



AGENDA REPORT

Meeting Date: June 17, 2014
Item Number: E-8
To: Honorable Mayor & City Council
From: Cheryl Friedling, Deputy City Manager for Public Affairs
Megan Roach, Marketing & Economic Sustainability Manager (MR)
Subject: AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND THE BEVERLY HILLS CONFERENCE AND VISITORS BUREAU FOR PROMOTION OF THE CITY FOR FISCAL YEAR 2014-2015; AND APPROVAL OF A PURCHASE ORDER IN A NOT-TO-EXCEED AMOUNT OF \$3,300,000 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 2014-2015 and approve a purchase order in a not-to-exceed amount of \$3,300,000 for these services.

The agreement becomes effective when the City Council adopts the Fiscal Year 2014-2015 Operating Budget.

INTRODUCTION

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

On April 28, 2014, the CVB/Marketing Committee (Mayor Bosse and Councilmember Mirisch) met with Beverly Hills Conference and Visitors Bureau ("BHCVB") representatives to review their proposed Fiscal Year 2014-2015 scope of work and funding request. The scope of work includes a portfolio of tourism and marketing services and a corresponding funding request of \$3,300,000. The \$3,300,000 reflects operating and program costs and represents less than a 1% increase to the BHCVB's budget from the prior fiscal year.

The CVB/Marketing Committee recommended approval of the scope of work and funding request and this was presented to the City Council on May 20, 2014. Council

directed staff to return with an agreement for services that reflects the scope of work and corresponding funding of \$3,300,000.

DISCUSSION

During the next fiscal year the BHCVB's objectives are to continue leveraging programs designed to bring worldwide recognition to the city and generate trips to Beverly Hills; drive consumer traffic and revenue to the city by capturing market share from competitors; strengthen the brand in all key target markets; and promote new businesses that contribute to the social and economic vitality of the city. The BHCVB has prioritized its scope of work and budget as follows:

- 1) **Events** – Chinese New Year and support of partner and City events including the Rodeo Drive Concours d'Elegance, Greystone Concours d'Elegance, and Concerts on Canon.
- 2) **Geographic Targeting** – specific initiatives designed to increase revenue for businesses and the city through international, domestic and local markets.
- 3) **Interactive Support and Expansion** – utilize electronic communication channels to build the brand and increase awareness domestically and abroad.
- 4) **Collateral and Way-finding** – offer a variety of collateral pieces as sales tools and additional resources for prospective customers and travel trade.
- 5) **Research and Metrics** – measure efforts and activity to ensure that tactics are effective and to provide insight for future strategies and initiatives.
- 6) **Enhance the Visitor Experience** – offer amenities and customized services at the Visitor Center which provide guests with all of the tools they need to enjoy their stay/visit and showcase the local businesses.
- 7) **Visitor Services** – advertising and incentives, display materials, marketing collateral, and Visitor Center staff.

FISCAL IMPACT

The City's Finance Department projects \$35,500,000 in TOT revenue for the 2014-2015 Fiscal Year, which results in a Tourism and Marketing budget of \$5,167,344. This amount includes \$95,915 in budgetary carryover from Fiscal Year 2013-2014. The funding is budgeted in the Tourism and Marketing Program account 0101311. The BHCVB is requesting \$3,300,000 for tourism and marketing programs and operational expenses.

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 2014-2015

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. City desires to continue to engage the services of the CVB for promotional activities for fiscal year 2014-2015.

C. 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 July 1, 2014 through June 30, 2015 ("Funding Period"), City shall provide the CVB with funding in an amount not to exceed \$3,300,000 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 2015-2016 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 2014-2015 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 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 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, 2014 until June 30, 2015 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 _____ 2014, at Beverly Hills, California.

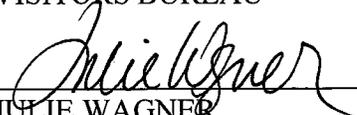
CITY OF BEVERLY HILLS,
A municipal corporation

LILI BOSSE
Mayor of the City of Beverly Hills

ATTEST:

_____(SEAL)
BYRON POPE
City Clerk

BEVERLY HILLS CONFERENCE AND
VISITORS BUREAU

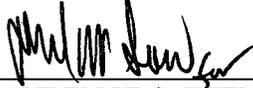


JULIE WAGNER

Chief Executive Officer


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

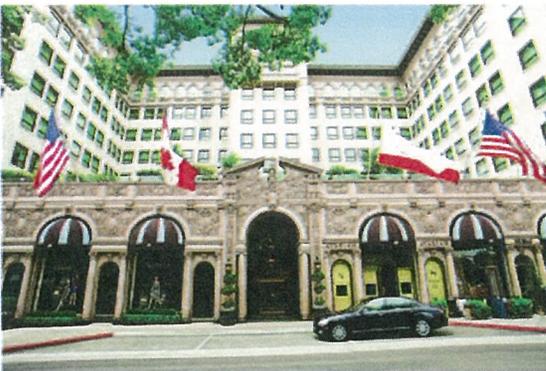
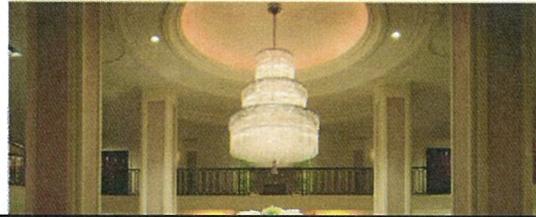
City shall provide funding in the amount of \$3,300,000.00 to support the activities and programs outlined in Attachment 1 to this exhibit, attached hereto and incorporated herein, during the period of July 1, 2014 through June 30, 2015. Funding shall cover operating and marketing expenses forecast for 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 2014/2015 Strategies and Tactics: Events; Geographic Targeting; Interactive Support and Expansion; Collateral and Way-finding; Research and Metrics; And Enhance the Visitor Experience, 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 2014/15
Scope of Work**

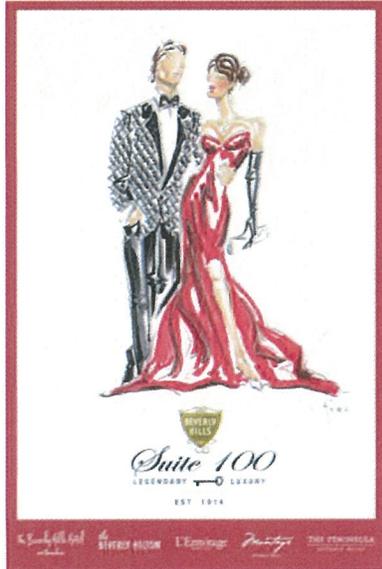
Fiscal Year 2014/15 Budget Presentation

April 28, 2014



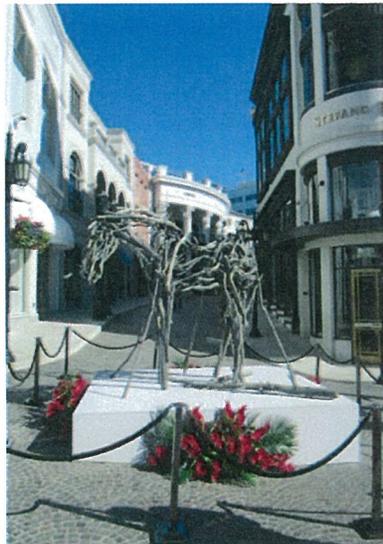

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New for Fiscal Year 2013/2014



Suite 100 – Hotel tribute to the city’s centennial with five participating hotels that redecorated a room and incorporated experiences to match an era from the past 100 years

- More than 1 billion PR impressions worldwide
- More than \$750,000 in Global Ad Value
- Inclusion in leading publications: Travel and Leisure, Conde Nast, New York Times, Departures Blog, New York Post, Angeleno, LA Times, NBC.com, Entertainment Tonight, China Vogue, Telegraph UK, Sydney Morning Herald, Brisbane Times



Chinese New Year Expansion – Deborah Butterfield sculpture, expanded public program and VIP party at Louis Vuitton

- 73,000,000 PR impressions worldwide
- More than 1,500 attendees at the public event
- Attendance by People’s Republic of China Consul General Jian Liu

New for Fiscal Year 2013/2014

Local Marketing Initiative – Advertising campaign to build awareness of how much Beverly Hills has changed in the last several years and to get people to come to town to dine, shop and play

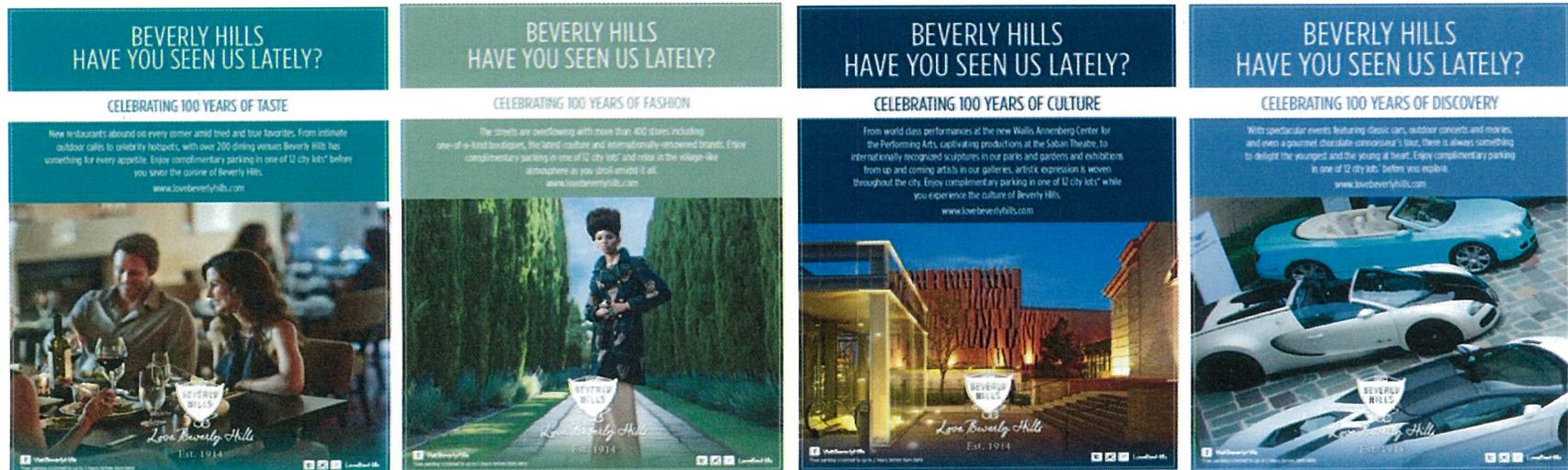
- Program is still underway. Results will be tallied by measuring spend increase from sales tax and American Express data when available

Diner en Blanc – West Coast launch of the elegant white picnic from Paris on Rodeo Dr.

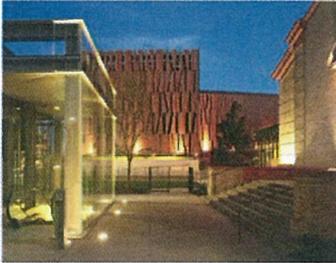
- 1,300 attendees
- Broadcast coverage from NBC and ABC, print coverage from Angeleno and LA Times
- Letter of appreciation from RDC

Arts of Palm – City art celebration tribute to the centennial

- BHCVB participated with a Peter Shire sculpture in the Visitor Center



New for 2013/14



EXPANDED GLOBAL SALES STRATEGY

International Luxury Travel Market Expanded Presence

- More than 1,000 new contacts made and five shows attended including Europe, Asia, Americas, UK and Brazil



China Sales Efforts

- First time the GMs will be traveling out of the country together to promote the city to take place June 1-5, 2014
- USC Chinese Student Scholar association events and activities



Tour Bus Drivers Incentive Program

- Working with local partners Clementine and Kelly's to provide drivers with free coffee and pastry, a place to rest, and access to complimentary WiFi launched April 9, 2014



SalesForce.com

- Incorporation of the leading sales internet platform used to manage contacts and prospecting

Around the World with the CVB

BHCVB flew around the world expanding awareness and developing more than **1,000 new relationships** by participating in Brand USA and Visit California sales missions and by expanded presence at Luxury Travel Trade Shows.

Relationships are strengthened and information is passed on to the hotels in effort to build additional group business into the city.

CVB visited:

India

China

South Korea

Japan

Mexico

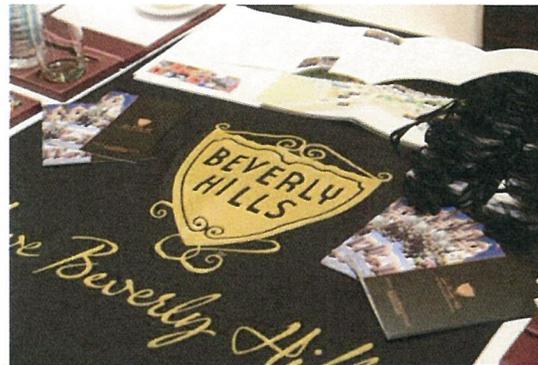
Taiwan

Europe

UK

Brazil

Australia




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Domestic Market Growth

Total American Express Domestic Spend Growth 2013 over 2012 = 38%

American Express Top Feeder Markets and Growth

Local/Los Angeles	=	67%
San Francisco	=	40%
New York	=	31%
Chicago	=	31%

Hotel-Provided Information:

2012/13 Year Over Year Market Growth As Provided by the Hotels for Room Nights

California	=	40%
New York	=	24%
Florida	=	16%
Texas	=	12%
Illinois	=	6%



International Market Growth

International tourism represents 60% of visitors into Beverly Hills (a 50% shift from 2007 per the 2013/14 Visitor Profile Study commissioned by BHCVB, which is still underway).

Total American Express International Spend Growth 2013 over 2012 = 30%

2012/13 Year-Over-Year Market Growth As Provided by the Hotels

China	= 105%	Australia	= 39%
Germany	= 82%	Japan	= 32%
France	= 50%	Brazil	= 28%
Canada	= 45%	Middle East*	= 16%
UK	= 44%		

Top International Market by Spend Per Visa Credit Card Data

China+
Canada
Middle East
Russia
UK
Australia

*Most Middle Easterners do not use American Express – growth is considered high for this market using this payment type.

+ Most Chinese use Union Pay, yet Visa still lists China as the top spending market.



Fiscal Year 2014/15




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2014/15 Strategies

- 1) Events - Increase excitement in the city and contribute to perception that there is a lot to do in Beverly Hills
- 2) Geographic Targeting - Feeder market specific initiatives designed to increase revenue for the businesses and the city
 - International markets
 - Domestic markets
 - Local and drive markets
- 3) Interactive support and expansion - Utilize electronic communication channels to build the brand and increase awareness domestically and abroad
- 4) Collateral and way-finding - Offer a variety of collateral pieces as sales tools and additional resource for prospective customers and travel trade
- 5) Research and metrics - Measure efforts and activity to ensure that tactics are effective and to provide insight for future strategies and initiatives
- 6) Enhance the visitor experience - Offering amenities and customized services at the Visitor Center which provide guests with all of the tools they need to enjoy their stay/visit and showcase the local businesses



2014/15 Tactics

Events

Chinese New Year

- Expanded programming including private reception at The Wallis, if available
- BHCVB is working with entertainment groups to bring program directly from China

International Marketing

- Incentive programs for Tour Operators, Meeting Planners and Receptives (ex: loyalty program for tour guides where they are rewarded for the business with exclusive amenities and services, special events for groups, etc.)
- Continued expansion into emerging markets (China, India, Brazil)
- Participation in Brand USA and Visit California sales missions in key feeder markets, including UK, Europe, Australia
- Participation in International Luxury Travel Market trade show portfolio – Cannes, Americas, Asia, UK, Brazil
- In-country representation in China, Australia and UK/Europe
- China Sales Mission
- Optimization of SalesForce.com with ongoing communications



Tactics - continued



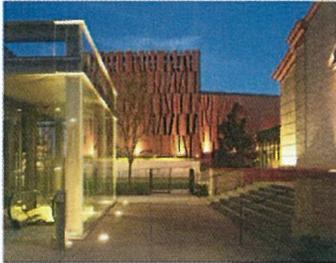
Domestic Marketing

- 902100 centennial promotion with “100-themed” offers in hotels, restaurants and retailers throughout the fall
- Expanded New York Sales Mission event to include meeting planners, travel trade and press – virtual Beverly Hills city experience
- Group Sales Manager to drive city-wide hotel business that results in compression throughout the business community
- Advertising of the destination in key feeder markets including New York, California, and Chicago
- PR missions and familiarization trips
- Expanded presence at largest MICE (Meeting Planners Incentives and Exhibitions) show in the US – IMEX
- Partnership marketing with local CVBs

Holiday/Local Marketing

- Holiday “European Market” in Beverly Canon Gardens
- Holiday advertising of décor and shopping
- Holiday activities for families (ex: Santa at the Paley Center and the Jolly Trolley)
- Ongoing shopping and dining advertising

Tactics - continued



Interactive

- Expanded website content in Portuguese, Arabic, Russian, Spanish, German, French and Japanese
- Development of photo and video assets for all electronic channels
- Search engine marketing to drive traffic to websites
- Acquisition and retention programs to expand database and maintain and expand social media audiences
- Ongoing maintenance and content for English and Chinese sites and email distribution

Collateral

- Production of premiums for travel trade and press
- Reprint of brochures for consumers, travel trade and press

Tactics - continued

Research and Metrics

- Subscription to Smith Travel Research, American Express and Visa data to track domestic and international activity in the city at hotels, restaurants and retailers
- PR tracking including clippings service and Cision, the leading PR interactive tool
- 3-5 year strategic plan for the organization taking into account the competitive landscape and industry trends as well as opportunities to expand partnerships (carryover funds to be used from FY 2013/14 to facilitate)

Visitor Center

- Development of merchandise to sell to visitors
- Display to showcase partners and local services
- Exclusive offers program for visitors
- Collateral to enhance the experience
- Expanded language materials in line with interactive
- Increase of programs to build awareness including advertising, partnerships (ex: Where Magazine) and events

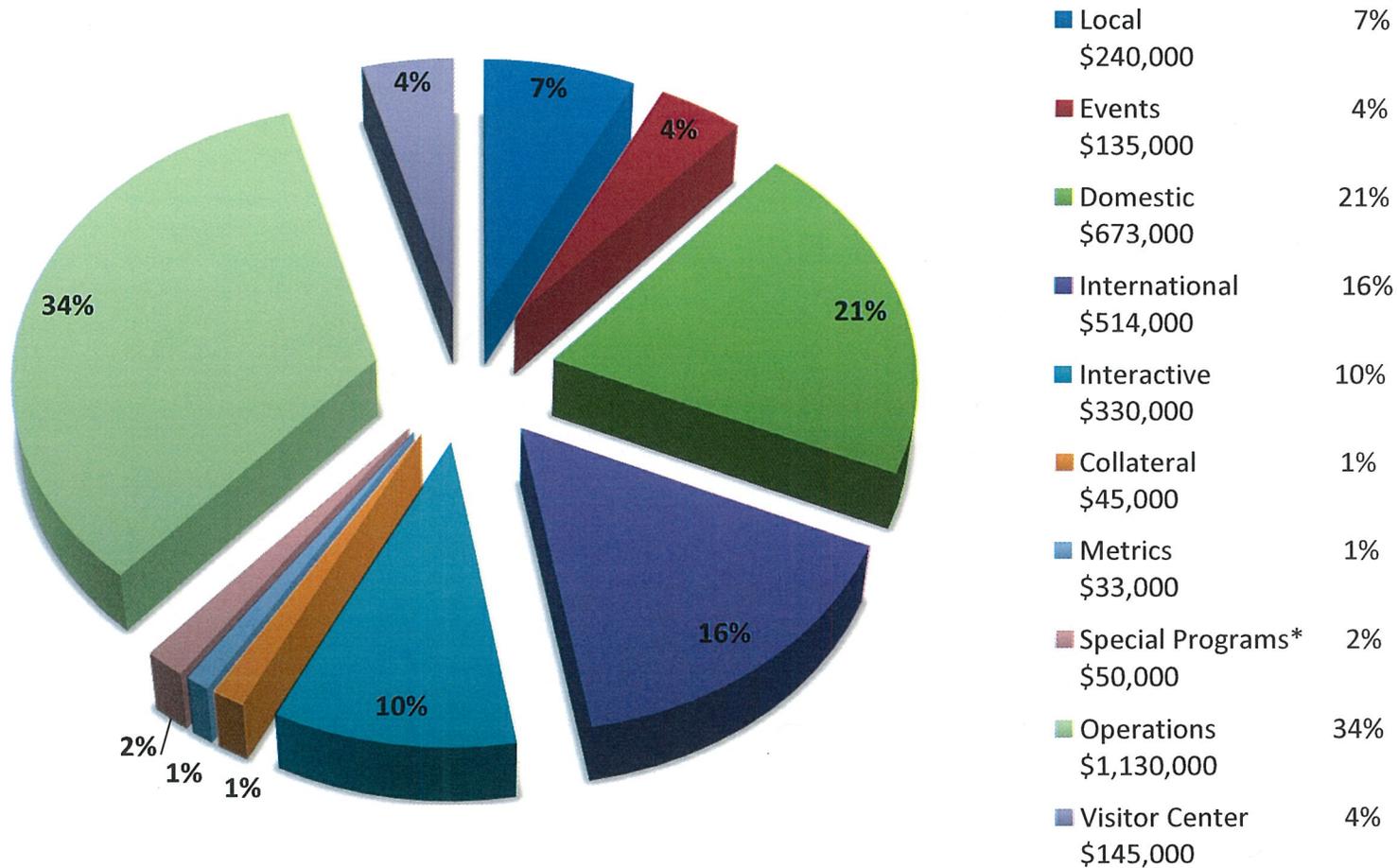


TOT and Sales Tax Growth

Fiscal Year	City TOT (14% of Hotel Revenue)	City Sales Tax	Combined Revenue	Combined Year-over- Year Increase	CVB Contract	2% of Total Hotel Revenue
2009/10	\$23,447,458	\$19,671,000	\$43,118,458		\$2,158,160	\$3,383,065
2010/11	\$24,283,657	\$22,052,861	\$46,336,518	7.5%	\$2,050,000	\$3,469,094
2011/12	\$26,594,808	\$23,093,800	\$49,688,608	7.2%	\$2,120,000	\$3,799,258
2012/13	\$30,600,000	\$25,200,000	\$55,800,000	12.3%	\$2,665,000	\$4,371,429
2013/14	\$34,050,000	\$28,500,000	\$62,550,000	12.1%	\$3,283,204	\$4,864,285
2014/15*	\$35,300,000	\$29,526,000	\$64,826,000	3.6%	\$3,300,000	\$5,071,429

* Hotels are forecasting a 7-10% increase in revenue with the city forecasting only a 3.6 % increase. BHCVB 2014/15 total budget proposal is based on the recommendation from the City Manager's office. If TOT outperforms city forecasts, BHCVB would like to work with the City Liaisons to develop additional programs that would result in increased funding.

FY 2014/15 Total Budget \$3,300,000



*Special programs include, include contingency, marketing support, and reserve for Visitor Center refurbishment.

Budget Summary Chart

Description	2014/15 Proposed Budget April 2014	Carryover funds*
Marketing	\$2,025,000	
<i>Centennial</i>		
<i>Events</i>	\$135,000	
<i>Holiday/Local</i>	\$240,000	
<i>Domestic Marketing</i>	\$673,000	\$25,000
<i>International Marketing</i>	\$514,000	\$15,000
<i>Interactive</i>	\$330,000	\$15,000
<i>Collateral</i>	\$45,000	
<i>Special Programs/</i>	\$55,000	\$20,000
<i>Metrics/Research</i>	\$33,000	\$75,000
Operations including Salaries, Taxes & Benefits	\$1,130,000	
Visitor Center	\$145,000	
TOTAL	\$3,300,000	\$150,000

*Carryover funds are marketing funds that were allocated to projects that were delayed to shifting priorities. All carryover is only estimated at this time.

Budget Detail

Strategy	Activity	Comments	Budget 14/15
EVENTS 2011 = \$180,000 2012 = \$630,000 2013 = \$100,000	Chinese New Year Centennial Celebration	Event execution and marketing theme. Amount matches actual spend from 2013.	\$135,000
LOCAL 2011 = \$120,000 2012 = \$35,000 2013 = \$250,000	Holiday Marketing	Advertising, event at Beverly Canon Gardens and holiday marketing activities like Santa at the Paley	\$150,000
	Advertising	Ongoing Shop/Dine Messaging	\$90,000
DOMESTIC 2011 = \$400,000 2012 = \$345,000 2013 = \$592,500	Destination Marketing	Advertising in domestic markets all Year Long for Stay, Shop and Dine	\$390,000
	MICE Marketing	Advertising, fams, memberships to stimulate meeting business	\$30,000
	Domestic PR	FAMs, Media Missions -- NY, SF, LA	\$18,000
	Partnership marketing	Other CVB's (LATCB Website; Westside Coalition) and partnership development	\$25,000
	Group Sales Manager	New position to focus on acquiring city-wide group business	\$85,000
	New York Sales Mission	Enhanced event to include MICE, Travel Trade and Media	\$125,000

Budget Detail

Strategy	Activity	Comments	Budget 14/15
INTERNATIONAL & TRADE 2011 = \$200,000 2012 = \$275,000 2013 = \$426,800	In-country representation	China, UK, Australia	\$100,000
	Int'l Trade: Sales Missions and FAMs -- independent, LATCB, Visit California	China, UK/Eur, Australia	\$50,000
	Tradeshows	PowWow, WTM, ILTM, MPI	\$134,000
	Media		\$15,000
	Emerging Market Development	China Local Market Manager, India Mission, Brazil Mission and possible Russia	\$75,000
	China Sales Mission	ILTM Gala Event and Media Salon with GMs promoting Beverly Hills	\$100,000
	Incentive programs	Tour operator and bus driver incentives, MICE bookings, conference sponsorship, training	\$40,000
	INTERACTIVE 2011 = \$100,000 2012 = \$216,000 2013 = \$282,345	Robust content strategy	Video and photo content to showcase the city in all interactive channels
Social and eMail Acquisition		Domestic and International Acquisition Initiatives and International Maintenance of Content	\$75,000
International*		In-language content; SEO; Social (China, Japan, UK, Mexico, Canada, Italy, France, Germany)	\$75,000
Pay Per Click/SEO		Drive domestic website activity, drive traffic to partners and generate business	\$85,000
Maintenance/eMail		Website hosting, email database and eNews distribution	\$20,000

Budget Detail

Strategy	Activity	Comments	Budget 14/15
COLLATERAL 2011 = \$50,000	Infox	Fulfillment	\$5,000
2012 = \$55,000	Revised Visitor Guide	Reprints to be used for fulfillment at all touch points	\$20,000
2013 = \$50,000	Premiums/giveaways	Tradeshows, VIPs, FAMs, Sales Missions, International Offices	\$20,000
METRICS/ RESEARCH 2011 = \$0 2012 = \$45,000 2013= \$102,000	AmEx/Visa	Domestic and Intl Spend Information	\$17,000
	STR	Smith Travel Research -- Competitive Hotel Tracking	\$5,000
	Strategic plan research	3-5 Year Strategic Plan	
	PR Clippings		\$5,000
	Cision/PR	Dom and Int'l PR Tracking	\$6,000
SPECIAL PROGRAMS 2011 = \$60,000 2012 = \$45,000 2013 = \$70,000	Special Programs	City requests, adhoc programs from stakeholders, Board requests	\$50,000
OPERATIONS 2011 = \$900,000 2012 = \$1,046,000 2013 = \$998,559		Rent, utilities, Maintenance and main staff (does not include VC staff)	\$1,130,000
VISITOR CENTER 2012 = \$310,000 2013 = \$191,000	Advertising/incentives	Merchandise to sell in VC and utilize for contest giveaway, etc. to incentivize people to visit.	\$25,000
	Display	Artwork, costumes, mural, display photos and one of a kind pieces, signage, banners, etc.	\$25,000
	Collateral	Maps, walking tours FAQs, Insider Tips, Universal Brochure offer coupons	\$25,000
	Staff	Salaries and Benefits for one FTE and one PTE	\$70,000
Total Request			\$3,300,000



CONFERENCE &
VISITORS BUREAU

Love Beverly Hills

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, 2014 – June 30, 2015)			
CVB Remits Invoice to City	City Issues Payment to CVB	Period Covered	Payment Amount
June 30	July 18	July 1 – October 31	\$1,485,000
October 6	October 24	November 1 – February 28	\$1,155,000
February 2	February 20	March 1 – June 30	\$660,000
TOTAL			\$3,300,000