



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Lee Wilcox

**SUBJECT:** Agreement with Christmas  
in the Park, Inc. for  
Christmas in the Park at  
Plaza de Cesar Chavez  
Annual Event

**DATE:** April 1, 2025

Approved

Date:

4/3/25

**COUNCIL DISTRICT: 3**

## **RECOMMENDATION**

Adopt a resolution authorizing the City Manager or her designee to negotiate and execute a three-year agreement with Christmas in the Park, Inc. effective May 1, 2025, to continue to manage and produce Christmas in the Park at Plaza de Cesar Chavez and provide in-kind support for the successful production of the annual event with the option to extend the agreement by two additional three-year terms.

## **SUMMARY AND OUTCOME**

The agreement with Christmas in the Park, Inc. (CITP) will result in the continued production of the Christmas in the Park event from 2025 to 2027 and allow for the extension of two additional three-year terms.

## **BACKGROUND**

The City of San José (City) and CITP have successfully worked together since 1980 to make the annual 35-day event in Plaza de Cesar Chavez a memorable experience for all who attend. The event is one of three downtown holiday attractions, along with Downtown Ice, produced by the San Jose Downtown Association, and Winter Wonderland, produced by Messenger Events. Before 2011, the Christmas in the Park event was produced by the City of San José. Until then, CITP was a nonprofit partner providing fundraising and volunteer support. Due to the City's significant budget

reductions, the City's resources that previously supported the production of the event were eliminated in the 2010-2011 Adopted Budget. Recognizing its significant community and economic benefits, the City explored alternative funding and event management strategies to sustain the annual holiday event. The City worked closely with the CITP volunteer board and the community to successfully transition the event to a community-based production model. In 2011, upon City Council approval, the City and CITP entered into a five-year partnership agreement for the management and production of the event, with the City providing in-kind services to support event production costs. In 2016, a new agreement was executed to continue the partnership, and both parties subsequently exercised the available two three-year extension options. The current agreement will expire on April 30, 2025.

CITP has successfully transitioned from a volunteer-led fundraising board to the sole producer and manager of San José's signature holiday event. As downtown continues to grow and evolve, CITP has embraced innovation while preserving the cherished traditions that define the event experience. The organization implements strategic business planning, marketing, and board development initiatives to ensure long-term sustainability and impact. With a full-time Managing Director and Operations Director and an expanded team of part-time staff, CITP has strengthened its position as a leading community-based nonprofit with sound financial and operational practices. Attracting approximately 700,000 visitors over 35 days, CITP continues to deliver a safe, vibrant, and well-managed event in full compliance with its City contract and municipal policies.

To help meet its annual budget of \$1,750,000, CITP continues to produce the drive-thru light show that premiered during the pandemic. The planned site for the 2025 drive-thru is the Santa Clara County Fairgrounds. This revenue stream generates nearly \$300,000 to offset the rising production costs of the event at Plaza de Cesar Chavez. Financial support from community leaders such as Pacific Gas and Electric Company, Jay Paul, Toeniskoetter Construction, Kaiser Permanente, Amazon, Action Urgent Care, and others is vital to the organization's financial health. CITP is also a grantee of the City's Festival, Parade, and Celebration grant program.

Community engagement drives the event with nearly 5,000 community and corporate volunteer hours sustaining traditions, making it the largest celebration in Downtown San José. The event's cultural diversity shines through with more than 600 decorated trees and over 150 jingle bell stage performances featuring neighborhood groups, nonprofits, and cultural organizations such as Recovery Café, TNTT - Đoàn Vinh Sơn Liêm, and Silicon Valley Pride, with special nights hosted by San José City Council Offices. Partnerships with San Jose State University further enrich the event with students contributing performances, tree decorations, and innovative projects. Inclusive programming ensures all visitors feel welcome, from Accessible Sunday's sensory-friendly experiences to the Festival of Lights Hanukkah celebration.

### ***Economic Impact***

Beyond being a long-standing holiday tradition, the event is a key driver of San José's experience economy and downtown vibrancy. Based on recent data generated by cellphone location data software, the Christmas in the Park event attracts 700,000 visitors. Visitor spending at the event is estimated at \$18,680,775 annually. As a result, the estimated fiscal impact to the City is approximately \$935,375 per year, received through parking revenues, transient occupancy tax, and sales tax. These economic benefits underscore the event's role in activating public spaces, attracting visitors, and fostering a thriving downtown.

### **ANALYSIS**

CITP remains vital in revitalizing downtown San José and creating a dynamic, family-friendly holiday experience. The organization has successfully sustained and expanded the event under a community-based production model, ensuring its long-term viability while enhancing its impact on the local economy. To support this ongoing success, the City seeks to enter into an agreement with CITP to continue producing the event in Plaza de Cesar Chavez Park and utilizing the warehouse at the Central Service Yard for event storage and maintenance. A three-year agreement is recommended, with two three-year options to extend, providing stability for long-term planning, sponsorship development, and operational investments.

### ***Terms of Agreement***

Under the proposed agreement, the City will continue to provide in-kind support, enabling CITP to manage and produce the event while maintaining cost efficiencies. The in-kind contributions include:

1. Use of up to 32,000 square feet in the City's Central Service Yard for storage and maintenance of displays, decorations, and equipment, including normal maintenance and utilities.
2. Use of Plaza de Cesar Chavez for the duration of the event, including set-up and takedown periods.
3. Fees for parking meter spaces surrounding Plaza de Cesar Chavez will be waived during the event period.
4. Operational support for the Plaza fountain, including maintenance and control.
5. Turf restoration and repairs to ensure the park is maintained after the event.
6. Coverage under the City's American Society of Composers, Authors, and Publishers license for event programming.

CITP remains responsible for completing and submitting all applicable permits for City services, including an Outdoor Special Event Permit Application for using Plaza de

Cesar Chavez and a Tow Permit Application for metered parking spaces. The organization is also responsible for posting required tow-away signage. As the designated producer of this City-owned event, CITP will continue to receive a waiver for the Park Use Permit and Tow Zone Permit fees, including any lost meter revenue, as part of the City's in-kind support.

Unlike previous agreements between the City and CITP, the City no longer allocates staff time for event production. Instead, CITP independently manages all production, operations, and logistics aspects, reflecting its continued growth and leadership in producing the event.

Upon City Council approval, the agreement will take effect on May 1, 2025. Any in-kind support provided by the City remains subject to annual budget appropriations by the City Council. If the City deems it necessary to repurpose the warehouse space, it will provide CITP with at least one year's advanced notice. If future City support is deemed insufficient by CITP, the organization reserves the right to terminate the agreement.

### **EVALUATION AND FOLLOW-UP**

City staff and CITP will continue to collaborate to assess the efficacy of the partnership and the success of the event.

### **COST SUMMARY/IMPLICATIONS**

The recommended action will have no impact on the General Fund. The in-kind support from the City to CITP is estimated at \$470,000 per year, which includes the current market value of leasing warehouse space, park permit fees, and parking meter fees. These in-kind funds do not represent any direct costs incurred by the City.

### **COORDINATION**

This memorandum has been coordinated with the City Attorney's Office, the City Manager's Budget Office, the Parks, Recreation, and Neighborhood Services Department, the Planning, Building, and Code Enforcement Department, the Public Works Department, and the Transportation Department.

### **PUBLIC OUTREACH**

This memorandum will be posted on the City's Council Agenda website for the April 22, 2025 City Council meeting.

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Staff, along with the event producer, will provide community notifications of the event through the City's normal special events coordination process. To inform stakeholders and the general public about the event and any detours, signage and public notifications will be in place in the weeks leading up to the event.

### **COMMISSION RECOMMENDATION AND INPUT**

No commission recommendation or input is associated with this action.

### **CEQA**

Exempt, File No. PP16-031, CEQA Guidelines Section 15304(e), Minor Alterations to Land.

### **PUBLIC SUBSIDY REPORTING**

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.



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For questions, please contact Kerry Adams Hapner, Assistant Director of Economic Development and Cultural Affairs at [Kerry.Adams-Hapner@sanjoseca.gov](mailto:Kerry.Adams-Hapner@sanjoseca.gov) or (408) 793-4333 or Melina Iglesias, Special Events Director at [Melina.Iglesias@sanjoseca.gov](mailto:Melina.Iglesias@sanjoseca.gov) or (408) 975-3239.