



STAFF REPORT

Meeting Date: June 7, 2011

To: Honorable Mayor & City Council

From: Cheryl Friedling, Deputy City Manager for Public Affairs
Megan Roach, Marketing & Economic Sustainability Manager
James Latta, L.C.S.W., Human Services Administrator

Subject: Request by Councilmember Bosse to Re-Examine the FY 2011-12 Tourism and Marketing Budget and Programs and Allocation of Community Assistance Grant Funding (CAGF)

Attachments:

1. FY 2011-12 Tourism and Marketing Budget Spreadsheet as of May 17, 2011
2. FY 2011-12 Tourism and Marketing Budget Spreadsheet as of June 1, 2011
3. FY 2011-12 CAGF Spreadsheet

INTRODUCTION

This item transmits a request by Councilmember Bosse asking for an opportunity to re-examine the FY 2011-12 Tourism and Marketing Budget and Programs and allocation of Community Assistance Grant Funding (CAGF).

DISCUSSION

At the May 17, 2011 study session meeting, staff presented the City Council with a projected FY 2011-12 tourism and marketing budget of \$4,034,286. This amount includes \$420,000 from an anticipated budgetary "carryover" from unused FY 2010-11 funds.

When the City Council CVB/Marketing Liaison Committee (Vice Mayor Brien and Councilmember Mirisch) met to review the tourism and marketing budget for FY 2011-12, the total Transient Occupancy Tax (TOT) revenue was projected to be \$25,375,000. Throughout the year, staff monitors several economic indicators, which are the basis for determining revenue projections for the upcoming fiscal year. Since the May 17th meeting, the total TOT is now projected to be \$26,075,000, which was the number included in the proposed FY 2011-12 budget document.

The 2% of gross hotel revenues (or 1/7 of actual TOT collected) which has historically been set aside for tourism and marketing programs, now totals \$3,725,000, instead of \$3,614,286, which was the number included on the spreadsheet that was provided to the City Council at the May 17th study session and is reflected on Attachment No. 1 "FY 2011-12 Tourism and Marketing Budget Spreadsheet as of May 17, 2011". This

represents a difference of \$110,714. The CVB/Marketing Liaison Committee met on June 1st and discussed a recommendation for the budgeting of the additional \$110,714 of unallocated TOT revenue. The Committee's recommendation is that the funding be budgeted to the Conference and Visitors Bureau after submittal of a work plan and review and approval of the work plan by the Liaison Committee. Attachment No. 2 "FY 2011-12 Tourism and Marketing Budget Spreadsheet as of June 1, 2011" includes the revised tourism and marketing budget of \$4,145,000, as well as the Liaison Committee's recommendation for the additional \$110,714 of unallocated TOT revenue.

At the May 17th meeting, Council concurred with the staff recommendations included on Attachment No. 1 with the exception of one change on funding for the Rodeo Drive Committee. The \$55,000 which had originally been included in the holiday décor and special events budget will now be set aside for an additional Rodeo Drive special event. The \$55,000 will be paid to the Rodeo Drive Committee during FY 2010-11, but the Committee will carryover the funds to FY 2011-12, when the event will take place. The attached spreadsheets reflects this change under the 2011-12 proposed budget column by indicating a revised holiday décor and special events budget of \$450,000 and a revised total budget for the Rodeo Drive Committee of \$250,000.

At the May 24, 2011 study session meeting, the City Council reviewed and concurred with the staff recommendation to re-allocate \$220,000 of tourism and marketing funds for community assistance grant funding (CAGF). The breakdown of the total CAGF budget of \$377,950 (including the \$220,000) is shown on Attachment No. 3 "FY 2011-12 CAGF Spreadsheet".

FISCAL IMPACT

Projected FY 2011-12 TOT revenue totals \$26,075,000, of which \$3,725,000, will be set aside for tourism and marketing programs. \$220,000 of this amount will be re-allocated for community assistance grant funding.

RECOMMENDATION

Staff requests that the City Council confirm the staff recommendations for the allocation of the FY 2011-12 tourism and marketing budget and programs, which includes the re-allocation of \$220,000 for community assistance grant funding.

Cheryl Friedling
Approved By



2011-12 Tourism and Marketing Budget and Programs (as of May 17, 2011)

\$25,375,000 Projected TOT – FY 2011-12

Program	2010 – 2011 Budget	2011 – 2012 Proposed Budget
<i>TOT Budget</i>	\$3,385,712	\$3,614,286 (Finance Dept. projections) + \$420,000 carryover from 2010-2011 = \$4,034,286
"Hold back" to cover TOT revenue reductions	\$120,000	\$120,000
Annual buffer/reserve account	\$200,000	\$200,000
City Administrative Costs	\$186,000	\$200,000 (covers partial costs of 2 City staff)
Contingency Programs	\$100,000	\$150,000
Re-Allocation to other City Programs	<ul style="list-style-type: none"> • \$50,000 library • \$170,700 community grants 	<ul style="list-style-type: none"> • \$250,000 for Council re-allocation purposes and to establish Anniversary Fund • \$220,000 for community programs via HRC Liaison - \$200,000 request + \$20,000 (CRT) <p style="text-align: right;">\$470,000 Total</p>
CVB	\$2,050,100 – 5% reduction	\$2,050,100 Operating Budget + \$100,000 Toward Expenses associated with opening new Visitor Center/CVB Offices \$2,150,100 Total
Special Events/Holiday Décor Committee	<p>\$400,000 for both holiday décor (\$250,000) and special events (\$150,000)</p> <ul style="list-style-type: none"> • \$250,000 Holiday Decor • \$40,000 Rose Bowl float • \$25,000 Holiday supplement • \$28,612 90210 event • \$20,000 SNOW 90210 	\$450,000 Holiday Décor & Special Events
Rodeo Drive Committee <ul style="list-style-type: none"> ▪ Walk of Style Event ▪ Father's Day Concours ▪ Fashion Night Out 	<ul style="list-style-type: none"> • \$110,000 Walk of Style - City matches up to \$110,000 in funds generated by Rodeo Drive Committee (only \$55,000 approved) • \$20,000 Concours/Father's Day • \$20,000 Fashions Night Out <p style="text-align: right;">\$150,000 Total</p>	<ul style="list-style-type: none"> \$ 110,000 Walk of Style - City matches funds generated by Rodeo Drive Committee \$ 20,000 Concours/Father's Day \$ 20,000 Fashion's Night Out \$ 20,000 SNOW 90210 \$ 25,000 Additional RDC event to be approved by City Council \$ 55,000 Additional funding for RDC event (paid during FY 2010-11) <p style="text-align: right;">\$250,000 Total</p>
Canon Drive Association	\$10,000 challenge grant to be matched	\$10,000 challenge grant to be matched (carryover from FY 2010-11)
South Beverly Association	\$10,000 challenge grant to be matched	\$10,000 challenge grant to be matched (carryover from FY 2010-11)
Brighton Way Association	\$10,000 challenge grant to be matched	\$10,000 challenge grant to be matched (carryover from FY 2010-11)
TOTAL	\$3,399,712 (\$420,000 remaining)	\$3,990,100 (\$44,186 remaining)

2011-12 Tourism and Marketing Budget and Programs (as of June 1, 2011)

\$26,075,000 Projected TOT - FY 2011-12

Program	2010 – 2011 Budget	2011 – 2012 Proposed Budget
<i>TOT Budget</i>	\$3,385,712	\$3,725,000 (Finance Dept. projections) + \$420,000 carryover from 2010-2011 = \$4,145,000
Annual buffer/reserve account to cover TOT revenue reductions	\$320,000	\$320,000
City Administrative Costs	\$186,000	\$200,000 (covers partial costs of 2 City staff)
Contingency Programs	\$100,000	\$150,000
Re-Allocation to other City Programs	<ul style="list-style-type: none"> • \$50,000 library • \$170,700 community grants 	<ul style="list-style-type: none"> • \$250,000 for Council re-allocation purposes and to establish Anniversary Fund • \$220,000 for community programs via HRC Liaison - \$200,000 request + \$20,000 (CRT) <p>\$470,000 Total</p>
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Brighton Way Association	\$10,000 challenge grant to be matched	\$10,000 challenge grant to be matched (carryover from FY 2010-11)
Unallocated TOT revenue	N/A	\$110,714 (Liaison Committee recommendation is to allocate to CVB pending review and approval of a work plan by the Liaison Committee)
TOTAL	\$3,399,712 ((\$420,000 remaining)	\$4,100,814 ((\$44,186 remaining)

TABLE 1: City of Beverly Hills COMMUNITY ASSISTANCE GRANT FUNDING 2011/12

Applicants	Service Provided	City Funding Began	2009/10 Allocation	2010/11 Allocation	2011/12 Request	Resident Benefit %	Financials	Option A	Option B	4/25/2011	5/24/2011
										CC Liaison Rec 2011/12*	City Council Rec 2011/12
All Saints Homeless Assistance Program	Homeless Assistance, Case Management, and Bus Tokens	2003	\$10,300	\$9,300	\$15,000	5%	Adequate	\$9,300	\$8,300	\$9,300	
B.H. Active Adult Club	Senior Activities Club	1974	\$2,000	\$5,500	\$8,000	50%	Adequate	\$5,500	\$5,500	\$5,500	
Beverly Hills CPR	CPR Education and Training	2009	In Kind 10 Yrs @ \$1 per & \$50,000	\$50,000	\$50,000	100%	Unclear	\$50,000	\$35,000	\$50,000	
B.H. Education Foundation	Fundraising Activities for School District	2001	In-Kind Only (\$20,000)	In-Kind Only (\$10,000)	\$35,000	100%	Unclear	In kind Only	\$0	In kind only	
Jeanine Horowitz Foundation	Community Literacy Program	N/A	N/A	\$0	\$24,900	8-10%	Inadequate	\$0	\$0	\$0	
Jewish Family Service	Service to Beverly Hills Seniors	2005/CDBG since 1994	\$50,500	\$56,000	\$60,607	100%	Adequate	\$56,000	\$56,000	\$71,000	
Jewish Family Service	Crisis Response Team	1994	N/A	N/A	\$36,000	Not reported	Adequate	N/A	TBD	\$0	
Jewish Family Service	Senior Peer Volunteer	N/A	N/A	N/A	\$15,000	Not reported	Adequate	N/A	\$0	\$15,000	
Maple Counseling Center, The	Low Cost Counseling/Senior Counseling	1984	\$86,499	\$75,000 TMCC Total	\$100,000	17%	Adequate	\$75,000	\$62,350	\$75,000	
New Directions, Inc.	Homeless Services for Veterans	2006	\$5,100	\$0	\$7,500	Not reported	Adequate	\$0	\$0	\$0	
People Assisting the Homeless (PATH)	Homeless Assistance & Shelter Beds for CLASP Program	1994	\$47,000	\$52,350	\$50,000	100%	Unclear	\$52,350	\$50,000	\$51,039	
PATH Grant 350,000 (10 yrs)	Housing (4 units) x 10 years	N/A	N/A	N/A	\$350,000	estimate 100%	Unclear	N/A	\$0	\$0	
PATH	Operating costs per unit	N/A	N/A	N/A	\$40,000	estimate 100%	Unclear	N/A	\$0	\$0	
Saban Free Clinic (Formerly LA Free Clinic)	Free Medical Services	1992	\$5,000	\$5,000	\$6,111	Not Reported	Adequate	\$5,000	\$5,000	\$6,111	
Venice Family Clinic	Free Medical Services	2007	\$0	\$0	\$29,190	0.2%	Adequate	\$0	\$0	\$0	
Westside Food Bank	Feeding Low Income Residents	1986	\$72,000	\$75,000	\$90,000	Not reported	Adequate	\$75,000	\$70,000	\$75,000	
New Applicant(s)											
Chiron Inc.	Crisis Response Team		N/A	N/A	\$24,000	estimate 30-40%	Unclear	N/A	TBD	20,000	
Totals:			\$353,499	\$328,150	\$941,308			\$328,150	\$292,150	\$377,950	

*Based on pending approval of TOT contribution of