



STAFF REPORT

Meeting Date: August 7, 2012
To: Honorable Mayor & City Council
From: Megan Roach, Marketing & Economic Sustainability Manager (MR)
Subject: Proposal from the Beverly Hills Conference & Visitors Bureau for a holiday ice skating rink at Beverly Gardens Park

Attachments:

1. Ice Rink Site Plan Map
2. Spreadsheet of Associated Costs

INTRODUCTION

This report transmits a proposal from the Beverly Hills Conference & Visitors Bureau for a holiday ice skating rink at Beverly Gardens Park.

DISCUSSION

Each year the City works with its partner agencies, the Beverly Hills Conference & Visitors Bureau ("BHCVB") and the Rodeo Drive Committee ("RDC"), to plan a variety of events, activities and promotions for the holiday season. The holidays are one of the most important times of year for driving business and building brand awareness in Beverly Hills. People come from all over the world to shop, dine and experience the holidays in Beverly Hills. The City provides holiday décor in key commercial areas with funding from the tourism and marketing budget. In previous years, the BHCVB and the RDC received funding from the tourism and marketing budget for special events and marketing campaigns to promote Beverly Hills and Rodeo Drive as destinations during the holiday season.

On June 19, 2012, the City Council approved the Fiscal Year 2012-13 funding agreement with the BHCVB, which includes an allocation of \$200,000 for a holiday ice skating rink. An ice skating rink during the forthcoming holiday season would provide a new, annual tradition that could be built upon for the City's 2014 Centennial Celebration. The BHCVB presented initial location options for an ice skating rink to the Special Events/Holiday Liaison Committee (Councilmember Bosse and Councilmember Brucker) on June 26, 2012 for their review and feedback.

Unlike one-time events that kick off the holiday season or small event series, an ice skating rink would be a daily, sustained effort throughout the entire holiday season. This sustained effort would provide residents with a new holiday tradition, drive visitor traffic, and offer exposure to neighboring businesses as guests shop and dine before and after skating. In addition, an ice skating rink would provide a unique experience to differentiate Beverly Hills from competitor shopping districts and malls including The Grove, The Beverly Center and South Coast Plaza.

Ice Rink Overview

The BHCVB has engaged Willy Bietak Productions Inc. to provide a proposal for a turnkey operation to build and manage an ice skating rink during the holiday season. Based in Santa Monica, Willy Bietak Productions Inc. is a full-scale production company with over twenty-five years of experience developing and producing portable ice skating rinks for the general public. The company has produced successful ice skating rinks for downtown Los Angeles, San Francisco (Union Square), Universal City Walk, and Las Vegas (Fremont Street Experience). Bietak Productions has also developed ice surfaces for film, television, and special events such as high profile ice hockey games and opening and closing ceremonies for the Winter Olympics in Salt Lake City, Utah.

The BHCVB reviewed six locations for the placement of an ice skating rink. Each location was evaluated based on factors such as size, visibility, proximity to the business triangle, sponsorship appeal, and parking accessibility. After a thorough review, the BHCVB recommends Beverly Gardens Park (between Crescent and Beverly) for the placement of an ice skating rink. If approved, BHCVB and Bietak Productions will work with City staff to develop a comprehensive plan to mitigate noise and parking impacts to the surrounding residential neighborhoods. This will include outreach to residents north of the Park, as well as potential incentives for rink patrons who use the Crescent parking structure (i.e. discount on skate rentals, parking validation, etc.)

As proposed, the rink would be open seven days a week for seven weeks, running from November 17, 2012 to January 6, 2013. Set-up and strike accounts for twelve additional days. The proposed operating hours of the ice skating rink are Sunday through Thursday from 2:00 p.m. to 9:00 p.m. and Friday through Saturday from 2:00 p.m. to 10:00 p.m.

Bietak Productions would require possession of the site seven to ten days in advance of the November 17th opening. Activities prior include three to four days to prepare the site, then another three to four days to install the ice skating rink, which will contain real ice throughout the season. The last day of operation will be January 6th. After the close of business on the 6th, the vendor will need three to five days to dismantle the rink and dispose of the ice. City staff is working with the BHCVB to determine an appropriate location for ice disposal. The City's parks maintenance staff will then re-sod the park grass.

The ice rink is approximately 40' x 90' in size and it will occupy the grass area adjacent to Santa Monica Blvd. The rink will be enclosed with k-rail for safety. This will allow visitors to continue to access the iconic Beverly Gardens Park sign for photo opportunities. Attachment No. 1 to this report is a detailed site map which shows how the remainder of the park will be utilized for staging key elements including rental operations, portable restroom facilities, spectator seating, equipment to chill and maintain the rink, and equipment for power, lighting, and sound.

Bietak Productions will provide liability insurance and management oversight of the revenue and expenditures of the skating rink. Security will be provided by a contracted security company during the hours of closure. During regular operating hours, the vendor will provide staff to manage and operate the rink including a manager, assistant manager, cashiers, skate rental personnel and on-ice skate guards (up to 10 hours per day with 70 hours per week average). Bietak Productions will also provide a lighting system for safe evening skating on ice and in the skate change area, as well as a sound system for atmosphere music.

The City and the BHCVB will need to provide an uninterrupted power supply for the ice machine. The vendor has provided a cost estimate for a generator and fuel. However, the BHCVB has also contacted Southern California Edison to potentially sponsor a more permanent power supply installation, which may be safer and less expensive than a generator. The BHCVB is also exploring a third option through the installation of a temporary power drop, which could be arranged through a construction services company. The City's Building & Safety and Fire Departments will review and provide input on each option prior to the selection of a power source and appropriate permits will be secured.

Budget

The cost to install and operate an ice skating rink at Beverly Gardens Park for seven weeks is approximately \$328,000. Attachment No. 2 to this report contains a spreadsheet of associated costs. The City has provided a \$200,000 funding allocation to the BHCVB for an ice skating rink. In addition, the BHCVB is requesting funding from the City for rink décor (\$25,000) and sod replacement (\$12,000) for a total of \$37,000. As outlined below, the BHCVB is projecting approximately \$54,000 in skate rental revenue. Thus, remaining funding needed is \$37,000 (with the additional \$37,000 from the City) and \$74,000 without additional City funding.

Estimated revenue is based on an estimate of 5,000 guests. Up to 90% of the ticket cost is returned to the BHCVB, with 10-15% covering wear and tear of the gear.

	CHILDREN	ADULT
TICKET / RENTAL COST	\$11	\$15
EST. REVENUE TO BHCVB, PER GUEST	\$9.50	\$13.50
ESTIMATED # OF GUESTS	3,334	1,666
EST. REVENUE TO BHCVB, TOTAL	\$31,666	\$22,500
	\$54,166	

Sponsorship

The BHCVB will seek to offset program costs through sponsorships and ticket revenue. BHCVB will conduct outreach to local Beverly Hills and Los Angeles-based businesses and outreach to national companies may be done by Bietak Productions, who receive a

commission (approximately 35%) of any secured sponsorships. BHCVB will retain the right to review and approve all potential sponsors as to protect the city's brand image. A complete sponsorship portfolio will be created by BHCVB as a means of outreach and sales support.

Any proposed sponsorship display must adhere to the existing framework of the resolutions governing private displays in Beverly Gardens Park. In 1996, the City Council adopted Resolution Nos. 96-R-9493 and 96-R-9507 establishing regulations that limited private displays in public parks and prohibited overnight and unattended private displays and structures within the City's public parks. The regulations were adopted in response to a decision of the 9th Circuit Court of Appeals requiring the City to either adopt regulations governing private displays in the City's parks or to allow all private displays in its public parks without regulation. The regulations established size limitations on private displays, prohibited private displays from remaining overnight in public parks, and prohibited private displays from remaining unattended at any time.

In 2005, in response to significant adverse impacts on the City's Art Show (formerly "Affaire in the Gardens") the City Council adopted Resolution No. 05-R-12010 to allow private displays to remain in Beverly Gardens Park for two nights in any thirty day period provided the applicant meets certain conditions including not maintaining any other privately owned display or structure overnight during the same thirty day period.

City and BHCVB staff consulted with the City Attorney on these regulations to determine what, if any, sponsorship displays could be implemented in Beverly Gardens Park for the ice skating rink. The following are examples of acceptable sponsor displays that will be explored further by the BHCVB:

1. Sponsor logo on Zamboni machine to be removed at the end of each day.
2. Banners containing sponsor logos to be placed on street poles framing the Park.
3. Placement of sponsor logos in advertising, collateral, BHCVB website, etc.

Marketing & Advertising

The ice rink would be the centerpiece of BHCVB's Holiday Marketing and Advertising Plan. All collateral, advertising and graphics would be created with this in mind.

The proposed ice skating rink designates a central location for additional holiday activities that may come to fruition including live music (carolers or a DJ spinning hip, holiday tunes), visits from Santa & Mrs. Claus, and charitable toy drives. BHCVB will look to promote the rink with skating-related tie-ins such as with the Stanley Cup winning Los Angeles Kings and kid-specific programming. Additionally, pending approvals from local health authorities, BHCVB may explore opportunities for local restaurants to provide food or beverage service, such as hot chocolate and holiday treats.

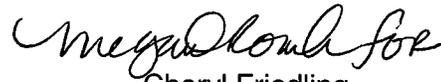
FISCAL IMPACT

The City's Fiscal Year 2012-13 tourism and marketing budget is \$4,817,984, which is budgeted in the Tourism and Marketing Program account 0101311. On June 19, 2012, the City Council approved the annual funding agreement with the BHCVB for \$2,665,000, of which \$200,000 was designated for a holiday ice skating rink. The City's tourism and marketing budget contains a contingency programs budget of \$150,000,

which the Council may direct all or some of this budget as additional funding for the ice skating rink.

RECOMMENDATION

Staff recommends that the City Council review the proposal from the Beverly Hills Conference & Visitors Bureau for a holiday ice skating rink at Beverly Gardens Park.



Cheryl Friedling

Approved By

Attachment 1

Park Way

street

sidewalk

lawn

decomposed granite path

Beverly Hills Sign

fountain

Holiday Decor

steps

Ticket Booth

Office

Skate Rental

Steel Deck Platforming Covered with Indoor/Outdoor Red Carpeting

lawn

ENTRANCE

ENTRANCE

Bicycle Racks Barriers

Porta Potty

ADA Porta potty

Chiller Lines

Zamboni

Concessions

ICE 50'X100'

Skate Change Area Benches

K-Rail

CHILLER

Electrical Hookup (EHD)

K-Rails

sidewalk

Santa Monica Boulevard

street

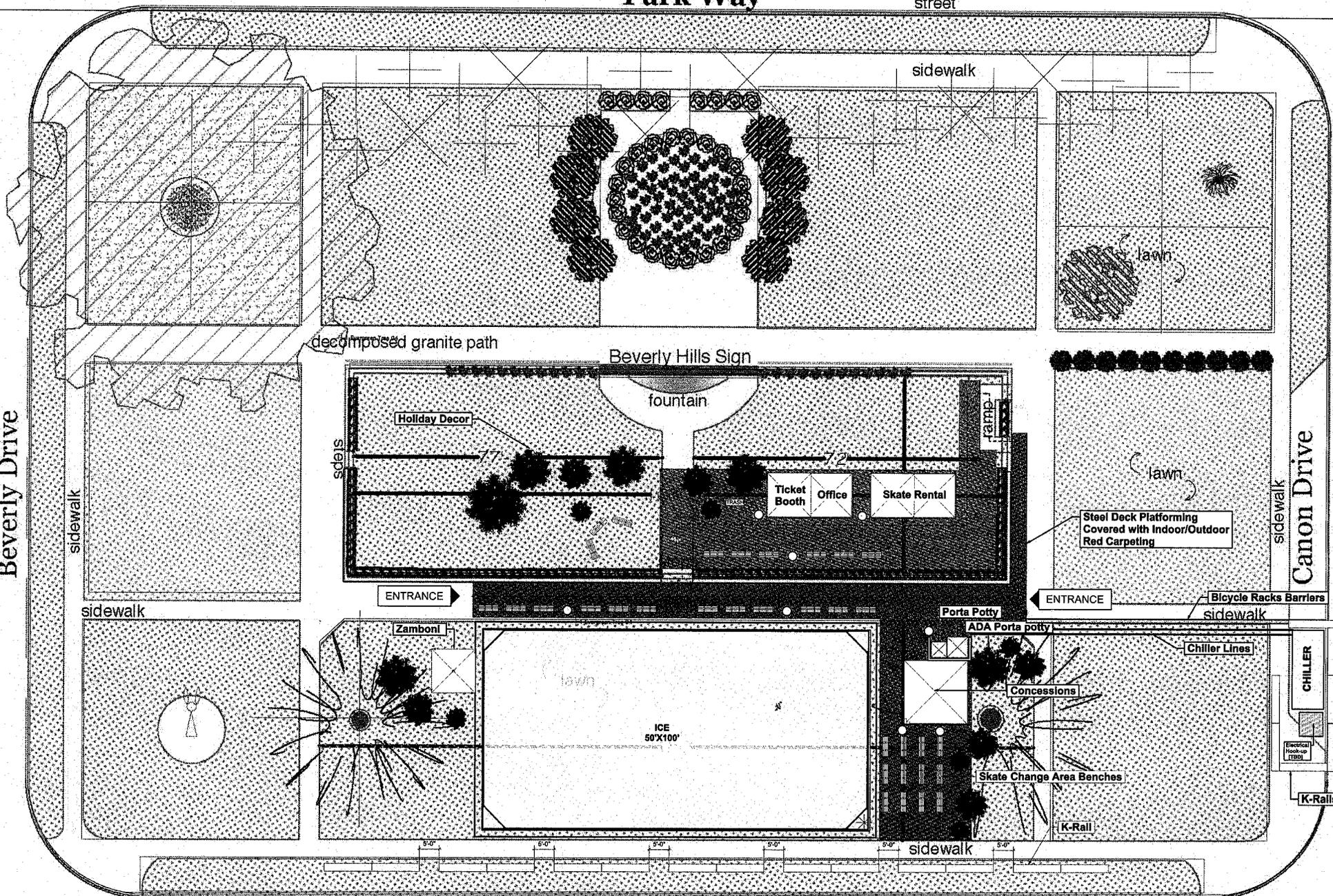
Beverly Drive

sidewalk

sidewalk

sidewalk

Canon Drive



Attachment 2

Beverly Hills Conference & Visitors Bureau (BHCVB) Holiday Ice Rink 2012-13

BEVERLY GARDEN PARK COSTS	
SIZE	3,600 SQ. FEET
	APPROX 40' X 90'
BOX OFFICE, STORAGE FOR SKATES, & BENCHES	INCLUDED
SOUND SYSTEM	INCLUDED
STAFFING (TICKET SALES, SKATE RENTAL, ETC.)	INCLUDED
LIGHTING	INCLUDED
RESTROOMS	INCLUDED
JANITORIAL SERVICE	INCLUDED
INSURANCE (WORKERS COMP & EVENT LIABILITY)	INCLUDED
WATER SUPPLY*	BHCVB MUST SUPPLY
A MEANS TO DISPOSE OF ICE AT END OF SEASON*	BHCVB MUST SUPPLY
HOTEL FOR LOAD IN, LOAD OUT – UP TO 4 SINGLE ROOMS	RECEIVE COMP. FROM HOTEL PARTNER IN EXCHANGE FOR SPONSORSHIP CREDIT
HOTEL DURING EVENT - 2 ROOMS	NEGOTIATE OUT OF CONTRACT OR RECEIVE FROM HOTEL AS PART OF SPONSORSHIP
ON-SITE PARKING FOR STAFF (DURING OPERATING HRS)	WOULD REQUEST FROM CITY OF BEVERLY HILLS
SET-UP & STRIKE	\$85,000
TOTAL OPERATIONS COST (\$16,800/WEEK x 7 WEEKS)	\$117,600
GENERATOR **	\$18,500
FUEL **	\$53,550
DÉCOR (ESTIMATED)	\$25,000
SECURITY (ESTIMATED) ***	\$16,470
SOD REPLACEMENT	\$12,000
FIRE SAFETY OFFICER (FSO)	TBD IF WE'D NEED. CITY OF BH IS CHECKING & WILL ADVISE.
TOTAL ESTIMATED OPERATING EXPENSES	\$328,120.00

* BHCVB will work with the City of Beverly Hills to organize.

** Based on estimate of \$5/gal and 210 gal/day. \$1,050 per day x 51 days.

*** Based on estimate of 15 hr/day (during non-operation) x 7 weeks, plus set-up and removal periods (12 days) at \$18/hr. Depending on location, Bietak may require 24 hr/day security.