



AGENDA NO: 7.d.

MEETING DATE: July 23, 2024

# Staff Report

**TO:** Honorable Mayor and City Council

**DATE:** July 18, 2023

**FROM:** Yvonne Kimball, City Manager

**SUBJECT:** Update Regarding Ironman Event Contract Termination

## RECOMMENDED ACTION

Receive and file the report.

## ALTERNATIVES

None

## FISCAL IMPACT

Minimum.

## BACKGROUND/DISCUSSION

On or about July 2, 2024, City staff encountered Ironman’s social media posts which indicated the indefinite discontinuation of the 2025 event in Morro Bay. Staff contacted Ironman immediately for an official statement. On July 3, we received an emailed letter from the World Triathlon Corporation (WTC), Ironman event operator, which officially notified the City of the decision to terminate the contract one year sooner.

In reviewing the cancelation latter, it suggested that WTC decision was driven by business considerations, not a reflection of City’s partnership. Our preliminary review suggests that WTC did not violate contract terms by early termination. We will invoice all eligible expenses incurred for the 2024 event.

In terms of background, the original event contract was entered into by three parties: the City of Morro Bay, Visit Morro Bay, and the World Triathlon Corporation (WTC). The contract stipulated that the City had the exclusive right to host the Ironman event in 2023, 2024 and 2025. To date, the City successfully hosted the 2023 and the 2024 events. Since the completion of the 2024 event, City has been actively working with the Ironman team to prepare for the 2025 event and collaborate on ways to continued improvement. Many athletes, visitors, and community members provided positive feedback and indicated that they were looking forward to the return of the 2025 Ironman event.

Not only were we surprised by the WTC’s decision to cancel, we were disappointed in how WTC communicated their cancelation decision with us. Undoubtedly, the City fulfilled our obligations as a hosting agency. In reflection, we also recognize that hosting the ironman events has been a major task for the community. We would like to extend our gratitude to the entire community for having

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Dept Review: \_\_\_\_\_

City Manager Review: \_\_ YK \_\_\_\_\_

City Attorney Review: \_\_\_\_\_

supported the City to host Ironman events.

In the last two years, our city has invested considerable resources to ensure the success of this event for both athletes and spectators. The City's public safety departments deployed extensive local resources to ensure safety of the events. Our City leadership team facilitated numerous crucial conversations for WTC and other stakeholders to ensure a smooth event operation. Additionally, City Council Members and City employees volunteered their time to support the events. Our community has learned to embrace this international brand of events. We are proud of the hard work, and warm hospitality demonstrated by our City officials and our community in supporting Ironman events and the athletes.

Although we won't be hosting the 2025 Ironman event, the City remains committed to our partnership with Visit Morro Bay in hosting other signature events that bring our community together and showcase the best our city has to offer.

**ATTACHMENT**

1. WTC termination letter