



GARDEN STATE FIREWORKS

July 4, 2024 Fireworks Show



City Council | April 9, 2024

2024 4th OF JULY EVENTS



February 6, 2024 – City Council approved the following July 4, 2024 holiday events:

5K Run

- Event details consistent with 2023 event

Seaside Lagoon

- Open for regular hours from 12:00 – 10:00pm with no additional amenities
- General admission from 12:00 – 8:30pm with water access restricted at 7:30pm
- Entry gates open at 8:30pm for an additional fireworks viewing area

Fireworks Show

- City-sponsored, barge-based show from the harbor
- Garden State Fireworks (GSF) for fireworks display
- Pi Environmental to assist the City in complying with NPDES permitting and reporting

GSF AGREEMENT CONCERNS



Three concerns have been identified through negotiations with Garden State Fireworks:

- ✓ **Registration with the California Secretary of State**
 - Requirement of Section 2105(a) of the California Corporations Code
 - GSF filed the appropriate documentation and registered on March 19, 2024

- ❑ **City Liability Regarding Subcontractor Performance**
 - City has historically negotiated agreements with fireworks show production companies that required them to subcontract with the barge provider.
 - GSF is amenable to this, but is requiring:
 - The City to remove all liability from GSF for any potential non-performance of the barge contractor
 - An upfront payment of \$70,671 (full rental cost of barge + 50% deposit for fireworks services)
 - Under GSF's terms, City would have little recourse for recovering losses if the subcontractor fails to deliver the contracted barge services. Losses could include all fees previously paid to GSF

GSF AGREEMENT CONCERNS



City Liability Regarding Subcontractor Performance *(continued)*

- City could directly contract with the barge company
 - While this exposes the City to financial risk, it offers the possibility of recourse against the barge provider in the event of non-performance
 - Stand-alone agreements do present logistical and planning challenges and is not recommended by RBFD
 - Allocation of on-site staff at Long Beach Harbor for loading, unloading, and demobilization
 - Add additional complexity to environmental reporting

☐ Insurance Policy

- GSF is unable to provide the required insurance policy until it has a fully executed agreement.
- City policy requires insurance documentation prior to approval, and execution, to verify a company's coverage.
- If approved, GSF would be provided a partially executed agreement omitting the Risk Manager/Human Resources Director's signature, which would be withheld until the insurance policy documentation is received and verified as compliant

FISCAL IMPACT



- Funding traditionally provided through the Tidelands Funds
- Total allocation includes:

Garden State Fireworks	Fireworks	\$65,000
Pacific Maritime Group	Barge	\$38,171
Marine Tech Engineering	Moorings	\$4,861.84
Pi Environmental	NPDES Permit & environmental reporting	\$7,500
TOTAL		\$115,532.84

- Cost of the barge would remain whether the City contracted it directly or through an agreement with GSF.
- Proposed Resolution No. CC-2404-023 would appropriate the Tidelands Funds needed to produce the fireworks display.

RECOMMENDATION



Staff recommends that the City Council:

- Provide direction on approval of the proposed agreement (*City's assumption of liability for subcontractor*) waiving the up-front insurance provision
- OR -
- Provide direction for staff to enter into an agreement with GSF for the fireworks display only, waiving the up-front insurance provision, and also draft an agreement with the barge company directly.
- Approve Resolution CC-2404-023 Authorizing FY 2023-24 Budget Modification (*if necessary*)

**Rejecting the proposed agreement would force the cancellation of the fireworks display for the July 4, 2024 holiday*