



Downtown San Mateo Association

2018-2019 Annual Report

Overview

The past year has been particularly challenging for the Downtown San Mateo Association (DSMA). Former DSMA Executive Director Ann Fienman resigned from her position, leaving the organization to operate through the efforts of an all-volunteer board and administrative assistance from City Hall. Despite the loss of an Executive Director, the DSMA has continued the tireless work of successfully promoting San Mateo's unique and thriving downtown.

In FY2019, the DSMA accomplished the following:

- Updated and distributed 3,000 downtown restaurant guides
- Created six full color Holiday ads in the San Mateo Daily Journal
- Professionally produced a full-page ad in Explore Magazine which is placed hotel rooms in San Mateo, Santa Clara, and Santa Cruz counties
- Moved out of the DSMA offices and into the City's downtown office
- Held ten monthly board meetings
- Organized a well-attended holiday mixer for downtown business owners
- Held a full day board retreat with a facilitator to set goals and priorities for 2019-20
- Produces a monthly e-newsletter announcing downtown news and events
- Continued with the Downtown Cleaning Porter
- Recruited three board members – Martin Kent of Draper University, Seamus Whitley of Nutanix, and Joe Sully, local property owner
- Participated on the hiring committee for the City's Downtown Coordinator position

As a reminder, each year since 1986, the DSMA has been designated by the City Council to manage the Downtown Business Improvement District. Originally activated to serve a largely retail-oriented district, the DSMA now manages a district with a much broader range of businesses.

Thanks to its regionally central location and proximity to CalTrain, downtown San Mateo is an employment hub and a popular place to meet for both business and leisure purposes. Commuters and leisure visitors come from San Francisco, Santa Clara County and the East Bay, as well as nearby Peninsula communities. Downtown is known for its vast abundance and variety of restaurants, which comprise more than 20% of district businesses. It is also an important node in the Silicon Valley ecosystem, hosting the offices of start-ups and techbased companies large and small. The presence of Mills Medical Center means that downtown also includes many medical professionals and other healthcare uses. While there are traditional retailers in the district, the storefronts on most blocks are dominated by food purveyors, along with services such as salons, fitness studios and banks. The blocks east of the railroad tracks also have a variety of automotive uses.

Downtown workers make up a sizable portion of downtown customers, and the district buzzes with activity during the work week and into the evenings. Weekends are also busy both day and night with residents and visitors enjoying downtown's offerings. The DSMA utilizes social media to promote downtown's unique offerings on a daily basis. This has proven to be an extremely effective way to attract downtown visitors; particularly for the restaurants.

While many downtown visitors have recently commented on improved cleanliness in the area, growth in the quick-service restaurant sector in recent years has contributed to ongoing issues, such as increased litter and the constant presence of overfilled waste bins on the sidewalks. Increased pedestrian traffic in this very popular district also adds to the need for services. The DSMA has addressed these issues by contracting with Universal Site Services.

Under the current contract, the DSMA provides a 48-hour a week cleaning porter to wipe trash cans, sweep sidewalks and ensure downtown is clean and attractive.

There is always more that can be done to support and promote downtown. Besides its own efforts to do so, the DSMA sees itself as an organization which helps to supplement City Hall's efforts as well. It is important to note that the DSMA has not seen an assessment increase in ten years. However, there is an opportunity to explore a modification of assessments downtown such that better services can be provided, cleanliness and beautification initiatives can be implemented, marketing dollars can be accessed and there can be greater equity among the varied downtown businesses.

DSMA FOCUS AREAS

DSMA activities for the past several years have addressed three focus areas:

- Civic Partnership
- Community Engagement
- BID Member Engagement

Each of these activities are detailed below.

Civic Partnerships

The DSMA routinely works with city staff from Public Works, Planning, Parks and Recreation, and the City Manager's office on projects affecting downtown. Here is a summary from the past year.

Downtown Beautification and Cleanliness

- Provide daily oversight of private contractor for cleaning porter services
- DSMA Design & Improvement Committee leads quarterly walk-arounds to identify and address cleanliness and maintenance problems. The committee also presents Gem Awards to recognize businesses that maintain an outstanding street-front appearance
- Contracts a private contractor to install seasonal banners on light posts
- Cooperates with downtown Post Office to ensure landscaping and sidewalks are kept clean
- Work with City to implement new trash ordinance downtown

Additional civic partnership activities

- Work closely with the San Mateo Police Department on public safety downtown; the SMPD is represented on the DSMA Board of Directors.
- Business outreach for city initiatives including street tree lighting, trash enclosures, adopt-a-drain
- New modular newspaper racks were installed by the City in March 2019 as a result of a survey done by the DSMA in 2017
- Promotional support for City-sponsored events including Central Park Music Series, Winter Wonderland
- Support of Freedom Train event with CalTrain
- Lobbying of City Hall to repave Third Avenue

Community Engagement

Public outreach builds interest among local audiences and invites them to explore Downtown San Mateo for a variety of experiences. Primary audiences are downtown workers, San Mateo and Peninsula residents, and visitors to local hotels and events.

Public Events and Pop-ups

- Sponsored North B Fiesta in collaboration with the North B merchants which boasted 500+ attendees in September 2018
- Supported/promoted Holiday Train, which drew 700+ attendees to downtown station
- Supported the MLK Event at the train station with logistical and fiscal support
- Promotional support for independent downtown events including: Summer concert series, Autumn Moon Festival, ice rink, San Mateo County Firefighters' Chili Cook Off, Breakfast with Santa

Marketing Efforts

Print Materials

- Updated and distributed over 3,000 Restaurant Guides in locations around San Mateo, including local hotels
- San Mateo Daily Journal Holiday Ad, Silicon Valley magazine, and Explorer Magazine, which is distributed to 15,000 rooms in 75 hotels in San Mateo, Santa Clara, and Santa Cruz counties

Social Media/Online

- Enables DSMA to share news about our businesses and extend the marketing reach of individual businesses. Our combined Facebook, Twitter, and Instagram audiences now exceed 10,000 followers
- Downtown San Mateo Monthly Update email blast goes to more than 1,500 community subscribers and business owners. The email update regularly achieves an open rate of over 35% which is excellent by industry standards
- Improved Media Content includes features of local restaurants and businesses, history, testimonials from visitors, business owners, familiar local stakeholders, events, City announcements, and media/news items
- Improved social media engagement with an average of 1,000 views per post
- Social Media ads are being utilized to boost engagement as well as drive traffic to the DSMA website and City website when appropriate. Ad buys are targeted based upon several factors including geography, age and audience interests
- Updates to DSMA website for greater impact, timely content, and the ability to more easily gather data
- Hired a professional photographer to take images of downtown locations
- Utilizing video post content for greater engagement

Outreach Consultant

The DSMA has contracted with LT & Associates Strategic Communications to coordinate a more integrated marketing and outreach approach. This includes:

- Improved and expanded social media content
- Implementation of targeted DSMA messaging campaigns
- Vetting and leveraging effective marketing applications and tools
- Expand relationships among government agencies
- Work more closely with the San Mateo Chamber of Commerce
- Engage the media more often
- Work more closely with City Council members
- Regular presence by DSMA members at Council/Commission meetings
- Update DSMA website with more effective content and tools
- Improve creative and visual tools for more robust communication campaigns

BID Member Engagement Milestones FY2019

While BID membership is automatic based on a district address, awareness and participation can be improved. The DSMA strives to engage BID members and add value to the varied businesses located downtown. Examples of engagement by the DSMA include:

- Personal outreach visits by DSMA board members to new downtown businesses
- Coordination of regular outdoor cleaning services to promote a downtown in which people enjoy spending time
- Enlisted and supported merchant participation in Shop Small Saturday, a national effort to promote local business on the Saturday after Thanksgiving
- Hosted holiday mixer to attract new members and engage existing members
- Held a well-attended all-day DSMA Board retreat facilitated professionally. Honing the DSMA's mission and setting priorities was the focus of the retreat
- Regular features of new downtown businesses via social media
- Increased frequency of board meetings: from five in FY2018 to ten in FY2019
- Increased consistency of board member attendance and participation

Additional DSMA Milestones FY2019

- Strengthen economic development collaboration with local organizations as well as the City
- Added three Board Members: Martin Kent, Draper University, Seamus Whitley, Nutanix, and Joe Sully

- Participated in hiring committee for Downtown Coordinator

DSMA Goals for FY2020

- Continue plan to modify assessments by hiring a consultant to manage an assessment study
- Develop a communications plan to further the DSMA brand
- Revitalize Marketing Committee as a member roundtable to implement focused marketing efforts
- Renew the Downtown children's Halloween event
- Sponsorship of the proposed September Thursday Night Concert series
- Strengthen economic development collaborations with local organizations
- Membership and public engagement online
- Surveys and polling via online tools for real-time feedback
- Targeted messaging campaigns throughout the year which will feature various downtown attributes
- Cut print advertising costs with improved social media campaigns
- Create relationships with developers and tech companies coming into the area
- Regular representation at Council and Commission meetings
- Updates to council (2x/year) to inform and report on campaigns and progress
- Leverage local transit organizations for co-branding and marketing/PR opportunities (i.e. CalTrain, SAMTRANS, Uber, and Lyft)
- Expand board membership
- Improved board member participation
- Set up Board Committees to facilitate more participation

In summary, the DSMA seeks the continued support of the City Council. Even in the absence of an Executive Director, the organization still works to attract visitors, promote local businesses, and maintain a clean downtown. We feel with more resources we can do an even better job. This is why we will be embarking on a study to determine the feasibility of modifying the current assessment structure, which has been in place since 2009.

Budget FY2020 Overview

The DSMA FY2020 Budget has a planned overrun of \$47,250. This deficit is a reflection of the commitment of the DSMA to provide support and services to the Downtown area. The following are a summary of the major budget highlights (detailed in Appendix: Budget Detail):

- Revenue is projected to decline in the FY2019 Estimate and FY2020 Budget compared to FY2017 and FY2018
 - A reflection of an unchanged BID assessment policy for the past 10 years
 - There is the potential of decreased revenue if there are less businesses downtown due to tenant expansion, which will decrease the total amount of businesses
- Support of Program Services to benefit the Downtown area
 - Downtown cleaning service seven days a week to keep the area litter free so that visitors will enjoy their experiences and want to return
 - Marketing consulting services to provide outreach and promotion
 - Downtown event support
 - BID consultant to review how BID assessment is handled in different downtown associations and recommend possible changes to the San Mateo BID process
 - Professional outside accounting review

The DSMA has the savings from operating on an all-volunteer administration for over the last year to sustain this budget overage. While the volunteer administration is not sustainable as a model, the current savings can be used to expand the services of the DSMA and one-time expenditures in the FY2020 budget year. The DSMA projects a cash balance of \$242.9K at the start of FY2020 and projects a cash balance of \$195.6K at the end of FY2020, which will allow for the planning of full time Executive Director and other improvements to keep the DSMA viable.

Estimated Income and Expenses

Downtown San Mateo Association FY 2020


Projected Income

Estimated Collection of Business Assessments	\$ 190,000
MLK Event at Train Station Support	<u>\$ 250</u>
Total Projected Income	\$ 190,250

Projected Expenses

Management and General	\$ 21,156
Program Services	
Civic partnership: cleaning and beautification	\$ 80,544
Marketing and community outreach	\$ 72,800
BID Consultant	\$ 30,000
Event Sponsorships	\$ 30,000
Holiday Banners	<u>\$ 3,000</u>
Total Projected Expenses	\$ 237,500

Appendix: Budget Detail

				
Budget Highlights - DSMA				
Annual Budgets FY2017-FY2020				
	FY2017 (Act)	FY2018 (Act)	FY2019 (Est)	FY2020 (Bud)
FY Beginning Cash	\$ 158,697	\$ 147,657	\$ 198,362	\$ 242,898
Total Income	\$ 209,029	\$ 199,646	\$ 190,000	\$ 190,250
Total Expenses	\$ 220,069	\$ 148,940	\$ 145,000	\$ 237,500
Net Income	\$ (11,040)	\$ 50,705	\$ 44,536	\$ (47,250)
FY Remaining Cash	\$ 147,657	\$ 198,362	\$ 242,898	\$ 195,648
Major Budget Items				
Total Payroll	\$ 127,397	\$ 87,004	\$ 346	\$ -
% of Income	60.9%	43.6%	0.2%	0.0%
Downtown Clean up	\$ 11,960	\$ 10,331	\$ 72,814	\$ 80,544
% of Income	5.7%	5.2%	48.6%	42.3%
Marketing	\$ 21,581	\$ 10,888	\$ 4,800	\$ 9,200
% of Income	10.3%	5.5%	11.3%	4.8%
Professional Services		\$ 2,000	\$ 31,600	\$ 75,800
% of Income	0.0%	1.0%	11.3%	39.8%
Consulting	\$ 5,685	\$ 640	\$ 1,000	\$ 30,000
% of Income	2.7%	0.3%	11.3%	15.8%
Holiday Banner	\$ 4,800	\$ 5,162	\$ 2,445	\$ 3,000
% of Income	2.3%	2.6%	1.6%	1.6%
Event Expense	\$ 10,694	\$ 6,086	\$ 3,097	\$ 30,000
% of Income	5.1%	3.0%	2.1%	15.8%
Other	\$ 5,085	\$ 3,096	\$ 3,882	\$ 2,250
% of Income	2.4%	1.6%	2.1%	1.2%
Total of Major Items	\$ 187,201	\$ 125,207	\$ 119,984	\$ 230,794
% of Income	89.6%	62.7%	63.9%	121.3%
% of Expenses	85.1%	84.1%	91.0%	97.2%

DSMA Major Item Budget Estimate Details		
FY2020 (July 1, 2019 to June 30, 2020)		
		Amount
Total Payroll (Income, Tax, Benefits)		
	* No plans on hiring an Executive Director in 2020	\$ -
Downtown Clean up		
	* Keeping the same level of clean up across 12 months (\$6,712/mo)	\$ 80,544
	* Enhancement & Beautification	\$ -
		Subtotal - \$80,544
Marketing		
	* Advertising and Promotion	\$ 2,500
	* Explorer Magazine Advert	\$ 4,500
	* Website Maintenance	\$ 700
	* Printing	\$ 500
	* Graphic Design	\$ 500
	* Communications	\$ 500
		Subtotal - \$9,200
Professional Services		
	* Accounting Services	\$ 1,000
	* Tax	\$ 1,200
	* Audit	\$ 10,000
	* Social Media (\$1,300/mo)	\$ 15,600
	* Outreach/Marketing (\$4,000/mo)	\$ 48,000
		Subtotal - \$75,800
Outside Consulting		
	* BID Review Consultant	\$ 30,000
		Subtotal - \$30,000
Holiday Banner		
	* Banner Services	\$ 3,000
		Subtotal - \$3,000
Event Expense		
	* Sept 2019 City Event	\$ 25,000
	* Misc Event Expense	\$ 5,000
		Subtotal - \$30,000
Other		
	* Board Meetings	\$ 500
	* Office Supplies	\$ 750
	* General Liability Insurance	\$ 1,000
		Subtotal - \$2,250

Total - \$230,794

Appendix: DSMA Board of Directors

Robert Anderson – Downtown Resident

Brett Barron – Capital Realty

Nancy Bush – Heritage Bank of Commerce

Steve Carey – LifeMoves

Lew Cohen, President – B Street Books

Chris Giotinis – SC Properties

Todd Han – Dynadot

Martin Kent – Draper University

Colleen Rafferty, Vice President – Christensen & Rafferty Fine Jewelry

Steve Sirriani – All About Parking

Joe Sully – Downtown Building Owner

Susan Uzunoglu – Susan's European Beauty Therapy

Seamus Whitley, Treasurer – Nutanix