

SERVICES AGREEMENT

This **PROFESSIONAL SERVICES AGREEMENT** (this “Agreement”) is made and entered into as of April 7, 2020 (the “Effective Date”), by and between

CITY OF ANAHEIM, a public body, corporate and politic (the “City”),

A
N
D

VISIT ANAHEIM, a California non-profit corporation (“Visit Anaheim”).

RECITALS

A. On March 4, 2020, California Governor Gavin Newsom issued an emergency proclamation declaring a State of Emergency to protect the general public from the escalating spread of COVID-19, a worldwide pandemic.

B. Following the Governor’s state of emergency directive and increasing private sector actions to minimize the spread of COVID-19, several large conventions were cancelled including Natural Products Expo West, the second largest convention held annually in Anaheim.

C. In the intervening time since state and national emergencies were declared, more than 100 Anaheim hotel properties, more than 50 percent of the city’s restaurants and more than 30 percent of the city’s general businesses have closed in response to “stay at home” directives to combat COVID-19.

D. As a result of these catastrophic and unprecedented actions, Anaheim’s economy, based primarily on tourism, sports and entertainment related industries, could become one of the hardest hit economies in the nation.

E. To address the loss of tens of thousands of local jobs and the resulting hardship and impacts to residents and businesses, the City Council took action to adopt a \$15 million Community and Economic Recovery Plan on September 26, 2020. As part of this plan, the Council authorized the City Manager to work with Visit Anaheim to expedite Anaheim’s economic recovery.

F. Visit Anaheim (previously Anaheim/Orange County Visitor & Convention Bureau) has served and supported the City of Anaheim as its Designated Marketing Organization (DMO) since 1961. Visit Anaheim and the City have worked as partners for decades to promote and

market Anaheim as a leading destination for conventions, meetings, events and global tourism, all of which has generated billions of dollars in local investment, thousands of local jobs, which pays for quality of life city services residents rely on every day.

G. Visit Anaheim is uniquely equipped to expedite Anaheim's local economic recovery and to ensure the City is one of the first major tourist destinations to emerge from the COVID-19 economic slowdown. Therefore, in compliance with the City's Community and Economic Recovery Plan and to restore Anaheim's position as a premier business and tourist destination, the City is enlisting the services of Visit Anaheim to enhance and supplement existing economic development activity by promoting and marketing hotels, meetings and conventions in Anaheim.

H. The City and Visit Anaheim (each, a "Party" and jointly, the "Parties") desire to enter into an agreement pursuant to which Visit Anaheim will provide Services as set forth herein.

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL PROMISES, COVENANTS AND CONDITIONS CONTAINED HEREIN, THE CITY AND VISIT ANAHEIM AGREE AS FOLLOWS:

Section 1. Status of Parties.

1.1 City. The City is a municipal corporation formed and operating pursuant to a freeholders charter.

1.2 Visit Anaheim. Visit Anaheim is a California non-profit corporation, formed and in good standing under all applicable laws.

Section 2. Services of Visit Anaheim.

2.1 Description of Services. In compliance with all of the terms and conditions of this Agreement, Visit Anaheim shall provide the Services, as more fully set forth in the "Visit Anaheim Economic Recovery Services," which is attached hereto as Exhibit A and incorporated herein by this reference (the "Services"). Visit Anaheim represents and warrants that all Services to be provided hereunder shall be performed in a competent, professional and satisfactory manner in accordance with the standards prevalent in the industry for such Services.

2.2 Time for Performance. Time is of the essence in the performance of this Agreement. Visit Anaheim shall perform and complete all Services in a timely and expeditious manner. Visit Anaheim shall perform Services in accordance with those schedules which Visit Anaheim and the City may mutually agree to as to any particular task, study, job or analysis.

Visit Anaheim shall not be responsible for delays caused by circumstances beyond its reasonable control, provided that Visit Anaheim has delivered to the City written notice of the cause of any such delay within ten (10) days of the occurrence of such cause.

2.3 Compliance with Law. All Services rendered hereunder shall be provided in accordance with all ordinances, resolutions, statutes, rules, regulations and laws of the City of Anaheim and any Federal, State or local governmental of competent jurisdiction, including applicable state labor laws, if any.

2.4 Licenses, Permits, Fees and Assessments. Visit Anaheim shall obtain, at Visit Anaheim's sole cost and expense, all licenses, permits and approvals as may be required by law for the performance of the Services required by this Agreement. Visit Anaheim shall have the sole obligation to pay any fees, assessments and taxes, plus applicable penalties and interest, which may be imposed by law and which arise from or are necessary for the performance of the Services required by this Agreement.

2.5 Nondiscrimination. Visit Anaheim agrees not to discriminate against any person or class of persons by reason of sex, color, race, creed, religion, marital status, handicap, ancestry, national origin or other protected characteristics in its provision of Services. To the extent this Agreement provides that Visit Anaheim offer accommodations or Services to the public, such accommodations or Services shall be offered by Visit Anaheim to the public on fair and reasonable terms.

2.6 Familiarity with Work. By executing this Agreement, Visit Anaheim represents and warrants that it (i) has thoroughly investigated and considered the Services to be performed, (ii) has carefully considered how the Services should be provided, and (iii) fully understands the facilities, difficulties and restrictions attending the provision of the Services under this Agreement. Should Visit Anaheim discover any latent or unknown conditions materially differing from those inherent in the provision of such Services or as represented by the City, Visit Anaheim shall immediately inform the City of such fact and shall not proceed except at Visit Anaheim's risk until written instructions are received from the City.

2.7 Additional Services. Visit Anaheim shall provide Services in addition to those specified in Exhibit A when directed to do so in writing by the City, provided that Visit Anaheim shall not be required to provide any such additional Services without compensation.

2.8 Substitute Services. In the event the Parties determine that any service identified in Exhibit A is no longer desirable or cannot, through no fault of either party, be completed, the Parties shall mutually agree in writing on an appropriate service to substitute in place and stead of such service so identified. The City Manager or designee shall have authority on behalf of the City to approve any such substitute service, including the appropriate compensation to be paid therefor, provided, however, that such compensation shall not exceed the Contract Amount set forth in Section 4.1.

Section 3. Term.

The term of this Agreement shall commence on April 1, 2020 and shall terminate when all Services set forth in Exhibit A have been performed to the satisfaction of the City ("Term").

Section 4. Compensation.

4.1 Amount of Compensation. It is understood by and agreed between the Parties to this Agreement that full and complete payment for all Services provided in accordance with this Agreement, including sub-consultant fees, and all expenses, shall not exceed Six Million Five Hundred Thousand Dollars (\$6,500,000) ("Contract Amount"), payable as set forth in Section 4.2 below.

4.2 Billing and Payment Procedures. The Contract Amount shall be payable in three equal installments due in April, May and June of 2020. Visit Anaheim shall provide invoices or other documentation to the City providing a detailed description of the Services performed pursuant to this Agreement. If requested by the City, Visit Anaheim shall present additional documentation evidencing the provision of Services satisfactory to the City. The City shall not be responsible to pay Visit Anaheim for any Services or expenses in excess of the Contract Amount.

Section 5. Coordination of Services.

5.1 Representative of City. The City Manager or his designee (the "Manager") shall represent the City in all matters pertaining to this Agreement. Whenever a reference is made herein to an action or approval to be undertaken by the City, the Manager is authorized to act unless this Agreement specifically provides otherwise or the context requires otherwise.

5.2 Representative of Visit Anaheim. Jay Burress is hereby designated as being the principal and representative of Visit Anaheim who is authorized to act on Visit Anaheim's behalf with respect to the Services and work to be provided hereunder.

5.3 Prohibition Against Subcontracting and Assignments. Neither the whole nor any interest in, or any of the rights or privileges granted under this Agreement, shall be assignable or transferable or encumbered in any way without the prior written consent of the City. Any such purported assignment, transfer, encumbrance, pledge, subuse, or permission given without such consent shall be void as to the City. This is a personal services contract and Visit Anaheim was chosen on the basis of characteristics unique to Visit Anaheim. The City shall have the right to unreasonably or arbitrarily withhold its consent to any such assignment, transfer, encumbrance, pledge, subuse, or permission. Nevertheless, nothing shall prevent Visit Anaheim from using its employees, as well as normal and ordinary vendors, freelancers, and independent contractors to complete the Services.

5.4 Independent Contractor. Visit Anaheim and any agent or employee of Visit Anaheim shall act in an independent capacity and not as an officer or employee of the City. The City assumes no liability for Visit Anaheim's actions and performance; nor does it assume responsibility for taxes, bonds, payments, or other commitments, implied or explicit, made by or for Visit Anaheim. Visit Anaheim shall not have authority to act as an agent on behalf of the City unless specifically authorized to do so in writing. Visit Anaheim acknowledges that it is aware that, because it is an independent contractor, the City is making no deduction from any amount paid to Visit Anaheim and is not contributing to any fund on its behalf. Visit Anaheim disclaims the right to any fee or benefits except as expressly provided for in this Agreement.

As respects all acts or omissions of Visit Anaheim relating to Visit Anaheim's responsibility for taxes, bonds, payments, or other commitments, implied, or explicit, Visit Anaheim agrees to indemnify, defend (at the City's option), and hold harmless the City, its

officers, agents, employees, representatives, and volunteers from and against any and all claims, demands, defense costs, liability, or consequential damages of any kind or nature arising out of or in connection with Visit Anaheim's performance or failure to perform under this Section.

Section 6. Insurance and Indemnification.

6.1 Insurance. Without limiting the City's right to indemnification, it is agreed that Visit Anaheim shall secure prior to commencing any Services or activities under this Agreement, and maintain during the Term of this Agreement, insurance coverage as set forth in this Section 6.1.

6.1.1 Required Insurance Coverage. Visit Anaheim shall secure and maintain the following insurance coverage:

- (a) Workers' Compensation Insurance as required by California statutes for the protection of its employees and independent contractors during the performance of Services hereunder;
- (b) Comprehensive General Liability Insurance or Commercial General Liability Insurance, including coverage for Premises and Operations, Contractual Liability, Personal Injury Liability, Products/Completed Operations Liability, in an amount of not less than One Million Dollars (\$1,000,000.00) per occurrence, combined single limit, written on an occurrence basis;
- (c) Comprehensive Automobile Liability coverage, including - as applicable - owned, non-owned and hired autos, in an amount of not less than One Million Dollars (\$1,000,000.00) per occurrence, combined single limit, written on an occurrence basis. If Visit Anaheim owns no vehicles, this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described above; and
- (d) When the law establishes a professional standard of care for Visit Anaheim's Services, Professional Liability Insurance coverage in an amount of not less than One Million Dollars (\$1,000,000.00). Visit Anaheim shall maintain such coverage for at least one (1) year after the termination of this Agreement.

The Manager, with the consent of the City's Risk Manager, is hereby authorized to waive or reduce the requirements set forth above in the event the Manager determines that such waiver or reduction is in the City's best interest.

6.1.2 Required Clauses in Policies. Each policy of general liability insurance required by this Agreement shall contain the following clauses:

"This insurance shall not be canceled, or allowed to lapse without at least ten (10) days' prior written notice to the City Clerk of the City of Anaheim, 200 S. Anaheim Boulevard, Anaheim, CA 92805."

“It is agreed that any insurance maintained by Visit Anaheim pursuant to this Agreement shall be primary to, and not contribute with any insurance or self-insurance maintained by the City of Anaheim.”

“The City of Anaheim, its officials, agents, employees, representatives, and volunteers are added as additional insureds as respects operations and activities of, or on behalf of the named insured, performed under contract with the City of Anaheim.”

Visit Anaheim hereby agrees to waive subrogation which any insurer of Visit Anaheim may acquire from Visit Anaheim by virtue of the payment of any loss. Visit Anaheim agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation.

6.1.3 Required Certificates and Endorsements. Prior to commencement of any work under this Agreement, Visit Anaheim shall deliver to the City (i) insurance certificates confirming the existence of the insurance required by this Agreement, and including the applicable clauses referenced above, and (ii) endorsements to the above-required policies, which add to these policies the applicable clauses referenced above. Such endorsements shall be signed by an authorized representative of the insurance company and shall include the signator’s company affiliation and title. Should it be deemed necessary by the City, it shall be Visit Anaheim’s responsibility to see that the City receives documentation, acceptable to the City, which sustains that the individual signing such endorsements is indeed authorized to do so by the insurance company. Also, the City reserves the right at any time to demand, and to receive within a reasonable time period, certified copies of any insurance policies required under this Agreement, including endorsements effecting the coverage required by these specifications.

Except for professional liability insurance coverage that may or may not be required by this Agreement, all insurance maintained by Visit Anaheim shall be issued by companies admitted to conduct the pertinent line of insurance business in the State of California and having a rating of Grade A or better and Class VII or better by the latest edition of *Best’s Key Rating Guide*. In the case of professional liability insurance coverage, such coverage shall be issued by companies either licensed or admitted to conduct business in the State of California so long as such insurer possesses and aforementioned *Best’s* rating.

Visit Anaheim shall immediately notify the Manager if any required insurance lapses or is otherwise modified and cease performance of this Agreement unless otherwise directed by the Manager. In such a case, the City may procure insurance or self-insure the risk and charge Visit Anaheim for such costs and any and all damages resulting therefrom, by way of set-off from any sums owned Visit Anaheim.

Visit Anaheim agrees that in the event of loss due to any of the perils for which it has agreed to provide insurance, Visit Anaheim shall look solely to its insurance for recovery. Visit Anaheim hereby grants to the City, on behalf of any insurer providing insurance to either

Visit Anaheim or to the City with respect to the Services of Visit Anaheim herein, a waiver of any right to subrogation which any such insurer of said Visit Anaheim may acquire against the City by virtue of the payment of any loss under such insurance.

6.1.4 Remedies for Default Re: Insurance. In addition to any other remedies the City may have if Visit Anaheim fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, the City may, at its sole option:

- (a) Obtain such insurance and deduct and retain the amount of the premium for such insurance from any sums due under this Agreement;
- (b) Order Visit Anaheim to stop work under this Agreement and/or withhold any payment(s) which become due to Visit Anaheim hereunder until Visit Anaheim demonstrates compliance with the requirements hereof; or
- (c) Terminate this Agreement.

Exercise of any of the above remedies, however, is an alternative to other remedies the City may have and is not the exclusive remedy for Visit Anaheim's failure to maintain insurance or secure appropriate endorsements.

Nothing herein contained shall be construed as limiting in any way the extent to which Visit Anaheim may be held responsible for payment of damages to persons or property resulting from Visit Anaheim's or its subcontractor's performance of the work covered under this Agreement.

6.2 Indemnification. As respects acts, errors or omissions in the performance of professional services under this Agreement, Visit Anaheim agrees to indemnify and hold harmless the City, its officers, agents, employees, representatives and volunteers from and against claims, demands, defense costs, liability or consequential damages arising directly out of Visit Anaheim's acts, errors or omissions in the performance of its professional services under the terms of this Agreement or those of Visit Anaheim's subcontractors or anyone for whom Visit Anaheim is legally liable.

As respects all acts or omissions that do not arise directly out of the performance of professional services, including but not limited to those acts or omissions normally covered by general and automobile liability insurance, Visit Anaheim agrees to indemnify, defend (at the City's option), and hold harmless the City, its officers, agents, employees, representatives, and volunteers from and against claims, demands, defense costs, liability, or consequential damages arising out of or in connection with Visit Anaheim's (including Visit Anaheim's employees, representatives, subcontractors or anyone for whom Visit Anaheim is legally liable) performance or failure to perform under this Agreement; excepting those which arise out of the sole negligence of the City.

Section 7. Enforcement of Agreement.

7.1 Events of Default. For purposes of this Section 7, the word "Default" shall mean the failure of Visit Anaheim to perform any of Visit Anaheim's duties or obligations or the breach by Visit

Anaheim of any of the terms and conditions set forth in this Agreement. In addition, Visit Anaheim shall be deemed to be in Default upon Visit Anaheim's (i) application for, consent to, or suffering of, the appointment of a receiver, trustee or liquidator for all or a substantial portion of its assets, (ii) making a general assignment for the benefit of creditors, (iii) being adjudged bankrupt, (iv) filing a voluntary petition or suffering an involuntary petition under any bankruptcy, arrangement, reorganization or insolvency law (unless in the case of an involuntary petition, the same is dismissed within thirty (30) days of such filing), or (v) suffering or permitting to continue unstayed and in effect for fifteen (15) consecutive days any attachment, levy, execution or seizure of all or a substantial portion of Visit Anaheim's assets or of Visit Anaheim's interests hereunder.

The City shall not be deemed to be in Default in the performance of any obligation required to be performed by the City hereunder unless and until the City has failed to perform such obligation for a period of thirty (30) days after receipt of written notice from Visit Anaheim specifying in reasonable detail the nature and extent of any such failure; provided, however, that if the nature of the City's obligation is such that more than thirty (30) days are required for its performance, then the City shall not be deemed to be in Default if the City shall commence to cure such performance within such thirty (30) day period and thereafter diligently prosecute the same to completion.

7.2 Immediate Termination for Visit Anaheim's Default. In the event of any Default by Visit Anaheim, the City may immediately terminate this Agreement. Such termination shall be effective immediately upon receipt by Visit Anaheim of written notice from the City. In such event, Visit Anaheim shall have no further rights hereunder; the City shall have all other rights and remedies as provided by law.

7.3 Termination Without Cause. The City may terminate this Agreement at any time without the necessity of cause or Default by Visit Anaheim by giving thirty (30) days' notice in writing to Visit Anaheim. In such event, the Parties shall have no further rights hereunder, except that Visit Anaheim shall be paid for all Services actually rendered prior to termination.

Section 8. Use and Ownership of Documents and Data.

8.1 Data to be Furnished by City. The City shall furnish to Visit Anaheim such documents and materials as may be relevant and pertinent to the provision of Services hereunder that the City may possess or acquire.

8.2 Ownership of Documents. All documents and materials furnished by the City to Visit Anaheim pursuant to Section 8.1 hereof shall remain the property of the City and shall be returned to the City upon termination of this Agreement. All documents and materials prepared by Visit Anaheim hereunder shall become the property of the City at the time of payment to Visit Anaheim of compensation for their preparation, and shall be delivered to the City by Visit Anaheim at the request of the City. The documents and materials prepared by Visit Anaheim hereunder shall not be used by the City or others, except for the purpose for which they were intended. The City agrees not to associate Visit Anaheim's name with any documents or materials not prepared by Visit Anaheim.

9.5 Non-Liability of Members, Officials and Employees of the City. No member, official or employee of the City shall be personally liable to Visit Anaheim, or any successor in interest, in the event of any Default or breach by the City or for any amount which may become due to Visit Anaheim or Visit Anaheim's successors under the terms of this Agreement. Visit Anaheim hereby waives and releases any claim Visit Anaheim may have against the members, officials or employees of the City with respect to any Default or breach by the City or for any amount which may become due to Visit Anaheim or Visit Anaheim's successors under the terms of this Agreement. Visit Anaheim makes such release with the full knowledge of Civil Code Section 1542 and hereby waives any and all rights thereunder to the extent of this release, if such Section 1542 is applicable. Section 1542 of the Civil Code provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

9.6 Controlling Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

9.7 Time of the Essence. Time is hereby expressly declared to be the essence of this Agreement and of each and every term, covenant and condition hereof which relates to a date or a period of time.

9.8 Remedies Cumulative. The remedies given to the City and Visit Anaheim herein shall be cumulative and are given without impairing any other rights given the City or Visit Anaheim by statute or law now existing or hereafter enacted and the exercise on any one remedy by the City or Visit Anaheim shall not exclude the exercise of any other remedy.

9.9 Effect of Invalidity. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of its terms and provisions to persons and circumstances other than those to which it has been held invalid or unenforceable shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

9.10 Successors and Assigns. This Agreement and the covenants and conditions contained herein shall be binding upon and inure to the benefit of and shall apply to the successors and assigns of the City and to the permitted successors and assigns of Visit Anaheim, and all references to "City" or "Visit Anaheim" shall be deemed to refer to and include all permitted successors and assigns of such Party.

9.11 Entire Agreement. This Agreement and the exhibits hereto contain the entire agreement of the City and Visit Anaheim with respect to the matters covered hereby, and no agreement, statement or promise made by either the City or Visit Anaheim which is not contained

herein, shall be valid or binding. No prior agreement, understanding or representation pertaining to any such matter shall be effective for any purpose. No provision of this Agreement may be amended, modified or added except by an agreement in writing signed by the City and Visit Anaheim.

9.12 Authority. Each individual executing this Agreement on behalf of a corporation, nonprofit corporation, partnership or other entity or organization, represents and warrants the he or she is duly authorized to execute and deliver this Agreement on behalf of such entity or organization and that this Agreement is binding upon the same in accordance with its terms. Visit Anaheim shall, at the City's request, deliver a certified copy of its governing board's resolution or certificate authorizing or evidencing such execution.

9.13 Conflicts of Interest. No member, official or employee of the City shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to this Agreement which affect his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested.

9.13.1 Visit Anaheim or its employees may be subject to the provisions of the California Political Reform Act of 1974 (the "Act"), which: (1) requires such persons to disclose any financial interest that may foreseeably be materially affected by the work performed under this Agreement; and (2) prohibits such persons from making, or participating in making, decisions that will foreseeably financially affect such interest.

9.13.2 If subject to the Act, Visit Anaheim shall conform to all requirements of the Act. Failure to do so constitutes a material breach and is grounds for immediate termination of this Agreement by the City. Visit Anaheim shall indemnify and hold the City harmless for any and all claims for damages resulting from Visit Anaheim's violation of this Section.

9.14 Time for Acceptance of Agreement by City. This Agreement, when executed by Visit Anaheim and delivered to the City, must be authorized, executed and delivered by the City on or before forty-five (45) days after the execution and delivery by Visit Anaheim or this Agreement shall be void, except to the extent that Visit Anaheim and the City shall consent in writing to a further extension of time for the authorization, execution and delivery of this Agreement.

9.15 Conflicts or Inconsistencies. It is expressly agreed by and between the parties hereto that, should there be any conflict between the terms of this Agreement and any of the exhibits or attachments hereto, this Agreement shall control and nothing herein shall be considered as an acceptance of the terms of exhibits or attachments conflicting herewith.

9.16 Records & Audits. In accordance with generally accepted accounting principles, Visit Anaheim shall maintain complete records of all funds received under this Agreement and Services performed under this Agreement. Such records shall be open to the inspection of the City, after reasonable notice, and at reasonable times. The City shall have the right to audit Visit Anaheim's books and records during the term of this Agreement, not more than once per year, and for a period of one year following the date all Services have been performed under this Agreement. Visit Anaheim agrees to retain all necessary records and documentation for the entire length of the audit period. Any

adjustments and/or payments, which must be made as a result of any such audit or inspection of Visit Anaheim's records shall be made within thirty (30) days from presentation of the City's findings.

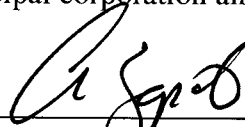
[SIGNATURES BEGIN ON NEXT PAGE]

IN WITNESS WHEREOF, THE PARTIES HAVE EXECUTED THIS AGREEMENT ON THE RESPECTIVE DATES SET FORTH BELOW.

“CITY”


CITY OF ANAHEIM,
a municipal corporation and charter city

Dated: 4/7/20

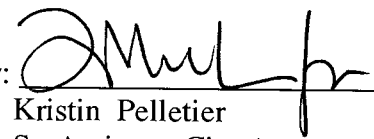
By: 
Chris Zapata,
City Manager

ATTEST:

~~THERESA BASS, CITY CLERK~~


City Clerk

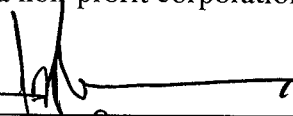
APPROVED AS TO FORM
ROBERT FABELA, CITY ATTORNEY

By: 
Kristin Pelletier
Sr. Assistant City Attorney

“VISIT ANAHEIM”

VISIT ANAHEIM,
a California non-profit corporation

Dated: _____

By: 
Name Jay Burrows
Title President iCEO

137308

EXHIBIT A

DESCRIPTION OF SERVICES

(To be attached)



MEMO

TO: Chris Zapata, City Manager, City of Anaheim

FROM: Jay Burress, President and CEO, Visit Anaheim

RE: Visit Anaheim Economic Recovery Services

DATE: April 2, 2020

Visit Anaheim is honored to serve as an important part of the City's Community and Economic Recovery Plan, as approved by the City Council on March 26, 2020. We look forward to helping Anaheim be one of the first major tourist destinations to emerge from the COVID-19 economic slowdown. We believe our efforts, in partnership with the City, will restore tens of thousands of local jobs, provide support and drive customers to local businesses, and mitigate losses to the city's General Fund.

Visit Anaheim has no intent to market the destination while travel bans are in place and social distancing orders are in effect. Instead, we will assess the marketplace and opportunities available during the down period, design sales and strategic marketing plans, and be ready to quickly deploy our programs by segment ahead of competing destinations once the "Stay at Home" directives are lifted by state and federal agencies. Our efforts will secure immediate regional and local drive-based tourism, ensure our programs are first to market to attract guests to our local businesses, and boost hotel stays as soon as Anaheim is open for business again – all of which will capture tens of millions in General Fund revenue that would otherwise be lost by an extended recovery period.

As the city's Destination Marketing Organization (DMO) since 1962, Visit Anaheim is uniquely equipped and resourced to expedite Anaheim's local economic recovery. In addition, David Belmer, Deputy City Manager and Tom Morton, the city's Executive Director of Conventions, Sports, and Entertainment serve as governing board members of Visit Anaheim. Our long-standing partnership with the City of Anaheim goes back decades.

I. Situation Analysis:

The United States is contending with worldwide health and economic impacts as a result of the COVID-19 pandemic. In Anaheim, many residents have been furloughed or lost their jobs with little warning. The City's largest industries: Tourism, Sports and Entertainment, Hotel and Lodging,

Restaurants and Breweries and other commercial sectors have ceased or limited operations due to state and federal mandates aimed at stopping the spread of the Coronavirus.

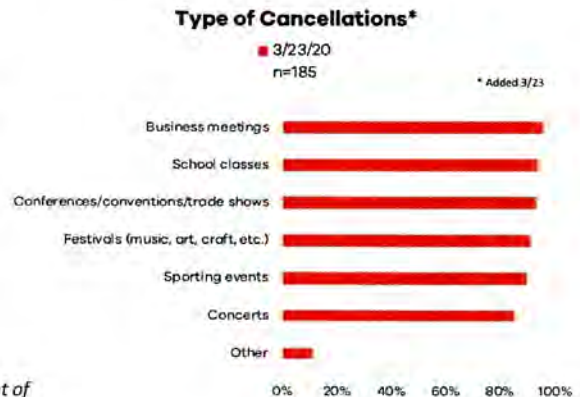
At a national level, the duration and severity of the outbreak will depend on the characteristics of the virus and the public health response by state/region.

California and Anaheim

- As of March 27, 2020, there were a total of 4,643 positive cases and 101 deaths in California (including one non-California resident).
- As of March 30, 2020, there were a total of 464 reports of positive cases and 4 deaths in Orange County.
- As of March 30, 2020, there were a total of 42 reports of positive cases in Anaheim.

Sources: Centers for Disease Control and Prevention (CDC), California Department of Health, City of Anaheim.

According to county, state and federal authorities, these numbers will climb significantly over the next 4-6 weeks.

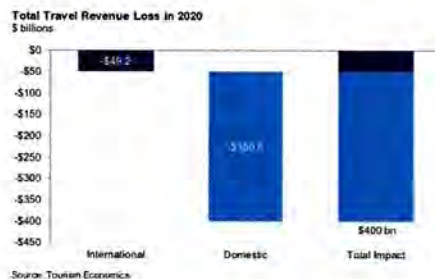


The economics for tourism are dire as a result of this worldwide pandemic. 90% of surveyed destinations are experiencing severe cancellations in conferences, conventions, trade shows. Leisure travel is virtually non-existent. The travel industry is expected to lose \$400 Billion in revenue in 2020 due to the virus and travel restrictions.

Total US travel industry impacts

Including international and domestic travel, \$400 billion in travel spending will be lost in 2020.

Because of its size, most of the losses will be connected to declines in domestic travel.

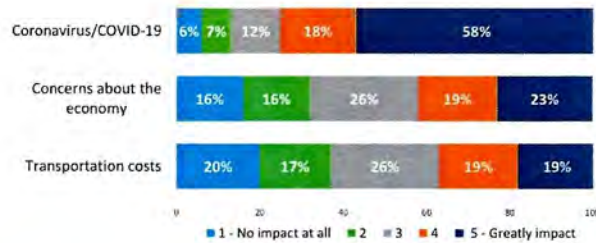


Source: Tourism Economics

According to an updated Longwoods International benchmark survey of American travelers and the coronavirus pandemic, 75% of those surveyed are changing their travel plans for the next six months because of coronavirus.

When asked how these travelers will change their plans because of the pandemic, the following reasons rated as the most significant:

- 48% have canceled trip completely,
- 39% reduced travel plans,
- 18% will drive instead of fly,
- 14% will shift their travel from international destinations to domestic destinations.



Longwoods

Current Conditions in Anaheim:

ANAHEIM MARKET: CANCELLATIONS

Group Cancellations: 51

- Total Attendees: 359,245
- Number of Room Nights: 249,878
- Economic Impact: \$500 million

**as of March 26, 2020, based on industry established reporting and calculations.*

ANAHEIM MARKET: POSTPONEMENTS

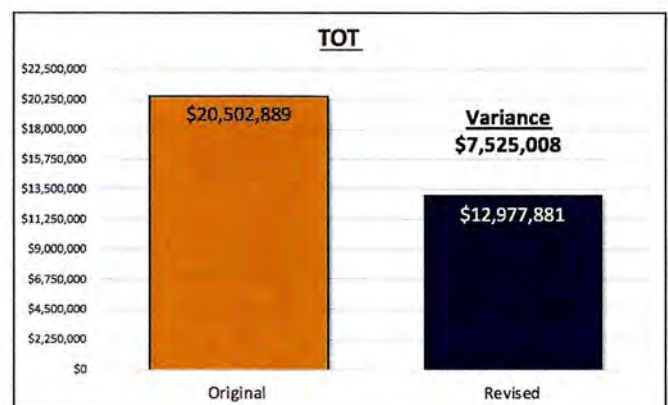
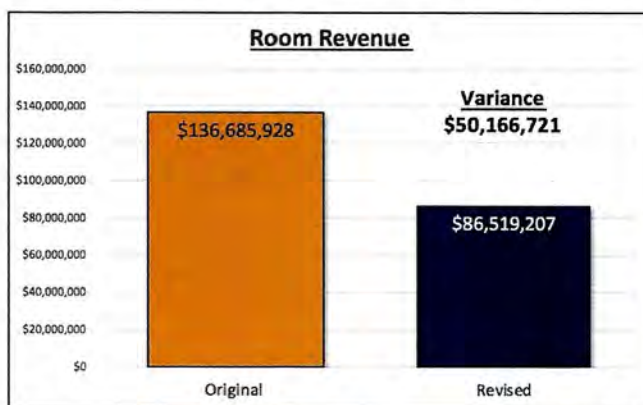
Number of Opportunities Postponed: 39

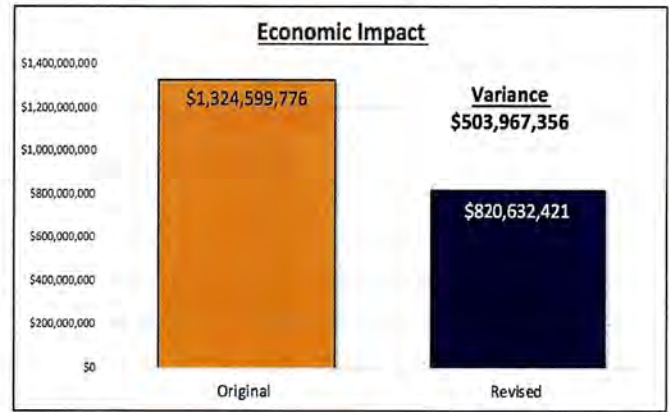
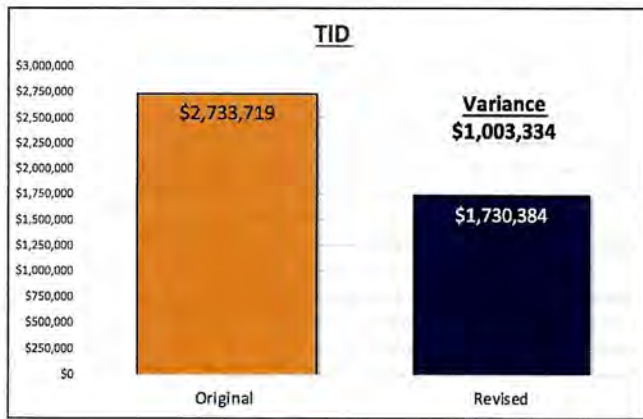
- Total Attendees: 76,916
- Number of Room Nights: 67,130

**as of March 26, 2020, opportunities lost or put on hold*

The estimated room revenue in the graph below reflects the number of requested rooms, multiplied by the contracted average daily rate (ADR). The total room revenue, Tourism Improvement District (TID) and transit occupancy tax (TOT) estimation does not represent all lost revenue impacts of COVID-19, as it does not consider any participant(s) staying outside of the group lodging block contracts of previously scheduled conventions, conferences, or group meetings.

On average, 30% of groups will book outside of the block (whether it's due to brand loyalty, rewards systems, independent housing like VRBO and Airbnb, etc.). This also does not reflect any loss from hotels temporarily closing during the designated "state at home orders." These calculations are solely an estimation of lost revenue as a result of cancelled, postponed or delayed conventions, groups and meetings.





CBRE recently revised their originally 2020 forecast to reflect the impact that COVID-19 will have on hotels. Using a pattern from previous events like 9/11 and SARS, they forecast that RevPAR will not recover without assertive, targeted marketing until 2022.

Year	Occ	Occ ^	ADR	ADR ^	RevPAR	RevPAR ^	Supply	Supply ^	Demand	Demand ^
2016	65.4%		\$ 124.06		\$ 81.14		5,021,012		3,283,828	
2017	65.9%	0.7%	\$ 126.81	2.2%	\$ 83.52	2.9%	5,106,199	1.7%	3,363,052	2.4%
2018	66.1%	0.4%	\$ 129.96	2.5%	\$ 85.94	2.9%	5,206,614	2.0%	3,442,727	2.4%
2019	66.1%	0.0%	\$ 131.20	1.0%	\$ 86.73	0.9%	5,311,653	2.0%	3,511,367	2.0%
2020	59.3%	-10.2%	\$ 117.58	-10.4%	\$ 69.78	-19.5%	5,418,543	2.0%	3,215,740	-8.4%
2021	61.4%	3.5%	\$ 124.93	6.2%	\$ 76.75	10.0%	5,501,826	1.5%	3,380,068	5.1%
2022	64.2%	4.6%	\$ 134.83	7.9%	\$ 86.61	12.8%	5,520,763	0.3%	3,546,212	4.9%

Source: CBRE Hotels Research, STR, March 2020.

CBRE

RevPAR Recovery by 2022

In 2018, research conducted by Visit Anaheim, reported that 87.8% of Anaheim visitors were from the United States. In congruence with the Longwood Study, we can draw the conclusion that domestic travel will pick back up after travel restrictions have been lifted and will help the market recover occupancy in 6-9 months. Historically, ADR takes longer to recover (closer to 9-12 months). It is imperative, to prevent lasting loss of city revenue and local jobs, to conduct a targeted marketing effort to shorten the duration of those estimated recovery periods.

To achieve this goal of shortening the duration of the declines in occupancy and ADR, Visit Anaheim must be a functioning entity. As you know, Visit Anaheim's marketing budget is almost exclusively provided by the Anaheim Tourism Improvement District, the 2% self-assessment fee added to hotel bills in Anaheim. Like the City's TOT, the TID dollars have virtually disappeared during this unprecedented time.

Visit Anaheim has reduced our budget for 2020 from over \$20 million to under \$9 million. We have laid off more than half of our staff, and all remaining staff have taken a 20% pay cut. City's funding under this contract will go to specific paid, earned and trade media, co-op programs, and promotional efforts to stimulate the marketplace and drive business back into Anaheim.

Visit Anaheim will retain a core recovery team to conduct these programs, ensure long-term viability, to ensure that Visit Anaheim does not cease to exist as an effective DMO. Competing DMOs in the Western United States, for the most part, have suffered that fate. As a result, they simply will not be in a position to market their destinations, nor even have staff or plans in place, to compete when the markets are in a position to resume operating and those cities will struggle to recover needed revenue and local jobs.

By contrast, Anaheim will be well positioned to compete effectively and restore our destination back to full strength; booking guests, driving hotels to rehire, restoring occupancy rates, filling up retail and restaurant businesses once again, and generating TOT, TID and sales taxes, which are the principal sources of revenue to the city's General Fund. The foresight of the City to include Visit Anaheim in the Recovery Plan cannot be overstated.

II. Marketing Plan Goals & Objectives

A recovery date remains uncertain. However, we know from previous crises that the travel industry is resilient. Leisure, corporate, and group business will return, and Visit Anaheim has a plan to shorten the recovery period in Anaheim. The benefit to Anaheim residents, employees, and business owners will be to restore thousands of jobs sooner, as well as stem the loss of city revenues from TOT, TID and Sales taxes, estimated to be \$10-\$20 million every month our industries remain closed or remain in recovery.

The Visit Anaheim Recovery Marketing Plan's goal is to:

- Conduct the necessary marketing analysis, program development, messaging and communications within the industry to expedite restoration of hotel occupancy rates back to pre-COVID-19 levels quickly once "stay at home orders" are lifted,
- Stimulate travel and, importantly, the kind of travel that includes room night bookings to Anaheim by marketing to regional, drive-based meetings and conventions,
- Simultaneously, conduct the work necessary during this quarantine period to recover Meetings and Convention bookings and generate new bookings back to pre-COVID-19 levels.
- Conduct dynamic marketing efforts to local Anaheim and Orange County residents to promote Anaheim's restaurants, breweries, bars, retail centers, entertainment and sports venues.



III. Recovery Plan Strategy



Our objective is to introduce specific messaging using the “Uncommon Character” campaign with a strong Call-To-Action (CTA) supported by a targeted, tactical plan.

Visit Anaheim’s “Uncommon Character” brand campaign has existing brand equity, so it is important to continue to build off that. The promise of Anaheim is a unique and personal experience that delights and inspires every local and visitor. Visit

Anaheim communicates to markets regionally, nationally, and internationally the value and promise of Anaheim’s unique elements – entertainment, sports, multicultural dining options, craft breweries, and more.

Messaging will be supported by targeted marketing tactics to inspire travelers to put Anaheim and Orange County back into their destination consideration set. The Meetings and Conventions business objective will focus on short-term business in hotels, Convention Center and venues, including Anaheim’s sport venues.

The Convention business objective can be achieved by:

- Retaining previously committed meetings and conventions by re-booking to new dates.
- Securing short-term conventions (2020-2022).
- Negotiate with organizers to change rotation due to cancellations in Anaheim and other destinations.
- Secure major conventions to strengthen Anaheim’s future 2023 and beyond.



Post COVID-19 recovery consumer sentiment signs are indicating American travelers and attendees will:

- **Stay in the country.** International travel will fall out of favor in the weeks and months ahead.
- **Will Stay Close to home.** "Staycations" and road trips will be favored over flying or cruising.
- **Make it quick.** A softer economy will mean the traditional two-week summer vacation could turn into a long weekend.

LEISURE MARKETS

The strategy will primarily focus on the Leisure Market since it accounts for 69% of all vacation and pleasure visitations to Anaheim, and 59% of all Anaheim overnight stays. Geographically, we will focus primarily on the local, local drive, regional drive markets, and work with Co-Op partners to cast our net wide into the Western U.S. Demographically, targeted segments include Millennials and Family segments including Millennial, Gen X and Multi-Generational Family mixes.

MEETINGS + CONVENTIONS

The Meetings and Conventions activation will focus on securing short-term business, months 1-18 for hotels and venues. Including:

- Launch target sales missions and client presentations in key/top markets in the Western Region.
- Calls will be made to *every cancelled* industry meeting, not just cancellations in Anaheim to re-book, as well as every account in our sales database.
- Promotion with third parties to increase leads and presentations at meeting industry events.
- Hire Sales Reps in key markets to connect with target customers.



GEOGRAPHIC TARGETS

The recovery program will focus initially on following markets:

- Local Market – Anaheim and Orange County: 3,186,000 million people live in Orange County and are potential visitors to Anaheim’s restaurants, breweries, retail centers and sports and entertainment venues.
- Local Drive – These visitors are traditionally “day-trippers” and Visit Anaheim has developed a track record of converting these visitors to overnight guests.
- Regional Drive Markets – Visit Anaheim will work to capitalize on the travel sentiment of staying close to home and driving rather than flying that’s been surveyed during the COVID-19 crisis.
- Western U.S. – Visit Anaheim will partner with Co-Op marketing partners and tour operators to drive visitations and provide additional coverage in the local, local drive and regional drive markets.
- North America – Promote Anaheim as a destination to Mexico and Canada once those markets re-open for leisure travel.

IV. Timing of Recovery

As the COVID-19 pandemic peaks and the curve flattens, travelers will emerge from isolation, begin to define their new normal, return to routines and start to think about travelling again.

This pandemic has changed us all. People are longing to get back to normal, back to a simpler life where constantly washing hands and staying six feet apart is no longer necessary to stay healthy.

People yearn to travel. It is important. Now, more than ever, travelers need the freedom to once again explore - learn about new cultures, escape from everyday life and responsibilities, create memories and to experience something for the first time, or maybe for the tenth time.

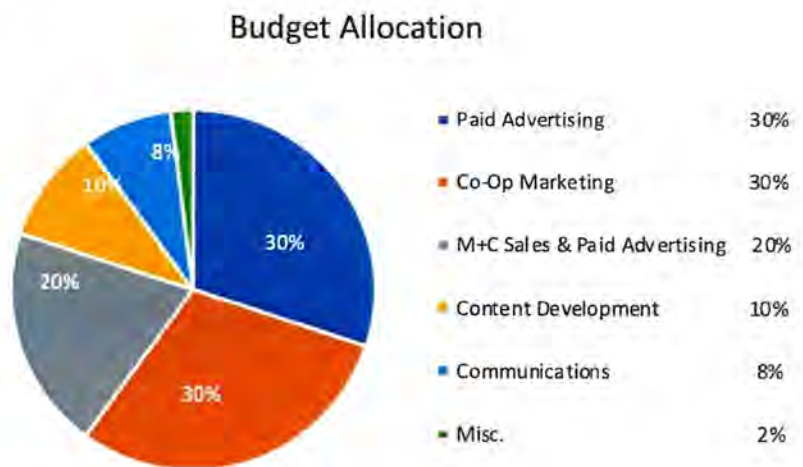
Our Recovery Marketing will give our visitors an opportunity to return to what they love most – to explore, dream, create new memories with their families. Timing at this point is uncertain but will be based on several factors.

The key is to wait for the consumer to give us the “all clear” signal to once again talk about travel planning. Until then, messages will focus on helpful information and inspiration.

Working closely with Visit California, we will consistently track consumer sentiment for a timeframe to activate advertising campaigns. At this time, industry leaders believe that timeframe could be anytime from mid-May through June.

V. BUDGET ALLOCATION AND FINAL REPORT

The \$6.5 million budget approved by the City Council as part of the Community and Economic Recovery Plan will be allocated to advertising, co-op marketing, sales and paid advertising, content development, communications and additional services developed to reduce the length of Anaheim’s downturn, restore local jobs, and capture TOT, TID, sales tax and other economic factors to protect those funds for vital city services.



Visit Anaheim will provide ongoing, informal reporting to the City and a full report to the City Manager at the end of the fourth quarter of 2020 with metrics to detail programs and metrics, captured economic value, local job estimates, restoration and timing of local businesses, and estimated city revenues as a result of an expedited recovery in Anaheim.