CITY OF PEORIA, ARIZONA
CITY MANAGER REPORT

RCM #: 36

Date Prepared: October 31, 2008 **Council Meeting Date:** November 14, 2008

TO: Carl Swenson, City Manager

FROM: Steve Prokopek, Economic Development Director

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SUBJECT: Peoria First Program

SUMMARY:

The Peoria First Program is a community-wide program that is designed to encourage residents to shop locally. The goals of the program are fourfold:

- To increase sales tax revenues in Peoria
- To provide promotional support for local businesses to serve as a retention tool for local business
- To educate residents on the benefits of keeping their dollars in the community: a healthy business climate has a direct impact on funding for city and school district services and infrastructure
- To create a sense of loyalty to Peoria businesses

Challenges in Peoria

Because of its unusal boundaries, it is diffucult for residents to know when they are shopping in Peoria or a neighboring community. The program is designed to identify Peoria with its retail areas and at the same time allow these areas to create their own unique identities.

Implementation

This program will be implemented simultaneously on many fronts:

1. Consumer education – We will educate residents on the benefits that the local sales tax affords them through city-run programs and services. The education component will be comprised primarily of communications such as inserts in the water bill, articles in *Focus*, PeoriaAzFirst.com website, discussion on Channel 11, and advertising in local press.

2. Marketing and promotion – the City will develop a program mark that will identify both the Peoria First program and a Peoria business. This mark will be used in the communications that are mentioned above, on signage that will be hung in specific areas where the city boundaries are unclear, and on stickers that businesses will have in their shop windows to indicate that they are a Peoria business.

3. Business participation – The Peoria Chamber of Commerce will work with the City to engage city businesses. The program is all-inclusive, so businesses do not have to apply for membership to participate. They will be encouraged to display the Peoria First stickers in their stores, run promotions that we can tie into the website, and survey customers for program effectiveness.

To be the most effective, this program needs to be fully in place by November 28th (the day after Thanksgiving) so that we can take full advantage of holiday shopping.

Budget for the Program

This program is being led by Economic Development, CAPA, and Channel 11 in participation with the Peoria Chamber of Commerce. We believe that a majority of the operations expenses will be absorbed by our departments as we perform the communications, creative and marketing efforts (such as the website development, the press releases, bill stuffers, etc.). However, there are external components that require funding:

Graphic design for the Peoria First mark and street banners	$2,000
Production of stickers and bill stuffers	$2,500
Hardware for banners (150 poles at $60)	$9,000
Installation for banners (150 poles at $40 each)	$6,000
150 Banners (at $100 each)	$15,000
Total	**$34,500**

Funding the Program

An estimated $15,000 from the Economic Development, CAPA, and Channel 11 budgets can be reallocated to this program to pay for the graphic design, the stickers, and the hardware. The installation costs can be minimized by having our Public Works department do the installation of the hardware and the banners. In that case, we would only require $15,000 for the development of the banners.