



CITY OF

NEWPORT BEACH

City Council Staff Report

June 23, 2020
Agenda Item No. 12

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Approval of COVID-19 Economic Relief Funding Support for the
Balboa Island Merchants Association, Inc.

ABSTRACT:

At its May 26, 2020 meeting, the City Council expressed general support for including \$20,000 in the City's Fiscal Year 2020-21 General Fund budget for COVID-19 economic relief funding for the Balboa Island Merchants Association, Inc. (BIMAI). The funding would be not be allocated, however, until the Council received and approved a report from BIMAI that outlines the efforts it has undertaken and completed in the past year, a plan and budget outline for how it would use COVID-19 economic relief funding, and certain financial statements. BIMAI has submitted its report for the Council's consideration.

RECOMMENDATION:

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly;
- b) Approve the Balboa Island Merchants Association, Inc. (BIMAI) Fiscal Year 2019-20 Annual Report, Fiscal Year 2020-21 Proposed Projects and Budget, Profit and Loss Statement for FY 2019-20 and balance sheet of current assets;
- c) Authorize the City Manager to allocate \$20,000 in COVID-19 Economic Relief Funding Support to BIMAI in Fiscal Year 2020-21; and
- d) Authorize the City Manager to execute a grant agreement with BIMAI for Fiscal Year 2020-21.

FUNDING REQUIREMENTS:

The City's approved FY 2020-21 budget includes sufficient funding to allocate \$20,000 to BIMAI in COVID-19 economic relief funding. It will be expensed to the City Manager's Office, Economic Development Division, Community Support Expense Account 01020202-821015.

DISCUSSION:

About BIMAI

Balboa Island Merchants Association, Inc. (BIMAI) represents approximately 120 businesses and is committed to supporting tourism and economic growth, providing business promotion, and advocating for area enhancements. The merchant association works closely with Newport Beach and Company (NB&Co.) for its marketing, public relations, and outreach efforts. NB&Co. hosts and maintains the BIMAI's website; develops and posts social media content; and facilitates a variety of special events, promotional opportunities and strategic advertisements. BIMAI was formerly known as Balboa Island Marketing Inc. or BIMI.

COVID-19 Relief Funding Proposal for FY 2020-21

At the May 26, 2020 City Council meeting, the Ad Hoc Committee on Local Business Advancement (Committee) presented its recommendations to the City Council. One of the Committee's short-term recommendations was to provide City financial support in the amount of \$20,000 to the Balboa Island Merchants Association, Inc. (BIMAI) specifically for marketing and to help their member businesses reopen and recover from the financial impact of the COVID-19 pandemic during FY 2020-21.

The City Council took a straw vote and the majority was in support of including the funding in the City's Fiscal Year 2020-21 General Fund budget. The Council agreed that funds should not be allocated until BIMAI submits a report for the Council's review and approval that outlines the efforts BIMAI has undertaken and completed in the past year, a plan and budget outline for how it would use the City funding, a profit & loss statement for FY 2019-20, and a balance sheet of current assets. BIMAI has submitted its report (Attachment A) for the City Council consideration.

The attached report indicates BIMAI will focus its efforts on creating a comprehensive marketing campaign, branding and promotions to further encourage dining and shopping on Balboa Island. BIMAI is forming a collaborative partnership with the Balboa Village Merchant Association (BVMA), to cross market the unique shopping, dining, recreation and lodging options and further drive traffic and sales to both commercial districts. This "Best of Balboa" campaign would link Balboa Village and Balboa Island through the ferry and target two main shopping seasons for the area: end-of-summer and winter.

In addition to the "Best of Balboa" marketing plan, BIMAI intends to develop a long-term merchant communication plan to communicate health, safety and other COVID-19 recovery information.

In order to execute the “Best of Balboa” campaign, BIMAI would combine its \$20,000 in COVID-19 economic relief funds, BVMA’s \$40,000 in COVID-19 economic relief funds and an additional \$10,000 in cash reserves from both merchant associations, for a total project budget of \$80,000. The breakdown for the campaign is as follows:

Proposed Expenditure	
Paid Partnership (Waze Mobile App & Media Partnership)	\$15,000
Paid Advertising (LA Times, StuNews, Google, Pandora Radio, Social Media Ads, etc.)	\$20,000
Virtual Media Kick-Off Event (Zoom, Online Press Kit)	\$0
Promotional Signage (Posters, Banners, Point-of-Sale Tent Cards, Window Clings, Utility Bill Inserts, etc.)	\$7,000
Collateral (Printed Passport)	\$10,000
Rubber Stamps/Stickers for Winners (to be applied to passport)	\$1,000
Mobile Passport Software Fees (iPhone/Android)	\$15,000
Media Influencers/Bloggers	\$2,000
Research/Tracking (Economic Impact Study)	\$5,000
“Eat.Sea.Do” Video Series Production	\$5,000
Total Expenditure	\$80,000

In addition to providing more detailed information about the “Best of Balboa” marketing campaign, BIMAI’s report includes for the Council’s review a list of BIMAI’s FY 2019-20 accomplishments and its FY 2019-20 profit & loss statement and a balance sheet of current assets.

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find this action is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

NOTICING:

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

ATTACHMENT:

Attachment A – 2020-2021 Balboa Island Merchants Association, Inc. COVID-19 Economic Recovery Marketing Plan