

HOLLY L. WOLCOTT  
CITY CLERK

SHANNON D. HOPPE  
EXECUTIVE OFFICER

# City of Los Angeles CALIFORNIA



ERIC GARCETTI  
MAYOR

OFFICE OF THE  
CITY CLERK

NEIGHBORHOOD AND BUSINESS  
IMPROVEMENT DISTRICT DIVISION  
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MIRANDA PASTER  
DIVISION MANAGER

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April 11, 2016

Honorable Members of the City Council  
City Hall, Room 395  
200 North Spring Street  
Los Angeles, California 90012

Council District 13

REGARDING: THE PROPOSED ECHO PARK BUSINESS IMPROVEMENT  
DISTRICT

Honorable Members:

The Office of the City Clerk has received a request from the proponent group of the proposed Echo Park Business Improvement District ("District") to amend the consultant contract to allow for continued formation efforts of the District.

## BACKGROUND

On April 9, 2010, the City Council (Council File No. 10-0154) authorized the expenditure of up to \$40,000 from the Business Improvement District Trust Fund No. 659, and \$40,000 from the Echo Park Chamber of Commerce or other entity as matching funds for activities related to the establishment of the Echo Park Business Improvement District in Council Districts 1 and 13. The City Council further authorized the City Clerk to prepare, execute, and administer a contract between the City and a consulting firm to be chosen through a request for proposal process to provide consulting services for the formation of the Echo Park Business Improvement District.

A consultant was chosen and awarded the business improvement district formation contract and subsequently delivered three of the seven tasks to form a business improvement district. The contract expired in May of 2013. The proponent group continued to do outreach for the business improvement district formation effort and has submitted a letter dated March 7, 2016 to the City Council requesting the City amend the original contract and allow the consultant to complete the formation. The proponent group has reassessed the proposed area and its needs and is ready to move forward to complete the formation.

### SCOPE OF WORK

The City Clerk will provide a supplemental agreement to the original proposed Echo Park Business Improvement District formation contract that will enable the formation effort to continue by utilizing the work previously performed. The supplemental agreement reduces the total contract cost to \$60,000, amends the deliverables and updates the timeline. Additionally, the amendment includes the acceptance of \$20,000 from the proponent group to complete the formation and an initial business improvement district operation date of January 2018.

The Scope of Work for the continuation of the formation activities for the proposed Echo Park Business Improvement District are included in the Amendments section of the attached draft of the Supplemental Agreement to contract Number C-118452. The amount of funds for the Supplemental Agreement include \$15,350 remaining from the original contract and \$20,000 from the Echo Park Chamber of Commerce for a total of \$35,350.

### SUMMARY

The City Clerk believes it is in the best interest of the City and the wisest use of the funds already expended on the formation of the proposed Echo Park Business Improvement District to approve the supplemental agreement to the original contract with the deliverables as outlined in the letter from the business improvement district formation proponents. The deliverables are in line with the original agreement and make the best use of the funding available for this proposed formation. The City Clerk believes that a business improvement district formation will result from the amended Supplemental Agreement as proposed.

### FISCAL IMPACT

There is no impact on the General Fund.

### RECOMMENDATIONS

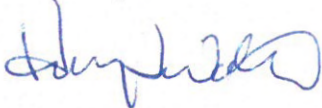
1. FIND that the execution of the Supplemental Agreement to contract C-118452 is necessary for the continuation of business improvement district formation activities.
2. AUTHORIZE and INSTRUCT the City Clerk to execute a supplemental agreement to contract C-118452 with CIVITAS which amends the original contract, subject to the approval of the City Attorney as to form and legality.
3. AUTHORIZE the City Clerk to accept and deposit into BID Trust Fund 659, \$20,000 from the proposed Echo Park Business Improvement District proponent

Honorable Members of the City Council  
Page 3

group for the completion of the business improvement district formation prior to the continuation of formation activities.

4. AUTHORIZE the City Clerk to make any clarifications or technical corrections to effectuate the intent of this Council Action.

Sincerely,



Holly L. Wolcott  
City Clerk

HLW:SDH:MCP:RMH:rks

**Attachments:**

Echo Park Business Improvement District Proponent Group Letter  
Draft Supplemental Agreement to Contract Number C-118452 between the City of Los Angeles and Civitas Advisors, Inc.

# ECHO PARK

## CHAMBER OF COMMERCE

March 7, 2016

Honorable Mayor and Council Members  
City of Los Angeles  
200 N. Spring Street, Room 360  
Los Angeles, CA 90012

Re: Echo Park Business Improvement District – Request for Contract Extension

Dear Council Members,

It has been a pleasure working with your team on the Echo Park Business Improvement District. I am writing to provide more information on our request to extend Civitas' contract related to the EPBID. We would like to continue the process in creating a Business Improvement District. We understand that a supplemental agreement with Civitas will be necessary to complete the project. We hereby request that the City: (1) enter into a supplemental agreement with Civitas through August 2017 to complete formation of the EPBID and reduce the total contract price by \$20,000; and (2) accept \$20,000 from the Echo Park Chamber of Commerce for the project.

In the nearly two years since the contract expired, the Echo Park Chamber of Commerce has continued its efforts to build support for the proposed BID. We have been diligently working with property owners and reached a point where there is significant support for the district. In addition, we have earmarked the sum of \$20,000 to complete the district formation. We have kept in contact with Civitas during this period, and agree that there is sufficient support among property owners to create the district.

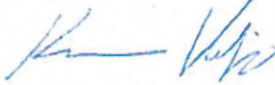
To date, the City has paid Civitas the sum of \$24,650 for work completed on the Echo Park BID project. Pursuant to the contract, the amount paid does not include a fifteen percent withholding equaling \$4,450 (Civitas' invoices totaled \$29,000). A balance of \$11,000 remains from the City's original allocation of \$40,000.

In order to make the investment of \$24,650 already made by the City meaningful, Civitas is willing to complete the project for the remaining balance of available funds (up to \$15,450 from the City and \$20,000 from the Chamber for a total of \$35,450). This is \$20,000 below the original proposed contract price (a total of \$60,000 rather than \$80,000). Further, we understand that additional work will be necessary to update the database, Management District Plan, and Engineer's Report. Civitas has expressed their willingness to take on the additional work at the reduced total contract cost and have proposed the enclosed corresponding payment schedule. The additional \$20,000 is not required in as the Echo Park Chamber of Commerce is willing to act as the non-profit administering the BID.

Please don't hesitate to contact me at (323) 213-9295 or Gina Trechter of Civitas at (951) 285-1461 if you have any questions.

Best regards,

Kamran Valanejad || Echo Park Chamber of Commerce, President || p@epcc.la



Deliverable	Original Date and Price	Amended Date and Price
Feasibility Study	February 2011 - \$10,000	February 2011 - \$10,000
Database	March 2011 - \$5,000	December 2016 - \$8,500
Management Plan & Engineer's Report	December 2011 - \$14,000	January 2017 - \$28,000
Petition Drive	March 2012 - \$8,000	March 2017 - \$6,000
Assessment Ballot Drive	May 2012 - \$3,000	May 2017 - \$5,000
Proof of Nonprofit Status	December 2012 - \$20,000	July 2017 - Free
BID Initial Operation	May 2013 - \$20,000	August 2017 - \$2,500

Supplemental Agreement to Contract Number C-118452  
Between the City of Los Angeles and Civitas Advisors, Inc.

This Supplemental Agreement to Contract Number C-118452 ("AGREEMENT") is made and entered into by and between the CITY OF LOS ANGELES, a municipal corporation ("CITY") and CIVITAS ADVISORS, INC. ("CONSULTANT") with reference to the following:

WHEREAS, CITY and CONSULTANT have entered into an AGREEMENT for the performance of services related to providing consultant services for the proposed establishment of the Echo Park Business Improvement District; and

WHEREAS, the term of the Agreement expired May 1, 2013 and the CITY and the contract services remain as required by CITY;

WHEREAS, the CITY and the CONSULTANT agree to continue their contractual relationship through August 1, 2017 in order to allow the CONSULTANT to continue providing services; and

WHEREAS, the proponent group for the proposed establishment of the Echo Park Business Improvement District has sent a letter to the City Council asking that the BID formation continue to completion: and

NOW, THEREFORE, CITY and CONSULTANT agree that the AGREEMENT be supplemented effective upon attestation with the following amendments:

AMENDMENT

1. Section 1, TERM OF THE AGREEMENT. Section 1 shall be amended to read in its entirety as follows:

1.1 The term of this AGREEMENT will commence on the date of attestation by the City Clerk, and will, unless otherwise terminated as set forth herein, end on August 1, 2017. Said term is subject to the provisions herein. Performance shall not commence until the contractor has obtained the CITY'S approval of the insurance required in CITY'S Standard Provisions PSC-18 herein.

2. Section 2, TOTAL AMOUNT OF FUNDS. Section 2 shall be amended to read its entirety as follows:

2.1 The total amount of funds to be disbursed under this AGREEMENT will not exceed \$60,000. Of the total funds available, \$40,000 comes from the

CITY CLERK and the remaining \$20,000 comes from the Echo Park Community, including the Echo Park Chamber of Commerce and other business entities in the target BID area.

3. Section 4, PERFORMANCE SCHEDULE. Section 4 shall read in its entirety as follows:

- 4.1 CONSULTANT shall perform tasks listed in APPENDIX 1, Amended Maximum Fee and Performance Schedule for the Proposed Echo Park BID.

4. Section 7, COMPENSATION AND METHOD OF PAYMENT. Section 1 shall be amended to read in its entirety as follows:

- 7.1 The following are authorized to bill under this AGREEMENT:

A. CIVITAS

John Lambeth

Gina Trechter

Nathan Hyde

Melanee Cardoza

Giancarlo Cretaro

B. SUBCONTRACTOR

Orin Bennett, Bennett Engineering Services

5. Section 9, NOTICES AND REPRESENTATIVE OF THE PARTIES. Section 9 shall be amended to read in its entirety as follows:

- 9.1 The representatives of the parties who are authorized to administer this AGREEMENT and to whom formal notices, demands, and communications will be given are as follows:

CITY: Holly L. Wolcott, City Clerk  
City of Los Angeles  
City Hall, Room 360  
200 North Spring Street  
Los Angeles, California 90012

CONSULTANT: John Lambeth, President  
c/o CIVITAS  
1102 Corporate Way, Ste. 140  
Sacramento, CA 95831

6. Appendix 1, PERFORMANCE SCHEDULE. Appendix 1 shall be amended to read in its entirety as follows: 'Appendix 1 Amended Maximum Fee and Performance Schedule for The Proposed Echo Park BID' as shown as follows on the chart in Appendix 1.
  7. Except as herein amended, all other provisions and conditions of Contract Number C-118452 shall remain in full force and effect.
-

IN WITNESS WHEREOF, this AGREEMENT is duly executed by CITY and CONSULTANT.

**APPROVED AS TO FORM:**

MICHAEL N. FEURER, City Attorney

**CITY:**

CITY OF LOS ANGELES, a municipal corporation, acting by and through its Office of the City Clerk

By: \_\_\_\_\_  
Deputy City Attorney

By: \_\_\_\_\_  
HOLLY L. WOLCOTT  
City Clerk

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**ATTEST:**

HOLLY L. WOLCOTT, City Clerk

**CONSULTANT:**

CIVITAS ADVISORS, INC., an economic development consultant

By: \_\_\_\_\_  
Deputy

By: \_\_\_\_\_  
JOHN LAMBETH  
President

Date: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
C-118452 S-1  
Agreement No.

\_\_\_\_\_  
10-0154  
Council File No.

**AMENDED MAXIMUM FEE AND PERFORMANCE SCHEDULE  
FOR THE PROPOSED ECHO PARK BID**

DELIVERABLES	ORIGINAL AMOUNT & COMPLETION DATE	AMENDED AMOUNT & COMPLETION DATE
<b>DELIVERABLE 1 – FEASIBILITY STUDY</b> Including, but not limited to: Surveying POTENTIAL ASSESSEES utilizing written surveys, focus groups, and/or interviews to determine probability of success of creating a BID in the proposed area. <u>Deliverable:</u> Report detailing the results of the feasibility study. Provide proposed boundaries to Analyst. Proof of contact with each POTENTIAL ASSESSEE (e.g. copy of mailing list, copy of sign in sheets from scoping meetings, etc.)	FEBRUARY 2011 ----- \$10,000	FEBRUARY 2011 ----- \$10,000
<b>DELIVERABLE 2 – DATABASE OF POTENTIAL ASSESSEES</b> Including, but not limited to: Developing a current DATABASE, as defined in Section 2 of this RFP, that is satisfactory to the CITY CLERK and updated as needed. <u>Deliverable:</u> A current DATABASE in Microsoft Office Excel format; property assessment and other data; and a report of CITY-owned property.	MARCH 2011 ----- \$5,000	DECEMBER 2016 ----- \$8,500
<b>DELIVERABLE 3 – MANGEMENT DISTRICT PLAN AND ENGINEER'S REPORT</b> Including but not limited to: Developing a BID MANAGEMENT DISTRICT PLAN in conjunction with a REGISTERED PROFESSIONAL ENGINEER, the PROPONENT GROUP, and the CITY CLERK pursuant to all applicable laws and Sections 3 and 4 of this RFP. <u>Deliverable:</u> A MANAGEMENT DISTRICT PLAN supported and accompanied by a legible map with parcels easily identifiable and a stand-alone detailed ENGINEER'S REPORT.	DECEMBER 2011 ----- \$14,000	JANUARY 2017 ----- \$28,000
<b>DELIVERABLE 4 – PETITION DRIVE</b> Including but not limited to: Creating a PETITION in a format approved by the CITY CLERK and obtaining signatures adhering to the requirements of Sections 3 and 4 of this RFP, the CITY CLERK and all applicable laws. <u>Deliverable:</u> Draft and final signed copies of PETITIONS adhering to the requirements of the CITY CLERK and all applicable laws and submitted by the deadline determined by the CITY CLERK.	MARCH 2012 ----- \$8,000	MARCH 2017 ----- \$6,000
<b>DELIVERABLE 5 – ASSESSMENT BALLOT DRIVE</b> Including but not limited to: Providing supplemental and mailing materials for an ASSESSMENT BALLOT drive as approved by the CITY CLERK, including an updated DATABASE, related to the ASSESSMENT BALLOT drive as required by the CITY CLERK and all applicable laws <u>Deliverable:</u> Submit an updated DATABASE, mailing materials, and copies of the final CITY CLERK approved MANAGEMENT DISTRICT PLAN, ASSESSMENT BALLOT completion instructions, and all additional documentation as required by the CITY CLERK and applicable laws by the deadline determined by the CITY CLERK	MAY 2012 ----- \$3,000	MAY 2017 ----- \$5,000
<b>DELIVERABLE 6 – PROOF OF NONPROFIT STATUS</b> Including but not limited to: Documentation associated with CONTRACTOR'S assistance to CITY with identifying a NON-PROFIT ORGANIZATION that could administer the BID <u>Deliverable:</u> Copies of the tax-exemption letter from either the Internal Revenue Service or the California Franchise Tax Board; Articles of Incorporation approved by the California Secretary of State; Bylaws; and letter of exemption for a business tax license from the City of Los Angeles Office of Finance Tax and Permit	DECEMBER 2012 ----- \$20,000	JULY 2017 ----- GRATIS
<b>DELIVERABLE 7 – BID INITIAL OPERATION</b> Including but not limited to: Assist appointed NON-PROFIT ORGANIZATION to begin BID operation and ensure compliance with ADMINISTRATIVE CONTRACT requirements (In the event the BID is established and approved by City Council) <u>Deliverable:</u> Original executed ADMINISTRATIVE CONTRACT and Standard Provisions completed by owners association, including certificates of required insurance; copies of minutes from meetings showing adherence to the Brown Act; draft copies of 1 <sup>st</sup> quarter newsletter and activity report.	MAY 2013 ----- \$20,000	AUGUST 2017 ----- \$2,500

(NOTE: The total amount of the contract has decreased from \$80,000 to \$60,000. No additional funds are added for completion of the contract.)

**\$80,000**

**\$60,000**