

EXHIBIT NO. 1

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City of Alexandria, Virginia

MEMORANDUM

DATE: OCTOBER 4, 2007

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER *J*

SUBJECT: PROPOSED ORDINANCE TO AMEND THE MEMBERSHIP OF THE
ALEXANDRIA MARKETING COMMITTEE AND TO ESTABLISH THE
ALEXANDRIA MARKETING COORDINATING COUNCIL

ISSUE: Restructuring the Marketing Funds grant decision making process.

RECOMMENDATION: That City Council adopt the attached ordinance on first reading and set it for public hearing, second reading and final passage on Saturday, October 13, 2007.

BACKGROUND: For the last 14 years the City has had in place a Marketing Fund, which along with the Alexandria Marketing Fund Committee ("Committee") and the Council-adopted Marketing Fund Guidelines, has provided matching grants to local business associations and non-profits in order that the City can be marketed within the region to potential retail and restaurant customers, as well as to potential attendees of arts and entertainment events. Currently, the City funds the Marketing Fund at the rate of \$135,000 per year. With the one-to-one match with non-City funds provided from sources identified by the applicant group, this produces over \$270,000 per year in marketing efforts that promote Alexandria as a destination for shopping, dining, and entertainment. Such efforts are aimed at inducing additional private sector revenues as well as additional taxes paid to the City because of increased economic activity.

The Committee, which has had 14 members, historically has included representatives of the various economic, business and related governmental groups serving as the Committee membership. Many of these Committee seats were held by the staff members or officers of these organizations, with few having professional expertise in the areas of advertising, communication, design or marketing.

Over the last few months, Councilman Smedberg has been leading a series of discussions about the structure, systems and strategy of the Marketing Fund grants process. These discussions brought in outside expertise to discuss possible reforms to the Marketing Fund and processes with the members of the Marketing Fund (which includes the Mayor).

Marketing Committee

The result of this process is a recommendation to restructure the Marketing Committee by changing the membership of the Committee to be comprised almost entirely of marketing experts. The Committee is proposed to consist of one citizen-at-large, as well as six members with experience and expertise in one or more of the following areas:

1. Marketing/Communications
2. Advertising Agency/Public Relations
3. Media Buyer
4. Graphic Design/Production
5. Media Relations/Media Outlet

I propose that the Committee members serve three-year terms; however, the Committee would start with staggered terms.

Marketing Coordinating Council

In addition to this Committee of marketing professionals, I propose that there also be an Alexandria Marketing Coordinating Council. This Council would be advisory to both the Committee, as well as to potential applicants for the Marketing Fund grants. This Council would not be the grant-making body, as that would remain with the Marketing Committee. The Coordinating Council's membership is proposed to be representatives from the following organizations:

1. Alexandria Chamber of Commerce
2. Alexandria Convention and Visitors Association (ACVA)
3. Alexandria Economic Development Partnership (AEDP)
4. Alexandria Commission for the Arts
5. City Manager's Office
6. Office of Historic Alexandria
7. City Council

This Coordinating Council, with input from the new Committee members, would also be responsible for redrafting and proposing new Marketing Fund Guidelines to City Council. The Coordinating Council will set the strategic direction for the Committee to follow on an annual basis. The City's Communications Director and her staff would provide the leadership and staff support for this proposed new process. A member of City Council will be appointed by the Mayor as Council liaison to the Coordinating Council. The redrafting would also be aimed at making the grants process less ad hoc and reactive (based on the applications that are submitted) to a process that is more strategic in nature and, hopefully, more effective in the marketing outcomes. Once the Guidelines are redrafted, they will be submitted for City Council action. The Coordinating Council would also recommend candidates for the Committee.

At this time, I recommend that the City Code be amended so that the new Coordinating Council can get started with its work. As the holiday season is approaching, which is often the time when requests to utilize Marketing Fund dollars are received, it is important to get the new structures

and new process in place. The current Marketing Fund Committee met on October 2, and unanimously concurred with these recommendations.

FISCAL IMPACT: There is no immediate fiscal impact, but over the long-term more effective use of Marketing Fund grant monies will result in increased City tax revenues from retail and restaurant taxes.

ATTACHMENTS:

Attachment 1. Proposed Ordinance

Attachment 2. Alexandria Marketing Fund Application Guidelines

STAFF:

Mark Jinks, Deputy City Manager

Stephanie Landrum, Senior Vice President, AEDP

Introduction and first reading:	10/09/2007
Public hearing:	10/13/2007
Second reading and enactment:	10/13/2007

INFORMATION ON PROPOSED ORDINANCE

Title

AN ORDINANCE to repeal Article G (ALEXANDRIA MARKETING COMMITTEE) of Chapter 4 (COMMITTEES, BOARDS AND COMMISSIONS); to amend the said Chapter 4 by adding thereto revised Article G.1 (ALEXANDRIA MARKETING COMMITTEE AND COORDINATING COUNCIL), and to amend and reordain Section 2-5-11(a)(9)m (ALEXANDRIA MARKETING COMMITTEE) of Article B (FINANCIAL DISCLOSURE), Chapter 5 (OFFICERS AND EMPLOYEES), all of Title 2 (GENERAL GOVERNMENT) of The Code of the City of Alexandria, Virginia, 1981, as amended.

Summary

The proposed ordinance restructures the existing, fourteen-member Alexandria Marketing Committee, into a seven-member Marketing Committee comprised of marketing experts, who will evaluate and approve marketing fund grants, and a six-member, advisory, Coordinating Council, comprised of representatives from the business, tourism, economic development, arts and historic sectors.

Sponsor

Councilman Paul C. Smedberg

Staff

Mark Jinks, Deputy City Manager
Rose Boyd, Executive Secretary for Boards and Commissions
Ignacio B. Pessoa, City Attorney

Authority

§ 3.04(g), Alexandria City Charter

Estimated Costs of Implementation

None

Attachments in Addition to Proposed Ordinance and its Attachments (if any)

None

ORDINANCE NO. _____

AN ORDINANCE to repeal Article G (ALEXANDRIA MARKETING COMMITTEE) of Chapter 4 (COMMITTEES, BOARDS AND COMMISSIONS); to amend the said Chapter 4 by adding thereto revised Article G.1 (ALEXANDRIA MARKETING COMMITTEE AND COORDINATING COUNCIL), and to amend and reordain Section 2-5-11(a)(9)m (ALEXANDRIA MARKETING COMMITTEE) of Article B (FINANCIAL DISCLOSURE), Chapter 5 (OFFICERS AND EMPLOYEES), all of Title 2 (GENERAL GOVERNMENT) of The Code of the City of Alexandria, Virginia, 1981, as amended.

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

Section 1. That Article G, Chapter 4, Title 2 of The Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same is hereby, repealed in its entirety, and the Alexandria Marketing Committee therein established is abolished.

Section 2. That Chapter 4, Title 2 of the Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same hereby is, amended and reordained by adding thereto revised Article G.1, to read as follows:

[The following is all new language.]

ARTICLE G.1 Alexandria Marketing Committee and Coordinating Council

Sec. 2-4-63 Alexandria Marketing Committee Established.

There is hereby established a standing committee known as the Alexandria Marketing Committee.

Sec. 2-4-64 Same - composition.

The committee shall consist of seven members: one citizen-at-large and six additional members with a variety of experience or expertise in the following areas:

- (1) Marketing/Communications;
- (2) Advertising Agency/Public Relations;
- (3) Media Buyer;
- (4) Graphic Design/Production;
- (5) Media Relations/Media Outlet.

Sec. 2-4-65 Same - appointment, procedures, and organization.

- (a) The committee shall be appointed by city council, based on nominations by the Alexandria Marketing Coordinating Council. The committee members shall be

1 appointed for terms of three years; however, of the members first appointed, two
2 shall serve a term of one year, two shall serve a term of two years, and three shall
3 serve a term of three years, to be determined by city council in making the initial
4 appointments.
5

- 6 (b) Except as to the manner of appointment specified in subsection (a) hereof, the
7 committee shall be subject to the provisions of this chapter.
8

9 Sec. 2-4-66 Same - functions; powers; duties.
10

- 11 (a) The purpose of the committee is to foster public/private cooperation and
12 coordination among multiple businesses and organizations to promote Alexandria as
13 a destination for visiting, shopping, dining and doing business; to leverage public
14 dollars with private investment, and to bring increased revenues to the City of
15 Alexandria.
16

- 17 (b) The committee shall administer the marketing fund established by city council and
18 may make grants from such monies as may be available therein.
19

- 20 (c) In making such grants, the committee shall adhere to the guidelines for applications
21 for grants from the marketing fund, as the same have been adopted, and may from
22 time to time be amended, by the city council.
23

24 Sec. 2-4-67 Alexandria Marketing Coordinating Council established.
25

26 There is hereby established a standing committee known as the Alexandria Marketing
27 Coordinating Council.
28

29 Sec 2-4-68 Same - composition.
30

31 The council shall consist of the six members: one designee of the city manager and five
32 additional members, each of whom shall represent one of the following entities:
33

- 34 (1) Alexandria Chamber of Commerce;
35 (2) Alexandria Convention and Visitors Association (ACVA);
36 (3) Alexandria Economic Development Partnership (AEDP);
37 (4) Alexandria Commission for the Arts;
38 (5) Office of Historic Alexandria.
39

40 Sec. 2-4-69 Same - appointment; procedures, and organization.
41

- 42 (a) Each entity listed in section 2-4-68 shall nominate a representative who shall be
43 appointed by the mayor to serve as a member of the Alexandria Marketing
44 Coordinating Council.

- (b) Except as to the manner of appointment specified in subsection (a) hereof, the council shall be subject to the provisions of this chapter.

Sec. 2-4-70 Same - Functions; powers; duties.

- (a) The purpose of the council is to foster public/private cooperation and coordination among multiple businesses and organizations to promote Alexandria as a destination for visiting, shopping, dining and doing business; to leverage public dollars with private investment, and to bring increased revenues to the City of Alexandria.
- (b) The council shall advise applicants for marketing fund grants; advise the city council, in consultation with the members of the Alexandria Marketing Committee, as to the marketing fund guidelines; advise the Marketing Committee as to grant applications, and nominate members of the Alexandria Marketing Committee.
- (c) In making recommendations on grants, the council shall adhere to the guidelines for applications for grants from the marketing fund, as the same have been adopted, and may from time to time be amended, by the city council.

Section 3. That Section 2-5-11(a)(9)m of the Code of the City of Alexandria, Virginia, as amended, be, and the same hereby is, amended and reordained to read as follows:

m. Alexandria Marketing Committee and Alexandria Marketing Coordinating Council.

Section 4. That this ordinance shall become effective upon the date and at the time of its final passage.

WILLIAM D. EUILLE
Mayor

Introduction: 10/09/2007
First Reading: 10/09/2007
Publication:
Public Hearing:
Second Reading:
Final Passage:

**Alexandria Marketing Fund
Application Guidelines
(as approved by City Council on 3/22/05)**

Background

First introduced in Alexandria's FY 1994 budget as part of then-Councilman Kerry Donley's Business Development Plan, the Alexandria Marketing Fund is designed to increase revenues within the City by fostering public/private partnerships that promote Alexandria as a destination for visiting, shopping, dining and doing business. City Council has appropriated \$100,000 to the Marketing Fund each fiscal year since that time.

To administer the Fund, the City Council created the **Alexandria Marketing Committee**, a public/private group with representatives of:

- City Council
- City Manager
- Alexandria Chamber of Commerce
- Alexandria Convention and Visitors Association (ACVA)
- Alexandria Economic Development Partnership (AEDP)
- Alexandria Hotel Association (AHA)
- Alexandria restaurants (to be appointed by the Marketing Committee)
- Eisenhower Partnership
- King Street Metro Enterprise Team (KSMET)
- Landmark Mall
- Potomac West Business Association (PWBA)
- Torpedo Factory Artists Association
- West End Business Association (WEBA)
- Office of Historic Alexandria

In 1994, the Committee conducted a survey of Alexandria businesses and developed an initial marketing plan to identify the goals of the Marketing Fund. Since that time, these goals have been adapted to enhance the long-range marketing plans of ACVA and AEDP as approved by their respective boards of directors and the Alexandria City Council.

Marketing Fund Goals

- To develop the marketing projects that enhance the long-range marketing plans adopted by the Alexandria Convention and Visitors Association (ACVA) and the Alexandria Economic Development Partnership (AEDP).
- To foster cooperation among City, civic and business organizations in the promotion and marketing of Alexandria.
- To increase the awareness and expand the quality of Alexandria's diverse retail, dining, hospitality and other businesses.

- To promote Alexandria as a destination for the leisure and business traveler.
- To generate additional business sales and tax revenues in Alexandria.

Eligible Applicants

Applications may be submitted by organizations not organized for profit, or groups of businesses interested in promoting visiting, shopping, dining or doing business in Alexandria. Only Alexandria-based organizations or groups may apply.

City agencies (defined as any agency under the direct control of an elected City official; or which reports directly to the City Manager; or any board or commission where all its members are appointed by the Alexandria City Council) may not apply directly to the Marketing Fund; however, they may be a partner (but not a principal partner) in a project proposed by an organization or group.

Eligible Projects

Proposed projects must meet the goals of the Fund by:

- Noting how the proposal enhances the long-range marketing plans of either ACVA or AEDP, or both.
- Fostering cooperation and coordination among multiple businesses and organizations to promote Alexandria as a destination for visiting, shopping, dining and doing business.
- Leveraging public dollars with private investment by at least one-to-one.
- Increasing visitors and/or business in Alexandria.
- Including marketing campaigns outside Alexandria and marketing in advance of the event.

In general, Marketing Fund grants will be made available for new or increased marketing efforts as well as the continuation of previous marketing efforts at the same level. However, priority will be given to the new or increased marketing effort applications. Grants from the Marketing Fund will not be considered for project expenses which have already been incurred prior to consideration by the Marketing Committee.

Proposals must demonstrate measurable ways in which funding will generate increased business sales and tax revenues in the City. Proposals that do not clearly define measures of success will not be reviewed by the Committee for consideration.

Applications may be submitted for promotional activities related to special events, but not for operational costs. The Committee will review direct marketing or advertising expenses only, not labor, office, or other logistical costs of the event. The dollar for dollar match will be based upon direct marketing or advertising expenses (including distribution and postage costs only). (See section below on "Marketing Funds.")

If advertising is being proposed, reference must be made if feasible to at least one of the following organizations and include logo identification (if available), phone number and, if possible, web site address:

- Alexandria Convention and Visitors Association (ACVA)
- Alexandria Economic Development Partnership (AEDP)
- Alexandria Chamber of Commerce
- Alexandria Hotel Association
- *Park Alexandria* (required for projects impacting the special parking district in historic Old Town Alexandria)
- City of Alexandria

Copies of the logos and related information may be obtained from the respective organizations.

Parties who will provide goods or services in connection with the proposed project for which they will earn fees, commissions, or other compensation must state the amount of such payments. Grant funds, defined as the funding made available from the Alexandria Marketing Fund, may not be used to support operations of any organization or contribute to profits earned.

Marketing Funds

Grants from the Marketing Fund must be matched at least 1:1 by private sector or other organizational dollars. Other organizational dollars include, but are not limited to, governmental funding. As noted earlier, the Committee will review only direct marketing or advertising (including distribution and postage) expenses when considering matching funds. Labor, office, and other logistical costs should be included in the budget provided, but will not be counted towards the dollar for dollar match. The dollar for dollar match will be based upon direct marketing or advertising expenses only.

If the dollar for dollar match is not finalized by the date of application, groups must note on the application cover sheet and in the written proposal a listing of at least 50% financial commitments in order for an application to be considered. Such groups will be given an additional 30 days (or date established by the Committee) to obtain remaining financial commitments or forfeit their grant award. Commitments must be presented to the Committee Chairman. In-kind funding will not be permitted to be used towards matching funds.

Review Criteria

The Alexandria Marketing Committee will review and rank applications to the Marketing Fund according to the following criteria. The Marketing Fund Committee will review applications for eligibility, completeness and relevance to the Fund's goals and objectives based upon the following:

- Specific relevance to the long-range marketing plans of either ACVA or AEDP, or both. *Executive summaries of these plans are attached to these guidelines.*
- Appropriateness of target market(s). Such target markets might include, for example, attracting meetings and conferences, attracting tour bus groups, increasing overnight weekend visitation, promoting the City during holiday seasons or promoting business development or redevelopment in the City.
- Clear description of how proposed project generates new or increased marketing for the City, or the continuation of previous efforts at same level. Cooperative advertising is strongly encouraged if the advertising meets the other criteria listed and promotes the City as a good place to visit, shop, dine and do business. Ads that simply list participating businesses without promoting the City will not be considered.
- Demonstration of public/private partnership or cooperation and the involvement of many businesses. If feasible, reference must be made in all printed materials and advertising to at least one of the following organizations with its logo, phone number and, if available, web site address: ACVA, AEDP, Alexandria Chamber of Commerce, Alexandria Hotel Association, or the City of Alexandria.
- Commitments of participation by at least 50% of the required number of businesses to meet the dollar for dollar match. (e.g., If 20 businesses must participate in order to meet the matching requirement, the names, addresses and phone numbers of at least 10 businesses must be presented to the Marketing Fund Committee for consideration.)
- Mock up dummies of all printed advertising, including newspaper, magazine, brochures, direct mail pieces, web sites, dioramas, etc., are required on the application review date for the Marketing Fund Committee.
- Specific techniques to be used to measure the success of the project in terms of increasing business sales and tax revenues in Alexandria. (e.g., How will the estimated return on investment or effectiveness of the marketing efforts be determined?)

- Detailed income and expense marketing budget for the Application. Specific line items for all income and marketing expenses for the project must be included as part of the application.
- The application must be in a form and structure as prescribed by the Marketing Committee or it will not be considered by the Marketing Committee.
- Applicants should make a good faith effort to use Alexandria companies where feasible and cost effective, and explain that effort in their application.

Application Review Process

For an application to be reviewed, the Marketing Committee Chairman must receive an original and 14 photocopies of a complete application, including cover sheet and accompanying materials requested on the application two weeks prior to the Marketing Committee's established due dates. The Marketing Committee may establish a process of electronic filing of the applications. The Marketing Committee will review applications for eligibility, completeness and relevance to the Fund's goals and objectives.

Because of the nature of this public/private partnership effort, the Committee reserves the right to request additional information. The Committee may request a five-minute presentation by the applicant(s) to ensure that the Committee has adequate information for a funding determination. Following presentations, the Alexandria Marketing Committee will review applications and evaluate them according to the criteria stated above. Committee recommendations will be determined by majority vote of those in attendance. The Committee reserves the right to fund a project fully, partially or not at all.

If a profit is made on an event/project, grantees may be required to make a contribution to the Marketing Fund from the proceeds of a project supported by the Marketing Fund. All such contributions will be used for additional Marketing Fund projects.

Final Reports

Applicants receiving grants from the Marketing Fund must provide the Committee Chairman with a final report within 30 days of the completion of the project. Final reports should describe the project and identify how well it met the goals and objectives of the Marketing Fund's contributions, including what measurements and evaluation process were used. Be as specific as possible.

Note: Final report extensions may be granted at the sole discretion of the Marketing Committee Chairman.

Application Submission

Subject to appropriation by City Council, for each fiscal year there will be \$100,000 available to the Marketing Fund. Send one original and 14 photocopies of the completed application, including cover sheet and accompanying materials to:

Mr. Roger Parks, Chairman
Alexandria Marketing Committee
c/o American Advertising Distributors of NOVA
708 Pendleton Street
Alexandria, Virginia 22314
(703) 549-5126

Attachments

- Summary of ACVA/AEDP Three-Year Marketing Plans

P:\Mktg Fund Guideline Amendments March 2005.wpd

ORDINANCE NO. 4500

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- (a) The committee shall be appointed by city council, based on nominations by the Alexandria Marketing Coordinating Council. The committee members shall be

appointed for terms of three years; however, of the members first appointed, two shall serve a term of one year, two shall serve a term of two years, and three shall serve a term of three years, to be determined by city council in making the initial appointments.

- (b) Except as to the manner of appointment specified in subsection (a) hereof, the committee shall be subject to the provisions of this chapter.

Sec. 2-4-66 Same - functions; powers; duties.

- (a) The purpose of the committee is to foster public/private cooperation and coordination among multiple businesses and organizations to promote Alexandria as a destination for visiting, shopping, dining and doing business; to leverage public dollars with private investment, and to bring increased revenues to the City of Alexandria.
- (b) The committee shall administer the marketing fund established by city council and may make grants from such monies as may be available therein.
- (c) In making such grants, the committee shall adhere to the guidelines for applications for grants from the marketing fund, as the same have been adopted, and may from time to time be amended, by the city council.

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The council shall consist of the six members: one designee of the city manager and five additional members, each of whom shall represent one of the following entities:

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- (2) Alexandria Convention and Visitors Association (ACVA);
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- (4) Alexandria Commission for the Arts;
- (5) Office of Historic Alexandria.

Sec. 2-4-69 Same - appointment; procedures, and organization.

- (a) Each entity listed in section 2-4-68 shall nominate a representative who shall be appointed by the mayor to serve as a member of the Alexandria Marketing Coordinating Council.

- (b) Except as to the manner of appointment specified in subsection (a) hereof, the council shall be subject to the provisions of this chapter.

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Section 3. That Section 2-5-11(a)(9)m of the Code of the City of Alexandria, Virginia, as amended, be, and the same hereby is, amended and reordained to read as follows:

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Section 4. That this ordinance shall become effective upon the date and at the time of its final passage.

WILLIAM D. EUILLE
Mayor

Final Passage: October 13, 2007