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City of San Jose Office

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: KIM WALESH

SUBJECT: HOLIDAY EVENTS UPDATE

DATE: December 3, 2010

Approved

Date

12/3/10

INFORMATION

The 2010-2011 Operating Budget eliminated the Marketing and Special Events Unit in the Parks, Recreation and Neighborhood Services Department (PRNS) terminating 3 full time positions effective January 21, 2011. This unit was responsible for the production of Christmas in the Park and the San Jose Holiday Parade and some other community events related to PRNS and Council Offices. Due to the importance of these two holiday events to the community and the economic impact they bring to the city during the holiday season, staff producing the two holiday programs for 2010 were retained through January 21, 2010. Concurrent with production of the 2010 events, staff was directed to help transition the production of both events to outside partners starting in 2011 without any General Fund support. The Office of Economic Development's Cultural Affairs division was assigned the responsibility to manage the transition plan for the events. This memo serves as a status update.

CHRISTMAS IN THE PARK

The Christmas in the Park program was identified as the highest priority for transition planning since it is a 35+ day event with a long history in the community, has a deep partnership with the Christmas in the Park nonprofit organization, and has the largest impact on the restaurants, museums and attractions in the core downtown area. The event has been downtown in Plaza de Cesar Chavez for 31 years and its estimated economic impact is more than \$660,000 in incremental tax impact and \$13,300,000 in incremental spending by visitors to the event.

Since July, City staff and members of the Christmas in the Park Board of Directors have been collaborating to: 1) ensure production of the 2010 Christmas in the Park event and 2) establish the transition plan requirements. Additionally, since Christmas in the Park is integral to the success of other holiday events in the downtown core, meetings were held with downtown stakeholders and other holiday event organizers.

Working closely with Christmas in the Park Board, it has been determined that an additional \$200,000 in funding is needed to produce Christmas in the Park in the same format in 2011 without any City General Fund support. Currently, the Christmas in the Park Board raises approximately \$160,000 a year for operational expenses; beginning in 2011 they would need to

raise \$360,000 a year. Although the Christmas in the Park Board is committed to maintaining a free event in its current downtown location, it is considering a variety of revenue-generating options as part of an aggressive fundraising campaign. A critical component to transition the production of Christmas in the Park to a nonprofit board is continued City support of critical in-kind services, which have been provided the past 31 years and include warehouse space for display storage and use of the park.

The Christmas in the Park Board is a volunteer-based board that previously has not had to focus on event production and more significant revenue generation. To develop a sustainable model for the event in which the board is fully responsible for event production, the board is engaged in organizational development and capacity building work with SCORE (Service Core of Retired Executives). The board is currently developing a five-year strategic plan. It will also develop fundraising and board development plans. Full transition of the Christmas in the Park board to an effective fundraising board with professional staff is estimated to take more than one year. In addition, the board recognizes the need for a strong civic partner to meet their financial goals and have begun discussions with the San Jose Rotary about a possible partnership.

Achieving specific milestones identified for the first quarter of 2011 will determine whether the board will move forward with full production of the 2011 event. If the board cannot meet the agreed upon milestones for production of the 2011 event, the City could initiate contingency plans which might include requesting an outside promoter to produce a holiday event in 2011 drawing on the same in-kind services offered to the Christmas in the Park Board.

SAN JOSE HOLIDAY PARADE

The other holiday event is the San Jose Holiday Parade. Known as one of the "Top 25 Parades in the U.S." with its family-friendly, live two-hour broadcast highlighting San Jose and with more than 100,000 spectators on the street, it is a popular event. This event has been solely produced by PRNS Marketing and Special Events Unit staff and financially supported by the City with some sponsorship funding. An advisory board provides guidance and volunteer support for the event but is not engaged in any fundraising or production capacities. There is no City staff or funding to start planning the production of a 2011 parade.

Staff will pursue potential transition models for the parade, including encouraging production by an outside promoter and/or a collaboration opportunity with existing holiday event organizers. Options are limited, however, because there has not been a nonprofit partner involved all along, like with Christmas in the Park. Meetings with the advisory board are expected later this month.

/s/
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If there are questions related to Holiday Events Transition, please contact Director of Cultural Affairs Kerry Adams Hapner at 408.793.4333.