Events are Great!

Aren’t they?

Francine Ramaglia
MIT/Senior Manager
Everyone Loves ‘Em!

- 20% say FSE “a top priority” and 40% say “a household need”
  
- 80% believe City should financially support/produce musical, art & other cultural events

- 65% say number of events “just right”

ETC/Leisure Vision, 2015

NRC, 2015

Kerr & Downs, 2015
Experience Economy

In the last 30 years, consumer spending on experiences and events has increased by 70% relative to total US consumer spending.
• Eight in 10 millennials (82%) attended live experiences in the last year and 72% say they want to increase spending on experiences rather than physical things.

• Nearly 8 in 10 (77%) millennials say some of their best memories are from live experiences and 69% believe these experiences make them more connected to other people, their community and the world.

• Nearly 8 in 10 millennials (78%) would choose to spend money on a desirable experience rather than a desirable product.

Boston Consulting Group, 2014
Experience Economy at Work

- “Baby Boomers actually go to more live shows each year than millennials – an average of 3.8 versus 3.6. In the coming years, music festivals could become a family affair.”

- “By featuring lineups with equal parts modern chart-toppers and classic legends, and offering more VIP and premium experiences that appeal to different generations, festivals can expand their audience.”

- “Live music will be more about your event’s experience than its lineup: the inclusion of other forms of art or culture, new ways to interact, creative activations with technology.”
Sponsorships totaled more than $1.4 billion in 2016 as brands sought to become memorable parts of these events. 

Sponsorship.com, September 2016
To Festival or Not?

Surveys Say
How does the Experience Translate?

- Strengthens travel/tourism destination
- Creates employment, increases labor market
- Increases spending which increases public finances
- Increases in standard of living

- Increases public expenditures
- Impact on infrastructure
- Displacement/resident disruption
- Safety & Security
Number of events
Impact of each event
Number of visits/visitors per event
Hotel room nights/other venues
Visitor & Vendor Spending
AmericansForTheArts.org & State of Florida: Arts & Economic Prosperity III Calculator

NRPA Field Report 2010: Measuring Economic Impact of Parks & Recreation Services

REMI, IMPLAN, RIMS-II models
Repositioning Economic Status of a Festival

Cost to the City of staging the festival $400,000
Income to the City from admission fees, vendor concessions, and so forth 170,000
Net loss to the City (230,000)
Income accruing to residents from visitor spending in the community 343,000
Net gain in income to community residents [(343,000 + 170,000) - 400,000] 113,000
Return on investment to residents on their $400,000 investment 28%

Source: NRPA 2010
Get your facts first then you can distort them as you please.

- Mark Twain
To Festival or Not?

Surveys Say

2
Sustainable Event Process

→ ACE: Austin Center for Events
→ Definitions, Deadlines and Delegated Authority
→ Codified special events including street closure, food trucks & signage
→ Detailed permit requirements & regulatory scheme
→ Guidebook & training
→ Website, online tracking & application
Sustainable Event Pricing

→ Full cost recovery (actual cost for services)
→ Additional &/or Alternate Fees
  → Event Registration Fee Surcharge (if on City property & charge registration or admission fees)
  → Hotel Occupancy Tax (HOT)
  → Parking Fees and Fines
→ Process for Waiver Requests
# Portland Policy Poll

## Policy Options

<table>
<thead>
<tr>
<th>Policy Options</th>
<th>Straw Poll Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Designated routes</td>
<td>34</td>
</tr>
<tr>
<td>A la Carte Menu—events pay a percentage of what they use</td>
<td>20</td>
</tr>
<tr>
<td>Events that charge a fee vs. events that don’t</td>
<td>18</td>
</tr>
<tr>
<td>Special events budget for police</td>
<td>17</td>
</tr>
<tr>
<td>Restructuring criteria of the types of events</td>
<td>16</td>
</tr>
<tr>
<td>&quot;Credits&quot; system for events with large economic impact</td>
<td>14</td>
</tr>
<tr>
<td>Nonprofit vs. For-profit rate system</td>
<td>11</td>
</tr>
<tr>
<td>Fees based on size of the event</td>
<td>9</td>
</tr>
<tr>
<td>Fees based on location of event</td>
<td>7</td>
</tr>
<tr>
<td>Fees based on local impact (i.e., percentage donated to charity, economic impact)</td>
<td>6</td>
</tr>
<tr>
<td>City pays for a certain amount of intersections – flat rate for each intersection beyond that</td>
<td>5</td>
</tr>
<tr>
<td>Special events budget for the City of Portland. Fees based on routes designated by the city – outside routing at 100% costs to the events planner</td>
<td>5</td>
</tr>
<tr>
<td>Permitting fees/pay for each event within an event</td>
<td>4</td>
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<tr>
<td>Incremental increase</td>
<td>4</td>
</tr>
<tr>
<td>Neighborhood/School rate system</td>
<td>4</td>
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<tr>
<td>Free Speech pays too</td>
<td>4</td>
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<tr>
<td>Cost of Living increase dating back to 2001 (the time of the last rate review)</td>
<td>3</td>
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<tr>
<td>City sponsorship of up to 5 events</td>
<td>3</td>
</tr>
<tr>
<td>Participant surcharge</td>
<td>2</td>
</tr>
</tbody>
</table>
‐ Do we have a policy? Does it cover when, why, who & how much for any subsidies?
‐ Do we know the full cost of providing services---direct and indirect?
‐ How do we compare with others? Do we want to be same or are we different?
‐ How do we involve the public in the process? How do we communicate results?
To Festival or Not?

Portland Policy Poll
Miami Beach Fees Example

- Security deposit sliding scale ($2,500 - $20,000+ based on attendees)
- Square footage fee ($0.25 ft\(^2\) of space used)
- Concession agreements (10-15% of revenues)
- Park & Road user fee (25% of total City services)
- Banner user fee ($25/$50 for non-profit/for profit + admin charge)
- Parking meter/space rental ($10/space/day + administrative charge)
- Vehicle access pass ($150/vehicle/event day)
- Off-duty Police & Fire at actual hourly
- Individual permits per separate fee schedules
Around the State

→ City absorbed full increased costs while city services grew to > 50% of event costs in less than 3 years

→ Limited cost tracking &/or reimbursement for 200+ event days annually bringing nearly 1 million attendees to ~ 100 events in the downtown core.

→ Contract revenues only cover 20-25% of City costs for 10 days of parties and parade
<table>
<thead>
<tr>
<th>Event Permit Type</th>
<th>Number of Days</th>
<th>City Services Anticipated</th>
<th>Total Attendance</th>
<th>Road Closures**</th>
<th>Duration of Road Closure Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Athletic Event (NIMS 1-5*)</td>
<td>Varies</td>
<td>Yes</td>
<td>Varies</td>
<td>Yes</td>
<td>Rolling Closures and/or &lt; 6 hours</td>
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<td>Block Party</td>
<td>&lt; than 1 day</td>
<td>No</td>
<td>&lt; than 150</td>
<td>Yes</td>
<td>Neighborhood Road Up to 2 blocks only &lt; 6 hours</td>
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<tr>
<td>Parade Event</td>
<td>&lt; than 1 day</td>
<td>Yes</td>
<td>Varies</td>
<td>Varies</td>
<td>&lt; 8 hours</td>
</tr>
<tr>
<td>Private Event</td>
<td>Varies</td>
<td>Minimal</td>
<td>Varies</td>
<td>No</td>
<td>N/A</td>
</tr>
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<tr>
<td>Public Event – Minor (NIMS 4 – 5*)</td>
<td>&lt; than 1 day</td>
<td>No</td>
<td>&lt; than 5,000</td>
<td>No</td>
<td>N/A</td>
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<tr>
<td>Public Event – Intermediate (NIMS 3 – 4*)</td>
<td>1 day or more</td>
<td>Yes</td>
<td>Up to 10,000</td>
<td>Yes Non-Major Road</td>
<td>&lt; 6 hours</td>
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<tr>
<td>Public Event – Major (NIMS 1– 3*)</td>
<td>1 day or more</td>
<td>Yes</td>
<td>&gt; than 10,000</td>
<td>Yes Major Road</td>
<td>&gt; 8 hours</td>
</tr>
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</table>