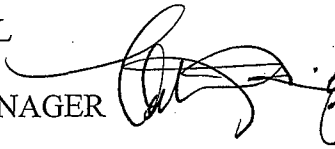




MEETING DATE: 06-06-05  
ITEM NO.

14

## COUNCIL AGENDA REPORT

DATE: JUNE 3, 2005  
TO: MAYOR AND TOWN COUNCIL  
FROM: DEBRA J. FIGONE, TOWN MANAGER   
SUBJECT: ECONOMIC VITALITY PROGRAM ANNUAL UPDATE

### RECOMMENDATION:

Discuss and accept Economic Vitality Program Annual Update.

### BACKGROUND:

In July, 2002, the Town Council approved the Town of Los Gatos Economic Vitality Program. The program is intended to serve as one of the many tools to implement the Town of Los Gatos General Plan and enhance the fiscal stability of the Town. In December 2004, Danielle Surdin was hired as the Town's new Economic Vitality Manager. Over the past six months staff efforts have focused on relationship building in the business community, creating the Town's summer marketing program, actively working on business attraction, retention, and promotion as opportunities have presented themselves, and developing a work plan that addresses both short-term and long-term activities to implement the Town's Economic Vitality Program. While no decision about the Town's Economic Vitality Program is needed tonight, staff seeks Council input on current and future business attraction, retention, and promotional efforts.

### DISCUSSION:

This challenging fiscal time highlights the importance of the Town's Economic Vitality Program. Retaining and expanding existing businesses, and assisting others to locate in Los Gatos help to strengthen and diversify the Town's economic base. In particular, a strong business sector helps contribute to the Town's revenue base which fund a variety of services to the community. Given the downturn in the Town's economically-sensitive revenues, such as sales tax, hotel/motel tax, interest income, and others, it is important to maintain outreach and implement programs that will help make local businesses successful. In addition to contributing to the Town's fiscal health, local businesses also provide employment opportunities and a local source of goods and services for the community.

PREPARED BY: DANIELLE SURDIN   
ECONOMIC VITALITY MANAGER

C:\Documents and Settings\dsurdin\My Documents\Council Reports - Presentations\Economic Vitality Update - Final.wpd

Reviewed by: PS Assistant Town Manager AL Town Attorney \_\_\_\_\_ Clerk Administrator  
\_\_\_\_ Finance \_\_\_\_\_ Community Development Revised: 6/2/05 9:29 am

Reformatted: 5/30/02

PAGE 2

MAYOR AND TOWN COUNCIL

SUBJECT: ECONOMIC VITALITY PROGRAM ANNUAL UPDATE

*June 3, 2005*

For the past six months, staff undertook many activities to enhance economic vitality town-wide. Attached is the 2005-2006 Economic Vitality Program, this document highlights current activities in the areas of business attraction, retention, and promotion, as well as outlining a future economic vitality work plan. This document also includes: the Town's mission and guiding principles for the program; an overview of current Town demographics; and market data providing Council with a snapshot of the Town's current commercial climate. Lastly this document contains a sample business recruitment packet and the Town's summer marketing program which are currently underway.

CONCLUSION:

Economic Vitality remains a priority for the organization. In these fiscally challenging times, it is increasingly important to help local businesses succeed. The 2005-2006 Economic Vitality Program provides Council with a variety of activities to help accomplish the Town's Economic Vitality goals adopted by Town Council in 2002.

ENVIRONMENTAL ASSESSMENT:

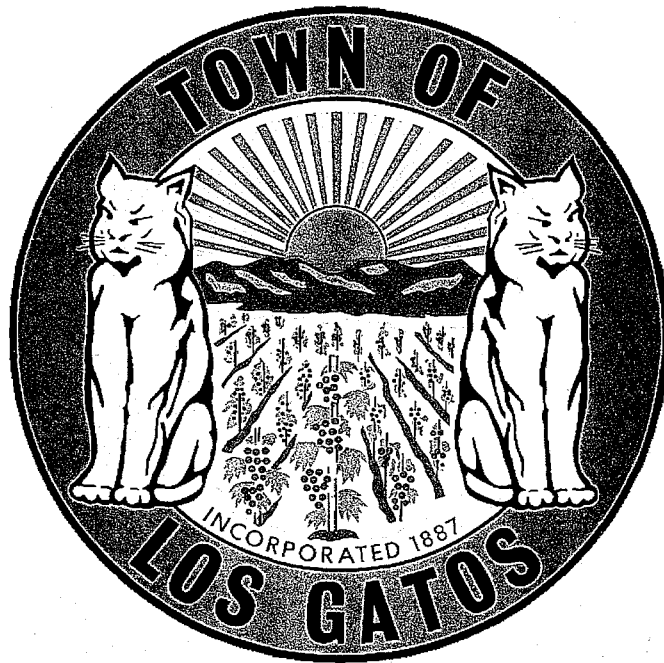
Is not a project defined under CEQA, and no further action is required.

FISCAL IMPACTS:

There is no fiscal impact associated with this action.

Attachment:

2005-2006 Economic Vitality Program



# **2005-2006**

# **Economic Vitality Program**

PREPARED BY:  
DANIELLE SURDIN, ECONOMIC VITALITY MANAGER  
JUNE 3, 2005

## INTRODUCTION

This document provides a plan for the continued implementation of an Economic Vitality Program for the Town of Los Gatos. The formal Economic Vitality Program was adopted by Town Council in July 2002, and has served as a useful tool in implementing the Town's General Plan.

The Economic Vitality Program will continue to preserve and enhance the quality of life for the citizens of Los Gatos in several direct ways. First, it will work to maintain, expand and attract successful businesses that serve the needs of our local residents. These businesses include R&D, office, retail, and service related businesses. By having a diverse business mix, local residents do not have to travel to neighboring communities, which helps foster a true sense of community. In addition local sales tax dollars remain within the community helping to provide funding for programs that serve our residents needs.

Second, the program will help keep the Town of Los Gatos Government fiscally stable, thereby allowing the Town to provide the high quality services our residents enjoy. The Town government has limited resources and limited ability to increase revenues to pay for services such as public safety, land use and development review, parks, and street repairs. The Economic Vitality Program will seek to maximize tax revenues received by the Town, including sales tax, property tax, Transient Occupancy Tax, and business license tax.

Third, the program will also help to generate additional job opportunities for Los Gatos residents. By having a diverse group of businesses, a variety of local jobs are created for which Los Gatos residents may be eligible. Employment opportunities within the community are extremely desirable for residents who may otherwise commute.

Finally many of the businesses in Los Gatos are locally owned and operated. The Economic Vitality Program strives to help local businesses be successful. This benefits not only the Town and its residents but also the local business owners of these businesses.

The Economic Vitality Program is designed to be flexible and responsive to adapt to new challenges and opportunities as they arise. The Town's guiding principles, mission, and purpose will continue to be used as a steward for implementing various Economic Vitality programs.



## **GUIDING PRINCIPLES**

The Los Gatos Economic Vitality Program is based on the following principles:

- Protecting the Town's high quality of life while balancing the need for goods and services for Town residents and tax revenues to support the Town's municipal operations.
- Providing a wide variety of goods and services to serve the community in order to minimize the need for residents to travel to other communities.
- Recognizing that the Town is not an island, and that it is subject to the economic changes of Silicon Valley, California and the nation, thus requiring a proactive approach in protecting and enhancing its local economy.
- Being "User Friendly" which provides the best Customer Service for all of the Town's customers.
- Using a team approach to bring all Town departments and resources together to work cooperatively with businesses.

## **MISSION AND PURPOSE**

The purpose and mission of the Town of Los Gatos Economic Vitality Program is to:

- Preserve and enhance the Town's charm and high quality of life
- Provide goods and services desired by Los Gatos residents
- Increase the economic vitality and diversity of the Town
- Maintain and increase sales tax revenues
- Maintain and increase Transient Occupancy Tax (i.e., Hotel or TOT)
- Maintain and increase tax increment revenue to the Redevelopment Agency
- Diversify and balance the local economy
- Create jobs for Town residents
- Recognize the contributions that businesses make to the Town
- Anticipate changes in the local economy and deal with them in a proactive manner



## BRIEF TOWN OVERVIEW

The Town of Los Gatos is located at the base of the Santa Cruz Mountains, approximately 60-miles south of San Francisco in the Southwestern portion of Santa Clara County. The Town is bound by the City of San Jose to the north and east, the City of Campbell to the north, and the cities of Monte Sereno and Saratoga to the west, and unincorporated County of Santa Clara and County of Santa Cruz to the south.

Los Gatos is one of Santa Clara County's oldest communities, being incorporated in 1887. It has a population of approximately 30,000 persons and encompasses about 14 square miles.

## LOS GATOS COMMUNITY PROFILE (2000 Census):

**Current Households:** 12,257

**Median Age:** 41.9

**Median Housing Value:** \$1,039,780

**Average household income:** \$164,036 with a 29.4% projected increase over the next 5-years to \$212,207

### Occupational categories for Age 16 and Over:

- 23.1% Executive, Administrative and Managerial
- 25.8% Professional Specialty
- 32.2% Technical, Sales, Administrative Support
- 12.9% Service
- 11.4% Precision, Production, Craft and Repair
- 2.5% Farming, Forestry, and Fishing
- 14.6% Operators, fabricators, and laborers

### Education Age 25 and Over:

- 18.1% of the population had earned a Graduate or Professional Degree
- 29.8% had earned a Bachelor's Degree

**Race Classification:** 86% Caucasian, 8.1% Asian, 5.2% Hispanic/Latino, .7% Other

**Population 19 and Under:** 22.19%

## LOS GATOS: LOCAL ECONOMY

- Quaint commercial districts offering a wide variety of goods and services.
- Good variety of hotels/motels providing \$829,025 to the Town annually in Transient Occupancy Tax.
- Auto Dealerships providing sales, service and jobs to our residents and \$1.6 million in sales tax annually.
- Retail sales provide nearly \$1.2 million in sales tax annually.
- Office and R&D sites available to house corporate sales headquarters which provides recognition and potential tax revenues for business-to-business transactions.



## SHORT-TERM ECONOMIC VITALITY STRATEGY

Since the redefining of the Redevelopment and Economic Vitality staffing position over the past year, staff has created an outline of short-term projects and activities for the new Economic Vitality Manager position. The Economic Vitality Manager will focus on various forms of outreach with the business community, local commercial and residential real estate brokers, property owners, and business-related community groups to begin relationship building. This section details specific projects that will be accomplished to achieve the goals of the Town's Economic Vitality Program.

### PROJECTS:

#### PERSONALIZED VISITATIONS & RELATIONSHIP BUILDING:

- Downtown Businesses
- Auto Dealerships
- Hotels/Motels
- Los Gatos Boulevard Businesses
- Los Gatos Neighborhood Centers

#### RE-ESTABLISH COMMUNICATION WITH THE FOLLOWING GROUPS:

- Local commercial/residential real estate brokers (follow-up to realtor survey)
- Chamber of Commerce/ Chamber Mixers
- Los Gatos Community Hospital - Medical Industry
- R&D commercial districts
- Business-related community groups
- Entertainment & Hospitality Groups

#### "GETTING UP TO SPEED":

- Review past Redevelopment Manager's files
- Examine Town codes policies and procedures
- Meet with Community Development and Public Works

#### TOWN COUNCIL BUSINESS/COMMUNITY RECOGNITION PROGRAM:

- Coordinate quarterly business recognitions

#### 2005 SUMMER IN LOS GATOS:

- Develop and implement a coordinated marketing plan for May – September 05'
- Target market focus Los Gatos Residents & Santa Clara County Residents

#### LOCAL/REGIONAL:

- **SUMMER-LONG CO-OP AD OPPORTUNITIES:** Coordinated co-op group pages & Town event calendar in the following publications: Mercury News, San Jose Magazine, Los Gatos Daily, Los Gatos Weekly, Saratoga News, and Discover Silicon Valley.



## SHORT-TERM ECONOMIC VITALITY STRATEGY

### 2005 SUMMER IN LOS GATOS:

#### LOCAL/REGIONAL:

- **HOMETOWN ADVANTAGE CARD:** A unique promotional strategy designed to encourage residents to shop locally. This program highlights the positive impacts of shopping locally through a local rewards program. Every Los Gatos household will receive a "Hometown Advantage" directory highlighting all Los Gatos business districts and participating businesses. Through this program, Residents are eligible to receive discounts or free gift with purchase during the months of June – September. This program is open to all Los Gatos businesses at no cost.

#### DESTINATION DEVELOPMENT:

- **SAN JOSE MAGAZINE** – Distribution state wide, Oregon, Washington, Hawaii, Arizona, New Mexico, and Colorado. San Jose Magazine June edition will feature a 5-page spread that will include a community profile of Los Gatos, a two-page calendar of events section, and two-page business co-op section.
- **CONVENTION OUTREACH** - Staff is working to promote Town hotel services, recreation options, and shopping and dining opportunities to event planners for the EBAY convention and the San Jose Indie-race car event scheduled for Summer 05'.

### 2005 DOWNTOWN CONSTRUCTION PROJECT:

- Participate in downtown construction meetings concerning downtown summer repaving project.
- Participate in notification projects i.e., One-on-one for specific business groups
- Participate in marketing coordination for summer co-op ads and press releases
- Downtown "Catsruction" Walk—Coordinate artist renderings of cat mascots

### BUSINESS RECRUITMENT, RETENTION, EXPANSION:

- Work with businesses going through the Town's development process
- Follow-up on businesses expansion or relocation leads for the Town
- Respond to inquiries for Town demographics and general business information
- Develop recruitment packet for business attraction efforts





## **LONG-TERM ECONOMIC VITALITY STRATEGY**

The long-term Economic Vitality Strategy highlights long-range goals and relationship building efforts on behalf of the Economic Vitality Manager. Some projects such as the Town's website and revision of the Town's news rack guidelines will be coordinated inter-departmentally.

### **BUSINESS RETENTION & OUTREACH:**

The Town's Business Retention and Outreach Program is a multi-faceted approach that has been designed to preserve and enhance the Town's business environment. The Town recognizes the value and importance of a strong and varied business community. The following is a list of long-term retention and outreach projects:

#### **TARGETED COMMERCIAL OUTREACH:**

- Downtown Businesses
- Los Gatos Hotel Industry
- Los Gatos Auto Sales Industry
- Property Owners/Property Management Companies
- Los Gatos Office/R&D
- Medical/Biotech

#### **TOWN COUNCIL BUSINESS/COMMUNITY RECOGNITION PROGRAM:**

- Town appreciation to businesses for the contributions they make to the community
- Honorable acknowledgement campaign for businesses receiving press for business activities or community contributions

#### **COMMERCIAL BEAUTIFICATION PROJECTS:**

- Administer Town Banner Program
- Guidelines for Town news racks

#### **PARKING ENHANCEMENTS/WAY-FINDING:**

- Create "User-friendly" map of all parking locations in downtown Los Gatos
- Explore parking lot kiosks that highlight parking districts and shopping directories

#### **TOWN WEBSITE (AS PART OF WEB REDESIGN):**

The Town's website is an under utilized marketing tool at this time. As part of the web redesign, efforts can be made to develop a sense of place by creating a virtual community.

Shop & Dine Los Gatos/ Destination Travel:

- Highlight hotels, restaurants, shops, recreation activities, etc.



## **BUSINESS PROMOTION:**

Successful business promotion usually focuses on leveraging the Town's strengths and collaborating with other public and private institutions to promote these strengths with a clear and consistent message. The Town of Los Gatos along with the Chamber of Commerce and local businesses community will work together to promote Town strengths.

Many attributes make Los Gatos a truly desirable community for both residents and visitors. Its small town atmosphere, strong sense of place, varied architecture, reminders of past traditions, unique physical setting, well-renowned schools, low crime rate, and involved citizenry are essential elements in the Town's marketing mix. It is these core components that truly make Los Gatos a distinctive community in Santa Clara County. Future promotional efforts will reinforce these key components in advertising, media relations, trade shows, and destination development.

The common rule of success in destination development is for every 15-minutes of travel there must be 45-minutes of activities for visitors. It is with this methodology that branding efforts should focus on the promotion of the Town's strengths to two distinct market segments:

### **Market Segment I:**

Local: Los Gatos Resident/ Greater Santa Clara County resident

Focus: Familiarize Los Gatos residents and Santa Clara County residents with Los Gatos various goods and services, entertainment options, and recreational opportunities

### **SHOP & DINE LOCALLY PROGRAMS:**

- Create online business directory where residents could search for various goods and services throughout the town and get mapping capabilities
- Articles in the Vista and Los Gatos Weekly discussing the strengths of shopping locally i.e., "The power of going local" or "Hometown Advantage"
- Promote awareness of all Los Gatos commercial centers

### **HOLIDAYS IN LOS GATOS:**

- "Celebrate Your Holiday Season Los Gatos style" ad could focus on Chamber Carriage rides and the quality shopping environment versus traditional mall approach
- Tree Lighting Ceremony – work with Chamber of Commerce to encourage local businesses to extend their store hours the night of the Tree Lighting Ceremony
- "Winter Getaways" promotional efforts during the slower post holiday months February (Valentines) packaging of hotels, dining, spas, shopping, and wineries



## **BUSINESS PROMOTION:**

### **Market Segment II**

Regional: Peninsula, San Francisco, East Bay and North Bay, Central Valley, and Santa Cruz County

Focus: Draw visitors to Los Gatos for shopping, entertainment, and recreational opportunities. Encourage repeat business and overnight stays.

### **DESTINATION DEVELOPMENT:**

Marketing for Hotels, Wineries, Day Spas, and Restaurants, and Boutiques: VIA Magazine, Sunset, Family Circle/Good Housekeeping, Inflight magazine. Articles should focus on travel packaging:

- Weekend Getaways
- Winter Holiday Packages
- Honeymoon and Wedding Packaging
- South Bay Wine Tours
- Concert Packaging – Montalvo at Oak Meadow Park, Community Events i.e., Shakespeare festival, Jazz in the Plazz, Music in the Park

### **CHAMBER HOSPITALITY COMMITTEE:**

Partnering with local hotels, Los Gatos Chamber of Commerce, and local restaurants and wineries to encourage destination management companies to market and utilize Town services for convention and leisure travel. Work with the committee to develop outreach marketing materials for possible FAM Tours which will showcase the Town's destination attractions.

### **HISTORICAL TOURS:**

Audible downtown walking tours incorporating Los Gatos past and Future movie - Have purchasable audio cassettes for walkman, cars, or mp3 players that provide a self-directed historical walking tour through downtown Los Gatos with plaques designating historically significant sites.

## **BUSINESS ATTRACTION:**

The attraction of new businesses into the Town's economic base can quickly augment the tax base, facilitate additional job creation, and diversify goods and services for our residents. To be effective in business attraction for the long-term, the Town of Los Gatos must develop a business attraction effort focused on promoting a favorable business climate while leveraging many of the Town's strengths. A focused effort on attracting businesses as part of an overall Economic Vitality strategy will have the greatest chance of success.



## **BUSINESS ATTRACTION (CONTINUED):**

### **RECRUITMENT PACKET:**

The packet will serve as a marketing piece helping to brand the Town's business image and will include the following:

- Welcome letter
- Demographics
- Los Gatos "Creative Cats" Corporate Client List
- Relevant Community Development Commercial Zone pamphlets
- Chamber Directory and Application
- Business License Application
- Available Commercial Space Contact Information
- Downtown guides, town maps, etc.
- Business Assistance Resources

### **CONDUCT A RESIDENTS NEEDS ASSESSMENT SURVEY/FOCUS GROUPS:**

- Survey resident satisfaction with current goods and services mix
- Survey's could be circulated to residents in the Vista newsletter
- Highlight potential gaps in business services and possibly focus attraction efforts to recruit specific businesses

### **NORTH 40/ DEVELOPMENT AREA:**

- Provide economic vitality support as part of the North 40 Specific Plan Development

### **ONLINE AVAILABLE PROPERTIES: (*Chamber currently developing*)**

Create a comprehensive online available properties inventory database that highlights:

- General leasing rates
- General zoning information
- Commercial broker contact information
- Mapping capabilities

### **LG COMMERCIAL SNAPSHOT:**

Continually monitoring different business sectors trends, key industry growths or declines, and Town wide vacancies. This positions the Town to be a proactive recruiter to the targeted industries that would best "fit" the Town strengths:

- Medical
- R & D/Office
- Retail/Service



## **BUSINESS ATTRACTION (CONTINUED):**

### **LOS GATOS BUSINESS WEBPAGE (AS PART OF WEB REDESIGN):**

As part of the Town's web redesign, a Los Gatos business section highlight Town demographics, steps to getting your business started, contact information, necessary development and business license applications, and available lease space information will be highlighted to promote a business friendly environment and facilitate business recruitments.

- Silicon Valley Joint Venture—Regional webpage will also be created highlighting each participating Town and Cities top five business recruitment attributes.

### **TRADE SHOW PARTICIPATION:**

- International Council of Shopping Centers (ICSC) - retail leasing industry
- Biotech industry trade shows
- Destination Travel Trade Shows - *Under review with Chamber Hospitality Committee*

### **MEDICAL/BIOTECH INDUSTRY:**

- Research potential benefits to the Town with medical "point of sale" designations
- Potential office and biotech recruitment efforts to occupy office vacancies





## **APPENDIX "A"**

### **LG COMMERCIAL SNAPSHOT**



# LG Commercial Snapshot

MAY 2005

## Vacancy Counts & Service/Retail Ratios UNIVERSITY/DOWNTOWN

### OFFICE

634 N. Santa Cruz—Shadman Plaza  
• Vacancies: 1  
• Predominate Uses: Professional Office

644 N. Santa Cruz  
• Vacancies: 0  
• Predominate Uses: Professional Office

654 Showers Park  
• Vacancies: 0  
• Predominate Uses: Professional Office

501 N. Santa Cruz—Colonial Center  
• Vacancies: 0  
• Predominate Uses: Professional Office

540 N. Santa Cruz—Sara Center  
• Vacancies: 1  
• Predominate Uses: Personal Service

718 University Avenue  
• Vacancies: 2  
• Predominate Uses: Professional Office

720 University  
• Vacancies: 1  
• Predominate Uses: Professional

750 University  
• Vacancies: 1  
• Predominate Uses: Professional/Mfg.

805 University  
• Vacancies: 0  
• Predominate Uses: Retail & Professional

973-983 University  
• Vacancies: 1  
• Predominate Uses: Professional & Retail

### RECRUITMENTS/EXPANSION/ASSISTANCE

Relocation Assistance: 2  
Business Recruitments: 10

### OFFICE

987 University Avenue  
• Vacancies: 1  
• Predominate Uses: Office

102-105 Cooper Court/University  
• Vacancies: 2  
• Predominate Uses: Professional/Mfg.

16400 Lark Ave  
• Vacancies: 1  
• Predominate Uses: Professional Office

16780 Lark & University  
• Vacancies: 1  
• Predominate Uses: Professional Office

16795 Lark  
• Vacancies: 2  
• Predominate Uses: Professional Office

### ACTIVE COMMERCIAL REAL ESTATE BROKERS/ DOWNTOWN

- Saratoga Property Management—408.249.8105
- Prime Retail Inc.—408.376.4150
- Colliers International—Michael Johnson
- Individual Property Owners

### ACTIVE REAL ESTATE BROKERS/UNIVERSITY

- Boccardo Leasing—408.354.5222
- Cooper & Company—408.395.2771
- CPS—408.615.3400
- BT Commercial—408.436.8000
- McCandless Corp—408.727.2007

### COMMERCIAL

- Old Town  
• Vacancies: 1 (office)  
• Ratio: Service 30%/ Retail 70%
- Opera House  
• Vacancies: 0  
• Ratio: Service 40%/ Retail 60%
- Lyndon Plaza  
• Vacancies: 1 (office)  
• Ratio: Service 80% Retail 20%
- Los Gatos Shopping Center  
• Vacancies: 2  
• Ratio: Service 90%/ Retail 10%
- Safeway Center  
• Vacancies: 0  
• Ratio: Service 90%/ Retail 10%
- Los Gatos Camera Center  
• Vacancies: 0  
• Ratio: Service 50%/ Retail 50%
- Northside Plaza  
• Vacancies: 1  
• Ratio: Service 40%/ Retail 60%
- 51 University  
• Vacancies: 1 (office)  
• Ratio: Service 60%/ Retail 40%
- 501 N. Santa Cruz—Sara Center  
• Vacancies: 1 (Retail)  
• Ratio: Service 90%/ Retail 10%

### INDIVIDUAL DOWNTOWN/SIDE STREETS

- 3 Retail Vacancies/Non-Formula Retail

### RECRUITMENTS/EXPANSION/ASSISTANCE

Relocation Assistance: 2  
Business Recruitments: 8



### RELEVANT RATIOS

#### C-2 ZONE/DOWNTOWN

#### CURRENT RETAIL BUSINESS MIX

FORMULA RETAIL: 18%

NON FORMULA RETAIL: 82%

\* INFORMATION COLLECTED FROM ACTIVE  
BUSINESS LICENSE DATABASE & FIELD WORK.

#### NEIGHBORHOOD COMMERCIAL

OCCUPANCY RATE: 90%

VACANCY RATE: 10%

#### UNIVERSITY/OFFICE

OCCUPANCY RATE: 70%

VACANCY RATE: 30%

#### LOS GATOS BLVD.

OCCUPANCY RATE: 80%

VACANCY RATE: 20%

\* DOES NOT INCLUDE NEW DEVELOPMENT NEAR  
LOS GATOS BLVD & 85



# LG Commercial Snapshot

MAY 2005

## Vacancy Counts & Service/Retail Ratios

### LOS GATOS BLVD.

#### COMMERCIAL

- **Ace Hardware Center**
  - Vacancies: 0
  - Ratio: Service 50%/ Retail 50%
- **Blossom Hill Pavilion**
  - Vacancies: 1 (soon-to be vacant retail)
  - Ratio: Service 75%/ Retail 25%
- **Cornerstone**
  - Vacancies: 0
  - Ratio: Service 55%/ Retail 45%
- **Chabad Center**
  - Vacancies: 1
  - Ratio: Service 90%/ Retail 10%
- **El Gato Village**
  - Vacancies: 1
  - Ratio: Service 70%/ Retail 30%
- **King's Court**
  - Vacancies: 1 (soon-to be—moving to El Gato Village)
  - Ratio: Service 60%/ Retail 40%
- **Los Gatos-Jiffy Mart Ctr.**
  - Vacancies: 0
  - Ratio: Service 60%/ Retail 40%
- **Los Gatos Village Square**
  - Vacancies: 1
  - Ratio: Service 70%/ Retail 30%
- **New Town Center**
  - Vacancies: 1
  - Ratio: Service 80%/ Retail 20%

#### OFFICE

- **455 Los Gatos Blvd—Office Center**
  - Vacancies: 0
  - Predominate Uses: Medical
- **15405 Los Gatos Blvd.**
  - Vacancies: 2
  - Predominate Uses: Medical & Professional
- **15575 Los Gatos Blvd. Office Center**
  - Vacancies: 0
  - Predominate Uses: Financial & Professional
- **15585-95 Los Gatos Blvd. Office Center**
  - Vacancies: 2
  - Predominate Uses: Financial & Professional
- **15729 Los Gatos Blvd. Office Center**
  - Vacancies: 0
  - Predominate Uses: Finance & Professional
- **Pinnacle Fitness Center**
  - Vacancies: 1
  - Service Ratio 100%

### NEIGHBORHOOD CENTERS

#### COMMERCIAL

- **Downing Center**
  - Vacancies: 0
  - Ratio: Service 73%/ Retail 27%
- **Harwood Center**
  - Vacancies: 1
  - Ratio: Service 60%/ Retail 40%
- **Rinconada Center**
  - Vacancies: 0
  - Ratio: Service 55%/ Retail 45%
- **Vasona Station**
  - Vacancies: 2
  - Ratio: Service: 80%/ Retail 20%

#### ACTIVE COMMERCIAL REAL ESTATE BROKERS

- Federal Realty Investment—408.551.4662
- Cornerstone Property Management—408.354.5991

#### RECRUITMENTS/EXPANSION/ASSISTANCE

Relocation Assistance: 2  
Business Recruitments: 3

#### ACTIVE COMMERCIAL REAL ESTATE BROKERS

- Meacham-Oppenhimer/ David Taxin—408.379.5900
- Colliers International/Steve Hunt—408.282.3846
- CPS—408.615.3400

#### RECRUITMENTS/EXPANSION/ASSISTANCE

Relocation Assistance: 2  
Business Recruitments: 3

#### ACTIVE COMMERCIAL REAL ESTATE BROKERS

- Colliers International/John Machado—408.282.3862
- Cornish & Carey—408.727.9600

#### RECRUITMENTS/EXPANSION/ASSISTANCE

Relocation Assistance: 0  
Business Recruitments: 0

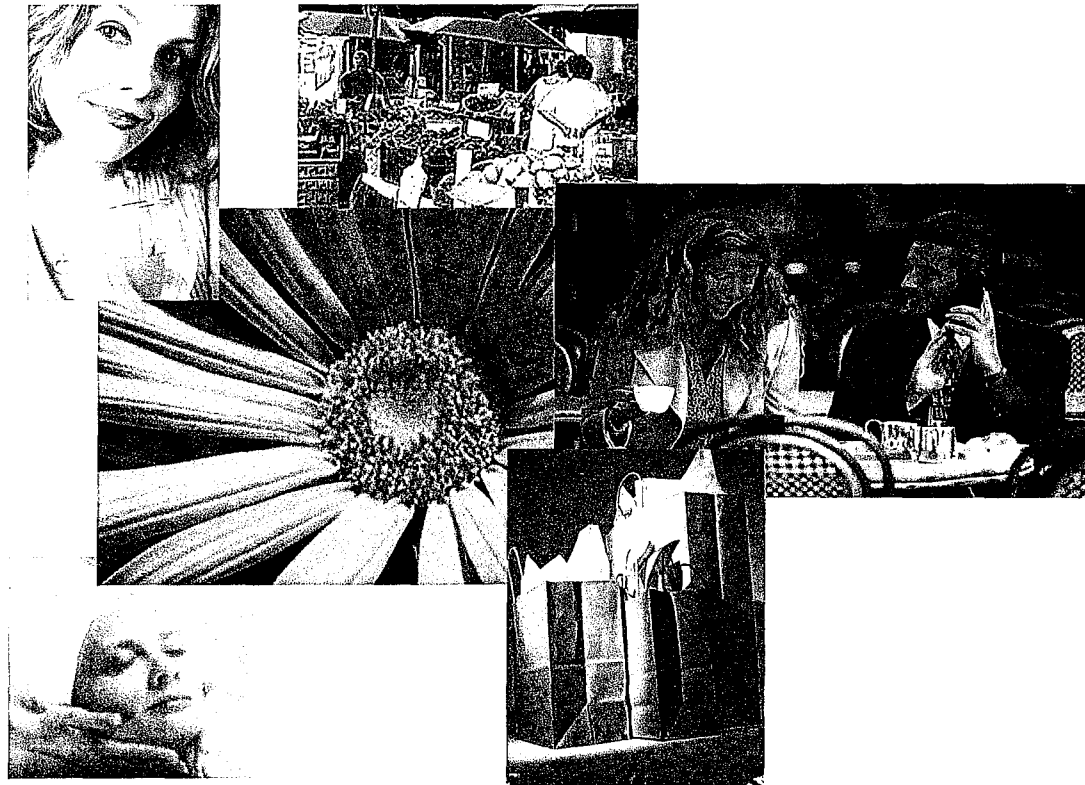




## **APPENDIX "B"**

### **SUMMER IN LOS GATOS MARKETING PLAN**

# Summer in Los Gatos



*Experience the Difference*

## **2005 Summer in Los Gatos Marketing Outline**

- I. Summer in Los Gatos Marketing Objectives/ Target Market Groups
    - A. Los Gatos Residents/ (SCC) Santa Clara County Residents
    - B. Destination Development
  - II. Summer in Los Gatos Positioning Objectives
    - A. Los Gatos Residents/ (SCC) Santa Clara County Residents
    - B. Destination Development
  - III. Competitive Analysis
    - A. Los Gatos Residents/ (SCC) Santa Clara County Residents
    - B. Destination Development
  - IV. Brand Analysis
    - A. Los Gatos Residents/ (SCC) Santa Clara County Residents— “Hometown Advantage”
    - B. Destination Development— “There is a Summer for Everyone in Los Gatos”
  - V. Phase I—Marketing Los Gatos Residents/ (SCC) Santa Clara County Residents
    - A. Advertising/ Print
    - B. Promotions/Special Events
    - C. Public Information/Community Marketing
  - VI. Phase I—Marketing Destination Development
    - A. Advertising/ Print
    - B. Web Marketing
    - C. Community Partnerships
  - VII. Phase II—Marketing Los Gatos Residents/ (SCC) Santa Clara County Residents
    - A. Advertising/ Print
    - B. Web Marketing
  - VIII. Future Advertising Options
- 



## **I. 2005 Summer Marketing Objectives/ Target Market Groups:**

### **LG Residents/SCC Residents:**

- Objective 1: Encourage Los Gatos residents and Santa Clara County residents to Shop and Dine Los Gatos during the summer months.
- Objective 2: Encourage Los Gatos residents and Santa Clara County residents to enjoy all the summer activities the community has to offer including: Jazz in the Plazz, Music in the Park, Farmers Market, Cine Cats Film Festival, Shakespeare in the Park, Plein Air Painting Competition, and Santa Cruz Winery Passport Days.
- Objective 3: Educate residents on the importance of shopping locally and appreciating the unique experience Los Gatos has to offer compared to other cities in the South Bay.
- Objective 4: Instill pride and appreciation for living or visiting Los Gatos.

### **Destination Development:**

- Objective 1: Encourage East Bay (Contra Costa County), Peninsula, North Bay ( San Francisco/Marin), Central Valley, and Santa Cruz County to experience weekend long excursions at local hotels, shopping and dining, wine-tasting and outdoor recreational opportunities in a charming, historic and convenient place to visit.
- Objective 2: Branding of Los Gatos as a premiere destination choice in the Bay Area comparable to Carmel or Sonoma County. Provide visitors great travel experiences to encourage repeat business and referrals.



## II. 2005 Summer Positioning Objectives:

### LG Residents/SCC Residents:

Current perceptions that target group has of competitors:

- Perception 1:           Parking is too difficult in Los Gatos. Parking accommodations made at Valley Fair, Santana Row, and Stanford are more accessible.
- Differentiate 1:       Promote the availability of parking on the entire stretch of N. Santa Cruz along with two unlimited parking zones in the North and South lots. Highlight downtown way-finding sign project to promote the ease of finding available and accessible parking and valet parking when available.
- Perception 2:           Santana Row, Valley Fair, and Stanford shopping centers offer more options for restaurants, shopping and specialized activities.
- Differentiate 2:       Communicate the Town's summer-long special events and special business promotions. Also highlight the Town's originality and the difference of shopping and dining in Los Gatos, which has a more personalized downtown pedestrian setting versus traditional malls or fabricated downtown shopping centers such as Santana Row.
- Perception 3:           Unaware of benefits received from shopping locally and the importance of supporting local businesses.
- Differentiate 3:       Educate on the importance of shopping locally and how it correlates to Town services. Encourage residents to appreciate the unique experience Los Gatos has to offer compared to other cities in the South Bay.



## II. 2005 Summer Positioning Objectives:

### Destination Development:

Current perceptions target group has of competitors:

- Perception 1: **[Contra Costa County, Peninsula, Central Valley, Santa Cruz County, San Francisco/North Bay]** To enjoy quality special events, a variety of shopping and dining at award-winning restaurants, wine tasting and summer recreational opportunities one must travel to Napa, Sonoma, Monterey, and Carmel.
- Differentiate 1: Los Gatos is a destination worth traveling too. Visitors can experience a wide variety of shopping and dining choices in a historic and quaint community, enjoy wine tasting in the Santa Cruz Mountains, and find lodging ranging from 5-star to budget comparable to Monterey/Carmel or Napa and Sonoma.
- Perception 2: Los Gatos is an expensive place to visit, amenities and activities cater to “old” money versus “new” money.
- Differentiate 2: Highlight the wide variety of shopping, dining, and hotel choices one has. Emphasis the prices ranges, choices, and desirable outdoor climate and lifestyle to illustrate there is a “Summer for Everyone in Los Gatos.”
- Perception 3: Los Gatos is not competitive in catering to the corporate client traveling for business versus other cities like San Jose, Palo Alto, or Santa Clara.
- Differentiate 3: Emphasize the differences a corporate traveler experiences when choosing lodging downtown. Highlight various town amenities and close proximity to freeways and the San Jose Airport. Promote the current conference center capabilities, “spouse” day services, retreat and corporate training facilities each hotel offers to provide a more enjoyable experience.



### III. Competitive Analysis:

#### LG Residents/SCC Residents:

2000 Census indicates that while the average yearly income for Los Gatos residents is over \$212,207, Santa Clara County residents average yearly income is \$101,000. These figures compared to communities throughout California indicate a higher level of discretionary income. The following is a list of competitive strengths the Town of Los Gatos can highlight and promote to our residents and local visitors to encourage their patronage:

- Traditionally weather during the Summer months in Los Gatos is very pleasurable increasing the need and want for people to enjoy the outdoors.
- Los Gatos unique, historic , and picturesque hillsides are a visual compelling draw compared to indoor malls or outdoor urban malls in areas such as Santana Row or Valley Fair.
- Los Gatos offers many boutiques, regional, and national retail brands that are competitive to Valley Fair, Santana Row, or Stanford Shopping Center.
- Los Gatos proximity to local wineries, hotels, spas, and fine dining options creates a fun atmosphere for residents or local visitors to explore many of the services they would travel to Monterey/Carmel and Sonoma/Napa to enjoy.
- The Town of Los Gatos offers many summer community events that are comparable and competitive with Monterey/Carmel and Sonoma/Napa:
  - Farmer's Markets
  - Jazz in the Plazz, Music in the Park
  - Santa Cruz Wineries Passport Days
  - Cine Cats Film Festival
  - Hiking and Recreational Opportunities/Big Basin State Park
  - Races & Runs (biking, marathons, etc.)
  - Plein Air Painting Competition
  - Screen on the Green (Los Gatos residents only)
  - Shakespeare in the Park
  - Close proximity to Villa Montalvo and Mountain Winery (major headline concerts)



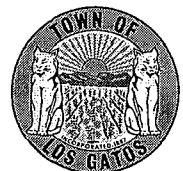
### III. Competitive Analysis:

#### **Destination Development:**

Destination development marketing to Contra Costa County with a county-wide average income of \$76,878, San Mateo County/ Peninsula with over \$109,487 county-wide average income, and North Bay with \$87,896 county-wide average income ratios reinforces a desirable demographic based on average age, proximity to Los Gatos, and average yearly income.

Summer destination development marketing efforts should enforce a strong brand image for shopping and dining, recreational activities, community events, lodging, and wineries. The following is a list of strengths essential in promoting Los Gatos as a competitive vacation destination to our target market groups:

- Traditionally weather during the Summer months in Los Gatos is very pleasurable increasing the need and want for people to enjoy.
- Los Gatos unique, historic, and picturesque hillsides are a visual compelling draw compared to indoor malls or outdoor urban malls in areas such as Santana Row or Valley Fair.
- Los Gatos offers many boutiques, regional, and national retail brands that are competitive to Valley Fair, Santana Row, or Stanford Shopping Center.
- Los Gatos proximity to local wineries, spas, and fine dining options creates a fun atmosphere for residents or local visitors to explore many of the services they would travel greater distances for in Monterey/Carmel and Sonoma/Napa to enjoy.
- The Town of Los Gatos offers many summer community events that are comparable and competitive with Monterey/Carmel and Sonoma/Napa:
  - Farmer's Markets
  - Jazz in the Plazz, Music in the Park
  - Santa Cruz Wineries Passport Days
  - Cine Cats Film Festival
  - Hiking and Recreational Opportunities/Big Basin State Park
  - Races & Runs (biking, marathons, etc.)
  - Plien Air Painting Competition
  - Close proximity to Villa Montalvo and Mountain Winery (major headline concerts)
  - Shakespeare in the Park





## IV. Brand Analysis/LG Residents & SCC Residents:

### **Brand Platform:**

*“Distinguishes place and is at the heart of what you promise the resident to experience”*

- Natural beauty of the Town of Los Gatos emphasize the mountain sides that frame the Town
- Quaint and Historic Downtown offers a variety of retail shops, well-known restaurants, and hotels comparable to other cities in Santa Clara County
- Convenient Parking Options/ Downtown Way-finding Sign Project
- Convenient freeway access to 85, 17, and Hwy 9
- Community events, recreational activities, and Town Parks creates a special and unique sense of place
- Close proximity to the boutique Santa Cruz Mountain Wineries
- Diverse residential centers offering a variety of quality goods and services
- Familiarize residents with all the commercial districts Los Gatos has to offer and the importance of shopping locally

### **Visual and Verbal Identity:**

*“Presents the visual and verbal elements that provide the designs, pictures, and words that capture and dramatize the brand promise and key benefits. Brand Architecture should aim for harmony across the many messages originating from the community or region.”*

- Cozy/Picturesque
- Hotels/Spas
- Culture/Community
- Quaint/Historical
- Scenery/Weather
- Historical
- Boutiques
- Wineries
- Parks/Recreation
- Shopping/Antiques



## IV. Brand Analysis/LG Residents & SCC Residents:

### Brand Action Plan:

“Branding strengths that need to be incorporated into marketing efforts”

- **Authenticity for Real**—Every place has its own stories, character, style, history, people and culture that reflect the essence of the place. Residents and Santa Clara County residents can experience sense of place through the character of Town’s commercial and neighborhood districts, distinctive architecture, museums, special events, and the overall lifestyle our residents enjoy.

**Core Highlights:** Promote the Town’s historical aspect and distinctive culture, unique community events, shopping and dining in downtown and the various commercial districts, and natural physical beauty of the Town.

- **Great Experiences**—A community’s appeal involves much more than “what to see and do.” Residents connect with their community on a sensory and emotional feeling. Communities that offer unforgettable experiences and a sense of pride not only have a distinct competitive advantage in their community, but will also attract high value visitors.

**Core Highlights:** Santa Cruz Mountain Wineries, retail shops, spa and hotel accommodations, summer community events, well-known restaurants, local summer concerts, and recreational opportunities.

- **Accessibility = Easier**—Time is always a precious commodity. Promotion of convenient parking, entertainment choices, shopping and dining options are attractive options to residents versus traveling some distance to enjoy these amenities.

**Core Highlights:** The ease and importance of Los Gatos residents choosing their hometown as a shopping destination choice. Highlight easy freeway access, convenient parking, new directional signage for downtown, entertainment options, wine-tasting and recreational information. Enjoying the “Home Town Advantage.”



#### IV. Brand Analysis/LG Residents & SCC Residents:

- **Aesthetics is more than Appearance**—Appearances really count when trying to attract visitors and instill community pride with residents. People will spend more time in places that are attractive, clean, welcoming, and well-maintained. Maintaining these key elements helps reinforce that the Town of Los Gatos is a “special place.”

**Core Highlights:** Beautification efforts, promoting the physical beauty of the town and the mountains which surround it, Town charm and historic significance.

- **Infrastructure that counts**— The range, capacity and quality of lodging, shopping and dining, entertainment, public amenities, and attractions are critical to the ability of a place to attract and retain resident and visitor interest. Way-finding signage, community events, trails and parks, parking and public domain attractiveness are all key elements.

**Core Highlights:** Promote the wide variety of goods and services the Town has to offer to encourage residents that local shopping and dining is convenient, aesthetically pleasing, and provides quality goods and services in a stress-free environment.

- **Shopping Mix**— Shopping is an integral component for our residents and any visitor experience. The Town of Los Gatos has a variety of commercial districts that provide residents with a wide variety of choices to chose from.

**Core Highlights:** Promote the large range of quality choices prospective shoppers can chose from in Los Gatos. Residents can get a variety of their needs met by visiting commercial neighborhood centers, downtown commercial district, and Los Gatos Blvd. which provides a variety of commercial services including Auto Dealers. Educate the residents on the importance of shopping locally and how it correlates to Town services and community benefits.



## **IV. Brand Analysis/Destination Development:**

### **Brand Platform:**

*"Distinguishes place and is at the heart of what you promise the visitor to experience"*

- Natural beauty of the Town of Los Gatos including: Mountain sides that frame the Town
- Quaint and Historic Downtown with a variety of boutiques and well-known shops and restaurants
- Variety of lodging from 5-star to budget
- Convenient freeway access, 15 minutes from San Jose Airport
- Community events, recreational activities, and Town Parks
- Close proximity to the growing Santa Cruz Mountain Wineries

### **Visual and Verbal Identity:**

*"Presents the visual and verbal elements that provide the designs, pictures, and words that capture and dramatize the brand promise and key benefits. Brand Architecture should aim for harmony across the many messages originating from the community or region."*

- Cozy/Picturesque
- Hotels/Spas
- Culture/Community
- Quaint/Historical
- Scenery/Weather
- Historical
- Boutiques
- Wineries
- Parks/Recreation
- Shopping/Antiques
- Festivals and Concerts

### **Brand Adoption Strategies:**

Ensuring that the brand is well received, endorsed, and supported by our key public and private sector opinion leaders, stakeholders and trade partners is important in facilitating a clear and consistent marketing message.



## IV. Brand Analysis/Destination Development:

### Brand Action Plan:

“Branding strengths that need to be incorporated into marketing efforts”

- **Authenticity for Real**—Every place has its own stories, character, style, history, people and culture that reflect the essence of the place. Visitors can experience sense of place through character of towns commercial and neighborhood districts, distinctive architecture, museums, special events, and the overall lifestyle our residents enjoy.

**Core Highlights:** Town’s historical significance, architecture, wide-variety of community events, shopping and dining options in downtown and the various commercial districts.

- **Great Experiences**—A community’s appeal involves much more than “what to see and do.” Visitors connect with on a sensory and emotional effort. Destinations that offer unforgettable experiences not only have a distinct competitive advantage, but are able to attract premium pricing and appeal to high value visitors.

**Core Highlights:** Santa Cruz Mountain Wineries, shops, unique spa and hotel accommodations, community events, local summer concerts, recreational opportunities are all key elements that will create a memorable experience for visitors.

- **Accessibility = Easier**—Time is always a precious commodity. Critical considerations for visitor can range from how to find information on hotel booking to the accessibility and ease of reaching that destination. The distance visitors have to travel can directly influence how long they may stay, or more importantly whether they even want to make an effort to visit.

**Core Highlights:** The ease of choosing Los Gatos as a destination choice. Highlight freeway access, parking, Way-finding sign project, hotel accommodations, tourism information, winery and recreational information.



#### IV. Brand Analysis/Destination Development:

- **Aesthetics is more than Appearance**—Appearances really count when trying to attract visitors. Visitors will spend more time on places that are attractive, clean, welcoming, and well-maintained. Maintaining these key elements helps reinforce that the Town of Los Gatos is a “special place.”

**Core Highlights:** Beautification efforts, promoting the physical beauty of the town and the mountains which surround it, Town charm and historic significance.

- **Infrastructure that counts**— The range, capacity and quality of lodging, shopping and dining, entertainment, public amenities, and attractions are critical to the ability of a place to attract and retain visitor interest. Way-finding signage, tourism information, trails and parks, parking and public domain attractiveness.

**Core Highlights:** Promote the wide variety of goods and services the Town has to offer to ensure people traveling a greater distance than one hour travel time will have more than enough quality choices to choose from while vacating.

- **Shopping Mix**— Shopping is an integral component of the tourism experience. For most urban destinations shopping may not be the main reason visitors go there, but once their shopping this activity becomes the number one activity in terms of time and money spent. Shopping and browsing through retail districts is the most popular tourist activity for communities. Having a variety of interesting retail stores in close proximity to one another is one of Los Gatos key strengths and should be branded throughout the summer marketing program.

**Core Highlights:** Promote the large range of quality choices prospective shoppers have to chose from in a beautiful and picturesque outdoor setting.



## **V. Phase I—Advertising LG Residents/SCC Residents:**

### **PHASE I—LOCAL & REGIONAL**

Advertising efforts under Phase I will focus on giving local merchants additional promotion during the busy Summer months of June—September 2005. Co-op ad opportunities, summer promotions, and community special events will be theme highlights for Summer 2005. Special downtown promotions during the two-week repaving project will also be offered to encourage local patronage to merchants that are impacted by the road work.

#### **A. ADVERTISING/PRINT—CO-OP Opportunities**

Newspaper print is always a fairly inexpensive advertising medium to reach local residents. Newspapers are considered a habitual form of information gathering for residents in any given community. Given the behavior patterns associated with this medium, the expense, frequency and reach to our desired target market, makes this advertising medium ideal for summer-long advertising programs including co-op ads, theme based ads, or shopping promotions focused to encourage residents to shop and dine Los Gatos.

Co-op advertising opportunities will be a two-pronged approach. One emphasis will be to promote community events that draw people in and around the core downtown area. The Town's marketing strategy will focus on promoting these summer-long community events such as Jazz in the Plazz, Music in the Park, Farmers Market, Plien Air, Shakespeare in the Park, Cinecats, Vintners Festival, etc. The intention is to partner community events with local merchants' summer promotions to make the draw to the downtown area stronger during the 2-week construction period for the repaving of N. Santa Cruz Avenue and throughout the Summer.

Merchants will be allowed to sign up on a first-come-first-serve-basis with an ad commitment as small as one month and as extensive as four months depending on their preference. Ad spaces will be placed around the content of "Summer Happenings" to augment the ongoing community events and heighten awareness of individual businesses summer promotional programs.

The second emphasis will be to celebrate a "living in Los Gatos" summer theme that will be available for all businesses to participate in discounted advertising on a first-come-first-serve basis.



## **V. Phase I - Advertising LG Residents/SCC Residents:**

### **A. ADVERTISING/PRINT:**

Summer in Los Gatos promotion will consist of summer-long co-op ad opportunities & Los Gatos commercial districts—residential shopping centers marketing brochure

#### **San Jose Mercury News—Santa Clara County Resident (Regional)**

- Customized summer banner and monthly upcoming community events adding prominence to the Summer marketing theme
- Town will pay for the community event listings
- Merchants can participate on a first come first serve basis at a discounted rate of \$40-\$42 dollars per inch
- Co-op Ad will run the first Wednesday of every month in the local section of the Mercury News
- Open to all Los Gatos Businesses—not center or shopping district specific
- **COST: \$1500.00/4—Summer Months Town Commitment**

#### **Los Gatos Weekly**

- Co-op ad will have special summer banner adding prominence and branding power to the Summer marketing theme
- Town will pay the cost of the design and space for the co-op ad summer banner
- Merchants can participate on a first come first serve basis at a discounted rate
- Co-op ads will run the first Wed (Willow Glen, Los Gatos Weekly, Almaden)
- **COST: \$3000.00/8 weeks—Every other week Town Commitment**

#### **Los Gatos Daily**

- Co-op ad will have special summer banner adding prominence and branding power to the Summer marketing theme
- Town will pay the cost of the design and space for the co-op ad banner
- Merchants can participate on a first-come-first-serve basis at a discounted rate
- Co-op ads will run
- **COST: \$2000.00/16 weeks—Once a week Town Commitment**





## **V. Phase I - Advertising LG Residents/SCC Residents:**

### **A. ADVERTISING/PRINT:**

Summer in Los Gatos promotion will consist of summer-long co-op ad opportunities & Los Gatos commercial districts—residential shopping centers marketing brochure

### **ADVERTISING/PRINT**

#### **San Jose Magazine/June 2005**

June 2005 will feature a high-impact piece on Los Gatos. Highlighting, shops, restaurants, hotels, spas, and community events. This June edition will feature editorial on Los Gatos. A two-page co-op ad sponsored by the Town and Chamber of Commerce, as well as a two-page Town sponsored page highlighting all summer community events. The 5- page spread on Los Gatos will provide high visual impact and appeal to the following markets: California, Arizona, Colorado, Hawaii, Mississippi, Nevada, New Mexico, Ohio, Oregon, Texas, and Utah.

- Community Editorial - **Free**

#### **Town Community Events Spread**

- 2 - page four color spread with banner promoting town events
- **Cost: \$4000**

#### **Chamber Town/Co-op Piece**

- 2 page four color spread with banner promoting – Summer in Los Gatos
- Single: 3.95'w x 2.75'h: \$375
- Double: 3.95'w x 5.87'h: \$750
- **Chamber/Merchant Cost: \$4000**

### **Summer in Los Gatos—Commercial District Brochure (DIRECT MAIL & FUTURE MARKETING PACKETS)**

This marketing piece will serve as year round promotional tool for the Town. A total of 3 brochures will be developed to encompass Downtown/Oldtown/University, Los Gatos Blvd, Neighborhood Centers. Each brochure will have a distinct style representative of the shopping district. Cross promotion can be done in varying years to promote goods and services to multiple residential areas. Brochures can also serve as a great recruitment tool for Town marketing packets.

- Create quality marketing piece in hopes it will be stored and used as a reference tool for residents
- Highlight various residential neighborhoods and shopping centers goods and services
- Direct mail to residents within a 1 mile radius of the center—cross promotion to different residential areas in future years.
- **COST: \$10,000—per brochure (includes concept, design, illustration, production and print management) POSTPONED FOR FUTURE PROJECT**



## **V. Phase I—Marketing LG Residents/SCC Residents:**

### **B. PROMOTIONS/COMMUNITY EVENTS**

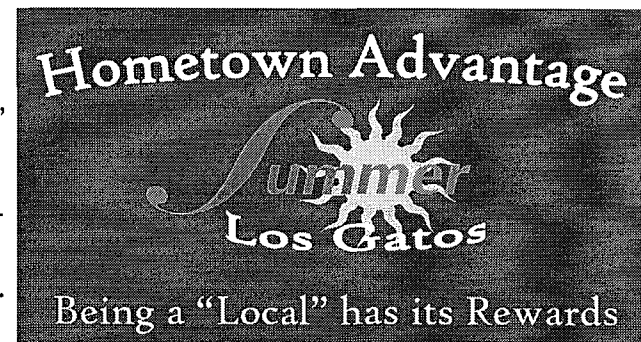
Special events serve as a great tool to draw people into the core downtown area. Ongoing summer events will be promoted through co-op advertising, community events calendars, virtual community event calendars, and the Town's website.

Promotions are an additional tool that pulls a perspective customer into a specific place of business or location featuring discounts. Promotional incentive discounts are often offered to gain product trial and provide an added incentive for the customer.

#### **SHOP LOS GATOS "HOMETOWN ADVANTAGE" PASS**

The shop and dine "Hometown Advantage" credit card stylized card has been direct mailed to local residents. Merchants are eligible to sign up for the program at no charge—just the obligation to honor the card by offering discounts, special summer promotions, free samples, or giveaways. Participating merchants will post a small poster with the "Hometown Advantage" logo indicating to residents that a special promotion will be given. This promotion will run June 2005—September 2005. This program will encourage residents to taken advantage of shopping locally while building excitement about their unique summer promotion.

**Qty: 12,500 - Production Cost: \$10,000 including mailing**

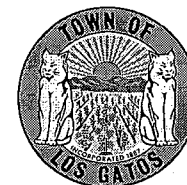


### **C. PRESS RELEASES/COMMUNITY MARKETING**

Summer long community events will be promoted to the various media agencies event calendars. Town staff can coordinate media efforts for the following:

- Coordinate Media Promotion/Calendar of Events—Press Releases
- Web-based Promotion—SFStation.com, SantaCruzSentinel.com
- Feature Articles/Press Community Newspapers.
  - Wave Magazine—June Edition Vintners Festival
  - Los Gatos Weekly—Summer Event Cover Stories

**Cost: Staff Time and nominal charges for cinema promotion—still researching**



## **VI. Phase I—Marketing Destination Development:**

### **PHASE I**

Destination development branding and advertising will be a long-term goal for the Town. Successful promotions will consist of multiple mediums highlighting our travel strengths through web promotion which is the least expensive and most utilized for perspective travelers, magazine ads with editorial content, and possibly television. Co-op advertising opportunities that are more attractive to our wineries, hotels, spas, and the leisure industry should be made available. Advertising pitch will focus around exploring Los Gatos and the Santa Cruz Mountain Wineries.

#### **A. ADVERTISING/PRINT**

##### **San Jose Magazine/June 2005**

June 2005 will feature a high-impact piece on Los Gatos. Highlighting, shops, restaurants, hotels, spas, and community events. This June edition will feature editorial on Los Gatos. A two-page co-op ad sponsored by the Town and Chamber of Commerce, as well as a two-page Town sponsored page highlighting all summer community events. The 6-7 page spread on Los Gatos will provide high visual impact and appeal to the following markets: California, Arizona, Colorado, Hawaii, Mississippi, Nevada, New Mexico, Ohio, Oregon, Texas, and Utah.

- Community Editorial - **Free**

##### **Town Community Events Spread**

- 2 - page four color spread with banner promoting town events
- **Cost: \$4000**

##### **Chamber Town/Co-op Piece**

- 2 page four color spread with banner promoting – Summer in Los Gatos
- Single: 3.95'w x 2.75'h: \$375
- Double: 3.95'w x 5.87'h: \$750
- **Chamber/Merchant Cost: \$4000**

#### **B. WEB-BASED MARKETING OPPORTUNITIES**

##### **SF Station—[www.sfstation.com/](http://www.sfstation.com/) Santa Cruz Live—[www.santacruzsentinel.com](http://www.santacruzsentinel.com)**

- Bay Area website that promotes arts, entertainment, shopping & dining, and community events - Specific Community Events Posting Free
- Expanded event promotional opportunities available, includes pictures, maps, etc.
- **COST: \$60 per month**
- **COST: Staff time - No charge for postings**



## VII. Phase II—Marketing Destination Development:

### PHASE II

After the downtown repaving of North Santa Cruz Avenue is complete, successful long-term destination development will depend on forming strategic community partnerships, and increased advertising to encompass a broader area. Destination development marketing is more costly than local marketing and Town goals should reflect two ad pieces per year to promote summer and winter travel to Los Gatos. Convention business is also another area where long-term destination development efforts should be focused to capture weekday travelers.

#### A. ADVERTISING/PRINT

Travel and specialty magazines, though more costly than newspapers, have a longer shelf life and create better visual imagery for possible vacation destinations. The quality of paper, color, design content, and wide reach make magazines a practical choice for destination marketing.

#### Via Magazine

Via Magazine is a strong and well regarded magazine that comes out quarterly. Their in-depth features on destination travel lends this publication to be used as a long-time resource.

4,956,000 circulation, 2,615,000 in Northern CA, 1,288,560 in San Jose area

- |  |   |
|--|---|
| • 2.25" x 4", 3 x year, B/W  | \$3280/ Cost per 1000 = \$1.25            |
| • 2.25" x 2", 3 x year, B/W  | \$1675/ Cost per 1000 = .64 cents         |
| • 2.25" x 2", 3 x year, 4 color  | \$2095/ Cost per 1000 = .80 cents         |
| • California Arts, Fairs & Festivals issue – July/Aug 2005<br>3" ad, 4 color | \$1800 - \$2025/Cost per 1000 = .77 cents |

#### Other Publications to Consider

- Gourmet Magazine
- Bon Appetite
- Diablo Magazine (East Bay Focus)
- Good Housekeeping/ Family Circle—Northern California
- Gentry Magazine (Peninsula-SF Focus)
- Sunset



## **VII. Phase II—Marketing Destination Development:**

### **A. ADVERTISING/NEWSPRINT**

Newspapers allow for destination development at a lesser cost and smaller audience levels. However less lead time and more frequency of a specific advertising message can occur—thus providing great flexibility.

#### **Summer Destination Development Ads—POSTPONED FOR FUTURE CONSIDERATION**

- Sentinel—Santa Cruz County (**reviewing**)
- Modesto Bee—Central Valley
  - ⇒ Travel & Visitors Section—May 8th Color Spread Edition
  - ⇒ Reach: Sacramento, Fresno, and Modesto: 685,000
  - ⇒ 1 1/16 x 4 inches full color
  - ⇒ Cost \$883.00
- Contra Costa Times—East BayGood Times (Santa Cruz County) (**reviewing**)
- Sentinel (Santa Cruz)San Francisco Chronicle, Press Democrat, Oakland Tribune, etc. (**reviewing**)

### **B. COMMUNITY MARKETING/WEB DEVELOPMENT**

Future “Destination Development” efforts can be incorporated on the Town’s website by promoting tourism information and related links to local businesses. This would be a relatively inexpensive way to acquire a large reach of desired travelers and create visual imagery and sense of place

#### **Calendar of Events Listing—Community Event Information**

##### **SF Station—[www.sfstation.com](http://www.sfstation.com)**

- Bay Area website that promotes arts, entertainment, shopping & dining, and community events
- Expanded event promotional opportunities available, includes pictures, maps, etc.
- COST: \$60 per month

##### **Santa Cruz Live - [www.santacruzsentinel.com](http://www.santacruzsentinel.com)**

- Free online promotion of community events, arts and entertainment
- COST: Staff time - No charge for postings



## **VIII. Future Advertising Options:**

### **FUTURE OPTIONS**

Destination development and branding of Los Gatos successfully will entail an long-term commitment by not only the Town of Los Gatos, but our local businesses and key entertainment industries. Advertising options that would continue to promote Los Gatos as a destination should be considered for future years.

#### **A. BILLBOARDS**

Capturing convention and daily business travels from the greater San Jose Metropolitan area can be challenging. The San Jose Convention and Visitors Bureau does referrals and promotion of convention and business travel in the core downtown area of San Jose only. Some creative ways to capture the attention of incoming travels would be to create a tasteful billboard highlighting hotels, shopping, and dining, with short freeway directions leaving the San Jose International Airport. Direct marketing outreach highlighting Los Gatos as a corporate traveler destination to event planners would also be a successful communication tool.

#### **B. TELEVISION ADVERTISING**

Television creates the most visual impact for advertising dollars spent. Ads highlighting destination travel in the greater Bay Area could be considered as a tool to attract future visitors. Comcast ads on lifetime, food network, HGTV, history and travel channels are a relatively affordable venue. Television market segments to consider East Bay, Peninsula, North Bay, Central Valley, and Sonoma County.

#### **C. TRAVEL AND SPECIALTY PERIODICALS**

Destination travel in travel and specialty periodicals are a great long-term recruitment tool. Magazine periodicals tend to have a longer shelf life, present a high visual impact second to only television and when complimented with editorial, can prove to be very impacting. Gourmet Magazine, VIA, In Flight Magazine, Sunset, Gentry, Food & Wine, Diablo Magazine are all great magazine mediums to reach our desired target markets.

#### **D. STRATEGIC COMMUNITY PARTNERSHIPS**

- Santa Cruz Mountain Wineries
- South Bay Wine Tours
- Hotels - Chamber Hospitality Committee
- Concerts—Villa Montalvo & Mountain Winery





## **APPENDIX "C"**

### **TOWN OF LOS GATOS MARKETING PLAN**



MEETING DATE: 09-07-04  
ITEM NO.

## COUNCIL AGENDA REPORT

DATE: AUGUST 31, 2004  
TO: MAYOR AND TOWN COUNCIL  
FROM: DEBRA J. FIGONE, TOWN MANAGER  
SUBJECT: TOWN MARKETING PLAN

### RECOMMENDATION:

Provide comments and accept staff report on Town Marketing Plan.

### BACKGROUND:

At the 2004 Town Council Retreat, the Council requested that staff bring back for discussion a Town Marketing Plan based on the goals and objectives stated in the staff model presented at the Council Retreat. This staff report presents a revised Town Marketing Plan (Attachment 1) based on the staff model and on further discussions with the Town's marketing partners. The staff report also discusses the roles of the Town and its marketing partners in implementing the marketing plan. Staff is seeking Council comments on the Town Marketing Plan.

### DISCUSSION:

The purpose of the Town Marketing Plan is to provide a strategic roadmap for focusing time and resources each fiscal year to achieve the Town's marketing goals and objectives. This focus is important, as the Town has limited staff and fiscal resources to devote to marketing the Town. Setting priorities for allocating resources and leveraging resources by working with our marketing partners will help the Town optimize our marketing efforts. The Town's key marketing partners include the Chamber of Commerce, hotels and restaurants, merchants, commercial and residential realtors, and event sponsors.

PREPARED BY: PAMELA S. JACOBS  
ASSISTANT TOWN MANAGER

Reviewed by: \_\_\_\_\_ Assistant Town Manager \_\_\_\_\_ Town Attorney \_\_\_\_\_ Clerk \_\_\_\_\_ Finance  
\_\_\_\_\_ Community Development Revised: 12/6/04 8:54 am



### **Role of the Town in Marketing Los Gatos**

The Town and each of our marketing partners have specific goals for our respective marketing efforts, with many overlapping and/or shared goals. Given the Town's limited resources, it is important to identify the areas in which the Town can make the most valued-added contributions to marketing the Town. These areas are primarily: acting as a catalyst and convenor for joint marketing activities, conducting town-wide general marketing activities, marketing Town-sponsored events, and promoting economic vitality as set forth in the Town's Economic Vitality Plan. The Chamber of Commerce is a key partner in most of these efforts, as well.

### **The Town Marketing Plan**

Part I of the Town Marketing Plan covers the goals, objectives, and strengths/weaknesses/opportunities/threats that may have an impact on the Town's marketing efforts. The goals of the marketing plan reflect the Town's key interests and role in marketing the Town:

- Goal 1: Maximize tax revenues received by the Town, including sales tax, property tax, Transient Occupancy Tax, and business license tax. These revenues provide more than 55% of the General Fund that pays for delivery of community services including police, library and street maintenance.
- Goal 2: Enhance the image of Los Gatos as a special place to live, visit and do business.

The objectives of the Town Marketing Plan speak to the specific ways that the Town will attempt to achieve the marketing goals, through marketing efforts to increase the number of shoppers, residents, visitors, businesses, and homebuyers in Los Gatos and to increase awareness about the Town's attributes in general.

Part II of the Marketing Plan presents the recommended strategies and tactics for achieving the goals and objectives. These strategies and tactics are targeted toward a number of different audiences, including current and prospective residents, day visitors, overnight visitors, current retail and non-retail businesses, prospective retail and non-retail businesses, realtors/property managers, and contractors/architects. The tactics for FY 2004/05 include many of the Town's current marketing activities, such as the *Vista* Newsletter, news releases, *What's New!* e-mail service, the web site, and business recognition program. Some of the tactics currently underway include the distribution of the new Los Gatos brochure, the placement of a full-page ad in the *Explore Silicon Valley* book placed in hotel rooms throughout the Valley, downtown wayfinding, and downtown communication associated with the streetscape project for next summer. Other tactics, including the holiday shopping and the summer campaigns, are being planned with our marketing partners. Several of the tactics will be implemented by the new Economic Vitality Manager when hired, including business and broker outreach and inventory of businesses and office/R&D space.

### **Evaluating the Success of the Town Marketing Plan**

It is difficult to measure directly the outcomes of marketing efforts, due to the many factors which may influence those outcomes. However, it is informative to track certain indicators that may reflect progress in achieving the marketing goals. The indicator associated with the first goal of the marketing plan is the tax revenues received by the Town in the areas that are economically sensitive, including sales tax, property tax, Transient Occupancy Tax and business license tax. While many factors affect the level of tax revenue the Town receives, marketing efforts to attract shoppers, diners, businesses, and others to Los Gatos should have a positive effect on tax revenues. Other economic indicators that the Town's marketing efforts may affect are commercial vacancy rates, residential vacancy and time-on-market rates, hotel occupancy rates and job opportunities.

Indicators of success in achieving the second goal of the marketing plan include responses to resident satisfaction surveys, the level of participation in Town events and activities, and the frequency of positive publicity in print and electronic media. Again, other factors will influence these results, but our marketing efforts should contribute positively to them, as well.

### **CONCLUSION:**

The recommended Town Marketing Plan is comprehensive, yet focused on the areas in which the Town can make the most value-added contributions with available staff and fiscal capacity. An emphasis is placed on working with our marketing partners, the Chamber of Commerce in particular, to coordinate and leverage marketing efforts.

### **ENVIRONMENTAL ASSESSMENT:**

Is not a project defined under CEQA, and no further action is required.

### **FISCAL IMPACT:**

The source of the majority of funds to support the Town's marketing activities is the Redevelopment Agency budget for specific projects and for the Chamber of Commerce contract. Other funds are available in the Community Services Department budget (e.g., Vista), Town Manager's Office (e.g., web enhancements), and non-departmental budget (e.g., commission recruitment).

### **Attachments:**

1. Town Marketing Plan

## **MARKETING PLAN FOR THE TOWN OF LOS GATOS – PART I**

### **PURPOSE**

The purpose of the marketing plan for the Town of Los Gatos is to provide a strategic roadmap for focusing time and resources each fiscal year to achieve the Town's marketing goals and objectives.

### **GOALS AND OBJECTIVES**

Goal I: Maximize tax revenues received by the Town, including sales tax, property tax, Transient Occupancy Tax, and business license tax. These revenues provide more than 55% of the Town's General Fund that pays for delivery of community services including police, library and street repairs.

#### **Objectives:**

- A. Increase local residents' awareness about the importance of supporting local businesses, especially those that generate sales tax.
- B. Increase the number of day visitors from the Bay Area who come to Los Gatos to shop and dine.
- C. Increase the number of overnight visitors from the Bay Area, throughout the state, U.S. and internationally.
- D. Increase awareness among commercial realtors and commercial, R&D, and industrial businesses about assets of Los Gatos for a business location.
- E. Increase awareness among homebuyers about the assets of Los Gatos that warrant higher property prices.

Goal II: Enhance the image of Los Gatos as a special place to live, visit and do business.

#### **Objectives:**

- A. Increase the community's pride in being residents/businesses of Los Gatos.
- B. Increase the awareness of the unique attributes of Los Gatos among people who travel to Northern California.
- C. Increase the community's knowledge of Town services and events.
- D. Increase participation by Town residents in supporting the community.

## **STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS**

Following are the strengths and opportunities, and weaknesses and threats that may have an impact on the Town's marketing efforts. These and others identified subsequently should be considered in shaping marketing messages and strategies.

### **Strengths and Opportunities**

- Natural beauty of mountains that frame Los Gatos
- Reputation for high caliber schools
- High property values
- Demographics of population: household income, education, home ownership
- Historic downtown and neighborhood
- Reputation as quaint and charming – strong “brand image”
- Frequently referenced by other community as the goal to be achieved – to “be like Los Gatos”
- Unsolicited media coverage due to positive image (VIA, Sunset, BizInc, etc.)
- Convenient freeway access (17 & 85) and 15-20 minutes from airport
- Many community events that support small town image (holiday parade, MIP, July 4<sup>th</sup>, Screen on the Green, Cinecats, Shakespeare, Jazz on the Plazz, Fiesta de Artes, etc.)
- Variety of lodging – 5-star to budget
- Proximity of mountain wineries
- Retail mix in downtown
- Well known restaurants
- Chamber Marketing Committee partnership with Town

### **Weaknesses and Threats**

- Economy fluctuations beyond control of Los Gatos
- High prices of housing and retail rents
- Limited conference/event space and number of hotel rooms
- Only business association is Chamber and it is small with limited resources
- Misinformation and rumors about process and projects
- Perception that building/development process is time-consuming, costly, and overly-strict
- Negative publicity about elitism/exclusivity tone of LG
- Competition from other shopping districts (Santana Row, Willow Glen) and shopping centers (Valley Fair, Stanford)
- Gaps in businesses providing all goods and services needed by community – sales tax leakage
- Except for North 40, no space for growth
- Community concerns about traffic
- Perception that downtown parking is difficult
- Small R&D/light industry square footage
- Insufficient information to analyze and monitor economic health of LG
- Limited resources and staff to devote to marketing

## Town of Los Gatos Strategic Marketing Plan – Part II

Audience	Desired Actions/Attitudes	Messages	Marketing Strategy	Tactics for FY 04/05
Current residents	<ul style="list-style-type: none"> <li>Pride/ appreciation for living in LG</li> <li>Use LG businesses whenever possible</li> <li>Speak well of LG as a place to live and do business</li> <li>Encourage visitors and new businesses</li> <li>Participate in the community</li> </ul>	<p>Los Gatos has unique charm and character</p> <p>Los Gatos is envied by other communities</p> <p>Sales tax generated by residents, and sales tax and occupancy tax generated by visitors pay for everyday Town services to residents</p>	<ul style="list-style-type: none"> <li>Consistent &amp; continuous communication</li> <li>Gentle reminders about supporting local business</li> </ul>	<ul style="list-style-type: none"> <li>2 issues of Vista newsletter</li> <li>News releases to media as appropriate</li> <li>What's new emails</li> <li>Enhance website</li> <li>MIP/Arts banners</li> <li>Enhance recruitment for commission positions</li> </ul>
Prospective residents	<ul style="list-style-type: none"> <li>Consider LG as a desirable place to live</li> <li>Understand higher costs valid because of intangible assets</li> </ul>	<p>Los Gatos has unique charm and character</p> <p>Higher prices in Los Gatos are justified</p>	<ul style="list-style-type: none"> <li>Use realtors as communication channel</li> <li>Keep relocation pkg up to date</li> </ul>	<ul style="list-style-type: none"> <li>Distribute of new brochure</li> </ul>
Day visitors	<ul style="list-style-type: none"> <li>Come to LG frequently to shop/dine</li> <li>Speak well of the LG experience</li> </ul>	<p>Los Gatos is a fun, charming and convenient place to visit</p> <p>Los Gatos welcomes you</p>	<ul style="list-style-type: none"> <li>Summer in Los Gatos advertising campaign</li> <li>Los Gatos for the Holidays advertising campaign</li> <li>Local media publicity as possible</li> </ul>	<ul style="list-style-type: none"> <li>Downtown wayfinding improvements</li> <li>Event listings to print and electronic media</li> <li><i>Explore</i> ad</li> <li>Holiday campaign</li> <li>Summer campaign for 05</li> </ul>
Overnight visitors	<ul style="list-style-type: none"> <li>Stay in LG when visiting Silicon Valley</li> <li>Speak well of the LG experience</li> </ul>	<p>Los Gatos is a fun, charming and convenient place to visit</p> <p>Los Gatos welcomes you</p>	<ul style="list-style-type: none"> <li>Use travel agents and corporate travel/events planners as vehicles for reaching out-of-town visitors</li> <li>Statewide and national media publicity</li> </ul>	<ul style="list-style-type: none"> <li>Place new brochure in Visitor Centers</li> <li>Event listings to print and electronic media</li> <li><i>Explore</i> ad</li> <li>Holiday campaign</li> <li>Summer campaign for 05</li> </ul>

Current retail businesses	<ul style="list-style-type: none"> <li>• Make LG location a key element of their individual marketing efforts</li> <li>• Fully capitalize on community events to enhance their business</li> <li>• Participate in community problem-solving</li> <li>• Look for opportunities for co-op marketing</li> <li>• Speak well of LG</li> </ul>	Los Gatos recognizes your contribution to the town and values you	<ul style="list-style-type: none"> <li>• Encourage downtown businesses to be open in the evenings during events</li> <li>• Meetings with merchants re: public works projects</li> <li>• Annual appreciation letter from Town tied to bus license renewal</li> <li>• Business recognition program</li> </ul>	<ul style="list-style-type: none"> <li>• Downtown merchant meetings re: 2005 street work</li> <li>• Implement marketing plan for 2005 street work</li> <li>• Continue business recognition program</li> <li>• Annual appreciation letter</li> </ul>
Prospective retail businesses	<ul style="list-style-type: none"> <li>• Consider LG for new location</li> </ul>	Los Gatos is a great location for unique retail businesses targeted to a certain demographic	<ul style="list-style-type: none"> <li>• Identify gaps in current retail mix</li> <li>• Identify desirable businesses</li> <li>• Develop recruitment package</li> <li>• Work w/commercial brokers and have direct contact where possible</li> </ul>	<ul style="list-style-type: none"> <li>• Business/broker outreach as possible</li> </ul>
Current non-retail businesses	<ul style="list-style-type: none"> <li>• Participate in community problem-solving</li> <li>• Speak well of LG</li> <li>• Refer new businesses</li> </ul>	Los Gatos recognizes your contribution to the town and values you	<ul style="list-style-type: none"> <li>• Annual appreciation letter from Town tied to bus license renewal</li> </ul>	<ul style="list-style-type: none"> <li>• Inventory of businesses and office/R&amp;D space</li> <li>• Annual appreciation letter</li> </ul>
Prospective non-retail businesses	<ul style="list-style-type: none"> <li>• Consider LG for new location</li> </ul>	Los Gatos has a variety of R&D, industrial, and commercial space	<ul style="list-style-type: none"> <li>• Identify desirable businesses</li> <li>• Work w/commercial brokers and have direct contact where possible</li> </ul>	<ul style="list-style-type: none"> <li>• Business/broker outreach as possible</li> </ul>
Realtors/property mgrs.	<ul style="list-style-type: none"> <li>• Be knowledgeable about community</li> <li>• Speak well of LG</li> </ul>	Los Gatos appreciates your role as a front-line communicator about LG	<ul style="list-style-type: none"> <li>• Ongoing communication with residential and commercial realtors and property managers</li> </ul>	<ul style="list-style-type: none"> <li>• Attend group meetings and maintain contact with individual realtors and property managers</li> </ul>
Contractors/architects	<ul style="list-style-type: none"> <li>• Understand philosophy behind LG guidelines</li> <li>• Speak well of LG</li> </ul>	Los Gatos has tough but fair guidelines	<ul style="list-style-type: none"> <li>• Clear and consistent communication on guidelines</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct surveys and focus groups with these customers</li> </ul>



## **APPENDIX "D"**

**TOWN OF LOS GATOS BUSINESS RECRUITMENT PACKET**



# TOWN OF LOS GATOS

CIVIC CENTER  
110 E. MAIN STREET  
P.O. Box 949  
LOS GATOS, CA 95031

March 24, 2005

**DRAFT**

Ms. Karin Hunsicker  
VP & COO  
H.T. Harvey & Associates – Ecological Consultants  
3150 Almaden Expressway, Suite 145  
San Jose, CA 95118

Dear Ms. Hunsicker:

As the Town's Economic Vitality Manager, I am honored to introduce our community to H.T. Harvey & Associates. Los Gatos is a beautiful and thriving community known for its well-maintained parks, picturesque hillsides, European downtown that features boutique shopping and restaurants, renowned schools, and year-round community events.

As ecological consultants, the choice of your business location says a lot about culture of your organization. After reviewing your website, it is clear that H.T. Harvey & Associates have a clear commitment to providing sound stewardship in the field of ecology, while providing a high quality of life for your employees.

The Town of Los Gatos has become home to many corporate headquarters and business entrepreneurs that value recreational opportunities for their employees and entertainment options for their clientele. Convenient access is also very important, with close proximity to the San Jose International Airport, Highway 17, 85, and 9 traveling for perspective clients, or commuting for employees can be managed from a variety of different routes.

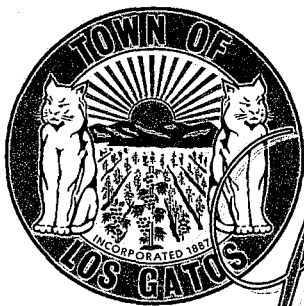
Enclosed in this packet you will find our Town demographics, corporate client list, marketing information, and leasing information for two locations that could be a perfect fit for your future business needs. Both locations are close to the downtown area and have great views of Vasona Park. I hope after reading through our Town materials you might consider joining our team of creative cats! Please feel free to contact me directly should you have any questions at 408.399.5790 or [dsurdin@losgatosca.gov](mailto:dsurdin@losgatosca.gov).

Sincerely,

Danielle Surdin  
Economic Vitality Manager  
Town of Los Gatos







# Los Gatos, California

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## Community Profile:

The Town of Los Gatos is located at the base of the Santa Cruz Mountains, approximately 60 miles South of San Francisco in the Southwestern portion of Santa Clara County. The Town is bound by the City of San Jose to the north and east, the City of Campbell to the north, and the cities of Monte Sereno and Saratoga to the west, with unincorporated Santa Clara County and County of Santa Cruz to the South.

Los Gatos is one of Santa Clara County's most historic communities, being incorporated in 1887. It has a population of approximately 30,000 persons and encompasses about 14 square miles.

- **Population:** 29,132
- **Current Households:** 12,257
- **Average Household Income:** \$212,207
- **Median Age:** 41.9
- **Median Housing Value:** \$1,039,780
- **Occupational Categories 16 and Over:**
  - 23.1% Executive, Administrative, and Managerial
  - 25.8% Professional Specialty
  - 32.2% Technical Sales, Administrative Support
  - 12.9% Service
  - 11.4% Precision, Production, Craft and Repair
  - 2.5% Farming, Forestry, and Fishing
  - 14.6% Operators, Fabricators, and Laborers
- **Education Age 25 and Over:**
  - 18.1% Population earned a Graduate or Professional Degree
  - 29.8% Population earned a Bachelor's Degree
- **Race Classification:**
  - 86% Caucasian, 8.1% Asian, 5.2 Latino/Hispanic, .07 Other

Demographic information provided by Census 2000

# Available Space Los Gatos

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## **750 University Avenue**

Located near quaint downtown and Vasona Park, this Los Gatos office location offers great visibility, access, recreation and entertainment options. Other tenants include:

- Hifn
- ARM
- Sterling Communication
- DVD Play

Current Vacancy: 17,314 SFT

Contact: McCandless Corporation 408.727.2007

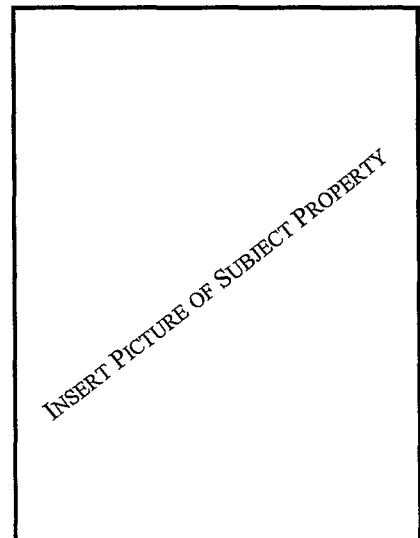
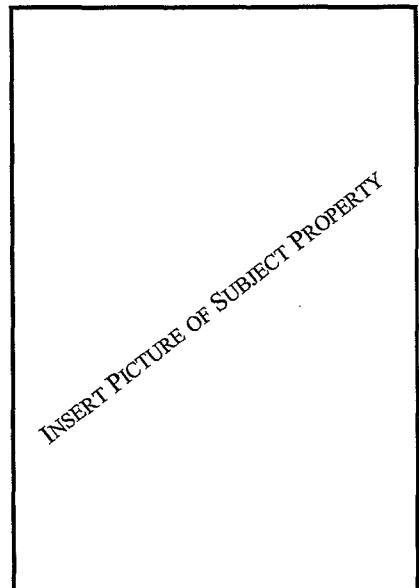
## **Cooper Court/University**

Located Vasona Park and nearby storage facilities (for businesses with equipment needing to be stored), this Los Gatos office location offers great visibility, access, recreation and entertainment options. Other tenants include:

- Los Gatos Cable Connection
- Marcotech
- Neo Guide

Current Vacancy: Full Buidling 8,000-33,020 SFT

Contact Cooper & Company 408.395.2771





# Los Gatos, CA

*"Home of the Creative Cats"*

## **Corporate Headquarters**

### *Entertainment Industry*

#### ◆ **Netflix**

Netflix (**Nasdaq: NFLX**) is the world's largest online DVD movie rental service offering more than two million members access to more than 30,000 titles. Netflix appeal and success are built on providing the most expansive selection of DVDs; providing an easy way to choose movies; offering fast and free delivery.

**Website:** [www.netflix.com](http://www.netflix.com)

#### ◆ **DVD Play**

DVDPlay is the creator and manufacturer of the first Automated Entertainment Machines or AEMs. These automated machines are designed to give consumers a better way to rent or buy the latest hit movies wherever they play, shop, live or work. DVD Play was founded in 1999 by two young men named Bill and Phil, two rather intense young entrepreneurs from Southern California with a vision to automate the entire video store experience.

**Website:** [www.dvdplay.net](http://www.dvdplay.net)

#### ◆ **Cryptic Studios**

Established in July of 2000—Cryptic Studios is an independent developer of massively multiplayer online games for the PC and next generation consoles. Cryptic Studios launched its first widely successful multiplayer game City of Hero's in April 2004. Currently they are in the planning stages for the new release of the highly anticipated City of Villains.

#### ◆ **Pixel Instruments**

Pixel Instruments designs and engineers innovative audio and video signal processing circuitry utilized in the broadcast television industry. The Company's research and development capabilities are used primarily for onsite manufacturing of high-performance video and audio processing products. These products are used in broadcast, video production and related applications. **Website:** [www.pixelinstruments.tv](http://www.pixelinstruments.tv)

#### ◆ **ICTV**

ICTV is the industry's leading solution for the development and deployment of interactive television content for a range of digital devices. ICTV acts as a dedicated interactive television service advisor, addressing the complex issues that arise in interactive television. **Website:** [www.ictv.com](http://www.ictv.com)

#### ◆ **Wrapsidy**

**Wrapsidy, LLC** (formerly Audience Analysis, Inc) is the leading provider of rating analysis software to the broadcast industry. It's WRAP (**Windows Rating Analysis Programs**) product line, features tools for analysis of Nielsen's primary local rating sources: Overnights, Cable, Diary and People Meter. The company was founded in 1992 by ratings software pioneer, Andrew Eshkar. **Website:** [www.wrap.com](http://www.wrap.com)





# Los Gatos, CA

*"Home of the Creative Cats"*

## **Corporate Headquarters**

### *Software Development Industries*

#### ◆ **Ananya Systems**

Ananya Systems, Inc. develops and markets curve tool programs for licensing to computer graphics and CAD companies. Ananya's software gives the user seven different methods of drawing Bezier curves or conics. The company is privately owned and specializes in computer development of unique curve drawing tools with new algorithms based upon original mathematical equations. **Website: [www.ananya.com](http://www.ananya.com)**

#### ◆ **Alpha Smart**

AlphaSmart, Inc. (NASDAQ: ALSM) delivers affordable technology solutions designed to reduce the cost and complexity of computing for customers worldwide. Within the education market, their solutions help students improve fundamental academic skills, teachers can increase classroom productivity, and administrators provide greater access to technology at a low total cost of ownership. Alphasmart has sold more than 1.2 million computer companions to customers around the world. These portable devices can be found in approximately one-half of the fifteen thousand US School Districts. **Website: [www1.alphasmart.com](http://www1.alphasmart.com)**

#### ◆ **BayTSP**

Specializes in copyright tracking and brand protection, BayTSP has been providing Fortune 1000 and Dow Jones component companies with sophisticated automated technology to ensure their copyright digital media is not be stolen or misused on the internet. **Website: [www.baytsp.com](http://www.baytsp.com)**

#### ◆ **Brooktrout Technologies-Northern California Office**

Brooktrout Technologies (NASDAQ: BRKT) is a leading supplier of media processing, network interfacing and signal processing products that enable development of applications. The company's strategy is to partner with its customers closely to help accelerate their delivery of new applications and services, increase their existing business and expand their markets. **Website: [www.brooktrout.com](http://www.brooktrout.com)**

#### ◆ **Sciforma**

Sciforma Corporation provides advanced project and process management software solutions and services to a worldwide customer base. Known for developing industry-first features and applications that have spurred innovation with the process and project management communities. Their name is derived from the English word "science" and the Latin word "forma" which means planning. Their name reflects this advance science project management software. **Website: [www.sciforma.com](http://www.sciforma.com)**

#### ◆ **Streaming 21, Inc.**

Streaming 21, Inc. provides a new platform for providing video and music over IP networks. Streaming 21's broadcast and media-on-demand software solutions enable the deployment of rich-media services with carrier-class scalability, 24/7 operations and quality broadcast delivery. **Website: [www.streaming21.com](http://www.streaming21.com)**





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#### ◆ **Wrapsidey**

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# Los Gatos, CA

*"Home of the Creative Cats"*

## **Corporate Headquarters**

### *Alternative Energy Industry*

#### ♦ **iWatt**

iWatt, Inc. is a power management IC company that designs, develops and markets semiconductors for computer, communications and industrial markets. The company's patented pulseTrain™ technology is revolutionizing power supply design by introducing the industry's first truly digital approach to power system regulation, control and management. **Website: [www.iwatt.com](http://www.iwatt.com)**

#### ♦ **Solaicx**

Solaicx is developing and implementing breakthrough solar energy technology. Solaicx focus on the development of silicon wafers vs. the standard crystalline silicon cells. Silicon wafers make solar energy become more efficient and productive and result in a lower overall price to the consumer. Recently featured in Forbes Magazine, San Francisco Chronicle, and Yahoo! Finance demonstrates that this company is on the move. **Website: [www.solaicx.com](http://www.solaicx.com)**

### *Fiber Optics Industry*

#### ♦ **SPI Optics**

SPI is expanding the applications for fiber lasers, while lowering cost of ownership for its owners and customers in the Industrial, Aerospace, Analytical, Sensing, and Communications Market. SPI develops and manufactures advanced optical components. These components are based on its wavelength management.

### *Nanotech Research & Development*

#### ♦ **Innovation-On-Demand, Inc.**

Develops cutting-edge technology in the computer and microelectronics industry while providing "scheduled intervention" services. Its substantial experience in machine control and wireless technology is being directed into the new field of nanotechnology to develop tools and infrastructure needed to construct novel machines at the large molecule scale. **Website: [www.innovation-on-demand.com](http://www.innovation-on-demand.com)**

#### ♦ **NanoConduction, Inc.**

Currently working on the registering of US Patents in conjunction with NASA Ames Research Center. More Information to follow.

#### ♦ **Intermolecular, Inc.**

More Information to follow.





# Los Gatos, CA

*"Home of the Creative Cats"*

## **Corporate Headquarters**

### *Semiconductor Industry*

#### ◆ **Amicronix**

Amicronix is a privately held US Company incorporated in Los Gatos, CA in 2000. Amicronix specializes in high speed semiconductor test systems. **Website: [www.amicronix.com](http://www.amicronix.com)**

#### ◆ **Hifn**

Hifn offers high-performance, multi-protocol packet processors - semiconductor devices and software that enable secure, high-bandwidth network connectivity and efficient storage of business information. Hifn's packet processor products perform the computation intensive tasks of compression, encryption and authentication, providing customers with high-performance, interoperable implementations of a wide variety of industry-standard networking and storage protocols. **Website: [www.hifn.com](http://www.hifn.com)**

#### ◆ **Monolithic Power Systems**

Monolithic Power Systems (MPS) was incorporated in the State of California in October 1997. The company's corporate headquarters are located in Los Gatos, California with a branch in Taipei, Taiwan. MPS is a fabless, high quality, cost effective, reliable, analog power IC product solutions semiconductor manufacturer. MPS designs, develops, manufactures, sells, and markets it's own products. MPS has differentiated itself by specializing in analog circuits with integrated high performance power capability. **Website [www.monolithicpower.com](http://www.monolithicpower.com)**

### *Wireless Technology Industry*

#### ◆ **Semotus Solutions, Inc.**

Founded in 1993, Semotus Solutions (**AMEX:DLK**), is a premier provider of software for the mobile enterprise connecting employees to critical business systems, information and processes. Semotus has a Fortune 1000 installed customer base and more than 600 corporate clients including Lockheed Martin, Blue Cross Blue Shield, Coca-Cola, Hewlett Packard, Nextel Communications, JP Morgan-Chase, and The United Nations. Semotus Solutions' software provides mobility, convenience, efficiency and profitability in the areas of workforce automation, finance and healthcare. Recently named #168 on the Fast 500 Technology List from Deloitte & Touche. **Website: [www.wirelessinformation.com](http://www.wirelessinformation.com)**

#### ◆ **Wheels of Zeus**

Piloted by Apple Computer co-founder and award-winning tech visionary **Steve Wozniak**. wOz has since ushered in the next generation of wireless location devices. By marrying the best aspects of radio frequency networks with the power of GPS, wOz has created a secure, high-performance, low-cost, and efficient technology platform one that responds to today's complex location challenges. **Website: [www.woz.com](http://www.woz.com)**







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## **Corporate Headquarters**

### *Medical Research & Development/Biotech*

#### ♦ **NexRay**

The NexRay system is based on a fundamentally new x-ray imaging technology that improves image quality, reduces radiation dose, and provides depth of information. The advantages of NexRay's Computed Fluoroscopy technology includes minimal detected x-ray scatter which reduces radiation exposure, geometrically accurate depth of field, x-ray can be run continuously, open access to the patient. NexRay currently holds patents on this proprietary platform and has received 510K in marketing from the FDA.

Website: [www.nexraymedical.com](http://www.nexraymedical.com)

#### ♦ **Allgene, Inc.**

Allgene provides services: cloning and recombinant protein manufacturing using its patented RFT platform. Allgene, Inc. specializes in expression of small quantities of protein from genes (DNA) provided by the customer. Key areas of services: Biotechnology, Genomics, Proteomics, Process Chemistry, Intermediates, and Manufacturing. Website: [www.allgene.com](http://www.allgene.com)

### *Licensing & Start-ups*

#### ♦ **Epilogics/Kühl Wheels**

Epilogics develops compelling applications of proprietary technologies, patents the technologies, then licenses the know-how (primarily to the automotive industry). Kühl Wheels LLC was formed on June 25, 1997 to commercialize an automotive wheel invented by George Braunschweiler, a Company cofounder. The Kühl Wheels technology is basic and compelling. This patent-pending technology enables a carmaker to realize a 20% weight saving (up to 40 lbs. per car) over conventional steel wheels at a substantial cost reduction.

Website: [www.epilogics.com](http://www.epilogics.com)

#### ♦ **Sizary, Inc.**

Sizary was established in late 1993 as part of Israel's national program for promoting technology-based start-up companies. In early 1999 Sizary, Inc. with office in Los Gatos was established to provide marketing, sales, and product support in the United States. Sizary products protect wafers from metal contamination during diffusion and oxidation process. Website: [www.sizary.com](http://www.sizary.com)

