



## AGENDA REPORT

**Meeting Date:** December 19, 2011  
**Item Number:** G-7  
**To:** Honorable Mayor & City Council  
**From:** Cheryl Friedling, Deputy City Manager for Public Affairs  
Megan Roach, Marketing and Economic Sustainability Manager *MR*  
**Subject:** AMENDMENT NO. 1 TO THE AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND THE BEVERLY HILLS CONFERENCE AND VISITORS BUREAU FOR PROMOTION OF THE CITY FOR FISCAL YEAR 2011-2012; AND APPROVAL OF A CHANGE PURCHASE ORDER IN THE AMOUNT OF \$70,000 TO THE BEVERLY HILLS CONFERENCE AND VISITORS BUREAU FOR THESE SERVICES  
**Attachments:** 1. Amendment No. 1

---

### **RECOMMENDATION**

It is recommended that the City Council approve Amendment No. 1 to the agreement between the City of Beverly Hills and the Beverly Hills Conference and Visitors Bureau for promotion of the City for Fiscal Year 2011-2012 and approve a change purchase order in the amount of \$70,000 for these services.

### **INTRODUCTION**

This item requests that the City Council approve Amendment No. 1 to the agreement with the Beverly Hills Conference and Visitors Bureau to provide matching funding in the amount of \$70,000 for Sparkle 90210.

### **DISCUSSION**

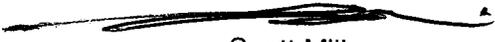
On August 16, 2011, the City Council approved a funding agreement with the Beverly Hills Conference and Visitors Bureau ("BHCVB") for promotion of the City for Fiscal Year 2011-2012. The Beverly Hills Conference and Visitors Bureau is contracted by the City to conduct a variety of tourism and marketing programs promoting Beverly Hills.

The holidays are one of the most important times of the year for driving business and building brand awareness in the City of Beverly Hills. Last year the City supported the Rodeo Drive Committee's Snow 90210 event, which generated an increase in visits and spending in Beverly Hills. This year the BHCVB built upon the success of Snow 90210 by creating Sparkle 90210. The program will showcase the Swarovski Elements 'Let it Sparkle' holiday décor on Rodeo Drive along with special shopping, dining and entertainment programs to drive traffic and revenue to Beverly Hills this holiday season.

On November 17<sup>th</sup>, the BHCVB presented a proposal and budget for Sparkle 90210 to the CVB/Marketing Liaison Committee (Vice Mayor Brien and Councilmember Mirisch). The program budget for Sparkle 90210 is \$142,186 and the BHCVB has requested \$70,000 in matching funding from the City to offset approximately half of the program costs.

### **FISCAL IMPACT**

The City's Finance Division budgeted \$26,075,000 in Transient Occupancy Tax revenue for Fiscal Year 2011-2012, 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 2010-2011). This funding is budgeted in the Tourism and Marketing Program account 0101311 and it includes a contingency programs line item of \$150,000. The CVB/Marketing Liaison Committee is recommending that \$70,000 of the contingency programs budget be allocated to the BHCVB for Sparkle 90210.

  
\_\_\_\_\_  
Scott Miller  
Finance Approval

*Megadough for CF*  
\_\_\_\_\_  
Cheryl Friedling  
Approved By

# **Attachment 1**

AMENDMENT NO. 1 TO THE AGREEMENT BETWEEN THE CITY OF  
BEVERLY HILLS AND THE BEVERLY HILLS CONFERENCE AND  
VISITORS BUREAU FOR PROMOTION OF THE CITY FOR FISCAL  
YEAR 2011-2012

NAME OF CONTRACTOR: Beverly Hills Conference and Visitors Bureau

RESPONSIBLE PRINCIPAL OF CONTRACTOR: Julie Wagner, Executive Director

CONTRACTOR'S ADDRESS: 239 S. Beverly Drive  
Beverly Hills, CA 90212  
Attention: Julie Wagner, Executive Director

CITY'S ADDRESS: City of Beverly Hills  
455 N. Rexford Drive  
Beverly Hills, CA 90210  
Attention: Cheryl Friedling, Deputy City Manager

COMMENCEMENT DATE: August 16, 2011

TERMINATION DATE: June 30, 2012

CONSIDERATION: Original Agreement Not-to-Exceed: \$1,791,750  
This Amendment No. 1: \$70,000  
Total Not-to-Exceed: \$1,861,750

AMENDMENT NO. 1 TO THE AGREEMENT BETWEEN THE CITY OF  
BEVERLY HILLS AND THE BEVERLY HILLS CONFERENCE AND  
VISITORS BUREAU FOR PROMOTION OF THE CITY FOR FISCAL  
YEAR 2011-2012

This Amendment No. 1 (this "Amendment") is to that certain Agreement between the City of Beverly Hills, a municipal corporation ("City"), and the Beverly Hills Conference and Visitors Bureau, a non-profit corporation (hereinafter called "Contractor") dated August 16, 2011 and identified as Contract No. 317-11 "Agreement".

RECITALS

A. City entered into the Agreement with Contractor in order for Contractor to conduct or participate in promotional, publicity, and advertising activities for the benefit of the City.

B. City and Contractor desire to amend the Agreement to include a holiday program entitled "Sparkle 90210" and provide additional funding for such program.

NOW, THEREFORE, the parties agree as follows:

Section 1. CONSIDERATION shall be amended as set forth on the cover page of this Amendment.

Section 2. Exhibit A-Scope of Services of the Agreement shall be amended to add to the Scope of Services as attached hereto as Exhibit A and incorporated herein.

Section 3. Exhibit B-Payment Schedule of the Agreement shall be amended and restated in its entirety as attached hereto as Exhibit B and incorporated herein.

Section 4. Except as specifically amended by this Amendment, the remaining provisions of the Agreement shall remain in full force and effect.

EXECUTED the \_\_\_\_ day of December 2011, at Beverly Hills, California.

CITY OF BEVERLY HILLS  
A Municipal Corporation

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

ATTEST:

\_\_\_\_\_  
BYRON POPE  
City Clerk

(SEAL)

BEVERLY HILLS CONFERENCE AND  
VISITORS BUREAU:

\_\_\_\_\_  
JULIE WAGNER  
Executive Director

\_\_\_\_\_  
BILL WILEY  
Chair

APPROVED AS TO FORM:

\_\_\_\_\_  
LAURENCE S. WIENER  
City Attorney

APPROVED AS TO CONTENT:

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

\_\_\_\_\_  
CHERYL FRIEDLING  
Deputy City Manager

\_\_\_\_\_  
KARL KIRKMAN  
Risk Manager

## EXHIBIT A

### SCOPE OF SERVICES

The Beverly Hills Conference and Visitors Bureau (the "CVB") has developed strategies to implement the primary objective of ensuring that the City of Beverly Hills continues to be a premiere domestic and international tourist and leisure destination. This Amendment No. 1 is to add the "Sparkle 90210" program to the Scope of Services of the CVB's existing work program.

### **Sparkle 90210 Proposal and Budget**

#### Background

The holidays are one of the most important times of year for driving business and building brand awareness in the City of Beverly Hills (the "City"). People come from all over the world to shop, dine and experience the holiday spirit. The City celebrates with breathtaking decorations, one-of-a-kind activities and specials and offers that make Beverly Hills a top destination for holiday shopping and entertainment.

Last year the City supported Rodeo Drive Committee's Snow 90210 event which generated an increase in visits to, and spending in, Beverly Hills on December 9, 2010.

This year the CVB would like to build upon the success of Snow 90210 by creating a six day event, versus the one day event held last year. The six day event will showcase the Swarovski Installation on Rodeo Drive and drive traffic and revenue throughout December with a focus on shopping and dining in Beverly Hills.

#### Event Description

**Sparkle 90210** lights the way on Thursdays and Fridays between 5 and 8 pm throughout the month of December. More than 65 stores (complete list is attached in the appendix) will stay open later to encourage holiday shoppers to choose Beverly Hills over competing destinations that also stay open late. Special holiday snow and sparkle lighting effects will float and flutter at Two Rodeo Drive and Beverly Canon Gardens. The award-winning Beverly Hills High School Madrigals will perform at the Beverly Canon Gardens as well as stroll the Golden Triangle singing the holiday classics.

Participating restaurants (restaurants to be confirmed) will offer extended happy hours and complimentary holiday cocktails. Street performers will pass out sparkle lights and collateral promoting the holiday offers available throughout town.

Stores and restaurants who opt-in will be lit up with sparkling lights in the windows and flashing Beverly Hills shield pins on employees. Purchases of \$25 or more anywhere in town on qualifying evenings will be rewarded with a free horse and carriage ride that will traverse the city highlighting the Swarovski installation and breathtaking decorations.

### Offer Audience

Offer targets all shoppers in domestic feeder markets, with a focus on Beverly Hills and Los Angeles County residents.

### Timing

December 1, 2, 8, 9, 15, 16

### Consumer Communications Plan

#### **Advertising:**

An online and print advertising plan was developed to build awareness among LA County and Beverly Hills Residents. Approximately \$40,000 dollars is being allocated to coverage in the following publications targeting luxury consumers. A detailed flow chart is provided in the Appendix.

*The Beverly Hills Courier* – Print insertions and an eblast to their customer database.

*The Beverly Hills Weekly* – Print insertion

*Los Angeles Times* – Two print insertions on Sundays on page 2 of the front section.

*Haute Living Magazine* – Print insertion in their November issue.

*Robb Report* – Online coverage throughout December.

*KOST Radio* – 72 spots during holiday programming throughout December and coverage on their website.

#### **Collateral:**

A four color one-sheet will be developed that will be distributed at the November Farmers Market as well as the Swarovski November 21<sup>st</sup> unveiling event.

Additionally, a four color mini-brochure will be created which will be distributed to all hotels, retail outlets and restaurants on November 28<sup>th</sup>. The piece will also be distributed by the street performers during the evenings of the event.

#### **eCommunciations and website:**

1. Adhoc Holiday eMail sent in November to CVB Consumer Database of 5,000 potential visitors.
2. December Trade and Media eNews to 5,000.

3. Dedicated page on CVB website and featured event listing – [lovebeverlyhills.com/sparkle](http://lovebeverlyhills.com/sparkle).
4. CVB will host a table each night of the event in the Beverly Canon Gardens that will encourage people to sign up for CVB eCommunications and be entered to win a hotel package.

**PR:**

A release will be circulated via business wire and to key contacts announcing the event series. Additionally the CVB plans to use an Associated Press (AP) photographer on December 1<sup>st</sup> who will post all photos on the wire. Additionally Good Day LA will feature a segment on their morning show Dec. 1<sup>st</sup> featuring snow, lights and performers.

**Social:**

On Facebook and Twitter, the CVB will promote the email sign-up contest to win a free hotel package mentioned in eCommunications above.

A community event will be organized among all Sparkle 90210 partners who have Facebook and Twitter pages which encourages them to participate in a live “Tweet-up” the first night of the event to spread awareness through their own channels and followers.

Key tastemakers and influencers (bloggers, Twitter users, and press) will be invited to visit the CVB Table on December 1<sup>st</sup> to receive a Sparkle Gift Bag and passes for a free horse and carriage ride to see the decorations in the city.

Additionally, the CVB will participate in the Rodeo Drive Committee blogger event on November 21<sup>st</sup> to promote the Swarovski unveiling with message points about Sparkle 90210.

A holiday Sparkle tab will be created on the CVB Facebook page and live photos will be posted on Facebook and Twitter each day of the event.

Projected Program Costs

**City matching funding of \$70,000 would be used to cover ½ the costs to produce the program:**

<b>Category Summary for Sparkle 90210</b>	
<b>TOTAL LIGHTING EFFECTS</b>	<b>\$23,342</b>
<b>TOTAL SNOW</b>	<b>\$12,260</b>
<b>TOTAL HORSE AND CARRIAGE</b>	<b>\$10,350</b>
<b>TOTAL ENTERTAINMENT</b>	<b>\$23,750</b>
<b>TOTAL PRODUCTION</b>	<b>\$29,984</b>
<b>ADVERTISING AND COLLATERAL</b>	<b>\$40,000</b>
<b>TOTAL PR</b>	<b>\$2,500</b>
<b>SPARKLE 90210 GRAND TOTAL</b>	<b>\$142,186</b>

### Return on Investment

Figures were calculated by using average per diem estimated in the 2007 Buyer Behavior Study of \$300 per visitor per day.

Number of visitors was estimated from total parking tickets issued for December 2010 for Beverly Hills parking lots (not including La Cienega or 3<sup>rd</sup> Street) = 250,280 and revenue = \$409,730 (31 days of business). To calculate the estimated amount to benchmark six nights of revenue comparable for the Sparkle 90210 time span, the total tickets and revenue was divided by 31 (the number of days) or 8,073 tickets/day or \$13,217/day, and multiplied by 6 (total number of nights for Sparkle 90210) or 48,438 total tickets/visitors and \$79,302 in revenue for a six-day period. The figures below represent a very conservative rough estimate upon which to understand the revenue potential of the event series.

Several different scenarios have been calculated as a possible return: the amount of revenue potential increased by 5%, 10% and 20%. The figures below do not include restaurant revenue potential.

Please note that a request was made to the city for retail sales tax revenue figures from December 2010. However, data was only provided from Q2 2011 (Apr – June). As a result, the CVB utilized both December 2010 parking data which was provided by the city to estimate potential return and the retail sales tax figure provided from Q2 2011.

#### **PARKING DATA ESTIMATES**

Description	2010 Numbers	2011 5% Increase	2011 10% Increase	2011 20% Increase
Parking Tickets	48,438	50,860	53,282	58,126
Shopping Total Revenue	\$14,531,400	\$15,257,970	\$15,984,540	\$17,437,680
Sales Tax Revenue	\$145,314	\$152,580	\$159,845	\$174,377
Parking Revenue	\$79,302	\$83,267	\$87,232	\$95,162
Total Revenue to City	\$224,616	\$235,847	\$247,077	\$269,539

#### **SALES TAX DATA ESTIMATE**

Description	2010 Numbers	2011 5% Increase	2011 10% Increase	2011 20% Increase
Sales Tax	\$191,047	\$200,599.35	\$210,151.70	\$229,256.40
Shopping Total Revenue	\$19,104,700	\$20,059,935	\$21,015,170	\$22,925,640
Parking Revenue	\$79,302	\$83,267	\$87,232	\$95,162
Total Revenue to City	\$270,349	\$283,866	\$297,384	\$324,419

Based on quarterly retail sales tax revenue for Q2, 2011 (\$2,961,245). Number was divided by three (three months) and again by 31 (total days in December) and multiplied by 6 (total Sparkle 90210 days).

**Benefits to the City of Beverly Hills**

- Protection against loss of market share to other shopping areas at which stores stay open late (retention of current customers). See attached Appendix for article on The Grove.
- Acquisition of new customers that might not have visited if there were no activity or late shopping opportunities.
- Build awareness with the creation of a newsworthy story that is sought out by the press (i.e., coverage on Good Day LA).
- Showcase the Swarovski partnership by incorporating the Sparkle theme.
- Cohesive event that carries the brand message of shopping, dining, hotels (indirectly with And To All A Free Night).
- Creates content for website and social media which attracts followers that strengthen our reach year-round.
- Provides opportunity for email acquisition.
- Fosters sense of community and positions Beverly Hills as a destination for locals.

<b>SPARKLE 90210 Line Item Budget</b>		
<b>Description</b>	<b>Dec 1,2,8,9, 15,16</b>	<b>NOTES</b>
<b>SNOW @ 2 Rodeo &amp; Montage Garden</b>		
Snow Machines	\$ 3,500.00	20 total machines (8 for Two Rodeo and 12 for Beverly Canon Gardens) \$159 each plus tax
Snow Machines Soap	\$ 2,760.00	20 machines @ \$23/night
Snow Machine Installation	\$ 6,000.00	Includes Installation/Removal. Assumes Montage/Two Rodeo operate all
<b>SPARKLE SPECIAL FX @ 2 Rodeo, Montage Garden</b>		
Décor-Special Lighting effects	\$ 12,000.00	Assumes power provided by 2 Rodeo, Montage, Bouchon, City
<b>RANDOM SPARKLE EFFECT</b>		
Sparkle Clip Lights	\$ 1,152.00	300 per night @ .64 each
Staff for distribution of LED Sparkle Lights*	\$ 2,700.00	3 @ \$25/hour x 6 hours or \$450/night

<b>CARRIAGE RIDES</b>		
2 Horse Drawn Cinderella Carriages	\$ 7,200.00	2 Carriages @\$500 each per night + \$1200 deposit
Carriage Ride Staff Podiums	\$ 750.00	Table, chairs, linen or custom cardboard podium
Staff for Tickets and Proof of Purchase	\$ 2,400.00	2 staff x 2 locations x 4 hours x \$25/hour (5:30-9:30)
<b>ENTERTAINMENT</b>		
Glow Stringing	\$ 2,250.00	1 @ \$250 p/h
Carolers/Madrigal Singers	\$ 4,500.00	\$250 p/h x 3 hours per night
<b>SPARKLE RETAILER SURVIVAL KIT</b>		
Sparkle LED Clip Lights	\$ 3,840.00	.64 each - 10 per store per night for 100 stores
Custom Packaging	\$ 750.00	<a href="http://www.clearbags.com/custom-quote?gclid=CJXw7q3yyqsCFQoZQgodeDiwzw">http://www.clearbags.com/custom-quote?gclid=CJXw7q3yyqsCFQoZQgodeDiwzw</a>
Staffing for Packaging	\$ 800.00	2 @ 8 hours/day x 2 @ \$25/hour
Postage/Distribution	\$ 500.00	
<b>PRODUCTION STAFF</b>		
<i>Pre-production</i>		
Production Manager	\$ 4,000.00	80 hours @ \$50/hour
Assistant Production Manager	\$ 2,800.00	80 hours @ \$35/hour
<i>On-Site</i>		
* Production Staff During Event in this budget from Random Sparkle Effect		
Production Manager	\$ 1,800.00	\$50/hour times 6 hours per night
2 - Asst Production Managers on Rodeo and at Garden	\$ 2,520.00	2 x \$35/hour x 6 hours per night
<b>MISCELLANEOUS</b>		
Signage	\$ 750.00	Carriage ride signage, event signage @ 2 Rodeo Montage
Trucking	\$ 1,500.00	Van rental for transport and 1 driver for event elements, costumes @ \$250/night
<b>OTHER OPTIONS</b>		
Beverly Hills Shield Custom Sparkle Pins	\$ 1,600.00	1000 buttons @ 1.29 each w/4 lights

<b>SPARKLE STREET THEATRE</b>		
Custom LED Costumes	\$ 7,000.00	8 outfits covered in LED lights
Actors	\$ 7,200.00	\$150 per actor per night x 8
Coordinator/Project Manager	\$ 2,800.00	Auditions, fittings, scheduling, coordination @ \$40/hour, 1 wk pre-prod., plus onsite @ \$200/night
Dressing Room	donated	Ask Montage or Luxe
<b>ESTIMATED SUB TOTAL</b>	<b>\$ 83,072.00</b>	
Production Fee @ 20%	\$ 16,614.40	
<b>Grand Total Event Costs</b>	<b>\$ 99,686.40</b>	
<b>ADVERTISING AND COLLATERAL</b>	<b>\$ 40,000.00</b>	
<b>PR COSTS</b>		
AP Photographer	\$1,100	
Good Day LA	\$1,400	
Total PR	\$2,500	
<b>GRAND TOTAL W ADVERTISNG/PR</b>	<b>\$ 142,186.40</b>	

EXHIBIT B

PAYMENT SCHEDULE

Unless otherwise agreed to by the City's Deputy City Manager, invoices and payments shall be governed by the schedule below .

<b>Funding Period (September 1, 2011 – June 30, 2012)</b>			
<b>CVB Remits Invoice to City</b>	<b>City Issues Payment to CVB</b>	<b>Period or Program Covered</b>	<b>Payment Amount</b>
August 18	September 1	September 1 – November 30	\$597,216.66
November 17	December 1	December 1 – February 29	\$597,216.67
December 20	January 10	Sparkle 90210	\$70,000.00
February 16	March 1	March 1 – June 30	\$597,216.67
<b>TOTAL</b>			<b>\$1,861,750.00</b>