



STAFF REPORT

Meeting Date: June 30, 2015
To: Honorable Mayor & City Council
From: Cheryl Friedling, Deputy City Manager for Public Affairs
Megan Roach, Marketing & Economic Sustainability Manager 
Subject: Recommendation from CVB/Marketing Committee Regarding Fiscal Year 2015-2016 Scope of Work and Funding Request from the Rodeo Drive Committee
Attachments: 1. Rodeo Drive Committee Fiscal Year 2015-16 Proposal
2. FY 2015-16 Tourism and Marketing Budget Spreadsheet

INTRODUCTION

This item provides a recommendation from the CVB/Marketing Committee for the Fiscal Year 2015-2016 scope of work and funding request from the Rodeo Drive Committee.

The Rodeo Drive Committee ("RDC") is comprised of approximately 70 retailers, hotels and property owners. Founded in 1972, the Committee promotes Rodeo Drive through a variety of programs which enhance the street's image as a world-wide destination.

DISCUSSION

In previous years, the RDC has received City support to conduct marketing and events on behalf of its retailers, hotels and property owners to promote tourism and visitor spending on Rodeo Drive. Funding for these purposes has been provided from the City's Tourism and Marketing Budget. These include the Rodeo Drive Walk of Style®, Rodeo Drive Concours D'Elegance, holiday décor and lighting, and others.

On April 29, 2015, the CVB/Marketing Committee (Mayor Gold and Councilmember Bosse) met with RDC representatives to review their proposed Fiscal Year 2015-16 work plan and funding request. The Liaison Committee has recommended approval of the RDC's work plan and corresponding funding request of \$1,000,000, which represents a 15% increase to the RDC's funding agreement for Fiscal Year 2014-15. This increase is largely due to an enhanced holiday décor and lighting ceremony budget since the Baccarat chandeliers are no longer part of the program and the RDC's goal is to ensure the décor program is equally stunning this year. The RDC is requesting funding for a variety of marketing initiatives and special events and they include:

- \$200,000 for the signature Rodeo Drive Walk of Style® event honoring a nominee who has made significant contributions to fashion and entertainment.
- \$35,000 for the Rodeo Drive Concours d'Elegance scheduled for Sunday, June 19, 2016. The \$35,000 in funding will be a combination of waived street closure fees and in-kind City services such as police, traffic control and public works.
- \$325,000 for holiday décor and a holiday lighting ceremony on Rodeo Drive that will be free and open to the community.
- \$380,000 for two International Inbound LAX Billboard Advertising Campaigns, with the goal of bringing more international visitors to Rodeo Drive.
- \$60,000 to maintain the new Rodeo Drive website with enhanced marketing, event microsites, social media, and search engine optimization.

FISCAL IMPACT

The City's Finance Department projects \$39,140,000 in TOT revenue for the 2015-2016 Fiscal Year, which results in a Tourism and Marketing budget of \$6,282,737. This amount includes \$691,308 in budgetary carryover from Fiscal Year 2014-2015. The funding is budgeted in the Tourism and Marketing Program account 0101311. The RDC is requesting \$1,000,000 for marketing and special events to promote Rodeo Drive. Please refer to Attachment No. 1 for the RDC's work plan and budget breakdown.

RECOMMENDATION

Staff recommends that the City Council review the CVB/Marketing Committee's recommendation for the Fiscal Year 2015-16 work plan and funding request from the Rodeo Drive Committee. The funding agreement is included on the evening formal meeting agenda for City Council consideration.

Cheryl Friedling
Approved By



Attachment 1



BH

RODEO DRIVE

**The Intersection of
Luxury, Fashion & Entertainment**

Mission

To preserve and enhance the reputation of Rodeo Drive as one of if not the premier luxury, shopping and visitor destinations in the world through first-class and extraordinary marketing, publicity, events and idea exchange.

Who is the Rodeo Drive Committee

- The Committee is a volunteer-based organization comprised of:
 - 72 retailers
 - 11 landowners
 - Three hotels (Beverly Wilshire, Luxe Rodeo Drive and the Beverly Hills Hotel)
- 26 Board of Directors; seven Executive Board members
- Some of the brightest minds with hundreds of years of collective experience in retail, marketing, real estate and hospitality, dedicate their time to help work in partnership with the City of Beverly Hills to carry out the Committee's mission
 - The City, CVB and Chamber use this forum to communicate programming and discuss issues important to the business community



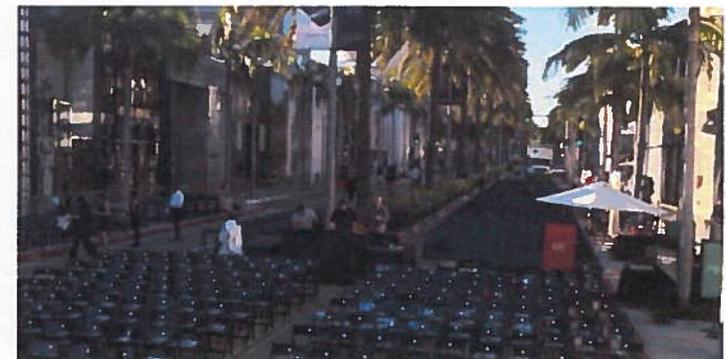
2014 – 2015 Accomplishments

We Brought Real Horsepower to Rodeo Drive



We continued the City's Centennial Celebrations with our 2014 Concours d'Elegance: 100 Years of Horsepower

We Held a World Class Concert on the Street



We partnered with GENLUX Magazine to host Grammy winner and best-selling jazz artist in the world, Chris Botti, in a concert on Rodeo Drive, bringing fans from all over the country to our street

We Brought Jewelry to the Game

This year, we expanded to become the Festival of Watches + Jewelry – celebrating our position as the highest concentration of watch brands outside of Switzerland, and as a centerpiece for jewelry

RODEO DRIVE
FESTIVAL
of
WATCHES + JEWELRY
SEPTEMBER 14TH - 21ST

Time is a little more precious on Rodeo Drive.
After Switzerland, two blocks of Rodeo Drive and Brighton Way in Beverly Hills feature one of the highest concentrations of fine timepieces anywhere on Earth.

The world's most prestigious watch and jewelry brands come together for the Rodeo Drive Festival of Watches + Jewelry on Sunday, September 14th through Sunday, September 21st 2014 to celebrate the art of watch and jewelry making.

Guests are privy to exclusive limited-edition timepieces from the world's most celebrated luxury brands, exhibitions and talks from prestigious watchmakers and jewelers of what's in fashion with new collections for both men and women.

FEATURED PARTICIPANTS

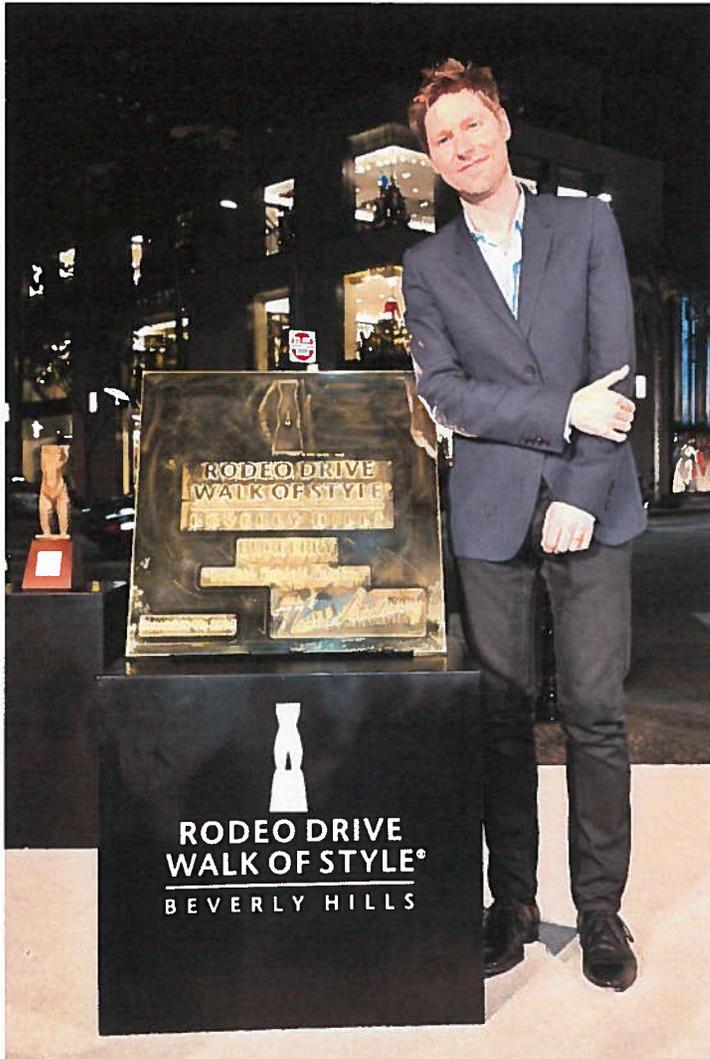
BREGUET 485 N. Rodeo Drive	GEARYS BEVERLY HILLS 111 N. Beverly Dr.	MIKIMOTO 4900 Wilshire Blvd.	VACHERON CONSTANTIN 165 N. Rodeo Drive
BVLGARI 491 N. Rodeo Drive	HUBLOT 9210 Brighton Way	PORSCHE DESIGN 730 N. Rodeo Drive	VAN CLEEF & ARPELS 300 N. Rodeo Drive
CARTIER 370 N. Rodeo Drive	JAEGER LECOULTRE 91-99 Brighton Way	RICHARD MILLE 222 N. Rodeo Drive	WESTIME BEVERLY HILLS 254 N. Rodeo Drive
FREYWILLE 141 N. Rodeo Drive	JASON OF BEVERLY HILLS 9400 Wilshire Blvd.	TOURBILLON BOUTIQUE 221 N. Rodeo Drive	

SPECIAL THANKS TO OUR SPONSORS

BVLGARI	FREYWILLE	GEARYS	GENLUX	HUBLOT
JAEGER LECOULTRE	MIKIMOTO	RICHARD MILLE	TOURBILLON	Westime
CHARLES COURIER	Hollywood	Los Angeles Times	RODEO DRIVE	BEVERLY HILLS

for more information visit rodeodrive-bh.com/festivalofwatches

We Inducted Burberry into the WOS



We inducted legendary fashion brand *Burberry* into the Rodeo Drive Walk of Style® on November 19, 2014 at the base of Two Rodeo, and welcomed in their flagship store on Rodeo Drive

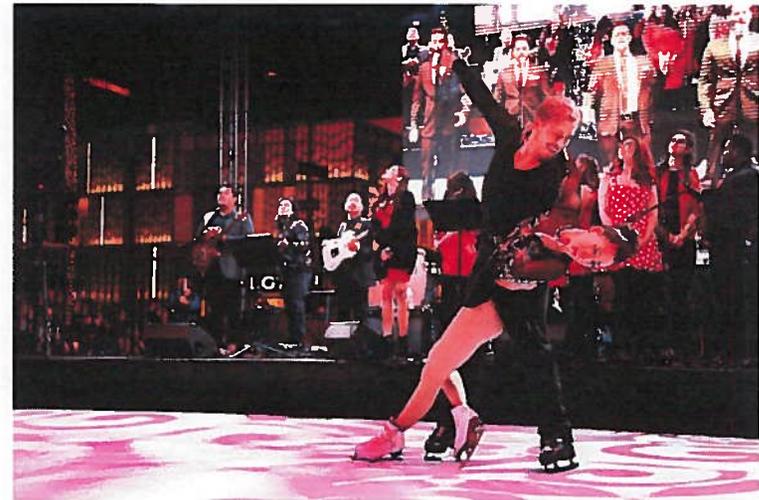
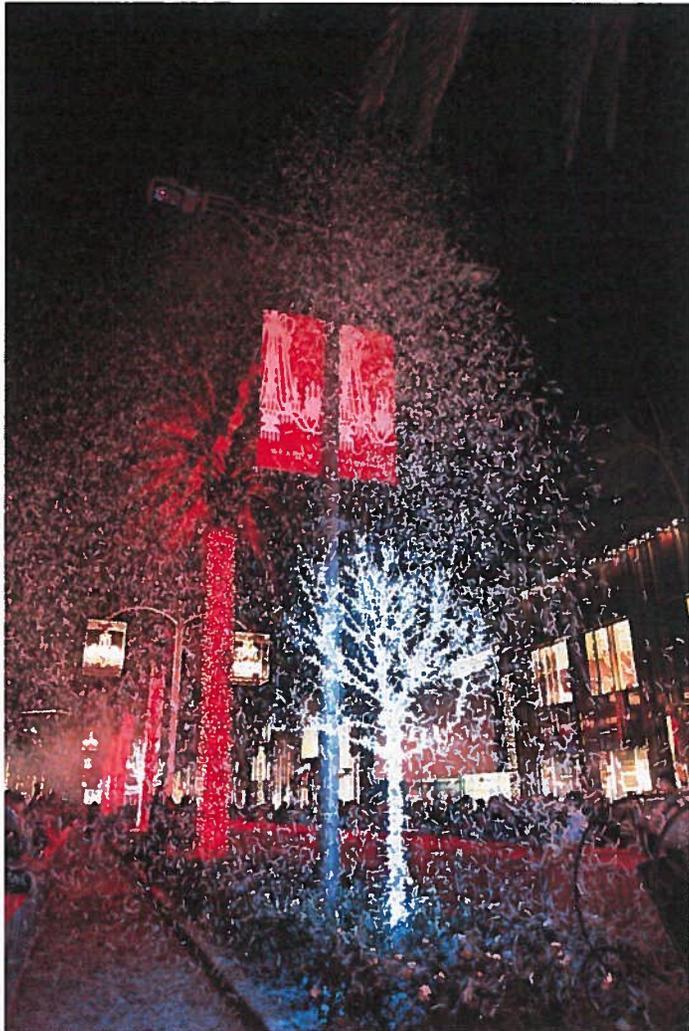
We Lit Up the Holidays with Baccarat

Re-enforced the street and the City's position as one of the must-see Holiday décor displays

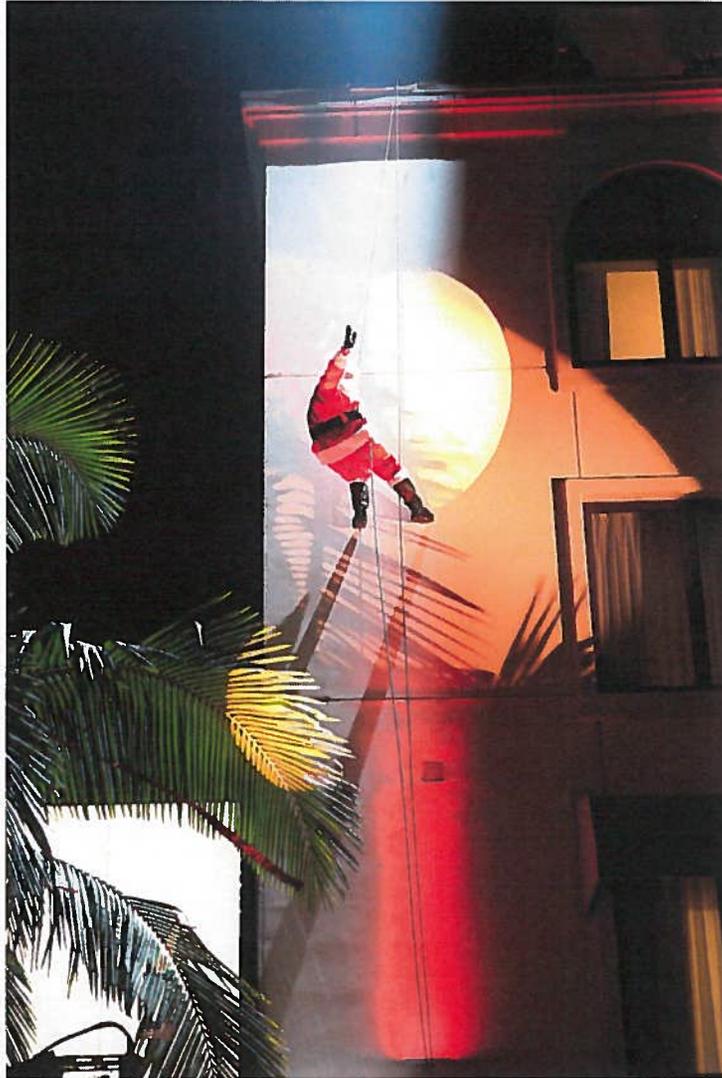


“Beverly Hills, it was revealed, has the third largest holiday lighting ceremony in the nation – behind Rockefeller Center and the White House.”

We Had Snow, and a Figure Skating Show ...in 70 Degree Weather



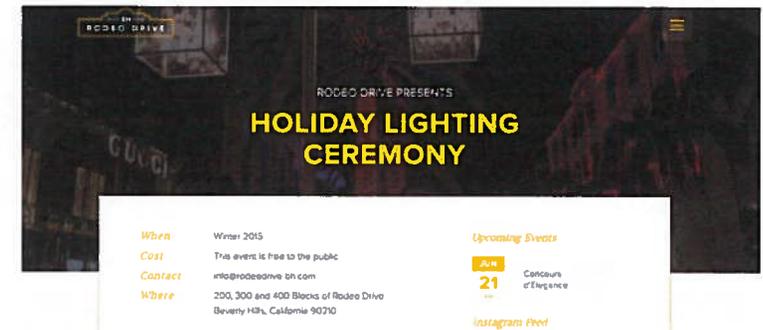
And Even Santa Dropped By...



New Program Results: Rodeo Drive Website

rodeodrive-bh.com

- Successfully redesigned the Rodeo Drive website, creating imagery and a web presence worthy of Rodeo Drive, and the City of Beverly Hills' reputation
- Re-Launched microsites to give tourists and locals easy access to Rodeo Drive Events and Programs
- Created #OnlyOnRodeo – an interactive and brand specific hashtag to unify our presence on social media



Google Analytics Report (June 2014-March 2015)

Total Visitors: 231,844

Total Page Views: 723,999

Top National Visitor Locations:

California, Texas, New York, Arizona, Hawaii

Top International Visitor Locations:

Canada, UK, Australia, Mexico, Brazil, India

Social Media Presence



Facebook:

- Likes: 35,400+
 - And over 420,000 Tagged Visits to Rodeo Drive



Twitter:

- Followers: 3,200+
 - Increasing ~33% since September 2014



Instagram:

- Has seen a ~700% increase in followers since September 2014



Pinterest:

- Has seen a ~40% increase since September 2014
 - Rodeo Drive was named Pinterest's Most Used LA Place Pin by *Los Angeles Magazine*



New Program Results-Airport Advertising: Worth Private Airport Program

Program Cost: \$17,500

Program Worth: \$43,500

- **Full Page Brand Ad in Worth**
 - Original Agreement included Full Page in Western Edition
 - UPGRADED to National Issue (125K copies)
 - Worth Magazine covers the wealthiest markets in the US., distributing to households with a minimum net worth of \$5 million
- **Gift Guide Distribution at Private Airports**
 - Original Agreement included LA & OC Private Airports
 - UPGRADED to include LA, OC, San Diego & San Francisco Airports
 - Reached Approx. Seven Thousand Passengers
- **Side Panel Sponsorship**
 - At Los Angeles & Orange County Private Airports (Five Total)
- **Banner Ad on Worth.com**
 - Average Monthly Pageviews = 45,000



New Program Results - Airport Advertising: LAX Billboard



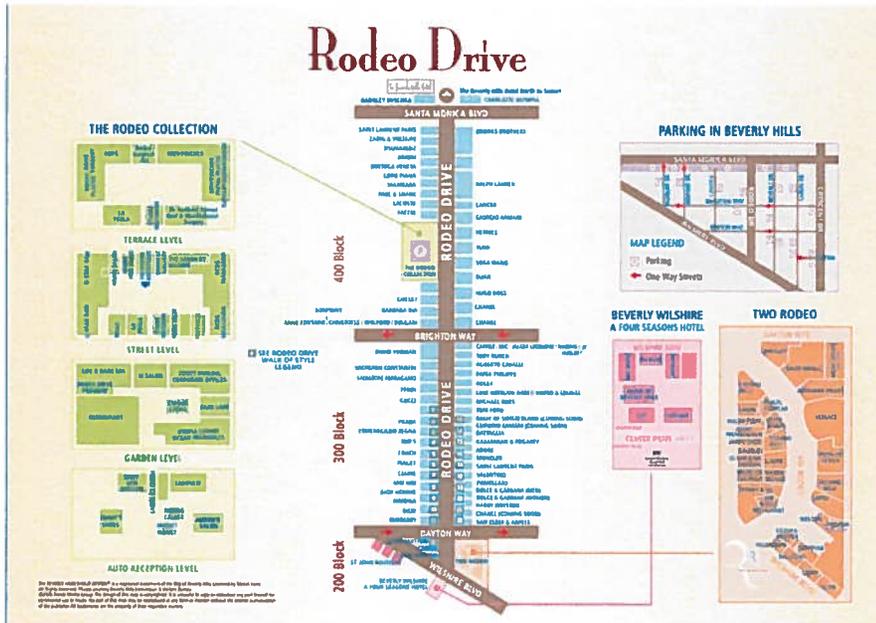
Spatial Cost: \$116,000
Spatial Worth: \$500,000

- Secured a billboard at International Arrivals at LAX from May – August of 2015
- **ALL** International arrival passengers pass underneath this billboard
- A projected minimum of ~**3.28MM** international passengers will travel through this site during that time



We Did a Few Other Things, Too

- Increased our membership by 3.5%
- Held discussions with City Staff on issues important to the merchants
- Educated our members on international relations
- Created maps and directories in four languages
- Acted as a clearinghouse for third party promotions



Sample Press Coverage / Publicity

VOGUE Burberry's Beverly Hills Honour



BURBERRY will be a central subject of November 2014's *Vogue* magazine issue, which marks the 25th Anniversary of the brand's iconic check pattern. The issue, which was photographed by Peter Lindbergh, features Burberry's creative director, Christopher Bailey, and his vision for the brand's future. The magazine also includes a feature on Burberry's new store in Beverly Hills, which is set to open in November.

Hollywood Reporter Pret a Reporter BURBERRY RECEIVES A WARM WELCOME ON RODEO DRIVE



By [Name] | [Date]

InStyle Beverly Hills Honors Burberry With the Rodeo Drive Walk of Style Award



Burberry was honored with the Rodeo Drive Walk of Style Award at a ceremony held at the Rodeo Drive location. The award recognizes Burberry's commitment to luxury and its iconic check pattern. The ceremony was attended by Burberry executives and local celebrities.

“The three-block-long thoroughfare now boasts more new tenants and storefronts than ever, a visible indication that luxury’s faith in the Golden State remains as strong as its love affair with Hollywood and its current fascination with Los Angeles”

- WWD, December 31, 2014

OTHER RODEO DRIVE HIGHLIGHTS

- Burberry re-opened their flagship store
- Louis Vuitton unveiled their remodeled store
- Gucci revealed its updated store, as did Jimmy Choo and Saint Laurent
- New additions include: Vera Wang, DSquared2, WEST, Piaget, Philipp Plein, and Brunello Cucinelli

4 Southern California Chandeliers Over Rodeo: A Beverly Hills Kind of Holiday



The holiday season in Beverly Hills is a sight to behold. The streets are lined with festive decorations, and the chandeliers hanging over Rodeo Drive are a sight to behold. The chandeliers are a mix of modern and traditional designs, and they add a touch of glamour to the holiday season.



THE ATTKIN REPORT Hitting the High Notes as Chris Botti Kicks off a Beverly Hills Festival



Chris Botti kicked off the Beverly Hills Festival with a performance at the Rodeo Drive location. The festival is a celebration of the arts and culture in Beverly Hills, and it features a variety of performances and events. Botti's performance was a highlight of the festival, and it was well-received by the audience.

TRAVEL America's Best Tree Lighting Ceremonies



The tree lighting ceremony in Beverly Hills is one of the most popular holiday events in the city. The tree is lit up with thousands of lights, and the ceremony is a festive celebration of the holiday season. The tree is a symbol of hope and joy, and it brings the community together.



The tree lighting ceremony in Beverly Hills is a sight to behold. The streets are lined with festive decorations, and the lights are a sight to behold. The ceremony is a celebration of the holiday season, and it features a variety of performances and events.

JCK 2014 Rodeo Drive Festival of Watches and Jewelry Announced

The 2014 Rodeo Drive Festival of Watches and Jewelry is a celebration of the art of watchmaking and jewelry design. The festival features a variety of watches and jewelry from top designers, and it is a must-see event for anyone interested in luxury goods. The festival is held at the Rodeo Drive location, and it features a variety of performances and events.

Los Angeles Beverly Hills to Light 16 Crystal Chandeliers High above Rodeo Drive



Beverly Hills to Light 16 Crystal Chandeliers High above Rodeo Drive Christmas Tree as an exemplar

The 16 crystal chandeliers hanging over Rodeo Drive are a sight to behold. They are a mix of modern and traditional designs, and they add a touch of glamour to the holiday season. The chandeliers are a symbol of hope and joy, and they bring the community together. The chandeliers are a highlight of the holiday season, and they are a must-see event for anyone interested in luxury goods.

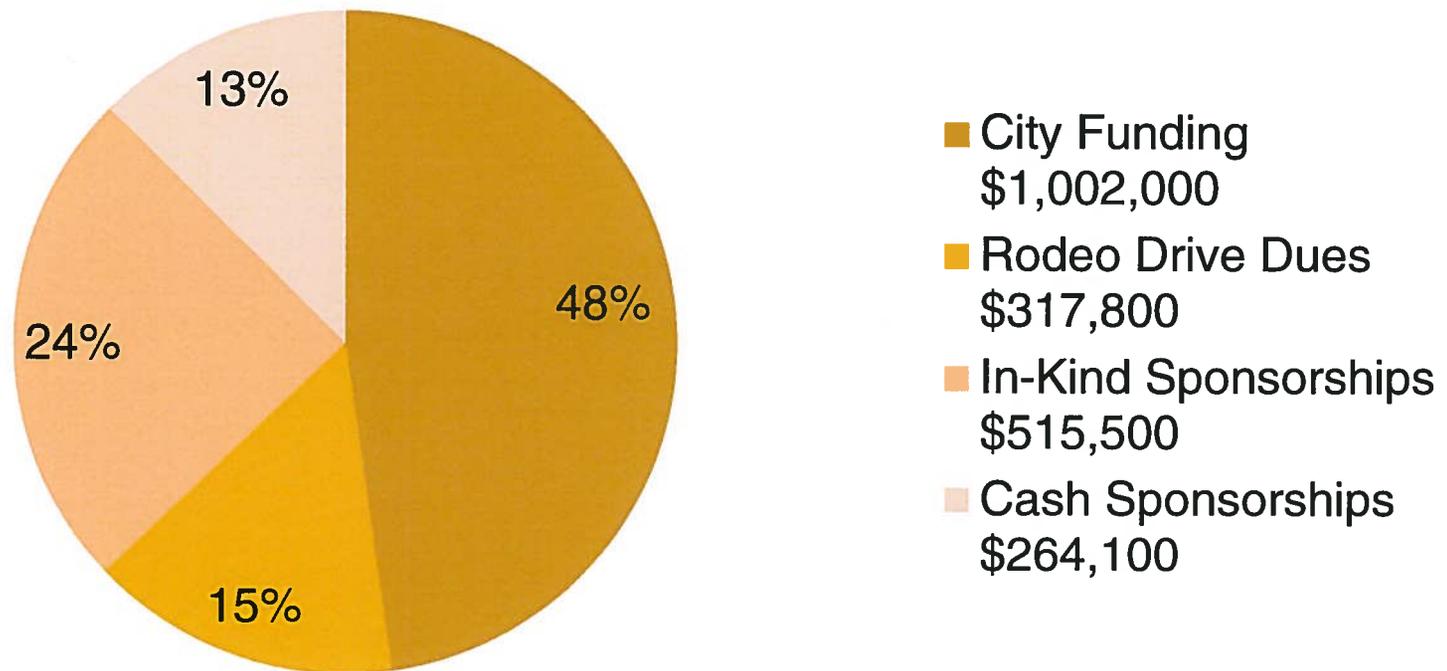
A Few Rodeo Drive Partnerships 2014-15



Rodeo Drive 2014-15 Programming

FOR EVERY 48 CENTS IN CITY FUNDING
RODEO DRIVE RAISED AN ADDITIONAL 52 CENTS!

**Rodeo Drive Total Promotion 2014/15:
\$2,099,400***



* Estimates.

Self-Funded Activities Without City Support

- General administration
- General publicity
- Working with City Staff on events and other issues affecting Rodeo Drive
- Accounting/Bookkeeping
- Legal counsel
- Networking/Mixers
- Rodeo Drive map in English, Chinese & other languages
- Clearinghouse for third party promotions
- General publicity
- Membership outreach

Estimated Rodeo Drive Financial Importance to City of Beverly Hills

- Rodeo Drive has a direct and meaningful impact on the City's finances, including, but not limited to:
 - In 2014, Rodeo Drive contributed approximately 22%, or ~\$6.6MM) of the City's sales tax revenue
 - With some of the highest PSF rents in the world, Rodeo Drive generates a significant impact on City finances through the 2.35% business tax
 - With some of the highest prices paid for real estate in the world, Rodeo Drive contributes meaningfully to the City's real property transfer tax and allocation of real estate taxes
- Rodeo Drive also has a major, indirect impact on the City's finances by attracting visitors far and wide to Beverly Hills to patronize its hotels, restaurants and other venues

WE MUST ENSURE THAT RODEO DRIVE CAN SUSTAIN AND GROW ITS REPUTATION AS A LEADING, WORLD-CLASS DESTINATION!

2015 – 2016 Funding Initiatives

- Continue long-standing occasions and events, including the Walk of Style, Concours and Holiday Décor / Lighting Ceremony
 - \$5,000 increase in cost of Concours to offset increases in City and / or production costs
 - \$36,900 increase in cost of Holiday Décor / Lighting Ceremony to enhance the experience given the loss of Baccarat
- Concentrated effort on general marketing / advertising directed at attracting international visitors as well as high-end consumers to Rodeo Drive
 - Continue with LAX international inbound advertising through the holiday season
 - Re-allocate Festival of Watches and Jewelry funds to marketing initiatives due to 1) interest in a more targeted approach to attracting patrons to Rodeo Drive and 2) the transitional start to this fiscal year for the Rodeo Drive Committee relative to carrying out its events; however, there are innovative event concepts the Committee is reviewing that, following its transition, it will want to employ
- Continue website enhancements, including updating imagery, keeping it current and engaging, and expanding the design to include a “History/About Rodeo Drive” section, as well as more information on parking and accessibility
 - Work with web team to increase web and social media traffic, as well as drive viewers physically to Rodeo Drive through re-targeting, email marketing, and search and social advertising

City Funding Proposal for 2015 – 2016

Program	2014/15	2015/16
Walk of Style	\$200,000	\$200,000
Concours	\$30,000	\$35,000
Holiday Décor and Lighting Ceremony	\$288,100 ⁽¹⁾	\$325,000
Festival of Watches and Jewelry	\$100,000	\$ --
General Marketing / Advertising	\$150,000 ⁽²⁾	\$380,000
Website / Marketing / Maintenance	\$98,900	\$60,000
TOTAL	\$867,000	\$1,000,000

(1) Excludes funds for Baccarat. City/RDC funding agreement was \$1,002,000 in 2014-2015 due to additional carryover funding for Baccarat installation.

(2) 2014-2015 included advertising in the Worth Magazine private airport program and in the LAX International arrival terminal.