



DATE: July 1, 2019
TO: Council Economic Development Committee
FROM: Deputy City Manager
SUBJECT: Proposed City of Hayward Special Event Support and Grant Program Guidelines

RECOMMENDATION

That the Council Economic Development Committee reviews and provides feedback on the proposed City of Hayward Special Event Support and Grant Program Guidelines and makes a recommendation to Council regarding the proposed guidelines.

SUMMARY

Since 2000, the Economic Development Division within the City of Hayward has provided financial support to special events that take place in the community. As the success of these events continued and new events are added each year, the financial support also has continued to increase. Due to the number of events and requests being made, and the limited resources available in the General Fund, City staff is recommending implementing new City of Hayward Special Event Support and Grant Program Guidelines.

BACKGROUND

In 1998, the new City Hall and plaza construction was completed, and efforts to revitalize the downtown and B Street began. The Russell City Blues Festival was the first major event held in the downtown in 2000 and received financial support from the City to bring the event to Hayward. Over the years, the number of events that have received support have increased and include the Downtown Street Parties in the summer, the Vintage Alley Car Show, and the Zucchini Festival at Kennedy Park along with many others. Attachment III includes a list of events funded in 2018 and those that are requesting funding in 2019. During the past two years, several new events have been added to the calendar including Oktoberfest and the Latin Jazz Festival. Over the past 19 years, total annual event financial support ranged from \$24,300 to \$144,600, with individual events requesting financial support ranging from \$1,300 to \$35,000 each year. Additional fee-waiver support for these events is approximately \$3,000 for each event in which a street closure is required. In 2018, 11 events received special event encroachment permit fee waivers.

DISCUSSION

As the number of events requesting financial, fee-waiver and in-kind support from the City has increased each year and General Fund resources are limited, staff determined that objective guidelines for awarding financial support and grants to special events was needed. To begin the process of the creating a new program, staff evaluated other cities to determine the best path forward to continue to support special events, while improving budget control. Staff reviewed special event funding policies from nine other cities in California, including: Sacramento, Livermore, Carlsbad, Monterey, Newport Beach, Ventura, Elk Grove, Culver City and San Luis Obispo. In evaluating these other cities, staff looked at their application process, timing of applications, types of funding or support given to the events, funding levels, type of events funded, and ongoing funding of events. A summary of these cities' special event funding policies can be found as Attachment IV.

After the evaluation of current practices and review of other cities special event funding programs, staff recommends the creation of a new Special Event Support and Grant Program. This new program would establish a more equitable, predictable, and transparent process for granting special events financial sponsorships, fee-waivers, and in-kind support. The new program would establish a single application period each year in which all special events seeking funding or fee-waiver support would submit an application. Those events seeking support would be objectively evaluated by staff and granted the appropriate support as outlined in the program guidelines.

The proposed program includes the following provisions:

Application Period

A single application period will be open each year in January in which all events seeking support from the City will submit their request. All applications will be due in March and will be evaluated. This single application period will allow for improved budget control and staff time associated with the events. Currently, requests are received throughout the year and are evaluated as each one is received. This creates increased staff time associated with processing these requests.

Staff recognizes that new events may be proposed after the application period. Under the proposed program, if a new event approaches the City for support after the application period has closed, the staff will evaluate the application and make a recommendation to the City Manager as to whether the event should be given funding. This maintains flexibility in encouraging new events to occur in the City.

Attachment II outlines the eligibility requirements and evaluation criteria in more detail. Eligible applications will be reviewed, evaluated, and ranked based on the following evaluation criteria:

1. The event directly or indirectly benefits the City of Hayward community, including businesses, cause-related or non-profit organizations, offers educational, cultural or arts experiences, or provides recreational or social activities.

2. The event benefits a City of Hayward based non-profit organization or community or neighborhood association/organization.
3. The event serves, involves, calls attention to, and promotes the City of Hayward, its residents, youth, non-profits, schools, and/or organizations.
4. The event enhances the quality of life within the City of Hayward with cultural, social, recreational, or educational activities of interest to the community.
5. The event attracts visitors to the City of Hayward.
6. The quality of the promotion/marketing plan, budget, and performance measures.
7. The event calls attention to and promotes the City of Hayward as a highly desirable place to live, visit, work, play, and do business.
8. Priority will be given to requests pertaining to marketing and promotional efforts for the event in order to drive visitors and tourists to the City of Hayward.
9. Additional consideration will be given to organizations celebrating an anniversary or grand opening.

Financial Support - Existing Events

Existing events that have taken place within the City may receive up to \$5,000 in financial support. No event may receive more than a total of five years of financial support.

The money granted to either a new or existing event cannot be more than 20% of the total estimated budget for the event. Total costs shall include expenses to be paid directly by the organizer to third party vendors and may not include valuations for volunteer hours, in-kind city services, or applicant related costs such as office space or other operational expenses for the hosting organization. In addition, the applicant must prove that the event is not reliant on the financial support from the City for the event to take place.

Staff recommends the \$5,000 maximum based on past funding for a majority of reoccurring events. A summary of funding for Hayward events can be found as Attachment III. This dollar amount will provide continued support from the City for a defined period to allow for event organizers to seek support from other organizations.

In addition, staff's comparative analysis of other cities found that those providing funding above the value of city fees established a defined period that an event can receive funding or limited the number of grants an organization can apply for. The table below provide a summary of other cities that provide cash funding above City fees.

City	Funding Amount	Limit of Requests
Sacramento	Cash funding with demonstrated need that exceeds City services support	3 years of funding
Carlsbad	Max \$10,000 – not to exceed 20% of event budget	3 years of cash grants
San Luis Obispo	\$3,000 - \$12,000	Only 1 grant per year per organization

Financial Support - New Events

In order to encourage new events to be held in the City and expand the community and cultural activity options for residents, a new event may receive up to \$10,000 in financial support for one year. A new event is defined as an event that has not previously been held within the City limits. All events that have previously received funding from the City will be considered existing events under the proposed program. Moving an event from one location to another location within the City limits does not make the event “new.” The new event support counts as one year towards the total five years of financial support available to events.

The proposed \$10,000 funding ceiling for a new event recognizes the additional costs associated with marketing and promoting a new event. Furthermore, most events can attract additional sponsor support after the first successful implementation of the event.

Fee-Waiver Support

In addition to the financial support that an event may receive, each event may request up to seven years of fee-waiver support from the City. Fee waivers can be used for the Special Event Encroachment Permit fee and facility fees associated with the event. Fee waivers cannot be used for City staff time that is required outside of the normal staff time covered by the Special Event Encroachment permit, such as additional police support or City maintenance crews.

The table below outlines potential support of a new event under these proposed guidelines.

Event X – Hypothetical New Event Sponsorship Eligibility		
Year of Event	Financial Support Maximum	Fee-Waiver Support
1	\$10,000	Yes
2	\$5,000	Yes
3	\$5,000	Yes
4	\$5,000	Yes
5	\$5,000	Yes
6	\$0	Yes
7	\$0	Yes
8	\$0	No

Note that event organizers may choose to receive either financial support or fee waiver support or both in the same year. If organizers choose, they may defer their fee support to later years rather than receive both support types at the same time. This approach is designed to create flexibility while still gradually reducing an event sponsor’s dependence on City support.

Special Event Agreement

All events that are approved to receive financial or fee-waiver support will be required to enter into a Special Event Agreement. This agreement requires that the event submit and receive approval of a Special Event permit and process and submit all necessary forms, including, but not limited to, business license, insurance, health permit, fire permits, and fees as required.

In addition, the event will be required to insert the City's logo as a sponsor of the event in all marketing materials and submit post event reports providing economic and social impact information for the event and media and advertising logs.

The Agreement will also establish a payment schedule for the event tied to specific milestones such as submission of marketing plans and materials and post-event attendance statistics.

In-kind Support

All special events that submit and are approved through this process receive additional in-kind support from the City that includes promotion of the event on City calendars and social media.

FISCAL IMPACT

In 2019, the City of Hayward received requests for \$144,600 in financial support from special event organizers. An additional \$30,000 in fee waivers was granted by the Development Services Department to the events for the Special Event Encroachment Permits. As the downtown area continues to become the cultural center of the community, it is anticipated that additional events will want to locate in Hayward and seek support. With the creation of the new program, existing events will be capped at receiving a maximum of \$5,000 per event.

Based on the list of events that are scheduled to take place in 2019, a maximum of \$75,000 would be allocated for financial support. An additional \$20,000 is anticipated to be allocated for any "new" events that may seek support for a total of \$95,000. An additional \$20,000 will be set aside for potential funding of any new events that approach the City for funding outside of the application period.

The financial support for special events is allocated from the Economic Development budget, which is funded by the General Fund. The reduction in anticipated expenditures on special event funding going forward will be directed to supporting business attraction, retention, and expansion activities of the Economic Development division. Waiver of the special event encroachment permit fees, which capture the cost of staff time expended reviewing applications, would be absorbed by the Development Services Department.

PUBLIC OUTREACH

As part of the process in creating the proposed program, staff notified current event organizers and sought their input on the proposed program guidelines. At time of publication of this report, no feedback has been received. Following the CEDC meeting, staff will again do direct outreach to impacted stakeholders to ensure understanding and awareness of the proposed changes and to solicit any feedback on the proposal.

NEXT STEPS

Following this meeting, staff will incorporate feedback from CEDC members and then take the program to Council for adoption. After that, staff would begin

implementation of the program. This includes developing materials to explain the new program to previous event organizers, an application form, and request for proposals document to be issued in January.

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Approved by:



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