

**CITY OF TEMECULA
AGENDA REPORT**

TO: City Manager/City Council

FROM: Betsy Lowrey, Assistant to the City Manager

DATE: April 25, 2023

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

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 Temecula Valley Balloon and Wine Festival (TVBWF) 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 event will be held on May 19, 20, and 21, 2023.

The Economic Development Committee of the City Council (Mayor Pro Tem James Stewart and former Council Member Maryann Edwards) met on April 19, 2022 to review the sponsorship funding requests for Fiscal Year 2022-2023, and recommended annual support of the 2023 event in the amount of \$27,000.00. The Temecula Valley Balloon and Wine Festival is held yearly at Lake Skinner Recreation area and the 2023 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, kids fair, 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 Premier 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.

Pursuant to prior year funding agreements, the TVBWF submitted financial statements in early 2023 for the operations of the 2022 festival and will be required to submit financial statements of the 2023 festival operations by December 31, 2023.

FISCAL IMPACT: Adequate funds for the Temecula Valley Balloon and Wine Festival have been included in the Fiscal Year 2022-2023 Annual Operating Budget for the recommended amount of Twenty-Seven Thousand Dollars and No Cents (\$27,000.00). There is no fiscal impact associated with the promotional support.

ATTACHMENTS: Sponsorship and Economic Development Funding Agreement