

RESOLUTION 2019-099

RESOLUTION AUTHORIZING AMENDMENT NO. 1 TO AGREEMENT WITH STAY CLASSY SAN DIEGO, LLC FOR SPONSORSHIP OF A FESTIVAL ON THE DOWNTOWN SAN DIEGO WATERFRONT, ADDING \$150,000 IN FUNDING, AND ASSIGNING ALL RIGHTS AND OBLIGATIONS OF STAY CLASSY SAN DIEGO, LLC TO WONDERLUST EVENTS, LLC

WHEREAS, the San Diego Unified Port District (District) is a public corporation created by the Legislature in 1962 pursuant to Harbors and Navigation Code Appendix I; and

WHEREAS, Board of Port Commissioners (BPC) Policy No. 110 establishes a policy governing the processing and administration of public projects, consulting and service agreements, the processing of supplies, materials, and equipment, and grants; and

WHEREAS, the Waterfront Arts & Activation department administers the District's events and activation programs to bring a variety of events--ranging from small community gatherings to major festivals, parades, and world-class celebrations--to the waterfront each year; and

WHEREAS, the largest and most complex types of special events are evaluated as the District's Business Negotiated Event partnerships for distinctive events that require: substantial District-wide staffing resources from multiple departments; extensive permitting and logistical arrangements with involvement from multiple agencies and stakeholders; complex negotiations between the District and the event producer/sponsorship--and have the potential for significant financial and promotional benefit to the District; and

WHEREAS, the Wonderfront Festival was approved by the BPC on July 17, 2018 through an agreement with Stay Classy San Diego, LLC (SCSD) for a three-day music and arts festival on District tidelands; named the Wonderfront Festival in alignment with the District's "Discover Your Wonderfront" destination campaign, this event will take place on stages in venues throughout the downtown San Diego bayfront that include Broadway Pier, Ruocco Park, the Seaport Village parking lots and Embarcadero Marina Park North, and will feature a variety of other activations in the public spaces and leaseholds spanning the length of the festival footprint; and

WHEREAS, the anticipated dates for the Wonderfront Festival are Friday, November 22 through Sunday, November 24, 2019, the weekend prior to

Thanksgiving, which is a period when tourism to the San Diego region is typically low in comparison with the rest of the year and, as such, this presents an opportunity to activate District tidelands with high-quality family-friendly entertainment and attractions, and provide economic return to the region; and

WHEREAS, the Wonderfront Festival is projected to generate direct revenue to numerous District tenant businesses including hotels, restaurants, retail enterprises, parking facilities and visitor attractions; this business revenue, in turn, results in concession rent to the District; and the existing agreement with SCSD also contains provisions for the District to receive percentage rent based on gross ticket revenue; and

WHEREAS, Amendment No. 1 adds \$150,000 in District funding for the Wonderfront Festival, which will provide the organizers with capital to plan, obtain permits and entitlements, and produce the Wonderfront Festival, and includes funding to provide a free music stage offered in celebration of San Diego 250, a year-long initiative recognizing the 250th anniversary of the founding of San Diego; and

WHEREAS, it may also be used in part to pay for mobility-plan consulting that will provide key data and recommendations in support of both the Wonderfront Festival transportation and mobility plan and the mobility portions of the District's Port Master Plan Update efforts in the Embarcadero area; and

WHEREAS, the Amendment also assigns the rights and obligations of Stay Classy San Diego, LLC (SCSD) to Wonderlust Events, LLC (WLE), an entity wholly owned by SCSD; and

WHEREAS, no other elements of the existing sponsorship agreement will change as a result of this assignment; and the Amendment includes the licensing of the name Wonderfront to limit the use of the word Wonderfront by Wonderlust Events, LLC to references to the proposed festival event only; and

WHEREAS, at the end of the event, the Waterfront Arts & Activation department will require SCSD to complete an analysis of the economic, media and promotional impacts of the Festival; and

WHEREAS, the analysis will inform the District of indirect revenue impacts of the Festival from tenant concession rent, as well as provide an estimated value of the branding and promotional considerations provided to the District by SCSD; and

WHEREAS, once the District has received and evaluated this analysis, staff will provide a review of the impacts of the festival to the BPC.

NOW THEREFORE, BE IT RESOLVED that the Board of Port Commissioners of the San Diego Unified Port District, authorizes and directs the District's Executive Director or her designee to enter into Amendment No. 1 to Agreement with Stay Classy San Diego, LLC for sponsorship of a festival on the downtown San Diego waterfront, adding \$150,000 in funding, and assigning all rights and obligations of Stay Classy San Diego, LLC to Wonderlust Events, LLC.

APPROVED AS TO FORM AND LEGALITY:
GENERAL COUNSEL



By: Assistant/Deputy

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 13th day of August 2019, by the following vote:

AYES: Bonelli, Castellanos, Malcolm, Merrifield, Moore, Valderrama, and Zucchet

NAYS: None.

EXCUSED: None.

ABSENT: None.

ABSTAIN: None.



Garry J. Bonelli, Chairman
Board of Port Commissioners

ATTEST:



Donna Morales
District Clerk

(Seal)