

DRAFT**RESOLUTION 20xx-xxx****RESOLUTION AUTHORIZING AN AGREEMENT
WITH WONDERLUST EVENTS, LLC FOR SUPPORT
OF THE WONDERFRONT FESTIVAL DURING
NOVEMBER 2022 IN AN AMOUNT NOT TO EXCEED
\$100,000 IN FUNDING AND UP TO \$100,000 OF IN-
KIND DISTRICT SERVICES; FY 2022
EXPENDITURES ARE BUDGETED**

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 (Port Act); and

WHEREAS, the Board of Port Commissioners (BPC) adopted BPC Policy No. 110 establishing a procedure for the administration of contracts and the purchasing of supplies, materials, and equipment and establishing a policy governing the processing and administration of contracts; and

WHEREAS, the Parks & Recreation department administers the District's special event and activation programs to bring a variety of events – ranging from small community gatherings to major festivals, parades, and community celebrations – to tidelands each year; and

WHEREAS, in 2019, the inaugural three-day Wonderfront Music & Arts Festival (Festival) successfully debuted at the Port of San Diego, the weekend before Thanksgiving, and featured over 80 bands showcasing a variety of musical genres; and

WHEREAS, in 2022, the Event Organizer is projecting attendance ranging from 60,000-75,000, bringing a substantial number of new visitors from a primarily 35+ age demographic to the tidelands; and

WHEREAS, for 2022, the Festival is planned to have up to six stages featuring live entertainment from 80+ musicians, as well as culinary and immersive experiences; and

WHEREAS, Wonderfront integrates the festival experience into downtown San Diego and allows the projected 60,000-75,000 attendees to move in and out of the Festival, encouraging them to explore the area, freely access their accommodations, and patronize area businesses; and

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WHEREAS, the integration of the Festival into the city increases the positive economic impact on businesses on the District tidelands and in the San Diego region; and

WHEREAS, as was the case in 2019, the 2022 Festival has broad regional support as a tourism-generating destination event, with several million dollars coming from investors and sponsors from the San Diego business community; and

WHEREAS, the Festival is supported with a \$250,000 funding investment from the San Diego Tourism Marketing District (TMD); AND

WHEREAS, for 2022, the Event Organizer projects that the Festival will generate over 12,500 hotel room nights; and

WHEREAS, despite the rising costs to produce a large-scale festival on the San Diego waterfront, the increased visitor activity in downtown San Diego is anticipated to produce strong ROI for the District, generate revenue for its tenants and local area businesses, and have a positive economic impact on the entire region; and

WHEREAS, for the 2022 Festival, if approved by the BPC the sponsorship agreement with the District will provide up to \$100,000 in cash funding and up to \$100,000 of in-kind event-related services; and

WHEREAS, the return on the District's sponsorship investment in the Festival will primarily come through three channels: (1) ticket sales; (2) concession rent; and (3) public access programming; and

WHEREAS, the District's agreement with the Event Organizer includes revenue paid per ticket to the District on all tickets sold for the Festival, as well as payment based on a percentage of gross ticket sales revenue; and

WHEREAS, based on current ticket sales projections, District staff anticipates that the District will receive revenue payments ranging from \$100,000 – \$300,000 dependent on the total quantity of tickets sold and the total gross ticket sales; and

WHEREAS, a key component for the 2022 Festival sponsorship includes a requirement to provide the community programming with free live music and entertainment at Broadway Pier during all three days of the Festival; and

WHEREAS, the District's sponsorship of \$100,000 in cash funding will support this free public access programming at Broadway Pier which is estimated to yield a return of \$1.1M in public benefit, including the value of tickets and entertainment; and

WHEREAS, staff recommends the BPC authorize a new agreement with Wonderlust Events, LLC for support of the Wonderfront Festival during November 2022 in an amount not to exceed \$100,000 in funding and up to \$100,000 of in-kind District services.

NOW THEREFORE, BE IT RESOLVED that the Board of Port Commissioners (BPC) of the San Diego Unified Port District, does hereby authorize the Executive Director or his designee to execute an agreement with Wonderlust Events, LLC for support of the Wonderfront Festival during November 2022 in an amount not to exceed \$100,000 in funding and up to \$100,000 of in-kind District services.

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 14th day of June 2022, by the following vote: