

(R-89-301)

RESOLUTION NUMBER R- 271692

ADOPTED ON AUG 08 1988

WHEREAS, the Centre City Planning Committee (herein "Planning Committee") recommended to the City Council via Report No. 88-173, dated May 9, 1988, entitled "Report of the Centre City Planning Committee on the Organizational Structure to Market and Promote Centre City", that the Downtown Marketing Consortium (herein "DMC") be placed under the direction and control of the Mayor's office; and

WHEREAS, the various aspects of the Planning Committee's recommendations are set forth in full in said Report No. 88-173, appended hereto as Attachment "A"; and

WHEREAS, the operation of said DMC had heretofore been conducted by contract with the Chamber of Commerce; and

WHEREAS, said agreement with the Chamber of Commerce has expired and it will not be renewed pending the assumption of control by the Mayor's office; and

WHEREAS, the Planning Committee's Report No. 88-173 (Attachment "A") was reviewed by the City Council on June 13, 1988 and the recommendations therein approved by Resolution No. R-271182 dated that same day; and

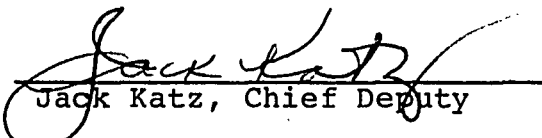
WHEREAS, special promotional funds in the amount of \$200,000 have been budgeted for fiscal year 1989 in Program 91500; and

WHEREAS, it is now appropriate and necessary to place control of expenditure of said funds for the purposes budgeted by Council under the direction of the Mayor's office; NOW, THEREFORE,

BE IT RESOLVED, by the Council of The City of San Diego, that pursuant to Council Resolution No. R-271182, dated June 13, 1988, which accepted and approved the Centre City Planning Committee's recommendations set forth in Report No. 88-173 (Attachment "A"), the Downtown Marketing Consortium program (91500) be and it is hereby placed under the direction and control of the Mayor's office.

BE IT FURTHER RESOLVED, that expenditure of funds appropriated by Council in the fiscal year 1989 budget (in the amount of \$200,000) for the specific purpose of conducting said Downtown Marketing Consortium program be and the same is hereby placed under the direction and control of the office of the Mayor.

APPROVED: JOHN W. WITT, City Attorney

By 
Jack Katz, Chief Deputy

JK:smm
08/04/88
Or.Dept:Mayor
R-89-301
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Centre City - San Diego - Planning Committee

ATTACHMENT A

DATE ISSUED: May 9, 1988

REPORT NO. 88-173

ATTENTION: City Council, Agenda of May 16, 1988.

SUBJECT: REPORT OF THE CENTRE CITY PLANNING
COMMITTEE ON THE ORGANIZATIONAL STRUCTURE
TO MARKET AND PROMOTE CENTRE CITY.



SUMMARY:

Issue - Should the City Council accept the report and recommendations from the Centre City Planning Committee?

Recommendations

Centre City Planning Committee - That the City Council accept the marketing report and take the appropriate actions as outlined by the Marketing Subcommittee.

Marketing Subcommittee- That a downtown marketing organization should be under the leadership and direction of the Mayor's Office with the following structure and responsibilities:

- o Creation of a seven member executive board chaired by the Mayor to include executive director(s) or president(s) of Central City Association, Centre City Development Corporation and Chamber of Commerce plus three members representing Centre City major property owners and/or business interests.
- o Transfer of current Downtown Marketing Consortium positions to Mayor's Office.
- o The hiring of a marketing director.
- o Existing DMC Resource Committee to be retained.
- o Staff to be responsible for the preparation of a comprehensive marketing plan, implementation strategy, and related budget that sets forth in detail the marketing and promotional direction for Centre City for the next five years.

ATTACHMENT A

Other Recommendations

In addition to the items provided above, the Marketing Subcommittee also recommends that the downtown marketing organization act as the mechanism to market (inform the public of) the forthcoming revised Centre City Community Plan and implementation strategies.

Fiscal Impact - The budget for the downtown marketing organization should be in the range of other large and similar organizations. It is anticipated that an average amount of \$750,000 per year from a variety of funding sources will be required for the next five years. The initial program and start up phase budget requirements would be less.

Environmental Impact - None with this action.

Subcommittee Commendation: The Marketing Subcommittee would like to thank all the organizations that have participated and contributed to this report. Particular thanks is extended to the Chamber of Commerce for providing leadership, support and coordination to the Downtown Marketing Consortium which was brought into their organization in 1986. Without the support of the Chamber, this vital function would not have continued.

BACKGROUND:

The Centre City Planning Committee met on April 5, 1988 and considered the Marketing Subcommittee's report and recommendations on an organizational structure to market and promote the downtown. The full committee voted unanimously to accept the recommendations from the Marketing Subcommittee and to forward the report to the City Council for their review and action.

The Marketing Subcommittee of the Centre City Planning Committee, Alan Ziehaus, Chairman, Judi Carroll, Percy Myers and Lee Stein have been meeting on a varying time schedule since early May 1987. Their major goal has been to determine the most effective organizational structure and scope of work for marketing the downtown. To accomplish this task they invited and received presentations from eight different groups: CONVIS, Downtown Marketing Consortium, Gaslamp Quarter Council, Horton Plaza Shopping Center, Seaport Village, Centre City Development Corporation, Central City Association and San Diegan's, Inc. These groups have discussed their current marketing strategy, programs, staffing and funding sources. The Subcommittee has also examined the marketing programs of 12 different cities located in various parts of the country. Descriptions of the local organizations and case studies are found in Attachment 1.

Discussions on the proper mechanism for downtown marketing and promotion have been long and involved. The Subcommittee, in its deliberations, has tried to equitably assess the role and function of each organization involved in Centre City promotion. Organizations involved in promoting single attractions or with a broad based market as in the case of CONVIS were determined not to be the proper structure to adequately promote the entire downtown. San Diegan's, Inc., early in the Subcommittee's research

and review phase, expressed that their interest in downtown was primarily policy direction and planning, not promotion. The remaining possible candidates were the Centre City Development Corporation, the Central City Association, the Chamber of Commerce (DMC) and the Mayor's Office.

Centre City Development Corporation

CCDC marketing efforts are characterized by the excellent job they do in informing people about redevelopment and Centre City projects through the Downtown Information Center. This center is operated by CCDC staff with the assistance of numerous volunteers who conduct bus tours and provide general information about downtown in the form of quarterly bulletins, maps and project updates. Their marketing role, however, is not focused on events nor the promotion of retail.

Central City Association

This organization's prime goal is to market and promote downtown San Diego as a viable place to live, work and play. Their membership is principally from the downtown area, although there are some members from outside of Centre City. The composition of the membership varies from local small businesses to corporate executives. Their expertise in organizing special events has been proven over the years as well as their ability to produce informative brochures. They also offer an excellent forum for ideas and concepts especially in the area of planning policy.

Chamber of Commerce (DMC)

This organization, funded by membership dues and public monies, is regionally oriented. Its interests are geared more toward the entire city and county rather than exclusively downtown. The Chamber's Board of Directors accepted the responsibility for the Downtown Marketing Consortium in 1986.

Mayor's Office

The relationship between the Mayor and a marketing organization for downtown was reaffirmed by the Urban Land Institute (ULI) study of the downtown. The ULI considered the Downtown Marketing Consortium (DMC) as the significant first step and the proper vehicle to coordinate all marketing efforts. They recognized that the success and effectiveness of the DMC was totally dependent upon appropriate authority, funds and influence. They also stated that all organizations belonging to the Consortium must be willing to defer ultimate decision making on all marketing issues to a board chaired by an executive director.

The Downtown Marketing Consortium (DMC) formed in the Spring of 1985 by former Mayor Hedgecock was originally within the Mayor's Office. When the Mayor became involved in legal issues, the DMC was first transferred to the Council office of Uvaldo Martinez representing downtown (District 8) and then to the Chamber of Commerce.

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ORGANIZATIONS INVOLVED IN MARKETING AND PROMOTION

<u>ORGANIZATION</u>	<u>MARKET AREA</u>	<u>SPECIFIC TARGET</u>	<u>FUNDING</u>	<u>SPECIALTY</u>
Central City Association (CCA)	Centre City	Centre City	Private-dues and contributions	Special events, downtown directories of restaurants and services, land use planning
Centre City Development Corp. (CCDC)	City-wide	Redevelopment areas	Public-tax increment funds	Quarterly publication, tours, Downtown Information Information Center
Convention and Visitors Bureau (ConVis)	National/ International	Travel Bus./ Conv. Center	Public-T.O.T. Private-dues	Sales meetings Conv. Center Planners Downtown Visitors Bureau
Downtown Marketing Consortium (DMC)	City-wide	Centre City	Public-T.O.T.	Special events Specific projects coordination
Gaslamp Quarter Council	Regional	Gaslamp Quarter	Public-Block Grant	Special Events Tours
Horton Plaza	Regional	Horton Plaza	Private	Special Events Ongoing entertainment
San Diegans, Inc.	Centre City	Centre City	Private-dues	Plans and programs to foster growth and development
Seaport Village	Regional	Seaport Village	Private	Special events Ongoing entertainment

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ANALYSIS:SUBSTANTIATION FOR A MARKETING PROGRAM

Although Centre City is still in the early stages of redevelopment, considerable effort and money has been invested in new development, rehabilitation and historic restoration. The investment in both private and public redevelopment needs to be protected as well as expanded. Currently, to date, an estimated \$122 million of public monies has been spent on public right-of-way improvements, upgrading of the servicing infrastructure and subsidized land costs. An additional \$1.0 billion of private monies has been invested in the development of residential apartments, condominiums, speciality retail, department stores and office buildings. Those figures are just for the Marina, Columbia and Horton Plaza redevelopment areas and do not take into account the new property investment that has occurred north of Broadway and east of Union. To sustain the momentum that has been created, the downtown area requires a comprehensive marketing program that "sells" these achievements to residents, visitors and potential new businesses.

STRUCTURE

Of the organizations examined, the Downtown Marketing Consortium, originally created to serve as the prime coordinator of all other downtown groups and to function in a supplementary capacity for the sponsoring of projects and events appears to be the most logical organization to continue and expand this function. The Consortium should be under the auspices of the Mayor with appropriate staff and funding resources. The Consortium was originally under the direction of the Mayor and was to function as a clearinghouse for all downtown groups, to develop, maintain and broaden a forum for joint planning and cooperation among its members on matters of mutual interest for marketing.

The Subcommittee is recommending that an executive board be created composed of seven members with the Mayor as the Chair. The Board's membership would include the Executive Director(s) or President(s) of the Central City Association, Centre City Development Corporation and Chamber of Commerce. The remaining three members to be selected by the Mayor from a list of major property owners and/or business interests in Centre City.

Staffing for the reconstituted DMC should be a transfer of current personnel supplemented by an individual with expertise in marketing major programs and budgets and with considerable experience in promoting downtowns. The existing Resource Committee composed of downtown organizations involved in marketing would be retained and given appropriate staff support.

FUNDING

Funding for this downtown marketing effort would be from both public and private sources: a combination of TOT, corporate underwriting and donations, special assessments and revenue from events and related product

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sales. During the first year of a five-year plan, budget expenditures should be spent on hiring staff and retaining the services of a consultant to assist in the preparation of a long-range marketing program and budget which should be completed within 120 days from the beginning of the 1989 fiscal year. An approximate \$300,000 to \$400,000 would be needed the first year; \$200,000 for staff and consultant and another \$100,000 to \$200,000 to use as seed capital for the program. This annual budget figure does not include the downtown related marketing activities of other organizations (i.e. CCA, Gaslamp, CCDC). The transfer of the marketing organization to the Mayor's Office should coincide with funding allocation for the 1989 fiscal year.

PROGRAM

The new downtown marketing organization should undertake as a first order of business the development of a comprehensive five-year marketing plan and implementation strategy for all of Centre City that takes into consideration:

- o MAJOR FOCUS OF EFFORTS - A decision should be made as to promotional emphasis whether to concentrate on several small festival events or limited major ones as for instance centered around seasonal changes or holidays. Opportunities should be explored to capitalize on existing ongoing programs in order to expand the length of time devoted to downtown "happenings". In addition to special events, a well planned marketing program would address signage, broadcast media strategy, publicity programming, as well as production and distribution of collateral material.

PRODUCT

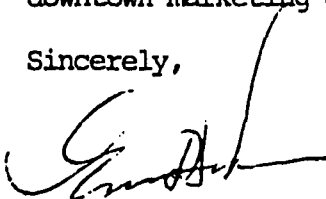
- o A MARKETABLE PRODUCT - No matter how well a marketing program is written, staffed and funded, unless the product is maintained at acceptable standards of quality control, the results will fall short of even the most reasonable expectations. Therefore, the marketing organization must be actively involved in the establishment of policy and monitoring of results in the following areas:
 - o MAINTENANCE - The downtown is not as clean and "user-friendly" as it must be. The marketing staff should interface with other City departments to develop an improved physical image in Centre City and the Mayor's influence should provide considerable impetus to this task. At the same time, programs should be initiated and designed to foster an improved "pride of ownership" from within the private sector. The combined result of these efforts will greatly enhance our standing in the larger community of San Diego.
 - o SECURITY - To maintain a level of pedestrian comfort in Centre City, there needs to be adequate public and/or private walking patrols primarily in the retail areas. The marketing organization should be permitted to fund walking patrols and traffic control support during special events if necessary. This should not supplement regular police patrols on an ongoing basis.

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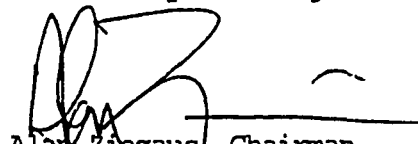
- o THE ESTABLISHMENT OF A TRANSPORTATION INFORMATIONAL MANAGEMENT PROGRAM WITH MAJOR EMPHASIS ON CIRCULATION, SHORT TERM PARKING AND TRANSIT - The downtown marketing organization would be the vehicle to educate visitors, residents and employees of the downtown as to the location of parking, how to access these facilities or lots, and the availability of transit and how to use it. This could be done through a series of brochures. The marketing organization could also assist in coordinating schedules and advise on advertising private transportation systems (e.g., Molley Trolley, Cinderella Carriage) to tie in with the public system. The organization should also negotiate to make available parking lots and structures that are adjacent to or in the vicinity of cultural facilities at a reduced rate. In addition, consideration should be given to the initiation of a free fare zone for transit within certain areas of Centre City.

In conclusion, the marketing organization proposed for Centre City is the chief administrator of the marketing plan, prime coordinator for all marketing events and keeper of the master calendar. It will assist and guide in the development of planning to capitalize on ongoing efforts and the implementation of new and innovative programming. It will also be the initiator in the request for corporate contributions and assistance. The organization will not be primarily in the business of producing special events, but will provide seed money when necessary. This new organizational structure is envisioned as an umbrella to all other existing downtown marketing organizations.

Sincerely,



Ernest W. Hahn, Chairman
Centre City Planning Committee



Alan Ziegau, Chairman
Marketing Subcommittee
Centre City Planning Committee

AZ:MM:dlb

Attachment 1 - Overview - San Diego's Downtown Organization/Case Studies

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CITY ATTORNEY

JUL 29 6 11 AM '88

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AUG 08 1988

Passed and adopted by the Council of The City of San Diego on.....,
by the following vote:

Council Members	Yeas	Nays	Not Present	Ineligible
Abbe Wolfsheimer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ron Roberts	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gloria McColl	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
H. Wes Pratt	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ed Struiksma	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
J. Bruce Henderson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Judy McCarty	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bob Filner	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mayor Maureen O'Connor	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AUTHENTICATED BY:

.....
MAUREEN O'CONNOR
Mayor of The City of San Diego, California.

(Seal)

.....
CHARLES G. ABDELNOUR
City Clerk of The City of San Diego, California.

By *Marshall G. Peterson* Deputy.

Office of the City Clerk, San Diego, California

Resolution **R-271692** Adopted **AUG 08 1988**
 Number Adopted

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