



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR & CITY COUNCIL **DATE: DECEMBER 9, 2025**

FROM: COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT **WARDS: ALL**

SUBJECT: APPROVAL OF THE RIVERSIDE REWARDS APP PILOT PROGRAM POWERED BY BLUDOT TECHNOLOGIES, INC., AND AUTHORIZATION FOR THE CITY MANAGER TO EXECUTE AGREEMENT AND REWARDS BUDGET NOT TO EXCEED \$50,000

ISSUE:

Approval of the Riverside Rewards App Pilot Program powered by Bludot Technologies, Inc., and authorization for the City Manager to execute agreement and rewards budget not to exceed \$50,000.

RECOMMENDATIONS:

That the City Council:

1. Approve the Riverside Rewards App Pilot Program; and
2. Authorize the City Manager to execute the agreement and rewards budget not to exceed \$50,000.

BACKGROUND:

Open Rewards is a shop-local application powered by BluDot Technologies, Inc. designed to support community-based economic activity. The platform enables residents to earn app-based rewards when they shop at participating local businesses and to redeem those rewards at any other business within the program. Participating businesses are not required to take any action to issue or accept rewards, and all City-funded rewards dollars circulate directly back into the local economy.

As part of the Economic Development Implementation Plan, *Riverside Realized*, staff identified the opportunity to strengthen the City's existing shop local strategies and create a new program to complement the existing Shop Riverside campaign. Staff evaluated options for a technology-based application and shop local campaign. The recommended platform, powered by BluDot, has a demonstrated record of driving local spending and is estimated to generate more than \$20 in local economic activity for every \$1 invested.

DISCUSSION:

The Riverside Rewards program, powered by Bludot Technologies, Inc. through the Open Rewards app, is designed to directly stimulate the local economy by incentivizing residents to

shop at Riverside businesses. The platform tracks economic impact based on the total dollars spent locally as a result of rewards activity, a core performance metric used by Bludot. According to Bludot's analysis, for every \$1 invested by a city at a 5% rewards rate, the Open Rewards platform generates approximately \$49 in economic impact over a five-year period. Should the City of Riverside authorize use of a \$50,000 rewards fund, using this ratio would yield an economic impact of over \$2.4M within five years.

Other municipalities have reported strong outcomes. The City of Lancaster, after 17 months of participation, documented \$1.2 million in economic impact. Similarly, the City of Orange invested \$40,000 and generated an estimated \$784,000 in local spending within one year. These results demonstrate the platform's ability to significantly amplify local purchasing and support small businesses.

Riverside Rewards will complement the City's existing Shop Riverside campaign by offering a technology-forward, rewards-driven approach requiring no action from participating businesses. The program supports all payment methods, involves no administrative burden for merchants, and provides a seamless experience for both users and staff. All rewards earned by shoppers must be redeemed at participating local businesses, ensuring that every incentive dollar invested by the City recirculates directly into Riverside's small business economy.

The annual program fee of \$5,940 covers platform access, onboarding and staff training, reward processing, and customer support. The City maintains full control over the \$50,000 rewards fund, which is managed and disbursed by Bludot. Every dollar contributed through the rewards fund flows back into the local economy, and any unspent balance will be returned to the City at the end of the program term.

Section 203(a) of Purchasing Resolution No. 24101 authorizes the City Manager to approve, execute and bind the City to contracts and purchase orders for Goods, Services, and Professional Services of \$100,000 or less. While this program is under \$100,000, as a rewards fund for this app is not clearly defined within the Purchasing Resolution as a Good, Service, or Professional Service, staff is seeking City Council authorization.

Pilot Program & Small Business Eligibility Criteria

To support Riverside's locally owned businesses and encourage residents to shop within the community, staff recommends launching a one-year Small Business Rewards Pilot Program. The pilot would begin in December 2025, align with the holiday shopping season, and run through December 2026.

A rewards fund of up to \$50,000 is proposed for the pilot period. Staff will monitor performance and economic impact through a data dashboard that tracks spending at participating businesses and measures the program's return on investment within the local circular economy.

To ensure equitable access to the new technology at launch, and to ensure that the pilot meaningfully benefits small brick-and-mortar businesses, the City has developed clear eligibility criteria. Based on these criteria, 500 locally owned businesses across all wards have been identified for the pilot to ensure equitable access.

1. Business Size & Type

- Eligible: Independently owned and operated businesses with fewer than 50 employees.

- Not Eligible: National/regional chains and franchises, even if independently owned.
- Rationale: Corporate-backed brands have access to marketing, purchasing, and operational resources that independent businesses do not. Limiting eligibility ensures City funds are directed to those with the greatest need.

2. Location & Licensing

- Must hold a valid current City of Riverside business license.
- Must operate from a brick-and-mortar storefront within the City of Riverside. Home-based and online-only businesses are excluded from the pilot phase.

3. Pilot Categories

- Dining & Food Service (restaurants, cafés, bakeries, specialty food shops)
- Retail (clothing, books, gifts, specialty goods)
- Beauty & Wellness (salons, barbers, spas, personal care)
- Fitness & Recreation (gyms, fitness studios, wellness centers)
- Tailors & Specialty Services (custom apparel, alterations, shoe repair, similar artisan services)

4. Exclusions

Excluded: Businesses primarily engaged in adult entertainment, cannabis sales, tobacco-only retail, or liquor-only sales.

FISCAL IMPACT:

The total fiscal impact of the action is \$55,940. The funds to cover the software licensing fees and rewards funds are budgeted and available in the General Fund, Economic Development, Software Purchasing/Licensing account 2815001-425700. The breakdown of the costs is listed in the table below.

Description	Amount
Bludot Open Rewards App Software and Support	\$5,940.00
Bludot Rewards Fund	\$50,000.00

Prepared by: Miranda Evans, Deputy Community and Economic Development Director

Approved by: Jennifer Lilley, Community and Economic Development Director

Certified as to availability of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer

Approved by: Mike Futrell, City Manager

Approved as to form: Rebecca McKee-Reimbold, Interim City Attorney

Attachments:

1. Open Rewards Order Form – Agreement
2. Open Rewards Presentation