TO:       HONORABLE CITY COUNCIL

FROM:    CITY MANAGER

DEPARTMENT: CITY MANAGER’S OFFICE

DATE:    APRIL 14, 2008

CMR: 176:08

SUBJECT:  FINANCE COMMITTEE RECOMMENDATION TO ISSUE REQUEST FOR PROPOSALS FOR DESTINATION PALO ALTO

RECOMMENDATION
At its February 20, 2008 meeting, the Finance Committee voted unanimously to recommend that the City Council:

1. Direct staff to issue an RFP for visitorship services through Destination Palo Alto to enhance the Palo Alto economy
2. Authorize staff to describe and link the Destination Palo Alto website to the City of Palo Alto website
3. Direct staff to include $240,000 per year for the Destination Palo Alto program in the 2008-09 and 2009-10 proposed budgets
4. Identify a single point of contact within the City for Destination Palo Alto efforts

COMMITTEE REVIEW AND RECOMMENDATIONS
On February 20, 2008, the Finance Committee reviewed information about the Destination Palo Alto effort, initiated by City staff based on a Colleague’s Memo in March 2006. The Finance Committee’s review included questions about a single point of contact for the Destination Palo Alto program internally within the City. Additionally, the Finance Committee underscored the importance of metrics to measure success of the program. The committee was concerned about the heightened level of special events within the City and the need for internal staff to facilitate this effort. The City Manager indicated that the Special Events Team, headed by the Police Department, will be coordinating permits for events going forward. The committee emphasized that it is important to keep the existing stakeholders of the Destination Palo Alto Committee engaged and asked that staff explore the creation of an advisory committee or City-appointed committee to guide Destination Palo Alto efforts going forward.
The Administrative Services Department described the formula for estimating the City’s return on its investment for Destination Palo Alto. Based on a 5% increase in the transient occupancy tax for the five largest hotels in Palo Alto, the growth in revenue will be approximately $240,000 per year. This amount is proposed each year for two years as a part of the 2008-09 and 2009-10 budgets.

The Finance Committee approved the recommendations from the City Manager with the addition of recommendation #4 in this report.

PREPARED BY:  
__________________________________  
Susan L. Barnes  
Manager, Economic Development/ Redevelopment

DEPARTMENT HEAD REVIEW:  
__________________________________  
STEVE EMSLIE  
Director of Planning and Community Environment

CITY MANAGER APPROVAL:  
__________________________________  
FRANK BENEST  
City Manager

ATTACHMENTS

Attachment A: CMR 146:08 “Direct Staff to issue an RFP for Visitorship Services for Destination Palo Alto