

CITY OF PALM DESERT STAFF REPORT

MEETING DATE: September 14, 2023

PREPARED BY: Amy Lawrence, Deputy Director of Economic Development
Thomas Soule, Public Affairs Manager

REQUEST: CONSIDERATION OF A THREE-YEAR SPONSORSHIP WITH DESERT PUBLICATIONS, INC., FOR FASHION WEEK EL PASEO AND FOOD & WINE FESTIVAL PALM DESERT

RECOMMENDATION:

1. Approve a three-year Sponsorship Agreement with Desert Publications, Inc., in the amount of \$300,000 annually for Fashion Week El Paseo and the Palm Desert Food & Wine Festival.
2. Authorize use of the north side of Shadow Mountain Lane behind The Gardens on El Paseo for valet parking during the event.
3. Authorize waiver of all permit and inspection fees related to the event.
4. Authorize the City Attorney to make non-substantive changes and the City Manager to execute all necessary documents.

BACKGROUND/ANALYSIS:

History

Coordinated by Desert Publications, Inc., d.b.a. Palm Springs Life (PSL), Fashion Week El Paseo celebrated its 16th year in 2023. Fashion Week El Paseo began in 2006 with three evening fashion shows held in March. The timing was strategically selected to occur between two major events in the Valley—the BNP Paribas Tennis Tournament and the Kraft Nabisco LPGA Championship, which later became the ANA Inspiration. Although the golf event has since moved to Texas, Fashion Week continues to benefit from the lead-in of the tennis tournament.

Since its inception in 2006, Fashion Week El Paseo has grown from three evenings, to seven full days of special events—both onsite and in stores throughout the El Paseo shopping district—and is now known as the largest consumer Fashion Week event on the west coast, with higher attendance than similar shows in Los Angeles, Phoenix, San Diego, San Francisco, and Portland.

The Palm Desert Food & Wine Festival, which started in 2010, has also grown in stature and prestige through its alliance with the James Beard Foundation. Comprising three full days of onsite events, Palm Desert Food & Wine also features multiple off-site events in the week leading up to the main event. This event began to see exponential growth after securing some of the top-rated celebrity chefs in the country including Curtis Stone, Carla Hall, Gale Gand, and Fabio Viviani, among others some even attending multiple years.

Although the events share the same physical space, at the top of the parking structure at The Gardens on El Paseo, the two events function independently of each other. Until 2023, they

overlapped for two days, with Palm Desert Food & Wine events taking place in the daytime and Fashion Week El Paseo events at night. In 2023, Fashion Week El Paseo ended on Thursday night, and Palm Desert Food & Wine began on Friday, allowing the event space to be used more efficiently and creatively. Attendees responded positively to these changes, which was reflected in the consumer sentiment survey results.

Economic Impact

While it is difficult to measure the direct retail sales or hotel rooms from the event due to the cross-over with other valley events, the branding of Palm Desert and El Paseo as a fashion and food destination is extensive, with a total of more than \$5.3 million in media value promotions throughout California and the nation. In addition, as the City's only signature events, Fashion Week El Paseo and Palm Desert Food & Wine had a combined economic impact of more than \$4.9 million in 2023.

Fashion Week El Paseo - Event Highlights from 2023

- 5,453 people attended Fashion Week El Paseo.
- 51% of attendees were from out of market.
- 17 ticketed or free events, including fashion shows, pop-up stores, lectures, backstage tours, and opportunities to meet the designers.
- 130 in-store events produced by 28 El Paseo retailers throughout the shopping district.
- \$62,027 cumulatively raised for charities.
- Fashion Week garnered a value of more than \$2.3 million in marketing and media both in paid advertising, printed materials, and editorial/news from local and national press.
- The economic impact of Fashion Week, as calculated by Palm Springs Life, is more than \$2.8 million.

Palm Desert Food & Wine Festival - Event Highlights from 2023

- 4,043 attendees
- 67% of attendees were from out-of-market
- 27 sponsors and partners
- 18 celebrity chefs
- 35 participating restaurants
- 55 participating wineries, breweries, and spirits
- 42 food, wine, and spirit experiences, such as celebrity chef demonstrations, book signings, and more.
- \$22,025 cumulatively raised for FIND Food Bank and the James Beard Foundation
- More than \$3 million in media and marketing coverage
- The economic impact of Palm Desert Food & Wine, as calculated by Palm Springs Life, is \$2.1 million.

Fashion Week El Paseo and the Palm Desert Food & Wine Festival are unique, signature events for Palm Desert that are perfectly timed to encourage out-of-town guests to extend their visit in the city and patronize its shops, restaurants, and hotels. Spurred by the significant exposure that the City receives from its sponsorship via advertising, public relations, and online and direct

marketing efforts, these visitors help generate sales tax and transient occupancy tax revenues that add to the City's general fund.

Future Vision

After a two-year hiatus due to the COVID-19 pandemic (2020 and 2021), both events have been building back up to pre-pandemic attendance levels. Attendance at Fashion Week El Paseo has leveled out over the past several years. The most effective way to continue to grow the event is to invest in bigger-name designers for the shows, which costs more money for better talent. Palm Springs Life is working to economize in some areas of the budget to be able to free up other funds to improve the fashion show programming.

The future growth in attendance will be found with the Palm Desert Food & Wine Festival. The recent demise of both the L.A. Food & Wine Festival and the Pebble Beach Food & Wine Festival presents an opportunity for the Palm Desert Food & Wine Festival to fill the gap, making it not only a premiere event for the City of Palm Desert but a destination event for the entire west coast.

Palm Desert Food & Wine already has the high-caliber chefs needed to replace Pebble Beach, but it needs further development of the programming and physical space to accommodate that kind of growth. Pebble Beach had three grand tasting tents, while Palm Desert Food & Wine is bursting at the seams in its one tent. Palm Springs Life is currently evaluating the economics of adding another grand tasting tent, which would allow for the needed expansion. Questions remain about how that would affect programming, costs, and other elements of the event.

Staff will continue to work with Palm Springs Life to develop a strategic plan to create a pathway to this expanded vision for both events over the next three years.

Request

During a study session with the City Council on April 13, 2023, staff and Palm Springs Life presented a Fashion Week El Paseo and Palm Desert Food & Wine Festival event recap and sponsorship request. The presentation indicated that the five-year sponsorship with Palm Springs Life for both events at \$300,000 annually had expired as of 2023, and that they would be requesting an extension of funding for the next three years. Staff also noted that funding for the 2024 events in the amount of \$300,000 had been included in the FY 2023/24 budget.

In order to continue the high level of experience of the events and to help execute its vision for future growth, staff is recommending that the City Council approve a three-year funding agreement with Palm Springs Life in the amount of \$300,000 annually, specifically through the 2026 events.

Legal Review:

This report has been reviewed by the City Attorney's office.

Strategic Plan:

- Economic Development Priority No. 3 – Create and attract entertainment and events to enhance and expand the Palm Desert economy and lifestyle.

- Marketing and Tourism Priority No. 2 – Grow existing events and develop new events to enhance the desirability of Palm Desert as a year-round destination.

FINANCIAL IMPACT:

Funding for both events totaling \$300,000 is included in the FY 2023/24 Approved Budget. Funding for the subsequent years will be requested as part of the FY 2024/25 and 2025/26 budgets.

ATTACHMENTS:

1. Desert Publications, Inc. Sponsorship Request/Agreement
2. Fashion Week El Paseo 2023 Partner Summary
3. Palm Desert Food & Wine Festival 2023 Partner Summary