



Administrative Report

H.7., File # 24-0515

Meeting Date: 4/16/2024

To: **MAYOR AND CITY COUNCIL**

From: GREG KAPOVICH, WATERFRONT & ECONOMIC DEVELOPMENT DIRECTOR

TITLE

APPROVE THE FIFTH AMENDMENT TO THE AMENDED AND RESTATED AGREEMENT FOR SPECIAL EVENT SERVICES AND REVOCABLE LICENSE WITH SANFORD VENTURES, INC. FOR THE USE OF REAL PROPERTY FOR THE BEACHLIFE FESTIVAL AMENDING THE OPERATING HOURS, FACILITY USE FEE, NUMBER OF PUBLIC PARKING SPACES USED BY FESTIVAL OPERATORS, AND THE REIMBURSEMENT OF MUNICIPAL EXPENSES ASSOCIATED WITH THE FESTIVAL FOR ONE EVENT TO OCCUR DURING THE TERM APRIL 16, 2024 THROUGH JULY 31, 2024

EXECUTIVE SUMMARY

The proposed Fifth Amendment to the Amended BeachLife License Agreement with Sanford Ventures, Inc. (Producer) includes seven primary changes that would apply to the May 3-5, 2024 Festival event. The changes include: 1) setting the end time for amplified music to 9:00 pm on Sunday and 10:30 pm on Friday and Saturday, 2) increasing the Daily Facility Use Fee to \$16,391 per day for a three-day period, 3) increasing the reimbursement to the City for municipal services and safety costs to \$80,000 for the May 2024 Festival, 4) providing the Producer the option of up to seven additional load-in days for an additional \$1,000 per day, 5) allowing the use of up to 200 parking spaces within the Pier Parking Structure for an additional \$20 per day, per stall, 6) increasing the cost and number of optional/additional public surface parking spaces within the marina parking lot made available for use by the festival to \$5,000 and 117 spaces respectively, and 7) allowing the use of the surface parking lot and vacant building at the old Joe's Crab Shack site for \$500 per day for a three-day period.

BACKGROUND

On December 19, 2017, the Redondo Beach City Council approved an agreement with Sanford Ventures, Inc. entitled, "Agreement for the Special Event Services and Revocable License for the Use of Real Property" (Agreement) for the production of the BeachLife Festival. On September 4, 2018, the City Council approved an "Amended and Restated Agreement for Special Event Services and Revocable License for the Use of Real Property" (Amended Agreement) to generally amend the term of the Agreement and to allow for bi-annual festivals (twice per year). The Amended Agreement is the overall binding ten-year agreement between the City and Sanford Ventures, Inc.

Both parties have entered into four temporary amendments since 2021 to account for increased public safety costs and to accommodate other modifications to the event.

The proposed "Fifth Amendment to the Amended and Restated Agreement for Special Event Services and Revocable License for Use of the Real Property" includes seven primary changes that would apply to the May 3-5, 2024 BeachLife Festival event and do not represent a significant departure from the previous four amendments. The proposed changes are as follows:

1. Setting the ending time for amplified music from 9:00 pm on Friday and Saturday to 10:30 pm and from 8:00 pm on Sunday to 9:00 pm
2. Increasing the reimbursement cap to the City for municipal services and safety costs to \$80,000
3. Increasing the Daily Facility Use Fee from \$9,265 to \$16,391 per day for the three-day event
4. Increasing the producer's option for utilizing parking spaces in the marina surface parking lot from 45 parking spaces (at a cost of \$720) to 117 parking spaces for a cost of \$5,000 (\$4,000 paid to the City and \$1,000 paid to the King Harbor Association) for the three-day period
5. Providing the Producer the option of up to seven additional load-in days for an additional \$1,000 per day
6. Allowing the use of up to 200 parking spaces within the Pier Parking Structure for an additional \$20 per day, per stall for the three-day period Festival
7. Allowing the use of the surface parking lot and vacant building at the old Joe's Crab Shack site for \$500 per day

If approved, the term of the Fifth Amendment would be from April 16, 2024 to July 31, 2024. All other provisions of the Agreement will remain unchanged and in full force and effect.

COORDINATION

The Waterfront and Economic Development Department collaborated with the City Manager's and City Attorney's Offices on this report. The City Attorney's Office approved the amendment as to form.

FISCAL IMPACT

The Proposed Fifth Amendment requires payment to the City of a Daily Use Facility Fee of \$16,391 per day for the May Festival (\$49,173 for the three-day period). The Producer also has the option to utilize up to seven additional load-in days for an additional payment of \$1,000 per day (up to \$7,000). The above revenue from the event is split between the Harbor Uplands Fund and Harbor Tidelands Fund.

In addition, the Producer will rent an additional 117 surface parking spaces for an additional \$4,000 to be paid to the Harbor Uplands Fund and \$1,000 to be paid to the King Harbor Association. Payment for use of up to 200 parking spaces within the Pier Parking Structure for an additional \$20 per stall per day (up to \$12,000 for the Festival) will be paid to the Harbor Uplands Fund. Payment for use of the former Joe's Crab Shack surface parking lot and vacant building of \$500 per day (\$1,500 for the three-day period) will be paid to the Harbor Tidelands Fund. The \$80,000 reimbursement for related City public safety, public works, and inspection costs will accrue to the City's General Fund.

APPROVED BY:

Mike Witzansky, City Manager

ATTACHMENTS

- Agmt - Proposed Fifth Amendment to BeachLife Festival, April 16, 2024
- Exhibit - Proposed Fifth Amendment "Exhibit A"
- Agmt - Fourth Amendment to BeachLife Festival, April 11, 2023 (NOW EXPIRED)
- Agmt - Third Amendment to BeachLife Festival, September 6, 2022 (NOW EXPIRED)
- Agmt - Second Amendment to BeachLife Festival, April 19, 2022 (NOW EXPIRED)
- Agmt - First Amendment to BeachLife Festival, September 7, 2021 (NOW EXPIRED)
- Agmt - Amended and Restated Agreement for Special Event Services and Revocable License for the Use of Real Property, September 4, 2018