



STAFF REPORT

April 06, 2022

File Number 0600-10; A3403

SUBJECT

INNOVATE78 MEMORANDUM OF UNDERSTANDING

DEPARTMENT

Economic Development

RECOMMENDATION

Request the City Council adopt Resolution No. 2022-48, authorizing the City Manager to execute, on behalf of the City of Escondido, a Memorandum of Understanding with the cities of Carlsbad, Oceanside, San Marcos and Vista for funding of a consultant services agreement with the San Diego North Economic Development Council and JPW Communications to continue the “Innovate78” collaborative economic development initiative.

Staff Recommendation: Approval (Economic Development Department: Jennifer Schoeneck)

Presenter: Jennifer Schoeneck, Deputy Director of Economic Development

FISCAL ANALYSIS

The 78 Corridor cities released a Request for Proposals (RFP) for marketing activities to support Innovate78 in September 2021 and 17 firms submitted proposals. After careful evaluation, interviews and analysis, the 78 Corridor cities wish to contract with JPW Communications to administer services in support of the Innovate78 initiative. The initial agreement will be for a term of two years. The scope of services outlined will be for marketing and communications activities in an amount not to exceed \$100,000 annually, to be shared equally among all five cities for an individual city contribution of \$20,000 each year.

The 78 Corridor cities have had an MOU in place since Innovate78’s inception, which outlines the financial and collaborative responsibilities of each city to jointly support Innovate78. The MOU designates the contract holder, which rotates to one of the five cities every two years to manage the funds and contract payments. Per the MOU (Exhibit B), for the fiscal years 2021-22 and 2022-23, the City of Oceanside will manage the contract with JPW Communications for the required services, as set forth in the Scope of Work (Exhibit A). In turn, each city will contribute an equal financial share for the JPW Communications work, based on the terms outlined in the MOU between the cities. The length of the proposed contract is two years and each city agrees to contribute a total of \$40,000 (\$20,000 annually). The City of Oceanside will collect the funds from the partnering cities and make the required payments to JPW Communications as outlined in the MOU. The total cost for the two-year service agreement is \$200,000 for which JPW Communications agrees to:



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- Host and manage content for the Innovate78.com website
- Elevate the Innovate78 brand through paid and earned media
- Provide marketing support to SDNEDC's Innovate78 business retention, expansion and attraction strategies
- Provide marketing support to expand the North County entrepreneurial ecosystem Additional services are outlined in the Scope of Work attached to the Professional Services agreement (Exhibit "B" to Resolution No. 2022-48)

PREVIOUS ACTION

None.

BACKGROUND

The Innovate78 regional economic development initiative was launched in 2014 as a collaborative model among the 78 Corridor cities to work cooperatively in support of a robust North County regional economy. Through Innovate78 the City's Economic Development staff have worked with the 78 Corridor partner cities to advance comprehensive economic development strategies focused on business retention and expansion, talent pipeline development, strategic marketing of the Innovate78 brand, and expanding the region's entrepreneurial ecosystem. The 78 Corridor cities recognize that the region can better position itself to attract talent, investment and companies by working together instead of competing with one another.

An important component of the City's economic development work is the Innovate78 initiative. Through Innovate78, the cities of Carlsbad, Escondido, Oceanside, San Marcos and Vista work together to ensure that companies see value in locating and expanding their business along the 78 Corridor. Through this initiative, businesses can access the following resources:

- Data and information about the 78 Corridor cities through the Innovate78 branded website and social media
- Connections to higher education through efforts like manufacturing roundtables and events with higher education institutions² .
- Assistance in applying for state funding and incentive programs such as the Cal Competes tax credit
- Economic development staff contact information when businesses are contemplating moving based on expansion or contraction needs.
- Access to information on regional programs such as MetroConnect and the SDG&E Economic Development Rate
- Startup and entrepreneurial information and events that bring together the startup community along the 78 Corridor to link founders with funders



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Since the start of the Innovate78 initiative, the San Diego Regional Economic Development Corporation (EDC) has administered the program on behalf of the 78 Corridor cities. In 2019, the EDC was awarded a contract through a competitive Request for Proposals process, and continued the work up until October 2021. Starting January 2022, the 78 Corridor cities will be adopting a new model for administration of the Innovate78 program through an enhanced membership with the San Diego North Economic Development Council (SDNEDC) at a cost of \$20,000 per year per city, and an agreement for marketing activities to support the SDNEDC work at a cost of \$20,000 per year per city. Although there is a two-month time lapse expected between the old and new models, Innovate78 will maintain an active social media presence during this transition period.

Innovate78 has achieved several specific milestones over the past several years including launching the Startup78 Initiative, hosting North County's first San Diego Startup Week event and creating the first comprehensive COVID-19 business resource guide for North County at the start of the pandemic.

RESOLUTIONS

- A. Resolution No. 2022-48
- B. Resolution No. 2022-48 Exhibit "A" Memorandum of Understanding
- C. Resolution No. 2022-48 Exhibit "B" Professional Services Agreement