



**CITY OF BEVERLY HILLS
STAFF REPORT**

Meeting Date: June 2, 2009
To: Honorable Mayor & City Council
From: Mahdi Aluzri, Assistant City Manager, Economic Sustainability
Subject: A Presentation by the Beverly Hills Chamber of Commerce to request additional support for general Chamber programs and services for FY 2009-2010.

Attachments: None

INTRODUCTION

This item reviews a funding request by the Beverly Hills Chamber of Commerce for additional support for general Chamber programs and services to cover the cost of operations on an interim basis while the transition process of the separating the Conference and Visitors Bureau (CVB) is concluded.

DISCUSSION

At the May 13, 2009, the City Council considered two separate requests by the Chamber, one for funding the Economic Development Division (EDD) program and another to cover the cost of general programs and services that were traditionally offered as part of the annual agreement with The City. The City Council approved the EDD request for funding (\$400,000) but deferred the decision on the additional funding request with direction to the Chamber to work with the Council Liaison Committee on options to offset the cost burden to the City.

As was discussed in May 13, 2009 meeting, in separating the CVB, the Chamber presented that it will lose approximately \$457,000 in core revenue. These funds were paid by the CVB in the form of direct services and overheads provided by the Chamber. With the absence of the CVB, the Chamber has stated that on its own it cannot make up this revenue gap, which will result in severe cuts in programs and service to the City and the business community.

In response to the direction received from the City Council, the Chamber is now working on viable options to present to the City Council demonstrating the ability for the City to recover the cost of its investment during the interim period and such time when the

Chamber has developed and implemented a strategy to become a self sustaining organization.

Council Committee Review

The Liaison Committee (Council members Brien and Brucker) is scheduled to meet with Chamber to review possible options to substantiate their additional funding request on Friday May 29, 2009. Because of publication timing of this report, the Committee considerations and recommendation will be reported to the Full Council at the June 2, 2009 meeting.

FISCAL IMPACT

As previously noted, the Chamber has asked for \$457,000 in additional funding. Based on the consideration of the Chamber presentation and Council deliberations, if the City Council chooses to fund the full or any other amount, then the following is offered as options to consider for the source of funding:

- Utilize the City reserve
- Implement cuts in other City programs and transfer those savings to this program
- Generate additional revenues to fund the program

RECOMMENDATION

Staff will be prepared to offer a recommendation at the June 2, 2009 meeting after the Chamber have had a chance to make their presentation to the Council Liaison Committee on Friday May 29, 2009.

Mahdi Aluzri, Assistant City Manager
for Economic Sustainability

Approved By 