



AGENDA REPORT

Meeting Date: March 11, 2009
Item Number: F-6
To: Honorable Mayor & City Council
From: Alison Maxwell, Director Economic Development and Marketing
Subject: APPROVAL OF AMENDMENT NO. 4 TO AN AGREEMENT BY AND BETWEEN THE CITY OF BEVERLY HILLS AND THE BEVERLY HILLS CHAMBER OF COMMERCE AND CIVIC ASSOCIATION FOR THE CHAMBER'S CONFERENCE AND VISITORS BUREAU; AND

AUTHORIZATION OF A PURCHASE ORDER IN THE AMOUNT OF \$194,828 FOR VISITOR ATTRACTION AND MARKETING PROGRAMS.

Attachments:

1. Amendment No. 4 - Chamber CVB
2. Reimbursement Explanation

RECOMMENDATION

Staff recommends that the City Council:

- 1) Approve amendment #4 to an Agreement between the City of Beverly Hills and Beverly Hills Chamber of Commerce and Civic Association for the Chamber's Conference and Visitors Bureau (CVB) in the amount of \$194,828;
- 2) Approve issuance of related purchase orders.

INTRODUCTION

This item requests City Council to approve an amendment to the agreement with the Chamber of Commerce to reimburse the CVB for additional services requested by the City to fund specific additional programs requested by the City.

DISCUSSION

The City executed Amendment Number 3 of an Agreement with the Chamber of Commerce, CVB in August 2008 to fund 2008-2009 CVB program of work. Since August the City has requested the CVB to participate in additional programs and provide

additional services. This Amendment provides for reimbursement of expenses for these services requested by the City towards the end of 2008 and reflects additional programming and expenditures. The full scope is outlined in the attachment but can be summarized as follows:

Holiday Marketing Service: \$5,516.70

Includes PR, management and development of the marketing campaign

Sister City Initiated Shanghai Delegation October 2008: \$9716.68

This includes travel expenses for CVB staff and additional time and materials of the CVB Beijing representative to support the Sister City program.

Sister City Initiated China/Beverly Hills – December 2008: \$19,337.70

The City approved a total of \$40,000 for the in-bound delegation - this amount represents the CVB expenditures.

CVB Transition - \$65,000

This represents the CVB's estimate of initial, additional costs associated with transitioning the CVB to an independently constituted entity, separate from the Chamber of Commerce.

Local Marketing - \$95,000

In response to the City's request to begin to incorporate local element into the CVB's tourism marketing campaign, \$95,000 of additional 2007-2008 TOT is proposed to support this effort. The amount is modeled on the holiday marketing campaign which costs approximately \$100,000. The local campaign will include banners, a direct mail postcard and public relations.

Committee Recommendation:

The Council Committee for the Chamber of Commerce (Mayor Brucker and Council Member Briskman) met on January 26, 2009 to discuss the amendment and recommended that it move forward for City Council review and execution.

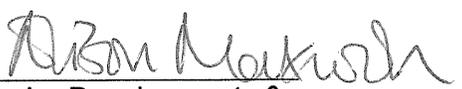
FISCAL IMPACT

Funds in the amount of \$194,828 are available in the 2% for Marketing TOT program "Tourism and Marketing" 0101311.

As mentioned in the report to Council on February 3, 2009, TOT revenue and expenditures are being monitored closely to ensure that expenditures do not exceed revenue.



Scott Miller
Director Administrative Services/Chief
Financial Officer



Alison Maxwell
Director Economic Development &
Marketing

AMENDMENT NO. 4 TO AN AGREEMENT BY AND BETWEEN
THE CITY OF BEVERLY HILLS AND THE BEVERLY HILLS
CHAMBER OF COMMERCE AND CIVIC ASSOCIATION FOR
THE CHAMBER'S CONFERENCE AND VISITOR'S BUREAU

This Amendment No. 4 is to that certain Agreement between the City of Beverly Hills, a municipal corporation ("City"), and the Beverly Hills Chamber of Commerce and Civic Association ("Chamber"), a non-profit corporation, dated June 19, 2007 and identified as Contract No. 223-07, as amended by Amendment No. 1, dated May 19, 2008 and identified as Contract No. 158-08, as amended by Amendment No. 2, dated July 2, 2008 and identified as Contract No. 250-08, and as further amended by Amendment No. 3, dated August 19, 2008 and identified as Contract No. 360-08 ("Agreement").

RECITALS

A. City entered into the Agreement with Chamber in order to conduct or participate in promotional, publicity, and advertising activities for the benefit of City, which was previously amended.

B. City desires to further amend the Agreement to provide reimbursement to Chamber for additional programs and services including but not limited to the Sister City China mission, Sister City familiarization visit, and City-funded marketing programs.

NOW, THEREFORE, the parties agree as follows:

Section 1. Exhibit A-1, entitled "Additional 2008-2009 Programs and Services" shall be added to the Agreement as attached hereto and incorporated herein by this reference.

Section 2. Except as modified by Amendments No. 1, 2 and 3, and as specifically amended herein, the Agreement shall remain in full force and effect.

EXECUTED this _____ day of _____, 200_, at Beverly Hills, California..

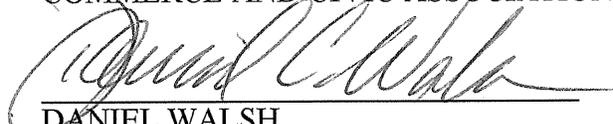
CITY OF BEVERLY HILLS, a municipal corporation

BARRY BRUCKER
Mayor of the City of Beverly Hills,
California

ATTEST:

(SEAL)
BYRON POPE
City Clerk

BEVERLY HILLS CHAMBER OF
COMMERCE AND CIVIC ASSOCIATION



DANIEL WALSH
Chief Executive Officer

APPROVED AS TO FORM:



LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT:

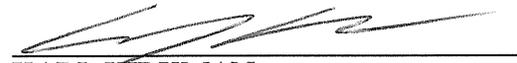
RODERICK J. WOOD
City Manager



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



ALISON MAXWELL
Director of Economic Development and
Marketing



KARL KIRKMAN
Risk Manager

EXHIBIT A-1

ADDITIONAL 2008-2009 PROGRAMS AND SERVICES

Funding shall be provided for anticipated expenses relating to the Chamber's marketing program to incorporate a local area specific marketing campaign as a companion campaign to the hotel tourism campaign. The objective of the additional campaign is to raise awareness and motivate local area residents to eat and shop in Beverly Hills.

Funding shall be provided to meet anticipated additional costs associated with the organizational development needs of the Chamber as it transitions from a department of the Beverly Hills Chamber of Commerce to an independently constituted nonprofit organization.

In addition, Chamber shall provide additional programs and services for the Sister City mission to China - October 2008, hosting a Sister City familiarization visit to Beverly Hills in December 2008; and, reimbursement of expenses related to the City-funded Holiday Marketing program. CITY shall reimburse and pay for such additional programs and services in the amount of (One Hundred Ninety Four Eight Hundred Twenty Eight Dollars (\$194,828), for a total 2008-2009 budget of Two Million Three Hundred Fifty Two Thousand Nine Hundred Eighty Eight Dollars (\$2,352,988).

A detailed budget outline is attached as Attachment I to Exhibit A-1 and incorporated herein by this reference

ATTACHMENT I TO EXHIBIT A-1

ADDITIONAL 2008-2009 PROGRAMS AND SERVICES

HOLIDAYS: Reimbursement of marketing and coordination services for City Holiday Marketing Campaign, 2009	
Public Relations	\$ 2,224.20
Web/Copy	\$ 1,250.00
Creative Fees	\$ 2,042.50
TOTAL	\$ 5,516.70
SISTER CITY: Reimbursement of cost associated with City Council directed support of the Sister city initiated outreach mission to Pudong, China, October 2008	
<u>SHANGHAI VISIT</u>	
Travel Expenses	\$ 3,191.82
Collateral/Give-Aways	\$ 1,200.00
Tourism Event Expenses	\$ 1,323.42
BHCVB Beijing Representatives	\$ 4,001.44
TOTAL	\$ 9,716.68
<u>DECEMBER FAM:</u> Reimbursement of costs associated with City Council supported funding of a Sister City initiated familiarization visit to Beverly Hills by various Chinese businesses in December 2008	
Transportation	\$ 1,910.20
Activities/Entertainment	\$ 1,630.00
Marketplace	\$ 1,259.07
Translator/Escort	\$ 4,032.69
BHCVB Staff	\$ 9,600.00
Collateral/Materials	\$ 905.75
TOTAL	\$ 19,337.70

TRANSITION: Estimate of cost necessary for organizational transition of CVB including contractor fees to support core program activities while CVB staff manage certain transition tasks; contractor fees to assist with transition: legal, accounting, organizational structure, *etc.* CVB will maintain a strict account of all transition costs.

Materials/Meetings	\$ 257.09
Contractor/legal Fees/Accounting	\$ 65,000.00
TOTAL	\$ 65,257.09

LOCAL MARKETING: Provide marketing services to augment core CVB marketing campaign to include local area residents. CVB will work closely with city staff and Chamber staff in development and approval of campaign.

DM Postcard	\$ 25,000.00
Radio	\$ 26,000.00
Online	\$ 23,500.00
Local Print	\$ 20,000.00
TOTAL	\$ 95,000.00

GRAND TOTAL	\$194,828.17



Reimbursement Explanation

In the past, Beverly Hills Conference & Visitors Bureau has not sought reimbursement for staff time. However, at the November 18th City Council meeting, the Council directed Beverly Hills Conference & Visitors Bureau to oversee the Sister City familiarization trip. This project was incremental to the CVB's approved program of work, and therefore the City specifically requested that the Bureau track all hours for reimbursement. Tracking would also provide an understanding of manpower and true costs associated with the group.

From November 18th through December 17th, 192 hours were tracked at an average rate of \$50 (cost includes salary, payroll taxes and benefits) from four staff as follows:

<u>CVB Team</u>	<u>Hours</u>	<u>Responsibilities</u>
Communications Manager (project lead)	70	Overall planning, logistics, transportation
Business Development Director	45	Translations, trolley, walking tour, RDC
Marketing Coordinator	41	Marketplace, local receptives, budget
Executive Director	36	Oversight, hotel liaison, Xian, Peninsula

As this work had to be executed in addition to already scheduled CVB work which could not be deferred or eliminated, the CVB spent \$10,286 as outlined below:

<u>Task</u>	<u>Cost</u>
Weber Shandwick	\$7,703
Preparation for Awards Season mailing	
Essie promotion and outreach in advance of launch	
CA drive market invite and pitch	
Initial outreach for state tourism NY event	
Black Diamond	\$1,458
World Travel Market trade show follow-up for UK	
Temp Services	\$1,125
Creation of Welcome Kits, general office assistance	

The CVB will closely monitor expenses for the remainder of the fiscal year to ensure programming does not exceed the approved budget.