



CITY OF BEVERLY HILLS STAFF REPORT

Meeting Date: July 7, 2011
To: Honorable Mayor & City Council
From: Cheryl Friedling, Deputy City Manager for Public Affairs
Subject: Proposed 2012 Beverly Hills Tournament of Roses Parade Float Initiative
Attachments: 1. Submissions
2. Summary of Proposed Beverly Hills Tournament of Roses Parade Float Initiative

INTRODUCTION

At the City Council meeting of June 21, 2011, the City Council reviewed the topic of proposed City involvement regarding a 2012 Tournament of Roses Parade float.

DISCUSSION

Based on the Council direction, the City Council CVB/Marketing Liaison Committee (Vice Mayor Brien and Councilmember Mirisch) sought input on the most effective use of City marketing funds from the Conference & Visitors Bureau, the Rodeo Drive Committee, and the Chamber of Commerce. A CVB/Marketing Liaison Committee meeting was held with representatives of these groups on June 20, 2011. Copies of those organization's submissions are attached in this report.

FISCAL IMPACT

Through the City's Tourism & Marketing budget (which is derived from the Transient Occupancy Tax collected by hotels), up to \$350,000 can be reallocated to alternate marketing initiatives, including a 2012 Rose Parade float. A 2012 Rose Parade float will cost approximately \$275,000, and the 'arrears' for last year's float total \$70,000.

The business community would be strongly encouraged to raise additional or matching funds, with funds raised by the community-based Committee also used to return any funds extended by the City. Additional information regarding the

potential funding components of this proposal is attached in the 'Summary of Proposed Beverly Hills Tournament of Roses Parade Float Initiative' document.

RECOMMENDATION

That the City Council provide direction regarding whether or not the City should participate in a 2012 Tournament of Roses Parade float initiative.

Cheryl Friedling
Approved By



Attachment 1

Cheryl Friedling

From: Alexander Stettinski [mailto:Stettinski@beverlyhillschamber.com]
Sent: Monday, June 27, 2011 9:41 AM
To: Cheryl Friedling
Subject: RE: Chamber position on the Float

Good morning, Cheryl –

Here is the breakdown of the original statement into the various questions:

Question 1 : The Chamber's Executive Committee believes that a participation in the parade will have benefits to our members. The international and national media exposure and local perception generated from Tournament of Roses Parade float brings exposure to and heightens consumer awareness of the City of Beverly Hills.

Question 2: The international and national media exposure and local perception generated from Tournament of Roses Parade float brings exposure to and heightens consumer awareness of the City of Beverly Hills.

Question 3: Due to our own funding requirements, the Chamber cannot financially support this effort with its own contribution.

Question 4: We would be pleased to have a Chamber representative participate on the Float Committee to contribute marketing advice and other professional expertise as appropriate. The Chamber would not be able to participate in the actual fundraising efforts this year, due to the current needs of the organization.

Question 5: none

Question 6: We leave it to the City's discretion to determine the source of the funds required to execute this marketing effort.

Cheryl, please let me know if you need any further detail. Also: let's schedule our next "coffee" – I'd be free Wed or Thurs morning (between 8:30 and 10:30) – let me know if you have an hour anytime during these periods. I look forward to seeing you again, soon! Have a great beginning of the week!

Alex

Alexander Stettinski
Executive Director



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Connect with the Chamber!



CVB/Marketing Liaison Meeting

Questions for Partner Agency Feedback

June 22, 2011

1. Would a 2012 Tournament of Roses Parade Float benefit Beverly Hills? How?

Statistics show that The Tournament of Roses Parade builds awareness at local, national, and global levels. Nielsen and internet metrics provided indicate that the parade garners millions of impressions throughout the U.S. and abroad.

2. What are the benefits and the drawbacks?

Aside from awareness building, the Float brings the community together with decorating events, fundraising and viewership (both in person and on TV). Concern was expressed by some that since the event does not take place in Beverly Hills there is lack of ability to accurately measure the resulting impact on trade and tourism in the city; however, the Board voted to unanimously support as indicated in #6 below.

3. Would your agency be willing to contribute funding to the float?

Last year, after conducting a vote of the Board of Directors, it was agreed to contribute \$10,000 from the CVB events budget to the Rose Parade. The CVB has an events budget for FY 2011/12 and can pose to the Board the option of voting as to whether or not the CVB will make a contribution again this year if requested.

4. Would your agency be willing to provide a representative for the Float Committee?

Yes

5. Are there other services your agency would be willing to provide?

The CVB will market the Float in all communication channels, create a variety of local offers that are specifically geared to Rose Bowl alumni associations and are currently evaluating other tie-in opportunities to create traffic and revenue during the period.

6. Which funds do you feel should be used to support this initiative? (refer to proposal outline for available funds)

The CVB Board of Directors via Special Meeting voted unanimously to recommend using up to \$250,000 from the Centennial Fund to support the effort if the City Council decided to cover any arrearages from last year or support a new Float for 2012.

7. Additional Comments

Kathy Ryan

Subject: FW: Rodeo Drive Response to Rose Bowl Float Questionnaire

-----Original Message-----

From: Craig Donahue [<mailto:cdonahue@thedonahuegroup.com>]

Sent: Tuesday, June 28, 2011 6:58 PM

To: Megan Roach

Cc: Cheryl Friedling; Jim Jahant; Peri Ellen Berne; Nicola.Cagliata@chanelusa.com; Mark Tronstein; Kathy Gohari; Donna SNYDER; Tom Blumenthal

Subject: Rodeo Drive Response to Rose Bowl Float Questionnaire

Megan,

Per your request about the Rose Bowl Float from the Rodeo Drive Executive Committee.

Hope this helps.

Craig

1. Would a 2012 Tournament of Roses Parade Float benefit Beverly Hills?
How?

Yes, via national and international media coverage. Also, the community involvement of the project allows the community (of all ages) to come together in a common goal.

2. What are the benefits and the drawbacks?

Benefits include media exposure and community spirit.

3. Would your agency be willing to contribute funding to the float?

No. Our budgets for 2011-12 have been determined and Rodeo Drive Committee agrees that any of our funds should be used directly in events and programs on Rodeo Drive.

4. Would your agency be willing to provide a representative for the Float Committee?

We would be happy to ask our members if anyone was interested in participating.

5. Are there other services your agency would be willing to provide?

Rodeo Drive's programming is set through the end of 2011 with plans for Fashions Night Out, Rodeo Drive Walk of Style and Holiday. No additional time is available for this project.

6. Which funds do you feel should be used to support this initiative?

We feel that the Holiday décor budget should NOT be reduced by \$50,000 as Beverly Hills' décor was inadequate in 2010 compared to the competition.

We feel that the funds could primarily come from the Centennial allocation of \$250,000 or the \$110,000 extra TOT dollars.

We also feel the city should look at its new administrative expense of \$200,000 for TOT to see if any of these dollars could be utilized. This number represents 80% of the total budget given to RDI in 2011-12 which in return provides actual programming driving traffic to the city and positive publicity such as Concours, Fashion's Night Out, Rodeo Drive Walk of Style and Holiday. There has been no breakdown of how this \$200,000 in administration is being spent and we recommend City Council review these costs as a possible place to fund the Tournament of Roses float.

Attachment 2

Proposed 2012 Beverly Hills Tournament of Roses Parade Float Initiative

On June 7, the City Council approved an outreach effort to seek input from key community partners regarding the benefits derived from a parade float representing Beverly Hills in the 2012 Tournament of Roses Parade.

Through a variety of program budgets incorporated in the City's TOT (Tourism & Marketing) budget, up to \$350,000 can be reallocated to alternate marketing initiatives supported by the business community, including a 2012 Rose Parade float, among others (see chart on next page for details). A 2012 Rose Parade float will cost approximately \$275,000 and the 'arrears' for last year's float total \$75,000. The business community will be strongly encouraged to raise additional or matching funds that could match the City funds.

To determine interest in this initiative, the City Council Liaisons (Vice Mayor Brien and Councilman Mirisch) will consult with the CVB, Chamber of Commerce and Rodeo Drive Committee to seek input on the most effective use of these city funds as related to marketing initiatives.

If funding is allocated by the City Council for another marketing initiative – possibly including a Rose Parade Float – the City Council specified that certain funds earmarked in the City's TOT marketing budget would not be utilized for this initiative. These include the proposed budget authorizations for the CVB*, Chamber of Commerce and Rodeo Drive Committee. Other funds that would not be used would be the City's marketing funds for contingency programs, administrative overhead, a 'buffer' account used as a reserve in case of economic downturns and community-based social service programs.

Additional components of a 2012 Float initiative would include the establishment of a defined community-based committee to assume responsibility for this initiative, should it be selected for funding.

*(*an additional \$111,000 in un-allocated TOT funding is available for re-allocation to a Float initiative. It was tentatively proposed by the CVB/Marketing Liaison Committee for the CVB pending review and approval of a work plan.)*

Proposed Funding Details:

The proposed 2011-12 Tourism and Marketing Budget provides funding opportunities which may be utilized to fund a 2012 Tournament of Roses Parade float, should this initiative be approved. It should be noted that tentative allocations have been recommended by the City Council Liaison Committee; these funds could be re-directed to fund a Float initiative, with the expectation that City funds would be returned through ongoing community fundraising.

The categories and amounts that could be utilized are:

- \$111,000 Unallocated TOT revenue – originally recommended to be allocated to the CVB pending a proposal and work plan
- \$50,000 Reduce the City's holiday décor and special event budget (from \$450,000 to \$400,000)
- \$250,000 Reduce the \$250,000 budget allocation for a 2014 Anniversary (centennial) fund
- \$411,000** Total amount potentially available to fund a Float initiative

The City Council has specified funds that are not to be re-allocated:

- \$2,150,100 - CVB Operating Budget
 - \$250,000 - Rodeo Drive Committee Events/Initiatives
 - \$220,000 - Community-based social programs
 - \$200,000 - Administrative costs
 - \$320,000 - Annual buffer
 - \$150,000 - Contingency programs