



Staff Report

City of Manhattan Beach

TO: Honorable Mayor Fahey and Members of the City Council

THROUGH: Geoff Dolan, City Manager

FROM: Richard Gill, Director of Parks and Recreation
Juanita Purner, Cultural Arts Manager

DATE: June 21, 2005

SUBJECT: Information and Discussion Regarding the 2005 City of Manhattan Beach Annual Arts Festival

RECOMMENDATION:

Staff recommends that the City Council accept this report for the 2005 Manhattan Beach Arts Festival and approve keeping the event downtown for another year, understanding that the City's subsidy of the event may increase.

FISCAL IMPLICATION:

The annual Arts Festival expenses have ranged from approximately \$65,000 in 1999 to \$36,000 last year. Revenues raised through sponsorship have ranged from \$62,000 in 1999 to approximately \$21,000 last year. As sponsorships have declined, staff has downsized the event to try to match revenues.

Staff estimates a savings in expenses of almost \$8,000 by moving the event to Polliwog Park. The savings is attributed to less artists' booths and entertainment stages in anticipation of a smaller crowd.

BACKGROUND:

The Manhattan Beach Arts Festival was initiated nine years ago through a city/citizen action plan that called for more educational activities for the citizens of the City of Manhattan Beach. The City of Manhattan Beach's Cultural Arts division has built the arts festival into a community hands-on event that is free to the public. Participants experience a variety of creative and culturally diverse activities through arts booths, entertainment stages, food booths and strolling entertainment; Manhattan Beach is a place where residents of all ages are inspired, educated and excited about arts and culture.

DISCUSSION:

This year's course of events indicated that new strategies were needed in securing sponsorship for the Arts Festival. Our sponsorship consultant and event coordinator for the last nine years

(Lindsey Shields) left in January for other employment. Also, Sketchers terminated their \$10,000 sponsorship for the event after seven years.

In addition, the economic decline of the past few years has affected local business and the level of donor dollars has declined. Below is a chart of revenue and expenses for the last four years showing a decline in revenue and expenses.

	Revenue	Expenses
2000/2001	\$34,275	\$42,068
2001/2002	\$44,591	\$68,179
2002/2003	\$62,533	\$75,046
2003/2004	\$38,300	\$53,812

As sponsorships have declined, staff has downsized the event. Five years ago we offered over 40 artists' booths and three entertainment stages. Last year we offered 22 artists' booths and two stages. If the event is kept downtown, where attendance is high, staff does not believe it can cut back anymore without creating long lines. One option is to move the event to Polliwog Park. Polliwog is the venue for many other department events such as the Concerts in the Park and Earth Day. It has all the infrastructure needed such as an amphitheater, electrical outlets, restrooms and room for artists' booths.

Relocating the event to Polliwog could save the city approximately \$6-8,000. However, staff believes most of the savings for this event is related to a lower anticipated attendance. With fewer participants, the number of artists' fees, art supplies and booth rentals would be reduced. Also, the savings would include downsizing the number of entertainment stages from two to one.

The move to Polliwog could be temporary, as next year we are hoping to have a new marketing team working for us who can secure the sponsorships needed to implement a large event. On the other hand, if attendance is more important than a modest cost savings, the department could absorb this loss for one year in anticipation of securing more sponsorships next year.

Another consideration is the possibility of losing some of our downtown sponsors if we move. Union Bank of California has given between \$2,500 and \$5,000 each year over the last six years and their loss of support would almost nullify any savings we would achieve by the move. We have asked several of our downtown sponsors if they would still contribute if the event was moved and we have not received replies.

Staff approached the Downtown Business Professional Association for their input on the Festival and they expressed support for our event downtown, as always, but also graciously stated they understood the current economic situation and would support us if we had to move the event.

Another concern for moving the event to Polliwog is the possibility of losing the following and reputation it has created over the last nine years in the downtown area.

Staff prefers to keep the event downtown but is concerned with the declining sponsorships and in

light of losing our fundraiser for the last nine years. Staff believes the situation might be temporary if the economy picks up or a new marketing firm for the department can raise the funds needed next year.

CONCLUSION:

The Arts Festival, which is one of the community's favorite special events attracting almost 10,000 people, has been attaining less sponsorship funds over the last several years and has cost the department between \$10,000 - \$15,000 annually. Moving the event to Polliwog Park could realize a savings of \$6,000-\$8,000 in hard costs for artists and entertainment. However, staff believes Polliwog Park wouldn't have the same draw as downtown and, therefore, less sponsors may want to contribute and less people may want to attend.

ALTERNATIVES:

1. Keep the Arts Festival downtown
2. Cancel the event for one year or until the economy improves