



## Council Agenda Report

Item 6d

**Department:** Administration  
**Cost Center:** 1004  
**For Agenda of:** 6/15/2021  
**Placement:** Consent  
**Estimated Time:** N/A

**FROM:** Greg Hermann, Deputy City Manager  
**Prepared By:** Lee Johnson, Economic Development Manager

**SUBJECT:** DOWNTOWN SLO AGREEMENT 2021-23

### RECOMMENDATION

Authorize the City Manager to negotiate and approve the two-year agreement with Downtown SLO and other agreements as needed to execute the Downtown related initiatives in the 2021-23 financial plan.

### DISCUSSION

The City's Economic Development Program is responsible for implementing the policies laid out in the City's Economic Development Strategic Plan (EDSP) as well as the initiatives outlined in the City's Economic Recovery, Resiliency and Fiscal Sustainability Major City Goal. The recovery and vitality of the City's downtown is a critical piece of the City's short- and long-term economic health.

### Background

The agreement with Downtown SLO (Attachment A) is the foundation of the City's cooperation to ensure the success of the downtown. Downtown SLO's mission is to foster an economically vibrant downtown by providing promotional activities to benefit downtown businesses including but not limited to Farmers' Market, Concerts in the Plaza, and seasonal holiday events. The Downtown SLO also manages the Clean and Safe Ambassador Program which provides litter and graffiti removal, sidewalk and gutter sweeping, and cleaning services beyond the baseline services provided by the City. Downtown SLO also provides an educational series on a wide range of topics for business owners, managers, and employees. This agreement also includes several new initiatives including, the "Light up Downtown" holiday program, leading a vacancy task force, and supporting the "Dining in the Plaza" initiative.

In addition to the City collected revenue through the Downtown Business Improvement District assessments, which is passed directly to Downtown SLO, the City is also planning to allocate up to \$150,000 (\$100,000 in direct funding and up to \$50,000 in matching funds) per year in additional funding for the "Light up Downtown" holiday program and up to \$65,000 in funding for the Clean and Safe Program per year.

This report requests authorization for the City Manager to negotiate the final funding and scope of work based on the adoption of the financial plan and current status of the State's reopening plans.

**Previous Council Action**

On June 18, 2019, the Council approved the last two-year agreement with Downtown SLO.

**Policy Context**

The recommendation for renewing agreements for the years 2019-21 are supported by the City's EDSP and the adoption of the 2021-23 Major City Goal of Economic Recovery, Resiliency and Fiscal Sustainability.

**Public Engagement**

Through forums and surveys, community members expressed a desire for the downtown to remain a focus as part of the 2021-23 Major City Goals.

**CONCURRENCE**

The proposed agreement for Downtown SLO has the concurrence of the Administration, Police, Parks and Recreation, Public Works and Utilities departments.

**ENVIRONMENTAL REVIEW**

The California Environmental Quality Act does not apply to the recommended action in this report, because the action does not constitute a "Project" under CEQA Guidelines Sec. 15378.

**FISCAL IMPACT**

Budgeted: Yes

Funding Identified: Yes

Budget Year: 2021-22,2022-23

**Fiscal Analysis:**

<b>Funding Sources</b>	<b>Total Budget Available</b>	<b>Current Funding Request</b>	<b>Remaining Balance</b>	<b>Annual Ongoing Cost</b>
General Fund	\$430,000	\$430,000	\$0	\$215,000
Other (Special Fee District):	\$505,000*		\$505,000	NA
<b>Total</b>	<b>\$935,000</b>	<b>\$430,000</b>	<b>\$505,000</b>	<b>\$215,000</b>

\*The budget for the downtown assessment is \$245,000 for 2021-22 and \$260,000 for 2022-23. This position is not part of this contract but is shown for reference.

**ALTERNATIVES**

The City Council may choose to not authorize the City Manager to negotiate and approve the two-year agreement and other related agreements. This is not recommended as Downtown Vitality is a key component of the Major City Goal of Economic Recovery, Resiliency and Fiscal Sustainability.

The City Council may choose to approve partial funding for the agreement. This is not recommended as the proposed agreements are cost effective tools in advancing the City's economic development initiatives.

**ATTACHMENTS**

A – Downtown SLO Agreement 2021-23