



## Staff Report

---

File #: REPORT 18-0664, Version: 1

---

### 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 Fiesta Hermosa 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 (Chamber) to assess public input regarding the overall impacts/benefits of Fiesta Hermosa events. Over the coming year, the Fiesta Hermosa 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 to assess 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 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 staff report, staff recommends 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, which 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 is celebrated, including closer tie-in with the community and the holidays these events cover;
- Enhanced local crafts and culture highlighting Hermosa's 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, 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 requests 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 and 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, therefore, requests Council consideration and direction regarding these elements, including expectations and appropriate parameters for negotiation of future Fiesta Hermosa agreements with the Chamber.

The current agreement expires 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 its 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

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