



AGENDA REPORT

Meeting Date: August 6, 2013
Item Number: F-9
To: Honorable Mayor & City Council
From: Cheryl Friedling, Deputy City Manager for Public Affairs
Megan Roach, Marketing & Economic Sustainability Manager (D)
Subject: APPROVAL OF AN INTERIM FUNDING AGREEMENT BY AND BETWEEN THE CITY OF BEVERLY HILLS AND RODEO DRIVE, INC. FOR 2013-2014 SPECIAL EVENTS; AND APPROVAL OF A PURCHASE ORDER IN A NOT-TO-EXCEED AMOUNT OF \$150,000 TO RODEO DRIVE, INC. FOR THESE SERVICES
Attachments: 1. Agreement

RECOMMENDATION

It is recommended that the City Council approve an interim funding agreement by and between the City of Beverly Hills and Rodeo Drive, Inc. for 2013-2014 special events and approve a purchase order in a not-to-exceed amount of \$150,000 for these services.

INTRODUCTION

The Rodeo Drive Committee is comprised of 75 retailers, hotels and property owners. Founded in 1972, the Committee promotes Rodeo Drive through a variety of programs which enhance Rodeo Drive's image as a world-wide visitor destination.

DISCUSSION

In prior years the Rodeo Drive Committee ("RDC") has received City funding to conduct marketing events such as the Rodeo Drive Walk of Style® and Rodeo Drive Concours d'Elegance, to promote tourism and visitor spending on Rodeo Drive. Funding for these purposes has been provided from the City's Tourism and Marketing Budget.

On May 17, 2013, the Rodeo Drive/Special Events/Holiday Committee (Vice Mayor Bosse and Councilmember Krasne) met to review the Rodeo Drive Committee's FY 2013-14 scope of work and funding request of \$788,000. The RDC's formal funding request is \$788,000, however, \$713,000 in program funding is to be reviewed as it relates to the Tourism and Marketing Budget, since \$75,000 has been earmarked from Centennial funding, which is a separate budget line item. This is due to the fact that

\$75,000 is a funding allocation to the RDC to fulfill the City's contractual obligation with Rolex/Gearys for their sponsorship of the Centennial Celebration. The \$713,000 for 2013-2014 signature events includes the Rodeo Drive Walk of Style®; Rodeo Drive Concours d'Elegance; holiday décor and lighting ceremony; and new initiatives including Watch Week, a Centennial-inspired initiative to re-enact the Rodeo Drive Bridle Path, and a Charitable Holiday Marketing Campaign.

At the June 18, 2013 study session meeting, the City Council reviewed the Fiscal Year 2013-14 Tourism and Marketing Budget and corresponding funding requests from the Rodeo Drive Committee and the Beverly Hills Conference & Visitors Bureau. Staff recommends interim funding for the Rodeo Drive Committee so they may begin planning two upcoming events: Watch Week and the Bridle Path Re-Enactment.

FISCAL IMPACT

The City's Finance Department projects \$32,062,800 in TOT revenue for the 2013-2014 Fiscal Year, which results in a Tourism and Marketing budget of \$5,561,204. The funding is budgeted in the Tourism and Marketing Program account 0101311. The interim funding agreement with the Rodeo Drive Committee is for \$150,000.



Don Rhoads
Finance Approval

Cheryl Friedling 

Approved By

Attachment 1

**INTERIM FUNDING AGREEMENT BY AND BETWEEN
THE CITY OF BEVERLY HILLS AND RODEO DRIVE,
INC. FOR 2013-2014 SPECIAL EVENTS**

RECITALS

A. Rodeo Drive Inc., (“RDI”) is a business organization located in the City of Beverly Hills (“City”) that has experience conducting or participating in the development of special events and promotional publicity programs for the benefit of City.

B. For a number of years, for the dual purpose of promoting the City and Rodeo Drive as a premier shopping destination, RDI has produced the Walk of Style® event (the “Walk of Style”) along with other signature events.

C. Section 37110 of the California Government Code authorizes the expenditure of monies for promotion;

NOW, THEREFORE, in consideration of the mutual covenants of the parties hereto, it is agreed as follows:

Section 1. Scope of Work and Authorization of Interim Funding. RDI shall provide the services (both personnel and deliverables) necessary to produce the Rodeo Drive Watch Week and Rodeo Drive Bridle Path Re-Enactment events for the promotion of the City and Rodeo Drive as set forth in Scope of Work attached hereto as Exhibit A. The funds shall be utilized and serve as compensation (including but not limited to overhead, third party costs, etc.) for RDI’s implementation of the Scope of Work. In no case shall the RDI request that City Staff undertake any of the activities set forth in Exhibit A.

Section 2. Payments.

(a) In support of the Rodeo Drive Watch Week event and the services provided in Exhibit A, City shall provide funding in the amount of \$100,000 to be used by RDI for the Rodeo Drive Watch Week event to be held during Fiscal Year 2013-2014 (August 6, 2013 through June 30, 2014).

(b) In support of the Rodeo Drive Bridle Path Re-Enactment event and the services provided in Exhibit A, the City shall provide funding in the amount of \$50,000 to be used by RDI for the Rodeo Drive Bridle Path Re-Enactment event to be held during Fiscal Year 2013-2014 (August 6, 2013 through June 30, 2014).

(c) RDI may submit a written invoice for the funding described above in paragraphs (a) through (c) at least 30 days prior to the date of the Rodeo Drive Watch Week and Rodeo Drive Bridle Path Re-Enactment events, as the case may be, to the Deputy City Manager. Upon approval of invoice by City, payment shall be made to RDI within 30 to 45 days of receipt of said invoice. If the requirements for funding set forth in Exhibit A with respect to Rodeo Drive Watch Week and Rodeo Drive Bridle Path Re-Enactment events are not achieved by RDI to the City’s reasonable satisfaction then within a reasonable period following RDI’s receipt of City’s written notice of such dissatisfaction, RDI shall reimburse the City any monies provided to RDI

for RDI's production of the Rodeo Drive Watch Week and Rodeo Drive Bridle Path Re-Enactment events. This provision shall survive termination of this Agreement and/or distribution of all funding hereunder.

Section 3. Reports.

(a) RDI shall submit a quarterly report to the City, which shall be in a form and content acceptable to the City Manager or his designee. The reports shall include, without limitation, information regarding its achievement of the items in the Scope of Services as set forth in Exhibit A.

(b) RDI shall also supply the City with an Annual Financial report prepared by a Certified Public Accountant for each of the Fiscal Year 2013-2014. Each such report shall provide separately detailed accounts for each event funded by City. Accordingly, RDI shall ensure that City funding is held in a separate account and that the detailed accounting indicates charges against such funding. The report shall be due within six months of the end of RDI's 2013-2014 fiscal year.

(c) With reasonable notice from City, RDI shall provide to City copies of any and all work product, documents reports, property and books produced by RDI in fulfillment of this Agreement ("Documents"). This shall be solely for the purpose of confirming and evaluating the execution of the programs described in this Agreement and shall not include records and documents unrelated to the execution of such programs (*e.g.*, personnel records). RDI's obligation to maintain such Documents shall continue for three years after the termination of this Agreement.

(d) RDI shall establish and maintain an accounting system in accordance with generally accepted accounting principles and standards. The system shall detail all costs chargeable to City under this Agreement and shall substantiate all such costs, and comply with any applicable State and Federal standards.

(e) RDI shall endeavor to develop, in consultation with City, a program-based budget for the Rodeo Drive Watch Week and Rodeo Drive Bridle Path Re-Enactment events hereunder. Implementation of a program-based budget is not intended to affect the requirements outlined in paragraph (d) of this Section relating to generally accepted accounting principles.

Section 4. Ownership of Work Product.

(a) Unless otherwise agreed upon in writing, all reports, documents, or other written or visual material or any other material in any media, including any images, taglines, logos, or other media created or developed by RDI or any third party contracted by the RDI, in the performance of this Agreement, whether or not paid in whole or in part by the funding provided by this Agreement ("Work Product"), shall be and remain the property of City without restriction or limitation upon its use or dissemination by City. All Work Product shall be considered to be "works made for hire", and all such Work Product and any and all intellectual property rights arising from their creation, including, but not limited to, all copyrights, trademarks and other proprietary rights, shall be and remain the property of City without restriction or limitation upon

their use, duplication or dissemination by City. RDI shall not obtain or attempt to obtain copyright protection as to any of the Work Products.

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

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

(d) From time to time the RDI will engage photographers to take photographs or will purchase images for use in RDI's marketing campaigns, collateral or other uses. As to those third party photographs or images whereby the RDI negotiates to purchase not only the photograph or image but also the copyright or other intellectual property rights with the monies provided hereunder for the Rodeo Drive Watch Week and Rodeo Drive Bridle Path Re-Enactment events, the provisions of this Section 5 will apply. As to those third party photographs or images whereby the RDI negotiates to purchase only the use of the photograph or image and the copyright is maintained with the photographer, the provisions of this Section 5 will not apply.

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

Section 5. Banners. RDI may, on behalf of and at the sole discretion of City, use the funds to produce, purchase, install and de-install light pole banners or other displays in the public-right-of-way. All such light pole banners shall comply with the City's adopted Banner Policy, copies of which are available from the Office of Communications and Marketing, and shall be approved in writing in advance by City prior to installation. City shall have sole discretion over the design, placement, and duration of display and shall retain ownership of all banners funded under this Agreement.

Section 6. Assignment. This Agreement shall not be assigned by RDI without the written consent of City.

Section 7. Independent Contractor. At all times during the term of this Agreement RDI shall be an independent contractor and RDI, and their officers, employees and agents shall not be employees of City.

Section 8. Term. This Agreement shall remain in full force and effect from August 6, 2013 until June 30, 2014, unless terminated earlier as provided in Section 8 of this Agreement.

Section 9. Termination of Agreement. City may terminate this Agreement early, at any time, with or without cause, upon thirty (30) days prior written notice to RDI. In the event of such termination, City shall pay RDI for all costs and obligations reasonably incurred by RDI in performing its services under this Agreement prior to the date of the termination notice. Any payments made to RDI shall be in full satisfaction of City's obligations hereunder and in no event shall any payment made by the City exceed \$150,000. City shall not be obligated to pay additional funds for any aspect or part of the Rodeo Drive Watch Week and Rodeo Drive Bridle Path Re-Enactment events or such other events with respect to which RDI makes a commitment after the issuance of such notice.

Section 10. Notice. Whenever it shall be necessary for any party to serve notice on another respecting this Agreement, such notice shall be served by certified mail addressed to the City Clerk of the City of Beverly Hills, 455 North Rexford Drive, Beverly Hills, California 90210, or to Rodeo Drive Inc., c/o The Donahue Group, 1463 Tamarind Avenue, Los Angeles, California 90028, unless and until a different address may be furnished in writing by any party, and such notice shall be deemed to have been served within seventy-two (72) hours after the same has been deposited in the United States Post Office by certified mail. This shall be valid and sufficient service of notice for all purposes.

Section 11. Indemnification and Insurance.

(a) RDI agrees to indemnify, hold harmless and defend City, its City Council and each member thereof and every officer and employee of City from any and all claims, liability or financial loss resulting from any suits, claims, losses or actions, and from all cost and expenses of litigation, brought against City, its City Council and each member thereof and any officer or employee of City which results directly or indirectly from the actions or omissions of RDI or their officers, employees, agents or others employed by RDI in the conduct of the projects funded by this Agreement.

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

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

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

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

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

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

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

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

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

Section 12. 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 13. City Not Obligated to Third Parties. The City shall not be obligated or liable under this Agreement to any party other than the RDI.

Section 14. 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 15. 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 August 2013, at Beverly Hills, California.

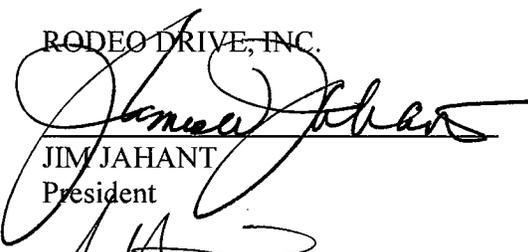
CITY OF BEVERLY HILLS
A Municipal Corporation

JOHN A. MIRISCH,
Mayor of the City of Beverly Hills,
California

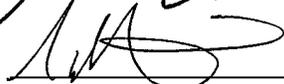
ATTEST:

BYRON POPE
City Clerk

RODEO DRIVE, INC.

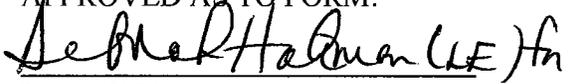


JIM JAHANT
President



MARK TRONSTEIN
Vice President

APPROVED AS TO FORM:



LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT:

JEFFREY C. KOLIN
City Manager



KARL KIRKMAN
Risk Manager

**EXHIBIT A
SCOPE OF WORK
2013-2014 RODEO DRIVE WATCH WEEK**

- The funding provided in this Agreement for \$100,000 shall be for Rodeo Drive Watch Week to be held during Fiscal Year 2013-2014 (August 6, 2013 – June 30, 2014) with the elements described in Attachment 1 to this Exhibit A.
- RDI shall use its best efforts to develop a process to obtain data and metrics for Rodeo Drive Watch Week and provide detailed information regarding the City's return-on-investment to City. Such metrics shall include but are not limited to measuring and analyzing visitor traffic and dollars spent, receiving and analyzing partner feedback; measuring and analyzing marketing efforts, etc.
- RDI shall undertake the following activities:
 - Launch the sales driven promotion designed to showcase Rodeo Drive and Beverly Hills' position as the center of luxury watches on the West Coast.
 - Invite watch brands to participate by hosting in-store events for clients and press to launch new product, feature watchmakers, etc.
 - Launch promotion on October 10, 2013 with a street-wide open house.
 - Execute street-pole banner program to further promote the event.
 - Execute advertising campaign to further promote the event.
 - Execute publicity program to further promote the event.
 - Execute atmosphere on the street during the Open House to enhance guest experience of the event.
 - Rodeo Drive Committee retailers that participate shall be included in the program complimentary, non-members will be charged \$2,500 for Rodeo Drive brands and a sponsorship component will be offered at \$5,000 for retailers who wish to have logos included in programming. Stores will pay for their own in-store events and promotions of their individual events.

2013-2014 RODEO DRIVE BRIDLE PATH RE-ENACTMENT

- The funding provided in this Agreement for \$50,000 shall be for Rodeo Drive Bridle Path Re-Enactment to be held during Fiscal Year 2013-2014 (August 6, 2013 – June 30, 2014) with the elements described in Attachment 1 to this Exhibit A.
- RDI shall use its best efforts to develop a process to obtain data and metrics for

Rodeo Drive Bridle Path Re-Enactment and provide detailed information regarding the City's return-on-investment to City. Such metrics shall include but are not limited to measuring and analyzing visitor traffic and dollars spent, receiving and analyzing partner feedback; measuring and analyzing marketing efforts, etc.

- RDI shall undertake the following activities:
 - Hold a press announcement on October 13, 2013 on Rodeo to announce plans for City's Centennial followed by re-enactment of the Rodeo Drive Bridle Path with a horse parade.
 - Execute publicity program to further promote the event.
 - Execute equestrian parade celebrating Rodeo Drive's original use as a bridle path and celebrating the City's Centennial.
 - Work with city special events office on street closure plans.
 - Preliminary estimated budget will include production, press outreach, photography, video, equestrian outreach, street closures, etc.

ATTACHMENT 1 TO EXHIBIT A

RODEO DRIVE
FESTIVAL OF WATCHES
October 10-13

EXPENSE		as of 7/28/13	
ITEM	DESCRIPTION	EST COST	SUB TOTAL
ATMOSPHERE	Video Projection of Moving Watch Parts on Sidewalks 300 block	8000	
	Generators		
	Sound System		
	Video Content	2250	
	City Sound and Generator Permits	1100	
	Production Coordinator, PA's	2750	
	Time Themed Music Content	200	
	Décor Signage to dress truss towers	5000	
	Estimated Sub Total Atmosphere		19,300
ADVERTISING	LA Times	22000	
	The Hollywood Reporter	12000	
	BH Courier	7000	
	Other Advertising which may include:	20000	
	ImmixREd to 800 Tour Operators	4000	
	Worth		
	Robb Report		
	PuristPro		
	Chinese Daily News		
Estimated Subtotal Advertising		65000	
PUBLICITY	PR Fee (August to October)	10000	
	Photographer	500	
	Video	700	
	PR Newswire	500	
			11700
COLLATERAL MATERIALS	Post Card for Concierge Retailers	300	
	Tour Operator Mailing/Letter	700	
	Estimated Subtotal Collateral		1000
WEBSITE	rodeodrivefestivalofwatches.com similar to Madison Avenue	1500	
	Estimated Subtotal Website		1500
BANNERS	28 Banners Rodeo from Santa Monica to Wilshire	6000	

	Estimated Subtotal Banners		6000
DESIGN	Ads, Web, banners, collateral	4000	4000
	Estimated Subtotal Design		4000
PROGRAM COORDINATION	at 15% of budget	19,500	
	Subtotal Program Coordination		19500
SPONSORSHIP	20% of non-RDC member Sponsorship	2000	
	Subtotal Sponsorship Acquisition		2000
		130000	130,000
INCOME			
City of Beverly Hills		100000	
Sponsorship & Participation	As of July 28	30000	
			130000

RODEO DRIVE EQUESTIRAN PARADE
Celebrating the Original Rodeo Drive Bridle Path

ESTIMATED EXPENSE as of 7/29	Description	Estimated Cost
City Street Closure		10000
Equestrian Coordinator		4000
Production Coordinator		4000
Rentals	Barricades	2000
Photographer		500
Video		500
PR Newswire		700
PR Outreach		12500
Cleaning Crew		1600
Production Crew Day of		550

Honorariums/Transport	12@\$300	3600
Sound System		1000
Participant Ribbons/Gifts		1000
Light Catering	sponsored	
Production Fee		7500
Collateral		550
		50000