

**CITY OF TEMECULA
AGENDA REPORT**

TO: City Manager/City Council

FROM: Greg Butler, Assistant City Manager

DATE: May 28, 2019

SUBJECT: 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, Fiscal Year 2018-2019

PREPARED BY: Courtney Fletcher, Administrative Assistant

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, Fiscal Year 2018-2019.

BACKGROUND: The Temecula Valley Balloon and Wine Festival (TVBWF) continues to be a popular, signature event that attracts thousands of residents and visitors, including a growing market of out of state attendees. The event will be held on May 31, June 1 and June 2, 2019.

The Temecula Valley Balloon and Wine Festival is held annually at Lake Skinner Recreation area. The event features 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 Economic Development Committee of the City Council (Council Member Jeff Comerchero and Council Member Maryann Edwards) met on April 10, 2018 to review the sponsorship funding requests for Fiscal Year 2018-2019 and recommended continued support of the event. The Festival, through advertising and the event itself, 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, photos and commercials plus promotions on radio stations that reach Riverside, Orange, Los Angeles and San Diego Counties; local cable television advertising; collateral materials and an aggressive publicity campaign targeting these same areas using newspapers, magazines and major television network news outlets. In addition, the Festival maintains their website and capitalizes on social media

outlets like Facebook and Twitter to impact social networking and provide information on the event and entertainment schedules.

Pursuant to prior year funding agreements, the TVBWF submitted audited financial statements for their fiscal year ending June 30, 2018, which covers the operations of the 2018 festival. The independent auditor report did not make any findings and determined that the "...the financial statements...present fairly, and in all material respects, the financial position of the Temecula Valley Balloon & Wine Festival as of June 30, 2018, ...in accordance with accounting principles generally accepted in the United States of America." The City's Finance Director reviewed the submitted report and concurred with the findings.

FISCAL IMPACT: Adequate funds for the Temecula Valley Balloon and Wine Festival have been included in the Fiscal Year 2018-2019 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 and use of traffic control devices.

ATTACHMENTS: Sponsorship and Economic Development Funding Agreement