



STAFF REPORT

SAUSALITO CITY COUNCIL

AGENDA TITLE

Hospitality Business Development Committee --
Restatement of Responsibilities, Membership, Terms of Office, and Procedures

RECOMMENDED ACTION

Approve the attached resolution which restates the Responsibilities, Membership, Terms of Office, and Procedures of the Hospitality Business Development Committee

SUMMARY

On July 27, 2004 the City Council established a line item in the City Budget to help promote the hospitality industry in Sausalito and established the Hospitality Business Development Committee to act as an advisory board in the expenditure of these funds.

The Committee has been made up of two representatives of the hotel industry and two representatives from the Chamber of Commerce. The Committee wishes to add two representatives from the restaurant industry to the Committee.

BACKGROUND AND DISCUSSION

On July 27, 2004 the City Council established a line item in the City Budget to help promote the hospitality industry in Sausalito and established the Hospitality Business Development Committee to act as an advisory board in the expenditure of these funds.

Since that time the Hospitality Business Development Committee has promote the hospitality and tourism industry in Sausalito. Recently, the Hospitality Business Development Committee has allocated funds or directly orchestrated the following:

- Amgen Tour of California
- Cable TV Advertising
- Press Release Distribution
- Annual Concierge Event
- Gingerbread House Tour
- Downtown Wi-Fi
- SF Visitor Bureau Box
- Ice House Staffing
- Downtown Tree Lighting
- Buy Local Campaign

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In the past, restaurants were represented by members serving on the Chamber's behalf. These Chamber members are no longer on the Chamber board and therefore no longer able to serve the dual role of representing the Chamber and restaurants. The Hospitality Business Development Committee believes that it is important to have the restaurants represented as they play a crucial part in the hospitality of visitors who spend the evening in Sausalito.

Therefore The Committee wishes to add two representatives from the restaurant industry to the Committee.

FISCAL IMPACT

The Council has budgeted \$30,000 per fiscal year for the Hospitality Business Development Committee. Adding two additional members to the Committee will not increase the financial impact to the City.

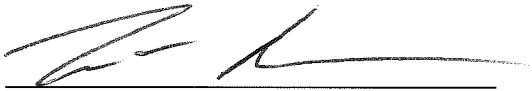
STAFF RECOMMENDATION

Staff recommends that the Council approve the attached resolution which restates the Responsibilities, Membership, Terms of Office, and Procedures of the Hospitality Business Development Committee.

EXHIBITS

- A. 2004 Staff Report Establishing the Hospitality Business Development Committee
- B. Draft Resolution

PREPARED BY:



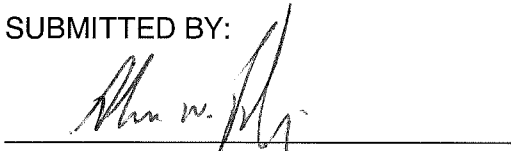
Mike Langford
Parks and Recreation Director

REVIEWED BY:



Mary A. Wagner
City Attorney

SUBMITTED BY:



Adam W. Politzer
City Manager

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STAFF REPORT

SAUSALITO CITY COUNCIL

AGENDA TITLE: HOSPITALITY BUSINESS DEVELOPMENT PLAN

RECOMMENDED MOTION:

Approve a plan to establish a line item in the City Budget to develop the hospitality industry; establish a Hospitality Business Development Committee composed of two representatives from the hotel industry, two representatives from the Chamber of Commerce, and two City Council appointed representatives to recommend specific hospitality development expenditures on an annual basis; solicit input from hospitality businesses on priorities for City expenditures; return to the City Council with budget augmentation requests for hospitality business development mid-year FY 2004-05 and at the time of every budget adoption thereafter, based on the recommendations of the Task Force.

SUMMARY:

On July 15, the Business Advisory Committee asked staff to prepare a plan that the City could implement to help develop the City's hospitality industry. Staff prepared a list of opportunities for Hospitality Business Development and also analyzed website data for further review.

On July 20, City and Chamber officials met to review the opportunities for Hospitality Business Development and conceived a plan that would accomplish the following:

- The City would establish a line item in the annual budget for "Hospitality Business Development". That line item would encompass both existing programs (for instance, this year, the City is funding website improvements, sales tax monitoring and salaries for the Ice House Docents) as well as new programs.
- The Council would also establish a "Hospitality Business Development Task Force" composed of representatives from the hotel industry, Chamber of Commerce, and City Council appointed representatives to recommend specific hospitality development expenditures on an annual basis in the City Budget.
- Staff would solicit from the City's hoteliers and Chamber of Commerce representatives input on a "laundry list" of programs that the could improve hotel occupancy and stabilize rates.

This report is the fulfillment of that direction.

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BACKGROUND

The City has heard testimony from the Chamber of Commerce and hoteliers that there are specific actions that can and should be taken to encourage increased hotel visitation during off-peak (midweek) periods. They include:

- Economic monitoring
- Visitor information services
- Website improvements
- Development of collateral marketing materials
- Directional signage
- Advertising
- Public relations and marketing
- Infrastructure improvements
- Improved maintenance
- Visitor services
- Recreational opportunities and special events

Exhibit A contains the broad laundry list of possible business development programs that the City might fund. The list has been circulated to the Chamber of Commerce and hoteliers to solicit information on those activities that would have the greatest impact on their business. To date, the hoteliers have suggested (in unranked order):

1. Redesign the City website to appeal to visitors; update the photo tour to include spectacular visual images of the City and its visitor sites; provide direct links to hotels, restaurants and other visitor information sites;
2. Pitch travel stories to selected publications such as major newspapers and travel magazines
3. Issue quarterly/annual reports on TOT performance (along the lines of the sales tax reports
4. Continue to fund Ice House docents
5. Post maps and visitor guides on website
6. Create a water taxi service
7. Offer downtown bicycle rentals

Chamber of Commerce officials have offered the following suggestions as well:

8. Improve directional signage in town;
9. Cooperate with the Chamber to create brochures and maps;
10. Participate in cooperative advertising campaigns;

Staff is pleased to report that the direct website links to the hotel websites have already been installed. Toll free phone numbers to the hotels have also been added.

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FISCAL IMPACT

At the present time, the City has allocated \$11,900 in direct hospitality industry support for the Ice House funding, economic monitoring and website improvements. In addition there are a great many City services that benefit the hospitality industry, including landscaping, street and sidewalk cleaning, public conveniences such as parking and restrooms, etc.

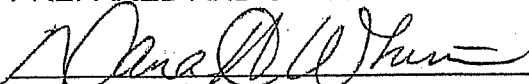
In accordance with this plan, additional programs will be recommended for funding by the Hospitality Business Development Task Force at the City's mid-year budget review. The amount budgeted by the City Council will depend on the cost of identified needs established by the Task Force, available funding, and projected revenues to be derived from those activities.

STAFF RECOMMENDATIONS

Approve a plan to establish a line item in the City Budget to develop the hospitality industry; establish a Hospitality Business Development Committee composed of two representatives from the hotel industry, two representatives from the Chamber of Commerce, and two City Council appointed representatives to recommend specific hospitality development expenditures on an annual basis; solicit input from hospitality businesses on priorities for City expenditures; return to the City Council with budget augmentation requests for hospitality business development mid-year FY 2004-05 and at the time of every budget adoption thereafter, based on the recommendations of the Task Force.

EXHIBIT A- Hospitality Business Development Opportunities

PREPARED AND SUBMITTED BY:



Dana H. Whitson
City Manager

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REVISED DRAFT-7-19-04

Hospitality Business Development Opportunities

1. Business climate monitoring
 - ✓ ~~Sales tax monitoring and reports - \$3900/yr~~
 - ✓ Up to date surveys of "best practices" in other cities
 - ✓ TOT quarterly/ annual reports
 - ✓ Analysis of comparative data for other jurisdictions
2. Funding visitor information services
 - ✓ ~~Ice house docents - \$6000~~
 - ✓ Provide added visitor training to parking attendants
3. Website improvements
 - ✓ ~~Funded upgrades - \$2000~~
 - ✓ Redesign site to improve appeal to visitors
 - ✓ Provide quarterly/ annual summary of hits and links
 - ✓ Provide direct links to hotels, restaurants and other visitor sites
 - ✓ Post maps and visitor guides on website
4. Collateral materials
 - ✓ Printing
 - ✓ Brochure design
 - ✓ Dissemination to key information points (SF visitor centers, AAA, etc.)
5. Directional signage
 - ✓ Message board for special events
 - ✓ Implementation of approved directional signage program (\$\$\$)
6. Advertising
 - ✓ Web advertising
 - ✓ Co-op ads
 - ✓ Trade shows
 - ✓ Cable TV ads
7. Public Relations/ marketing
 - ✓ Target mid-week markets (meeting planners, special event planners, industry events)
 - ✓ Pitch stories to selected publications (Sunset, LA Times, San Jose Mercury, Sacramento Bee, Santa Cruz Sentinel, major cities, etc.)
8. Visitor-related capital and infrastructure improvements
 - ✓ Ferry landing restroom

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- ✓ Bicycle racks
- ✓ Trash receptacles
- ✓ Banners
- ✓ Hanging flower baskets
- ✓ Benches
- ✓ New tree grates
- ✓ ADA accessibility improvements to downtown sidewalks, Yee Tock Chee Park and existing restrooms (\$\$\$)
- ✓ Street lights
- ✓ Decorative lighting
- 9. Visitor-related maintenance improvements
 - ✓ Enhanced sidewalk cleaning
 - ✓ Enhanced restroom cleaning
 - ✓ More frequent trash collection
- 10. Visitor services
 - ✓ Shuttle to Vista Point
 - ✓ Free in town shuttle
 - ✓ Water taxi
 - ✓ Bicycle rentals
 - ✓ Horse carriage
- 11. Visitor incentives
 - ✓ Demand pricing for parking (i.e., off-peak discounts for parking lots, or restrictions on free resident parking during peak season)
 - ✓ Package promotions for off-peak
- 12. Recreation and Special Events
 - ✓ Specialized visitor programs such as historic walking tours, organized hikes, kayak adventures, wine country tours, cooking classes with Sausalito chefs, yoga or fitness
 - ✓ Concerts, performances
 - ✓ Specialty events such as car shows, winter festival

Note: Highlighted items are budgeted in current fiscal year

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**Excerpt of the July 27, 2004
City Council Minutes**

Consent Calendar Item 5 (c).

Adoption of a Hospitality Business Development Plan

Staff report by City Manager Dana Whitson

Ms. Whitson noted that on July 15, 2004, the business advisory committee asked staff to prepare a plan that the City could implement to help develop the City's hospitality industry. This was also in response to the last Council meeting in which hoteliers asked for more participation from the City in promotions and marketing. Staff has prepared a list of opportunities for hospitality business development and also analyzed website data for further review. Promotion will be focused on mid-week and winter/off-season travel.

On July 20, City and chamber officials met to review the opportunities for Hospitality Business Development and conceived a plan that includes updating the City's website -- much of which has already been done -- new photos, links to City's hotels, and 800 numbers have been added. The City will begin to issue hotel occupancy tax analyses at the request of the hoteliers. They are also going to add maps to the website. The businesses liked the idea of water taxis. Other suggestions were pitching travel stories, implementing downtown bicycle rentals, continuing to fund the ice house docents and issuing quarterly/annual reports on TOT performance (along the lines of the sales tax reports).

This consent calendar item asks the Council to approve a number of items to further the hospitality input from the City, including a line item for hospitality business development encompassing existing programs as well as new programs and establishing a hospitality business development task force. Staff would solicit from the City's hoteliers and chamber representatives input on programs to improve hotel occupancy and stabilize rates, solicit input on priorities for City expenditures, and return to the City Council with budget augmentation requests.

Mayor Albritton said this plan will go into effect, regardless of the outcome of the item on the agenda later that evening regarding the TOT tax. He reviewed some of the staff recommendations including establishing a hospitality business development committee composed of two representatives from the hotel industry, two representatives from the chamber of commerce and two City Council appointed representatives to recommend specific hospitality development expenditures.

Public Comment

Bill McDevitt said the hoteliers have gotten together and are united in opposing an increase in the TOT tax. They feel that there are a lot of misconceptions about what the City does and

doesn't do for the hotels. He pays \$43,000 just in real estate taxes and the hotel has very little demand on the police and fire department, although they have no quarrel with those services.

Mayor Albritton noted those concerns will be addressed in the discussion of Item 7(b). The public comment now is only relative to the hospitality business development committee.

Ms. Whitson said all the hoteliers weren't able to attend, although all were invited. She got input from Inn Above the Tides and Casa Madrona. This is not a plan cast in concrete.

Mike Monsef said there is already a line item in the budget for promoting Sausalito, but the amount next to the item is always zero. It is easy to produce a laundry list of things to be done, but it is action that counts. In one year the City and chamber did do some promotion together. It was a bad economic time but the result was better than nothing. But just putting it down on the agenda and on the report isn't sufficient; it is the action that is important.

Close of public comment

Councilmember Belser was at the business advisory meeting. She agrees that it does need to have specifics ultimately. The committee that is mentioned would be the group that suggests the specifics. Two members are hoteliers, two are chamber and two are Council-appointed. Attention has been focused on the issue at the last two Council meetings, which is a good thing. This is something that should happen. If there is a line item that says zero, it probably will not be there next year with a zero; this discussion has sort of insured that. But there are many things that the City and the community can do to help the businesses. She is less interested in talking about what they do and don't do than she is in talking about what they can and will do. This is the foundation for that attitude. It puts the City on record and forms an entity that will carry it forward. It is a good beginning.

Vice Mayor Scremin said he is very excited about this proposal. This is the first coordinated effort between the hotel industry, the chamber and the City since he has been on the Council and he is pleased to have an opportunity take action on this.

Councilmember Keller said he would like to see the committee report to Council fairly frequently, more than on an annual basis and on a much more interactive basis, at least quarterly.

Councilmember Albert said he agrees with the comments he's heard. There are so many committees, he's wondering if this committee they are contemplating might be a subcommittee of the business advisory committee. It sounds like a similar committee with similar and perhaps overlapping goals.

Mayor Albritton said the intent of creating a separate committee was so the hospitality business knows they have a direct line to the Council. There could be overlap between the business advisory committee and the proposed hospitality development committee. There is also a discussion of putting a sunset on the TOT.

Mayor Albritton moved, seconded by Councilmember Belser, to adopt the Hospitality Business Development Plan Motion with the change from that reports to the Council will be made on a quarterly basis rather than an annual basis.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAUSALITO RESTATING THE RESPONSIBILITIES,
MEMBERSHIP, TERMS OF OFFICE, AND PROCEDURES OF THE
HOSPITALITY BUSINESS DEVELOPMENT COMMITTEE

BE IT RESOLVED by the City Council of the City of Sausalito as follows:

1. The creation of the Hospitality Business Development Committee by action of the City Council on July 24, 2007 is hereby confirmed.
2. The Hospitality Business Development Committee shall consist of two representatives of the hotel industry, two representatives from the restaurant industry, and two representatives from the Chamber of Commerce.
3. Members of the Committee shall reside within or shall operate a business within the City limits of Sausalito.
4. The Hospitality Business Development Committee shall promote the hospitality and tourism industry in Sausalito. The Hospitality Business Development Committee shall suggest programs and recommendations to the City Council, and with the consent thereof, facilitate these programs to fulfill its objectives.
5. All meetings of the Hospitality Business Development Committee shall be conducted in accordance with the Ralph M. Brown Act (Government Code Sections 54950, et seq.).
6. A majority of the six members of the Hospitality Business Development Committee shall constitute a quorum for the transaction of business. No action may be taken except by a majority vote of the quorum pursuant to Robert's Rules of Order.
7. The Hospitality Business Development Committee shall select officers consisting of a Chair and Vice Chair in July of each year by a majority vote of its members at a regular meeting.
8. Any vacancy on the Hospitality Business Development Committee may be filled by appointment of the City Council pursuant to Ordinance No. 1133 for the unexpired term.
9. Members of the Hospitality Business Development Committee serve at the will of the City Council and may be removed by a majority vote of the City Council during a regular Council meeting without stated cause.
10. All members of the Hospitality Business Development Committee shall serve without compensation.

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11. The Hospitality Business Development Committee shall prepare an annual report to the City Council on its activities for the past year and a schedule of activities for the coming year in May of each year.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Sausalito on this 1st day of June, 2010 by the following vote:

AYES:

NOES:

ABSENT:

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