



AGENDA REPORT

Meeting Date: August 20, 2013
Item Number: G-10
To: Honorable Mayor & City Council
From: Cheryl Friedling, Deputy City Manager for Public Affairs
Megan Roach, Marketing & Economic Sustainability Manager 
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 2013-2014; AND APPROVAL OF A PURCHASE ORDER IN A NOT-TO-EXCEED AMOUNT OF \$2,464,809 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 2013-2014 and approve a purchase order in a not-to-exceed amount of \$2,464,809 for these services.

INTRODUCTION

On June 18, 2013 the City Council approved interim funding for the Beverly Hills Conference and Visitors Bureau ("CVB") for the months of July and August in the amount of \$458,395. This agreement provides funding for the CVB's remaining portfolio of tourism and marketing services in the amount of \$2,464,809 for a total of \$2,923,204 in funding for Fiscal Year 2013-2014.

DISCUSSION

The Beverly Hills Conference and Visitors Bureau is contracted by the City to conduct a variety of tourism and marketing programs promoting Beverly Hills.

At the June 18, 2013 study session meeting, the CVB presented their proposed scope of work and funding request for consideration. However, since the CVB's current fiscal

year ended June 30, 2013, the City Council approved interim funding in the amount of \$458,395 in order for the CVB to meet ongoing expenses through August 2013.

At the August 6, 2013 City Council meeting, the Council requested the CVB develop a scope of work for tourism and marketing services in the amount of \$2,464,809 for the remaining ten months of the fiscal year. On August 15, 2013, the CVB/Marketing Committee (Mayor Mirisch and Vice Mayor Bosse) met with CVB representatives to review their proposal and have recommended approval of the CVB's remaining scope of work and funding request.

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 funding agreement with the CVB in the amount of \$2,464,809 will be charged to the Tourism and Marketing Program account.



Don Rhoads

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 2013-2014

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 of Beverly Hills and has special knowledge and experience to conduct or participate in promotional, publicity, and advertising activities for the benefit of City.

B. The interim funding agreement between the City and CVB is set to terminate on August 31, 2013.

C. City desires to continue to engage the services of the CVB for promotional activities for the remainder of fiscal year 2013-2014.

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 Service and Fund Authorization/Use of Funds.

a. For the period of September 1, 2013 through June 30, 2014 ("Funding Period"), City shall provide the CVB with funding in an amount not to exceed \$2,464,809 for expenditures in support of the City and CVB's visitor and marketing programs as detailed in Exhibit A, attached hereto and incorporated herein. Any monies not expended in the Funding Period 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 2014-2015 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.

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 for the various projects as set forth in Exhibit A. 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 the Funding Period 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 Service as set forth in Exhibit A, including the percentage of services and/or action items completed and defined measurements of goal achievement for the Funding Period.

b. CVB shall also supply the City with an Audited Annual Financial report prepared by a Certified Public Accountant for the Funding Period. 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 2013-2014 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, 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 5 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 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 September 1, 2013 until June 30, 2014 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, 9400 Santa Monica Blvd., Beverly Hills, California 90210, 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 _____ 2013, at Beverly Hills, California.

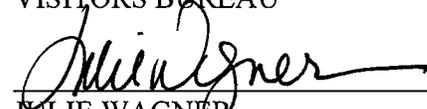
CITY OF BEVERLY HILLS,
A municipal corporation

JOHN A. MIRISCH
Mayor of the City of Beverly Hills

ATTEST:

_____(SEAL)
BYRON POPE
City Clerk

BEVERLY HILLS CONFERENCE AND
VISITORS BUREAU



JULIE WAGNER
Executive Director



SANDY MURPHY
Board President

APPROVED AS TO FORM:



LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT:

JEFFREY C. KOLIN
City Manager



CHERYL FRIEDLING
Deputy City Manager for Public Affairs



KARL KIRKMAN
Risk Manager

EXHIBIT A

SCOPE OF SERVICES

City shall provide funding in the amount of \$2,464,809.00 to support the activities and programs outlined in Attachment 1 to this exhibit, attached hereto and incorporated herein, during the period of September 1, 2013 through June 30, 2014. Funding shall cover operating and marketing expenses forecast for the ten month period and expenses including but not limited to salaries, taxes and benefits; rent and utilities; and marketing initiatives targeted to domestic and international consumers and trade. The CVB shall conduct the activities set forth in Attachment 1 to this Exhibit (which activities are part of the CVB's overall marketing plan) during the term of this Agreement. CVB may reallocate funding for initiatives within an individual category set forth in the 2013/2014 Budget Summary: Centennial; Holidays (page 31 of Attachment 1); Events; Experience; Local Marketing; Domestic Marketing, International Marketing, Interactive, Collateral; Special Programs, Metrics Research, without City Council CVB/Marketing Committee approval. However, CVB may only reallocate up to \$25,000 from one category to another. Reallocations over \$25,000 require City Council CVB/Marketing Committee approval.

ATTACHMENT 1 TO EXHIBIT A

**Fiscal Year 2013/14
Scope of Work**

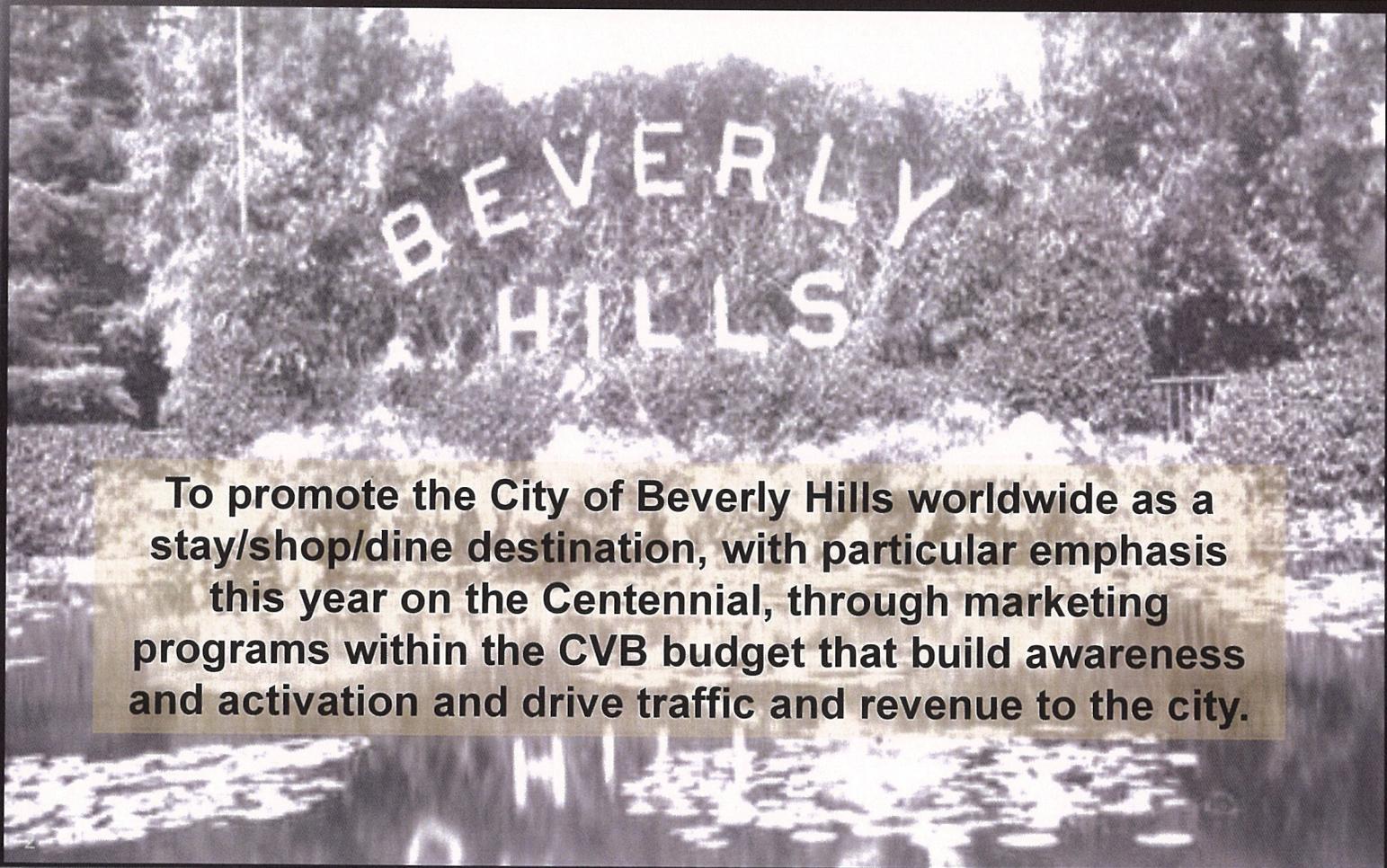


Fiscal Year 2013/14
Scope of Work
August 20, 2013



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Key Objective



BEVERLY
HILLS

To promote the City of Beverly Hills worldwide as a stay/shop/dine destination, with particular emphasis this year on the Centennial, through marketing programs within the CVB budget that build awareness and activation and drive traffic and revenue to the city.

Areas of Focus

- Feeder markets/target areas:
 - International
 - National
 - Regional (drive markets)
 - Local
- Constituents/Stakeholders:
 - Hotels
 - Retailers
 - Restaurants



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Return on Investment

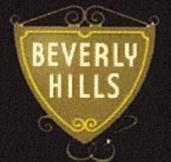
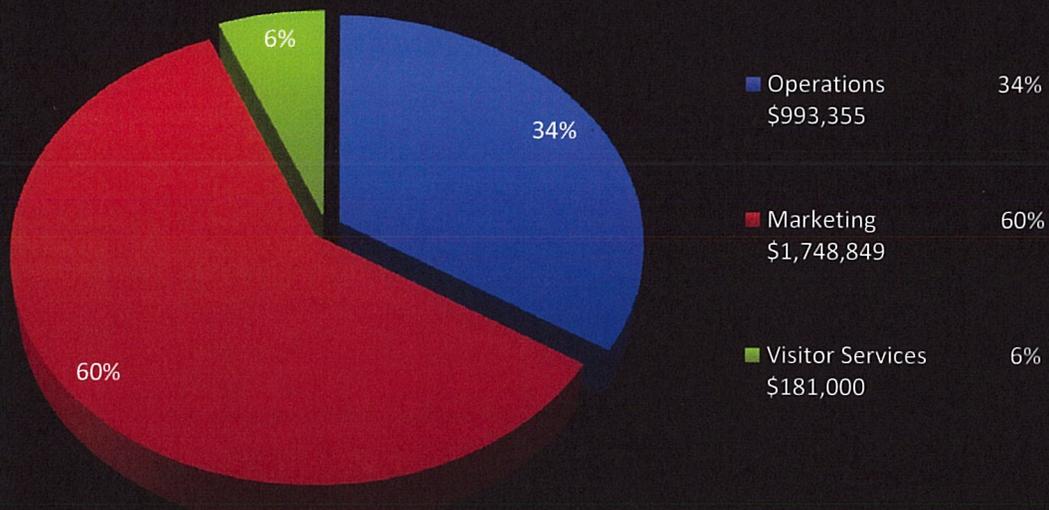
- Maximize opportunities as the economy shifts back to a healthier climate.
- Leverage the Centennial to bring worldwide recognition to the city and generate trips to Beverly Hills.
- Drive traffic and revenue to the city by capturing market share from competitors.
- Strengthen the brand in all key target markets.
- Attract new businesses that contribute to the economic and social vitality of the city.



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Budget – FY 2013/14 Overview

Total Budget = \$2,923,204



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Strategic Categories of Focus

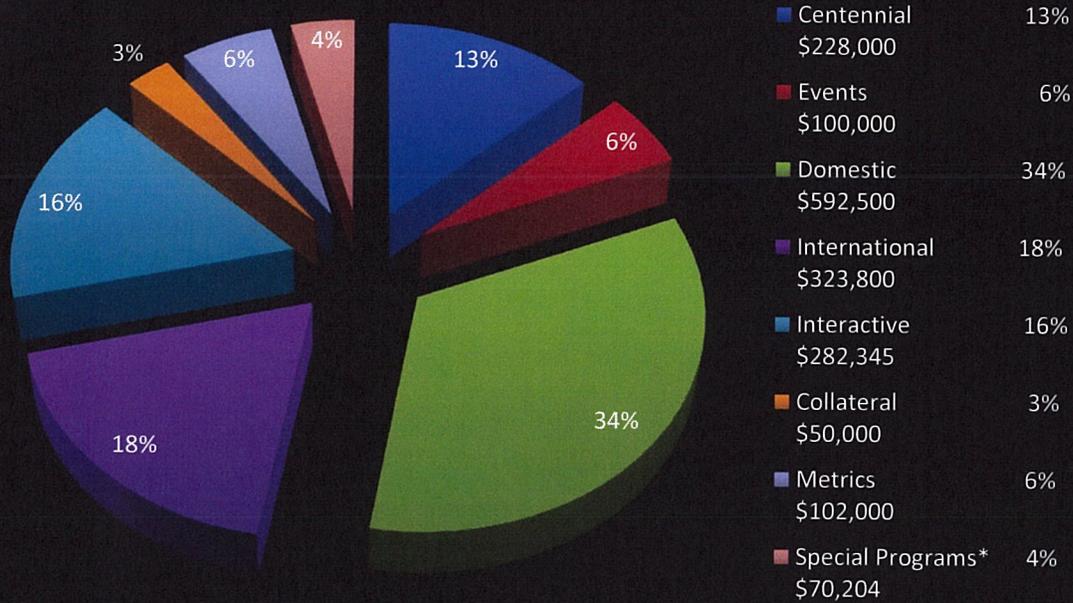
1. Centennial Specific Activities
2. Holidays and Local Marketing
3. Events
4. Domestic Marketing
5. International Marketing
6. Expand Online Presence
7. Collateral
8. Continued evaluation, assessment and redirection as required
9. Visitor Experience
10. Visitor Services



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Budget – Marketing Programs Overview

\$1,748,849

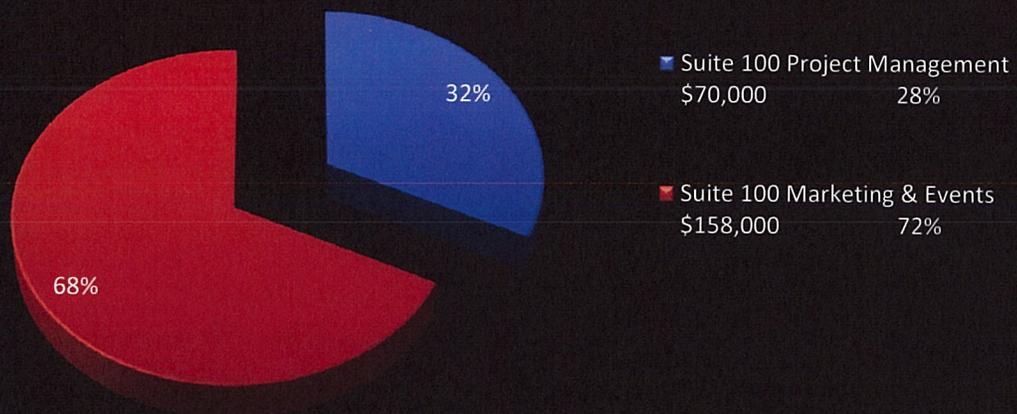


*Special programs include, include contingency, marketing support, and reserve for office improvements



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Budget – Centennial \$228,000

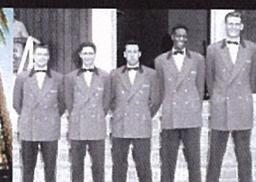


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Centennial Specific New Activities

Activities

- Suite 100 –
 - Create a hotel specific program that will transform one suite from each hotel into an historic interactive experience.
 - Each room will represent a period from the past with design and amenities. Roaring 20's, Noir 40's, Mad Men 60's, etc.
 - Program will be marketed worldwide and rooms will be sold for one year only.
 - Hotels will invest their own dollars (approximately \$50,000 per hotel – 7 hotels = \$350,000 in-kind) to transform the rooms for press and consumers to experience and then transform them back at the end of the year.
 - BHCVB will market with global advertising and events and activities targeted to consumers, media and trade.

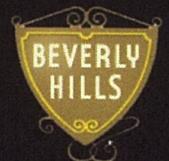


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Centennial/Suite 100 Measurement

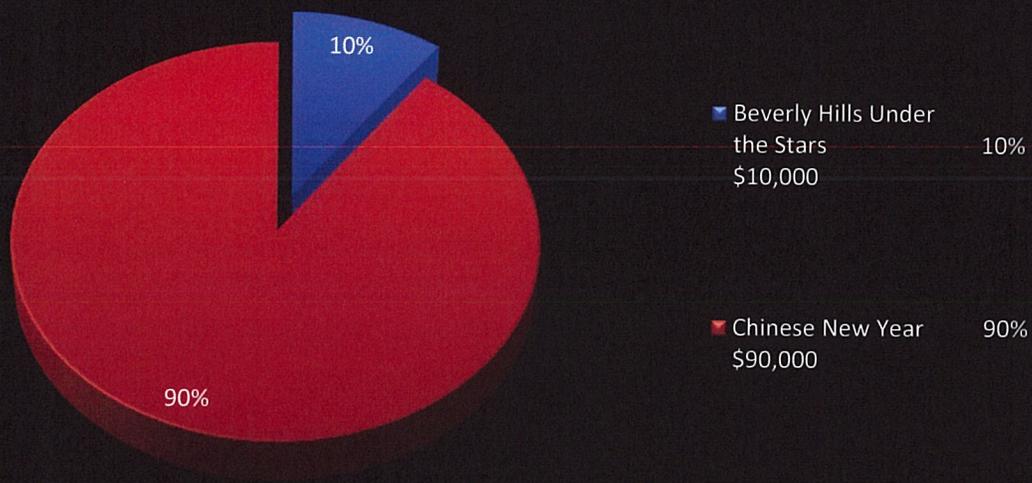
Activities

- Success of Suite 100 will be measured against the following:
 - Program to come in on budget
 - At least three print features
 - At least three broadcast stories
 - At least 200 million PR impressions
 - 70% room occupancy for the specifically designed room



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Budget – Events \$100,000



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Events

Activities

- Chinese New Year – expand the event to include daytime celebration honoring Chinese traditions and culture featuring authentic décor. BHCVB will also host VIPs at the Chamber Experience event at Crustacean.
- Beverly Hills Under the Stars – Outdoor white picnic on August 21st that will transform Rodeo Drive into an elegant outdoor celebration.
- Support City Events – promotion of city ongoing events through advertising and communication through BHCVB channels (Art Show, Greystone Concours, Concerts on Canon, etc.)



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Events Measurement

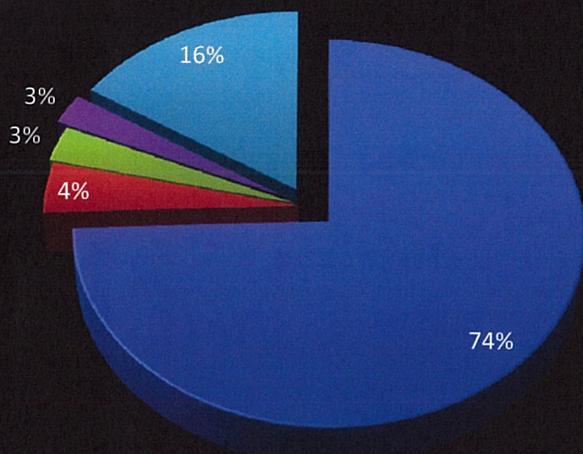
Activities

- Beverly Hills Under the Stars
 - at least 50 million impressions
- Chinese New Year
 - 70 million global impressions
 - 1000 attendees at local event



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Budget – Domestic Marketing \$592,500



Brand/Centennial Advertising	74%
\$440,000	
Meetings/Incentives Marketing	4%
\$25,000	
Domestic PR	3%
\$17,500	
CVB Partnership Marketing	3%
\$15,000	
New York Sales Mission	16%
\$95,000	



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Domestic Marketing

Activities

- Destination Marketing – Branded advertising to build awareness of the following particularly during hotel shoulder seasons:
 - Centennial, Annenberg opening, destination highlights and key message points, Southeast Region growth.
- Partnership Marketing – to cover any costs for cooperative initiatives with other local CVBs including LA Tourism website coverage, joint Westside CVB programs, etc.
- New York Sales Mission – to include a Media Breakfast announcing the Centennial and Annenberg Opening, Meetings and Incentive Planners Reception and Travel Agent Reception with hotel representatives.



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Domestic Marketing – Continued

Activities

- Meetings Incentives Conferences and Exhibitions (MICE) Marketing – Programs to drive Meetings and Incentive bookings via advertising, training, association fees and targeted marketing initiatives facilitated through SalesForce.com and MICE tradeshows including IMEX and ASAE.
- Domestic PR -- to cover Media Road Shows in San Francisco, Los Angeles and New York as well as costs for familiarization trips by visiting media.



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Domestic Marketing Programs Measurement

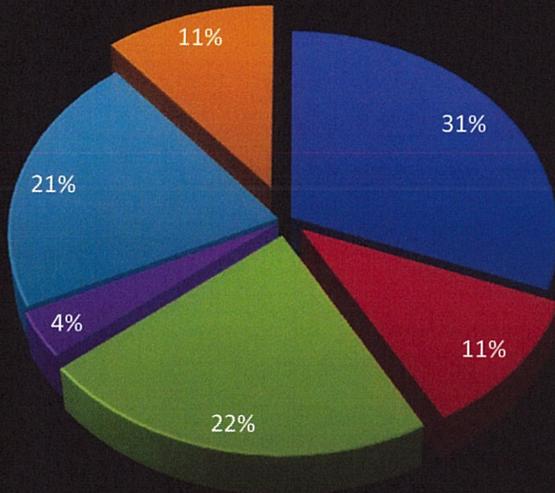
Activities

- Domestic advertising (online)
 - Average cost per thousand - \$12.46
 - 5,000,000 impressions per campaign (fall and spring)
 - Average cost per click - \$15.20
- Domestic PR
 - Develop a minimum of 20 new relationships at Media Missions
 - 100,000,000 media impressions
 - 25 stories
- MICE/Incentives
 - Develop a minimum of 100 new trade relationships
 - Send at least 3 leads to the hotels/partners

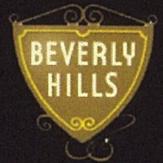


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Budget – International Marketing \$323,800



In-Country Representation	31%
\$99,000	
Sales Missions	11%
\$36,100	
Trade Shows	22%
\$72,500	
Media FAMs	4%
\$12,000	
Emerging Market	21%
\$68,000	
Incentive Programs	11%
\$36,200	

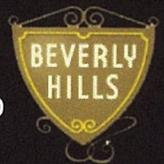


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International Marketing

Activities

- In-country Representation
 - Travel trade and public relations staff dedicated to building awareness and increasing presence of Beverly Hills in foreign itineraries and publications.
- Sales Missions – work with Visit California and LA Tourism to strengthen Trade and Press relationships in key international feeder markets: China, Japan, Mexico, UK, Europe, Australia
- Emerging Markets – Activities designed to build awareness and business from India, Brazil and China, including GM Sales Mission, participation in Brand USA India Mission and independent Sales Mission in Brazil.
- Tradeshows – Attend global trade shows that target Luxury Travel Trade as well as Meeting and Incentive Planners including: ILTM Asia, Europe and Americas, Luxperience and WTM, etc.
- FAMs – host international travel trade and press in Beverly Hills so they can write about the city and convey key message points.
- Incentive Programs –incentives to stimulate group business.

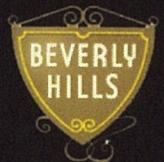


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International Marketing Programs Measurement

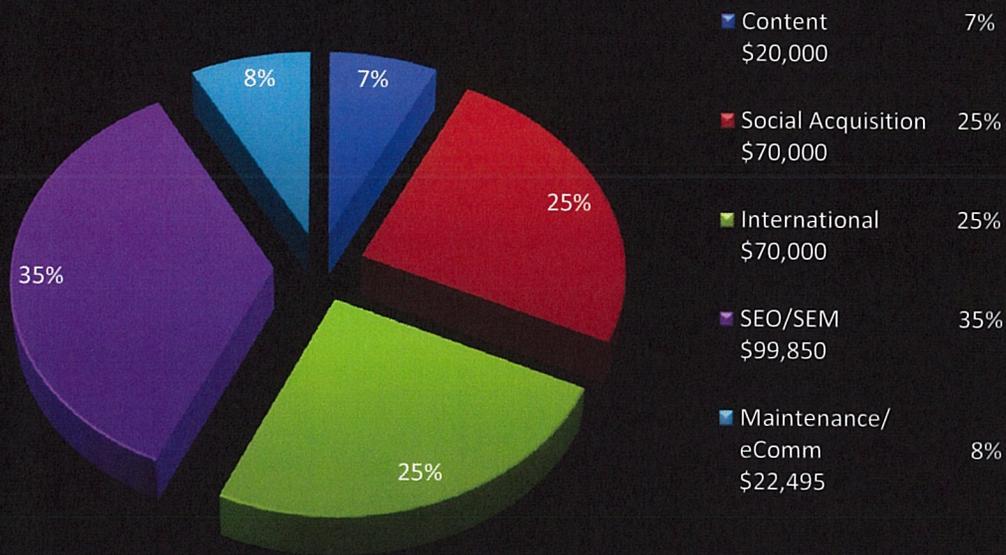
Activities

- PR
 - More than 200,000,000 impressions
 - 50 or more stories
 - 25 journalist visits
 - Minimum of 10 media visits
- Trade - all International markets
 - Develop more than 300 new relationships during tradeshows and sales missions
 - 10 or more trade visits to Beverly Hills
 - 25 or more sales calls to local tour receptives/operators
 - 3 leads sent to hotels/partners



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Budget – Interactive \$282,345



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Interactive

Activities

- Site upgrade due to migration – site to be repurposed in PHP code which will allow for more flexibility in future development. Content will be expanded to include more history (in preparation for Centennial), video and customizable destination information.
- Social acquisition – establish international social pages and develop programs to acquire new followers in both domestic and international markets.
- International website content – develop in-country websites that support online press and social media as well as allow international prospects to research the destination prior to booking travel.
- Search engine marketing – online advertising that pulls traffic to the website based on consumers' interests.
- Search engine optimization – proper coding and tagging that signals relevant content on the site when people are conducting searches, ultimately pulling them to the site.
- Ongoing maintenance, email and account management.



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Interactive Programs Measurement

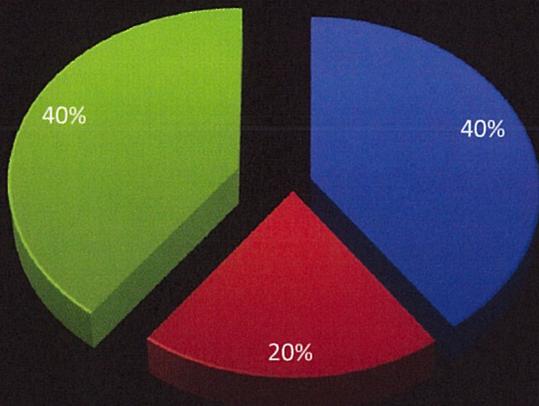
Activities

- Website
 - 300,000 site visits with 12% year-over-year growth
 - 850,000 page views with 34% year-over-year growth
 - 10% growth in Search Engine Optimization
- Database
 - Grow enews database by 20% with 1,550 new subscriptions
- Social Media
 - Surpass 12,500 likes for a 12% year-over-year growth in Facebook likes
 - Surpass 6,500 followers for a 21% year-over-year growth in Twitter followers
 - Surpass 3,500 followers with a 58% year-over-year growth in Instagram followers
 - Continue to lead competitive CVBs in # of followers (including Marina del Rey, Newport Beach, Santa Barbara, Santa Monica and West Hollywood)



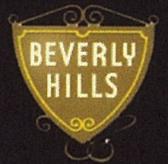
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Budget – Collateral \$50,000



■ Visitor Guide*	40%
■ Fulfillment	20%
■ Promotional Giveaways	40%

\$20,000
\$10,000
\$20,000



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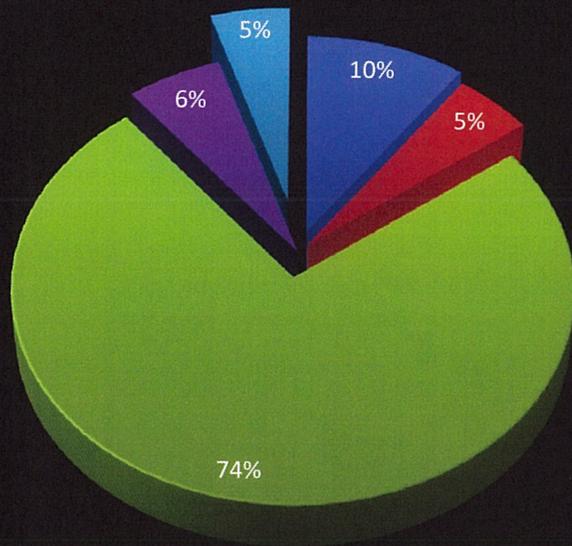
Collateral

Activities

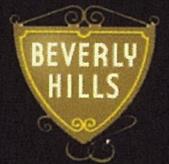
- Brochure update/refresh – reprint existing materials with updated content and Centennial identity.
- Visitor Center specific collateral under Visitor Services.
- Premiums and giveaways for promotional purposes to include items featuring the Centennial logo.



Budget – Research/Metrics \$102,000



Destination Insights	\$10,000	10%
Smith Travel	\$5,000	5%
Strategic Plan	\$75,000	74%
Competitive PR Tracking	\$6,000	6%
PR Tracking	\$5,000	5%



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Research/Metrics

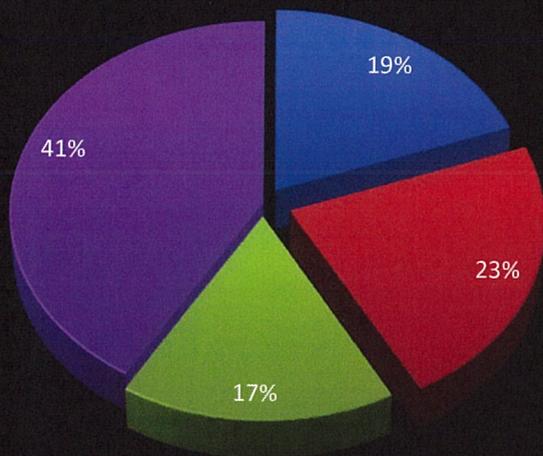
Activities

- American Express – American Express Domestic and International Destination Insights (representing about 40% of Beverly Hills Market Share) provides insight on credit card spend in Beverly Hills.
- STR – 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.
- Economic Impact – Complete study to begin June 2013 which will determine the value that travelers bring to the city, what types of travelers spend the most (day trippers on tour busses vs. overnight guests verses independent foreign travelers). Information will be used to help set the tone for future strategies. See next bullet point.
- Strategic Plan – as part of the final stages of the study mentioned above, BHCVB will use customer feedback and industry trends to help define future opportunities for growth in a competitive environment.
- PR – including Cision tracking software and a subscription to a clipping service.



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Budget – Visitor Services \$181,000



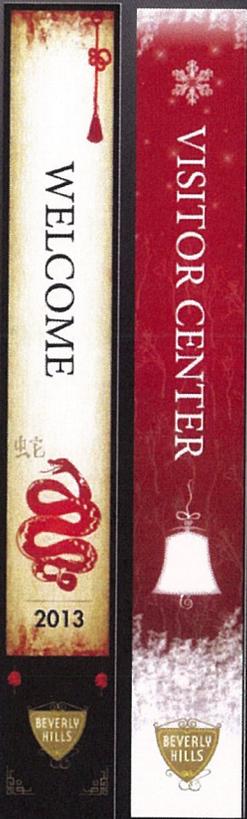
■ Advertising	19%
■ Display	23%
■ Collateral	17%
■ VC Staff	41%

\$35,000
\$41,000
\$41,000
\$75,000



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Visitor Services



Activities

- Advertising and incentives to continue to build awareness of the center and direct traffic to the South Santa Monica location.
- Display materials including costumes and art to promote activities at the Annenberg, Historic Photos and Memorabilia, Window Clings for Events and items promoting local businesses.
- Collateral – brochure development to include in-language materials, walking tours, and maps.
- Staff – one full time and one part time employee to interact with guests and assist when necessary.



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Visitor Services Programs Measurement



- Increase of retail sales by 25% to more than \$5,000.
- Number of annual visitors to increase by 25% or 6,250 for the year.
- Increase email address collection conversion from 1 in 100 visitors to 1 in 50 visitors.

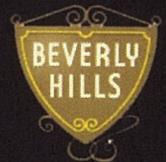


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Budget – 2012/13 Work in Progress

The following activities are projects that were started in 2012/13 that will be completed in 2013/14 with carry-over funds:

- Collateral – carryover amount \$19,000
 - Develop a new Visitor Guide that can be used for trade, PR and consumer requests. This will be added to 2013/14 funding for a total budget of \$39,000.
- Experience – carryover \$9,660
 - Ambassador program to help make all customer facing people who work in Beverly Hills subject matter experts who can assist visitors.
- Interactive – carryover \$93,000
 - Content – Revised website due to vendor migration. Addition of content to keep site relevant and state of the art.



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Budget – 2012/13 Savings

The following savings were obtained in 2012/13 and as a result, these funds will be used for activities in 2013/14.

- Salaries, taxes and benefits - \$51,000
 - Due to maternity leaves and unfilled positions
 - Funds will be used for International Marketing 2013/14
- Spring campaign savings - \$21,100
 - These funds will be used to support Local Marketing efforts
- Interactive contingency savings - \$27,000
 - These funds will be used to support Local Marketing efforts



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Budget – FY 2013/14 Summary

Description	2012/13 Budget	2013/14 Amount June 18 Proposed	2013/14 New Amount Proposed	Carryover funds*
Marketing	\$1,365,000	\$2,701,000	\$1,748,645	
<i>Centennial</i>	N/A	\$500,000	\$228,000	
<i>Holidays</i>	Included in Events	\$400,000	See local	
<i>Events</i>	\$305,000	\$150,000	\$100,000	
<i>Experience</i>	\$15,000	\$20,000	Carryover	\$9,660
<i>Local Marketing</i>	\$35,000	Included in Holiday	Carryover	\$48,100
<i>Domestic Marketing</i>	\$350,000	\$535,000	\$592,500	
<i>International Marketing</i>	\$275,000	\$499,000	\$323,800	\$51,000
<i>Interactive</i>	\$215,000	\$360,000	\$282,345	\$93,000
<i>Collateral</i>	\$55,000	\$60,000	\$50,000	\$19,000
<i>Special Programs/</i>	\$70,000	\$75,000	\$70,204	
<i>Metrics/Research</i>	\$45,000	\$102,000	\$102,000	
Operations including Salaries, Taxes & Benefits	\$1,010,000	\$1,100,000	\$993,355	
Visitor Center	\$290,000	\$195,000	\$181,000	
TOTAL	\$2,665,000	\$3,996,000	\$2,923,204	

*Carryover funds are marketing funds that were allocated to projects that were delayed due to revision of priorities. Additional funds were realized due to unfilled positions and maternity leaves.

These projects will be added to the 2013/14 program of work for completion during the fiscal year.

Savings realized by outsourcing HR and Finance.

Budget – FY 2013/14 Detail

Strategy	Activity	Comments	Budget 13/14
CENTENNIAL	Suite 100 Centennial Celebration	Centennial event to celebrate at hotels. Budget represents pr, project manager -- advertising under domestic below	\$228,000
	Chinese New Year Centennial Celebration	Event execution and marketing theme to tie in with Centennial	\$90,000
EVENTS 2011 = \$180,000 2012 = \$630,000 2013 = \$100,000	Beverly Hills Under the Stars	Outdoor picnic on Rodeo sponsorship costs	\$10,000
	Ambassador Program	Program is designed to make all customer facing Beverly Hills employees subject matter experts who can answer questions and direct traffic to the Visitor Center	
EXPERIENCE 2012 = \$15,000 2013 = Carryover	Holiday Marketing	Joy to the Hills advertising, collateral, and marketing activities like Santa at the Paley	
LOCAL 2011 = \$120,000 2012 = \$35,000 2013 = Carryover	Destination Marketing	Advertising in domestic markets all year long for Centennial Programs, Annenberg and Branding	\$440,000
DOMESTIC 2011 = \$400,000 2012 = \$345,000 2013 = \$592,500	MICE Marketing	Advertising, fams, memberships to stimulate meeting business	\$25,000
	Domestic PR	FAMs, Media Missions -- NY, SF, LA	\$17,500
	Partnership marketing	Other CVB's (LATCB Website; Westside Coalition)	\$15,000
	New York Sales Mission	Cocktail party, media breakfast, MICE event -- Centennial Messaging/Annenberg Opening.	\$95,000

Budget – FY 2013/14 Detail

INTERNATIONAL & TRADE 2011 = \$200,000 2012 = \$275,000 2013 = \$323,800	In-country representation	China, UK, Australia	\$99,000
	Int'l Trade: Sales Missions and FAMs -- independent, LATCB, Visit California	China, UK/Eur, Australia	\$36,100
	Tradeshows	WTM, ILTM, MPI, IMEX	\$72,500
	Media	Fams	\$12,000
	Emerging Market Development	China GM Mission (to be requested in January 2014), India Mission, Brazil Mission, adhoc opportunities	\$68,000
	Incentive programs	Travel agent contests, tour operator incentives, MICE bookings, conference sponsorship, training	\$36,200
INTERACTIVE 2011 = \$100,000 2012 = \$216,000 2013 = \$282,345	Robust content strategy	Rebuild site in php, freshen look and feel, add video and social content	\$20,000
	Acquisition	Domestic and International acquisition initiatives and International Maintenance of Content	\$70,000
	International	In-language content; SEO; Social (China, Japan, UK, Mexico, Canada, Europe as available)	\$70,000
	Pay Per Click/SEO	Drive domestic website activity, drive traffic to partners and generate hotel and restaurant bookings	\$99,850
	Maintenance/eMail	Website hosting, email database and eNews distribution	\$22,495
COLLATERAL 2011 = \$50,000 2012 = \$55,000 2013 = \$50,000	Infox	Brochure fulfillment and storage	\$10,000
	Revised Visitor Guide	To be used for fulfillment at all touchpoints	\$20,000
	Premiums/give-aways	Tradeshows, VIPs, FAMs, Sales Missions, International Offices	\$20,000

Budget – FY 2013/14 Detail

METRICS/ RESEARCH	American Express	Domestic and Intl Spend Information	\$10,000
2011 = \$0	STR	Smith Travel Research -- Competitive Tracking	\$5,000
2012 = \$45,000	Strategic plan research	Customer research and long-term planning	\$76,000
	PR Clippings		\$5,000
2013 = \$102,000	Cision/PR	Dom and Int'l PR Tracking	\$6,000
SPECIAL PROGRAMS	Special Programs	City requests, adhoc programs from stakeholders, Board requests	\$70,204
2011 = \$60,000	Reserve	\$33,000 left over from TI	
2012= \$45,000			
2013 = \$70,204			
OPERATIONS		Rent, utilities, Maintenance and main staff (does not include Visitor Center staff)	\$993,355
2011 = \$900,000			
2012 = \$1,046,000			
2013 = \$993,355			
VISITOR CENTER	Advertising/incentives	Merchandise to sell in Visitor Center and utilize for contest giveaways, etc. to incentivize people to visit.	\$35,000
2012 = \$310,000	Display	Artwork, costumes, and one of a kind pieces, signage, banners, etc.	\$41,000
2013 = \$181,000	Collateral	Maps, walking tours FAQs, Insider Tips, Universal Brochure offer coupons	\$30,000
	Staff	Salaries and Benefits for one FTE and one PTE	\$75,000
Total Request			\$2,923,204

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 (September 1, 2013 – June 30, 2014)			
CVB Remits Invoice to City	City Issues Payment to CVB	Period Covered	Payment Amount
August 26	September 9	September 1 – December 31	\$1,048,020
December 16	December 30	January 1 – March 31	\$909,534
March 17	March 31	April 1 – June 30	\$507,255
TOTAL			\$2,464,809