

**AGREEMENT BETWEEN THE CITY OF HERMOSA BEACH  
AND THE HERMOSA BEACH CHAMBER OF COMMERCE  
TO PROVIDE FIESTAS HERMOSA**

THIS AGREEMENT is made this \_\_\_\_\_ day of \_\_\_\_\_, 2019, by and between the City of Hermosa Beach (hereinafter called “CITY”), and the Hermosa Beach Chamber of Commerce (hereinafter called “CHAMBER”).

**RECITALS**

A. CHAMBER desires to organize, coordinate, produce and oversee a twice annual Fiesta Hermosa (“Fiestas”) in the City on City-owned property and rights-of-way for the term of this Agreement.

B. CHAMBER represents that it is qualified and able to do so in a manner that benefits CITY and its resident and business community.

C. CHAMBER desires a commitment from CITY to fix the Fiesta event schedule for the next three years, subject to the availability of the City property used for the event.

**NOW, THEREFORE**, the parties agree as follows:

**Section 1. CHAMBER’s Duties:**

a. **Fiestas.** CHAMBER shall organize, coordinate, produce and oversee the Fiestas, open to the public, during the Saturday, Sunday and Monday of each Memorial Day and Labor Day Weekend in 2019, 2020, and 2021. The Fiestas shall be held in a location as mutually agreed upon between the CITY and CHAMBER.

b. **Event Permits and Agreements.** CHAMBER shall obtain permits from CITY for each Fiesta and shall enter into and comply with all agreements for such permits as required by CITY, including but not limited to the provision of adequate insurance and indemnification of CITY, its officers, agents, volunteers, employees, and attorneys.

c. **Fee to CITY.** CHAMBER shall pay CITY an event fee within 30 days after each Fiesta during the first year of this Agreement of \$45 per vendor participating in the Fiesta. At the commencement of the second year of this Agreement, the per vendor fee shall be adjusted on an annual basis using the percentage increase in the cost of living (CPI), not to exceed three percent (3%) as calculated by the United States Bureau of Statistics for the Los Angeles – Riverside – Orange County Standard Metropolitan Statistical Area for All Urban Consumers. CHAMBER shall collect the fee from each vendor but shall not be required to collect the fee from any vendor who provides CHAMBER written proof of its non-profit status or which holds a valid City business license. In addition, CHAMBER shall pay CITY all direct and indirect costs associated with each Fiesta in accordance with the event permit and event agreement as

may be required by CITY. Such costs shall include but not be limited to sidewalk and street cleaning, parking meter fees, and provision of police and public works services.

d. Booth Fees.

(i) CHAMBER shall offer booth space free of charge to community nonprofit organizations not selected for Beer Garden Charity Volunteer Service. This free booth space shall be provided on a first-come-first-serve basis not to exceed 10 spaces. Additional approvals may be considered based on availability.

(ii) CHAMBER shall offer a discount of 25% for booth space to businesses with a Hermosa Beach location that hold a valid business license and are currently Chamber members. Hermosa businesses that are not Chamber members will be offered the option to join the Chamber at the time of application to receive the discount for both Fiestas within the year of their membership.

e. Free Expression Zone. The Free Expression Zone shall be located in a prominent area in the path of pedestrian traffic or towards the center of the venue, determined by prior mutual agreement between the City Manager and CHAMBER. Space in the zone shall be provided at no charge to participants.

f. Limitation on Use of Fiesta Revenue. Revenue derived by the CHAMBER from the Fiestas shall not be used for political campaigning or sectarian religious purposes or activities.

g. Promotion of Responsible Alcohol Consumption. CHAMBER shall encourage and promote responsible consumption of alcohol, appropriate taxi and ride share options for event patrons, and City designated taxi and ride share pick-up and drop-off locations in event signage, marketing, and throughout the Fiesta Beer Garden area. CHAMBER shall exercise best efforts to facilitate responsible beverage service education and training for Beer Garden volunteers, which is available at no cost through the Beach Cities Health District and/or California Department of Alcohol Beverage Control.

h. Memorial Day Acknowledgement. CHAMBER shall acknowledge Memorial Day at the Memorial Day weekend Fiesta in a suitable manner acceptable to the City Manager.

i. Annual Review. Within 90 days after the Labor Day Fiesta, CHAMBER shall provide an annual overview to the City Council in the form of an agenda presentation highlighting the Chamber's programs and activities for the year. On an annual basis as mutually agreed upon between CHAMBER and CITY, CHAMBER shall provide the City Manager or her/his designee with a complete Annual Report on Fiesta event operations, including appropriate financial accounting and profit and loss statements. This report shall contain all records of both Fiestas, including proposed and implemented changes or enhancements to the events.

j. Funding Specified Events. CHAMBER agrees for the duration of this Agreement to fund and produce the following events in a manner consistent with high standards:

St. Patrick's Day Parade  
Holiday Celebration/Tree Lighting Event  
New Year's Eve Celebration

k. Environmental Sustainable Measures. CHAMBER shall continue to implement the environmental sustainability measures that it has incorporated into the Fiestas, including but not limited to:

(i) Trash Recycling Program

Recyclable items shall be separated from refuse/trash. CHAMBER shall coordinate with CITY's franchisee refuse hauler to add more recycling containers in more convenient locations to ensure capacity and reduce litter.

(ii) Electric and Bio-diesel Generators

Generators on the venue shall be electric or operated with a 50% blend of bio-diesel fuel, or equivalent or lower emissions sources.

(iii) Clean Buses/Shuttles

CHAMBER shall provide a free shuttle service from remote parking to/from the event. Designated shuttle routes shall seek to mitigate impacts to residents and shall be mutually agreed upon between the CITY and CHAMBER. All buses and shuttles shall be electric, hybrid or use CNG, or equivalent or cleaner emission fuels, and fully comply with all regulations.

(iv) Free Bicycle Parking Lot

CHAMBER will provide a valet bicycle parking lot for a minimum of 3,000 bicycles at no charge to cyclists. CHAMBER will provide bicycle education and bike check services at the valet lot. Bicycle parking lot is contingent upon CITY providing a location. CHAMBER and CITY shall work collaboratively to ensure this event component reflects the needs of visitors while remaining economically viable to the CHAMBER.

(v) Food Service Containers

CHAMBER has read, understands and accepts responsibility for ensuring implementation of the City's food packaging prohibitions in Section 8.64.030 of the Municipal Code, which reads as follows:

8.64.030(C). No Person shall use or distribute Polystyrene Food Service Ware at City-sponsored events, City-managed concessions and City meetings open to the public. This subsection shall apply to the function organizers, agents of the organizers, City Contractors, Food Providers and any other Person that enters into an agreement with one or more of the function sponsors to sell or distribute Prepared Food or otherwise provide a service related to the function.

Biodegradable food service containers shall be used by vendors in the food court and beer garden.

(vi) Plastic Bags

Vendors shall be prohibited from using plastic bags to deliver, provide or hand merchandise to customers.

(vii) CHAMBER shall additionally implement all sustainability measures in City's Green Matrix through its conduct of the Fiestas, and shall ensure vendor compliance.

(viii) CHAMBER shall: (1) Incorporate sustainability requirements into vendor agreements, and advertise green measures and rules in event advertising and online; (2) limit single-use paper, plastics, packaging, and décor items; use appropriately sized plates, containers and cups; and limit use of handouts, flyers and give-aways; (3) provide free drinking water in large dispensers at a minimum of two prominent locations (people can refill their own bottles, or provide paper cups), and avoid sale or give-away of single-use plastic bottled drinking water; (4) enact a no-idling requirement for vehicles; (5) provide onsite personnel to ensure that litter and trash are minimized, and recycling is maximized; and (6) provide a list of the functions for which vehicles are used in connection with the event, and a plan increasing the use of hybrid, electric or CNG vehicles over the term of the agreement.

(ix) CHAMBER agrees to implement sustainability/green measures that may be required of other large events in the City prior to the term of the Agreement, notwithstanding non-inclusion in this agreement.

(x) CHAMBER shall participate in pre-event and post-event reviews of compliance with sustainability measures.

l. Sales Tax Forms. CHAMBER shall provide sales tax distribution forms to all Fiesta contractors and vendors.

m. City Booth Space. CHAMBER shall assign two booths to the CITY at no cost, as needed, in a prominent location within the event footprint as determined by the CHAMBER. The CITY or its assignee may utilize these booths to distribute public information and/or promote community programs and services to attendees.

n. Private Security Standards. CHAMBER shall work in concert with the Hermosa Beach Police Department to determine private security standards that are appropriate for Fiesta and community event operations. CHAMBER shall seek to employ CITY's preferred private security firm provided its costs are competitive. The private security standards will be in addition to the minimum police services, which will be determined by the Hermosa Beach Police Department, as noted in Section 1(c) of this Agreement.

o. Logistical Meetings. CHAMBER is required to participate in logistical and planning meetings with relevant CITY departments as requested by the City.

p. Holiday Decoration Funding. CHAMBER agrees that all or a portion of funds donated to the CITY in FY2014-2015 shall be applied toward the purchase, installation and/or maintenance of citywide holiday decorations at the CITY's sole discretion.

q. Fiesta Net Profit Allocation. CHAMBER shall exercise best efforts toward a commitment of 70% of net profits invested into marketing and business recruitment, retention and development, with the remaining 30% applied to CHAMBER reserves by the commencement of the second year of this Agreement.

r. Ongoing Event Improvements. CHAMBER shall exercise best efforts to implement the measures set forth in Exhibit A (February 13, 2018 and October 23, 2018 staff reports and recommendations), attached hereto and incorporated by reference, for Fiesta events. Through the process outlined in Section 1(i) of this Agreement the CHAMBER and CITY shall work collaboratively to ensure event improvements are sustainable and reflective of the measures set forth in Exhibit A.

s. Community Feedback. CHAMBER shall provide and facilitate an annual process, in collaboration with the CITY, for receiving public feedback on Fiesta events including implemented, ongoing, and proposed changes or enhancements.

## Section 2. CITY's Duties.

a. Event Permits. CITY shall provide event permits to CHAMBER for each Fiesta unless CITY determines in its sole discretion that it would not be in the public interest or that it would be adverse to the public health, safety, or welfare.

b. Waiver of Business License Fees and Taxes. For each Fiesta provided in accordance with this Agreement, the fees required by Section 1(c) of this Agreement shall be in lieu of that portion of CITY business license fees and CITY business license taxes attributable to the Fiesta and owed by CHAMBER pursuant to the Hermosa Beach Municipal Code. This Section shall not constitute a waiver of any other type of fees or taxes or of that portion of CITY business license fees or City business license taxes owed by CHAMBER attributable to activities other than the provision of the Fiestas. Nor shall it constitute a waiver of any fees or taxes owed by any person or entity other than CHAMBER, including but not limited to those owed by vendors participating in the Fiestas.

c. Cooperation with CHAMBER. CITY shall provide CHAMBER the results of CITY's annual review and may make suggestions for the improvement of the Fiestas. CITY shall not unreasonably withhold consent to CHAMBER's requests for flexibility in the location of the Fiestas in the event minor relocation is necessary due to construction activities nearby or an act of God.

d. Allocation of Proposition A Funds. CITY shall allocate Proposition A funds for full reimbursement of CHAMBER costs associated with adequate implementation of the shuttle bus program as set forth in Section 1(k)(iii) of this Agreement.

e. Event Fee Invoicing. CITY shall provide CHAMBER with initial estimates for direct and indirect CITY costs associated with Fiesta events 90 days in advance of each event. Such costs shall include but not be limited to sidewalk and street cleaning, parking meter fees, and provision of police and public works services. These amounts are intended as estimations, as final costs billed to the CHAMBER may change due to public safety staffing availability and various other factors.

Section 3. Assignment. This agreement may not be assigned in whole or in part by either party, without the prior written consent of the other party.

Section 4. Independent Contractor. CHAMBER will act hereunder as an independent contractor. This Agreement shall not and is not intended to constitute CHAMBER as an agent, servant, or employee of CITY and shall not and is not intended to create the relationship of partnership, joint venture or association between CITY and CHAMBER.

Section 5. Personnel. CHAMBER represents that it has, or shall secure at its own expense, all personnel required to perform CHAMBER's duties under this Agreement. CHAMBER may associate with or employ associates or subconsultants in the performance of its duties under this Agreement, but at all times shall be responsible for their performance.

Section 6. Termination. CITY may terminate this Agreement upon 30 days written notice to CHAMBER if CITY determines in its sole discretion that continuation of this Agreement would not be in the public interest, that it would be adverse to the public health, safety, or welfare, for failure of the CHAMBER to adequately incorporate measures outlined in Exhibit A, or that a substantial portion of CITY's property is unavailable due to construction activity. Prior to termination on the ground that a substantial portion of CITY's property is unavailable due to construction activity, CITY shall provide CHAMBER an opportunity to propose adjustments to the venue or an alternative location for the event. CHAMBER's proposed adjustments or alternative shall be provided within 30 days of written notice from CITY and is subject to approval of the City Council, in its sole discretion, in a public meeting. Upon termination of the Agreement, any events subsequent to the termination will no longer be the responsibility of the CHAMBER.

Section 7. Notice. Any notice required to be given shall be deemed duly and properly given upon delivery, if sent postage prepaid or if personally delivered as follows:

For CHAMBER: Hermosa Beach Chamber of Commerce  
1007 Hermosa Avenue  
Hermosa Beach, California 90254  
(310) 376-0951  
Attention: President/CEO

For CITY: City of Hermosa Beach  
1315 Valley Drive  
Hermosa Beach, California 90254  
(310) 318-0216  
Attention: Suja Lowenthal, City Manager

Section 8. Entire Agreement. This Agreement represents the entire integrated agreement between CITY and CHAMBER, and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by a written instrument signed by both parties. The parties anticipate that, in addition to this Agreement, they will enter into an event agreement for each Fiesta setting forth precise terms and conditions applicable to that Fiesta.

EXECUTED the day and year first above stated.

CITY OF HERMOSA BEACH

By: \_\_\_\_\_  
Stacey Armato, Mayor

ATTEST:

\_\_\_\_\_  
Elaine Doerfling, City Clerk

HERMOSA BEACH CHAMBER OF COMMERCE

By: \_\_\_\_\_  
President/CEO



EXHIBIT A  
City of Hermosa Beach

City Hall  
1315 Valley Drive  
Hermosa Beach, CA 90254

Staff Report

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File #: REPORT 18-0108, Version: 1

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Honorable Mayor and Members of the Hermosa Beach City Council  
Regular Meeting of February 13, 2018

**FIESTA HERMOSA COUNCIL SUBCOMMITTEE UPDATE  
AND RECOMMENDATIONS; AND APPROVAL OF AGREEMENT  
BETWEEN THE CITY OF HERMOSA BEACH AND THE  
HERMOSA BEACH CHAMBER OF COMMERCE TO  
PROVIDE 2018 FIESTA HERMOSA EVENTS**  
(Assistant to the City Manager Nico De Anda-Scaia)

**Recommended Action:**

Staff recommends that the City Council:

1. Consider and accept the subcommittee's update and proposed recommendations to the Chamber of Commerce regarding future improvements to Fiesta Hermosa;
2. Approve the attached one-year contract through 2018 between the City of Hermosa Beach and the Chamber of Commerce to provide Fiesta Hermosa and community events; and
3. Approve the Council subcommittee's efforts to be continued as a standing committee, with the intent of partnering with the Chamber of Commerce and other stakeholders in assessing the progress of these improvements over the next two Fiestas.

**Background:**

Fiesta de las Artes began in 1968 as a one-day Labor Day event on what is now Pier Plaza. This event has expanded significantly over the last 50 years, evolving from what was once a quaint event with a focus on local crafts and music to a major tourist-attraction, taking up a major downtown footprint on two 3-day holiday weekends. Since 1972, the City has had successive agreements with the Chamber of Commerce to produce Fiesta Hermosa. The most recent City contract with the Chamber of Commerce for Fiesta Hermosa expired after Labor Day 2017.

Following growing impacts to local residents and businesses, and concerns among City Council members related to the benefits and future sustainability of this event, in July, 2017, the City Council established a subcommittee to work in a coordinated effort with staff and the Chamber of Commerce in assessing public input regarding the overall impacts/benefits of these events. The subcommittee would also work to identify areas for potential improvements to the Fiestas through various methods of public engagement - as no formal process for evaluation had been spearheaded at this level until now. The following sections provide a summary of these efforts, along with an analysis of public feedback received by the subcommittee during their work over the past several months.



**Analysis:**

Through feedback obtained from our local residents, business community, event merchants and participants, the City Council's Fiesta Subcommittee feels confident that Fiesta Hermosa plays an important role in our community, local culture and the city's history. With that in mind, there are clear and consistent improvements that the Subcommittee is recommending be made to ensure this legacy community event remains both a public benefit and sustainable endeavor for years to come.

The following recommendations reflect a synthesis of the feedback obtained over the course of multiple stakeholder meetings, a community town hall event, and a month-long online public comment campaign, as well as the Subcommittee's independent outreach to various stakeholder groups. The subcommittee has identified the following key issues and recommendations for Council's consideration and concurrence:

**I. A CLEARER SENSE OF WHAT WE ARE CELEBRATING**

Fiesta Hermosa began in the 1960's as 'Fiesta de las Artes', a one-day event held on what is now Pier Plaza, with a primary focus on local artisans, crafts and music. Over the past 50 years this event has doubled into two events and evolved into the self-proclaimed "largest arts & crafts fair in Southern California," an attraction relying upon a broad commercial base. An increased focus on monetizing Fiesta components in order to fund other Chamber needs has veered this community event from what was its original intent as a celebration of Hermosa Beach. A consistent question raised during our information gathering process: What is its purpose?

Recommendations:

1. The events should seek to tie in more closely, and be in sync with, the community and the holidays they occupy.
2. That the events be more thematic and celebratory of Memorial and Labor Days through enhanced programming elements, decorations and commemorations that are inclusive of community and City participation.

**II. ENHANCE LOCAL CRAFTS AND CULTURE**

In its current form, the event is a significant departure from its original intent of serving and spotlighting our diverse and unique local assets - such as our many talented artists, musicians, businesses and community organizations. The subcommittee feels strongly that more effort needs to be made to highlight those things that truly make Hermosa, Hermosa.

Recommendations:

1. Incorporate more local musicians and more diversity of music forms as a key component to Fiesta Hermosa. Suggested changes:
  - a. Inclusion of acoustic stage for local musicians at intersection of Manhattan and Pier Avenues;
  - b. Adjustment of acoustic sets at Manhattan/Pier Avenue to be for 90min periods with 30min changeover to accommodate more local acts; that the Chamber consider making this the standard for all musical act bookings.
2. Refocus the vendor mix with more emphasis on local arts & crafts and a gradual reduction of non-city commercial vendors.
3. Establish a designated fine arts area for “locals only” where participants can ‘wall display’ and sell their fine art.
4. Continued and increased opportunities for involvement of community non-profit organizations.
5. Creation of an event schedule/map for distribution to the public.

### **III. MORE ATTENTION TO ELEVATING THE EVENT EXPERIENCE FOR ATTENDEES, LOCAL BUSINESS OPERATORS AND EXHIBITORS**

Hosting Fiesta Hermosa events on two major 3-day holiday weekends presents a significant impact to residents and downtown businesses. The subcommittee contends that additional measures be taken to mitigate the burdens on our residents, while also facilitating the enjoyment and patronage of our local businesses.

#### Recommendations:

1. Less impactful footprint/layout. The vendor tent layout should be arranged in a manner that allows adequate access to all businesses, regardless of Chamber membership (via pathways or wider booth spaces).
2. Improved way-finding signage throughout the event for public restrooms, vehicular and bicycle parking, and event elements.
3. Additional measures to ensure improved cleanliness throughout the Fiesta, particularly the Carnival and Food Court areas. This must be an immediate and major focus.
4. Increased collaboration with local transit agencies and the SBCCOG to ensure adequate shuttling services. Better marketing of current shuttle program.
5. Continued exploration of the viability of hosting one Fiesta event on a non-holiday weekend.

The Fiesta Council Subcommittee therefore recommends that the City Council approve a contract with the Chamber of Commerce and Visitors’ Bureau for both 2018 Fiestas, with consideration and expectations for implementation of the improvements listed above - some of which have already been mutually agreed upon - to ensure these events are both a community benefit as well as a sustainable endeavor moving forward. The Subcommittee further recommends that the work of this committee be continued as a standing committee, with the intent of partnering with the Chamber of Commerce - as well as other stakeholders moving forward in assessing the progress of these

improvements over the next two Fiestas. This would include periodic reports to the City Council during public meetings.

**Fiscal Implications:**

The City currently collects a flat \$40 fee per vendor in lieu of individual vendors obtaining business licenses. This amount varies depending upon the number of vendors that participate in each Fiesta. In 2017 the City collected \$16,680 in total vendor-related fees (these fees are collected in addition to the reimbursement from the Chamber for direct costs). Direct costs include lost parking revenue, city staff inspection activity, police and fire staff time, event clean-up and other items. The total direct cost reimbursements to the City averaged about \$34,000 per event. Included in this amount is a City credit to the Chamber of \$3,000 per event for transportation services using Prop A funds.

**Attachments:**

1. Fiesta Town Hall Comment Summary & Online Campaign Public E-comments
2. Draft Fiesta Agreement

**Respectfully Submitted by:** Nico De Anda-Scaia, Assistant to the City Manager

**Financial Analysis:** Viki Copeland, Finance Director

**Legal Review:** Mike Jenkins, City Attorney

**Approved:** Sergio Gonzalez, City Manager



EXHIBIT A  
City of Hermosa Beach

City Hall  
1315 Valley Drive  
Hermosa Beach, CA 90254

Staff Report

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Staff Report

REPORT 18-0664

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Honorable Mayor and Members of the Hermosa Beach City Council  
Regular Meeting of October 23, 2018

**FIESTA HERMOSA COUNCIL SUBCOMMITTEE UPDATE**  
(Assistant to the City Manager Nico De Anda-Scaia)

**Recommended Action:**

Staff recommends that the City Council:

1. Reaffirm the Subcommittee's recommendations for improvements to future Fiesta Hermosa events;
2. Discuss and provide direction regarding parameters for negotiation of a new Fiesta Hermosa agreement; and
3. Authorize and direct the City Manager to engage the Hermosa Beach Chamber of Commerce and Visitors' Bureau in negotiating a new Fiesta Hermosa agreement, and to return to the full Council with an update on those efforts.

**Background:**

In July 2017, the City Council established an ad-hoc Subcommittee (comprised of Mayor Duclos and Mayor Pro-tem Armato) to work in a coordinated effort with staff and the Chamber of Commerce in assessing public input regarding the overall impacts/benefits of Fiesta Hermosa events. Over the coming year, the Subcommittee and Chamber identified various areas for potential future improvements to the Fiestas through a comprehensive community and stakeholder engagement process.

These recommended future improvements were presented to the City Council for endorsement in February 2018 and are included as **Attachment 1** to this report. At that meeting, the City Council also approved a one-year contract extension with the Chamber to produce events through 2018, with direction to continue the efforts of the Council Subcommittee in assessing the progress of these improvements over the 2018 Fiestas. The City's 2018 Fiesta Hermosa agreement is included as **Attachment 2** to this report.

Following the Memorial Day 2018 Fiesta, the Council Subcommittee and Chamber of Commerce provided an update to the full City Council, including planned next steps for incorporating additional improvements to the Labor Day 2018 Fiesta. In order to facilitate these various changes, the City

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Council approved reconfiguring the footprint of Fiesta Hermosa along Pier Avenue to Monterrey Boulevard for the 2018 Labor Day weekend. Since this time, the Council Subcommittee has continued to meet with staff on a regular basis. As part of this agenda item, staff is recommending that the City Council consider the efforts of the Subcommittee and Chamber of Commerce over the past year related to Fiesta Hermosa events, and provide direction regarding the City's existing agreement that expires at the end of the 2018 calendar year.

**Analysis:**

With input from local residents, businesses, Fiesta Hermosa merchants and the non-profit community (**Attachment 3**), the City Council unanimously endorsed a set of recommendations for improvements to Fiesta Hermosa events earlier this year. These recommendations are listed in detail as part of Attachment 1, and are generally categorized under the following key areas:

- A clearer sense of what we are celebrating, including closer tie-in with the community and holidays these events occupy;
- Enhanced local crafts and culture highlighting our diverse and unique local assets; and
- Elevating the event experience for attendees, local businesses operators and exhibitors.

Toward this end, in 2018 the Chamber of Commerce implemented the following new program elements (these are further described in **Attachment 4**):

- Reconfiguration of vendors along Hermosa Avenue to provide better pedestrian access while mitigating impacts to brick and mortar businesses.
- Expansion of the Fiesta art zone to include additional local artists and live presentations.
- Additions to the acoustic stage section along Pier Avenue, including a stage and public seating on Pier Avenue.
- Improved event signage and a digital campaign aimed at promoting shopping local.
- Expanded community booth area.
- More food/beverage options throughout the event footprint.

In addition to these changes, and in-line with the recommended improvements that were endorsed by the full City Council in February 2018, the Subcommittee is requesting that City Council consider the following conditions as potential elements of future contracts:

- Reduced event footprint with a cap on the number of total booths overall.
- Refocused vendor mix with more emphasis on local arts & crafts and a reduction of non-city commercial vendors.
- Chamber to provide transparent financial records related to Fiesta Hermosa events.
- Integration of cashless-payment methods for Fiesta carnival and beer garden transactions.

City staff are therefore requesting Council consideration and direction regarding these elements,

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including expectations and appropriate parameters for negotiation of future Fiesta Hermosa agreements with the Chamber.

The current agreement is slated to expire at the end of the 2018 calendar year. As a condition of the agreement, the Chamber of Commerce has agreed to fund and coordinate specified annual community events including the St. Patrick's Day Parade, New Year's Eve Celebration, State of the City Address, Holiday Decorations and Tree Lighting Event. For over a year, the Chamber of Commerce has expressed their concern over growing costs associated with putting on these annual events. A letter from the Chamber dated May 15, 2017 is included with this report as **Attachment 5**. In response, the City has contributed toward recent holiday-related expenses, including \$15,000 toward a new Christmas tree and approximately \$12,000 for 2018 holiday decorations and installation.

### **General Plan Consistency:**

This report and associated recommendations have been evaluated for their consistency with the City's General Plan. Relevant policies are listed below:

#### Governance Element:

- 1.6 Long-term Considerations.* Prioritize decisions that provide long-term community benefit and discourage decisions that provide short-term community benefit but reduce long-term opportunities.
- 2.6 Responsive to Community Needs.* Continue to be responsive to community inquiries, providing public information and recording feedback from community interactions.
- 5.1 Residential and Commercial Compatibility.* Provide a balance between residential and commercial uses and strive to ensure their compatibility.
- 5.7 Visitor and Resident Balance.* Recognize the desire and need to balance visitor-serving and local -serving uses as a key to preserving character and the economic vitality of the community.
- 5.8 Public Private Partnerships.* Pursue the use of public-private partnerships to implement projects and efforts that maintain the character and benefit the community.
- 6.4 Business Support.* Support the Chamber of Commerce, retailers, tourist service businesses, artists, and other agencies to develop an aggressive marketing strategy with implementation procedures.

### **Fiscal Impact:**

There is no direct fiscal impact associated with this Council action. Future financial implications may be realized upon negotiations of a new Fiesta Hermosa agreement with the Chamber of Commerce.

### **Attachments:**

1. Fiesta Subcommittee Council Report (February 2018)
2. 2018 Fiesta Hermosa Agreement
3. Fiesta Town Hall Public Comment Summary & Online Campaign E-comments

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4. Chamber of Commerce 'Mid-year Fiesta Update' Presentation (July 2018)
5. Chamber of Commerce Request for Holiday Season Cost-Sharing (May 2017)

**Respectfully Submitted by:** Nico De Anda-Scaia, Assistant to the City Manager

**Concur:** Kelly Orta, Community Resources Manager

**Noted for Fiscal Impact:** Viki Copeland, Finance Director

**Legal Review:** Mike Jenkins, City Attorney

**Approved:** Suja Lowenthal, Interim City Manager