

OFFICE OF THE CITY ATTORNEY  
CHARLES PARKIN, City Attorney  
411 West Ocean Boulevard, 9th Floor  
Long Beach, CA 90802-4664

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CARES ACT GRANT AGREEMENT

**35729**

THIS CARES ACT GRANT AGREEMENT, ("Agreement") is made and entered into by and between the CITY OF LONG BEACH ("CITY"), a municipal corporation, with its principal place of business at 411 West Ocean Blvd., Long Beach, California 90802, and MAGNOLIA INDUSTRIAL GROUP, INC., a nonprofit corporation organized under the laws of the State of California ("GRANTEE"), with its principal place of business at PO Box 16325, Long Beach, California, 90806.

WHEREAS, the City of Long Beach received a Coronavirus Relief Fund (CRF) award of \$40.28 million from the U.S. Treasury, as appropriated in Section 5001 of the Coronavirus Relief Aid, Relief, and Economic Security Act ("CARES Act"), P.L. 116-136; and

WHEREAS, the purpose of the award to the City is to respond to the Coronavirus Disease 2019 (COVID-19) public health emergency; and

WHEREAS, payments from the CRF may only be used to cover costs that: (1) are necessary expenditures incurred due to the public health emergency with respect to the COVID-19; (2) were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and (3) were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020; and

WHEREAS, the City is required by federal law to impose various terms and conditions, including expedited reporting requirements, on the GRANTEE; and

WHEREAS, these terms and conditions, including exhibits, the terms of any RFP, if applicable, and the terms and conditions of the GRANTEE'S application, and any amendments thereto as may be approved by the City, are incorporated herein by reference;

1 NOW, THEREFORE, in consideration of the mutual terms, covenants, and  
2 conditions in this Agreement, the City and the GRANTEE agree as follows:

3 1. PROJECT. The City agrees to provide funding to the GRANTEE for  
4 the development and implementation of the CARES Act Magnolia Industrial Group  
5 Business Improvement District Grant Program ("Project"). The Project description is  
6 incorporated by reference to this Agreement as Exhibit A.

7 2. GRANT FUNDS. The GRANTEE hereby acknowledges and agrees  
8 that the City's total contribution for the GRANTEE'S approved project shall not exceed  
9 \$89,576. It is expressly understood and agreed that in no event will the City's total  
10 contribution exceed this amount.

11 3. METHOD OF PAYMENT. The City shall make available to the  
12 GRANTEE upon or after the effective date of this Agreement an advance payment totaling  
13 15 percent of the grant amount listed in Section 2 of this Agreement. For subsequent  
14 payments, the City shall make payments to the GRANTEE on a reimbursement basis. The  
15 Grantee may request reimbursement for eligible expenditures related to the Project  
16 incurred between March 1, 2020 and December 14, 2020. To receive reimbursement for  
17 eligible expenditures related to the Project, GRANTEE must submit sufficient supporting  
18 documentation to verify expenditures, including:

- 19 A. A summary of eligible expenditures.
- 20 B. Copies of paid invoices for professional or other services.
- 21 C. Summary of staff hours for the Project.
- 22 D. CARES Act BID Grant Progress Report that includes the  
23 following:
  - 24 a. Summary of key accomplishments describing progress  
25 made on the Project.
  - 26 b. Relevant key performance indicators described in  
27 Exhibit A.
  - 28 c. Information regarding any potential risks associated with

1 accomplishing deliverables identified in Exhibit A.

2 d. Supporting documentation, such as press releases,  
3 earned media, photos, or other relevant information.

4 4. PERFORMANCE PERIOD; FUND APPLICATION. Funding has been  
5 authorized for eligible expenditures related to the Project incurred between March 1, 2020  
6 and December 14, 2020. The performance period for this grant is March 1, 2020 to  
7 December 14, 2020. All expenditures must be incurred, and all services must be provided  
8 within the performance period. CITY will not be obligated to reimburse expenses incurred  
9 after the performance period. GRANTEE must notify CITY in writing no later than  
10 November 16, 2020, if they anticipate grant funding will not be fully expended by December  
11 14, 2020, unless otherwise negotiated in writing in advance between the parties. Funding  
12 shall be expended for authorized eligible expenditures in accordance with the Project  
13 budget, delineated in the Project submittal attached hereto and incorporated by reference  
14 as Exhibit A. When required to do so in writing, the GRANTEE shall repay the CITY for any  
15 amounts disbursed that the CITY determines were not used for authorized purposes, or  
16 were used in violation of Federal, State, or City statutes, regulations or guidelines. The  
17 CITY may also withhold such amounts from any allowable reimbursement request of the  
18 GRANTEE.

19 5. AUDIT AND RECORD REQUIREMENTS. The GRANTEE shall follow  
20 all generally accepted accounting procedures and practices and shall maintain books,  
21 records, documents, and other evidence which sufficiently and properly account for the  
22 expenditure of funds. The books, records and documents shall be subject at all reasonable  
23 times to inspection, reviews, or audits by the CITY in order that the Project, management,  
24 and fiscal policies of the GRANTEE may be evaluated to assure the proper and effective  
25 expenditure of public funds. Additionally:

26 A. Cooperation with Monitoring, Audits, and Records  
27 Requirements. All records and expenditures are subject to, and GRANTEE agrees  
28 to comply with, monitoring and/or audits conducted by the United States Department

1 of Treasury's Inspector General, the Office of the Auditor of the State of California,  
2 and the City Department of Finance. The GRANTEE shall maintain under Generally  
3 Accepted Accounting Principles (GAAP) or Government Accounting Standards  
4 Board (GASB) principles, adequate records that ensure proper accounting for all  
5 costs and performances related to this Agreement.

6 B. Single Audit Requirements. Any Grantee expending \$750,000  
7 or more in federal funds in a fiscal year may be subject to Single Audit Requirements  
8 in 2 CFR, Part 200, Subpart F – Audit Requirements, at [https://www.ecfr.gov/cgi-  
9 bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl)

10 C. Requirement to Address Audit Findings. If any audit,  
11 monitoring, investigations, review of awards, or other compliance review reveals any  
12 discrepancies, inadequacies, or deficiencies which are necessary to correct in order  
13 to maintain compliance with this Agreement, applicable laws, regulations, or the  
14 GRANTEE'S obligations hereunder, the GRANTEE agrees to propose and submit  
15 to CITY a corrective action plan to correct such discrepancies or inadequacies within  
16 twenty-five (25) calendar days after the GRANTEE'S receipt of the findings.

17 D. The GRANTEE shall maintain appropriate audit trails to provide  
18 accountability for all expenditures of grant funds, reporting measures, and funds  
19 received from CITY under this Agreement. Audit trails maintained by the GRANTEE  
20 will, at a minimum, identify the supporting deficiencies. If no corrective action is  
21 taken, the CITY may take such action authorized by this Agreement and/or by law,  
22 including termination.

23 6. TERMINATION. The CITY may, in its sole discretion, terminate this  
24 Agreement for convenience or otherwise, without recourse, liability or penalty against  
25 CITY, upon written notice to GRANTEE. Additionally:

26 A. In the event Grantee fails to perform or comply with an  
27 obligation or a term, condition or provision of this Agreement, the CITY may notify  
28 the GRANTEE in writing of the delay or nonperformance, and if not cured in five (5)

1 working days, the CITY may terminate this Agreement in its entirety, or any part  
2 thereof, or the CITY may, upon written notice to GRANTEE, terminate this  
3 Agreement for cause, without further notice or opportunity to cure. Such notification  
4 will state the effective date of termination, and if no effective date is specified, the  
5 effective date will be the date of the notification.

6 B. CITY and GRANTEE may mutually agree to terminate this  
7 Agreement. CITY in its sole discretion will determine if, as part of the agreed  
8 termination, GRANTEE is required to return any or all the disbursed grant funds.

9 C. Termination is not an exclusive remedy but will be in addition  
10 to any other rights and remedies provided in equity, by law, or under this Agreement,  
11 including those remedies listed at 2 C.F.R. 200.207 and 2 C.F.R. 200.338 –200.342.  
12 Following termination by CITY, GRANTEE shall continue to be obligated to CITY for  
13 the return of grant funds in accordance with applicable provisions of this Agreement.  
14 In the event of termination under this section, CITY'S obligation to reimburse  
15 GRANTEE is limited to allowable costs incurred and paid by the GRANTEE prior to  
16 the effective date of termination, and any allowable costs determined by CITY in its  
17 sole discretion to be reasonable and necessary to cost-effectively wind up the  
18 Agreement. Termination of this Agreement for any reason or expiration of this  
19 Agreement shall not release the parties from any liability or obligation set forth in  
20 this Agreement that is expressly stated to survive any such termination or expiration.

21 D. Notwithstanding any expiration or termination of this  
22 Agreement, the rights and obligations pertaining to the grant, cooperation and  
23 provision of additional information, return of grant funds, audit rights, records  
24 retention, public information, and any other provision implying survivability shall  
25 remain in effect after the expiration or termination of this Agreement.

26 7. RECAPTURE OF FUNDS. The discretionary right of CITY to  
27 terminate this Agreement for convenience notwithstanding, CITY shall have the right to  
28 terminate the Agreement and to recapture, and be reimbursed for any payments made by

1 CITY: (i) that are not allowed under applicable laws, rules, and regulations; or (ii) that are  
2 otherwise inconsistent with this Agreement, including any unapproved expenditures. In  
3 addition, if the State of California determines for any reason that CITY must repay  
4 Coronavirus Relief Funds provided to GRANTEE, GRANTEE shall reimburse the CITY for  
5 the repayment.

6 8. AUTHORITY TO WITHHOLD MONEY DUE OR PAYABLE. The CITY  
7 may withhold such amounts due or to become payable under this Agreement to the  
8 GRANTEE as may be necessary to protect the CITY against liability or to satisfy the  
9 obligations of the GRANTEE to the CITY.

10 9. REPRESENTATIONS BY GRANTEE. By acceptance of this  
11 Agreement, the GRANTEE makes all the statements, representations, warranties,  
12 guarantees, certifications and affirmations included in this Agreement. If applicable, the  
13 GRANTEE will comply with the requirements of 31 USC § 3729, which set forth that no  
14 Grantee of federal payments shall submit a false claim for payment. If any of the  
15 statements, representations, certifications, affirmations, warranties, or guarantees are  
16 false or if the GRANTEE signs or executes the Agreement with a false statement or it is  
17 subsequently determined that the GRANTEE has violated any of the statements,  
18 representations, warranties, guarantees, certifications or affirmations included in this  
19 Agreement, then CITY may consider this act a possible default under this Agreement and  
20 may terminate or void this Agreement for cause and pursue other remedies available to  
21 CITY under this Agreement and applicable law. False statements or claims made in  
22 connection with CITY grants may result in fines, imprisonment, and debarment from  
23 participating in City, state or federal grants or contracts, and/or other remedy available by  
24 law, potentially including the provisions of 38 USC §§ 3801-3812, which details the  
25 administrative remedies for false claims and statements made.

26 10. CONFLICT OF INTEREST SAFEGUARDS. The GRANTEE will  
27 establish safeguards to prohibit its employees from using their positions for a purpose that  
28 constitutes or presents the appearance of personal or organizational conflict of interest or

1 personal gain, whether for themselves or others, particularly those with whom they have  
2 family, business, or other ties. The GRANTEE will operate with complete independence  
3 and objectivity without actual, potential, or apparent conflict of interest with respect to its  
4 performance under this Agreement.

5 11. FRAUD, WASTE, AND ABUSE. The GRANTEE understands that  
6 CITY does not tolerate any type of fraud, waste, or misuse of funds. CITY'S policy is to  
7 promote consistent, legal, and ethical organizational behavior, by assigning responsibilities  
8 and providing guidelines to enforce controls. Any violations of law or standards of ethical  
9 conduct will be investigated, and appropriate actions will be taken. The GRANTEE  
10 understands and agrees that misuse of award funds may result in a range of penalties,  
11 including suspension of current and future funds, suspension or debarment from federal,  
12 state, and City grants, recoupment of monies provided under an award, and civil and/or  
13 criminal penalties.

14 12. CERTIFICATION REGARDING LOBBYING. By entering into this  
15 Agreement, GRANTEE is certifying:

16 A. No Federal appropriated funds have been paid or will be paid,  
17 by or on behalf of the GRANTEE, to any person for influencing or attempting to  
18 influence an officer or employee of an agency, a Member of Congress, an officer or  
19 employee of Congress, or an employee of a Member of Congress in connection with  
20 the awarding of any Federal contract, the making of any Federal grant, the making  
21 of any Federal loan, the entering into of any cooperative agreement, and the  
22 extension, continuation, renewal, amendment, or modification of any Federal  
23 contract, grant, loan, or cooperative agreement.

24 B. If any funds other than Federal appropriated funds have been  
25 paid or will be paid to any person for influencing or attempting to influence any officer  
26 or employee of any agency, a Member of Congress, an officer or employee of  
27 Congress, or an employee of a Member of Congress in connection with this Federal  
28 contract, grant, loan or cooperative agreement, the undersigned shall complete and

1 submit Standard Form – LLL, “Disclosure Form to Report Lobbying,” in accordance  
2 with its instructions.

3 C. The GRANTEE shall require that the language of this  
4 certification be included in the award documents for all subawards at all tiers  
5 (including subcontracts, subgrants, and contracts under grants, loans, and  
6 cooperative agreements) and that all subrecipients shall certify and disclose  
7 accordingly.

8 D. This certification is a material representation of fact upon which  
9 reliance was placed when this transaction was made or entered into. Submission of  
10 this certification is a prerequisite for making or entering into this transaction imposed  
11 by 31 U.S.C. Sec. 1352 (as amended by the Lobbying Disclosure Act of 119). Any  
12 person who fails to file the required certification shall be subject to a civil penalty of  
13 not less than \$10,000 and not more than \$100,000 for each such failure. The  
14 GRANTEE certifies or affirms the truthfulness and accuracy of each statement of its  
15 certification and disclosure, if any. In addition, GRANTEE understands and agrees  
16 that the provisions of 31 U.S.C. Sec. 3801 et seq. apply to this certification and  
17 disclosure, if any.

18 13. SEVERABILITY. If any provisions of this Agreement are rendered or  
19 declared illegal for any reason, or shall be invalid or unenforceable, such provision shall be  
20 modified or deleted in such manner so as to afford the party for whose benefit it was  
21 intended the fullest benefit commensurate with making this Agreement, as modified,  
22 enforceable, and the remainder of this Agreement and the application of such provision to  
23 other persons or circumstances shall not be affected thereby, but shall be enforced to the  
24 greatest extent permitted by applicable law.

25 14. AMBIGUITIES. To the extent the terms and conditions of this  
26 Agreement do not address a particular circumstance or are otherwise unclear or  
27 ambiguous, such terms and conditions are to be construed consistent with the general  
28 objectives, expectations and purposes of this Agreement and in all cases, according to its



1 fair meaning. The parties acknowledge that each party and its counsel have reviewed this  
2 Agreement and that any rule of construction to the effect that any ambiguities are to be  
3 resolved against the drafting party shall not be employed in the interpretation of this  
4 Agreement. Any vague, ambiguous or conflicting terms shall be interpreted and construed  
5 in such a manner as to accomplish the purpose of the Agreement.

6 15. CLEAN AIR ACT. The following is only applicable if the amount of the  
7 contract exceeds \$150,000: (1) GRANTEE agrees to comply with all applicable standards,  
8 orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401  
9 et seq.; (2) GRANTEE agrees to report each violation to ATG and understands and agrees  
10 that the ATG will, in turn, report each violation as required to assure notification to the  
11 Federal Emergency Management Agency, and the appropriate Environmental Protection  
12 Agency Regional Office; and (3) GRANTEE agrees to include these requirements in each  
13 subcontract exceeding \$150,000 financed in whole or in part with federal assistance  
14 provided by this Agreement.

15 16. CONTRACT PROVISIONS UNDER FEDERAL AWARDS. All  
16 contracts made by a GRANTEE under a federal award must contain the provisions outlined  
17 in 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit  
18 Requirements for Federal Awards, Appendix II to Part 200 Contract Provisions for Non-  
19 Federal Entity Contracts Under Federal Awards.

20 17. INSURANCE.

21 A. As a condition precedent to the effectiveness of this  
22 Agreement, GRANTEE shall procure and maintain, at GRANTEE's expense for  
23 the duration of this Agreement, from insurance companies that are admitted to  
24 write insurance in California and have ratings of or equivalent to A:V by A.M. Best  
25 Company or from authorized non-admitted insurance companies subject to  
26 Section 1763 of the California Insurance Code and that have ratings of or  
27 equivalent to A:VIII by A.M. Best Company, the following insurance:

28 (a) Commercial general liability insurance (equivalent in scope to

1 ISO form CG 00 01 11 85 or CG 00 01 10 93) in an amount not less than  
2 \$1,000,000 per each occurrence and \$2,000,000 general aggregate. This  
3 coverage shall include but not be limited to broad form contractual liability,  
4 cross liability, independent contractors liability, and products and completed  
5 operations liability. City, its boards and commissions, and their officials,  
6 employees and agents shall be named as additional insureds by  
7 endorsement (on City's endorsement form or on an endorsement equivalent  
8 in scope to ISO form CG 20 10 11 85 or CG 20 26 11 85), and this insurance  
9 shall contain no special limitations on the scope of protection given to City,  
10 its boards and commissions, and their officials, employees and agents. This  
11 policy shall be endorsed to state that the insurer waives its right of  
12 subrogation against City, its boards and commissions, and their officials,  
13 employees and agents.

14 (b) Workers' Compensation insurance as required by the California  
15 Labor Code and employer's liability insurance in an amount not less than  
16 \$1,000,000. This policy shall be endorsed to state that the insurer waives  
17 its right of subrogation against City, its boards and commissions, and their  
18 officials, employees and agents.

19 (c) Professional liability or errors and omissions insurance in an  
20 amount not less than \$1,000,000 per claim.

21 (d) Commercial automobile liability insurance (equivalent in scope  
22 to ISO form CA 00 01 06 92), covering Auto Symbol 1 (Any Auto) in an  
23 amount not less than \$500,000 combined single limit per accident.

24 B. Any self-insurance program, self-insured retention, or  
25 deductible must be separately approved in writing by City's Risk Manager or  
26 designee and shall protect City, its officials, employees and agents in the same  
27 manner and to the same extent as they would have been protected had the policy  
28 or policies not contained retention or deductible provisions.

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C. Each insurance policy shall be endorsed to state that coverage shall not be reduced, non-renewed or canceled except after thirty (30) days prior written notice to City, shall be primary and not contributing to any other insurance or self-insurance maintained by City, and shall be endorsed to state that coverage maintained by City shall be excess to and shall not contribute to insurance or self-insurance maintained by GRANTEE. GRANTEE shall notify City in writing within five (5) days after any insurance has been voided by the insurer or cancelled by the insured.

D. If this coverage is written on a "claims made" basis, it must provide for an extended reporting period of not less than one hundred eighty (180) days, commencing on the date this Agreement expires or is terminated, unless GRANTEE guarantees that GRANTEE will provide to City evidence of uninterrupted, continuing coverage for a period of not less than three (3) years, commencing on the date this Agreement expires or is terminated.

E. GRANTEE shall require that all sub-grantees used by GRANTEE in the performance of these services maintain insurance in compliance with this Section unless otherwise agreed in writing by City's Risk Manager or designee.

F. Prior to the start of performance, GRANTEE shall deliver to City certificates of insurance and the endorsements for approval as to sufficiency and form. In addition, GRANTEE shall, within thirty (30) days prior to expiration of the insurance, furnish to City certificates of insurance and endorsements evidencing renewal of the insurance. City reserves the right to require complete certified copies of all policies of GRANTEE and sub-grantees, at any time. GRANTEE shall make available to City's Risk Manager or designee all books, records and other information relating to this insurance, during normal business hours.

G. Any modification or waiver of these insurance requirements

1 shall only be made with the approval of City's Risk Manager or designee. Not  
2 more frequently than once a year, City's Risk Manager or designee may require  
3 that GRANTEE, sub-grantees change the amount, scope or types of coverages  
4 required in this Section if, in his or her sole opinion, the amount, scope or types of  
5 coverages are not adequate.

6 H. The procuring or existence of insurance shall not be  
7 construed or deemed as a limitation on liability relating to GRANTEE's  
8 performance or as full performance of or compliance with the indemnification  
9 provisions of this Agreement.

10 18. INDEMNITY.

11 A. Consultant shall indemnify, protect and hold harmless City, its  
12 Boards, Commissions, and their officials, employees and agents ("Indemnified  
13 Parties"), from and against any and all liability, claims, demands, damage, loss,  
14 obligations, causes of action, proceedings, awards, fines, judgments, penalties,  
15 costs and expenses, arising or alleged to have arisen, in whole or in part, out of or  
16 in connection with (1) Consultant's breach or failure to comply with any of its  
17 obligations contained in this Agreement, including any obligations arising from the  
18 Project's compliance with or failure to comply with applicable laws, including all  
19 applicable federal and state labor requirements including, without limitation, the  
20 requirements of California Labor Code section 1770 et seq. or (2) negligent or willful  
21 acts, errors, omissions or misrepresentations committed by Consultant, its officers,  
22 employees, agents, SUBGRANTEES, or anyone under Consultant's control, in the  
23 performance of work or services under this Agreement (collectively "Claims" or  
24 individually "Claim").

25 B. In addition to Consultant's duty to indemnify, Consultant shall  
26 have a separate and wholly independent duty to defend Indemnified Parties at  
27 Consultant's expense by legal counsel approved by City, from and against all  
28 Claims, and shall continue this defense until the Claims are resolved, whether by

1 settlement, judgment or otherwise. No finding or judgment of negligence, fault,  
2 breach, or the like on the part of Consultant shall be required for the duty to defend  
3 to arise. City shall notify Consultant of any Claim, shall tender the defense of the  
4 Claim to Consultant, and shall assist Consultant, as may be reasonably requested,  
5 in the defense.

6 C. If a court of competent jurisdiction determines that a Claim was  
7 caused by the sole negligence or willful misconduct of Indemnified Parties,  
8 Consultant's costs of defense and indemnity shall be (1) reimbursed in full if the  
9 court determines sole negligence by the Indemnified Parties, or (2) reduced by the  
10 percentage of willful misconduct attributed by the court to the Indemnified Parties.

11 D. The provisions of this Section shall survive the expiration or  
12 termination of this Agreement.

13 19. LAWS AND REGULATIONS. The GRANTEE shall be responsible for  
14 being fully informed of all City, state and federal laws, ordinances, codes, rules and  
15 regulations, which in any manner may affect this Agreement and the performance thereof.

16 20. REMEDIES NOT EXCLUSIVE. The express provision herein of  
17 certain measures that may be exercised by the CITY for its protection shall not be  
18 construed to preclude the CITY from exercising any other or further legal or equitable right  
19 to protect its interests.

20 21. JURISDICTION/VENUE. This Agreement shall be construed in  
21 accordance with the laws of the State of California, and the venue for any legal actions  
22 brought by any party with respect to this Agreement shall be the County of Los Angeles,  
23 State of California for state actions and the Central District of California for any federal  
24 actions. GRANTEE shall cause all work performed in connection with construction of the  
25 Project to be performed in compliance with (1) all applicable laws, ordinances, rules and  
26 regulations of federal, state, county or municipal governments or agencies (including,  
27 without limitation, all applicable federal and state labor standards, including the prevailing  
28 wage provisions of sections 1770 et seq. of the California Labor Code); and (2) all

1 directions, rules and regulations of any fire marshal, health officer, building inspector, or  
2 other officer of every governmental agency now having or hereafter acquiring jurisdiction.

3 22. GRANTEE'S FAILURE TO COMPLY WITH ALL REQUIREMENTS  
4 AND CONTRACTUAL OBLIGATIONS. The GRANTEE'S failure to comply with any and all  
5 of the conditions of this Agreement, referenced herein and made a part hereof, may result  
6 in the denial or rejection of future funding to the GRANTEE from the CITY.

7 23. ASSIGNMENT. The GRANTEE may not assign rights or duties under  
8 an award, or subcontract delivery of services, without the prior written consent of the CITY.  
9 Such consent shall not relieve the GRANTEE of liability in the event of default by its  
10 assignee.

11 24. CONSTRUCTION OF CONTRACT. The masculine shall be deemed  
12 to embrace and include the feminine and the singular shall be deemed to embrace and  
13 include the plural whenever required in the context of this Agreement.

14 25. NON-DEBARMENT REQUIREMENTS. The GRANTEE certifies, and,  
15 if the CITY, State of California or the United States Federal government requires shall  
16 further certify that they were not debarred by the State of California or the United States  
17 Federal government at the time of submitting a proposal, and hereby certifies and will  
18 further certify that the GRANTEE shall immediately notify the CITY should their debarment  
19 status change anytime during the performance period.

20 26. TAX IMPLICATIONS AND CONSEQUENCES. The City makes no  
21 representations as to the tax consequences associated with the disbursement of CRF  
22 funds related to this agreement, and any determination related to this issue is the sole  
23 responsibility of the Grantee. Grantee acknowledges consulting with its own tax advisors  
24 or tax attorneys regarding this transaction or having had an opportunity to do so prior to  
25 signing this agreement. Grantee acknowledges the City cannot provide advice regarding  
26 the tax consequences or implications of the CRF funds disbursed to Grantee under the  
27 terms of this agreement.


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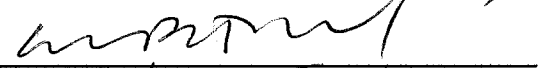
IN WITNESS WHEREOF, the parties have caused this document to be duly executed with all formalities required by law as of the date first stated above.

MAGNOLIA INDUSTRIAL GROUP, INC., a nonprofit corporation organized under the laws of the State of California

November 13, 2020

By   
Name Michael Zupanovich  
Title Treasurer / Secretary

November 13, 2020

By   
Name William Townsend  
Title PRESIDENT

"Consultant"

CITY OF LONG BEACH, a municipal corporation

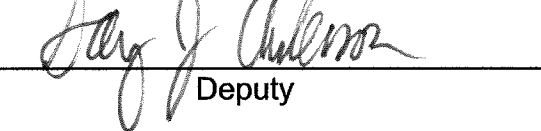
December 3, 2020

By   
City Manager

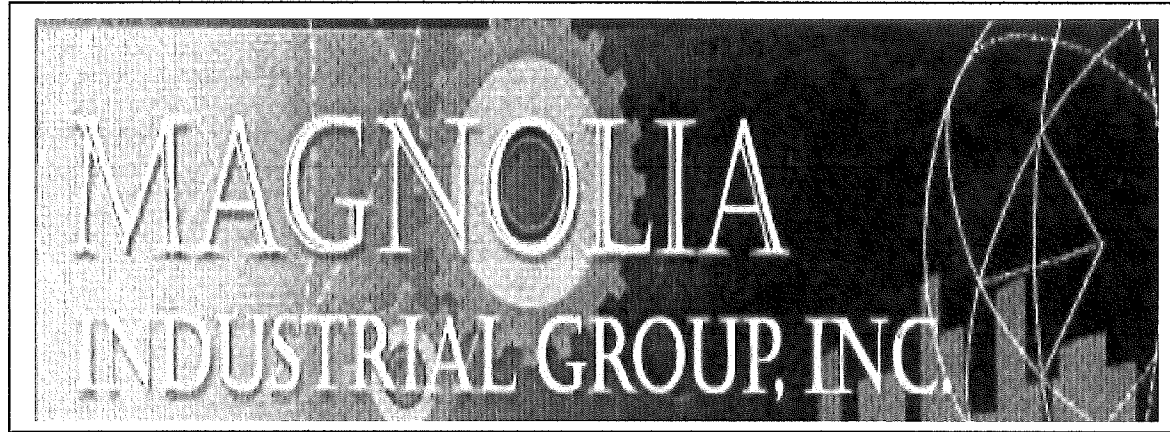
"City"

This Agreement is approved as to form on Nov. 24, 2020.

CHARLES PARKIN, City Attorney

By   
Deputy

OFFICE OF THE CITY ATTORNEY  
CHARLES PARKIN, City Attorney  
411 West Ocean Boulevard, 9th Floor  
Long Beach, CA 90802-4664



# **CARES ACT BID GRANT PROGRAM SCOPE OF WORK**

SUBMITTED BY MAGNOLIA INDUSTRIAL GROUP  
OCTOBER 27, 2020



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| BID Grant Program Budget .....            | 5 |

## BID and BID Association Background

In 1996 the City Council of the City of Long Beach (the "City Council") established the Magnolia Industrial Group Property and Business Improvement District (the "PBID"), pursuant to the provisions of the Property and Business Improvement District Law of 1994 (the "Law") Division 18 of the Streets and Highways Code, commencing with Section 36600. Historically, the Magnolia Industrial area experienced a high level of auto theft, petty theft and burglaries. Since the initial PBID formation in 1996, the security program has continually reduced crime within the PBID. Due to its success, the PBID was re-established in 1999, again in 2003, and most recently in 2013.

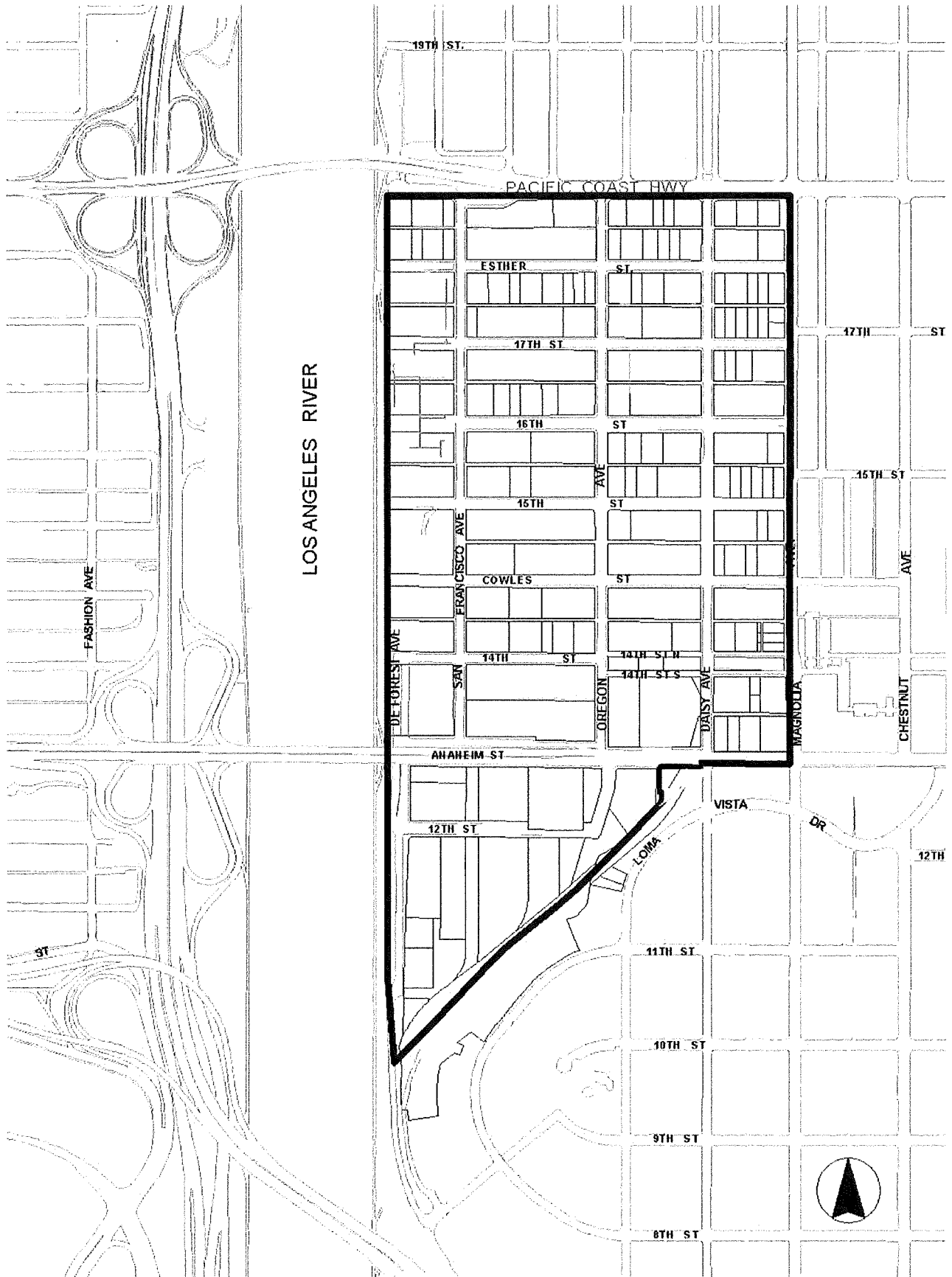
The Magnolia Industrial Group is a nonprofit mutual benefit corporation and is not organized for the private gain of any person. This Corporation has been organized and shall operate exclusively to support and serve the Magnolia Industrial area and shall be operated exclusively in connection with that purpose. The primary objectives and purposes of this Corporation shall be:

- A. To help bring about the revitalization of the Magnolia Industrial Group Business District of the City of Long Beach and to promote public safety;
- B. To improve the quality of life of the business district and advocate for public improvements within the Magnolia Industrial Group area and its surrounding businesses for mutual benefit purposes;
- C. To increase the economic well-being and to keep the property owners, employees, and businesses within the Magnolia Industrial area in the City of Long Beach safe;
- D. To promote improvement within the Magnolia Industrial Group area, the City of Long Beach through activities and thriving businesses, which contribute to the economic and well-being of the Magnolia Industrial Group area and the City of Long Beach.

## BID Boundary/Service Area

The Magnolia Industrial Group Property and Business Improvement District (the "MIGPBID") will deliver security and refuse/clean-up services within a 24-block area generally located east of San Francisco Avenue, south of Pacific Coast Highway, west of Magnolia Avenue and north of Anaheim Street, with an extended portion west of the Southern Pacific Railroad Right of Way, south of Anaheim Street, north of 12th Street and east of De Forest Avenue.

The following page shows the boundaries of the PBID



LOS ANGELES RIVER

## BID Grant Program Summary

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Once the COVID-19 State and local Health Orders were issued city-wide, all the businesses in Magnolia Industrial Group (MIG) BID were affected. Many businesses in MIG such as manufacturing, trucking businesses, repair businesses, restaurant and food suppliers, warehouses and other related businesses, were hit the hardest, and many of them remained closed to this day. At least 50% of the affected businesses affected by this pandemic are minority- owned and LGBTQ-owned, and employ over 1500 Long Beach residents.

### **Grant funds will be applied to the following:**

- Business Assistance – Providing mini-grants to businesses in MIG that were affected by the COVID-19 and healthcare orders, including rental assistance, utility payment assistance, and other related costs inherent to running a successful business during this pandemic.
- Business grants will be provided to businesses upon funding disbursement from the City of Long Beach. This will be overseen by the BID/Grant Administrator and the BID Treasurer of the Association.
- Marketing/Promotions – Hiring a social media and website professionals to promote business retention, customer retention and developing new customers.
- Administrative Costs – General operating revenue and professional services (e.g. accounting services), including member outreach/education and manage the COVID-19 portion of the program. 5% of funds will be utilized for BID and grant administration. Funding will also be utilized for both the BID/Grants Administrator to track grant expenditures, performance indicators, provide grant administration support to Association members that are receiving grants, draft and submit reports as required by the City of Long Beach.

## Key Performance Indicators

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Our objective is to provide assistance to approximately 15 businesses in MIG still remaining that were affected by COVID-19 as possible. We will document and report the number and types of business that we engage and serve per activity. We will report the number of jobs retained and businesses remaining that can remain operating.

## Equitable Distribution of Resources

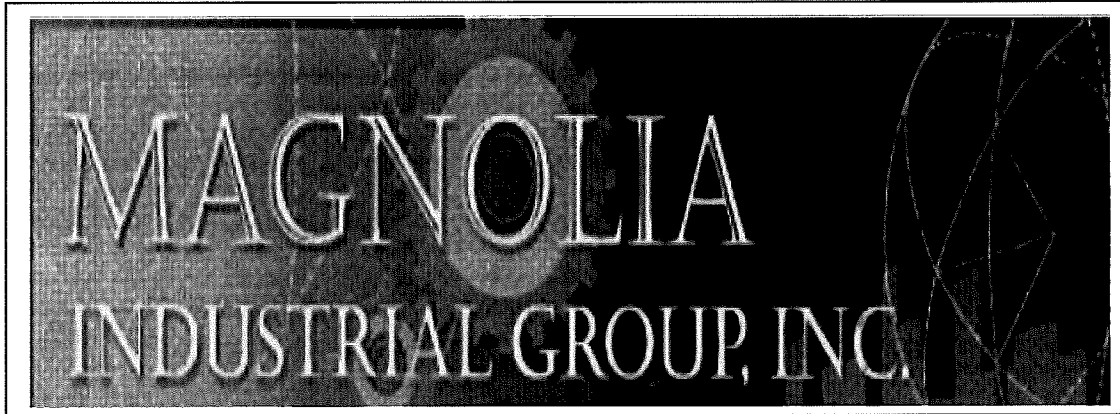
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- Targeting sectors affected the most by the COVID-19 State and local Health Orders;
- Targeting minority-owned small businesses in MIG.
- We will ensure that all resources are distributed to all demographics. Examples include but are not limited to:

- a) Prioritizing resources for diverse business owners
- b) Making program marketing materials available in multiple languages as needed
- c) Targeting businesses that have been hardest hit by the COVID-19 pandemic

### BID Grant Program Budget

| <b>Administration</b>  |                    |
|--|--------------------|
| Office internet, utility, phone – MIG will use funds to keep its utilities open during the COVID-19 pandemic and all outreach/education/etc. associated therewith, including obtaining Signage/Decals - Purchasing signs “Open for Business”; “We’re Open!” and decals supporting/promoting Social Distancing. Letters to Members – Envelopes, printing, postage; sharing grant information, health orders, and district updates   | \$4,478.80         |
| <b>Business Assistance</b>   |                    |
| MIG BID Commercial Relief Fund- providing mini-grants to businesses and non-profit organizations that were impacted by COVID-19. The mini-grants can be used to pay rent, working capital to continue operations, pay outstanding business expenses, and payroll. It is noted that the fund cannot be used to pay the City’s license/permit fee. Signage/Decals - Purchasing signs “Open for Business”; “We’re Open!” and decals supporting/promoting Social Distancing. Letters to Members – Envelopes, printing, postage; sharing grant information, health orders, and district updates | \$79,597.20        |
| <b>Marketing and Promotion</b>   |                    |
| Program Assistant Stipend- Hiring assistant to help with business outreach/education re COVID-19, to promote businesses in MIG to known businesses and new customers, including assisting in obtaining Signage/Decals - Purchasing signs “Open for Business”; “We’re Open!” and decals supporting/promoting Social Distancing. Letters to Members – Envelopes, printing, postage; sharing grant information, health orders, and district updates   | \$2,000.00         |
| Marketing and advertising campaign to update website and build social media capacity; develop social media presence for the district to draw customers into the area and to support businesses impacted by COVID-19  | \$3,500.00         |
| <b>Total</b>   | <b>\$89,576.00</b> |



# **CARES ACT BID GRANT PROGRAM SCOPE OF WORK**

SUBMITTED BY MAGNOLIA INDUSTRIAL GROUP  
OCTOBER 27, 2020

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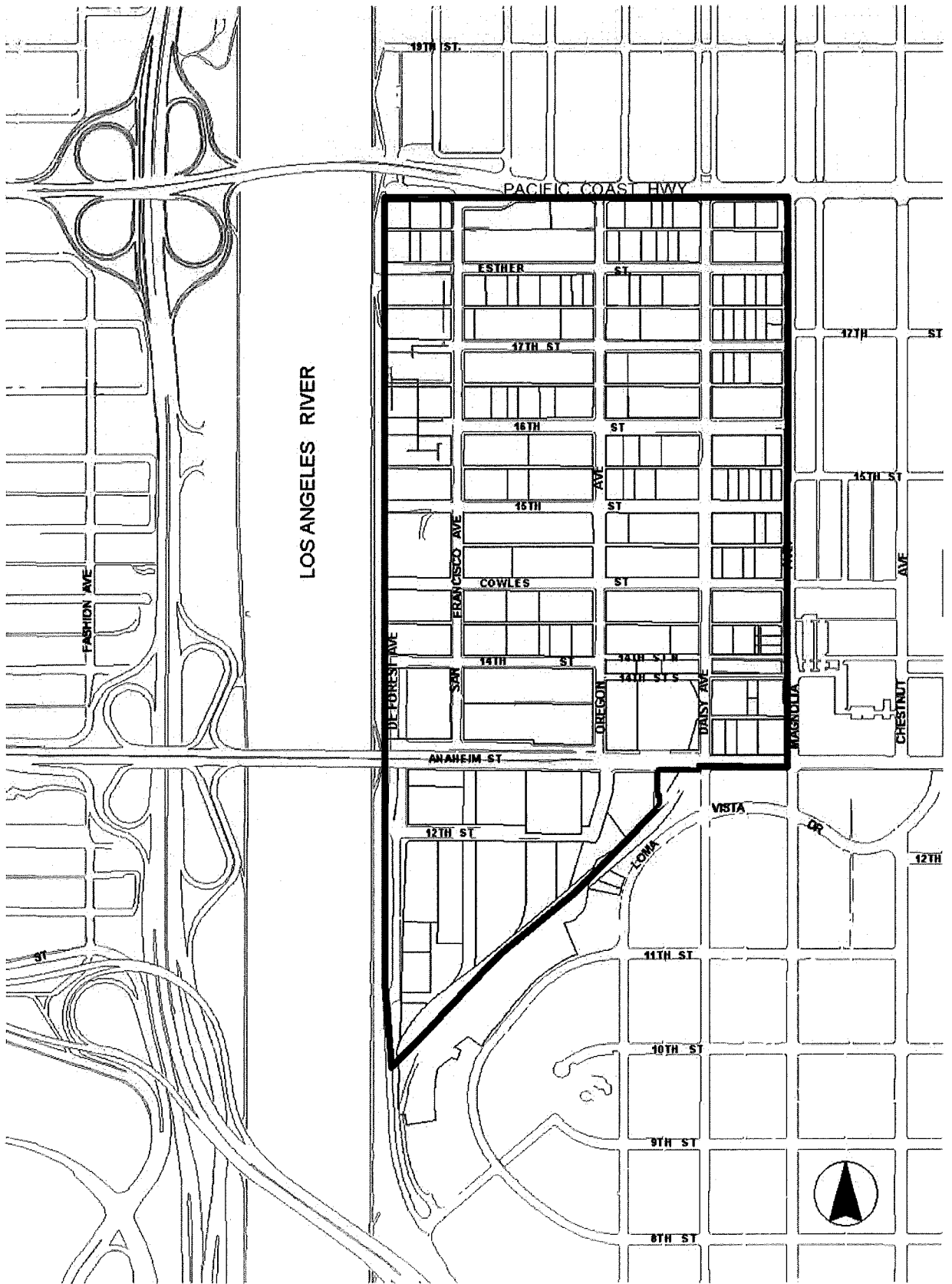
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LOS ANGELES RIVER

PACIFIC COAST HWY

ESTHER ST

17TH ST

16TH ST

15TH ST

COWLES ST

14TH ST

ANAHEIM ST

12TH ST

11TH ST

10TH ST

9TH ST

8TH ST

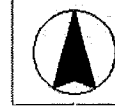
17TH ST

15TH ST

12TH ST

VISTA DR

LOMA



## **BID Grant Program Summary**

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