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REPORT TO THE CITY COUNCIL

November 17, 2016

FROM: BRUCE RUDD, City Manager

BY: WILMA QUAN-SCHECTER, Assistant City Manager

SUBJECT

Approve and ratify a Memorandum of Understanding with the Fresno Food Exposition for \$125,000

RECOMMENDATION

The Mayor and City Manager recommend that the City Council approve a memorandum of understanding (MOU) with the Fresno Food Exposition (Expo) for a \$125,000 sponsorship as budgeted in the FY 2017 budget approved by the City Council. The sponsorship is for the 2016 and 2017 annual marketing efforts and trade shows for the purpose of expanding the promotion and marketing of all food industry related companies in the greater Fresno area to new local, regional, national and international markets through the efforts of the Expo. Furthermore, these marketing efforts will continue to position the City of Fresno as the lead agency heading the efforts for branding our region as the undisputed food capital of the world.

EXECUTIVE SUMMARY

The Mayor and City Manager recommend that the City Council approve an MOU to continue sponsorship of the Expo for 2016 and 2017 as approved in the FY 2017 budget. When the City piloted the Expo in 2011, the expectation was that the City would house the initiative and “incubate” it, but as soon as the concept had been proven, the show would launch as a stand-alone, non-profit with the ambition of growing the show to the size of the World Ag Expo in Tulare. After five increasingly successful shows, the Fresno Food Expo Industry Advisory Committee supported the launch of the trade show and established its own 501c-6 entity in October of 2016 as a means to continue the show and to serve our region’s largest export-oriented industry.

While housed at the City, the City annually provided approximately \$125,000 of in-kind staff and services to organize, manage and raise the necessary funding to execute a successful trade show. The City no longer provides those in-kind services to the Expo and instead included in the FY 2017 adopted budget a \$125,000 cash sponsorship to support two annual shows, and the ancillary year round marketing efforts to promote the food industry related companies in our region. The sponsorship creates an opportunity for local and regional food businesses to take advantage of the Expo’s resources year round, and successfully promote their products to nearly 1,000 wholesale, retail and institutional customers, while ensuring that the City of Fresno will remain the host city for the trade show event during the life of the MOU.

BACKGROUND

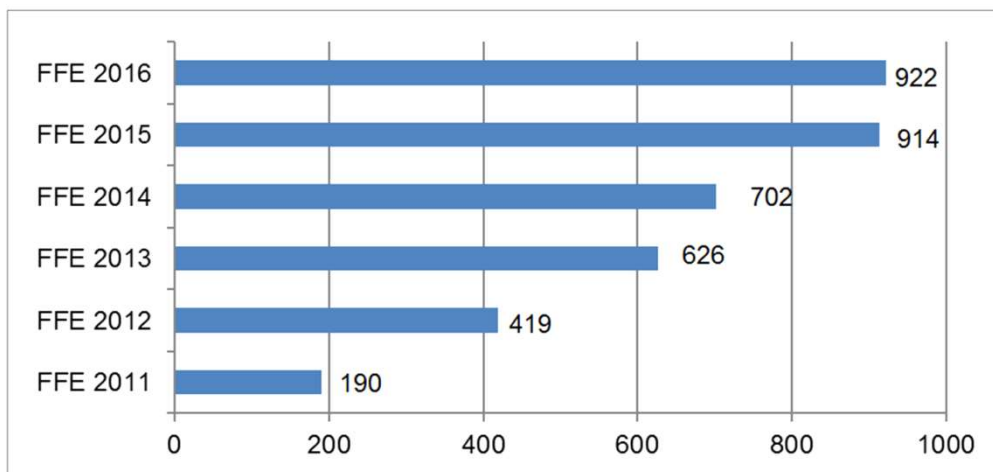
The Fresno Food Expo was developed by the City of Fresno in 2011 as an economic development initiative used to support the growth of the food and beverage companies in the Fresno region. The goal of the Expo is to increase economic activity for food and beverage companies located in the San Joaquin Valley. The mission of the Expo, which is now being managed by its own 501c-6 Board of Directors, is to increase buyer participation to drive improved sales and job creation among San Joaquin Valley food and beverage companies, build consumer awareness about the food and beverage products grown and manufactured in the San Joaquin Valley and promote the Fresno region and its surrounding area as the prime location for new or expanding food and beverage manufacturers.

Driven by the vision, mission and goals of this economic development initiative, the Expo was developed as an exclusive, regional food show that offers the central San Joaquin Valley’s finest food growers, producers, brewers and winemakers an opportunity to connect with key buyers from international, domestic, regional and local food and beverage buying channels, and to provide participating food companies with a platform to network, share industry relationships, create new business contacts, and increase their exposure to broader sales opportunities.

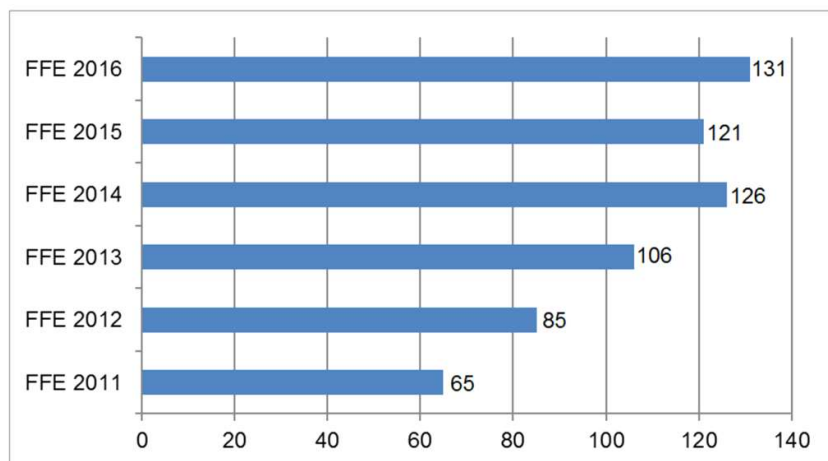
The inaugural Expo was officially announced on December 6, 2010 and launched on March 8, 2011 by the City of Fresno, in partnership with the Fresno Food Expo Advisory Committee, comprised of Presidents/CEOs from Wawona Frozen Foods, Fowler Packing, La Tapatia, Certified Meats, Busseto and others. The City of Fresno was also joined by local agencies, all of whom played a vital role in the development of how the show looked, felt and was executed. Those companies include MJR Creative Group who was responsible for the branding, website and all marketing materials, Cohen Communications, who was responsible for all of the public relations and media support and David Nalchajian, Inc. who lead the sponsorship sales effort for the event.

Since the inaugural Expo in 2011 the participation of both buyers and exhibitors in the Fresno Food Expo has grown every year.

LOCAL, REGIONAL, NATIONAL, INTERNATIONAL ATTENDEES / BUYERS:



SAN JOAQUIN VALLEY FOOD INDUSTRY COMPANIES / EXHIBITORS:



While the numbers speak to the growth of the Expo, the small and large food industry companies in our region that have benefitted from the Expo as a result of their participation is why the Expo is so critical to the sustainability and growth of our region's largest export oriented companies.

"We decided to exhibit at the Fresno Food Expo to launch our new retail line of premium roasted & seasoned almonds and participated in the New Product Awards, and had an amazing experience! Not only did our product make it into the final round for the Buyer's Choice Award, which gave us great added exposure, but we were able to meet buyers with real decision making authority, including those from Vallarta, Whole Foods, Costco, and International Gourmet Foods. We also had a lot of interest from export companies who are interested in exporting our products to China, Japan and Korea. The Fresno Food Expo proved to be a very valuable experience for us."

Edgar Rodriguez, Marketing Manager Heart Ridge Farms

"Since participating in The Fresno Food Expo we have made many connections with top buyers around the world. We've even been approached by YHD.Com (Wal Mart Online) who has since ordered 14 containers of tortilla chips - that's 11,500 cases of chips!!"

Dan Soleno, Export Manager, La Tapatia Tortillas

Our company is predominantly export and bulk so we were surprised to find so many

buyers who were interested in buying bulk, including Vallarta, Super King Market from Southern California and Whole Foods. In addition, we were also able to connect with other smaller local vendors who have made purchases with us.”

Darren Rigg, Sales Director, Meridian Nut Growers

Exhibiting at the Fresno Food Expo was a great experience for us. While we generated a number of new leads, we have successfully landed a retail account from Los Angeles that has already increased their purchasing with us. This new account first started purchasing figs and has now expanded into purchasing kiwis, as well. That’s always a good sign.”

Joel Salazar, Sales Manager, Western Fresh Marketing.

In 2016, the Expo, under the newly formed Board of Directors, decided to take on an even bigger role. After noticing the impact the Expo was having not only on the companies that participate, but on the community as a whole, they began dedicating their year round marketing efforts to not only the trade show, but to expanding their efforts to be the year round marketing platform that will establish a regional identity centered around the celebration of food production and the experience food inspires, with the City of Fresno positioned at the forefront of that movement.

To bring that celebration to life, the 2016 Expo transformed their public event to include local chefs at the evening celebration, Expolicious. For the first time attendees got a chance to see and taste how the flavors of our region come to life in small bites that local guest chefs were creating. The Expo was not only talking about the foods that are grown and manufactured here, but they were telling the story of where the foods come from and how they are used by the local culinary talent that exists here, confirming that you do not have to go to Los Angeles or San Francisco to find a truly local foodie community. Rather, we have one right here waiting to be discovered.

Since the Expo separated from the City of Fresno and came under the management of its own 501-c-6 Board of Directors, the Expo has been recruited by other cities within the San Joaquin Valley in an effort to move its annual trade show event to their city. The \$125,000 sponsorship will ensure that the City of Fresno will continue to be the host city for the trade show event, and all Expo related marketing activities throughout the year, during the life of the MOU. Not only will the City of Fresno benefit by promoting its locally grown and produced food, but the City will also benefit by the ancillary revenue. This ancillary revenue includes, but is not limited to, event parking revenues and transient occupancy tax from hotel stays generated by hosting the event.

Moving forward, the goal of the Expo is to have a continued partnership with the City of Fresno to lead the charge in developing a strong and vibrant food community in our region by connecting the foods, people and companies who thrive here, and to host the space for our food community to innovate, connect and be inspired. The Expo’s platform will tell the story of food in our region and celebrate what makes us different than any other region in the world.

With continued support from the City of Fresno, the Fresno Food Expo has been a growing success, and has positively impacted our region’s largest export-oriented companies. In anticipation of its continued growth, and to ensure the continuity of the vision set forth by the City of Fresno, the Mayor and City Manager are recommending that the City Council continue its support of this annual event.

FRESNO FOOD EXPO BOARD OF DIRECTORS

Mike Grazier, President Busseto Foods	Vincent Ricchuiti, Director of Operations ENZO Olive Oil Company
HelenChavez-Hansen, President La Tapatia Tortilleria, Inc.	Fred Ruiz, Co-Founder & Chairman Emeritus Ruiz Foods
Mark Ford, President JD Food	Agnes Saghatelian, President Valley Lahvosh Baking Company
Jimmy Maxey, Chairman Certified Meat Products	Denver Schutz, Technical Services Manager Gerawan Farming
Chuck Nichols, President Nichols Pistachio	Bill Smittcamp, President & CEO Wawona Frozen Foods
Rod Noll, Senior Vice President US Cold Storage	Ashley Swearengin, Mayor City of Fresno
Justin Parnagian, Sales Director Fowler Packing	

ENVIRONMENTAL FINDINGS

N/A

LOCAL PREFERENCE

N/A

FISCAL IMPACT

Funding for the sponsorship is appropriated in the FY2017 Budget. No additional funds are necessary.

Attachment:
Memorandum of Understanding