CITY OF BEVERLY HILLS
STAFF REPORT

Meeting Date: September 21, 2010

To: Honorable Mayor & City Council

From: Cheryl Friedling, Deputy City Manager for Public Affairs

Subject: Discussion of the Liaison Committee's Recommendation Regarding FY 2010-11 Funding for the Beverly Hills Chamber of Commerce and Civic Association for Economic Development Programs

Attachments:
1. Proposed Work Plan for Chamber of Commerce's Economic Development Division

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INTRODUCTION

The City contracts with the Beverly Hills Chamber of Commerce (Economic Development Division) to provide a range of outsourced programs.

The goals of these programs are to retain existing businesses in the City, attract new businesses to the City, and to develop programs with merchants which may lead to the development of business improvement districts.

Additionally, the Chamber is contracted to assist with research and outreach initiatives to promote strategic policies promoted by the City to the business community.

DISCUSSION

The Chamber of Commerce Liaison Committee (Vice Mayor Brucker and Councilmember Brien) met several times with the Chamber of Commerce representatives to review the proposed work plan for Fiscal Year 2010-2011, and to develop a mutually-acceptable scope of work.

Achievement of key deliverables is critical to fulfilling this program. The FY 2010-2011 contract details specific deliverables and metrics as to how initiatives are to be measured and counted towards fulfillment of the contract.

For FY 2010-2011, the Chamber's goals can be summarized as follows:

Business Retention – Existing City Businesses: conduct 8 retention meetings with business owners/CEOs per year.

Business Attraction – Potential New City Businesses:

- New York-based Business: Coordinate 1 delegation trip to New York City (with Chamber and CVB leaders) to promote the City and attract new businesses. The deliverable is to produce 1 new business in Beverly Hills by July of 2011.

- Nightlife Business: The deliverable is to create a nightlife committee and secure 2 new nightlife businesses by July 2011, based on a minimum of 10 meetings with prospective businesses.

- Retail: The deliverables are 2 new businesses by July 2011 based on a minimum of 10 meetings with prospective candidate retail prospects.

- Office/Entertainment Business: The goals include 10 meetings with potential candidate firms.

General Business Outreach – The Chamber is to conduct several meetings with the business community to discuss key City initiatives, provide information, and seek consensus.

Economic Sustainability – The Chamber is to take direction from the City regarding outreach and promotional initiatives to promote the City's program in an effort to forge business community involvement.

BID Development – Deliverables include the development of educational/outreach events to promote BID creation. Detailed timelines or progression plans to achieve a minimum 30% property owner BID approval is also included along with one merchant marketing program creation by fall of 2011.

Economic Development Council Membership – A revised funding level allows City Council interaction with community leaders at the significantly reduced rate of $5,000 per year for six attendees (Councilmembers and City Manager).

FISCAL IMPACT

The Liaison Committee has recommended a contract with the Chamber of Commerce in the amount of $338,000 for all services. This represents a reduction from the Chamber of Commerce's budget proposal of $370,000, and a 15.5% reduction from 2009-2010 funding of $400,000.

Interim funding in the amount of $120,500 has already been appropriated to the Chamber of Commerce for July through September 21, 2010. This amount

included payments in the amount of $30,500 related to the New York Sales Mission.

RECOMMENDATION

That the City Council approve or modify the Liaison Committee's recommended scope of work or funding for FY 2010-11 for the Beverly Hills Chamber of Commerce and Civic Association. The City staff and Chamber staff continue to discuss contractual terms; this Agreement and funding purchase order will be placed on the City Council's formal agenda for approval in October.

Cheryl Friedling
Approved By

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CHAMBER OF
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Economic Development Division Proposed Work plan 2010/11

City Council
August 31, 2010

Economic Development Division
Proposed Work plan 2010/11

Planning and Execution of New York Trade Mission

1. Tactics:
   - Mayoral Executive Luncheon
   - Outreach to significant retailers
   - Access NY based Beverly Hills property owners and potential real estate developers (e.g. hotel development)

2. Results/ROI:
   - Attract one new business to BH by July 2011
   - 5 year running retention rate of at least 70% for meeting attendees
   - Measure satisfaction of retention efforts through CEO survey (track trending)

Fully Allocated Project Cost: $120,000; Total Hours: 944; Average Cost/hr: $95

Economic Development Division
Proposed Work plan 2010/11

Attraction Research and Execution

1. Tactics:
   - Create Nightlife committee to define strategy and develop action plan for Council approval
   - Research trends and feasibility through individual and internet outreach and study
   - Outreach to high opportunity nightlife, retail and restaurant attraction targets, manage meetings and execute followup
2. Results/ROI:
   - Bring in 2 new businesses by July 2011
   - Bring in 2 new nightlife businesses/venues by July 2011
   - Maintain matrix of at least 50 prospects (retail, hospitality, nightlife, developers)
   - Meet with 10 attraction retail and 10 commercial prospects (incl. New York)

Fully Allocated Project Cost: $79,725; Total Hours: 801; Average Cost/hr: $98

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Proposed Work plan 2010/11

Merchant Associations/Business Improvement Districts

1. Tactics:
   - Continue Implementation (Year 2) of Strategy to Promote BID or Merchant/Property Owners Association
   - Outreach to and educate property owners and merchants to promote support for BID adoption
2. Results/ROI:
   - Secure participation of 30% of property owners or tenants in targeted geographic area
   - 1 merchant marketing program

Fully Allocated Project Cost: $89,350; Total Hours: 900; Average Cost/hr: $92

Economic Development Division
Proposed Work plan 2010/11

Business Outreach and Retention Program

1. Tactics:
   - Identify selected clusters and outreach targets, e.g. entertainment, new media, top grossing businesses, etc.
   - Coordinate retention meetings with targeted clusters and solicitation of opinion on topics of interest to the City
   - Outreach to property owners with purpose of developing mutual communication and goal alignment
2. Results/ROI:
   - At least 8 outreach meetings to business owners/CEOs
   - 2 general meetings and 4 individual meetings with property owners
   - Up to 50% general business participation/cooperation on City priority topics, e.g. Holiday program, local marketing

Fully Allocated Project Cost: $60,280; Total Hours: 590; Average Cost/hr: $92

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Economic Development Division
Proposed Work plan 2010/11

Assist in the development of City Economic Sustainability Strategy

1. Tactics:
   - Work with City to support development of Economic Sustainability Strategy
   - Coordinate business input and feedback into Strategy development
   - Develop implementation plans for Chamber/business community action items

2. Metrics: TBD

Fully Allocated Project Cost: $34,425; Total Hours: 315; Average Cost/hr: $109

Economic Development Division
Proposed Work plan 2010/11

2010/11 Key Budget Categories (based on $370,000)

1.	Salaries, Taxes & Benefits	$251,143
2.	Operations	$ 64,412
	Sub-total	$315,555
3.	Programming	$ 53,760
	Total	$ 369,315

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