

TO: City Council
FROM: James L. App, City Manager
SUBJECT: **Marketing & Promotion: Visitor Center Services**
DATE: June 19, 2007

NEEDS: For the City Council to consider a tentative agreement with the Paso Robles Chamber of Commerce for Visitor Center services.

FACTS:

1. The 2006 Economic Strategy defines a wholly new vision and plan for increasing economic vitality.
2. Developing and marketing the unique character, heritage and special attributes of the community is identified as a key stratagem to long-term economic progress.
3. The City's methods of marketing and promotion required reinvention to address the initiatives and objectives of the new Strategy.
4. Exploration of alternative marketing and promotion efforts was undertaken mid-2006 through mid-2007.
5. A community group, known as the Tourism Task Force, proposed restructure of community marketing and promotion effort to include marketing & promotions, visitor center, and downtown promotion services.
6. The Council ad hoc committee, Council Members Gary Nemeth & Fred Strong, have met with Chamber representatives to formulate a proposal that has tentative agreement from the parties.
7. The tentative agreement includes a 4-year arrangement at \$110,000 year 1, \$100,000 year 2, \$90,000 year 3, and \$80,000 year 4. Key services include:
 - Downtown visitor center operation
 - Visitor referral to all Paso Robles businesses
 - Continued operation of visitor serving web site
 - Establish unmanned train station visitor information service

ANALYSIS &

CONCLUSION: The Chamber of Commerce offered to continue Visitor Center services (see proposal at Exhibit A). The City has met and conferred with Chamber representatives. The parties have tentatively agreed to a 4-year program for a range of services as set forth above (see fact #8).

Should the Council approve the tentative agreement; a contract detailing the specifics of each service will be developed. The contract will take some time to complete, and the current contract with the Chamber expires June 30, 2007 – so, it is further proposed that the provisions of the current contract pertaining to Visitor Center services be continued temporarily on a month-to-month basis for up to three months commencing July 1, 2007 at a monthly rate equal to 1/12th of \$110,000.

POLICY

REFERENCE: 2006 Economic Strategy; 2008-11 Budget.


FISCAL

IMPACT: Adequate funds are provided in the 2008-11 Budget/Financial Plan to fulfill proposed contract fees.

OPTIONS:

- A. City Council:
- Approve the Tentative Agreement Described Herein; and
 - Direct the Preparation of a Contract Detailing the Agreed Upon Services; and;
 - Authorize Interim Payments for Visitor Center Services Commencing July 1, 2007 on a Month-to-Month Basis Through September 30, 2007 at a Rate Equal to 1/12th of \$110,000.
- B. Amend, modify or reject the Option above.

Exhibits: A – Chamber of Commerce proposal

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B. **Amend, Modify or Reject the Option Above.**

Exhibits: A – Chamber of Commerce proposal

Visitors Center Budget - 2007/2008

		<u>Proposed</u> <u>Exp./yr</u>	<u>Proposed</u> <u>Exp./mo</u>
<u>Rent:</u>	Building	\$24,072.00	\$2,006.00
	Storage	n/a	n/a
<u>Bank & Card fees:</u>		n/a	n/a
<u>Computer/Internet:</u>		\$0.00	\$0.00
<u>Liability Insurance:</u>		\$1,033.75	\$86.15
<u>Postage Lease:</u>		\$0.00	\$0.00
<u>Server Lease:</u>		n/a	n/a
<u>Utilities:</u>	Janitorial	\$1,792.37	\$149.36
	Electricity	\$1,614.84	\$134.57
	Gas	\$74.67	\$6.22
	Water/Sewer	\$430.66	\$35.89
	Phone	\$2,400.00	\$200.00
<u>Repair/Maintenance:</u>	Copier	\$1,922.54	\$160.21
	Office	\$474.54	\$39.54
<u>Property Taxes:</u>		n/a	n/a
<u>Postage:</u>		\$0.00	\$0.00
<u>Office Supplies:</u>		\$1,000.00	\$83.33
<u>Payroll:</u>	(front office) 1.5 people @ 12.50/hr	\$39,000.00	\$3,250.00
	(supervisory) .5 people @ 14.50/hr	\$15,080.00	\$1,256.67
<u>State and Federal Benefits:</u>	1.5 people @ 12.50/hr	\$3,713.10	\$309.43
	.5 people @ 14.50/hr	\$1,376.94	\$114.75
<u>Medical Benefits:</u>	1.5 people @ 12.50/hr	\$5,229.96	\$435.83
	.5 people @ 14.50/hr	\$2,259.48	\$188.29
<u>Workers Comp:</u>	1.5 people @ 12.50/hr	\$307.08	\$25.59
	.5 people @ 14.50/hr	\$118.80	\$9.90
	<u>Total Budget:</u>	\$101,900.73	\$8,491.73

Rent Calculations:

front office 34' by 24' = 816 sq. ft.
 storage & b'room 10' by 24' = 240 sq. ft.
 1056 sq. ft. @ \$1.90/sq. ft. = \$2006/mo

**Proposed budget excludes expenses for Train Station, Computer/Internet, & Destination Guide distribution/fullfillment.

AGREEMENT BETWEEN THE CITY OF PASO ROBLES AND THE PASO ROBLES CHAMBER OF COMMERCE, FOR THE PROVISION OF VISITOR CENTER SERVICES

THIS AGREEMENT, effective July 1, 2007, is made and entered into this _____ day of _____, 2007, by and between the City of Paso Robles, hereafter referred to as the "CITY", and the Paso Robles Chamber of Commerce, hereinafter referred to as "CHAMBER", regarding Visitor Center services for tourists and visitors to Paso Robles.

WHEREAS, the CHAMBER has special knowledge and experience together with available facilities to provide Visitor Center services necessary to enhance the economic vitality of Paso Robles; and

WHEREAS, the CITY desires to have the CHAMBER provide these services in order to facilitate the welcoming and hospitality of visitors to Paso Robles; and

WHEREAS, the CHAMBER is willing to provide services hereinafter set forth on behalf of the CITY in the manner and for the purpose hereinafter provided.

The City of Paso Robles hereby enters into an AGREEMENT for Visitor Center services to be provided by the Paso Robles Chamber of Commerce as follows:

1. **TERM.** The term of this AGREEMENT shall be for a three year period, expiring on June 30, 2010, unless terminated earlier in accordance with Section 8 below.
2. **CHAMBER'S RESPONSIBILITIES.** The CHAMBER'S efforts under this AGREEMENT shall include:
 - a. **Visitor Center Promotions**
 - * Staff and operate one Visitor Center at 1225 Park Street in downtown Paso Robles, six days a week, and maintain Visitor Information at the Paso Robles Airport
 - * Provide quarterly report and track visitor activity
 - b. **Local Event Promotion**
 - * Support local events sponsored by the Paso Robles Event Center, Paso Robles Main Street, and Paso Robles Wine Country Alliance, City of Paso Robles and any other community event by advising visitors of these organizations and their events.
3. **COMPENSATION.** In consideration of the services performed by the CHAMBER, the CITY will make payments as follows:
 - a. Commencing with the fiscal year beginning in July 1, 2007, the CITY shall disburse to CHAMBER pro rate monthly payments equal to:

Fiscal Year 2007/2008	\$101,900.00
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 - b. During Fiscal year 2008/2009 the parties agree to the base amount of the contract (\$101,900.00) plus a Cost of Living increase for the greater Los Angeles Area based upon the Consumer Price Index percentage noted for the month of January, 2008. In no event will base amount be less than the contract price for the first year.

