



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Paul Krutko
Jennifer A. Maguire

SUBJECT: 2009 SAN JOSE
CYCLING CLASSIC

DATE: September 8, 2008

Approved *Seama Satre*

Date *9/23/08*

COUNCIL DISTRICT: 2, 3, 5, 8,

RECOMMENDATION

1. Adoption of a resolution authorizing the Office of Economic Development to develop, produce and conduct the inaugural 2009 San José Cycling Classic on City streets and various City venues throughout the week of February 14-22, 2009, as a City Event with registration fees of \$50-\$100 per rider.
2. Adoption of Appropriation Ordinance and Funding Sources Resolution amendments in the General Fund:
 - a) Establish a City-wide Appropriation to the Office of Economic Development for San José Cycling Classic Event in the amount of \$275,000; and
 - b) Increase the estimate for Other Revenue by \$275,000.

OUTCOME

The San José Cycling Classic will be staged throughout San José and span an entire week of racing activities with ancillary events being held throughout the week of February 14-22, 2009. The San José Cycling Classic is a multiple category cycling event for amateurs and domestic professional cyclists featuring three core cycling events attracting unique registrants to each event and is scheduled to include:

1. A Criterium in the downtown streets of San José. This criterium will be staged on a less than 1-mile, closed-circuit course with a start and finish in downtown San José. The traditional urban setting will offer spectators the opportunity to view, up-close, cycling professionals racing at top speed over the course.

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2. A Classic Tour Ride that will also begin in downtown San José including ride options for 80 mile, 40 mile and 100 kilometer (67 mile) circuits. Participants will travel via “rules of the road” and will travel through the neighborhood streets utilizing developed bike lanes merging onto County bike trails and into the east foothills of San José. All routes for the Classic Road Tour will conclude in downtown San José.

3. The annual San José King of the Mountain Ride, a popular ride/race which attracts many local amateur cycling enthusiasts that has been successfully held the last three years. The King of the Mountain Ride/Race begins and ends at City Hall and includes the 3.7 mile Sierra Road climb which has become a popular, timed-component of the event.

City staff will produce the three core cycling events in consultation with BlueWolf Events, LLC, an event producer specializing in competitive cycling events such as the Sea Otter Classic held each spring in Monterey, California. Since the inception of the San José Cycling Classic, BlueWolf Events has assisted the City in the development of the cycling disciplines for the San José Cycling Classic and provided broad-based knowledge on endemic production standards for these events. BlueWolf Events has been integral to the success of both the 2007 and 2008 King of Mountain events. To produce the 2009 San José Cycling Classic, the current agreement with BlueWolf Events will be amended for a total amount for consultant services not to exceed \$60,000 and allow for reimbursables not to exceed \$90,000 for endemic cycling services and equipment such as, officials, start/finish line structures, timing pads, etc.

The City of San José will receive event insurance from USA Cycling as a permitted/sanctioned event to cover participants; participants will also be required to sign a waiver and release of liability. Since the City is sponsoring the event, the insurance policy with USA Cycling will name the City as an additional insured and provide the City additional liability coverage as stipulated with USA Cycling.

In addition to producing the three core cycling events, the Office of Economic Development (OED) will work with City partners and business community members to incorporate an array of ancillary events that can be held in various downtown venues throughout the week. Proposed activities may include health and fitness exhibitions, family-friendly activities showcasing the City’s “green-vision” such as the promotion of our City’s bike trails and on-street bikeways, bicycle safety programs and other entertainment activities that promote healthy, sustainable living.

The 2009 San José Classic Cycling Week is expected to attract 500 to 1,000 cycling athletes and 10,000 to 12,000 spectators. Given the breadth of the cycling events, the San José Cycling Classic will attract participants and spectators with a dedicated interest in each of the Classic’s components. While there will be a general cycling interest among all participants, it is expected that registrants will be attracted to specific events that match their skill and interest levels.

BACKGROUND

San José has a long cycling history. The city’s first bicycle club was formed in 1884. One of the first pedal bicycles was invented here and there are ten international bike manufactures in the area.

Additionally, San José has a rich history as the location for many professional and amateur cycling events including most recently being named a host city for the fourth consecutive year for the Amgen Tour of California, the nation's largest professional cycling race and the largest sporting event ever held in California. The statewide 2009 Amgen Tour of California will be February 14-22, and the February 17th San José start will be an ideal complement to the 2009 San José Cycling Classic.

The inception of the San José Cycling Classic was originally developed by a non-profit group of business and community members who were advocates of the cycling industry and recognized the sports financial benefits to the economy of San José. In 2006, the non-profit dissolved with a few key business community members remaining strong advocates for the production of a cycling event branded to the City of San José.

The goal for the San José Cycling Classic is to build on the City's Economic Development Strategy, our cycling history, and on the momentum created by San José-hosted world-class cycling events.

The San José Cycling Classic is an important component of our economic/cultural strategy to position San José as the leading center for cycling sport in North America. Given the City's long legacy in cycling and the already high interest within the City and regionally, San José can distinguish itself in this area and further its stature as host city for both amateur and professional cycling sport events. Furthermore, the San José Cycling Classic will attract regional, national and international media attention, in the recreation and sporting press. The San José Cycling Classic, combined with existing San José cycling events, represents another opportunity to raise our City's visibility.

From the Economic Development Strategy, the San José Cycling Classic advances the vision of San José as a "Creative Community", and the "World's Most Livable City". It advances Strategic Initiative #4 (Position Downtown as a Unique Cultural Center of Silicon Valley) and Strategic Initiative #14 (Compelling Identity for San José).

Furthermore, it helps San José's Green Vision by encouraging our community members to utilize the miles of on-street and trail bike paths within our City and to embrace bicycle travel as an attractive means of transportation. San José has more than 38,000 bike commuters traveling on more than 150-miles of on-street bikeways. This builds upon San José's long history of cycling: the home to one of the world's first pedal bicycles and to the first cycling club on the West Coast. San José also is the city that has one out of only 19 velodromes in the United States.

San José's position as a cycling epicenter is further magnified by its successful signature events. Since 2006, San José has played host to the Amgen Tour of California. America's most successful cycling race, the Amgen Tour of California, is a nine-day "rolling festival" through California that has become of the nation's largest and most recognized annual sports events. This international, world-class cycling road race features elite professional teams and athletes from around the world competing for the highest prize purse of any cycling race in North America. Since its inception, it has generated annually a statewide economic impact of more than \$100 million and a local economic impact of \$1 million.

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To complement this, for the past two years, the King of the Mountain event has grown exponentially and attracted individual cycling enthusiasts as well as strong participation from the San José and Silicon Valley corporate community. A pre-ride to the Amgen Tour of California, the 25-mile King of the Mountain Ride/Race features an ascent up San José's Sierra Road and benefits Fit for Learning, a program-provided by the Santa Clara County Office of Education that addresses the rising concerns of obesity in elementary school children.

In the summer of 2008, San José became a host city for the LIVESTRONG Challenge, the Lance Armstrong Foundation's signature fundraising event. The San José event featured a 5K run/walk and 10, 40, 70 and 100 mile bike ride. More than \$1.5 million was raised to help fight cancer. The sum represents one of the largest in LIVESTRONG's history for a first-year host city. The start and finish, as well as a festival area, were located at Almaden Boulevard & Park Avenue—attracting athletes, their families, friends and local and national media to San José's Downtown Core.

Due to the momentum surrounding these events and San José's reputation and reliability for staging world-class sporting events, sponsorship interest in the San José Cycling Classic has been favorable with both title and presenting sponsorships supporters identified. Sponsorship for the San José Cycling Classic will coalesce civic, business and community leaders who want to use cycling as a way to raise overall quality-of-life, to advocate its fitness benefits and to serve as an economic driver for the City of San José. Sponsorships at various levels are available and being actively pursued.

ANALYSIS

The Office of Cultural Affairs (OCA), a division of OED, has managed the City's special events program for over 17 years, and has produced events either directly or through agreements with event producers. The City's Event Liaison Team, an interdepartmental team of staff experienced in special event management, has been effective in overseeing event planning for hundreds of safe, successful outdoor events of all sizes, content and location. The team includes representatives from OED, Police, Transportation, General Services, Fire, Environmental Services, and Parks. Other agencies that join the team on an as-needed basis include the Santa Clara County Department of Environmental Health, Valley Transportation Authority (VTA), Caltrans and the San José Redevelopment Agency.

The routes for the San José Cycling Classic have been selected and the event plan developed. City staff will produce the event in consultation with BlueWolf Events, and projected partnering with the San José Sports Authority for volunteer recruitment and training and solicitation and coordination of ancillary events. Event costs will be supported by participant registration fees, sponsorships and the Sports Opportunity Fund.

While the beneficiary for this event has not been solidified, it is speculated that one of the beneficiaries will be the City of San José's cycling programs (e.g. City Bike Fleet, Bicycle Skills Classes, etc.) managed by the Department of Transportation and possibly a local bike coalition.

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The Event Liaison Team will coordinate with Santa Clara County to obtain any encroachment permits that may be required for use of County roads, working with VTA to mitigate light rail and bus route impacts, and will work with Caltrans to secure any required permits for use of state routes and freeway ramp closures.

EVALUATION AND FOLLOW UP

The San José Cycling Classic will be included in several specific City performance measures, including how the community at large rates the variety of events offered within San José.

PUBLIC OUTREACH

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

While this action does not meet any of the above Criteria, this memorandum will be posted on the City's website for the September 30, 2008 Council Agenda.

OCA staff will provide notification of the San José Cycling Classic times and routes to residents and businesses along the routes, and will work with Council offices and neighborhood associations to reach as many affected residents as possible. OED staff is coordinating media for the event. The Event Liaison Team will coordinate with VTA and the U.S. Postal Service concerning any possible impact during the road closure for the Criterium.

OED staff is also conducting specific outreach to the business community regarding opportunities to participate in this event.

COORDINATION

This item has been coordinated with the City Attorney's Office, Risk Management and Planning, Building and Code Enforcement.

FISCAL/POLICY ALIGNMENT

The San José Cycling Classic aligns with the vision of San José as the world's most livable big city, with diverse and distinctive qualities of life; and the City's economic development initiative to "Encourage Sporting Teams, Events and Facilities, Professional as well as Amateur" (Economic Development Strategy Initiative 13).

COST SUMMARY/IMPLICATIONS

The total cost of the core events and ancillary events is estimated at \$420,000. City staff conservatively projects to secure \$250,000 in sponsorships, \$25,000 in registration fees, \$65,000 from the Sports Opportunity Fund, and \$79,882 from the Office of Economic Development/Office of Cultural Affairs Gift Trust Fund Sponsorship Gifts appropriation (for King of the Mountain) to offset the production costs for the San José Cycling Classic. Should the conservative goals for sponsorship funding not be met by November 1, 2008, the core events currently offered as part of the San José Cycling Classic (Criterium, Road Tour, and King of the Mountain) will be reduced to meet confirmed sponsorship funding. Expenditures will not exceed funds raised through sponsorships, the Sports Opportunity Fund and Gift Trust fund contributions.

Additional sponsorships for ancillary events will be pursued and as funding is secured, ancillary events will be added to the event layout. Additionally, collaboration with current City partners and entertainment venues will be pursued to enhance the ancillary event options at minimal costs.

BUDGET REFERENCE

The table below identifies the funds and appropriation proposed to fund the contract recommended as part of this memo.

Fund #	Appn #	Appn. Name	RC #	Total Appn.	Amt for Event	2008-2009 Proposed Operating Budget Page	Last Budget Action (Date, Ord. No.)*
Current Funding Available							
001	3346	Sports Opportunity Fund	9546	333,000	65,000	IX-11	6/24/08, Ord. No. 28349
139	3512	Sponsorship Gifts	9662	79,882	79,882	XI-41	6/24/08, Ord. No. 28349
Total Current Funding Available				412,882	144,882		
Additional Funding Recommended							
001	N/A	San José Cycling Classic Event Sponsorships	N/A	275,000	275,000	N/A	N/A
Total Funding					\$419,882		

* 2008-09 Operating Budget was adopted by the City Council on June 24th, 2008.

CEQA

Exempt, File No. PP05-277

HONORABLE MAYOR AND CITY COUNCIL

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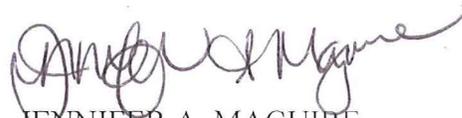
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PAUL KRUTKO

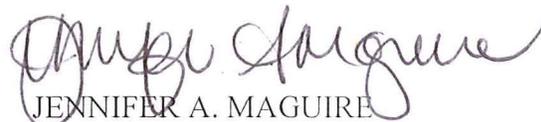
Chief Development Officer



JENNIFER A. MAGUIRE

Budget Director

I hereby certify that there will be available for appropriation in the General Fund in the Fiscal Year 2008-2009, monies in excess of those heretofore appropriated there from, said excess at least \$275,000.



JENNIFER A. MAGUIRE

Budget Director

For questions, please contact Tammy Turnipseed, Events Director, Office of Cultural Affairs, at 277-5144 x22.

