



## STAFF REPORT

**Meeting Date:** June 6, 2016  
**To:** Honorable Mayor & City Council  
**From:** Megan Roach, Marketing & Economic Sustainability Manager   
**Subject:** Recommendation from the Beverly Hills Conference and Visitors Bureau/Marketing Committee Regarding the Fiscal Year 2016-2017 Scope of Work and Funding Request from the Rodeo Drive Committee  
**Attachments:**  
1. Rodeo Drive Committee Fiscal Year 2016-2017 Proposal  
2. General Marketing Activities - Budget Detail

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### INTRODUCTION

This item provides a recommendation from the Beverly Hills Conference and Visitors Bureau/Marketing Committee (Mayor Mirisch and Councilmember Bosse) for the Fiscal Year 2016-2017 scope of work and funding request from the Rodeo Drive Committee.

The Rodeo Drive Committee ("RDC") is comprised of approximately 70 retailers, hotels and property owners. Founded in 1972, the Committee promotes Rodeo Drive through a variety of programs which enhance the street's image as a world-wide destination.

### DISCUSSION

In previous years, the RDC has received City support to conduct marketing and events on behalf of its retailers, hotels and property owners to promote tourism and visitor spending on Rodeo Drive. Funding for these purposes has been provided from the City's Tourism and Marketing Budget. These include the Rodeo Drive Walk of Style®, Rodeo Drive Concours D'Elegance, holiday décor and lighting, and others.

On May 4, 2016, the Beverly Hills Conference and Visitors Bureau/Marketing Committee (Mayor Mirisch and Councilmember Bosse) met with RDC representatives to review the proposed Fiscal Year 2016-17 work plan and funding request. The Liaison Committee has recommended approval of the RDC's work plan and corresponding funding request of \$1,000,000 (included as Attachment No. 1 to the staff report), which represents a flat budget from the prior fiscal year. The RDC is requesting funding for a variety of marketing initiatives and special events and they include:

- \$125,000 for the signature Rodeo Drive Walk of Style® event honoring a nominee who has made significant contributions to fashion and entertainment. In addition to the \$125,000 requested, the RDC will apply one-time carryover funding from Fiscal Year 2014-15 in the amount of \$122,498, for a total event

budget of \$247,498. The carryover dollars were previously approved by the City Council on February 16, 2016.

- \$40,000 for the Rodeo Drive Concours d'Elegance scheduled for Sunday, June 18, 2017. The \$40,000 in funding will be a combination of waived street closure fees and in-kind City services such as police, traffic control and public works.
- \$400,000 for holiday décor and a holiday lighting ceremony featuring entertainment on Rodeo Drive that will be free and open to the community.
- \$60,000 for a new marketing platform 'LIVE! From Rodeo Drive' where media presenters and hosts will film entertainment segments featuring Rodeo during awards season.
- \$200,000 for general marketing initiatives including magazine advertising (\$73,000), publishing partnerships (\$78,000) and a menswear initiative (\$49,000). At the May 4 CVB/Marketing Committee meeting the Council Liaisons requested more detailed budget information on these items and this information is included as Attachment No. 2 to the staff report.
- \$165,000 for social media marketing including working with key social media influences in fashion and photography and RDC member brands on fashion photo shoots to be featured on social media channels.
- \$10,000 to maintain the Rodeo Drive website with enhanced marketing, event microsites, social media, and search engine optimization.

### **FISCAL IMPACT**

The City's Finance Department projects \$39,140,000 in TOT revenue for the 2016-2017 Fiscal Year, which results in a Tourism and Marketing budget of \$5,951,429 and is budgeted in program account 0101311. The RDC is requesting \$1,000,000 for marketing and special events to promote Rodeo Drive.

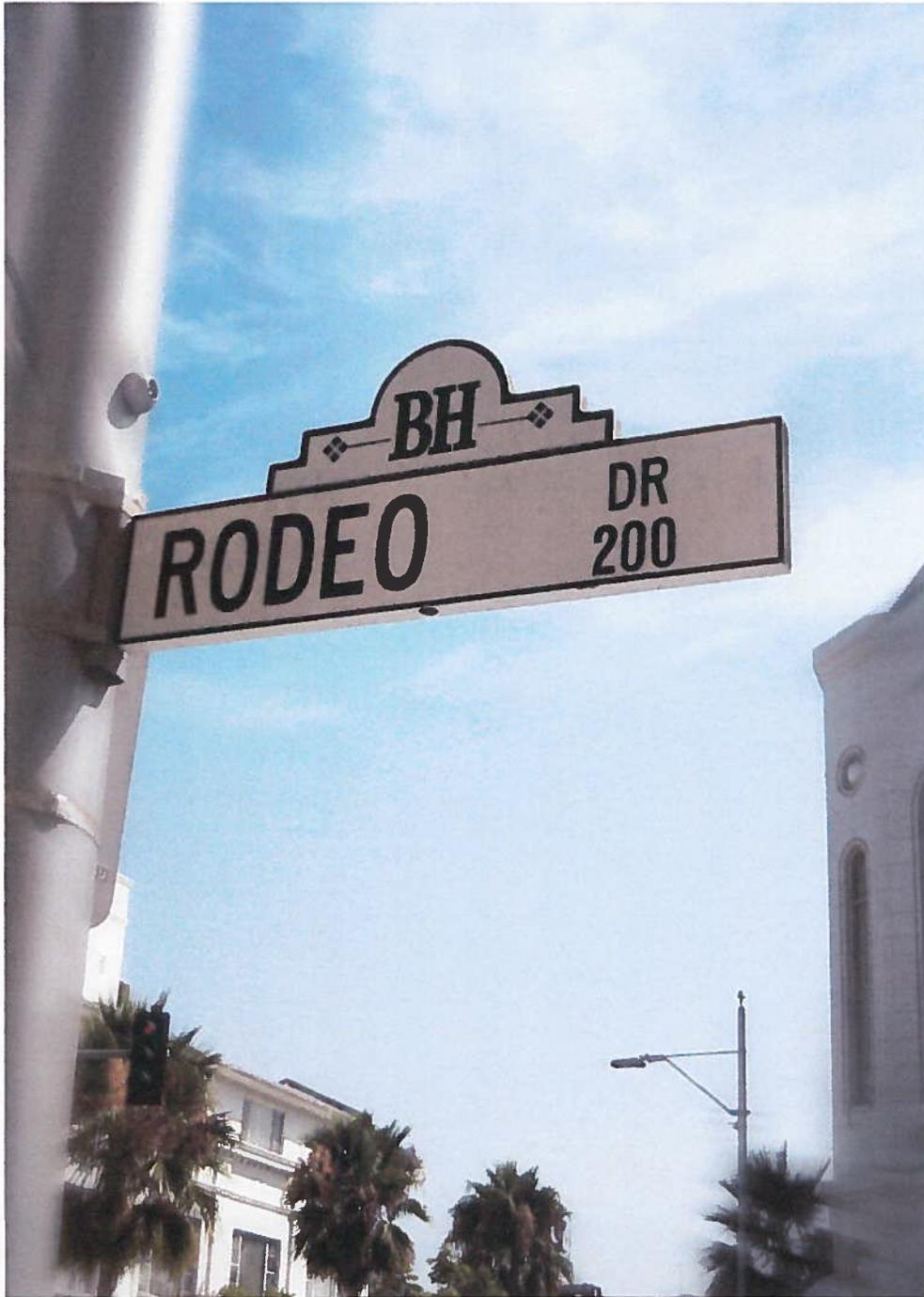
### **RECOMMENDATION**

Staff recommends that the City Council review the Beverly Hills Conference and Visitors Bureau/Marketing Committee's recommendation for the Fiscal Year 2016-17 scope of work and funding request from the Rodeo Drive Committee.

Cheryl Friedling  
Approved By



# **Attachment 1**



THE RODEO DRIVE COMMITTEE  
BUDGET PROPOSAL  
2016-2017

# OVERVIEW

Rodeo Drive is at the intersection of fashion, luxury and celebrity, with instant global brand recognition few destinations can match.

The Rodeo Drive Committee (RDC) is a volunteer based organization that serves as its steward and is comprised of a dedicated group of landowners, retailers and hoteliers who have a vested interest in continuing and expanding the allure and success of the world-renowned destination.

With more than 70 members, each representing a business on Rodeo Drive, 28 Board of Directors and seven Executive Committee members, the Rodeo Drive Committee is a long-standing business association that collaborates with the Beverly Hills Conference and Visitors Bureau and the Beverly Hills Chamber of Commerce, to address important issues and programming in partnership with the City of Beverly Hills.

2015-2016  
YEAR IN REVIEW

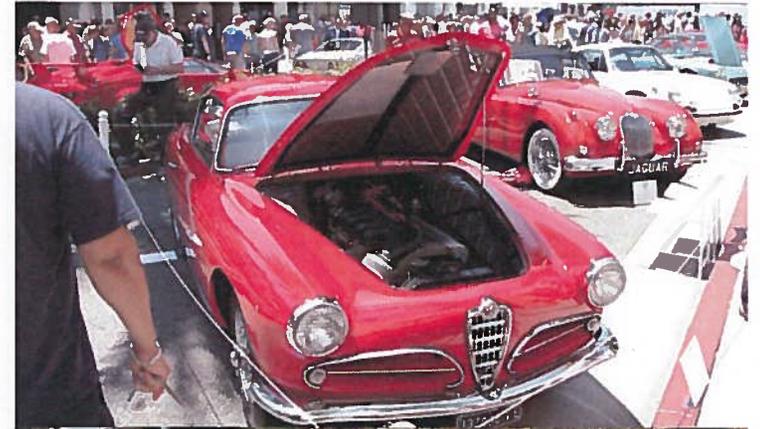
# CONCOURS d'ELEGANCE

City Funding: \$30,000

Additional Sponsorship Raised: \$178,385

The best attended Concours to date, the 2015 Rodeo Drive Concours d'Elegance welcomed tens of thousands of visitors and residents to Beverly Hills. The annual event is the largest single-day Concours in North America.

The Father's Day tradition featured Alfa Romeo as the Honored Marque and the theme focused on Route 66, The Autobahn, and Autostrade – aptly titled, "Highways to Heaven."



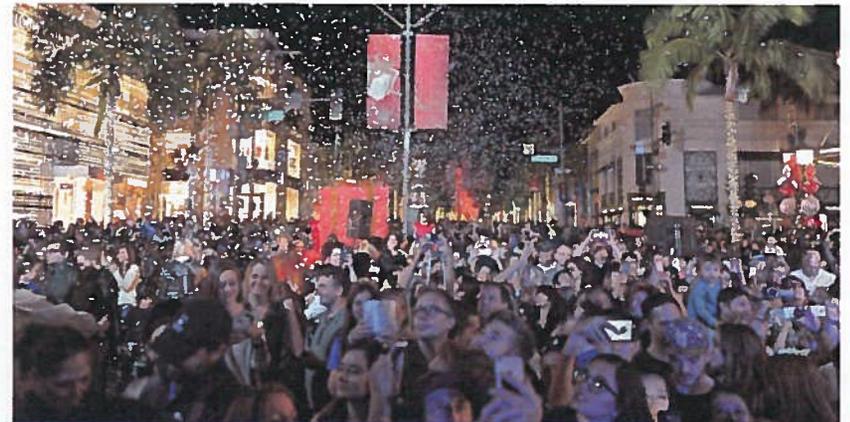
# HOLIDAY LIGHTING CEREMONY

Total Cost of Décor and Lighting: \$325,000  
Value: \$411,300

For the 29<sup>th</sup> Annual Beverly Hills Holiday Lighting Ceremony on Rodeo Drive, the RDC conceptualized, produced and executed the new holiday décor and lighting ceremony.

Attended by thousands of guests, the event was hosted by fashion expert and television personality Guiliana Rancic, and featured a musical performance by actor, jazz vocalist and writer Molly Ringwald.

The Debbie Allen Dance Company opened the Ceremony with "The Hot Chocolate Nutcracker," which included an appearance by the acclaimed choreographer herself.

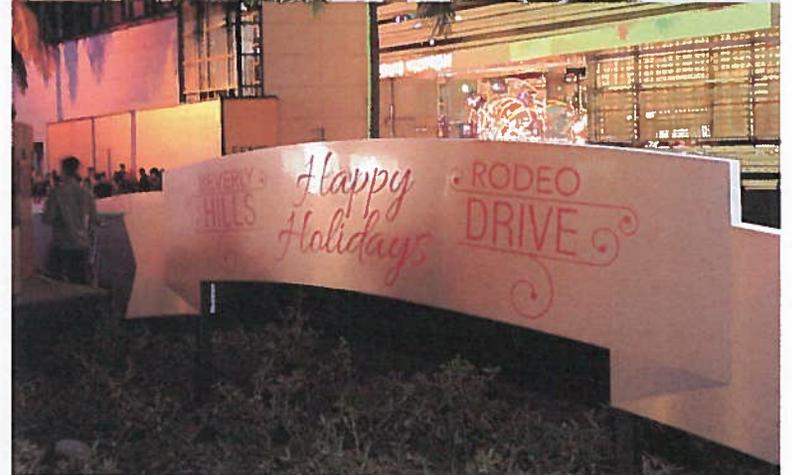


# HOLIDAY DÉCOR

The 2015 Holiday Décor on Rodeo Drive embodied a luxurious gifting theme with large red and gold gift boxes with flowing ribbons adorning the median strip.

By day, the effect was colorful and bold. By night they shined elegantly, with many boxes featuring patterned snowflake cutouts emanating light from within. Along with Rodeo Drive's palm trees that sparkled with tens of thousands of red LED lights, these features set the perfect mood for holiday shopping.

The Rodeo Drive Committee worked closely with City Liaisons to refine the design direction and create the new décor in a short period of time.



# LAX BILLBOARD ADVERTISEMENT

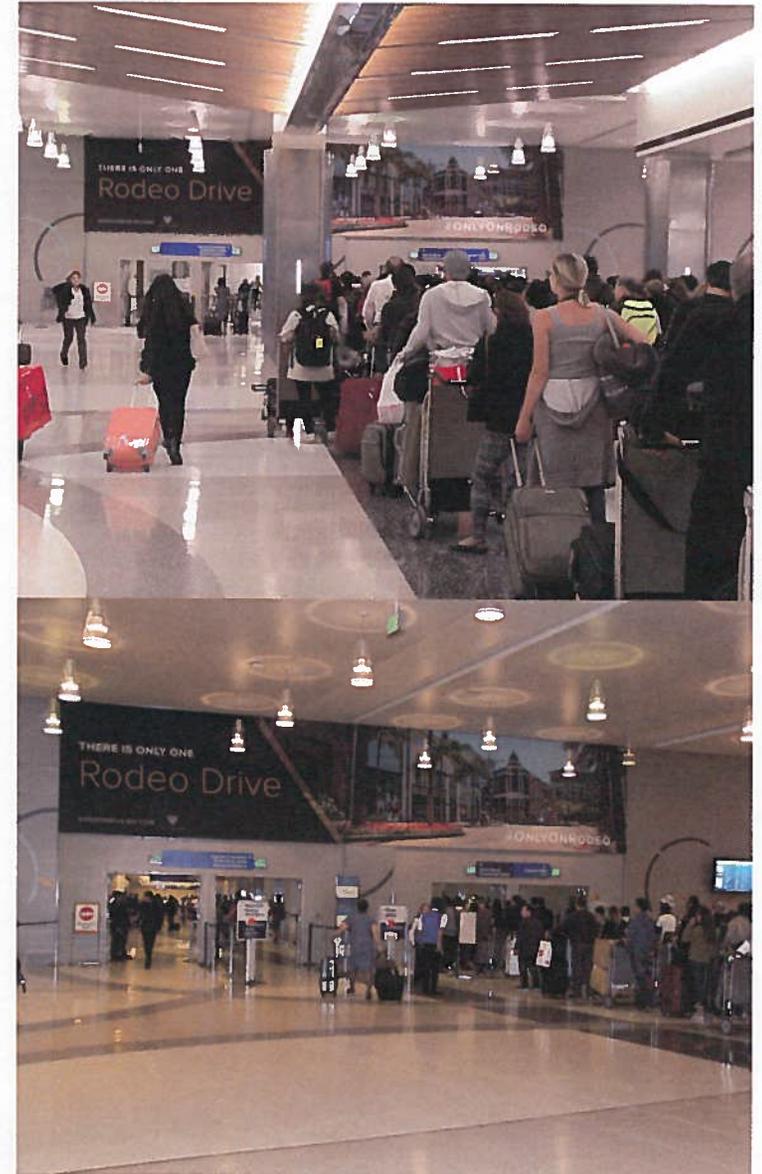
Cost: \$380,000

Value: \$652,000

To increase overall brand awareness, the Rodeo Drive Committee continued with a year-long billboard advertisement at the Los Angeles International Airport.

The Rodeo Drive billboard welcomes all international arrival passengers (approximately 20MM in 2015) as they pass underneath the billboard and enter Customs.

Additionally, due to the inability to refresh the LAX artwork, the RDC was able to negotiate a savings of \$3,000/month for the banner advertisement.

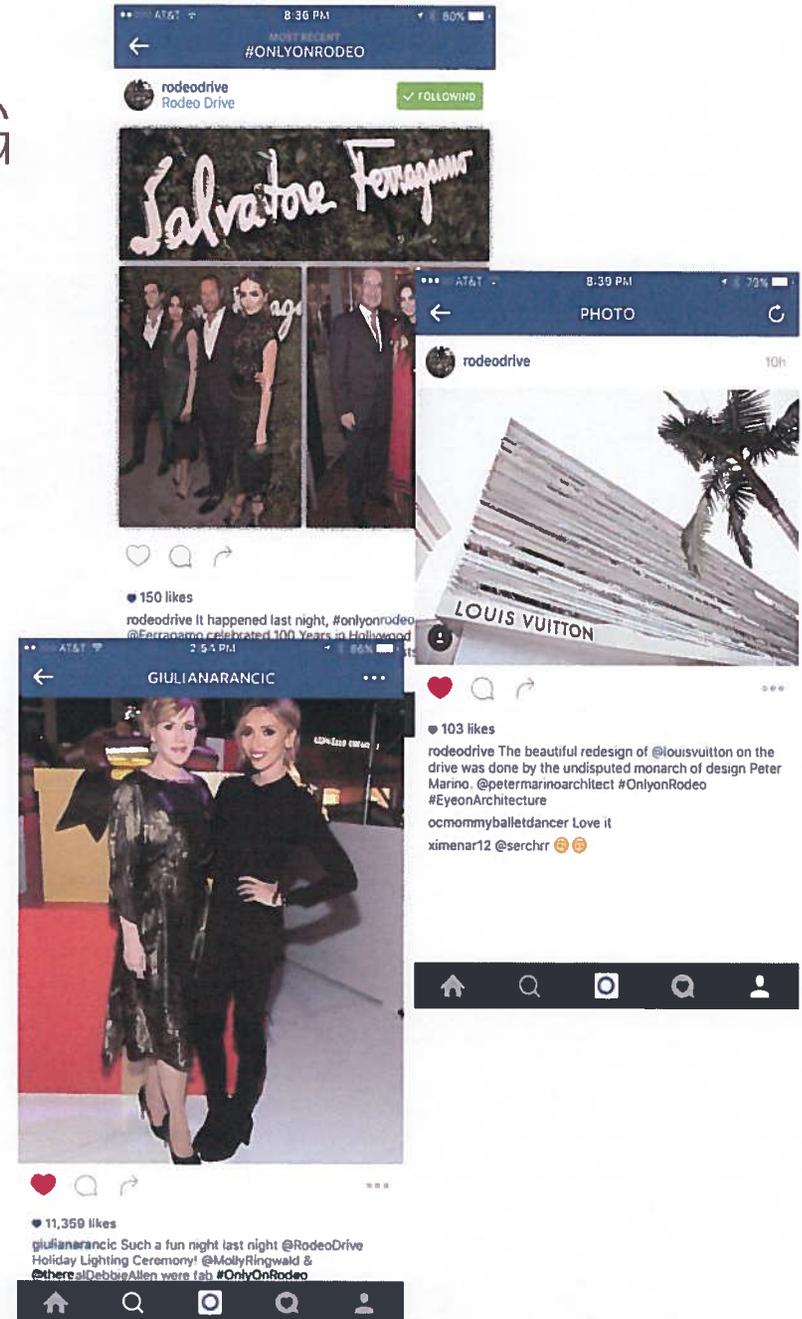


# SOCIAL MEDIA MARKETING

The Rodeo Drive Committee engaged with numerous Social Media Influencers during multiple 2015 – 2016 campaigns. Social Media (particularly Instagram) is an essential tool for connecting with today's younger luxury consumers and trendsetters. 'Social Media Celebrities' and bloggers have amassed huge audiences and wield tremendous influence.

Over the past year, Rodeo Drive's social media reach and following has dramatically increased.

- Instagram followers have grown by 70%
  - Total followers have increased to 5.4K
- Facebook has grown 20% and now has 43.6K likes
  - Average monthly reach is more than 1MM
- Twitter now has 3.9K followers, up 20% this year
  - RDC posts generate, on average, more than 15K impressions each month

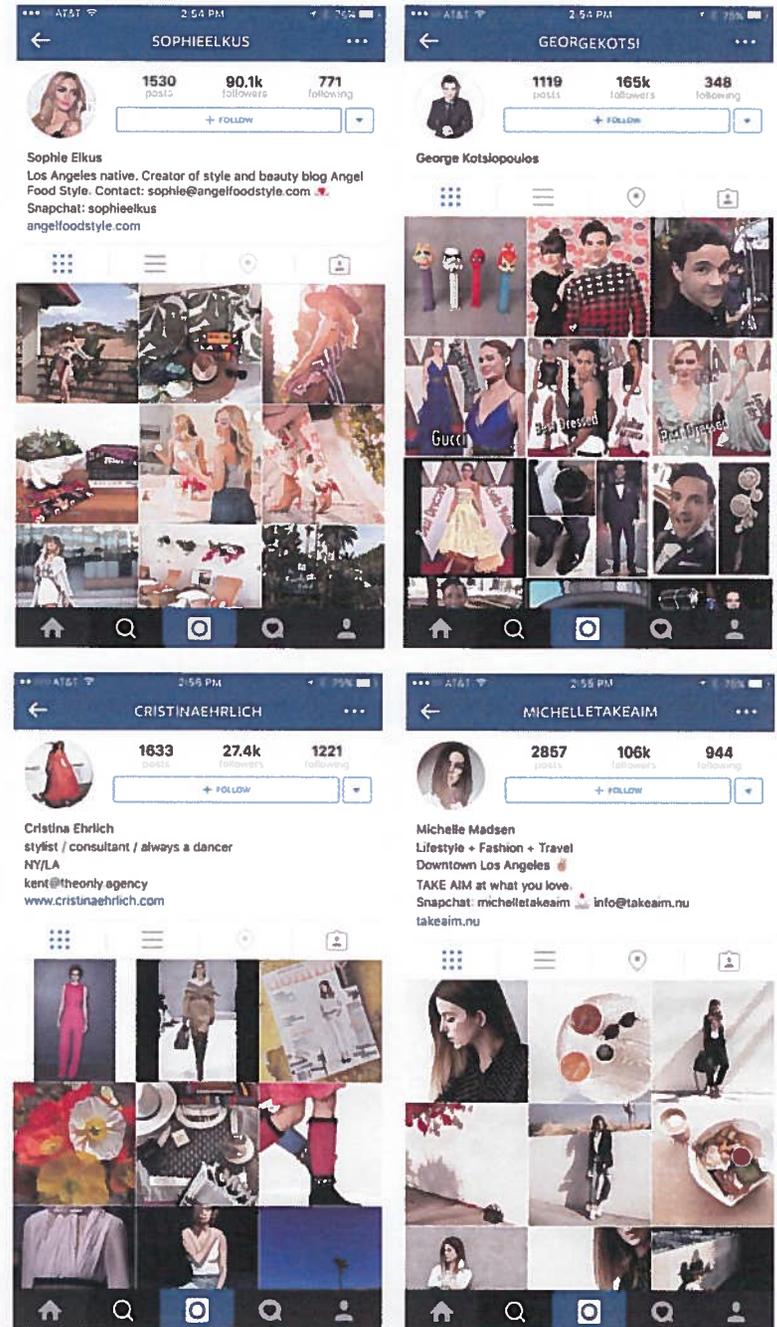


# SOCIAL MEDIA

Throughout 2015-16, the RDC created cost-effective opportunities to share influencer audiences with ours. Further, we created compelling storylines through Rodeo Drive's social media channels to communicate the brand and expand its influence.

We have engaged Social Media Influencers and Celebrities in two ways:

- Organically, by interacting with them as followers through Social Media, and connecting with them at events on the Drive
- Through paid endorsements with marketing funds to the Influencers below, total combined followers and reach on Social Media platforms included:
  - Christina Ehrlich: 36K
  - Sophie Elkus: 94.5K
  - Simone Harouche: 160.7K
  - George Kotsiopoulos: 395K
  - Michelle Madsen: 125.8K
  - Guiliana Rancic: 7.5MM
  - Molly Ringwald: 302.6K



# WEBSITE ANALYTICS

The Rodeo Drive website continues to be a resource for clients and tourists planning a visit to Rodeo Drive and Beverly Hills. From August 1, 2015 – March 22, 2016, [www.RodeoDrive-BH.com](http://www.RodeoDrive-BH.com) experienced:

- 390,344 Unique Page Views, i.e. Visitors
- 84.16 % New Visitors from the previous year
- The site's largest demographic was 25-34 year olds, who comprised 30% of total visitors
- Women made up 58.6% of Visitors
- Mobile access led with 49.94% at 95,762 Sessions, followed by Desktop with 41.58% at 79,725 and Tablet with 8.48% at 16,268



The intersection of

*Luxury, Fashion & Entertainment*

# PUBLICITY

NEWS CIRCULATION AUDIENCE: 20,942,118

AD VALUE : \$2,516,640

Publicity Highlights Include:

- *Los Angeles Confidential* wrote a piece entitled, "Rodeo Rides Again" highlighting the exciting new openings and reinvestments on Rodeo Drive
- *The Hollywood Reporter* wrote, "There is no question – Rodeo Drive is rocking."
- *Racked* named Rodeo Drive as one of "LA's Five Best Shopping Destinations of 2015"
- *Robb Report* wrote a piece entitled, "Rodeo Drive in Beverly Hills Is Becoming the Destination for Fine Watches"
- Publicity for the Holiday Lighting Ceremony alone garnered more than \$100,000 worth of media coverage



# LOS ANGELES CONFIDENTIAL



A star is reborn: Following hot ticket openings and mega renovations, Rodeo Drive makes a Hollywood-worthy comeback as LA's—if not the globe's—premier shopping destination.

## RODEO RIDES AGAIN

MEL ROSE AND ROBERTSON? RODEO DRIVE IS BACK, BABY. BY RAMONA SAVVIS

Staking its claim as the luxury retail destination in LA, Rodeo Drive has been reborn—with a retail vengeance! This year alone the city's top high-end haven dotted its palm tree-lined street with new openings, remodels, and debuting flagships. "Rodeo Drive is one of the best places to shop, with more than 100 world-renowned flagships

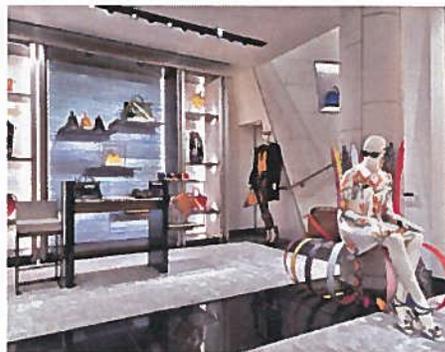
and stores comprising just three small blocks," says Julie Wagner, CEO of the Beverly Hills Conference & Visitors Bureau. In the past year alone the historic strip saw an influx in luxury brands setting up shop, including hot-shot horology house Audemars Piguet (254 N. Rodeo Dr., Beverly Hills, 310-247-8181; audemarspiguet.com),

which celebrated the debut of its newest boutique (its fourth in the US) with a star-studded party at Two Rodeo in the heart of Beverly Hills. Nearby, IWC Schaffhausen (329 N. Rodeo Dr., Beverly Hills, 310-734-0520; iwc.com) unveiled its second US flagship, concurrently unveiling a special Swiss-made Rodeo Drive Limited

Edition luxury timepiece. Across the street, the new Emporio Armani store (338 N. Rodeo Dr., Beverly Hills, 310-271-7790; armani.com) covers 5,900 square feet (on two floors) with Armani's signature oh-so-cool gray tones and metallic detailing. To complement its complete renovation, Rodeo Drive's longstanding Fendi

boutique moved up the street to unveil a sparkling new West Coast flagship (201 N. Rodeo Dr., Beverly Hills, 310-623-3420; fendi.com). Designed by Peter Marino, the new store is inspired by the brand's Roman heritage. Adding to the Italian homage, luxury brand Battistoni (9536 Wilshire Blvd., Beverly Hills, 310-274-4500;

PHOTOGRAPH BY TONY REYNOLDS



CLOCKWISE FROM LEFT: The second floor of Fendi's reborn West Coast flagship houses an enormous collection of women's ready-to-wear, shoes, and accessories—not to mention furniture courtesy of ultra-luxe home line Fendi Casa; Bally does another fab-collab with David Chipperfield Architects for its new modernist-chic Rodeo flagship; horologist-to-the-stars, Audemars Piguet, keeps Two Rodeo ticking.

## "RODEO DRIVE IS LIKE A NEW FRONTIER—IT'S A WHOLE NEW DISCOVERY!"

—GIANNI BATTISTONI

battistoni.com), known for bespoke tailoring, ultimately decided to open its very first US shop next to the Beverly Wilshire Hotel. The 6,500-square-foot store was actually built in Italy before being shipped to and assembled in Beverly Hills—because, of course, that's what a \$4 million "boutique" does. "The development that Rodeo Drive has had in the last twenty years is quite amazing," says Gianni Battistoni, whose father founded the brand in 1946 just across from the Spanish Steps in Rome. Following suit, Bally (340 N. Rodeo Dr., Beverly Hills, 310-247-1012; bally.com) opened its

first US flagship in LA in February. The two-story space features the Swiss brand's signature red-and-white stripes motif and includes a private rooftop patio overlooking the uber-glam scene below. Coming up, Bottega Veneta (320 N. Rodeo Dr., Beverly Hills, 310-858-6533; bottegaveneta.com) debuts a reiteration of its iconic LA store, which has been a Rodeo mainstay since the late 1970s. The two-level boutique will be a uniquely designed "maison" (a sister store to the brand's only other one-of-a-kind outpost, in Milan) that will pay tribute to LA architecture—90210-style! *Certo!* ■





HOME » WATCHES

## Rodeo Drive in Beverly Hills Is Becoming the Destination for Fine Watches

February 17, 2016

In early December, the Swiss watchmaker [Audemars Piguet](#) welcomed clients, press, and celebrity friends of the brand to a “winter wonderland” at its new boutique on **Rodeo Drive in Beverly Hills**—adding to the growing list of fine watchmakers focusing their attention on the au courant horologic destination.





FASHION

# Fendi moves out and up, A.P.C. pop-up offers a deal to shoppers, and Rachel Zoe has a cool plan



By Adam Tschorn · Contact Reporter

FEBRUARY 14, 2016, 7:00 AM

Italian luxury brand Fendi has switched-up its longtime home on Rodeo Drive, swapping out a small, one-story boutique for a larger, two-story flagship at the corner of Wilshire Blvd. and Rodeo. Women's ready-to-wear, shoes, furs and accessories are showcased upstairs in the new boutique, and the men's collection – which hadn't been part of the previous space at all – occupies the ground floor. The two are linked by a travertine staircase. Interior details include a colorful wall hanging of patchworked fur pieces and framed photographs of Roman fountains taken by Karl Lagerfeld (the house's longtime creative director for women's ready-to-wear and fur). *Fendi Beverly Hills, 201 N. Rodeo Drive, Beverly Hills.*



Italian luxury brand Fendi has switched-up its longtime home on Rodeo Drive, swapping out a small, one-story boutique for a larger, two-story flagship at the corner of Wilshire Blvd. and Rodeo. (FENDI)

>

As part of A.P.C.'s Melrose Place pop-up shop showcasing French fashion designer Vanessa Seward, (February 11 through March 27), the store is offering complimentary monogramming on all VS denim purchase. Because, let's face it, the only thing better than a pair of designer jeans is pair of designer jeans with your name embroidered in gold across the back pocket. *A.P.C., 8420 Melrose Place, Los Angeles.*

# Robb Report HOLIDAY HOT LIST

YOUR EXCLUSIVE GUIDE TO THE BEST OF THE SEASON



## Only on Rodeo

Dazzling signage along Beverly Hills' most famous shopping street Rodeo Drive shows familiar names like Burberry, Dior, and Harry Winston. Not as well known are the boutiques' VIP floors for top customers—destinations for sourcing gifts for friends and family members with elusive tastes. At Tod's, find a Sartorial Men's Shoe Floor selling one-of-a-kind footwear from JP Tod's Sartorial Collection. The Made-to-Order Jimmy Choo line, available only at the Rodeo Drive store, allows customers to choose colorways, textures, and finishes from glitter and satin to exotic snakeskins not offered among existing collections. Choo will also monogram shoes' soles upon request. ([rodeodrive-bh.com](http://rodeodrive-bh.com))

February 28, 2016

# Armani Hosts Pre-Oscar Bash for 'The Revenant,' With Leonardo DiCaprio, Cate Blanchett, Anne Hathaway

By Marcy Medina

There's always a palpable electricity in the air the night before the Academy Awards, with major parties in seemingly every corner of Los Angeles. Beverly Hills alone is home to the lion's share of events, including The Weinstein Company's pre-Oscars dinner at The Montage, CAA's bash at Bryan Lourd's home, and The Night Before party at Raleigh Studios.

A- A A+ PRINT

Giorgio Armani's pre-Oscar cocktail party at its Rodeo Drive flagship, hosted by Roberta Armani, is usually at the epicenter of the early-evening star-quake, kicking things off at 5:30 p.m. Saturday's event, in honor of "The Revenant," was busy as Leonard DiCaprio, the presumed winner of the Best Actor in a Leading Role trophy, sneaked in through a back entrance and remained undetected by many of the guests as he stood with his posse in a back corner behind a giant column.



VIEW SLIDESHOW

Cate Blanchett  
Courtesy of Giorgio Armani

# The New York Times

FASHION & STYLE

## At IWC Schaffhausen, Putting on a Show

By VICTORIA GOMELSKY JAN. 17, 2016



BEVERLY HILLS, CALIF. — Georges Kern had a big night ahead of him. The chief executive of the Swiss watchmaker IWC Schaffhausen, Mr. Kern was in Los Angeles last month for the grand opening of IWC's 2,300-square-foot flagship on Rodeo Drive.

On tap: A cocktail party at the boutique for clients, the media and celebrity friends of the brand, followed by an intimate dinner at Spago featuring a performance by the Grammy-nominated singer and songwriter Aloe Blacc, the stage name of Egbert Nathaniel Dawkins III.

Mr. Kern, 50, a lover of Tinseltown, was in his element.

"You feel good when, after 13 years — when we were nowhere in terms of turnover or recognition — you have the critical mass to be on one of the best streets in the world, beside the biggest brands on the planet," he said.



The IWC boutique on Rodeo Drive. Kendrick Brinson for The New York Times

# COMPLIMENTARY ADVERTISING

## *LAX Magazine*

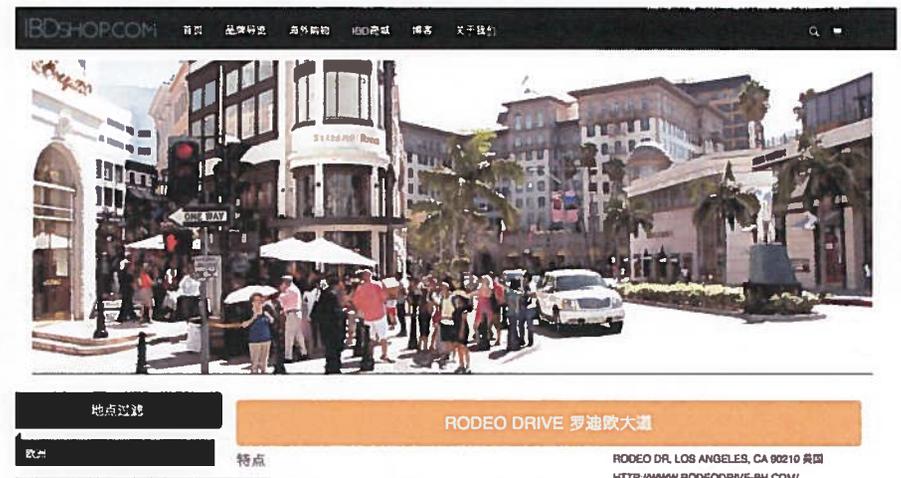
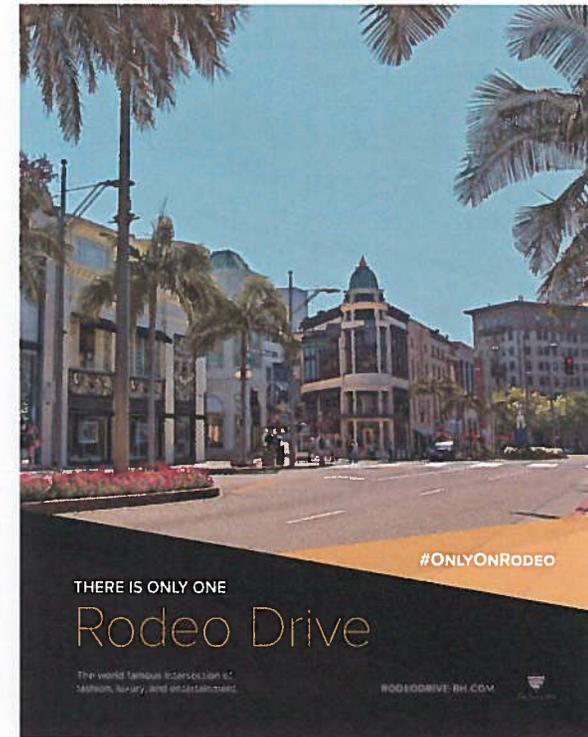
The Rodeo Drive Committee was able to leverage the LAX Billboard Ad spend to secure two free full page advertisements in 75,000 copies of *LAX Magazine's* Fall and Holiday issues.

Estimated Readership: 160,000 per issue  
LAX Ad Value: \$7,910

## IBDShop.com

The RDC secured complimentary placement as a featured shopping destination on IBDShop.com, a new platform targeted to Chinese consumers traveling to the region.

IBD provides a dedicated global tourism shopping directory for Chinese consumers and offers shopping destinations and international retailers a tool to drive sales, connect, communicate and transact with Chinese consumer when they travel.



# YPO EVENT AND SALES MARKETING

The Rodeo Drive Committee has partnered with YPO (the Young President's Organization) for the group's Rodeo Drive Block Party event in May 2016. YPO is the world's premiere peer network of chief executives and business leaders.

As 1200 YPO members and guests arrive in Beverly Hills for their Pacific EDGE conference, Rodeo Drive will host the event's evening social. At that event, RDC has created a "Nightcap" shopping event for watch and jewelry brands who will host small in-store receptions with key YPO executives.

To additionally reach this highly-qualified group of potential clients, the RDC is also creating a collateral marketing piece that will be distributed to all YPO members staying at RDC member hotels. The collateral marketing piece will serve as a personal welcome to Rodeo Drive, while also providing direct access to Store Directors who will be able to assist with any shopping needs during their stay.



# RODEO DRIVE COMMITTEE NEW MEMBER KIT

The Rodeo Drive Committee redesigned the content and layout for the organization's membership outreach kit. The new kit highlights the RDC's overall programming and has been instrumental in helping to secure new members to the group.

As member dues are essential to the RDC, this new kit has been a helpful tool for communicating to member brand's corporate offices regarding the exciting marketing opportunities and benefits RDC members receive.

2016 RDC membership grew by 4% over 2015.



## 2016 RODEO DRIVE COMMITTEE BENEFITS OF MEMBERSHIP

# JOIN US

Founded in 1972, The Rodeo Drive Committee provides a forum where Members – including the Drive's retailers, hoteliers, and landowners can get involved, share their voice and shape the present and future of our iconic, world famous shopping destination. As the steward of the Rodeo Drive brand, the Committee deploys funds allocated by the City of Beverly Hills and raised through its membership dues, to create marketing platforms and communications strategies which enable Rodeo Drive to continue thriving in the highly competitive and changing marketplace.

**Members can participate in a number of ways.**

Attending the monthly General Membership meetings provides the opportunity to network with colleagues from Rodeo Drive and representatives from the City of Beverly Hills and to learn about member-exclusive marketing opportunities including Rodeo Drive's social media and public relations programs. Minutes recapping each meeting are emailed to members, as is timely news affecting the Drive. Those who seek a larger role can become elected to the Board of Directors or the Executive Committee, or volunteer as a chairperson for one of Rodeo Drive's celebrated events.

*The world arrives on Rodeo Drive.  
Now realize the full benefits of this  
global address by joining the  
Rodeo Drive Committee.*



Illustration from Rodeo Drive Walk of Style Invitation honoring Salvatore Ferragamo

# CURRENT BUSINESS CLIMATE

- According to a November 2015 Cushman & Wakefield report, Rodeo Drive is the second most expensive US retail location, second only to Manhattan's upper Fifth Avenue. Commercial rents on Rodeo Drive are up 23% year over year from 2014 to 2015.
- Chanel SA acquired 400 North Rodeo Drive for \$152MM, paying a record-breaking \$13,000 per square foot to double its footprint on the Drive. This news dominated business headlines in December 2015.
- As the Rodeo Drive brand has traditionally enjoyed a prestigious status, the RDC has not traditionally focused on refreshing the brand. However, given the increasing competition and upcoming construction projects, it is imperative that Rodeo Drive assign resources to modernize the brand and broaden its reach through social media and other targeted marketing initiatives.

## THE WALL STREET JOURNAL.

### Chanel Pays Record Price for Retail Space

Building on L.A.'s swanky Rodeo Drive sold for over \$13,000 a square foot

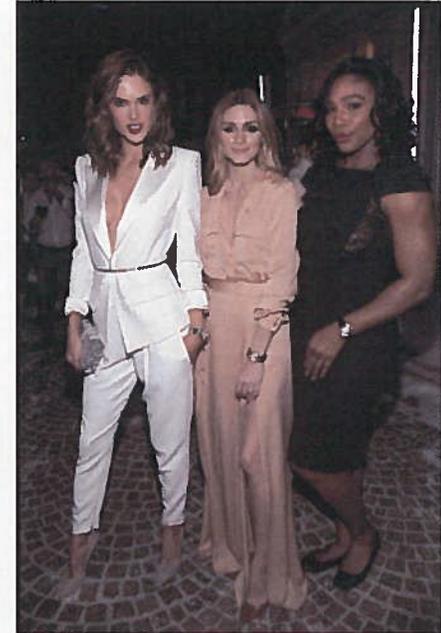


# LAUNCHES & REINVESTMENTS

Rodeo Drive has never been a more significant force than it is today. Many brands already at home on Rodeo Drive have revitalized their presence and many still have plans or are currently reinvesting in their Rodeo Drive Flagships.

Over the past year, the following brands have either launched new flagships on Rodeo Drive or celebrated the openings of newly renovated locations:

- Salvatore Ferragamo
- Fendi
- Emporio Armani
- Bally
- IWC Schaffhausen
- Audemars Piguet
- Luxe Hotel Rodeo Drive
- Vilebrequin
- Lalique
- Westime
- Serapian Milano



# RDC DUES AT WORK (WITHOUT CITY FUNDING SUPPORT)

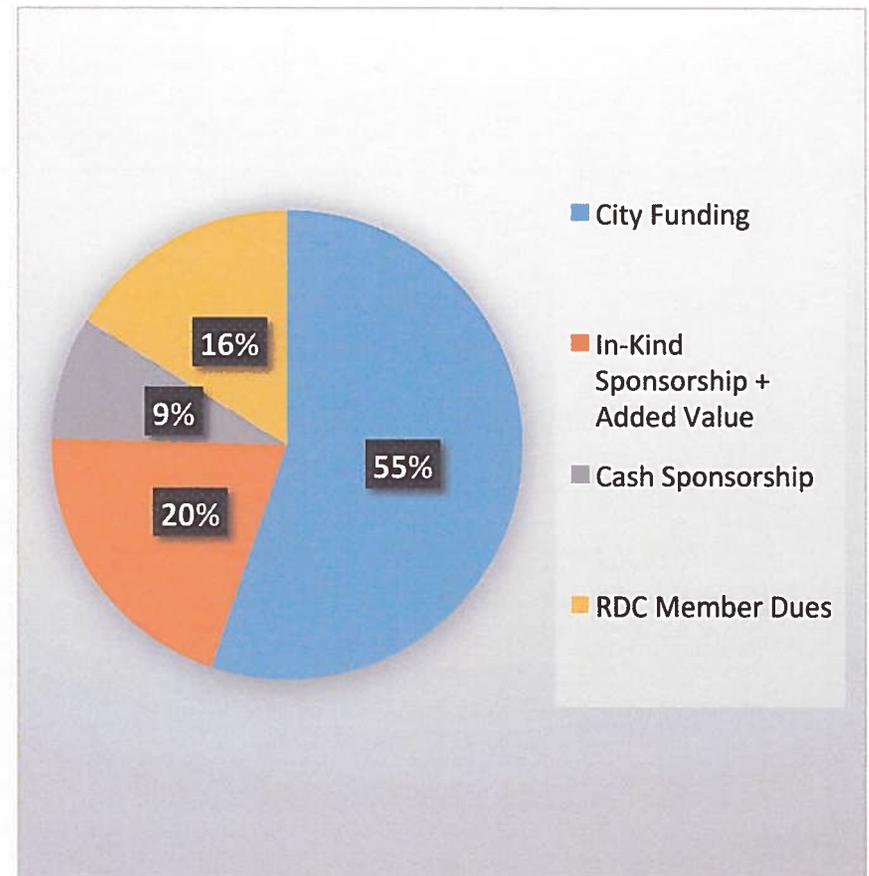
- General Administration, Marketing and Publicity
- Civic Relations
  - Work in partnership with City staff on a range of issues involving Rodeo Drive and the City of Beverly Hills (i.e. Valet Parking, Aggressive Panhandling and Solicitations, Tour Buses, etc.)
- Rodeo Drive Map in English, Chinese and Japanese
- Membership Outreach
- Monthly Meetings at the Beverly Wilshire, A Four Seasons Hotel
- Accounting & Bookkeeping
- Legal Counsel
- Trademarking of:
  - Rodeo Drive
  - Rodeo Drive Concours d'Elegance
  - The Intersection of Luxury, Fashion and Entertainment

# 2015 – 2016 PROGRAMMING VALUE

Rodeo Drive Total Promotion Value 2015-16:  
\$1,811,460\*

The Rodeo Drive Committee was able to increase the value of the City's \$1,000,000 funding investment for the 2015-16 fiscal year by creating an additional value of \$811,460, excluding any value attributed to publicity generated by the RDC.

RDC increased the funding invested by the City to create supplemental and enhanced programming for its members and Rodeo Drive.



2016 – 2017  
PROPOSED INITIATIVES

# PROPOSED BUDGET INITIATIVES

Shoppers and visitors today expect an immersive lifestyle experience which is more than just a place to buy products. To stay relevant in an ever expanding and competitive marketplace, Rodeo Drive needs to create services, experiences, marketing platforms and communications strategies that enable it to thrive.

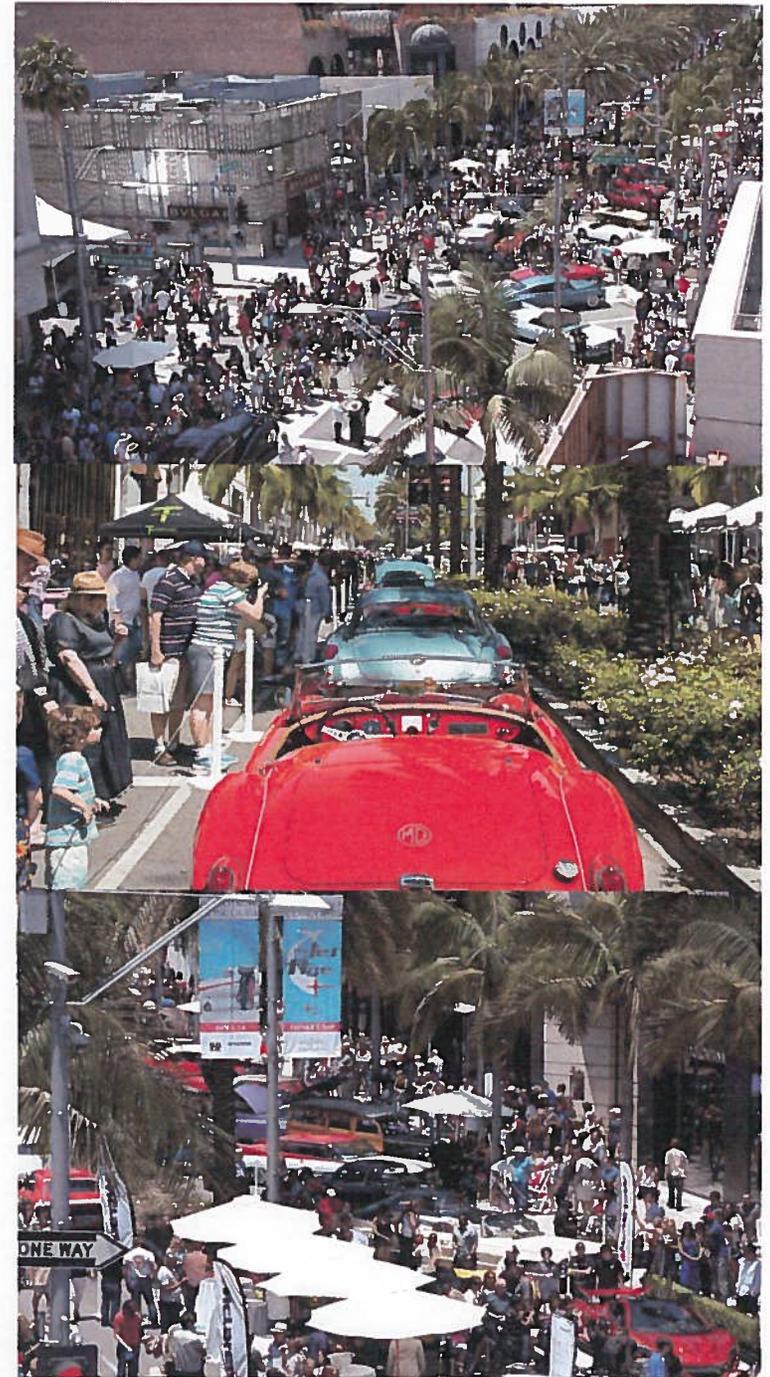
The Rodeo Drive Committee's proposed budget for 2016-17 is focused on retaining Rodeo Drive's allure for locals and attracting the next generation of young, affluent shoppers and travelers to Rodeo Drive to complement most, if not all, of what the RDC members are trying to accomplish for their own brands.

# CREATING EXPERIENCES: CONCOURS d'ELEGANCE

The largest, single-day automotive concours in North America and the highest-attended recurring event in Beverly Hills, this annual Father's Day event has even greater potential yet in store.

Our goal is to enrich the guest experience with hospitality (both ticketed, and general access) including leisure space, food and beverages, and entertainment experiences.

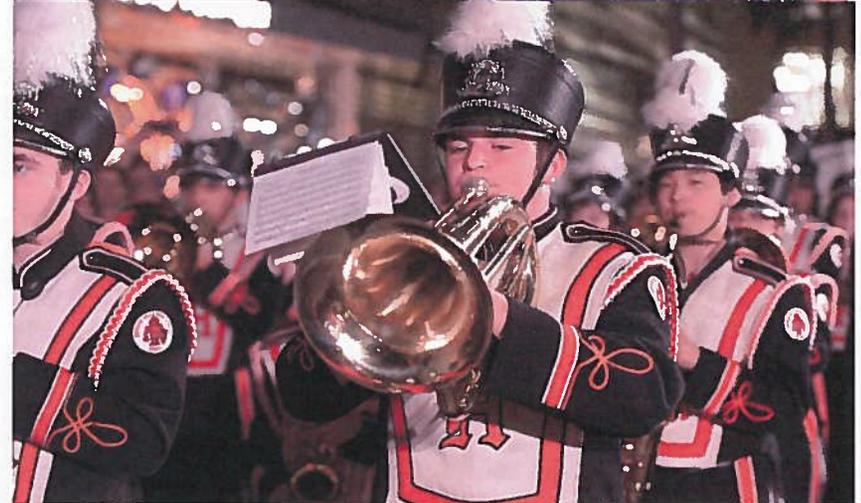
This will encourage visitors to spend their entire day on Rodeo Drive, rather than just a few hours. Further, by providing a more curated, upscale experience, we will broaden the Concours' appeal as a "connoisseur" event rather than strictly "automotive."



# CREATING EXPERIENCES: HOLIDAY

In addition to providing a celebration for the community and capturing news coverage, the Beverly Hills Holiday Lighting Ceremony should be a selling opportunity for retailers to drive retail sales amid a festive shopping atmosphere that will build upon last year's holiday décor. Our vision for 2016 includes:

- Creating a two-hour shopping event on Rodeo Drive to occur immediately prior to the Lighting Ceremony
- "Magic Snow" could fall throughout 200-400 blocks of Rodeo Drive
- In-Store receptions with light catering would welcome shoppers
- Shopping event would culminate with musical performance and Lighting Ceremony on 200 block
- Augment the 2015 holiday décor display and explore possibility of adding the Baccarat Chandeliers, with additional funding support

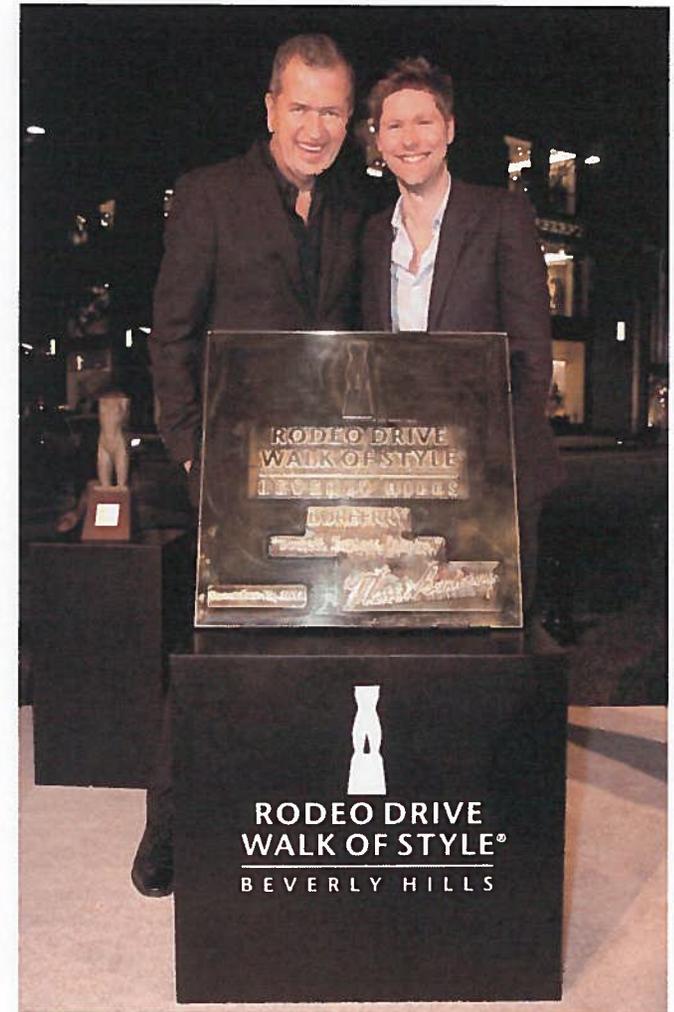


# CREATING EXPERIENCES: RODEO DRIVE WALK OF STYLE®

Since 2003, the Rodeo Drive Walk of Style® has awarded 22 style legends for their contributions to the world of fashion and entertainment.

The RDC has been working to refresh the program and reinforce Rodeo Drive's position at the very epicenter of fashion and entertainment. The updated program will debut in Fall 2016 and components would include:

- Event Concept: an exclusive affair taking place on Rodeo Drive, with a live performance by an A-List singer or artist; and Award Presentation with tributes (live and video)
- Timing: event to take place at the same time each year, in the 2<sup>nd</sup> or 3<sup>rd</sup> week of October
- Selections Committee: 8 seats total, including RDC President, Honorary Chair, Rotating Chair, Agent/Hollywood Executive, Fashion Editor, Actor/Performer, Designer, and the Walk of Style Honoree from the previous year



# MARKETING PLATFORM: SOCIAL MEDIA



Content and strategies for RDC Social Media will include:

- Partnering with Social Media Influencers and Celebrities to create co-branded content and engagement to reach domestic and international audiences
- Engaging with notable photographers and architects with work on Rodeo Drive, as well as notable Interior Designers
- Highlighting Rodeo Drive's "must have" offerings, particularly those available #OnlyOnRodeo
- Photography from in-store events on Rodeo Drive featuring chic, notable guests and events presented by the RDC
- Reposts from social media influencers and news outlets featuring Rodeo Drive
- Iconic images of Rodeo Drive, both contemporary and historic

# MARKETING PLATFORM: LIVE! FROM RODEO DRIVE

Rodeo Drive is the ultimate “fashion stage,” particularly when the worlds of fashion and entertainment collide each year during Awards Season. Hundreds of members of the international broadcast and digital news media flock to Los Angeles at this time, and many need a well-located, visually rich location where they can shoot segments focusing on celebrities and red-carpet fashion leading up to the ceremonies.

For a window of dates preceding the Oscars and Golden Globes, the RDC would create a temporary outdoor studio – with power, desk and chairs – where media presenters/hosts can shoot segments featuring Rodeo Drive as the backdrop. US and overseas outlets would be booked by invitation.

We will also offer guests to be interviewed by media during their segments, including representatives from RDC member brands.



# GENERAL MARKETING <sup>(1)</sup>

With General Marketing funds, the RDC plans to pursue a variety of possible marketing opportunities proposed by our members, including:

- Advertising
- Publishing Partnerships
- Menswear Initiative

We would like to have the ability to move funds between these proposed initiatives, as well as any other general marketing initiatives that may come up during the fiscal year that we believe will benefit Rodeo Drive. The General Marketing funds will also allow the RDC the opportunity to participate in other potential marketing programs that come up quickly.

The flexibility in the General Marketing funding is key to helping the RDC leverage as much value as possible from this budget allocation.

(1) See page 33 for estimated breakdown of cost and examples.

# RODEO DRIVE: ECONOMIC DRIVER FOR BEVERLY HILLS

Rodeo Drive continues to have a direct and meaningful impact on the City's finances, including but not limited to:

- **Sales Tax Revenue** – In 2015-16, Rodeo Drive contributed approximately \$6.6MM, or 19%, of the City's sales tax revenue
- **Business Tax** – With some of the highest PSF (Price per Square Foot) rents in the world, Rodeo Drive generates significant tax revenue through the 2.35% business tax on rents, which have grown by more than 20% (YOY 2014-2015), according to Cushman & Wakefield
- **Real Estate + Real Property Transfer Taxes** – With record-breaking real estate prices paid on Rodeo Drive in 2015, including the Chanel building sale for \$152MM, Rodeo Drive contributes significantly to the City's real property transfer tax and allocation of real estate taxes

As a world-class travel destination, Rodeo Drive also has a major indirect impact on the City's finances by attracting nearly six million visitors per year from across the City, State, Country and Worldwide to Beverly Hills to patronize its hotels, restaurants and other venues.

The Rodeo Drive Committee, in partnership with the City of Beverly Hills, must ensure that Rodeo Drive can sustain and grow its reputation as one of the leading, if not the leading, luxury destination in the world.

# 2016 – 2017 PROPOSED BUDGET

Program	2015-2016	2016 - 2017
Walk Of Style	\$200,000	\$125,000 (1)
Concours	\$35,000	\$40,000
Holiday Décor & Lighting Ceremony	\$325,000	\$400,000
LIVE! From Rodeo Drive	-	\$60,000
General Marketing	\$380,000	\$200,000
Social Media	-	\$165,000
Website		\$10,000
Website / Marketing / Maintenance	\$60,000	-(2)
TOTAL	\$1,000,000	\$1,000,000

(1) Excludes \$122,498 in carryover funding from 2014-2015 for Walk of Style.

(2) Funding for Website/Marketing/Maintenance 2016-2017 allocated separately above.

# 2016- 2017 BUDGET BREAKDOWN

Rodeo Drive will continue to focus on established marketing events, including Walk of Style, Concours d'Elegance and Holiday Décor / Lighting Ceremony. For these programs, budget changes for 2016-2017, include:

- The Walk of Style funding request excludes the addition of the carryover funding from FY 2014-2015
- \$5,000 increase in the Concours request to help offset rising City permit and production requirements
- \$75,000 increase in Holiday Décor / Lighting Ceremony to help cover the rising City permit and production requirements, as well as to account for production vendor fee increases

For new marketing initiatives, the budget is being broken down between General Marketing and Social Media. RDC members have expressed interest in the following initiatives, which would target local customers, as well as pre-qualified tourists. As these potential programs are still being confirmed, the flexibility to move funds between these potential marketing initiatives, or other fast-breaking opportunities, is key:

- Advertising – Exploring possible advertising opportunities in regional media to keep Rodeo Drive top of mind with Southern California clients. \$75,000 general advertising estimate.
- Publishing Partnerships – Developing possible publishing partnership with Departures Magazine to leverage corporate advertising spends in book, to create in-store and on street activations across Rodeo Drive Committee member brands. \$75,000 cost estimate, depending on size and scale of in-store and on-street activation.
- Menswear Initiative – Create a Menswear Initiative and/or marketing event that highlights menswear from Rodeo Drive Committee member brands. This initiative could be a fashion show, influencer shopping event, or other hybrid marketing component aimed at increasing sales and overall brand awareness for Rodeo Drive and its merchants. \$50,000 general cost estimate.

## 2016- 2017 BUDGET BREAKDOWN (CONT'D)

As Social Media Marketing is such a powerful marketing tool for fashion brands globally, as well as Rodeo Drive and for RDC members, we are exploring allocating the budget in the following ways:

- Social Media Influencers – Working with key influencers across categories, including fashion, architecture, design, photography and others, we would partner for curated content, @RodeoDrive tagging using #OnlyOnRodeo, to expand Rodeo Drive's audience reach. Cost estimate is \$80,000.
- Fashion Photo Shoots – Using products from RDC member brands, create fashion photography featuring Rodeo Drive and notable fashion influencers for each of the key collection seasons. Cost estimate is \$60,000.
- Awards Season – Working with top celebrity stylists, preview looks and follow stylists as they curate fashions for top celebrities on Rodeo Drive. Approximate cost is \$25,000.

Additionally, the website funding for 2016-2017 will help with general technical support, as the 2015 budget helped to fund an updated website layout and design that allows for a more streamlined content editing process.

THANK YOU

# **Attachment 2**

Rodeo Drive Committee  
Proposed FY 2016-2017 General Marketing Activities  
Budget Detail

General Marketing Activities

<u>Advertising</u>	<u>\$73,000.00</u>	
Monthly Magazines	\$47,000.00	Potential targets include: C Magazine, Los Angeles Magazine, Sunset Magazine, LA Confidential Magazine, amongst others
Regional Newspapers	\$10,000.00	Potential targets include: Beverly Hills Courier, Beverly Hills Weekly, Chinese language papers
Digital	\$16,000.00	Explore potential branded content with The Zoe Report, WhoWhatWear, amongst others
<u>Publishing Promotion</u>	<u>\$78,000.00</u>	
Departures Magazine	\$60,000.00	Potential Four Page Advertorial
Amex/Departures Direct Mail	\$17,000.00	TBD
<u>Menswear Initiative</u>	<u>\$49,000.00</u>	
Digital Content Creation	\$13,000.00	Potential partnership with Men's Media Outlet
In-Store Events	\$36,000.00	Series of In-Store Events Co-Hosted by Digital Partner
Total	\$200,000.00	