



## AGENDA REPORT

**Meeting Date:** July 8, 2008  
**Item Number:** F-7  
**To:** Honorable Mayor & City Council  
**From:** Alison Maxwell, Director Economic Development  
**Subject:** APPROVAL OF AN AGREEMENT BY AND BETWEEN THE CITY OF BEVERLY HILLS AND RODEO DRIVE, INC. FOR FUNDING THE RODEO DRIVE WALK OF STYLE PROGRAM AND PROMOTIONAL PUBLICITY PROGRAMS; AND,  
  
AUTHORIZATION OF A PURCHASE ORDER IN THE AMOUNT OF \$370,000 TO RODEO DRIVE, INC. FOR THESE SERVICES

**Attachments:** 1. Agreement

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### **RECOMMENDATION**

Staff recommends that Council approve the agreement for services with Rodeo Drive Inc. in the amount of \$370,000 for fiscal year 2008-2009; and, authorize creation of a purchase order relating to that agreement.

### **INTRODUCTION**

At the May 20, 2008, City Council Study Session, the Council approved 2008-2009 fiscal year funding in the amount of \$370,000 for Rodeo Drive, Inc. to develop and execute special events, namely the Walk of Style events and the Concours D'Elegance on Rodeo.

### **DISCUSSION**

Below for information is a copy of the staff report presented at the May 20, 2008 City Council Study Session outlining funding history and an overview of Rodeo Drive programming.

#### **Review of 2004-2007 Core Funding:**

Core funding refers to the agency's annual funding to support the core programs. Occasional additional funding has been provided for mid-year adjustments, but this funding is for one-time costs and does not add to the annual base funding.

2004-2005: Year 1	\$366,760	<ul style="list-style-type: none"> <li>• Walk of Style - \$263,760</li> <li>• Holiday marketing and holiday lighting ceremony - \$102, 515</li> </ul>
2005-2006: Year 2	\$309,289	<ul style="list-style-type: none"> <li>• Walk of Style - \$200,000</li> <li>• Holiday marketing and lighting ceremony - \$109, 289</li> </ul>
2006-2007: Year 3	\$320,000	<ul style="list-style-type: none"> <li>• Walk of Style - \$300,000</li> <li>• Concours on Rodeo - \$20,000</li> </ul> <p>Note: in 2006-2007, holiday expenditures were consolidated under the direction of the City.</p>
2007-2008: Year 1	\$370,000	<ul style="list-style-type: none"> <li>• Walk of style - \$350,000</li> <li>• Concours on Rodeo - \$20,000</li> </ul>
2008-2009: Year 2 request  <b>Approved by Council 5/20/2008</b>	<i>\$370,000 plus Request to roll-over of 2007-2008 funds- approximately of \$81,000.</i>	<ul style="list-style-type: none"> <li>• <i>Walk of Style - \$401,000 (includes \$51,000 of 2007-08 roll-over) one major and one smaller event.</i></li> <li>• <i>Concours on Rodeo - \$20,000</i></li> <li>• <i>Sunday summer event on 200 block of Rodeo \$30,000 funded from 2007-08 roll over.</i></li> </ul>

Funding for RDC Walk of Style, Councours D'Elegance and other Rodeo Drive programs is provided in the form of direct event sponsorship. Funding is allocated from the Marketing 2% of Transient Occupancy Tax which the Council has committed to tourism and marketing programs such as the CVB visitor marketing program; holiday programming; and sponsorship of Rodeo Drive Inc etc.

As noted above, Rodeo Drive Committee did not spend the full sponsorship of \$350,000 in 2007-2008 on Walk of Style events. The highly successful James Galanos event held in the fall 2007 was smaller event than previous corporately sponsored honorees. As such, the RDC is anticipating closing the year with a balance of approximately \$81,000, which it would like to use to extend sponsorship for two events in 2008-2009.

### **2007-2008 – Highlights**

This year, Rodeo Drive Inc. will have implemented two successful events sponsored by the City and a range of marketing projects and other activities funded through membership.

- Walk of Style honoring James Galanos – October 18, 2007
- 2008 Concours D'Elegance – the 2008 event will take place June 15, 2008 (Father's Day) on Rodeo Drive; and is expected to draw a wide audience of visitors and residents alike.

### **2007-2008 – Funding Request Synopsis**

*Walk of Style: \$350,000 plus \$51,000 from 2007-2008 funding.*

The Walk of Style event and associated plaque installation is a program that helps maintain and market the Beverly Hills' brand. It also aims to create a visitor attraction on Rodeo Drive as the number of plaques increases. The Walk of Style banners provide a heightened public experience of the project and ad an artistic component to streets in the

Triangle. The Walk of Style programs, thus far, have been successful in attracting extremely broad, international media attention by honoring top level designers and artists.

For 2008-2009 the RDC plans one larger and one smaller event and seeks to carry-forward funding that was unspent in 2007-2008.

*Concours D'Elegance – \$20,000*

The management of this popular auto event was assumed by the RDC board in 2006. In past years it was managed by a private event company. The RDC felt that this event had great potential and brought a high caliber of visitors to the City. Therefore, the 2006 Concours was managed directly by RDC.

This event is one that brings a family crowd to Beverly Hills to both shop and stroll through the exhibition. It displays the "best of the best" cars and assists in continuing the City's brand of excellence. Further, it provides an opportunity to highlight the City as an accessible shopping center and walkable urban village.

Funding for this event is primarily used to offset the cost of City fees and banner installation.

*Sunday Events Proposal - \$30,000 from 2007-2008 roll-over*

As part of its efforts to find ways to support the vitality and interest of Rodeo Drive, the Rodeo Drive Committee is proposing a series of summer Sunday food events on the 200 block of Rodeo Drive. RDC anticipates that these events will cost approximately \$30,000 each event. If, as proposed, RDC is able to host four events, it is anticipated that there will be funding and sponsorship from private entities, the RDC's own funds with a request to the City to sponsor 25% of the total cost, or \$30,000. The RDC proposes that this sponsorship can come from funds remaining in from 2007-2008. RDC will provide more details to the City Subcommittee as they develop.

**FISCAL IMPACT**

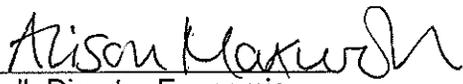
Expenditures of \$370,000 have been budgeted in the Tourism & Marketing (2% TOT) account 0101311-73440 for fiscal year 2008-2009.

Funds in the amount of approximately \$81,000 to be rolled over by RDC from 2007-2008 to 2008-2009 have already been funded and paid to RDC under the 2007-2008 purchase order.

Scott G. Miller

  
Director of Administrative Services and  
Chief Financial Officer

Approved By

  
Alison Maxwell, Director Economic  
Development

**AGREEMENT BY AND BETWEEN THE CITY OF  
BEVERLY HILLS AND RODEO DRIVE, INC. FOR  
FUNDING THE RODEO DRIVE WALK OF STYLE  
PROGRAM AND PROMOTIONAL PUBLICITY  
PROGRAMS**

THIS AGREEMENT is made and entered into in the City of Beverly Hills by and between the City of Beverly Hills, a municipal corporation ("City") and the Rodeo Drive, Inc., a California corporation ("RDI"), for funding the Rodeo Drive Walk of Style Program and promotional publicity programs. City and RDI agree as follows:

RECITALS

A. RDI is a business organization located in the City of Beverly Hills that has experience conducting or participating in the development of special events and promotional publicity programs for the benefit of City.

B. City desires to engage the services of RDI to conduct or participate in special events and publicity programs including the Walk of Style® Concours on Rodeo and Rodeo Drive Sunday; and

C. Section 37110 of the State Government Code authorizes the expenditure of monies for promotion;

NOW, THEREFORE, in consideration of the mutual covenants of the parties hereto, it is agreed as follows:

Section 1. Fund Authorization/Use of Funds.

(a) Fiscal year 2008-2009 is the first year of a three-year commitment to provide base funding to RDI, if available. City agrees to provide during the 2008-2009 fiscal year an amount determined by the City Council in its 2008-2009 fiscal year budget from the marketing allocation of City's transient occupancy tax ("Marketing TOT") for expenditures in support of RDI's programs, as detailed in Exhibit A, attached hereto and incorporated herein.

(b) If City determines that additional Marketing TOT will be available for the 2008-09 fiscal year beyond the City's projections, the City may, at its discretion, provide a mid-year funding adjustment to RDI subject to a formula ("additional funding formula") established by the City Council/Chamber Subcommittee ("Subcommittee"). The Subcommittee may impose a cap on the total additional Marketing TOT available to its economic development partners such as RDI. Any funding provided pursuant to a mid-year funding adjustment shall be used to support one-time projects and shall not increase the base program budget.

(c) RDI shall use the funds from the City during the 2008-2009 fiscal year as specified in Exhibit A. The use of any additional funding as described in paragraph (b) of Section 1 of the Agreement shall be as agreed upon in writing by RDI and the City Manager or his designee.

(d) If City determines that additional Transient Occupancy Tax or other revenues will be available to compensate RDI for additional services in connection with RDI's programs over and above those which may have been distributed as described in paragraph (b) of this section and Exhibit A, and which are not budgeted, City may, at its discretion, provide such funding to RDI for special projects for a purpose to be determined by City. The amount and purpose of such additional funding shall be as agreed upon in writing by the RDI and the City Manager in an amount not to exceed Fifty Thousand Dollars (\$50,000) per project, unless otherwise approved by the City Council.

(e) In connection with RDI's special event and promotional publicity programs, RDI may, on behalf of and at the sole discretion of City, use the funds to produce, purchase, install and de-install light pole banners or other displays in the public-right-of-way. All such light pole banners shall comply with the City's adopted Banner Policy, copies of which are available from the Office of Communications and Marketing, and shall be approved in writing in advance by City prior to installation. City shall have sole discretion over the design, placement, and duration of display and shall retain ownership of all banners funded under this Agreement.

Section 2. Payments. RDI shall submit written requests for advanced payments for expenditures based on the RDI's adopted budgets for the various projects. Written requests for advance payments shall not be made more than once every two months, unless otherwise allowed by the City's Chief Financial Officer. City shall provide payment to the RDI upon approval of the request by the City's Chief Financial Officer. City shall use its best efforts to make payment to RDI within 45 days of receipt of request.

Section 3. Reports.

(a) Beginning with the second quarter of the term of the Agreement, RDI shall provide quarterly reports to City. These reports shall be submitted to City and shall be in a form and content acceptable to the City Manager or his designee. The reports shall include, without limitation, information on overall project management and achievement of goals in relation to RDI's work plan and budget as set forth in Exhibit A, including the percentage of services completed and defined measurements of goal achievement. It is the intention of City and RDI to create processes and measurements for the City-funded RDI programs.

(b) RDI shall also supply the City with an Audited Annual Financial report prepared by a Certified Public Accountant. Such report shall provide consolidated financial reporting for RDI as a whole, and separately detailed accounts for each program funded by City. The report shall be due within six months of the end of RDI's fiscal year beginning with a report of fiscal year 2008-2009. At City's sole discretion, consolidated annual accounts may be substituted for full audited accounts.

(c) With reasonable notice from City, RDI shall provide to City copies of any and all work product, documents reports, property and books produced by chamber in fulfillment of this Agreement. This shall be solely for the purpose of confirming and evaluating the execution of the programs described in this Agreement and shall not include records and documents unrelated to the execution of such programs (e.g., personnel records).

(d) RDI shall establish and maintain an accounting system in accordance with generally accepted accounting principles and standards. The system shall detail all costs chargeable to City under this Agreement and shall substantiate all such costs, and comply with any applicable State and Federal standards.

(e) RDI shall endeavor to develop, in consultation with City, a program-based budget for all City-funded programs. Implementation of a program-based budget is not intended to affect the requirements outlined in paragraph (d) of this Section relating to generally accepted accounting principles.

Section 4. Event Tickets. In consideration of the funding provided to RDI by City under this Agreement, RDI shall, from time to time, provide tickets to events sponsored by or held by the RDI to the City Manager for use by City. For each event, the parties shall determine in advance the number of tickets provided to the City.

Section 5. Assignment. This Agreement shall not be assigned by RDI without the written consent of City.

Section 6. Independent Contractor. At all times during the term of this Agreement RDI shall be an independent contractor and RDI, their officers, employees and agents shall not be employees of City.

Section 7. Term. This Agreement shall remain in full force and effect from the effective date of the Agreement until June 30, 2009, unless terminated earlier as provided in Section 8 of this Agreement. This Agreement may be extended in writing by the City Manager for two additional one-year periods subject to the City Council's approval of the RDI's Visitors Bureau funding under this Agreement. Such extensions shall include the Visitors Bureau annual work plan, which shall include the budget for the relevant fiscal year.

Section 8. Termination of Agreement. City may terminate this Agreement at any time, with or without cause, upon forty-five (45) days written notice to RDI. In the event of such termination, City shall pay RDI for all costs and obligations reasonably incurred by RDI for Visitors Bureau activities in performing its services under this Agreement prior to the date of termination and such payment shall be in full satisfaction of City's obligations hereunder. City shall not be obligated to pay additional funds after issuance or receipt of such notice.

Section 9. Notice. Whenever it shall be necessary for any party to serve notice on another respecting this Agreement, such notice shall be served by certified mail addressed to the City Clerk of the City of Beverly Hills, 455 North Rexford Drive, Beverly Hills, California 90210; or to Rodeo Drive, Inc., P.O. Box 853, Beverly Hills, California 90212, unless and until a different address may be furnished in writing by any party, and such notice shall be deemed to have been served within seventy-two (72) hours after the same has been deposited in the United States Post Office by certified mail. This shall be valid and sufficient service of notice for all purposes.

Section 10. Indemnification. RDI agree to indemnify, hold harmless and defend City, its City Council and each member thereof and every officer and employee of City from any and all claims, liability or financial loss resulting from any suits, claims, losses or actions, and from

all cost and expenses of litigation, brought against City, its City Council and each member thereof and any officer or employee of City which results directly or indirectly from the actions or omissions of RDI or their officers, employees, agents or others employed by RDI in the conduct of the projects funded by this Agreement.

Section 11. Extent of Agreement. This Agreement represents the entire and integrated Agreement between the parties on the matters included herein and supersedes any and all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by all parties to the Agreement.

Section 12. City Not Obligated to Third Parties. The City shall not be obligated or liable under this Agreement to any party other than RDI.

Section 13. Severability. Invalidation of any provision contained herein or the application thereof to any person or entity by judgment or court order shall in no way affect any of the other covenants, conditions, restrictions, or provisions hereof, or the application thereof to any other person or entity, and the same shall remain in full force and effect.

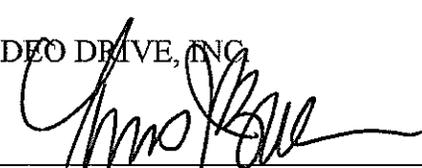
IN WITNESS WHEREOF, the parties hereto have executed this Agreement the \_\_\_\_\_ day of \_\_\_\_\_ 200\_\_\_\_, at Beverly Hills, California.

CITY OF BEVERLY HILLS  
A Municipal Corporation

\_\_\_\_\_  
BARRY BRUCKER  
Mayor of the City of Beverly Hills,  
California

ATTEST:

\_\_\_\_\_  
(SEAL)  
BYRON POPE  
City Clerk

RODEO DRIVE, INC  
  
\_\_\_\_\_  
THOMAS BLUMENTHAL  
President

  
\_\_\_\_\_  
DONNA SNYDER  
Secretary

[signatures continued]

APPROVED AS TO FORM:

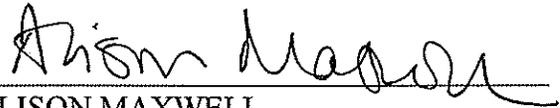


LAURENCE S. WIENER  
City Attorney

APPROVED AS TO CONTENT:

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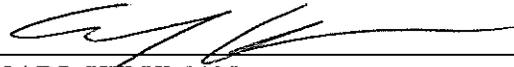
RODERICK J. WOOD  
City Manager



ALISON MAXWELL  
Director of Economic Development



SCOTT G. MILLER  
Director of Administrative Services/Chief  
Financial Officer



KARL KIRKMAN  
Risk Manager

## EXHIBIT A

### SCOPE OF WORK AND BUDGET RODEO DRIVE COMMITTEE 2008 – 2009 Events

#### **2008-2009 RODEO DRIVE COMMITTEE GENERAL GOALS**

- Promote, protect and market Rodeo Drive.
- Create tourism outreach to draw tourists to Beverly Hills and hotel guests into Rodeo Drive stores.
- Market Rodeo Drive to new demographics.
- Continue and build special events on Rodeo Drive to draw traffic and media attention to the street.
- Update and expand Rodeo Drive website to attract visitors as well as provide accurate and pertinent information.

#### **2008-2009 RODEO DRIVE WALK OF STYLE®**

City agrees to Sponsor 2008-2009 Walk of Style Program in an amount not to exceed \$350,000 for fiscal year 2008-2009, including approximately \$51,000 remaining from 2007-2008 funding, which Rodeo Drive, Inc. is approved to roll over from sponsorship previously awarded by City.

Rodeo Drive, Inc. shall:

- Identify potential honorees for future plaque unveilings and awards ceremonies.
- Induct one to two honorees annually.
- Create high profile events for each honoree to garner media attention and momentum for the Program.
- Execute specialized publicity programs in conjunction with each induction/awards ceremony.
- Update and expand Rodeo Drive Walk of Style® website to continue building the Rodeo Drive Walk of Style® as a world-renown travel destination. Provide up to date information to visitors as well as potential sponsors and honorees. Promote the City of Beverly Hills and Rodeo Drive as the epicenter of fashion and entertainment and maximize publicity opportunities.
- Continue development of marketing materials for potential sponsors and honorees. Capitalize on the momentum of the program and its highly publicized

events to market the Award to potential sponsors and honorees as a highly coveted and prestigious honor within the fashion industry.

- Investigate alternate event formats, which may be appropriate for honoree categories.
- Investigate additional income streams to create a self-sustaining program.
- Continue tourism outreach to expand media coverage to help build the Rodeo Drive Walk of Style® as a destination point. Work with other City organizations to maximize program to increase visitor awareness.
- Research and develop potential extensions of the Rodeo Drive Walk of Style® to increase program's accessibility to the community.
- Continue outreach to potential honorees.

#### **2008-2009 RODEO DRIVE CONCOURS D'ELEGANCE**

City agrees to sponsor the Concours d'Elegance event in an amount not to exceed \$20,000 for fiscal year 2008-2009.

Rodeo Drive, Inc. shall:

- Continue to grow the prestige of Rodeo Drive Concours d'Elegance and institutionalize event as a Father's Day tradition.
- Utilize Rodeo Drive Concours d'Elegance website to further promote the event to residents and visitors as well as attract future sponsors and partnerships.
- Expand banner program geographically to further promote the event.
- Continue and expand media partners to advertise the event locally, regionally and nationally to further promote the event.
- Secure sponsors and partners to help underwrite costs of the event.

#### **2008-2009 RODEO DRIVE SUNDAYS**

Rodeo Drive, Inc. proposes to develop a new event series to be held on Sundays during the summer months. These programs have not been finalized. The City agrees to sponsor these programs in the amount of approximately \$30,000 to be paid for out of funds awarded to Rodeo Drive, Inc. in fiscal year 2007-2008 which Rodeo Drive Inc. has requested to roll over into the 2008-2009 fiscal year:

Rodeo Drive, Inc. shall:

- Develop “Rodeo Drive Sunday” programs to elevate Rodeo Drive’s profile and generate more energy on the street to attract media and shoppers.
- Possibly work with movie studio to promote release of upcoming feature film shot in Beverly Hills. Capitalize on marketing power of movie studio and film to bring attention to Rodeo Drive.
- Possibly work with third party to preview the Garden and Design Showcase annually held at Greystone Mansion in October. Preliminary event ideas include showcasing landscape artists on Rodeo Drive to bring media attention and traffic to the street, as well as highlight the annual Beverly Hills tradition and further promote the event.
- Possibly work with Beverly Hills restaurants and hotels to create a piazza-style café on Rodeo Drive. Event to create buzz and excitement on the street as well as encourage shoppers to extend visits on Rodeo Drive and enjoy the Beverly Hills ambiance.

#### 2008-2009 HOLIDAY PROGRAM

- Continue working with City organizations to create a cohesive holiday program.

#### **BENCHMARKS**

Rodeo Drive, Inc. commits to work with City as to develop performance benchmarks to measure success of the programs funded by the City and ensure they are effective in meeting their goals.

#### **TOTAL SPONSORSHIP**

The City agrees to sponsor Rodeo Drive, Inc. events as listed above as follows:

Walk of Style \$350,000 – 2008-2009 funding

Walk of Style \$51,000 – anticipated fiscal year 2007-2008 roll-over, already paid to Rodeo Drive.

WOS Total: \$401,000.

Concours d’Elegance: \$20,000

Rodeo Drive Sundays: \$30,000 from anticipated fiscal year 2007-2008 roll-over.

Total Funding:

\$370,000 - 2008-2009 new sponsorship – amount to not to exceed Purchase Order

\$81,000 anticipated roll-over from 2007-2008 already paid to Rodeo Drive Inc.