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| Date     | Ver. | Action By                                  | Action   | Result |
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| 3/5/2019 | 1    | Council and Authorities Concurrent Meeting | Approved | Pass   |

## REPORT TO COUNCIL

### SUBJECT

Action on Request for City Financial Support for a New Special Event-Parade of Champions

### BACKGROUND

The Santa Clara Parade of Champions was held on Columbus Day starting in 1945 and continued for 50 consecutive years ending in 1995. While the parade was initiated to welcome home veterans after WW II, as years passed, it became a Santa Clara tradition. The Marsalli family and the Young Men's Institute were the initial partners in producing the parade, which ended when Mr. Marsalli retired. The parade included school marching bands, the Santa Clara Vanguard, Santa Clara University, scout troops, local veterans groups, civic and business leaders, sports leagues and community groups, among others. At its peak, it was considered the second largest parade in California, behind the Rose Parade held in Pasadena.

In 2018, the Santa Clara Parade of Champions (SCPOC) formed as a not for profit, volunteer organization with a focus on restarting a new Parade of Champions (Parade) and the goal of holding the first Parade in the historic downtown area of Santa Clara on Saturday, September 28, 2019 from 11:00 a.m. to 1:00 p.m. According to SCPOC, the vision is to honor the legacy of the original Parade while celebrating local champions in history, culture, arts, entertainment, sports and technology from throughout Silicon Valley. On October 9, 2018, supporters of the SCPOC requested that the City Council consider providing financial support for an annual Parade in the downtown. Council referred the item to staff to meet with the SCPOC organizing committee and to assess the feasibility of the Parade including logistics, costs, potential issues and community impacts as well as level of City support needed.

### DISCUSSION

Staff met with the SCPOC and a professional parade planning consultant multiple times to discuss

the proposed Parade and collect background information. The SCPOC has begun meetings with its parade producer, developed a proposed route (Attachment 1), completed a Special Event Application (Attachment 2), and drafted an initial “run of show” (Attachment 3) that lists the required tasks by month to accomplish critical Parade planning milestones. City staff has reviewed the proposal and presents information in this report.

### **Parade Date, Route & Logistics**

The proposed Parade date is September 28, 2019, with set up time at 6:00 a.m.; start time at 11:00 a.m.; Parade end time at 1:00 p.m.; and, clean up completed by 3:00 p.m. While there are no known community conflicts with this date, it is two weeks after the City’s annual Art & Wine Festival in Central Park and Levi’s® Stadium related events may draw on City resources. The National Football League schedule is typically released in April, and may include a San Francisco 49ers home game on Sunday, September 29, or potentially the preceding or following Sunday.

The proposed “U shaped route” indicates a start line at the intersection of Lafayette and Bellomy Streets, then turning West onto Benton Street, and turning South onto Monroe Street, and ending at the intersection of Bellomy/Monroe. The staging areas are expected to be along Bellomy and Lafayette, with a main viewing stage on Lafayette before Homestead, and finally the disband area on Monroe and Jackson. Street closures are expected along the route. At this time, it is not known how many residences and businesses will be impacted by street closures before, during, and after the event. Per SCPOC, the expected attendance is 5,000 persons. Event parking is expected to be along City streets and public parking lots in the parade area. Amplified sound is anticipated in the area of the main announcer’s stage and judging area. Portable toilets, food waste bins, recycling and garbage containers will be placed along the route. Street sweeping will occur before and after the event. A security plan will need to be developed as part of the Parade advance planning with input from Santa Clara Police Department’s Special Operations Division.

### **Parade Budget Estimate**

The table below summarizes the estimated Parade budget with information developed by the City for City costs, which have been discussed with SCPOC, and anticipated Parade production costs as anticipated by SCPOC (Attachment 4). It indicates the SCPOC anticipated revenue and estimated expenses in the amount of \$151,928. Of the total Budget estimate, the cost of required City support personnel, services and permits is estimated to be in the amount of \$71,028, or 47% of Parade expenses, based on City experience with special events and an initial review of the Parade plans available to date. Parade content costs represent \$54,100, or 36% of the total event budget. Parade Planning and execution activities represent \$26,800, or 18% of the budget.

**Table 1: Summary of Estimated City Costs - Parade of Champions**

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| <b>Parade Budget Estimate</b>                                       | <b>2019</b>        |
|---|--------------------|
| <b>Expenses:</b>  | <b>(\$151,928)</b> |
| Logistics (radios, trash, banners, car tags, stage, sound, toilets) | (\$11,300)         |
| Services (parade production & insurance)                            | (\$15,500)         |
| Parade content (floats, entries, balloons, prizes, honoraria)       | (\$54,100)         |
| City Services, Equipment, Permits Required in support of Parade     | (\$71,028)         |
| <b>Income:</b>  | <b>\$151,928</b>   |
| City of Santa Clara—Grant Request                                   | \$71,028           |
| Fundraising & Parade Sponsors                                       | \$80,900           |
| <b>Event Balance</b>  | <b>\$0</b>         |

As proposed, the Parade is a free event, open to the general public and conducted on public streets. While the budget estimate provides a balanced budget, there are limited revenue opportunities associated with the Parade to raise the \$151,928 needed, and there is limited time remaining to develop a significant donor base to pay for the pre-requisite pre-event Parade planning and production services. The SCPOC President has submitted a revised City Grant Application (Attachment 5) in the amount of \$71,028 which would pay for estimated City services for the event. The other expected source of revenue in the amount of \$80,900 is funds raised from Parade sponsors and individual supporters. The SCPOC still needs to more immediately raise the necessary funds in the amount of \$12,500 to initiate the pre-Parade professional production services. There are no other reported sources of income.

### Evaluation of Parade Proposal

The SCPOC is a recently established, enthusiastic, volunteer run organization with limited parade and special event experience. The budget includes a professional parade producer (\$12,500). If the Parade is approved in concept, several issues remain to be addressed in order to have a successful Parade, as summarized below.

- **Event Plans:** Additional planning and logistics related to day of event security, float supervision, crowd monitoring, sanitation and entertainment are needed in order to facilitate the success of the Parade. Continued pre-event and day of event coordination among City departments and with the SCPOC is necessary. City staff are already fully committed to other previously established work plans, events and activities, so efforts to support a Parade will require either additional personnel and fiscal resources, or expected delay of other work priorities periodically before the parade and for the duration of the Parade event activities. A threat assessment and security plan by SCPD will need to be completed. A pre-event communication plan along with traffic control and use of sufficient automated street closure signs will be needed along with prestaging of barricades, and no parking signs.
- **City Support Cost Estimate.** An initial estimate of City staff, equipment and permit costs for the Parade is provided below.

**Table 2: Summary of Estimated City Costs - Staff, Equipment, Permits**

| City Support Cost Estimate  |  |                 |
|---|--|-----------------|
| Dept./Division  | Staff, Equipment, Permits  | City Costs      |
| CDD-Building  | Stage Permit, Electrical Permit  | \$400           |
| Finance-Business Tax & License                                    | Amplified Sound  | \$60            |
| Fire Department-Fire Prevention                                   | Fire watch; standby Engine; Outdoor Special events Permit; generator permit; first tent/Canopy/Air   | \$4,868         |
| Parks & Recreation Recreation                                     | Recreation staff, City coordination; special event permit  | \$3,510         |
| SCPD Special Events Traffic Control                               | Sergeants, Officer, Traffic Control; Services Agreement  | \$10,136        |
| Public Works Environmental Services; Traffic Engineering; Streets | Staff to post signs, support event, prep, sweep; Equipment food waste containers, recycling, garbage; Equipment no parking signs, frames, dump trucks, sweeper; Encroachment Permit. | \$52,054        |
| <b>Total City Costs</b>   |  | <b>\$71,028</b> |

- Parade Budget and Funding.** The Parade budget estimate of \$151,928 includes a significant amount of City support of approximately \$71,028. SCPOC submitted a community grant funding request (Attachment 5). While the budgeted expenses are appropriate and modest, the primary risk to the budget and execution of the Parade is the short period of time and SCPOC capacity to raise the additional funds necessary to pay for expenses that includes the critical professional Parade consultant and actual pre-event parade costs. It is unclear from the Parade proposal, what would happen if the additional funds were not raised at key milestones and the event production halted for lack of continued funding. SCPOC needs to develop a fundraising plan with key milestones and decision points to assure contacts are made and revenues remain balanced with expected expenditures, and what actions would be taken if funds are not raised, such as Parade cancellation. Council approved a one-time allocation of \$100,000 for Community Grants in FY2018/19, which has a remaining balance of \$45,962 with additional requests pending at the time of writing this report. Due to the amount of the request and previously allocated funds for other Community Grants, the City would need to appropriate funds from the Budget Stabilization Reserve to fund the request. Since the Parade is contemplated for the next and subsequent fiscal years, the actual amount of the allocation needed to support a 2019 or future event will depend upon which fiscal year the allocation is made, and if the grant is provided in one or more disbursements at times of actual need (in a few smaller amounts to be determined based on a contribution agreement and aligned with successfully achieving milestones of a fundraising plan incorporated in the contribution agreement).
- Timing.** The date of the Parade is two weeks after the Annual Art & Wine Festival in Central Park. Due to the logistics and staffing involved in the Festival, there would be limitations on the City's capacity to assign staff to both events. Other events in the City may also draw on City services; Stadium event impacts may occur on the Parade day that would need City resources and are not known at this time. Advanced planning against other City events would allow for the City and event organizers to schedule these events out, well in advance, to ensure that more than two weeks is between each event. It is unknown how two large events, within two weeks, will impact attendance for each, as individuals may decide to attend one over the other and acknowledging that each have their own attendees.
- Parade Benefits.** A Parade may provide a net positive social benefit to the community. An additional, free, family oriented, one-day special event for over 5,000 persons that involves many

local organizations, businesses, sports and entertainment celebrities could provide additional visibility to the City. Depending upon a safe Parade outcome, good participation levels, and positive visitor experience, there is a potential for positive exposure for Santa Clara in the local South Bay area.

### **NEXT STEPS**

If Council approves City support for the Parade in concept for September 2019, and authorizes award of a City Grant in the amount of \$71,028 (or some other amount), the next steps would include development of a contribution agreement with an achievable fundraising plan, clear scope of City services, amount of City financial commitment and timeline itemizing SCPOC and City responsibilities and deliverables. The SCPOC deliverables would include: a realistic fundraising plan, contract with professional parade producer, outreach and commitments with parade content (floats, entries, balloons, bands, etc.), recruitment and orientation of event volunteers, scheduling City services and securing event permits, community outreach to affected property owners and residents along the route, development and execution of a marketing plan, etc. Given that the projected Parade date is six months away, the feasibility of successful execution in September 2019 is of great concern. The investment of City staff time and funding, as well as SCPOC volunteer time, effort and sponsor funds would be more assured of potential success if focused on the same goals and action items with a Parade date of 2020.

### **ENVIRONMENTAL REVIEW**

The action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(b)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

### **FISCAL IMPACT**

The fiscal impact is unknown at this time. Depending upon the commitment of resources, staff and funds, the initial estimate varies from \$71,028 for a community grant to SPOC (revised amount requested) to \$151,928 if the City completely sponsors the event (total estimated Parade costs if funds are not secured from other non-City sources). Based on the security assessment and any changes in the Parade proposal may also increase (or decrease) the fiscal impact. Council approved a one-time allocation of \$100,000 for Community Grants in FY2018/19, which has a remaining balance of \$45,962 with additional requests pending at the time of writing this report. Due to the amount of the request and previously allocated funds for other Community Grants, the City would need to make an additional allocation of funds to fully fund the request. Since the Parade is contemplated for the next and subsequent fiscal years, the actual amount of the allocation needed to support a 2019 or future event will depend upon which fiscal year the allocation is made, and if the grant is provided in one or more disbursements at times of actual need (in a few smaller amounts to be determined based on a contribution agreement).

### **COORDINATION**

This report has been coordinated with the City Manager’s Office, City Attorney Office, Public Works Department, Parks & Recreation Department, Police Department, Fire Department and the Finance Department.

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City’s official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City’s website

and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email [clerk@santaclaraca.gov](mailto:clerk@santaclaraca.gov) <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

### **ALTERNATIVES**

1. Approve the Parade in concept and approve a City grant of \$71,028 (or any other amount determined by Council) to pay for a "to be determined" itemized list of City permits, materials, equipment and/or staff services in support of the event.
2. Approve the Parade in concept and deny approval of a City Grant.
3. Request further planning, information, and evidence of funds raised from SCPOC with a Parade target date of September 2020 prior to City approval of the Parade and/or commitment of City resources/funds.

### **RECOMMENDATION**

Staff does not have a recommendation. However, if the Council approves the Parade in concept, a 2020 timeframe is more realistic within the context of City staff capacity and already planned events and allows more adequate time for SPOC to raise necessary funds to address the issues mentioned in the report.

Reviewed by: James Teixeira, Director of Parks & Recreation

Approved by: Deanna J. Santana, City Manager

### **ATTACHMENTS**

1. Parade of Champions Route 2019
2. Santa Clara Special Event Application Parade 2019
3. Parade Run of Show 2019
4. Parade Budget Estimate 2019
5. Community Grant Application Parade of Champions 2019