

**CITY OF TEMECULA  
AGENDA REPORT**

**TO:** City Manager/City Council

**FROM:** Betsy Lowrey, Assistant to the City Manager

**DATE:** April 23, 2024

**SUBJECT:** Approve Sponsorship and Economic Development Funding Agreement with the Temecula Valley Balloon and Wine Festival Association for the Temecula Valley Balloon and Wine Festival

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**PREPARED BY:** Christine Damko, Economic Development Manager

**RECOMMENDATION:** That the City Council approve a Sponsorship and Economic Development Funding Agreement with the Temecula Valley Balloon and Wine Festival Association for the Temecula Valley Balloon and Wine Festival.

**BACKGROUND:** The 2023 Economic Development Subcommittee of the City Council (Mayor James Stewart and Mayor Pro Tem Brenden Kalfus) recommended support for the 2024 Temecula Valley Balloon and Wine Festival (TVBWF) in the amount of \$27,000, which was then adopted as part of the FY 2023-24 Budget to be disbursed before June 30, 2024.

The Temecula Valley Balloon and Wine Festival (TVBWF) held yearly at the Lake Skinner Recreation area continues to be a popular annual event that attracts thousands of residents and visitors to Temecula, including a growing market of out-of-state attendees. The next event will be held on May 17, 18, and 19, 2024. The 2024 event will once again kick off with morning balloon launches, evening balloon glows, wine tasting, a wine competition and numerous food vendors. Local and regional breweries are also involved providing beer tasting and food pairings. Each day/evening music concerts are held featuring many different genres and popular talents. The event includes one of the largest local arts and craft fairs, plus local, and regional commercial product vendors.

The Festival increases local spending and generates overnight stays at our local hotels. No commissions, consultant fees and/or salaries will be paid to any party utilizing the City of Temecula's sponsorship funding. The City will also be listed as the event's Community Sponsor and will be provided maximum advertising opportunities that benefit the City.

The Festival's marketing program includes: media kits, press releases, and photos plus promotions on radio stations that reach Riverside, Orange, Los Angeles and San Diego Counties; collateral materials and publicity campaigns targeting these same areas using newspapers and magazines. In addition, the Festival maintains their website and capitalizes on social media outlets like Facebook, Instagram and Twitter to impact social networking and provide information on the event and entertainment schedules.

TVBWF met their obligations to provide financial statements for the operations of the 2023 festival, including full payment of public safety invoices.

To additionally clarify and delineate, the 2024 Economic Development Subcommittee recently met and recommended \$30,000 support for the 2025 TVBWF event which will take place in FY 2024-25 not to be confused with this FY 2023-24 recommendation and allocation. The FY 2024-25 allocation of \$30,000 will come before the City Council next fiscal year, upon receipt of the required 2024 TVBWF event documentation.

**FISCAL IMPACT:** Adequate funds for the Temecula Valley Balloon and Wine Festival have been included in the Fiscal Year 2023-24 Annual Operating Budget for the recommended amount of Twenty-Seven Thousand Dollars and No Cents (\$27,000). There is no fiscal impact associated with the promotional support.

**ATTACHMENTS:** Agreement