

**Memorandum
Community & Economic Development Department**



To: Thomas Thomas, City Manager
Subject: Authorization to hire a retail consultant
Date: April 8, 2015

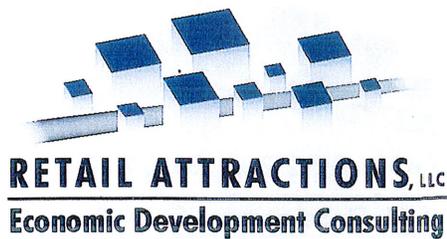
CED staff has been investigating the hiring of a retail consultant to assist in the development of various City-owned commercial properties. The Cities of Davenport and Moline have been utilizing such services with great success for some time now. To keep the City of Rock Island on the same level in retail recruitment efforts, staff began investigating the possibility of hiring a retail consultant. After extensive due diligence of several leading retail consulting firms, it is staff's recommendation that the City of Rock Island engage the services of Oklahoma-based Retail Attractions for an initial 12-month period to assist the City in building its retail base. Staff reached this conclusion based on numerous conversations with other government officials who have engaged, and continue to use the services of Retail Attractions. From McAllen, TX to Jacksonville, AR and many cities in between, the paraphrased consensus was, "We'd be foolish to not hire Rickey."

The benefits of engaging Retail Attractions starts with its principal, Mr. Rickey Hayes. Mr. Hayes is a former Economic Development Director for the City of Owasso, OK. Since he worked for city government, he understands development from the local government perspective. He appreciates that the City is not in the information gathering stage but implementation phase of growth, meaning action is expected with national retailers, developers and restaurants. As every government official contacted stated, **"You pay for Rickey's contacts, and Rickey knows everybody in the retail game."** One official put it this way: "When government is contacting these businesses from the ground up, Rickey works from the top down." Because of these recommendations and testimonials, it is staff's opinion that Rock Island will benefit by engaging Retail Attractions. City staff has negotiated favorable monthly consulting fees and one-time, initial market analysis fee which is included in the contract documents.

RECOMMENDATION: CED staff recommends that City Council approved the Retail Attractions consulting contract in the amount of \$3,000.00 per month and a one-time initial market analysis fee of \$7,500.00 and authorize the City Manager to execute the contract documents, allowing for minor modifications to the contract documents by the City Attorney.

Submitted by: Jeffery A. Eder, Assistant City Manager / CED Director
Bret Gardella, Economic Development Manager

Approved by: Thomas Thomas, City Manager



April 8, 2015

Bret Gardella
Economic Development Manager
City of Rock Island
1528 Third Avenue
Rock Island, IL 61201

Dear Bret:

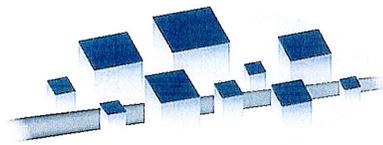
I enjoyed our time on the conference call this week. We are pleased to submit the attached proposal and company information per your request. As we stated in our preliminary discussion, we trust that both parties would provide additional input to reach a workable and efficient platform and scope of work that would benefit both parties.

Before starting Retail Attractions, I served as the Economic Development Director for the City of Owasso, Oklahoma for six years. Those years of retail growth in Owasso opened the door to numerous relationships in the retail world that ultimately became the impetus to start our firm. During my tenure, the City of Owasso experienced tremendous growth in both commercial and residential investment. The city's sales tax base and general fund revenue more than tripled. New retail development during my tenure totaled more than 10 million square feet with over a half a billion dollars in total value. Since beginning Retail Attractions, LLC, eight years ago, our partner cities have seen millions of square feet of new retail and mixed use development, along with the corresponding sales tax revenue that comes with new retail sales and also the direct impact on the quality of life in our client cities. Retail Attractions is a consulting company whose core business is marketing cities and sites and recruiting retail deals to our client communities. Our relationships with the retail development community across the country, retail and restaurant real estate professionals, brokers, tenant representatives, and other industry professionals are what make us successful. We are excited about creating tangible value to our client communities. We would love to put our relationships and expertise to work for your community.

Over the past two years, in addition to our consulting work in over 248 cities in 27 states, and because of our experience and success and relationships with the retail industry, our company was invited to assist a development company in an outlet mall project in our local market.

Growing the retail base, stopping retail leakage, and improving the over-all quality of life in a city requires more than data, more than reports, and more than marketing. It requires relationships. We have them and are prepared to put them to work for your city.

12150 East 96th Street North, Suite 104 • Owasso, Oklahoma 74055
• Phone 918.376.6707 • fax 918.272.5376
Grow your city at www.retailattractions.com



RETAIL ATTRACTIONS, LLC
Economic Development Consulting

Relationships are what sets us apart from our competition and Retail Attractions is proud of our on-going association with our retail and restaurant clients, our development partners from all over the country, and most of all with our connections with our client cities. Our goal is to cultivate, and grow a long term bond with the City of Rock Island that exceeds your expectations makes you glad to refer us to others in the future.

In closing, I would like to thank you Bret, for your promptness, professionalism, and knowledge of your local market. I would also like to communicate, if there is any possible way, that you, or another representative of the City attend the May 2015 ICSC ReCon Retail Conference in Las Vegas. Your presence at this conference will add instant credibility to the information we share of the Rock Island retail market.

Thanks again for all your help.

Respectfully,

Rickey Hayes
Retail Attractions, LLC

**CONTRACT AGREEMENT
FOR
ECONOMIC DEVELOPMENT CONSULTING SERVICES**

STATE OF OKLAHOMA §
TULSA COUNTY §

PART I. PARTIES

THIS AGREEMENT is made on the ____ day of _____, in the year 2015, between the CITY OF ROCK ISLAND, ILLINOIS hereinafter called CITY, and RETAIL ATTRACTIONS, LLC, hereinafter called CONSULTANT for consulting services in an effort to attract retailers and restaurants, office, medical, hospitality / hotel, residential and multifamily development to the CITY, subject to the terms and conditions specified in this Agreement.

PART II. TERM OF AGREEMENT

CITY intends to contract CONSULTANT for professional economic development consulting services for a TWELVE (12) month period commencing on the date this Agreement is executed. This Agreement may be renewed for an additional twelve (12) month period upon the fees, terms and conditions agreed to in writing by both parties. However, CITY or CONSULTANT may terminate this Agreement as described in Part VII, Paragraph 1.

PART III. SCOPE OF SERVICES

Retail Attractions, LLC (CONSULTANT) shall provide the following Services:

1. Research, identify, and validate Rock Island, Illinois trade area market and retail, office, and residential growth potential. This information will be comprised of the latest market data available. CONSULTANT will provide all data to designated City personnel. Prepare all maps [trade area, drive time and distance, concentric rings, and thematic demographic data]; leakage and market potential reports.
2. Use CONSULTANT's broad-based experience and knowledge of incentives and their practical applications to craft development agreements that will profit both the private and public sectors and truly encourage new investment. We will work with City staff to develop incentive packages that are advantageous for both parties.

3. Consult with City staff and/or designated official(s) to identify targets that will meet the long term needs of the City of Rock Island and response to the leakages identified. Our initial strategy is to target retail and restaurant entities that will draw consumers from the entire market into the Rock Island trade area. Also targeted will be retailers and restaurants that fill leakage gaps. Additionally we will target outlet development and bring market information to leading outlet contacts and developers. This is a small group of companies that utilize specialized consultants and marketing efforts.
4. Actively recruit targets identified and approved by the City of Rock Island and supported by data. Recruitment efforts will be through personal contact, mail, email, International Council of Shopping Centers ("ICSC") events, and development / industry contacts continually throughout the term of this contract. Forward all industry news articles, press releases, and retail-specific press as well as articles, posts, and other related data related to city growth, marketing, and economic development to City staff and representatives.
5. When timing indicates a deal with a target is imminent or when a target's response indicates the need to intensify our efforts, when necessary, assist key personnel in Rock Island in organizing meetings with City staff which CONSULTANT will be available to mediate by teleconference or conference call.
6. Contact our extensive network of developers to create interest in the Rock Island market, define development opportunities and coordinate when needed / attend meetings with city and developers.
7. Represent the City of Rock Island at the May 2015 ICSC RECON in Las Vegas, NV and the November 2015 ICSC Conference in Dallas, TX, as well as additional ICSC events in other areas as required. Before ICSC events CONSULTANT will consult with City staff to research attendees and strategize contact efforts.
8. Provide monthly updates to designated contact.
9. Bid any specialized marketing materials, web updates, retail specific web sites, traffic counts, aerial photography, and grant research and writing under separate bids.

Amendments to the above Scope of Services may be made as necessary, provided that such Amendments are agreed to in writing by both parties.

PART IV. CONSULTANT’S FEES

CITY shall pay CONSULTANT for the Scope of Services described in Part III as follows:

FEE SCHEDULE

Initial market study, site visit, preliminary screen of existing retail, analyze traffic patterns and consumer flow, and validation of market strengths		Not to exceed \$7,500.00	
Consultation fee, per month, payable monthly on the 1st of each month during the term of the agreement to Retail Attractions, LLC.		\$3,000.00	\$36,000.00
All travel will be paid by city. All travel expense shall be approved by city prior to payment.	tba	tba	tba

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PART V. CITY'S RESPONSIBILITIES

CITY shall:

1. Assist CONSULTANT by placing at his disposal all available pertinent information, including previous reports and any other data, relative to CONSULTANT's Scope of Services.
2. Furnish to CONSULTANT, as required for performance of CONSULTANT'S Scope of Services (except to the extent provided otherwise in such Amendments as may hereafter be added to this Agreement), data prepared by CITY or obtained by CITY through prior marketing agreements.
3. CITY represents that CONSULTANT shall be entitled to rely on the accuracy and completeness of any documents or other materials provided by CITY to CONSULTANT; and that CONSULTANT's use of such documents and materials will not infringe upon any third parties' rights.
4. Arrange for access to and make all provisions for CONSULTANT to enter upon public and private property as required for CONSULTANT to perform his services.
5. Designate one or more representatives authorized to act in the CITY'S behalf with respect to the Agreement. CITY or such authorized representative(s) shall examine the documents submitted by the CONSULTANT and shall render decisions pertaining thereto promptly, to avoid unreasonable delay in the progress of the CONSULTANT'S Services except for those decisions or actions that must go before the CITY'S Board of Commissioner's for approval.

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PART VI. NOTICES

Reports and notices shall be made by CONSULTANT to CITY'S representative:

Bret Gardella
Economic Development Manager
City of Rock Island
1528 Third Avenue
Rock Island, IL 61201

Reports and notices shall be made by CITY to CONSULTANT'S representative:

Rickey Hayes
Retail Attractions, LLC
12150 East 96th Street, Suite 104
Owasso, OK 74055

PART VII. MISCELLANEOUS PROVISIONS

1. Termination and Suspension. This Agreement may be terminated by either party for convenience or for cause; however, the terminating party must provide the other party no less than sixty (60) days prior, written notification of intent to terminate the Agreement.

CITY shall pay CONSULTANT for all the Services performed up to the date of termination.

The provisions of this Article shall also apply to each individual Amendment, separate and apart from any other Amendments, and without terminating or otherwise affecting this Agreement as a whole.

2. Ownership of Documents. Original documents developed in connection with services performed hereunder belong to, and remain the property of CITY. CONSULTANT shall store the originals and may retain reproducible copies of such documents.

All documents, including computer software prepared by CONSULTANT pursuant to this Agreement are instruments of service. They are not intended or represented to be suitable for reuse by CITY or others on modifications or extensions of the Project or on any other project. Any reuse without prior written verification or adaptation by CONSULTANT for the specific purpose intended will be at CITY's sole risk and without liability or legal exposure to CONSULTANT. CITY shall hold harmless CONSULTANT and its sub-consultants, if any, against all judgments, losses,

damages, injuries, and expenses, including reasonable attorneys' fees, arising out of or resulting from such reuse.

3. Successors and Assigns. CITY and CONSULTANT each binds himself and his partners, successors, executors, administrators, assigns and legal representatives to the other party to this Agreement and to the partners, successors, executors, administrators, assigns and legal representatives of such other party in respect to all covenants, agreements, and obligations of this Agreement.

Neither CITY nor CONSULTANT shall assign, sublet or transfer any rights under or interest in (including, but without limitation, moneys that may become due or moneys that are due) this Agreement without the consent of the other, except to the extent that the effect of this limitation may be restricted by law. Unless specifically stated to the contrary in any written consent to an assignment no assignment will release or discharge the assignor from any duty or responsibility under this Agreement. Nothing contained in this paragraph shall prevent CONSULTANT from employing such independent consultants, associates and sub-contractors as he may deem appropriate to assist him in the performance of services hereunder.

4. Relation of Parties. The parties to this Agreement shall not constitute nor create an employer/employee relationship. CONSULTANT is an independent contractor responsible for all obligations relating to federal income tax, self-employment Medicare and FICA taxes and contributions and all other employer taxes and contributions.
5. Controlling Law. This agreement is to be governed by the Law of the State of Oklahoma. Venue shall be in Tulsa County.
6. Attorney's Fees. In the unlikely event that a dispute occurs which is litigated or arbitrated, or a cause of action in law or equity is filed concerning the operation, construction, interpretation or enforcement of this agreement, the losing party shall bear the cost of the attorney's fees incurred by the prevailing party and any and all costs applicable thereto, including but not limited to, court costs, deposition fees, expert witness fees, out of pocket expenses and travel expenses which are incurred by the prevailing party.
7. Approval Not Waiver. Approval by CITY shall not constitute nor be deemed a release of the responsibility and liability of the CONSULTANT, CONSULTANT'S employees, subcontractors, agents and consultants for the accuracy and competency of their designs, working drawings, specifications or other documents and work, nor shall that approval be deemed to be an assumption of that responsibility by the CITY for any defect in the designs, working drawings, and specifications or other documents prepared by the CONSULTANT, CONSULTANT'S employees, subcontractors, agents and consultants.

8. Compliance with Applicable Law. CONSULTANT, CONSULTANT'S consultants, agents, employees, and subcontractors shall comply with all applicable federal and state laws, the charter and ordinances of the CITY, and with all applicable rules and regulations promulgated by all local, state and national boards, bureaus, and agencies. CONSULTANT shall further obtain all permits and licenses required in the preparation of the work contracted for in any Amendments to this Agreement.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement as of the day and year first above written.

CITY:

City of Rock Island, Illinois

By : _____

CONSULTANT:

Retail Attractions, LLC

By :  _____
Rickey Hayes, CEO

