

Saratoga NEWS

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Business

Expert to share secrets on business district success

BID program could give local malls competition

By ANNIE M. BELT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Merchants get down to 'BID'ness

By ANNIE M. BELT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Saratoga News

CITY HIRES TOP CONSULTANT TO PROMOTE LOCAL BUSINESS

Council wants to attract shoppers and new merchants

By CLARENCE CROMWELL

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

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

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

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

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

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

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

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

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

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

San Jose Mercury News

WEDNESDAY

DECEMBER 6, 1995

3

Saratoga dusts off its welcome mat

■ **Big plans:**
Consultant's report
will suggest ways
the city can attract
more shoppers and
tourists.

BY CONNIE SKIPITARES

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

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

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

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

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

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

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

See **DOWNTOWN**, Page 3

Saratoga's businesses strive to entice more tourist dollars

■ DOWNTOWN

from Page 1

develop a "tourism stimulation" program.

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

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

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

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

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

Center, 13777 Fruitvale Ave.

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

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

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

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

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Saratogans like city's village-like ambiance

But they want more resident-serving businesses

By CAROLYN LEAL

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

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

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

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

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

ter, drew fewer than 100 responses.

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

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

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

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

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

individual business area," he said.

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

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

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

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

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

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