



## STAFF REPORT

**Meeting Date:** February 4, 2014  
**To:** Honorable Mayor & City Council  
**From:** Megan Roach, Marketing & Economic Sustainability Manager   
**Subject:** Recommendation from the CVB/Marketing Committee Regarding Beverly Hills Conference and Visitors Bureau's Proposal and Funding Request for Local Marketing and China Hotel General Managers Sales Mission  
**Attachments:**

1. BHCVB Proposal for Local Marketing & China Sales Mission
2. Hotel General Managers China Sales Mission Overview
3. FY 2013-14 Tourism and Marketing Budget and Programs

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### INTRODUCTION

The Beverly Hills Conference and Visitors Bureau ("BHCVB") is contracted by the City to conduct a variety of tourism and marketing programs promoting Beverly Hills. The BHCVB's mission is to promote Beverly Hills worldwide as a stay/shop/dine destination, with particular emphasis this year on the Centennial, through marketing programs that build awareness, activation and tourism traffic and revenue to the city.

This item is a recommendation from the CVB/Marketing Committee (Mayor Mirisch and Vice Mayor Bosse) regarding the BHCVB's proposal and funding request for two new marketing initiatives – a Local Marketing/Drive Market Campaign and a China Sales Mission for Hotel General Managers.

### DISCUSSION

Each year, the City Council allocates funding to the BHCVB and a variety of dedicated tourism and marketing programs which promote Beverly Hills. Funding for these programs is derived from the City's Transient Occupancy Tax ("TOT") which is collected by local hoteliers. Of this overall amount, 2% of gross hotel revenues (or 1/7 of actual TOT collected) is allocated for tourism and marketing programs. On August 20, 2013, the City Council approved the BHCVB's FY 2013-14 funding agreement in the amount of \$2,923,204 for marketing programs.

On January 27, 2014, the CVB/Marketing Committee met with BHCVB representatives to review their proposal and funding request for two new marketing initiatives – a Local Marketing/Drive Market Campaign and a Hotel General Managers China Sales Mission.

The Local Marketing/Drive Market proposal would utilize additional, unanticipated TOT revenue for a marketing campaign with key messaging to drive visitor traffic and revenue to the city's restaurants, retail stores, theaters and hotels. Specifically, the BHCVB is requesting funding for the marketing campaign creative design, as well as for print media, radio and email advertisements. The BHCVB's total funding request for the Local Marketing/Drive Market campaign is \$250,000.

The BHCVB is also requesting funding for a China Sales Mission for the Hotel General Managers to build awareness of the destination's highlights and hotel product in Beverly Hills. As proposed the Sales Mission will be centered on the International Travel Market Asia ("ILTM"), a premier luxury travel show which takes place in Shanghai in June 2014. Beverly Hills hotel General Managers will travel to Shanghai to meet with luxury travel planners and media to forge relationships with key influences and tastemakers. Specifically, the Sales Mission will include:

- 1) Access to the Beverly Hills booth and meetings at ILTM
- 2) Meetings with government and business leaders
- 3) Media salon providing opportunities for one-on-one interviews with press
- 4) Destination sponsored private gala inviting key influencers already in town for ILTM, which will provide an experiential Beverly Hills branded evening at a high-end location overlooking the city.
- 5) Private dinner with government officials and business VIPs

The BHCVB also recommends the Mayor attend the China Sales Mission as an ambassador for the City. City Council Resolution 06-R-12053, adopted on March 7, 2006, provides for the Mayor to attend the Sales Mission to promote tourism to the city. The BHCVB will provide staff support for the Mayor since City staff will not attend.

In addition, all travel expenses for hotel General Managers will be borne by them (i.e., airfare and hotel accommodations). The BHCVB is requesting \$100,000 in funding for:

- 1) Gifts for all events: \$10,000
- 2) Media Salon: \$10,000
- 3) Tastemaker and influencer gala: \$50,000
- 4) Private dinner with business VIPs: \$10,000
- 5) Invitations to all events: \$5,000
- 6) Agency fees for trade and public relations: \$15,000

### **FISCAL IMPACT**

The Fiscal Year 2013-14 Tourism and Marketing Budget is \$5,561,204. In addition, the City received \$2,142,808 in unanticipated TOT (amount over budget) for FY 2012-13, which results in an additional \$306,115 for the Tourism and Marketing Budget. Historically this revenue has been applied as a carryover to the following Fiscal Year budget, which in this case would be FY 2014-15.

The CVB/Marketing Committee recommends the BHCVB's total request of \$350,000 be funded from the \$306,115 in additional TOT from FY 2012-13 and the remaining \$43,885 from the FY 2013-14 Tourism and Marketing contingency programs budget.

**RECOMMENDATION**

Staff recommends that the City Council review the CVB/Marketing Committee's recommendation for the scope of work and funding request from the Beverly Hills Conference and Visitors Bureau for the Local Marketing/Drive Market Campaign and Hotel General Managers China Sales Mission.

Don Rhoads   
Finance Approval

  
Cheryl Friedling  
Approved By