

STAFF REPORT

Date: May 28, 2014

To: Mayor and City Council

Thru: Andrew Clinger, City Manager

Subject: Staff Report (For Possible Action): Presentation and discussion on the economic impact to the City of Reno by the 2013 Santa Crawl special event as presented by the University of Nevada, Reno.

From: Alexis Hill, Special Events Program Manager

Summary: The Santa Pub Crawl is owned and operated by Reindeer Charities and takes place in Downtown Reno on the second Saturday of December. The event has been occurring since 2000. The associated photo under the Reno Arch, called Santas Under the Arch, was operated by the Silver Legacy in 2013. Both components of the event have grown significantly in the last four years, and the City now spends approximately \$40,500 from the General Fund to staff and manage the event. The Special Events Subcommittee of the Reno City Council approved to have the event surveyed to determine the direct fiscal impact of the event to the City of Reno and the overall economic impact to the region. Attached for City Council review is the economic impact report and presentation on the findings from the University of Nevada on the 2013 Santa Crawl.

Previous Council Action: On November 7, 2012, the City Council approved a Sponsorship Agreement with Reindeer Charities for in-kind services for the 2012 special event, Santa Claus Under the Reno Arch, in an amount not to exceed \$6,000.

On February 22, 2013, the Special Events Subcommittee allocated \$16,000 in funding from the Special Events budget to conduct a study of the economic impacts to the City of Reno of the Santa Crawl.

On May 9, 2013, the Special Events Subcommittee of the Reno City Council approved the Request for Proposal (RFP) for an economic impact study of the Santa Crawl and a tool to better calculate special events economic impact without the cost/time of a formal survey proposal and agreement.

On December 11, 2013, the City Council approved a Sponsorship Agreement with the Silver Legacy for in-kind services for the 2013 special event, Santas Under the Arch, in an amount not

to exceed \$12,000.

On April 16, 2014, the City Council approved a Sponsorship Agreement with the Silver Legacy for in-kind services for the 2014 special event, Santas Under the Arch, in an amount not to exceed \$6,000, which will cover 50% of the total costs for the photo.

Background: Reindeer Charities received special event permits from the City of Reno from 2008 to 2012 to close Virginia Street from Second Street to Plaza/Third Street for Santa Claus Under the Reno Arch, a gathering under the Reno Arch at midnight of the “Santas” participating in the Reno Santa Pub Crawl. In 2013, the Silver Legacy took over the photo under the arch and the event is now called Santas Under the Arch. The purpose of the gathering is to sing holiday carols and take a group photograph. Current code does not require the Santa Crawl pub crawl to obtain a special event permit.

Discussion: The Santa Crawl is an annual, one-night pub crawl that invites tourists and local citizens to come to Downtown Reno dressed as Santa (or his helpers) to enjoy the services and products of established brick and mortar businesses. Reindeer Charities produces the pub crawl and estimated 13,000 spectators attended the event in downtown Reno in 2013. The Reno Gazette-Journal reported in May of 2012 that the pub crawl injects an estimated \$1.8 million into the local economy with 1,800 room nights booked, food and beverage sales, and gaming activity. The purpose of the survey was to determine if the previously reported numbers are accurate.

Participants in the pub crawl may purchase a \$5 cup that entitles them to free entrance into participating bars and to discounts from participating retail shops that sell clothing and other merchandise. However, cups are not required to participate in either the pub crawl or the Santas Under the Arch special event.

Media coverage of the special event includes local, regional and national television, as well as print and social media, providing valuable promotional exposure for the City and region.

Based upon public safety concerns, the Reno Police Department, Fire Department and Emergency Communications Dispatch have added additional staffing for the event both before and after the requested special event permit time. These times are not included in the special event permit and are therefore not a direct cost to the promoter. The City spent \$40,459.28 on the special event in 2013:

\$30,647.17	Police
\$1,297.00	Emergency Communications Dispatch
\$2,635.00	Public Works
\$4,578.00	Fire
\$1,302.11	street closure traffic control equipment; golf cart rental for Fire medical unit teams
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\$40,459.28	total

Additionally, to alleviate some of the public safety concerns identified in previous years, in 2013 the photo time for the special event was moved to 10:00 p.m. from the prior midnight time, which dramatically decreased arrests. Fifteen people were arrested in 2013, down from 39 arrests the previous year.

Financial Implications: The University of Nevada found that when the most conservative data is utilized, the Santa Crawl generates sufficient tax revenue (of taxable sales) to the City of Reno to cover the City's costs associated with the event of an estimated \$46,553. The total economic impact from non-local visitation to the Reno Santa Crawl is estimated at \$5,591,067. If the event moves forward in 2014 (as it is projected to), the FY14/15 Special Events budget includes funding for Police, Public Works, Fire overtime and equipment costs based on 2013 final numbers.

Legal Implications: None at this time.

Recommendation: Staff recommends Council accept the report.

Proposed Motion: I move to accept the report.

Attachments:

- 2013 UNR Reno Santa Crawl Report (PDF)