

# 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”  
ETC/Leisure Vision, 2015



- 80% believe City should financially support/produce musical, art & other cultural events  
NRC, 2015



- 65% say number of events “just right”  
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*





# Experience Economy at Work



- **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*



FCCMA 2017 Annual Conference  
INNOVATIVE AND ENTREPRENEURIAL  
LEADERSHIP IN TIMES OF CHANGE



# 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.**”

*Eventbrite, 2016*







**Sponsorships totaled more than \$1.4 billion in 2016 as brands sought to become memorable parts of these events.** Sponsorship.com, September 2016





**SXSW** ↙











# 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**





The background of the slide is a photograph of a dark, spherical object, possibly a stone, having just been dropped into a body of water. The water is a deep blue, and concentric ripples are expanding outwards from the point of impact. The lighting is soft, creating a calm yet dynamic scene.

# **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*



AUSTIN



# 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

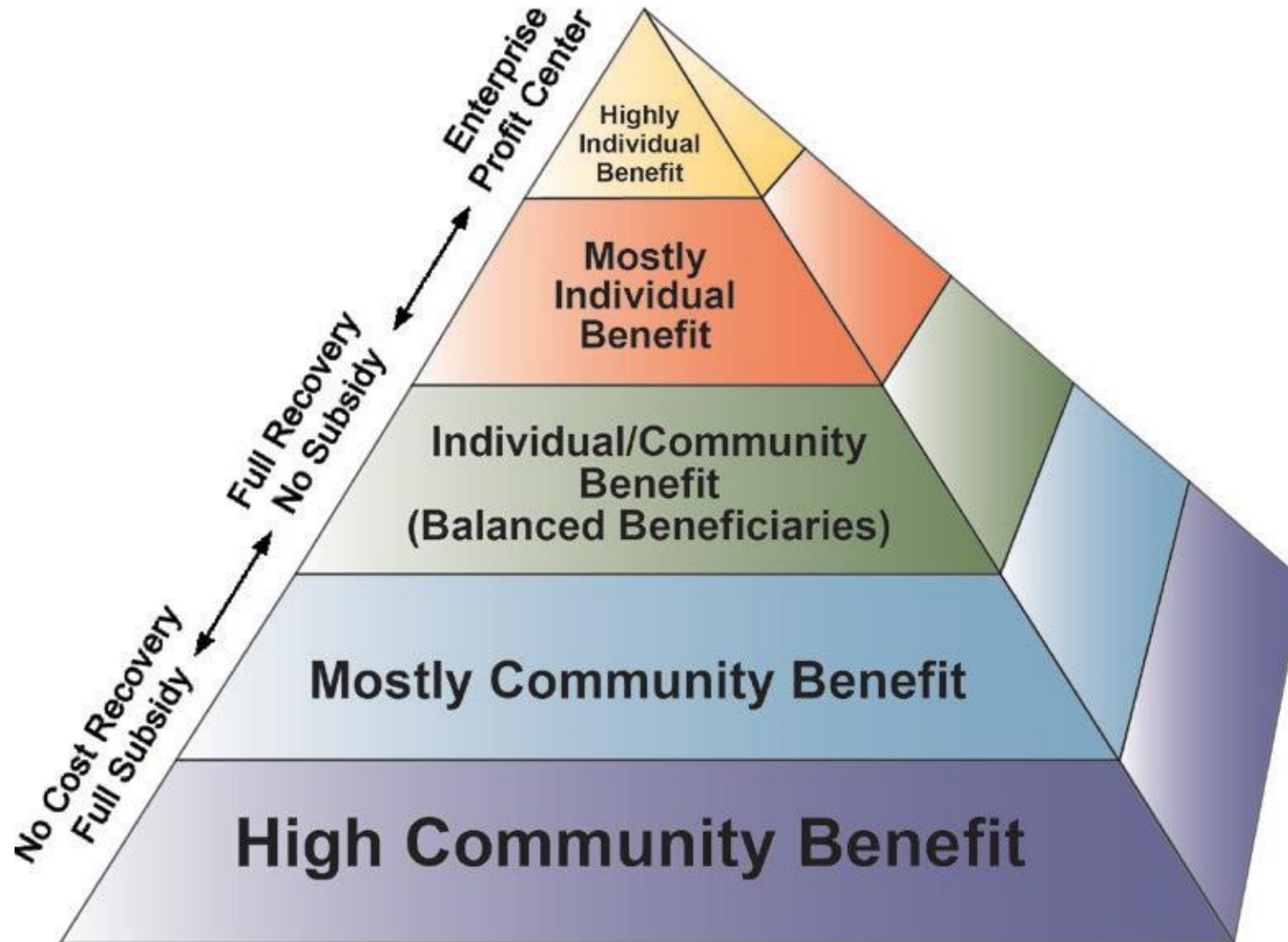
Policy Options	Straw Poll Results
Designated routes	34
A la Carte Menu—events pay a percentage of what they use	20
Events that charge a fee vs. events that don't	18
Special events budget for police	17
Restructuring criteria of the types of events	16
"Credits" system for events with large economic impact	14
Nonprofit vs. For-profit rate system	11
Fees based on size of the event	9
Fees based on location of event	7
Fees based on local impact (i.e., percentage donated to charity, economic impact)	6
City pays for a certain amount of intersections – flat rate for each intersection beyond that	5
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	5
Permitting fees/pay for each event within an event	4
Incremental increase	4
Neighborhood/School rate system	4
Free Speech pays too	4
Cost of Living increase dating back to 2001 (the time of the last rate review)	3
City sponsorship of up to 5 events	3
Participant surcharge	2



Arlington



# Cost Recovery Pyramid







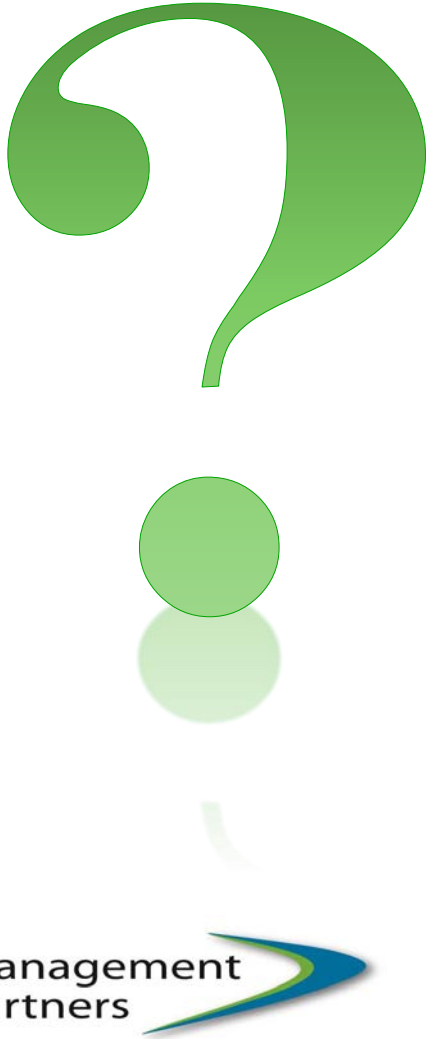
U.S. Department of Transportation  
**Federal Highway  
Administration**



Government Finance Officers Association



# Bottom Line



- 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?





MIAMI  
BEACH

WELCOME



# Miami Beach Fees Example

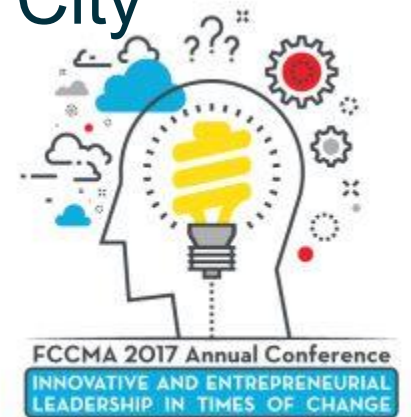
- Security deposit sliding scale (\$2,500 - \$20,000+ based on attendees)
- Square footage fee (\$.25 ft<sup>2</sup> of space used)
- Concession agreements (10-15% of revenues)
- Park & Road user fee (25% of total City services)
- Banner user fee (\$25/\$50 for non-profit/for profit + admin charge)
- 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



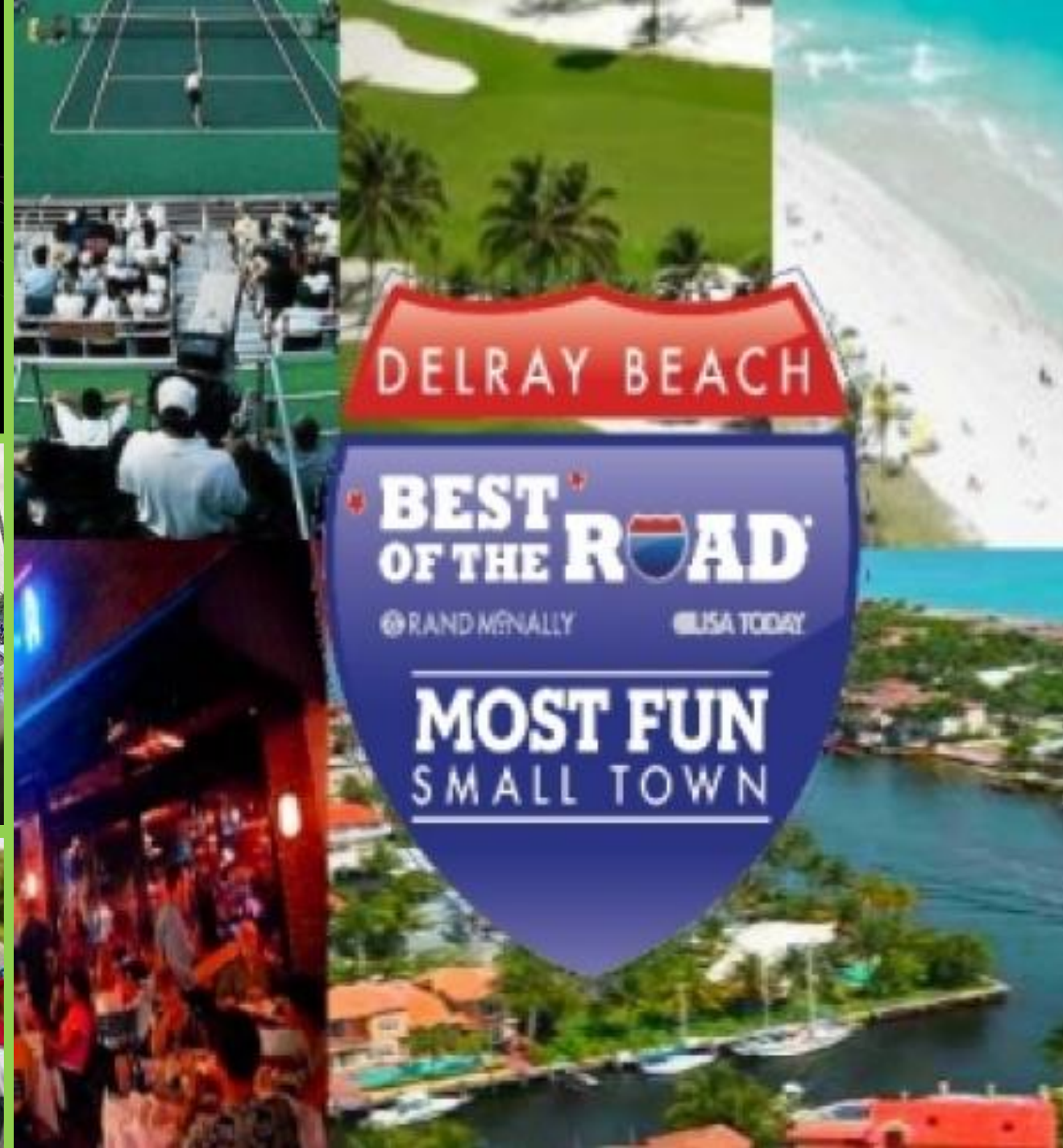
# Around the State



- 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









Event Permit Type	Number of Days	City Services Anticipated	Total Attendance	Road Closures**	Duration of Road Closure Impact
Athletic Event (NIMS 1-5*)	Varies	Yes	Varies	Yes Minor and Major	Rolling Closures and/or < 6 hours
Block Party	< than 1 day	No	< than 150	Yes Neighborhood Road Up to 2 blocks only	< 6 hours
Parade Event	< than 1 day	Yes	Varies	Varies	< 8 hours
Private Event	Varies	Minimal	Varies	No	N/A



Event Permit Type	Number of Days	City Services Anticipated	Total Attendance	Road Closures**	Duration of Road Closure Impact
Public Event – Minor (NIMS 4 – 5*)	< than 1 day	No	< than 5,000	No	N/A
Public Event – Intermediate (NIMS 3 – 4*)	1 day or more	Yes	Up to 10,000	Yes Non-Major Road	< 6 hours
Public Event – Major (NIMS 1– 3*)	1 day or more	Yes	> than 10,000	Yes Major Road	> 8 hours







# *Thank You!*



561-315-2369



[FrancineRamaglia@gmail.com](mailto:FrancineRamaglia@gmail.com)  
[framaglia@managementpartners.com](mailto:framaglia@managementpartners.com)