



CITY OF

NEWPORT BEACH

City Council Staff Report

September 23, 2025
Agenda Item No. 16

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Revocable License Agreement with Farm and Craft Market Inc. for Temporary Use of City Property for the Corona del Mar Farmers' Market

ABSTRACT:

In compliance with the City's procurement requirements, a Request for Proposal (RFP) was published in August 2024, to identify a qualified operator for continued operation of the farmers' market located on City-owned property in Corona del Mar. On April 15, 2025, City Council approved a license agreement with Heritage Wellness Collective, a new operator identified through the RFP's formal evaluation and interview process. After receiving comments opposing their selection, the selected proposer declined to proceed with the agreement to operate the market.

Farm and Craft Market Inc. was identified as the second most qualified and responsive proposer under the RFP, to manage the Corona del Mar Farmers' Market. For the City Council's consideration is a new, five-year Revocable License Agreement (Agreement) (Attachment A) with Farm and Craft Market Inc. for operation and management of the farmers' market in Corona del Mar, including a request to waive City Council Policy F-7.

RECOMMENDATIONS:

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly;
- b) Approve a waiver of City Council Policy F-7 – *Income and Other Property* based on the findings contained in this staff report and the Agreement, that charging less than fair market rent promotes the City's goals to provide essential or unique services to the community, that cannot otherwise be provided if full market rates were charged; and
- c) Authorize the City Manager and City Clerk to execute the Revocable License Agreement between the City of Newport Beach and Farm and Craft Market Inc., for temporary use of the City property for the Corona del Mar Community Market, in a form substantially similar to the agreement attached to the staff report.

DISCUSSION:

Since 1996, a certified farmers' market has operated on City-owned public parking lots in Corona del Mar. The market was initiated at the request of local residents and the former market manager, Rick Heil, who operated the market until April 2025. The weekly Saturday morning Corona del Mar Certified Farmers' Market (CdM Market) operates on the City-owned lots at the corner of Marguerite Avenue and Bayside Drive and Larkspur Avenue and Bayside Drive, including a portion of the public right-of-way on Larkspur Avenue. The footprint of the CdM Market is shown in Figure 1 below.

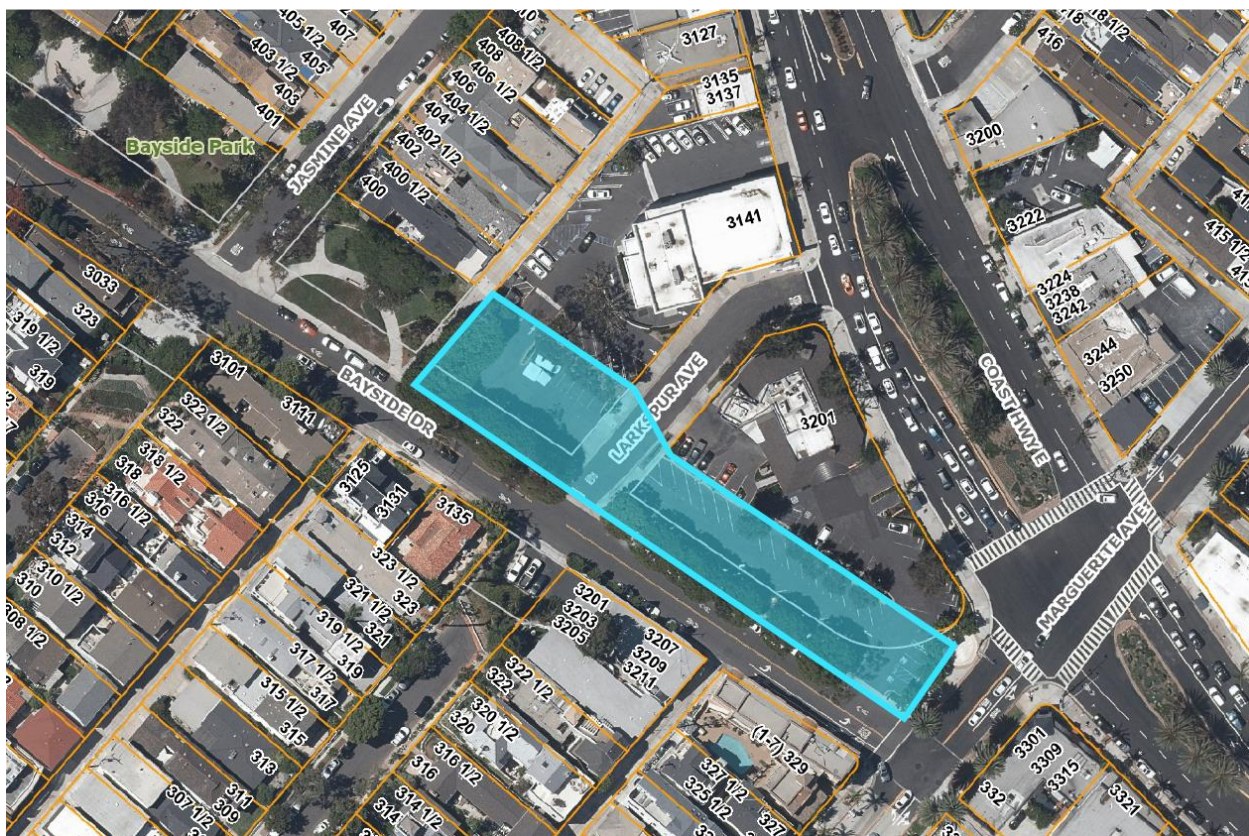


Figure 1

The CdM Market has been limited to operating as a “certified farmers’ market” with “certified producers” as defined by the California Code of Regulations [Title 3, Sections 1392.2(d) and 1392.2(e)] with the appropriate permits and approvals from the State of California Department of Agriculture and the Orange County Health Department.

Request for Proposals Process

City Council Policy F-7 – *Income and Other Property* (Policy F-7) establishes the selection process for all tenants utilizing City-owned real property assets. In anticipation of the expiration of the license agreement governing the CdM Market, and in accordance with Policy F-7, the City published RFP No. 2025-14 in August 2024 to solicit bids for the use of City-owned property.

The purpose of the RFP was to solicit proposals from qualified operators interested in managing a farmers' market that builds on the offerings of the existing CdM Market while retaining the quality and diversity of certified farm vendors. The RFP requested proposers retain the mix and quality of products offered at the existing market and add food items for on-site consumption like coffee and juice drinks, bakery goods, and hot foods, and to adjust the mix of vendors in response to community feedback, seasonal changes and trends.

The City received eight proposals to operate the CdM Market. The proposals were reviewed by a staff panel and scored based on the qualifications and experience of the firm and staff, the project approach and vendor pricing.

Heritage Wellness Collective

City staff conducted a thorough review of the proposals and interviewed the top candidates. Heritage Wellness Collective (Heritage) stood out in the rankings as meeting the qualifications and requirements of the RFP. A license agreement with Heritage Wellness Collective was approved by City Council on April 15, 2025; the staff report related to this item is included as Attachment B.

Following City Council approval of the agreement, Heritage received negative comments as they prepared to start operating the CdM market. Ultimately, Heritage declined to continue with the process and decided against operating the market. The timing of the decision from Heritage was unfortunate as the agreement with the prior operator had been terminated and they were set to start operations within several days' time, resulting in the market falling dark for one week in late May 2025.

Operator Transition

The proposer with the next highest ranking under the RFP, Farm and Craft Market Inc. (Farm & Craft), was immediately contacted upon receiving notice Heritage was not going to operate the market. Farm & Craft readily agreed to work with the City to negotiate the license Agreement to continue operation of the CdM Market.

In addition to working with staff on a long-term Agreement, Farm & Craft agreed to operate the CdM Market under an emergency special event permit commencing June 7, 2025. Farm & Craft was able to obtain the necessary permits, approvals and insurance to operate the CdM Market in its existing size and scope to minimize the impact to the community and the market vendors.

Significant public input was received around the time of the City Council's approval of the agreement with Heritage in April 2025; however, since Farm & Craft took over operation of the CdM Market under the special event permit, very few public comments have been received by the City.

Farm and Craft Market Inc.

Farm & Craft is a California nonprofit public benefit corporation, operating seven farmers' markets in Orange and Los Angeles counties. Starting in 2009, Farm & Craft began hosting large annual food and craft events in Long Beach and quickly began operating weekly and monthly farmers' markets and artisan and craft markets around Southern California.

Christy Pardini, the President and Founder of Farm & Craft, has extensive experience in event production and graphic design, and oversees all aspects of operating the weekly markets. Kelli Johnson, the Market Director, has a background in culinary and hospitality management and has operated certified farmers' markets for over 16 years. Kelli also has more than five years' experience in urban farm management and youth job training programs.

Proposed Farmers' Market

Farm & Craft proposes to continue to operate the farmer's market by retaining the existing vendors and producers and adding a number of new pre-packaged and prepared food vendors to complement the produce vendors and meet the interests of the community. Farm & Craft will also introduce a handful of "hot" food vendors with unique items available for consumption at the market, aimed towards not pulling business away from local retail establishments.

In addition to the market's regular food offerings, Farm & Craft will introduce and enhance attendees' experience with periodic seasonal events like 'Strawberry Fest', weekly kids' scavenger hunts for a prize, kids' crafts, cooking demonstrations, fundraisers and giveaways.

If the Agreement is approved, Farm & Craft will launch the expanded operation with new vendors in early October, at the City's direction.

To accommodate the additional vendors and periodic events and activities, Farm & Craft will be required to adhere to new operating conditions to limit vehicular access points and improve pedestrian areas of the market. Appropriate permits will also be obtained from the Fire Department to ensure the safety of the new food vendors that will be cooking onsite. While some vendors will continue to park onsite, new vendors will park in the adjacent private lot at Banderas Restaurant or other nearby public or private lots, which Farm & Craft will secure based on need. Farm & Craft's proposed market layout and site plan is shown on Attachment C.

City Council Policy F-7, Income and Other Property

Due to the unique services provided to the community, and the income and operational limitations of managing a weekly market, a nominal amount of rent is proposed in the Agreement to offset some of the City's administrative costs and lost parking fee revenue. Staff believes the following findings can be made, as required by Policy F-7 (Attachment D) when less than fair market value rent is received, and a waiver is requested:

1. The CdM Market provides an essential or unique service to the community that might not otherwise be provided were full market value of the property be required; and
2. With the proposed rent charged at less than fair market value, the use of the City-owned property provides an important amenity to the City and might not otherwise be provided were full fair market value of the property be required.

Revocable License Agreement

The proposed terms of the Agreement are summarized below:

1. The initial term is 5 years, with one 5-year extension option, for a total possible term of 10 years, unless terminated earlier as provided by the Agreement.
2. A license fee in the amount of \$6,000 per calendar year shall be paid by the market manager, with payments submitted to the City each month. The license fee shall be adjusted by the change in the Consumer Price Index (CPI) each year upon the anniversary of the effective date of the Agreement.
3. The market manager shall be responsible for obtaining the necessary permits and approvals from state and local agencies to operate the market and will be responsible for ensuring each of the vendors has the necessary permits and approvals for their individual businesses, including obtaining a City business license, if required. The requirement for a City business license shall be waived as a hardship for certified producers pursuant to Section 5.04.025 of the Newport Beach Municipal Code (NBMC).
4. The market may operate every Saturday from 9 a.m. to 1 p.m., with setup beginning no earlier than 7:30 a.m. and tear-down completed by 3 p.m., and the site returned to its original condition free of trash and debris.
5. Setup of the market shall include placement of traffic control bollards and signage as may be required by the City's Public Works and/or Fire Departments.
6. A representative from Farm & Craft shall be present onsite during each farmers' market, from commencement of setup to completion of clean up.
7. Farm & Craft shall continue to provide certificates of insurance to the satisfaction of the City's risk manager, naming the City as additional insured.

The Agreement has been reviewed by the City Attorney's Office and has been approved as to form. Farm & Craft has reviewed and approved the terms of the Agreement.

FISCAL IMPACT:

Revenues collected pursuant to the proposed Agreement, \$6,000 per year as adjusted annually by the change in CPI, will continue to be posted to the General Fund (01050505)

account in the Community Development Department and will be included in future years' budgets.

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find this action is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

NOTICING:

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

ATTACHMENTS:

Attachment A – Revocable License Agreement
Attachment B – Staff Report dated April 15, 2025
Attachment C – Market Site Plan
Attachment D – City Council Policy F-7