


CITY COUNCIL ACTION REQUEST

Department(s): EDCA	CEQA: Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.	Coordination: CAO, CMO-Budget, PRNS, DOT	Dept. Approval: /s/ Nanci Klein
Council District(s): 3			CMO Approval:  7/27/2021

SUBJECT: AMENDMENT TO THE CONSULTANT SERVICES AGREEMENT WITH THE SAN JOSE DOWNTOWN ASSOCIATION

RECOMMENDATION:

Adopt a resolution authorizing the City Manager to negotiate and execute an Amendment to the Agreement for Consultant Services between the City of San José and the San Jose Downtown Association to include marketing, promotional, placemaking, business development and parking-related services with compensation in an amount not to exceed \$857,966 for services from July 1, 2021 to June 30, 2022.

BASIS FOR RECOMMENDATION:

On September 18, 2019, the City entered into a consultant services agreement with the San Jose Downtown Association (SJDA) to provide marketing, business retention and expansion, event production, promotional and parking-related services aligned with the city's Downtown Strategy for a one-year term with five additional one-year options, through June 2025 (City Council Resolution No. 79154). Total compensation for the 2019-2020 agreement was \$768,000. In FY 2020-2021, the City executed the first of five additional one-year options for contract services not to exceed \$659,500. Staff proposes to exercise the second of five one-year options with SJDA adjusting the organization's scope of services for 2021-2022 to assist with Downtown's recovery after the devastating impact of COVID19. Maximum compensation for the FY 21-22 agreement is not to exceed \$857,966.

The focus of the services in this contract amendment will be to build on downtown San José's existing brand and continue COVID-19 recovery efforts to drive business into the city center. This will be done through the creation and implementation of marketing and promotional campaigns, as well as the production of events. SJDA intends to produce a series of advertisements and videos highlighting dining, arts and culture, nightlife, summer and holiday activations, urban living, local shopping and downtown's distinct districts to continue to welcome people back downtown. SJDA is committed to supporting the arts and dining in downtown, as both sectors are valued members of the small business community. Through this contract and other leveraged funding sources, SJDA will use existing and new communication platforms and events and promotions to position downtown San José as a place to experience the arts, local fare and live music as COVID19 conditions allow, focusing on downtown's distinct districts, their amenities, and businesses. Examples of contract deliverables include Dine Downtown and development of the heART of downtown arts and dining promotion. SJDA's long-standing and extremely successful Dine Downtown Restaurant Week was expanded to three weeks this year from July 1 – July 18, encouraging people to eat downtown or from downtown restaurants. The heART of Downtown promotion will be geared toward increasing benefits to arts groups, their patrons and the downtown dining establishments. Additionally, working closely with Cultural Affairs staff, SJDA will oversee collateral design and marketing for three city-produced City Dance events in August, September and October, and collateral design and distribution for the return of Sonic Runway to City Hall Plaza in October. SJDA will be engaged to utilize its various communications outlets to promote and publicize both City Dance and Sonic Runway.

Specific events included the FY 21-22 agreement include outdoor movies, an outdoor music concert, a seasonal ice rink and farmers' markets. SJDA proposes to host Starlight Cinemas, a series of four outdoor movies in St. James Park, in July and August, Music in the Park in August, and Downtown Ice, in November, in conjunction

with holiday traditions Christmas in the Park and Winter Wonderland. The agreement includes supplemental funding for Downtown Ice production and marketing assistance for all three holiday events. The Downtown Farmers' Market is now open on First Street in the SoFA District through mid-December 2021 and will begin again in May 2022.

Staff anticipates that Plaza de Cesar Chavez will once again be downtown's central hub of activation and placemaking for Spring and Summer 2022. The success of events and activations in the park rely on the utilization of a suitable stage canopy. SJDA's scope of services includes management and implementation of the annual installation and removal of this stage canopy from May - September.

SJDA will continue to assist with the City's business retention efforts with twice-monthly guest blogs and curation of the downtown events calendar on sjeconomy.com, as well as close coordination around grand opening ceremonies for new downtown businesses. There will be an increased focus on permitting and technical assistance for small businesses as recovery efforts continue and enhanced support services for existing small businesses effected by COVID19. Utilizing funding provided in this agreement, SJDA maintains an up-to-date map and listing of available downtown ground floor spaces, with pertinent property and contact information on sjdowntown.com.

The scope of services in this agreement as it pertains to marketing parking is to increase awareness, visibility, convenience, and satisfaction of City parking facilities to attract an appropriate share of the public parking market Downtown increasing both activity (monthly and visitor) and revenue through effective messaging. SJDA will promote the city's 90-minute free parking program, the contactless components of its updated parking system and assist in data collection around changes in downtown's business landscape that may impact parking programs. SJDA will promote the use of downtown parking facilities to businesses and commercial tenants, as the landscape of in-office operations begins to normalize.

SJDA has a proven record of generating impactful marketing and promotion for downtown, producing events in a timely and cost-effective manner, facilitating the establishment or expansion of ground floor businesses, and promoting the city's public parking program; also leveraging private sector financial contributions to accomplish these objectives. For 2021-2022, the proposed contract amendment includes a 3% Cost of Living Adjustment to cover increased service delivery costs.

Climate Smart San José: The recommendation in this memo aligns with one or more Climate Smart San José energy, water, or mobility goals.

Commission Recommendation/Input: No Commission recommendation or input is associated with this action.

COST AND FUNDING SOURCE:

Staff proposes compensation to SJDA to include the following, in an amount not to exceed \$857,966:

- a. \$417,966 in the 2021-2022 Adopted Operating Budget (\$270,225 in the San Jose Downtown Association appropriation in the General Fund (Appropriation 2065), \$47,741 from the Non-Personal/Equipment appropriation in the General Purpose Parking Fund (Appropriation 0512) and \$100,000 from General Purpose Parking Fund for Downtown Ice);
- b. \$200,000 in American Rescue Plan Fund funding approved in the 2021-2022 Adopted Operating Budget in the Small Business Recovery Appropriation (Appropriation 217G);
- c. Up to \$125,000 in the 2021-2022 Adopted Operating Budget (Non-Personal/Equipment appropriation in the General Purpose Parking Fund (Appropriation 0512)) for reimbursable contract deliverables associated with increased marketing and promotion;
- d. \$15,000 in the 2021-2022 Adopted Capital Budget (in the Strategic Capital Replacement and Maintenance Needs appropriation (5541) in the Construction and Conveyance Tax Fund: City-Wide Parks Purposes Fund (391) for the Plaza de Cesar Chavez stage canopy; and
- e. Up to \$100,000 in reimbursable expenses for the Downtown Pedestrian Quality of Life in American Rescue Plan Fund's Small Business Recovery Appropriation (Appropriation 217G). The funds will provide for additional services related to implementing the city's Downtown priorities and objectives around increased

safety and enhanced pedestrian experience, activation of vacant storefronts and implementation of the City's public life strategy.

FOR QUESTIONS CONTACT: Blage Zelalich, Business Development, OEDCA (408) 535-8172