



## Staff Report

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## Yountville Town Council Staff Report

**DATE:** May 19, 2020  
**TO:** Mayor and Town Council  
**FROM:** Steven R. Rogers, Town Manager

### TITLE

Consider Adoption of Resolution Number 20-3989 Authorizing Town Manager to sign amendment to Professional Services Agreement between the Town of Yountville and the Yountville Chamber of Commerce for the Provision of Marketing and Promotional Services and Operation of Visitor Information Center from July 1, 2020 through June 30, 2023 to fund additional coordinated Up Valley COVID-19 Reopening Marketing Campaign and to provide additional \$25,000 from the unassigned fund balance.

### DISCUSSION/BACKGROUND

The Town of Yountville has had a long-standing contractual relationship with the Yountville Chamber of Commerce for twenty-seven (27) years dating back to 1993 for marketing and the promotion of Yountville as a travel destination. On April 21, 2020, the Town Council approved a contract extension through June 2023.

At that time, the consensus of the Town Council was that marketing Yountville as a destination was even more important than ever as we have seen firsthand with the loss of tourism related TOT and sales tax negatively impacting town revenue. The Town Council expressed an interest in the Chamber receiving additional funding for potential projects to assist in recovering from the COVID-19 pandemic.

On April 28, 2020, Governor Newsom outlined a four-phased reopening plan for retail businesses due to forecasted stabilization of both the number of confirmed cases and deaths due to COVID-19. Stage 2 is expected to launch on Friday, May 8, 2020.

Stage 1 - Safety and Preparedness

Stage 2 - Lower Risk Workplaces reopen (e.g. retail, manufacturing, offices, more public spaces) This is where Napa County has moved to and is looking at what is deeper Stage 2.

Stage 3 - Higher Risk Workplaces (e.g. personal care, movie theaters, sports without live audiences, in-person religious services)

Stage 4 - End of Stay-At-Home Order (e.g. concerts, convention centers, live audience sports)

Visit Napa Valley (VNV) market research indicates consumer sentiment has changed substantially in the past two months. For example, the airline industry has experienced a dramatic drop-off in travel. TSA reports a 95% reduction in travel in early April 2020 vs. April 2019. VNV is transitioning to a California-focused marketing effort, with primary focus on the Bay Area and Sacramento drive markets.

Consumers are now reporting more interest in visiting safe, rural destinations than urban locales, which

presents a competitive advantage for up-valley (Yountville, St. Helena and Calistoga) businesses as they emerge from the Shelter-At-Home order. Championing Napa Valley's high customer service standards, brand reputation, and hospitality are expected to be distinguishing characteristics in the coming year.

To this end, the City/Town Managers of Calistoga, St. Helena and Yountville, have discussed opportunities to leverage their collective resources in partnership with their individual Chambers of Commerce. Like Yountville, Calistoga and St. Helena are small, rural destinations that have the opportunity to capitalize on changing consumer sentiment.

As a result of substantial business and Town revenue losses, development of a targeted marketing strategy is recommended at this time to stimulate business recovery. By pooling our resources with Calistoga and St. Helena, we anticipate developing joint messaging intended to compliment VNV marketing. The campaign will profile the three up-valley cities as attractive road trip destinations to drive up business and tax revenues. This collaborative approach will allow more resources to be directed to specific marketing investments because of the economies of scale associated with content creation.

The Phase 1 campaign will focus on the return to normal daily routines and travel plans. The pooled \$75,000 (\$25,000 from each jurisdiction provided to its Chamber) is anticipated to fund a three to four-month joint creative campaign (June - September) managed by the respective Chambers of Commerce. In addition to development of creative content, the funding can also be used for the following highly efficient and cost-effective outreach strategies:

- Creative advertisement development (graphics, design work, and photography)
- Google Search and Google Display Network ads (highly targeted ads to focus on drive markets/mid-to-low funnel approach)
- Pandora Ads
- Social media advertising (Facebook and Instagram)

Data analytics and sales data from local retailers and lodging properties will be used to evaluate the effectiveness of the campaign. If warranted, there is the possibility of continuing with a potential Phase 2 campaign.

The focus of the additional project amendment to the approved agreement on the part of the Town is to continue fund efforts related to destination marketing and community promotion with an emphasis on maintaining and increasing TOT and sales tax generation. The Town and Chamber also work will with the local NVTID-Yountville and coordinate marketing and support programs utilizing applicable TID funds.

## **ENVIRONMENTAL REVIEW**

Exempt per California Environmental Act (CEQA) Guideline, Section 15061(b)(3)

## **FISCAL IMPACT**

Is there a Fiscal Impact? Yes

Is it Currently Budgeted? Yes

Where is it Budgeted? GF 1015 Community Promotion

Is it Mandatory or Discretionary? Discretionary

Is there a Staff Resource Impact? Yes

## **STRATEGIC PLAN GOAL**

Is item Identified in Strategic Plan? Yes

If yes, Identify Strategic Goal and Objective. **Premier Destination:** The Town values its residents, rich history, natural environment, culinary excellence, arts, and distinguished businesses that make our home a place people love; and **Responsible Fiscal Policy:** The Town maintains its fiscal health through policies designed to maximize economic opportunities, manage expenses, and ensure prudent reserves.

Briefly Explain Relationship to Strategic Plan Goal and Objective. Chamber operates visitor information center, website, phone call, which directs visitors to local lodging and restaurants, tasting rooms and other retail which generates TOT and sales tax revenue.

Joint marketing effort with other upvalley cities allows for improved economies of scale and shows regional support for each of our neighboring small rural city partners.

### **ALTERNATIVES**

1. Not approve the resolution and funding for the professional services agreement with the Yountville Chamber of Commerce for marketing and promotional services.
2. Approve the resolution and funding for the professional services agreement with the Yountville Chamber of Commerce for marketing and promotional services.
3. Modify the resolution and funding level for the professional services agreement with the Yountville Chamber of Commerce for marketing and promotional services in a manner as determined by the Town Council during the discussion of the item.
4. Direct Town Manager to develop a cost analysis to perform the services provided by the Chamber in-house with Town staff.

### **RECOMMENDATION**

Receive Staff Report and direct questions, as appropriate.

Receive Chamber of Commerce Presentation.

Receive Public Comment.

Conduct Council Discussion on proposed Resolution and Agreement.

Adopt Resolution Number 20-3989 Authorizing the Town Manager to sign amendment to Professional Services Agreement between the Town of Yountville and the Yountville Chamber of Commerce for the Provision of Marketing and Promotional Services and Operation of Visitor Information Center from July 1, 2020 through June 30, 2023 to fund additional coordinated Up Valley COVID-19 Reopening Marketing Campaign and to provide additional \$25,000 from the unassigned fund balance.