice, the City may immediately terminate this Agreement. City may suspend one or more payments to Partnership during the sixty (60) calendar day notice period.

5. **Termination for Incurable Default.** The City may immediately terminate this Agreement upon written notice (delivered in accordance with the notice provisions herein) to Partnership if:

a. Partnership makes material misrepresentations in regard to information furnished to City or City pursuant to this Agreement, regardless of whether Partnership had knowledge or intent with respect to the misrepresentation;

b. Partnership, or any of its officers or directors, engages in conduct that results in Partnership, or any of its officers or directors, being convicted of a felony that materially and adversely affects Partnership's performance of its obligations under this Agreement;

c. Partnership files a voluntary petition in bankruptcy, is

adjudicated bankrupt, or makes a general assignment for the benefit of creditors; and/or

d. Partnership is unable or unwilling to comply with any additional terms or conditions concerning the use of District funds that may be required by newly enacted (or amended) federal, state, and/or local laws.

6. **Performance After Termination.** In the event this Agreement is terminated, Partnership shall complete any and all additional work necessary for the orderly filing of documents and closing of performance of its obligations and duties under this Agreement. For services rendered in completing the work, Partnership shall be entitled to fair and reasonable compensation for the services provided before the effective date of termination. After filing of documents and completion of performance, Partnership shall deliver to the City all data and records (including, but not limited to, all documents and/or work product) prepared and/or completed directly in connection with, or related to, Partnership's performance under this Agreement. By accepting payment for completion, as well as filing and delivering documents as called for in this paragraph, Partnership discharges the City of all of its payment obligations and liabilities under this Agreement.

7. **Rights and Remedies.** City's termination of this Agreement shall terminate each and every right of Partnership, and any person claiming any rights by or through Partnership under this Agreement. The rights and remedies of City enumerated in this Article are cumulative and shall not limit, waive, or deny any of City's rights under any other provision of this Agreement. Nor does this Article otherwise waive or deny any right or remedy, at law or in equity, existing as of the Effective Date of this Agreement or hereinafter enacted or established, that may be available to City against Partnership.

8. **Renewal Reimbursement.**

a. **Renewal Costs.** The Partnership has incurred, or will incur, costs for services related to PBID renewal. Costs take into account subcontractors working for the Partnership on the renewal. Reimbursement for renewal costs, not including any legal defense costs, shall not exceed \$250,000, the cost of which shall be proportionally allocated among all budget categories and Benefit Zones in accordance with the District Plan.

b. **Timing of Reimbursement.** If the District is renewed, then the Partnership will be reimbursed for renewal costs from the assessments levied pursuant to the District Plan. However such reimbursement may be deferred at the sole discretion of the Mayor if there is an ongoing challenge to the District renewal that is filed timely (i.e. within 30 days of the City's final approval of the renewed District).

c. **Reimbursement for Professional Services.** The Partnership has incurred, or will incur, costs for Professional Services related to PBID renewal, including work performed by Civitas. As a condition of any reimbursement payment to the Partnership in connection with the portion of Professional Services described in the "Civitas Scope of Services" attached hereto as Exhibit A, Civitas shall provide insurance

and indemnity to the City and Partnership for the Scope of Services as identified in Article II INSURANCE and ARTICLE III INDEMNITY of this Agreement.

ARTICLE II

INSURANCE

1. **Consultant's Obligations.** For purposes of this section, Consultant's obligations must each individually meet the stated obligations required of the "Consultant."

2. **Commercial General Liability.** Commercial General Liability (CGL) Insurance written on an ISO Occurrence form CG 00 01 07 98 or an equivalent form providing coverage at least as broad which shall cover liability arising from any and all personal injury or property damage in the amount of \$1 million per occurrence and subject to an annual aggregate of \$2 million. There shall be no endorsement or modification of the CGL limiting the scope of coverage for either insured vs. insured claims or contractual liability. All defense costs shall be outside the limits of the policy.

a. **Commercial Automobile Liability.** For all of Consultant's automobiles including owned, hired and non-owned automobiles, Consultant shall keep in full force and effect, automobile insurance written on an ISO form CA 00 01 12 90 or a later version of this form or an equivalent form providing coverage at least as broad for bodily injury and property damage for a combined single limit of \$1 million per occurrence. Insurance certificate shall reflect coverage for any automobile (any auto).

b. **Workers' Compensation.** For all of Consultant's employees who are subject to this Agreement and to the extent required by the applicable state or federal law, Consultant shall keep in full force and effect, a Workers' Compensation policy. That policy shall provide a minimum of \$1 million of employers' liability coverage. Partnership shall provide an endorsement that the insurer waives the right of subrogation against the City and its respective elected officials, officers, employees, agents, and representatives. Civitas shall provide an endorsement that the insurer waives the right of subrogation against the City and Partnership, and their respective elected officials, officers, employees, agents, and representatives.

c. **Professional Liability.** For all of Consultant's employees who are subject to this Agreement, Consultant shall keep in full force and effect, Professional Liability coverage for professional liability with a limit of \$1 million per claim and \$2 million annual aggregate. Consultant shall ensure both that: (1) the policy retroactive date is on or before the date of commencement of the Project; and (2) the policy will be maintained in force for a period of three years after substantial completion of the Project or termination of this Agreement whichever occurs last. Consultant agrees that for the time period defined above, there will be no changes or endorsements to the policy that increase the City's exposure to loss.

d. **Deductibles.** All deductibles on any policy shall be the

responsibility of the Consultant policy holder and shall be disclosed to all Parties at the time the evidence of insurance is provided.

e. **Acceptability of Insurers.**

- i. Except for the State Compensation Insurance Fund, all insurance required by this Contract or in the Special General Conditions shall only be carried by insurance companies with a rating of at least "A-, VI" by A.M. Best Company, that are authorized by the California Insurance Commissioner to do business in the State of California, and that have been approved by the City.
- ii. The City will accept insurance provided by non-admitted, "surplus lines" carriers only if the carrier is authorized to do business in the State of California and is included on the List of Eligible Surplus Lines Insurers (LESLI list). All policies of insurance carried by non-admitted carriers are subject to all of the requirements for policies of insurance provided by admitted carriers described herein.

f. **Required Endorsements.** The following endorsements to the Partnership's policies of insurance are required to be provided to the City for all work for which reimbursement is requested. The following endorsements to Civitas' policies of insurance are required to be provided to the City and Partnership for all work identified in Exhibit A to this Agreement.

i. **Commercial General Liability Insurance Endorsements.**

ADDITIONAL INSURED. To the fullest extent allowed by law including but not limited to California Insurance Code Section 11580.04, the policy or policies must be endorsed to include as an Insured the City of San Diego and Partnership and their respective elected officials, officers, employees, agents and representatives, and Partnership and its officers, employees, agents and representatives with respect to liability arising out of (a) ongoing operations performed by you or on your behalf, (b) your products, (c) your work, including but not limited to your completed operations performed by you or on your behalf, or (d) premises owned, leased, controlled or used by you.

PRIMARY AND NON-CONTRIBUTORY COVERAGE. The policy or policies must be endorsed to provide that the insurance afforded by the Commercial General Liability policy or policies is primary to any insurance or self-insurance of the City of San Diego and Partnership and their respective elected officials, officers, employees, agents and representatives as respects operations of the Named Insured.

Any insurance maintained by the City of San Diego and its respective elected officials, officers, employees, agents and representatives shall be in excess of Consultant's insurance and shall not contribute to it.

ii. **Automobile Liability Insurance Endorsements**

ADDITIONAL INSURED. To the fullest extent allowed by law including but not limited to California Insurance Code Section 11580.04, the policy or policies must be endorsed to include as an Insured the City of San Diego and its respective elected officials, officers, employees, agents and representatives with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of Consultant.

iii. **Worker's Compensation and Employer's Liability Insurance Endorsements.**

WAIVER OF SUBROGATION. The Worker's Compensation policy or policies must be endorsed to provide that the insurer will waive all rights of subrogation against the City and Partnership and their respective elected officials, officers, employees, agents and representatives for losses paid under the terms of the policy or policies which arise from work performed by the Named Insured for the City and Partnership.

g. **Reservation of Rights.** The City and Partnership reserve the right, from time to time, to review Consultant's insurance coverage, limits, deductible and self-insured retentions to determine if they are acceptable to the City and Partnership.

h. **Additional Insurance.** Consultant may obtain additional insurance not required by this Agreement.

i. **Excess Insurance.** All policies providing excess coverage to the City or Partnership shall follow the form of the primary policy or policies including but not limited to all endorsements.

j. **Subcontractors.** Consultant's hiring or retaining of any third parties (Subcontractors) to perform services related to the Project (Subcontractor Services) is subject to prior approval by the City and Partnership. If at any time Consultant identifies a need for Subcontractor Services, Consultant shall give written notice to the City and Partnership of the need, at least thirty days before entering into a contract for such Subcontractor Services. Consultant's notice shall include a justification, a description of the scope of work, and an estimate of all costs for the Subcontractor Services. The City and Partnership agree to consider such requests in

good faith.

Challenge Reimbursement. Notwithstanding paragraph 7 above, the City and Partnership shall also be reimbursed for any costs related to legal defense of the district. This includes defense of threatened or pending lawsuits against the City, PBID, or Partnership related to formation of the PBID. The Partnership will be reimbursed for these costs from the assessments levied pursuant to the renewed PBID in accordance with and subject to the District Plan. In the event of a legal action against the City and/or Partnership challenging the formation of the PBID, all costs incurred by the City, including but not limited to any legal defense costs, expenses, and liabilities, shall be reimbursed to the City.

ARTICLE III

INDEMNITY

Indemnification. Consultant agrees to defend, indemnify, protect and hold harmless the City and Partnership and their respective officers, agents, departments, officials, and employees (Indemnified Parties) from any and all actions, suits, proceedings, liability, claims, demands for, damages or injuries to, any person, including injury to the Indemnified Parties' officers, agents, and employees, but only to the extent such claims arise from or are directly connected with or attributable to the Consultant's negligence or failure to perform services or other obligations under this Agreement. This duty to indemnify and hold harmless shall not include any claim arising from the established sole negligence or willful misconduct of the City, its officers, agents or employees, or any third party. Further, in the event the Consultant is only partially liable on an established claim, the above duty of indemnification shall be limited to the extent of the Consultant's comparative fault.

ARTICLE IV

DATA AND RECORDS

1. **General.** Partnership shall maintain all administrative and financial records required in connection with the scope of services in Exhibit A, (including, but not limited to, all books, accounting records, financial statements, invoices, receipts, payroll records, personnel records, and any other data and records pertaining to all matters covered in this Agreement) during the term of this Agreement.

2. **Accounting Records.** Partnership shall maintain, keep or cause to be kept, complete and accurate accounting records, books, and financial statements in accordance with Generally Accepted Accounting Practices [GAAP] in the industry. The financial statements must be audited by an independent Certified Public Accountant in accordance with Generally Accepted Auditing Standards.

3. **Inspection and Photocopying.** At any time during normal business hours and as often as the City deems necessary, Partnership shall permit, and require its Subcontractors to permit, the City, or its authorized agents, to inspect and photocopy, at a reasonable location within the County of San Diego (e.g., the offices of Partnership), all books, accounting records, invoices, receipts, payroll records, personnel records, and any other Project data and records pertaining to all matters covered in this Agreement, for the purposes of auditing, monitoring, and/or evaluating Partnership's performance of its obligations and/or duties in connection with this Agreement. The City may retain copies of the same, with appropriate safeguards, if such retention is deemed necessary by the City in its sole discretion.

4. **Project Data and Records.** Partnership shall store all Project data and records for a period of not less than five years after submission of the final expenditure report for the contract period, or five years after submission of the final expenditure report upon earlier termination of this Agreement, or until all audit findings have been resolved, whichever is longest. All such data and records shall be kept at Partnership's (or relevant Subcontractor's) regular place of business. At any time during the storage period, Partnership shall permit the City, or its authorized agents to examine all such data and records, for the purposes described herein. After the storage period has expired, or all audit findings have been resolved, whichever is later, Partnership shall provide City with thirty (30) calendar days written notice of its intent to dispose of any Project data and records. Partnership shall not take any action to dispose of such data and records without the prior written consent of the City.

ARTICLE V

GENERAL PROVISIONS

1. **Compliance with Law.** Partnership shall at all times comply with all applicable laws, statutes, ordinances, and regulations of City, county, state, and federal governments. Partnership shall comply with all notices issued by City under the authority of all current or future laws, statutes, ordinances, or regulations.

2. **Mandatory Provisions**

a. **Mandatory Disclosure of Business Interests.** Pursuant to section 225 of The City Charter of the City of San Diego, California (Charter), Partnership shall make a full and complete disclosure of the name and identity of any and all persons directly or indirectly involved in any transaction pursuant to this Agreement and the precise nature of

all interests of all persons therein. Partnership's failure to fully disclose all of the information required by Charter section 225 shall be a default of this Agreement.

- b. **Drug-Free Workplace Certification.** Partnership shall comply with City's Drug-Free Workplace requirements set forth in Council Policy 100-17, which is incorporated into the Contract by this reference.
- c. **Partnership Certification for Americans with Disabilities Act (ADA) and State Access Laws and Regulations:** Partnership shall comply with all accessibility requirements under the ADA and under Title 24 of the California Code of Regulations (Title 24). When a conflict exists between the ADA and Title 24, Partnership shall comply with the most restrictive requirement (i.e., that which provides the most access). Partnership also shall comply with the City's ADA Compliance/City Contractors requirements as set forth in Council Policy 100-04, which is incorporated into this Contract by reference. Partnership warrants and certifies compliance with all federal and state access laws and regulations and further certifies that any subcontract agreement for this contract contains language which indicates the subcontractor's agreement to abide by the provisions of the City's Council Policy and any applicable access laws and regulations.
- d. **Non-Discrimination Ordinance.** Partnership shall not discriminate on the basis of race, gender, gender expression, gender identity, religion, national origin, ethnicity, sexual orientation, age, or disability in the solicitation, selection, hiring or treatment of subcontractors, vendors or suppliers. Partnership shall provide equal opportunity for subcontractors to participate in subcontracting opportunities. Partnership understands and agrees that violation of this clause shall be considered a material breach of the Contract and may result in Contract termination, debarment, or other sanctions. Partnership shall ensure that this language is included in contracts between Partnership and any subcontractors, vendors and suppliers.

3. **No Political Activity.** Partnership shall not use any of the funds received pursuant to this Agreement, or any personnel or material paid for with funds pursuant to this agreement, for political activity. The term "political activity" shall mean a communication made to any electorate in support of, or in opposition to, a ballot measure or candidate in any federal, state or local government election.

4. **Notices.** Any notice required or permitted to be given under this Agreement shall be in writing and may be served personally or sent via the United States Postal Service, postage prepaid, or reliable overnight courier, addressed to the parties as follows:

Downtown San Diego Partnership
401 B Street, Suite 100
San Diego, CA 92101

City of San Diego
202 C Street
San Diego, CA 92101

Civitas Advisors, Inc.
1102 Corporate Way, Ste. 140
Sacramento, CA 95831

Any party entitled or required to receive notice under this Agreement may by like notice designate a different address to which notices shall be sent. Notice shall be effective upon personal service or five (5) days after deposit with the United States Postal Service.

5. **Severability.** If any term, covenant, condition, or provision of this Agreement is found invalid, void, or unenforceable by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

6. **Unavoidable Delay.** If the performance of any act required of City or Partnership is directly prevented or delayed by reason of strikes, lockouts, labor disputes, unusual governmental delays, acts of God, fire, floods, epidemics, freight embargoes, or other causes beyond the reasonable control of the party required to perform the act, the obligated party shall be excused from performing that act for the period equal to the period of the prevention or delay. If City, Partnership, or City claims the existence of a delay, the party claiming the delay shall notify the other party in writing of the fact within ten (10) days after the beginning of the claimed delay.

7. **Number and Gender.** Words of any gender used in this Agreement shall include any other gender, and words in the singular number shall include the plural, when the tense requires.

8. **Captions.** The section headings, and captions for various articles and paragraphs shall not be held to define, limit, augment, or describe the scope, content, or intent of any or all parts of this Agreement. The numbers of the paragraphs and pages of this Agreement may not be consecutive. The lack of consecutive numbers shall have no effect on the enforceability of this Agreement.

9. **Entire Understanding.** This Agreement contains the entire understanding of the parties. City, Partnership, and Civitas, by signing this Agreement, agree that there is no other written or oral understanding between them with respect to reimbursement of PBID renewal expenses or legal fees. Each party has relied on its own advice from its own attorneys, and the terms, covenants, and conditions of the Agreement itself. Each party to this Agreement agrees that no other party, agent, or attorney of any other party has made any promise, representation, or warranty whatsoever which is not contained in

this Agreement. The failure or refusal of any party to read the Agreement or other documents and obtain legal or other advice relevant to this transaction constitutes a waiver of any objection, contention, or claim that might have been based on such actions.

10. **Drafting Ambiguities.** This Agreement is, in all respects, intended by each party hereto to be deemed and construed to have been jointly prepared by the Parties. The Parties hereby expressly agree that any uncertainty or ambiguity existing in this Agreement shall not be interpreted against any of them. Except as expressly limited by this paragraph, all other applicable rules of contract interpretation intended by law shall apply in full to this Agreement.

11. **Modifications.** This Agreement shall not be modified, altered or amended unless the modification, alteration or amendment is in writing and signed by all parties to this Agreement.

12. **Time is of Essence; Provisions Binding on Successors.** Time is of the essence of all of the terms, covenants, and conditions of this Agreement. Except as otherwise provided in this Agreement, all of the terms, covenants, and conditions of this Agreement shall apply to, benefit, and bind the successors and assigns of the respective parties, jointly and individually.

13. **Waiver.** City's failure to insist upon the strict performance of any of Partnership's obligations under this Agreement, in one or more instance(s), shall not be construed as a waiver of any such obligation, and the same shall remain in full force and effect. City's waiver of a default shall not be a waiver of any other default. Any waiver of a default must be in a writing executed by City to constitute a valid and binding waiver. City's delay or failure to exercise a right or seek a remedy shall not be deemed a waiver of that or any other right or remedy under this Agreement. The exercise of any particular right or the use of any particular remedy for any default shall not waive the use of any other right or remedy for the same default or for another or later default. City's failure to discover a default or take prompt action to require the cure of any default shall not result in an equitable estoppel, but City may at any and all times require the cure of the default.

14. **Survival.** Any obligation which accrues under this Agreement prior to its expiration or termination shall survive the expiration or earlier termination of this Agreement.

15. **Governing Law.** This Agreement shall be governed, construed, and enforced in accordance with the laws of the State of California.

16. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which when executed shall be deemed an original, but all of which together shall constitute one and the same instrument.

17. **Consents, Approvals.** Neither City nor Partnership may unreasonably withhold or unreasonably delay any consent or approval required by this Agreement.

18. **City's Consent, Discretion.** Whenever required under this Agreement, City's consent or approval shall mean the written consent or approval of the Mayor, or his or her designee (Mayor), unless otherwise expressly provided, without need for farther resolution by the City Council. City's discretionary acts hereunder shall be made in the Mayor's discretion, unless otherwise expressly provided. All references to "Mayor's" herein shall be deemed to refer to the Mayor of San Diego or his or her designee for the duration City operates under the mayor-council (commonly referred to as "strong mayor") form of governance pursuant to Article XV of the City of San Diego City Charter.

19. **Authority.** Each individual executing this Agreement on behalf of another person or legal entity represents and warrants that he/she is authorized to execute and deliver this Agreement on behalf of such person or entity in accordance with duly adopted resolutions or other authorizing actions necessary and proper and under such legal entity's articles, charter, bylaws, or other written rules of conduct or governing agreement, and that this Agreement is binding upon such person or entity in accordance with its terms. Each person executing this Agreement on behalf of another person or legal entity shall provide City with evidence, satisfactory to City, that such authority is valid, and such entity is a valid, qualified corporation, limited liability company, City, or other unincorporated association in good standing in its home state and that such entity is qualified to do business in California.

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IN WITNESS WHEREOF, this Agreement is executed to be effective as of the Effective Date:

SAN DIEGO DOWNTOWN PARTNERSHIP

Dated: May 11, 2014

By: Kris Michell
Name: KRIS Michell
Title: President/CEO

CIVITAS ADVISORS, INC.

Dated: May 11, 2014

By: J. A. Lambeth
Name: John A. Lambeth
Title: President/CEO

CITY OF SAN DIEGO

Dated: 11/18/2015

By: [Signature]
Name: Erik Caldwell
Title: Director

I HEREBY APPROVE the form of the foregoing Agreement this 23rd day of NOVEMBER 2015.

JAN I. GOLDSMITH, City Attorney

By: [Signature]
Name: ADAM WAJDER
Title: DEPUTY CITY ATTORNEY

Scope of Services

Overview

Seven steps are anticipated, resulting in successful District renewal. The seven project steps are described briefly below and in more detail on the following pages.

Step One: Project Initiation

The structure needed to carry out the project will be created in this step. Civitas will work with the Partnership and property owners to identify their respective roles in the process. Civitas will also begin gathering database information in this step.

Step Two: Informational Meetings

In this step, informational meetings will be held. Civitas will gather information and provide educational, unbiased, factual information as needed. Only non-advocacy work will be reimbursable.

Step Three: Management District Plan Development

Civitas will work with the Partnership and stakeholders to develop the Management District Plan, the district's governing document.

Step Four: Plan Review

Civitas will submit the draft Management District Plan to the Partnership, stakeholders, and the City for review, and make changes as necessary.

Step Five: Petition Preparation

In this step, the petition will be prepared and Civitas will ensure that it meets the requirements of the law.

Step Six: Petition Distribution

In this step, the petition will be distributed by the Partnership and Civitas will only be providing educational, unbiased, factual information as needed when questions arise.

Step Seven: City Council Hearings and Ballot

Civitas will attend all Council meetings or hearings and answer questions as needed.

Step One: Project Initiation

This step will clearly identify the roles of each party in the renewal process, and develop the infrastructure that will lead to successful District renewal.

1.1 Develop Project Parameters

Civitas will work with the Partnership and stakeholders to clarify project parameters. Assignments for Civitas, the Partnership, and stakeholders will be established.

1.2 Establish Leadership

A steering committee including key business and property owners will be formed. Civitas will work closely with the steering committee and provide the overall guidance needed to keep the project moving forward. The steering committee will eventually be responsible for leading the petition drive.

1.3 Database Development

The foundation of the district renewal process is a thorough and accurate database. Civitas will use GIS software and existing audited data from the City's 2011 audit as supplemented by annual updates to create and maintain a complete database of district properties. The database will include variables like property owner name and mailing address, lot square footage, building square footage, and linear frontage. Civitas will continue work on the database throughout the project.

Step Two: Owner Outreach and Meetings

Civitas proposes to hold a series of meetings to reach out to property owners. The meetings will assess service priorities and the support level for the district. Clarification of the City's participation in the district will also begin in this step. During these informational meetings, Civitas will gather information and provide educational, unbiased, factual information as needed. Only non-advocacy work will be reimbursable.

2.1 Property Owner Meetings

Civitas will be available to provide educational, factual, non-advocacy information to property owners at meetings.

2.2 Property Owner Survey

Owner outreach may include mailed or online surveys to identify properties for services and their priorities for services.

2.3 Draft Service Plan

Based on input from property owners, Civitas will prepare a draft service plan for the District. The draft will be used at owner and steering committee meetings, and revised throughout the outreach process based on feedback received. The draft service plan will eventually become the basis of the Management District Plan.

2.4 Handouts

Civitas will prepare and provide informational handouts on PBIDs and will assist in preparing FAQ sheets and similar handouts specific to the District. Handouts that are eligible for reimbursement will be limited to educational, unbiased materials that service to provide factual information and do not advocate for a single position.

2.5 Base Level of Services Negotiation

Civitas will work with the City to clarify the base level of services the City will continue providing to the district. Civitas will provide a model base level of services agreement.

Step Three: Management District Plan Development

Based upon input gathered from property owners, Civitas will develop a draft Management District Plan for the district.

3.1 Service Plan and Benefit Zones

Based upon previously obtained input, Civitas will create a final service plan and budget incorporating any desired benefit zones. The service plan will include service descriptions and annual operating costs.

3.2 Engineer's Report and Assessment Formula

Preparation of an engineer's report supporting the assessment is required. This proposal includes the fees of a professional engineering firm, Bennett Engineering Services, to prepare the report. Civitas will work with the Assessment Engineer to develop an assessment method and formula that is based on the service plan and any benefit zones. This assessment information will be applied to the database to generate revenue estimates and individual parcel assessment amounts. The engineer will analyze the assessment formulas and test their ability to spread benefits fairly and proportionally and provide ultimate approval/certification.

3.4 *Draft Management District Plan*

Civitas will prepare a draft Management District Plan that complies with applicable laws and is a user-friendly education tool. The Plan will include:

- Summary
- District rationale and objectives
- Boundaries and benefit zones
- Service plan options and budgets
- Assessment methodology
- Governance structure
- City base level of services, if applicable
- Rules, regulations and timetable
- Exhibits including a map and list of parcels to be assessed

Step Four: Management District Plan Revision

The draft plan will be presented to the Partnership, property owners, and City officials. The Plan will be revised based on their input, and a final plan presented to the City Attorney for review. The feasibility of renewing the district will be evaluated throughout this step.

4.1 *Plan Review*

After review by City staff, Civitas will present the draft Plan to the steering committee for their review and input. Once the steering committee has approved the Plan, it will be submitted to key property owners for input.

4.2 *Final Plan*

Based on steering committee and property owner input, Civitas will draft a final Management Plan. The Plan will be submitted to the City Attorney for review. Civitas will work with the City staff to incorporate their comments and finalize the Plan.

4.3 *Legal Review*

Civitas' in-house legal staff will review the plan and ensure it is compliant with the 1994 Law and any other applicable statutes.

4.4 *Final Plan*

Based upon property owner and City input and legal review, Civitas will prepare the final Management District Plan.

Step Five: Petition Preparation

5.1 Draft Petition and City Review

Prior to dissemination to property owners, Civitas will draft the petition and submit it to the City Attorney for review. As required by law, the draft Petition will include a cover (signature page), a summary of the Management District Plan, and a district boundary map. Also as required by law, the draft petition will include customized property owner and property information.

5.2 Final Petition

Civitas will update the draft petition based on comments from the City. The previously prepared database will be used to generate each property owners' petition. Individual petitions will include a list of all properties owned by the individual, with the parcel number, parcel assessment, and total assessment.

Step Six: Petition Distribution

6.1 Petition Distribution

After the final petition has been reviewed by the City, Civitas will assist in distributing petitions to property owners. Services will include generating an electronic or hard copy of all petitions, and if desired assisting in mailing or distributing petitions. If desired, Civitas will help the City tabulate returned petitions.

Step Seven: Hearing Process

7.1 Ballot Preparation

The parcel database used for petition creation will also be used for ballots. Civitas will provide parcel characteristics for the secured Roll in an Excel spreadsheet to the City. Civitas will respond to any questions from owners regarding the ballot amounts and underlying methodology and calculations as requested by City staff.

7.2 Resolution of Intention Hearing

Civitas will attend the Resolution of Intention hearing and be prepared to provide information.

7.3 Final Hearing

Civitas will attend the final City hearing and be prepared to answer questions or make a presentation if necessary. Civitas will also be available to observe or assist with final ballot tabulation.

Step Eight: Mapping and Corporation

8.1 ArcMap GIS and Database Training

Civitas' in-house GIS and database expert is available to assist with training a new employee on the PBID database and map. We will review the capabilities of the GIS system and make recommendations for software and hardware.

8.2 Non-Profit Corporation NOT REIMBURSABLE

Civitas' legal staff is available to assist with formation of a new non-profit corporation. Services provided would include preparation and filing of Articles of Incorporation, preparation of Bylaws, obtaining an employer identification number, and preparation and submission of applications to the IRS and FTB for tax-exempt status. The corporation would be created initially to manage the renewal, and would be designed to change roles once the renewal is complete.

8.3 Engineer's Report

Civitas has worked with Bennett Engineering Services on many PBID formation and renewal projects. We have subcontracted with them to perform engineering work on this project.

8.4 Assessment Diagram

The City requires preparation of an assessment diagram for recording. Civitas' subcontractor engineer would prepare the Diagram and work with the City Clerk to ensure it is recorded.