

MEMORANDUM

Recreation and Community Services Department



DATE: January 27, 2022

TO: Mayor and Councilmembers

THROUGH: Steve McHarris, City Manager *Steve McHarris*

FROM: Renee Lorentzen, Director of Recreation and Community Services

SUBJECT: Holiday Magic on Main Street Event

In response to Council inquiry, this Memorandum provides information regarding the sixteen-day Holiday Magic on Main Street event, which occurred from December 4th to December 19th.

Background

As part of the approval of the Fiscal Year 2021-22 Adopted Budget, the City Council authorized one-time General Fund funding in the amount of \$50,000 offset with sponsorships for the Holiday Magic event (Event) in an effort to revitalize Main Street. As stated in the budget document, staff anticipated that General Fund funding in the amount of \$100,000 will be needed.

On October 5, 2021, staff presented an overview of short term and long term revitalization efforts on Main Street including an update on the Event such as program and activities, donations and sponsorship status, temporary mural, and cost summary. At the [October 5 Council meeting](#) (scroll down to page 172), staff estimated the Event to cost \$200,000, which included \$12,500 for public art installations funded from the Public Art Fund, offset with pledged sponsorships of \$59,500.

Event Summary

The Event transformed Main Street in December with festive decorations, portable synthetic ice rink, live music, outdoor movies, a Santa photo station, family activities, food trucks and opportunities for local businesses to be showcased as vendors and sponsors. Weeknight's featured special theme nights with activities designed to appeal to different ages and interests. The event was planned, managed, and executed by the Recreation and Community Services Department with support from other City departments on site logistics like traffic management, utilities, technology, and public safety.

Staff estimates that 8,100 attended the Holiday Magic on Main Street event. The event was rained out for two nights, Sunday, December 12 and Monday, December 13, with light rain on a third night, December 14. With the average weekend attendance at 1,000 people and weeknight average of 350 people, the inclement weather did affect the event's overall attendance. Beyond the inclement weather, attendance was also tampered due to the pandemic. Regardless, the Event was well received per the comments provided to City staff at the Event.

Great performances! The magician, bands, everything on stage was awesome. The stage is really nice. It's neat that Milpitas has its own stage.

The toy area and snow were lot of fun for the littles. The Santa area was nice, and Santa was amazing. Appreciated not have to wait in a long line and pay for pictures.

Fun experience and something new for Milpitas!

Wonderful small-town feel. Staff was very friendly, accommodating, taking pictures for people. Nice to see the City Council out there.

It was really cool to watch the artist painting the mural. The teens who got to help had a great time.

Visitors from other cities -- including rink contractor and artists -- remarked on how friendly the event felt, and how fun it was to have the different themed nights.

Despite holding a first-time event during a pandemic, staff was able to deliver the 16-day Event at a net cost of \$101,937, which includes \$89,437 funded by the General Fund and \$12,500 funded by the Public Art Fund. The General Fund net cost of \$89,437 will be covered by the FY 2021-22 Adopted Budget appropriation of \$50,000 for the Event and current year budget savings in the Recreation and Community Services Department. For comparison purpose, the General Fund net cost of \$89,437 is less than the net cost of approximately \$106,000 for the annual July 4th event as depicted in the FY 2021-22 Adopted Budget.

Further, as depicted in the table below, in comparison to the October 5th expenditure and revenue estimates, staff was able to reduce costs while increasing revenue. It is important to note that the October 5th event budget did not estimate any revenue for event activity such as the entry fee to the ice rink or sale of merchandize.

Description	Estimated Amount (Oct. 5, 2021)	Actual Amount
Revenues		
Event Activity/Merchandize Sales	\$0	\$13,819
Sponsorships (Cash/In-Kind)	\$59,500	\$64,203
Revenue Subtotal	\$59,500	\$78,022
Expenditures		
Contracts/Permits	\$154,300	\$149,036
Supplies	\$22,200	\$14,018
Marketing/Print	\$11,000	\$4,405
Temporary Art Installations*	\$12,500	\$12,500
Expenditure Subtotal	\$200,000	\$179,959
Net Cost (All Funds)	\$140,500	\$101,937
Net Cost (General Fund only)	\$130,000	\$89,437

* Temporary Art Installations were funded with the Public Art Fund and included the Snow Globes and fencing mural

It is important to note that Holiday on Magic on Main Street was only funded for the current year. If the Council wishes to continue Holiday Magic for FY 2022-23, the Council would have to direct staff to include funding for the Event at the May Budget Study session or sooner. Based on review of the Event and impact to staff, any future Holiday Magic event is recommended to span over less days with a more compact schedule.