

TO: City Council
FROM: James L. App, City Manager
SUBJECT: **Downtown Promotion Service Agreement**
DATE: November 7, 2006

NEEDS: For the City Council to consider a one-year extension of the agreement with the Paso Robles Main Street for downtown promotion services.

- FACTS:**
1. The City's 2003 General Plan established a vision for Paso Robles as a place where one could "live, work, and shop." The community's 2006 Economic Development Strategy identifies strategies to achieve that vision.
 2. The Economic Development Strategy includes expansion and promotion of the downtown.
 3. To that end, the City seeks continued assistance from Paso Robles Main Street to promote downtown business.
 4. Paso Robles Main Street has provided downtown promotion services to the City for more than a decade.
 5. During the term of their service, the downtown has experienced a rebirth, and significant expansion, of commerce and activity.
 6. Payments to Main Street most recently have been \$78,100 for FY 2006 services.
 7. The Council appointed an ad hoc committee, Gary Nemeth & Fred Strong, to review the agreement with Main Street against the objectives of the 2006 Economic Strategy.
 8. The Council Committee has met with Main Street staff and Board representatives. A one-year extension of the agreement is recommended.

ANALYSIS &

CONCLUSION: Current and earlier agreements with Main Street provided payment for "special knowledge and experience to focus on the organization, promotion, design, and economic restructuring necessary to accomplish revitalization within the City's Redevelopment Project Area, especially the historic downtown, and the goals of the Economic Development Strategy. The proposed agreement extension includes provisions to continue these same services. Given the City's long-standing and successful contract relationship with Main Street, assurance of continued service is central to ongoing efforts to continually improve and enhance downtown commerce

and activity. To that end, the Council ad hoc committee recommends continuation of their efforts, increase of their fee, and adoption of the one-year extension of the agreement.

The proposed fee structure is similar to that of the predecessor agreement, i.e., base payments plus an increase for CPI.

POLICY

REFERENCE: 2003 General Plan; 2006 Economic Development Strategy.

FISCAL

IMPACT: From FY 2006 payment of \$78,100 to a proposed \$82,000 for FY 07. The proposed payments are included in the adopted 4-year Financial Plan.

OPTIONS:

- A. Approve, and Authorize the Mayor to Execute, the Agreement.**
- B. Amend, Modify or Reject the Agreement.**

Attachment: 10/25/06 Main Street Letter
9/18/06 City Letter

Downtown Paso Robles Main Street Association

BOARD OF DIRECTORS

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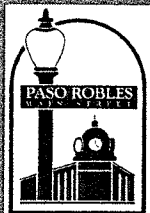
Norma Move
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pasoroblesdowntown.org



October 25, 2006

James App, City Manager

City of Paso Robles

1000 Spring Street

Paso Robles, CA 93446

Dear Mr. App,

The Paso Robles Main Street Association agrees with you that a successful downtown is an important factor in the city's economic vitality, and our organization is integral to the success of the city's 2006 Economic Strategy.

To this end, we appreciate and accept the city council ad hoc committee's offer to extend our contract through June 30, 2007, at \$78,100 with an increase to \$82,000 to partially account for inflation and cost increase to our program.

However, we would welcome the opportunity, this Spring, to work with the city on evaluating economic development objectives and level of the city's commitment to the Main Street program.

As we move forward and the downtown continues to rebound with the new construction, newly retrofitted buildings, and new businesses moving into the downtown, Main Street looks forward to the challenges of a growing, prosperous downtown.

Sincerely,

John Roush (Park Cinema)
Board Member

John Boes (Rental Depot)
Board Member

Jim Reed
(Rose in the Woods
& Park Cinema)
Board President

Darren Barnes (Santa Lucia Bank)
Board Treasurer

Matt Masia (Adelaide Inn)
Board Member

BD:sca

September 18, 2006

Ms. Norma Moye, Executive Director
Paso Robles Main Street Association
835 12th Street
Paso Robles, California 93446

Dear Norma:

Thank you for preparing and presenting the Main Street Association proposal to continue downtown business promotion and historic preservation services during Fiscal Year 2006/07.

The Paso Robles Main Street Association has been an important contributor to the City's effort to promote downtown businesses and historic preservation. A strong, successful and historic downtown continues to be an important factor in the City's economic vitality, thus continuation of your services is also important. Concurrently, and looking forward, the 2006 Economic Strategy includes other high priority economic development objectives that will be considered for funding by the City Council in the Spring. It seems appropriate, therefore, to continue discussions concerning long-term economic development needs through the same time period.

To this end, the City Council's ad hoc committee (Council Members Gary Nemeth & Fred Strong) will be recommending to the City Council that City and Main Street economic development discussions, and the current contract, continue through June 30, 2007. Specifically, they will recommend that the base contract commitment of \$78,100 be adjusted for inflation to recognize cost increases. The proposed revision will provide a new rate totaling \$82,000 for the twelve months July 1, 2006 – June 30, 2007.

Your comments regarding this recommendation are welcome. The matter will be scheduled for formal consideration by the City Council in October 2006.

Thank you!

Sincerely,

James L. App
City Manager