



# Memorandum

**TO:** ARTS COMMISSION

**FROM:** Paul Krutko

**SUBJECT:** SEE BELOW

**DATE:** May 2, 2007

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**SUBJECT: 2007-08 FESTIVAL, PARADE AND CELEBRATION GRANT AWARDS**

**RECOMMENDATION**

Review and take action on recommendation that the City Council approve a resolution authorizing the City Manager to negotiate and execute 2007-08 Festival, Parade & Celebration (FPC) grant agreements with 25 organizations for 34 events, in the amounts indicated on Attachment 1, in a total amount not to exceed \$413,194.

**BACKGROUND**

Each year, the FPC Grant Review Panel is selected by staff from the standing Grant Review Pool, a group of people who have been nominated by special event organizers, the community-at-large and City staff, and approved by the Arts Commission. The 2007-08 FPC Grant Review Panel was comprised of seven members: Kate Sullivan, KK Kaneshiro, and Cindy Bonior, event production professionals; April Halberstadt, Sarah Clish, and Max Crumley, San José community members; and David Eisbach, Arts Commissioner (Attachment 2).

In the one month prior to the Grant Review, Panel members reviewed applications and assigned preliminary ratings according to City Council-approved criteria, as follows:

Criteria	Points
Event narrative, nature, structure, vision of event, organization mission, purpose/goals.....	15
Cultural, historical, and/or neighborhood significance.....	20
Promotions, marketing and outreach .....	20
Financial and budgetary capabilities/leveraging of City funding.....	20
Attendance (projected and historical) .....	13
Ability to produce a well-planned, safe event .....	12
Bonus question (Economic impact).....	10
Total points .....	110

Applicants competed within four categories with pre-established projected funding levels (all subject to final budgetary approval by City Council):

<u>Required % of funds</u>	<u>Event category</u>
45% of total	1. <u>A</u> : events with total estimated attendance of 100,000 and over.
22% of total	2. <u>B</u> : events with total estimated attendance from 30,000 to 99,999.
18% of total	3. <u>C</u> : events with total estimated attendance from 6,000 to 29,999.
15% of total	4. <u>D</u> : events with total estimated attendance from 500 to 5,999.

The Panel convened on March 31 and April 1 2007, for a public review, at which Panel members' questions and comments were presented to applicants. Applicants in Category B were allocated 4 minutes each for oral presentation, and applicants in Categories C and D were allotted 3 minutes each. Since all Category A applicants filed multi-year rating declarations (using the previous year's rating), they gave no oral presentations. Panel members then finalized their scores for applicants in Categories B-D.

## **ANALYSIS**

### **Applications / Multi-Year Rating Declarations**

In 2007-08, 34 FPC grant requests were filed by 25 organizations. Complete grant applications were filed by 19 of the organizations, while 15 organizations took advantage of the Multi-Year Rating Opportunity by filing a short, streamlined "multi-year rating declaration", which reduced the amount of grant applications the Panel had to review. This opportunity, developed to reward successful applicants and streamline the process, was a significant time saving opportunity for the applicants, the Panel and staff. Organizations filing multi-year rating declarations used their 2006-07 grant review ratings for the 2007-08 competitive cycle. In order to qualify for the Multi-Year Rating Opportunity, organizations had to have received at least an 85 rating in 3 of the past 5 years, including 2006-07.

Grant applicants competed within the appropriate category, and the Panel had fixed maximum percentages of funding to distribute within each category. Generally, the application rating formed a guideline as to the recommended amount of each grant award, subject to program guidelines (e.g., grant awards may not exceed 55% of event expenditure budget; grant awards are capped at the amount of the request, etc.).

### **Funding**

All projected funding levels are contingent upon City Council appropriation of funds. The grant applications and declarations requested a total of \$621,000, for which \$418,194 is projected to be available. Projected funding sources include \$383,945 in Transient Occupancy Tax (TOT) funding, \$22,389 in General Fund (Citywide allocation), and \$11,860 in gated event fee revenue. Final available funding amounts will be determined by City Council as part of the City's budgetary process.

### **Grant Review**

All but one of the grant applicant organizations sent representatives to participate in the Grant Review. Multi-year rating declarants did not participate in the review, per grant program guidelines (declarants compete based solely on their previous rating).

After applicant reviews were completed, the Panel recommended grant awards for all applicants and multi-year declarants in a total amount of \$413,194 (Attachment 1). Eight awards were capped by grant request amount.

Based on the ratings received in Category D, and due to the “capping” of seven Category D applicants at their requested grant amounts, the Panel awarded all but \$5,000 of the funding available for Category D.

On April 18, 2007, the Programs Committee reviewed and recommended approval of the Panel’s recommended grant awards.

No appeals were filed by grant applicants after notification of recommended awards was sent out.

### **PUBLIC OUTREACH**

Email notification was sent on December 21, 2006, to all organizations that had applied for, or who had inquired about the FPC grant program in previous years. The email advised interested organizations to download the grant application, review the guidelines and the eligibility list to apply for the Multi Year Declaration on the OCA website. The email also provided a direct link to the FPC website which informed potential grantees about the dates of the FPC Grant Application Workshop, which was conducted on January 11. Additionally, public notices were placed in the Mercury News, Nuevo Mundo, and the Vietnam Daily News announcing the FPC grant program deadlines and website information.

### **BUDGET REFERENCE**

Approval of funding for the proposed FPC grant awards is dependent on City Council approval of the 2007-08 Proposed Operating Budget, which will be acted upon in June, 2007. The sources of funding and levels of proposed funding indicated in this reference have been identified in coordination with the Budget Office.

ARTS COMMISSION

May 2, 2007

**Subject: 2007-08 FPC Grant Awards**

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Fund #	Appn #	Appn Name	Total Appn	2007-2008 Proposed Budget Page	Last Budget Action
461	0096	Contractual Svc Contracts (TOT)	\$383,945		
001	2603	Festival, Parade & Celebration (Citywide)	\$22,389		
001	0182	Non-Personal / Equipment-OED/Cultural Affairs (gate fee revenue rebudgeted)	\$11,860		
		Total	\$418,194		

PAUL KRUTKO  
Chief Development Officer  
City Manager's Office

Attachments (2)