



STAFF REPORT

Meeting Date: September 8, 2011
To: Honorable Mayor & City Council
From: Megan Roach, Marketing and Economic Sustainability Manager *MR*
Subject: Proposal from Utopia Entertainment, Inc. for Holiday Décor and Program Management for the City's 2011 Holiday Program
Attachments: 1. 2011 Holiday Décor Scope of Service and Budget Estimate

INTRODUCTION

This item provides a proposal from Utopia Entertainment, Inc. for holiday décor and program management for the City's 2011 holiday program.

DISCUSSION

The Holiday/Special Events Liaison Committee (Mayor Brucker and Councilmember Bosse) have met over the past several months to discuss the City's 2011 holiday décor program. The Rodeo Drive Committee has partnered with Swarovski to create a crystal "sparkle" décor theme for Rodeo Drive. The City and the Rodeo Drive Committee anticipate a three-year partnership with Swarovski for this program. Swarovski recently selected David Rodgers, a Los Angeles-based designer, to provide design concepts for the program. The Rodeo Drive Committee and the Council Liaison Committee reviewed Mr. Rodgers' preliminary design concepts last month.

The Rodeo Drive Committee anticipates receiving a proposal with complete design concepts and budget estimates by mid-September. The proposal will be shared with the Liaison Committee for review and direction and then brought to the entire City Council. Staff will continue to coordinate with the Rodeo Drive Committee and Swarovski as the program is developed to ensure the City achieves an integrated holiday décor program. In August staff initiated discussions with Utopia Entertainment, Inc. for a proposal of décor elements to be installed throughout the city that will complement the Swarovski design program on Rodeo Drive.

Proposed Holiday Program Funding Details:

- The City's Fiscal Year 2011/12 budget for holiday décor and programming is \$450,000.
- Swarovski has committed \$75,000 for the program on Rodeo Drive and has pledged an additional \$225,000 in matching funds for a total investment of \$300,000.
- The Rodeo Drive Committee has requested an allocation of \$45,000 for the program by utilizing the City's proposed contribution of \$20,000 for Snow90210 and the \$25,000 earmarked for an additional event.
- The \$45,000 allocated by the City to the Rodeo Drive Committee will be used to reduce the City's matching funding to Swarovski by \$45,000 (\$225,000 to \$180,000).
- This leaves a balance of \$270,000 for an agreement with Utopia Entertainment, Inc. for décor elements and program management to complement Swarovski.

Last year the City Council approved an agreement of \$250,000 with Utopia Entertainment, Inc. for holiday program management. The Holiday/Special Events Liaison at the time (Mayor Delshad and Councilmember Krasne) determined that the goal was to maintain the most critical aspects of the décor program to ensure there was both day time décor (banners) as well as night time décor (Wilshire spans, Santa display, and twinkle lights), but that all other non-critical items including big ticket programs such as the lighting ceremony and audio program should be eliminated to meet the budget constraints.

Overall last year's holiday program was not received well by the business community in part due to the reduction of décor elements. Based upon feedback received by the City Council and staff, the Liaison Committee was very interested in developing a more comprehensive and elaborate holiday program this year.

The Liaison Committee recommended staff pursue a similar scope of work and budget for the holiday décor program keeping in mind the selected program elements should complement the Swarovski décor theme on Rodeo Drive thereby ensuring holiday décor coverage in each of the City's key commercial areas. A partnership with Swarovski and Utopia would allow the City to expand the holiday program on Rodeo Drive and throughout the City's commercial areas. The majority of the holiday design work will be completed by Swarovski and Utopia's scope of work is limited to the production and installation of décor elements.

On August 22nd, staff met with the Liaison Committee to review Utopia's proposal and to obtain feedback on the décor elements that should be prioritized for inclusion in this year's holiday program. Based on the feedback from the Liaison Committee and in consultation with the City Attorney's Office, staff prepared an Agreement for Services with Utopia Entertainment, Inc. and it is included on this evening's formal agenda.

It should be noted that the City does not have the resources necessary to bid and manage individual contracts for the décor program components. Therefore, the Agreement with Utopia includes a range of services aimed at providing seamless

management of the City's holiday décor program. Principal services include competitive bidding for service vendors, oversight and management of vendors, responsibility for coordination between a variety of City departments and vendors, response and correction of technical and maintenance issues during the display period, and oversight of storage of the décor.

Utopia Scope of Work Key Deliverables:

- The existing yellow lights on the six arch spans across Wilshire Blvd will be replaced with white lights. The white lights will provide thematic consistency with the crystal "sparkle" theme on Rodeo Drive.
- New street pole banners will be fabricated with designs provided by Swarovski. Fabrication is a one-time cost included in this year's scope of work. The installation of the banners is a recurring cost. Banners have a typical shelf life of three years.
- The estimate for the twinkle lights on trees throughout the City's commercial areas does not include temporary power as it did in prior years. Earlier this year, as part of the Capital Improvement Program, the City completed the electrical infrastructure upgrades needed to provide power for holiday lighting.
- Canon Drive will have featured décor elements including garland on the light poles from South Santa Monica to Wilshire Blvd and new silver bows will be added to the top of the poles, which will provide thematic consistency with the Swarovski program.
- Per the direction from the Liaison Committee, the scope of work does not include the installation of Santa décor at Wilshire and Beverly. The Liaison Committee recommended that the Santa décor be donated to a City that does not currently have holiday décor.

FISCAL IMPACT

The City's Finance Division budgeted \$26,075,000 in Transient Occupancy Tax revenue for Fiscal Year 2011/12, which results in a base tourism and marketing budget of \$3,725,000 (this figure does not include the projected \$420,000 in carryovers from Fiscal Year 2010/11). The City Council has designated \$450,000 of this funding for the holiday décor program and it is budgeted in the Holiday Program account 0101312. The agreement with Utopia Entertainment, Inc. is for a total of \$270,000.

RECOMMENDATION

It is recommended that the City Council approve the 2011 holiday program décor scope of service and budget estimates as outlined in this staff report. The Agreement with Utopia Entertainment, Inc. is included on this evening's formal agenda for City Council consideration.

Cheryl Friedling
Approved By



Attachment 1

Scope of Service and Budget – Beverly Hills Holiday Program

2011 Holiday Décor Budget Estimate

Created by: Norman Kahn, Utopia Entertainment, Inc.

Program Element	2011 Budget Estimate
Light Pole Banners: maintain, install, remove, and store 450 holiday banners	\$22,511
<p>Twinkle Lights on Trees: maintain, replace broken, install, and store twinkle lights (incandescent and streets with LEDs). Streets include North Beverly (23 trees), Wilshire (108 trees), Brighton (30 trees), Dayton (22 trees), North Canon (55 trees) and South Santa Monica: Moreno-Canon (69 trees). Final locations shall be determined upon review of complete bid from vendors.</p> <ul style="list-style-type: none"> a) Installation - \$62,810 b) Maintenance - \$11,670 (includes Utopia inspector) c) Replacement LEDs - \$6,325 d) Storage - \$2,070 	\$82,875
<p>Wilshire Spans: maintain, install, bring power and storage of decorative spans along Wilshire. Change spans to new bright white lights (new rope lights and c7s for all 6 spans)</p> <ul style="list-style-type: none"> a) Refurbishment/install/maintain/remove/store = \$3,881 per span b) Change out to white lights = \$6,095 per span 	\$59,857
New Light Pole Banners Fabrication (4 Designs, 450 banners) – Design by others	\$51,807
Canon Drive Décor: refurbishment, installation, removal and storage	\$12,350
Canon Drive Décor: new custom made silver bows (quantity 50)	\$3,450
Subtotal	\$232,850
Sales tax allowance, reimbursables, shipping	\$10,000
Liability Insurance	\$2,150
Project Management, Technical Direction, Maintenance Coordinator	\$25,000
TOTAL	\$270,000