

MEMORANDUM

TO: Donna Barron, City Manager

FROM: James Kunke, Community Relations and Tourism Director

DATE: March 16, 2020

SUBJECT: **Approval of a Professional Services Agreement with Tonic3 in the Amount of \$166,200 for 12 Months of Professional Services Related to Old Town Branding; Authorization for the City Manager to Execute the Agreement; and Approval of a Supplemental Appropriation in the Amount of \$166,200 from the Hotel Motel Fund Reserve.**

BACKGROUND

Old Town Lewisville is a distinct district within the city, with buildings dating back to the 1880s. Since at least 2000, City Council has prioritized revitalization of Old Town into a residential and commercial center, with an emphasis on entertainment tourism.

Council was approached in April 2018 by representatives of the Main & Mill Business Association about their desire for a refreshed branding campaign to market Old Town and encourage both development and visitation. In response, City Council appointed a diverse group of 13 residents, business operators, developers, and land brokers to the Old Town Branding Task Force.

The group met monthly during the fall and winter, hearing presentations by experts in revitalization of historic downtowns and discussing their own visions for Old Town Lewisville. In December, the task force approved language for an RFP document that identified a shared vision and established priorities and desired outcomes for the branding campaign.

Through the RFP process, Tonic3 was selected to develop the branding package. The new brand package for Old Town Lewisville was selected by the Task Force in November 2019 and presented to City Council in December 2019.

The attached agreement is for the first year of brand implementation and includes plan development, materials design, and digital coding and creation. It includes an optional second-year extension.

ANALYSIS

When the Tonic3 agreement for brand development was brought to City Council on June 3, 2019, the staff memo noted: “It is expected that the implementation plan will recommend activities and materials not currently included in the city’s marketing budget, possibly including the ongoing use of Tonic3 or another firm to provide additional creative and advisory services. If that is the case, a budget package will be prepared for consideration.”

This proposed agreement with Tonic3 for brand implementation does include services and materials not currently included in the city's marketing budget. As a result, a supplemental appropriation is being requested for the first year. The appropriation request is from the Hotel Fund because much of the Old Town branding implementation will target tourism. However, because it also targets new residents and businesses in addition to visitation, staff expects at least part of the year-two request will come from the General Fund if the agreement is extended.

Recommended branding activities during the first year of implementation (detailed in the attached draft agreement) include:

- Conduct brand immersion and planning workshops with city staff, marketing vendors currently working on behalf of the city on projects related to Old Town, and community partners, including Main & Mill Business Association.
- Creation of a fully functional Old Town Lewisville website and integrating affiliate websites into the branding.
- Creation of a new base mobile application for Old Town Lewisville that will include an interactive virtual reality/augmented reality experience.
- Adding the new brand to existing signage, wayfinding, banners, and gateways; and adding new materials where needed.
- Creating a coordinated plan for print and online advertising by the city and its partners.
- Supporting the brand launch with a focused marketing campaign and marketing events.
- Measuring results of the branding campaign.

Some of the new or re-designed materials already are included in the marketing budget. Design work on many of those items is not currently budgeted so is included in this agreement with Tonic3. The timeline calls for a brand launch in mid-2020.

Recommended branding activities during the second year of implementation include continuation of year-one efforts plus up to four coordinated marketing campaigns and additional VR/AR mobiles for the mobile application. Estimated cost of services is \$129,000 and would be considered as part of the FY 2020-21 budget process.

RECOMMENDATION

That the City Council approve the agreement as set forth in the caption above, authorize the City Manager to execute the agreement, and appropriate \$166,200 from the Hotel Fund Reserve for the first year of the agreement.