

**FIRST AMENDMENT
TO PROFESSIONAL SERVICES AGREEMENT NUMBER F001338
WITH CREATIVE THINKING, DBA THE IDEA COOPERATIVE**

This First Amendment to Agreement number F001338, dated January 31, 2017 ("Agreement") is made as of this _____ day of _____, 2018, by and between the City of Santa Rosa, a municipal corporation ("City"), and Creative Thinking, Inc., a California Corporation ("Consultant"), dba The Idea Cooperative.

RECITALS

- A. City and Consultant entered into the Agreement for Consultant to provide new elements to the destination marketing campaign to promote Santa Rosa as a desirable tourism destination while encouraging local pride and business attraction.
- B. City and Consultant now desire to amend the Agreement for the purpose of extending the time of performance and increasing the encumbered funds.

AMENDMENT

NOW, THEREFORE, the parties agree to amend the Agreement as follows:

1. Section 1. Scope of Services

Exhibits A and B to the Agreement are replaced by Exhibit A to this Amendment.

2. Section 2. Compensation

Section 2(c) is amended to increase the compensation payable to Consultant under the Agreement by \$540,000 to read as follows:

"Notwithstanding any other provision in this Agreement to the contrary, the total maximum compensation to be paid for the satisfactory accomplishment and completion of all tasks set forth above shall in no event exceed the sum of seven-hundred, forty-thousand dollars and no cents (\$740,000.00). The City's Chief Financial Officer is authorized to pay all proper claims from Charge Number P42118."

3. Section 12. Time of Performance

The last sentence of Section 12 is amended to read as follows:

"Consultant shall complete all the required services and tasks and complete and tender all deliverables to the reasonable satisfaction of City, not later than June 30, 2021."

All other terms of the Agreement shall remain in full force and effect.

Executed as of the day and year first above stated.

CONSULTANT:

CITY OF SANTA ROSA

a Municipal Corporation

Name of Firm: Creative Thinking, Inc.

TYPE OF BUSINESS ENTITY (*check one*):

By: _____

☐ Individual/Sole Proprietor

Print Name: Chris Coursey

☐ Partnership

☒ Corporation

Title: Mayor

☐ Limited Liability Company

☐ Other (please specify: _____)

Signatures of Authorized Persons:

APPROVED AS TO FORM:

By: _____

Print Name: Tom Kavanaugh

Office of the City Attorney

Title: President

ATTEST:

By: Tom Kavanaugh

Print Name: _____

City Clerk

Title: Secretary

City of Santa Rosa Business Tax Cert. No.

20-2089999

Attachment: Exhibits A - Scope of Services and Compensation

AGENCY SCOPE & PROPOSAL

April 2, 2018

Phase 4 Summary

In 2017, the Out There campaign elevated its online experience significantly. The website was re-created to feature higher-value content and increase engagement. A range of unique and compelling articles were created and promoted through social media. The phase is culminating in an event that brings together a wide range of the campaign's featured artists, musicians, makers and more to bring the Out There experience to life in a compelling, immersive experience. The Out There Exposition is being highly promoted through social media that tapped into the networks of featured exhibitors.

- **Local Engagement** – Content was created for its ability to not only showcase Santa Rosa, but also to engage the local creative community. **The Out There Exposition** put in place an annual event for live local engagement. An **art book** was also created that showcases artwork from a broad range of local artists.
- **Organic Outbound Marketing** – Content was created to encourage engagement and each high impact post included a **Keys To The City Sweepstakes** offer to win SR-relevant prizes for e-newsletter sign-ups. Posts were promoted through both organic and paid social media. The first of two content pushes reached 19,286 people with 56,085 impressions and an average cost of \$23.45 per 1,000 impressions. Results for the second content push are pending.
- **Aesthetic Evolution** – The foundation of the move into an even edgier and more locally-focused creative direction for the brand was a completely re-designed website. In taking a “quality over quantity” approach to content development, the new site taps into the writing, design and artistic talents of the local community. The effect is an online experience that is much more visually striking and uniquely Santa Rosa. The evolution also opens the door to exploring broader design palettes in the future.
- **High Impact Media** – All posts were developed to high creative standards, featuring distinctly-written editorial and professional photography. Content is evergreen and available for re-use. It is also of a high enough quality to be of value to other media outlets for additional distribution.

Phase 5: OBJECTIVES & PRELIMINARY INITIATIVES

The Idea Cooperative will continue to build on the success of the “Out there, in the middle of everything campaign,” focusing on three primary initiatives with the overall objectives of increasing awareness, engagement and, ultimately, visits to Santa Rosa.

Timing July 1, 2018 > June 30, 2021 – Objectives and Initiatives re-evaluated annually.

1. **Increase Measurable Engagement Through High-Impact Social Media** – The Idea Cooperative will start by conducting a thorough Social Media Audit and developing a detailed Social Strategy. From that strategy a range of initiatives will be set to achieve specific objectives, primarily focused on increasing measurable online brand engagement. The Strategies and Objectives will be revisited and refined each year to continue building trackable metrics.
 - **Social Strategy** – The Idea Cooperative will develop a comprehensive Social Media Audit and Social Strategy to meet specific, measurable engagement metrics. A Content

Calendar will be created for both high-impact post development and Organic Social posting.

- **Continue High Impact Content Development and Sweepstakes** – The Idea Cooperative will continue to create, post and promote highly compelling content. As was established in 2018, the ongoing Keys To The City Sweepstakes will incent engagement with offers.
- **Expand and Set Cadence for Organic Social** – Drawing from the Social Strategy and Content Calendar, The Idea Cooperative will create a manage a consistent social presence for Santa Rosa that tracks against the objectives set in the Social Strategy.

Annual Estimated Costs: \$80,000

2. **Use Promotions To Incent Visits** – The Idea Cooperative will develop one promotional campaign annually with the specific objective of increasing visits to Santa Rosa. The strategy and details of the promotion will be developed early in the contract period each year, and the promotion will draw primarily on unpaid media (social, PR, word of mouth, etc.) In 2018, the promotion will either extend or evolve the Keys To The City Sweepstakes to a broader audience. Paid media or promotion prizes, if used, will be budgeted separately. An example of the type of promotions to be considered in year one is incenting people to visit through discounts and promotions at local businesses which can then be featured in content.

Annual Estimated Costs: \$50,000

3. **Establish The Out There Exposition As An Essential Santa Rosa Event** – The Out There Exposition is an event that aggregates all the people and cultural treasures curated by the Out There Campaign. In 2019, The Idea Cooperative will begin planning and preparation for the event early, and a new set of exhibitors will be set. Imagery created at the 2018 event will offer a broader range of visual assets for promoting the event. All learning from 2018 will be incorporated into making each year's event more successful.

Annual Estimated Costs: \$50,000

Total Costs/Annual: \$180,000

Total Costs (x3)/Contract: \$540,000

Campaign Background

Phase 1: (2013 > 2014) - Branding and Awareness Building

In September of 2013 the City of Santa Rosa Office of Economic Development launched a marketing campaign to promote the city as a destination that provided proximity, and yet also a more culturally progressive alternative, to wine country and other more established local attractions.

By targeting active, adventurous, free-spirited Millennials (25 to 45), the goal was to grow awareness among a target audience that would be attracted to the city's reputation for world-renowned craft-brewed beers, unparalleled cycling and emerging community of urbanites and artists.

Out There. In The Middle of Everything

The messaging strategy and creative positioning exercise revealed the campaign theme: *Out There. In The Middle of Everything*, that spoke in a playful way to Santa Rosa's unique combination of quirky, urban subculture and its proximity to a wide range of Northern California attractions and activities.

Alternative Media

A media plan was created to bring the Out There message to key tourist markets in LA, Portland and Seattle. Forgoing traditional print ads, the plan targeted trendy neighborhoods, and hipper, more tech-savvy target audiences through video ads on Pandora and in select movie theaters.

Viral-Ready Video

The fifteen second video ads featured quick cuts of compelling photography, a local musician scored soundtrack and clever headlines like: WHERE WINE COUNTRY MEETS BEER CITY and YOU CAN BE A LITTLE STRANGE. JUST DON'T BE A STRANGER. A web page was created at srcity.org to serve as a landing page for the campaign. Once there, prospective visitors could see not only the full campaign of short vids, but a series of video profiles were also created, giving people the chance to learn about Santa Rosa directly from interesting locals tapped into the best of Santa Rosa culture.

Phase 1 Summary

While in-theater metrics are hard to come by, the Pandora campaign generated a high, 2.2% click-through rate, generating over 10 million impressions. Perhaps most importantly, however, the campaign began to tap into a movement within Santa Rosa to celebrate all the things that make the city special. Seen as a grass-roots movement, as opposed to a traditional marketing campaign, the campaign was getting interest from a range of local sources.

Phase 2: (2014 > 2015) - Local Engagement and Original Content Creation

In April of 2014 the campaign shifted to focus more specifically on consumer engagement. The idea being that nobody told the Santa Rosa story better than the people who live, work and play here. So the decision was made to engage the local community in way that encouraged the creation of unique, very personal and individually compelling content. By bringing forward the real Santa Rosa, as revealed by the people who live here, the goal was to create marketing content that didn't seem like marketing – just interesting, passionate people talking about what they enjoy most about where they lived. That content could then be pushed out prospective visitors, offering an insider's perspective on Santa Rosa. Several touch points were created to gather and curate those stories.

OutThereSR.com

A new website was created as a destination for locals and tourists alike to discover Santa Rosa through a more authentic online experience. With local host bloggers in relevant categories like art, wine, beer, bikes and music, OutThereSR features an ever-evolving collection of original editorial that showcase the most interesting, if not the most universally well known, things to enjoy in Santa Rosa.

The Welcome Wagon

A bread delivery truck from a local bakery was converted into a rolling photo/video booth, bandstand, soundstage, billboard and local merchandise pop-up store. At local events, it's a place for people to have their photos taken and posted at OutThereSR.com. Bands can perform and be recorded. Merchandise is sold, and the color custom wrap makes the truck a big ad on wheels for the Out There campaign.

The Out There Dispatch

The Out There Dispatch is an e-newsletter program that pushes content out to locals and prospective visitors. It's an opt-in option for digital relationship building. A way for people to stay connected to what the locals love about Santa Rosa. Pulling from existing opt-in lists and other sources, the effort currently reaches approximately _____ people bi-monthly, with a _____ click through rate.

Share SR

In early 2015, a social hub was added to the site, creating a place for a wider range of locals to post and share their Santa Rosa stories. Under the heading ShareSR, the page provides a more personal,

individual engagement platform. Locals now have a place to share their insights into what makes Santa Rosa a great place to visit. Prospective visitors, along with longer form editorial at OutThereSR, can now get an even closer connection to the people of Santa Rosa. To promote local sharing, an incentive sweepstakes was created, with one post selected each month to receive a selection of SR merchandise.

Out There Merchandise

A range of SR-branded products have been created throughout the last year to help raise awareness of the campaign and build local pride. Along with t-shirts, trucker hats and stickers, notepads and prints of original artwork from local artists were made available for sale on the website and at local events.

Original Artist Series

Starting at the beginning of Phase 2, and ongoing, the city has reached out to local Santa Rosa artists to create original artwork as part of the campaign. To date, four well-known local artists have created extraordinary pieces, each one highlighting some reference to Santa Rosa, and incorporating, in their unique way, the Out There In The Middle of Everything theme line. The artwork now appears on merchandise and other marketing items. Limited edition posters are also available for sale online and at the Welcome Wagon.

Phase 2 Summary

Taken collectively, Phase 2 of the Santa Rosa Out There campaign had been incredibly effective at building local awareness of the unique marketing effort, and growing enthusiasm for celebrating and sharing what people love about the city. It's also provided a solid foundation of compelling, authentic and diverse content that can be used as we extend the campaign more aggressively to prospective visitors.

Phase 3: (2015 > 2016) - Outbound Relationship Building and Tourist Attraction

Moving into Fall of 2015 through 2016, the Out There campaign embarked on a range of initiatives to push our content out to a broader audience, driving awareness of Santa Rosa as an exciting destination to travelers throughout the greater Bay Area and beyond. Beforehand, however, we made sure the site was as buttoned up as possible for attracting, tracking and engaging with the new visitors.

SEO and Site Tracking Optimization

Before launching a major outreach campaign to drive people to the OutThereSR site, we subcontracted with a digital consultancy to improve Search Engine Optimization, general site stickiness and analytics. Some of the changes and additions included:

- Extensive keyword research
- Custom page titles and descriptions
- Competitive review for link-backs, citations and directory listings
- Addition of calendar application on site
- Revised post layouts to show date
- Add a street address to site schema
- Set up Google Webmaster Tools and set goals on Google Analytics
- Add an email sign-up pop-up
- Redesign site to limit white space and maximize above the fold content

All this was done before launching our online campaign to ensure the best possible results and analytics.

Outbound Campaign Strategy & Media Planning

To focus our efforts, and for maximum media efficiency and impact, we adopted a strategy of category micro-targeting for our outbound communications. Ads focused on "driving distance" markets (San Francisco and Sacramento) but some broader reach vehicles extended to LA, Seattle, Portland & San Diego.

High Value Content – Posts were created that appealed to two target audiences, one for cyclists and the other for beer enthusiasts. The posts were highly engaging, hyper-relevant to the audience, with a high production value.

Micro-Targeted Media – The media buy was planned to reach these identified target segments based on online behavior. Due to the specific nature of the category, we were able to identify very defined interest groups and create advertising that was highly relevant. Online banner ads were created along with video for Pandora and online video pre-roll advertising.

- **Beer** – For high value content, a long form, professionally written, photographed and designed blog post was created that featured all the current Santa Rosa artisan breweries. The advertising featured a short video that offered the article as an online tour guide of the local beer scene.
- **Bikes** – A beautiful, professionally produced video was created to serve as high value content on the website. The video featured a range of the top bicycle rides around Santa Rosa. Short clips and stills from the video were used for the online advertising campaign.

Campaign Results and Learning

Over an eight-week period, the outreach campaign achieved an impression reach of over 12 million.

Delivery:

- Pandora – 3,000,000
- Ad Taxi Video – 4,000,000
- Ad Taxi Static – 5,700,00

Across all three media vehicles, there were over 20,000 clicks:

Clicks / Click Through Rate / Cost Per Click:

- Pandora – 12,724 / .98% / \$1.65
- Ad Taxi Video – 4,193 / .10% / \$2.39
- Ad Taxi Static – 6,028 / .11% / \$1.67

Post campaign analysis revealed a response rate over *double the industry average*. This was attributed to the high relevance of the content and compelling, quality production value of the creative.

Pandora was by far the most effective vehicle, with the highest Click Through Rate and lowest Cost Per Click. Moving forward, we would advise moving away from standard pre-roll video advertising whose lower performance may also be attributed to its broader reach into more distant markets with less general awareness of Santa Rosa.

Site metrics?

Continuing Ambassador Content Creation

Throughout 2016 we maintained a weekly content cadence, with posts created by our local ambassadors in each of our key content areas. Santa Rosa marketing staff pushed the content out through social media to maintain a consistent, compelling, ongoing social media presence that garnered significant social engagement throughout the year.

Ongoing Local Engagement

A number of existing and new initiatives were created during 2016 to help raise awareness for the Out There campaign and grow local engagement. In the process, the design identity of the campaign has begun an evolution to move it further away from the Sonoma Wine Country look towards a “gritty in the city” aesthetic to ensure it stands out more in the context of other local destinations.

- **Welcome Wagon** – Continued presence at local events, taking photos, videos and extending through social media.
- **E-blasts** (Jan & July) – Two e-newsletters were sent out to the list of over (how many) recipients. Open rate and page views?
- **Merchandise** – A new line of products was developed that focuses on more unique and high value items. Each item is intended to appeal to locals and visitors who want something highly distinctive that also shows off their affinity for Santa Rosa.
- **Local Advertising** – Through ad buys in The Bohemian, ads appeared under two short run campaigns:
 - Content-Specific – To raise awareness for the original content on OutThereSR.com
 - Merchandise – To promote SR items for purchase during the holidays

Phase 3 Summary

Over the time period from late fall to the end of 2016 the Santa Rosa Out There campaign succeeded in raising awareness and driving online engagement within specific interest groups in the “day trip” geography of the Bay Area. The campaign reach and Click Through Rates show that a significant number of people saw and reacted to the campaign. This at a time when the OutThereSR site continues to become a more robust destination for original content, and a more highly optimized marketing tool for SEO, site metrics and online engagement. While the available analytics don’t track directly to tourism, the high response rates show that the campaign has been effective in increasing awareness of, and engagement with, the City of Santa Rosa.

PHASE 4: (2016 >2017) - High Impact Content Development & Promotion

Starting in 2017, the City of Santa Rosa Out There In The Middle of Everything campaign will move into its fourth year. To build on the momentum created to date, the campaign will focus on several key objectives. A preliminary set of initiatives are included, although these will be reassessed during the Strategic Roadmap phase at the beginning of the new contract time frame.

1. **Strategic Planning** – Based on the following objectives and preliminary initiatives, a comprehensive roadmap, or working marketing plan, will be developed to guide our efforts.

2. **Local Engagement** – Continue to increase local awareness and civic pride for the campaign. By making the campaign more supported locally, we help create brand ambassadors who spread the word about Santa Rosa wherever they go.
 - Merchandise – Offer highly desirable Santa Rosa branded items that are unique, distinctive and people are proud to own and wear.
 - Guerilla Marketing – Find unique and provocative places to spread the message of all the things happening here in Santa Rosa, from clever leave behinds, like coasters, to branded wall murals by local artists.
 - Maker Profiles – Showcase the wide range of interesting things being made here in Santa Rosa, but do it in a way that is uniquely Santa Rosa, not just a profile video.
 - Music Promotion – Continue work with North Bay Hootenanny and Second Octave to promote local music venues and create and disseminate music videos of local artists.
 - Original Artwork – Commission new original artwork from local artists that can be used as a merchandise item and as a design foundation for ongoing creative work.
 - Art Calendar – Daily planner style notebook or writing journal featuring local artwork.
 - Santa Rosa Event Promotion – Put the Out There campaign to work promoting existing events (beyond just blog posts) that are unique to Santa Rosa
3. **Organic Outbound Marketing** - Build on gains in awareness and engagement in key “driving distance” visitor markets that were supported by advertising last years. In lieu of paid media, consider social strategies like guest blogger outreach, attending out-of-town events that relate to our categories, extending “invitations” or promoting unique forms of transportation, etc.
4. **Aesthetic Evolution** - Evolve creative identity to:
 - Represent a more urban sensibility, further differentiating Santa Rosa from other Sonoma County destinations that have a consistent, rustic wine country identity
 - Introduce more original design work from original artists. While maintaining a consistent brand identity, with the logo and tagline, allow the overall visual aesthetic of the brand be more flexible and reflective of the local art and design scene.
5. **Campaign Maintenance** – Extend and Enhance:
 - Weekly OutThereSR.com ambassador posts
 - Quarterly “high impact” posts, professionally written and photographed and highly promoted through social media and all other available channels.
 - Welcome Wagon Presence – Continue Welcome Wagon presence at key Santa Rosa events, and consider ways to occupy local space in new, and newsworthy ways.
6. **High Impact Media Development** – In collaboration with Culture Pop Films, an ongoing stream of high-impact media content will be developed. Starting point initiatives that have been suggested include but are not limited to:
 - Commercial Spots - :30 to :60 video ads for broadcast or online
 - Video Featurettes – that promote and bring to life events, people, industries or elements of the Santa Rosa lifestyle and culture