



**CITY OF BEVERLY HILLS
STAFF REPORT**

Meeting Date: June 16, 2009

To: Honorable Mayor & City Council

From: Alison Maxwell, Director Economic Development and Marketing

Subject: 2009-2010 Sponsorship for Rodeo Drive Inc.

Attachments: A. Funding Request Letter and Report – Rodeo Drive Inc.

INTRODUCTION

This report outlines the funding requests from Rodeo Drive Inc. (also referred to as the Rodeo Drive Committee (RDC)) for its 2009-2010 programs. A funding request letter and report from RDC is attached to this staff report.

DISCUSSION

As part of its continuing efforts to market the City as a world class destination and ensure that the Beverly Hills brand remains synonymous with luxury, fashion and entertainment, the Council sponsors the programs and events managed by RDC. These include the Rodeo Drive Walk of Style program, and the Concours D'Elegance (Father's day auto show on Rodeo).

Rodeo Drive Walk of Style Program:

Now in its 6th year, the Rodeo Drive Walk of Style program was developed to create a media, branding and tourist event that focused on Rodeo Drive, one of the world's most iconic locations for style and fashion. The program honors leaders in fashion, style and design in the following categories: fashion designer, celebrity/icon, editor/media influencer, costume designer, jewelry designer, photography and accessories designer. Each honoree is nominated by a Selections Committee comprised of past recipients, celebrities, members of the media and academics from the fashion and entertainment industries.

For each honoree there is a tailored award event, and a plaque is installed in the sidewalk of Rodeo Drive. The administration and base costs of the event are sponsored by the City (including street closure/permit costs, costs of the plaque, award statue and banner program) but the ultimate size and cost of the events are determined by

sponsorship and support from the honoree – some honorees choose to sponsor more lavish events while others opt for more intimate affairs. In common, however, all award events focus on creating media and PR profile for Beverly Hills and Rodeo Drive.

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 add an artistic component to streets in the Triangle. The Walk of Style program has been successful in attracting extremely broad, international media attention by honoring top level designers and artists.

Concours D'Elegance (Father's Day Car Show):

This event is one that brings a family crowd to Beverly Hills to both shop and stroll through the exhibition. Each year the show displays the "best of the best" cars from a variety of categories. It is an event that is free and open to the public and is funded entirely from sponsorship and volunteer support. The quality for the car show marries well with the City's image of luxury and quality. Yet this fun, vibrant and free event also provides an opportunity to highlight the City as an accessible shopping district. The City's sponsorship of this event supports the hard costs associated with street closures and other fees.

Below is an outline of the 2008-2009 program achievements and a synopsis of the 2009-2010 request.

Members of RDC will make a full presentation to City Council and their report is attached to this staff report.

2008-2009 – Highlights

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

- Walk of Style honoring shoe designer Manolo Blahnik – September 25, 2008
- 2008 Concours D'Elegance – this increasingly a popular event drawing a large crowd to Rodeo Drive. The 2008 show focused on "Haute Couture" cars.
- Walk of Style honoring Valentino – April 2, 2009

2009-2010 – Funding Request Synopsis

As outlined in the 2009-2010 Policy and Management budget presentation, the budget for Rodeo Drive programming has been reduced in line with the reduced 2% TOT budget.

Walk of Style: \$300,000 - For 2009-2010 the RDC plans one larger event in October 2009.

Concours D'Elegance – \$15,000 for the June 2010 continue the Father's day car show. Details of the focus of the 2010 car show will be reported to the City mid-year.

COMMITTEE REVIEW

Members of the Rodeo Drive/Special Events/Holiday Committee met on Monday June 8, 2009 to review the RDC request. The Committee recommended that City Council continue support of the RDC programs at the sponsorship levels of \$300,000 for Walk of Style and \$15,000 for Concours on Rodeo. The Committee requested staff to work closely with the City special event staff to review ways of keeping permit and other fees to a minimum.

FISCAL IMPACT**Review of 2004-2009 Funding:**

| | | |
|----------------------|-----------|---|
| 2004-2005: | \$366,760 | <ul style="list-style-type: none"> • Walk of Style - \$263,760 • Holiday marketing and holiday lighting ceremony - \$102,515 |
| 2005-2006: | \$309,289 | <ul style="list-style-type: none"> • Walk of Style - \$200,000 • Holiday marketing and lighting ceremony - \$109,289 |
| 2006-2007 | \$320,000 | <ul style="list-style-type: none"> • Walk of Style - \$300,000 • Concours on Rodeo - \$20,000 <p>Note: in 2006-2007, holiday expenditures were consolidated under the direction of City.</p> |
| 2007-2008 | \$370,000 | <ul style="list-style-type: none"> • Walk of style - \$350,000 • Concours on Rodeo - \$20,000 |
| 2008-2009 | \$370,000 | <ul style="list-style-type: none"> • <i>Walk of Style - \$350,000</i> • <i>Concours on Rodeo - \$20,000</i> • <i>Also rollover of \$80K from 2007-2008 used towards additional Walk of Style Program</i> |
| 2009-2010 (proposed) | \$315,000 | <ul style="list-style-type: none"> • <i>Walk of Style \$300,000</i> • <i>Concours on Rodeo \$15,000</i> |

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.

The RDC funding request for 2009-2010 reflects the budget presented to and approved by City Council as part of the Policy and Management budget presentation. The reduction in sponsorship reflects the reduction of TOT revenues anticipated in 2009-2010.

Funding for the Rodeo Drive Committee programs in the amount of \$315,000 has been budgeted in the Tourism and Marketing account funded from the 2% TOT.

RECOMMENDATION

Staff recommends that City Council

1. Approve total sponsorship of the RDC Walk of Style program and Concours on Rodeo in the amount of \$315,000.
2. Direct staff to return for formal approval of a sponsorship agreement between the City and RDC as a City Council Consent Calendar item.

Alison Maxwell
Director Economic Development and
Marketing


Approved By



June 8, 2009

The Honorable Nancy Krasne, Mayor
The Honorable Jimmy Delshad, Vice Mayor
The Honorable Barry Brucker, Councilmember
The Honorable William W. Brien, Councilmember
The Honorable John A. Mirisch, Councilmember
City of Beverly Hills
455 N. Rexford Drive
Beverly Hills, California 90210

Dear Mayor Krasne and Councilmembers:

On behalf of the Rodeo Drive Committee, we are pleased to present 2009-2010 plans for the following Rodeo Drive Committee programs: Rodeo Drive Walk of Style® and Rodeo Drive Concours d'Elegance. Below is an overview of each program.

RODEO DRIVE WALK OF STYLE®

Created in 2003 to elevate the status of Rodeo Drive and Beverly Hills, the Rodeo Drive Walk of Style® continued to draw worldwide media attention, earning the title of "Top Fashion Event in Los Angeles" by the leading national events publication *BizBash*. Renowned shoe designer Manolo Blahnik and legendary Italian designer Valentino Garavani joined the ranks of previous honorees Giorgio Armani, Tom Ford, Salvatore Ferragamo, Donatella Versace, Gianni Versace, James Galanos, costume designers Edith Head, James Acheson, Milena Canonero and photographers Herb Ritts and Mario Testino as the 12th and 13th inductees.

In September 2008 Manolo Blahnik was feted at an evening reception at Two Rodeo presided over by actress Lucy Liu. In Spring 2009, the Committee capitalized on a rare Los Angeles visit by Valentino and inducted the designer at a plaque unveiling ceremony with Academy Award nominee Anne Hathaway. Both recipients were also honored with banners installations.

Combined media coverage of the Blahnik and Valentino ceremonies totaled over 70 million impressions. The favorable coverage of Beverly Hills and Rodeo Drive, combined with honoree's third party endorsements -- Valentino's claim that Beverly Hills is "*a city very much responsible for me becoming a fashion designer... Today, this is the most important fashion street in the world.*" -- elevates the City's profile, keeps Rodeo Drive top of mind and provide invaluable public relations.

Since its inception in 2003, the Rodeo Drive Walk of Style® has been reported in over 700 outlets, garnering nearly 800 million media impressions.

The Fall 2009 honoree has been confirmed in the "Celebrity/Icon" category, with a fundraising event scheduled on October 22, 2009. Discussions are currently underway to induct multiple honorees simultaneously at the event. The event will require funding from the general Rodeo Drive Walk of Style® funds, the Rodeo Drive Committee, along with honoree support and/or corporate sponsorships.

Attached for your review is a preliminary budget for fiscal 2009-2010 as well as our proposed program of work.

As co-host of the Rodeo Drive Walk of Style®, we respectfully request City Council to consider a \$300,000 sponsorship to help offset program expenses.

Rodeo Drive Committee
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RODEO DRIVE CONCOURS D'ELEGANCE

The Rodeo Drive Committee will once again produce the Rodeo Drive Concours d'Elegance on Sunday, June 20, 2010. This annual Father's Day event on the 300 and 400 blocks of Rodeo Drive is expected to draw 30,000 spectators to the Golden Triangle. A banner campaign to promote the event is also proposed. The event has been scaled back in 2009 due to decreased corporate sponsorships, however the Committee hope to reinstate the event elements once budgets allow.

Attached for your review is a preliminary budget for fiscal 2009-2010 as well as our program of work.

The Committee respectfully requests City Council to consider a \$15,000 sponsorship to offset street closure/permit costs, and waive the special events fee. (Of Note: 2008 Street Closure/Permit costs were \$24,842.96)

We thank you for your continued support and look forward to working closely with the City of Beverly Hills on these great programs.

Sincerely,



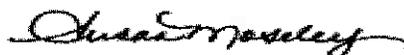
Thomas J. Blumenthal
President
Rodeo Drive Committee



James Jahant
Treasurer
Rodeo Drive Committee



Peri Ellen Berne
Co-Chair
Rodeo Drive Walk of Style®



Susan Moseley
Co-Chair
Rodeo Drive Walk of Style®

Cc: Alison Maxwell, City of Beverly Hills



**RODEO DRIVE COMMITTEE
PROGRAM OF WORK ACCOMPLISHMENTS 2008-2009**

2008-2009 RODEO DRIVE WALK OF STYLE® ACCOMPLISHMENTS

- Secured legendary shoe designer Manolo Blahnik to accept the Award on September 25, 2008. The Plaque Unveiling and Awards Ceremony reception at Two Rodeo featured a historic exhibition of important Manolo Blahnik shoes, a performance by electric violinist Lily Haydn, and was attended by 400 guests including celebrity presenters Lucy Liu, January Jones and China Chow. In addition, a two-week banner exhibition of the designer's sketches was installed on Rodeo Drive and Wilshire Boulevard. Media coverage of the event ranged from outlets in Fargo, North Dakota and Austin, Texas, to New York and Canada. From *Associated Press* to the *Los Angeles Times*, *W Magazine*, and *E! Entertainment*, worldwide media impressions totaled over 33 million.
- Worked with world-renowned Italian designer Valentino Garavani on his induction as the 14th Walk of Style honoree. Academy Award nominee Anne Hathaway presented Valentino the esteemed award on April 2, 2009 at a public unveiling at Two Rodeo. The ceremony preceded the west coast premiere of "Valentino: the Last Emperor," a film documenting the closing of the designer's celebrated career. A private reception followed at the Beverly Hills Hotel. A banner program featuring Valentino and models in his signature Red creations was installed on Rodeo Drive. Media coverage to date is nearly 26 million impressions.
- Rodeo Drive Walk of Style® coverage in 2008-2009 totals over 60 million media impressions.
- Continued Rodeo Drive Walk of Style® page in Rodeo Drive Walking Map to provide information to visiting guests, including plaque locations. Walking Map is distributed to hotels in Beverly Hills and Orange County, retail stores, parking lots, valet parking stands, and conference and visitors bureaus.
- Continued editing and updating Rodeo Drive Walk of Style® Media Book & DVD to incorporate video footage and photography from Manolo Blahnik & Valentino events. Media Book and DVD to be used for potential sponsors and honorees.
- Secured honoree for Fall 2009 induction and continuing discussions with possible additional honorees.
- Conducted meetings and customized sponsorship packages for sponsors.

2008-09 RODEO DRIVE CONCOURS D'ELEGANCE ACCOMPLISHMENTS

- Produced Rodeo Drive Concours d'Elegance on the 300 & 400 blocks N. Rodeo Drive on Sunday, June 15, 2008. Nearly 30,000 spectators attended the Father's Day event, which featured over 100 award-winning collectible automobiles inspired by the "Haute Wheels" theme. The event received rave reviews from lifestyle and automotive media, including this recap by *Motor Trend* magazine: "Those car enthusiast fathers fortunate enough to live in Southern California know that Father's Day means more than just a new necktie; it also marks the annual Rodeo Drive Concours d'Elegance in the ritzy city of Beverly Hills. With what is likely one of the highest income per capita rankings of any city in the U.S., the show consistently draws some of the world's premier classic and modern automobiles -- most of which are owned locally."
- Plans in progress for June 21, 2009 event on the 300 and 400 blocks of North Rodeo Drive. The Rodeo Drive Concours d' Elegance will highlight alternative energy vehicles. Confirmed sponsors/participants include: GEARYS Beverly Hills, David Orgell, Tag Heuer, IWC Schaffhausen, The Luxe Hotel Rodeo Drive, Brooks Brothers, Liadro, Los Angeles Auto Gallery and Ferrari Maserati of Beverly Hills, Ermenegildo Zegna. Beverly Hills Courier and Beverly Hills Design & Life are the event Media partners. Worked with the BHCVB to create special hotel Father's Days Concours packages with Luxe Hotel Rodeo Drive, L'Ermitage and Peninsula Beverly Hills.



OUTLINE AND MISSION OF RODEO DRIVE COMMITTEE

The Rodeo Drive Committee was founded in 1972 by a handful of Beverly Hills merchants to enhance Rodeo Drive's image and market the street both regionally and internationally as a world-class shopping destination. Today the Committee is comprised of more than 70 merchants, property owners and hoteliers on Rodeo Drive, who pay voluntary dues to support marketing, publicity and special event efforts.

2009-2010 RODEO DRIVE COMMITTEE GENERAL GOALS

- Promote, protect and market Rodeo Drive.
- Continue one-on-one outreach to key media to deliver a cohesive Rodeo Drive message, maintaining and elevating the shopping district's status in light of current economic challenges.
- Continue working with third party organizations and members to reinforce better business practices (e.g. American Express Fraud Prevention seminar, Sales techniques, etc.)
- Continue working with Beverly Hills Conference and Visitors Bureau to maximize on opportunities to draw tourists to Beverly Hills and hotel guests into Rodeo Drive stores.
- Continue and build special events on Rodeo Drive to draw traffic and media attention to the street.
- Conduct research to determine tactics to re-gain/maintain Rodeo Drive's market share.

2009-2010 RODEO DRIVE WALK OF STYLE® GOALS

- Identify potential honoree(s) for Fall plaque unveiling and awards ceremony.
- Induct one to two honorees annually.
- Create high profile event(s) for each honoree to garner media attention and momentum for the Program.
- Continue banner program to highlight honorees' body of work.
- Execute specialized publicity programs in conjunction with each induction/awards ceremony.
- Investigate alternate event formats, which may be appropriate for honoree categories.
- Pursue additional income streams to offset and expand program.
- Continue tourism outreach to expand media coverage to help build the Rodeo Drive Walk of Style® as a destination point.

- 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.
- 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.

2009-10 RODEO DRIVE CONCOURS D'ELEGANCE GOALS

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



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| Rodeo Drive Walk of Style - 2008-2009 | | |
| Budget as of 6.8.09 | | |
| INCOME 08-09 | | |
| City of Beverly Hills Sponsorship | \$350,000.00 | 08-09 Sponsorship |
| City of Beverly Hills Sponsorship Carryover | \$ 81,186.04 | 07-08 Carryover |
| Rodeo Drive Committee | \$ 96,000.00 | |
| TOTAL INCOME 08-09 | | \$ 527,186.04 |
| EXPENSES 08-09 | | |
| WOS - Administration | \$ 90,000.00 | |
| WOS - Administration Expenses | \$ 5,000.00 | |
| WOS - Ads - Rodeo Drive Map | \$ 5,000.00 | |
| WOS - Banners | \$ 18,313.38 | |
| WOS - Photography | \$ 5,464.86 | |
| WOS - Plaques (2) | \$ 7,350.00 | |
| WOS - Sponsor/Honor Outreach | \$ 4,637.31 | |
| WOS - Event - Manolo Blahnik | \$355,327.55 | |
| WOS - Event - Valentino | \$ 35,942.80 | |
| TOTAL WOS EXPENSES 08-09 | | \$ 527,035.90 |



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|--|--------------|----------------------|
| Rodeo Drive Walk of Style - 2009-2010 | | |
| Budget as of 6.8.09 | | |
| | | |
| INCOME 09-10 | | |
| City of Beverly Hills Sponsorship | \$300,000.00 | 09-10 Sponsorship |
| Rodeo Drive Committee | \$ 50,000.00 | |
| Sponsors - Estimated | \$175,000.00 | |
| TOTAL INCOME 09-10 | | \$ 525,000.00 |
| | | |
| EXPENSES 09-10 | | |
| | | |
| WOS - Administration | \$ 90,000.00 | |
| WOS - Administration Expenses | \$ 5,000.00 | |
| WOS - Ads - Rodeo Drive Map | \$ 5,000.00 | |
| WOS - Banners | \$ 7,500.00 | |
| WOS - Photography | \$ 5,000.00 | |
| WOS - Plaques (2) | \$ 7,350.00 | |
| WOS - Sponsor/Honor Outreach | \$ 5,000.00 | |
| WOS - Event | \$400,000.00 | |
| TOTAL WOS EXPENSES 09-10 | | \$ 524,850.00 |



| Rodeo Drive Concours d'Elegance Budget - 2008-2009 | | |
|---|---------------------|---------------------|
| Estimated Budget as of 6.8.09 | | |
| INCOME 08-09 | BUDGET | |
| City of Beverly Hills Sponsorship | \$ 20,000.00 | |
| Rodeo Drive Committee Sponsorship | \$ 34,000.00 | |
| Sponsorship - Others | \$ 30,000.00 | Estimated |
| Registration Income | \$ 5,000.00 | Estimated |
| TOTAL ESTIMATED INCOME 08-09 | | \$ 89,000.00 |
| EXPENSES 08-09 | BUDGET | |
| Advertising | \$ - | BH Courier |
| Automobile Curation | \$ 8,000.00 | |
| Awards | \$ 1,200.00 | |
| Collateral | \$ 520.00 | |
| Crew Meals | \$ 200.00 | |
| Equipment/ Trucking | \$ 1,875.00 | |
| Graphics | \$ 600.00 | |
| Janitorial | \$ 975.00 | |
| Mailing | \$ 640.00 | |
| Meals - Exhibitor | \$ 500.00 | |
| Media Clipping | \$ 800.00 | |
| Out of pocket | \$ 1,200.00 | |
| Photography | \$ 1,000.00 | |
| Production Fee/ Event Management | \$ 10,600.00 | |
| Production Staff | \$ 2,000.00 | |
| Publicity Outreach | \$ 4,000.00 | |
| Rentals | \$ 10,600.00 | |
| Restrooms | \$ 1,757.00 | |
| Security | \$ 1,600.00 | |
| Signage | \$ 2,000.00 | |
| Sound/Power | \$ 8,000.00 | |
| Sponsorship Acquisition | \$ 2,280.00 | |
| Street Closure/Permits | \$ 26,500.00 | |
| Subtotal | \$ 86,847.00 | |
| <i>Contingency</i> | \$ 2,000.00 | |
| ESTIMATED EXPENSES 08-09 | | \$ 88,847.00 |



| Rodeo Drive Concours d'Elegance Budget - 2009-2010 | | |
|---|----------------------|----------------------|
| Estimated Budget as of 6.8.09 | | |
| | | |
| INCOME 09-10 | BUDGET | |
| City of Beverly Hills Sponsorship | \$ 15,000.00 | |
| Rodeo Drive Committee Sponsorship | \$ 30,000.00 | |
| Sponsorship - Others | \$ 60,000.00 | Estimated |
| Registration Income | \$ 5,000.00 | Estimated |
| TOTAL ESTIMATED INCOME 09-10 | | \$ 110,000.00 |
| | | |
| EXPENSES 09-10 | BUDGET | |
| Advertising | \$ - | In-Kind |
| Automobile Curation | \$ 8,000.00 | |
| Awards | \$ 1,200.00 | |
| Banners | \$ 5,000.00 | |
| Collateral | \$ 520.00 | |
| Crew Meals | \$ 200.00 | |
| Equipment/ Trucking | \$ 1,875.00 | |
| Graphics | \$ 1,000.00 | |
| Janitorial | \$ 975.00 | |
| Mailing | \$ 640.00 | |
| Meals - Exhibitor | \$ 500.00 | |
| Media Clipping | \$ 800.00 | |
| Out of pocket | \$ 1,200.00 | |
| Photography | \$ 1,000.00 | |
| Production Fee/ Event Management | \$ 12,000.00 | |
| Production Staff | \$ 2,500.00 | |
| Publicity Outreach | \$ 5,000.00 | |
| Rentals | \$ 12,000.00 | |
| Restrooms | \$ 1,757.00 | |
| Security | \$ 1,600.00 | |
| Signage | \$ 4,000.00 | |
| Sound/Power | \$ 8,000.00 | |
| Sponsorship Acquisition | \$ 8,000.00 | |
| Street Closure/Permits | \$ 26,500.00 | |
| Subtotal | \$ 104,267.00 | |
| Contingency | \$ 5,000.00 | |
| ESTIMATED EXPENSES 09-10 | | \$ 109,267.00 |