



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: JULY 7, 2020**

FROM: COMMUNITY & ECONOMIC DEVELOPMENT **WARDS: ALL**
DEPARTMENT

SUBJECT: CITY PARTICIPATION IN THE MISSION INN HOTEL & SPA FESTIVAL OF LIGHTS FOR FISCAL YEAR 2020-2021

ISSUE:

Review various options for the City's participation in The Mission Inn Hotel & Spa Festival of Lights and approve the Low-Cost Option for an estimated City contribution of \$60,000 for Fiscal Year 2020-2021.

RECOMMENDATIONS:

That the City Council:

1. Review various options for City participation in The Mission Inn Hotel & Spa Festival of Lights for Fiscal Year 2020-2021;
2. Approve the Low-Cost Option for an estimated City contribution of \$60,000 for Fiscal Year 2020-2021; and
3. Authorize the City Manager, or his designee, to execute any necessary agreements for the 2020 Mission Inn Hotel & Spa Festival of Lights, including making minor and non-substantive changes.

BACKGROUND:

The Riverside Festival of Lights (Festival) is one of Riverside's annual signature events aiming to highlight Riverside's pride with a family-friendly holiday celebration. This world-class event was created by the Mission Inn Hotel & Spa about 28 years ago.

On September 19, 2006, the City Council approved a supplemental appropriation and funds transfer request for the enhancement of the Festival. This event became a single celebration, coordinated by the City of Riverside in partnership with The Mission Inn Hotel & Spa.

The City of Riverside is the 12th largest city in California with over 330,000 residents and tens of thousands of visitors, who work, play and go to school here. City staff are taking appropriate

steps to evaluate, assess and recommend changes to current and future programming that is in the best interest of our residents.

Prior to the COVID-19 pandemic, staff were looking at creative ways to make changes to the Festival that would reduce expenditures to meet the anticipated budget for the next two fiscal years. Since 2016, City of Riverside expenses (not including staff time or City services) have ranged from approximately \$378,000 to \$825,000 and revenues collected ranged from \$453,195 to \$734,739 for the Festival.

The fiscal challenges that states, counties, and cities are facing are now magnified by the COVID-19 pandemic and the economic impacts resulting from this global emergency at a local level. This unprecedented event has had, and will continue to have, measurable impacts on City revenues moving forward as businesses are currently opening with limited capacity at the time of writing this staff report.

The City needs to be vigilant about managing expenses during these challenging times and ensure that resources are directed to the most important needs and services for our community.

DISCUSSION:

In the process of budget planning for the upcoming fiscal year, the Arts & Cultural Affairs Division was asked to review Festival of Lights programming at different monetary levels of participation prior to the COVID-19 pandemic. As the COVID-19 pandemic evolved over the past few months, the review of programming became heightened with the uncertainty of directives that will be imposed by the State of California or the County of Riverside. There is also the possibility of a second wave of COVID-19 illness that health professionals are directing organizations to prepare for this Fall/Winter.

Due to the uncertainty of the COVID-19 pandemic and possibility of governmental orders preventing large gatherings, staff estimates that the revenue to the City from sponsorships, vendors, parking and other fees would be substantially lower than previous years if the full event was to be held this year.

After discussions with Emergency Operation staff, research and review of related articles and past pandemic experiences (1918 Spanish Flu), and review of Centers for Disease Control and Prevention (CDC) guidelines and information, staff recommends moving forward with caution and taking appropriate steps for the 2020 Festival of Lights that prioritize the health and safety of the community for the following reasons:

1. High probability of a second wave of COVID-19 during the regular flu season, as cautioned by CDC health professionals;
2. Governmental orders precluding large gatherings that may be in effect at the time of the event;
3. Potential for undue burden on first responders for priority of emergency orders and pandemic enhanced by the Festival event if a second wave of COVID-19 exists; and
4. Increased cost for personal protection equipment (PPE) supplies for staff, vendors, and volunteers along with social distancing measures and the likelihood for additional security or staffing for the Festival.

2020 Programming Options:

Options	Cost	Staff Needed	Décor-Lighting	Programming-Attractions	Vendors	Security Guards	Decision Point
Cancellation	\$0 + Staff Time	Community & Economic Development - Arts & Cultural Affairs Office of Communications General Services	None	None	None	None	Mid to Late October 2020
No Cost	\$0 + Staff Time	Community & Economic Development - Arts & Cultural Affairs Office of Communications General Services	Selfie Stations Ornament Benches Sleigh Communitrees Bows Garland Ornaments & Presents Snowflake Blowup Lights	None	None	None	Late September 2020
Low Cost	\$60,000 + Staff Time	Community & Economic Development - Arts & Cultural Affairs Office of Communications General Services	Lights Holiday Trees (3) Poppy Hill Additional Blowup Lights Selfie Stations Ornament Benches Sleigh Communitrees Bows Garland Ornaments & Presents Snowflake Blowup Lights	None	None	None	Early August 2020
Half Cost	\$250,000 + Staff Time	Community & Economic Development - Arts & Cultural Affairs Office of Communications General Services Finance	Includes all Low Cost Items New Silk/Lighted Items New Lighted Walkthrough Ornaments New Large Stacked Ornaments	None	None	None	Early July 2020
Full Cost	\$575,000 + Staff Time	Community & Economic Development - Arts & Cultural Affairs Office of Communications General Services Police Fire Public Works Finance Innovation Technology Charter Offices	Includes all Low Cost Items (except additional Blowup Lights) No New Items	Artisan's Collective (Thurs – Sun Nights) Santa New Year's Eve Celebration No Entertainment Stage, Horse Carriages, Attractions	Yes	Yes	Early July 2020

The Full Cost option would be like previous years with several exceptions. This year, it would not include the Community Stage, attractions and horse carriages. The Half Cost option would

include only new lighted décor and lights. The Low Cost option would include lights and already purchased décor only. The No Cost option would only include already purchased décor and very few lights. The Cancellation option would be no activities, lights or décor.

Staff recommends the Low-Cost Option for the City's participation for the 2020 Festival of Lights. This would allow the city to provide a festive atmosphere for residents and visitors that can eat and shop at downtown businesses while still allowing for public health and safety concerns to be addressed appropriately. It would also direct expenditures by visitors to the local businesses as there would be no vendors, which would help businesses in the downtown area.

This recommendation would also address the budget shortfall that is projected for Fiscal Year 2020-2021. In addition to the budgeted funds for the Festival, there is approximately 5,000-8,000 hours of staff time from various departments that is associated with implementing the event at the Full Cost Option. Several departments (Police, Fire and Public Works) have overtime costs for the event. As event options are reduced, the amount of staff time needed to implement the event go down significantly, which would allow staff to utilize their time to address other programs, issues, concerns and services that are constantly changing due to the pandemic.

Staff met and discussed the options listed above with The Mission Inn Hotel & Spa and the Greater Riverside Chambers of Commerce, as they are key partners of the overall event. As of the publication date of this report, both organizations were still evaluating their participation level for the Festival this year.

FISCAL IMPACT:

The fiscal impact associated with the recommendations in this report would result in a \$15,000 savings to Riverside Public Utilities Account 6020000-456022, a savings of approximately \$500,000 to the General Fund for Fiscal Year 2020-2021, plus an estimated savings of approximately \$140,450 in unbudgeted overtime for the following departments: Riverside Police, Riverside Fire and Public Works departments. The \$140,450 amount is based on the total from last year's Festival overtime cost from the three departments.

The FY 2020/21 adopted budget includes a revenue estimate of approximately \$364,000. The Full Cost Option would generate an estimated \$150,000 revenue for the City; the other options will not generate any revenue for the City.

Prepared by:	David Welch, Community & Economic Development Director
Certified as to	
availability of funds:	Edward Enriquez, Chief Financial Officer/City Treasurer
Approved by:	Rafael Guzman, Assistant City Manager
Approved as to form:	Gary G. Geuss, City Attorney

Attachments:

1. Full Cost Site Map
2. Half Cost Site Map
3. Low Cost Site Map

4. No Cost Site Map
5. Presentation