Beverly Hills City Council Liaison / CVB/Marketing Committee will conduct a Special Meeting, at the following time and place, and will address the agenda listed below:

CITY HALL
455 North Rexford Drive
4th Floor Conference Room A
Beverly Hills, CA 90210

Wednesday, May 4, 2016
10:00 AM

AGENDA

1) Public Comment
   a. Members of the public will be given the opportunity to directly address the Committee on any item listed on the agenda.

2) Fiscal Year 2016-17 Tourism and Marketing Projected Budget and Proposed Programs

3) Rodeo Drive Committee Proposed Fiscal Year 2016-17 Scope of Work and Funding Request

4) Beverly Hills Conference and Visitors Bureau Proposed Fiscal Year 2016-17 Scope of Work and Funding Request

5) Adjournment

Byron Pope, City Clerk

Posted: May 3, 2016

In accordance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please call the City Manager’s Office at (310) 285-1014. Please notify the City Manager’s Office at least twenty-four hours prior to the meeting so that reasonable arrangements can be made to ensure accessibility.
Item #2
Tourism and Marketing Budget and Programs
2016-2017 Projected Budget & Funding Requests

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tr>
<td>Base Budget (1/7 of $39,140,000 TOT estimate)</td>
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<td>FY 15/16 anticipated carryover funding*</td>
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<td><strong>Available to spend in FY16/17</strong></td>
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<td>Funding Requests</td>
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<td>Contingency Programs**</td>
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<td>Intellectual Property Legal Services</td>
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* Carryover funding includes unused Walk of Style and contingency programs funding
** Potential funding source for ambassador program services for N. Beverly Drive tour bus loading zone
Item #3
OVERVIEW

Rodeo Drive is at the intersection of fashion, luxury and celebrity, with instant global brand recognition few destinations can match.

The Rodeo Drive Committee (RDC) is a volunteer based organization that serves as its steward and is comprised of a dedicated group of landowners, retailers and hoteliers who have a vested interest in continuing and expanding the allure and success of the world-renowned destination.

With more than 70 members, each representing a business on Rodeo Drive, 28 Board of Directors and seven Executive Committee members, the Rodeo Drive Committee is a long-standing business association that collaborates with the Beverly Hills Conference and Visitors Bureau and the Beverly Hills Chamber of Commerce, to address important issues and programming in partnership with the City of Beverly Hills.
CONCOURS d’ELEGANCE

City Funding: $30,000
Additional Sponsorship Raised: $178,385

The best attended Concours to date, the 2015 Rodeo Drive Concours d’Elegance welcomed tens of thousands of visitors and residents to Beverly Hills. The annual event is the largest single-day Concours in North America.

The Father’s Day tradition featured Alfa Romeo as the Honored Marque and the theme focused on Route 66, The Autobahn, and Autostrade – aptly titled, “Highways to Heaven.”
HOLIDAY LIGHTING CEREMONY

Total Cost of Décor and Lighting: $325,000  
Value: $411,300

For the 29th Annual Beverly Hills Holiday Lighting Ceremony on Rodeo Drive, the RDC conceptualized, produced and executed the new holiday décor and lighting ceremony.

Attended by thousands of guests, the event was hosted by fashion expert and television personality Guiliana Rancic, and featured a musical performance by actor, jazz vocalist and writer Molly Ringwald.

The Debbie Allen Dance Company opened the Ceremony with “The Hot Chocolate Nutcracker,” which included an appearance by the acclaimed choreographer herself.
HOLIDAY DÉCOR

The 2015 Holiday Décor on Rodeo Drive embodied a luxurious gifting theme with large red and gold gift boxes with flowing ribbons adorning the median strip.

By day, the effect was colorful and bold. By night they shined elegantly, with many boxes featuring patterned snowflake cutouts emanating light from within. Along with Rodeo Drive’s palm trees that sparkled with tens of thousands of red LED lights, these features set the perfect mood for holiday shopping.

The Rodeo Drive Committee worked closely with City Liaisons to refine the design direction and create the new décor in a short period of time.
LAX BILLBOARD ADVERTISEMENT

Cost: $380,000
Value: $652,000

To increase overall brand awareness, the Rodeo Drive Committee continued with a year-long billboard advertisement at the Los Angeles International Airport.

The Rodeo Drive billboard welcomes all international arrival passengers (approximately 20MM in 2015) as they pass underneath the billboard and enter Customs.

Additionally, due to the inability to refresh the LAX artwork, the RDC was able to negotiate a savings of $3,000/month for the banner advertisement.
SOCIAL MEDIA MARKETING

The Rodeo Drive Committee engaged with numerous Social Media Influencers during multiple 2015 – 2016 campaigns. Social Media (particularly Instagram) is an essential tool for connecting with today’s younger luxury consumers and trendsetters. ‘Social Media Celebrities’ and bloggers have amassed huge audiences and wield tremendous influence.

Over the past year, Rodeo Drive’s social media reach and following has dramatically increased.

- **Instagram** followers have grown by 70%
  - Total followers have increased to 5.4K

- **Facebook** has grown 20% and now has 43.6K likes
  - Average monthly reach is more than 1MM

- **Twitter** now has 3.9K followers, up 20% this year
  - RDC posts generate, on average, more than 15K impressions each month
Throughout 2015-16, the RDC created cost-effective opportunities to share influencer audiences with ours. Further, we created compelling storylines through Rodeo Drive's social media channels to communicate the brand and expand its influence.

We have engaged Social Media Influencers and Celebrities in two ways:

- Organically, by interacting with them as followers through Social Media, and connecting with them at events on the Drive
- Through paid endorsements with marketing funds to the Influencers below, total combined followers and reach on Social Media platforms included:
  - Christina Ehrlich: 36K
  - Sophie Elkus: 94.5K
  - Simone Harouche: 160.7K
  - George Kotsiopoulos: 395K
  - Michelle Madsen: 125.8K
  - Guiliana Rancic: 7.5MM
  - Molly Ringwald: 302.6K
WEBSITE ANALYTICS

The Rodeo Drive website continues to be a resource for clients and tourists planning a visit to Rodeo Drive and Beverly Hills. From August 1, 2015 – March 22, 2016, www.RodeoDrive-BH.com experienced:

- 390,344 Unique Page Views, i.e. Visitors
- 84.16 % New Visitors from the previous year
- The site’s largest demographic was 25-34 year olds, who comprised 30% of total visitors
- Women made up 58.6% of Visitors
- Mobile access led with 49.94% at 95,762 Sessions, followed by Desktop with 41.58% at 79,725 and Tablet with 8.48% at 16,268
Publicity Highlights Include:

- Los Angeles Confidential wrote a piece entitled, “Rodeo Rides Again” highlighting the exciting new openings and reinvestments on Rodeo Drive.
- The Hollywood Reporter wrote, “There is no question – Rodeo Drive is rocking.”
- Racked named Rodeo Drive as one of “LA’s Five Best Shopping Destinations of 2015”
- Robb Report wrote a piece entitled, “Rodeo Drive in Beverly Hills Is Becoming the Destination for Fine Watches”
- Publicity for the Holiday Lighting Ceremony alone garnered more than $100,000 worth of media coverage
RODEO RIDES AGAIN
MELROSE AND ROBERTSON
RODEO DRIVE
IS BACK, BABY!
BY KARIMA SAVAGE

A star is reborn. Fashion's most dazzling openings and major renovations, Rodeo Drive makes a Hollywood-worthy debut, creating the dream of a lifetime—retail paradise.

RODEO DRIVE IS LIKE A NEW FRONTIER—IT'S A WHOLE NEW DISCOVERY!
—GIANNI BATTISTONI

Saking its claim as the luxury retail destination in L.A., Rodeo Drive has been reborn—a retail renaissance. This year alone, the city's top high-end haven dotted in palm trees lined street with new openings, remodels, and debuts.

“RODEO DRIVE IS LIKE A NEW FRONTIER—IT'S A WHOLE NEW DISCOVERY!”
—GIANNI BATTISTONI

Clockwise from left: Rodeo Drive's reborn West Coast flagship house an ornate collection of women's ready-to-wear, shoes, and accessories. In the background is the celebrity's choice for new red carpet style. The Rodeo Drive Limited Edition luxury timepiece. Across the street, the new Empero Armani store (338 N. Rodeo Dr., Beverly Hills, 310-247-6831, armani.com) unveiled its second US flagship, concurrently unveiling a special Swarovski limited edition. The boutique moved up the street to unveil a sparkling new West Coast flagship (201 N. Rodeo Dr., Beverly Hills, 310-247-6831, fendi.com). Designed by Peter Marino, the new store is inspired by the brand's Roman heritage. Adding to the Italian homage, luxury brand Battistoni (950 S. Wilshire Blvd., Beverly Hills, 310-247-6500, battistoni.com), known for bespoke tailoring, recently moved to open its store in Beverly Hills. The 6,000-square-foot store was actually built in Italy before being shipped to and assembled in Beverly Hills—because, of course, that's a $3 million “bouquet” does. "The development that Rodeo Drive has had in the last twenty years is quite amazing," says Gianni Battistoni, whose father founded the brand in 1846 just across from the Spanish Steps. Following suit, Bally (340 N. Rodeo Dr., Beverly Hills, 310-247-3932, bally.com) opened its first US flagship in L.A. in February. The two-story space features the Swiss brand's signature red-and-white stripes motif and includes a private rooftop patio overlooking the beautiful scene below.

Coming up, Bottega Veneta (320 N. Rodeo Dr., Beverly Hills, 310-859-6535, bottegaveneta.com) debuts a reinterpretation of its iconic L.A. store, which has been a Rodeo mainstay since the late 1970s. The two-level boutique will be a uniquely designed "maison" (a sister store to the brand's only other concept in New York), which will pay tribute to LA architecture—of the 1920s and 1930s. 
Rodeo Drive in Beverly Hills Is Becoming the Destination for Fine Watches

February 17, 2016

In early December, the Swiss watchmaker Audemars Piguet welcomed clients, press, and celebrity friends of the brand to a “winter wonderland” at its new boutique on Rodeo Drive in Beverly Hills—adding to the growing list of fine watchmakers focusing their attention on the au courant horologic destination.
Fendi moves out and up, A.P.C. pop-up offers a deal to shoppers, and Rachel Zoe has a cool plan

By Adam Tschorn - Contact Reporter

FEBRUARY 14, 2016, 7:03 AM

Italian luxury brand Fendi has switched-up its longtime home on Rodeo Drive, swapping out a small, one-story boutique for a larger, two-story flagship at the corner of Wilshire Blvd. and Rodeo. Women’s ready-to-wear, shoes, furs and accessories are showcased upstairs in the new boutique, and the men’s collection—which hadn’t been part of the previous space at all—occupies the ground floor. The two are linked by a travertine staircase. Interior details include a colorful wall hanging of patchworked fur pieces and framed photographs of Roman fountains taken by Karl Lagerfeld (the house’s longtime creative director for women’s ready-to-wear and fur). *Fendi Beverly Hills, 201 N. Rodeo Drive, Beverly Hills.*

As part of A.P.C.’s Melrose Place pop-up shop showcasing French fashion designer Vanessa Seward, (February 11 through March 27), the store is offering complimentary monogramming on all VS denim purchase. Because, let’s face it, the only thing better than a pair of designer jeans is pair of designer jeans with your name embroidered in gold across the back pocket. **A.P.C., 8420 Melrose Place, Los Angeles.**
Armani Hosts Pre-Oscar Bash for ‘The Revenant,’ With Leonardo DiCaprio, Cate Blanchett, Anne Hathaway

By Nancy Macene

There’s always a palpable electricity in the air the night before the Academy Awards, with major parties in seemingly every corner of Los Angeles. Beverly Hills alone is home to the lion’s share of events, including The Weinstein Company’s pre-Oscars dinner at The Montage,CAA’s bash at Bryan Lourd’s home, and The Night Before party at Raleigh Studios.

Giorgio Armani’s pre-Oscar cocktail party at its Rodeo Drive flagship, hosted by Roberta Armani, is usually at the epicenter of the early-evening star-quake, kicking things off at 5:30 p.m. Saturday’s event, in honor of “The Revenant,” was busy as Leonard DiCaprio, the presumed winner of the Best Actor in a Leading Role trophy, sneaked in through a back entrance and remained undetected by many of the guests as he stood with his posse in a back corner behind a giant column.

Giorgio Armani, chief executive of IWC, at the company’s new Rodeo Drive boutique.

BEVERLY HILLS, CALIF. — Georges Kern had a big night ahead of him. The chief executive of the Swiss watchmaker IWC Schaffhausen, Mr. Kern was in Los Angeles last month for the grand opening of IWC’s 2,500-square-foot flagship on Rodeo Drive.

On tap: A cocktail party at the boutique for clients, the media and celebrity friends of the brand, followed by an intimate dinner at Spago featuring a performance by the Grammy-nominated singer and songwriter Aloe Blacc, the stage name of Egbert Nathaniel Dawkins III.

Mr. Kern, 50, a lover of Tinseltown, was in his element.

“You feel good when, after 13 years — when we were nowhere in terms of turnover or recognition — you have the critical mass to be on one of the best streets in the world, beside the biggest brands on the planet,” he said.
The Rodeo Drive Committee was able to leverage the LAX Billboard Ad spend to secure two free full page advertisements in 75,000 copies of LAX Magazine’s Fall and Holiday issues.

Estimated Readership: 160,000 per issue
LAX Ad Value: $7,910

IBDShop.com

The RDC secured complimentary placement as a featured shopping destination on IBDShop.com, a new platform targeted to Chinese consumers traveling to the region.

IBD provides a dedicated global tourism shopping directory for Chinese consumers and offers shopping destinations and international retailers a tool to drive sales, connect, communicate and transact with Chinese consumer when they travel.
YPO EVENT AND SALES MARKETING

The Rodeo Drive Committee has partnered with YPO (the Young President’s Organization) for the group’s Rodeo Drive Block Party event in May 2016. YPO is the world’s premiere peer network of chief executives and business leaders.

As 1200 YPO members and guests arrive in Beverly Hills for their Pacific EDGE conference, Rodeo Drive will host the event’s evening social. At that event, RDC has created a “Nightcap” shopping event for watch and jewelry brands who will host small in-store receptions with key YPO executives.

To additionally reach this highly-qualified group of potential clients, the RDC is also creating a collateral marketing piece that will be distributed to all YPO members staying at RDC member hotels. The collateral marketing piece will serve as a personal welcome to Rodeo Drive, while also providing direct access to Store Directors who will be able to assist with any shopping needs during their stay.
RODEO DRIVE COMMITTEE
NEW MEMBER KIT

The Rodeo Drive Committee redesigned the content and layout for the organization’s membership outreach kit. The new kit highlights the RDC’s overall programming and has been instrumental in helping to secure new members to the group.

As member dues are essential to the RDC, this new kit has been a helpful tool for communicating to member brand’s corporate offices regarding the exciting marketing opportunities and benefits RDC members receive.

2016 RDC membership grew by 4% over 2015.
CURRENT BUSINESS CLIMATE

• According to a November 2015 Cushman & Wakefield report, Rodeo Drive is the second most expensive US retail location, second only to Manhattan’s upper Fifth Avenue. Commercial rents on Rodeo Drive are up 23% year over year from 2014 to 2015.

• Chanel SA acquired 400 North Rodeo Drive for $152MM, paying a record-breaking $13,000 per square foot to double its footprint on the Drive. This news dominated business headlines in December 2015.

• As the Rodeo Drive brand has traditionally enjoyed a prestigious status, the RDC has not traditionally focused on refreshing the brand. However, given the increasing competition and upcoming construction projects, it is imperative that Rodeo Drive assign resources to modernize the brand and broaden its reach through social media and other targeted marketing initiatives.
LAUNCHES & REINVESTMENTS

Rodeo Drive has never been a more significant force than it is today. Many brands already at home on Rodeo Drive have revitalized their presence and many still have plans or are currently reinvesting in their Rodeo Drive Flagships.

Over the past year, the following brands have either launched new flagships on Rodeo Drive or celebrated the openings of newly renovated locations:

- Salvatore Ferragamo
- Fendi
- Emporio Armani
- Bally
- IWC Schaffhausen
- Audemars Piguet
- Luxe Hotel Rodeo Drive
- Vilebrequin
- Lalique
- Westime
- Serapian Milano
RDC DUES AT WORK (WITHOUT CITY FUNDING SUPPORT)

- General Administration, Marketing and Publicity
- Civic Relations
  - Work in partnership with City staff on a range of issues involving Rodeo Drive and the City of Beverly Hills (i.e. Valet Parking, Aggressive Panhandling and Solicitations, Tour Buses, etc.)
- Rodeo Drive Map in English, Chinese and Japanese
- Membership Outreach
- Monthly Meetings at the Beverly Wilshire, A Four Seasons Hotel
- Accounting & Bookkeeping
- Legal Counsel
- Trademarking of:
  - Rodeo Drive
  - Rodeo Drive Concours d’Elegance
  - The Intersection of Luxury, Fashion and Entertainment
Rodeo Drive Total Promotion Value 2015-16: $1,811,460*

The Rodeo Drive Committee was able to increase the value of the City’s $1,000,000 funding investment for the 2015-16 fiscal year by creating an additional value of $811,460, excluding any value attributed to publicity generated by the RDC.

RDC increased the funding invested by the City to create supplemental and enhanced programming for its members and Rodeo Drive.
2016 – 2017
PROPOSED INITIATIVES
PROPOSED BUDGET INITIATIVES

Shoppers and visitors today expect an immersive lifestyle experience which is more than just a place to buy products. To stay relevant in an ever expanding and competitive marketplace, Rodeo Drive needs to create services, experiences, marketing platforms and communications strategies that enable it to thrive.

The Rodeo Drive Committee’s proposed budget for 2016-17 is focused on retaining Rodeo Drive’s allure for locals and attracting the next generation of young, affluent shoppers and travelers to Rodeo Drive to complement most, if not all, of what the RDC members are trying to accomplish for their own brands.
CREATING EXPERIENCES: CONCOURS d’ELEGANCE

The largest, single-day automotive concours in North America and the highest-attended recurring event in Beverly Hills, this annual Father’s Day event has even greater potential yet in store.

Our goal is to enrich the guest experience with hospitality (both ticketed, and general access) including leisure space, food and beverages, and entertainment experiences.

This will encourage visitors to spend their entire day on Rodeo Drive, rather than just a few hours. Further, by providing a more curated, upscale experience, we will broaden the Concours’ appeal as a “connoisseur” event rather than strictly “automotive.”
CREATING EXPERIENCES: HOLIDAY

In addition to providing a celebration for the community and capturing news coverage, the Beverly Hills Holiday Lighting Ceremony should be a selling opportunity for retailers to drive retail sales amid a festive shopping atmosphere that will build upon last year’s holiday décor. Our vision for 2016 includes:

- Creating a two-hour shopping event on Rodeo Drive to occur immediately prior to the Lighting Ceremony
- “Magic Snow” could fall throughout 200-400 blocks of Rodeo Drive
- In-Store receptions with light catering would welcome shoppers
- Shopping event would culminate with musical performance and Lighting Ceremony on 200 block
- Augment the 2015 holiday décor display and explore possibility of adding the Baccarat Chandeliers, with additional funding support
CREATING EXPERIENCES:
RODEO DRIVE WALK OF STYLE®

Since 2003, the Rodeo Drive Walk of Style® has awarded 22 style legends for their contributions to the world of fashion and entertainment.

The RDC has been working to refresh the program and reinforce Rodeo Drive’s position at the very epicenter of fashion and entertainment. The updated program will debut in Fall 2016 and components would include:

- Event Concept: an exclusive affair taking place on Rodeo Drive, with a live performance by an A-List singer or artist; and Award Presentation with tributes (live and video)

- Timing: event to take place at the same time each year, in the 2nd or 3rd week of October

- Selections Committee: 8 seats total, including RDC President, Honorary Chair, Rotating Chair, Agent/Hollywood Executive, Fashion Editor, Actor/Performer, Designer, and the Walk of Style Honoree from the previous year
MARKETING PLATFORM: SOCIAL MEDIA

Content and strategies for RDC Social Media will include:

- Partnering with Social Media Influencers and Celebrities to create co-branded content and engagement to reach domestic and international audiences
- Engaging with notable photographers and architects with work on Rodeo Drive, as well as notable Interior Designers
- Highlighting Rodeo Drive’s “must have” offerings, particularly those available #OnlyOnRodeo
- Photography from in-store events on Rodeo Drive featuring chic, notable guests and events presented by the RDC
- Reposts from social media influencers and news outlets featuring Rodeo Drive
- Iconic images of Rodeo Drive, both contemporary and historic
MARKETING PLATFORM: 
LIVE! FROM RODEO DRIVE

Rodeo Drive is the ultimate “fashion stage,” particularly when the worlds of fashion and entertainment collide each year during Awards Season. Hundreds of members of the international broadcast and digital news media flock to Los Angeles at this time, and many need a well-located, visually rich location where they can shoot segments focusing on celebrities and red-carpet fashion leading up to the ceremonies.

For a window of dates preceding the Oscars and Golden Globes, the RDC would create a temporary outdoor studio – with power, desk and chairs – where media presenters/hosts can shoot segments featuring Rodeo Drive as the backdrop. US and overseas outlets would be booked by invitation.

We will also offer guests to be interviewed by media during their segments, including representatives from RDC member brands.
With General Marketing funds, the RDC plans to pursue a variety of possible marketing opportunities proposed by our members, including:

- Advertising
- Publishing Partnerships
- Menswear Initiative

We would like to have the ability to move funds between these proposed initiatives, as well as any other general marketing initiatives that may come up during the fiscal year that we believe will benefit Rodeo Drive. The General Marketing funds will also allow the RDC the opportunity to participate in other potential marketing programs that come up quickly.

The flexibility in the General Marketing funding is key to helping the RDC leverage as much value as possible from this budget allocation.

(1) See page 33 for estimated breakdown of cost and examples.
RODEO DRIVE: ECONOMIC DRIVER FOR BEVERLY HILLS

Rodeo Drive continues to have a direct and meaningful impact on the City’s finances, including but not limited to:

- **Sales Tax Revenue** – In 2015-16, Rodeo Drive contributed approximately $6.6MM, or 19%, of the City’s sales tax revenue

- **Business Tax** – With some of the highest PSF (Price per Square Foot) rents in the world, Rodeo Drive generates significant tax revenue through the 2.35% business tax on rents, which have grown by more than 20% (YØY 2014-2015), according to Cushman & Wakefield

- **Real Estate + Real Property Transfer Taxes** – With record-breaking real estate prices paid on Rodeo Drive in 2015, including the Chanel building sale for $152MM, Rodeo Drive contributes significantly to the City’s real property transfer tax and allocation of real estate taxes

As a world-class travel destination, Rodeo Drive also has a major indirect impact on the City’s finances by attracting nearly six million visitors per year from across the City, State, Country and Worldwide to Beverly Hills to patronize its hotels, restaurants and other venues.

The Rodeo Drive Committee, in partnership with the City of Beverly Hills, must ensure that Rodeo Drive can sustain and grow its reputation as one of the leading, if not the leading, luxury destination in the world.
## 2016 – 2017 PROPOSED BUDGET

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(1) Excludes $122,498 in carryover funding from 2014-2015 for Walk of Style.
(2) Funding for Website/Marketing/Maintenance 2016-2017 allocated separately above.
2016-2017 BUDGET BREAKDOWN

Rodeo Drive will continue to focus on established marketing events, including Walk of Style, Concours d’Elegance and Holiday Décor / Lighting Ceremony. For these programs, budget changes for 2016-2017, include:

- The Walk of Style funding request reflects the addition of the carryover funding from FY 2014-2015
- $5,000 increase in the Concours request to help offset rising City permit and production requirements
- $75,000 increase in Holiday Décor / Lighting Ceremony to help cover the rising City permit and production requirements, as well as to account for production vendor fee increases

For new marketing initiatives, the budget is being broken down between General Marketing and Social Media. RDC members have expressed interest in the following initiatives, which would target local customers, as well as pre-qualified tourists. As these potential programs are still being confirmed, the flexibility to move funds between these potential marketing initiatives, or other fast-breaking opportunities, is key:

- Advertising – Exploring possible advertising opportunities in regional media to keep Rodeo Drive top of mind with Southern California clients. $75,000 general advertising estimate.
- Publishing Partnerships – Developing possible publishing partnership with Departures Magazine to leverage corporate advertising spends in book, to create in-store and on street activations across Rodeo Drive Committee member brands. $75,000 cost estimate, depending on size and scale of in-store and on-street activation.
- Menswear Initiative – Create a Menswear Initiative and/or marketing event that highlights menswear from Rodeo Drive Committee member brands. This initiative could be a fashion show, influencer shopping event, or other hybrid marketing component aimed at increasing sales and overall brand awareness for Rodeo Drive and its merchants. $50,000 general cost estimate.
As Social Media Marketing is such a powerful marketing tool for fashion brands globally, as well as Rodeo Drive and for RDC members, we are exploring allocating the budget in the following ways:

- **Social Media Influencers** – Working with key influencers across categories, including fashion, architecture, design, photography and others, we would partner for curated content, @RodeoDrive tagging using #OnlyOnRodeo, to expand Rodeo Drive’s audience reach. Cost estimate is $80,000.

- **Fashion Photo Shoots** – Using products from RDC member brands, create fashion photography featuring Rodeo Drive and notable fashion influencers for each of the key collection seasons. Cost estimate is $60,000.

- **Awards Season** – Working with top celebrity stylists, preview looks and follow stylists as they curate fashions for top celebrities on Rodeo Drive. Approximate cost is $25,000.

Additionally, the website funding for 2016-2017 will help with general technical support, as the 2015 budget helped to fund an updated website layout and design that allows for a more streamlined content editing process.
THANK YOU
Item #4
2016/17 City Liaisons Budget Proposal
May 4, 2016
New Programs in Fiscal Year 2015/16
New for 2015/16

Future Trends of Luxury Report
• A report conducted on behalf of Beverly Hills CVB to give insight into the future of luxury to keep the destination relevant in the current marketplace
• Examines the current balance of the luxury market
  • Where does the Ultra High Net Worth demographic live and what are their behavior patterns
• Defines Luxury 2.0 or the current luxury environment
• Calculates the characteristics of Luxury 3.0 or the future of luxury
Results to date

This project will have an 18-month shelf life as we continue to pitch it and receive coverage and commitments globally. To date:

• Distributed to more than 6,900 media
• Total number of global stories: 36
• Total global impressions: 13,580,958
• Total interviews: 129
• Events to come in China, India and Australia
• Committed coverage to date: US, UK, China, Australia, Brazil
New for Fiscal Year 2015/2016

Destination Marketing Association International (DMAI) Accreditation

- In July 2015 BHCVB received DMAP Accreditation from DMAI, an honor which demonstrates Beverly Hills’ commitment to best marketing, operations and sales practices in the destination marketing organization industry.

Spring Campaign

- BHCVB is developing and producing a book entitled “The Definition of Luxury” which will feature content created by tastemakers and influencers discussing how Beverly Hills sets the benchmark for luxury and how the city inspires them in their craft. Featured tastemakers include:
  - Rachel Zoe – Fashion
  - Curtis Stone – Culinary
  - Kelly Wearstler – Design
  - Gunnar Peterson – Health and Wellness
  - Ma Yansong – Architecture
  - Vanessa Prager – Art
  - Hotel culinary stars
New for Fiscal Year 2015/2016

Spring Campaign (cont’d)
• The tagline of the campaign is, “We wrote the book on luxury.”
• The campaign will also include video vignettes and content that will be shared across social media – both on our sites and on those of the tastemakers.
• Video and html content will also be featured in ad spots via the Exponential ad network and select Time Inc. sites (ex: Travel and Leisure).
• Advertising will run May, June, September and October.
• Campaign launches May 12, 2016.

San Diego Sales Mission
• First drive market sales mission to promote Beverly Hills as a group business destination conducted in March 2016.
• Presentations to corporate agencies, incentive houses and luxury travel agents to cohesively promote the destination.
• Eight hotels participated.
• BHCVB garnered 53 new trade contacts.
Partnership

• BHCVB brought together the city, Chamber, Rodeo Drive Committee and CVB for regular meetings to discuss opportunities to work more closely together.

• One of the resulting projects was the Branding Guidelines developed by BHCVB’s creative agency which incorporated design elements of all organizations to be used by everyone in an effort to maintain creative consistency across all city-oriented marketing materials.
New for Fiscal Year 2015/2016

EXPANDED GLOBAL SALES STRATEGY

Emerging Markets
- Luxury travel trade and media dinner in Dubai in conjunction with Arabian Travel Market Trade Show on April 26, 2016.
- Independent India Sales Mission April 29 – May 2 featuring events and activities targeting luxury travel trade and media.

Expanded Global Strategy
- Global Summit brought together all of BHCVB international agencies: China, India, UK, Brazil, Australia and the local team to discuss how to globalize current domestic strategies and to brainstorm on future initiatives.
Global Promotional Activities
BHCVB flew around the world expanding awareness and developing more than 750 new relationships by participating in Brand USA, Visit California and independent Sales Missions and by expanded presence at Luxury Travel Trade Shows.

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

BHCVB visited:

**USA**
- Las Vegas
- New York
- San Diego
- Chicago
- San Francisco

**INTERNATIONAL**
- India
- China
- UK
- Europe
- Australia
- Dubai
Domestic Market Growth

American Express data is no longer available. BHCVB began subscribing to VisaVue domestic reporting as of January 2015.

Domestic Spend Growth for 2015 over 2014 (later reports to compare fiscal year-over-year are not available yet) grew by 6%.

VisaVue Top Feeder Markets:

1. Los Angeles/Orange County = 9%
2. New York Tri-State Area = 8%
3. San Francisco = 11%
4. San Diego = 14%
5. Las Vegas = 11%
6. Chicago = 6%
International Market Growth

BHCVB also subscribes to VisaVue International Reports.

Total VisaVue International spend was down 15.5%. However several markets were up averaging an increase of 69.5%.

Market performance for 2014 over 2015 (later reports not available yet to do a fiscal year comparison) in order of spend volume:

1. China+ = -17%
2. Saudi Arabia* = 94%
3. Canada = -24%
4. UK = 2%
5. UAE = 31%
6. Australia = -23%
7. Qatar = 151%
8. Japan = -22%
9. Switzerland = -13%

+ Most Chinese use Union Pay yet Visa still lists China as the top spending market
*Most Saudi Arabians do not use Visa
New Programs Fiscal Year 2016/17
New for 2016/17

One of BHCVB’s most important core values is to keep a fresh perspective on all programming. This allows for new flourishes on existing programs as well as the execution of completely new ideas.

New Programs by Category:
• Domestic Marketing
  • Representation in the US by domestic PR agency to increase awareness and coverage for the destination (our in-house manager will be out a four-month maternity leave during the year).
  • Support of the Two Rodeo Salvador Dali exhibition.

• International Marketing
  • Global PR Strategy to manage pr activities outside of the US while communications manager is on maternity leave.
  • New promotional programs for the Middle East region with Gulf Reps.
    • The objective is to drive expatriate traffic during Ramadan and to increase year-round business from this region.
  • Europe PR representation similar to what we currently do in the UK and Australia which includes destination pitching, coverage by top publications for the destination and a familiarization trip by key media.
New for 2016/17 cont’d

New Programs by Category:

• Interactive
  • Dynamic email content targeted to recipients in accordance with what they have told us about their interests and where they live.

• Research
  • Updated visitor profile and economic impact study report giving us information on where people travel from and how much they spend while in market. This report will also gather information on what types of stores and products visitors would like to see in Beverly Hills.

• Visitor Center
  • BHCVB will work with a retail expert to maximize the current space, including building out display areas, adding appropriate signage, relocating existing furniture, etc. Final go-forward will be based on financial scope of proposal to be presented before end of 2015/16.
  • BHCVB will also look at developing unique products that reflect the brand but also are at a price point that is affordable.
Budget Information
CVB FY 2016/17
Budget Overview

- Fixed: 33% ($1,244,063)
- Events: 4% ($146,016)
- Local: 2% ($75,000)
- Domestic: 30% ($1,145,048)
- International: 17% ($641,214)
- Interactive: 7% ($282,460)
- Collateral: 1% ($26,208)
- Research: 1% ($53,420)
- Visitor Center: 4% ($159,380)
- Special Programs: 1% ($56,393)
## 2016/17 Budget Summary

<table>
<thead>
<tr>
<th>Description</th>
<th>2015/16 Budget</th>
<th>Carryover Funds*</th>
</tr>
</thead>
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<td>Metrics/Research</td>
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<td><strong>Operations including Salaries, Taxes &amp; Benefits</strong></td>
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<tr>
<td>Visitor Center</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td>$3,829,202</td>
<td>$240,000*</td>
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</table>

*Carryover funds are only estimated as of April 2015. Final numbers to be determined June 2015. An additional $15,000 will be placed in our Tenant Improvement account. +All figures represent a 4% inflation increase where applicable.
## 2016/17 Budget Detail

<table>
<thead>
<tr>
<th>Description</th>
<th>2015/16 Budget</th>
<th>Discontinued Programs</th>
<th>Cost of Discontinued Programs</th>
<th>New Programs</th>
<th>Cost of New Programs 2016/17</th>
<th>Increased costs*</th>
<th>2016/17 Proposed Budget April 2016</th>
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*Increased costs related to new programs and increased costs.
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# 2016/17 Budget Detail

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</table>

*Increased costs due to changes in program objectives, scope, or additional materials.
### 2016/17 Budget Detail

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<thead>
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<tr>
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*2016/17 budget represents a 4% cost of doing business increase for repeated programs and operations where applicable. **Cost increases are based on 15/16 spend.