

**CITY OF TEMECULA
AGENDA REPORT**

TO: City Manager/City Council

FROM: Betsy Lowrey, Assistant to the City Manager

DATE: June 10, 2025

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

BACKGROUND: The 2024 Economic Development Subcommittee of the City Council (Mayor James Stewart and Mayor Pro Tem Brenden Kalfus) recommended support for the Fiscal Year 2024-25 Temecula Valley Balloon and Wine Festival (TVBWF) in the amount of \$30,000, which was then adopted as part of the Fiscal Year 2024-25 Budget.

The Temecula Valley Balloon and Wine Festival, 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 June 20, 21, and 22, 2025. The 2025 event will once again kick off with hot air balloon launches, wine tasting, and numerous food vendors for food pairings. Each day/evening music concerts are held featuring many nationally known popular country music talents. The event also includes local arts and craft fairs, plus local and regional commercial product vendors.

TVBWF 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 is listed as the event's Community Sponsor and provided maximum advertising opportunities that benefit the City.

TVBWF'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, TVBWF maintains its website and capitalizes on social media outlets like Facebook, Instagram, and X (formally Twitter) to impact social networking and provide information on the event and entertainment schedules.

TVBWF met its obligations to provide financial statements for the operations of the 2024 festival, which included full payment of public safety invoices.

Disbursement of City funds for the 2025 event shall be contingent upon the submission and verification of public safety receipts. These receipts must include proof of payment made to the Riverside County Sheriff's Office and the Riverside County Fire Department/CAL Fire for public safety services rendered for the Event. City funds shall not be released until City staff have reviewed and confirmed receipt of such documentation.

FISCAL IMPACT: Adequate funds for the Temecula Valley Balloon and Wine Festival have been included in the Fiscal Year 2024-25 Annual Operating Budget for the recommended amount of thirty thousand dollars and no cents (\$30,000). There is no fiscal impact associated with the promotional support.

ATTACHMENTS: Sponsorship and Economic Development Funding Agreement