



c/o 20 Pelham Town Square
P.O Box 400
Fonthill, ON L0S 1E0
summerfest@pelham.ca

30 August 2016

To Mayor Augustyn and Members of Council

As a response to recent articles in the local newspaper and the direction given by Council to the Summerfest Committee we provide our input as well as the direction we will take to address the concerns of the petition presented to council on August 22nd, 2016.

Pelham Summerfest has been in existence for 6 years and is run by a small group of dedicated volunteers and Town staff who put in countless hours to ensure we have a successful event. In the last two years Pelham Summerfest has been recognized by Festivals and Events Ontario as one of the Top 100 Festivals in Ontario. What began in 2011 as a single day to celebrate the completion of the Downtown Streetscape in Fonthill has since grown to a four day event of free family fun. The festival includes music & entertainment for all ages, children's activities, retail & food vendors, arts, crafts, a wine and beer pavilion and Sunday morning breakfast in Peace Park.

This year we added a car show on Sunday which drew over 130 vintage cars and was a huge success enjoyed by participants and residents alike. Over 33,000 residents and visitors came out to explore our lively walkable down town. Many former residents return to the area to attend the event to reconnect with friends. We have tracked attendees over the past 4 years. 77% of the attendees are from Pelham, 19% are from other municipalities in the Niagara Region and 4% are from outside of our Region.

In the past couple of weeks there have been several articles in a local newspaper discussing a petition by downtown business owners. This petition expressed a desire to have Summerfest moved to a different location, away from Pelham St. Additionally, there were comments made in the newspaper that require clarification as many are misleading, and several are outright untrue. At no time was any member of the Summerfest Committee contacted by the press regarding the petition or the contents of the articles published. As such, the Pelham Summerfest Committee would like to provide a response to the petition and the allegations that were cited and to clarify the misrepresentations.

The petition was presented to council at the August 22nd Council Meeting. The newspaper stated that there were approximately 20 names on the petition. In fact there were 16 entries of which one business was named twice on the petition, one individual was a home owner who lives outside of Fonthill, two signatures are from delivery drivers who are not business owners, two businesses operate by appointment only and two businesses that were listed were not signed by the owner of the business. Of the owners cited in the petition, only one of them has ever participated in the event over the 6 years.



c/o 20 Pelham Town Square

P.O Box 400

Fonthill, ON L0S 1E0

summerfest@pelham.ca

Our committee has made efforts in the past to assist the downtown businesses. In 2013 we brought in a marketing consultant to help the local businesses take advantage of the opportunity of marketing to the thousands of people that come to the front of their business. Only 4 businesses took advantage of the opportunity and only 1 was a signatory to the petition. The rest did not take advantage of the opportunity. Furthermore, the consultant offered to do a personal business plan for only \$50. Nobody took him up on this generous offer.

An email was sent to the Mayor in the past week by a business owner which reads, "Dear Mr. Mayor, I just read the article in the St. Catharines Standard re: Petition to Move Summerfest. You can move it to our Parking Lot. (with Landlord permission) To have 30,000 people in front of my door for 4 days is a Marketing Gold Mine. The brand building, ability to promote new services or goods and just meet and greet are all priceless." As you can see others have a much different view of the opportunity presented by Summerfest.

The one article suggests that the event brings in vendors from outside of Pelham that compete with local business. Pelham vendor applications always take priority over all other applications. This year 36% of the vendors were from Pelham, and an additional 39% of the vendors were from other municipalities in the Niagara region, 25% are vendors outside of our area. Participants also come from outside of the area and provide a great opportunity for local business to showcase their business to visitors to the Town.

The article goes on to say that half of the vendors are not legal businesses. This statement is a fabrication, and there is no evidence to support such a conclusion. Some of the vendors are crafters who may not pay HST because they do not have revenues over \$30,000 per year. To be clear, businesses are not licensed by the local municipality, and any tax liabilities or other requirements are not the responsibility of the Summerfest Committee, or the Town. Summerfest vendors are subject to the same rules and regulations as they would be at any other festival. We have received a letter from one of the local vendors who has taken great exception to the accusations in the paper. "as a vendor we must pay a fee to be part of any event. We must also register forms with the health department, fire department, ESA (Electrical Safety Authority) and TSSA (Technical Standards and Safety Authority)". All vendors that participate in Summerfest are required to provide evidence of adequate insurance liability coverage.

The opinion of the local paper suggests that the fees for vendors are exorbitant. Fees for the event are at the lower end of the scale when compared to other festivals and the committee has always shown itself willing to negotiate flexible payment options with local businesses. The article goes on to suggest that the Town forces other businesses to charge a certain price for beer. This is not true. Beer prices are agreed upon at a meeting involving the local businesses who are licensed to sell alcohol at the festival, and the Summerfest Committee. .



c/o 20 Pelham Town Square
P.O Box 400
Fonthill, ON L0S 1E0
summerfest@pelham.ca

The purpose of the Summerfest Committee selling beer and wine throughout the festival is to raise money to help offset the cost for logistics such as security, fencing, toilets, tables and chairs and helps pay for entertainment. Over the past 6 years Pelham Summerfest has given over \$45,000 to the local service clubs for their assistance in serving on Saturdays. The majority of this money is reinvested in our community by these clubs. We are pleased that our local businesses do well on their beer sales; there is no obligation by participants to buy beer and wine from the Summerfest Committee. It is important to note that this event is 4 days of FREE family fun. To run an event as such revenues need to be made.

The article implies that any profit from the event goes into the Town's wallet and it may be needed to fund obligations in East Fonthill. Nothing could be further from the truth. Yes, the event generated revenue which has been added to Summerfest reserves. The money raised during Summerfest each year is used solely by the Summerfest Committee to maintain and improve the festival each and every year. The reserves are for future capital purchases, future additional expenses as well as reserves in the event that we experience adverse weather at a future event and the event loses money in a particular year. We do not want to become an event that has losses and is forced to ask council for taxpayer money to bail it out.

While the petition expresses the concern of a few businesses downtown, there are far more businesses that do very well financially because of the event and many are looking at ways to enhance their opportunity next year.

We take the business concerns seriously. It is Summerfest Committee's recommendation to council to hire a third party consultant who will facilitate a meeting of all business owners in the downtown area. The goal is to work together and address the concerns of the petition and work on a solution that can benefit the entire downtown business community. A meeting date has been set for Monday September 12 in the Town Council Chambers

Respectfully,

The Pelham Summerfest Committee