



MEMORANDUM

TO: City Council

FROM: Whitney McDonald, City Manager

BY: Sarah Lansburgh, Deputy City Clerk

SUBJECT: Consideration of an Extension of the Consultant Services Agreement with Verdin Marketing for Tourism Marketing Services for One Year

SUMMARY: Approval of the Verdin Marketing Agreement extension is not a project subject to the California Environmental Quality Act (“CEQA”) because it has no potential to result in either a direct, or reasonably foreseeable indirect, physical change in the environment. (State CEQA Guidelines, §§ 15060, subd. (b)(2)-(3), 15378.)

DATE: February 14, 2023

SUMMARY OF ACTION:

Approval of a one-year extension of the Consultant Services Agreement (CSA) with Verdin Marketing for continued tourism marketing services for the Arroyo Grande Tourism Business Improvement District (AGTBID).

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

There are no anticipated financial or personnel resources required for this action. The FY 2023-24 AGTBID budget will include tourism marketing costs associated with the proposed agreement extension. The proposed agreement extension will not change the annual agreement cost of \$225,000.

RECOMMENDATION:

Approve and authorize the City Manager to extend the Consultant Services Agreement with Verdin Marketing for a period of one year, expiring on June 30, 2024.

BACKGROUND:

The Arroyo Grande Tourism Business Improvement District (AGTBID) was formed in 2013 to provide revenue to defray the costs of services, activities, and programs promoting lodging businesses in the City through the promotion of scenic, recreational, cultural, and other attractions. The approved AGTBID budget allocates a certain amount of funding towards marketing activities. The City has contracted with a professional

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marketing firm for print, web, social media, and email marketing since the inception of the AGTBID.

On April 7, 2022, a Request for Proposals (RFP) for tourism marketing services was issued by the City. On June 14, 2022, City Council approved an agreement with Verdin Marketing to commence on July 1, 2022, and continue in effect until June 30, 2023 (Attachment 1). Pursuant to the Agreement (Attachment 1), the City has the sole option to extend the Agreement for one (1) year.

ANALYSIS OF ISSUES:

Verdin Marketing has worked with the AGTBID since 2018, with the 2021-22 Annual Report and Quarter 2 Activities (October – December 2022) showing significant increases in website views, social media engagement, digital ad clicks, and e-newsletter openings. The 2021-22 Annual Report also showed Transient Occupancy Tax (TOT) increased 36.66% from FY 2020-21 to FY 2021-22.

In August 2020, Verdin Marketing assisted the AGTBID in finalizing a three-year strategic plan (2021–2024) defining key imperatives, objectives, measures, and initiatives. Extension of the current agreement with Verdin Marketing will enable the ongoing implementation of the three-year strategic plan. Current efforts by Verdin Marketing include a “No Weekend Needed” campaign and coordination of an entry in MICHELIN Guide California for Ember restaurant. Verdin Marketing is also working with Destination Innovate to redesign the Visit Arroyo Grande website, with an anticipated launch in February 2023.

To continue the progress made, at its January 23, 2023 regular meeting, the AGTBID Advisory Board held a discussion and approved a recommendation to the City Council to extend the agreement with Verdin Marketing for tourism marketing services for a period of one year to June 30, 2024.

ALTERNATIVES:

The following alternatives are provided for the Council’s consideration:

1. Approve an extension to the Consultant Services Agreement with Verdin Marketing for one year;
2. Do not approve an extension to the Consultant Services Agreement with Verdin Marketing; or
3. Provide other direction to staff.

ADVANTAGES:

Extending the Agreement for one year will allow Verdin Marketing to continue the progress made to market Arroyo Grande as a tourism destination.

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DISADVANTAGES:

The current Agreement will end on June 30, 2023, which, if not extended, would require a new RFP be issued by the City to ensure continued tourism marketing with a new professional marketing firm.

ENVIRONMENTAL REVIEW:

Approval of the Verdin Marketing Agreement extension for tourism marketing is not a project subject to the California Environmental Quality Act ("CEQA") because it has no potential to result in either a direct, or reasonably foreseeable indirect, physical change in the environment. (State CEQA Guidelines, §§ 15060, subd. (b)(2)-(3), 15378.).

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

Attachments:

1. Consultant Services Agreement with Verdin Marketing