



## CITY OF VIRGINIA BEACH AGENDA ITEM

**ITEM:** An Ordinance to Authorize the Amendment of a Sponsorship Agreement for a Festival to be Held April 26-28, 2024, to Authorize a Sponsorship Agreement for a Festival to be Held May 31-June 2, 2024, and to Provide Direction to the City Manager Regarding the 2025 Festival Season

**MEETING DATE:** December 12, 2023

■ **Background:** The Convention and Visitors Bureau (the “CVB”) has successfully created opportunities for large festivals and events for the City’s visitors and residents. Successful festivals at the Resort include Something in the Water (2019 and 2023) and BeachIT (2023).

Audacy Virginia, LLC (“Audacy”), has provided entertainment at the Resort including the 60<sup>th</sup> Coastal Edge East Coast Surfing Championships. On August 15, 2023, the City Council authorized the City Manager to enter into a sponsorship agreement with Audacy for a fall music festival. Due to timing constraints, the fall music festival was placed on hold.

Separately, the City received notice that the Something in the Water Festival in 2024 cannot be held on its customary date of Week 17, which makes the weekend available for programming and allows previously allocated funding in the Tourism Investment Program (TIP) Fund to be redeployed for other projects.

In an ongoing effort to bring large festivals and events to Virginia Beach and its residents, the CVB continues to seek opportunities that can help drive a strong economic impact on the City. The CVB has two festival sponsorship opportunities that require approval by the City Council.

### **April 26-28, 2024**

Audacy Virginia has proposed a three-day music festival to be held on Week 17. This festival will include a national recording artist headliner. This oceanfront festival location will be in a specified area with the footprint being at 31<sup>st</sup> beach area with the stage facing south. This festival will provide a genre of pop and rock to draw concert goers from across the Mid-Atlantic. There will be a community involvement that allow for partnership activations for programming in the 17<sup>th</sup> and 24<sup>th</sup> street park, along with other local community opportunities.

The financial sponsorship is similar to what was approved by the City Council on August 15, 2023. There is a City cash sponsorship of \$750,000. Audacy will provide the City with a national ad buy valued at \$750,000 to promote the City as a travel and tourist destination in markets identified by the City. Audacy will commit to spend \$1.5 million to promote the festival, and such promotion will target customary markets that attract visitors to the City. The City’s in-kind support is estimated to be \$590,000 and is programmed for Week 17.

## May 31 – June 2, 2024

IMGoing Events is a national event and entertainment organization. They have presented an opportunity to bring a three-day music festival to the City. This three-day event will incorporate Virginia Beach based creatives as well as national headliner entertainment.

This event will provide free live entertainment on May 31, 2024, in the 17<sup>th</sup>, 24<sup>th</sup>, and 31<sup>st</sup> Street Parks. On June 1 and 2, 2024, they will provide admission-based programming on two stages on the oceanfront. The main stage will be at 3<sup>rd</sup> Street facing north and the second stage will be at 6<sup>th</sup> Street facing east.

This festival will provide a genre of reggae musical acts to draw concert goers from across the Mid-Atlantic region, as we continue to showcase the City as a top tourist and entertainment venue. This popular genre would provide an additional option of entertainment for residents and visitors alike. There will be community components engaging local Virginia based creatives.

The financial sponsorship is an amount not-to-exceed \$750,000. \$300,000 is to be provided up-front to assist in festival expenses, which are anticipated to be approximately \$3 million. The City sponsorship beyond the \$300,000 is an amount equal to the admissions taxes, meals taxes, and the local portion of the sales taxes generated within the footprint of the special event permit. The City's in-kind support is estimated to be \$380,000. This sponsorship request is for three years. One festival is to be held in 2024, 2025, and 2026.

■ **Considerations:** The funding for the requested sponsorship agreements is already appropriated in the TIP Fund. If approved, each sponsorship agreement will require the festival promoter to provide a high-level budget for the festival including the following categories: marketing; production; talent; operations; and security. The event promoter will be required to provide information to the City including participation and overall economic impact within 90 days of the festival.

As requested by the City Council, the ordinance also directs the City Manager to undertake a competitive process in developing the 2025 festival season. That direction will require the City Manager to develop a process and outline such process to the City Council in advance of posting the solicitation.

- **Public Information:** Public information will be provided through the normal Council agenda process.
- **Recommendation:** Adopt the attached ordinance.
- **Attachment:** Ordinance, Summary of Terms (2); Disclosure Forms (2)

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**Recommended Action:** Approval

**Submitting Department/Agency:** Convention and Visitors Bureau

**City Manager:** 