



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 05/07/2024

DATE: April 29, 2024
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Authorize the Town Manager to Execute an Agreement for Services with the Los Gatos Chamber of Commerce to Manage the Los Gatos Visitors Information Center and the Visit Los Gatos Website, Social Media and Destination Marketing Services for FY 2024/2025, in an amount not to exceed \$55,000.

RECOMMENDATION:

Authorize the Town Manager to execute an agreement for services with the Los Gatos Chamber of Commerce to manage the Los Gatos Visitors Information Center and the Visit Los Gatos website, social media and destination marketing services for FY 2024/2025, in an amount not to exceed \$55,000.

BACKGROUND:

The Chamber of Commerce has long been a valued partner with the Town of Los Gatos in supporting the business community, coordinating the Leadership Los Gatos program, and providing visitor information and destination marketing services. Beginning in 2001, the Town began formally contracting with the Chamber to provide such services and the Town Council has approved annual renewals with modifications, as needed, every year thereafter.

Originally, in 2001, the agreed upon scope of services with the Chamber of Commerce was quite extensive and included several additional tasks beyond the Visitors Information Center and Leadership Los Gatos services, including maintenance of the Town's official website; creation, production/printing, and distribution of the Town's calendar, Town maps, and brochures; and an advertising campaign with local radio stations and newspapers. The Town

PREPARED BY: Monica Renn
Economic Vitality Manager

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Finance Director

BACKGROUND (continued):

provided funding in the amount of \$100,526 in total for these services, with the Town Information Center and Leadership Los Gatos accounting for about \$42,000 of that total.

As the years progressed, the contract for services evolved and the services provided by the Chamber of Commerce were reduced to the Visitors Information Center and Leadership Los Gatos. Around 2007, the Town was providing \$33,000 for the Town's Visitors Information Center and \$15,000 for the coordination of Leadership Los Gatos, with additional budget to fund the Town staff participating as Leadership candidates.

The contract amount has continued to increase slightly over time, with the most notable increase taking place in Fiscal Year (FY) 2019/20 when the contracted amount was a not to exceed amount of \$60,000, allocated as \$55,000 for Visitors Information Center services and \$5,000 for the assistance with the Town's Leadership Los Gatos program. Additionally with this contract, the scope of services specific to the coordination of Leadership Los Gatos was reduced significantly with the workload being absorbed by Town staff.

For the following fiscal year (FY 2020/21), the COVID-19 pandemic had hit the Los Gatos community and the Town Council voted to continue to provide \$55,000 to the Chamber as a subsidy for managing the Town's Visitors Information Center and assisting with related community vitality initiatives, as they were a crucial partner in supporting the business community and community at large navigate health orders and dynamic economic environment. Leadership Los Gatos was suspended for the year.

Additionally, on May 4, 2021, the Town Council allocated \$55,000 of the American Rescue Plan Act (ARPA) funds to the Chamber of Commerce to assist with emergency destination marketing to provide a jumpstart to community vitality efforts. The destination marketing effort included: the creation of a "one stop" branded website, Visit Los Gatos; social media content development; video production of a Visit Los Gatos promotional video; investment into Visit California content; media relations, and "Fam" trips which are local tours for hotel and hospitality staff to get to know the area in order to make recommendations to guests.

When this money was allocated, the Town Council noted that it was necessary to show a distinction between the services rendered for the emergency destination marketing, and the services rendered under the Chamber's annual agreement to facilitate the Town's Visitors Information Center.

Subsequently, on June 15, 2021, the Town Council approved the annual agreement for services for FY 2021/22 for \$55,000 for the Chamber of Commerce to operate the Town's Visitors

BACKGROUND (continued):

Information Center that included refreshed deliverables in the scope of services, which were developed in collaboration with the Chamber, and focused on website and social media efforts. Leadership Los Gatos was not included for FY 2021/22 as the program had not yet returned due to the ongoing COVID-19 pandemic. Leadership Los Gatos has since returned and is being facilitated by Town staff.

As FY 2022/23 approached, staff prepared to bring forward an agreement with status quo funding. The Chamber of Commerce requested an increase in funding for a total of \$88,500 for the Visitors Information services. The Town Council voted to keep the contract amount at \$55,000 for FY 2022/23; however, provided a grant for street pole banners through the Town's community grant program, ARPA grant funding for the coordination and implementation of the Promenades summer event series, and subsidy for the annual Holiday Light Display installation.

In early 2023, the Chamber of Commerce office staff announced its team's anticipated departure from the Chamber at the end of the FY. At the May 2, 2023 Town Council meeting, the Chamber's outgoing staff requested an increase in funding for the FY 2023/24 agreement to provide additional resources for the new Chamber of Commerce staff to continue to support and grow the Visitors Information Center and Visit Los Gatos efforts, specifically those related to strengthening the social media and destination marketing services. The Town Council granted an increase in funding to a not to exceed amount of \$88,000 to support the expanded destination marketing and social media efforts, without committing to the amount as an ongoing increase, as it was funded through the one-time ARPA dollars.

The Town Council's discussion at this meeting focused on the importance of supporting the Chamber of Commerce through its transition, continuing to foster the partnership between the Town and Chamber while strengthening destination marketing services. The Council was interested to understand if the funding level for the specific scope of services would be a fit as the Chamber of Commerce brought on a new management and staff team, recognizing that objectives, expectations, and stakeholder demand may shift.

Given this discussion, and that the additional funding for FY 2023/24 was made possible with ARPA funding, which has since been fully allocated by the Town Council, staff is bringing this discussion back to the Town Council as an item for the Town Council's consideration.

Currently, staff has built the baseline funding of \$55,000 into the Proposed Operating Budget for FY 2024/25.

DISCUSSION:

The Chamber of Commerce continues to be a vital partner with the Town of Los Gatos to serve businesses, residents, and visitors alike. The programs, events, and personalized service provided by the Los Gatos Chamber of Commerce through the services rendered under the annual agreement are robust and enhance the Town's community and economic vitality.

During FY 2023/24, an entirely new staff team was hired at the Chamber of Commerce and has been dedicated to continuing the partnership with the Town while working with Town staff regularly to understand the scope of services and expectations of the agreement. The Chamber of Commerce team has worked to balance the specific and exclusive work of the Chamber of Commerce for its members, with the scope of services for the Visitors Information Center and Visit Los Gatos services, which must be available to the Town's stakeholders regardless of Chamber membership or affiliation.

At the time of this report, the Chamber had not yet submitted its annual report for the services rendered under the FY 2023/24 agreement, although it is expected to be available as an addendum prior to the Town Council meeting. The Visit Los Gatos Instagram page currently maintains 7,608 followers, while the Facebook page has 2,076 followers, representing strong platforms to engage visitors from near and far, promote businesses and events, and continue to highlight the Town of Los Gatos overall as an unparalleled destination.

CONCLUSION:

Attachment 1 provides a draft Agreement for Services, including Exhibit A, Scope of Services for FY 2024/25. The content of this Agreement and Scope of Services is similar to the prior Agreement and Scope of Services for FY 2023/24, with some of the language being condensed and cleaned-up while not changing the deliverables or service level for FY 2024/25. The main difference is that now that the Visit Los Gatos website and Instagram have been created, the Chamber is now maintaining these sites to promote Los Gatos as a premier destination.

Staff recommends that the Town Council authorize the Town Manager to execute an agreement for services with the Los Gatos Chamber of Commerce to manage the Los Gatos Visitors Information Center and the Visit Los Gatos website, social media and destination marketing services for FY 2024/2025, in an amount not to exceed \$55,000.

Alternatively, the Town Council may wish to allocate resources in a different amount, in which case, if it exceeds \$55,000, an additional funding source will need to be identified to support the increase.

COORDINATION:

This report was prepared by the Town Manager's Office.

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SUBJECT: Annual Agreement for Services with the Chamber of Commerce FY 2024/25

DATE: April 29, 2024

FISCAL IMPACT:

The recommended funding amount of \$55,000 has been allocated in the proposed budget for FY 2024/25. Should additional funding be allocated by the Town Council, an additional funding source would be required given that the ARPA funds used in FY 2023/24 have been fully allocated.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:

1. Draft Agreement for Services with Exhibit A, Scope of Services, with the Chamber of Commerce for FY 2024/25