



AGENDA REPORT

Meeting Date: November 15, 2016
Item Number: D-8
To: Honorable Mayor & City Council
From: Megan Roach, Marketing & Economic Sustainability Manager 
Subject: AMENDMENT NO. 1 TO AN AGREEMENT BY AND BETWEEN THE CITY OF BEVERLY HILLS AND RODEO DRIVE, INC. FOR FISCAL YEAR 2016-2017 MARKETING AND SPECIAL EVENTS; AND

APPROVAL OF A CHANGE PURCHASE ORDER IN THE AMOUNT OF \$75,000 TO RODEO DRIVE, INC. FOR A TOTAL NOT-TO-EXCEED AMOUNT OF \$1,075,000

Attachments: 1. Amendment No. 1 to Agreement

RECOMMENDATION

It is recommended that the City Council approve amendment no. 1 to an agreement by and between the City of Beverly Hills and Rodeo Drive, Inc. for Fiscal Year 2016-2017 marketing and special events and approve a change purchase order in the amount of \$75,000 to Rodeo Drive, Inc. for a total not-to-exceed amount of \$1,075,000.

INTRODUCTION

This item is amendment no. 1 to the agreement with Rodeo Drive, Inc. for Fiscal Year 2016-17 marketing and special events. The amendment includes funding for fireworks for the annual holiday lighting ceremony on Sunday, November 20, 2016 and funding for photo activations on Rodeo Drive for the six-week holiday shopping season.

DISCUSSION

The development, execution, and promotion of a cohesive holiday program is a key goal of the City Council and its partner organizations including the Beverly Hills Conference and Visitors Bureau ("BHCVB") and the Rodeo Drive Committee ("RDC"). Each year the City sponsors a signature holiday program designed to celebrate the season and attract visitors from around the region to visit, shop and dine in Beverly Hills.

At the November 1, 2016 study session meeting, the City Council approved funding for enhancements to the holiday programming on Rodeo Drive as follows:

Holiday Lighting Ceremony – Fireworks Enhancement

On October 4, 2016, the City Council approved the overall design theme and specific components for the Rodeo Drive holiday décor program and lighting ceremony scheduled for November 20, 2016. The City's Fiscal Year 2016-17 funding agreement with the Rodeo Drive Committee includes \$200,000 for the lighting ceremony event. The Committee and its new agency of record, AGENC, have expanded the footprint of this year's ceremony to include a holiday food and beverage component on the 200 block of Rodeo Drive. Following City Council direction at the November 1 meeting, the ceremony will also feature a 3-minute fireworks finale estimated to cost \$30,000.

Rodeo Drive Holiday Photo Activations

This year's lighting ceremony will feature decorative photo activations where people can take a photo and share it with family and friends via social media using #OnlyOnRodeo and #LoveBevHills. The Rodeo Drive Committee will keep the activations up past the ceremony for six weeks to attract visitors during the shopping season. The activations will be placed at 2 Rodeo and on the 300 block, in front of the Battaglia store, where there is sufficient clearance on the sidewalk. The total cost for the activations for the six-week period is \$85,000. This includes fabrication, installation, project management, and 24/7 security. As proposed, the cost will be split between the City and its partner organizations; with the City funding \$45,000, the Conference and Visitors Bureau funding \$20,000, and the Rodeo Drive Committee funding \$20,000.

FISCAL IMPACT

The City's Finance Department projects \$39,140,000 in Transient Occupancy Tax (TOT) revenue for the 2016-2017 Fiscal Year, which results in a Tourism and Marketing budget of \$5,951,429 and is budgeted in program account 0101311. The budget includes \$320,000, a combination of \$120,000 for contingency programs and \$200,000 for the buffer/reserve account. Per City Council direction at the November 1 meeting, the \$75,000 in enhancements to the holiday programming on Rodeo Drive will be funded from the Tourism and Marketing budget contingency and buffer/reserve funding.


George Chavez
Approved By

Attachment 1

AMENDMENT NO. 1 TO AN AGREEMENT BY AND
BETWEEN THE CITY OF BEVERLY HILLS AND RODEO
DRIVE, INC. FOR FISCAL YEAR 2016-2017 MARKETING
AND SPECIAL EVENTS

NAME OF CONTRACTOR: Rodeo Drive Inc.

RESPONSIBLE PRINCIPAL OF
CONTRACTOR: Mark Tronstein, President

CONTRACTOR'S ADDRESS: P.O. Box 853
Beverly Hills, CA 90212

CITY'S ADDRESS: City of Beverly Hills
455 N. Rexford Drive
Beverly Hills, CA 90210
Attention: Mahdi Aluzri, City Manager

COMMENCEMENT DATE: November 15, 2016

TERMINATION DATE: June 30, 2017

CONSIDERATION: Original Agreement Not-to-Exceed: \$1,000,000
This Amendment No. 1: \$75,000
Total Not-to-Exceed: \$1,075,000

AMENDMENT NO. 1 TO AN AGREEMENT BY AND
BETWEEN THE CITY OF BEVERLY HILLS AND RODEO
DRIVE, INC. FOR FISCAL YEAR 2016-2017 MARKETING
AND SPECIAL EVENTS

This Amendment No. 1 is to that certain Agreement by and between the City of Beverly Hills (hereinafter called "CITY"), and Rodeo Drive, Inc. (hereinafter called "CONTRACTOR") for Fiscal Year 2016-17 Marketing and Special Events, dated June 21, 2016 and identified as Contract No. 205-16 ("Agreement").

CITY and CONTRACTOR desire to amend the Agreement.

NOW, THEREFORE, the parties hereby agree as follows:

A. Section 1 of the Agreement shall be amended and restated as follows:

Section 1. Scope of Work and Authorization of Funding. RDI shall provide the services (both personnel and deliverables) necessary to produce the following programs (the "Programs") during Fiscal Year 2016-17 (July 1, 2016 through June 30, 2017): (i) the Rodeo Drive Walk of Style®, (ii) Rodeo Drive Concours d'Elegance, (iii) Holiday Décor and Lighting Ceremony, (iv) Holiday Photo Activations, (v) LIVE! From Rodeo Drive, (vi) General Marketing, (vii) Social Media Marketing, and (viii) Website Update events and initiatives for the promotion of the City and Rodeo Drive as set forth in Scope of Work attached hereto as Exhibit A.

B. Paragraphs (a) and (b) of Section 2 of the Agreement shall be amended and restated as follows:

Section 2. Payments.

(a) City shall provide funding in the amount of \$1,075,000 to be used by RDI for the Programs and services, as set forth in Exhibit A, to be held during Fiscal Year 2016-2017. The funds shall be utilized and serve as compensation (including but not limited to overhead, third party costs, etc.) for RDI's implementation of the Scope of Work. In no case shall RDI request that City staff undertake any of the activities set forth in Exhibit A. Upon request by the Deputy City Manager, RDI will produce documentation (e.g., invoices) to establish that it has fulfilled its foregoing commitment to the City's satisfaction.

(b) The \$1,075,000 shall be used for the Programs and allocated by RDI as follows:

- Rodeo Drive Walk of Style® event – \$125,000
- Rodeo Drive Concours d’Elegance – \$40,000
- Rodeo Drive Holiday Décor Program – \$200,000
- Holiday Lighting Ceremony – \$230,000
- Holiday Photo Activations – \$45,000
- LIVE! From Rodeo Drive – \$60,000
- General Marketing – \$200,000
- Social Media Marketing – \$165,000
- Website Update – \$10,000

C. Section 9 of the Agreement shall be amended and restated as follows:

Section 9. Termination of Agreement. City may terminate this Agreement early, at any time, with or without cause, upon thirty (30) days prior written notice to RDI. In the event of such termination, City shall pay RDI for all costs and obligations reasonably incurred by RDI in performing its services under this Agreement prior to the date of the termination notice. Any payments made to RDI shall be in full satisfaction of City’s obligations hereunder and in no event shall any payment made by the City exceed \$1,075,000. City shall not be obligated to pay additional funds for any aspect or part of any of the Programs or such other events and initiatives with respect to which RDI makes a commitment after the issuance of such notice.

D. “Holiday Lighting Ceremony” contained in Exhibit A of the Agreement shall be amended and restated as shown on Exhibit A hereto.

E. Exhibit A of the Agreement shall be amended to add “Holiday Photo Activations” as shown on Exhibit A hereto.

F. Except as specifically amended by this Amendment No. 1, the remaining provisions of the Agreement shall remain in full force and effect.

EXECUTED the _____ day of _____ 2016, at Beverly Hills, California.

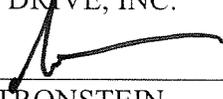
CITY OF BEVERLY HILLS
A Municipal Corporation

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

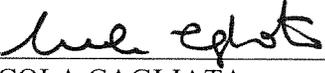
ATTEST:

BYRON POPE
City Clerk

RODEO DRIVE, INC.

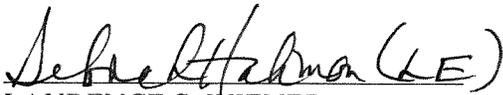


MARK TRONSTEIN
President



NICOLA CAGLIATA
Vice President

APPROVED AS TO FORM:



LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT:



MAHDI ALUZRI
City Manager



SHARON L'HEUREUX DRESSEL
Interim Risk Manager

EXHIBIT A
SCOPE OF WORK

HOLIDAY LIGHTING CEREMONY - \$230,000

- The holiday lighting ceremony shall be held on Sunday, November 20, 2016.
- RDI shall use its best efforts to develop a process to obtain data and metrics for the event and provide information regarding the return-on-investment to City. Such metrics shall include, but are not limited to, measuring and analyzing year-over-year visitor traffic, receiving and analyzing partner feedback; measuring and analyzing marketing efforts. RDI may reallocate funds as needed between the Holiday Décor and Holiday Lighting Ceremony budgets provided deliverables for both programs are satisfied.
- As it pertains to the Lighting Ceremony, RDI shall make reasonable efforts to request that its retailers adjust opening and closing hours to align with special event times, thereby encouraging more shoppers and retail purchases. This shall be accomplished by transmitting such request in writing to such merchants. RDI shall provide copies of the written requests for adjustment of hours upon request of City.
- RDI shall undertake the following activities:
 - Work with the City staff on street closure and city services needed for the event.
 - Create a high profile event to garner media attention for the holiday season.
 - Review entertainment options of live performances and include a live fireworks finale. Work with Rodeo Drive retailers to develop lighting ceremony program they envision.
 - Pursue additional income and in-kind streams to offset costs and expand program.
 - Include Ceremony on Rodeo Drive website. Work with City and CVB to further promote event and provide information to visitors and residents interested in attending. Create promotional campaign that may include local advertising, collateral, publicity and online elements that can be used by retailers to promote customer attendance.

Description	Budget Estimate
Street Closure/City Permits/Barricades	\$35,000
Staging/Lighting/Sound/Power	\$45,000
Entertainment – Live Performances	\$70,000
Fireworks Show Finale – 3 minute rooftop show and CO2 stage cannons	\$30,000
Marketing/Advertising	\$15,000
Production Fee	\$35,000
Estimated Total	\$230,000

HOLIDAY PHOTO ACTIVATIONS - \$45,000

- Create whimsical holiday themed installations at two key points along Rodeo Drive to serve as socially shareable photo activations during the 2016 holiday shopping season.
- The installations will be an ongoing attraction to shoppers, residents and tourists, increasing foot traffic in the area and drawing people to Rodeo Drive from surrounding areas and shopping destinations.
- The first photo activation will be installed at the bottom of 2 Rodeo at the corner of Rodeo Drive and Dayton Way. The second photo activation will be installed on the sidewalk of the 300 block of Rodeo Drive adjacent to Moncler and Battaglia. RDI shall obtain special event permits for the photo installations.
- RDI shall undertake the following activities:
 - Construct and install two holiday photo activations on Rodeo Drive on or before November 20, 2016 for the holiday lighting ceremony and maintain the installations for the six-week holiday shopping season. Remove photo activations at end of season.
 - Provide security 24 hours per day, 7 days per week for a total of six weeks during shopping season.
 - Provide a brand ambassador to answer questions about installations for 4 hours per day, 5 days per week for a total of six weeks during shopping season.
 - Work in partnership with the City and Beverly Hills Conference and Visitors Bureau (BHCVB) to leverage appropriate social media influencers and key press for a special holiday preview to kick off excitement on channels where shoppers are engaged.

Description	Budget Estimate
Photo Activation 1	\$28,000
Photo Activation 2	\$11,500
Security (24/7 for 6 weeks)	\$25,200
Brand Ambassador (4 hrs/day, 5 days/week for 6 weeks)	\$3,600
Activation Maintenance	\$2,550
Production Fee	\$14,150
Estimated Total	\$85,000
<i>City Funding Contribution</i>	<i>(\$45,000)</i>
<i>BHCVB Funding Contribution</i>	<i>(\$20,000)</i>
<i>Rodeo Drive Committee Funding Contribution</i>	<i>(\$20,000)</i>