

AGENDA
MEMORANDUM

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| TO: | Honorable Mayor and City Council Members |
| FROM: | Richard Gestrich, City Manager <i>RGG mgtr.</i> |
| DATE: | May 18, 2009 |
| SUBJECT: | Resolution No. 1959-09, "Shop Oviedo" Web-Based Business Stimulus Pilot Program |

Introduction: This is a request for the City Council to approve the selection of OviedoBiz.com to serve as the vendor for the "Shop Oviedo" Web Based Business Stimulus Pilot Program and authorize the City Manager to execute an agreement with OviedoBiz.com.

Background: The Economic Development Committee (EDC) discussed the possibility of a "Shop Oviedo" initiative at its Friday, January 30, 2009, meeting. At the meeting, the Committee's consensus was to schedule a work session for February 5, 2009, to have a more detailed discussion on aspects of a web-based marketing program with the purpose of encouraging Oviedo residents to utilize or shop at Oviedo businesses. The EDC's consensus was for the City to request proposals from internet-based companies that provide such services. The program was envisioned as a pilot project with a target budget of \$15,000. A portion of the target budget would be provided by the selected vendor.

The City solicited proposals from Our Hometown Directory.com, OviedoBiz.com, Discover Our Town.com, and Oviedo Villager.com on February 17, 2009. The City received two (2) proposals by the Tuesday, February 24, 2009, submittal deadline from OviedoBiz.com and Our Hometown Directory.com. Each company made a presentation to a Staff Selection Committee comprised of the City Manager, Development Services Director and Information Technology Director. Our Hometown Directory.com presented to the Selection Committee on Thursday, February 26, 2009 whereas the OviedoBiz.com presentation occurred on Monday, March 2, 2009.

The Staff Selection Committee evaluated each proposal and presentation provided by the two (2) proposers. Based on this evaluation, the Selection Committee recommends that OviedoBiz.com be selected to serve as the vendor for the "Shop Oviedo" Web Based Business Stimulus Pilot Program. The Selection Committee's recommendation is based on the following rationales:

1. The OviedoBiz.com proposal will provide assistance to one hundred (100) businesses. The Our Hometown Directory.com proposal will provide assistance to fifty (50) businesses.
2. The City's funding will be used for marketing assistance for Oviedo businesses only.
3. OviedoBiz.com consistently appears on the first page of Google searches.
4. The OviedoBiz.com website is more user friendly (no typing required) and offers more pertinent business and community information.

5. The OviedoBiz.com website includes an interactive business map using Google Maps technology to display all products and services of the local businesses with GPS accuracy.
6. The OviedoBiz.com includes “CityBizCards – Oviedo” business card gallery containing photo-quality business cards.
7. The OviedoBiz.com proposal does not require additional cost to the City over the City’s \$15,000 allocation.

The Economic Development Committee (EDC) considered the submitted proposals at its March 27, 2009, meeting. During the EDC meeting, Our Hometown Directory.com withdrew its proposal from consideration. The Our Hometown Directory.com representative recommended that the City become involved in the State’s Florida Backyard Card program rather than establishing its own program. Following a presentation by OviedoBiz.com and discussion, the EDC recommended the following:

1. The City *not* establish a “Shop Oviedo” Web Based Business Stimulus Pilot Program at this time
2. The City investigate how it can be involved in the Florida Backyard Card program.
3. The City work on a grant program to assist local businesses.

Discussion: A summary of the OviedoBiz.com proposal and the Florida Backyard Card program are provided below.

OviedoBiz.com

OviedoBiz.com was created in 2004. Using a web based interactive map, OviedoBiz.com helps build long term relationships between local businesses and the consumers who live in the nearby area. OviedoBiz.com educates, provides solutions, and assists local businesses to achieve their highest potential by providing information to consumers that stimulates economic growth. The proposal, which is provided in Attachment 2, includes the following:

1. Web based program to be implemented for a period of one year (proposal terms are valid for 120 days from proposal date). Estimated start date is April 2009.
2. Businesses are to be listed in an online directory, Interactive Map with links to a full page advertisement webpage with coupons and a virtual business card directory (Rolodex).
3. All participating businesses must provide proof of active Oviedo and Seminole County Business Tax Receipts.
4. Discounts to consumers will be provided by use of a discount coupon redemption program (printable coupons directly from the website).
5. Marketing of the program to the community and prospective local businesses will be done by use of outside sales people and telephone sales people. Flyers, brochures and other informational collateral will be utilized. Additional marketing to be done by SEO Search Engine Optimization (submissions to Google, Yahoo, MSN, AOL, Yellowpages.com, Superpages.com)

6. All participating businesses in the program will receive a 50% discount from OviedoBiz.com for their involvement. The City of Oviedo will match 50% of the discounted yearly cost.

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| Yearly Cost of Program (per business) | \$600 |
| Less 50% Discount (contribution) | - \$300 |
| Total | \$300 |

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| Cost per Business | \$150 |
| Match from City | + \$150 |
| Total | \$300 |

7. The pilot program's estimated cost is *up to* \$15,000 (total number of businesses that will benefit from the program is 100 local businesses). OviedoBiz.com will give a total discount contribution of \$30,000.
8. The businesses can renew the second year with a discounted rate of \$400 per year.
9. Tracking of usage for the program and discounts will be monitored by the participating business at time of coupon redemption. Additional tracking will be provided by detailed reporting of website hits for each particular business.
10. To determine whether project objectives are being met, quarterly reporting will be provided. The evaluation will consist of two (2) strategies for assessing project success:
 - a. Process Evaluation
 - i. The number of and types of businesses participating in the program
 - ii. Coupon redemption rates and website usage tracking
 - iii. Awareness of the general public about the program (website hits)
 - b. Outcome Evaluation
 - i. Did the businesses benefit from the program, increased patronage/sales (survey/questionnaire)?
 - ii. Did the public use the discounted products and services (website hits, tracking report)?
 - iii. Were the participating businesses satisfied with the results of the program (renewal rates)?
 - iv. What impact did the program have on the local economy (consumer activity vs. investment money)?

Florida Backyard Card Program:

Launched March 24, 2009, the Florida Backyard Card is a grassroots campaign to encourage spending at Florida Businesses. This program is made possible by the cooperation of many organizations that include the Florida Retail Federation, Florida Chamber of Commerce, VISIT FLORIDA, Florida Lottery, Florida Restaurant and Lodging Association and more. All current value offers are posted at www.FloridaBackyardCard.com and can be searched by zip code or by type of offer. Florida Backyard value cards are available at any Florida Lottery retailer or can be downloaded and printed at www.FloridaBackyardCard.com. Information pertaining to the Florida Backyard Card program is provided in Attachment 3.

I believe that the establishment of a local pilot program to assist Oviedo businesses such as OviedoBiz has merit – although its impact will need to be closely monitored. As a pilot effort, we will attempt to gauge its success to determine if the program should be continued and/or expanded. Regardless of the Council’s action on this matter, I will also have staff work with the Chamber of Commerce so we can assist local business with their involvement in the Florida Backyard Program.

If you have not done so already, it may be helpful for Council members to view each of the websites discussed herein prior to the May 18th meeting.

Budget Impact: If OviedoBiz is selected by City Council, the City contribution of up to \$15,000 would be funded from the Economic Development Fund.

Recommendation: It is recommended City Council to put a hold on its approval of Resolution No. 1959-09 selecting OviedoBiz.com to serve as the vendor for the “Shop Oviedo” Web Based Business Stimulus Pilot Program. I have several competing budgetary suggestions for the economic development fund including planning needs, the selection of an Economic Development Consultant, and grant writing services. All should be considered in the context of the total constraints of the Economic Development budget.

Attachments: 1. City Request for Proposals
 2. OviedoBiz.com Proposal
 3. Florida Backyard Card Program Information

Prepared by: Bryan Cobb, Development Services Director
Reviewed by: Bob Bentkofsky, Assistant City Manager