

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Matthew Fertal	From:	Kimberly Huy	
Dept.:	City Manager	Dept.:	Community Services	
Subject:	CONSIDERATION OF PROPOSAL FOR TET FESTIVAL FROM TRUNG-TAM VAN-HOA HONG-BANG		Date:	August 27, 2013

OBJECTIVE

The purpose of this memorandum is to transmit a proposal from Trung-Tam Van-Hoa Hong-Bang (TTVHHB), a non-profit organization, for the operation and management of a Tet Festival, commencing 2014-2019.

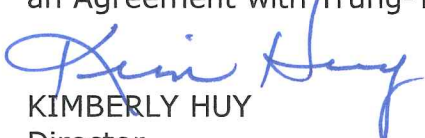
BACKGROUND/DISCUSSION

The TTVHHB Organization has been a recognized non-profit, tax-exempt organization since 1997. Since that time, they have organized and managed the Los Angeles Tet Festival at Narrows Regional Park in South El Monte.

The attached proposal, requests a five-year Agreement for the operation and management of a Tet Festival, commencing in 2014. The Proposal suggests that TTVHHB will pay for all costs associated with the Festival, as well as pay a portion of its revenues equal to \$1.00 for each admission to the City, with a minimum payment of \$75,000. In addition, TTVHHB will donate 40% of its net revenues to not for profit, non-political groups throughout Southern California, with a minimum of 50% of the money distributed to Garden Grove not for profit, non-political community groups.

RECOMMENDATION

It is recommended that the City Council consider the proposal from Trung-Tam Van-Hoa Hong-Bang for the operation and management of a Tet Festival, commencing 2014-2019, and give staff direction regarding preparing an Agreement with Trung-Tam Van-Hoa Hong-Bang.

  
 KIMBERLY HUY  
 Director

Attachment: Trung-Tam Van-Hoa Hong-Bang Tet Festival Proposal **Approved for Agenda Listing**

  
**Matthew Fertal**  
 City Manager



TRUNG-TAM VAN-HOA HON  
A Federal Non-Profit Organization  
9141 Bolsa Ave, Ste #304, Westminster, CA 92683-5532  
Phone: 714-270-4515 Fax: 714-569-9219

August 22<sup>nd</sup>, 2013

CITY OF GARDEN GROVE  
CITY COUNCIL  
11222 Acacia Parkway  
Garden Grove, CA 92843

Re: Proposal For Tet Festival

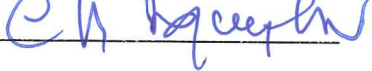
Dear Garden Grove Mayor Bruce Broadwater & Council Members:

Tet is the Vietnamese celebration that begins on the first day of the Lunar New Year. The celebration lasts for seven days. The Lunar New year is one of the most celebrated and joyful holidays in Asian culture. It has evolved into an illustration of the traditions and customs found in the greater part of Asian society. Like the Chinese, Vietnamese people are very particular about what they do on New Year's Day, as the events of that day will determine your fortune for the rest of the year.

Tet is the time for joy and happiness to be shared amongst family, friends, and even teachers and students. The celebration involves the use of firecrackers, gongs, and other festive items that make loud noise in order to usher out the old and welcome the new. Children receive cash from "lucky" red envelopes; the color represents good fortune.

For Vietnamese people overseas, Tet is an opportunity to rediscover their own culture. Thus, it is the responsibility of The TRUNG-TAM VAN-HOA HONG-BANG (TTVHHB) to organize in a way that would involve and impact the people of the younger generations. In the goal of preserving tradition, TTVHHB has cooperated with A Plus Education Center, a non-profit organization, continuously since 2003 to organize the Tet Festival at Narrows Regional Park located on Rosemead Boulevard, City of S. El Monte, California. This year's event theme, "Colors of the Spring", represents new life and rebirth. We would like to bring this theme to the City of Garden Grove at Garden Grove which has the highest population of Vietnamese overseas.

Attached is TTVHHB proposal for a Tet Festival in the City of Garden Grove. TTVHHB has the experience and also the financial ability to fund this proposal. We currently have \$75,000 in our account. Proof of funds shall be submitted upon request. Also, Attached is a copy of our non-profit status.

Signature:   
Cang Nguyen  
Authorized Agent and Tet Festival Committee Member  
For TRUNG-TAM VAN-HOA HONG-BANG  
A 501(c)(3) federal non-profit organization #33-0709944

**Internal Revenue Service**

**Department of the Treasury**

**P. O. Box 2508  
Cincinnati, OH 45201**

**Date:** April 23, 2002

**Person to Contact:**

**Paul Perry 31-07423  
Customer Service Representative**

**Toll Free Telephone Number:**

**8:00 a.m. to 6:30 p.m. EST  
877-829-5500**

**Fax Number:**

**513-263-3756**

**Federal Identification Number:**

**33-0709944**

Trung-Tam Van-Hoa Hong-Bang  
% Cang Ngoc Nguyen  
9141 Bolsa Ave Ste 304  
Westminster, CA 92683-5532

Dear Sir or Madam:

This is in response to your request for affirmation of your organization's exempt status.

In March 1997, we issued a letter that recognized your organization as exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. That letter is still in effect.

Based on information submitted with the application, we classified your organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in sections 509(a)(1) and 170(b)(1)(A)(ii). That classification was based on the assumption that your organization's operations would continue as stated in the application. If your organization's purposes, character, method of operations, or sources of support have changed, please let us know so we can consider the effect of the change on the organization's exempt status and foundation status.

Revenue Procedure 75-50, published in Cumulative Bulletin 1975-2 on page 587, sets forth guidelines and record keeping requirements for determining whether private schools have racially nondiscriminatory policies as to students. Your organization must comply with this revenue procedure to maintain its tax-exempt status.

Your organization is required to file Form 990, Return of Organization Exempt from Income Tax, only if its gross receipts each year are normally more than \$25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of the organization's annual accounting period. The law imposes a penalty of \$20 a day, up to a maximum of \$10,000, when a return is filed late, unless there is reasonable cause for the delay.

All exempt organizations (unless specifically excluded) are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more paid each employee during a calendar year. Your organization is not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, they are not automatically exempt from other federal excise taxes.

Trung-Tam Van-Hoa Hong-Bang  
33-0709944

Donors may deduct contributions to your organization as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to your organization or for its use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Your organization is not required to file federal income tax returns unless it is subject to the tax on unrelated business income under section 511 of the Code. If your organization is subject to this tax, it must file an income tax return on the Form 990-T, Exempt Organization Business Income Tax Return. In this letter, we are not determining whether any of your organization's present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

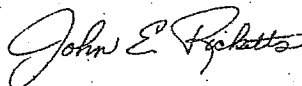
The law requires you to make your organization's annual return available for public inspection without charge for three years after the due date of the return. You are also required to make available for public inspection a copy of your organization's exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing. You can charge only a reasonable fee for reproduction and actual postage costs for the copied materials. The law does not require you to provide copies of public inspection documents that are widely available, such as by posting them on the Internet (World Wide Web). You may be liable for a penalty of \$20 a day for each day you do not make these documents available for public inspection (up to a maximum of \$10,000 in the case of an annual return).

Because this letter could help resolve any questions about your organization's exempt status and foundation status, you should keep it with the organization's permanent records.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

This letter affirms your organization's exempt status.

Sincerely,



John E. Ricketts, Director, TE/GE  
Customer Account Services

**PROPOSAL FOR TET FESTIVAL**

**ORGANIZATION SUBMITTING PROPOSAL:** TRUNG-TAM VAN-HOA HONG-BANG (ORGANIZATION),  
a not for profit organization.

**TO:** CITY OF GARDEN GROVE (CITY)

**PURPOSE**

The purpose of this proposal is to allow ORGANIZATION to conduct the ANNUAL TET FESTIVAL during the springs of 2014 through 2019 on a weekend to be selected by the CITY and ORGANIZATION based on the Lunar New Year calendar from Friday to Sunday.

**PROPOSAL TERMS:**

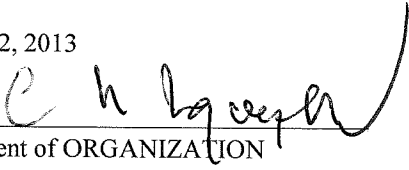
1. **TERM.** The term of the proposed use is from 2014 through 2019.
2. **SUBJECT.** CITY grants ORGANIZATION a non-exclusive right to use Garden Grove Park for the purpose of conducting the annual Festival including, but not limited to, food booths, amusement zone operations, ancillary music and related uses, subject to ORGANIZATION submitting to CITY a schedule of events, operations plan and complete plot plan, vendor locations, carnival area, stage area, vehicles, fire lanes, etc., no later than thirty (30) days before the Festival, and shall obtain the approval of the submitted schedule, operations plan and plot plan from the City Manager or his designee, and provisions provided herein.
3. **REIMBURSEMENT.** ORGANIZATION shall reimburse CITY for all direct costs attributable to operation of the Festival (including Police services) and incidental costs, including but not limited to, barricades, signs and overtime costs for personnel assigned to situations involving the Garden Grove Park facilities and grounds.
4. **DEPOSIT.** ORGANIZATION shall deposit with the city for police costs an amount to be determined by the city for Police Services thirty (30) days prior to the scheduled start of the Festival. This deposit shall be deducted from the amount to be reimbursed to the CITY. If reimbursable costs exceed the deposit amount, ORGANIZATION agrees to pay such excess within thirty (30) days following the mailing of an invoice to ORGANIZATION for such excess costs.
5. **RENOVATION OF TURF.** ORGANIZATION shall be responsible for and pay the costs for the renovation of the Park turf area on which the Festival is held, including aeration of the Festival site. ORGANIZATION shall reimburse the CITY for the amount of such costs as determined by the Public Works Director and City Manager.
6. **REPAIR OF DAMAGES.** ORGANIZATION shall be responsible for and agrees to pay the full cost of any repair of damages to the Festival site (except as otherwise set forth herein),

buildings, fixtures, property and other structures, including the irrigation system, that are attributable to the Festival operations.

7. **DEPOSIT FOR DAMAGES.** In case of damages to the structures on the Festival site, a deposit of twenty five hundred dollars (\$25,000) shall be made during each year covered by this Agreement. The deposit shall be made at least thirty (30) days prior to the scheduled start of the Festival. CITY shall subtract its reimbursable costs from the deposit, and refund the balance within thirty (30) days of the end of the event. If reimbursable costs exceed the deposit amount, ORGANIZATION agrees to pay such excess within thirty (30) days of the end of the event.
8. **ADMISSION TICKET PROCEEDS / DISTRIBUTION.** For each annual Festival covered by this Agreement, ORGANIZATION will donate a portion of its revenues from the Festival as follows: ORGANIZATION shall donate an amount equal to \$1.00 for each admission to the Festival to the CITY. In no case shall the amount donated to the CITY be less than seventy-five thousand dollars (\$75,000) annually.
9. **CHARITABLE DONATION.** An amount equal to not less than 40% of ORGANIZATION's remaining net revenues minus all of its direct Tet Festival related costs (including the required reimbursements to the City pursuant), and any start up costs for the following year's Tet Festival (approximately \$60,000) shall be distributed to local not for profit, non-political community groups that serve Southern California residents; a minimum of fifty percent (50%) of the money distributed must be to Garden Grove not for profit, non-political community groups. Procedure for distribution shall be determined by the CITY. The percentage required for distribution to the community may be renegotiated if net revenues fall below \$100,000 (one hundred thousand dollars). ORGANIZATION shall not distribute any of the percentage required for distribution to itself, any organization that it creates or any organization in which it has a financial or other interest.
10. **FESTIVAL ACTIVITIES.** ORGANIZATION agrees that the Festival will represent a mixture of cultural activities, food booths, display booths, carnival rides and entertainment. CITY may impose additional terms associated with CITY's codes and festival requirements.
11. **FESTIVAL PARTICIPANTS.** ORGANIZATION shall have sole responsibility for arranging and providing all contractors, persons, organizations, businesses and employees necessary to properly conduct Festival activities.
12. **FESTIVAL HOURS.** The Festival shall be operated within the bounds of the following:
  - Friday  
Open no earlier than 9:00 AM  
Completely closed no later than 10:00 PM
  - Saturday  
Open no earlier than 9:00 AM  
Completely closed no later than 10:00 PM
  - Sunday  
Open no earlier than 9:00 AM  
Completely closed no later than 9:00 PM

13. **FESTIVAL AMENITIES.** ORGANIZATION and its participants shall be responsible for amenities imposed by the CITY and other PUBLIC AGENCIES, including but not limited to the following:
- a. Event restrooms
  - b. Wash sinks
  - c. Fencing & Gates
  - d. Dumpsters and Trash Cans
  - e. Security
  - f. Parking Crew
  - g. Cleanup Crew
  - h. Safety Crew
14. **FINANCIAL REPORTING.** ORGANIZATION agrees that it will, within six (6) months after the Festival, furnish CITY with an accounting of its income and expenditures in connection with the Festival and related activities. Such information may be in the form of an audit report, or similar suitable documentation, prepared by a Certified Public Accountant.
15. **INSURANCE.** ORGANIZATION shall take out and maintain during the life of this Agreement, commercial general liability insurance, including contractual liability, and shall protect ORGANIZATION and CITY from claims for such damages. This insurance shall be in the amount normally carried by ORGANIZATION for such purposes, but in no event shall it be less than an amount to be determined by CITY.
16. **ALCOHOLIC BEVERAGES.** Alcoholic beverages shall not be sold, distributed or consumed on the Festival grounds. Any food or other booth in which alcohol is found shall immediately, and for the duration of the Festival, be closed by the Chief of Police or designee.

Date: August 22, 2013

Signature:   
Authorized Agent of ORGANIZATION  
Cang Nguyen