



## STAFF REPORT

**Meeting Date:** December 19, 2011  
**To:** Honorable Mayor & City Council  
**From:** Cheryl Friedling, Deputy City Manager for Public Affairs  
Megan Roach, Marketing and Economic Sustainability Manager *MR*  
**Subject:** Recommendation from the CVB/Marketing Liaison Committee  
Regarding a Proposal from the Beverly Hills Conference and  
Visitors Bureau for Matching Funding for Sparkle 90210  
**Attachments:** 1. Sparkle 90210 Proposal and Budget

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### INTRODUCTION

This item provides a recommendation from the CVB/Marketing Liaison Committee (Vice Mayor Brien and Councilmember Mirisch) regarding a proposal from the Beverly Hills Conference and Visitors Bureau for matching funding 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.

Sparkle 90210 is taking place on Thursdays and Fridays from 5:00 p.m. to 8:00 p.m. throughout the month of December. More than sixty-five stores have extended their store hours to encourage holiday shoppers to choose Beverly Hills over competing destinations that also stay open late. Special holiday snow and sparkle lighting effects

are featured at Two Rodeo Drive and Beverly Canon Gardens. In addition, participating restaurants are offering extended happy hours and complimentary holiday cocktails. 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 décor and other holiday decorations.

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.

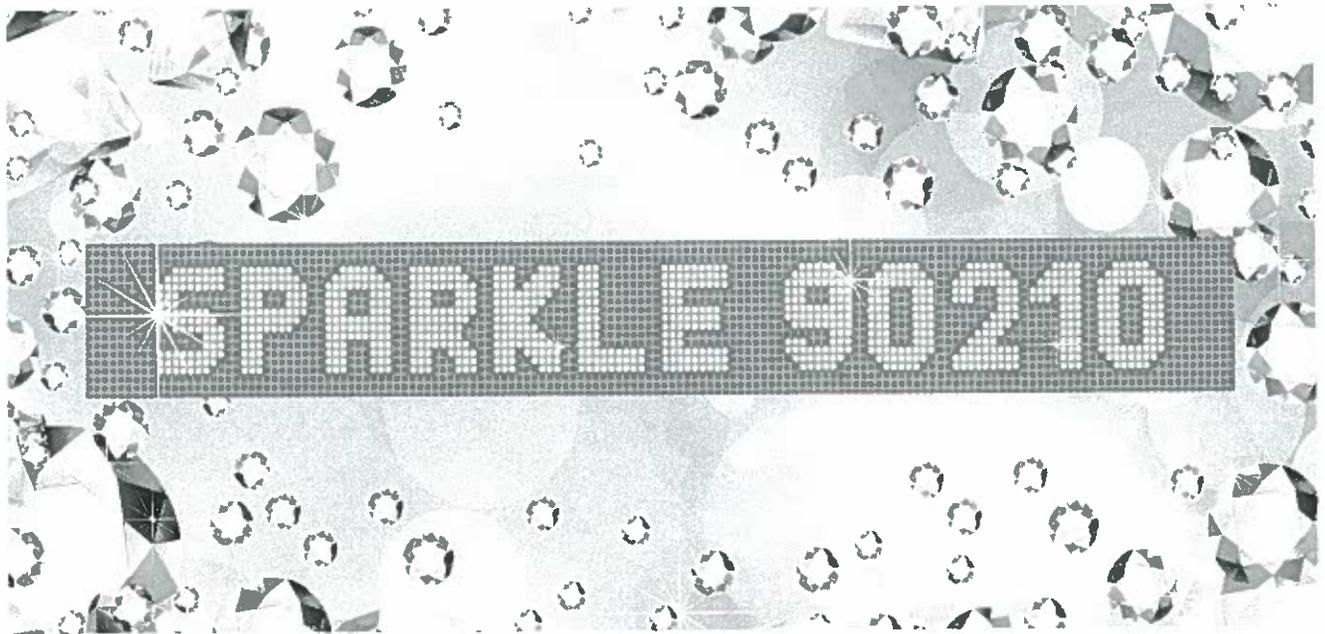
**RECOMMENDATION**

It is recommended that the City Council review the CVB/Marketing Liaison Committee's recommendation to provide matching funding for Sparkle 90210. Staff has prepared an amendment to the City's existing funding agreement with the BHCVB to include this additional funding and it is included on this evening's formal agenda for City Council consideration.

Cheryl Friedling  
Approved By



# **Attachment 1**



CONFERENCE &  
VISITORS BUREAU

*Love Beverly Hills*

**Proposal and Budget  
November 17, 2011**



## Background

The holidays are one of the most important times of year for driving business and building brand awareness in Beverly Hills. 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 spend in Beverly Hills on December 9, 2010.

This year BHCVB would like to build upon Snow 90210's success by creating an event series of six days versus a one day event last year. The events 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 in the attached 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 BHCVB Consumer Database of 5,000 potential visitors.
2. December Trade and Media eNews to 5,000.
3. Dedicated page on BHCVB website and featured event listing – [lovebeverlyhills.com/sparkle](http://lovebeverlyhills.com/sparkle).
4. BHCVB will host a table each night of the event in the Beverly Canon Gardens that will encourage people to sign up for BHCVB 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 BHCVB 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, BHCVB 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 BHCVB 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, BHCVB 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 BHCVB 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>

A detailed budget is included in the Appendix.

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, BHCVB 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.

SPARKLE DEC 2011-		
Description	Dec 1,2,8,9, 15,16	NOTES
<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 - Groundlings Improv?
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>		
	\$ 83,072.00	
Production Fee @ 20%	\$ 16,614.40	
<b>Grand Total Event Costs</b>	<b>\$ 99,686.40</b>	
<b>ADVERTISING AND COLLATERAL</b>		
<b>PR COSTS</b>	\$ 40,000.00	
AP Photographer	\$1,100	
Good Day LA	\$1,400	
Total PR	\$2,500	
<b>GRAND TOTAL W ADVERTISING/PR</b>	<b>\$ 142,186.40</b>	

**Beverly Hills CVB  
2011 Local Media Plan - Draft**

Target Audience: Adults 35-64 with HHI \$100,000+

12/13/2011

	Creative Materials	Materials Due Date	November							December				Units/ Impressions	Client Net	
			31	7	14	21	28	5	12	19	26					
<u>Radio</u>																
KOST (72 15sec spots + 36 5sec adlets+online/FB exposure/e-mail blast/street team, giveaway)	15 & 5sec copy, banners, e-mail blast, logo, collateral	7-Nov													72 spots	\$18,800
BH Courier	Full Page 4 C	28-Nov													2	\$4,220
BH Weekly	Full Page 4 C	28-Nov													1	\$1,950
LA Times/West Zone	2x7 4C, Page 2 or 3	TBD													2	\$5,544
Haute Living	Full Page 4 C-LA Market	17-Nov													1	\$2,500
The Hollywood Reporter	Full Page Ad	TBD													1	\$0
<u>Online</u>																
BH Courier E-blast	8 LA markets Banner Sizes: 145x230 display ad & 192x70 text ad	TBD													1	\$750
Robb Report	LA Markets: West Los Angeles, San Fernando Valley, Orange County, Pasadena, Ventura, Riverside, Rolling Hills Palos Verdes (Long Beach), Downtown Los Angeles														51,000	\$2,450
<b>TOTAL Beverly Hills CVB</b>													<b>TOTAL Planned</b>	<b>\$36,214</b>		
													<b>Budget</b>	<b>\$35,000</b>		
													<b>Over Budget</b>	<b>\$1,214</b>		

\*The media budget is set at \$35,000 and the creative at \$5,000 for a total of \$40,000.

<b>STORE NAME</b>	<b>OPEN LATE</b>	<b>LIGHT KIT</b>	<b>SNOW</b>	<b>LOCATION</b>
Christoffle Silver	YES OPEN	YES LIGHTS	NO SNOW	Brighton
Anne Fontaine	YES OPEN	YES LIGHTS	NO SNOW	Brighton
Hublot	YES OPEN	NO LIGHTS	NO SNOW	Brighton
American Tea Room	YES OPEN	YES LIGHTS	NO SNOW	Canon
Madame Chocolat	YES OPEN	YES LIGHTS	NO SNOW	Canon
Phillippe Derey	YES OPEN	YES LIGHTS	NO SNOW	Canon
Avedon	YES OPEN	YES LIGHTS	NO SNOW	Canon
The Cheese Store of Beverly Hills	YES OPEN	YES LIGHTS		N. Beverly Drive
Lush	YES OPEN	YES LIGHTS	NO SNOW	N. Beverly Drive
Vosges Haut-Chocolat	YES OPEN	NO LIGHTS	NO SNOW	N. Beverly Drive
Perrin Paris 1893	YES OPEN	NO LIGHTS	NO SNOW	N. Beverly Drive
Roots	YES OPEN	YES LIGHTS		N. Beverly Drive
Scandia Home	YES OPEN	YES LIGHTS		N. Beverly Drive
Geox	YES OPEN	YES LIGHTS		N. Beverly Drive
Jill Roberts	YES OPEN	NO LIGHTS	NO SNOW	N. Beverly Drive
Lululemon	YES OPEN	YES LIGHTS	NO SNOW	N. Beverly Drive
GAP	YES OPEN	NO LIGHTS	NO SNOW	N. Beverly Drive
Nancy Koltes Fine Linens	YES OPEN	NO LIGHTS	NO SNOW	N. Beverly Drive
Optometrix	YES OPEN	NO LIGHTS	NO SNOW	N. Beverly Drive
Banana Republic	YES OPEN	YES LIGHTS	NO SNOW	N. Beverly Drive
Ron Herman	YES OPEN	YES LIGHTS	NO SNOW	N. Beverly Drive
Z Gallerie	YES OPEN	NO LIGHTS	NO SNOW	N. Beverly Drive
Gearys Beverly Hills*	YES OPEN	NO LIGHTS	NO SNOW	N. Beverly Drive
Ermenegilo Zegna*	YES OPEN	NO LIGHTS	NO SNOW	Rodeo
Badgley Mischka	YES OPEN	NO LIGHTS	NO SNOW	Rodeo Dr
Bally	YES OPEN	YES LIGHTS	NO SNOW	Rodeo Dr
Gearys Rodeo Drive*	YES OPEN	NO LIGHTS	NO SNOW	Rodeo Dr
Gucci*	YES OPEN	NO LIGHTS	NO SNOW	Rodeo Dr
Galerie Michael		YES LIGHTS		Rodeo Drive
Tiffany & Co.	YES OPEN	NO LIGHTS	NO SNOW	Rodeo Drive
Judith Ripka Jewelry	YES OPEN	YES LIGHTS	NO SNOW	Rodeo Drive
Porsche Design	YES OPEN	YES LIGHTS	NO SNOW	Rodeo Drive
La Perla	YES OPEN	YES LIGHTS	NO SNOW	Rodeo Drive
Damiani	YES OPEN	NO LIGHTS	NO SNOW	Rodeo Drive
Lacoste	YES OPEN	YES LIGHTS	NO SNOW	Rodeo Drive
Richard Mille	YES OPEN	NO LIGHTS	NO SNOW	Rodeo Drive
Westime	YES OPEN	NO LIGHTS	NO SNOW	Rodeo Drive
Luxe Hotel Rodeo Drive	YES OPEN	NO LIGHTS	NO SNOW	Rodeo Drive
Peter Marco	YES OPEN	NO LIGHTS	NO SNOW	Rodeo Drive
Georg Jensen	YES OPEN	NO LIGHTS	NO SNOW	Rodeo Drive
Guess?	YES OPEN	NO LIGHTS	NO SNOW	Rodeo Drive
Lalique	YES OPEN	YES LIGHTS	NO SNOW	Rodeo Drive
Giorgio Armani	YES OPEN	NO LIGHTS	NO SNOW	Rodeo Drive
Tourbillon Boutique	YES OPEN	NO LIGHTS	NO SNOW	Rodeo Drive
Rimowa	YES OPEN	YES LIGHTS	NO SNOW	Rodeo Drive
De Beers Diamond Jewellers	YES OPEN	NO LIGHTS	NO SNOW	Rodeo Drive
Tod's	YES OPEN	NO LIGHTS	NO SNOW	Rodeo Drive
Brooks Brothers	YES OPEN	NO LIGHTS	NO SNOW	Rodeo Drive
Louis Vuitton	YES OPEN	NO LIGHTS	NO SNOW	Rodeo Drive
Jimmy Choo	YES OPEN	NO LIGHTS	NO SNOW	Rodeo Drive
Stuart Weitzman	YES OPEN	YES LIGHTS	NO SNOW	Rodeo Drive
Coach	YES OPEN	YES LIGHTS	NO SNOW	Rodeo Drive
Etro	YES OPEN	NO LIGHTS	NO SNOW	Rodeo Drive

Bebe	YES OPEN	NO LIGHTS		<i>Rodeo Drive</i>
Valentino	YES OPEN	YES LIGHTS	NO SNOW	<i>Rodeo Drive</i>
Barbara Bui	YES OPEN	YES LIGHTS	NO SNOW	<i>Rodeo Drive</i>
MIKIMOTO	YES OPEN	YES LIGHTS	NO SNOW	<i>Rodeo Drive</i>
Leather Soul	YES OPEN	YES LIGHTS	NO SNOW	<i>Santa Monica Blvd</i>
Kendra Scott Jewelry	YES OPEN	YES LIGHTS	NO SNOW	<i>Santa Monica Blvd</i>
Beverly Hills Mutt Club	YES OPEN	NO LIGHTS	NO SNOW	<i>Santa Monica Blvd</i>
A.sweet. Candy & Fashion Boutique	YES OPEN	YES LIGHTS	NO SNOW	<i>South Beverly</i>
Anthropologie	YES OPEN	YES LIGHTS	NO SNOW	<i>South Beverly</i>
Cottoniere	YES OPEN	YES LIGHTS	NO SNOW	<i>South Beverly</i>
Beauty Bar	YES OPEN	YES LIGHTS	NO SNOW	<i>South Beverly</i>

\*These stores will be participating on December 15th and 16th only.