



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 05/02/2023

ITEM NO: 14

DATE: April 27, 2023
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 Town's Visitors Information Center Including a Visit Los Gatos Website, Related Social Media Pages, and Participation with Related Community Vitality Initiatives as Outlined in the Scope of Services 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 Town's Visitors Information Center including a Visit Los Gatos Website, related social media pages, and participation with related community vitality initiatives as outlined in the scope of services 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 annual renewals with modifications as needed have been approved 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 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.

PREPARED BY: Monica Renn
Economic Vitality Manager

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

SUBJECT: Annual Agreement for Services with the Chamber of Commerce for the Town's Visitors Information Center, FY 2023/24

DATE: April 27, 2023

BACKGROUND (continued):

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 this annual agreement for services would be forthcoming and that it was necessary to show a distinction between the services rendered under the funds allocated 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 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.

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Visitors Information Center, FY 2023/24

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BACKGROUND (continued):

Leadership Los Gatos was not included for FY 2021/22 as the program had not returned due to the ongoing COVID-19 pandemic.

As FY 2022/23 approached and staff prepared to bring forward a status quo agreement, the Chamber of Commerce requested an increase in funding from the Town 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.

DISCUSSION:

As the Town Council considers its review of the Proposed Budget for FY 2023-24 on May 16, 2023, staff has recognized the ongoing fiscal challenges of the Town and focused on a status quo approach for the next fiscal year. As a result, the proposed agreement for services with the Chamber of Commerce seeks to provide ongoing Visitors Information Center services in the amount of \$55,000 (Attachment 1).

In April 2023, Town staff and the Mayor met with the Chamber of Commerce Executive Director and Board Members for a regularly scheduled quarterly meeting. At this time, the Chamber provided a Year End Report (Attachment 2). The report provides a snapshot of the services rendered that support the efforts of marketing Los Gatos as premiere Bay Area destination and supporting the local business community, Los Gatos residents, and visitors.

During this meeting, the Chamber of Commerce highlighted the services they provide, many of which exceed those included within the current scope of services; however, provide a benefit to several stakeholder groups including Chamber members and non-member businesses, residents, and visitors, and noted that with such a lean staff team, there tends to be the need to have staff perform both Chamber and Visitor Center duties, often simultaneously.

The Town values the partnership, marketing, and business community support provided by the Chamber of Commerce, and notes that they have provided the deliverables included in the current scope of services. The Chamber built and continues to maintain a reimagined website, <https://visitlosgatosca.com>, that serves residents and visitors alike, and is readily available through keyword web searches. In addition, they provide social media destination marketing, and support to the business community through the Visit Los Gatos Instagram and Facebook pages. The Chamber continues to create space for businesses and the Town to connect on meeting topics such as employee parking, holiday shopping safety, economic recovery and streamlining, and other Town efforts that have a direct impact on business stakeholders. The Town looks forward to continuing this partnership with the Chamber of Commerce.

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DISCUSSION (continued):

During the quarterly meeting with the Mayor and Town staff, the Chamber shared concerns regarding their growing costs for doing business and supporting personnel, indicating that \$55,000 may not be enough funding for future contracts. Town staff has not identified a source for additional funding at this time, thus is coming forward with the recommendation of a status quo agreement for \$55,000 with a similar scope of services to the previous agreement.

The Town intends on reinstating and facilitating Leadership Los Gatos this fall and will absorb the program entirely for FY 2023-24. The Chamber is in a time of transition as they are recruiting a new Executive Director and are not able to commit to adding the coordination assistance for Leadership Los Gatos back into the scope of services at this time and will re-evaluate a partnership for the program in the future.

CONCLUSION:

Town staff is recommending that the Council authorize the Town Manager to execute an Agreement for Services with the Los Gatos Chamber of Commerce to manage the Town's Visitors Information Center including a Visit Los Gatos Website, related social media pages, and participation with related community vitality initiatives as outlined in the scope of services in an amount not to exceed \$55,000.

Alternatively, the Town Council may wish to modify the scope of service or direct alternative funding options for the agreement for services with the Chamber of Commerce.

FISCAL IMPACT:

Funds for this agreement for services (\$55,000) have been incorporated in the Proposed FY 2023/24 Budget.

ENVIRONMENTAL ASSESSMENT:

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

Attachments:

1. Draft Agreement for Services for the Chamber of Commerce to manage the Town's Visitors Information Center for FY 2023/24
2. Memo from the Executive Director of the Chamber of Commerce, Catherine Somers and President of the Los Gatos Chamber of Commerce Board of Directors, Jim Foley, dated April 19, 2023, Year End Report – FY 22-23