

CITY OF YUBA CITY
STAFF REPORT

Date: November 6, 2007
To: Honorable Chairman & Members of the Board
From: Administration
Presentation By: Steve Kroeger, Assistant City Manager

Summary

Subject: Downtown Business Association request for marketing funds related to the Plumas Streetscape Project

Recommendation: Approve the Downtown Business Association's request to contract for services in excess of \$25,000, using funding set-aside as part of the Plumas Streetscape Project, with the following firms: mmc/communications - \$60,000; EMRL - \$28,000; Appeal Democrat - \$37,000; Ferrari Color - \$45,000.

Fiscal Impact: \$244,173.69 – total request from the Downtown Business Association. Amount requested for contracts in excess of \$25,000 is \$170,000. Other related costs are \$74,173.69.

Background:

As part of the project budget for the Plumas Streetscape Project (Project), \$300,000 was set-aside for marketing and promotional activities during construction. Following Project commencement, the Redevelopment Agency (Agency) entered into a Memorandum of Understanding (MOU) with the Downtown Business Association (DBA). The MOU memorialized: 1) the common interest of both parties to support the continued economic vitality of the downtown; and 2) set forth a mechanism whereby the Agency would reimburse the DBA for the cost of agreed upon promotional activities during the period of time of the Project. A copy of the MOU is attached for referral.

Analysis:

The MOU includes a provision that requires additional written authorization from the Agency for contracts in excess of \$25,000 (which is the limit for staff contracting authority on a per vendor basis). At this time, the DBA is requesting such authorization as it relates to four firms: mmc/communications - \$60,000; EMRL - \$28,000; Appeal Democrat - \$37,000; Ferrari Color - \$45,000.

The attached letter from Don Covey, DBA President, provides additional information related to this request. Mr. Covey will be attending the Council/Board meeting in order to provide a presentation related to their marketing efforts and answer any questions of the Council/Board.

Fiscal Impact:

\$244,173.69 – total request from the Downtown Business Association. Amount requested for contracts in excess of \$25,000 is \$170,000. Other related costs are \$74,173.69.

Attached is an overview of the Marketing Budget that has been programmed by the DBA. As shown on the spreadsheet, \$95,126.28 has been spent to date.

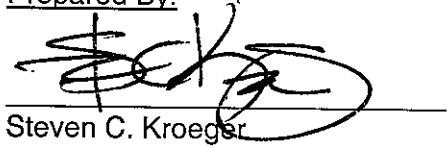
Alternatives:

1. Approve contract authority in amounts other than those requested.
2. Do not approve.

Recommendation:

Approve the Downtown Business Association's request to contract for services in excess of \$25,000, using funding set-aside as part of the Plumas Streetscape Project, with the following firms: mmc/communications - \$60,000; EMRL - \$28,000; Appeal Democrat - \$37,000; Ferrari Color - \$45,000.

Prepared By:




Steven C. Kroeger
Assistant City Manager

Submitted By:

Steven R. Jepsen
City Manager

Reviewed By:

Finance
City Attorney



Between the City of Yuba City Redevelopment Agency and the Yuba City
Downtown Business Association

The purpose of this memorandum of understanding (MOU) is to:

- 1) Memorialize the common interest of the Yuba City Redevelopment Agency ("Agency") and the Yuba City Downtown Business Association ("DBA") to ensure the continued economic vitality of Downtown during the Plumas Street Streetscape Construction Project ("Streetscape Project"); and
- 2) Set forth a mechanism whereby the Agency will reimburse the DBA for the cost of agreed upon promotional activities during the period of time of the Streetscape Project.

The Agency designated funds for marketing as part of the overall Streetscape Project budget for promotion of the Downtown area during construction.

The DBA currently provides marketing activities for Downtown merchants and desires to manage the additional marketing of Downtown needed during the Streetscape Project.

Therefore, Agency and DBA hereby agree that the DBA will provide the additional marketing activities needed during the Streetscape Project and the Agency will reimburse the DBA for said marketing activities subject to the following parameters:

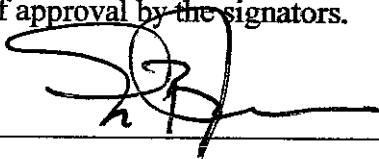
1. DBA will secure the services of a marketing consultant ("Consultant") with the demonstrated ability to provide the needed promotional campaign.
2. DBA will obtain Agency approval of the work scope proposed by the Consultant.
Work scope will address:
 - a. Prioritization of work activities
 - b. Development of promotional events
 - c. Time Schedule for proposed activities and events
 - d. Estimated cost for Consultant/Sub-Consultant work tasks

The method of reimbursement to the DBA will be based on achievable work products and completion of work tasks. The Agency may pay certain pre-approved costs (e.g., newspaper advertising) directly ("Direct Costs"). In such cases, the DBA shall submit vendor invoices to Agency for payment.

Reimbursement to the DBA for Consultant cannot exceed \$25,000 without additional written authorization of the Agency. Pre-approved Direct Costs cannot exceed \$25,000 on a per vendor basis. The Agency may contribute additional funding for marketing activities, subject to the formal consideration and approval of the Redevelopment Agency Board.

The time frame of this Memorandum of Understanding will remain current through the conclusion of the referenced marketing services. The term of the Memorandum shall not exceed one year from MOU execution.

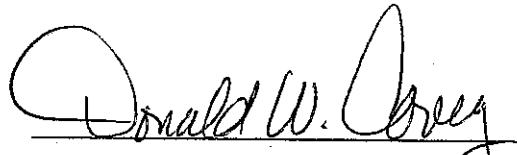
Approval of this Memorandum of Understanding is by the authorization of the Yuba City Downtown Business Association Board Chair and Yuba City Redevelopment Board Chair as provided below. The effective date of the Memorandum of Understanding is the date of approval by the signators.



Executive Officer Yuba City
Redevelopment Agency

8-24-07

Date

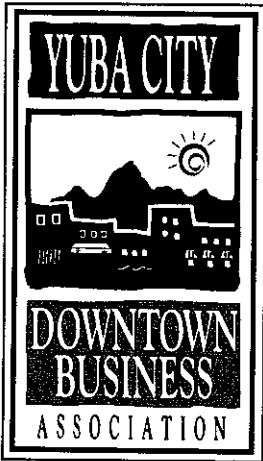


President Yuba City Downtown
Business Association

8/23/07

Date

October 22, 2007



Steve Kroeger
City of Yuba City
1201 Civic Center Blvd
Yuba City Ca 95993

Dear Steve,

The marketing of the Downtown is changing along with the looks of Downtown Plumas Street Construction. The Downtown Business Association (DBA) is working with mmc/communications to brand the downtown as the Plumas Street Shopping District. The marketing efforts are moving forward and redefining the Plumas Street as a Shopping District by newspaper & radio advertising, giveaways, billboards, direct mailing scrim on the construction fence, informative "Business As Usual" signage along with directional parking signs. Attached is the work plan for the marketing efforts of the downtown for a total \$244,173.69. The DBA is requesting council's consideration for the expenditures that will exceed the \$25,000 per vendor on the following vendors:

- mmc/communications	\$ 60,000
- EMRL	\$ 28,000
- Appeal Democrat	\$ 37,000
- Ferrari Color	\$ 45,000

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At the City Council meeting of November 6th, the DBA will have a presentation by mmc/communications presenting the marketing efforts of the downtown during construction.

Thank you for your consideration,

Don Covey
President
Downtown Business Association

Attached: Marketing Budget

Plumas Street Shopping District Marketing Budget

August '07 - April '09

Program Management			
	Allocated	Spent	Budget Remaining
EMRL			
Logo Development	\$5,000.00	\$5,000.00	\$0.00
Ad Campaign Creation (client coordination, brainstorming ideas, sketches, final design). Ad Sketches, Advertisement Development & Updates, camera ready art.	\$9,000.00	\$5,875.00	\$3,125.00
Schematic Designs (producing and updating ongoing 'Design Notes' materials packets)	\$2,000.00	\$2,000.00	\$0.00
Project Coordination Coordination with client and vendors, managing production, printing and installation of all materials)	\$6,000.00	\$5,512.50	\$487.50
Signage (design of directional signage, billboards, fence mesh material, store directory, fence pole flags, light pole banners)	\$6,000.00	\$3,821.75	\$2,178.25
Total EMRL	\$28,000.00	\$22,209.25	\$5,790.75
KC Blair Photography			
Original Photography for Ads & Direct Mailers	\$2,000.00	\$450.00	\$1,550.00
a-d Agency			
Resizing and Updating Ads	\$3,375.00	\$0.00	\$3,375.00
MMC Communications			
Program Management	\$60,000.00	\$18,277.97	\$41,722.03

Advertising			
	Allocated	Spent	Budget Remaining
Appeal Democrat (Streetscape ads prior to contract)	\$6,699.37	\$6,699.37	\$0.00
Appeal Democrat - 12 month contract (Also includes: Plumas Lake Life, Y-S Lifestyles, Explore Y-S and 99 Things To Do)	\$30,000.00	\$2,711.10	\$27,288.90
KUBA (one month contract)	\$798.00	\$798.00	\$0.00
KUBA radio (12 month contract)	\$10,400.00	\$399.00	\$10,001.00
KMYC radio	\$5,000.00	\$0.00	\$5,000.00
KOBO Spanish radio	\$5,000.00	\$0.00	\$5,000.00
La Ley Spanish radio	\$5,000.00	\$0.00	\$5,000.00
Billboards	\$0.00	\$0.00	\$0.00
Total Advertising Program	\$62,897.37	\$10,607.47	\$52,289.90

Signage

	Allocated	Spent	Budget Remaining
Merchant Banners	\$5,818.00	\$5,818.00	\$0.00
Billboard Sign Printing & Installation (one large & three small billboards)	\$3,169.00	\$1,794.63	\$1,374.37
Fence Mesh Scrim Production	\$23,935.00	\$13,932.06	\$10,002.94
Scrim, Phase II & III	\$25,000.00	\$0.00	\$25,000.00
Parking/Directional Signage Production	\$3,925.00	\$3,460.80	\$464.20
Parking/Directional Signage Installation	\$2,605.57	\$2,605.57	\$0.00
Directional Map Production & Installation (two metal framed maps)	\$2,400.00	\$0.00	\$2,400.00
Light Pole Banners Production	\$0.00	\$0.00	\$0.00
Arch/Breezeway Holiday Lights	\$0.00	\$0.00	\$0.00
Total Signage	\$66,852.57	\$27,611.06	\$39,241.51

Collateral

	Allocated	Spent	Budget Remaining
Streetscape Postcard (one mailing) & Newspaper Ad	\$1,808.02	\$1,808.02	\$0.00
Mailing List (\$785 for one mailing)	\$785.00	\$0.00	\$785.00
Direct Mail Printing and Mailing one 5x8 postcards, 30,000 pieces with postage \$10,905; one 4x6 postcards with postage \$9,438)	\$0.00	\$0.00	\$0.00
Bill Stuffer	\$0.00	\$0.00	\$0.00
Newsletter template design (pieces)	\$6,000.00	\$2,949.38	\$3,050.62
Baseball Hats with silkscreen imprint (2,000 pieces)	\$0.00	\$0.00	\$0.00
Total Collateral	\$8,593.02	\$4,757.40	\$3,835.62

Events

	Allocated	Spent	Budget Remaining
Phase I Groundbreaking Event	\$1,005.00	\$1,005.00	\$0.00
Friday Night Market (June - Aug 2007)	\$5,450.73	\$5,450.73	\$0.00
Harvest Festival (Oct. 27, 2007)	\$3,000.00	\$0.00	\$3,000.00
Holiday Preview (Nov. 2, 2007)	\$3,000.00	\$0.00	\$3,000.00
Christmas Stroll (Dec. 2007)	\$0.00	\$0.00	\$0.00
Friday Night Market (June - Aug 2008)	\$0.00	\$0.00	\$0.00
Total Events	\$12,455.73	\$6,455.73	\$6,000.00

TOTAL	\$244,173.69	\$95,126.28	\$157,640.43
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