

**FIRST AMENDMENT TO AGREEMENT FOR
PROFESSIONAL SERVICES**

THIS FIRST AMENDMENT TO AGREEMENT is made and entered into this ___ day of _____, 2021, by and between the City of Merced, a California Charter Municipal Corporation (“City”), and Kristin Lowell, Inc., a California Corporation, whose address of record is 1420 E. Roseville Parkway #140-342, Roseville, California 95677, (“Consultant”).

WHEREAS, City is undertaking a project to conduct a Tourism Business Improvement District in the City of Merced; and,

WHEREAS, City and Consultant have previously entered into an Agreement for Professional Services (“Agreement”) dated November 6, 2020; and,

WHEREAS, City and Consultant desire to amend said Agreement to provide for additional services in connection with said project.

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants hereinafter recited, agree as follows:

1. Section 22, “ADDITIONAL WORK,” is hereby added to the Agreement to read as follows:

“SECTION 22. ADDITIONAL WORK. Consultant shall perform the additional work outlined in the proposal from Consultant to City dated September 9, 2021, attached hereto as Exhibit 1.”

2. Section 23, “ADDITIONAL COMPENSATION,” is hereby added to the Agreement to read as follows:

“SECTION 23. ADDITIONAL COMPENSATION. City shall pay to Consultant the not to exceed additional sum of Forty-Three Thousand Eight Hundred and Twenty-Five Dollars (\$43,825.00) for the additional work described in the proposal attached hereto as Exhibit 1 and in accordance with the rates set forth on Exhibit 1.”

3. Except as herein amended, the Agreement dated November 6, 2020, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this First Amendment to Agreement to be executed on the date first above written.

CITY OF MERCED
A California Charter Municipal
Corporation

BY: _____
City Manager

ATTEST:
STEPHANIE R. DIETZ, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

APPROVED AS TO FORM:

BY: K. Flores 10/12/21
City Attorney Date

ACCOUNT DATA:

BY: _____
Verified by Finance Officer

CONSULTANT
KRISTIN LOWELL, INC.,
A California Corporation

BY: 
(Signature)

Kristin Lowell
(Typed Name)

Its: Chief Executive Officer
(Title)

BY: 
(Signature)

Kristin Lowell
(Typed Name)

Its: Secretary
(Title)

Taxpayer I.D. No. 56-2491470

ADDRESS: 1420 E. Roseville Pkwy
#140-342
Roseville, CA 95661

TELEPHONE: (916) 786-9686
FAX: (916) 786-0529
E-MAIL: kristen@klifinance.com



September 9, 2021

Maria Mendoza
City of Merced
678 W. 18th Street
Merced, CA 95340

RE: Proposal for the Merced Tourism Business Improvement District

Dear Maria:

On behalf of Kristin Lowell, Inc. (KLI), and Hormann & Associates, I am pleased to submit this consulting proposal to assist the City of Merced in forming a Tourism Business Improvement District ("TBID").

The consultant firms, Kristin Lowell, Inc. and Hormann & Associates ("Consultant Team") are the project team to assist the City of Merced staff and hospitality leaders in public outreach, education and formation of the TBID and the positive impacts it will have on the tourism industry. Kristin Lowell will be the prime consultant responsible for the TBID formation and project management. Nancy Hormann and Terry Madeksza will be responsible for public outreach and consensus building.

This is an exciting project, and we thank you for the opportunity to submit our proposal for your consideration. Please contact me at if I may provide any additional information. I look forward to hearing from you.

Sincerely,

Kristin Lowell

Kristin Lowell,
President



CONSULTANT TEAM

The Consultant Team has unmatched history in successfully forming BIDs throughout the state. The consultant team of industry leaders, consists of:

Kristin Lowell, Inc.

KRISTIN LOWELL has over 30 years of experience helping public agencies fund over \$800 million of capital improvement projects, maintenance and operations, and revenue monitoring. Kristin has extensive knowledge of various public financing laws, including assessment districts, business improvements districts, community facilities districts, and school facilities improvement districts. Kristin is a recognized expert in public finance formations to fund capital improvement projects and operations and maintenance activities. Kristin will oversee all aspects of the project and be the main point of contact for the City. Kristin will also serve as the assessment engineer that will work with the City and tourism industry leaders in creating an assessment formula that is tailored to the unique needs of their industry.

Hormann and Associates

NANCY HORMANN with over 30 years of experience in developing, marketing and management of downtown programs, Nancy brings a depth and breadth of successful, hands-on experience in business district formation and management; downtown revitalization; tourism and hospitality management and promotion, and marketing and event design and execution. Nancy will oversee the community outreach, TBID sales and marketing as well as determining the needs and wants of the tourism practitioners.

TERRY MADEKSZA has over 25 years of experience helping to revitalize downtowns. She currently serves as the Executive Director for the Flagstaff Downtown Business Alliance, a non-profit organization dedicated to enhancing the vibrancy and economic vitality of downtown Flagstaff. She is responsible for overseeing the day-to-day management of the downtown area, including oversight of public space enhancements, community building and promoting downtown as a destination. Terry also serves as the primary conduit to property and business owners, city staff, elected officials; and is the lead advocate and spokesperson for the downtown community. Terry will work with Nancy and will help coordinate the community outreach, TBID sales and marketing as well coordinating the outreach and being the liaison to the Hotel Motel Association.



SCOPE OF SERVICE

The consultant team proposes working with a steering committee comprised of hotel and hospitality operators and the City of Merced in creating a new TBID tailored to the unique needs of the hospitality industry.

We will guide a strategically led process that includes facilitating stakeholder education and consensus building, developing a TBID management district plan, preparing for, and managing a petition drive, and securing adoption of the TBID by the Merced City Council.

In order to complete the TBID formation process, the consultant team proposes two phases as follows:

Phase One: Initial Review and Document Preparation

Deliverable: Management District Plan Summary Report

1.1 Initial Review

In order for the Consultant team to become fully knowledgeable of the Merced tourism industry and the dynamics of connecting the hotels to the downtown community, we will interview and meet with the hotel operators.

1.2 Database Development

The Consultants will coordinate with the City and the hotel operators to establish a comprehensive database. The database will be designed for a variety of uses, including periodic mailings to the hotel operators, source data for assessment scenarios and tracking for the TBID petition campaign.

1.3 Consensus Building/Education

Reaching out to the hotel operators and civic leaders, the Consultants propose a focus group meeting as well as one-on-one meetings to identify TBID service priorities and the degree of financial support needed for the desired services.

1.4 District Priorities and Budget

The Consultants will work with the Steering Committee to identify the top TBID services and activities as identified in Step 1.3. Once the top 2-3 services have been identified Consultants will prepare a budget to fully fund the TBID's first year of operation.



1.5 Assessment Methodologies

Using the information obtained in the above steps, the Consultants will calculate up to 3 assessment methodologies that will equitably assess each hotel for the TBID services.

1.6 Draft Management District Plan Summary

Consultants will prepare the draft Management District Plan Summary Report that will outline the parameters of the TBID; including district boundary, TBID services and activities, budget, assessment rates, governance, and district duration.

1.7 Stakeholder Review (Go/No Go)

Consultants will present the draft Management District Plan Summary Report to the Steering Committee and hotel operators to obtain consensus. Upon Steering Committee direction to proceed, Consultants will move into Phase Two to prepare the final documents and legal formation.

Phase Two: Management Plan and Engineer's Report

Deliverable: Final Reports and Formation Documents

2.1 Prepare Final Management District and Legal Review

Using the Management District Plan Summary Report, Consultants will craft the final Management District Plan. The City Attorney will undertake a final review of the Management District Plan and initiate preparations for the hotel operator petition drive, including review of the draft petition and petition collection procedure. *Note: The City will be responsible for preparing the requisite map.*

2.2 Petition Preparation and Distribution

The Consultants will prepare the petition and a summary newsletter that communicates the parameters and benefits of the TBID. The newsletter will summarize the Management District Plan and will be distributed with petitions. The actual petition package for hotel operators will consist of several items, including a summary of the TBID Management District Plan, petition, and newsletter. The Consultant will work with the district to ensure that these materials are assembled and prepared properly. It is the responsibility of the client and steering committee to distribute the petition packets.

2.3 Campaign Strategy and Training

In concert with steering committee, Consultants will develop a campaign strategy and timetable to complete the petition drive. Elements of campaign strategy will include individual hotel



operator, executive and board roles in securing petitions, campaign marketing tools, geographic strategies and other considerations.

Consultants will work with steering committee to identify a Task Force to help sell the TBID. Throughout the TBID formation process, the membership of this Task Force is anticipated to grow. In preparation for the petition drive, the Task Force members will be mobilized per the campaign strategy. Sector captains may be appointed to oversee campaign activities within specific areas. To support the Task Force communication tools will be developed.

2.4 Ballots, Notice and Resolutions

Following the submission of petitions to the City Council, the Consultant will prepare the Assessment Ballots and Assessment Notice that will be mailed to all assessed hotel operators upon City Council approval of the Resolution of Intention. Consultant will prepare draft Resolutions needed for the City Council to adopt.

2.5 Public Hearing

Consultants will attend the Public Hearing in which the City Clerk will be directed to open and tabulate the assessment ballots received. Consultants will be available to answer any questions and/or make a presentation to the City Council.



Project Timeline

The Consultant shall work with the steering committee to make sure that all necessary steps and procedures are completed by Summer 2022. The following is the estimated timeline for such completion.

- October 2021:** Initial review
- Nov-Dec:** Assessment scenarios;
Draft Management District Plan (MDP) for review;
Public Outreach to build consensus
- January 2022:** Final MDP upon City review
Prepare petitions and petition packets to include Management District Plan Summary, TBID newsletter, official petition and petition instructions
- February-April:** Petition kick-off (allow 3 months)
- May:** City Council approves Resolution of Intention and calls for public hearing;
Assessment ballots mailed to all assessed hotel operators
- June:** City Council public hearing, tabulate ballots (45 days later)
- Fall 2022:** TBID organizational structure and TBID services begin



BUDGET

Below is the estimated budget for the TBID formation.

TASK	LOWELL		HORMANN		MADEKSZA		Travel and Expenses*	TOTAL
	Hrs	Rate 175	Hrs	Rate 175	Hrs	Rate 125		
PHASE ONE: INITIAL ANALYSIS AND DOCUMENT PREPARATION								
1.1 Initial Review	8	1,400	8	1,400	6	750	650	4,200
1.2 Database Development	20	3,500	0	0	4	500		4,000
1.3 Consensus Building/Education	10	1,750	10	1,750	18	2,250	1,050	6,800
1.4 District Priorities and Budget	4	700	5	875	2	250		1,825
1.5 Assessment Methodologies	15	2,625	2	350	0	0		2,975
1.6 Draft MDP Summary	15	2,625	2	350	2	250		3,225
1.7 Stakeholder Review (Go/No-Go)	4	700	4	700	4	500	1,050	2,950
Phase One Sub-Total	76	13,300	31	5,425	36	4,500	2,750	25,975
PHASE TWO: MANAGEMENT PLAN AND FORMATION								
2.1 Management Plan and Legal Review	40	7,000	5	875	2	250		8,125
2.2 Petition Prep and Distribution	10	1,750	0	0	0	0	250	2,000
2.3 Campaign Strategy and Training	0	0	5	875	10	1,250	400	2,525
2.4 Ballots, Notice and Resolutions	10	1,750	0	0	0	0		1,750
2.5 Public Hearing	8	1,400	8	1,400	0	0	650	3,450
Phase Two Sub-Total	68	11,900	18	3,150	12	1,500	1,300	17,850
TOTAL	144	25,200	49	8,575	48	6,000	4,050	43,825

* Note: Estimate 5 trips for Lowell @ \$250/trip, and 5 trips for Hormann @ \$400, and 3 trips for Madeksza @ \$400/trip.