



COUNTY OF LOS ANGELES
DEPARTMENT OF PARKS AND RECREATION
"Creating Community Through People, Parks and Programs"



Tim Gallagher, Director

September 30, 2003

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**AUTHORIZE THE DIRECTOR OF PARKS AND RECREATION TO NEGOTIATE AND SIGN AN AGREEMENT WITH GLOBAL BRANDING GROUP FOR THE SALVAGE OF MATERIALS FROM THE HOLLYWOOD BOWL REHABILITATION PROJECT SITE; AND THE DESIGN, PRODUCTION, MARKETING, SALES AND DISTRIBUTION OF HOLLYWOOD BOWL SHELL MEMORABILIA
(Third District - Three-Vote Matter)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that approval of the Agreement is a categorically exempt project pursuant to the California Environmental Quality Act (CEQA).
2. Delegate authority to the Director of Parks and Recreation to negotiate and sign an Agreement, following approval as to form by County Counsel, with Global Branding Group to provide, at no cost to the County, and for a percentage of the gross receipts from any sales, for the salvage of the Hollywood Bowl Shell, to the extent practicable in coordination with the ongoing rehabilitation project, and for the design, production, marketing and sale of memorabilia from the Shell, as well as tie-in merchandise, subject to the approval of the Director.
3. Delegate authority to the Director of Parks and Recreation to amend the contract as necessary based upon the certification by the Department of Public Works of suitability and quantity of material available from the construction site and to include in the amendment time frames, price range and any other resources necessary for adequate production and marketing.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTION

Your Board action will authorize the Director to negotiate and enter into a partnership with Global Branding Group to develop and offer for sale to the public commemorative memorabilia, and other tie-in memorabilia, from remnants of the existing Hollywood Bowl Shell, which is scheduled to be demolished and replaced, and which would otherwise be taken to appropriate landfills as part of the previously approved Hollywood Bowl Shell Rehabilitation and Acoustical Improvements Project. On-site work for the construction project will begin at the conclusion of the 2003 Hollywood Bowl season. On September 12, 2000, your Board approved the Final Environmental Impact Report and authorized the Los Angeles Philharmonic Association to proceed with the project. Litigation challenging this approval was resolved in the County's favor.

The Department analyzed the experience of various entities, such as Alcatraz Prison, the Golden Gate Bridge, and Boston Gardens in marketing collectible memorabilia from remnants of their sites. Based upon the success of these programs, the Department decided to solicit proposals for the physical removal of materials, design, production, marketing, sales and distribution of Hollywood Bowl Shell memorabilia, and provided the opportunity for proposers to recommend additional marketing opportunities. Proposers were advised that they would be responsible for all costs associated with the project, and that gross revenues would be shared with the County.

Global Branding Group submitted the most comprehensive proposal which recommended the development of Limited Edition memorabilia pieces comprised of Lucite with small pieces from interior panels embedded in the Lucite; offering the fiberglass spheres, rear wall and first ring from the Hollywood Bowl Shell for sale as individual components through a leading auction service; tie-in memorabilia such as t-shirts, watches, and jackets; and development of a retrospective video. However, at this time the Department of Public Works (DPW), the County's project manager is unsure as to the quantity of interior panels that can be salvaged during the demolition. Additionally, DPW is working with the demolition contractor to determine if the rear wall and first ring can be removed without additional cost or compromising the project schedule.

Until the quantity of salvageable material is certified by DPW, Parks and Recreation and Global Branding Group are unable to conclude discussions pertaining to the number of Lucite pieces to be produced and price. The Department and Global Branding Group intend to produce approximately 10,000 Lucite pieces ranging in price from \$125 to \$500 per piece. However, if sufficient materials cannot be salvaged to make production, marketing, sales and distribution of the Lucite pieces cost-effective for Global Branding Group, the Department may omit this item from the proposed Agreement. Similarly, if DPW determines that the rear wall and first ring cannot be salvaged, that component will not be included in the Agreement. DPW has committed to the salvage and recovery of the eleven (11) fiberglass spheres, and Global Branding

Group has indicated an interest in offering these units for sale through a leading auction service. Global also proposed the production of tie-in merchandise, such as apparel and/or a retrospective video, which may be included in the final agreement.

The Agreement negotiated by the Department will require the Director's prior approval of all product designs, pricing, marketing plans, public relations efforts, sales and distribution plans to ensure compliance with your Board's directives. In addition, because Global Branding Group will undertake this effort on behalf of the County, the Agreement will authorize their use of the County and Department logos. The Department and Global Branding intend to finalize the types of memorabilia to be offered, quantity and price by the later portion of November 2003, and we will report back to your Board at that time. Global Branding Group's proposal indicated that apparel tie-in merchandise would be available for sale during the 2003 Holiday Season. Auction of the rear wall/first ring and fiberglass spheres will occur in December 2003 or January 2004. The Lucite memorabilia pieces will be available for purchase in April/May 2004.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The proposed Agreement will further the Board-approved County Strategic Plan Goal 4, Fiscal Responsibility, by providing revenue to fund Department programs.

FISCAL IMPACT/FINANCING

Global Branding Group has proposed that the County receive 20 percent of gross revenue generated by the sale of Hollywood Bowl Memorabilia. It is estimated that minimum revenue for the Department will be approximately \$22,000 if all 11 fiberglass spheres sell at a minimum bid of \$10,000 each. This does not take into account the Lucite pieces, rear wall and first ring, tie-in merchandise, and retrospective video. Actual revenue realized by the Department is dependent upon the market for each piece and will be used to offset the Net County Cost of the Department's programs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In compliance with Section 31000 of the California Government Code, your Board may contract for special services with firms specially trained, experienced, expert and competent to perform the special services.

The term of the contract is for one (1) year and will commence upon approval by your Board. The Director retains the option to extend the term for up to one additional year. The contract contains all applicable Board-mandated provisions including the Jury Service Program, GAIN/GROW Programs, Federal Earned Income Credit Information, Quality Assurance Plan, Child Support Compliance, Recycled Paper Products, and the Safely Surrendered Baby Law.

Global Branding Group will provide the required insurance policy naming the County of Los Angeles and the Los Angeles Philharmonic Association, which is constructing the project pursuant to your Board's prior authorization, as additional insured's. In addition, County Counsel will approve the contract as to form.

NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORT

The Final EIR for the Hollywood Bowl Shell Rehabilitation and Acoustical Improvement Project covered the Shell demolition and removal by appropriate contractors. The contemporaneous recycling of portions of the demolished shell materials by contractors for sale is exempt under the California Environmental Quality Act (CEQA) according to Section 15061(b)(3) of the Guidelines for the Implementation of CEQA since it can be seen with certainty that the project will not have additional significant impacts on the environment.

CONTRACTING PROCESS

On July 15, 2003, this Department solicited proposals from the private sector for the design, production, marketing, sales and distribution of Hollywood Bowl Shell memorabilia. Notice of the solicitation was posted on both the Countywide and the Department's own website. Department staff researched the Internet and trade magazines to identify firms with experience in developing and marketing memorabilia, calling 22 directly and subsequently e-mailing notices to 14 of the firms that expressed interest in the solicitation.

A Proposer's conference was held at the Hollywood Bowl on July 22, with three (3) firms attending. The Department received two proposals by the August 18, 2003, deadline.

An evaluation committee consisting of two Department personnel and one representative from the Department of Beaches and Harbors evaluated the proposals based on the criteria identified in the RFP. The Committee reviewed and evaluated the proposals for experience and capabilities in developing memorabilia and their proposed approaches for designing and marketing the Hollywood Bowl memorabilia. Global Branding Group submitted the highest ranked and the most comprehensive proposal for development and sale of memorabilia components. They have a proven track record in the provision of full service product development, marketing, distribution and sales for large clients such as KCBS/KCAL television stations, City of Los Angeles – Project Restore, TRW and Fatburger. In addition, their team includes a hazardous materials expert to advise them on appropriate handling of the components, which may contain transite (asbestos) and/or lead paint. The selection was made without regard to gender, race, creed, color, or national origin.

The Department has determined the Living Wage Program (County Code Chapter 2.201) does not apply to the recommended contract with Global Branding Group.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed Agreement will not impact current services at the Hollywood Bowl, as it is being undertaken in conjunction with the previously approved Hollywood Bowl Shell Renovation and Acoustical Improvements Project. The Department has coordinated this effort with the Department of Public Works to ensure salvaging efforts do not impede the project.

CONCLUSION

It is requested that two conformed copies of your Board's action be sent to the Department.

Respectively submitted,

A handwritten signature in black ink, appearing to read 'Tim Gallagher', with a long horizontal flourish extending to the right.

Tim Gallagher
Director