



MENDOCINO COUNTY TOURISM BUSINESS IMPROVEMENT DISTRICT CONVERSION PROPOSAL - 2022

Travis Scott, Executive Director

Visit Mendocino County

June 1, 2022





Dear Travis,

It was great to talk to you last week regarding this proposal. I am pleased to present to you this proposal to assist the Visit Mendocino County ("VMC") with converting the existing MCTBID from authorization pursuant to the Parking and Business Improvement Area Law ("89 Act") to one authorized by the Property and Business Improvement District Law ("94 Act"). Civitas has formed and renewed a majority of the nation's TBIDs, and will provide expert advice and guidance throughout the project.

Our process to convert the MCTBID is designed to secure significant support for the project while complying with applicable laws. In concert with VMC, the Civitas team will guide a conversion process that includes developing and manipulating data, obtaining feedback from business owners, preparing legal documents, guiding the stakeholder approval process, and attending local government hearings.

Thank you for the opportunity to submit this proposal. I look forward to working with you on this exciting project.

Best Regards,

A handwritten signature in black ink, appearing to read "Carson Lambeth".

Carson Lambeth,
Vice President of Business Development

THE OPPORTUNITY

In our recent conversations, stakeholders have expressed an interest in converting the district from the 89 Act to the 94 Act in order for VMC to remain competitive in the destination marketing environment.

In order to convert the district, we anticipate forming the new district pursuant to the 94 Act and will present the option of dissolving the current 89 Act district and will take the necessary steps to do so, if instructed.

Civitas has successfully completed over 150 district formation and renewal projects throughout the world which has generated over \$1.7 billion in dedicated funding for the specific needs of our clients. Our client portfolio ranges from destinations seeking to establish themselves in the market for the first time, to iconic long standing destinations that wish to remain competitive and further cement their legacy in the industry.



SCOPE OF SERVICES & SCHEDULE

Step 1

Initiation & Infrastructure

Creates the necessary leadership structure to carry out the project. Civitas, VMC, and lodging representatives will identify their respective roles in the project process. Includes gathering information on the proposed MCTBID conversion.

Step 2

Stakeholder Education & Engagement

Outreach efforts are undertaken in this step to educate and engage with lodging representatives and local officials and gain their support for the proposed MCTBID conversion. We will also determine if the existing district will be dissolved and prepare for necessary related action.

Step 3

Document Preparation & Revision

Documents necessary to convert the MCTBID are drafted. Civitas will work closely with business owners and County staff to ensure documents reflect the needs and priorities of assessed businesses.

Step 4

Petition Preparation & Petition Drive

Civitas will prepare the petition to support the MCTBID conversion and work with stakeholders and VMC on strategies to secure signed petitions from lodging representatives.

Step 5

City Hearing Process

Civitas will guide VMC through the Board of Supervisor hearing process to convert the MCTBID.

MEET YOUR TEAM



Carson Lambeth
*Vice President of
Business Development*



Emily Brown
Project Coordinator



Madison Deschamps
Legal Coordinator



Sean Pratt
GIS & Database Specialist

Civitas is a leader in developing long term funding solutions for Destination Marketing Organizations. It has helped several states investigate the potential of establishing statewide funding, in addition to assisting in the formation of an unparalleled ninety-nine TBIDs throughout the United States. With its deep experience and expertise, Civitas has been commissioned by the U.S. Travel Association to conduct nationwide studies.

Civitas also provides research, consulting, and district formation services to destinations located around the world, including Canada, South America, Europe, and Asia. A representative distant high-priced destination is Japan, where Civitas clients include Nomura Research Institute, Japan Area-Based Management Organization Network, Japan Travel Bureau, and Setouchi Tourism Authority. For its groundbreaking work, Civitas has been featured in publications such as Forbes and Skift.

INVESTMENT PROVISIONS

Investment

This proposal is based on the understanding that business owners and VMC will provide assistance and time needed to facilitate the process on the local level, including time devoted to outreach meetings, and gathering support and signed petitions from businesses. The MCTBID's investment for the scope of services and timeline described herein shall be \$48,000. VMC's investment includes two (2) trips to Mendocino to attend Board of Supervisor hearings. If additional trips are necessary, we would be happy to make additional trips for a professional fee of \$1,250 per trip, plus expenses.

Expenses

VMC will be responsible for all costs and expenses in addition to the professional fees. Ordinary costs and expenses, including telephone charges, postage, and photocopying will be billed at four percent (4%) of professional fees. Other costs, such as travel, overnight shipping, bulk mailing and printing costs (over 100 pages) shall be billed at Civitas' actual cost. Expenses are not expected to exceed \$3,500.

Billing

Civitas proposes a fixed monthly fee of \$6,000 per month for eight (8) months, plus expenses. A start-up fee of ten percent (10%) of project costs, \$5,150, will be due and payable upon execution of an agreement for services between Civitas and the City. The amount of the start-up fee will be deducted from the final invoice, which will also be adjusted to account for the total contract price. Civitas will send VMC a monthly invoice for fees and costs incurred. Invoices will include the fixed professional fee and expenses. The basis of calculation or other method of determining expenses will be clearly identified by item and amount.

Investment Overview

Description	Price
Professional Fees	\$48,000
Estimated Expenses	\$3,500
Total	\$51,500

Cost Assumptions and Guidelines

We have projected a specific amount of time for the MCTBID conversion. It is assumed that the project will not exceed the budgeted amount of time. If unanticipated matters result in additional time beyond that which has been projected, we would continue billing professional fees of \$6,000 per month, plus expenses, for the project duration. Factors that could increase the scope of work and estimated costs outlined above include additional meetings not described in this proposal, analysis of additional issues above those described in this proposal, or a lack of steering committee and business owner involvement in the project.

When Civitas' services conclude, all unpaid charges will immediately become due and payable. The amount of professional fees set forth in this agreement are a fixed amount for completion of the project within a maximum eight (8) month time frame. The total amount of professional fees has been divided over the maximum eight (8) month time frame to determine the monthly billing amount. If the project is completed prior to the eight (8) month time frame, the remaining balance of professional fees will be due and payable within thirty (30) days of project completion.

As you know, there are many unknown variables in a project of this nature. Although we would work diligently to form the MCTBID, factors outside Civitas and VMC's control could delay or thwart even the best-developed plans. We will work to minimize risks and complete the project at the earliest possible date.

The pricing and scope outlined in this agreement will expire upon thirty (30) days post delivery of this proposal.

Business Information

The database for this project will rely on information from local government sources. Errors can and will occur in this data. While Civitas will do its utmost to identify and correct any errors, it is acknowledged that data from local government sources may contain errors. We recommend VMC continue to pursue data correction strategies during and after conversion, including mailings and error checking by local officials.



AGREEMENT

If you would like to agree to engage our services consistent with this proposal and the following terms, please sign below.

A start-up fee of ten percent (10%) of project costs, \$5,150, will be due and payable upon execution of this Agreement. Civitas will send VMC a monthly invoice for fees and costs incurred. Each invoice will be payable within thirty (30) days of its mailing date. Either the VMC or Civitas shall have the right to terminate this agreement upon ten (10) days' notice. When Civitas' services conclude, all unpaid charges will immediately become due and payable, including the balance of any professional fees if the project is completed prior to the maximum eight (8) month time frame.

Nothing in this Agreement and nothing in statements by Civitas personnel to VMC will be construed as a promise or guarantee about the outcome of the matter. Civitas makes no such promises or guarantees.

If any provision of this Agreement is held in whole or in part to be unenforceable for any reason, the remainder of that provision and of the entire Agreement will be severable and remain in effect. This Agreement may be modified by subsequent agreement of the parties only by an instrument in writing signed by both of them or an oral agreement only to the extent that the parties carry it out.

The parties agree to accept the terms and conditions herein.

Date

June 1, 2022

Date

City of Carlsbad, by



SIGNATURE

Travis Scott

Travis Scott,
Executive Director

Civitas Advisors, by

A handwritten signature in black ink, appearing to read "John G. Lambeth".

John Lambeth,
President & CEO