



AGENDA REPORT

Meeting Date: June 19, 2012
Item Number: G-11
To: Honorable Mayor & City Council
From: Cheryl Friedling, Deputy City Manager for Public Affairs
Megan Roach, Marketing and Economic Sustainability Manager *MR*
Subject: APPROVAL OF AN AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND THE BEVERLY HILLS CONFERENCE AND VISITORS BUREAU FOR PROMOTION OF THE CITY FOR FISCAL YEAR 2012-2013; AND APPROVAL OF A PURCHASE ORDER IN A NOT-TO-EXCEED AMOUNT OF \$2,665,000 TO THE BEVERLY HILLS CONFERENCE AND VISITORS BUREAU FOR THESE SERVICES.

Attachments: 1. Agreement

RECOMMENDATION

It is recommended that the City Council approve an agreement between the City of Beverly Hills and the Beverly Hills Conference and Visitors Bureau for promotion of the City for Fiscal Year 2012-2013 and approve a purchase order in a not-to-exceed amount of \$2,665,000 for these services.

INTRODUCTION

This item requests the City Council approve the Beverly Hills Conference and Visitors Bureau work plan and funding agreement for Fiscal Year 2012-2013 and approve a purchase order in the amount of \$2,665,000 for these services.

DISCUSSION

The Beverly Hills Conference and Visitors Bureau ("CVB") is contracted by the City to conduct a variety of tourism and marketing programs promoting Beverly Hills. The CVB/Marketing Liaison Committee (Mayor Brien and Vice Mayor Mirisch) met with CVB representatives to review the proposed scope of work for Fiscal Year 2012-2013. The Liaison Committee recommended approval of the scope of work and corresponding funding request of \$2,665,000. The \$2,665,000 reflects additional operating and programmatic costs for the new Visitor Center, as well as an 11% increase to the CVB's

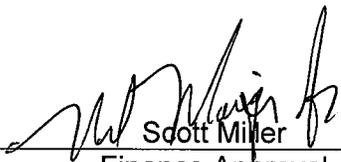
base budget from the prior fiscal year based on a corresponding, projected overall increase in TOT revenue.

The CVB recently conducted stakeholder focus groups with local Beverly Hills restaurants, hotels and retailers to obtain their business objectives, analyze competition, and determine how the CVB can better promote Beverly Hills as a destination. The CVB then presented a tactical program of work and corresponding budget for how to accomplish these goals to the CVB/Marketing Liaison Committee. The CVB has prioritized its scope of work and budget as follows:

- 1) **Domestic Hotel Campaigns** – traffic and revenue to the city as well as strengthening and clarification of the brand.
- 2) **International Marketing** – supporting key feeder markets with in-country initiatives and business prospecting to meeting planners (this applies to domestic feeders as well).
- 3) **On-Line/Website Interactive** – brand awareness and image promotion through website, search engine marketing and social interactivity on key sites.
- 4) **Visitor Services** – visitor guides and maps, interactive technology, walking tours, strong merchandising platform and incentives.
- 5) **Events** – development of annual marquis events which are impeccably executed that customers can look forward to year after year.

FISCAL IMPACT

The City's Finance Department projects \$28,942,900 in TOT revenue for the 2012-2013 Fiscal Year, which results in a Tourism and Marketing budget of \$4,817,984. This amount includes \$683,284 in budgetary carryover from Fiscal Year 2011-2012. The funding is budgeted in the Tourism and Marketing Program account 0101311. The CVB/Marketing Liaison Committee is recommending that of this amount, \$2,665,000 be allocated to the CVB for its Fiscal Year 2012-2013 budget request.



Scott Miller
Finance Approval

Cheryl Friedling 

Approved By

Attachment 1

AGREEMENT BETWEEN THE
CITY OF BEVERLY HILLS AND THE
BEVERLY HILLS CONFERENCE AND VISITORS BUREAU
FOR PROMOTION OF THE CITY FOR
FISCAL YEAR 2012-2013

THIS AGREEMENT is made and entered into in the City of Beverly Hills by and between the City of Beverly Hills, a municipal corporation ("City") and the Beverly Hills Conference and Visitors Bureau ("CVB"), a non-profit corporation.

RECITALS

A. CVB is located in the City and has special knowledge and experience to conduct or participate in promotional, publicity, and advertising activities for the benefit of City.

B. City and CVB entered into an agreement for fiscal year 2011-2012 for promotional activities and other services.

C. City desires to continue to engage the services of the CVB for fiscal year 2012-2013.

D. Section 37110 of the State Government Code authorizes the expenditure of monies for promotion.

NOW, THEREFORE, in consideration of the mutual covenants of the parties hereto, the parties hereby agree as follows:

Section 1. Scope of Work and Authorization of Funding.

a. For the fiscal year 2012-2013 (July 1, 2012 - June 30, 2013), the City shall provide the CVB with its funding in the amount of \$2,665,000 for expenditures in support of the City and CVB's visitor and marketing programs as set forth herein. Any monies not expended in fiscal year 2012-2013 that are earmarked for specific projects taking place within 60 days of the termination date of this Agreement, shall be carried over to the CVB fiscal year 2013-2014 budget for those specific projects.

b. CVB shall provide the services (both personnel and deliverables) necessary to implement the marketing strategies and programs for the promotion of the City as set forth in Exhibit A ("Scope of Service"). The funds shall be utilized and serve as compensation (including but not limited to overhead, third party costs, etc.) for the CVB's implementation of the Scope of Services. Any revision to the Scope of Services requested by the CVB or City shall be approved by the City Council CVB/Marketing Liaison Committee ("Committee"). If approved by the Committee, the City Manager is hereby authorized to execute an amendment to this Agreement. In no event shall any revision to the Scope of Work increase the amount of funding and compensation provided under this Agreement.

c. In connection with CVB's marketing and promotional programs, CVB 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.

Section 2. Payments. CVB shall submit written requests for advanced payments for expenditures based on the CVB's adopted budgets under the Scope of Services in the time-frame and amount set forth in Exhibit B. The City's Deputy City Manager, Public Information, is delegated authority to revise the payment schedule in Exhibit B as long as the total payment amount for fiscal year 2012 - 2013 does not exceed \$2,665,000. City shall provide payment to the CVB upon approval of the request by the City's Chief Financial Officer. City shall use its best efforts to make payment to CVB within 15-days of receipt of request. Any monies not expended in fiscal year 2012-2013 shall be returned to the City.

Section 3. Reports.

a. The CVB shall submit a quarterly report 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 on overall project management and achievement of action items in relation to the Scope of Services as set forth in Exhibit A, including the percentage of services and/or action items completed as well as attainment of the metrics as described in the Scope of Services.

b. CVB shall also supply the City with an Audited Annual Financial report prepared by a Certified Public Accountant for the Fiscal year 2012-2013. Such report shall provide consolidated financial reporting for CVB as a whole, and separately detailed accounts for each program funded by City. The report shall be due within six months of the end of CVB's 2012-2013 fiscal year. At City's sole discretion, consolidated annual accounts may be substituted for full audited accounts.

c. With reasonable notice from City, CVB shall provide to City copies of any and all work product, documents reports, property and books produced by CVB 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). CVB's obligation to maintain such Documents shall continue for three years after the termination of this Agreement.

d. CVB 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 (i.e. provide invoices from third parties, time and materials costs, etc.), and comply with any applicable State and Federal standards.

e. CVB shall endeavor to develop, in consultation with City, a program-based budget for all City-funded programs. 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 CVB or any third party contracted by the CVB, 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 and other proprietary rights, shall be and remain the property of City without restriction or limitation upon their use, duplication or dissemination by City. CVB shall not obtain or attempt to obtain copyright protection as to any of the Work Products.

b. CVB 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. CVB shall take all acts requested by the City in order to enforce City’s rights under this Section.

c. CVB 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 CVB 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 CVB and that CVB shall have no such rights.

d. From time to time the CVB will engage photographers to take photographs or will purchase images for use in CVB’s marketing campaigns, collateral or other uses. As to those third party photographs or images whereby the CVB negotiates to purchase not only the photograph or image but also the copyright or other intellectual property rights, the provisions of this Section 4 will apply. As to those third party photographs or images whereby the CVB negotiates to purchase only the use of the photograph or image and the copyright is maintained with the photographer, the provisions of this Section 4 will not apply.

e. This section shall survive termination of this Agreement.

Section 5. Assignment. This Agreement shall not be assigned by CVB without the prior written consent of City.

Section 6. Independent Contractor. At all times during the term of this Agreement CVB shall be independent contractors and CVB, 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, 2012 through June 30, 2013, unless terminated earlier as provided in Section 8 of this Agreement.

Section 8. Termination of Agreement. Upon ninety (90) days written notice to CVB, this agreement may be terminated by City, with or without cause, only by a majority vote of the City Council. In the event of such termination, City shall pay CVB for all costs and obligations reasonably incurred by CVB for Visitors Bureau activities in performing its services under this Agreement prior to the date of termination and such payment shall be in full satisfaction of City's obligations hereunder. City shall not be obligated to pay additional funds after issuance or receipt 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 Beverly Hills Conference and Visitors Bureau, 239 South Beverly Drive, Beverly Hills, California 90212, 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. CVB agree 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 CVB or their officers, employees, agents or others employed by CVB in the conduct of the projects funded by this Agreement.

b. CVB 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 CVB.

c. CVB 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. CVB 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. CVB shall require each of its sub-consultants or sub-contractors to maintain insurance coverage which meets all of the requirements of this Agreement unless otherwise determined by the City's Risk Manager.

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 CVB fails to keep the aforesaid insurance in full force and effect, City shall notify CVB that it is in breach of the Agreement and CVB has three (3) days to cure such breach. If such breach is not cured by CVB 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 CVB's expense, the premium thereon.

h. At all times during the term of this Agreement, CVB 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. CVB 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 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 CVB 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 CVB.

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. Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the ____ day of June 2012, at Beverly Hills, California.

CITY OF BEVERLY HILLS,
A municipal corporation

WILLIAM W. BRIEN, M.D.
Mayor

ATTEST:

(SEAL)
BYRON POPE
City Clerk

BEVERLY HILLS CONFERENCE AND
VISITORS BUREAU

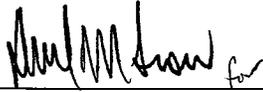


JULIE WAGNER
Executive Director



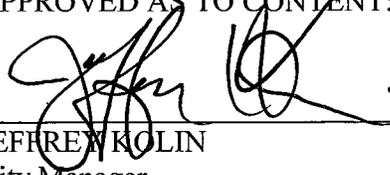
BILL WILEY
Chair

APPROVED AS TO FORM:



LAURENCE S. WIENER
City Attorney

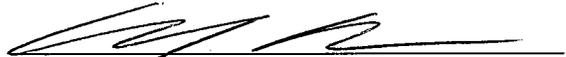
APPROVED AS TO CONTENT:



JEFFREY KOLIN
City Manager



CHERYL FRIEDLING
Deputy City Manager for Public Affairs



KARL KIRKMAN
Risk Manager

EXHIBIT A
SCOPE OF SERVICES

The CVB has developed strategies to implement the primary objective to ensure that the City of Beverly Hills continues to be a premiere domestic and international tourist and leisure destination. Accordingly, the CVB shall provide the services (both personnel and deliverables) necessary to implement those strategies as set forth in this Exhibit A.



Fiscal Year 2012/13 Scope of Work Presentation

June 8, 2012



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Mission Statement – BHCVB is a city agency

As the primary marketing organization for Beverly Hills, BHCVB is dedicated to the city's goal of enhancing the community's economic and social vitality through the development and execution of unique initiatives designed to drive incremental business to local merchants, restaurants, hotels and attractions.

Program of Work Development Process

- Determined the needs of the community through stakeholder focus groups – *some of the best marketing minds in the city!*
 - Restaurant
 - Retail
 - Hotelier
- Consider investment needed to begin development of the long-term vision: *delivering the brand promise:*
 - Highest quality
 - Impeccable service
 - Flawless execution
 - Personalized attention
 - Customizable luxury – there is something for all tastes
 - Trend-setting
 - Delivery of unique experiences
 - Easy to navigate
 - Safe

Return on Investment

- Maximize opportunities as the economy shifts back to a healthier climate.
- Drive traffic and revenue to the city by stealing market share from competitors.
- Strengthen the brand in all key target markets.
- Attract new businesses that contribute to the economic and social vitality of the city.



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State of the Union – What Stakeholders Say

Increased competition – other CVBs and shopping centers are spending millions of dollars on initiatives targeting consumers, trade and media

Targeted marketing exposure and significant investment in key international, domestic and local markets (within 20 miles of Beverly Hills)

Need for a focused, long-term vision of Beverly Hills as a destination that will sharpen the CVB's value proposition for each vertical it serves

Beverly Hills needs to make a significant investment that clarifies and strengthens the brand rather than resting on the brand name

BHCVB should be focused on annual marquee events that are impeccably executed that people can look forward to year in and year out

Quotes – Strengthen the brand/create long term vision.

“What keeps me up at night is how to position the destination as first in mind in terms of the place to stay.”

Ben Trodd, Beverly Wilshire

“We need the CVB because their sole focus is Beverly Hills – we have to have that level of focus.” *Peter Garland, Porta Via*

“We should look more at being positioned as the Village of Beverly Hills rather than the City of Beverly Hills – everyone sees LA as this huge city – maybe we can differentiate this way – visit LA, stay in Beverly Hills.” *Hermann Elger, Montage Beverly Hills*

“We need to send a clear message with our brand work that Beverly Hills OWNS shopping and that we are not a mall.” *Kathy Gohari – Valentino*

“We need to get Beverly Hills back to its essence.” *Wendy Krueger, Luxe Hotel Rodeo Drive*

Quotes – Events and Activities

“Whatever we do, let’s only do it in a way that we know we can pull off like no one else.” *Sandy Murphy, Beverly Hilton*



“Our events have to be top notch in Beverly Hills or don’t do it at all.” *Steve Cook, Bouchon*



“It’s not about doing one a month – we can’t do that well. It’s about planning them out and making sure everyone is involved.” *Sal Abaunza, L’Ermitage*

Quotes – Target the Right Markets

“The CVB can help a lot around building international demand. For example Australia, Mexico City, Brazil, Korea, China and the Middle East.” *Hermann Elger, Montage Beverly Hills*



“We have to make sure we are spending enough money to effectively position Beverly Hills internationally.” *Tom Blumenthal, Gearys*



“We need the locals to know that Beverly Hills is a good place to come for dinner.” *Alex Sarkissian, Momed*



“We need to target more locals and get their business – why are they going to South Coast and The Grove?” *Peri Ellen Berne, Pomellato*

Competitive Outlook – Shopping

Destination	Budget	Advertising
South Coast Plaza	\$8,000,000	\$1,400,000+
The Grove	\$2,000,000*	\$400,000+

*Does not include the Holidays.

+Primarily in Southern California including *Los Angeles Magazine*, *Los Angeles Times*, *Orange Coast Magazine*, *San Diego Tribune*, *Orange County Register*.

Information was gathered from industry contacts and Nielsen statistics provided from Round 2 Media. Information was not available for Westfield Century City, Santa Monica Place or the Beverly Center.



Competitive Outlook – Destinations

Organization	Budget	4 & 5 Star Rooms
COMPETING GROUP AND INCENTIVE MARKETS		
New York	\$60,000,000	N/A
San Diego CVB	\$29,000,000	22,000
Los Angeles CVB	\$29,000,000	6,934+
San Francisco CVB	\$24,000,000	25,000
COMPETING ALL TRAVELERS		
Scottsdale	\$4,500,000	7,400
Newport Beach	\$4,300,000	2,488
Santa Barbara	\$4,200,000	974
Santa Monica	\$2,500,000	2,341
Napa	\$2,500,000	2,270
Beverly Hills	\$2,120,000*	2,053
West Hollywood	\$2,000,000	2,766

+Represents downtown and West LA and includes budget with new TBID.

*Does not include Visitor Center funding. Additional \$70,000 given for Sparkle 90210.

Information was provided from Western Association CVB CEO Budget Survey and Smith Travel Research.



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High Level Strategy

- BHCVB is entering its fourth year of operation and final year of a three-year strategic plan focusing on key areas of opportunity as identified in the 2009/10 Strategic Study.
- We have created momentum and recognition with new events and activities
 - Chinese New Year and Sparkle 90210
 - Brand new website with customizable content and opportunities for revenue generation.
- Expanded community outreach by
 - Engaging stakeholders to participate in events such as Chinese New Year, Pow Wow delegate tours and Chinese reception at Coach and Xi'an.
 - Provide feedback about business generated from events.
 - Hosted focus groups to zero-in on perceptions of how BHCVB can be most effective.



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High Level Strategy – Next Steps

- Need to take that momentum and build a long-term plan which takes into account the shifting economy and positions Beverly Hills as a first choice destination taking into account the following core programs and trends:
 - New Visitor Center Opening
 - Beverly Hills Centennial Celebration
 - Branding to reinforce Beverly Hills primary messaging points and brand promise



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Fiscal Year 2012/13

PROGRAM OF WORK



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Strategic Categories of Focus

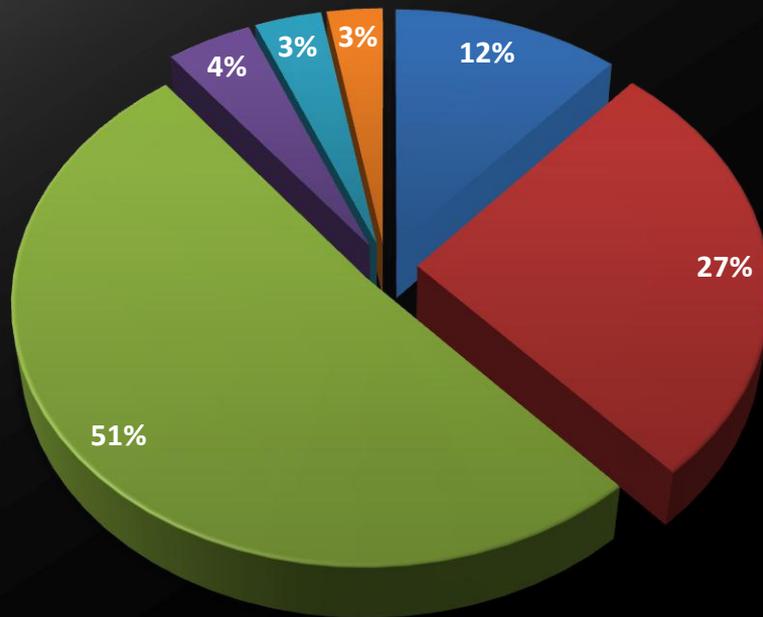
1. Local events and “street-life”
2. Visitor Experience
3. Local Marketing
4. California Marketing
5. Domestic Marketing (outside California)
6. International Marketing
7. Expand Online Presence
8. Collateral
9. Continued evaluation, assessment and redirection as required
10. Visitor Services



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Budget – FY 2012/13 Overview

\$2,665,000



Operations (incl. rent)	12%
\$305,000*	
Salaries, Taxes & Benefits	27%
\$705,000 (same headcount as FY 2011/12)	
Marketing	51%
\$1,365,000	
Visitor Center Opening	4%
\$115,000	
Visitor Center Staff	3%
\$90,000	
Reimbursed TI	3%
\$75,000	

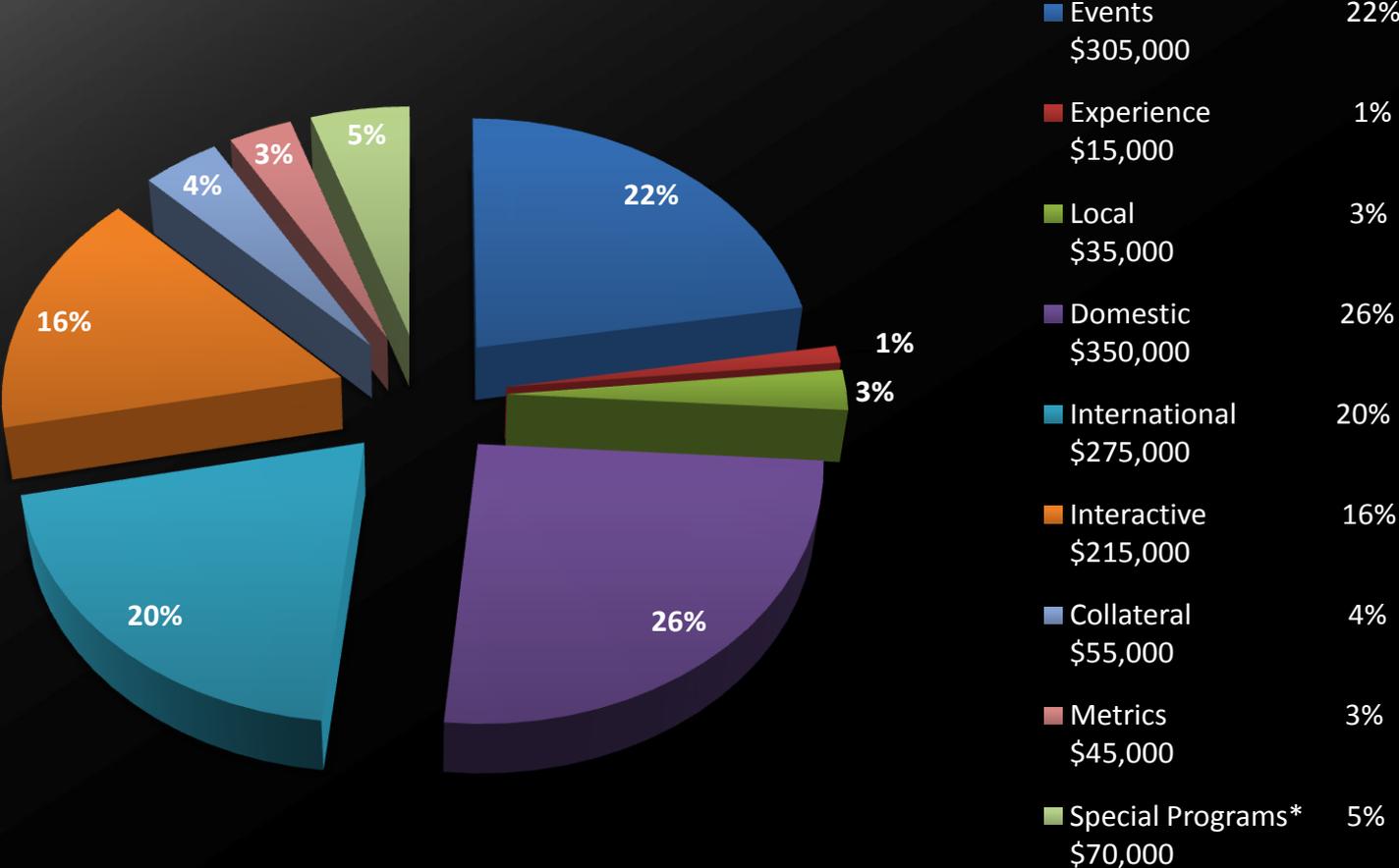
*Assume rent begins 11/2012.



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Budget – Marketing Programs Overview

\$1,365,000



*Special programs include contingency, marketing support, and partnership.



Events

Goal:

- Stakeholders feel that Beverly Hills needs to focus on a limited number of annual marquee events which are impeccably executed that customers can look forward to year after year.

Achievements:

- In FY 2011/12 BHCVB introduced several new events and activities to target key feeder markets.
 - Both Sparkle 90210 and Chinese New Year were well-received by the business community and consumers alike.
 - Results included increased sales, additional foot traffic, media impressions and acquisition of new customers.



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Events

Next Steps:

- Holidays continue to be a key area of focus for retailers and hotels alike:
 - Funds will be used to enhance programming with an Ice Skating Rink at City Hall. A proposal from Bietak Productions will be presented upon completion.
- International audiences (specifically China) continue to represent a large percentage of Beverly Hills retail business. Additionally, hotels have expressed an interest in capturing more of the market.
 - Chinese New Year event targeting Los Angeles Chinese residents, local Beverly Hills community members and China residents (to include hotel packages).



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Events

- Event development
 - Retailers and Restaurateurs agreed that with the departure of Taste of Beverly Hills, the city needs a Food and Beverage event that would include a bounce-back promotion to continue driving activity after the event. BHCVB will work to develop a tented event that the city can own which will drive traffic back to the restaurants after the event.
 - ✓ *BHCVB will make a request for additional dollars to support this initiative once a detailed program budget is developed.*
- Marketing support of other signature community events
 - Rodeo Drive Concours d'Elegance
 - Beverly Hills Art Show
 - Concerts on Canon



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Events

● *Metrics*

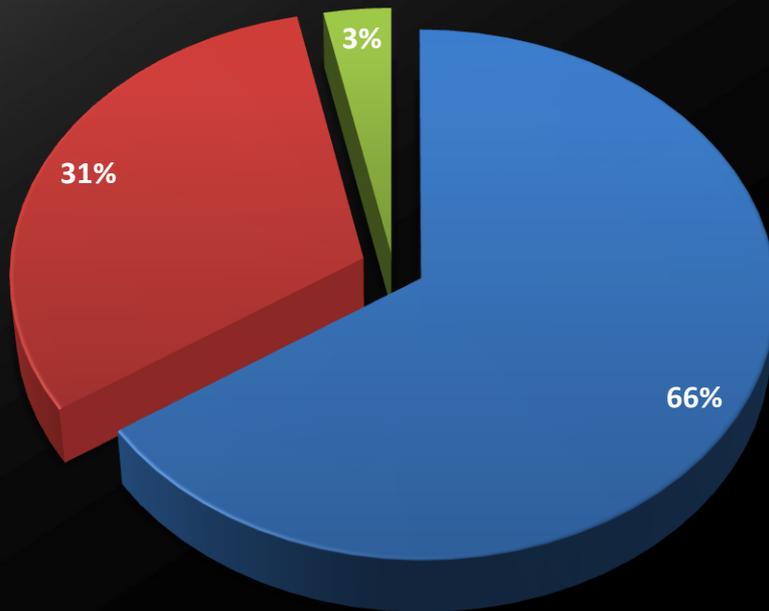
- Measure event impact with questionnaires to local retailers, and hotels after specific events (Marketing Index):
 - Traffic
 - Revenue
 - Conversion rate
- Interactive – achieve specific amount of customer activity including number of website and page visits, social interactivity, increase in followers/likes and sharing of information. (See Online Strategy).
- Media – measure click-through rates and ROI (when possible) for digital media.
- eCommunications – achieve goals for customer activity – open rate and click-through rates. Measure size and growth of consumer database. (See Online Strategy)
- Data to be provided by the city *if available* to provide holistic view (ex: parking lot revenues, pedestrian counts from city cameras, license plate total counts, etc.).



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Budget – Events

\$305,000



■ Ice Rink	66%
\$200,000	
■ CNY	31%
\$95,000	
■ Concours	3%
\$10,000	



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Experience

Goal:

- Stakeholders agree that Beverly Hills needs to get back to its essence – luxury, one-of-a-kind experience.

Achievements:

- BHCVB has introduced several new concepts during FY 2011/12 to test initiatives in anticipation of the new Visitor Center opening including enhanced iPad technology at the current visitor center and standardized customer service practices.



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Experience

Next Steps:

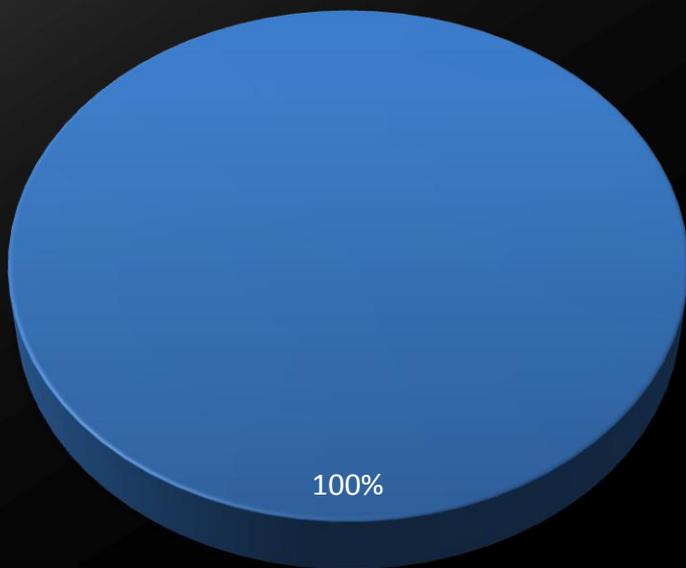
- Ambassador program
 - With stakeholder support BHCVB proposes creating a customer facing training program that would make all local business front-line employees Beverly Hills subject matter experts equipped to provide customers with bespoke service and interaction.
- *Metrics*
 - *Number of participants who provide input into the program.*
 - *Number of completions of the course.*
 - *Customer feedback through online surveys and Visitor Center Questionnaires.*
 - *Participant feedback.*



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Budget – Experience

\$15,000



■ Ambassador Program \$15,000 100%



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Local Marketing

Goal:

- Restaurant/retail stakeholders agree that BHCVB needs to put focus on the local market within 20 miles of Beverly Hills.

Achievements:

- In addition to introducing new events and supporting traditional activities, worked with local businesses to extend offerings during holidays and Italian Week.



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Local Marketing

Next Steps:

- For 2012/13 BHCVB will be focused on
 - Holiday activities and collateral – Santa, Posters, Collateral
 - Local tie-in to Fall hotel promotion (shopping and restaurant tie-in to And To All A Free Night Promotion – ex: holiday libations and offerings at restaurants, gift with purchase, etc.). *BHCVB will utilize funds from Domestic Marketing to support.*
 - Local tie-in to Spring hotel promotion (create a local focus for Breakfast in Beverly Hills – ex: charity component focused on hunger that gives a portion of breakfast restaurant receipts from Beverly Hills restaurants to local charity). *BHCVB will utilize funds from Domestic Marketing to support.*



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Local Marketing

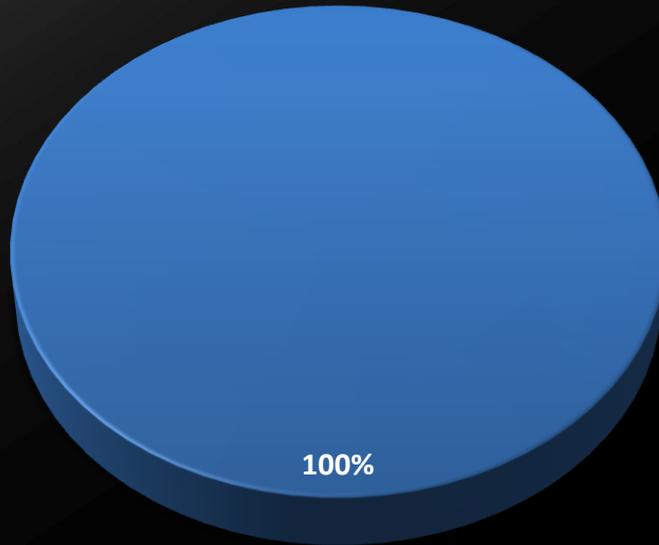
- *Metrics*

- Achieve campaign specific amount of revenue and number of visitors for local marketing tie-in offers (See Events Strategy).
- PR/Media results including identifiable number of stories and leads.
- Measure response with specific goals for website metrics including page views, unique visits, click through rates, etc.). (See Online Strategy)
- Advertising – achieve specific goals for return on investment (ROI) and click through rates for local campaigns. (Digital Media Campaigns)
- Social Media – achieve specific amount of customer activity including number of posts, increase in followers/likes, retweets and sharing of information. (See Online Strategy).
- eCommunications – achieve goals for customer activity – open rate and click through rates. Measure size and growth of consumer database. (See Online Strategy)
- # of partners that participate in campaigns and activities.



Budget – Local Marketing

\$35,000



■ Holiday Activities 100%
\$35,000



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Domestic Marketing

Goal:

- Stakeholders agree that New York and Northern California continue to be key markets for Beverly Hills and that these areas should be targeted for brand awareness and messaging.

Achievements:

- BHCVB traditionally creates programs that focus on key feeder markets including Northern California and New York Tri-State area. 2011 hotel initiatives drove more than \$3.5mm in revenue to the city.

Breakfast ⁱⁿ
Beverly Hills

Enjoy a complimentary night and savor a
customized breakfast daily anytime, anyplace
and anything you desire... on us.

Love Beverly Hills



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Domestic Marketing

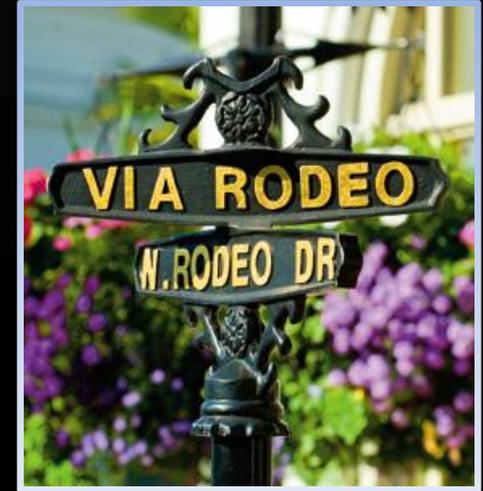
Next Steps:

- New York Sales Mission
 - This year BHCVB is proposing that we co-op with BHCC to create a joint luncheon which will include travel agency CEOs and VIPs.
 - BHCVB will also have an intimate cocktail party (in the spirit of 2011) that will give hoteliers the opportunity to network with travel buyers and decision makers.
- Fall Hotel Campaign
 - *And to All a Free Night* generated more than \$1.3mm in revenue for the hotels and local businesses. Promotion will run again to drive traffic and revenue to the hotels.



Domestic Marketing

- Spring Hotel Campaign
 - *Breakfast in Beverly Hills* drove over \$2.2 mm in revenue to hotels and local businesses in 2011 (2012 still tbd). Promotion will be run again (hotels have opted not to do the free night moving forward) with a suite upgrade and free breakfast offer.
- Trade/Meetings Incentive Conventions and Exhibition (MICE) Programs (see Int'l).
- Domestic PR
 - BHCVB saw coverage with 38 stories for Q1 and Q2. Familiarization trips (FAMs) and media missions will be conducted to continue to build relationships and garner coverage in key publications.



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Domestic Marketing

- *Metrics*

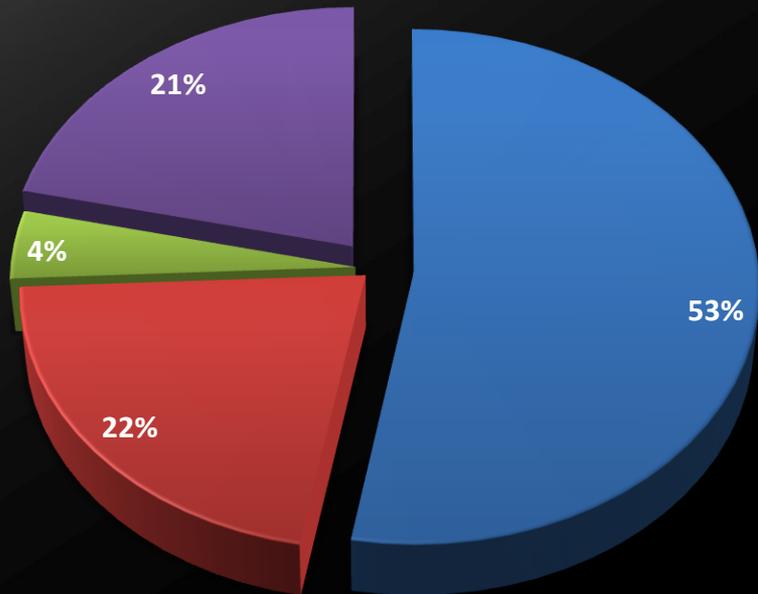
- Achieve campaign specific amount of revenue and number of visitors for local marketing tie-in offers (See Events Strategy).
- Number of MICE leads, groups booked and revenue generated.
- PR/Media results including identifiable number of stories and leads.
- Measure response with specific goals for website metrics including page views, unique visits, click-through rates, etc.). (See Online Strategy)
- Advertising – achieve specific goals for return on investment (ROI) and click through rates for local campaigns. (Digital Media Campaigns)
- Social Media – achieve specific amount of customer activity including number of posts, increase in followers/likes, retweets and sharing of information. (See Online Strategy).
- eCommunications – achieve goals for customer activity – open rate and click-through rates. Measure size and growth of consumer database. (See Online Strategy)
- # of partners that participate in campaigns and activities.



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Budget – Domestic Marketing

\$350,000



Spring Overnight	53%
Fall Overnight	22%
Domestic PR	4%
New York Sales Mission	21%

Spring Overnight	\$185,000
Fall Overnight	\$75,000
Domestic PR	\$15,000
New York Sales Mission	\$75,000



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International Marketing

Goal:

- Stakeholders across all verticals agree that one of BHCVB's primary roles is to generate and market tourism in key international markets.

Achievements:

- Beverly Hills saw on average between 10 and 60% growth in 2011 in key International feeder markets including UK/Europe, Middle East, Japan, Australia, Mexico, Brazil and China (as reported by hotels).

Next Steps

- International Representation
 - BHCVB will continue relationships with key marketing agencies in China, Australia and the UK who can help expand reach to travel trade and media.
- International Sales Missions
 - Work in conjunction with International Representatives, Los Angeles Tourism and Visit California to build relationships with international travel trade to insure inclusion on itineraries and make sure Beverly Hills is top of mind when referring business.



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International Marketing



- Media Missions and FAMs

- BHCVB will work in conjunction with International Representatives, Visit California and Los Angeles Tourism to bring journalists interested in writing about Beverly Hills to the city for city tours and experiences.

- Tradeshows

- BHCVB will participate in 2013 US Travel Association's International Pow Wow in Las Vegas which focuses on travel buyers/planners and media.
- BHCVB will also participate in IMEX, a worldwide Meetings and Incentives show targeting MICE planners.
- Also possible is International Luxury Travel Market (ILTM) which takes place in December 2013 in Cannes and focuses on luxury suppliers.



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International Marketing



Love Beverly Hills

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MILKEN INSTITUTE**

 2012
**GLOBAL
CONFERENCE**

the
BEVERLY HILTON

APRIL 29-MAY 2

- Trade/Meetings Incentive Conventions and Exhibition (MICE) Programs
 - Beverly Hills hotels frequently compete with other larger cities to obtain meeting and incentive business like the Milken Conference which brings more than 5,000 people to Beverly Hills annually. Both AEG and San Diego have offered cash incentives to Milken of up to \$1,000,000 in co-op sponsorship dollars.
 - Programs would include booking incentives, sponsorship (ex: city banners for Milken) airport transportation and concierge services, etc.



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International Marketing

● *Metrics*

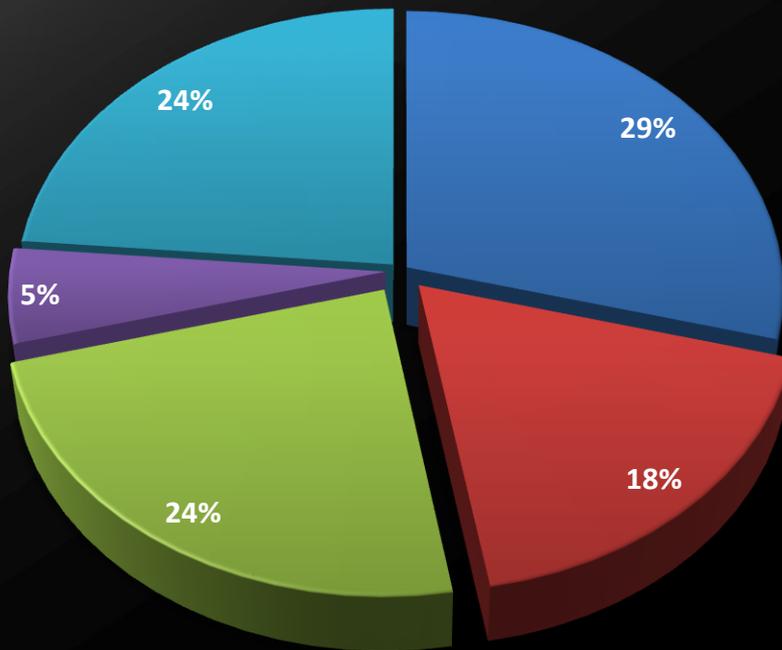
- Target identifiable # of sales leads from the website and from Trade Shows and Sales Missions.
- Number of MICE leads, groups booked and revenue generated.
- PR/Media results including identifiable number of stories and leads.
- Identify growth in # of visitors by county.
- Achieve measurable revenue generated from groups.
- Measure in-language online page activity for both BHCVB and third party websites by country. (See Online Strategy for BHCVB website)
- Measure website activity by country.
- Specific amount of in-kind dollar contributions from partners.
- Partner feedback to groups and fams.
- Identify # of fams producing business.
- Achieve measurable revenue and subsequent activity generated from fams.



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Budget – International Marketing

\$275,000



■ In-Country Representation	29%
■ Sales Missions	18%
■ Trade Shows	24%
■ Media Missions	5%
■ Incentive Programs	24%



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Interactive

Goal:

- Strengthen and clarify the brand as well as reach key target audiences.

Achievements:

- In 2011 BHCVB launched a robust interactive strategy that included a new website, search engine marketing and social interactivity on key sites. To date BHCVB has received a 75% growth in website traffic, and more than 100% in social activity.

Next Steps:

- Content strategy – in order to keep people interacting with electronic channels, content must be refreshed frequently.
 - BHCVB will create new video content that is reflective of the love filters on the BHCVB website that can be shared on the site as well as social sites, blogs and advertising.
 - Develop mobile content to enhance the smart phone LoveBeverlyHills.com experience and complement city mobile applications.



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Interactive

- Content Strategy – cont'd
 - New sections will be created on the website to target key markets not previously represented (ex: weddings and incentive planners).
 - eCommerce section will be integrated with the site so BHCVB can sell Visitor Center merchandise online.
- Search Engine Marketing
 - Maintain Search Engine Optimization on website to continue to drive organic traffic to the site.
 - Work with a Search Engine Marketing specialist to develop and refine pay-per-click strategy to bring additional visitors to the BHCVB website.
- Site maintenance and eCommunications
 - Ongoing hosting and site maintenance.
 - Development and distribution of monthly eNewsletters to Consumers, Trade, Media and Partners.



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Interactive



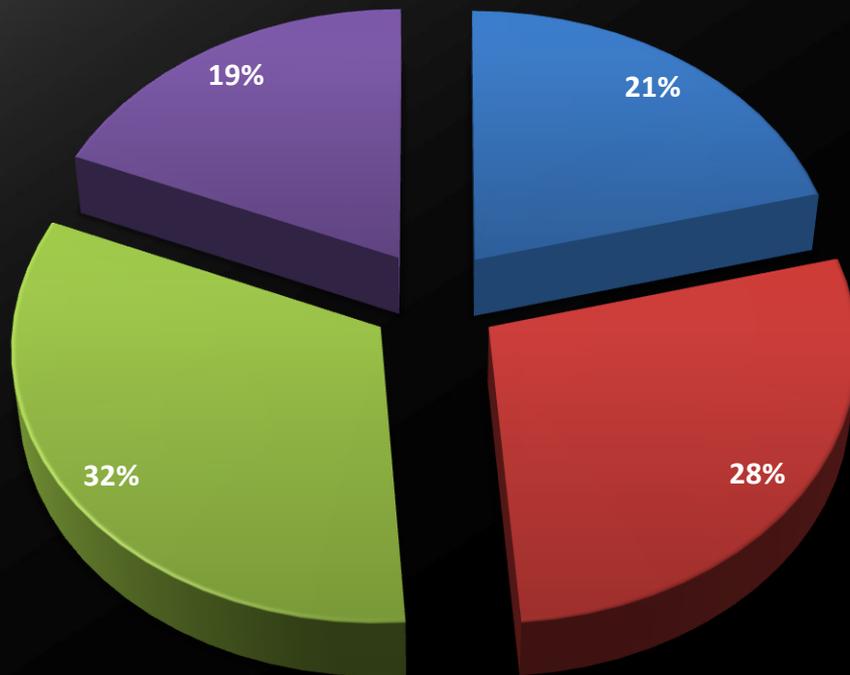
- International Development
 - Create fully functioning in-language pages in Chinese, and if funds are available, in Japanese and Spanish.
 - Develop robust in-country Search Engine Marketing and Optimization campaigns to drive traffic to the in-language pages to build awareness and ultimately traffic from key international markets.
- **Metrics**
 - Website activity (specific # of site visits, page views, etc).
 - Search Engine Marketing performance.
 - # of organic searches and website traffic generated.
 - Number of consumers communicated with regularly and growth of the database.
 - Specific percentage of email response rates and open rates.
 - Social site audience, likeability and activity (followers, retweets, posts, response to campaigns).
 - Booking engine revenue generated (see Domestic and International).



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Budget – Interactive

\$215,000



Content	21%
\$45,000	
International	28%
\$60,000	
SEO/SEM	32%
\$70,000	
Maintenance/ eComm	19%
\$40,000	



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Collateral

Goal:

- Strengthen and clarify the brand.

Achievements:

- In FY 2011/12 BHCVB developed a new Visitor Guide that reflects the new graphics and identity consistent with the website. A new approach was taken to create an offering that could be customized by audience: consumers, media and trade.

Next Steps:

- Visitor Guide Booklet – refresh/update
 - Reprint and refresh booklets as needed for Visitor Center, Trade and Media.
 - Develop in-language materials as needed.



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Collateral

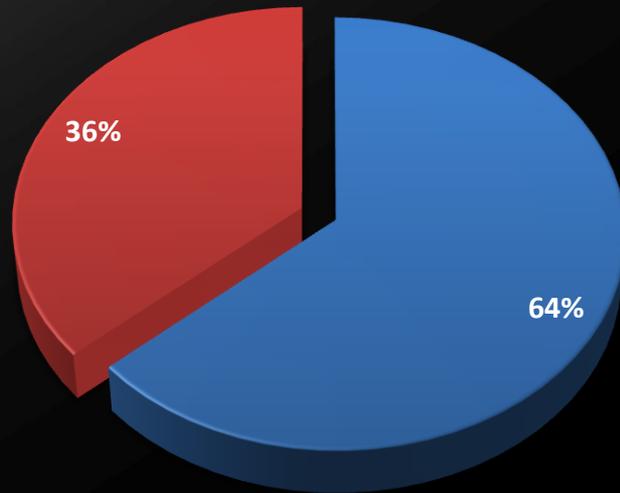
- Premiums
 - Develop branded giveaways to be used for media and trade and consumer gift bags and trade shows.
- *Metrics*
 - Improve cost per unit for materials and develop new ideas for presentation.
 - Distribute customer online survey (including trade and media) to determine effectiveness of materials.



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Budget – Collateral

\$55,000



■ Visitor Guide 64%
\$35,000

■ Premiums 36%
\$20,000



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Metrics

Goal:

- Develop a long-term vision that sharpens the CVB value proposition for each vertical it serves.

Achievements:

- As a result of BHCVB developing relationships with two leading hospitality data providers, Smith Travel Research and American Express, we are now able to track hotel activity at competitive DMOs as well as spend by vertical in Beverly Hills from domestic and international feeder markets.



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Metrics

Next Steps:

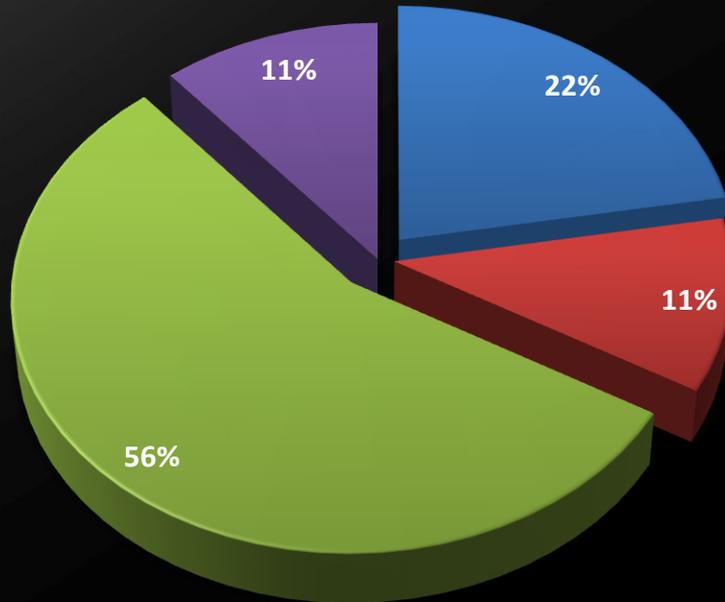
- Smith Travel Research Lodging Industry Competitive Metrics reports Beverly Hills continues to lead against competing DMOs in REVPAR (revenue per available room) – one of the key indicators of success in the hospitality industry.
- American Express Domestic and International Destination Insights (representing about 40% of Beverly Hills Market Share) shows top ten markets and spend per consumer by feeder market.
- Domestic and international PR Tracking with Cision software will provide recaps of all media coverage in all markets.
- **Customer feedback and strategic study to develop long-term vision for Beverly Hills and tactics that will take into account, stakeholder feedback, changing economy and the new Visitor Center.**



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Budget – Metrics

\$45,000



Destination Insights	\$10,000	22%
Smith Travel	\$5,000	11%
Strategic Plan	\$25,000	56%
Competitive PR Tracking	\$5,000	11%



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Visitor Services

*Note – all Visitor Services for 2011/12 were reflected in TI budget. The following represents **new costs** for FY 2012/13.*

Next Steps

- Reimbursement of TI – BHCVB was funded “up to \$148,000” for TI improvements of 9400 Little Santa Monica. 50% will be allocated against the FY2012/13 budget.
- Merchandising– BHCVB will create a phased merchandise plan that allows BHCVB to begin with items received on consignment from the city. As the center gains traction, other items will be introduced along with a profit sharing formula.
- Display – Display budget will be used to create areas of interest in the Visitor Center including: a historic photo wall, select art from local artists, celebrity chef cook books, creative that will feature ongoing events and promotions in the city.
- Opening celebrations – BHCVB will plan several opening parties that will be targeted to key audiences, include press sneak peeks, trade mixers and VIP opening parties.



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Visitor Services

- Visitor Center Collateral
 - Maps – develop one-sheets that can be provided to consumers who need directions and information.
 - Walking Tours – create brochures and podcasts that feature unique things to do in Beverly Hills (ex; chocolatiers, gourmet food tours, art and architecture, etc.).
 - Offer certificates – develop booklets that feature special VIP offers from local businesses that stimulate activation (gift with purchase, generative offers, etc).
- One full time (fte) weekly and one part time (pte) weekend employee to staff the visitor center. -- \$90,000 [includes taxes (fte and pte) and benefits (fte)].



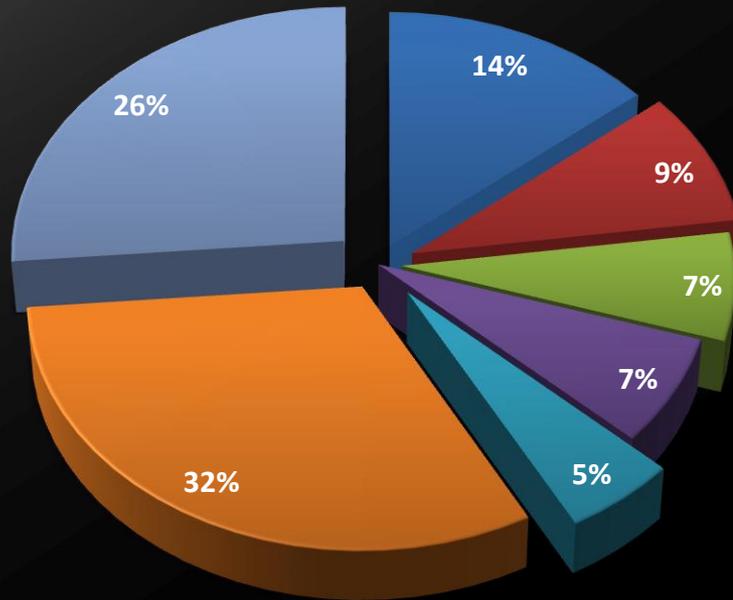
Visitor Services – Next Steps cont'd

- In total, approximately \$205,000 in new services and staff and \$75,000 in reimbursed TI is estimated to set up, market and maintain the Visitor Center.
- *Metrics*
 - Revenue generated from merchandise
 - Customer traffic into the visitor center
 - Uptake on incentive offers to come into the center
 - Feedback on services and amenities



Budget – Visitor Services

\$205,000



Merchandising	14%
\$40,000	
Display	9%
\$25,000	
Opening Parties	7%
\$20,000	
Collateral	7%
\$20,000	
Advertising/Comms	5%
\$15,000	
VC Staff	31%
\$90,000	
TI Reimbursement	26%
\$75,000	



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Operations

Achievements:

- BHCVB reduced salary costs by \$55K in FY 2011/12 by realigning staff and responsibilities.

Next Steps:

- Seven employees (no change from prior year) will continue to execute all marketing responsibilities. There will be a slight increase in the salaries, taxes and benefits category to reflect higher insurance and tax rates.
- In addition to the \$205,000 in Visitor Services and \$75,000 in TI, BHCVB will experience an increase of an additional \$136,900 in operations expenses as a result of moving to 9400 Little Santa Monica including:
 - Rent -- \$52,000 (assumes rent begins 11/12)
 - Utilities/Maintenance -- \$11,400
 - Insurance -- \$1,500
 - Leasehold Improvements Depreciation -- \$72,000



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Budget – FY 2012/13 Summary

BHCVB maintains percentage allocated to marketing while reducing percentage of budget allocated to salaries. Operations increases slightly and staff stays focused on key objectives.

	2012/13 AMOUNT	2012/13 %*	2011/12 %	2011/12 and 12/13 STAFF TIME
1. Marketing	\$ 1,365,000	57%	57%	(no change year over year)
• Events	\$ 305,000			15%
• Experience	\$ 15,000			5%
• Local Marketing	\$ 35,000			5%
• Domestic Marketing	\$ 350,000			15%
• International Marketing	\$ 275,000			15%
• Interactive	\$ 215,000			20%
• Collateral	\$ 55,000			5%
• Special Programs/ Contingency	\$ 70,000			TBD
• Metrics/Research	\$ 45,000			10%
2. Salaries, Taxes & Benefits	\$ 705,000	30%	34%	
3. Operations	\$ 305,000	13%	9%	10%
5. Visitor Center+	\$ 290,000			
TOTAL	\$2,665,000	(* \$2,335,000 w/o Visitor Center)		

+Visitor Center includes \$75,000 reimbursed TI.



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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.

Funding Period (July 1, 2012 – June 30, 2013)			
CVB Remits Invoice to City	City Issues Payment to CVB	Period Covered	Payment Amount
July 1	July 16	July 1 – October 31	\$888,333
November 1	November 15	November 1 – February 28	\$888,333
March 1	March 15	March 1 – June 30	\$888,334
TOTAL			\$2,665,000