



City of Sonoma

Agenda Item Summary

Meeting: City Council - 20 Dec 2023

Department

Administration

Staff Contact

Lisa Janson, Senior Management Analyst

Agenda Item Title

Adopt a Resolution Approving the Conditions for Operations of Sonoma's Tuesday Night Market 2024 Season and Vendor Stall Fee Pricing

Summary**Background**

On December 16, 2019, the City Council adopted a resolution authorizing a 2020 Market Operator Partnership with the City, Sonoma Valley Chamber of Commerce, and a Market Operations Manager. The Resolution included provided the following direction:

- Authorized contracts with the Sonoma Valley Chamber of Commerce and the Market Operation Manager.
- Authorized staff to enter into other contracts to ensure operations for the Tuesday Night Market.
- Approved budget adjustment to launch the effort until revenues are received.
- Instructed the City Manager to provide a report in August with an update and recommendations for the 2021 market season.

In March of 2020 when the pandemic started, staff changed directions and moved away from the "community event" and program to a scaled down farmers market. When the market opened in 2021, many COVID restrictions were still in place and it wasn't until early summer when the restrictions were over that staff was able to bring back some of the community event related items such as music/entertainment and the prepared food vendors.

The 2022 market season was the first full year of the community event (all vendor types, music and entertainment). Staff is now in the fourth year of planning the market and has established a process of implementing the weekly coordination of 20-21 markets per season.

Plans for Sonoma's Tuesday Night Market 2024 Market Season

The plan is to have 2024 continue to build on the 2023 market season. Attached for review is the post event report for the 2023 market season. Based on staff review and in consultation with the market manager and Chamber of Commerce, staff is recommending some changes for 2024 market season.

The 2024 market season will start on May 7 and run through September 24, 2024. There will be no market the week of July 1st due to the Fourth of July occurring on Thursday. Staff is also recommending not having a market on July 30, 2024, due to the City Party on August 1st. In all total there will be 19 markets next season, unless weather impacts the season.

*Additional Ideas: September brings some challenges to the coordination of the market. With the decrease of daylight hours, the 8PM close of the market means that it occurs in the dark. Council could consider ending the market season in mid- September.

This year the market saw an increase in non-profit participation. Next year we will build on our community partner opportunity. In 2024 we will continue to open each market with a different local non-profit, providing them 3-5 minutes of speaking time prior to the start of the music each evening and five minutes during the intermission. The Chamber of Commerce will continue to have their fill the boot at the wine booth. Each market a different organization is highlighted and the proceeds from the boot go to the highlighted non-profit.

*New – Non-profits will have the ability to participate in the new sponsorship opportunity which would provide an area where they can host fundraising opportunities within the market.

In 2024 we plan to continue to support youth music, by continuing to provide free use of the Grinstead Amphitheater. This programing seems to be well attended and supported by the community. Possible partnerships could include working with the High School music department and Cannon School of Music.

The Tuesday night market will host the annual Zucchini races on August 20, 2024, Staff will continue to develop our relationship with Sonoma Raceway who is interested in partnering on the event. New opportunity to partner with the Sonoma Community Center who is interested in creating a Zucchini car workshop for kids leading up to annual races. Staff will work with the farmers to encourage them to bring their larger zucchinis to the market the week before, and new signage promoting the races will be created to promote the event at the market.

For the market to cover the additional expenses in 2024, staff is recommending increasing the stall fees for vendors. Staff is recommending moving away from the 10% of gross revenue, to provide consistency in tracking and payment. This year all prepared food vendor fees will be increased. There is a more in-depth discussion of stall pricing in the budget section of this report.

The Sonoma Valley Jazz Society will continue to co-locate their monthly Tuesday Evening Market Jazz event in the Grinstead Amphitheater every second Tuesday of the month from June through September. They coordinate the setup and tear down directly with the city and have a separate Plaza Use Application on file with the City. During the market jazz evenings, the market operators working with Sonoma Valley Music will plan acoustic acts on the historic front lawn.

The hours of operations will remain from 5:00PM- 8:00PM, with music between 6:00PM-8:00PM. The designated end time continued to work well in 2023, the Plaza emptied naturally when the music ended, and it allowed for vendors to pack up while there was still daylight. Only on a few evenings did we experience the issues that we have had in previous years with crowds lingering and partying until late evenings. In 2023 we continued to see and have had to monitor community members bringing in amplified sound, including mixing tables and professional DJ equipment. This behavior is extremely disruptive to other community members trying to enjoy the park. The market operators will be creating new signs in 2024 and will add some additional language regarding amplified sound as well as bringing alcohol onsite to serve to others as part of a promotional opportunity.

New sponsorships will be created to provide a gathering space for businesses to host and entertain guests, clients, customers, employees, etc. This will assist with the management of unsanctioned privately hosted “events” that are concurrent with the Market. The Sponsorship will provide a similar structure that is both legally compliant with ABC and manageable for Staff.

Staffing

In 2024, staff is recommending contracting with the same part-time contract market manager, Jerry

Wheeler. Ms. Wheeler's responsibilities would include vendor coordination and communication, onsite set up and oversight, EBT coordination, on-site coordination and execution of market events and programs. Ms. Wheeler's continued dedication and work on the market has provided a foundation on which we can continue to build. The market vendors appreciate Ms. Wheeler's professionalism and ability to find solutions to their many needs. In addition to Ms. Wheeler, the staff is recommending she hire an intern to assist with the night of onsite logistics.

New this year, staff is recommending contracting with the Sonoma Police Department for security services, this will increase security costs. Staff will contract with Sonoma County Sheriff's Department for one officer, and the Police Department will provide the CSO at no additional cost to the market.

In 2023, the City hired a new Public Works maintenance worker who will assist with set-up of the market, the individual will help with closing down the horseshoe for move-in, pulling the barricades, putting out the no-park signs for the ambulance, ensuring the electrical is on and working and the coordination of the designated bus drop off zone.

The City of Sonoma is in the process of renegotiating the current franchise agreement with Sonoma Garbage Collectors (SGC). In typical franchise agreements, , the contactor coordinates and covers the waste management cost, this includes trash sorting, trash pickup, and education components in connection with recycling and composting at the market. SGC's current franchise agreement dose not include these items resulting in the City hiring a 3rd party to perfume these duties.2023 the trash sorting, liter pickup component was the single largest expense in the market budget.

Ongoing Issues to Address

- Currently the City had a no dogs on the plaza policy. The market staff will continue to put out the signage and will work with the market security to ensure that individuals are made aware of the no dogs policy.
- Unauthorized Pushcart Vendors continue to show up onsite and try to sell their wares without following the proper vendor channels.
- Professional entities, businesses and non-profits hosting events within the market. The market's ABC license doesn't allow for other entities who are not part of the market operators team to distribute/pour alcohol at the market. This year the market will address this with the creation of an new sponsorship opportunity. Business entities will be provided a designated space (adjacent to our wine pouring booth), tables, chairs, and wine for a sponsorship fee. This will allow the market operators to be compliant with our ABC permit and provide the local businesses the ability to accomplish what they have been trying to do for the last few years which is to create a marketing opportunity for their business within the farmers market.
- City staff have started preliminary discussions with the market service providers (insurance and security) and general costs are continuing to increase making it impossible to cover all of the market costs including all staff time.
- Weather continues to play a role in lower stall revenue. The 2023 market season was delayed due to rain. In addition, the City had to cancel another market and struggled with two additional markets that didn't meet the cancelation criteria but saw a steep decline in vendor attendance. In 2023 staff created a communications policy and criteria on when a market may be canceled due to weather events which provides advanced notice to vendors

regarding market cancelations.

2024 Draft Budget & Revenues

The 2024 draft market budget is attached as **Exhibit B**. Staff is recommending increasing the vendor stall fees with some of the fees increasing by up to 33%, a complete list of fees is attached **Vendor Stall Fees Exhibit C**.

This year the market budget includes allocated staff time and costs. The addition of the staff costs does have a material impact on the farmers' market budget. The time for the Senior Management Analyst has been reduced and the City's new public works maintenance worker will take on some of the onsite set-up responsibilities.

The City partners with the SV Chamber of Commerce on the sale of wine, the Chamber purchases local wines from multiple vendors and resells the wine. This year, staff is recommending increasing the fees to sell beer; this has turned out to be an exclusive opportunity, with only one vendor allowed to participate. Staff is recommending charging the beer vendor \$450 per market for the exclusive rights.

Staff's goal is to make the market net neutral and with the increase in expenses and the inclusion of staff time in the budget, stall fees will need to increase. The prepared food vendor stall fee will increase by 33% or \$25-\$45 per stall with the higher amount hitting entities who are located outside Sonoma County, it is the largest category of vendor, and it also generates the most waste, requires electricity coordination, requires the most inspections, and takes the most staff time to coordinate. In addition to the above, with the new public safety regulations regarding cooking onsite, requires these vendors to have empty stall space between them and this takes stalls out of inventory, thus reducing market revenue. In 2023, the market operators added one additional category of Food Trucks. Previously Food Trucks were charged the same rates as the prepared food vendors. Food Trucks require a larger footprint. They are typically 25-30' long by 10-15' deep, require additional staff time to coordinate their location, load in and load out and often have to have their own designated electrical bollards. In 2024 staff is recommending increasing the fees charged to this category by 20%.

Proposed 2024 Stall Fees Per 10'x10' Stall (Columns 2-8) (Exhibit C)

	Agricultural Vendor	Artisan Vendor	Packaged Food Vendor	Prepared Food Vendor	Food Trucks (*450 sq ft)	Wine (non-exclusive)	Beer * Exclusive
Within City Limits	\$ 30	\$ 35	\$ 50	\$ 100	\$ 400	\$ 250	\$ 400
Sonoma Valley (South of Oakmont North of 37 along Hwy 12)	\$ 30	\$ 40	\$ 60	\$ 115	\$ 450	\$ 300	\$ 450
Sonoma County	\$ 30	\$ 45	\$ 70	\$ 130	\$ 500	\$ 350	\$ 500
Outside Sonoma County	\$ 40	\$ 50	\$ 80	\$ 155	NA	NA	NA

Staff believes it can achieve the budgeted revenue goal as long as the makeup of vendors remains similar to 2023 season. Staff is asking the City Council to approve the 2024 Stall Fees as the

maximum to be charged but provide flexibility to the City Manager to lower the fee, if needed. The rates for farmers, artisans and packaged food vendors will remain flat.. The market will no longer utilize the 10% of gross revenue as the fee calculator for the prepared food vendors.

In addition to stall fees, the Market Operators are requesting City Council to allow the City Manager to direct staff to create pricing strategies for other items like sponsorship pricing and merchandising that align with the revenue goals as outlined in the 2024 proposed budget. Additional budgetary authority is outlined in **Exhibit A** which are the 2023 adopted Condition for Operations of the Tuesday Night Market and outlines the policy goals which have been updated as seen in the attached redlined document.

The new Fire Safety Rules and Regulations which have been set by the County require an ALS ambulance to be onsite at all of the markets at a cost of \$10,000. The Sonoma Valley Fire District continues to be a wonderful community partner and has agreed to waive the fees and donate the service to the City of Sonoma for Sonoma's Tuesday Night Market. Sonoma Police Department will also be providing one CSO to be onsite during the duration of the market as part of the existing contract the City has with the Sonoma County Sheriff.

In 2024, the market operations team will again look at finding a sponsor of the EBT market match program. We will continue to offer 100% market match. This benefits those individuals who participate in the EBT program by ensuring they are able to purchase fresh organic produce, and it also increases the amount of revenue taken home by the Farmers participating in the market. The operations team will create social media posts and posters to be distributed by our community partners referencing the increased market match.

In addition, the market is in discussions with the SV Food Weaver with the goal to create additional food programs around the market to benefit individuals who are facing food insecurity.

Green Policies

The market will be looking to find a sponsor for the free bike valet, to bring back free bike parking service for attendees. The market operations team will continue to promote alternative modes of transportation to the market, the information will reside on the market website and social media post will include the information, with key themes being the location of the bike racks in the Plaza, safe bicycling routes and Sonoma County Transit options. Staff has already researched a possible bike valet service provider who is local to Sonoma Valley, and will be working with local businesses to see if there is a potential sponsorship opportunity to cover the cost of the service.

The 2024 market will continue to focus on reducing waste and will build on three themes: bring reusable service ware and cups from home, dispose waste in the appropriate receptacle and pack it in- pack it out. If the SGC franchise agreement is not finalized in time for the market, garbage and recycling will continue to be one of the larger expenses in the market budget. Through a new franchise agreement, we hope to include public education focused on sustainability at each of the market nights. As mentioned in the 2023 post event report, City staff is putting forth two budgets for the 2024 market season, one based on the assumption that trash sorting and waste minimization will be coordinated, and expense covered as per the SGC franchise agreement. The second budget will include a fully burdened budget with a similar level of service as in 2023 market season.

The market will work closely with their vendors to ensure that they have the materials outlined in the single use plastics ban. The 2024 market season will resume enforcing the single use plastics ban, information will be included in the application packets for all vendors. The operation team will provide a list of acceptable food service items to all of the vendors in advance of the market. The market operators will continue to encourage all farmers to utilize compostable biobags and/or paper

bags.

Policy / Operational Guidelines

Exhibit A contains the current *Conditions for Operations of the Tuesday Night Market* that were adopted by City Council on December 16, 2019, and updated on December 14, 2022. These policy goals and conditions have been in place for many years.

Staff is seeking to make changes to the current market Conditions of Operations of the Tuesday Night Market guidelines, most of the changes are tied to ensuring the dates are current for the 2024 market season. The policy will continue to give preference to those vendors from Sonoma Valley. Pricing is a tiered to provide an incentive for those businesses who are local to participate in the market.

These policy goals and conditions will continue to be administered through vendor rules and regulations that reside on the market website. These rules and regulations have been compiled by researching what other market organizations statewide require for the smooth operation of a market. As seen in previous years the resolution authorizes the City Manager to create, amend and update these operational rules as necessary to stay compliant with State and County requirements.

Overall Sonoma's Tuesday Night Market continues to be a cherished weekly event that brings the community together to celebrate and engage with each other. New this year, staff time is included as part of the budget, which has led to an increase in expenses. With the increase in expenses, staff is recommending increases to Vendor fees. During the FY24/25 budget process next spring staff may bring a budget adjustment to City Council for the FY23/24 to account for the 2024 market season increased expenses and loss revenue. Staff will continue to try to negotiate lower costs and identify a plan to achieve a net neutral market plan for the 2024 market season.

Staff would like to open the application period for the 2024 market season in late December 2023 with it closing in early February of 2024. The Market Advisory Team made up of three community members, a member of the Chamber of Commerce and a City representative will choose a variety of vendors complying with the *Conditions For Operations of the Tuesday Night Market Exhibit A* while trying to be sensitive to the brick-and-mortar businesses surrounding the Plaza.

Recommended Council Action

Adopt a Resolution approving the proposed changes to the Conditions for Operation for the Tuesday Night Market, the draft 2024 budget, and approve the proposed 2024 stall fees for Sonoma's Tuesday Night Market as the maximum to be charged.

Alternative Actions

City Council discretion.

Financial Impact

The Market Operators have created a draft budget for the 2024 Market Season. With enhanced sponsorships and increasing the stall fees for all vendors, there is greater revenue for the market which will allow for the envisioned enhancements outlined in this report. The proposed stall fees are in line with the proposed budget and the current proposed budget shows a net profit of \$9,598.75, which if achieved will help offset the FY23/24 budget shortfall from the 2023 market season.

Environmental Review

- ☐ Environmental Impact Report
- ☐ Negative Declaration
- ☐ Exempt
- ☒ Not Applicable

Status

- ☐ Approved/Certified
- ☐ No Action Required
- ☒ Action Requested

Attachments

[EXHIBIT A Conditions For Operations of the Tuesday Night Market 2024 Redline](#)
[EXHIBIT B Farmers Market DRAFT Budget 2024](#)
[EXHIBIT C Proposed Vendor Stall Fees 2024](#)
[Resolution - Farmers Market 2024](#)

Alignment with Council Goals:

Compliance with Climate Action 2020 Target Goals:

CC:

Mark Bodenhamer, CEO Sonoma Valley Chamber of Commerce

EXHIBIT A
CONDITIONS FOR OPERATION OF THE TUESDAY NIGHT
MARKET FOR THE 2023~~4~~ MARKET SEASON

(Approved by Council on December 16, 2019; Updated on February 3, 2020; Updated again on November 22, 2021, ~~and~~ Updated again on December 14, 2022; Updated again on December 20, 2024

Market Operators are defined as the contractual partnership between the City of Sonoma, Sonoma Valley Chamber of Commerce and Market Operations Manager, Jerry Wheeler. It is important to note the Vendor Rules and Regulations were created to administer the Conditions of Operations and the Policy as outlined below. They are available on the Tuesday Night Market website and prior to the acceptance into the market all vendors will need to acknowledge an understanding of the Rules and Regulations.

Policy Goal 1: Create Social Gathering Place and Festive Community Event *Sonoma's Tuesday Night Market event is an important community event that fosters community building and socializing that is a keystone to Sonoma culture and must be maintained.*

Conditions

1. *Community Gathering Place* -- Strive to retain the culture of the Market as a community gathering place while preserving its small-town atmosphere and striving to minimize negative impacts to the Plaza and surrounding business community.
2. *4th of July* -- The Market Operators will not conduct a Tuesday Night Market the week of July 1 due to the conflict with the 4th of July celebration.
3. *Sonoma City Party* -- On annual basis, the City will determine whether to hold the Sonoma City Party in conjunction with a regular Tuesday Night Market or if on a separate date and potentially cancel a Tuesday Night Market during that week in order to reduce impacts to the Plaza and associated businesses.

Policy Goal 2: Focus on Local Vendors & Businesses / Local Produce and Farmers *Offer community members an opportunity to purchase fresh, locally grown produce and other artisan goods and provide vendors an opportunity to sell their products locally.* Conditions

1. *Farmer Vendors* -- The Market Operators will work to continue to support farmer vendors by retaining lower booth rates, by taking all farmer vendors, and seek ways to encourage and support the farmer vendors. Market Operators will use vendor criteria to ensure that all Agricultural vendors are included in the market and will create pricing strategies that encourage Agricultural vendor inclusion into the market.
2. The Market Operators will promote the farmer vendors by creating a series of farm specific events i.e. produce tasting competitions, best recipes, and zucchini races.
3. *Total Stalls* -- For the 2020 and 2022 season, due to the new Fire Marshal Rules and Regulations the Market Operators are exploring a new stall layout. The new Rules and Regulations when drafted will include schematics and reference the posted SVFRA Outdoor Special Events Standards. **For the 2023 season, the Market Operators will follow the revised SVFD Outdoor Special Events Standards.**
4. *Vendor Booth Price* -- The Market Operators will determine the structure and price for the vendor stalls.
 - a) For 2020-2022, the Market Operators will investigate vendor fees for similar events located in the Bay Area and modify their vendor stall fees to be competitive. **The Market Operators is requesting new fees for the 2024 market season as approved by City Council by Resolution XXXX- 2023 as outlined in Exhibit C.**

- b) The Market Operators will have a tiered stall cost structure to recognize “local” businesses. For example, the Market Operators will consider differentiated rates based on how “local” a vendor is with the lowest rate for businesses located within the City limits (and paying City taxes) and an increasing tiered rate structure for businesses located within the Sonoma Valley, located within Sonoma County (higher rate) or located outside of Sonoma County (highest rate). Since the City is substantially underwriting the costs for the market a structured fee schedule offers some fairness and equity. As represented in **Exhibit C**.

5. *Locational Conditions* -- The Market Operators will program the Plaza as they desire based on the above parameters. The Market Operators will keep food trucks off of the front of the horseshoe except for the night of the City Party.

6. *Plaza Businesses* -- Recognize that the Tuesday Night Market is located within the City's central business district and creates direct competition with Plaza brick and mortar businesses. Seek to partner, promote and support opportunities for the local Plaza businesses to participate in the Market or support use of the Grinstead Theater or other parts of the Plaza by local Plaza businesses.

Policy Goal 3: Support Local Musicians *Provide a location and an opportunity for local musicians to perform. The Market Operators will continue to work closely with the Sarafini Family who has been responsible for the organization of the music on the front Horseshoe for several years.*

Conditions

1. *Local Musicians* -- The Market Operators will continue to deliberately and carefully favor local musicians as much as is practicable while still maintaining quality and variety of entertainment.
2. *Music in the Horseshoe* -- Retain music in the horseshoe on all evenings switching to acoustical sets when the Jazz Society is performing on the 2nd Tuesday of June, July, August and September.
3. *Activity and Music in the Grinstead Amphitheater* – the Market Operators will work in conjunction with local non-profits and other entities to alternative programming in the amphitheater when the Sonoma Valley Jazz Society is not contracted for usage.

Policy Goal 4: Commitment to Transparency / Fairness *Transparency in operations and openness and fairness in selection process for all vendors. The new Vendor Rules and Regulations will clearly address the selection criteria process and outline the appeals process.*

Conditions

1. *Appeal Communication* – The Market Operators will provide an email to unsuccessful applicants after the Advisory Committee vendor review process, the email will note the reasons for unfavorable decision on vendor selection. Each unsuccessful applicant will be provided an opportunity to appeal to the Sonoma Valley Chamber of Commerce Board for further review.
2. *Web Site Information* – The Market Operators will proactively maintain a website for the Tuesday Night Market to encourage transparency of information. The www.SonomaTuesdayNightMarket.com website will be the central place where all Rules and Regulations will be posted.

Policy Goal 5: Ensure Accountability to the Community *Accountability of Market management to the community that it serves.*

1. *Ensuring overall impacts to the Plaza are minimized and over time that funding to improve and invest in the Plaza could come from the Tuesday Night Market event. This is reflected in the **Exhibit C** the new pricing strategy.*

Conditions

- A. **City Fees** – There are a variety of City fees and costs associated with the Tuesday Night Market being held in the Plaza.
 - B. The Market Operator is required to reserve the entire Plaza (except for the Grinstead Amphitheater on the second Tuesday of each month June-Sept) The Market Operators are responsible for clean-up, litter and impacts to the entire Plaza due to the number of attendees, however the Market Operators will not be charged the rental fee for the entire Plaza.
 - a) Plaza application fee for 2024 Tuesday Night Market will be waived.
 - b) The Market Operator will work with a third party to handle the litter pick up, garbage sorting and recycling, cleaning and monitoring the restrooms.
 - c) A third-party Security firm will be hired to monitor the event between 6:00 pm – ~~10~~ 9:00 pm.
 - d) The Chamber of Commerce will be responsible for completing the Consumption of Alcoholic Beverages on City Property permit for the calendar year.
 - e) The Market Operators will work closely with the Fire Marshal to ensure compliance of the Rules and Regulations.
2. The Market Operators will institute new criteria and controls to ensure that every vendor informs the California Board of Equalization that they have a Sonoma Plaza sub- location, to encourage accurate reporting of sales figures for the City of Sonoma. The specifics of this item is included in the vendor rules and regulations.
 3. The Market Operators will maintain criteria and controls to ensure annual business licenses are collected and paid for all vendors that participate in the market. All Vendors will be required to have an annual business license on file prior to the Market season.
 4. The Market Operators will communicate to all vendors the City and Fire Department Rules and Regulations in an effort to make vendors compliant with the rules on the opening day of the season. These will be included and cited in the Rules and Regulations that will be posted on the www.sonomatuesdaynightmarket.com site.

Policy Goal 6: Integrate Environmental / Green Practice into Event *Create a Farmers' Market that incorporates sustainable environmental green practices.*

Conditions

1. The Market Operators will continue efforts to ensure proper waste and recycling from the event. The Market Operators will hire a professional recycling company to assist with trash sorting and recycling for the market season or perform the same level of work through their own volunteers or staff.
2. The Market Operators working closely with local non-profits will consider creating an awareness/education program for customers, attendees and vendors around recycling and trash. Additional vendor requirements could include the vendors responsibility to remove all trash generated by their operation from the Plaza. Encouraging Vendors to develop a reuse program for patrons, where patrons can bring containers from their home to be use for serving instead of utilizing disposable containers.

3. The Market Operators will educate and enforce the City's Single Use Plastics policy for Special Events. This will be included in the vendor rules and regulations.

Policy Goal 7: Administration & Finance / Budget Ensure Sonoma's Tuesday Night Market has clear rules and processes. Provide operational authority and flexibility to City staff and the Market Operators to deliver a successful event.

Conditions

1. City Council approves **Exhibit B** as a Program Budget to be included in the City's Budget. City Manager is authorized to make modifications within line items of the Draft Budget **Exhibit B** as long as the budget stays neutral and no impact to the General Fund.
2. The City Council shall approve stall fees as the maximum to be charged for the vendor categories of agricultural, artisan, packaged food vendors but provide flexibility to the City Manager to adjust lower if needed within the budget parameters. The prepared food vendors stall fees will be calculated with a proposed minimum stall fee not to exceed what is being proposed in Exhibit C. ~~All prepared food vendors will be charged as follows they will be required to pay the minimum amount or 10% of gross receipts whichever is higher. At the end of the evening they will be required to show gross receipts from a point of sale device. This pricing strategy has been in place for a few years. In 2022, City Council approved the proposed stall pricing for all beer and wine vendors. New to the 2023 market season City Council may approved the addition of the Food Truck pricing.~~
3. In addition to stall fees, the Market Operators are requesting City Council to allow the City Manager to direct staff to create pricing strategies for other items like sponsorship pricing, merchandising and beer and wine sales that align with the revenue goals as outlined in the 2023~~4~~ proposed budget.
4. The Market Operators have developed clear vendor rules and regulations to administer the conditions of operations and the policies as outlined above. The vendor rules & regulations are available on the Tuesday Night Market website and prior to the acceptance into the market all vendors will need to acknowledge an understanding of the Rules and Regulations. The City Council authorizes the City Manager to create, edit and amend these vendor rules & regulations as the operational parameters of Sonoma's Tuesday Night Market.
5. The City Manager is authorized to make any and all decisions within the overall policy guidance of this document to ensure the successful delivery of the 2023~~4~~ Tuesday Night Market.

EXHIBIT B

		2023 Proposed Budget	2023 Actuals	2024 Proposed Budget Scenario #1	2024 Proposed Budget Scenario #2 SGC Contract approved with Sorting Services being provided
	Application Fees	\$ 1,800.00	\$ 2,905.00	\$ 2,800.00	\$ 2,800.00
	Beer and Wine Stall Fees	\$ 11,000.00	\$ 15,900.00	\$ 17,800.00	\$ 17,800.00
	Market Product Sales	\$ 7,000.00			
	Sponsorship	\$ 11,000.00	\$ 8,600.00	\$ 16,000.00	\$ 16,000.00
	EBT		\$ 1,952.00	\$ 2,000.00	\$ 2,000.00
	Total Stall Fees	\$ 78,000.00	\$ 70,007.00	\$ 98,000.00	\$ 98,000.00
	TOTAL REVENUE	\$ 108,800.00	\$ 99,364.00	\$ 136,600.00	\$ 136,600.00
	Adiminstrative Oversight Expense				
	Contractor Fees (Operations of	\$ 31,600.00	\$ 31,600.00	\$ 33,600.00	\$ 33,600.00
	Market Coordinator Internship			\$ 3,000.00	\$ 3,000.00
	Contractor Fees (Chamber of Co	\$ 4,500.00	\$ 4,500.00	\$ 4,500.00	\$ 4,500.00
	Total Operator Contract Fees	\$ 36,100.00	\$ 36,100.00	\$ 41,100.00	\$ 41,100.00
	Event Insurance	\$ 15,000.00	\$ 12,135.95	\$ 13,000.00	\$ 13,000.00
	Total City Staff Wages				
	Sr. Management Analyst	\$ 12,118.00	\$ 12,118.00	\$ 8,988.00	\$ 8,988.00
	Parks Team and Other City	\$ 12,000.00	\$ 12,000.00	\$ 14,240.00	\$ 14,240.00
	Finance Team	\$ 2,160.00	\$ 2,160.00	\$ 3,000.00	\$ 3,000.00
	Public Information Officer	\$ 1,245.00	\$ 1,245.00	\$ 4,280.00	\$ 4,280.00
	Total City Staff Wages	\$ 27,523.00	\$ 27,523.00	\$ 30,508.00	\$ 30,508.00
	Website Expense/Communications	\$ 250.00	\$ 846.75	\$ 863.25	\$ 863.25
	Adiminstrative Oversight Expense	\$ 78,873.00	\$ 76,605.70	\$ 72,471.25	\$ 85,471.25
	Market Operational Expense				
	County Application Fees	\$ 800.00	\$ 765.00	\$ 800.00	\$ 800.00
	CDFA Quarterly Fees	\$ 1,000.00	\$ 328.00	\$ 500.00	\$ 500.00
	EBT Match	\$ 2,000.00	\$ 1,952.00	\$ 2,000.00	\$ 2,000.00
	Garbage and Recycling	\$ 22,000.00	\$ 36,635.00	\$ 40,945.00	
	Bathroom Cleaning and Monitoring	\$ -	\$ 5,120.00	\$ 6,080.00	\$ 6,080.00
	Market Entertainment				
	Booking and Admin	\$ 5,800.00	\$ 5,675.00	\$ 5,800.00	\$ 5,800.00
	Sound	\$ 6,200.00	\$ 6,203.00	\$ 6,550.00	\$ 6,550.00
	Market Event Expense	\$ 1,200.00			
	Market Security/Crowd Control	\$ 15,000.00	\$ 19,140.00	\$ 18,500.00	\$ 18,500.00
	Market Supplies	\$ 7,000.00	\$ 1,293.00	\$ 1,300.00	\$ 1,300.00
	Market Operational Expense	\$ 61,000.00	\$ 77,111.00	\$ 82,475.00	\$ 41,530.00
	Total Market Expenses	\$ 139,873.00	\$ 153,716.70	\$ 154,946.25	\$ 127,001.25
	Total Profit	\$ (31,073.00)	\$ (54,352.70)	\$ (18,346.25)	\$ 9,598.75

EXHIBIT C
Proposed 2024 Vendor Stall Fee for 10'x10' Stall
***Unless otherwise noted (Columns 2-8)**

	Agricultural Vendor	Artisan Vendor	Packaged Food Vendor	Prepared Food Vendor	Food Trucks (*450 sq ft)	Wine (non-exclusive)	Beer * Exclusive
Within City Limits	\$ 30	\$ 35	\$ 50	\$ 100	\$ 400	\$ 250	\$ 400
Sonoma Valley (South of Oakmont North of 37 along Hwy 12)	\$ 30	\$ 40	\$ 60	\$ 115	\$ 450	\$ 300	\$ 450
Sonoma County	\$ 30	\$ 45	\$ 70	\$ 130	\$ 500	\$ 350	\$ 500
Outside Sonoma County	\$ 40	\$ 50	\$ 80	\$ 155	NA	NA	NA

Fee Structure

Currently, there is a flat fee charge to each vendor per stall with differentiated amounts based on the type of vendor.

Local Preference Proposal – Staff is recommending maintaining the differentiated fees based on where the business is located in order to support local business participation. Specifically, those entities that are located within City limits will receive preferential pricing and those vendors who are located outside of Sonoma County will pay the highest stall fees. The geographic areas are City limits, Sonoma Valley, Sonoma County and then outside Sonoma County.

Farmer Preference Proposal – Retain low stall fees for farmers and agricultural vendors. Staff is recommending no change to the Farmers fees.

Prepared Food Proposal – Staff is recommending a 33% increase in stall fees and moving away from the 10% of gross receipts, whichever is higher fee structure. The 10% gross hasn't seemed to work out because most of the food vendors don't have a Point-of-Sale system for tracking and nightly sales reporting. For those vendors who have been providing nightly gross receipts the 33% increase in fees is in line or slightly lower than what they have been paying on average.

Food Trucks- Fees are increasing by 20%, this category had the largest % increase in fees in 2023.

Beer Vendor- Fees will be increasing by 33%

Fee Cap Proposal – Council action on the stall fees would set the maximum amount to be charge. Staff requests flexibility to make minor adjustments if needed to the stall fees while still retaining overall budget neutrality.

Stall Fees -- Staff has reviewed stall fees paid by vendors at other Markets in the North Bay which range from \$30-\$115/stall (for similar style/size markets/events).

City of Sonoma

RESOLUTION # _____ - 2023

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SONOMA, CALIFORNIA APPROVING CONDITIONS FOR OPERATIONS OF SONOMA'S TUESDAY NIGHT MARKET 2024 MARKET SEASON, THE 2024 OPERATING BUDGET AND VENDOR STALL FEE PRICING

WHEREAS, on December 16, 2019 City Council adopted a resolution authorizing a 2020 Market Operator Partnership with the City, Sonoma Valley Chamber of Commerce and Chris Welch (herein referenced as "Market Operators"; and,

WHEREAS, City staff, the Sonoma Valley Chamber of Commerce and Jerry Wheeler (Market Operators) have been working diligently to create the framework and processes for the successful operations of Sonoma's Tuesday Night 2024 Market Season; and,

WHEREAS, the Market Operators have updated the City Council's Policy Goals and Conditions for the 2024 Market in **Exhibit A**; and,

WHEREAS, the Market Operator has created a draft 2024 Budget which is full cost recovery for the 2024 Market Season. With enhanced sponsorships and increased stall fees for prepared food vendors and beer/wine vendors, there is greater revenue to cover the increasing expenses and it will allow for the envisioned enhancements outlined in the Staff Report and a new operating model. The proposed stall fees are in line with the proposed budget **Exhibit B**.

WHEREAS, the Market Operators are seeking approval of the 2024 Stall Fees as presented in **Exhibit C**; and,

THEREFORE, BE IT RESOLVED, by the City Council of the City of Sonoma, that the City Council authorizes and approves the updated Policy Goals and Conditions **Exhibit A**, approves the draft 2024 Budget **Exhibit B**, and approves proposed 2024 Stall Fees **Exhibit C**.

PASSED AND ADOPTED, at a Regular Meeting of the City Council on this 20th day of December 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Mayor

ATTEST:

Rebekah Barr, MMC, City Clerk