

## EXECUTIVE SUMMARY

### A Marketing-Oriented Economic Development Plan For Saratoga's Commercial Areas

The Saratoga City Council has made a commitment to maintain a viable business climate throughout the City. To this end, the Saratoga Business Development Council (SBDC) was established to bring the business community together to develop strategies and programs which would implement this commitment.

The SBDC initiated several programs including the preparation of a plan to outline programs, marketing ideas, and policies which would guide business development in the coming years. The City Council authorized the preparation of an Economic Development Plan by Dave Kilbourne of Downtown Revitalization Consultants.

Downtown Revitalization Consultants began a six-month process of developing a creative citywide marketing program with three primary goals:

- The development of a marketing concept to be used as a tool for the purpose of attracting more visitors and shoppers into one or more of Saratoga's shopping areas;
- The encouragement of local residents to do more of their shopping in Saratoga rather than in one of the nearby regional malls or national discount warehouse-type businesses; and
- Provide specific recommendations regarding the attraction of appropriate new business uses into the project area as well as to provide specific recommendations regarding marketing-oriented improvements to the physical appearance of the project area.

A series of City Council and staff meetings, public information workshops, slide presentations, subcommittee meetings, and completion of both customer and business community surveys resulted in an approach to meet the stated goals.

The general conclusion of the extensive discussions and meetings was that Saratoga is a unique small town with a quaint, friendly atmosphere and ambiance offering opportunities to experience the arts and culture replete with many five-star restaurants located in an area of natural beauty. Conclusions were also reached that there is a lack of unique, quality, diversified stores offering

shopping selection. Business hours are irregular and limited, especially during evenings and weekends. There is not enough, if any, family-oriented businesses or eating establishments.

Saratoga already has what many cities strive to become, but if Saratoga wishes to strengthen its economic base and provide for continued business viability, more needs to be done.

The Plan recommends improvement in four primary areas:

An Overall Saratoga Commercial Marketing Program: The overall goal of this program is to create an image of Saratoga as a desirable commercial venue, a destination of choice in which to visit, shop, dine and carry out professional and banking business.

Marketing-Oriented Civic Beautification Programs and Projects: Programs would include a general "paint-up, fix-up, clean-up" campaign, creation of entryway arches, signing and monumentation and the initiation of a public arts program emphasizing the uniqueness of Saratoga such as the use of wall murals illustrating Saratoga's history.

Commercial Recruitment Program: One major component of this program would be the formation of a Commercial Recruitment Committee consisting of members of the Project Committee, the Chamber of Commerce, business owners, property owners and City staff. The Committee would institute a series of public information programs focusing on the advantages of new businesses locating in Saratoga as well as encouraging the expansion and improvement of existing businesses.

Commercial Marketing Program Funding: While there are many funding programs available to cities, the primary funding source implemented by most is the Business Improvement District (BID). The BID typically involves the development of a partnership between the private and public sectors of the local economy. The BID is enables smaller neighborhood commercial areas (e.g. Quito Center, Argonaut, Gateway Corridor) or the Citywide business community to assess themselves for the purpose of financing general business improvement. These self-assessed improvements could include annual retail promotional programs, civic beautification efforts, Christmas decorations, commercial recruitment programs, etc.

An Economic Development Plan must be considered as a long-term program requiring consistent political support as well as the support and maximum effort of the entire business community. Some programs will see results sooner than others. Therefore, it is imperative to act in a timely manner and not abandon the effort.

The time to initiate the Plan is now! There has been a major amount of work already put forth by the City and the business community in an effort to strengthen the economic vitality of the City. It seems very appropriate to "strike while the iron is hot."

**A Marketing-Oriented  
Economic Development Plan  
For  
Saratoga's Commercial Areas**

**DRAFT**

**Downtown Revitalization Consultants  
Chico, California  
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## A Marketing-Oriented Economic Development Plan For Saratoga's Commercial Areas

### Introduction

The Request For Proposals sent out by the City of Saratoga for a Saratoga Marketing Plan states "The Saratoga City Council has made a commitment to maintain a viable business climate." With this goal in mind, Downtown Revitalization Consultants became involved in what was to become a six-month process of developing a creative citywide marketing program. A primary goal of this program is the development of a marketing concept to be used as a tool for the purpose of attracting more visitors and shoppers into one or more of Saratoga's several shopping areas.

A secondary goal of this program is the encouragement of local residents to do more of their shopping in Saratoga rather than in one of the nearby regional malls or national discount warehouse-type businesses.

A final aspect of this project was to provide specific recommendations regarding the attraction of appropriate new business uses into the project area as well as to provide specific recommendations regarding marketing-oriented improvements to the physical appearance of the project area.

### Statement of Project Goals and Related Tasks.

Associated with the primary project goals are the following tasks:

- To get the business community involved
- To develop consensus among individual Saratoga business areas
- To unify all Saratoga business areas under one coordinated marketing program concept and theme
- To develop a cost-effective and easily implemented commercial marketing program that has the support of merchants in all business areas
- To suggest viable funding options for the purpose of immediate, as well as long-term, program implementation

## Project Approach

Orient the business community to the project. Work within, and without, the existing City of Saratoga Economic Development Council. Begin with orientation of the Council, (Client), itself before approaching the local business community through a series of public information workshops and slide presentations.

Get the community involved. Facilitate a series of public workshops for the purpose of exposing the general business community to a variety of commercial marketing ideas, approaches, concepts and themes.

Stimulate community input. Carry out a series of community preference surveys and one-page questionnaires for the purpose of determining community opinion.

Develop a series of program options and alternatives based on community opinion. Offer members of the local business community a series of possible themes and marketing strategies developed for the purpose of expressing Saratoga's strengths and virtues as a superior shopping and dining environment.

Develop consensus among the business community. Achieve agreement among the various Saratoga shopping areas so that one common marketing theme and strategy might be used in a coordinated way by all participating areas.

Develop a Commercial Marketing Program based on what the business community desires. Building on the many positive attributes that make Saratoga a desirable place to live, work, visit, shop and dine; develop a colorful and creative theme that would serve as an effective marketing strategy for the purpose of attracting more visitors and shoppers into Saratoga.

Present the Commercial Marketing Program to the City and the Business Community for implementation. Assemble the new Saratoga-wide Commercial Marketing Program in workbook format complete with specific recommendations regarding ongoing funding of program implementation.

### Personal Opinion Surveys, Learning Community Preferences

As stated in the original project description, one of the Client's primary desires was to stimulate community input and involvement in the project. With this in mind, a number of personal opinion surveys were carried out as a primary means of learning community preferences during development of this Commercially-Oriented Marketing Plan.

The following surveys were administered and analyzed during the course of Plan development.

- 1) A comprehensive survey asking for community input in response to the question, "What Are Saratoga's Greatest Strengths Or Assets?" as well as "What Needs To Be Improved With Saratoga?" was carried out during several public workshops and town hall meetings. Furthermore, this survey was published in the Saratoga Chamber of Commerce Newsletter.
- 2) A survey asking for community opinion regarding the question of what the most appropriate and desirable city-wide commercial marketing theme might be was completed by over one hundred participants.
- 3) A survey asking for community input regarding which civic beautification programs and projects would be most appropriate and desirable was administered during two public information workshops as well as during a regular Marketing Committee meeting. This survey also asked respondents to indicate whether they felt specific beautification programs and projects were more appropriate to be applied citywide or more appropriate to be applied on a specific individual business area basis.
- 4) A survey to determine potential degree of support or opposition to the possibility of establishing a Business Improvement District (BID) for the purpose of providing needed funding for commercial marketing plan implementation was also carried out during several public workshops.

In addition to the surveys listed above, a survey administered during the summer of 1995, for the purpose of learning community opinion regarding which new businesses would be most desired, is also reported on in this section of the Marketing Plan.

Survey. What Are Saratoga's Greatest Strengths Or Assets ?

<u>#</u>	<u>Response</u>
26	The small town "quaint" friendly community atmosphere and ambience...Saratoga has "uniqueness" in this respect
19	The large number of local five-star restaurants
16	Physical location.....foothills, natural beauty of area
11	Arts, culture and entertainment (concerts, plays, etc)
10	Saratoga's "Village Area" with its quaint, charming ambience
10	Saratoga's reputation of being upscale, sophisticated and cultured

These six "primary" choices received a total of 92 responses for an average of 15 each.

The following 17 "secondary" choices received a total of 37 responses for an average of 2 each.

<u>#</u>	<u>Response</u>
5	Easy accessibility...on main routes 85 and 9
5	Affluence and progressiveness of local residents
4	Saratoga's historic significance
3	There is a growing desire for citizens to work together
3	Ideal weather conditions
3	Excellent local schools
2	Community spirit of volunteerism
2	Desire of residents to retain quality of community
1	Business proprietors are unique, sincere, and responsive
1	Potential for resort atmosphere
1	Saratoga is family-oriented
1	Saratoga's excellent demographics
1	Quality of the homes
1	Highly educated residents
1	Saratoga's Trees and Wildwood Park... great community resources
1	Close to major populations
1	No large commercial developments

Survey. What Needs To Be Improved With Saratoga ?

# response

- 25 Lack of unique, quality, diversified stores and shopping selection. Saratoga lacks "community serving" businesses. Also, no anchor stores in area.
- 12 Limited, irregular, shopping hours, especially during evenings & weekends. Not conducive to strolling in evening like Los Gatos is.
- 10 Current business mix is skewed, too many of some types, not enough of others, Saratoga needs more retail uses, a brewpub would also be desirable as well as add'l emphasis on local wineries
- 10 Lack of community consensus, i.e., Some residents and members of the business community have conflicting goals and values that need to be resolved, also "not in my backyard" (nimby) syndrome is prevalent
- 10 Lack of adequate convenient parking in Village area
- 7 While Saratoga has a wealth of five-star restaurants excellent for special occasions, everyday family-style dining opportunities are limited.

Note: These top six choices received a total of 74 responses for an average of 12 each while the 27 following choices received 48 responses for an average of 2 each.

# response

- 4 There is no organization, management system or funding for an effective local and regional marketing effort.
- 4 Commercial signage is inadequate.
- 3 Hobby businesses or "functional vacancies" weaken business community's vitality.
- 3 Local major shopping areas are physically separated, non-village areas feel disassociated from the main focus.
- 3 Individual business owners don't cooperate with each other
- 3 Perception of high cost associated with community.

- 3 Too few residents get involved. Saratoga is a bedroom community and the special interests of residents seem to prevail over the interests of the business community.
- 2 Lack of youth-oriented businesses and activities.
- 2 There is no internet presence in, or representing, Saratoga.
- 2 There is a limited understanding of city services and/or downtown businesses.
- 2 Highway 85 has changed the character of the town...It has (physically) divided the community.
- 2 Reputation of being snobby or stuffy.
- 2 Saratoga residents shop out of town.
- 1 No intermediate lodging, B&Bs, etc.
- 1 There is a lack of experience within the merchant's groups.
- 1 There is a lack of pro-active building maintenance
- 1 Business areas need to be cleaned up and beautified.  
Coming into town on the Saratoga-Sunnyvale Road presents a poor visual image.
- 1 Lack of cleanliness and upkeep in some restaurants and businesses.
- 1 A uniform business vision is lacking.
- 1 Commercial rents are too high.
- 1 No coordinated group advertising.
- 1 It's too busy now, it started as a bedroom community.
- 1 Too much traffic on weekends
- 1 Lack of use of nearby mountains as recreational resource...retreat-like atmosphere. Could have conference centers in the hills, spa facilities, etc.
- 1 Need cooperation between commercial building owners and commercial realtors re: improved mix of businesses
- 1 Not enough stores, too many turn-overs...never know exactly what is available
- 1 Need more publicity re: local businesses in both local and San Jose newspaper

## Saratoga Brief Community Preferences Survey Results

### Strengths

- 7 Small Town Atmosphere And Ambiance
- 4 Ideal Weather Conditions
- 4 Large Number Of Five-Star Restaurants
- 4 Physical Location-Foothills, Natural Beauty Of Area
- 3 Arts, Culture And Entertainment (Concerts, Plays, Etc.)
- 2 Excellent Local Schools
- 1 Community's Uniqueness And Qualtness
- 1 Community Spirit Of Volunteerism
- 1 Business Proprietors Are Unique, Sincere, And Responsive
- 1 Potential For Resort Atmosphere
- 1 Highly Educated Residents
- 1 Wildwood Park and Saratoga's Trees (Great Community Resources)
- 1 Desire Of Residents To Retain Quality And Character Of Community
- 1 Close To Major Populations
- 1 Accessibility...On Main Routes 85 And 9

### Weaknesses

- 6 Lack Of Diversified Stores And Shopping
- 6 Some Residents (No-Growth) Are Traditionally Opposed To Change
- 3 Lack Of Youth-Oriented Businesses And Activities
- 2 Inadequate Commercial Signage
- 2 Lack Of Adequate Convenient Parking
- 2 Limited Store Hours, Esp. During Evenings Or Weekends
- 1 Until Now, Lack Of Good Consistent Unified Leadership
- 1 Lack Of Good, Clean, Light Industry For Tax Base
- 1 No Anchor Stores
- 1 Lack Of Quality, Unique Businesses
- 1 No Intermedlate Lodging, B&B, Etc.
- 1 Commercial Areas Are Scattered, Uses/Types Are Skewed
- 1 No True Community Center-Gathering Place
- 1 Lack Of Focus, Vison And Plan Of Development
- 1 Lack Of Community Special Points Of Interest
- 1 Reputation Of Being Snobby Or Stuffy
- 1 Residents Don't Mix Well
- 1 Perception Of High Cost Associated With Community
- 1 No Program To Preserve Heritage Oaks

Responses to survey asking input on most appropriate and desirable themes and marketing strategies

- #    theme
- 13    hospitality, friendliness, small town ambiance
- 11    location and setting, climate, natural beauty  
("escape-retreat" theme)  
Add'l "romance" suggestions  
A) "retreat from the ratrace and relax in Saratoga"  
B) "run for the hills, Saratoga loves company"  
C) "relax in lovely Saratoga"
- 11    concentration of five star restaurants
- 8    recruit a microbrewery
- 7    cultural tourism  
(such as wall mural program used in Chemainus, B.C.)
- 6    culture and the arts (such as is used in Ashland)
- 6    promote the historic significance of Saratoga

Written in (individual) theme suggestions  
(not prioritized)

- 1) emphasize local community serving businesses
- 2) emphasize local established wineries...Also, they need, and could benefit from, the promotion
- 3) old fashioned nostalgia theme, (hardware store, yard goods, old fashioned clean village grocer, etc.)
- 4) bed and breakfast theme

- 5) *hospitality industry, including hospitality-oriented businesses as well as local friendliness, food, a microbrewery, etc.*
- 6) *consider individually generated themes for each separate shopping area*
- 7) *promote specialty retail shopping, lines and items the big stores don't necessarily carry*
- 8) *create and promote a true "gateway" to Saratoga theme*
- 9) *develop theme around Montalvo (a strong community resource) and the various arts there*
- 10) *emphasize and promote Saratoga's community spirit*
- 11) *develop ethnic-heritage theme possibly around French, Spanish or Portuguese "village" cultures*

*A few direct quotes regarding the development of a local theme*

- *Picture Saratoga as a Jackson Hole, Aspen, Sun Valley sort of place...Williams Sonoma, Ralph Lauren, cowboy boots and antique shops, etc.*
- *Microbrewery is excellent idea..(Trying to get basic businesses to move back is a waste of time...You can't fight the current trend to Cost-Co type businesses). We need to find a successful niche market like microbrewing, restaurants, tourism, etc.*
- *Montalvo is a tremendous resource for the arts. It should be developed and publicized as such. This would work with culture and arts theme.*
- *Tie theme in with dates of performances re: Montalvo, Saratoga Theater, etc.*
- *Don't sell wineries short. We need attractors for tourists and we have established wineries that need promotion..*

- Use various themes for individual shopping areas that are based on the primary businesses located there that are easily identified by the shopping public. For example a home improvement business, a kitchen shop, a carpet store, a pool shop, a glass shop, personal improvement salons, hair and body spa or a well-known locally owned grocery, etc.
- "Little Switzerland, Little Burgundy, Little Bordeaux" ...Saratoga has similar desirable qualities, i.e., atmosphere, ambience, geography, culture and European flavor, mountains, interesting main street, quaintness, etc.
- Saratoga's French village, or Spain or Portugal...similar climate, Tivoli Gardens, ambience of Southern France, lots of trees, open markets, hills, history, beauty, culture, food, wine
- Emphasize that progressive, affluent, high tech leaders live here, a yuppie hangout...

Results Of "Special Effects" Programs Preference Survey,  
Shown In Order Of Frequency Selected

<u>total #</u>	<u>program</u>
144	general paint up, clean up, fix up campaign
140	entryway arches, signage and/or monumentation
130	public arts programs, wall murals, statuary, etc.
128	commercial signage
115	areawide greenery
111	flags, banners and pennants
92	facade improvement programs
90	awnings
89	areawide lighting
79	seasonal decorations
78	adaptive re-use of historic buildings
43	sidewalk cafes

Other Miscellaneous Programs And Projects Requested:

- need public restrooms
- need more parking in Village, also improve parking signage
- road improvements needed, also sidewalks, pathways crosswalks and streetlights (for Gateway area)
- no skateboards or bicycles allowed on sidewalks
- get merchants and employees to park away from main street area, (Village)
- put business directories in each area

Survey regarding the feasibility of one or more Saratoga BIDs

Possible BID establishment options: please indicate your preference:

*(7 responses)..... Option 1) Establish individual BIDs within each Saratoga commercial area desiring to use this marketing program funding tool, such as the Gateway Area, Quito Village, the Downtown Village Area, etc.*

*Benefits: In this case, each BID would have its own funds and own programs.*

*Deficits: More expensive and complex to form multiple BIDs.*

*(12 responses).....Option 2) Establish one umbrella BID designed to include all business areas within Saratoga desiring to participate in a BID Program.*

*Benefits: More cost-effective re: one-time establishment expense.*

*Deficits: Conflict may arise over issues of management and use of funds collected.*

*Solution: Funds could be tracked and accounted for by area.*

*In other words, all fees paid by Quito Village would be earmarked for use only on Quito Village programs and projects unless that area decides to allocate a portion of its annual budget into an overall Saratoga Marketing Campaign fund.*

*(2 responses)..... Option 3) Do not consider pursuing the BID funding mechanism at this time.*

*(0 responses).....Option 4) Other options. (please explain)*

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Saratoga Business Survey Conducted Mid-Summer, 1995.

A fairly comprehensive Community Preference Survey was conducted in Saratoga during June and July of last year.

Survey generalities. Those participating in the survey were generally characterized as being mature married persons. Seventy-two percent were women. Many were long-term Saratoga residents from smaller, financially secure households.

Results of that survey indicated that while Saratogans were fairly well satisfied with the high level of customer service and merchandise quality they experience while shopping locally, they indicated a significant amount of dissatisfaction with the current variety of local businesses.

The Saratoga business community lacks a satisfactory variety of business types. The selection of merchandise and the overall diversity among local shops has been found to be inadequate by a large majority of those responding to this survey.

Saratoga needs a greater selection of community-serving businesses. Business types that were most desired by survey respondents included a local farmers market, (now in operation), a hardware store, a variety of clothing stores, a department store, one or more theaters, additional grocery stores and a selection of bed and breakfast-type lodging choices. Furthermore, although Saratoga is known regionally for its concentration of excellent five-star restaurants, survey respondents indicated a desire for one or more additional mid-range, full service family-oriented restaurants. It is felt that while Saratoga's selection of gourmet restaurants are very much in demand by visitors, due to their inherent exclusivity, they provide locals with dining choices only during "special events" such as birthdays and anniversaries, or when entertaining visitors, rather than on a regular basis.

Survey respondents indicated they spent a majority of their shopping out-of-town due to the limited choices of merchandise offered within Saratoga. Out-of-town shopping destinations included Valley Fair Mall and Westgate Mall in San Jose and Yalco Fashion Park in Cupertino.

## Individual Saratoga Commercial Areas

Representatives of Saratoga's several commercial areas were met with a number of times, both individually and in group settings. These meetings, interviews and surveys were important to the Plan development process so that all areas would be represented equally and fairly. Furthermore, most individual business areas had well-informed loyal representatives attending all Economic Development Council meetings as well as all Marketing Committee meetings. These individual area representatives constantly showed admirable dedication to seeing that their areas were being favorably considered during all phases of Plan development.

### Results of Discussion Survey With Individual Saratoga Business Area Representatives

#### 1) Facts And Figures Regarding The Individual Business Area:

- a) Quito Village: (QV) Information provided by Pat Andreson. We have 19 businesses in the area. We are located at Saratoga and Cox. A map was attached to the survey.
- b) Saratoga Village Area: (SV) Information provided by Kookie Fitzsimmons. A Village Inventory of existing businesses by alphabetical order and type of business is available. A copy of a Village business inventory arranged by street address was attached.
- c) Azule Crossing: (AC) Information provided by Kristin Davis. There are currently 9 retail businesses, 1 restaurant, 21 office spaces, 2 piano studios for children's lessons, 1 adult's and children's art studio and 1 dance studio for both adults and children.
- d) Gateway Area: (GA) Information provided by Carl Orr. The Gateway Area is made up of over 80 small service-oriented businesses scattered among a dozen strip-type malls. Among the Gateway businesses are real estate offices, home improvement businesses, restaurants, computer businesses, medical offices, legal offices, personal grooming shops, a bank and even a mortuary.

e) Cottage Industries of Saratoga: (CI) Information provided by Clare McBride. It is estimated that 70% of all business licenses in Saratoga are cottage industry-type businesses.

## 2) Does A Group Organization Exist ?

a) QV: We hope to keep having the Quito merchants meet on a regular basis. We have a new property manager who is very willing to help us. A Committee was formed to work on signage within the shopping center plus directional signage to locate the center within the community.

b) SV: No. A bank account is still in existence with approx. \$1,000. Donna Collins of Henrietta's Hens was hoping to start up the Village Association again. Where this effort is now is currently unknown.

c) AC: Somewhat, but it is currently limited to only three businesses.

d) GA: The Saratoga Gateway Association is an informal group organized for the purpose of co-op advertising and promotion.

e) CI: No.

## 3) Is There Currently A Marketing Strategy Or Area Theme ?

a) QV: We sure are working on it. At our recent merchants meeting we got a person to represent us at the farmers market meetings. We feel we have some good ideas.

b) SV: No.

c) AC: Azule Crossing was a Southern Pacific Railroad stop. We have used this as a theme in the past but it needs to be developed further.

d) GA: We hope to create a community landmark, i.e., an actual gateway to give the area an individual identity. We also have hoped for some signing at each end of the street. We need to identify ourselves to the rest of the Saratoga Community and also to separate ourselves from

the rest of the Saratoga-Sunnyvale Road which continues on into San Jose and Cupertino.

e) CI: No.

4) Is There Any Group Advertising Program ?

a) QV: We have just formed an advertising Committee and will begin doing joint advertising in April.

b) SV: No.

c) AC: Not specifically for Azule Crossing but I do participate on the overall Gateway Program.

d) GA: In cooperation with the local newspaper, We are currently running a one-page ad monthly under the heading "Saratoga Gateway". We started with a double page but now find it hard to fill one page. We've tried a sidewalk sale with mixed results and a sweepstakes drawing with better results.

e) CI: No.

5) Any Printed Materials ?

a) QV: There is a map of the Quito Village Area showing location and individual businesses which will be redesigned in the near future.

b) SV: No.

c) AC: No.

d) GA: advertisements proclaiming "Saratoga Gateway Business District, Over 70 Businesses & Services To Fill Every Need. Sunnyvale-Saratoga Road From Prospect To The Railroad Crossing."

e) CI: No.

6) Is There Any Other Information That You Would Like To Provide ?

a) QV: Regarding history, we believe the center was first built in 1949. It is the oldest strip mall in Santa Clara County. Gene's Market is our anchor store with approx. 10,000 customers a week. Other historic information regarding the evolution of the Quito name was also provided with the completed survey form.

b) AC: The Front Window collects food for the Second Harvest Food Bank during the holiday season. I also collect, on a year-round basis, old eyeglasses for the Octagon Club of Saratoga High which gives the glasses to those in need.

We have a Holiday Open House the first Friday of December.

We would like to organize an Antique and Art Show for this Summer.

Note: In addition to the information provided for Azule Crossing in response to question #6 above, I was also asked by the respondent, Kristin Davis, a Gateway area resident and Azule business owner, to spend an hour or so discussing the specific problems of the overall Gateway Business Area including Azule Crossing. Notes from that meeting are as follows.

1) The Gateway area is several blocks of the Saratoga-Sunnyvale-Road characterized by miscellaneous service, food service and professional businesses, with few traditional retail uses. "From Prospect Road to the railroad tracks."

2) As with other Saratoga business areas, there needs to be a creative and aggressive marketing campaign emphasizing what goods and services are available within the greater Gateway area.

3) The area currently suffers from various examples of abuse and neglect from the City of Saratoga, the City of Cupertino and the State. Cupertino changed the name of the traditional Saratoga-Sunnyvale Road exit to De Anza Boulevard without consulting Saratoga. This change compromises the ability of travelers on Highway 85 to find Saratoga, and consequently to find the Gateway area.

4) There doesn't seem to be any organized plan to improve the physical aspect of the Gateway area. Gateway merchants and property owners

have been told many times that changes aren't possible because "it's a state highway."

There is reported to be 1.2 million dollars available for improvements from Cal Trans. that is supposedly earmarked for specific area improvements. The current disposition of these funds is unknown.

5) Charette plans were canceled by the City due to a lack of interest on the part of businesses in the Gateway area.

6) It is felt that a BID could answer many of the marketing problems of the area although the annual BID fee would have to be kept low and it would be important for the City to match funds collected from the merchants.

I recommended assessing the approximate 100 businesses only \$10. per month for a total annual fee of \$120. per year which would total \$12,000 from the private sector to possibly be matched by another \$12,000 from the City for a total annual marketing program budget of \$24,000.

7) My advice regarding a specific commercial marketing program for the overall area is to drop all the sub-group names in favor of marketing under the unifying banner of the "Saratoga Gateway District".

All businesses within this enlarged area need to then organize together with a cohesive marketing strategy, vision, image improvement program and long-term plan.

The area should then work vigorously to have an arch built over the Avenue at the entrance of Saratoga exclaiming "Welcome To Saratoga... and the Saratoga Gateway District"

There might also be an additional arch over the Avenue at the railroad tracks announcing "Welcome to (or "Entering") the Saratoga Gateway District."

### Saratoga Commercial Marketing Program:

The overall goal of this program is to create an image of Saratoga as a desirable commercial venue, a destination of choice in which to visit, shop, dine and carry out professional and banking business.

Saratoga needs to address two distinct markets. The Primary Market, which includes all local residents and the Secondary Market, which includes all non-local residents typically located within the greater Saratoga region. Saratoga's Primary Market currently represents significant retail sales leakage as they patronize nearby shopping alternatives in San Jose, Cupertino and Palo Alto.

The Secondary Market currently represents a largely untapped stream of tourism activity that is highly desired as a means of replacing and/or supplanting local sales tax losses due to retail sales leakage from within the Primary Market.

Regarding the approach to the Primary Market, current levels of local retail sales leakage to neighboring shopping alternatives such as Valley Fair and Stanford Mall need to be mitigated. Unfortunately, this rate of leakage is not likely to be significantly abated until more community-serving retail uses are available within Saratoga.

Regarding an approach to the Secondary Market, the attraction of new visitors and shoppers into Saratoga from throughout the region needs to be an ongoing priority.

This commercial marketing program is especially focused on stimulation of the Secondary Market at this time.

#### Recommendations for market share enhancement

1) The Economic Development Council needs to encourage expansion of the diversity of the current business mix in order to recapture local shoppers as well as attract a larger population of new visitors for the first time.

In order to accomplish this goal, an aggressive commercial recruitment campaign needs to be initiated using recommendations offered in that section of this Plan.

2) The Economic Development Council needs to encourage existing businesses to become more active and involved and to adopt longer, more uniform business hours. "Hobby businesses" characterized as those operating on a limited schedule often drain the vitality of a shopping area. Furthermore, businesses operating on a sporadic schedule tend to diminish the professional credibility of their neighbors who may be maintaining more reliable operating hours. Shoppers and visitors are frustrated and discouraged by not knowing what to expect from time to time regarding availability of goods and services.

An economic motive for possible extension of Saratoga's traditional retail hours is aptly expressed by the "48-84 Formula" which points out the economic reality of very divergent hours of operation as seen when comparing small locally-owned shops with business hours maintained by typical national discount retailers. Saratoga businesses might be open Monday through Saturday from 9 to 5, which totals 48 hours of available shopping time. On the other hand, national discounters and regional malls such as Valley Fair, as well as the newly burgeoning factory outlet centers, are typically open Monday through Sunday from 9 to 9 which totals 84 hours of available shopping giving them a two to one advantage over businesses operating on a six day per week, eight hours per day schedule.

Saratoga's shops need to consider staying open longer with more standardized hours if they hope to compete more effectively.

To further illustrate this point, one of the Mall's busiest days is Sunday due to the fact that most downtown areas, as well as neighborhood shopping centers such as Quito Village and the Gateway Stores are closed.

There is truth to the old saying, "if you are only open from 9-5 during the week, you are only open for the unemployed."

3) The Economic Development Council needs to facilitate and implement one or more of the concepts and/or themes provided within this plan for use as a marketing strategy.

As the old song suggests, "accentuate the positive and eliminate the negative." Regarding accentuation of the positive, in the opinion of the community, what makes Saratoga a better, more desirable place to visit?

A brief survey taken over the past several months shows that there is a strong personal opinion profile for accentuating the positive aspects of Saratoga indicated by the response pattern listed below. A partial listing is as follows:

*"What are Saratoga's greatest strengths or assets?"*

- *Its small town "quaint" atmosphere and ambience*
- *Physical location-foothills, natural beauty of area*
- *Large number of five-star restaurants*
- *Ideal weather conditions*
- *Reputation for being upscale, sophisticated and cultured*
- *Arts, culture and entertainment (concerts, plays, etc.)*
- *Excellent local schools*
- *Community's uniqueness and quaintness*
- *Community spirit of volunteerism*
- *Business proprietors are unique, sincere, and responsive*
- *Potential for resort atmosphere*
- *Highly educated residents*
- *Saratoga is family-oriented*
- *Historic significance*
- *Trees*
- *Wildwood Park...A great community resource*
- *Desire of residents to retain quality and character of community*
- *Close to major populations*
- *Accessibility...on main routes 85 and 9*
- *No large commercial developments such as the "big box" retailers*

Goal: *Building upon the many positive attributes listed above which make Saratoga a desirable place to live, work, visit, shop, and dine; develop a colorful and creative theme that would serve as an effective marketing strategy.*

*Following a series of planning meetings over a period of several months, a number of excellent and highly appropriate specific commercial marketing-oriented themes have been put forward! by members of both the business community as well as numerous other civic leaders and residents.*

The following three possible marketing phrases represent a quintessence, or distillation, of the top six category choices combining 92 responses to the question, What Are Saratoga's Greatest Strengths Or Assets ?

- Saratoga's quaint, charming "village-like" ambiance combined with its small town friendly community atmosphere, as well as the natural beauty of its physical location. (52 responses)
- Saratoga's reputation of being upscale and sophisticated with a wide offering of cultural arts and entertainment. (21 responses)
- Saratoga's large number of locally owned five-star restaurants. (19 responses)

Based on community opinion and suggestions, specific marketing program theme recommendations are as follows:

#### Theme 1)

By far the most popular and desirable aspect of Saratoga, in the opinion of a significant majority of those surveyed, relates to its Ideal Location, Setting, Climate and Natural Beauty combined with its Small Town Village-Like Ambiance. With this mandate in mind, the following phrase expands upon that very popular concept. "Welcome To Saratoga, Experience Its Friendly Small Town Village Ambiance While Enjoying The Natural Beauty And Climate Of Our Historic Foothills Retreat"

In order to build upon this very appropriate theme, promotion of the local hospitality industry should be emphasized including a focus on Saratoga's traditional friendliness, its concentration of five-star restaurants and local wineries as well as a possible new local microbrewery .

#### Theme 2)

Retreat To Saratoga. (An Escape-Oriented Theme. )

Saratoga should be promoted as a retreat. The friendly small town ambiance, location and setting with an excellent climate and natural beauty, as mentioned above, offers Saratoga as an ideal escape or retreat, for the evening, the weekend, or longer. When inviting visitors to retreat to Saratoga, a lodging or Bed and Breakfast sub-theme should also be pronounced.

"Escape From the City and Run For The Hills, Saratoga Loves Company"

as well as ...

"Retreat From The Ratrace And Relax In Peaceful Nearby Saratoga"

note: It can be seen that themes one and two form a natural conceptual combination.

Theme 3)

"Savor Saratoga, Offering A Delicious Variety Of Epicurean Experiences"

This concept offers a restaurant-oriented theme intended to promote the concentration of locally-owned five star dining opportunities.

While inviting visitors to retreat to Saratoga, as in Theme 2, promotion of the local hospitality industry is a natural endeavor. In fact, emphasis on local hospitality services, including Saratoga's friendliness, its concentration of five-star restaurants and local wineries, "Saratoga has good taste..." provides a possible sub-theme.

A relevant quote from one public opinion survey response states,

"A new microbrewery is an excellent idea. We need to find a successful niche market like microbrewing, restaurants, tourism, etc. Also, don't sell local wineries short. We need attractors for tourists and we have established wineries needing marketing that we should be promoting."

With regard to further enhancing the "Savor Saratoga" theme, as mentioned above, serious consideration should be given to the possibility of recruiting a microbrewery. One of the newest and fastest growing industries in the country, a micro-brewing operation offers a wide variety of benefits to the host city, such as:

- Tourism stimulation....i.e., The brew trekking phenomenon
- Additional sales tax revenues
- Attractor for other businesses in area
- Excellent corollary business to work with existing concentration of restaurants
- Excellent addition to the local hospitality industry

Theme 4)

Based on Saratoga's traditional relationship with culture and the arts, an appropriate and highly effective theme might be developed around an emphasis of local culture tourism advantages as exemplified by Ashland, Oregon with its multi-million dollar annual cultural tourism industry based

on the performing arts.

Further theme development based on Villa Montalvo as well as the various local art resources and galleries of Saratoga would be effective. This emphasizes an up-beat, gracious, friendly and cultured attitude and environment while possibly offsetting the "stuffy" reputation.

The suggested theme phrase is "Visit Saratoga, The Friendly Cultured Village".

A suggestion written in on one of the public opinion surveys recommends the following.

"Montalvo is a tremendous community resource for the arts and it should be developed and publicized as such. Possibly tie arts and culture theme in with dates of performances of Montalvo, Saratoga Theater, etc."

As has been mentioned a number of times during slide discussions as well as during Economic Development Council and Marketing Committee meetings, the concept of Cultural Tourism offers an excellent tie with the theme of Saratoga as "The Friendly Cultured Village".

While promoting Saratoga's arts and culture, emphasize the concept of Cultural Tourism by expressing the character, personality and history of Saratoga through the use of a series of outdoor public arts wall murals. (Chemainus, B.C. offers an excellent example).

Prior to doing this, identification of possible mural subjects, i.e., the traditional historic aspects of the community such as its local heritage of orchards, vineyards, etc. will need to be further accomplished.

A beginning of this task has been completed through the use of a one-page survey form. The results of that arts-related community opinion survey asking what subjects should be illustrated through a citywide wall mural program are as follows:

- One or more murals of Saratoga's founding Fathers (and Mothers).
- A series of agrarian scenes from Saratoga's earlier fruit and grape growing industry.
- A possible series of scenes taken from early photos of Saratoga's Main Street.
- A possible series of scenes from Saratoga's earlier days as a retreat for the Bay Area arts colony including the Fontaine Sisters.

Further information on this possible cultural tourism program is provided in the Appendix.

Theme 5) A number of independent but closely related sub-themes built upon a series of action verbs.

for example:

- A) "Discover Saratoga", Ideal for the Gateway Business Area due to their position as the first business district experienced as visitors enter Saratoga from San Jose and Cupertino
- B) "Explore Saratoga", Ideal for the Quito Village Shopping Area as they are located somewhat off of the beaten trail. (see graphic example, "Shopping Downtown Can Be An Adventure", In the Marketing Appendix.)
- C) "Savor Saratoga", As was mentioned earlier, this phrase is very appropriate for use within the Downtown Village area with its concentration of excellent restaurants and wine tasting experiences. Conversely, this same specific theme may not be as appropriate for other Saratoga business areas without the Village's concentration of dining choices.

Several other action verb phrases that could be employed on a rotating basis by any, or all, of the several shopping areas are, "Experience Saratoga" and "Celebrate Saratoga".

In correlation with the specific commercial marketing themes listed above, several examples of possible Saratoga marketing themes or "romance" phrases are as follows:

- 1) "Welcome To Saratoga. Experience Its Friendly Village Ambiance While Enjoying The Natural Beauty And Climate Of Our Foothills Retreat."
- 2) "Retreat From The Rat Race and Relax In Nearby Peaceful Saratoga"  
"Escape From the City and Run For The Hills, Saratoga Loves Company"
- 3) "Savor Saratoga, Offering A Delicious Variety Of Five-Star Epicurean Experiences"
- 4) "Visit Saratoga, The Friendly Cultured Village"
- 5) "Discover Saratoga", "Explore Saratoga", "Savor Saratoga", etc.

It is recommended that themes one through five listed above be considered for, and possibly developed into, a series of complementary commercial marketing strategies.

Additional marketing themes and concepts suggested during the public opinion gathering phase the program are as follows:

- "Experience The Saratoga Shopping Stroll".

Saratoga as an upscale shopping experience offers an attractive potential theme. In addition to emphasizing Saratoga's natural beauty, general ambiance and tradition of hospitality, consideration should be given to promoting Saratoga as a premier shopping experience.

A marketing suggestion written in on one of the public opinion surveys offers the following thought,

"Promote local specialty retail shopping featuring lines and items the big stores don't necessarily carry. Picture Saratoga as a Jackson Hole, Aspen or Sun Valley sort of place...Williams-Sonoma, Ralph Lauren, cowboy boots and antique shops, etc. "

It goes without saying that prior to this possible marketing direction taking meaningful form and shape, more specialty retail uses need to be established within the project area. The newly opened Blue Rock Shoot provides an excellent example of this sort of upscale shopping opportunity that needs to be further developed.

- "Saratoga Market Days...Saturdays Just Got Better:"

This new marketing program will coordinate special events and activities every Saturday to be based around the new Saratoga Farmers Market. The fact that this program will include all four Saratoga business areas is an excellent beginning for the long-term citywide marketing program described at length in this section.

Saratoga Market Days is a joint effort between the City, the Chamber and all individual business areas for the stated purpose of drawing more visitors and customers into the area while giving the City a festive and fun image. Plans are to provide a series of events and themes changing on a weekly basis. Examples are a Saturday featuring special sales, another Saturday emphasizing children's events and activities, a third Saturday featuring music and entertainment events and a fourth Saturday possibly offering food and wine tasting-oriented events and activities.

- **"Saratoga Has Character, Personality And History"**

The purpose of this approach is to promote the historic significance of Saratoga with possibly emphasis on the connection between Saratoga and the historic upstate New York city of Saratoga Springs.

- Use various themes for individual shopping areas based on primary businesses located there that are easily identified by the shopping public. For example a home improvement business, a kitchen shop, a carpet store, a pool shop, a glass shop, a series of personal improvement salons, a hair and body spa or a well-known locally owned grocery, etc.

- An Old Fashioned Nostalgia-Based Theme, possibly emphasizing the traditional village Hardware Store, Yard Goods, and Old Fashioned Village Grocer appealed to a number of survey participants.

Other suggested marketing phrases:

- "Discover The Culture Of A City Within The Charm Of A Village"
- "Visit Saratoga and Be Refreshed"
- "Saratoga, The Redwood Retreat"

#### Other Saratoga Marketing-Related Issues To Be Considered.

Overcoming the challenge of marketing all Saratoga business areas fairly and effectively must be a priority.

A challenging aspect of the citywide commercial marketing program is to overcome or compensate for the inherent differences between Saratoga's four local business areas, all of which need to be represented equally within the scope of the commercial marketing plan. The Gateway Area, the Argonaut Center and Quito Village all share many points of commonality, not the least of which is that they are all traditional neighborhood commercial (NC) shopping areas. This point causes them to be different from Saratoga's historic downtown core area traditionally referred to as Saratoga Village.

There is a feeling of being left out of the mainstream of commercial area recognition experienced by the three neighborhood commercial shopping areas. As was pointed out by one survey respondent, "Non-Village areas feel disassociated from the main focus."

The marketing challenge revolves around the difficulty of developing an effective marketing strategy that fairly and equally represents all four areas.

An excellent illustration of this point is the interest shown on the part of many Village merchants, active in the recent planning process, to subscribe to the "Savor Saratoga" theme. As was mentioned earlier, this provides an excellent theme for many of the Village food service businesses but does not account for the marketing needs of the three neighborhood commercial areas.

It is recommended that the "Savor Saratoga" theme be employed by the Village merchants as one of their area-specific themes while the three neighborhood commercial areas consider utilizing Theme Five which employs a series of action verbs such as "Discover" or "Explore" Saratoga which is more appropriate to their needs.

As a result of discussing this issue during the last two Marketing Committee meetings, it is felt that this recommendation will meet with the approval of all participating business areas.

On behalf of Quito Village, Argonaut Center and the Gateway Area, the point must be raised that a sensitivity to the generic use of the term "village" also exists. It is felt by representatives of those areas that the use of this term is not in the best interest of their non-village commercial centers. With this in mind, sensitivity to this issue must be considered when using themes One and Four which employ the "village" term. In the interest of balanced reporting, it must be mentioned that a majority of survey participants from throughout the community indicated that the "village" concept embodies the desirable ambience of Saratoga.

As a means of further exploring the challenge of equally and fairly representing all Saratoga business areas from a marketing point of view, several guidelines for the structuring of the Saratoga Marketing Committee are recommended.

- The ongoing Saratoga Marketing Committee should be comprised of at least two representatives from each participating business area.
- Committee leadership should be made up of one representative from each business area.
- Regularly scheduled monthly meetings should be attended, as possible, by all interested merchants.
- It is recommended that the venue for these monthly meetings be rotated throughout the four areas equally.

- It is recommended that an Executive Marketing Committee be made up of two representatives from each participating business area.

These specific recommendations regarding structured management of the Marketing Program will become especially important if a Business Improvement District (BID) is formed for the purpose of financing program implementation. At the time of BID formation, decisions will have to be made regarding the expenditure of both citywide and area-specific marketing funds.

While the proceedings of the original ad-hoc Marketing Committee were extremely efficient and fruitful, it was felt by some that the meetings were, to some degree, dominated by representatives of the Village area. Thus, the above recommendations for Committee leadership and meeting venue selection are made.

Regarding ongoing Marketing Committee activity, it is felt that the natural evolution of this process will be for each individual business area to have its own area-specific marketing group which will meet in-area for the purpose of developing and implementing area-specific plans and programs. It is hoped that these individual area planning sub-groups will then provide regular active representation of their interests and ideas to the overall permanent Saratoga Marketing Committee.

The process of specific business areas having their individual marketing programs of choice, as well as their Marketing sub-committees, will be greatly facilitated if a Business Improvement District is approved by the community. It is a basic recommendation of this Plan that a BID be formed for the purpose of providing marketing funding for both an overall Saratoga Image Building and Marketing Program as well as individual business area marketing programs. With this multi-level program funding concept in place, the existence two levels of marketing programs, financed through the BID, as well as a two-level Marketing Committee structure makes excellent planning sense.

It must be realized by all participating business areas, as well as individual participating businesses, that while this Marketing Program is intended to be citywide and of demonstrable benefit to all areas and individual merchants, each business area and each individual business must still carry out their own marketing programs.

The overall citywide Marketing Program is designed to serve as a public relations and image building program intended to heighten regional awareness of Saratoga and will undoubtedly bring more shoppers and visitors into the community. A great deal of what happens to this influx of new visitors once they arrive in Saratoga depends on the individual business areas and merchants populating them. The Program does not guarantee to get shoppers and visitors to enter individual businesses; that is where the factors of individual store marketing and in-store merchandising enter the equation.

With this in mind, one primary success occurring within the group dynamics of the original ad hoc Marketing Committee was the development of a program of peer group assistance in the areas of store merchandising and physical appearance. Assistance in these areas has been offered by several Village merchants skilled in commercial display arts and design. In addition to these committee members offering their time to advise neighboring businesses, they have also agreed to join with other cooperating businesses in forming a Task Force to carry out actual physical improvements on a scheduled, organized basis with interested businesses.

It was understood that these physical improvements would include improvements to store facades with regard to painting, signage and individual window displays as well as improvements to store interiors for the purpose of creating theme-related store decor and merchandise displays.

It is hoped that an area-wide program of storefront visual improvements will result from this peer group assistance.

A second peer group service of value is the in-store merchandising evaluation system used with success in many business areas.

Further professional assistance in the area of in-store merchandising as well as in the areas of storefront improvement, lighting, commercial signage and window displays is provided by Kent Burnes, Principal of Kent Burnes Marketing and Merchandising Associates located in Grass Valley.

Additional information on Kent Burnes and his specific services as well as peer-group in-store evaluation forms are provided in the Appendix.

Another commercial marketing concept that deserves close scrutiny is the possibility of developing an Internet presence representing and servicing all businesses within Saratoga that wish to participate in this mid-nineties marketing phenomenon. The benefits of Saratoga's business community "going on-line", both as a group and individually, has been diligently represented by several business community members attending many of the Marketing Committee meetings as well as many of the Economic Development Council sessions.

Brief information relative to this possible additional level of Saratoga business community marketing is provided in the Appendix.

The Marketing Committee discussed the possibility of sponsoring a commercial marketing graphic design of the type often used by downtowns and neighborhood commercial areas as they attempt to emphasize a creative, colorful and interesting public image.

This sort of marketing tool serves the dual purposes of offsetting retail sales leakage to nearby malls as well as attract new shoppers and visitors into the business community. It should be pointed out that the Marketing Committee indicated a desire to possibly utilize a fine arts oriented- image thought to be more appropriate to Saratoga with its reputation for culture and the arts, rather than the typical graphic arts marketing and public image enhancement design illustrated by the Chico, Loomis, Woodland and Elk Grove examples.

Several examples of marketing and public image program graphic designs are offered in the Appendix.

### Civic Beautification Program:

The importance of creating an effective program of visual "special effects" through marketing-oriented civic beautification programs and projects emphasizing Saratoga's unique personality and character was agreed upon by the Marketing Committee.

A list of marketing-oriented beautification programs was given to the Committee during the second meeting. Committee members were asked to review the list for the purpose of selecting specific projects appropriate for their individual business areas as well as for the overall general Saratoga business community. As a follow-up to this assignment, the same civic beautification questionnaire was distributed during the April 13 public workshop.

A slide discussion of 80 commercial marketing-oriented civic beautification programs and projects in effect in other similar cities preceded the distribution of the surveys.

#### Survey results were as follows:

The desire to see a "general paint-up, fix-up, clean-up campaign" was chosen as the number one priority by a majority of those participating in the civic beautification survey. Only four points behind first place was the project involving "entryway arches, entryway signage and/or monumentation". This specific project is especially desired by businesses located in the Gateway Area as it would provide an attractive demarcation icon between San Jose and Saratoga while welcoming those entering Saratoga from the north and east. It is the recommendation of this Plan that a Saratoga "Gateway" program be considered for the business areas along the Saratoga-Sunnyvale Road. In addition to this project serving as a primary beautification landmark, it could also be considered to be a marketing strategy-oriented special effect.

A public arts program characterized by "a comprehensive series of wall murals illustrating Saratoga's history" was supported by many Saratoga merchants attending the second town hall-type workshop. This project was ranked in third place. It should be remembered that Marketing Theme # Four was based on Saratoga's traditional relationship with culture and the arts. With this in mind, the planning and implementation

of a citywide wall mural series to serve as a marketing-oriented civic beautification program becomes even more appropriate.

Regarding a possible public wall arts program, several specific subjects and historic themes were discussed for possible future use.

Among them were:

- a historic grouping of Saratoga's founding fathers, and mothers.
- an overall general history of Saratoga including a focus on the etiology of the City's name
- a series of agrarian scenes illustrating fruit pickers at labor
- a series of bucolic scenes taken from early "Main Street" activities including an identification of early businesses
- a possible scene involving the Fontaine Sisters as well as other notables out of Saratoga's colorful past association with the arts and cultures of several decades ago

Funding for the mural program might come as a shared investment of unknown percentages between the building tenant, the building owner, the BID Program, if one is formed, and the City. It is estimated that a high impact wall art program can be accomplished for the fee structure indicated below.

This estimate does not cover the costs of supplies and materials. The indicated fee assumes all walls to be painted will be in good condition and ready for the artist.

The data is provided for three size categories of wall murals.

1) Smaller paintings of authentic local historic scenes.

approx. size to be 5' X 7'

approx. cost to be \$300 each

a possible series of 10 to 12 murals should be considered for a total cost of \$3,000.

2) Larger wall murals that might depict scenes of Saratoga's agrarian past such as a close-up of fruit pickers and fruit packers in action as well as a group portrait of Saratoga's founding fathers.

approx. size to be 10' X 20'

approx. cost to be \$1,000 to \$2,000 each

a possible series of four scenes should be considered for a total cost of approx. \$6,000.

3) The largest wall murals might illustrate scenes from Saratoga's rich past involvement with the arts and culture.

A second graphic theme might be a full wall-scale duplication of a scene of Big Basin Way circa early 1900s.

approx. size to be 20' X 30'

approx. cost to be \$3,000 to \$4,000 each

a possible series of two paintings should be considered for a total cost of approx. \$7,000.

Therefore, a full-scale public arts program for the downtown area might provide sixteen to eighteen murals for a total of approx. \$16,000.

Funding for this effort may result from a co-sponsorship between the City, the BID, the commercial tenant and possibly the property owner.

If the project sponsors, most likely the BID Organization (s) and the City agree to the full implementation of this program, they will accomplish a secondary marketing strategy on the scale of both Chemainus, B.C. and Steubenville, Ohio., two public arts programs that have achieved international recognition as well as phenomenally increased attraction of both visitors and new businesses to their respective downtown areas.

A direct quote from the Book, The Chemainus Murals, The Little Town That Did, provides us with specific data concerning the degree of success that small British Columbia town of 4,000 population experienced.

"In 1983 Chemainus won the prestigious New York Downtown Revitalization Award for its redevelopment of the downtown core. It has since gained world-wide acclaim for the integrity and superb artistry of its huge depiction's of the town's history. Since the beginning of the wall murals program Chemainus has attracted in excess of one hundred new businesses as well as 350,000 to 450,000 new visitors a year and a \$3.5 million dinner theater."

Additional narrative relating to the commercial marketing benefits of a public arts wall mural program as typified by programs in Chemainus, B.C., Steubenville, Ohio and Lake Placid, Florida is provided in the Appendix.

A copy of the questionnaire relating to specific wall mural topics is also provided in the Appendix.

Other visual "special effects" chosen by the Committee for further consideration included: (these items are listed by popular choice ranking)

- A program of improved and up-dated commercial signage.
- A program providing overall greenery in the form of plants, trees and parks.
- A program of banners, flags and pennants to give the area a feeling of festivity and color.
- A facade improvement program was especially desired by Committee Members doing business in the traditional Saratoga Village area.
- The use of colorful awnings on commercial buildings
- The use of seasonal decorations throughout the community.
- The adaptive re-use of local historic buildings.
- The possible development of sidewalk cafe-type uses.

Other civic beautification programs and projects that were not on the survey form but were written in, are as follows:

- Public restrooms are needed for the Village Area.
- More parking in the Village Area is needed. Also existing parking needs to be better signed.
- No skateboards or bicycles should be allowed on the sidewalks of the Village Area.
- Village Area merchants must be strongly encouraged to park away from the main street.
- Road improvements are needed in the Gateway Area, as are sidewalks, pathways, crosswalks and streetlights.
- Business Directories should be erected in each individual business area.

Listing Of Downtown Marketing-Oriented Visual  
"Special Effects" Projects

- 1) Entryway Arches
- 2) Entryway Signage And/Or Monumentation
- 3) Landmarks
- 4) Flags, Banners And Pennants
- 5) Sidewalk Cafes
- 6) Adaptive Re-Use Of Historic Buildings
- 7) Awnings
- 8) Commercial Signage
- 9) Greenery
- 10) Public Area And Private Property Lighting
- 11) Seasonal Decorations
- 12) Alternative Transportation
- 13) Generalized Paint-Up, Clean-Up, Fix-Up Projects
- 14) Public Arts Programs, Wall Murals As Special Effects
  - A) Founders Portraits
  - B) Overall General History Of City
  - C) Illustration Of Early Industry, I.e., Agrarian activities, fruit orchards, vineyards, etc.
  - D) Colorful Local Characters
  - E) Scenes Of Early Mainstreet Activity And Businesses, Etc.
  - F) Local Ethnic Heritage, Native Americans, Etc.
  - G) Architectural Art
  - H) Commercial Signage As Public Art
- 15) Other Public Arts Programs, Statuary, Tile Mosaics, Etc.

Suggested Step-By-Step Format For Beginning  
A Wall Mural Program In Saratoga

- 1) Hold Meeting (S) To Develop Support For Wall Mural Program
- 2) Review Available Historic Photos...Select One Or More After Working Through Traditional Committee Approval Process
- 3) After Photo(S) Is Selected, Meet With Available Artists
- 4) Have Picture Enlarged, Have Photo Backed With Foam Core Or Other Backing Material
- 5) Get On Council Agenda, Explain Project, Receive Approval
- 6) Acquire Necessary Permit (S)
- 7) Break Down Enlarged Photo Into Grids, Possibly 1" X 1"
- 8) Establish Scale For Photo, (1" To 1' Is Good Also 1" To 2')
- 9) Develop Contract With Artist
- 10) Develop Agreement With Property Owner
- 11) Establish "Frame" Size On Wall
- 12) Begin Wall Preparation, Work With Artist On This
- 13) Paint Wall Into Scaled Grid
- 14) Begin Painting

### Saratoga Commercial Recruitment Program:

Commercial recruitment is a common goal shared by many business districts as they strive to carry out economic development programs.

That common goal and purpose is the desire to both improve the image of their commercial areas through reduction of the number of commercial vacancies seen by shoppers and visitors as well as to improve the overall business mix of the area by attracting the most desirable new businesses to fill existing vacancies or vacancies as they occur. A third value of bringing in desirable new businesses is the possibility of infilling for the purpose of offsetting an existing business-mix skew which may compromise the overall economic health of the project area.

Efforts on the part of cities throughout the country to attract desirable new businesses into their traditional central business districts have led to the development of a new real estate-oriented art and science with its own doctrine as well as its own failures and success stories.

The City of Saratoga should be a strong supporter of commercial recruitment programs as it stands to benefit greatly through the advantage of substantially increased sales tax revenues.

Through the use of a community preference survey conducted during June and July of last year, it was learned that Saratoga residents desire to see more community-serving businesses including, but not limited to, one or more new grocery stores, several new apparel stores, a hardware store, bed and breakfast uses and entertainment facilities, as well as additional moderately priced family-oriented dining opportunities. Knowing what the community will support is the first step in any successful commercial recruitment campaign.

It is a known fact that the current overall mix of businesses in Saratoga leaves something to be desired. It is felt by many community members that the current business mix is skewed in favor of personal care salons, antique shops and restaurants at the loss of a more desirable traditional aggregate of community-serving businesses as listed above. Furthermore, the problems inherent with this unfavorable business-mix are exacerbated by numerous functional vacancies or "hobby businesses"

which maintain abbreviated business hours. The limited number of hours these part-time businesses are open to the public compromises the necessary critical mass of activity important for any successful business area. It is known that some potential shoppers avoid areas characterized by functional vacancies and part-time businesses due to the unknown nature of business hours.

If possible, the City should consider enforcing a minimum number of "open hours" to be adhered to by business license holders within the project area.

Other survey responses indicated the desire for both a brew pub-type bar and a micro brewery such as the nearby Los Gatos Brewing Company . The phenomenal growth in popularity of the micro brewery industry has amazed and impressed entrepreneurs and business consultants throughout the country.

A recent article in "The Celebrator", which is recognized as America's premier micro brewery publication, indicates that there are very specific economic development benefits to any city or commercial area that hosts a micro brewery and/or brew pub.

(A copy of this thought-provoking article is provided in the Commercial Recruitment Section of the Appendix.)

Several specific economic development benefits associated with a brew pub are as follows:

- Tourism attraction. "Brew Trekking" is becoming a very popular pastime with many beer aficionados
- Generation of retail sales tax revenues through the attraction of visitor dollars into the community
- The creation of good paying jobs by a clean, light industry is an economic development coup that many cities are striving to achieve
- Micro Breweries are good business neighbors...they proudly promote the downtown area through aggressive and creative advertising campaigns.
- Many Micro Breweries carry out adaptive re-use projects involving older, often vacant local buildings.

- Micro Breweries often contribute significantly to beautification of the business area through construction of attractive new facilities.
- Micro Breweries often provide activities in the area of entertainment and art, especially during the evening when additional activity may be desired.
- Micro Breweries effectively serve as adjuncts to marketing strategies and theme development programs. The new marketing strategy and theme development concept, "Savor Saratoga", works especially well with this kind of new business use.

Information provided to the Saratoga Business Development Council in this Marketing Plan includes a full program of incentives. listed below, to be used in attracting new investment into the Saratoga community as well as a full listing of commercial recruitment activities to be carried out during the program.

Additionally, guidelines for involving the local real estate brokerage community are suggested within this section.

#### What Incentives Can Be Provided To Attract New Businesses ?

A "hypothetical" list of incentives designed to encourage the establishment of new businesses to fill existing vacancies, or vacancies as they occur, is as follows:

- 1) Emphasize that aggressive and creative marketing programs are in place as a means of promoting the use of the area's businesses, such as:
  - retail-oriented promotion programs
  - image building campaigns for the overall commercial area
  - a marketing strategy program
  - Institutional (public relations) advertising programs
- 2) Citywide civic beautification, aesthetics and streetscape improvement programs are under way.
- 3) Support and commitment for the business district on the part of the City is strong.

4) The City will work with new businesses to waive or make licensing and permit fees more convenient and affordable. Furthermore, the City will work to streamline the permit process.

5) Technical assistance provided by the City of Saratoga Economic Development Council is available to new businesses for the purposes of:

- networking among area businesses
- assisting with business management plan development
- developing advertising programs
- assisting with sponsoring marketing & merchandising seminars
- assisting with lease negotiation
- assisting with business financing, such as:
  - \* technical assistance with the completion of loan applications
  - \* low interest rate loan pools available to new businesses
  - \* financial counseling programs

6) An ongoing funding mechanism may be in place to insure that citywide marketing programs will continue on a year-to-year basis. The establishment of a Business Improvement District (BID) under Calif. SB 1424 is an excellent example of this sort of ongoing funding tool.

Outline of Specific Activities To Be Carried Out During a Commercial Recruitment Program:

1) Sponsor a comprehensive survey to be distributed throughout the community for the purpose of determining what new businesses Saratoga shoppers would support.

2) Establish a Commercial Recruitment Committee. This group should include members of the Project Committee, the Chamber, business owners, property owners, representatives from the Economic Development Council and representatives of the commercial brokers profession.

3) Hold commercial recruitment orientation workshops to familiarize participants with the concept as well as to confirm overall program goals. Assign roles and responsibilities.

4) Sponsor a series of public and private workshops to gather input from local business owners, property owners, commercial brokers and community leaders.

5) Promote the strong points of the project area, such as :

- Community and City Administration support for new business start-ups is strong.
- An effective Economic Development Council operates within the framework of City government.
- A comprehensive Commercial Marketing Program has recently been completed and is now in the Implementation Phase
- Favorable lease and rental rates are available.
- An aggressive Marketing Program on the part of the City of Saratoga is underway.
- Program support from community financial institutions is strong.
- Creative and interesting events and activities programs occur on a regularly scheduled basis.

6) Develop a property inventory listing all businesses within the project area (s).

7) Compile an up-to-date listing of all existing businesses and commercial vacancies ..."commercial opportunities".

8) Identify and analyze potential project area development sites.

9) Develop a Commercial Recruitment Program Information package to be used as a marketing tool for distribution to potential new businesses and investors.

(see "Los Altos Commercial Recruitment Information Package" in Appendix)

- 10) Create an advertising campaign for the purpose of marketing Saratoga's "commercial opportunities". Consider placing advertisements in the San Jose Mercury News' Business Opportunities" and "Business To Business" sections of the classified ads. Furthermore, consider taking out one or more display ads for the purpose of promoting business opportunities within the project area.
- 11) Establish a means of tracking the rate of program success in relation to contacts made.

Involvement of Saratoga's Commercial Brokers and Leasing Agents :

A) Establish a coordination agreement between the project committee and commercial real estate brokers and leasing agents who have local knowledge of properties and/or who have substantial retail and commercial clients.

It is important to work effectively with local commercial real estate brokers as they provide a direct link to recruitment progress and success through their established contacts. It is also critically important that brokers and leasing agents not perceive the recruitment program as a competitive effort within the community.

B) Work with these brokers and agents by including them in planning sessions, workshops and promoted "Business Opportunity Expositions"

C) Serve as a clearing house function regarding appropriate marketing information relevant to the project area. Provide this information to brokers and their clients.

D) Insure that the commercial recruitment effort of the Committee is not viewed as competitive by the real estate brokerage profession

Regional and National Program Representation:

The Saratoga citywide Commercial Recruitment Program should also include representation at regional trade fairs and the Annual International Council of Shopping Center (ICSC) Convention.

Short-Term Utilization of Commercial Vacancies:

While it is acknowledged that few commercial vacancies currently exist in Saratoga, nevertheless, a short-term solution to be applied as needed, to the universally unattractive nature of commercial vacancies is to implement any program that will create activity in that space to prevent the look of emptiness.

Several temporary uses for vacant storefronts include:

- 1) A window display program, possibly in connection with a local window decorations contest or seasonal theme illustration.
- 2) Leasing to temporary retail outlets not in competition with existing local merchants.
- 3) Leasing to seasonal shops such as Christmas decorations boutiques.
- 4) The temporary expansion of local, possibly contiguous, stores that need additional display areas.

In summary, a brief outline of a Saratoga Commercial Recruitment Program is as follows:

- 1) Identify the Commercial Recruitment Project Committee.
- 2) Carry out a current space-use analysis of all participating Saratoga business areas.
- 3) Identify skewed sectors of current tenant mix, such as personal care salons, etc.
- 4) Begin developing demographics of project area as well as regional demographics, where appropriate.
- 5) Begin series of public workshops and community preference surveys.
- 6) Carry out inventory of existing vacancies or "commercial opportunities".
- 7) Identify ownership of available commercial properties. Begin working with them.
- 8) Begin working with Saratoga area commercial brokers. Develop project coordination agreement.
- 9) Identify strong businesses and weak businesses as well as functional vacancies or "hobby businesses".
- 10) Begin development of Commercial Recruitment Information Package, including map of current vacancies, i.e., available properties.
- 11) Attempt to identify catalyst project, such as a micro brewery to occupy undeveloped space or primary vacancy.
- 12) Consider sponsoring "business opportunities exposition".
- 13) Begin actively contacting target businesses, groups, organizations, entities and corporations.
- 14) Track program results

### Saratoga Commercial Marketing Program Funding:

Most cities look to either Redevelopment Agency funding, Community Development Block Grant (CDBG) Program funding or the establishment of a Business Improvement District (BID) as a means of implementing economic development programs such as the Saratoga Commercial Marketing Program.

It is understood that at this time Saratoga does not have a Redevelopment Agency and also does not qualify for state CDBG program funding. Absent these two traditional program funding tools, the remaining scope of options is limited. Although a listing of twelve individual economic development funding sources is provided in the Appendix, certainly the one single funding mechanism used most commonly for the purpose of implementing commercial area economic development programs and projects is the Business Improvement District mechanism enabled under California SB 1424.

The BID mechanism, which is more frequently used than both RDA and CDBG funding combined, typically involves the development of a partnership between the private and public sectors of the local economy.

A portion of the Scope of Work describing items to be accomplished within the parameters of this Commercial Marketing Program was an explanation of the basic BID concept as well as the facilitation of a BID Feasibility Analysis for the purpose of determining how the marketing program might be funded.

#### BID Legislative History:

In 1965 the California Legislature responded to the increasing problem of statewide downtown decay by passing Assembly Bill 103. This bill, categorized as "enabling legislation" and attached to the California Streets and Highways Code, was intended to give our traditional downtown areas as well as smaller neighborhood commercial areas such as Quito Village or Argonaut Center a means of assessing themselves for the purpose of financing general business improvement. AB 103 enabled business areas to finance annual retail promotional programs, image building campaigns, parking improvement projects, civic beautification efforts, Christmas decorations, commercial recruitment programs, centralized retail management programs, etc.

During the period 1965 to 1979, AB 103 was used by approximately fifty California merchants organizations as a very effective method of business area improvement financing. In 1979 Proposition 13 was passed halting the formation of any new tax assessment districts as well as other taxing mechanisms then in place throughout the state. At this time the California Downtown Association (CDA) became involved by hiring a lobbyist to rewrite AB 103 in order to conform with the purpose and restrictions of Proposition 13.

The updated Bill, strongly supported and approved by the California Legislature, was passed in the Fall of 1979 as AB 1693. Since that time approximately 150 additional California business areas have passed business improvement districts in order to fund programs designed to enable them to compete more efficiently with the ubiquitous regional malls.

Ten years after the establishment of AB 1693, the CDA decided once again to further update the business improvement legislation by rewriting AB 1693 as SB 1424.

This new and improved version of the original AB 103 is felt to be more bulletproof, i.e. more impervious to challenge by those merchants unwilling to financially participate in the economic revitalization of their traditional central business districts.

#### Benefits Of Attempting Establishment Of A BID At This Time;

Several major factors support the successful establishment of a Saratoga BID at this time. The City of Saratoga is solidly behind the establishment of a BID if the merchants see fit to support it. Furthermore, the possibility of providing a match of BID fees collected through the Saratoga business community has been discussed with the City.

Additionally, the past four months have been devoted to the creation of a Saratoga Commercial Marketing-Oriented Economic Development Program. This program and documentation will serve as the necessary incentive or catalyst that must be provided to merchants in order to win their support for the establishment of a BID.

Following lengthy discussions with the Project Committee over the past four months regarding the feasibility of establishing a BID, and after talking to many business and property owners, it is strongly recommended that Phase Two (BID establishment) be pursued as soon

as possible following the completion of Phase One which is the Saratoga Economic Development Program.

A benefit of beginning the BID establishment program at or soon after completion of Phase One is that the energy and momentum generated through the past several months will be maintained.

If Phase Two is delayed, the overall chances for successful establishment will be compromised as will the benefit of a reduced establishment fee.

The longer the new Economic Development Program is delayed, the less effective it will be when implemented. If the beginning of program implementation does not occur within the first twelve months after completion of Program Development, many of the recommendations will be outdated and useless.

#### BID Concept Introduction Workshop

An overall Business Improvement District concept introduction was provided during the April 13 public workshop.

The possibility of one or more Saratoga BIDs as the most likely means of providing long-term funding for citywide economic development programs and projects was explored. Items that were discussed include:

- History of the BID enabling legislation as well as original legislative intent.
- How a BID proved to be an effective means of funding the highly successful downtown Chlco commercial marketing program.
- A sequential outline of BID formation activities was provided and discussed.
- A suggested annual BID assessment formula was discussed.
- An estimate of how much a Saratoga BID might earn per year.
- A suggested Annual BID Budget.
- Possible financial involvement on the part of the City.
- A series of BID concept introduction documents were provided.
- A listing of BID benefits to merchants was developed and provided.
- A listing of BID concept safety features was provided.
- A brief discussion of the new BID legislation, AB 3754, was carried out.
- The necessity and purpose of beginning the BID formation work as soon as possible after the completion of the overall Saratoga Marketing Program was discussed.

- A discussion of means of funding the one-time cost of BID establishment, to be provided by DRC at a reduced fee, was carried out.

The following is a two-page document, shown in quotes, that was used to present the BID concept to those attending the Workshop.

"Saratoga Community Opinion Survey Regarding The Possible Establishment Of One Or More Business Improvement Districts.

The Business Improvement District (BID) funding mechanism is being considered as a possible primary means of financing the new Saratoga Marketing Program.

Approximately 200 BIDs exist in California today. Nearby BIDs include San Jose, Palo Alto, Los Altos, San Mateo, Mountain View, Santa Cruz (currently considering a second BID), Soquel, Monterey and Gilroy. Los Gatos is currently beginning a campaign to re-new its BID and Capitola is currently considering its first BID.

BIDs typically generate \$25,000 to \$50,000 per year to be used to fund commercial marketing plans, programs and strategies. There is a strong trend nowadays for the City to match annual fees paid in by the private sector. This encouraging trend is due to the fact that a successfully established and managed BID brings in a great deal of additional sales tax revenues to the City as a result of the increased commercial success of individual participating businesses.

A note of caution...if approved by the business community, the BID becomes a mandatory benefit assessment district.

The good news is that the BID law provides for a large number of legislative "safety features", such as: the BID must be re-approved by participating businesses annually and all BID funds must be spent back within the established BID boundaries on programs and projects approved by participating businesses. Also, the BID assessment formula cannot be increased at any future time without going back through the full formation process.

A great deal of discussion has occurred lately regarding the possible establishment of one or more Saratoga BIDs. One purpose of tonight's public information workshop is to discuss the BID concept as well as the basic formation process involved in the creation of a BID.

We need to have your input regarding the possible benefits or disadvantages of having a Saratoga BID. Please review the attached survey form and give us the benefit of your thinking on this important issue. Your opinion is greatly appreciated."

A slide discussion focusing on BID-related commercial development projects and programs was carried out. Following the slide-discussion, several possible formats for the utilization of one or more BIDs within the community were discussed.

BID options for Saratoga include,

- a) the establishment of one all-encompassing Saratoga-wide Business Improvement District (or)
- b) Multiple BIDs established within individual business areas such as the Gateway BID, the Downtown Village BID, the Quito Village BID, etc.

Following the slide show and a lengthy discussion of the benefits and virtues, as well as the shortcomings of the BID concept, a short questionnaire was distributed to those attending the workshop. The dual purpose of this survey was to determine, 1) what level of support or opposition regarding the BID concept might exist among workshop participants and, 2) if in support of the BID concept, which format would be most strongly supported by those merchants in attendance.

Results of this brief survey provided the very clear message that the establishment of a BID as a possible funding mechanism for Saratoga Marketing Programs was a very popular concept. Nineteen out of twenty-one workshop attendees supported the pursuit of one or more BIDs. Within that group of nineteen BID supporters, seven preferred separate and distinct BIDs for each business area while the remaining twelve favored one citywide BID to be used as the primary funding source. It must be made clear at this point that those supporting the establishment of a single citywide BID gave their support based on the fact that all funds collected would be carefully tracked and allocated back to the individual business area from which they came. For example,

If the Gateway Area produced \$15,000. per year in BID collections while the Downtown Village Area produced \$10,000. and Quito Village produced \$5,000., those same amounts would be re-allocated back to their source to be used for both specific In-area and citywide marketing program efforts. It was agreed that a percentage, possibly 50% of all BID fees collected, would be earmarked for a generalized Saratoga-wide Marketing Program.

Two persons in attendance did not think that a BID should be pursued at this time. There were no responses to the "other funding options" choice.

The question of "where do we go from here?" regarding a follow-up on BID establishment was asked at the end of the workshop by several persons desiring to see the BID formation move forward. It was recommended that representatives from each business area meet with their neighbor businesses to explain the BID concept. After this is done, and after the Marketing Plan is completed, another BID concept information workshop could be scheduled for the purpose of specifically focusing on the possibility of forming a Saratoga BID.

Additionally, a letter should be sent to City Council indicating that there is an organized interest on the part of the business community in forming a BID within Saratoga.

If the BID is pursued in 1996, a suggested sequential approach toward District formation is as follows:

1) Achieve consensus, identify motive / catalyst to form BID:  
examples commonly identified:

- \*need management-administration format for marketing programs implementation
- \* need to mitigate retail sales leakage
- \* need to more effectively compete with regional malls and national discounters
- \* problem of commercial vacancies
- \* need for commercial marketing program, image-building
- \*need for streetscape-pedestrianization improvements
- \* imperfect tenant mix-too many of the right/wrong businesses
- \* need for add'l parking or heightened awareness of existing parking

- 2) Establishment of Formation Committee:
  - \* typically this group would be made up of representatives of each involved business area
  - \* need to strive for wide, diversified representation
- 3) Initial BID planning work with Committee & Consultant:
  - \* orientation of Committee to BID concept and formation process
  - \* develop suggested District boundaries
  - \* establish zones of benefit
  - \* develop suggested assessment formula matrix
  - \* develop BID program
  - \* develop BID budget
- 4) The Committee needs to develop a full and accurate inventory of existing businesses:
  - \* work with City staff-work with business license list
- 5) Send memo to City Hall requesting support for BID formation campaign:
  - \* traditional method is the use of a "Proposal To Form BID"
- 6) Begin development of Primary BID Information Package:
  - \* distribute to all businesses, City Staff, City Council, media, etc.
  - this is the primary public relations tool and should contain the following:
    - BID programs
    - District boundaries
    - Zones of Benefit
    - An explanation of the overall BID concept
    - Suggested annual assessment formula with fee matrix
    - BID budget
    - An explanation of the BID Law safety features
- 7) Schedule Public Information Workshops designed to educate businessowners on BID concept: (a very critical public relations process)
  - \* develop local media support
  - \* attempt to identify opposition, if any
- 8) Formation Committee members to go out in teams:
  - \* visit area business owners following distribution of information package

*\* efforts need to be made to match up Formation Committee teams with business peer-types*

- 9) Hold add'l public information workshops if necessary
- 10) Work with any opposition that has been identified on individual basis, use business peers whenever possible
- 11) If necessary, develop Memo of Understanding (MOU) to be accepted and approved by Council
- 12) City staff to develop Resolution of Intention to Form District:
  - \* guidelines provided by consultant*
- 13) City staff to begin drafting BID Ordinance
  - \* guidelines provided by consultant*
- 14) Notice of Intent to Form District is mailed to all businesses by City
  - \* must be First Class postage*
  - \* Formation Committee to attach mitigating cover letter*
- 15) Notice of Intent To Form District is published in a newspaper of local (general) circulation:
- 16) Consider circulating a petition of support, or non-opposition, if necessary
- 17) Get an accurate estimate of any organized opposition, arrange meeting(s) if necessary
- 18) The big night...Protest Hearing is held before Council:
  - \* It is critically important to have all BID supporters present as well as their employees, neighbors, friends and relatives. (It is effective to hold a pre-hearing gathering to organize supporters as well as to guarantee their attendance....)*
- 19) Final reading and adoption of BID Ordinance:
  - \* It is also recommended to have Formation Committee members present for this reading*

### Suggested BID Assessment Formula:

Regarding the assessment formula, the typical formulation involves three criteria that are applied to every business within the district receiving benefit. They are:

1. Location: It is understood that retail improvement efforts are "centered" in that they begin in the core of the project areas and tend to ripple out with a slightly diminished effect. Businesses at the periphery typically pay half the amount paid by their counterparts located in the most central blocks.

2. Type Of Business: It is understood that the main thrust of the annual program is the stimulation of the retail economy; therefore, retailers (which includes restaurants and bars) pay a base amount with all other business types paying a fraction of that amount. For example: service-oriented businesses such as hair salons, auto maintenance businesses, repair shops, etc. may pay one-third to one-half less than what retailers pay.

Professionals, such as attorneys or dentists, etc., would possibly pay one-half of what service-oriented businesses are assessed.

Banks traditionally pay a flat annual fee of \$500 to \$1,000.

3. Number Of Employees: It is felt that larger businesses tend to benefit proportionately more than smaller shops. According to this criteria, the assessment is increased according to overall number of full-time employees. Part-time employees are combined to total full-time.

### BID Programs:

Regarding how the funds are spent once collected by the City and turned over to the sponsoring organization, which, as was mentioned earlier, might be a consortium of representatives from each participating business area as well as representation from the Saratoga Chamber of Commerce, the following typical business improvement programs are listed in general order of choice:

1. Retail marketing strategy programs such as have been described in detail elsewhere in this Plan
2. Theme development and image-building campaigns
3. A Commercial Recruitment Program
4. Civic beautification and pedestrianization programs
5. Citywide festivals, fairs, concerts, and other special events

These programs are primarily designed and implemented to allow Saratoga merchants to more effectively compete with nearby shopping alternatives such as are found in San Jose, Cupertino, Sunnyvale and Palo Alto.

Some general benefits derived from a Saratoga Business Improvement District are as follows:

1. No more "free riders". Every merchant pays their fair share toward general improvements.

In many CBDs without the benefit of a business improvement district, store "A" and store "C" might voluntarily donate toward Christmas decorations or overall image-building campaigns while store "B" doesn't donate, yet will benefit equally at the expense of his neighbors.

The BID gives every business owner the opportunity to financially participate in Saratoga's new citywide economic revitalization programs.

2. The Business Improvement District produces a dependable annual financial base with which to design and implement an effective program of promotions, activities and improvements ... which provide dollars used to successfully compete with the regional malls and/or nearby neighboring metropolitan retail centers.

3. The Business Improvement District concept allows for a well-financed, unified lobbying force to work with city/county government, local media representatives, local school districts and institutions of higher education, transportation companies, vendors of goods and services, federal government agencies, law enforcement agencies, etc.

Several critical factors necessary for the successful formation of a Business Improvement District:

1. A fair and equitable assessment formula supported by all Saratoga merchants

2. Strong support of a majority of areawide businesses regarding the BID concept

3. Strong support from City Council and City Administration

4. Support of local media ... especially locally read newspapers

5. Communication with local merchants through memos, public meetings and hearings

Very Important BID supporters:

City Council, City Manager, City Economic Development Director, City Attorney, City Finance Officer, Managers and Boards of Directors of the Chamber of Commerce, Media Editors, Owners and Managers of Major Downtown Saratoga Businesses.

BID Safety Features Provided By SB 1424

The BID formation process provides for a system of checks and balances that very effectively protect participating merchant from escalating assessments or misuses of the annual funds as follows:

1. The assessment cannot be increased once the BID is approved without a full and formal public hearing before City Council.
2. The BID must be re-approved by participating Saratoga businesses annually.
3. The BID membership controls how the money is spent and what the annual programs are to be.
4. The BID membership elects its own Board of Directors.
5. The annual fees collected can only be spent within the district boundaries and can only be used for the specific physical and economic revitalization of the area.
6. The BID can easily be dis-established by the members by presenting City Council with a petition representing 50 percent or more of the annual fees paid.

Possible BID Programs Management

Concerning possible programs management formats if a BID is established within Saratoga, the following three scenarios cover likely possibilities. The BID Management Organization, possible a consortium of all participating business areas plus representation from the Saratoga Chamber of Commerce, could decide to hire a full-time programs administrator or they could hire a part-time programs manager or they could carry out the BID programs based on the efforts of a voluntary cadre. All three of these management scenarios are equally prevalent throughout the state and country with the primary deciding factor being amount of funding available for administrative services.

Possible City-Sponsored Match Of Annual BID Collections As Well As Sponsorship Of BID Establishment Fee

There is hope that the City will take an active role with regard to providing financial support of the BID formation effort as well as possible providing ongoing financial support of the BID program. Merchants supporting the BID concept hope that the City will sponsor the one-time cost of BID formation as well as possibly match annual fees collected from throughout the private sector.

The traditional source of BID formation funding is the City or a combination of City and private sector.

Reduction In BID formation Fee

Downtown Revitalization Consultants has offered to provide BID formation assistance at a 25% fee reduction based on having already worked in the community on the Commercial Marketing Plan.

Several additional BID concept-related documents used during the discussion and survey are provided in the Appendix.



# Saratoga News

## CITY HIRES TOP CONSULTANT TO PROMOTE LOCAL BUSINESS

*Council wants to attract shoppers and new merchants*

By CLARENCE CROMWELL

The Saratoga City Council on Nov. 1 decided to pay a Chico-based marketing consultant \$15,000 for a plan to attract shoppers to Saratoga stores and lure new merchants to town.

After interviewing six firms on Oct. 2, the Saratoga Business Development Council recommended that the city hire Downtown Revitalization Consultants. The company specializes in economic development programs and has completed work for the cities of Los Altos, Los Gatos and Santa Cruz, among others.

Dave Kilbourne, executive director of the company, said half the plan will involve marketing Saratoga as a good place to shop. The city needs to convince its residents to shop closer to home, rather than in Los Gatos and San Jose, he said. It must also draw outsiders to shop in the city.

Kilbourne is well known as a pioneer in California's downtown revitalization movement, and has worked with dozens of cities around the state. He said he will help the city come up with a similar gimmick to attract shoppers.

A consistent, year-round ad campaign can heighten customers' awareness of a certain shopping district, Kilbourne said. The Village will probably lend itself naturally to such promotion. "The Saratoga Village has an upscale, friendly shopping atmosphere," he said.

On top of drawing customers, Kilbourne hopes to attract unique businesses to the area. In a survey released Sept. 26, the business council determined that most residents and merchants in Saratoga want a more diverse sampling of shops in the city.

Downtown Consultants usually advertises in trade publications or newspapers to attract unusual or quirky businesses. For example, many cities could use a microbrewery pub, Kilbourne said.

For the \$15,000, the city ultimately gets a marketing plan and a workbook detailing how to promote the city. But first, Kilbourne plans to create a project committee consisting of business owners, residents and city staff members to help construct the plan.

"We'll sit down and have some intensive workshops to see what people want."

At press time, Kilbourne said he did not know when the process would get under way.

# Saratoga NEWS

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Serving Saratoga since 1955

Wednesday, October 2, 1991

## Business

### Expert to share secrets on business district success

#### BID program could give local malls competition

By ANNIE M. BELT

Ever since indoor malls began sprouting up across the country in the mid-1950s, their ever-rising revenues have been matched only by the equal and opposite financial fall of downtown business districts.

Helping downtown businesses win the war against malls is Urban Planning Consultant Dave Kilbourne's business. With more than 50 thriving California business districts behind him, Kilbourne will share his success secrets in Saratoga next week.

In a free workshop sponsored by the SARATOGA NEWS, Kilbourne will discuss "How to Develop, Revitalize and Promote Your Business District" from 8:30-10 a.m. on Wed., Oct. 9, at The Plumed Horse, 14555 Big Basin Way. A complimentary continental breakfast will be served.

Kilbourne is California's leading business revitalization expert, and the author of the pamphlet, "The BID Book: Guidelines for Forming a Downtown Business Improvement District Under California Senate Bill 1424." He walks businesses through each step needed to start a business improvement district — a process which usually takes from four to six months to complete.

He says downtown businesses can compete on equal footing with large one-stop malls, like Valley Fair, by establishing a business improvement district (BID).

How? The answer is simple. BIDs establish an umbrella funding mechanism similar to a mall's centralized retail management. Centralized retail management allows businesses within malls a tremendous savings on overhead

costs. It also facilitates planning for promotional events and new business recruiting — the right kind of new businesses. The BID does the same thing for downtown businesses.

"We're stealing the idea from them," he jokes, "but they've stolen plenty of ideas from us."

Kilbourne is currently working to establish BIDs with businesses in Los Gatos and Los Altos.

Downtown Chico, the locus of Kilbourne's urban planning company, provides one of the best examples of the BID's power to transform a sleepy retail sector into a thriving shopping center.

Fifteen years ago, shortly after a new mall set up shop in Chico, downtown Chico businesses began to suffer.

"Everybody thought the mall was the second coming," Kilbourne says. "The traditional downtown shoppers went to the mall."

As the shoppers left, so did the store owners. When Kilbourne was hired to help set up a downtown BID, 25 percent of the store spaces were vacant.

"The downtown merchants' association formed a BID out of desperation, as a way to fund community promotion programs to bring shoppers and stores back downtown."

Once the improvement district was established, downtown businesses — at a cost of roughly \$300 each per year — began holding community events such as free concerts, car shows, boat shows, food festivals and "Downtown Chico: Live After Five," a festival of evening activities (live theater, cinema, music) available long after the mall called it a day. They also began a beautification program replete with landscaping and street improvements.

Today, downtown Chico has no vacancies — the mall is struggling to recruit businesses.

"The vast majority of [business] owners find the BID concept very attractive," Kilbourne says. "The BID brings lost retail sales monies back to their stores."

# Saratoga News

Vol. 43, No. 19 Wednesday, May 8, 1996

## Saratogans like city's village-like ambiance

*But they want more resident-serving businesses*

By CAROLYN LEAL

Saratogans like their town's quaint village-like ambiance, its small-town atmosphere and its natural beauty.

However, they dislike Saratoga's lack of "community-serving" businesses and want more "quality, diversified" stores.

While they are fond of Saratoga's five-star restaurants, they point out that everyday family-style dining choices are limited.

Citizens are proud of Saratoga's reputation as host to cultural, entertainment and art events and they see Saratoga as being "upscale, sophisticated and cultured," but they bemoan the lack of community consensus.

These are some of the conclusions drawn from a recent survey conducted by consultant Dave Kilbourne of Chico, who has been hired by the city to plot a marketing strategy to bring more shoppers into Saratoga. The survey, published in

ter, drew fewer than 100 responses.

Kilbourne has coined "Savor Saratoga" as a possible city marketing theme that would encompass the five-star restaurants and cultural events. The phrase could be expanded to include "Discover Saratoga" and "Explore Saratoga," he suggested.

As a way of funding a citywide promotional effort, Kilbourne has suggested formation of a Business Improvement District that could encompass all the merchants in the city.

Kilbourne outlined advantages of the Business Improvement District and asked 24 people in attendance at a recent merchants' meeting to indicate if they were in favor of forming such a district, which would charge merchants an annual fee to be used for promotion. If voted in, participation in the district would be mandatory, he warned.

Kilbourne later said 90 percent of the people at the meeting were interested in forming a BID, to include all shopping areas within Saratoga.

"The funds from each area would be carefully tracked, and those funds would be used for two levels of marketing—one, the city-wide image and concept of Saratoga, and the other, the marketing of the

individual business area," he said.

If enough merchants support the BID concept, the district would be created by petitioning the City Council.

About 200 such districts exist in California, Kilbourne said. Los Gatos is currently beginning a campaign to renew its BID.

BIDs typically generate \$25,000 to \$50,000 per year to be used to fund marketing programs. In many cities, the City Council matches merchant contributions, he said.

State law on BIDs provides for a number of "safety features," Kilbourne said, including that the BID must be reapproved by participating businesses annually and all its funds be spent within the established district boundaries on programs and projects approved by participating businesses. Also, the assessment formula cannot be increased without going back through the full formation process, he said.

Additional meetings will be held to determine merchant interest, Kilbourne said.

"The next step is for representatives of individual businesses to talk to other businesses, then we'll probably put on another informational workshop, but larger and more broad-based," he said.

# Merchants get down to 'BID'ness

By ANNIE M. BELT

Revitalization expert Dave Kilbourne spoke to a group of roughly 40 Saratoga business owners Oct. 9 about the advantages of starting a Business Improvement District.

A BID is an umbrella funding mechanism that allows businesses to band together for such purposes as joint promotion, holiday decorations and recruiting retailers.

It has proven an excellent tool in helping business districts throughout California compete with malls and shopping centers, Kilbourne said. Regional centers have long benefited from centralized retail management; the BID simply applies virtually the same mechanism to old-fashioned downtowns.

The two-hour breakfast meeting, held at The Plumed Horse, was hosted by the SARATOGA NEWS.

Metro Newspapers executive Dan Pulcrano, an organizer of the downtown San Jose and Los Gatos BIDs, said the response of business owners here last week was the most immediately receptive he's seen.

"I think they recognize there are too many empty storefronts in Saratoga and something needs to be done," Pulcrano said. "We wanted to promote awareness of this tech-

nology. It's up to the businesses to determine whether it's appropriate for this community."

Business owner response to Kilbourne's suggestions was strongly favorable following the meeting.

"It was very interesting. An excellent idea," said Peggy Borgman of Preston Wynne. "I'm concerned the Village may be on the small side [to reap the full benefits]. But I would absolutely join a BID. We've recycled some [revitalization] ideas around here for a long time. There's kind of a lukewarm [pessimistic] environment. Some expertise would be welcome."

The smallest California business district to establish a BID to date was the 40-business Loyola Corners in Los Altos, which has a \$20,000 annual budget, Kilbourne said.

Former Saratoga Chamber of Commerce President Adrian Stanga said he was surprised to learn of a mechanism that has already helped downtown business districts in California and other states recoup lost sales revenues from shopping malls.

"I think the idea is good. ... We need to study it," Stanga said. "In Saratoga, in particular, we should all be working together. The Village Association, the Chamber of Commerce, the Saratoga Village Host Associa-

tion should all be under one umbrella. ... We should pull together."

Kilbourne emphasized the benefits of already-established business organizations working together through the BID. Because each business in an improvement district has a vote and helps to fund it, members tend to become actively involved in marketing and improvement plans, he said. The BID tends to unify businesses and can serve as an effective lobbying and problem-solving mechanism.

Klaus Pauche, owner of The Plumed Horse, said, "If all the people could be brought together, it could be the best thing to happen to the Village. ... I think there is enough willingness here to improve the business climate in the Village. ... It certainly worked for other places. Why couldn't it work for us?"

Kilbourne presented numerous examples of once-foundering downtown business districts that have risen from the ashes of obscurity to thriving centers of commerce.

"I'd like to find out more about [the BID concept], definitely," said Sheila Arthur, executive director of the chamber. "Anything that can help business in Saratoga is worth looking into. The economic situation in Saratoga is pretty bad."

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## Saratoga dusts off its welcome mat

### ■ Big plans:

Consultant's report will suggest ways the city can attract more shoppers and tourists.

BY CONNIE SKIPITARES

A Chico-based consultant is moving ahead to develop a proposal on how to better market Saratoga's commercial areas to bring more business to town.

The plan will analyze the business base the city now has and propose new types of businesses that could benefit certain commercial areas.

"It will look into what our strengths and weaknesses are and give us ideas on improving the business mix and the overall economic climate," said City Man-

ager Harry Peacock. "It has nothing to do with expanding retail, but finding out what isn't here that we'd like to have and how to make the most of what we have."

Peacock said businesses have "always been reactive. Instead of being ahead of the curve, we're behind it. This will give us a direction, something everybody can look at and say: This is what we want to do."

A working outline of the project explains that consultant Dave Kilbourne of Downtown Revitalization Consultants will explore better ways to promote one of Saratoga's chief strengths — its fine gourmet restaurants — as well as some of its specialty retail shops and art galleries, using a regional marketing approach.

He will also look at ways the city can draw a more diverse business mix; how it can better promote retail-oriented events, fairs and festivals; and how it can

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# Saratoga's businesses strive to entice more tourist dollars

## ■ DOWNTOWN

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develop a "tourism stimulation" program.

The tourism stimulation program could include putting together an "activity package" for visitors who could plan a day in Saratoga that includes shopping, gallery browsing, wine-tasting, a visit to the distinctive Hakone Japanese Gardens, a concert at the nearby Mountain Winery and a meal at one of the city's four-star restaurants. "Saratoga has all these wonderful things, but they have never been marketed in a package deal kind of way, or to a wider market," said Peacock. "A lot of people don't even know that Saratoga has some great wineries."

The working outline for the project also proposes that businesses consider holding meetings to discuss the possible creation of a business improvement district, which would collect assessments from businesses for beautification projects and promotional efforts.

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The city could consider putting together an "activity package" for visitors.

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A brief line in the paper notes that effort could be made to alter the image some people seem to have of Saratoga as a "stuffy" and "formal" place, rather than a fun and friendly place like Los Gatos.

A lot of the information Kilbourne will use to develop his marketing strategy plan will come from Saratoga residents and business people through a series of community-wide workshops to be held over the next several months. The first meeting will take place on Saturday, Jan. 13 at 10 a.m. at Saratoga's Community

Center, 13777 Fruitvale Ave.

The marketing plan is expected to be finalized by next April or May.

Last June and July, the Saratoga Business Development Council, a group of merchants, property owners and city leaders focusing on business revitalization, conducted a survey of residents and businesses that also will be factored into Kilbourne's marketing plan.

Results showed that a high percentage of shoppers frequent the downtown Saratoga shopping area as well as Quito Village and the Argonaut shopping center in town, but a high number of shoppers also visit Valley Fair and Westgate shopping centers.

Those surveyed said they would like to see the return of some of the old-time businesses that left Saratoga years ago, such as a hardware store, family clothing store, medium-sized department store and fabric store. Some said they wanted a movie theater back in town. The old cinema in the downtown closed years ago.