

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

THIS AGREEMENT is made this 24 day of May, 2018, 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 two Fiesta Hermosas ("Fiestas") in the City on City-owned property and rights-of-way during calendar year 2018.

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. In light of the expiration of the Fiesta agreement covering years 2015-2017, and CITY'S ongoing review of the Fiesta, CITY is willing to authorize by this Agreement the two Fiestas in calendar year 2018.

**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 Memorial Day and Labor Day Weekend in 2018. Unless otherwise directed by CITY, the Fiestas shall be held on Hermosa Avenue between 10<sup>th</sup> and 14<sup>th</sup> Streets, Pier Avenue between Manhattan Avenue and the Strand, 11<sup>th</sup> Street west of Hermosa Avenue, and Lot "A" (food pavilion).

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 of \$40 per vendor participating in the Fiesta. 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 cleaning, and provision of police and public works services. City may review and adjust the per vendor fee from time to time.

d. Booth Fees.

- (i) CHAMBER shall offer valid nonprofit organizations that are physically located in Hermosa Beach and are Chamber members booth space at no charge. Nonprofit organizations who are not Chamber members will be offered the option to join the Chamber at the current nonprofit rate at the time of application to receive free booth space for both Fiestas within the year of their membership.
- (ii) Nonprofit booth space will be filled with nonprofit organizations not selected for Beer Garden Charity Volunteer Service on a first-come-first-serve basis not to exceed 10 spaces. Additional approvals may be considered based on availability.
- (iii) 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 subject to the City Manager's prior approval in the path of pedestrian traffic from the shuttle bus loading/unloading area or towards the center of the venue. 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. Alcohol Abuse Education. CHAMBER shall annually donate \$1,500 from revenues derived from the Fiestas to a nonprofit organization of CHAMBER's choice to assist in funding a program of alcohol abuse education for the benefit of City residents and visitors.

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 CITY with a complete Annual Report to the City Council regarding the calendar year 2018 Fiestas. This report shall contain all records of both Fiestas, including proposed changes or enhancements to the events. This report will be reviewed by the City Council as part of a regular meeting.

j. Funding Specified Events. CHAMBER agrees for the duration of this Agreement to fund the following events, in a manner consistent with the scale and scope of those events in calendar year 2014:

St. Patrick's Day Parade  
New Year's Eve  
State of the City  
Holiday Decorations  
Tree Lighting Event

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) Bio-diesel Generators

Generators on the venue shall be 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 from remote parking to/from the event. All buses and shuttles shall 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 cyclist. CHAMBER may provide bicycle education and bike check services at the valet lot.

(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) Environmental Education Booth

CHAMBER shall assign an environmental education booth in a prominent location to the CITY at no cost, from which CITY or its assignee may distribute environmental information to attendees.

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

(ix) 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.

(x) 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.

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

1. CHAMBER shall provide sales tax distribution forms to all Fiesta contractors and vendors.

m. CHAMBER shall exercise best efforts to implement the measures set forth in Exhibit A (February 13, 2018 staff report and recommendations), attached hereto and incorporated by reference, for both 2018 Fiestas.

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 the shuttle bus program as set forth and in the amount described in the City's annual operating budget.

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 or that it would be adverse to the public health, safety, or welfare, 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.

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:

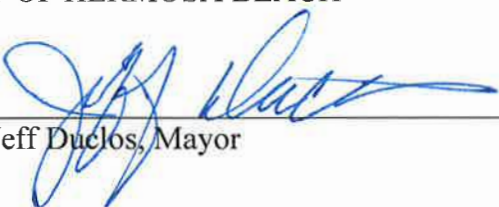
For CHAMBER: Hermosa Beach Chamber of Commerce  
1007 Hermosa Avenue  
Hermosa Beach, California 90254  
(310) 376-0951  
Attention: President

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

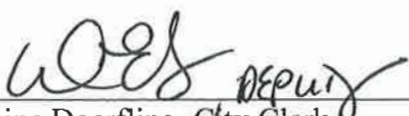
Section 8. Entire Agreement. This Agreement represents the entire integrated agreement between CITY and CHAMBER, and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by a written instrument signed by both parties. The parties 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

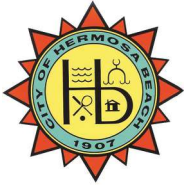
By:   
Jeff Duclos, Mayor

ATTEST:

  
Elaine Doerfling, City Clerk

HERMOSA BEACH CHAMBER OF COMMERCE

By:   
President



Staff Report

---

File #: REPORT 18-0108, Version: 1

---

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

# EXHIBIT A

---

**File #:** REPORT 18-0108, **Version:** 1

---

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