



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: James R. Helmer

SUBJECT: DOWNTOWN PARKING
MARKETING AGREEMENT

DATE: 06-01-09

Approved

Date

6/11/09

COUNCIL DISTRICT: 3

RECOMMENDATION

Approval of a Marketing Agreement for the Downtown Parking Program with the San Jose Downtown Association (SJDA) effective July 1, 2009 to June 30, 2012, with two one-year options to extend, not to exceed an annual compensation of \$100,000.

OUTCOME

A three-year marketing Agreement with the SJDA, with two one-year options to extend, subject to annual appropriations, to provide marketing and outreach activities for the Downtown Parking Program which includes marketing the Downtown Area Shuttle Program (DASH).

BACKGROUND

The City has had a partnership with the SJDA to market the Downtown Parking Program since December 1999. This partnership and the need for a comprehensive marketing program was recognized in the 1997 Downtown Parking Study that was approved by the City Council in March 1997. A variety of marketing and outreach activities have occurred over the past ten years, including:

- Extensive public outreach in various publications and community papers
- Development and update of a Downtown Parking website and Downtown Walking Map
- Updates to the parking website regarding implementation of new parking rates
- Standardization of facility parking signs to promote and brand the city's parking validation programs
- Development and implementation of a Public Outreach Strategy that supports and promotes various parking programs, including the DASH program

The compensation paid to the SJDA for their marketing from 1999 to present is approximately \$1.0 million dollars.

ANALYSIS

The proposed agreement will continue the successful partnership between the City and the SJDA to market and promote the Downtown Parking Program. Examples of specific successes of the marketing program are the www.sjdowntownparking.com website which received over 400,000 hits in the past two years. In addition, the DASH shuttle is one of the most successful shuttle services for the Santa Clara Valley Transportation Authority (VTA). In 2008, DASH ridership averaged nearly 1,100 riders per day which is an increase of 27% over the same period in 2007.

In the proposed three-year agreement, the SJDA will execute a parking outreach strategy that includes a marketing campaign to promote the various parking programs (Weekend Free Parking, DASH, Downtown Retail Validations, Downtown Cinema Validations, Monthly Parking and Clean-Air Vehicle permits). The parking outreach strategy also includes promoting and increasing the use of the downtown parking website; developing advertising and informational material for the City's downtown parking facilities, including special event and holiday advertising, and increasing overall awareness about the downtown parking program.

Per San Jose Municipal Code Section 4.12.235, the City may enter into a non-competitive agreement to procure professional services where an unusual or unique situation exists that make use of a competitive procurement process contrary to the public interest. The SJDA is uniquely qualified to provide these services in that it was expressly formed to promote downtown businesses and has had a long-standing partnership with the Department of Transportation (DOT) and the Redevelopment Agency (SJRA) in the joint marketing and promotion of Downtown. For example, the SJDA works with DOT and the SJRA to coordinate marketing efforts and maximize economies of scale in media and print advertising and collateral materials. This joint effort, while focusing on the specific area of Downtown parking, supports the Mayor's March 13, 2009 budget message, which highlighted the importance of inter-department collaboration and coordination of marketing efforts.

The SJDA has relationships with many different downtown marketing partners and has the ability to pool money from this agreement with funds from other sources to effectively leverage marketing and advertising services for Downtown San José, including the Downtown public parking program. They are the conduit to the SJRA and Convention and Visitors Bureau's marketing programs and other community partners and events, in addition to their own marketing projects and events. By virtue of DOT's contract with the SJDA they can incorporate downtown parking messages into these partnerships.

In an effort to better leverage marketing monies instead of running a general downtown ad and a separate parking ad at the same theater or publication, comprehensive ads will combine both marketing campaigns. The following are a few examples of where the parking message is included and is produced collaterally so that marketing monies are better leveraged.

- Downtown Walking Map
- Downtown Holiday Brochure
- Summer Brochure
- Farmers' Market fliers and ads

- Music in the Park fliers
- Downtown Ice fliers
- Starlight Cinema poster and flier
- South First Fridays brochure
- South First Arts & Entertainment Guide
- Discover Downtown San Jose card
- Dine Downtown "restaurant week" poster, fliers and ads

The SJDA also receives non-profit rates in all publications, including the Mercury News, Metro, El Observador, Silicon Valley Community Newspapers, Out Now, Discover Magazine as well as the Camera and Century Cinemas. In addition, as a non-profit agency, SJDA receives matching radio spots and for each ad run during the holidays, spring and summer on MIX, KBAY, KLIV, they receive one free ad.

The proposed three-year agreement includes two one-year options to extend, subject to annual appropriations. The agreement also requires the SJDA to collect performance measurement data on the effectiveness of various marketing activities. A factor in the decision to exercise any of the one-year contract extensions will include an assessment of the effectiveness of the marketing activities associated with the downtown parking program.

EVALUATION AND FOLLOWUP

The Parking Outreach Strategy will be presented to the Downtown Parking Board (DPB) annually for review and approval during the term of this agreement. No additional follow-up actions with the Council are expected at this time.

POLICY ALTERNATIVES

Not applicable.

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

On April 1, 2009, DOT staff presented a report to the DPB with a recommendation to approve a three-year marketing agreement with the SJDA with two-one year options to extend. The DPB unanimously approved this recommendation.

The approval of this agreement does not meet any of the criteria identified by the Sunshine Reforms Work Plan. This memorandum will be posted on the City's website for the June 23, 2009 Council agenda.

COORDINATION

This report has been coordinated with the City Manager's Budget Office, the City Manager's Communications Office, the City Attorney's Office, and the San Jose Redevelopment Agency.

FISCAL/POLICY ALIGNMENT

This marketing and outreach item is critical due to the continued economic downturn, in order to continue to attract visitors and to emphasize the message that parking is convenient and available in the Downtown core.

COST SUMMARY/IMPLICATION

The total compensation to be paid by the City to the SJDA for the three-year term of the agreement will not exceed \$300,000 (\$100,000 annually). Subject to appropriation by the City Council and in the event the City exercises its options to renew the agreement for the two one-year option periods, the total compensation to the SJDA will not exceed \$100,000 for each additional fiscal year.

BUDGET REFERENCE

The table below identifies the fund and appropriation proposed to fund the agreement recommended as part of this memo.

Fund #	Appn #	Appn. Name	RC#	Total Appn.	Amt. For Contract	2008-2009 Adopted Operating Budget Page	Last Budget Action (Date, Ord. No.)
533	0512	Non-Personal/Equipment - Department of Transportation		\$7,239,320	\$100,000	N/A	10/21/08 Ord. No. 28422

CEQA

Not a project.


JAMES R. HELMER
Director of Transportation

For questions contact Joe Garcia, DOT Division Manager, at 535-3833.