

Economic Sustainability Plan

Programs and
Priorities
2011-2015



CITY OF BEVERLY HILLS



Jeffrey Kolin, City Manager, City of Beverly Hills

A Message from the City Manager

We are pleased to present the City's Economic Sustainability Plan – Program and Priorities 2011-2015.

With such pressure on City budgets, we felt the time was ripe to develop an Economic Sustainability plan for City Hall that would provide a framework for us to prioritize and focus our programs on those that most support the economic vitality and attractiveness of Beverly Hills.

We consulted with City staff and officials, our economic partners, residents and businesses. We examined existing economic studies and City programs. At the end of this process we realized two things – first, there were no “magic bullets” for economic sustainability and second, that the City and its partners were already engaged in important economic sustainability work. Missing were priorities, focus and measurement, as well as a lexicon for economic development as it pertained to Beverly Hills.

This plan addresses these issues and has already provided the basis for the 2011 City Council priorities, and principal elements have been incorporated into the City's Strategic Planning effort.

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EXECUTIVE SUMMARY



VISION

Foster a vibrant, sustainable economy, and stimulate sufficient City revenue to maintain the character and quality of the community



The severe economic recession of 2007 – 2010 caused disastrous reductions in state and local government revenues. Beverly Hills has responded to that crisis by reducing its General Fund budget by more than \$27 million over the past three years, ensuring budgets and strategic plans focus squarely on efficiency and new revenue opportunities, and prioritizing City programs on the basis of economic sustainability.

It is evident that the City cannot rely only on expense reductions to close its budget shortfall without sacrificing its traditional high standards of service. This Plan, representing the third element, presents an array of City programs that support economic activity. They strengthen the revenue sources that are the primary support for the City General Fund: transient occupancy taxes, sales taxes, property taxes, and business taxes.

Beverly Hills does not use redevelopment areas or enterprise zoning, the traditional tools of economic development. Its new General Plan left the areas of scale, height, density, and community character essentially unchanged. Recognizing these policy directives, the City team prioritized programs on the basis of their contribution to economic sustainability. The City also sought feedback from residents and businesses. The Plan outlines both a set of priorities and a set of measures to help the City track its progress going forward.

Descriptions of these elements, and the associated priorities, can be found on pages 10 - 19.

The plan uses a metaphor of “Foundations” and “Pillars” to organize its efforts. Foundations are themes that underlie and inform all of the City’s work, especially economic sustainability. Pillars are groups of programs, projects and activities that seem likely to improve revenues, although that may not be the only justification for them.

MEASUREMENT

A critical element of the plan is to measure and report on how implementation affects City revenues. There will be two program-wide measures:

- 1 WHETHER AND HOW MUCH REVENUE STREAMS INCREASE, WITH AN ATTEMPT TO SHOW WHETHER THE INCREASES OR DECREASES DIFFER FROM WHAT WOULD OTHERWISE BE EXPECTED.
- 2 BI-ANNUAL SURVEYS TO MEASURE BUSINESS, RESIDENTIAL AND VISITOR SATISFACTION LEVELS

In addition, a program of more specific measures, intending to evaluate the performance of individual initiatives and Pillars, will attempt to measure how well plan elements are being implemented, and the extent of their effect on program-wide goals.

2011
ESTABLISH BASELINE DATA AND DEVELOP THE MEANS TO TRACK INDICATORS

2012 and beyond
PROVIDE REPORTS THAT SHOW HISTORICAL AND CURRENT INFORMATION

NEXT STEPS

The City is already incorporating this economic sustainability approach into its decision-making processes. As the plan was being completed, the City launched a more comprehensive strategic planning effort that incorporated economic sustainability principles and goals.

MANY OF THE PROGRAMS AND PROJECTS IN THIS PLAN WERE IDENTIFIED AS HIGH PRIORITIES BY THE CITY COUNCIL FOR THE COMING FISCAL YEAR. THE CITY WILL IDENTIFY RESOURCES AND DEVELOP FUNDING SCHEDULES FOR THEIR INCLUSION IN THE BUDGET.

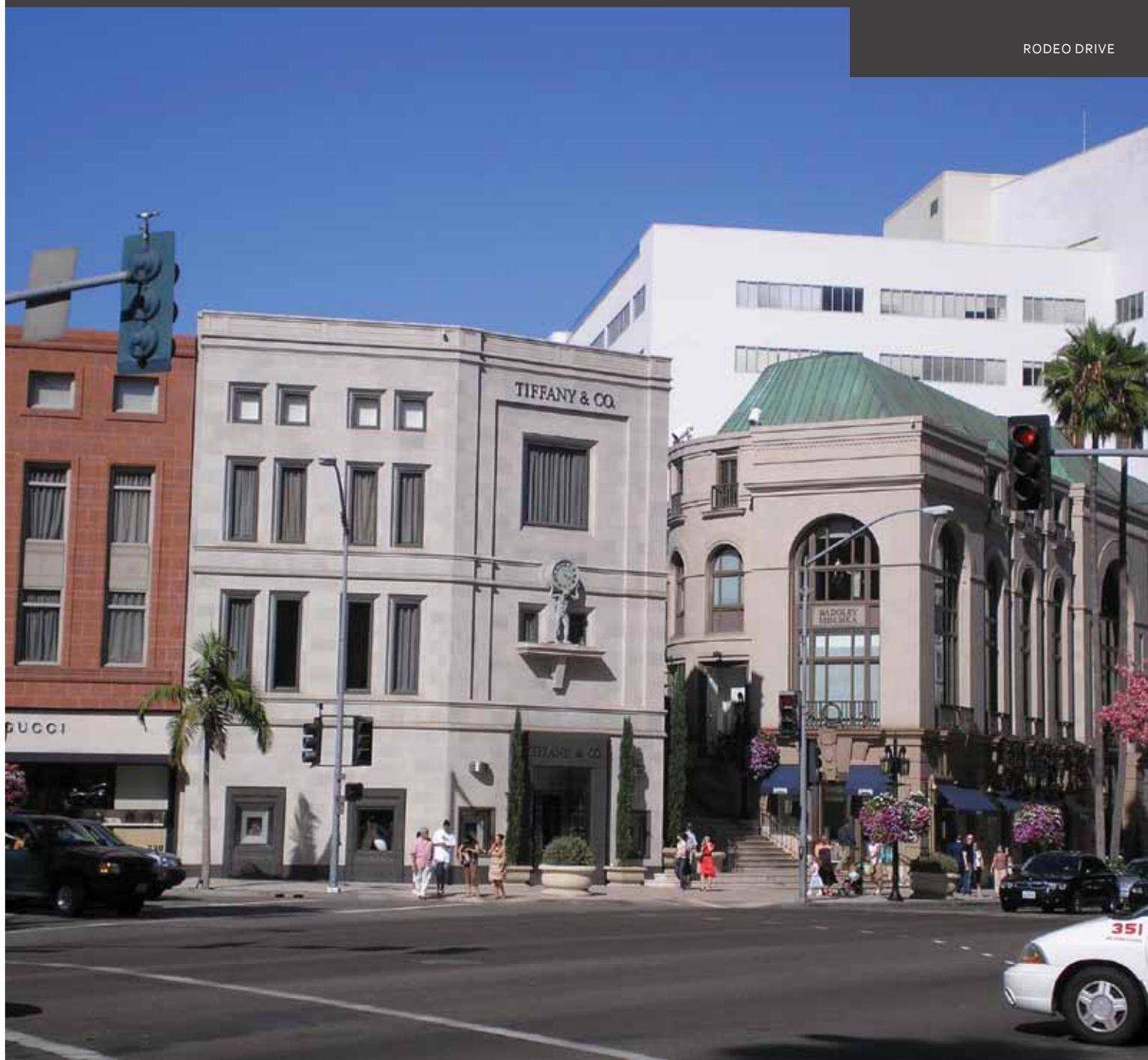
GOING FORWARD THE PLAN WILL BE REFINED BY:

- IMPROVING THE WAYS THE CITY MEASURES THE EFFECTS OF PROPOSED AND ADOPTED INITIATIVES ON ECONOMIC ACTIVITY AND CITY REVENUES
- COMPLETING CURRENT EFFORTS TO IMPROVE THE CITY’S REVENUE FORECASTING, TO OFFER MORE SPECIFIC PROJECTIONS THAT REFLECT A BETTER UNDERSTANDING OF THE CITY’S ECONOMY
- INTEGRATING ECONOMIC SUSTAINABILITY AS A FACTOR IN THE CITY’S STRATEGY AND BUDGET FRAMEWORK.

1

PURPOSE AND BACKGROUND

RODEO DRIVE



The Context

Current projections indicate a shortfall between General Fund revenues and expenditures in excess of \$5 million by FY 2014/15. To address this issue, the City needs to continue action on three fronts – building the “three-legged stool” of fiscal stability.



BUDGET CUTS: The City of Beverly Hills has already reduced its budget by more than \$27 million over the past three years, including furloughing staff, postponing maintenance and equipment replacement, addressing labor cost and pension reform, and rethinking service levels.



INCREASING REVENUE SOURCES: The current Strategic Planning effort is continuing efforts started during budget reviews to identify appropriate revenue increases.



DEVELOPING ECONOMIC SUSTAINABILITY INITIATIVES THAT WILL INCREASE ECONOMIC ACTIVITY AND RELATED CITY REVENUES: This Plan, mandated by the City Council, is designed to address a strategic method of revenue generation.

The City does not have access to the traditional tools of redevelopment or enterprise zoning, and the City has made a strategic policy decision not to modify the General Plan regarding scale, height, density, or community character. Rather, by providing base services and programs at the highest level, the City intends to provide a platform upon which businesses can prosper. In this way, the City hopes to generate the revenues necessary to support the quality of life expected by businesses and residents in Beverly Hills.

Building on previous plans, such as the Economic Profile, the Business Attraction and Retention Plans and the Marketing Strategic plan, the City’s executive management team has taken a long, hard look at much of the City’s existing workload and established priorities and opportunities for programs that directly support the City’s brand, character and other critical areas unique to businesses success and economic development in Beverly Hills.

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The Economic Sustainability Plan has been developed with the understanding that Beverly Hills is limited in the actions it can currently take in the economic development field.
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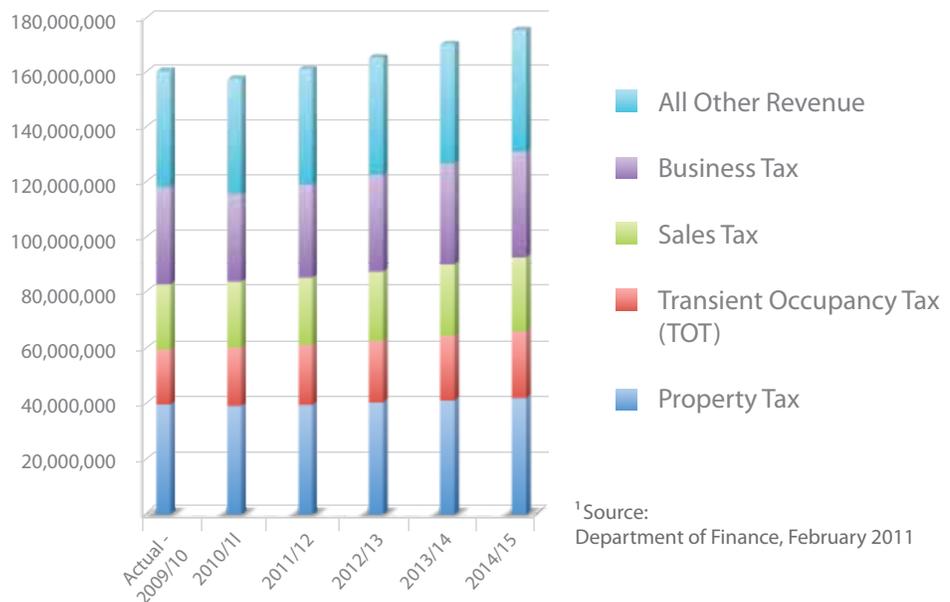


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City Fiscal Structure

The fiscal structure of the City relies on four main sources of revenue: property taxes, sales taxes, transient occupancy taxes, and business taxes. Residents are the primary source of property taxes; the remaining revenue streams are functions of a healthy business community. Approximately 9% of the City’s land is zoned for commercial use; that land, however, produces 75% of the City’s general fund revenues.

Projected General Fund Revenues¹



In order to achieve economic sustainability and maintain its level of services, the City must retain or increase funding from all sources, especially businesses.

Assuming that current strategies remain unchanged, revenues are projected to increase only slightly as the economy recovers from the most severe recession in recent history. Sales tax and transient occupancy tax revenue will likely track the economy as it improves, while property tax revenue will follow trends in property valuation, though on a more muted basis as result of Proposition 13.

Sales tax revenues, transient occupancy taxes, and business taxes are all related to the City’s ability to attract and retain a vibrant business community, which in turn requires attracting clientele to City businesses. Property taxes are sustained by preserving the City’s stature as a premiere residential location. The City will continue to contribute to this by prudently maintaining its physical assets, continuing a high level of public safety and municipal services, and supporting educational excellence in the School District.

Current Efforts to Address Competition

Beverly Hills is in competition with high-end malls featuring luxury retailers; with other municipalities for prestige-address business clusters; and with other premiere residential communities. Recognizing that competitors are improving their products and outreach, Beverly Hills has commissioned the development of research and plans to guide efforts to attract and retain targeted businesses.

Five key reports formed the central part of this effort:

- ▶ Beverly Hills Economic Profile (2006)
- ▶ Beverly Hills Retail Behavioral Study for 2006
- ▶ Beverly Hills Economic Strategy – Approaches for Business Retention (2007)
- ▶ Beverly Hills Economic Strategy – Approaches for Business Attraction (2010)
- ▶ Conference and Visitor’s Bureau Strategic Plan 2010
(Also known as the Marketing Strategic Plan)

Consistent with these reports, the City manages several activities and programs that bolster revenues from hotels and businesses. The design of City marketing events highlights Beverly Hills’ advantages.

Examples of these efforts include:

- ▶ Signature functions such as:
 - the annual Walk of Style
 - Affaire in the Gardens
 - Greystone Concours d’Elegance
 - Concerts in the Park
 - and the more recent 90210 event
- ▶ The 2011 Rose Parade float, which won the Mayor’s Trophy for the Most Outstanding City Entry
- ▶ Holiday programs and decorations

Implementing the marketing plan for the Conference and Visitors Bureau will place additional focus on developing and promoting events to create “street-life” in order to give visitors – especially LA County residents – a reason to visit Beverly Hills. Recent studies show that nearly 35% of the money spent by shoppers in the City comes from Beverly Hills residents, and that an additional 25% originates with residents of the LA Metro area.

The most recent retail behavioral study showed that Beverly Hills’ attractiveness to retail patrons is due to the “walkable” village atmosphere, luxury environment, and uniqueness of the shops.



TASTE OF BEVERLY HILLS

In addition, the City has identified clusters that are central to commercial property tax revenues, especially entertainment services, finance, and professional services. Maintaining a business-friendly city government and partnering with business organizations to maintain open lines of communication are ongoing citywide efforts intended to support these business sectors.

FOCUSING THE "LENS"

There is no shortage of energy or inventiveness in proposed initiatives to support clientele and business attraction. Recognizing this, the Economic Sustainability Plan has not made its primary focus the generation of new projects or programs. Rather, this report seeks to provide a “lens” to focus on implementing existing plans and programs that provide the best overall contribution to the City’s long-term economic sustainability.

Stakeholder Input

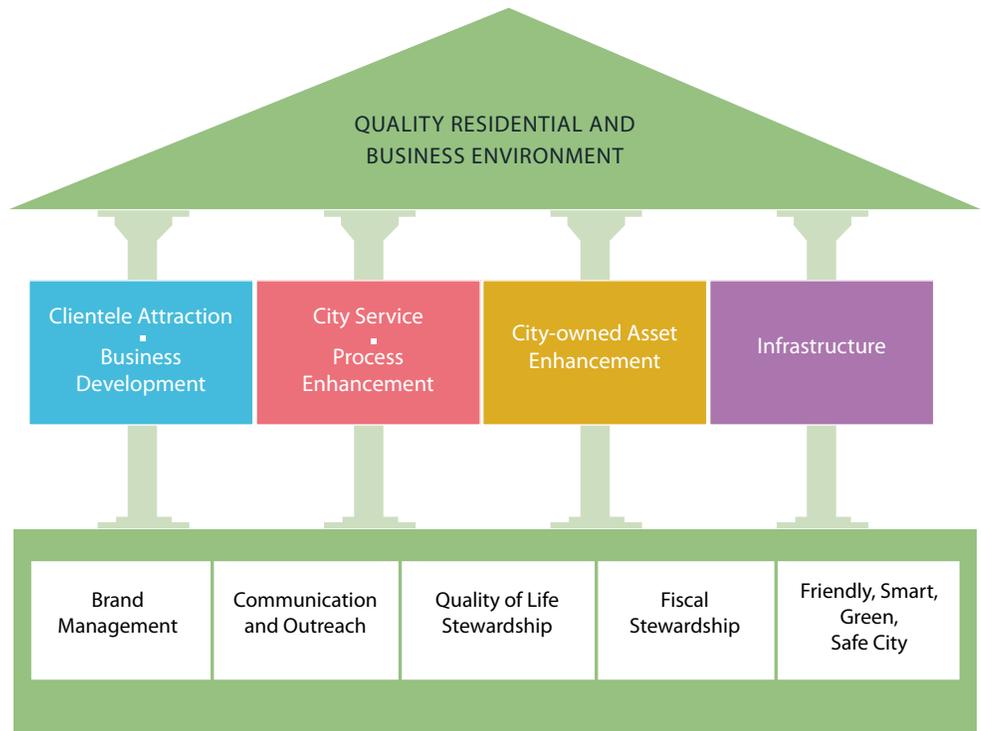
To validate City staff priorities, outreach meetings were held with a Homeowners Association, board members of the Conference and Visitor’s Bureau and a cross-section of stakeholders from the Chamber of Commerce, the Citizen’s Budget Group, and the Mayor’s Cabinet. Participants, who represented residents, businesses, and commercial property owners, were chosen because of their interest in the City and their knowledge of its economy and finances. Their comments, reflected in this report, have improved its focus and strengthened its priorities.

STRATEGIC DIRECTION



THE CITY'S 2011 ROSE PARADE FLOAT, WHICH WON THE MAYOR'S TROPHY FOR THE MOST OUTSTANDING CITY ENTRY, HEIGHTENS AWARENESS OF THE BEVERLY HILLS BRAND.

ECONOMIC SUSTAINABILITY MODEL



10

THE CITY HOLDS THE FOLLOWING VISION FOR ECONOMIC SUSTAINABILITY POLICIES AND PROGRAMS:



Foster a vibrant, sustainable economy, and stimulate sufficient City revenue to maintain the character and quality of the community



To realize this vision, the plan adopts a metaphor of “Foundations” and “Pillars.” Foundations are strategic themes that underlie and inform all of the City’s work, especially the efforts described in the Pillars. Pillars include programs, projects and activities intended to improve both the City’s economy and its business revenues.

PILLARS

The FOUR PILLARS of economic sustainability represent central areas where the government of Beverly Hills has significant ability to support local economic activity and City revenue streams. Many of the initiatives included within the pillars are included in the current Budget and Capital Improvement Plan (CIP). Priorities were ranked according to their anticipated impact and are not time related; many will stretch over several years.

Pillar Initiatives | PRIORITY PROJECTS

Clientele Attraction /Business Development

The City partners with the Conference and Visitors Bureau (CVB), the Chamber of Commerce and its business community to encourage clients or customers to patronize Beverly Hills businesses. In addition, business retention and attraction efforts have identified kinds of businesses that fit well with the City’s brand, and with its existing commercial mix. The Business Attraction Plan calls for diversifying revenue streams through attracting “gap” businesses – especially upscale food markets and furniture/appliance stores. The City is also expanding efforts to attract businesses that appeal to younger consumers and grow nightlife in the City.

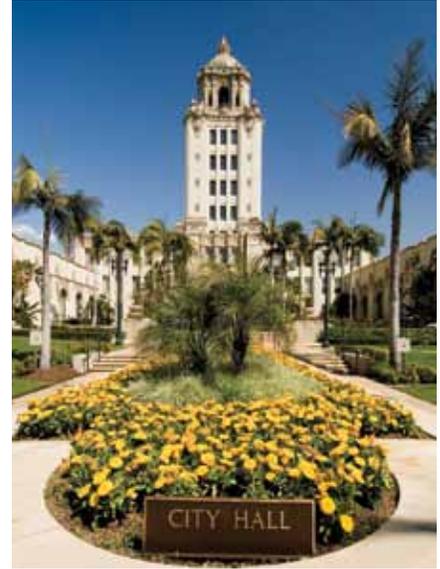


AFFAIRE IN THE GARDENS



City Service and Process Enhancement

Maintaining a business-friendly City government is a priority of economic sustainability. Beverly Hills takes pride in the friendliness and quality of its municipal services, seeking a “Disney” level of satisfaction. One element of these high standards is a commitment to continuous improvement. As part of this effort, Beverly Hills is developing and expanding its e-Gov capability, making it easier to do business with the City on the Internet.



BEVERLY HILLS CITY HALL

2

PRIORITY PROJECTS ▶

City Service and Process Enhancement Initiatives

Policies and strategies that minimize the amount of time and effort businesses must spend to comply with City permitting and other requirements. Initiatives that reflect the dedication of the City to provide excellent customer service.

- Review business tax and permit fee structure with a view to developing potential business attraction/retention incentives; attract both high-end and unique-local businesses along with community serving businesses. Consider financial incentives where appropriate
 - Identify, prioritize and develop 5-year schedule to eliminate obsolete zoning provisions and remove obstacles to development, including modification of nightlife/entertainment regulations and fees
 - Develop eGov initiatives associated with on-line public zoning and business permit process:
 - Development Review process
 - Electronic Review of Planning & Building documents
 - Evaluate and implement strategies that streamline the development process, including Commission review processes
 - Install new Finance and HR Enterprise-wide computer system
 - Automate billing and tax payment
-
- Develop on-line public zoning and land use information, e.g., ZIMAS
 - Evaluate establishing a Concierge for City Hall to assist applicants for complex development/permits, especially for proposals and projects targeted in Business Attraction and Retention strategies

Priority 1

Priority 2

City–Owned Asset Enhancement

The City owns real estate assets within Beverly Hills that serve multiple civic purposes. Parking structures are visible examples of the use of City assets to increase the convenience and ease of access of residents and visitors to Beverly Hills business establishments. Beverly Hills also uses its real estate assets to attract business clusters that are important to the economic life of the City and to enhance the quality of life for residents. The 331 Foothill project in the entertainment district is an example. Such holdings are strategic assets that should continue to be used to support commerce and generate City revenues.



331 FOOTHILL PROJECT

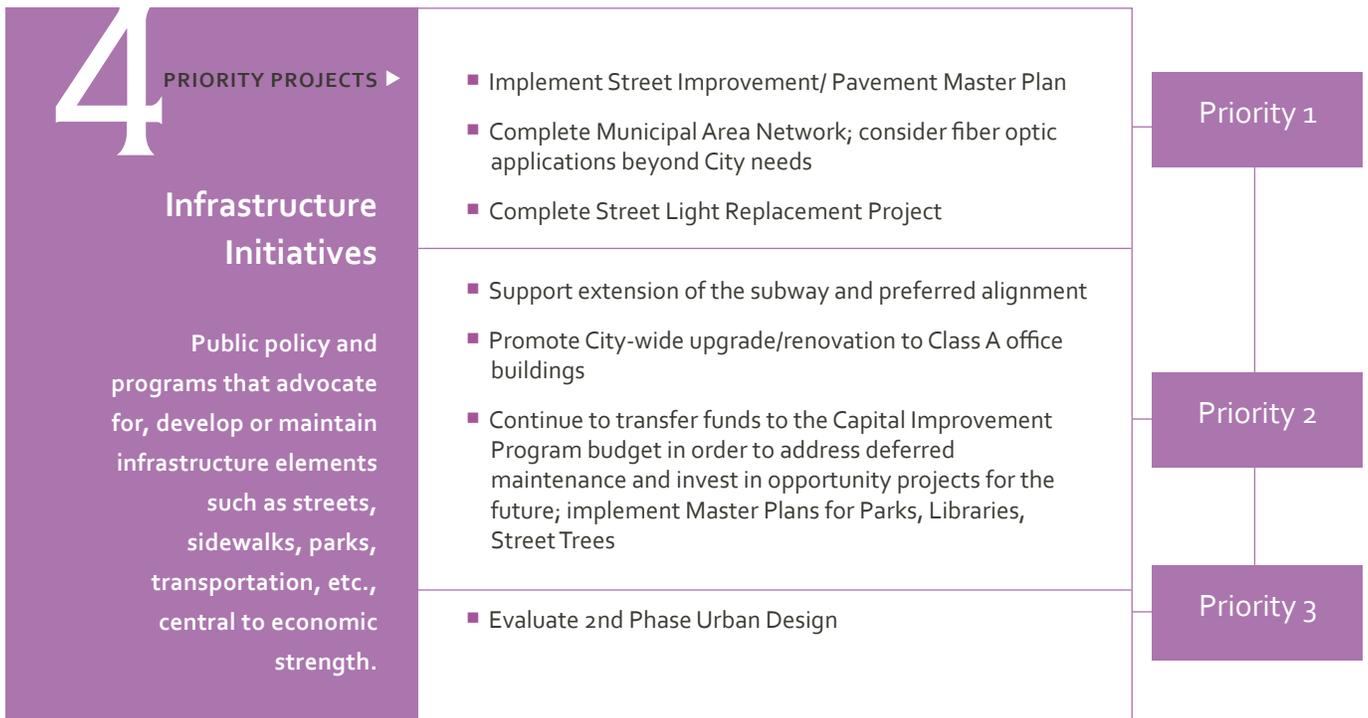


Infrastructure

The City’s ongoing ability to provide infrastructure – streets, water systems, sewers, traffic systems, parks, libraries, public transportation, etc., that supports its “premiere” brand is central to its economic sustainability. Those services are critical to maintaining the property values that, under current California law, have decades-long implications for a primary revenue stream of the City. Businesses, too, expect their patrons to be impressed with the quality of infrastructure – clean, well maintained streets and sidewalks, well-appointed public areas with high-quality lighting and trees, and available parking. Parking can also be viewed as a city-owned asset, as set forth in the previous section. These structures and systems are central to maintaining the City’s brand. Knowing this, the City commits \$10 million annually in funding for the Capital Improvement Plan and seeks the maximum impact on economic sustainability from that investment.



PUBLIC FOUNTAIN





FOUNDATIONS

1. Brand Management
2. Communication and Outreach
3. Quality of Life Stewardship
4. Fiscal Stewardship
5. Friendly, Smart, Green, Safe City

In order to keep Beverly Hills a world-class community, the City must consistently emphasize central foundational principles. These principles underlie all of the actions of the City, including economic sustainability efforts.

As part of the evaluation of the Foundations, the City identified areas where enhanced focus or attention to the foundations will affect fiscal sustainability. Many of the programs and initiatives in the Pillars were developed with the understanding that they would also provide support to the foundations, especially where gaps were identified.

1

BRAND MANAGEMENT

Protecting and promoting the City's globally recognized brand throughout all City services and programs. Striving to ensure that City employees, residents and businesses identify with and help promote the Brand. For Beverly Hills, this Foundation is perhaps the most important driver of economic strength.



PEOPLE IDENTIFY WITH THE BEVERLY HILLS BRAND AS A SYMBOL OF THE PLACE TO LIVE THEIR DREAMS.

It is widely held as self-evident, and supported by available research, that the Beverly Hills brand is a key element in attracting the visitors and businesses that support the fiscal strength of the City.

Known internationally for its outstanding residential neighborhoods, distinctive hotels, retail stores, restaurants and premiere business locations, Beverly Hills must maintain its position as a premiere community and destination.

The Beverly Hills brand is an important driver of economic strength, and should be honored in everything the City undertakes.

As examples, going forward:

- *As the City implements clientele marketing and business attraction initiatives, it will coordinate its message with the "living the dream" brand*
- *As the City reviews and develops its cultural event initiatives it will strive to ensure that programming and presentation exceed expectations of participants*

- *As the City improves its services and processes, it will design user-friendly applications and aim to exceed user expectations of friendly, efficient services*
- *As the City implements asset management initiatives, it will build, upgrade and maintain real estate assets to high level of physical appearance and efficiency*
- *As the City implements infrastructure initiatives, it will ensure that they reflect high design standards, including the pedestrian experience and signage needs*

All participants in the study agreed that the brand must be continually renewed and refreshed, attracting multiple generations, and providing an environment that beckons new residents, visitors and businesses.

The City will conduct regular and consistent outreach to key communities, including two-way conversations with:

- The residential community, to assure that the character and quality of Beverly Hills are maintained and enhanced
- The business community, to assure that Beverly Hills remains an economically healthy and profitable place in which to do business
- The visiting public, to maintain the attractiveness of Beverly Hills as a desirable place to visit and shop.

The review of this Economic Sustainability plan, itself, embodied this foundation; the recommendations and priorities were vetted by a variety of communities, and resident and business suggestions were incorporated throughout.

Going forward:

- As the City streamlines its services and processes, it will establish partnerships with the residential and business communities to reflect their needs
- As the City implements clientele and business attraction elements, it will base its decision-making on visitor and business opinions
- As the City implements asset management initiatives, it will work with the business, residential, and visitor community to identify the optimum use for facilities
- As the City implements infrastructure initiatives, it will inform communities of and solicit support for infrastructure maintenance plans

The primary goal in this area is to maintain property values and property tax revenues by maintaining important City services at a high level. Of primary importance to high residential satisfaction and consistent high property values is the quality of fire and police services. Those, however, by themselves will not suffice. The City's excellent library and park services, as well as the cleanliness and repair of its streets and sidewalks, must be preserved to maintain the character of the city. In addition, residents frequently cite outstanding K-12 schools as central in

2 COMMUNICATION AND OUTREACH

Managing regular and consistent outreach to key communities, including two-way conversations with residents, businesses, and the visiting public to assure that the City maintains and enhances its quality, and remains a premiere place to live, do business in, work and shop.

3 QUALITY OF LIFE STEWARDSHIP

Preserving City services at a high level – especially library and park services, the cleanliness and repair of its streets and sidewalks –in order to maintain the character of the city.

4

FISCAL
STEWARDSHIP

Managing resources in the most cost-effective manner possible; making prudent investments when there is a sufficient probability of a substantial return, measured in increased revenue, reduced costs, and improved quality of life.

maintaining the quality of life. Although education is outside its direct responsibility, the City has a strong and supportive relationship with the Beverly Hills School District to maintain a high quality of education.

Going forward:

- As the City improves its services and processes, it will balance efficiency and revenue potential with the desire to maintain the character and quality of the community
- As the City implements clientele and business attraction elements, it will seek to manage the impact of visitors on residential communities, and design programs that attract residents as well as visitors.
- As the City implements asset management initiatives, it will balance the demand for space with the desire to maintain the low-rise ambiance of the City
- As the City implements infrastructure initiatives, it will work with County and State agencies so that their plans and programs support City goals

Fiscal stewardship calls for wise financial decision-making. The City manages its operating reserves primarily to provide for continuation of necessary services in the event of a severe disaster that might impact revenue sources. The City invests in capital improvements to generate increased revenues, to avoid costs such as escalating maintenance expenses, and to enhance the quality of life for businesses and residents. To the extent that the perceived quality of life results in higher levels of business activity and sustained property values, it is a significant element of fiscal stewardship.

This Foundation will be supported by the development and continued maintenance of improved financial modeling and forecasting currently underway.

Going forward:

- As the City improves its services and processes, it will seek to reduce costs, or improve services at the same cost

- As the City implements clientele and business attraction elements as well as asset management initiatives, it will assess the economic impact on revenue streams
- As the City implements asset management initiatives, it will consider both the need to generate City income and the need to enhance the brand in ways that the private sector cannot
- As the City implements infrastructure initiatives, it will assure the long-term viability of City assets, and make replace/repair decisions that optimize investment and performance

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This foundational element speaks to the importance of Beverly Hills leading the way as a Smart City. It is smart to continually seek ways of improving customer service; smart to adopt strategies such as the Sustainable City Plan (SCP), which enshrines the City’s commitment to environmentally friendly policies; smart to integrate new technologies and media into City programs; and smart to ensure that the community is well protected and prepared to respond to emergencies at a sustainable cost.

Going forward:

- As the City improves its services and processes, it will offer residents and businesses choices regarding personal and technology options when possible
- As the City implements clientele and business attraction elements, it will emphasize the welcoming spirit of the community, and highlight the safety and security of visitors and residents
- As the City implements asset management initiatives, it will include new technology and earth-friendly technologies in its design
- As the City implements infrastructure initiatives, it will use ecologically responsible technologies and ensure new technology is part of its infrastructure priority discussions
- As the City invests in employee development, it will continue to include “Disney Level” customer service and management training

5 FRIENDLY, SMART, GREEN, SAFE CITY

Ensuring a friendly, welcoming City that exceeds customer service expectations; integrating green technologies and policies into every level of City programming; continually updating technology and media to improve services and productivity; providing residential and visitor security and safety levels that are among the highest in the nation.

3

DASHBOARD MEASURES

- ▶ The City will track the success of this program by establishing a “Dashboard” to track changes as they are made to programs and initiatives. The dashboard will be refined as the City learns from its experiences going forward.



PLATINUM EQUITY COURTYARD

The Dashboard will include both overall measures, and Pillar-specific measures.

Overall measures ▶ will track the success of the Plan.

Pillar-specific measures ▶ are needed for two reasons:

The Pillars represent the best current thinking available about how to achieve program goals.

- By tracking Pillar success, the City will have advance warning of potential problems, and can act more quickly to address them.
- Also it is possible that the City will be able to document success in implementing pillar measures, but the economic sustainability of the City may still be threatened. In that case, it will be necessary to reconsider current assumptions about the importance of the Pillars to the City’s overall fiscal health.

Establishing baseline data and developing the means to track key indicators will be the focus of the measurement effort during 2011. In 2012 and beyond, the City will provide reports that show both current and historical information. The City can then understand and report how programs perform over time, and can include relevant performance information in decisions to keep, modify or abandon specific economic sustainability efforts.

Overall Measures

The overall program will be measured in two ways. Keeping in mind the program's vision – *fostering a vibrant economy while maintaining the character and quality of the community*, the City plans to track revenue streams as well as business, residential, and visitor satisfaction.

Revenue Stream Measures

The ultimate measure of any economic sustainability strategy will be how well the City's revenues support the character and quality of the community. The City will track how well the completion of priority projects affects its revenue streams, and whether those changes are larger or smaller than expected. While it is difficult to isolate the impact of individual projects, the City anticipates that the implementation of the economic sustainability program will increase revenues from the four principal revenue streams. This will be supported by the development and continued maintenance of the financial modeling effort currently underway. In addition, disciplined attention to the economic impacts of City initiatives may help avoid circumstances in which the City unintentionally takes actions that impair its economic growth.

Beverly Hills intends to benchmark its performance against other jurisdictions in order to separate the impact of implementing this Economic Sustainability from the ups and downs of the overall economy. The Plan will go a long way to succeeding if Beverly Hills can show higher percentage gains than competing jurisdictions in similar revenue streams. Beverly Hills will start by identifying which comparable jurisdictions it can best gather data on, and will benchmark:

Property Taxes ▶ Year-to-year change in assessed value of Beverly Hills residential and business properties as compared to year-to-year change in other Los Angeles County communities such as Bel Air, Brentwood, Holmby Hills, San Marino, and Santa Monica.

Transient Occupancy Taxes ▶ Changes in revenues generated through transient occupancy taxes, as compared to increases or decreases in competitive national and international luxury destinations. Monitoring revenue per available room in Beverly Hills and comparing it to competing locations.

Business Taxes ▶ Increases or decreases in revenues drawn from clusters important to the economic health of Beverly Hills, such as entertainment and finance industries seeking to understand how those changes relate to the overall health of the industries in Los Angeles.

Sales Taxes ▶ Changes in revenues generated through sales taxes compared to sales tax revenues in areas that draw similar shoppers, such as West Hollywood, Santa Monica, Costa Mesa and Newport Beach.

By gathering data on competitors, the City will attempt to account for the impact of factors, such as the overall health of the Southern California economy, over which the City has no control.

Residential, Business and Visitor Satisfaction Measures

From time to time in the past, the City has solicited business and residential views on a variety of subjects. It will be important to regularize those efforts to assure that these programs achieve the intended goal of enhancing the quality of life in the City. In 2011 and 2012, the City will design surveys to gather baseline data on resident and business satisfaction. Of particular interest in survey design will be questions that reveal whether economic sustainability initiatives are successful, or whether changes are warranted. Thereafter, surveys will be administered on alternating years to track and understand how businesses' and residents' opinions are changing.

In addition, the City will seek to combine an opinion survey of visitors and shoppers with the visitor impact analysis, coordinated bi-annually by the CVB. It will be important to expand the scope of that effort beyond historical measures to include shopping, spending, and length of stay for non-local visitors. The City will also seek to learn about shopping patterns of residents, local, and regional visitors, as well as their level of satisfaction with City amenities.

PILLARS	<i>Questions the Survey Will Cover:</i>
CLIENTELE ATTRACTION/ BUSINESS DEVELOPMENT	<ul style="list-style-type: none"> ■ Visitor opinion of Beverly Hills as a destination compared to benchmarked cities ■ Business satisfaction with events and holiday decorations ■ Percentage of residents that have attended at least one event
CITY SERVICE AND PROCESS ENHANCEMENT	<ul style="list-style-type: none"> ■ Business and community satisfaction with City processes, using International City Management Association or equivalent survey standards
INFRASTRUCTURE	<ul style="list-style-type: none"> ■ Business, residential satisfaction with physical infrastructure
FOUNDATIONS	
BEVERLY HILLS BRAND	<ul style="list-style-type: none"> ■ Residential understanding of and support for the Beverly Hills Brand ■ Business understanding and support for the Beverly Hills Brand
COMMUNICATION AND OUTREACH	<ul style="list-style-type: none"> ■ Survey responses showing changes in awareness of City programs ■ Survey responses soliciting how well the City has responded to requests/ concerns voiced by the businesses and residents
QUALITY OF LIFE STEWARDSHIP	<ul style="list-style-type: none"> ■ Business, residential and visitor satisfaction with overall BH experience ■ Business and residential satisfaction with parks and library facilities and services
FRIENDLY, SMART, GREEN, SAFE CITY	<ul style="list-style-type: none"> ■ Visitor and business satisfaction with directional signage/way-finding ■ Residential satisfaction with police and fire services ■ Satisfaction with the level of technology in the City ■ Business and residential awareness of and satisfaction with City's Green program

Pillar Measures

In addition to the overall measures, the City will track the success of some pillars and, within each, selected individual initiatives. Some measures, such as visitor metrics and investment in infrastructure, are already being tracked. The City will benefit from that reporting in the context of its economic sustainability program. Other indicators will require more complete definition and development. As an example, the City must establish the capacity to conduct impact assessments for its signature event programs, and measure the effect of its asset enhancement projects on targeted businesses and sectors.

For each of the pillars, the City will include satisfaction questions in the bi-annual surveys that will be administered as described on the opposite page.

Examples of supplemental measures include:

PILLARS	<i>Measures to Supplement Satisfaction Measures</i>
CLIENTELE ATTRACTION/ BUSINESS DEVELOPMENT	<ul style="list-style-type: none"> ■ Number of visitors to Beverly Hills/Average length of their stay and spending ■ Revenues from targeted development areas or clusters, e.g., nightlife ■ Number of new nightlife-related businesses and businesses offering extended hours ■ Economic impact assessment for signature events
CITY SERVICE AND PROCESS ENHANCEMENT	<ul style="list-style-type: none"> ■ Cycle times for processes ■ Quality measures such as <ul style="list-style-type: none"> · Letters of commendation or complaint · Results of "mystery" shopping · Percentage of staff decisions reversed on appeal
CITY-OWNED ASSET ENHANCEMENT	<ul style="list-style-type: none"> ■ Impact assessment for City-owned real estate investments ■ Parking and lease revenue generation
INFRASTRUCTURE	<ul style="list-style-type: none"> ■ Net value after depreciation of real estate and infrastructure assets ■ Percentage of Class A office buildings/Increase in new/renovated Class A square footage ■ Average age of utility infrastructure

4

IMPLEMENTATION

The City is already incorporating this economic sustainability approach into its decision-making processes.

- As the plan was being completed, the City launched a more comprehensive strategic planning effort that incorporated economic sustainability principles and goals.
- The City Council priority-setting process incorporated economic sustainability as one of four criteria for priority allocation; Council Members rated many of the programs and projects in this plan among the highest priority for the City in the coming year, elevating relevant projects (such as Greystone Maintenance and Improvement) to a primary level.
- The City will translate Council priorities into reality by identifying resources and developing funding schedules for inclusion in the budget.

These are important first steps. Going forward, the City will continue to include economic sustainability assessments in its budget process as a significant factor in budgeting and resource allocation. City staff will update recommendations for economic sustainability projects in each City Council priority-setting meeting. In addition, several refinements and improvements are planned, specifically:

- Integrating economic sustainability assessment into the City's Strategic Plan
- Building an assessment tool for economic sustainability benefits that will produce more precise and reliable forecasts
- Completing the development of a refined revenue forecasting model that will provide more specific projections, based on a deeper understanding of the City's economy
- Providing more refined forecasts for economic sustainability initiatives, including the specific revenue streams they are expected to impact.



CITY HALL TOWER

Costs associated with implementing this plan will be managed through the City's annual work program and budget process. Existing staff will be responsible for overall program management. The City may require additional funding for advisory services associated with certain measurement activities such as:

- Developing and enhancing financial modeling and forecasting systems
- Designing assessment systems that the City can regularly apply to gauge the economic impact of signature programs and events
 - Refining existing measurements and designing the effective reporting systems
- Enhancing the bi-annual visitor impact analysis, coordinated by the CVB, to include satisfaction measures, and targeting local and regional clientele in the scope
 - Creating professional survey instruments.

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