CITY OF BEVERLY HILLS
STAFF REPORT

Meeting Date: April 21, 2009

To: City Council

From: Alison Maxwell, Director Economic Development and Marketing

Subject: Progress Report and Presentation by Beverly Hills Conference and Visitors Bureau

Attachments:
1. 2008-2009 Scope of Services between the City and the Conference and Visitors Bureau (CVB)
2. CVB Progress Report & Transition Updates
3. Chamber Performance Audit Ad Hoc Committee Reports to City Council

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INTRODUCTION

This report provides an update on the program of work undertaken by the Beverly Hills Conference and Visitors Bureau under contract to the City.

DISCUSSION

As one of several approaches to sustaining the City's vision that *"Beverly Hills is known internationally for its alluring and distinctive hotels, retail stores, restaurants, entertainment industry, and unique headquarter businesses"* the City commits 2% of Hotel Gross receipts via the Transient Occupancy Tax (or TOT) to support marketing and certain special events within the City. In 1994, the City increased the TOT by 2% from 12% to 14% with the support of the hospitality industry in order to create a defined level of revenue to fund visitor marketing programs. As such, this funding source is often referred to as the 2% for Marketing TOT, or just the "2% TOT".

The principal marketing programs funded from the 2% TOT are those provided by the Beverly Hills Conference and Visitors Bureau (CVB). Over the years, as budget has allowed, other programs have been funded from 2% TOT including the Holiday Program, Rodeo Drive Walk of Style sponsorship, and this year support of the Sister City China program. The underlying focus of the 2% TOT is to fund core marketing programs that attract visitors to Beverly Hills, to stay in the hotels and continue their spending through shopping and dining. This focus has extended as revenue has grown to support programs that enhance the visitor experience and grow the brand perception of Beverly Hills.

The CVB is currently housed as a division of the Chamber of Commerce. In August 2008, the City Council directed that the CVB takes steps to separate from the Chamber of Commerce and incorporate as an independent nonprofit organization.

This report, therefore, provides an update into two parts:

1) A general progress report of the CVB program of work for 2008-2009. Attached to this report are both the Scope of Services from the 2008-2009 Agreement with the City, and the CVB's progress reports.

2) An update on the organizational transition of the CVB from a division of the Chamber of Commerce to an independently incorporated nonprofit organization. Also attached is the CVB update on the transition.

CVB Program Report

The CVB's primary mission is to enhance the economic vitality of the City through destination marketing, targeting consumers, trade and media in key markets in the US and internationally. A major portion of the contract focuses on advertising, PR and media campaigns to maintain and raise the profile of Beverly Hills as a destination. Most notable has been the continuation and further development of the successful "Love, Beverly Hills" campaign. And for 2009, the newest campaign "Breakfast in Beverly Hills" has been launched with appreciable good feedback.

Attached is the CVB's full progress report that outlines 2008-2009 programs and provides an update on tactics and outcomes. The overall visitor marketing program can be broken down into five principal strategic areas designed to meet the City's goals and CVB mission:

- **Advertising**

  This represents a coordinated paid media campaign run in a variety of publications and on-line formats focusing primarily on generating overnight stays. The paid media buy is modest for a city such as Beverly Hills with such international reach, yet it provides pivotal brand support to the overall marketing program.

  Other CVBs with similar budgets focus much less of their revenue on paid media. However, the City's leading hotels have always felt that it was important for a City like Beverly Hills to maintain an advertising presence, promoting the overall brand and destination in a way that the individual hotels cannot.

  Theme and direction of the marketing and advertising campaigns are developed as part of an overall strategy created in close coordination with the CVB's Marketing Task Force comprised of hotel Directors of Marketing along with key business stakeholders including the hotels, retailers and restaurants who participate in the Visitor Marketing Committee; and, the City.

- **Public Relations**

  As any good marketing expert will attest, some the best value for the investment is great PR. Without many millions of dollars, an advertising/paid media campaign cannot on its own maintain the brand and drive visitors to the destination. Editorials, special features, highlighted columns and other nonpaid media provide excellent brand support and independent testimony to the exciting and unique offerings of a

destination. The hard costs of PR are relatively small compared to advertising - the real investment comes from creative and well qualified PR staff. As the CVB report shows, their staff has had real success in keeping Beverly Hills continually in the news from the Wall Street Journal to Vanity Fair, from the Los Angeles Times to key travel trade publications. The challenge with getting good PR is ensuring that you have unique product and stories that the media wish to tell.

This kind of coverage is invaluable to a City like Beverly Hills and works to leverage the investment in paid media.

- **Sales Missions/Trade Shows**

  Critical to keeping Beverly Hills in the forefront of the tourist/visitor marketing world is ensuring that we have consistent and on-ongoing relationships with businesses that organize, book and promote destinations. This is done through conducting sales missions in key markets and through participation in professional and trade arenas. As the CVB report will show, the investment in staff time and resources in these programs often returns immediate results. Trade missions and the public relations programs are integrated and together produce excellent media, post event and hard bookings at hotels.

- **Familiarization Trips**

  Throughout the year, the CVB staff work with a variety of meeting, event and media organizers and special groups to showcase Beverly Hills. These programs are very time intensive, but they offer the opportunity to highlight all that is special about Beverly Hills in a very personal and targeted fashion.

- **International Marketing**

  The CVB undertakes independent research in a variety of ways to help understand travel trends and to provide important base visitor data (i.e. visitor demographics, trip behavior, economic impact) for Beverly Hills. This data along with other industry research informs all the CVB's strategies but in particular allows the CVB to be strategic in its investment of resources in the global context. The CVB report will talk about its investment in the UK markets, Mexico, and importantly the emerging China market. It will also talk about some significant measurable outcomes from this investment.

Overview of Funding

The CVB core contract for 2008-2009 is $2,158,160 (representing about two thirds of the 2% TOT budget). This covers all the core programs outlined in the Scope of Service. Additional programs and services may be requested by the City – TOT revenue permitting.

Funding History

2004 - 2005	$1,741,359
2005 - 2006	$1,856,434
2006 - 2007	$1,921,409
2007- 2008	$2,036,000
2008- 2009	$2,158,160

Funding for CVB programs comes from the City general fund - 01 Fund "Tourism and Marketing" Program (2% TOT).

Funding and program proposals for the 2009-2010 will be brought back to City Council for review in May 2009.

CVB Transition Update

Attached to this report is an update from the Executive Director of the CVB on matters relating to the transition of the CVB to an independent agency.

Below is a synopsis of the process and outline of some issues that have been raised and should be discussed by the City Council as a whole.

In August 2008, in response to the findings of the Chamber of Commerce Performance Audit, City Council directed staff, with the appointed Ad Hoc Committee, to begin work with community business leaders towards the creation of a new, independent CVB that would be incorporated as a nonprofit entity, separate from the Chamber of Commerce.

The Ad Hoc Committee of the previous Council met on a regular basis with staff and the CVB to research and review models and best practices from other communities.

Update reports from the Ad Hoc meetings were provided to City Council on December 2, 2008 and February 17, 2009. Copies of those reports are attached as reference at the end of this report.

Establishing a new business, nonprofit or otherwise, requires care, planning and oversight. As such, the Ad Hoc Committee supported the creation of a volunteer, interim-board to oversee the process. This was reported to City Council on February 17, 2009:

> "The Ad Hoc Committee met on January 6, 2009 to continue its discussions on governance. The Ad Hoc supported the concept of creating a working interim board to guide the incorporation and legal establishment of the new entity. The Committee provided suggestions on the size and general composition of the interim board. The Committee advised the CVB that the interim board should be a true working committee that could assist in guiding and undertaking the tasks associated with developing a new organization; that it should represent a broad spectrum of the visitor related fields that would bring a variety of expertise to the table."

The purpose of an interim board is to be temporary, and to be the "work horse" on these critical matters. A larger permanent board may be recommended as part of the final bylaws.

The work of the interim board includes overseeing the following:

- Process of legal incorporation as a non-profit organization
- Drafting of bylaws, including proposals for the constitution of the permanent non-profit board of directors
- Reviewing future space needs
- Overseeing development of budget and work plans for 2009-2010

- Issues related to the separation from the Chamber of Commerce

The current interim board is represented by six hotels, a restaurateur, a retailer, a Rodeo Drive Committee representative, a marketing representative and two real estate representatives. The interim board held its first meeting on March 11, 2009 and its next scheduled meeting is on April 23, 2009.

CVB Timeline and Milestones:

A summary business plan has been developed but principal milestones for the separation of the CVB are as follows

- Creation of Interim Board
- Incorporation
- Identification of Office Space
- Work plan and budget development for 2009-2010, including initiation of a Marketing Strategic Plan

A timeline and milestones to date is attached as part of the CVB report.

Issues Relating to Composition of the CVB Board of Directors

Mayor Krasne raised questions to staff about the composition of the interim board, and whether the City Council should play a role in the selection and appointment of members of the CVB Board.

To date, the CVB separation process has assumed that the CVB will be an independent entity that contracts with the City. This is the dominant model for CVBs across the State and country. The City will be able to direct how its money is spent, establish reporting requirements and audit the use of funds.

While the City may assert greater control over the CVB through the appointment of its board members, other cities have not asserted such control because they perceive the value in having a CVB as an independent voice of the hospitality industry in their communities. Additionally, if the City Council appoints the Board of the CVB, the CVB will be required to function as a governmental agency in several ways, including compliance with the Brown Act; and, perhaps, certain conflict of interest laws. While there are certain benefits to this, it would likely reduce the efficiency of the CVB and may make it difficult for members of the hospitality industry to serve on the board of directors. However, this is certainly a policy choice of the City Council.

COMMITTEE REVIEW

The new Council Ad Hoc Committee for CVB Establishment (Council Members Brucker and Brien) met on Monday April 13, 2009 to review the program report and the transition update.

The Committee was supportive of the transition milestones and progress to date, as outlined in this report.

The Committee reviewed the issues relating to the type of nonprofit board suitable for the new CVB and concurred that both the interim board and the permanent board should be independent and not selected by the City Council.

FISCAL IMPACT

None

RECOMMENDATION

Staff recommends that City Council:

1) Receive the progress report on CVB program activities through March 2009;

2) Continue to monitor the creation of an independent CVB, that is not created or appointed by the City Council; and,

3) Charge the Ad Hoc Committee for CVB Transition with continued general oversight of the transition, budget and program development; and, to report back to City Council with periodic updates on the transition and 2009-2010 work plan development.

Approved by:

Alison Maxwell, Director Economic Development and Marketing

EXHIBIT A

SCOPE OF SERVICE AND BUDGET

The following scope of work outlines Chamber's proposed Fiscal Year July 1, 2008 to June 30, 2009 program. While the City has approved funding for the first quarter of this fiscal year, it is reevaluating future support of these services.

a. Mission
b. Scope of Work
   i. Product Development
   ii. Branding
   iii. Consumer Programs
   iv. Trade Programs
   v. Media Relations
   vi. International Representation
   vii. Special Programs
c. Goals
d. Core Strategies and Tactics
e. Programming and Funding Detail

Contents:

I. Conference & Visitors Bureau

a. Mission

Beverly Hills Conference & Visitors Bureau is dedicated to enhancing the economic vitality of Beverly Hills through destination marketing, targeting consumers, trade and media in key markets throughout the US and internationally. The CVB's primary marketing efforts focus on incremental business requiring an overnight stay. In addition, the CVB strives to enhance the overall visitor experience for both hotel guests and day visitors.

b. Scope of Work

i. Product Development: The CVB will continue to develop product and explore opportunities to expand and improve existing product.

ii. Branding: Following the brandprint established for Beverly Hills, the CVB will continue to serve as the destination brand steward in conjunction with the City.

iii. Consumer Programs

Advertising: A media plan is currently being developed and will be presented to council liaisons for approval.

Website: The CVB website will be a priority for FY 08-09 and beyond. The CVB will go through a formal RFP process at the start of the next fiscal year.

Collateral and Fulfillment: The CVB produces several collateral pieces including Beverly's "little brown book", a VIP brochure, walking maps and one-sheets.

Efforts will be made in the coming year to reduce print pieces and drive visitors to the website, ensuring up-to-date information at all times and reducing the rising costs associated with development, production, storage and shipping.

Visitor Services: In 08/09, funding has been allocated to develop a business plan for a Beverly Hills Visitor Center.

Research: The 2007 Tourism Impact Study will be released in 2008. Funding for additional research in 08/09 includes current visitor profile data.

iv. Trade Programs

Sales Missions: BHCVB will continue to conduct annual sales missions to New York and Mexico. In addition, the CVB has budgeted to participate in the California state tourism missions to the United Kingdom, Mexico, and Japan.

Trade Shows: The Travel Industry Association's annual Pow Wow is the premiere international marketplace and presents the opportunity to conduct business with trade and media. In 2009, Pow Wow will take place in Miami and the CVB will again participate with partners.

Local Sales Calls and Outreach: To complement international outreach, BHCVB conducts local sales calls on Los Angeles-based wholesalers and receptive operators. The sales calls take place to the CVB's top 10 accounts on a quarterly basis.

Familiarization Trips: BHCVB will continue to conduct familiarization trips to showcase Beverly Hills to targeted trade partners. The goal for 08/09 is one organized trade fam per quarter.

v. Media Relations: The CVB will hire a Communications Manager in 08/09 to handle public relations, and Weber Shandwick will be retained on a project basis.

vi. International Representation: For 08/09, BHCVB will continue its representation in the UK and Japan. New in 2008 will be BHCVB's representation in China through LA Inc.

vii. Special Programs: Beverly Hills will continue to partner with area CVBs as part of a westside partnership and leverage other special programs as they arise.

c. Goals

i. Continue to brand Beverly Hills
ii. Increase visitor arrivals
iii. Increase tourism revenue in Beverly Hills
iv. Increase length of stay for day visitors
v. Continue to improve visitor satisfaction

d. Core Strategies and Tactics

i. Market overall destination experience/provide foundation
ii. Focus on incremental business

iii. Drive overnight stays
iv. Target leisure market
v. Leverage tactical offers during "need" periods
vi. Provide consistent messaging as the cornerstone of all efforts:

- Walkable
- Accessible
- Safe
- Various Price Points
- Variety of Experiences
- Celebrity Glamour/Feel like a Star
- Luxury Capital

vii. Differentiate Beverly Hills from competition through branding/unique selling points
viii. Pursue partnerships and cooperative marketing opportunities
ix. Utilize ongoing research to fine-tune efforts

e. 1st Quarter Programming and Budget Approved by City Council 6/17/08

CVB Program Totals*	$529,978
CVB Operating	$ 82,990
Interim Funding starting 7/1/08	$612,968

* (Programs, marketing support, in-market services encumbrances)

Advertising expenditures subject to Council Committee review and approval

f. Second, Third and Fourth Quarter Funding

Program Costs	Oct. 1 - June 30	$713,357
Operating	Oct. 1 - June 30	$831,835
	Total:	$1,545,192
	Budget Total 08/09:	$2,158,160

Beverly Hills Conference & Visitors Bureau

April 10, 2009

The Honorable Mayor Nancy Krasne
Members of Beverly Hills City Council
City Hall
455 N. Rexford Drive
Beverly Hills, CA 90210

Dear Mayor Krasne and Members of City Council:

Attached please find a summary of Beverly Hills Conference & Visitors Bureau's accomplishments for the period of October 2008 through March 2009.

Beverly Hills Conference & Visitors Bureau is dedicated to enhancing the economic vitality of Beverly Hills through destination marketing. Efforts target consumers, trade and media in key markets throughout the US and internationally. The CVB's primary marketing focus is incremental business requiring an overnight stay. In addition, the CVB strives to enhance the overall visitor experience for both hotel guests and day visitors.

The attached provides a snapshot of the last six months. Should you have any questions or if additional information is needed, please do not hesitate to let me know.

Thank you for the opportunity to promote the City of Beverly Hills.

Best regards,

Kathryn Smits
Executive Director
Beverly Hills Conference & Visitors Bureau

cc: Rod Wood, City Manager
Mahdi Aluzri, Assistant City Manager
Katie Lichtig, Assistant City Manager
Alison Maxwell, Director of Economic Development and Marketing

CVB Accomplishments
October 2008 – March 2009

Beverly Hills Showcases/Familiarization Trips

Results: 14 fams secured: 6 media, 4 trade, and 4 combined trade/media for a total of 157 participants. Fams were from the following markets: US (2), China (5), Australia (2), Japan (1), Korea (1), Middle East/Africa (2), and Mexico (1).

Highlights:

- **Aeromexico:** Writer and photographer stayed at The Crescent and Luxe Hotel Rodeo Drive, and experienced Greystone Garden & Design Showcase, The Peninsula, and Nic's Martini Lounge for August 2009 destination story in ESCALA magazine, the in-flight publication for Aeromexico.
- **CBS FAM:** 60 journalists visited Beverly Hills for a day trip as part of a 90210 promotion.
- **NY-based Freelancer:** Writer for the *New York Times*, *Travel + Leisure*, ForbesTraveler.com, *More*, *Hospitality Design* and *BizBash* visited Beverly Hills October 24 – 26th for future features.
- **Emirates:** In conjunction with the launch of the LA-Dubai service; visit included tour and dinner at Crustacean for 10 Dubai-based journalists.
- **Peninsula Press Trip:** BHCVB arranged a tour of Greystone and lunch for four journalists including Entrée (for Neiman-Marcus In-Circle Members), Stratos (in-flight magazine for private and charter aircraft), Marin Magazine (high-end lifestyle) and NUVO (high-end Vancouver lifestyle).
- **Sister City:** Oversight of 3-day showcase for Sister City Fam Group of 18 from China.
- **Trade:** Arranged overnight at the Beverly Hilton and walking itinerary for Cruise Specialist Holidays. Plans to expand Los Angeles product to include Beverly Hills.
- **Asiana China FAM:** Coordinated by Jamie Lee, BHCVB's China rep, 9 tour operators and 4 media were hosted at Luxe Hotel Rodeo Drive; itinerary included welcome dinner at Xi'an, walking tour of Beverly Hills, hotel site inspections and a visit to The Paley Center for Media.
- **SAMHO Tours:** As a direct result of a local sales call, BHCVB hosted 21 travel agents from Korea on a trolley tour and visit to Beverly Hills. Korea has been added to the US visa waiver program, and SAMHO Tours is projecting an increase in the number of visitors as a result.

Public Relations/Media Coverage

Results: Circulation of more than **48.8 million** equating to approximately **$1,660,467** in advertising equivalency value.

Highlights:

- ***Los Angeles Times***
  Circulation: 1,055,076
  Ad Equivalency: $32,076
  Headline: 'The Gift Guide Shop Local' featuring The Paley Center for Media, The Beverly Hills Hotel, South Beverly Drive
- ***The Wall Street Journal***
  Circulation: 2,011,999
  Ad Equivalency: $7,882
  Headline: 'The Vacation Next Door' featuring Beverly Wilshire, A Four Seasons Hotel
- ***Chicagotribune.com***
  Circulation: 3,484,831
  Ad Equivalency: $3,200
  Headline: 'Santas Around the Globe' http://redeye.chicagotribune.com/hc-orl-santas-pg,0,1970264.photogallery
- ***Vanity Fair***
  Circulation: 1,144,001
  Ad Equivalency: $11,482
  Headline: 'Hot Looks' essie *Love, Beverly Hills xx* coverage
- ***Associated Press (serviced to over 100 outlets)***
  Total Circulation: 19,880,563
  Total Ad Equivalency: $482,535
  Headline: 'The Ambassador holds court in the land of 90210'

Results: FAM invitation to 30 targeted drive market publications inviting regional editors to experience Beverly Hills in December/early 2009 as a strategy to garner more coverage from the 'drive-market.' Five assignments secured.
Highlights:

- ***Gentry Magazine***, on assignment for a travel story, planning to visit Beverly Hills in May
- ***Journey Magazine*** visited Beverly Hills in February for a story on where to find celebrities
- **Peter Greenberg** stayed at The Beverly Hills Hotel for the taping of the Peter Greenberg radio show, broadcast live from The Paley Center on January 30th
- ***Ranch & Coast Magazine***, on assignment for a Shopping in LA story, stayed at Montage and Beverly Wilshire in February
- ***Sunset Magazine***, focusing on Beverly Hills on a Budget, visited in mid-February

Westside Partnership and CTTC Media Events in New York
Results: As part of BHCVB's collaboration with West Hollywood, Santa Monica and Marina del Rey, the Westside Partnership targeted New York to jointly pitch and position the Westside as *the place* to stay in Los Angeles.

Highlights:

- Fifteen top New York journalists joined Beverly Hills, Marina del Rey, Santa Monica and West Hollywood at an intimate media reception. To date, results include Beverly Hills' inclusion in a *NY Post* travel story on Los Angeles.
- CTTC New York Media Reception – BHCVB and Westside partners participated in CTTC's NY media reception attracting over 60 media. CTTC's media event provides another touch point for BHCVB to reach influential NY travel journalists.

***Love, Beverly Hills xx* Branding**

Results: Expansion of *Love, Beverly Hills xx* brand into beauty market through the launch of *Love, Beverly Hills xx* nail polish.

Highlights:

- Beverly Hills CVB partnered with essie cosmetics to introduce an exclusive, limited-edition nail polish (red infused with pure 24-karat gold) offered in salons, spas and beauty stores worldwide.
- To celebrate the launch - timed for awards season - one grand prize winner received a trip for two to Beverly Hills including a stay at the Beverly Wilshire, a signature "*Love, Beverly Hills xx*" manicure and dinner for two at The Blvd.
- BHCVB previewed the polish in New York during the NY Sales Mission, creating buzz and generating advance media coverage.
- An awards season "martinis and manicures" mailer featuring polish, *Love, Beverly Hills xx* martini glasses, and a recipe for An Crustacean's "the Beverly" cocktail was delivered to 50 key journalists as part of annual media mailing.
- To date, media coverage in *Vanity Fair*, *High Class Living, Star Magazine, The Times* (UK), *Heart & Soul* magazine.
- http://www.essie.com/beverlyhills/

International Marketing

Results: Leads generated, media coverage and business booked as a result of 1) targeted international activity in Australia, the UK, China and Mexico, and 2) outreach to local receptive operators handling international business.

International Highlights:

- CTTC Sales Mission to Australia – participation in CTTC's Mission including trade and B2B events in Auckland, Brisbane, Melbourne and Sydney; 1,353 travel trade and media attended; opportunities to present key Beverly Hills message points.
- World Travel Market in the UK – participation with CTTC at the preeminent trade show and at California's kick-off event for 150 top media and select travel trade; two immediate media requests as a result.
- Sister City Trip to Shanghai – participation in the Sister City Committee inaugural trip to Pudong; involvement in the coordination of the Beverly Hills tourism event.

- Expo Vacaciones Tradeshow in Mexico – participation with CTTC reaching 900 travel trade and 40 media resulting in 4 media inquiries and two articles to date. Additional sales calls and meetings conducted with luxury travel trade.

Local Highlights:

- Reception for Receptive Operators in conjunction with Lighting Ceremony – pre-ceremony reception at Luxe Hotel Rodeo Drive for Chinese local receptive operators and media; Lighting Ceremony and BHCVB's tourism outreach highlighted in *Sing Tao Daily News USA*, *Taiwan Times*, and *World Journal*.
- Beverly Hills Marketplace at The Beverly Hills Hotel – opportunity for local hotels and retailers to meet with Chinese receptive operators and Sister City fam participants; to date, Beverly Hills was featured on the front page of *Sing Tao Daily News USA*, and the Bureau is working on requests to charter the Beverly Hills Trolley and create a shopping/dining package.
- NAJ Tour Operator Summit – BHCVB attended the two-day conference enabling one-on-one appointments with 30 receptive operators; specific hotel leads and general CVB follow-up as a result.
- Sales Calls – joint sales calls with The Beverly Hilton to four major Korean receptive operators based downtown, resulting in a Northwest/SAMHO Tours fam with 21 participants from Korea.

New York Sales Mission
(SEPARATE ATTACHMENT)

Industry Awards/Recognition

Results: BHCVB awarded Best Idea Award for its *"Walking in the Footsteps of Celebrities"* walking tour.

Highlights:

- Sponsored by the Western Association of Convention and Visitors Bureaus (WACVB), the annual Best Idea program showcases creative marketing strategies as submitted by the more than 140 WACVB members.
- In the first six months of introducing the tour, over 1,800 people accessed the walking tour map either through the website or by picking it up from the visitor center.
- BHCVB was one of four convention and visitors bureaus to receive the annual Best Idea Program award.

Deck the Hills Holiday Marketing and Activities

Results: Final year of a three-year holiday program resulting in a coordinated city-wide effort.

Highlights:

- Comprehensive PR effort including media alerts, press releases, calendar listings, and radio promotion in conjunction with KCRW.

- Photo of Santa and Mrs. Claus preparing to "step out in style" and Beverly Wilshire's Jimmy Choo tree picked up by AP and many outlets such as the Wall Street Journal; http://online.wsj.com/article/SB122912112563402827.html
- Holiday reception for local receptive tour operators in conjunction with the annual Lighting Ceremony; 24 guests in attendance.
- Advertising including radio traffic sponsorships, email blasts, digital billboards, online and direct mail.
- Hosting of all holiday information/activities on CVB website.

Major Bookings

Results: As part of the CVB's ongoing sales activity, the Bureau works closely with Beverly Hills hotels to book business and provide assistance with group arrangements.

Highlights:

- American Vacations/China, Beverly Wilshire, 130 guests from entertainment sector, 2 nights in February
- Executive MBA Group Series/China, The Beverly Hilton, 75 guests, 1 week in March
- US Doctors for Africa/South Africa, The Beverly Hilton, 100 conference attendees including First Ladies from 23 African nations, 2 nights in April
- LA Film Festival Gala/China, venue TBD, 100 guests, June
- Assuran Incentive/Japan, The Beverly Hilton, 500 top salespeople from Japanese cosmetic company, 5 nights in September

Preparation for 4th Quarter Initiatives

In addition to the above accomplishments, the CVB has also engaged in activity for the following programs, which occur next quarter:

- **Breakfast in Beverly Hills Marketing Campaign** – integrated marketing campaign targeting both visitors and locals launched April 1st.
  Results to date: 3 fams secured; 39 media hits; 38,679,143 media impressions
- **TIA's International Pow Wow** – the premier trade show for US suppliers and international buyers featuring over 150 one-on-one prequalified appointments with tour operators and media.
- **CTTC Sales Mission to Korea and Japan** – an opportunity to promote Beverly Hills to key decision makers including tour operators, marketing managers, travel agents and media.
- **Asia Luxury Travel Expo, China** – an exhibition for the leading global luxury travel suppliers and the most senior Asian luxury travel buyers; the CVB is planning a reception prior to the Expo.

Beverly Hills Conference & Visitors Bureau

New York Sales Mission
October 20-24, 2008

Background

- Sales Missions to New York have been taking place annually for almost 20 years
- New York is the #1 market for Beverly Hills hotels and the #2 feeder market for all visitors to Beverly Hills, which includes both day visitors and overnight visitors
- New York is *the* media hub
- 2008 delegation included 12 partners: Avalon, The Beverly Hills Hotel, The Beverly Hilton, Beverly Wilshire, Crescent, Luxe Hotel Rodeo Drive, Maison 140, Montage Beverly Hills, Mosaic, The Peninsula Beverly Hills, Raffles L'Ermitage and Thompson Beverly Hills
- 2008 delegation included 3 sponsors: Beverly Hills Rent-A-Car, Enterprise and Platinum Collection by Midway
- In addition to industry partners/sponsors, Essie joined Sales Mission to introduce *Love, BH* limited edition nail polish

Purpose

- Ensure that Beverly Hills remains top-of-mind in this key source market
- Develop and solidify relationships
- Provide a platform for the destination highlighting what's new – new hotels/renovations, new restaurants and retailers, events – essential in positioning Beverly Hills
- Thank both the media and trade for their continued support of Beverly Hills
- Generate future bookings and media coverage

Events/Activities

- Media Open House – General Media
  Tuesday, October 21
  12:00-2:00 pm
  Gilt Restaurant, 455 Madison Ave.
  Attendance: 46 media including *Travel & Leisure*, *Departures*, *Business Week*, *Elite Traveler*, *Town & Country* and *ForbesLife*

- Media Open House – Conde Nast Exclusive
  Wednesday, October 22
  4:30-6:00 pm
  Conde Nast Building, 4 Times Square
  Attendance: 20 media including *Conde Nast Traveler*, *Brides*, *Cookie*, *Allure*, *Vanity Fair*, *Glamour* and *Portfolio*

239 South Beverly Drive ~ Beverly Hills, CA 90212 ~ ph: 310.248.1015 ~ fx: 310.248.1020 ~ www.BeverlyHillsBeHere.com

- Travel Trade Reception
  Thursday, October 23
  6:30-8:30 pm
  Hudson Terrace, 621 W. 46th St.
  Attendance: Over 150 top travel agents/trade partners

- Sales Calls
  Joint sales calls to top travel agencies were scheduled throughout week

- Media Appointments
  One-on-one desk side briefings took place for media unable to attend events

Beverly Hills Conference & Visitors Bureau

CVB Transition Update

Background

- Since August 2008, consulting with Council Liaisons
- Research
  - Initial focus on best practices and information gathering pertaining to organizational structure, governance, budgets, marketing plans
  - Relevant information was gathered from comparable CVBs including Newport Beach, Santa Monica, West Hollywood, San Diego North, Santa Barbara
  - Information obtained from industry associations including the Western Association of Convention & Visitors Bureaus and Destination Marketing Association International
- Interviews/Meetings
  - In-depth meetings with CEOs of Santa Monica CVB, Marina del Rey CVB and West Hollywood CVB
  - Council Liaison meeting with industry expert John Marks
    - John Marks served as president and CEO of the San Francisco Convention & Visitors Bureau (CVB) from 1987-2006. At the same time he headed many of the travel industry's most important organizations. He was national chairman of the Travel Industry Association of America (TIA) in 2003, and continues to serve as an active past chairman and a member of its Foundation Board. He was president of the California Travel Industry Association (CALTIA) in 1999-2000. He was a founding member of the California Travel and Tourism Commission serving from 1998-2003, and served as co-chair of the U.S./Japan Tourism Export Expansion Initiative from 2002-2005. He served as chairman of the International Association of Convention and Visitors Bureaus (IACVB) in 1988-1989 and as vice chairman of the American Society of Association Executives (ASAE) in 1996-1997. He also served on the boards of the San Francisco Zoological Society from 1992-2002 and Golden Gate University from 1995-2002.

      Prior to joining the San Francisco CVB, Marks was President and CEO of the Phoenix & Valley of the Sun Convention & Visitors Bureau. Before that, Marks was chief executive of the Arizona Office of Tourism, the Scottsdale Chamber of Commerce and on the staff of the San Francisco Chamber of Commerce.
  - Council Liaison meeting with General Managers of Beverly Hills hotels
    - All hotels represented

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Progress to Date

- Creation of Interim Board
  - Importance of key stakeholder input (hotel, restaurant, retail)
  - Created to guide the start-up of organization
  - Interim board members attached
- Interim Board Meeting on March 11, 2009
  - Council Liaison Brucker in attendance for full meeting
  - Council Liaison Briskman in attendance for closing
- Legal Work
  - Kent Seton & Associates retained following interim board approval
  - Articles of Incorporation filed early April
- Budgets/Timelines
  - Several 2009-2010 budget scenarios are in development reflecting various models for staffing, office space, visitor services
  - Timeline with key milestones attached
- Future Space
  - Several options being considered including private space, city-owned space or remaining housed at the Chamber of Commerce

Immediate Next Steps/Key Dates

- Office Space Meeting, April 14th
  - CVB/City discussion of space options
- Presentation to City Council, April 21st
  - Transition update along with 08/09 six-month review
- Interim Board Meeting, April 23rd
  - Officers and committees to be selected: Governance, Office Space, Strategic Planning, Human Resources
  - Seton & Associates in attendance
- Interim Board Meeting, first week of May
  - Focus on Program of Work and budget for 09/10
- Presentation to City Council, May 13th
  - Program of Work and budget request for 09/10

Beverly Hills Conference & Visitors Bureau

TIMELINE (as of April 13, 2009)

TASK	TARGET COMPLETION DATE
Research Best Practices	**Initial Meetings Completed**
Council Liaison Meetings	**Initial Meetings Completed**
Interim Board Meeting	**March 11, 2009**
Attorney Secured	**March 23, 2009**
Council Liaison Meeting (new liaisons)	**April 13, 2009**
City Council Transition Update	April 21, 2009
Interim Board Meeting	April 23, 2009
New Organization Incorporated	April 23, 2009
Transition Budget	April 2009
Development of Operating Budget for 09/10	April 2009
Establish Independent CVB Accounts (bank, etc.)	May 2009
Interim Board Meeting	May (first week), 2009
Council Liaison Meeting	May (first week), 2009
City Council Funding Request	May 13, 2009
Bylaws/Governing Docs	May 2009
Organizational Review	May 2009
Formal Board Development	June 2009
Contract Approval by Council	June 16, 2009
End of Fiscal Year	June 30, 2009
Installation of Official Board (TBD)	July 2009
Move to New Offices (TBD)	July 2009

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Beverly Hills Conference & Visitors Bureau

INTERIM BOARD MEMBERS
April 2009

Tom	Blumenthal	President/CEO	GEARYS Beverly Hills
Alberto	del Hoyo	General Manager	The Beverly Hills Hotel and Bungalows
Craig	Donahue	Owner	The Donahue Group
Peter	Garland	Owner	Porta Via
Ali	Kasikci	Managing Director	Montage Beverly Hills
Shaw	McPherson	General Manager	The Crescent
Sandy	Murphy	General Manager	The Beverly Hilton
Jack	Naderkhani	General Manager	Raffles L'Ermitage Beverly Hills
Jay	Newman	Chief Operating Officer	The Athens Group
Offer	Nissenbaum	Managing Director	The Peninsula Beverly Hills
Bill	Wiley	General Manager	Two Rodeo Drive

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CITY OF BEVERLY HILLS
STAFF REPORT

Meeting Date: February 17, 2009

To: Honorable Mayor & City Council

From: Alison Maxwell, Director Economic Development and Marketing

Subject: City Council Performance Audit Ad Hoc Committee Update on the Conference and Visitors Bureau (CVB)Transition Plan

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INTRODUCTION

This report transmits information on the January 6, Performance Audit Ad Hoc Committee regarding the transition plan to establish an independently incorporated Beverly Hills Conference and Visitors Bureau (CVB).

DISCUSSION

In January 2008, the City Council directed staff to facilitate a comprehensive Performance Audit of the visitor marketing and economic development programs managed by the Chamber of Commerce under contract to the City. The City Council established the Performance Audit Ad Hoc Committee (Mayor Brucker and Council Member Briskman) to oversee the Performance Audit.

The City hired KH Consulting to undertake the Performance Audit. The Performance Audit was completed in July 2008. The Council received the report and discussed the findings at the August 19, 2008 City Council meeting.

At the August 19 meeting, City Council directed staff, under the guidance of the Ad Hoc Committee to begin development of a transition plan to fund a new Conference and Visitors Bureau structure, independent of the Chamber of Commerce.

The Council Ad Hoc Committee has met several times with the Conference and Visitors Bureau to undertake research and formulate an approach to the transition and the task involved.

The Ad Hoc Committee met on January 6, 2009 to continue its discussions on governance. The Ad Hoc supported the concept of creating a working interim board to guide the incorporation and legal establishment of the new entity. The Committee provided suggestions on the size and general composition of the interim board. The Committee advised the CVB that the interim board should be a true working committee that could assist in guiding and undertaking the tasks associated with developing a new

organization; that it should represent a broad spectrum of the visitor related fields that would bring a variety of expertise to the table.

The Committee indicated an interest for the interim board to be in place and hold an inaugural meeting by February.

Other issues such as office space and timelines were discussed.

The Committee will continue to meet as issues arise.

FISCAL IMPACT

None

RECOMMENDATION

Staff recommends that the City Council receive the report.

Approved By:

Alison Maxwell, Director Economic Development and Marketing

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CITY OF BEVERLY HILLS
STAFF REPORT

Meeting Date: December 2, 2008

To: Honorable Mayor & City Council

From: Alison Maxwell, Director Economic Development and Marketing

Subject: City Council Performance Audit Ad Hoc Committee Update on the Conference and Visitors Bureau (CVB)Transition Plan

Attachments: Outline of CVB Business Plan Components

INTRODUCTION

This report transmits information on the progress of the transition plan to establish an independently incorporated Beverly Hills Conference and Visitors Bureau (CVB).

DISCUSSION

In January 2008, the City Council directed staff to facilitate a comprehensive Performance Audit of the visitor marketing and economic development programs managed by the Chamber of Commerce under contract to the City. The City Council established the Performance Audit Ad Hoc Committee (Mayor Brucker and Council Member Briskman) to oversee the Performance Audit.

The City hired KH Consulting to undertake the Performance Audit. The Performance Audit was completed in July 2008. The Council received the report and discussed the findings at the August 19, 2008 City Council meeting.

At the August 19 meeting, City Council directed staff, under the guidance of the Ad Hoc Committee to begin development of a transition plan to create a new Conference and Visitors Bureau structure, independent of the Chamber of Commerce.

The Council Ad Hoc Committee has met four times since the August Council meeting to oversee research and develop a strategy for executing Council's direction. A fifth meeting is planned for early December.

To date, the Ad Hoc Committee has focused its work on research and information gathering:

- City/CVB staff prepared and presented an outline of a CVB business plan. The business outline provided the Ad Hoc with an understanding of the various steps and task necessary to fully execute the transition.

- The Committee has spent time interviewing senior Chamber/CVB staff; and, recently held a meeting with a leading expert in the field of destination marketing organizations, John Marks, recently retired President of the San Francisco CVB.

- The CVB/City staff has been undertaking peer research of other local and allied Bureaus as well as gathering pertinent documentation and best practices from Destination Marketing Association International and the Western Association of Convention & Visitor Bureaus

The purpose of this research phase is for the Ad Hoc Committee, and ultimately the City Council, to benefit from the wisdom and best practices of the market place in order to ensure that this new endeavor is positioned for success.

The Ad Hoc Committee plans to return to Council in January with proposals for Council consideration on a proposed interim-governance structure.

Overview of Principal Tasks

Business Plan Outline – completed (attached)

City/CVB staff developed a comprehensive overview that outlines the many tasks and areas of work needed to fully implement the transition of the CVB from the Chamber of Commerce to an independently incorporated body.

Research and Information Gathering – in progress

As indicated above, the Ad Hoc Committee will focus the remainder of the year on research and information to ensure it has an understanding of best practices and models for CVB incorporation.

In early December the Ad Hoc meeting plans to meet with groups of the City's hoteliers, to understand their aspirations and commitment to the CVB.

Governance – January 2009 completion

The first critical step will be determination of the governance structure for a new CVB. From this all other tasks, outlined in the business plan, will be managed.

The Ad Hoc has spent some time considering the best governance structure of a new Board of Directors and will present a proposal for the new governance structure in January 2009. The Ad Hoc is considering the creation of an interim board of directors that will guide the organization towards independence. The structure and tenure of the board will be detailed in the board bylaws.

Once in place, the new board can begin meeting on a regular basis and work directly with CVB/City staff and the Ad Hoc Committee on formal incorporation, the development of internal staff structures, finance, programming and other critical elements of the transition.

Initial Budget for 2009-2010 Planning Purposes – March 2009 Completion

With the new board in place, CVB staff will work with the board to develop a budget, staff structure and work plan to be put in place in time for the new fiscal year 2009-2010.

It is anticipated that the CVB will be legally incorporated and independent by the new fiscal year.

Initiate Overarching Strategic Planning Process

In tandem with the development of the governance structure, budget, staff structure and work plan, staff will work with the Ad Hoc, on the development of a full marketing strategic plan. The timing and execution of the strategic plan will be discussed by the Ad Hoc at their December meeting. CVB and City staff will conduct a search to identify appropriate experts in the field of strategic marketing and tourism development to guide the City/CVB in this process.

The need for formalized strategic planning was identified by the Performance Audit as a critical next step. This finding was acknowledged by all involved in the process as essential and it was agreed that it should be undertaken early on in the development of the new CVB structure and in conjunction with key stakeholders.

FISCAL IMPACT

None at this stage, staff will return with costs and budget associated with an independent CVB.

RECOMMENDATION

Staff recommends that the City Council receive the report.

Approved By:

Alison Maxwell, Director Economic Development and Marketing