



## CITY OF BEVERLY HILLS STAFF REPORT

**Meeting Date:** May 17, 2011

**To:** Honorable Mayor & City Council

**From:** Cheryl Friedling, Deputy City Manager for Public Affairs

**Subject:** Recommendation from the CVB/Marketing Liaison Committee Regarding the Rodeo Drive Committee's Proposed Budget for FY 2010-11 and Authorization to the City Manager to Approve a Purchase Order and an Agreement with the Rodeo Drive Committee in An Amount Not to Exceed \$75,000

**Attachments:**

1. Proposed Budget from Rodeo Drive Committee for 2011 Walk of Style Event
2. Proposed Agreement By and Between the City of Beverly Hills and Rodeo Drive, Inc. for 2010-2011 Special Events

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### INTRODUCTION

The Rodeo Drive Committee is composed of 70 retailers, hotels and property owners. Founded in 1972, the Committee promotes Rodeo Drive through a variety of programs which enhance Rodeo Drive's image as a world-wide visitor destination.

During the recent CVB/Marketing Liaison Committee (Vice Mayor Brien and Councilmember Mirisch) deliberations on the Rodeo Drive Committee's Fiscal Year 2011-2012 budget, the Liaison Committee reviewed the current Fiscal Year 2010-11 Walk of Style proposal. The Liaison Committee is recommending that the Rodeo Drive Committee's proposed 2010-11 budget request for \$110,000 be reduced to \$55,000, as that amount is commensurate with the actual Walk of Style event budget. This event will occur on May 31<sup>st</sup> honoring Fred Hayman.

### DISCUSSION

In past years, the Rodeo Drive Committee has received City support for several promotional and special event programs. These include the Rodeo Drive Walk of Style, the Rodeo Drive Concours D'Elegance and others.

Earlier in the fiscal year, the City Council reviewed the proposed budget of the Rodeo Drive Committee for the Walk of Style and its other events as it does with other City partners such as the CVB; etc. At that time, the City Council agreed with the recommendation of the liaison to provide \$110,000 for the Walk of Style event. The information at that time indicated that the budget for the previous year's event was approximately \$260,000. In addition, the City Council agreed with the recommendation of the liaison for other events including but not limited to the Rodeo Drive Concours d' Elegance, Fashion's Night Out, etc.

For fiscal year 2010-2011, the City Council stipulated that funding for any City-supported programs or special events be predicated on the following three requirements: (i) that the Rodeo Drive Committee develop a process to obtain data and metrics for each event, and provide detailed information regarding the City's return-on-investment; (ii) that Rodeo Drive retailers adjust opening and closing hours to align with special event times, therefore encouraging more shoppers and retail purchases, and; (iii) that the Rodeo Drive Committee establish a program to review the possibility of a Business Improvement District.

In November 2010, the City Council approved an amendment to Rodeo Drive's 2009-2010 agreement to extend it and provide \$20,000 for services related to Fashion's Night Out. As it related to the remaining events, an agreement was not executed as both Rodeo Drive Committee and the City requested various modifications. Notwithstanding, the parties, through their respective legal counsel, came to an agreement regarding salient terms (except for the revised budget) and the proposed agreement is attached to this report. The agreement includes the three requirements above as Rodeo Drive Committee agreed to develop a process to obtain data and metrics for its events such as the Walk of Style, use its reasonable best efforts to request retailers to adjust their hours to align with special events and use its reasonable best effort towards the review of a possible business improvement district or other merchant/property owners association. It should be noted that during both Fashion's Night Out and also SNOW 90210 retailers along Rodeo Drive were open during the event.

Since that original review, the Rodeo Drive Committee has submitted its budget for the 2011 Walk of Style honoring Fred Hayman. This budget amount (\$53,987.81) is significantly less than the \$110,000 originally requested from the City for the event. When the original budget came before the City Council the Rodeo Drive Committee had proposed a Walk of Style event that has now been scaled back in scope and cost.

Accordingly, the Liaison Committee recommends an agreement with the Rodeo Drive Committee in the amount of \$75,000, as follows:

- \$55,000 for the 2011 Walk of Style event scheduled for May 31, 2011, predicated on a matching amount generated by the Rodeo Drive Committee's members for the Walk of Style event.
- \$20,000 for the Rodeo Drive Concours d' Elegance to be held on Father's Day, June 19, 2011.

As briefly mentioned above, funds and/or services have already been conveyed to the Rodeo Drive Committee through in-kind services such as police officers, traffic control officers and related event support for Rodeo Drive's newest events, Fashion's Night Out event conducted on September 10, 2010 and "SNOW 90210" conducted on December 9, 2010.

**FISCAL IMPACT**

The funds have been budgeted in this Fiscal Year's 2010-2011 budget.

**RECOMMENDATION**

That the City Council (i) receive the recommendation from the CVB/Marketing Liaison Committee regarding Rodeo Drive Committee's 2010-2011 budget; (ii) provide direction to Staff regarding said budget; and (iii) authorize the City Manager to approve a purchase order and execute an agreement in an amount not to exceed \$75,000 with the Rodeo Drive Committee in a form reviewed and approved by the City Manager and City Attorney. Attached is the proposed form of agreement.



Cheryl Friedling

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Approved By

# **Attachment 1**

## Proposed Budget for Walk of Style Event

Rodeo Drive Walk of Style honoring Fred Hayman		
(Budget Estimate as of 5.3.11)		
DESCRIPTION	AMOUNT	NOTES
Banners & Backdrop	\$ 10,119.29	
Louis Vuitton Reception	\$ 6,670.69	
Invitations - Design	\$ 2,518.36	
Media Clipping Service	\$ 1,136.46	
Out of Pocket/Expendables	\$ 1,964.02	
Permits/City Costs	\$ 1,326.00	
Photography	\$ 1,935.91	
Plaque	\$ 3,675.00	
Production Staffing	\$ 2,235.00	
Publicity Outreach	\$ 10,000.00	
Rentals	\$ 4,580.19	
Security	\$ 1,050.00	
Sound	\$ 1,235.00	
<b>Subtotal</b>	<b>\$ 48,445.92</b>	
Production Fee	\$ 5,541.89	does not include publicity outreach
		estimate based on actual cost of WOS honoring Valentino and does not include in-kind contributions.
<b>TOTAL</b>	<b>\$ 53,987.81</b>	

# **Attachment 2**

**AGREEMENT BY AND BETWEEN THE CITY OF  
BEVERLY HILLS AND RODEO DRIVE, INC. FOR 2010-  
2011 SPECIAL EVENTS**

RECITALS

A. Rodeo Drive Inc., ("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. For a number of years, for the dual purpose of promoting the City of Beverly Hills and Rodeo Drive as a premier shopping destination, RDI has produced the Walk of Style® event (the "Walk of Style Event") and the Rodeo Drive Concours d'Elegance on Rodeo Drive.

C. Section 37110 of the California 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. Scope of Work and Authorization of Funding. RDI shall provide the services (both personnel and deliverables) necessary to produce the Walk of Style Event and Rodeo Drive Concours d'Elegance for the promotion of the City and Rodeo Drive as set forth in Exhibit A. In no case shall the RDI request that City Staff undertake any of the activities set forth in Exhibit A.

Section 2. Payments.

(a) In support of the Walk of Style Event and the services provided in Exhibit A, the City shall provide funding in the amount of \$55,000 to be used by RDI for the Walk of Style Event to be held during Fiscal Year 2010-2011 (July 1, 2010 through June 30, 2011), provided that RDI incurs expenditures of at least a matching amount of \$55,000 for promotion of the street, "Rodeo Drive," as a premiere shopping venue during RDI's fiscal year 2010 – 2011. "Promotion" as used therein means the expenditure of monies for and directly towards events that cause visitor traffic on Rodeo Drive such as but not limited to the Walk of Style Event, Fashions Night Out, Snow 90210, etc. In support of the Rodeo Drive Concours d'Elegance ("Concours") event and the services provided in Exhibit A, the City shall provide funding in the amount of \$20,000 to be used by RDI for the Concours event to be held during Fiscal year 2010-2011 (July 1, 2010 through June 30, 2011). Upon request by the Deputy City Manager, RDI will produce documentation (e.g., invoices) to establish that it has fulfilled its foregoing commitment to the City's satisfaction. Any monies provided to RDI not expended by RDI for the Walk of Style Event or Concours event shall be returned to the City within 10 days of the City's request.

(b) RDI may submit a written invoice for the funding described above at least 30 days prior to the date of the Walk of Style Event or Concours, as the case may be, to the Deputy City Manager. Upon approval of invoice by City, payment shall be made to RDI within 30 to 45 days of receipt of said invoice. If the requirements for funding set forth in Exhibit A with respect to the Walk of Style Event are not achieved by RDI to the City's reasonable satisfaction then within

a reasonable period following RDI's receipt of City's written notice of such dissatisfaction, RDI shall reimburse the City any monies provided to RDI for RDI's production of the Walk of Style Event. This provision shall survive termination of this Agreement and/or distribution of all funding hereunder.

Section 3. Reports.

(a) RDI shall submit a report quarterly 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 regarding its achievement of the items in the Scope of Services as set forth in Exhibit A.

(b) RDI shall also supply the City with an Annual Financial report prepared by a Certified Public Accountant for the Fiscal year 2010-2011. Such report shall provide separately detailed accounts for each program funded by City. Accordingly, RDI shall ensure that City funding is held in a separate account and that the detailed accounting indicates charges against such funding. The report shall be due within six months of the end of RDI's 2010-2011 fiscal year. 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 RDI in fulfillment of this Agreement ("Documents"). 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). RDI's obligation to maintain such Documents shall continue for three years after the termination of this Agreement.

(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 the Walk of Style Event and Concours event hereunder. 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. Ownership of Work Product.

(a) Unless otherwise agreed upon in writing, all reports, documents, or other written or visual material or any other material in any media, including any images, taglines, logos, or other media created or developed by RDI or any third party contracted by the RDI, in the performance of this Agreement, whether or not paid in whole or in part by the funding provided by this Agreement ("Work Product"), shall be and remain the property of City without restriction

or limitation upon its use or dissemination by City. All Work Product shall be considered to be “works made for hire”, and all such Work Product and any and all intellectual property rights arising from their creation, including, but not limited to, all copyrights, trademarks and other proprietary rights, shall be and remain the property of City without restriction or limitation upon their use, duplication or dissemination by City. RDI shall not obtain or attempt to obtain copyright protection as to any of the Work Products.

(b) RDI hereby irrevocably assigns exclusively to City, all right, title and interest in such trademarks and/or copyrights or other intellectual property rights in the Work Products. RDI shall take all acts requested by the City in order to enforce City’s rights under this Section.

(c) RDI shall not retain ownership of or any right, title or interest in any of the Work Products, including, but not limited to, in any related trademarks, copyrights, or other proprietary rights. The City and RDI agree that the Work Product and all such rights, title and interest in or to the Work Products belong to and are being sold and assigned in their entirety to City for whatever use it desires, and that City does and shall at all times own, solely and exclusively, complete and unencumbered, all right, title and interest in and to all of the Work Product worldwide, any modifications thereto and any derivative works based thereon (including, but not limited to, all patent, copyright, trademark, service mark and trade secret rights). Nothing contained herein shall be deemed to constitute a mere license or franchise in City. The parties further agree that City will be free to use, modify, distribute, sell, license or otherwise exploit all such Work Products and any modifications to or derivative works based thereon without any restrictions or limitations or any obligations or payments to RDI and that RDI shall have no such rights.

(d) From time to time the RDI will engage photographers to take photographs or will purchase images for use in RDI’s marketing campaigns, collateral or other uses. As to those third party photographs or images whereby the RDI negotiates to purchase not only the photograph or image but also the copyright or other intellectual property rights with the monies provided hereunder for the Walk of Style program, the provisions of this Section 3 will apply. As to those third party photographs or images whereby the RDI negotiates to purchase only the use of the photograph or image and the copyright is maintained with the photographer, the provisions of this Section 3 will not apply.

(e) The City recognizes that the phrase “Walk of Style” and “Rodeo Drive Concours D’Elegance” are registered service marks owned by RDI and as such, the City has no right to the ownership of such intellectual property. Accordingly, as to those uses whereby the Work Product is the Walk of Style or Rodeo Drive Concours D’Elegance service mark, the provisions of this Section 3 will not apply.

(f) This section shall survive termination of this Agreement.

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, and their officers, employees and agents shall not be employees of City.

Section 7. Term. This Agreement shall remain in full force and effect from July 1, 2010 until June 30, 2011, unless terminated earlier as provided in Section 7 of this Agreement.

Section 8. Termination of Agreement. City may terminate this Agreement early, at any time, with or without cause, upon thirty (30) days prior written notice to RDI. In the event of such termination, City shall pay RDI for all costs and obligations reasonably incurred by RDI in performing its services under this Agreement prior to the date of the termination notice. Any payments made to RDI shall be in full satisfaction of City's obligations hereunder and in no event shall any payment made by the City exceed \$75,000. City shall not be obligated to pay additional funds for any aspect or part of the Walk of Style Event or Concours event with respect to which RDI makes a commitment after the issuance 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., c/o The Donahue Group, 1463 Tamarind Avenue, Los Angeles, California 90028, 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 and Insurance.

(a) RDI agrees 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.

(b) RDI shall at all times during the term of this Agreement carry, maintain, and keep in full force and effect, a policy or policies of Comprehensive General Liability Insurance with minimum limits of Two Million Dollars (\$2,000,000) for each occurrence, combined single limit, against any personal injury, death, loss or damage resulting from the wrongful or negligent acts by RDI.

(c) RDI shall at all times during the term of this Agreement carry, maintain, and keep in full force and effect, a policy or policies of Comprehensive Vehicle Liability insurance covering personal injury and property damage, with minimum limits of One Million Dollars (\$1,000,000) per occurrence combined single limit, covering any vehicle utilized by Contractor in performing the services required by this Agreement.

(d) RDI agrees to maintain in force at all times during the performance of work under this Agreement workers' compensation and employer's liability insurance as required by law.

(e) RDI shall require each of its sub-consultants or sub-contractors engaged by the RDI for event management or other activities that require a City special event permit to maintain insurance coverage which meets all of the requirements of this Agreement unless otherwise determined by the City's Risk Manager. Prior to an event, RDI shall inform the City's Risk Manager in writing of said event to determine the level of insurance coverage, if any, required.

(f) The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least a B+;VII in the latest edition of Best's Insurance Guide.

(g) If RDI fails to keep the aforesaid insurance in full force and effect, City shall notify RDI that it is in breach of the Agreement and RDI has three (3) days to cure such breach. If such breach is not cured by RDI as required in this paragraph, City may terminate the Agreement or, if insurance is available at a reasonable cost, City may take out the necessary insurance and pay, at RDI's expense, the premium thereon.

(h) At all times during the term of this Agreement, RDI shall maintain on file with the City Clerk a certificate or certificates of insurance on the form required by the City, showing that the aforesaid policies are in effect in the required amounts. RDI shall, prior to commencement of work under this Agreement, file with the City Clerk such certificate or certificates. The policies of insurance required by this Agreement shall contain an endorsement naming the City as an additional insured. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty (30) days prior written notice to the City, and specifically stating that the coverage contained in the policies affords insurance pursuant to the terms and conditions as set forth in this Agreement.

(i) The insurance provided by RDI shall be primary to any coverage available to City. The policies of insurance required by this Agreement shall include provisions for waiver of subrogation.

(j) Any deductibles or self-insured retentions must be declared to and approved by City prior to commencing work under 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 the 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.

Section 14. Banners. 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.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the \_\_\_\_\_ day of \_\_\_\_\_ 2011, at Beverly Hills, California.

CITY OF BEVERLY HILLS  
A Municipal Corporation

\_\_\_\_\_  
JEFFREY KOLIN  
City Manager

RODEO DRIVE, INC.

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TOM BLUMENTHAL  
President

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JIM JAHANT  
Vice President

APPROVED AS TO FORM:

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LAURENCE S. WIENER  
City Attorney

APPROVED AS TO CONTENT:

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JEFFEY KOLIN  
City Manager

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KARL KIRKMAN  
Risk Manager

## **EXHIBIT A**

### **2010-2011 SCOPE OF WORK**

#### **Walk of Style**

- The funding provided in this Agreement of \$55,000 shall be for a Walk of Style Event to be held during Fiscal Year 2010-2011 (July 1, 2010 –June 30, 2011).
- RDI shall develop a process to obtain data and metrics for the Walk of Style Event and provide detailed information regarding the City’s return-on-investment to City. Such metrics shall include but are not limited to measuring and analyzing year over year visitor traffic and dollars spent, receiving and analyzing partner feedback; measuring and analyzing marketing efforts, etc.,
- As it pertains to the Walk of Style Event (as well as any City or CVB signature events that take place within the vicinity of Rodeo Drive merchants as determined by City), RDI shall make reasonable efforts to request that its retailers adjust opening and closing hours to align with special event times, thereby encouraging more shoppers and retail purchases. This shall be accomplished by transmitting such request in writing to such merchants. RDI shall provide copies of the written requests for adjustment of hours upon request of City. Alternatively, RDI can “cc” the Deputy City Manager on the letters transmitted to merchants.
- RDI shall apply its reasonable best effort toward the establishment of a program to review the development of a Business Improvement District (“BID”) or Merchant/Property Owners Association. RDI's effort shall include, but is not limited to, outreach to RDI members to discuss the development of a BID. It is understood that the ultimate outcome of RDI's efforts will be determined by RDI Members.
- RDI shall undertake the following activities:
  - Identify potential honoree(s) for 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

#### **2010-2011 RODEO DRIVE CONCOURS D'ELEGANCE PROGRAM SERVICES**

- The funding provided in this Agreement for \$20,000 shall be for the Concours event to be held during Fiscal Year 2010-2011 (July 1, 2010 –June 30, 2011).
- RDI shall develop a process to obtain data and metrics for the Concours event and provide detailed information regarding the City's return-on-investment to City. Such metrics shall include but are not limited to measuring and analyzing year over year visitor traffic and dollars spent, receiving and analyzing partner feedback; measuring and analyzing marketing efforts, etc.,
- RDI shall apply its reasonable best effort toward the establishment of a program to review the development of a Business Improvement District ("BID") or Merchant/Property Owners Association. RDI's effort shall include, but is not limited to, outreach to RDI members to discuss the development of a BID. It is understood that the ultimate outcome of RDI's efforts will be determined by RDI Members.
- RDI shall undertake the following activities:

- 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 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 if budget allows.