


CITY COUNCIL ACTION REQUEST

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

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 Jose and the San Jose Downtown Association to include additional marketing, promotional, placemaking and concession services and increase compensation to an amount not to exceed \$560,350 subject to the appropriation of funds by the City Council.

BASIS FOR RECOMMENDATION:

On October 7, 2014, the City entered into a consultant services agreement with the San Jose Downtown Association (SJDA) to provide marketing, business retention and expansion, event production and promotional services aligned with the city's Downtown Strategy for a one-year term with four additional one-year options, through June 2019 (City Council resolution #77156).

Staff proposes to add services to the scope of SJDA services for 2018-2019 to include additional downtown marketing and promotional services, concession services to assist in the implementation of City Dance, placemaking efforts in Plaza de Cesar Chavez Park, and upgrades to the Downtown Ice Rink, subject to the appropriation of funds.

Additional marketing services for 2018-2019 will include management and implementation of a baseline perception survey for downtown, increased promotional efforts around large-scale national and international events such as the College Football National Championship and National Hockey League All-Star Game with a focus on graphical displays placed in/on City parking facilities, and additional assistance with the City's business retention efforts with a twice-per-month guest blog and curation of the downtown events calendar on sjeconomy.com, as well as increased coordination around grand opening ceremonies for new downtown businesses.

In its third year, City Dance, produced by the Office of Cultural Affairs, is an eight-week after work social dance event with live music and professional dance instruction in a variety of genres. City Dance is geared to enriching the Downtown experience for workers and residents. SJDA's scope will include management and implementation of a robust social media campaign, newspaper and radio promotion, event collateral, news releases, Convention Center displays, and event food and beverage concessions.

Plaza de Cesar Chavez is the central hub of activation and placemaking in the downtown core, especially from June through October. A number of signature events occur during this timeframe including Juneteenth, Music in the Park, the San Jose Jazz Festival and the Rock N' Roll Marathon. The success of these signature events relay heavily on the utilization of a suitable stage canopy. SJDA's scope will be expanded to manage and implement the installation of this stage canopy for these and other events and activations in the park.

Downtown Ice has created unique holiday memories for more than two million San Jose residents and visitors over the past 20 years. Typically enjoyed by 50,000-60,000 skaters per season, and double that number of spectators, the rink's infrastructure needs critical upgrades to its ice matting and dasher board systems.

Originally installed in 2004, these integral operating system components for an ice rink are typically replaced every 10-12 years. The Mayor's March Budget Message for Fiscal Year 2018-2019 includes direction to allocate \$100,000 in Parking Funds for repairs and upgrades of the ice rink.

SJDA has a proven record of accomplishment marketing and promoting events and completing major public realm projects in a timely and cost-effective manner, leveraging private sector contributions in every instance. SJDA's baseline funding from the City has remained unchanged at approximately \$320,000 for the past seven years, while personnel and production costs to implement the programs outlined in the City's agreement with SJDA have increased. The proposed contract amendment includes \$30,000 to cover increased service delivery costs.

COST AND FUNDING SOURCE:

Staff proposes compensation to SJDA to include the following, in an amount not to exceed \$560,350:

- a. \$320,000 in 2018-2019 base funding (\$250,000 from the San Jose Downtown Association – General Fund/Appropriation 2065 and \$70,000 from the General Purpose Parking Fund);
- b. \$100,000 for contract deliverables associated with upgrades to the Downtown Ice Rink, for which equivalent funding is identified in the General Purpose Parking Fund;
- c. \$87,000 for contract deliverables associated with increased downtown marketing and promotion and for increased personnel and production costs, \$70,000 from the General Purpose Parking Fund and \$17,000 from General Fund, Non-Personal/Equipment funds for the Office of Economic Development;
- d. \$30,000 for contract deliverables associated with City Dance, funded with 2018-2019 funds totaling \$25,000 from Transient Occupancy Tax Fund and \$5,000 from General Fund, Non-Personal/Equipment funds for the Office of Economic Development; and
- e. \$23,350 for contract deliverables associated with the Plaza de Cesar Chavez stage canopy installation, funded with 2016-2017 funds totaling \$5,112 from the Plaza de Cesar Chavez Stage Canopy project (General Fund Capital Improvements: Fund 001/Appropriation 6153) and \$18,238 from the Park Trust Fund (Fund 375) appropriation adopted at the June 12, 2018 Council meeting for the Plaza de Cesar Chavez Project Improvements.

FOR QUESTIONS CONTACT: Blage Zelalich, Downtown Manager, OED (408) 535-8172