

COUNCIL DOWNTOWN COMMITTEE

**Monday, January 26, 2009
7:00 p.m.**

**Room 2A - Hayward City Hall
777 B Street
Hayward, CA 94541**

Public Comments: (Note: For matters not otherwise listed on the agenda the Committee welcomes public comments under this section, but is prohibited by State Law from discussing items not listed on the agenda. Your item will be taken under consideration and referred to staff.)

- 1. Joint Meeting With Downtown Business Improvement Area
Advisory Board Regarding Downtown Events**

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DATE: January 26, 2009

TO: Council Downtown Committee
Downtown Business Improvement Area Advisory Board

FROM: Maret Bartlett, Redevelopment Agency Director

SUBJECT: Joint Meeting with the Business Improvement Advisory Board Regarding
Downtown Events

RECOMMENDATION

That the Committees review and comment on this report, and provide input regarding:

- ideas for new events or re-structuring of the existing event schedule,
- supplemental funding sources for DBIA-sponsored events, including increased use of promoters and vendor fees, private business sponsorships, increased Redevelopment funding.

SUMMARY

Over the past year, the Downtown Business Improvement Area Advisory (DBIA) Board has been evaluating ways to enhance DBIA sponsored events, including Light Up the Season (LUTS) and Summer Street Parties. At the same time, the DBIA Board has had to evaluate how to allocate limited funds to pay for “clean and safe” efforts downtown. The tension between these competing demands has caused the DBIA Board to look at how other cities produce events, and determine what changes to existing events can be made. This joint meeting will allow the CDC and DBIA Board to exchange ideas for future events downtown.

BACKGROUND

The Purpose of the DBIA and the History of Downtown Events

The DBIA is an assessment district approved by the Hayward City Council in 1985. All businesses within the district are assessed a mandatory fee that contributes to funding of promotional events and activities in downtown Hayward. The funds are used to organize special events; assist in the beautification of downtown streets and public spaces; purchase and install decorative banners; develop positive marketing campaigns to promote downtown; and to foster communications regarding downtown activities and developments through merchant newsletters. The DBIA Board

members are all business owners located within the boundaries of the DBIA, and are appointed by the City Council, as vacancies occur.

The DBIA has funded a number of events since its inception. The Blues Festival was originated by the former Hayward Downtown Association and funded in part with DBIA funds. Three Antique Fairs were sponsored by the DBIA, and coordinated by private promoters, during the period from 2000 to 2002. The DBIA has also contracted with the Hayward Chamber of Commerce to produce the Summer Street Parties since 2000. These events are funded by the DBIA, and the Chamber receives some vendor and beverage sale income from the events. "Light Up The Season" (LUTS), was primarily managed by Redevelopment Agency staff, with promoters "Cotton Candy Express" from 1999 to 2005. However, as a result of heavy rains in 2005, downtown business owners decided to "weather proof" the event, with the Chamber taking the lead in coordinating entertainment inside downtown business establishments. Redevelopment Agency staff continued to support the event with a tree lighting ceremony, a skating rink, toy collection in conjunction with Hayward Police Department, and pictures with Santa. In 2007, staff from the Redevelopment Agency, Animals Services and Animal Services volunteers launched the Santa Paws Parade. Due to budget constraints however, the DBIA did not recommend sponsoring this event in 2008.

Evaluation of Downtown Events

With new businesses investing in downtown, increasing the number of people who visit downtown is critical to their success. In addition to contributing to civic pride, events present an opportunity to increase the number of people who visit the downtown. It is estimated that Summer Street Parties and LUTS attract approximately 4,000 to 6,000 persons per event.

The DBIA met in December 2008 to evaluate the events. Key recommendations from the committee include the following:

- Summer Street Parties need to be updated
- Invite and target business sponsors
- Add more vendors, including food vendors, to help pay for events
- Engage promoters and event specialists to increase the number of vendors offering attractive merchandise
- Extend events from Foothill Boulevard to Watkins Street
- Expand events from one evening to one or two days

(See "Attachment 1: Event Recommendation" for a complete summary).

Recently, the DBIA committee and Redevelopment Agency staff interviewed two event promoters in order to find ways to enhance Summer Street Parties and LUTS, and to garner ideas for developing new events. These promoters work hand-in-hand with Chambers of Commerce, downtown associations, and other local entities to develop and organize events. Local entities negotiate the scope of work with promoters, depending on the local organization's capacity to provide event coordination. A clear benefit of working with promoters is their ability to attract and

screen vendors, in order to ensure that quality goods are being sold. Key recommendations and advice from these promoters included the following:

- The most successful events are those that have local support, including event sponsors, and media support.
- Events require business sponsorships. Raising funds for local events is a full-time job, and is best handled by a local entity who knows local businesses.
- Night time events don't work for vendors, the limited time-frame presented by these events does not make it worth their time. Two day events are preferred.
- Given current economic conditions, it is better not to launch new events but to build on existing events. In addition, vendors are less attracted to new events.
- Successful events generate income for local entities, including participating non-profit organizations. Income is often generated through promoter fees, alcohol sales, and sale of related merchandise. For example, the City of Alameda's Park Street Business Association raised \$105,000 from last year's Art & Wine festival. These funds contribute to the Association's operating budget and other less profitable events hosted by the Association.
- Local vendors can be encouraged to participate but have to be willing and interested, since promoters don't have time to aggressively recruit them. Some cities host community pavilions where local artists share one tent, thereby reducing costs and making it easier for artists who don't have large inventories to participate.
- If an event promoter is contracted, the DBIA could expect 50-75 vendors to participate in the first-year. Promoters and vendors schedule their events early in the year. June and July are highly competitive event months and not good months to "re-launch" an existing event with a promoter.
- One of the promoters had a particular interest in Hayward's Zucchini Festival and suggested it be linked with the Farmers Market, and relocated to the downtown. The Blues Festival also presented opportunities for expansion, along with LUTS.

FISCAL IMPACT

The FY 2009 DBIA budget is \$135,462, and is funded by a combination of the DBIA levies (\$55,000), Redevelopment funding (\$55,000), and existing DBIA reserves (\$25,000).

Approximately \$48,000 of the budget was directed toward downtown events, with additional funding for newspaper advertisement for the events. While the DBIA levies have remained static for the past decade, Redevelopment funding has doubled in recent years. In the Annual Report, it was recommended that DBIA levy increases be considered at the end of the current fiscal year; however, this was before the current economic slow-down.

A combination of efforts including the Chamber of Commerce and an event promoter could result in the DBIA being able to expand events without increasing costs. Expanded events with more vendors offering attractive goods will increase the number of persons who attend, thereby increasing the possibility that event attendees will return at a future date to frequent downtown businesses.

PUBLIC CONTACT

The DBIA discussed this topic at its last meeting held January 7, 2009.

NEXT STEPS

Staff recommends that the DBIA pursue a path of increased economic self-sufficiency for the downtown events through the use of promoters, vendor fees and business sponsors. In the event that this is not supported, Redevelopment funding could be increased to accommodate both downtown events and "clean and safe" expenditures.

Based on input by the committees, staff will continue to work with the DBIA to consider ways to enhance and improve DBIA-sponsored events, including:

- Whether the Summer Street Parties and/or LUTS should be expanded to day time events to encourage greater participation by vendors, and whether the City or Chamber should contract with a promoter in order to increase vendor participation.
- Whether other events held in the City, such as the Blues Festival and Cinco de Mayo could be enhanced by promoter/vendor participation (see "Attachment 3: List of City Events").
- Identifying downtown and City stakeholders who could serve as lead sponsors in promoting expanded events.

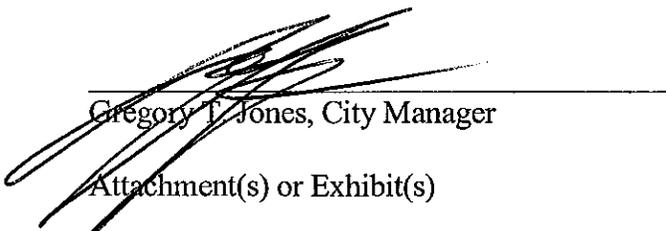
Prepared by:


Gloria Ortega, Redevelopment Project Manager

Recommended by:


Fran David, Assistant City Manager

Approved by:


Gregory T. Jones, City Manager

Attachment(s) or Exhibit(s)

Attachment 1: BIA Event Recommendations – January 7, 2009

Light Up The Season

What Works/What Do We Keep	What Needs to Change	How To Pay For Added Event and/or Features	How To Attract A Broader Cross-Section Of The Community
<ul style="list-style-type: none"> • Santa pictures with professional photographer • Local community entertainment • Toy collection with downtown business participation • Tree lights on street trees • Holiday tree lighting in City Hall Rotunda • Open house hosted by downtown businesses • Skating rink • Families downtown • Good weather 	<ul style="list-style-type: none"> • Increase promotion of downtown • Increase store/business participation • Reintroduce window display contest • Extend the event to more than one day, including skating • Reintroduce Santa Paws Parade on Saturday • Increase supervision of kids on skating rink • Have merchants use toy collection to promote retail sales • Increase entertainment in and out of stores (on the street) • Extend activities from Foothill Blvd. to City Hall (more of a parade) • Enhance food choices 	<ul style="list-style-type: none"> • Merchant sponsorship of new street decorations • Merchant and other sponsors for events • Develop sponsorship levels for contributors • Add vendors, use fees to help pay for event costs (including vendors selling food and beverages) 	<ul style="list-style-type: none"> • Advertise upcoming events with banners & newspapers • Establish merchant association • Involve schools to do food drive, holiday coloring contest, etc. • Partner with leading community agencies including local unions

Attachment 1: BIA Event Recommendations – January 7, 2009

Summer Street Parties

What Works/What Do We Keep	What Needs to Change	How To Pay For Added Event and/or Features	How To Attract A Broader Cross-Section Of The Community
<ul style="list-style-type: none"> • Chamber of Commerce coordination • Promotion is good • Thursday night schedule • Beer garden • Good weather 	<ul style="list-style-type: none"> • Update street parties • Plan some 2 day events possibly Friday & Saturday • Add more food vendor • Extend events from Foothill to Watkins to ensure more business participation • Invite high school groups • More sponsors 	<ul style="list-style-type: none"> • Invite & target big business sponsors • Develop sponsorship levels for contributors • Add vendors, use fees to help pay for event costs (including vendors selling food and beverages) 	<ul style="list-style-type: none"> • Invite & target big business sponsors • Advertise in local newspapers • Engage radio sponsors • Use the internet to advertise event • Establish merchant association • Engage promoters and event specialist with great contacts and experience Have more interesting vendors • Art & Wine Festivals are a big draw

Attachment 2: Examples of Other City Events

Month	City	Event	No. of Vendors	No. Attendees
March 14 & 15	Dublin	St Patrick's Day	140	40,000
May 16 & 17	Mountain View	A-La-Carte	200	25,000
May 24 & 25	San Ramon	Art & Wine	175	60,000
June 6 & 7	Sunnyvale	Art & Wine	400	100,000
June 10 & 11	Novato	Festival of Art, Wine, & Music	Not available	75,000
July 4	Redwood City	Fourth of July	75	35,000
July 29 7 30	Alameda	Park Street Art & Wine	Not available	90,000
August 1 & 2	Fremont	Festival of the Arts	600	400,000
August 15 & 16	Los Gatos	Fiesta de Artes	150	35,000
August 19 & 20	Milpitas	Art & Wine	Not available	Not available
September 12 & 13	Mountain View	Art & Wine	575	250,000
September 16 & 17	Lafayette	Art & Wine	Not available	70,000
October 3 & 4	Los Altos	Fall Festival	150	35,000
October 14 & 15	Walnut Creek	Harvest Holidays	Not available	Not available

Attachment 3: City Events

Event Name	Time of Year	Location	Event Sponsors
Dr. Martin Luther King Jr. Birthday Celebration	Jan 19, 2009	Centennial Hall	HARD (Held since 1964 – longest running event of its kind in the State of California)
Battle of the Bands	February 9, 2008	Chabot College Auditorium	HARD
Bistro's Beer Festival	4 times a year: Feb., April, August, November	Main St between B & C St	Bistro
Bonnet Parade & Egg Hunt	April (Sat before Easter Sunday)	Kennedy Park	HARD
Earth Day	April 19, 2008	City Hall Plaz	
Cinco de Mayo	May 2, 2009	Watkins St	CouncilMember Francisco Zermeno, City of Hayward
La Alianza De Hayward	May - Saturday	Watkins between B St, D St. & C St. C St between Atherton & Mission Blvd.	
Summer Concerts in the Park	June	Memorial Park	HARD
Blues Festival	July 11-12, 2009 (Sat & Sun)	City Hall Plaza, Watkins	Ronnie Steward – Bay Area Blues Society, City of Hayward
Summer Street Parties	June, July & August	B Street, Foothill to Watkins, & Main St	BIA, Redevelopment Agency, Chamber
Zucchini Festival	July 16 & 17, 2008 (Sat & Sun)	Kennedy Park	South Hayward Lion's club
Light Up The Season	Nov/Dec (First Thursday after Thanksgiving)	Plaza, Rotunda, Downtown	BIA, Redevelopment Agency, Chamber of Commerce, Impact Printing, The Daily Review, other advertisers