



Date: May 3, 2021  
To: Los Gatos Town Mayor and Council  
From: Los Gatos Chamber of Commerce  
Subject: Explanation of Chamber & Visitor Information Center

### **The Town's Visitor and Information Center – Explanation**

- The Town's Visitor and Information Center and the Chamber of Commerce are located in the same office at 10 Station Way.
- The Chamber of Commerce oversees and manages the Visitor and Information Center. It is fairly common for Chamber of Commerces and Visitor Information Centers to operate this way. Some towns host their own Visitor Centers, while others have two completely separate entities.
- The majority of Visitor Centers in California are funded by the TOT collected by the town or city. Typically, a percentage or an exact amount is appropriated to the Visitor Center each year to cover the expenses of all destination marketing, programs and projects and to pay for staff and property rental and maintenance costs. Los Gatos does not operate this way. Our TOT tax goes directly into our General Fund.
- The Town of Los Gatos has an agreement with the Chamber to operate the Visitor and Information Center. As of 2019, the Town gives the Chamber \$55K to cover all expenses incurred by the Visitor Center. See Exhibit A for Scope of Services and Budget.
- The Town's grant of \$55K barely covers the cost of rent, staff, public restroom, maintenance and supplies.
- 2020 -2021 was obviously different from the previous years. Because of the pandemic we became more of an information center for our own residents.
  - We were able to open safely as an essential business 5-6 days per week. In fact, we never closed. We staffed our phones from 9 a.m. to 5 p.m. everyday and were available to all people needing assistance on any business or health and wellness related issue. We also maintain the one public restroom in Town.
  - As we head into post-Covid Recovery, the Visitor and Information Center staff plans to once again focus on attracting tourists to Town. Currently we are working on a few programs with our local hotels and with Visit California.
- The Town's Visitor and Information Center is responsible for all destination marketing to attract tourists to town. Over the past 2 years we have utilized the Experience Los Gatos media accounts to enhance Destination Marketig.
- We have recommended more funding specifically for Destination Marketing for the last few years, however we have never received funding for this endeavor. The Chamber fills in where it can and generously utilizes a portion of membership and special event revenue for destination marketing efforts.

## EXHIBIT A

### LOS GATOS VISITOR INFORMATION CENTER: \$55,000

All services rendered as part of this scope of services under the function of the Los Gatos Visitor Information Center, shall be to the benefit and promotion of Town-wide stakeholders including businesses, residents and visitors.

The following services and information will be coordinated and provided by the Chamber of Commerce (Chamber) as a part of the operations of the Los Gatos Information Center:

- Offer Los Gatos Information Center services from the Chamber of Commerce offices 40 hours a week, 52 weeks a year except for scheduled holiday closures.
- Respond to Los Gatos visitor and resident inquiries regarding shopping, dining, lodging, events, relocation, general commerce, and other related visitor information topics.
- Coordinate and distribute various Los Gatos marketing materials such as maps, guides, and wayfinding collateral that is open to and inclusive of all applicable businesses and business districts, and not exclusive to Chamber of Commerce membership. Marketing materials are not required to be printed and may be formatted as the market demands including social media, online, electronic notifications, email, etc.
- Assist with the assembly and distribution of Los Gatos relocation packets in coordination with the Town.
- Promote Town events in Chamber marketing materials including email notifications and newsletters.
- Maintain a dedicated “Experience Los Gatos” webpage within the Chamber’s website in which visitors to the Town’s website will be redirected and be able to access information relating to Los Gatos merchants, restaurants, lodging, entertainment, and parking guides, inclusive of both Chamber and non-Chamber member businesses.
- Allow Town meetings with the business community to be conducted at the Chamber offices during mutually agreed upon times and days.
- Provide an annual reports in May that accounts for services rendered under this agreement.
- Invoice the Town for payment of services as described in the attached agreement.

**Updated Budget as of May 3, 2021:**

Rent (1/3 of rent)	19,200
Staff (40 per week at \$13.00 min. wage)	27,040
Mailing visitor info	500
Dining Guide	1,000
Lodging & Event Guide	1,000
Discover Lost Gatos	500
Summer Event Guide	1,000
Town Maps	2,000
Banner Hanging	6,000
Holiday Decorations	4,000
Restroom maintenance, supplies	1,200
<b>TOTAL</b>	<b>\$61,200</b>
Social Media Marketing- 1 year (unfunded, but the Chamber paid from its own budget)	\$36,000



Date: May 3, 2021

To: Los Gatos Mayor and Town Council

From: Los Gatos Chamber of Commerce

Subject: Consideration of Chamber's Request that a portion of the ARPA Funds immediately be used for Funding for Special Events and Destination Marketing and Why an Emergency Destination Marketing Plan is important and why Special Events this Summer are critical to the survival of our entire business community.

**Introduction:** Outlined below are our positions on our requests for funds for Special Events and Destination Marketing, in response to the issues raised by Town Staff in their staff report for Item #14 on the scheduled May 4 Agenda. We will attempt to explain why we believe additional funding for Special Events and Destination Marketing is more essential than ever before. Our local economy is fragile right now. The ARPA funding is intended to provide immediate funding for recovery such as this. It is the Town Council's responsibility to allocate and use those funds in accordance with the directives within the ARPA.

The staff report raised a number of other issues as well, including the Town's Annual Agreement with the Chamber of Commerce to operate the Town Visitor and Information Center. Understanding that there are three new Council members, as well as the five newly appointed finance commissioners, we will be providing an outline of that relationship, the associated scope of services, and the actual agreement for reference under separate cover.

Additionally, the Chamber will submit a statement outlining our overall position on the sources and uses of the ARPA Funds, other recovery funds the Town has received, and the Town Budget again under separate cover.

### **Emergency Destination Marketing**

- The Town's Visitor and Information Center is responsible for all destination marketing to attract tourists to Town.
- The Town's grant of \$55K barely covers the cost of rent, staff, public restroom, maintenance and supplies.
- A robust Destination Marketing program would require funds above and beyond that \$55K.
- We have recommended more funding specifically for Destination Marketing for the last 4 years. We believe there is a huge need, as well as a tremendous benefit. However, we have never received funding for this endeavor.
- The Chamber fills in where it can and generously utilizes a portion of membership and special event revenue for destination marketing efforts. For example, the Chamber solely funded the Experience Los Gatos social media platforms for more than 2 years. In January we had to put that effort on hold as there was not enough funding available.
- The Town typically collects approx. \$2.7 million in TOT revenue.
- Our 20/21 Budget show a loss of almost \$2million and estimates that the 21/22 budget will be down almost that much again.



- Business Travel has declined significantly and according to industry experts is not expected to rebound until Fall of 2022.
- Our local hoteliers believe that if we **invest** some of the ARPA funding into a Destination Marketing plan focused more on leisure travel, we can make up for some of that loss. This investment would include funding for:
  - Website/app
  - Search engine investment
  - Advertising dollars
  - Staff time
  - Relaunch of the Experience Los Gatos social media platforms
  - Brand consulting
  
- The Chamber is in the best position to take on this responsibility. We already house and manage the Visitor and Information Center and we already work with all of the stakeholders – the hotels, the restaurants, and the business community at large, both members and non-members.
- With an immediate use of the ARPA money, the Chamber can quickly implement an Emergency Destination Marketing Campaign.
- This effort alone will bolster the economy but is more than that. We will be building the foundation on which we can market and brand Los Gatos and create an identity that will last for the future. The Chamber and Town Staff have discussed a destination marketing effort at length on several occasions, however the plans have never come to fruition despite numerous attempts. The result has always been a lack of funds or labor adequate to take on the task.
- The Town’s Economic Development department has other priorities and does not have the capability nor the bandwidth to develop a worthwhile marketing program. The Town Staff has a giant list of priorities to get to that take precedent over a destination marketing program, whereas the Chamber of Commerce identifies this effort as a top priority and can manage the effort with ease.
- Because of the lack of success, the Chamber attempted to form a PBID (Property Business Improvement District), which if successful would have garnered enough money to develop its own destination marketing plan. Due to the Pandemic, plans to formalize a PBID were put on hold.
- **The Chamber believes \$150K set aside for destination marketing will jumpstart this Recovery Effort.**

### SUMMER 2021 SPECIAL EVENTS

Please review the attached budget for the proposed special events for summer and fall of 2021. We believe that the events we are suggesting do not pose any threat to the safety and well-being of our Town’s residents and visitors.

- The CDC, the State, and thus far the County, have stated publicly that we are moving in the right direction and that outdoor gatherings are safe. California has the lowest COVID-19 rate in the entire country. On June 15<sup>th</sup> the governor’s office plans to lift all restrictions.



- While the Staff refers to Council's decision made in February about marketing and preparing to have events for our own residents, 4 months have passed. The Summer is almost here and increased foot traffic is imperative if our business community is going to survive.
- After polling many residents in Town, The Thursday Promenade with a North Santa Cruz Ave. closure is by far the best idea to get people back into the downtown. Our small businesses and restaurants are relying on us to create a reason for people to come. Our residents alone cannot sustain our fragile economy's infrastructure.
- By closing North Santa Cruz Avenue, people will be able to safely distance.
- We will modify programming to align with the County guidance as it continues to relax.
- We hand-delivered letters to all University Ave. residents and only two have said they did not support this economic recovery effort while many more were in support.
- Closing North Santa Cruz Ave. on Thursday nights does not require policing.
- The Chamber will facilitate the closing of N. Santa Cruz with an approved traffic control company, thus freeing the Town from the burden. The logistics of the closure will become easier with each passing week.
- All merchant and restaurants with whom we have spoken are in favor of this proposal.
- We are asking Council to waive the Special Event permit 60-day minimum lead time between applications and events, in order to give us the flexibility to implement plans as soon as state and county guidelines allow, which as we know is a continually moving target.

Please note – The Chamber is not asking for funds for our regular Chamber events, such as the Wine Walk or Carriage Rides which we will still host. These are community events, the Chamber will not make any money. In addition, the Chamber is willing to organize and staff these events, without any reimbursement.

Contrary to the Town staff, we believe ARPA funds can be used for events as they are a vital component in drawing people back into these small towns. People will stay, shop, and dine. This spending will directly result in more sales tax revenue and TOT revenue. This investment will provide immediate economic aid for our business community. This is exactly what the ARPA funds are meant to do.

Lastly, events are the one tried and true way to open our doors and show that we are a diverse, welcoming, and inclusive community and that we celebrate all cultures and all people.

**In Conclusion, on behalf of the Los Gatos Business Community, we encourage the Council to:**

1. Invest at least \$150K of the ARPA Funds into Emergency Destination Marketing plan managed by the Chamber of Commerce.
2. Make a commitment to the Chamber to subsidize the cost of proposed summer 2021 special events in the amount of \$250K.
3. Waive the 60-day special event application rule – understanding that we are coming out of a pandemic and doing what we can when we can.
4. Recognize the need for “safe” special events this summer and support our proposal in closing North Santa Cruz at least on Thursday nights throughout the summer.

While we understand that ARPA Funding can be used to balance the Town's budget and backfill line-items where we may have experience revenue shortfalls, The Chamber advocates that the Town use other revenue sources for that balancing and use the ARPA funds for the two ideas proposed above.



The remainder of the funds should be then set aside for necessary infrastructure projects. When we look back in 5-10 years, let's be confident in knowing that we did our best in using the ARPA funds wisely. The Chamber will be submitting another communication on ARPA funds under separate cover.

### Upcoming events to promote Economic Recovery and DEI objectives

<b>Thursday Promenades - N. Santa Cruz Avenue</b>			
	<b>cost</b>	<b>14 times</b>	<b>total</b>
bands	\$ 2,000.00	14	\$ 28,000.00
Sound	\$ 1,540.00	14	\$ 21,560.00
traffic control company - for street closure	\$ 3,000.00	14	\$ 42,000.00
Chamber to put up no parking signs & maintain all summer	\$ 500.00	1	\$ 500.00
special event permit fee	\$ 227.00	1	\$ 227.00
banner permit fee	\$ 112.86	4	\$ 451.44
Portapotties	\$ 15,000.00	1	\$ 15,000.00
Street Cleaning & Garbage pickup	\$14,000	1	\$ 14,000.00
Neighbor Notification	\$500	1	\$ 500.00
Publicity	\$750	1	\$ 750.00
Stage/truck	\$500	14	\$ 7,000.00
Extra Chamber event staffing	\$300	14	\$ 4,200.00
Extra entertainment/ decoration on July 4th	\$2,000	1	\$ 2,000.00
Picnic tables	\$250	10	\$ 2,500.00
			<b>\$ 138,688.44</b>
<b>Picnic in the Parks</b>			
Music/ Performances	\$ 750.00	5	\$ 3,750.00
Additional PPW costs for clean-up	\$ 1,000.00	5	\$ 5,000.00
Portapotties (1 stall, 1 ADA stall, 1 handwashing station)	\$ 400.00	5	\$ 2,000.00
Neighbor notification	\$ 200.00		\$ 200.00
			<b>\$ 10,950.00</b>
<b>Town-wide Celebration- September 4</b>			
House Rockers/Sound/Stage	\$ 12,000.00		\$ 12,000.00
special event permit fee	\$ 227.00		\$ 227.00
banner permit fee	\$ 112.86		\$ 112.86
Portapotties	\$ 1,000.00		\$ 1,000.00
Neighbor Notification	\$250		\$250
Publicity	\$750		\$750
			<b>\$ 14,339.86</b>



<b>Street Pole Banners</b>			
PPW cost for putting banners up (April 2021)	\$ 4,000.00		
New banners - Spring 2022	\$ 6,500.00		
PPW cost for putting banners up (April 2022)	\$ 4,000.00		
			<b>\$ 14,500.00</b>
<b>Cultural Event -Spring 2022 (Town Plaza)</b>			
Music (includes sound)	\$ 3,000.00		\$ 3,000.00
Cultural performances	\$ 2,000.00		\$ 2,000.00
Town permits & fees	\$ 500.00		\$ 500.00
Stage	\$ 1,000.00		\$ 1,000.00
Portapotties (2 stalls, 1 ADA stall, 1 handwashing station)	\$ 600.00		\$ 600.00
Publicity	\$ 1,000.00		\$ 1,000.00
Neighbor notification	\$ 300.00		\$ 300.00
	<b>\$ 8,400.00</b>		<b>\$ 8,400.00</b>
<b>Los Gatos in Lights - Holiday Decorations</b>			
More Pole Décor	\$ 20,000.00		\$ 20,000.00
Installation - additional help for PPW	\$ 20,000.00		\$ 20,000.00
One more large light sculpture	\$ 25,000.00		\$ 25,000.00
	<b>\$ 65,000.00</b>		<b>\$ 65,000.00</b>
<b>GRAND TOTAL</b>			<b>\$ 251,878.30</b>