

RESOLUTION NO. 2009-09

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS
PERTAINING TO THE USE OF PREFERENTIAL PARKING FEES PURSUANT TO
THE LOS ALTOS MUNICIPAL CODE SECTION 8.20.111 E**

WHEREAS, Los Altos Municipal Code (“LAMC”) Sections 8.20.110 through 8.20.112 govern the City’s preferential parking program (“PPP”) and provide for the use of the revenue generated by the fees (“Parking Permit Revenue”) from such a program; and

WHEREAS, the City Council approved the PPP in 2003 and since the implementation of the PPP all of the Parking Permit Revenue generated from it have been deposited into a separate downtown parking fund; and

WHEREAS, the City Council finds that the current economic crisis has caused a serious decline in retail sale revenues, which results in loss of sales tax to the City; and

WHEREAS, the City Council finds that the loss of sales also increases the retail vacancy rates, which are often difficult to fill, reduce shopper traffic, and can eventually reduce property values; and

WHEREAS, the City Council finds that successful local retail districts throughout the City are important to the residents and benefit the City by promoting, enhancing and protecting the quality of life of the residents of the City; and

WHEREAS, the City Council further finds and determines that the Parking Permit Revenue generated by the City’s PPP may be used to promote and stimulate the local economy by supporting a joint program of the Los Altos Chamber of Commerce, Los Altos Village Association, Los Altos Hills and the City entitled the “Shop Los Altos Campaign.”

NOW, THEREFORE, BE IT RESOLVED, that the City Council hereby finds and authorizes the following:

1. The City Council hereby authorizes the amount of \$9,412.00 from the Parking Permit Revenue to be used by the Shop Los Altos Campaign.
2. The City Council finds that the use of the Parking Permit Revenue as outlined in this Resolution benefits the City by developing an advertising campaign designed to support local goods and merchants, retail businesses and local events.
3. The amount of \$9,412.00 will be used by the Shop Los Altos Campaign to provide the specific financial and technical support as described in the staff report and memorandum dated April 14, 2009, attached hereto as Exhibit “A” and incorporated by this reference.
4. The Shop Los Altos Campaign will be granted a one-time policy and fee waiver for the Shop Los Altos banners.

5. The Parking Permit Revenue shall not be used for any Shop Los Altos Campaign administrative functions including, but not limited to, overhead charges, salaries, rent or lease costs, administrative fees or any other expenditures not directly related to the Shop Los Altos Campaign.
6. Per LAMC Section 8.20.111E and within sixty (60) days of the completion of the projects, Shop Los Altos Campaign shall provide to the City Council a detailed accounting of the use of said funds and any unused funds shall be returned to the City within said sixty (60) day time period.
7. Shop Los Altos Campaign shall not be entitled to additional Parking Permit Revenue until the projects have been completed and the accounting has been provided to and accepted by the City Council.

I **HEREBY CERTIFY** that the forgoing is a true and correct copy of a Resolution passed and adopted by the City Council of the City of Los Altos at a regular meeting thereof held on the 28th day of April, 2009, by the following vote:

AYES: PACKARD, CARPENTER, CASAS, BECKER, SATTERLEE
NOES: NONE
ABSENT: NONE


Megan Satterlee, MAYOR

Attest:


Susan Kitchens, CITY CLERK

EXHIBIT A to RESOLUTION 2009-09

DATE: April 14, 2009
TO: City Council
FROM: Anne Stedler, Business Liaison and Management Analyst
SUBJECT: SHOP LOS ALTOS CAMPAIGN

RECOMMENDATION

1. Approve participating in the Shop Los Altos Campaign in the amount of \$9,412 and direct the City Attorney to prepare a resolution authorizing expenditure of public monies for this purpose.
2. Approve a waiver of the City policy regarding banner signs to allow periodic use for the Shop Los Altos Campaign at two locations from July through January 2010.

BACKGROUND

The current economic crisis and resulting consumer purchasing behavior has already caused serious declines in retail revenues in many retail sectors. Cities across the country are facing major loss of sales tax revenue as a result. The City's sales tax receipts were down 3% year-to-year as of the quarter ending 12/31/08, and are projected to be down 6% as for the year. This economic situation is expected to continue and perhaps worsen before the economy recovers. Los Altos retail districts throughout the City are important to our residents and people from the surrounding areas, in addition to generating retail sales tax to the City. Loss of sales and the potential for increased vacancies is threatening, with the potential to reduce services, and to reduce income to retailers, property owners and the City. Vacancies, when they occur in a troubled economy, are typically difficult to fill, usually cause reduced shopper traffic, and, in the long run, reduced property values. Since communities, business interests and cities are all affected negatively when stores suffer, it makes sense to focus on positive actions to achieve the most effective and far-reaching impact.

Planning for this project is a joint effort of the Los Altos Chamber of Commerce, the Los Altos Village Association (LAVA), and City staff, which have a history of working collaboratively to support the business community. By working together we have an opportunity to improve recognition for all retail areas. Also, the City is already in the planning stages for potential capital improvements at Loyola Corners and on First Street in Downtown, and working with the Downtown Development Committee to strengthen the Downtown retail core. These efforts are underway because healthy, successful business districts are critically important to both cities, the business community and residents.

DISCUSSION

The attached Shop Los Altos Campaign Creative Brief summarizes a potential advertising campaign designed to support Los Altos retail areas at a cost of \$26,412. It is an awareness campaign that will reach existing customers and potential new customers in Los Altos and immediately adjacent cities. The Creative Brief is the joint effort of the Chamber, LAVA and City staff. It is proposed to be jointly funded by these participating organizations and by the City of Los Altos Hills. The campaign message features the range of products available with the tag line: "From A to Z, you'll find it in Los

Altos.” The “call to action” is two-fold: to encourage people to frequent Los Altos shopping areas, and to use the web to find Los Altos retail businesses.

The Campaign focuses on print media in local newspapers, with a 26-week ad campaign that would run from July 2009 through January 2010. Ads would run weekly in the Town Crier, alternate on an every-other week basis in the Palo Alto Daily Post and Daily News, and run every other week in the Mountain View Voice. To increase the impact of the campaign, there would be parallel efforts to support and reinforce the campaign message:

- Outreach to retail businesses so they are aware of the campaign and can develop ways to gain from it in their own customer outreach and marketing
- Banners at entrances to the City (Fremont and Grant, and El Camino and San Antonio)
- Web site listing of retail businesses in Los Altos
- Refrigerator magnets passed out to attendees at major events (such as the Art and Wine Festival, Community Picnic, etc.) and at merchant stores.
- Editorial support from the Town Crier
- Publicity to get articles in local media outlets

In addition, community members have encouraged the Chamber, LAVA and City to include web chat groups that reach families with young children, and a kick-off scavenger hunt that would involve all the retail areas. The collaborating organizations are seeking volunteers for these ideas.

The campaign message “From A to Z, you’ll find it in Los Altos” is conveyed with a letter of the alphabet in each ad, and three products beginning with that letter which shoppers can purchase here in Los Altos. The first ad might be “apples, aprons and armchairs” for example. The ad would identify each Los Altos retail center, and the web site featuring Los Altos retail businesses.

Proposed City support for the campaign is both technical and financial and technical, as described in the following sections of the Agenda Report:

Banners at City Entrances. This report asks that the City Council waive portions of the existing City banner policy to allow Shop Los Altos Campaign banners at Fremont and Grant and at El Camino Real and San Antonio Road. The waiver is requested in light of the seriousness of the current economic crisis, and the need to reach Los Altos residents city-wide who are the most likely existing and new shoppers for Los Altos restaurants and stores. The Campaign would be best served to have banners up intermittently during the target campaign period from July 2009 to January 2010, with each placement lasting no more than two-weeks. Hopefully there could be a placement in July, two more in the fall, and one closing the campaign in January 2010. If reserved banner times make this impossible, the campaign could be supported by a minimum placement for a period of at least 1 week, 4 times during the campaign period, at each location. The City would provide this opportunity at no cost to the campaign, the Chamber or LAVA.

Web Site Information. The City is able to provide a data base of Los Altos retail merchants, with business addresses and phone numbers which would be featured on the Shop Los Altos Campaign web site. This will involve two phases of effort: 1) the initial compilation, review and correction of the data; and, 2) a process to provide updates for the web site on a periodic basis as new data is

available. City and Chamber staff expects to work together on this effort; the web site and maintenance are a part of the proposed Shop Los Altos Campaign budget (see the Creative Brief).

FISCAL IMPACT

This report recommends that the City of Los Altos provide \$9,412 as a portion of the \$26,412 total campaign cost. These funds would come from the Downtown Parking Fund (parking permit fee funds), and the proposed use is consistent with the ordinance governing use of parking permit fees. The remaining funds would be from:

- The Chamber in the amount of \$7,000 (approved by Chamber Board)
- LAVA in the amount of \$7,000 (approved by LAVA Board subject to review of a sample ad)
- The Town of Los Altos Hills in the amount of \$3,000 (approved by their Council).

Chamber and LAVA funds are in addition to their ongoing advertising and web directories.

1. Alternatives

The City Council could choose to fund a portion or none of the proposed campaign.

**2009 SHOP LOS ALTOS CAMPAIGN
CREATIVE BRIEF**

Target Market

A. Geographic Area - Los Altos residents, everyone in cities which border Los Altos

B. Decision-makers

PRIMARY TARGET	SECONDARY TARGET
Retail, dining, service provider decision-makers	
1) Female, 2) Male	1) Female, 2) Male
Ages 25 – 45	Ages 45 and up
Children at home	Children grown
10 - 20% Asian, East Indian	Increasing Asian, East Indian population
Volunteer or work part-time or full-time	Volunteer or work part-time or full-time
Significant percentage new to Los Altos	Have lived in Los Altos/surrounding area several or many years
Have ties to local school / parent groups	Have established network of friends
Use chat groups and print media	Use traditional print media

Product

- Food, goods and services available in Los Altos’ seven shopping districts as listed by name: Downtown Village, El Camino Real Corridor and Village Court, Foothill Crossing, Loyola Corners, Rancho Shopping Center, Woodland Plaza

Campaign Concept - “From A to Z, you’ll find it in Los Altos”

- Awareness campaign for all Los Altos shopping areas
- Calls to action:

- Come to Los Altos' retail areas and look around
- Use www.LosAltosAtoZ.com
- Build on existing product strengths and target audiences that have already confirmed acceptance of Los Altos retail areas. Expand the number of people shopping in Los Altos, and frequency of visits, by attracting members of target market.
- Run color ads every week in a 26 week campaign July 2009 to January 2010
- Vary the message, change content, keep image
- Use A – Z idea to showcase the variety of food, goods and services available in Los Altos (approve items in advance)
- Design Scheme – use odd numbers of things
- Emotional Connection – use people, babies, food and puppies
- List sponsors (logos or names)

Vehicles

- Print Ads – 4 color in local papers
- Editorial support and message (“Talking Points” attached)
- Premiums – refrigerator magnets, with web address on or inserted in packaging
- Banners at City entrances
- Web Site listing all local merchants; links to Chamber, LAVA, L A Rec. Dept.
- Internet marketing
- Publicity – press releases, follow-up to local media outlets; expand coverage beyond ads
- Outreach to businesses – ad campaign, purpose, perhaps customer premiums

Beneficiaries, Budget

- A. Number of businesses and organizations benefitting:
- All retail businesses having walk-in traffic city wide
 - The Chamber, LAVA, and the cities of Los Altos and Los Altos Hills

B. Summary Budget

<u>Newspaper Ad Campaign**</u>		
Town Crier	(26 wks)	\$8216
P A Daily Post *	(13 wks)	2170
P A Daily News*	(13 wks)	3291
Mt View Voice	(13 wks)	4226
 <u>Entry Banners</u>		 \$1500
 <u>Premiums</u>		 \$850
10,000 fridge magnets		
 <u>Web Site</u>		
Design/updates**		
Hosting		\$150
URL		9
 <u>Creative Direction**</u>		 \$6000
TOTAL		\$26412

* The 13-week ads in Palo Alto papers alternate to cover the full 26 week campaign, and deliver our message each week to the Palo Alto readership.

** Creative Direction includes production, photo selection & purchase (\$1,000 - \$1300), website management.

Campaign Enhancements – to be undertaken as resources are identified

- Scavenger hunt – kick-off for campaign, involve Los Altos' seven retail areas
- Chat Groups - targeting families with young children
- Multiply funding sources for on-going promotion of Los Altos business community
- El Camino and downtown street banners – need funding of \$5,000 and \$7000 respectively

Campaign Banners at City Entrances - Detail

The proposed banner locations are City entrances at Fremont and Grant, and at El Camino Real and North San Antonio Road. The Campaign would be best served to have banners up intermittently during the target campaign period from July 2009 to January 2010, with each placement lasting no more than two-weeks. Hopefully there could be a placement in July, two more in the fall, and one closing the campaign in January 2010. If reserved banner times make this impossible, the campaign could be supported by a minimum placement for a period of at least 1 week, 4 times during the campaign period, at each location.

Shop Los Altos Campaign Editorial Talking Points
March 11, 2009

- The Los Altos A to Z marketing effort will be a memorable and entertaining campaign based on the variety of food, goods and services you'll find in Los Altos.
- The campaign targets the decision-maker aged 25 – 45 who has children at home and makes decisions on where to spend family time and money for food, goods and services. It also targets the decision-maker aged 45 and up, whose makes these decisions for the spouse, friends and guests.
- The positioning statement for the campaign is “From A to Z, you’ll find it in Los Altos”.
- The intent is to help people rediscover the variety of food, goods and services available in Los Altos, and how much of their shopping can be done here.
- The A to Z campaign will feature items to be found in Los Altos utilizing local and regional newspaper print ads, Web site, banners, and other promotional materials.
- The primary messaging vehicle will be a series of 26 ads for each letter in the alphabet demonstrating three items that start with that letter and are readily available at Los Altos businesses running from July 2009 through January 2010.
- The ad campaign will be supported by a Web site at www.LosAltosAtoZ.com that will reproduce the 26 letters and items along with a listing of local merchants.
- The campaign will reach out to surrounding communities, likely to shop in Los Altos, and communicate to them the variety of food, goods and services found in Los Altos.
- The goal is to drive traffic into our various business centers, and leveraging the concept of a “high tide floats all boats”, increase business for all in Los Altos.
- An aggressive program like this is important to the success of all our businesses, business areas, and for City revenues in this challenging economic environment.
- The program is proposed to be funded by the Los Altos Chamber of Commerce, the Los Altos Village Association, and the City of Los Altos.