



STAFF REPORT

9/23/2025

AGENDA ITEM

**TO: HONORABLE MAYOR
AND MEMBERS OF THE CITY COUNCIL**

**FROM: CARLO TOMAINO
CITY MANAGER**

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SUBJECT: ECONOMIC DEVELOPMENT SHOP LOCAL UPDATE

Summary:

Shop Local programs increase visibility for Signal Hill businesses and foster a vibrant business community, supporting the City's Strategic Plan to enhance the local economy and strengthen the downtown core. In November 2024, the City Council approved a new Shop Local Program in partnership with BluDot Technologies Incorporated to support small businesses. The City Council allocated \$10,000 for the Open Rewards app, which offers customers a 20% reward on purchases at participating Signal Hill businesses. Customers are able to redeem these rewards on future purchases at local businesses. Staff will present an update regarding the Open Rewards program, including analytics and observations from its initial implementation.

Strategic Plan Goal(s):

Goal No. 3 Economic & Downtown Development: Improve the local economy, support local businesses, and create a vibrant downtown core.

Recommendation:

Receive and file.

Fiscal Impact:

There is no fiscal impact with the recommended action. As part of the FY 2025-26 budget process, the City Council approved a decision packet that included a \$10,000 appropriation to continue supporting and expanding the Open Rewards program.

Background:

The Shop Local Program was created to stimulate and track economic activity by encouraging residents and the broader community to support Signal Hill businesses. To launch the program, staff recommended the BluDot Technologies Open Rewards Program, a cash-back incentive, launched during the 2024 holiday season, to reward shoppers for spending locally. The City established an initial \$10,000 Reward Sponsorship, funding a 20% cash-back reward on purchases made at any Signal Hill eatery. Any unused funds at the end of the promotional period, June 30, 2025, would be refunded to the City. In addition to the holiday incentive, the City developed a year-round Shop Local campaign that included a new logo to brand and promote Signal Hill businesses. This branding has been consistently used across outreach and marketing efforts to encourage residents and visitors to shop and dine locally.

These efforts align with the City's Strategic Plan for economic development by supporting local businesses year-round, strengthening ties between businesses, residents, and surrounding communities in partnership with the Chamber of Commerce, and enhancing downtown vibrancy while fostering long-term economic resilience. Collectively, these initiatives reflect community values while advancing the City's goals of supporting local commerce and building a sustainable economy.

The Shop Local Program success evaluation, outlined in the following section, is performed using both quantitative data, such as participation rates and spending levels, and qualitative insights, including community feedback and business engagement. These metrics have been used to guide program improvements and inform future initiatives, with the pilot program to be evaluated through June 30, 2025.

Analysis:

Signal Hill continues to lead innovative programs that support local businesses and reward customers for shopping locally. The Open Rewards program has already grown to more than 1,400 registered users, with 41 local eateries currently participating. These initiatives are designed to be simple to use while effectively keeping dollars circulating within the community.

To measure the success of the Shop Local incentive program, staff utilized the app's built-in tracking capabilities. These tools enabled the City to track key metrics, including total purchases through the app, average transaction values, the number of participating businesses, and community member engagement rates. These metrics reflect the program's impact on the local economy, business participation, and community engagement. Some of the key metrics of the program are as follows:

- **Rewards Distributions:** The rewards distribution percentage was 100%. Users fully redeemed the initial \$10,000 sponsorship by June 30, 2025.
- **Customer Participation:** During the first seven months of the program, 1,402 users engaged with the program; the current number of users is 1,670.
- **Business Participation:** There are 41 businesses participating in the program.
- **Economic Impact:** To date, the program has generated \$73,694 in total economic activity.
- **Return on Investment:** The program has achieved a return seven times the initial amount for

local businesses.

- **New Business Engagement:** During the launch of the program, five new businesses were established in Signal Hill. This program allowed staff to introduce the Open Rewards program and welcome the new businesses with a new way to market to customers. The new businesses include Jersey Mike's Subs, Knead Donuts & Tea, Mia's Café and Brunch, Tacos El Goloso, and Tanuki Curry House.
- **App Engagement Tools:** The app capabilities were expanded to include instant customer surveys and notification tools. When asked if the Open Rewards influenced the customers' decision to shop locally, 94% responded yes. Using the Notification Alert functions, staff sent alerts via email and SMS to announce the newly opened restaurants and grand openings.
- **Community Engagement:** To increase visibility and community engagement, staff hosted pop-up booths at various City events, including Trunk or Treat, the Summer Concerts in the Park series, and Movies in the Park. These events enabled staff to connect with the community, answer questions, and encourage participation.
- **Business Engagement:** A valuable outcome has been the interest from non-eatery businesses in participating by encouraging their own employees to support Shop Local. Many expressed a desire to give back to the community while strengthening local economic ties.

Vehicle Purchase Incentive Pilot

Audi Fletcher Jones recently explored ways to participate in the City of Signal Hill's Open Rewards program, which encourages people to shop locally. Those conversations sparked a broader partnership with BluDot, leading to the development of a separate, dealership-specific rewards program. Unlike the citywide Open Rewards initiative, this new program, scheduled to launch in October, is exclusive to vehicle purchases and designed specifically to support Signal Hill auto dealerships. This program runs alongside, but is distinct from, the City's Open Rewards campaign, highlighting how local businesses can build on the City's efforts with tailored incentives of their own.

Through the partnership, Audi Fletcher Jones will offer up to \$3,500 in rewards to encourage purchases and leases. Buyers will receive instant cashback from the Open Rewards app as follows:

- \$175 for each new car purchase or lease
- \$100 for each used car purchase

The launch of the Audi Fletcher Jones rewards program marks an important step in integrating dealership incentives into the broader Shop Local framework. By utilizing the Open Rewards app, the initiative maintains a clear connection to the City's existing program while offering unique benefits tailored to the auto industry. This integration ensures a seamless user experience for customers, who can access both citywide and dealership-specific rewards through a single platform.

To maximize impact, the City, BluDot, and Audi Fletcher Jones will collaborate on a coordinated marketing campaign. Outreach will include digital promotions, dealership materials, and citywide communications that highlight how customers can benefit from supporting local auto dealerships. These efforts are designed to strengthen awareness, drive participation, and reinforce the value of

shopping local at every level, from small businesses to major employers.

Looking ahead, the City and BluDot are exploring opportunities to expand this model with additional Signal Hill dealerships. By engaging more auto retailers, the program can extend its reach, increase the value of rewards available to customers, and generate even greater economic benefits for the community. Each new partnership builds on the momentum of the Shop Local Program, demonstrating how public-private collaboration can fuel long-term economic vitality while delivering direct value back to residents.

Conclusion

The Shop Local Program continues to demonstrate its value as more than just an economic initiative. Beyond measurable outcomes, the Shop Local program has strengthened community pride, generated positive word-of-mouth, and deepened relationships between the community and local businesses, intangible benefits that are vital to the program's long-term success.

By rewarding participation and fostering lasting engagement, the program has delivered strong results for small businesses while setting the stage for innovative expansions such as the upcoming auto dealer partnership with Audi Fletcher Jones. Through incentives such as Open Rewards and new dealership-specific rewards, the City is building momentum toward sustained economic vitality.

Because all rewards are redeemed exclusively within Signal Hill, every transaction creates a multiplier effect that supports local businesses, strengthens sales tax revenue, and allows the City to reinvest in community priorities such as public safety, park improvements, and quality-of-life enhancements. Together, these efforts demonstrate how public-private collaboration, creative incentive design, and community support can drive both economic growth and shared civic pride, ensuring the program's continued success well into the future.

Reviewed for Fiscal Impact:

Siamlu Cox

Attachment:

None