

TO: City Council

FROM: James L. App, City Manager

SUBJECT: **Economic Strategy – Marketing & Promotion:
Promotions Coordinating Committee**

DATE: August 7, 2007

NEEDS: For the City Council to consider appointing a Promotions Coordinating Committee to develop and oversee a community marketing plan.

- FACTS:**
1. May 15, 2007, the City Council adopted a community Marketing & Promotion Restructuring Plan (Exhibit I).
 2. The Plan includes establishment of a Promotions Coordinating Committee (Council Advisory Body) who, with City staff support, will develop and oversee a detailed community marketing plan.
 3. The Committee is to have seven members to include:
 - Two hoteliers
 - Events Center C.E.O.
 - Chamber of Commerce C.E.O.
 - Wine Country Alliance Executive Director
 - Main Street Association Executive Director
 - One private business person with substantial marketing experience/expertise.
 4. The Tourism Task Force met June 29, 2007 to develop a slate of hotel and business/marketing person nominees for Council consideration (Exhibit II).
 5. The Task Force asked the hotel industry for nominees and received one suggestion for the marketing expert – Pam Lyon of River Oaks.
 6. Mr. Matt Masia, Adelaide Inn, and Ms. Noreen Martin, Martin Resorts, consulted with area hoteliers and offer two nominees for Council consideration – Mr. Matt Masia & Mrs. Margaret Johnson, Martin Resorts.

ANALYSIS &

CONCLUSION: The Promotions Coordinating Committee (PCC) is proposed as a Council Advisory Body. Its purpose is to assist the City Council in formulating and overseeing a community tourism promotions and marketing plan. The Committee will be supported in this effort by City staff from the City Manager's Office.

The Tourism Task Force recommends two year terms of office, and that the terms are staggered. Inasmuch as the majority of the PCC membership is fixed, limited terms of office would apply to the hotel and private business representatives.

POLICY

REFERENCE: Economic Strategy; Marketing & Promotion Restructuring Plan.

FISCAL

IMPACT: None.

OPTIONS: **A. Council Establish the Promotions Coordinating Committee as a Council Advisory Body, and Appoint Three Members to the Promotions Coordinating Committee - One for an Initial Term of Three Years, the Others to Two-Year Terms.**

B. Amend, Modify or Reject the Option Above.

Exhibits: I – 5/15/07 Marketing & Promotion Report
II – 6/29/07 Tourism Task Force Discussion Notes

TO: City Council
FROM: James L. App, City Manager
SUBJECT: **Economic Strategy – Marketing & Promotion**
DATE: May 15, 2007

NEEDS: For the City Council to consider restructuring community marketing and promotion efforts.

- FACTS:**
1. In 2005, the City Council called for a transformation of approach to community economic vitality.
 2. The 2006 Economic Strategy defines a wholly new vision and plan for increasing economic vitality.
 3. Developing and marketing the unique character, heritage and special attributes of the community is identified as a key stratagem to long-term economic progress.
 4. The City’s methods of marketing and promotion required reinvention to address the initiatives and objectives of the new Strategy.
 5. Exploration of alternative marketing and promotion efforts was undertaken mid-2006 through mid-2007.
 6. A community group is proposing restructure of a major portion of the established marketing and promotion effort (see Exhibits A & B).

ANALYSIS &

CONCLUSION: Historically, the City has contracted with the Paso Robles Chamber of Commerce for Visitor & Conference Bureau (VCB) services and with the Main Street Association for downtown promotion services (see Exhibits C & D). These contracts served the community well, but the new vision and plan of the 2006 Economic Strategy compelled re-evaluation.

A community group formed out of the Chamber of Commerce Board of Directors, with other accomplished individuals from tourism, visitor serving, and related industries, are recommending a restructuring of the VCB component. Specifically, they propose a broad redefinition of the marketing and promotion mission as well as realignment of the VCB from the Chamber of Commerce to the City organization.

The group has developed a budget to fulfill the proposed mission, as well as an alternative budget that is within the City’s current investment capacity.

POLICY

REFERENCE: 2003 General Plan; 2006 Economic Strategy.

FISCAL

IMPACT:

- > Immediate impact = \$0; and
- > July 1, 2007 proposed increase in funding of \$75,000 – to be considered in the FY 2008-11 City Budget; and
- > Potential future expansion of budget (\$350,000) to fulfill defined mission will require supplemental funding.

OPTIONS: A. **City Council:**

- **Adopt the Proposed Marketing & Promotion Plan & Restructure; and**
- **Establish a Promotions Coordinating Council.**

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

Exhibits: A – Community Group
B – Proposed Marketing & Promotion Plan
C – Chamber of Commerce Visitor & Conference Bureau Contract
D – Main Street Association Downtown Promotion Services Contract
E – Letters of Endorsement from P.R. Events Center & Wine Country Alliance Boards of Directors

TOURISM TASK FORCE

Hawley, John	Chamber Board; Odyssey Cafe
Jacobs, Stacie	Wine Country Alliance Executive Director
Johnson, Margaret	Chamber Board; Martin Resorts
Masia, Matt	Adelaide Inn; Former Chamber Board; Main St. Board
Moye, Norma	Main Street Association Executive Director
Newkirk, Cindy	Steinbeck Vineyards; Agribusiness Tour; WCA
Roberts, Neil	Chamber Board; WCA; Roberts Vineyard Service
Robertson, Vivian	Events Center Chief Executive Officer
Roof, Bill	Chamber Board; Hampton Inn
Wilhoit, Dick	Past President Chamber; PR Hot Springs

ECONOMIC DEVELOPMENT | POSITIONING | (Marketing & Promotion)

The community has established an Economic Strategy for the future. A future that includes a vital, expanding and balanced economy where the great majority of Paso Robles can live, work, shop and play.

The Strategy is comprehensive in its scope and long-term in its orientation. Of its four primary objectives, **'positioning'** is a key. It is set forth that to earn the future that is sought, significant effort and investment must be made to **develop and market the unique character, heritage and special attributes of the community as the destination to visit, shop, play, invest, work and live.**

Paso Robles needs to **actively promote** unique local industry, products, services and destinations **to the world – to let them know what is here; let them know there is opportunity.** This is the emerging center of world class wines and viticulture. It is an ideal setting for unique medical, health and wellness destinations. It is a year-round place for dining, entertainment, events, and conferencing. It is a welcoming home with unique history and distinctive depth of character in its downtown, Victorian neighborhoods, agriculture, and people.

Marketing, promotion, and public relations are the keys to communicating the attractions and opportunities of Paso Robles. It is through tourism, i.e., visits to the area, that people are awakened to the place, to the distinct community character, to the opportunities – opportunities not only to visit, but to invest in a home, a business, a life. It is through marketing and promotion that economic development is achieved.

Therefore, it is proposed that the community-at-large, through its City agents, take a more active and direct role in marketing and promotion. And that this new involvement is undertaken in partnership with the Paso Robles Wine Country Alliance, Events Center, Main Street Association, Chamber of Commerce, hoteliers, and other tourist-serving business interests.

Tourism Development Mission

The mission of tourism development is to garner public interest and investment. Attraction of interest can be accomplished by positioning the area, its assets and attractions as unique, distinct and different. Name recognition and long-term visibility must be built, and validated, through extensive third party acclaim, clear and identifiable branding, and advertising that underscores and highlights the brand and third party acclaim.

The mission may be accomplished through a three-fold effort broadly categorized as public relations, marketing & promotion, and hospitality.

Public Relations:

Solicit attention of targeted media outlets, media professionals, and lifestyle/travel/wine/food writers through feature story development and promotionals, press releases, and media kits.

Marketing & Promotion:

Develop name recognition through brand development; advertising development, buying & placement; special event & conference attraction and development; travel and trade show exposure; web, brochure and graphic design and development.

Hospitality (Visitor Services):

Validate and expand public interest and investment by providing welcome center/information, visitor guides, and special event & conference coordination, support and concierge services.

The vitality and outcome of these efforts is dependent upon a clear economic development and marketing objective(s) and plan; adequate and stable funding; partnerships and coordination among and between tourist-serving interests; and an expert, accountable and broad-based tourism promotion organization.

Tourism Development Organization

A variety of organizational models were evaluated. Key organizational effectiveness criteria included:

- Broad-based – represents the interests of all tourism related industry and services.
- Expert – knowledgeable and experienced public relations/marketing principals.
- Inclusive – actively seeks out and cooperates with tourist-serving interests.
- Stable – secure funding and constant staff support.

Against these criteria it was concluded that member-driven organizations may benefit from member financial support, however are limited in their capacity to represent the interests of non-members. Independent non-member organizations may represent all, but lack the capacity to self-fund, or if self-funding may be unduly focused in their representation, e.g., to the interests of those funding.

A public relations and marketing tourism organization may be established within the City government. Positioning, i.e., marketing, of the community is an established strategy thus receives the highest possible policy support. Likewise, inclusivity is regularly practiced, encouraged, and itself is an adopted stratagem to realize economic development. Further, the City is dedicated to promoting the interests of all businesses that contribute to the community's economic vitality. And, it has the financial and staffing stability requisite to sustained effort. Expertise in the field may be provided as follows:

- Promotions Coordinating Committee (PCC)

A standing committee, reporting to the City Council, would be responsible for developing and overseeing a detailed marketing plan, and recommending an annual marketing budget.

The Committee would be made up of seven members including:

- Wine Country Alliance Executive Director
- Event Center Chief Executive Officer
- Chamber of Commerce Chief Executive Officer
- Main Street Executive Director
- Two hoteliers
- One private business person with substantial marketing experience/expertise.

- Public Relations/Marketing Staff

The PCC would be supported by 2-2.5 City staff including a public relations/marketing/promotions manager, tourism promotions assistant, and a part-time hospitality aide.

The City staff would report through the City Manager's Office, who in turn would provide continuing strategic and program management.

- Budget

Two budget alternatives are provided. The recommended budget (A) contemplates considerable expansion of the historical effort to increase visitor attraction. The expanded effort will require a new source of funding – a local hotel/motel business improvement district (charging 2% on each night’s lodging in town) could provide the supplemental funding. The alternative budget (B) provides a continuation of baseline effort with some less significant expansion all from City funds.

Public Relations:	<u>A</u>	<u>B</u>
Travel Writers	\$ 60,000	\$ 15,000
Media Kits, Story Development	<u>\$100,000</u>	<u>\$ 30,000</u>
	<u>\$160,000</u>	<u>\$ 45,000</u>
 Marketing & Promotion:		
Advertising	\$100,000	\$ 20,000
Brand Development	\$ 50,000	0
Web & Graphic Development	<u>\$ 40,000</u>	<u>\$ 10,000</u>
	<u>\$190,000</u>	<u>\$ 30,000</u>
 Hospitality:		
Event Coordination & Concierge	<u>\$ 50,000</u>	<u>\$ 15,000</u>
Sub-Total	<u>\$400,000</u>	<u>\$ 90,000</u>
 <u>Staffing:</u>		
PR/Promotions Manager	\$100,000	\$100,000
Tourism Coordinator	\$ 60,000	\$ 60,000
Concierge/Hospitality (1/2 time)	<u>\$ 40,000</u>	<u>0</u>
	<u>\$200,000</u>	<u>\$160,000</u>
 <u>SUB -TOTAL:</u>	<u>\$600,000</u>	<u>\$250,000</u>
 <u>Related Efforts:</u>		
Main Street – Downtown Promotions		
Chamber of Commerce Visitors Center		
Wine Country Alliance Membership	<u>\$150,000</u>	<u>\$150,000</u>
 <u>TOTAL</u>	<u>\$750,000</u>	<u>\$400,000</u>

<u>REVENUE:</u>	<u>A</u>	<u>B</u>
City – Current	\$328,000	\$328,000
City – Proposed Supplement	\$ 72,000	\$ 72,000
Sub-Total	<u>\$400,000</u>	<u>\$400,000</u>
New Source (Lodging B.I.D.)	<u>\$350,000</u>	N/A
<u>TOTAL</u>	<u>\$750,000</u>	<u>\$400,000</u>

TO: Tourism Task Force

FROM: James L. App, City Manager

SUBJECT: June 29, 2007 Discussion Notes

DATE: July 3, 2007

Thank you for taking time to meet last Friday to discuss next steps in the effort to restructure community promotions. Discussion centered on three items:

- Nominations for Promotions Coordinating Commission
- Identify strengths, weaknesses, opportunities and threats to Marketing Paso Robles (for use by the PCC when developing a marketing plan).
- Review budget and discuss implementation alternatives and/or next steps.

Nominations

The Promotions Coordinating Commission (PCC) will have seven members including the CEO/Executive Directors of Wine Country Alliance, Events Center, Main Street, & Chamber of Commerce as well as two hoteliers and one business person with significant marketing expertise. The group was asked to nominate individuals who the City Council might consider to fill the two spots designated for hoteliers and one business person with significant marketing expertise.

Following considerable discussion, the group deferred nominations to hotel owners. And, while some remained committed to including one business person with significant marketing experience, a number were open to that spot being filled by a (third) hotelier. One name was submitted to the Task Force for consideration – Pam Lyon of River Oaks; no specific action was taken regarding that submission.

The group was in agreement that whoever ultimately sits on the PCC should be individuals empowered to act on behalf of their employer/association. The suggested term of office is two years; and the terms should be staggered among the members.

Matt Masia will solicit nominations from fellow Paso Robles Hotel owners.

Strengths/Weaknesses

Strengths:	Wine Industry	Events Generally	New Growth	Proximity (to Beach,
	Winery Events	Shared Vision	City Spirit	Naci, & Hearst Castle)
	Event Center	P.R. Brand	Dining	Family Businesses
	Mid State Fair	Downtown	Airport	Central Location
	Equestrian Events	Place	Safety	Accessibility

Weakness: Money (for marketing & promotion)
Convention/Enclosed Event Space
Art Galleries
Parking
Signage
Trash Cans

Opportunity: Downtown Nightlife/Evening Business Hours
Take Downtown to PREC Event Participants
Mid-Week Seminars/Corp Meeting Planning
Health & Wellness Industry/Attractions
Performing Arts Center
Resort Property
Public Transit
Salinas River
Hot Springs

Threats: Timing (small window of time to capitalize on the PR Brand)
Housing Affordability (workforce)
Political Environment
Infrastructure
Labor Pool

Implementation Options

The group, while committed to a City-run/staffed marketing/promotions effort, suggested that with 50% or more of the \$400,000 likely committed to others, insufficient funds remain to engage the recommended complement of staff and still provide a budget for marketing activities.

The group suggested that the remaining funds be focused on public relations (travel writer outreach) and hospitality. Specifically, there seemed to be support for engagement of (a) one full-time City hospitality staff and (b) a contractor to handle public relations – specifically travel writer outreach. The Wine Country Alliance was suggested as the logical contractor as (a) they are already doing it, (b) City funds will be leveraged by/with WCA investments and travel writer contacts/interest, (c) public relations/writer outreach is Stacie Jacobs’s field of expertise, and (d) they appear willing to partner.

The group seemed inclined to add the recommended City Tourism Manager when/if supplemental funding comes available.

It was also mentioned that City staff (I.T., Cathy David, and Shonna Howenstien) could provide assistance to strengthening community visitor web presence/entrée (via the web sites of the Chamber, Main Street, WCA, PREC, and City).