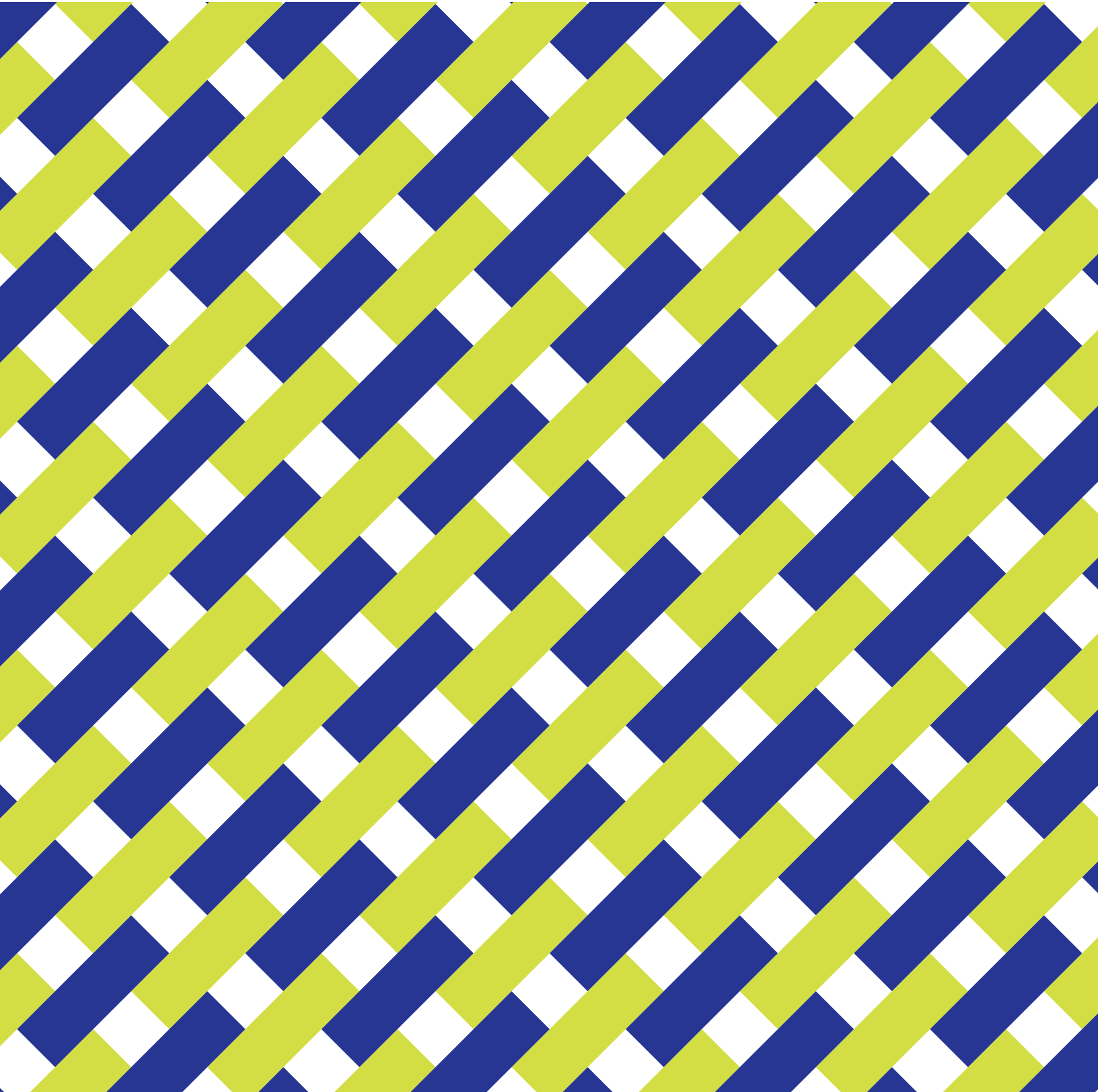


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January 2015

# Scottsdale Destination Event Feasibility Study

Prepared for the Tourism Development Task Force  
City of Scottsdale



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## executive summary

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to: Tourism Development Task Force, City of Scottsdale  
from: Duncan Webb, Webb Management Services  
regarding: Scottsdale Destination Event Feasibility Study  
date: January 25, 2016

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Webb Management Services is a management consulting practice focused on cultural and entertainment programs, organizations, and facilities. In April 2015, we were hired by the City of Scottsdale to develop a feasibility study around the idea of developing a major new destination event in and for the city. We completed this work over a ten-month period, developing ideas, testing them in the community, and then, projecting the financial implications of moving forward with the plan. Following is a summary of that work, which was undertaken for Scottsdale's Tourism Development Task Force.

The goal of the study was to identify events that will activate downtown Scottsdale with increased foot traffic and activities, raise Scottsdale's international profile and reputation as a destination, expand tourism into the shoulder season, and reinvigorate the City's positioning within the overall tourism industry. Our work was broken down into two phases. In the first phase, we considered industry trends, regional assets, and local conditions, leading to the identification of a series of event opportunities, one of which was then selected by the Tourism Development Task Force for development and implementation. In the second phase of work, we developed a preliminary business plan for the selected event concept and projected the income, expenses, and economic impacts associated with it.

### **Part 1: Assessment**

This first portion of our work, which involved four key areas of research and analysis, identified appropriate and achievable event concepts for the City of Scottsdale.

- a) *Forces and Trends:* We started by considering some of the broader forces and trends affecting the event/festival sector, including:
  - \* The increasing desire for more choices and personalized experiences, resulting in increased exclusive and unique VIP opportunities (seats in private lounge areas, access to viewing platforms, time backstage, etc.) at higher price points;

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- \* The ability of hybrid festivals (festivals that include elements of art, music, food, fashion, and so on) to attract bigger audiences and bring in more revenue;
- \* The desire on the part of Millennials for the “feeling of community and oneness that large gatherings can generate”; and,
- \* The new metrics and technologies helping event planners organize, promote, and execute larger events more efficiently.

These trends suggest a need to include multiple VIP opportunities, particularly those that allow attendees to feel like the experience was created specifically for them, in event happenings. In addition, a successful festival is a multi-layered set of events tailored to the community. Consumers attend festivals and events because they are looking for an experience; that experience needs to begin the minute the attendee steps out of the airport or their hotel.

b) *Market Analysis:* Though the goal with a major new event is to attract visitors to Scottsdale, that event must fit with, and be authentic to, the community. Hence, we are interested in the characteristics of the local and regional markets, as well as those currently visiting the region. Several features of the market are worth noting:

- \* The market area is large and growing, with almost five million people projected to be living in the Phoenix-Mesa-Scottsdale Core Based Statistical Area by 2020.
- \* There is significant diversity in the market in terms of age, race, income, and educational attainment. Scottsdale is unique in that it is older, more affluent, better educated, and less diverse than the surrounding market.
- \* Scottsdale currently has a significant seasonal population, with 10% of housing units having a seasonal use.
- \* Scottsdale is a major tourist destination, with 8.3 million visitors in 2014. The vast majority of these are leisure visitors, and many are participating in events while visiting.

c) *Current Festivals and Events:* Festivals and events play a large part in the local and regional economy. Already, there are a handful of well-attended annual festivals and events that attract national and international visitors, including Spring Training, The Phoenix Open, the Annual Scottsdale Arabian Horse Show, and the Barrett-Jackson Car Auction. In 2015, for Super Bowl XLIX, ESPN made Scottsdale’s Fashion Square its broadcast base, including Fan Fest, a weeklong series of events and celebrations that lead up to the game. Fan Fest had approximately 100,000 visitors and, in conjunction with other events, resulted in a 28% increase in January dining and entertainment spending in Scottsdale over the previous year; hotel/motel spending increased by 51%.

There are also a number of smaller events in Scottsdale, most of which occur between October and March. All of these current events face a number of challenges, including:

- \* The City's dense downtown lacks large spaces for gathering;
- \* A small corporate base and seasonal population make fundraising a challenge;
- \* Segments of Scottsdale's locally-owned, downtown businesses feel they are negatively impacted by the city's current events and are reluctant to support new activities;
- \* There is poor connectivity between downtown and North Scottsdale;
- \* There is increasing competition for events nationally;
- \* Destination events require initiative and significant resources, including staff and time; and,
- \* Creating something that is new and innovative, yet authentic to Scottsdale.

Overall, we would characterize the local and regional market as festival/event heavy. Events vary in size, duration, and theme, but most last one day and have an attendance of 20,000 or less. Common festival themes include fine art, food, horses and livestock, cars, sports, and Western/Tribal culture. January is the busiest month for festivals/events in Scottsdale, followed by February and March. Additionally, the Scottsdale/Phoenix event market is somewhat fluid—some events are split between venues in both locations while others move location from one city to the next from year to year. Given these points, strong partnerships will be imperative to the success of a new event in Scottsdale; these will need to include media/brand/celebrity partnerships.

- d) *Current Event Facilities:* There is a reasonable set of indoor and outdoor facilities available for festivals and events in Scottsdale, starting with Westworld—a world-class destination for major events. Facilities with capacities of 1,000 or more include Highlands Church, Chapparral High School's Auditorium, Talking Stick Resort's Salt River Ballroom, Saguardo High School's Auditorium, The Venue Scottsdale, and Livewire. Presenting activity is dominated by music, although there are very few large capacity, high quality, music venues. One half of facilities have flexible seating; this is largely due to the fact that many are bars or music venues. Downtown, the largest outdoor area is the Waterfront. Most performance areas are grassy spaces with temporary, moveable stages (Tempe Beach and Osuna Parks, for example). Outdoor spaces are used throughout the year, although most avoid programming in summer months.

Scottsdale's inventory of large meeting and event facilities is predominately comprised of hotel and resort spaces. A good number are located in close proximity to Old Town. All facilities have outdoor spaces that can be used for breakout events, happy hours, or other happenings. Technical capabilities are strong, with some facilities giving event

producers/coordinators the option to rent additional equipment. Thus, a number of these spaces could be used to host festivals/events.

All of this led us to conclude that there is a case to develop additional destination events based on:

- \* **The market:** Scottsdale is established as a tourism destination and is currently home to a number of festivals/events. In addition to its resident population—which is well educated and affluent—the region is attractive to snowbirds and retirees.
- \* **Existing festivals:** There are a number of festivals/events in Scottsdale already, including a handful of large-scale, well-attended happenings. While there is some duplication in the overall festival/event inventory, there are gaps within the major events that take place, particularly in the areas of art, food, and culture.
- \* **Existing facilities:** Scottsdale and the surrounding area have a multitude of small venues. Downtown Scottsdale, in particular, has a limited number of facilities capable of accommodating a large-scale event. There are, however, nearby hotels and resorts with large-capacity ballrooms and event spaces. Therefore, a destination event in Scottsdale will most likely either need to take place across multiple, well-connected venues or will need to expand into existing parks, fields, or facilities in other cities in the region.
- \* **Community benefits + impacts:** Scottsdale is recognized as a leader in the tourism industry. A new event/festival could help the City maintain this positioning while defining its role in the market in the future. Additionally, a destination event/festival could help the City achieve many of the goals outlined in the Scottsdale General Plan 2035.

Based on the research we've conducted on the origins of other international and national destination events, we believe there are five basic approaches to developing a destination event in Scottsdale:

1. Create an event that encompasses a large, new element but that also embraces local, pre-existing themes, happenings, etc.;
2. Relocate, or create a satellite location, for an already branded event;
3. Package a set of Scottsdale's pre-existing festivals and events into a larger, long-term festival;
4. Select an existing Scottsdale event that can be grown and developed to the level of a destination event; or
5. Create a brand new event.

The answer might be a combination of these approaches. The key is starting with an idea, hook, or theme and then building a series of lifestyle elements around it. For example, South by Southwest began as a music festival that aimed to connect Austin’s musicians—who were isolated from the industry—with the rest of the world; as the event grew, it diversified to include film and technology, industries that were growing in Austin.

Given this approach, we were then able to identify a series of event options:

**Option #1: Country Music, Food and Drink Festival**

A festival focused on the multi-genre nature of country music and musicians that would include multiple VIP opportunities for visitors to meet artists. The concept makes sense in Scottsdale because it includes components of the City’s Western identity and lifestyle, but is still attractive to country music’s broad, contemporary fan base. Programming might include artists like Miranda Lambert, Blake Shelton, Jason Aldean, Eric Church, Carrie Underwood, Hunter Hayes, Luke Bryan, Tim McGraw, and Faith Hill performing a big concert one night but hosting an intimate tasting of Arizona wines in a gallery the next. Key partners are in the entertainment and food and beverage industries. Festival facilities would include one or two large concert venues and multiple smaller venues.

**Option #2: The YouTube Festival**

The starting point is a festival based on YouTube, or some similar modern media phenomenon, that explores the intersections of culture and technology. There are big events like an awards ceremony and conference that look at the emergence of the form and where it’s going next, including participation from major stars of the medium. There are also components teaching the YouTube way and exhibitions of related technologies. The event attracts Millennials and has potential for a large VIP component. Such an event would need a series of indoor conference, exhibit, meeting, and event facilities. This festival makes sense in Scottsdale because of its proximity to Los Angeles and its VIP amenities. Key partners are those in the entertainment industry.

**Option #3: The Cool World Conference**

The starting point is an idea-driven conference focusing on how climate challenges can be overcome. It includes a high-profile gathering of speakers, panels, and sessions with strong media participation (it is less about ringing the global warming alarm and more about finding solutions). Additional components include trade fairs and gatherings on agriculture, recreation, and technologies helping to address challenges. It could also include a music festival with big-name performers raising money for global causes. This concept has a strong Millennial component, and the themes of the event have local relevance given climate and water issues in the Valley. The key partner for the event would be ASU’s School of Sustainability. It would

require indoor and outdoor facilities for exhibits, speakers, conferences, trade shows, and performances.

#### **Option #4: The Festival of the Bicycle**

The starting point is a set of events about bicycles and bicycling in recognition of the growth of the sector. It includes components about bicycles themselves (a trade fair and a parade), bike-friendly cities (a conference on legislative issues that showcases Scottsdale's progress), and bike travel (another trade show). The event makes sense in Scottsdale because of its natural beauty and hospitable fall weather. It attracts bike enthusiasts from all over the world. Key partners are corporations and foundations. Facility requirements include the racecourse and indoor/outdoor facilities for trade shows, conferences, exhibits, and entertainment

#### **Option #5: Outside Bounds**

This is a concept originally developed by the task force for a "[m]ulti-disciplinary destination festival that encompasses all of downtown Scottsdale with performances, installations and innovative creations inspired by the desert landscape and [...] unique Scottsdale lifestyle." It would use multiple venues, outdoor sites, and non-traditional spaces. It plays on the City's existing reputation as an arts town. There is an opportunity to tie into pre-existing rituals, happenings, and animations. Key partners come from the international arts community.

We presented and reviewed these options with the Task Force in July 2015, asking for direction as to which concept might be selected for further study. The Task Force, on the basis of advice from the Events Sub-Committee, determined that it wished to proceed with a combination of the Cool World and Festival of the Bicycle concepts.

### **Part 2: The Business Plan**

In the second phase of our study, we developed a preliminary business plan for the preferred event concept. This included the development of a more precise program plan for the event (including the consideration of event components, duration, locations, precedents, and partners), then a pro-forma operating budget, economic impact projections, and governance and event management recommendations.

#### **The Cool World/Festival of the Bicycle Concept**

The preferred destination event in Scottsdale attracts new visitors to Scottsdale during the shoulder season, driving new economic activity for the benefit of the City. Below is a set of events occurring over a two-week period of time in various Scottsdale locations. These are certainly not the only possibilities, but they represent a good cross-section of programs and



events that, together, give our concept the scale and diversity required to achieve the community's goals.

**Component #1 - The Competitive Bike Race:** A one-day criterium race in downtown Scottsdale. It attracts up to 5,000 regional, national, and international visitors in year one. Key partners are USA Cycling and Arizona Cycling clubs, and key sponsors are cycling manufacturers.

**Component #2 - The Fun Ride:** This is a one-day fun-ride in and around Scottsdale that is based on (and, hopefully, partnered with) the Tour de Scottsdale. It can use some of the same facilities as the competitive bike race, though the route should be throughout the community. Regional foundations are likely sponsors.

**Component #3 - The Bike Fair:** This is a trade show for the cycling industry, attracting major manufacturers, entrepreneurs, and enthusiasts. It lasts three days and takes place in Scottsdale hotels and exhibit halls. We have projected 6,000 visitors in year one. Key partners come from the cycling industry, as do sponsors.

**Component #4 - The Bike Conference:** This is a two-day policy conference hosted by the City of Scottsdale on cycling policy and practices nationally and internationally. It is held in downtown hotels and meeting spaces, with 400 visitors in year one from government and industry. Key partners come from the cycling industry, whereas sponsors might also include regional and national foundations.

**Component #5 - The Cool World Conference:** An international conference focused on constructive responses to climate change in the public and private sectors. It occurs over three days in downtown hotels and meeting spaces. We have projected 800 public sector leaders and private sector activists participating in the first year. ASU's School of Sustainability is the key potential partner, while sponsors are more likely national and international foundations.

**Component #6 - The Cool World Trade Show:** This is a trade show focused on goods and services having positive impacts on climate change. It has a duration of three days and takes place in downtown hotels and exhibit halls. We have estimated 7,500 visitors in the first year from around the world. ASU is a key potential partner, as is the Botanical Garden. Sponsors likely come from a combination of foundations and private industry

**Component #7 - The Cool World Healthy Living Festival:** This is a trade show focused on opportunities for healthy living that takes place over three days at downtown hotels and exhibit spaces. We have estimated 6,000 visitors in year one, with key partners and sponsors coming from private industry.

**Component #8 - The Cool World Farm and Food Festival:** Here we add a food and beverage festival with a strong orientation towards healthy and sustainable production and consumption practices. It occurs over a three-day period in various outdoor facilities in Scottsdale. We estimate 9,000 visitors in the first year and have a number of key potential partners, including the existing Culinary Festival and the Botanical Garden. Sponsors are likely a combination of industry leaders and foundations

**Component #9 - The Cool World Music Festival:** The biggest event is a weekend music festival with a series of major performers all embracing the Cool World Concept, likely held at Westworld. We have estimated 20,000 visitors in the first year coming to see artists who have a particular interest in climate change and environmental sustainability. Sponsors are likely to come from the corporate sector.

**Component #10 - The Cool World Public Art Festival:** Finally, we have included a two-week exhibition of juried public art themed around environmental sustainability. It can occur outdoors and in venue throughout Scottsdale and could draw as many as 50,000 visitors in the first year. The key partner for the event is the Public Art Division of the Scottsdale Cultural Council, while sponsors likely come from the corporate and foundation sectors.

The following graphic suggests how this set of events might occur over a two-week period:

Event	Venue	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Bike Race	Downtown														
Bike Ride	Start and Finish Downtown														
Bike Fair	Hotel														
Bike Conference	Hotel														
Cool World Conference	Hotel														
Cool World Trade Show	Hotel														
Cool World Healthy Living	Downtown														
Cool World Food Festival	Downtown														
Cool World Music Festival	West World														
Cool World Public Art Event	Scottsdale														

We have projected attendance, earned income, and operating expenses for each of the ten recommended components of the Festival, in addition to general and administrative expenses.

We are projecting that all ten events are produced in the first year, though the City may elect to take a more phased approach, starting with a smaller set of events. Bruce Skinner and Associates tested projections of sponsor fees through interviews with event planners and research on comparable festivals and events. That work lead to the conclusion that the sponsorship goals included in the below chart are attainable.

Summary	Scottsdale Criterium	Bike Ride	Bike Fair	Bike Conference	Cool World Conference	Cool World Trade Show	Cool World Healthy Living festival	Cool World Food Fest	Cool World Music Festival	Cool World Public Art	General	Year One Total
Description	Competitive bike race	Fun ride	Trade show	Policy conference	Policy conference	Trade show	Healthy living festival	Food & drink festival	Entertainment festival	Exhibition		
Venues	Downtown	Scottsdale	Hotels	Hotels	Hotels	Hotels	Hotels	Hotels	Westworld	Scottsdale		
Parental Partners	USA Cycling	Tour de Scottsdale			ASU/Botanical Garden	ASU		Botanical Garden		Public Art		
Duration	1 day	1 Day	3 days	2 days	3 days	3 days	3 days	3 days	2 days	14 days		
Attendees	5,000	1,000	6,000	400	800	7,500	6,000	9,000	20,000	50,000		105,700
Participants	300	500										800
Exhibitors			100			200	100	60				460
<b>Earned Revenues</b>												
Ticket Sales			60,000			75,000	60,000	25,000	1,500,000			1,720,000
Participant Fees	15,000	25,000		160,000	320,000							520,000
Exhibitor Fees			25,000			25,000	25,000	15,000				90,000
Sponsor Fees	60,000	25,000	100,000	20,000	40,000	50,000	50,000	100,000	300,000	150,000		895,000
Merchandise Income									20,000			
Food and Beverage Income								18,000	80,000			98,000
	<b>75,000</b>	<b>50,000</b>	<b>185,000</b>	<b>180,000</b>	<b>360,000</b>	<b>150,000</b>	<b>135,000</b>	<b>158,000</b>	<b>1,900,000</b>	<b>150,000</b>	<b>0</b>	<b>3,323,000</b>
<b>Operating Expenses</b>												
Staffing	25,500	28,500	10,500	45,000	85,000	25,000	14,500	27,500	127,500	25,000	150,000	564,000
Marketing	50,000	10,000	50,000	15,000	50,000	50,000	50,000	50,000	100,000	25,000	100,000	550,000
Overheads											33,000	33,000
Production	65,000	10,000		55,000	115,000		30,000	65,000	1,770,000	140,000		2,250,000
Equipment	17,500	32,500	53,500	40,000	100,000	80,000	52,500	85,900	80,000	30,000		571,900
	<b>158,000</b>	<b>81,000</b>	<b>114,000</b>	<b>155,000</b>	<b>350,000</b>	<b>155,000</b>	<b>147,000</b>	<b>228,400</b>	<b>2,077,500</b>	<b>220,000</b>	<b>283,000</b>	<b>3,968,900</b>
<b>Net from Event</b>	<b>-83,000</b>	<b>-31,000</b>	<b>71,000</b>	<b>25,000</b>	<b>10,000</b>	<b>-5,000</b>	<b>-12,000</b>	<b>-70,400</b>	<b>-177,500</b>	<b>-70,000</b>		<b>-645,900</b>

We project that there is a \$650,000 shortfall in the first year of the event, with break-even achieved in the fifth year. Note that there are no additional capital expenditures required to mount this set of events. We have also considered how participation and financial results might change as the set of events grow and mature. This graphic suggests how attendance and results change in the first five years.

Operating Budget Summary	Year One Total	Year Two Total	Year Three Total	Year Four Total	Year Five Total
Attendance	105,700	126,840	152,208	182,650	219,180
Total Revenues	\$ 3,323,000	\$3,821,450	\$ 4,394,668	\$ 5,053,868	\$ 5,811,948
Total Expenses	\$ 3,968,900	\$4,365,790	\$ 4,802,369	\$ 5,282,606	\$ 5,810,866
Net	\$ (645,900)	\$ (544,340)	\$ (407,702)	\$ (228,738)	\$ 1,081

The next step in the business plan is projecting the economic impact of the event, most importantly looking at the expenditures and impacts of new visitors to Scottsdale. The following chart summarizes the impacts of event expenditures and audience expenditures:

Attendees	Total	105,700
	Distinct	54,060
	New	35,534
Expenditures	Operational	\$1,777,270
	Audiences	
	Retail	\$1,008,013
	F&B	\$1,448,567
	Accommodations	\$1,499,498
	Transportation	\$545,418
	Total	\$6,278,765
Economic Impacts	Sales Impact	\$18,219,393
	Earnings Impact	\$6,107,604
	Jobs Impact	223.3

Overall, these events and their audiences drive \$18 million in new sales, \$6 million in new earnings, and 223 new jobs in the first year.

Each of the ten events will require a producer or producing organization to mount and execute it. In some cases, there are local organizations already identified as potential partners—such as the Public Art Division of the Scottsdale Cultural Council, Arizona State University, Arizona Cycling, and the Desert Botanical Garden.

Even with qualified event producers, the overall set of events will require a managing organization to oversee the timing, scheduling, and management of each component; the overall branding and marketing of the set of events; efforts to attract sponsors for each event; and the coordination required between event producers and the City of Scottsdale. Here we see several options:

1. Hire an outside producer through a competitive bid process.
2. Contract the Scottsdale Cultural Council to manage the events
3. Run the events through the City’s Tourism and Events Department

We would recommend that the Cultural Council be given the first opportunity to develop and propose a plan to the City as to how they would take this on given their mission and skills. If that

plan proves unacceptable, the City can issue an RFP to other event producers. If no acceptable bids are received, the City will have to take this on through the Tourism and Events Department.

Even with outside event producers and one overall event coordinator, the City of Scottsdale can and should play a critical role in supporting the planning and execution of new events. Recent event planners and producers have expressed frustration at the pace, complexity, and cost of organizing events in and with the City.

Moving forward, we would recommend that the City pursue new policy and practices that make it easier, cheaper, and faster to organize and execute events. Specifically, the City should:

- \* Review city policies and, where appropriate, change or adapt them to support and accommodate events.
- \* Develop City initiatives that make getting around and using the city easy, both for residents and visitors.
- \* Create funding streams that provide short-term financial support to new or growing festivals/events.
- \* Build a system of support for festival and event planners that spells out city policies and procedures, connects planners to key points of contact, and functions as a sounding board throughout the planning process.

Finally, we have developed a critical path plan for new facilities. In order to advance the project, the City must now move down four parallel tracks related to governance for the project, the development of more specific programming plans, the raising of funds to produce the events, and the development of a strong marketing plan to attract new visitors to Scottsdale.

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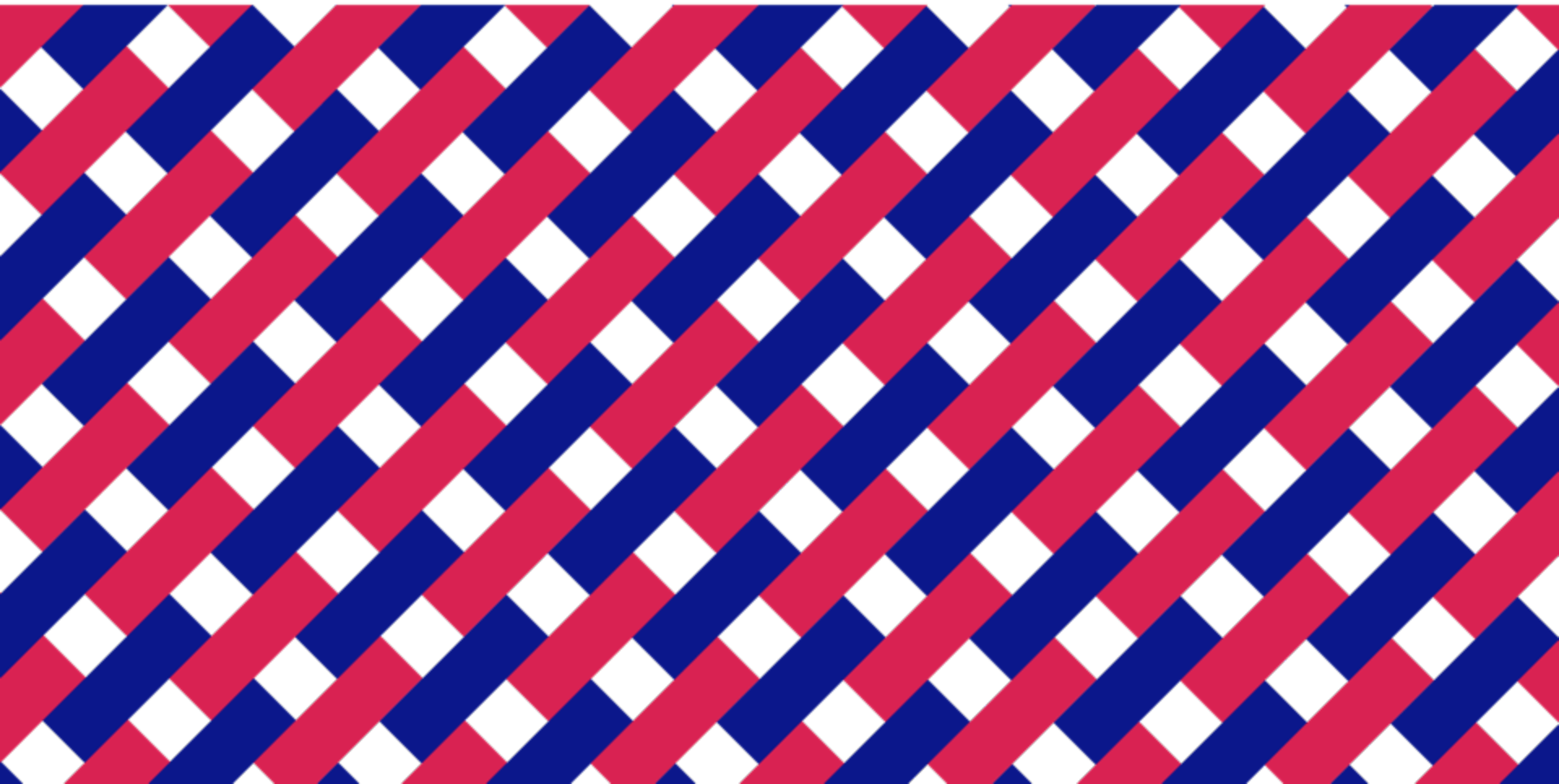
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July 30, 2015 (Revised: September 2015)

# Destination Event Market Analysis + Fundraising Feasibility Study: Market Analysis

City of Scottsdale



## Our team

### Duncan Webb, Webb Management Services

- \* Management consultants to the cultural sector
- \* Work for governments, schools, developers, and arts organizations on facility feasibility, business planning, strategic planning, and cultural planning
- \* Founded in 1997, and just started our 348<sup>th</sup> assignment
- \* Previous work in the region includes projects in Chandler and Mesa, as well as a Cultural Facilities Master Plan for the Scottsdale Cultural Council

### Elizabeth Healy, Healy Entertainment

- \* Recently re-launched Healy Entertainment, a development and production company
- \* One of her first clients is The Recording Academy (GRAMMY Awards Organization), which follows her eight-year term as senior executive director of The Recording Academy New York Chapter
- \* Past experience includes positions at Lincoln Center, New York City Ballet, Saratoga Performing Arts Center, and Finger Lakes Performing Arts Center, in addition to several major record companies, and with world renowned artists

### Christine Ewing, Ewing Consulting

- \* Founder of Ewing Consulting, now in its 10<sup>th</sup> year
- \* Proven track record of more than 25+ producing successful financial development programs for a broad range of vital nonprofit institutions.



# Brief, approach + methodology

- \* **Brief:** To conduct a market analysis and fundraising feasibility study for destination events for Scottsdale
- \* The goal is to identify events that will:
  - \* Activate downtown Scottsdale with increased foot traffic and activities;
  - \* Raise Scottsdale's international profile and reputation as a destination;
  - \* Expand tourism into the shoulder season; and
  - \* Reinvigorate the City's positioning within the overall tourism industry
- \* **Approach:** Assess the following:
  - \* The potential market
  - \* The local and regional supply of festivals, events + facilities
  - \* Potential community and national partners
  - \* Community impacts and benefits
- \* Additionally, we interviewed key internal and external constituents; toured the City and various facilities; collected data from the City, Tourism Advisory Task Force, and the community; and looked for models and precedents elsewhere





## Forces + trends in festivals/events

- \* Fans expect more choices and personalized experiences, resulting in increased exclusive and unique VIP opportunities (seats in private lounge areas, access to viewing platforms, time backstage, etc.) at higher price points
- \* Hybrid festivals (festivals that include elements of art, music, food, fashion, and so on) attract bigger audiences and bring in more revenue
- \* Millennials are looking for event experiences and the “feeling of community and oneness that large gatherings can generate”
- \* Metrics gathered from online ticket sales are helping event planners make decisions about when to staff up, informing expectations on attendance flow, and helping avoid planning and logistic shortfalls
- \* Mobile technology is dramatically improving the overall attendance experience, allowing for faster lines, eliminating fraudulent behavior, and keeping real-time data entry records
- \* Wearable technology (things like smart cards and wristbands with Radio Frequency Identification) is trending, creating opportunities for ticketless entrée and cashless in-festival purchases
- \* The cash value of social media is increasing—in 2013, Twitter drove nearly 28 event page views (almost two times the number of views as Facebook) and generated \$2.18 per tweeted share

Sources: *Eventbrite: 6 New Trends Impacting Festivals + Consumer Events (2013)*; *Univision Communications Trend Lab, “International Transcendence of Music Festivals” (2014)*



## Forces + trends in festivals/events

*From 'Momentum + AEG Live Study Details of Millennials' Brand Reception at Music Festivals: Exclusive' (Billboard.com, July 16, 2015)*

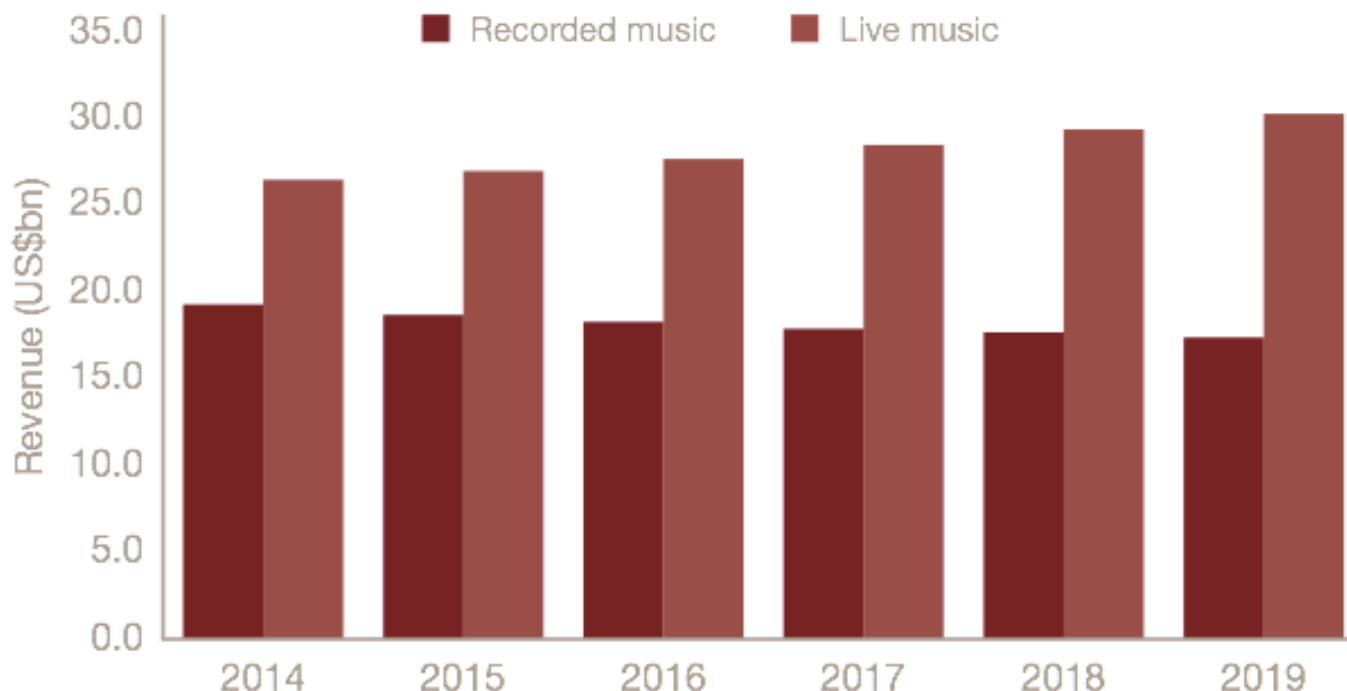
- \* More than 14.7 million Millennials attend at least one music festival every year
- \* \$1.34 billion was spent on live music and festival sponsorships in 2014
- \* 93% of 18 to 34 year olds like brands that sponsor live music events, with eight in 10 citing branded festivals and concerts as the best way to engage with them
- \* Millennials who've attended at least one live music event in the past year are more likely to trust brand partners, purchase their products, make social media recommendations, and perceive the brand as authentic



# Forces + trends in festivals/events

**Fig. 1: Annual growth in global live music revenue will contrast with declines in recorded music**

Global live and recorded music revenue (US\$bn), 2014–2019



Source: Global entertainment and media outlook 2015–2019, PwC, Ovum

## Forces + trends in festivals/events

Consumers value – and are willing to pay a premium for – real-life physical entertainment experiences.



Live music dominates

70%

of total music sales

Live music dominates, accounting for 70% of total music revenue in 2019 and growing by 4.1% CAGR



Source: *PwC Global entertainment and media outlook: 2015-2019*. This image is captured from a larger infographic, titled “The Future of the Music Industry”, that projects changes in the music industry through 2019. Live music revenue in this context refers specifically to ticket sales.



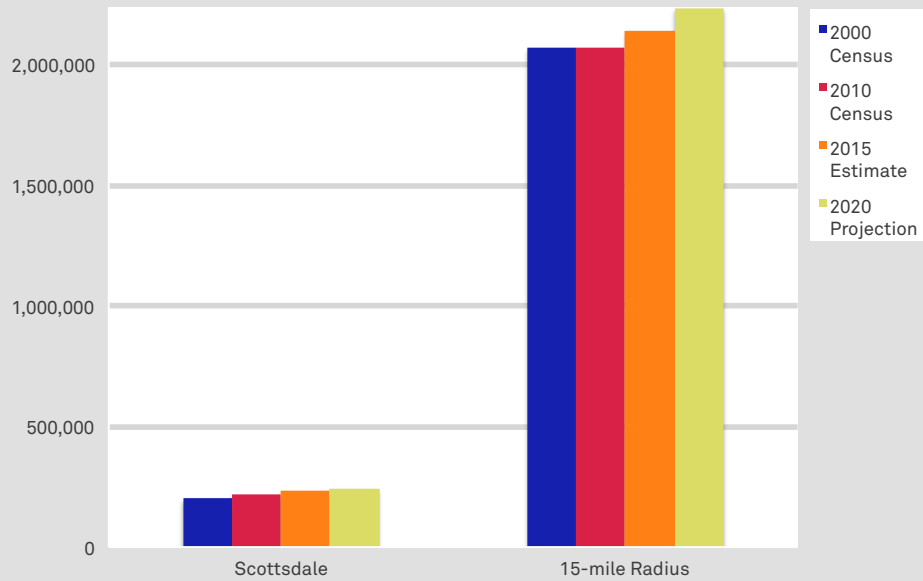
## Forces + trends in festivals/events: conclusions

- \* A destination event in Scottsdale will need to include multiple VIP opportunities, particularly those that allow attendees to feel like the experience was created specifically for them
- \* Diversity is key to attracting a large and diverse audience—the event needs to have a hook and then needs to build off of that hook to create a little bit of something for everybody. So, a successful festival is a multi-layered set of events tailored to the community.
- \* There is value in technology; a destination event in Scottsdale will need be at the cutting edge of trends in wearable and mobile tech, as well as ticketing
- \* Consumers attend festivals and events because they are looking for an experience; that experience needs to begin the minute the attendee steps out of the airport, their hotel, or their apartment

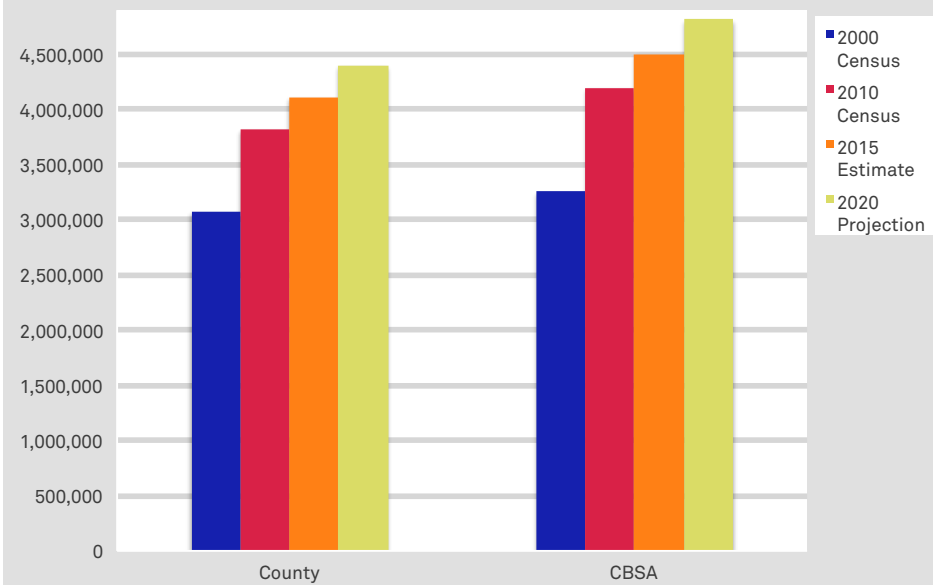


# Market characteristics

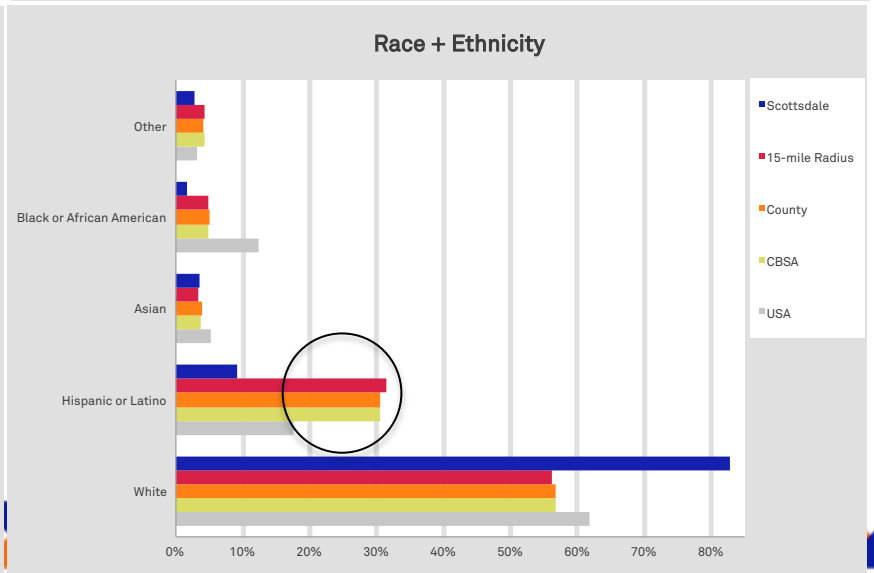
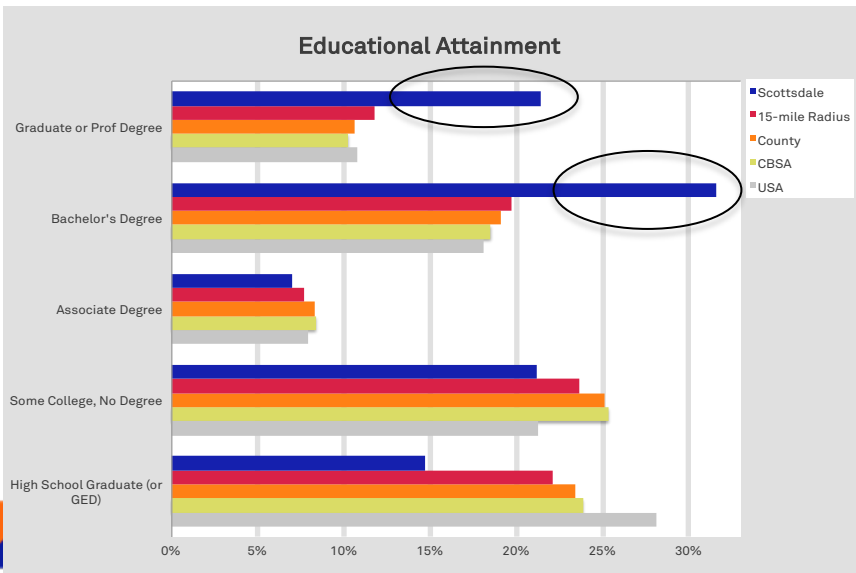
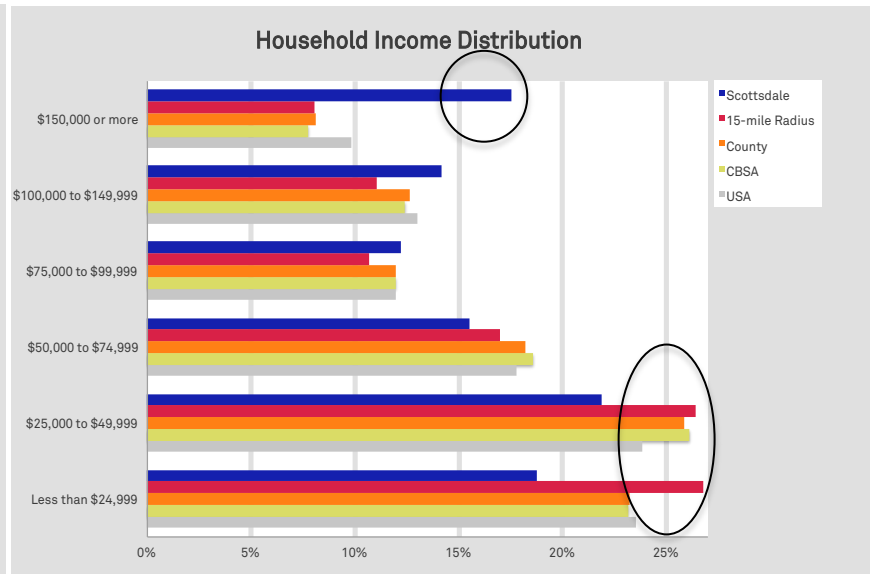
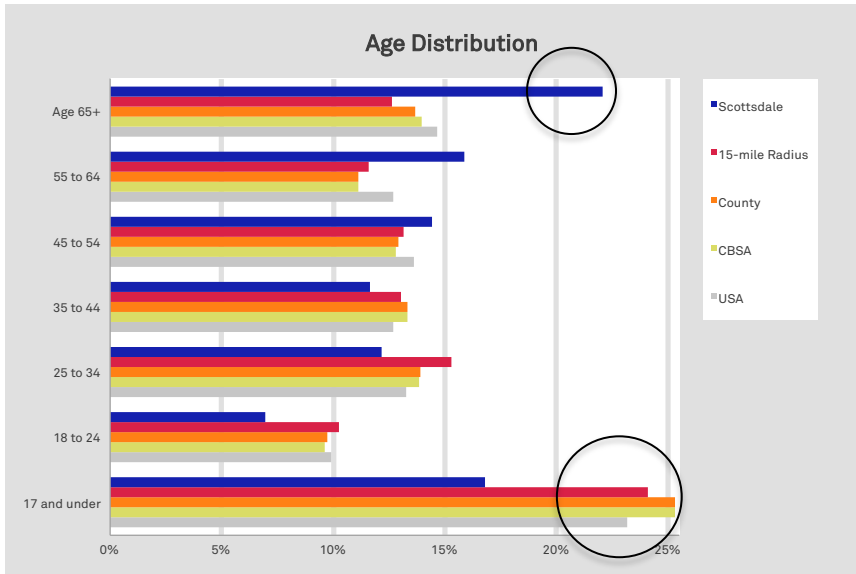
### Population Growth: Local Market



### Population Growth: Regional Market

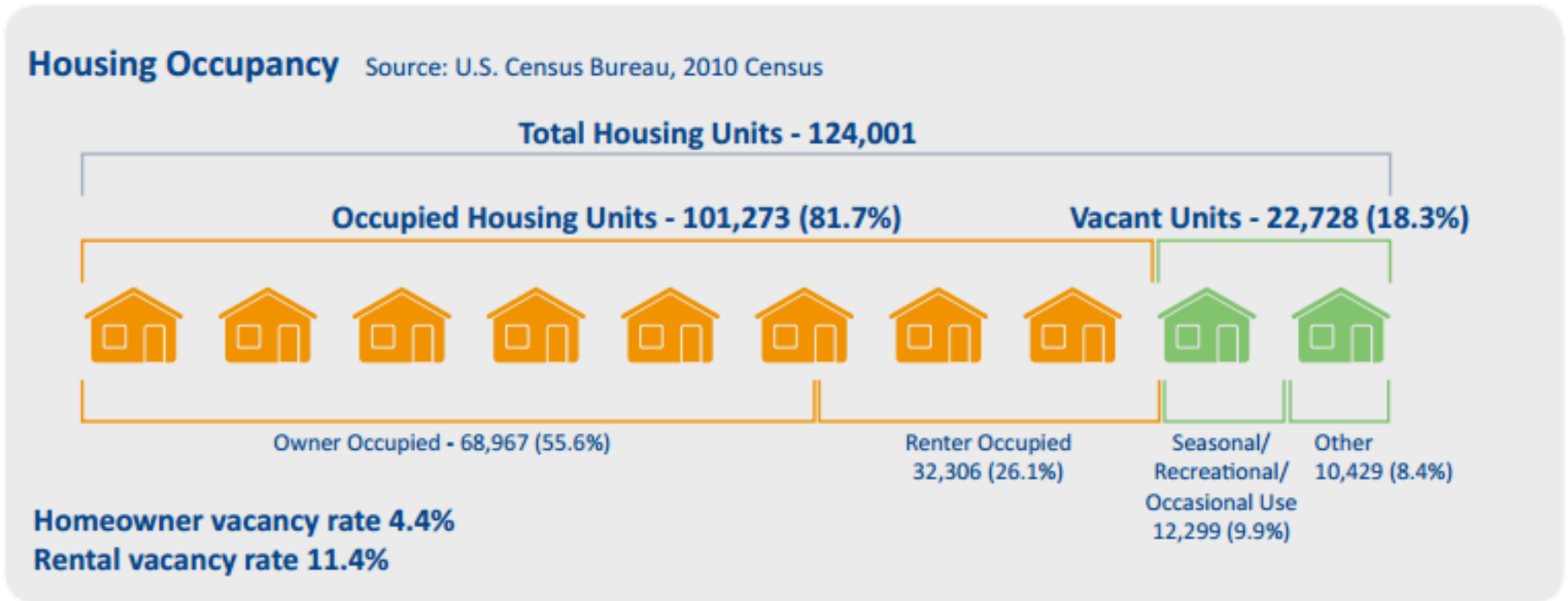


# Market characteristics



# Market characteristics: seasonal market

- \* Visit from October/November through April/May
- \* Canadians make up a large segment of the “snowbird” population
- \* Tend to be older, retired empty-nesters
- \* In Scottsdale, 9.9% of housing units have seasonal/recreational/occasional use:





# Market characteristics: non-resident market

Longwoods International's Scottsdale 2014 Visitor Report (June 2015 Draft)	Day Trip Visitors	Overnight Visitors
Person Trips:	4 million (48%)	4.3 million (52%)
Trip Purpose:	Leisure: 92%; Business: 8%	Leisure: 82%; Business: 13%; Business-Leisure: 5%
Recreation/Sightseeing/Entertainment Spending:	10	24
Main Purpose of Leisure Trip:	Visiting friends/relatives: 41%; Touring: 16%	Visiting friends/relatives: 47%; Special event: 9%; Touring: 9%
Origin:	Arizona: 68%; Phoenix: 51%	California: 25%; Arizona: 18%
Travel Period:	January-March (31%)	January-March (29%); April-June (26%); October-December (26%); July-September (19%)
Average Travel Party:	Adults: 2.1; Children: 0.5	Adults: 2.1; Children: 0.5
Activities + Experiences:	Fair/exhibition/festival: 6%	Fair/exhibition/festival: 9%
Activities of Special Interest:	Historic places: 26%; Exceptional culinary experiences: 21%; Cultural activities/attractions: 19%	Historic places: 36%; Cultural activities/attractions: 30%; Exceptional culinary experiences: 26%
Nights Spent in Scottsdale:	-	3.9
Mode of Transport:	-	Flying: 49%; Own vehicle: 47%; Rented vehicle: 36%



## Festivals + events: background

- \* Festivals and events play a large part in the local and regional economy
- \* Already, there are a handful of well-attended annual festivals and events that attract national and international visitors:
  - \* Spring Training
    - \* Scottsdale attendance (*Team: Giants*): 168,924
    - \* Salt River attendance (*Teams: Rockies + Diamondbacks*): 352,603
    - \* Total attendance (*Regional*): 1.89M
  - \* Waste Management Phoenix Open (avg. attendance: 564,000)
  - \* Scottsdale Arabian Horse Show (avg. attendance: 350,000)
  - \* Barrett-Jackson Car Auction (avg. attendance: 300,000)
- \* In 2015, for Super Bowl XLIX, ESPN made Scottsdale's Fashion Square it's broadcast base
  - \* Included Fan Fest, a week-long series of events and celebrations that lead up to the game
  - \* Fan Fest had approximately 100,000 visitors and, in conjunction with other events, resulted in a 28% increase in January dining and entertainment spending in Scottsdale over the previous year; hotel/motel spending increased by 51%

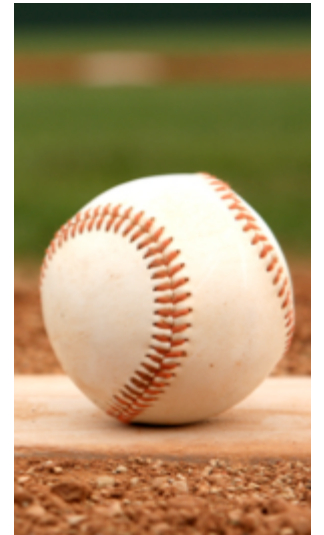


## Festivals + events: challenges

- \* City's dense downtown lacks large spaces for gathering
- \* Small corporate base + seasonal population make fundraising a challenge
- \* Segments of Scottsdale's locally-owned, downtown businesses feel they are negatively impacted by Scottsdale's current events and are reluctant to support a new one
- \* Poor connectivity between downtown and North Scottsdale
- \* Increasing competition for events nationally
- \* Destination events require initiative and significant resources, including staff and time
- \* Creating something that is both new and innovative yet authentic to Scottsdale

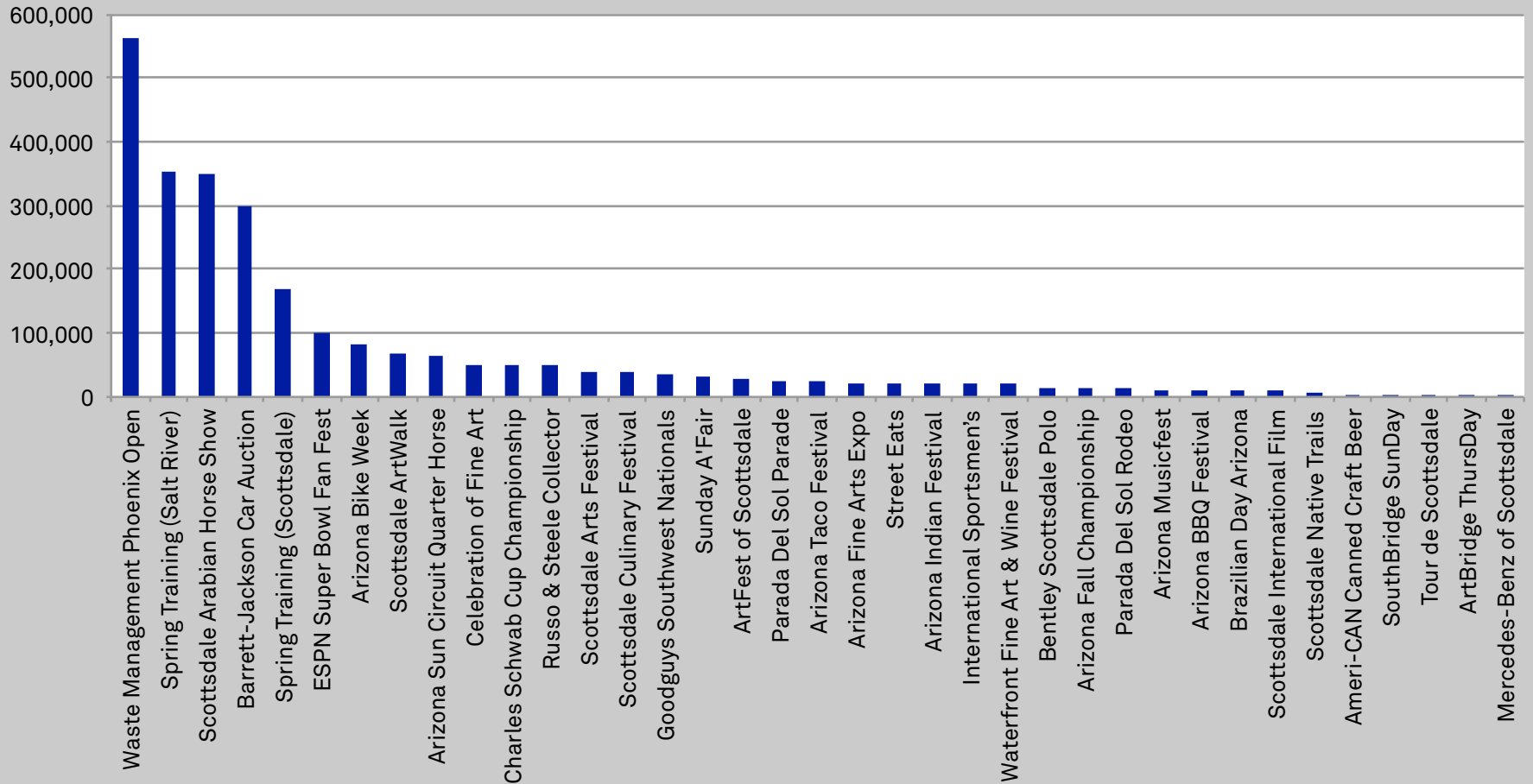


# Festivals + events: common themes in current inventory



# Festivals + events: attendance

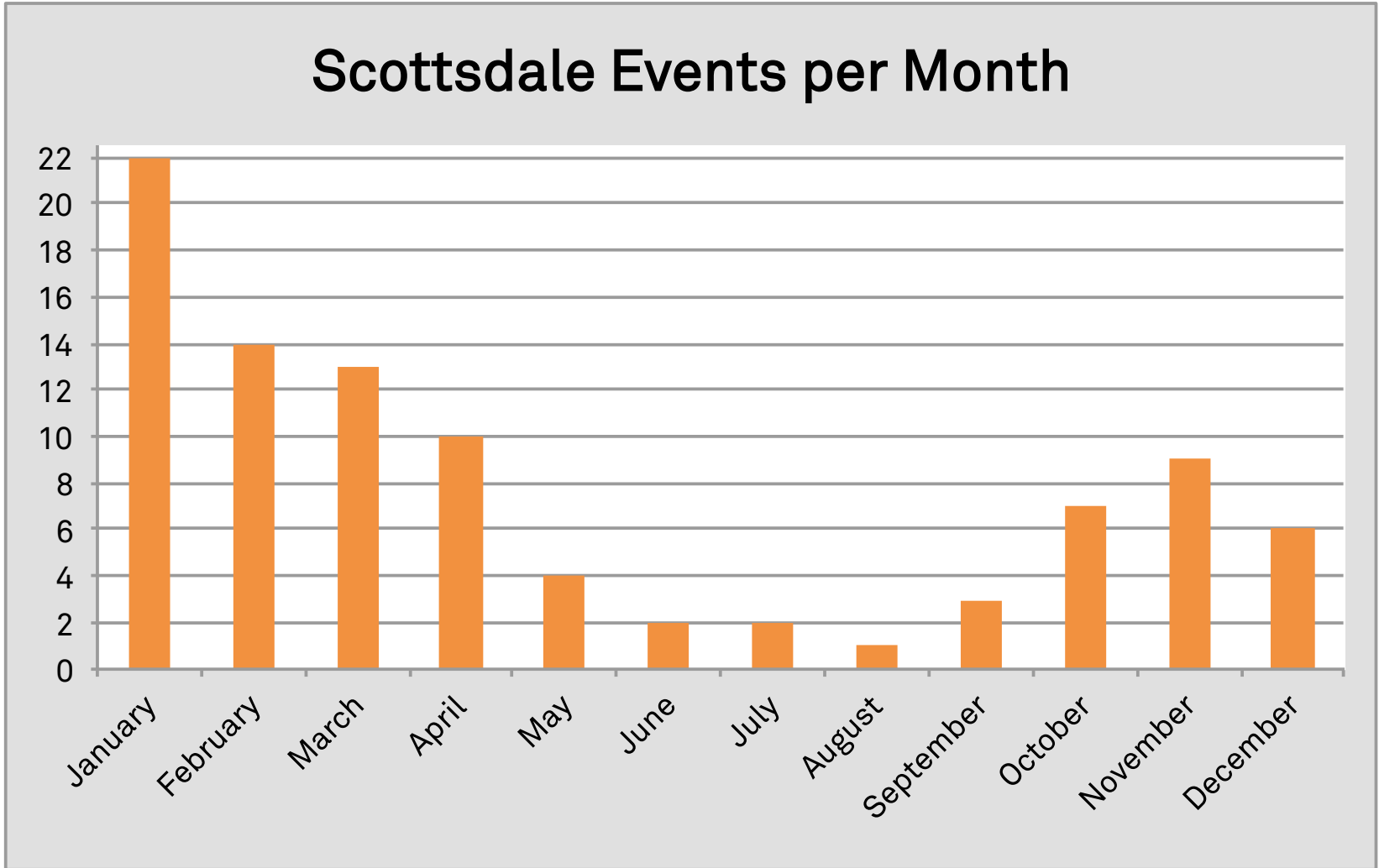
## Scottsdale Festivals by Attendance



\*Attendance ranges from 2,000 to 564,000 attendees. Chart does not include total regional attendance for Spring Training, which was 1.89M in 2015.



# Festivals + events: calendar



# Festivals + events: time of year + duration

		January	February	March	April	May	June	July	August	September	October	November	December
		1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4
	<b>Attendance</b>												
	Spring Training (Regional)												
	Waste Management Phoenix Open												
	ESPN Super Bowl Fan Fest												
	Spring Training (Salt River)												
	Scottsdale Arabian Horse Show												
	Barrett-Jackson Car Auction												
	Spring Training (Scottsdale)												
	Tostitos Fiesta Bowl												
	<b>Large</b>												
	Arizona Bike Week												
	Scottsdale ArtWalk												
	Arizona Sun Circuit Quarter Horse Show												
	Charles Schwab Cup Championship												
	Russo + Steele Collector Automobile Auction												
	Scottsdale Arts Festival												
	Scottsdale Culinary Festival												
	Goodguys Southwest Nationals												
	Sunday A'Fair												
	Canal Convergence												
	ArtFest of Scottsdale												
	Arizona Taco Festival												
	Celebration of Fine Art												
	Parada Del Sol Parade												
	Arizona Fine Art Expo												
	Street Eats												
	Arizona Indian Festival												
	Waterfront Fine Art & Wine Festival												
	International Sportsmen's Exposition and Arizona Boat Show												
	Bentley Scottsdale Polo Championships: Horses and Horsepower												
	Arizona Fall Championship												
	Parada Del Sol Rodeo												
	<b>Medium</b>												
	Arizona Musicfest*												
	Arizona BBQ Festival												
	Brazilian Day Arizona												
	Scottsdale International Film Festival												
	Arizona National Horse Show												
	Scottsdale Native Trails												
	Ameri-CAN Canned Craft Beer Festival												
	SouthBridge SunDay												
	ArtBridge ThursDay												
	Mercedes-Benz of Scottsdale Rugby Bowl: Beauty and the Beast												
	Tour de Scottsdale												
	Hashknife Pony Express												
	<b>Small</b>												
	5th Ave Art Festival												
	Arabian National Breeder Finals												
	Arizona Indian Festival (Super Bowl)												
	Brewer's Bowl												
	Collector's ArtWalk												
	Cowboy Christmas												
	Gooding & Company Scottsdale Auction												
	Scottsdale Beer + Music Festival												
	Scottsdale Beer Palooza												
	Scottsdale Rockin' West Fest												
	Talking Stick Festival												
	Taste Tequila												
	The Original Taste												
	<b>Attendance Unknown</b>												



# Festivals + events: time of year + duration of local + regional large-scale events

		January				February				March				April				May				June				July				August				September				October				November				December					
Attendance		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4		
Local	Spring Training (Regional)	1,894,010										[Red]																																							
	Waste Management Phoenix Open	564,000						[Red]																																											
	ESPN Super Bowl Fan Fest	500,000						[Red]																																											
	Spring Training (Salt River)	352,603										[Red]																																							
	Scottsdale Arabian Horse Show	350,000						[Green]																																											
	Barrett-Jackson Car Auction	300,000		[Yellow]																																															
	Spring Training (Scottsdale)	168,924										[Red]																																							
Tostitos Fiesta Bowl	118,456		[Red]																																																
Regional	Arizona State Fair	1,147,000																														[Yellow]																			
	Tempe Festival of the Arts	250,000														[Purple]																												[Purple]							
	Fountain Hills Festival of Arts + Crafts	200,000																																										[Purple]							
	Tempe Oktoberfest	150,000																										[Yellow]																							
	Chandler Ostrich Festival	100,000										[Green]																																							
	Fiesta Bowl Block Party	100,000																																										[Yellow]							





# Potential local partners

\* Task Force research identified the following partners:

- \* Downtown merchants + retailers
- \* Gallery owners
- \* Restaurants + bars
- \* Hotels
- \* Cultural organizations
- \* Venue owners

\* Other potential partners might include:

- \* Arizona State University
- \* GoDaddy
- \* Live Nation
- \* Talking Stick
- \* Yelp

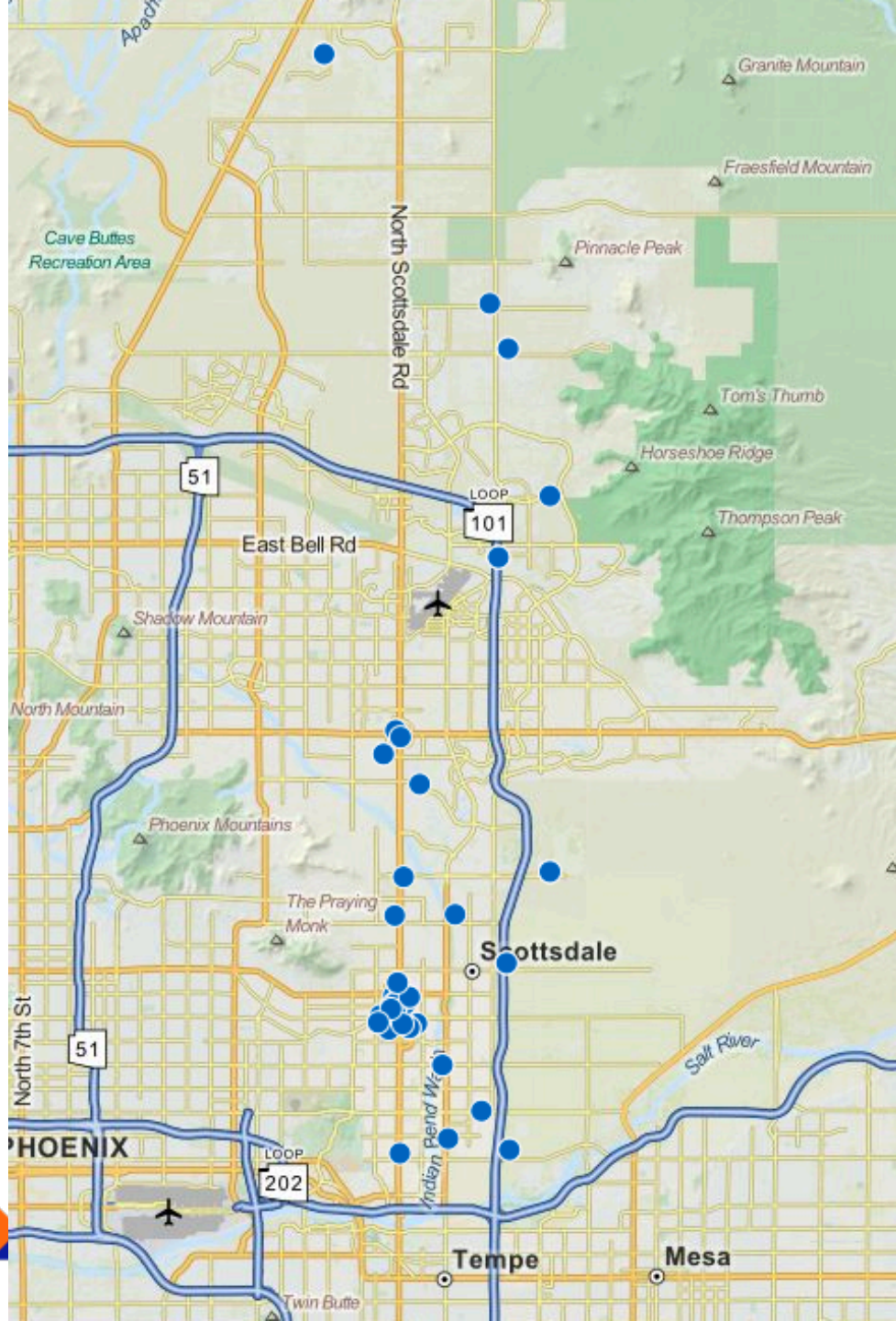


## Current festivals + events: conclusion

- \* The local and regional market is festival/event heavy
- \* Events vary in size, duration, and theme, but most are one day and have an attendance of 20,000 or less
- \* Common festival themes include fine art, food, horses and livestock, cars, sports, Western/Tribal culture
- \* January is the busiest month for festivals/events in Scottsdale, followed by February and March
- \* Summer months have the fewest events
- \* The Scottsdale/Phoenix event market is somewhat fluid—some events are split between venues in both locations, some move location from one city to the next from year to year, and so on
- \* Strong partnerships will be imperative to the success of the event; these will need to include media/brand/celebrity partnerships
- \* Overall, there is duplication in event themes and types; however, when looking specifically at large-scale events in Scottsdale, there is a gap for a fall event with an arts/entertainment, food, and/or Western/Tribal theme
- \* Regionally, large-scale events tend to happen in the fall; they are, however, shorter in duration, lasting only one to three days



# Existing Scottsdale facilities: indoor



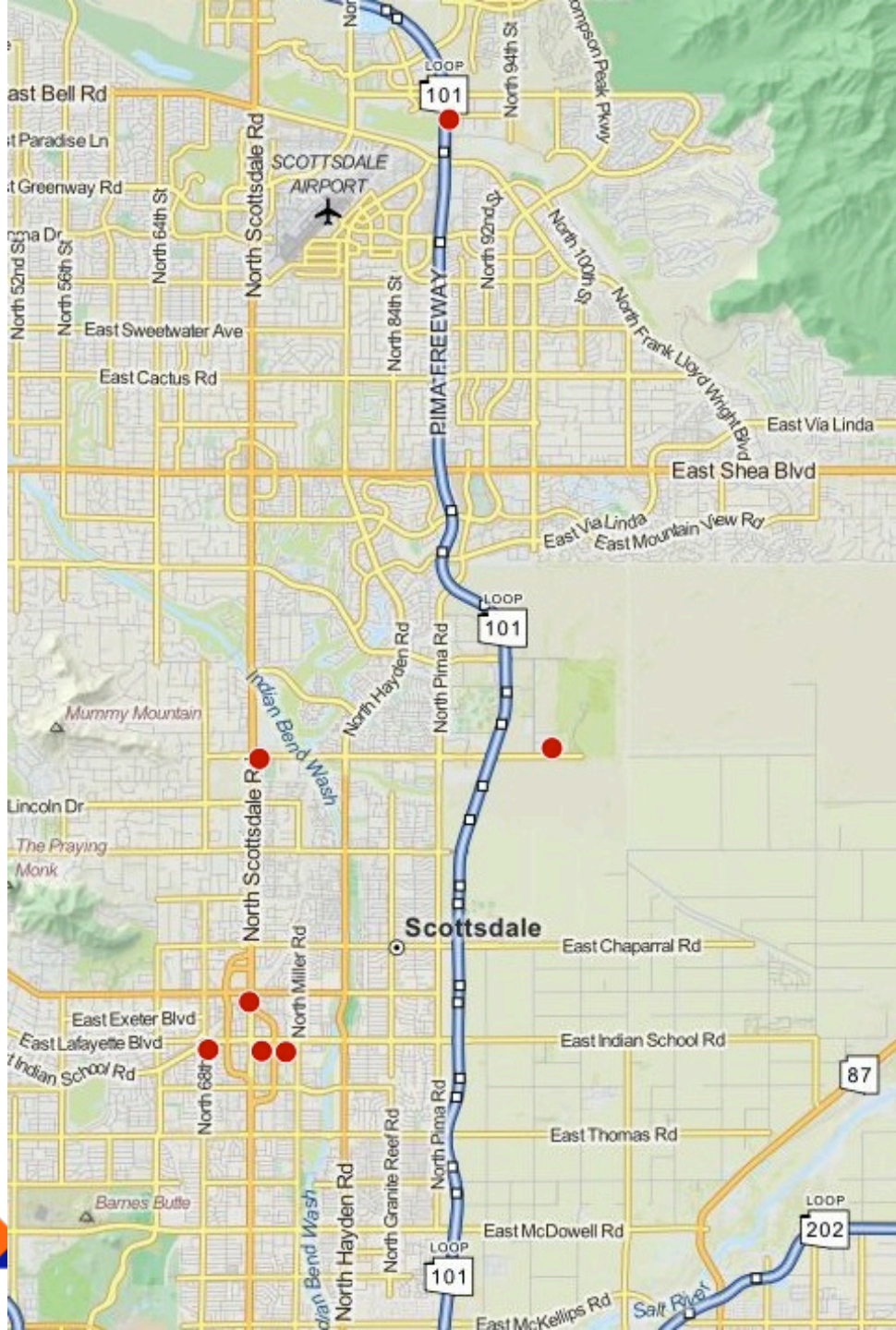
# Existing Scottsdale facilities—indoor: capacity + quality

**Facility Rating vs. Capacity  
(Scottsdale)**



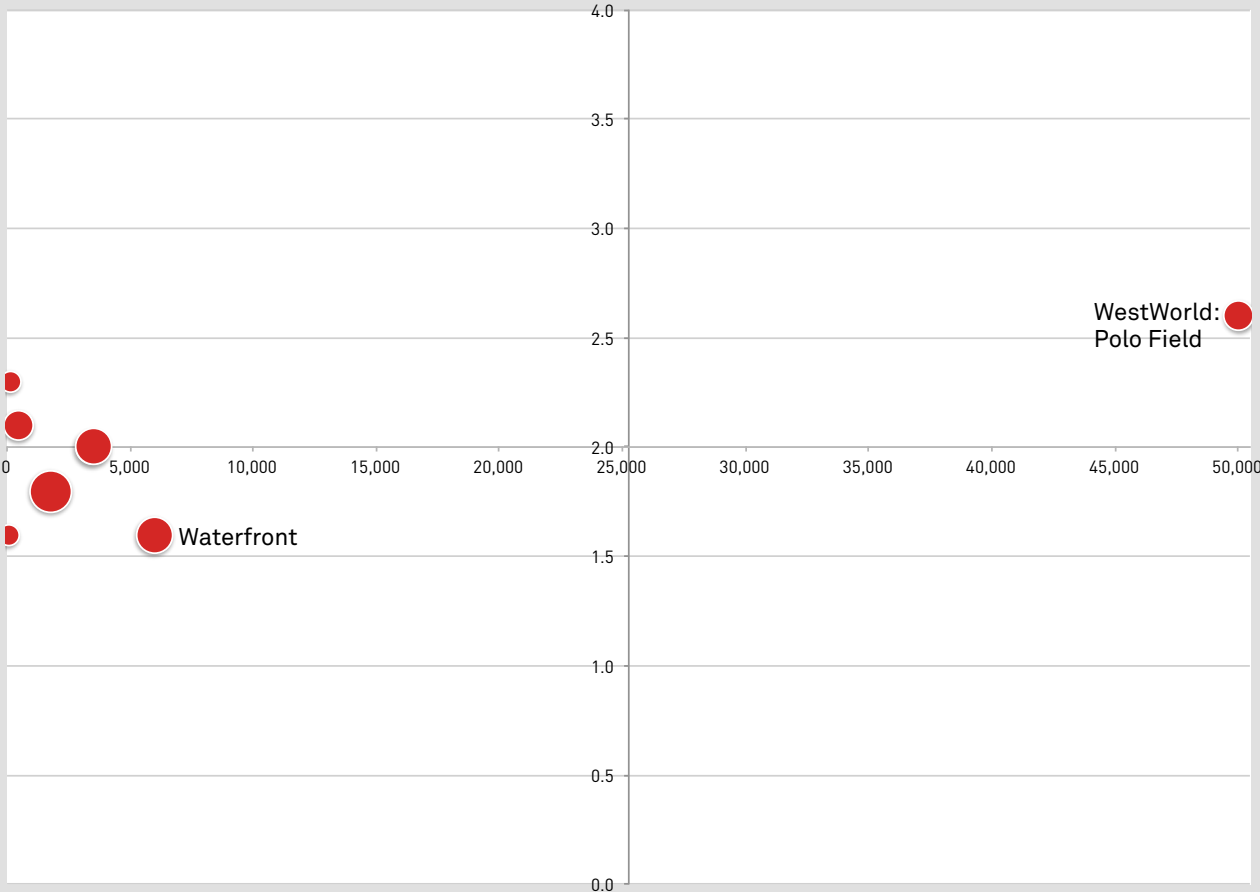
WestWorld: TNEC North Hall	6,000
WestWorld: Equidome	3,600
WestWorld: TNEC South Hall	2,000
Highlands Church	2,000
Sonoran Desert Center for the Arts <sup>o</sup>	2,000
Chaparral High School: Auditorium*	1,800
Talking Stick Resort: Salt River Ballroom	1,600
Saguaro High School*	1,200
The Venue Scottsdale	1,100
Livewire	1,100
SCPA: Virginia G. Piper Theater	853
Pinnacle Presbyterian Church	700
Talking Stick Resort: The Showroom	650
Wasted Grain: Main Room	500
Cactus Shadows Fine Arts Center: Mainstage	420
Culinary Dropout	400
The Casablanca Lounge	390
Pub Rock	350
Pranksters Too*	350
Dierks Bentley's Whiskey Row	255
Arizona State University: Kerr Cultural Center	250
Casino Arizona: The Showroom	250
Casino Arizona: Arizona Room	250
Arizona Music + Entertainment Hall of Fame*	250
SCC PAC	250
The Homestead Playhouse	250
Stagebrush Theatre	211
Rogue Bar	200
Stand Up Scottsdale	170
Rock Bar	152
Cactus Shadows Fine Arts Center: Black Box	150
Chaparral High School: Black Box*	150
Kazimierz World Wine Bar	150
El Dorado Bar + Grill*	150
Handlebar J Restaurant + Saloon	150
SCPA: Stage 2	137
Desert Stages Theatre	136
Dirty Dogg Saloon*	120
Hi-Fi Kitchen + Cocktails	105
Comedy Spot	100
Sonoran Desert Center for the Arts: Studio <sup>o</sup>	100
SCC PAC: Black Box*	99
Theatre Artists Studio: Mainstage	96
Rusty Spur*	75
Hyatt Regency: Center Stage Bar*	75
Desert Stages Theatre: Actor's Café	60
5th + Wine	60
Hotel Valley Ho: ZuZu Lounge	40

# Existing Scottsdale facilities: outdoor



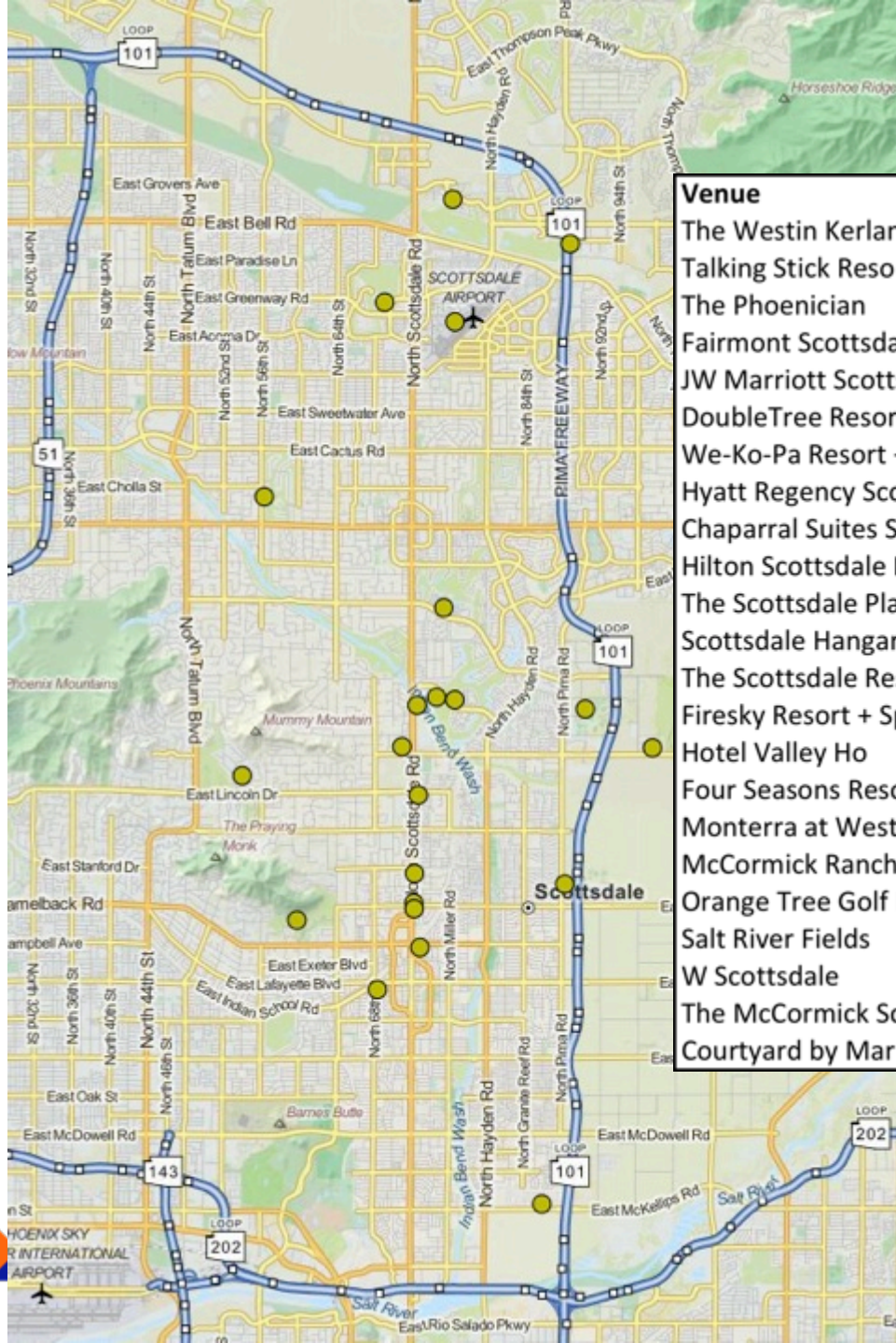
# Existing Scottsdale facilities—outdoor: capacity + quality

**Facility Rating vs. Capacity  
Outdoor Facilities  
(Scottsdale)**



WestWorld: Polo Field	50,000
Waterfront	6,000
McCormick-Stillman Railroad Park	3,500
SCPA: Amphitheater	1,800
Talking Stick Resort: The Pool*	500
Hotel Vally Ho: OH Pool Bar + Cabanas*	150
Old Town Tavern: Outdoor Stage*	75

Existing Scottsdale facilities: meetings + events



Venue	Rm #1 Cap.
The Westin Kerland Resort + Spa	3,601
Talking Stick Resort	2,666
The Phoenician	2,500
Fairmont Scottsdale Princess	2,486
JW Marriott Scottsdale Camelback Inn	2,100
DoubleTree Resort by Hilton Hotel P Valley	1,800
We-Ko-Pa Resort + Conference Center	1,800
Hyatt Regency Scottsdale Resort + Spa	1,500
Chaparral Suites Scottsdale	1,400
Hilton Scottsdale Resort + Villas	1,240
The Scottsdale Plaza Resort	1,200
Scottsdale Hangar Events*	1,000
The Scottsdale Resort at McCormick Ranch	1,000
Firesky Resort + Spa	720
Hotel Valley Ho	500
Four Seasons Resort Scottsdale Troon North	470
Monterra at Westworld	430
McCormick Ranch Golf Club	400
Orange Tree Golf Resort	350
Salt River Fields	350
W Scottsdale	340
The McCormick Scottsdale	300
Courtyard by Marriott Scottsdale Salt River	300



## Existing Scottsdale facilities: conclusions

- \* WestWorld is a world-class destination for major events given the combination of indoor and outdoor facilities and the supporting infra-structure.
- \* Facilities with capacities of 1,000 or more include Highlands Church, Chapparral High School's Auditorium, Talking Stick Resort's Salt River Ballroom, Saguaro High School's Auditorium, The Venue Scottsdale, and Livewire
- \* Presenting activity is dominated by music, although there are very few large capacity, high quality, music venues
- \* 50% of facilities have flexible seating; this is largely due to the fact that many of the inventoried facilities are bars or music venues
- \* Outdoor facilities vary in quality and capacity; but, once again, the largest is WestWorld's Polo Field
- \* Downtown, the largest outdoor area is the Waterfront
- \* Most performance areas are grassy spaces with temporary, moveable stages (Tempe Beach and Osuna Parks, for example)
- \* Outdoor spaces are used throughout the year, although most avoid programming in summer months





## Existing Scottsdale facilities: conclusions

- \* Scottsdale's inventory of large meeting and event facilities is predominately comprised of hotel and resort spaces
- \* A good number are located in close proximity to Old Town
- \* All facilities have outdoor spaces that can be used for breakout events, happy hours, or other happenings
- \* Technical capabilities tend to be rather advanced, with some facilities giving event producers/coordinators the option to rent additional equipment
- \* A number of these spaces could be used to host festival/event activities include:



# Conclusions

There is a case to develop additional destination events based on:

- \* ***The market:*** Scottsdale is already established as a tourism destination and is currently home to a number of festivals/events. In addition to its resident population—which is well-educated and affluent—the region is attractive to snowbirds and retirees. Regionally, the population is younger and more diverse. This indicates a need for an event that appeals to multiple interests and tastes.
- \* ***Existing festivals:*** There are a number of festivals/events in Scottsdale already, including a handful of large-scale, well-attended happenings. While there is some duplication and saturation in the overall festival/event inventory, there are gaps within the major events that take place, particularly in art, food, and culture.
- \* ***Existing facilities:*** Scottsdale and the surrounding area have a multitude of small venues. Downtown Scottsdale, in particular, has a very limited number indoor or outdoor facilities capable of accommodating a large-scale event. There are, however, nearby hotels and resorts with large-capacity ballrooms and event spaces. Therefore, a destination event in Scottsdale will most likely either need to take place across multiple, well-connected venues or will need to expand into existing parks, fields, or facilities in other cities in the region.
- \* ***Community benefits + impacts:*** Scottsdale is recognized as a leader in the tourism industry. A new event/festival could help the City maintain this positioning while defining its role in the market in the future. Additionally, a destination event/festival could help the City to achieve many of the goals outlined in the Scottsdale General Plan 2035.



# Approaches

Based on the research we've conducted on the origins of other international and national destination events, we believe there are five basic approaches to developing a destination event in Scottsdale:

1. Create an event that encompasses a large, new element but that also embraces local, pre-existing themes, happenings, etc.
2. Relocate, or create a satellite location, for an already branded event
3. Package a set of Scottsdale's pre-existing festivals and events into a larger, long-term festival
4. Select an existing Scottsdale event that can be grown and developed to the level of a destination event
5. Create a brand new event

The answer might be a combination of these approaches

Start with an idea/hook/theme and then build a series of lifestyle elements around it. For example, SxSW began as a music festival that aimed to connect Austin's musicians—who were isolated from the industry—with the rest of the world; as the event grew, it diversified to include film and technology, industries that were growing in Austin



# Option #1: Country Music, Food + Drink Festival\*

- \* A festival focused on the multi-genre nature of country music and musicians
- \* Would include multiple VIP opportunities for visitors to meet artists
- \* Is good for Scottsdale because it includes components of the City's Western identity and lifestyle, but is still attractive to country's broad, contemporary fan base
- \* Programming might include artists like Miranda Lambert, Blake Shelton, Jason Aldean, Eric Church, Carrie Underwood, Hunter Hayes, Luke Bryan, Tim McGraw, and Faith Hill performing a big concert one night but hosting a tasting of Arizona wines in a gallery the next
- \* Key partners are in the entertainment and food/beverage industries
- \* Facilities would include one or two large concert venues and multiple smaller venues



\*Could focus on any genre of music.



## Option #2: The YouTube Festival\*

- \* The starting point is a festival based on YouTube, or some similar modern media phenomenon, that explores the intersections of culture and technology
- \* There are big events like an Awards ceremony and a conference that looks at the emergence of the form and where it's going next, including participation from major stars of the medium
- \* There are also components teaching the YouTube way and exhibitions of related technologies
- \* The event attracts Millennials and has potential for a large VIP component
- \* Would need a series of indoor conference, exhibit, meeting, and event facilities
- \* Makes sense in Scottsdale because of its proximity to Los Angeles and its VIP amenities
- \* Key partners are in the entertainment industry

*\*The New York Times recently ran an article on VidCon, a conference for teenaged online video makers. The three-day event has an estimated attendance of 18,000 and features panels with online video celebrities and opportunities to learn about the world of online video making. And, a recent Variety-commissioned survey found that the five most influential figures among Americans ages 13 to 18 are all YouTube celebrities, outranking mainstream celebrities.*



\*Rather than YouTube, it could be iTunes, Google, iHeartRadio, Warner Music, CMA, or any other commercial music or media platform.



# Option #3: The Cool World Conference

- \* The starting point is an idea-driven conference focusing on how climate challenges are/can be overcome.
- \* A high profile week of speakers, panels, and sessions with strong media participation (it is less about ringing the global warming alarm and more about finding solutions)
- \* Then there are other components such as trade fairs and gatherings on agriculture, recreation, and technologies helping to address challenges
- \* Could also include a music festival with big-name performers raising money for global causes
- \* There is a strong Millennial component
- \* Makes sense given climate and water issues in the Valley
- \* Key partner are likely ASU School of Sustainability
- \* Requires indoor and outdoor facilities for exhibits, speakers, conferences, trade shows, and performances



## Option #4: The Festival of the Bicycle

- \* Starts with an expanded version of the Tour de Scottsdale, with the goal of making it a pre-eminent bike race in the country
- \* Includes components about bicycles themselves (a trade fair and a parade), bike-friendly cities (a conference on legislative issues that showcases Scottsdale's progress), and bike travel (another trade show)
- \* Makes sense in Scottsdale because of its natural beauty and hospitable fall weather
- \* Attracts bike enthusiasts from all over the world
- \* Key partners are corporations and foundations
- \* Facility requirements include the race course and indoor/outdoor facilities for trade shows, conferences, exhibits, and entertainment



## Option #5: Outside Bounds

- \* A concept developed by the task force
- \* “Multi-disciplinary destination festival that encompasses all of downtown Scottsdale with performances, installations and innovative creations inspired by the desert landscape and [...] unique Scottsdale lifestyle.”
- \* Would use multiple venues, outdoor sites, and non-traditional spaces
- \* Plays on City’s existing reputation as an arts town
- \* Opportunity to tie into pre-existing rituals, happenings, and animations
- \* Key partners are in the international arts community





# Evaluation matrix

	Country Music, Food + Drink*	YouTube Festival*	Cool World Conference	Festival of the Bicycle	Outside Bounds
<b>Unique</b>	Mixed programming/VIP opportunities	A stand alone festival as opposed to a single program or event	Solution/problem solving driven	Uses conferences, trade shows, exhibits, etc. to connect Tempe's Tour de Fat to the Tour de Scottsdale	Location + programming
<b>Sites</b>	Use of existing venues, but lack of a large, downtown venue	Lots of entertainment + hotel event spaces	Lots of entertainment + hotel event spaces	Could largely take place outdoors	Lots of arts/entertainment spaces, both in and outdoors
<b>Ability to Fundraise</b>	Medium-High	Medium-High	Medium	Low-Medium	Low-Medium
<b>Partners</b>	Corporate, media + entertainment	Corporate, media + entertainment	Corporate, media + celebrity activists	Tour de Fat, Tour de Scottsdale, media + corporate	Corporate, media + entertainment
<b>Impact on downtown</b>	Opportunity to pull visitors into galleries + small businesses with intimate, VIP + performance events	Opportunity to pull visitors into galleries + small businesses with intimate programs + events	Opportunity to pull visitors into galleries + small businesses with intimate programs + events	Opportunity to pull visitors into galleries + small businesses with intimate programs + events	Opportunity to pull visitors into galleries + small businesses with more intimate, VIP + performance events
<b>Cost to Develop + Produce</b>	High	High	Medium-High	Low-Medium	High
<b>Cost to Sustain</b>	High	Medium-High	Medium	Low-Medium	High
<b>Scalable</b>	Yes	Yes	Yes	Yes	Yes

\*Could focus on any genre of music.

\* Could focus on any commercial music or media platform.



# Fundability: preliminary ranking

\* For discussion purposes, Ewing Consulting has rated the sample events with respect to the three essential requirements for successful fundraising.\*

Event	Appeal	Fundraising Leadership	Donor Pool
Country Music, Food + Drink Festival	High	Medium	High
The YouTube Festival	High	Medium	High
The Cool World Conference	Medium	Medium	Medium
The Festival of the Bicycle	Medium	Low	Medium
Outside Bounds	Medium	Low	Low

\*Note: Evaluations are based on the assumption that fundraising leaders and donors may extend beyond the boundaries of the City of Scottsdale. Many variables may influence these estimations.



## Discussion

### Questions

- \* Have we fairly described the situation and opportunities for the development of destination event/festival?
- \* What additional input and information is needed?
- \* Are our recommendations in line with your sense of needs?

### Evaluating Opportunities

- \* They are not mutually exclusive.
- \* Which are most closely aligned with your mission?
- \* Which would attract financial support to the project?
- \* Which would you like to explore further within the context of our work?



webb

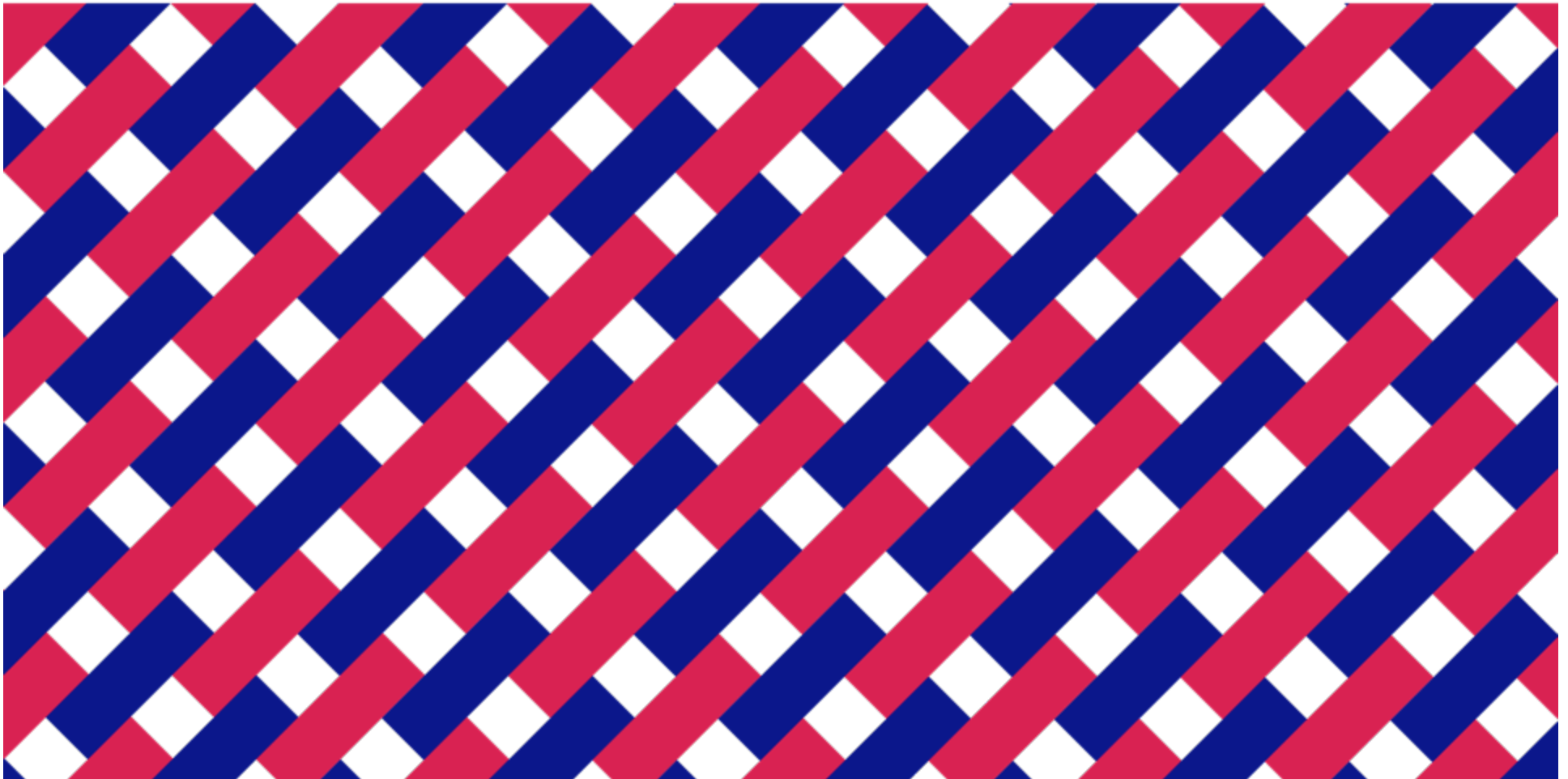
management  
services  
incorporated

building creativity

December 16, 2015

# Destination Event Market Analysis + Fundraising Feasibility Study: Business Plan

City of Scottsdale



## Business plan components

- \* Program plan, locations, duration, precedents and partners
- \* Pro-forma operating budget
- \* Economic impact projections
- \* Governance recommendations
- \* Event management best practices and recommendations



## Concept: Cool World/Bike

- \* A destination event in Scottsdale that combines our Cool World and Festival of the Bike Options. It attracts new visitors to Scottsdale during the shoulder season, driving new economic activity for the benefit of the City.
- \* It is a set of events occurring over a two-week period of time in various Scottsdale locations
  - \* The Bike Race
  - \* The Bike Ride
  - \* The Bike Fair
  - \* The Bike Conference
  - \* Cool World Conference
  - \* Cool World Trade Show
  - \* Cool World Healthy Living
  - \* Cool World Farm and Food Festival
  - \* Cool World Music Festival
  - \* Cool World Public Art



# Schedule

Event	Venue	Monday	Tuesday	Wdnesday	Thursday	Friday	Saturday	Sunday	Monday	Tuesday	Wdnesday	Thursday	Friday	Saturday	Sunday
Bike Race	Downtown														
Bike Ride	Start and Finish Downtown														
Bike Fair	Hotel														
Bike Conference	Hotel														
Cool World Conference	Hotel														
Cool World Trade Show	Hotel														
Cool World Healthy Living	Downtown														
Cool World Food Festival	Downtown														
Cool World Music Festival	West World														
Cool World Public Art Event	Scottsdale														



## The Bike Race

- \* Concept: A downtown criterium race
- \* Duration: One day
- \* Venues: Downtown Scottsdale
- \* Visitors: 5,000 in year one – regional, national and international
- \* Key Partners: USA Cycling and Arizona Cycling clubs
- \* Sponsors: Manufacturers





## Houston Grand Crit | Houston, TX

- \* A downtown bike event hosted by two local companies
- \* In its 10<sup>th</sup> year
- \* Features rides for professionals, enthusiasts, and kids
- \* Race follows closed circuit course along a downtown parkway
- \* Winners can take home up to \$4,000
- \* Also includes a 5k foot race



## The Bike Ride

- \* Concept: A fun-ride in and around Scottsdale
- \* Duration: One day
- \* Venues: The City of Scottsdale
- \* Visitors: More about participants
- \* Key Partners: Tour de Scottsdale
- \* Sponsors: Regional foundations



## Tour de Bronx | Bronx, NY

- \* New York State's largest free cycling event
- \* In its 21<sup>st</sup> year
- \* Presented by the Bronx Borough President and Transportation Alternatives; Produced by the Bronx Tourism Council
- \* Over 6,000 cyclists
- \* Two routes (25 and 40 miles) that travel throughout Bronx streets, parks, and shorelines
- \* The 40-mile ride is geared toward more advanced riders
- \* Transportation Alternatives sponsors additional races in Brooklyn, Queens, Manhattan, and Staten Island



## The Bike Fair

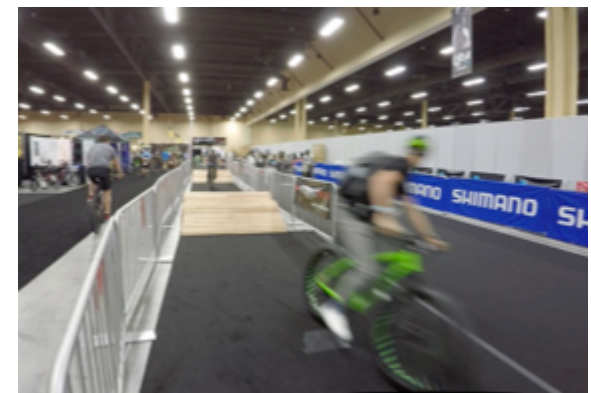
- \* Concept: A trade show for the cycling industry, attracting major manufacturers, entrepreneurs and enthusiasts.
- \* Duration: Three days
- \* Venues: Scottsdale hotels and exhibit halls
- \* Visitors: 6,000 projected in year one – regional and national
- \* Key Partners: Industry leaders
- \* Sponsors: Manufacturers



## Interbike | Las Vegas, NV

- \* The bicycle industry's largest annual gathering in North America
- \* Event lasts three days
- \* Features the Annual Ride 2 Recovery Interbike Honor Ride, a bike ride for veterans, active duty military, and Interbike attendees; Bike MS, a 30- or 50-mile biking fundraiser sponsored by the National Multiple Sclerosis Society; Pedal to the Medal, a race benefiting Special Olympics Nevada; and CrossVegas, America's biggest cyclocross race
- \* Event includes the Interbike Awards, industry parties, educational programs, a test-drive track, and hundreds of exhibitors
- \* It is not open to the general public—only authorized buyers, members of the trade, and, for one day, cyclists
- \* 2014 event had 24,134 total attendees

# interbike



## The Bike Conference

- \* Concept: A policy conference hosted by the City of Scottsdale on cycling policy and practices nationally and internationally
- \* Duration: Two days
- \* Venues: Downtown hotels and meeting spaces
- \* Visitors: 400 in year one from government and industry
- \* Key Partners: Industry leaders
- \* Sponsors: Commercial and foundations



## Pro Walk/Pro Bike/ Pro Place

- \* Started in 1980 by a large group of cyclists; is now produced by Project for Public Places
- \* Biannual, lasts for three days
- \* Based on belief that “greater access to walking and bicycling will create healthier individuals, cohesive neighborhoods, and vibrant communities”
- \* Programming organized into four tracks: change, connect, prosper, and sustain, reflecting the stages a community goes through in working to become a bikeable and walkable place
- \* Includes plenaries, breakouts, poster sessions, and mobile workshops around the conference host city
- \* For 2016, the conference is expected to draw 1,000 city planners, transportation engineers, public health advocates, elected officials, community leaders, and professional walking and biking advocates



## The Cool World Conference

- \* Concept: An international conference on constructive responses to climate change in the public and private sectors
- \* Duration: Three days
- \* Venues: Downtown hotels and meeting spaces
- \* Visitors: 800 public sector leaders and private sector activists
- \* Key Partners: ASU
- \* Sponsors: Foundations





## Living Future unConference

- \* Hosted by the International Living Future Institute
- \* A forum for leaders in green building
- \* Entering its 10<sup>th</sup> year in 2016
- \* Programming includes hands-on workshops, tours, interactive breakout sessions, a variety of speaker sessions (keynotes, '15 Minutes of Brilliance', etc.), and a trade show
- \* Trade show features products and services that contribute to a sustainable built environment
- \* Conference spans three full days and one evening
- \* The 2014 conference had 1,300 attendees
- \* The International Living Future Institute also hosts the Net Positive Energy + Water Conference, which focuses on net zero energy and water concepts



## The Cool World Trade Show

- \* Concept: A trade show focused on goods and services having positive impacts on climate change
- \* Duration: Three days
- \* Venues: Downtown hotels and exhibit halls
- \* Visitors: 7,500 - regional, national and international
- \* Key Partners: ASU
- \* Sponsors: Foundations and private industry



## Aquatech Amsterdam | Amsterdam, Netherlands

- \* A five day trade exhibition dedicated to innovation in the water industry
- \* A bi-annual event, Aquatech attracts over 18,500 visitors and 750+ exhibitors
- \* The event takes place during the Amsterdam International Water Week
- \* In partnership with Water Week, programs include the Amsterdam International Water Week Conference, Young Water Professionals events, a World Championship Pipefitting Competition, and an Aquatech Innovation Award ceremony
- \* The trade show features multiple country pavilions, mini-seminars and workshops, an Innovation LAB, and pavilions dedicated to specific topics (storm water, industrial water use, and so on)



## The Cool World Healthy Living Festival

- \* Concept: A trade show focused on opportunities for healthy living
- \* Duration: Three days
- \* Venues: Downtown hotels and exhibit spaces
- \* Visitors: 6,000 regional and national
- \* Key Partners: Commercial sector
- \* Sponsors: Industry



## Weekend of Wellness | Telluride, CO

- \* Works to “identify, address, and change a neglected global epidemic and the social issue of our nation’s depression and obesity problem”
- \* Produced by Fuel Telluride (a local gym) and a local entrepreneur/yoga studio owner
- \* In its third year; spans four days
- \* Activities include lectures, workshops, fitness classes, group hikes, mountain climbing, and biking
- \* Marketed as a festival for all ages, body types, and levels of fitness



## The Cool World Food Festival

- \* Concept: A food and beverage festival with a strong orientation to healthy choices around production and consumption
- \* Duration: Three days
- \* Venues: Downtown Scottsdale - outdoors
- \* Visitors: 9,000 in year one – regional and national
- \* Key Partners: Culinary Festival
- \* Sponsors: Industry and foundations



## Chicago VeganMania | Chicago, IL

- \* In its 7<sup>th</sup> year
- \* Features a vegan food court with foods prepared by Chicago's top vegan and vegan-friendly restaurants; an exhibit hall with vegan clothing, shoes, accessories, home, and body care products; and Culture Café, a coffeehouse with live music
- \* Programming includes lectures, panel discussions, opportunities for one-on-one conversations with vegan experts, and cooking demos
- \* For the event, VeganMania has minted their own currency—V-Bucks—that are for use in the food court
- \* The event is incredibly green—last year, a total of five trash bags were sent to a landfill while more than 15 times that amount was composted or turned into new products



## The Cool World Music Festival

- \* Concept: A weekend music festival with a series of major performers all embracing the Cool World Concept.
- \* Duration: Two days
- \* Venues: Westworld
- \* Visitors: 20,000 national and international
- \* Artists: Sheryl Crow, Melissa Etheridge, Jason Mraz, Bonnie Raitt, Green Day, Pearl Jam, The Roots, Willie Nelson, Jack Johnson, John Legend, Linkin Park, Barenaked Ladies, Arcade Fire, Maroon 5, Norah Jones, Dave Matthews, John Mayer, Ben Harper, Janelle Monae, Carole King, Alanis Morissette, Phish, James Taylor, and Coldplay.
- \* Sponsors: Corporate





## Lightning in a Bottle | Lake San Antonio, CA

- \* Festival promoting sustainability, social cohesion, personal health, and creative expression
- \* Features music, art installations, guest speakers, yoga classes, group meditation, a market, and a learning kitchen that offers nutrition classes and cooking demos
- \* Is the only festival in the United States to win the “Outstanding Award” from A Greener Festival five years in a row
- \* Treats itself as an experiment in village living



## Outside Lands | San Francisco, CA

- \* An annual, three-day festival celebrating music, food, wine, beer, art, and comedy
- \* Held in Golden Gate Park
- \* Features big name musicians (from Elton John to Kendrick Lamar) and comedians
- \* Partners with NRG (a sustainable energy provider) to promote Eco Lands, an educational forum on sustainability
- \* Eco Lands includes a refillable water program (in partnership with CamelBak), a farmer's market, urban gardening workshops, digital detox areas (featuring a Device-Free Tea Lounge, Typewriter Range, and Human Powered Search Engine), a bike party, and a waste diversion program
- \* In 2014, Outside Lands had \$19.1M in gross sales and an overall attendance of 202,963



## Bumbershoot | Seattle, WA

- \* One of North America's largest international music and arts festival; in its 45<sup>th</sup> year
- \* Co-produced by One Reel and AEG Live and spans three days
- \* Features a myriad of programs like live music, comedy, theatre, film, visual arts, and dance
- \* Festival has an environmental focus, offering several activities and seminars, recycling, compost, and renewable energy stations throughout the site
- \* In 2015, partnered with the Center for Infectious Disease Research in effort to spread global health awareness
- \* Curated by the Seattle Children's Museum, Youngershoot Kids' Zone is an interactive programming space for kids ages 10 and under
- \* For 2014, total attendance was estimated at 125,000



## The Cool World Public Art Competition

- \* Concept: A two-week exhibition of juried public art themed around environmental sustainability.
- \* Duration: Two weeks
- \* Venues: All over Scottsdale
- \* Visitors: 50,000 national and international
- \* Cash prizes for participating artists
- \* Sponsors: Corporate



## ArtPrize Grand Rapids, MI

- \* An annual competition with large outdoor pieces.
- \* 19 days with art displayed throughout 3 square miles of downtown Grand Rapids
- \* Winners selected through juried and public voting, with cash prizes totaling \$500,000.
- \* Organized and funded by local foundations
- \* 400,000 visitors in 2013



## Pro-forma operating budget

- \* We have projected attendance, earned income and operating expenses for each of the ten recommended components of the Festival, in addition to general and administrative expenses .
- \* We are projecting that all ten events are produced in the first year, though the City may elect to take a more phased approach – starting with a smaller set of events.
- \* The next slide is a summary of the pro-forma operating budget.
- \* We project that there is a \$650,000 shortfall in the first year of the event, with break-even achieved in the fifth year.
- \* Note that there are no additional capital expenditures required to mount this set of events.





Summary	Cool World										General	Year One Total
	Scottsdale Criterium	Bike Ride	Bike Fair	Bike Conference	Cool World Conference	Trade Show	Cool World Healthy Living	Cool World Food Fest	Cool World Music Festival	Cool World Public Art		
Description	Competitive bike race	Fun ride	Trade show	Policy conference	Policy conference	Trade show	Healthy living festival	Food & drink festival	Entertainment festival	Exhibition		
Venues	Downtown	Scottsdale	Hotels	Hotels	Hotels	Hotels	Hotels	Hotels	Westworld	Scottsdale		
Porential Partners	USA Cycling	Tour de Scottsdale			ASU/Botanical Garden	ASU		Botanical Garden		Public Art		
Duration	1 day	1 Day	3 days	2 days	3 days	3 days	3 days	3 days	2 days	14 days		
Attendrs	5,000	1,000	6,000	400	800	7,500	6,000	9,000	20,000	50,000		105,700
Participants	300	500										800
Exhibitors			100			200	100	60				460
<b>Earned Revenues</b>												
Ticket Sales			60,000			75,000	60,000	25,000	1,500,000			1,720,000
Participant Fees	15,000	25,000		160,000	320,000							520,000
Exhibitor Fees			25,000			25,000	25,000	15,000				90,000
Sponsor Fees	60,000	25,000	100,000	20,000	40,000	50,000	50,000	100,000	300,000	150,000		895,000
Merchandise Income									20,000			
Food and Beverage Income								18,000	80,000			98,000
	<b>75,000</b>	<b>50,000</b>	<b>185,000</b>	<b>180,000</b>	<b>360,000</b>	<b>150,000</b>	<b>135,000</b>	<b>158,000</b>	<b>1,900,000</b>	<b>150,000</b>	<b>0</b>	<b>3,323,000</b>
<b>Operating Expenses</b>												
Staffing	25,500	28,500	10,500	45,000	85,000	25,000	14,500	27,500	127,500	25,000	150,000	564,000
Marketing	50,000	10,000	50,000	15,000	50,000	50,000	50,000	50,000	100,000	25,000	100,000	550,000
Overheads											33,000	33,000
Production	65,000	10,000		55,000	115,000		30,000	65,000	1,770,000	140,000		2,250,000
Equipment	17,500	32,500	53,500	40,000	100,000	80,000	52,500	85,900	80,000	30,000		571,900
	<b>158,000</b>	<b>81,000</b>	<b>114,000</b>	<b>155,000</b>	<b>350,000</b>	<b>155,000</b>	<b>147,000</b>	<b>228,400</b>	<b>2,077,500</b>	<b>220,000</b>	<b>283,000</b>	<b>3,968,900</b>
<b>Net from Event</b>	<b>-83,000</b>	<b>-31,000</b>	<b>71,000</b>	<b>25,000</b>	<b>10,000</b>	<b>-5,000</b>	<b>-12,000</b>	<b>-70,400</b>	<b>-177,500</b>	<b>-70,000</b>		<b>-645,900</b>



## Pro-forma operating budget

Operating Budget Summary	Year One Total	Year Two Total	Year Three Total	Year Four Total	Year Five Total
Attendance	105,700	126,840	152,208	182,650	219,180
Total Revenues	\$ 3,323,000	\$3,821,450	\$ 4,394,668	\$ 5,053,868	\$ 5,811,948
Total Expenses	\$ 3,968,900	\$4,365,790	\$ 4,802,369	\$ 5,282,606	\$ 5,810,866
Net	\$ (645,900)	\$ (544,340)	\$ (407,702)	\$ (228,738)	\$ 1,081





## Economic impacts

Estimating the local impacts of new visitors

- \* Step 1: Estimating distinct and impactful attendance
- \* Step 2: Projecting expenditures based on 2014 Longwood survey
- \* Step 3: Projecting economic impacts using RIMS II multipliers purchased from the Bureau of Labor for Maricopa County.



# Impacts - attendance

- \* The first step is to identify distinct visitors, meaning those that do not come for another of the events in order to avoid double-counting.
- \* Then we take out attenders who come from the County but leave those from the County who would have gone elsewhere for a comparable event. Then we add those from the region (those who do not stay over but come from outside the County) and those from beyond the region. This leaves us with a number of distinct new spenders coming to each of the ten events.

Event	Scottsdale Criterium	Bike Ride	Bike Fair	Bike Conference	Cool World Conference	Cool World Trade Show	Cool World Healthy Living	Cool World Food Fest	Cool World Music Festival	Cool World Public Art	General	Total
1. Total Attenders	5,000	1,000	6,000	400	800	7,500	6,000	9,000	20,000	50,000		105,700
% Distinct Attenders	80%	80%	60%	80%	80%	80%	80%	60%	80%	25%		
2. Distinct Attenders	4,000	800	3,600	320	640	6,000	4,800	5,400	16,000	12,500		54,060
3. % from County	30%	30%	30%	10%	10%	30%	30%	30%	30%	50%		
4. % recovered	10%	10%	10%	0%	0%	10%	10%	10%	10%	10%		
5. % new regional	30%	30%	30%	20%	20%	30%	30%	30%	30%	20%		
6. % non-regional	30%	30%	30%	70%	70%	30%	30%	30%	30%	20%		
7. Total impactful	70%	70%	70%	90%	90%	70%	70%	70%	70%	50%		
8. Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%		
9. County #	1,200	240	1,080	32	64	1,800	1,440	1,620	4,800	6,250		
10. Recovered County #	400	80	360	0	0	600	480	540	1,600	1,250		
11. Regional #	1,200	240	1,080	64	128	1,800	1,440	1,620	4,800	2,500		
12. Total Regional #	1,600	320	1,440	64	128	2,400	1,920	2,160	6,400	3,750		
13. Non-regional #	1,200	240	1,080	224	448	1,800	1,440	1,620	4,800	2,500		
14. Total New #	2,800	560	2,520	288	576	4,200	3,360	3,780	11,200	6,250		35,534



## Visitor expenditures

- \* The next step is to estimate spending, here using the results of the 2014 Longwoods visitor spending survey commissioned by the City of Scottsdale.
- \* The key is establishing per capita spending rates for overnight visitors versus day-trippers.

### Scottsdale Visitor Spending

Total 2014 Overnight Person Trips	4,300,000
2014 Overnight Spending - Lodging	\$420,000,000
2014 Overnight Spending - F&B	\$263,000,000
2014 Overnight Spending - Retail	\$182,000,000
2014 Overnight Spending - Transportation	\$92,000,000
2014 Overnight per Capita - Lodging	\$97.67
2014 Overnight per Capita - F&B	\$61.16
2014 Overnight per Capita - Retail	\$42.33
2014 Overnight per Capita - Transportation	\$21.40
Total 2014 Day Person Trips	4,000,000
2014 Day Trip Spending - F&B	\$101,000,000
2014 Day Trip Spending - Retail	\$71,000,000
2014 Day Trip Spending - Transportation	\$43,000,000
2014 Day Trip per Capita - F&B	\$25.25
2014 Day Trip per Capita - Retail	\$17.75
2014 Day Trip per Capita - Transportation	\$10.75



# Impacts - expenditures

- \* Now we apply the per capita expenditure estimates from 2014 to projected attendance at each of the ten events, differentiating between regional visitors and those who come from away.
- \* This allows us to project total spending on retail, food and beverage, accommodation and transportation.
- \* We also add projected operational spending for each of the events, noting that portion likely spent in the County.

Expenditures	Scottsdale Criterium	Bike Ride	Bike Fair	Bike Conference	Cool World Conference	Cool World Trade Show	Cool World Healthy Living	Cool World Food Fest	Cool World Music Festival	Cool World Public Art	General	Total
<b>Operational spending</b>												
Non-personnel budget	\$132,500	\$52,500	\$103,500	\$110,000	\$265,000	\$130,000	\$132,500	\$200,900	\$1,950,000	\$195,000	\$3,404,900	
Spent locally %	60%	90%	80%	80%	80%	80%	80%	80%	40%	60%	80%	
Spent locally \$	\$79,500	\$47,250	\$82,800	\$88,000	\$212,000	\$104,000	\$106,000	\$160,720	\$780,000	\$117,000	\$2,723,920	\$1,777,270
<b>Audience Spending</b>												
<b>Retail</b>												
New regional visitors	1,600	320	1,440	64	128	2,400	1,920	2,160	6,400	3,750		
Regional \$/person	\$17.75	\$17.75	\$17.75	\$17.75	\$17.75	\$17.75	\$17.75	\$17.75	\$17.75	\$17.75		
New non-regional visitors	1,200	240	1,080	224	448	1,800	1,440	1,620	4,800	2,500		
Non-regional \$/person	\$42.33	\$42.33	\$42.33	\$42.33	\$42.33	\$42.33	\$42.33	\$42.33	\$42.33	\$42.33		
Total	\$79,191	\$15,838	\$71,272	\$10,617	\$21,234	\$118,786	\$95,029	\$106,907	\$316,763	\$172,376		\$1,008,013
<b>Food &amp; Beverage</b>												
New regional visitors	1,600	320	1,440	64	128	2,400	1,920	2,160	6,400	3,750		
Regional \$/person	\$25.25	\$25.25	\$25.25	\$25.25	\$25.25	\$25.25	\$25.25	\$25.25	\$25.25	\$25.25		
New non-regional visitors	1,200	240	1,080	224	448	1,800	1,440	1,620	4,800	2,500		
Non-regional \$/person	\$61.16	\$61.16	\$61.16	\$61.16	\$61.16	\$61.16	\$61.16	\$61.16	\$61.16	\$61.16		
Total	\$113,795	\$22,759	\$102,416	\$15,316	\$30,633	\$170,693	\$136,554	\$153,624	\$455,181	\$247,594		\$1,448,567
<b>Accommodations</b>												
New regional visitors	1,600	320	1,440	64	128	2,400	1,920	2,160	6,400	3,750		
Regional \$/person	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		
New non-regional visitors	1,200	240	1,080	224	448	1,800	1,440	1,620	4,800	2,500		
Non-regional \$/person	\$97.67	\$97.67	\$97.67	\$97.67	\$97.67	\$97.67	\$97.67	\$97.67	\$97.67	\$97.67		
Total	\$117,209	\$23,442	\$105,488	\$21,879	\$43,758	\$175,814	\$140,651	\$158,233	\$468,837	\$244,186		\$1,499,498
<b>Transportation</b>												
New regional visitors	1,600	320	1,440	64	128	2,400	1,920	2,160	6,400	3,750		
Regional \$/person	\$10.75	\$10.75	\$10.75	\$10.75	\$10.75	\$10.75	\$10.75	\$10.75	\$10.75	\$10.75		
New non-regional visitors	1,200	240	1,080	224	448	1,800	1,440	1,620	4,800	2,500		
Non-regional \$/person	\$21.40	\$21.40	\$21.40	\$21.40	\$21.40	\$21.40	\$21.40	\$21.40	\$21.40	\$21.40		
Total	\$42,874	\$8,575	\$38,587	\$5,481	\$10,961	\$64,312	\$51,449	\$57,880	\$171,498	\$93,801		\$545,418





\* We calculate economic impacts by applying RIMS II input/output multipliers to each expenditure category.

building creativity

\* Thus we are able to forecast total new sales, earnings and jobs created in the County as a result of the attendance and expenditures associated with each of the ten events.

Economic Impacts	Scottsdale Criterium	Bike Ride	Bike Fair	Bike Conference	Cool World Conference	Cool World Trade Show	Cool World Healthy Living	Cool World Food Fest	Cool World Music Festival	Cool World Public Art	General	Total
Operational Spending	\$79,500	\$47,250	\$82,800	\$88,000	\$212,000	\$104,000	\$106,000	\$160,720	\$780,000	\$117,000	\$2,723,920	
Sales Multiplier	2.0148	2.0148	2.0148	2.0148	2.0148	2.0148	2.0148	2.0148	2.0148	2.0148	2.0148	2.0148
Earnings Multiplier	0.6344	0.6344	0.6344	0.6344	0.6344	0.6344	0.6344	0.6344	0.6344	0.6344	0.6344	0.6344
Jobs Multiplier	30.2431	30.2431	30.2431	30.2431	30.2431	30.2431	30.2431	30.2431	30.2431	30.2431	30.2431	30.2431
Sales Impact	\$160,177	\$95,199	\$166,825	\$177,302	\$427,138	\$209,539	\$213,569	\$323,819	\$1,571,544	\$235,732	\$5,488,154	
Earnings Impact	\$50,435	\$29,975	\$52,528	\$55,827	\$134,493	\$65,978	\$67,246	\$101,961	\$494,832	\$74,225	\$1,728,055	
Jobs Impact	2.4	1.4	2.5	2.7	6.4	3.1	3.2	4.9	23.6	3.5	82.4	
Audience Spending												
Retail												
Expenditures	\$79,191	\$15,838	\$71,272	\$10,617	\$21,234	\$118,786	\$95,029	\$106,907	\$316,763	\$172,376		
Sales Multiplier	1.9641	1.9641	1.9641	1.9641	1.9641	1.9641	1.9641	1.9641	1.9641	1.9641	1.9641	1.9641
Earnings Multiplier	0.6293	0.6293	0.6293	0.6293	0.6293	0.6293	0.6293	0.6293	0.6293	0.6293	0.6293	0.6293
Jobs Multiplier	20.8232	20.8232	20.8232	20.8232	20.8232	20.8232	20.8232	20.8232	20.8232	20.8232	20.8232	20.8232
Sales Impact	\$155,538	\$31,108	\$139,985	\$20,853	\$41,705	\$233,308	\$186,646	\$209,977	\$622,154	\$338,565		
Earnings Impact	\$49,835	\$9,967	\$44,851	\$6,681	\$13,362	\$74,752	\$59,802	\$67,277	\$199,339	\$108,477		
Jobs Impact	1.6	0.3	1.5	0.2	0.4	2.5	2.0	2.2	6.6	3.6		
Food & Beverage												
Expenditures	\$113,795	\$22,759	\$102,416	\$15,316	\$30,633	\$170,693	\$136,554	\$153,624	\$455,181	\$247,594		
Sales Multiplier	2.1114	2.1114	2.1114	2.1114	2.1114	2.1114	2.1114	2.1114	2.1114	2.1114	2.1114	2.1114
Earnings Multiplier	0.937	0.937	0.937	0.937	0.937	0.937	0.937	0.937	0.937	0.937	0.937	0.937
Jobs Multiplier	19.6564	19.6564	19.6564	19.6564	19.6564	19.6564	19.6564	19.6564	19.6564	19.6564	19.6564	19.6564
Sales Impact	\$240,267	\$48,053	\$216,241	\$32,339	\$64,678	\$360,401	\$288,321	\$324,361	\$961,070	\$522,771		
Earnings Impact	\$106,626	\$21,325	\$95,964	\$14,352	\$28,703	\$159,939	\$127,951	\$143,945	\$426,505	\$231,996		
Jobs Impact	2.2	0.4	2.0	0.3	0.6	3.4	2.7	3.0	8.9	4.9		
Accommodations												
Expenditures	\$117,209	\$23,442	\$105,488	\$21,879	\$43,758	\$175,814	\$140,651	\$158,233	\$468,837	\$244,186		
Sales Multiplier	1.9412	1.9412	1.9412	1.9412	1.9412	1.9412	1.9412	1.9412	1.9412	1.9412	1.9412	1.9412
Earnings Multiplier	0.5939	0.5939	0.5939	0.5939	0.5939	0.5939	0.5939	0.5939	0.5939	0.5939	0.5939	0.5939
Jobs Multiplier	18.4203	18.4203	18.4203	18.4203	18.4203	18.4203	18.4203	18.4203	18.4203	18.4203	18.4203	18.4203
Sales Impact	\$227,527	\$45,505	\$204,774	\$42,472	\$84,943	\$341,290	\$273,032	\$307,161	\$910,107	\$474,014		
Earnings Impact	\$69,611	\$13,922	\$62,650	\$12,994	\$25,988	\$104,416	\$83,533	\$93,974	\$278,442	\$145,022		
Jobs Impact	2.2	0.4	1.9	0.4	0.8	3.2	2.6	2.9	8.6	4.5		
Transportation												
Expenditures	\$42,874	\$8,575	\$38,587	\$5,481	\$10,961	\$64,312	\$51,449	\$57,880	\$171,498	\$93,801		
Sales Multiplier	2.2024	2.2024	2.2024	2.2024	2.2024	2.2024	2.2024	2.2024	2.2024	2.2024	2.2024	2.2024
Earnings Multiplier	0.6781	0.6781	0.6781	0.6781	0.6781	0.6781	0.6781	0.6781	0.6781	0.6781	0.6781	0.6781
Jobs Multiplier	18.4671	18.4671	18.4671	18.4671	18.4671	18.4671	18.4671	18.4671	18.4671	18.4671	18.4671	18.4671
Sales Impact	\$94,427	\$18,885	\$84,984	\$12,070	\$24,141	\$141,640	\$113,312	\$127,476	\$377,706	\$206,587		
Earnings Impact	\$29,073	\$5,815	\$26,166	\$3,716	\$7,433	\$43,610	\$34,888	\$39,249	\$116,293	\$63,606		
Jobs Impact	0.8	0.2	0.7	0.1	0.2	1.2	1.0	1.1	3.2	1.7		
Total												
Sales Impact	\$877,936	\$238,751	\$812,809	\$285,036	\$642,605	\$1,286,178	\$1,074,880	\$1,292,794	\$4,442,581	\$1,777,668	\$5,488,154	\$18,219,393
Earnings Impact	\$305,579	\$81,004	\$282,159	\$93,570	\$209,979	\$448,695	\$373,420	\$446,406	\$1,515,411	\$623,326	\$1,728,055	\$6,107,604
Jobs Impact	9.2	2.8	8.7	3.7	8.5	13.4	11.4	14.1	50.9	18.2	82.4	223.3

## Economic impact summary

Attendees	Total	105,700
	Distinct	54,060
	New	35,534
Expenditures	Operational	\$1,777,270
	Audiences	
	Retail	\$1,008,013
	F&B	\$1,448,567
	Accommodations	\$1,499,498
	Transportation	\$545,418
	Total	\$6,278,765
Economic Impacts	Sales Impact	\$18,219,393
	Earnings Impact	\$6,107,604
	Jobs Impact	223.3

- \* In summary, 36,000 distinct new visitors in the first year of the ten events lead to new expenditures in Scottsdale of over \$6 million in that year.
- \* Those expenditures, and how they are spent and re-spent in the local economy, have a much greater economic impact in terms of new sales, new earnings and new jobs created every year.



## Governance recommendations

- \* Each of the ten events will require a producer or producing organization to mount and execute the event. In some cases, there are local organizations already identified as potential partners - such as the Public Art Division of the Scottsdale Cultural Council, Arizona State University, Arizona Cycling and the Desert Botanical Garden.
- \* Even with qualified event producers, the overall set of events will require a managing organization to oversee the timing, scheduling and management of each component, the overall branding and marketing of the set of events, efforts to attract sponsors for each event, and the coordination required between event producers and the City of Scottsdale.
- \* Here we see several options:
  1. Hire an outside producer through a competitive bid process.
  2. Contract the Scottsdale Cultural Council to manage the events
  3. Run the events through the City's Tourism & Events Department
- \* We would recommend that the Cultural Council be given the first opportunity to develop and propose a plan to the City as to how they would take this on given their mission and skills. If that plan proves unacceptable, the City can issue an RFP to other event producers. If no acceptable bids are received, the City will have to take this on.



## Best practices in event management

- \* Even with outside event producers and one overall event coordinator, the City of Scottsdale can and should play a critical role in supporting the planning and execution of new events.
- \* Recent event planners and producers have expressed frustration at the pace, complexity and cost of organizing events in and with the City.
- \* Moving forward, we would recommend that the City pursue new policy and practices that make it easier, cheaper and faster to organize and execute events in the City.
- \* To that end, we have researched best practices in other communities.



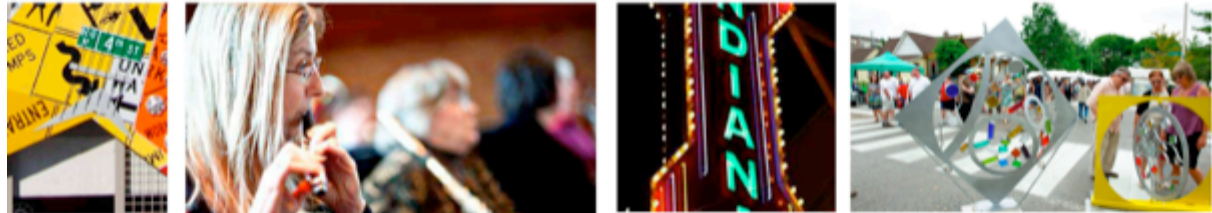


# CITY OF BLOOMINGTON ARTS COMMISSION PUBLIC ART MASTER PLAN



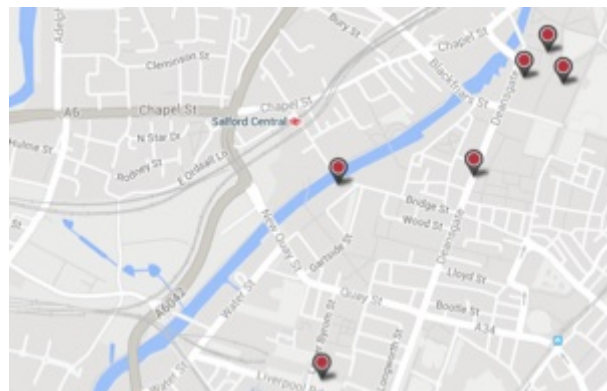
## policy Parking Meter Policy Reversal | City of Bloomington | Bloomington, Indiana

- \* Following in the footsteps of surrounding communities, the City of Bloomington planned to implement a festival parking meter policy in the fall of 2013
- \* The policy would have required festival and downtown event producers to pay a fee (roughly 85% of the total potential revenue) for each metered parking spot that could not be used during the time of the event
- \* Event organizers opposed the policy, arguing that it would be detrimental to event growth and would discourage new events from developing
- \* After hearing from event organizers, the City decided to revoke the policy



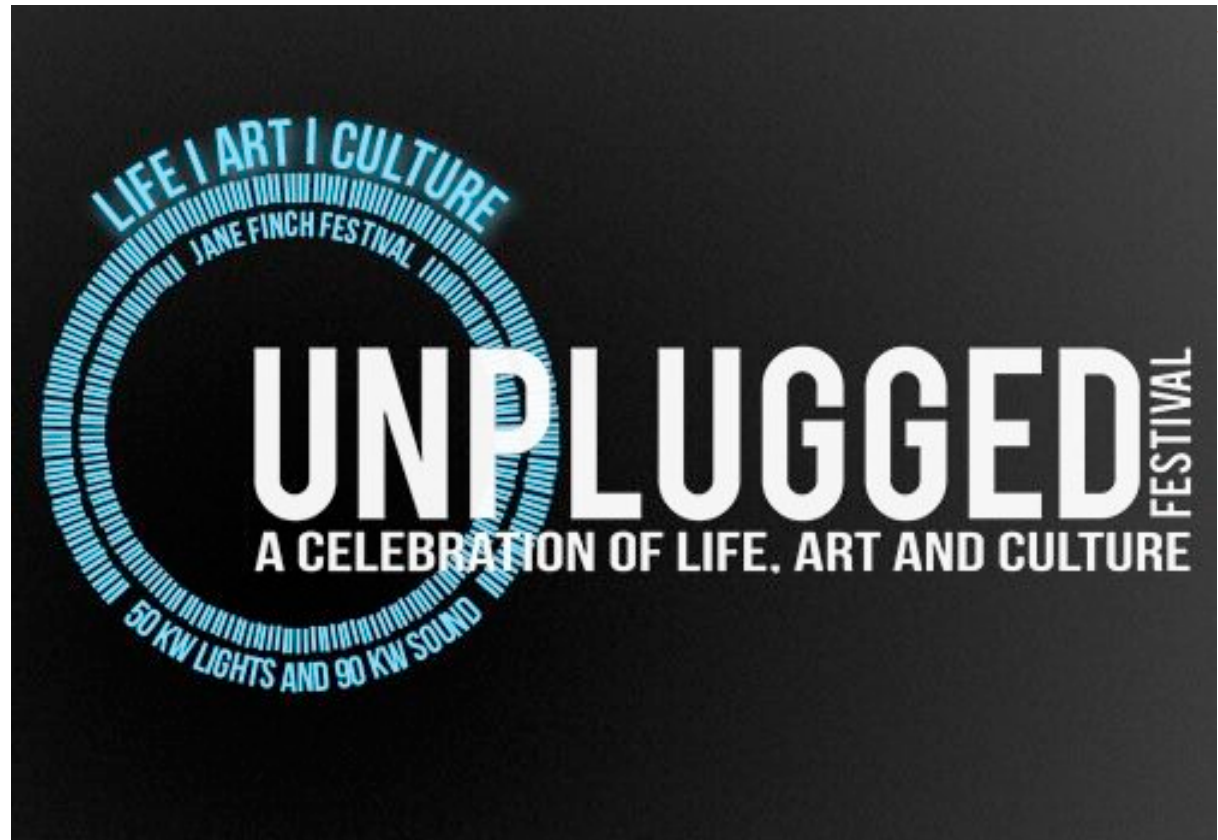
**initiative** City Loos | CityCo + Manchester City Council | Manchester, England

- \* CityCo is the management company for Manchester's city center
- \* In 2009, CityCo partnered with Manchester City Council to launch City Loos, a program that encourages retailers and venues to open their restrooms to the public
- \* The program was initiated following a number of complaints about the city's lack of public facilities
- \* Currently, seven businesses participate in the program, which can be identified by purple window stickers
- \* In addition, Manchester has installed CCTVs to deter anti-social behavior around public toilets within the city center and has enhanced restroom facilities for the disabled



**funding** Community Festivals +  
Special Events Investment  
Program | City of Toronto | Toronto,  
Ontario

- \* A funding program that provides start-up or early-stage funding for small, non-profit festivals and community events
- \* Events should encourage residents to have fun, participate in their community, connect with each other, and contribute to community strength
- \* Grants range in size from \$8,000 to \$10,000 a year for up to two years
- \* Applicants are required to submit a work plan, two-year budget, and organization budget as part of the application process



**funding Festivals + Event Scheme |**  
The Arts Council of Ireland |  
Dublin, Ireland

- \* The Arts Council of Ireland is a governmental agency responsible for developing the arts
- \* The Festivals + Events Scheme is a funding program promoting multi-disciplinary and single artform festivals and events
- \* Funding is available in two categories:
  - \* **Strand 1** provides up to €10,000 for first-time applicants
  - \* **Strand 2** provides between €10,001 and €20,000 for festivals previously funded by the program
- \* The program is particularly interested in events that maximize audience attendance and diversity, express an overarching artistic vision that resonates with the local context, and that extend the range or nature of the types of engagement offered to audiences in a particular geographical area



process support Event Information Kit | Redland City Council | Redland City, Australia

- \* The Redland City Council Event Information Kit is a 30-page handbook for potential event and festival planners
- \* The handbook covers everything from traffic management and electrical safety to food and liquor allowances and amusement operations
- \* An event checklist lists all of the items covered in the handbook, the action required to meet Council requirements, and specific contacts for further information
- \* Local community organizations and individuals are also eligible to apply for grants and sponsorships (either as a financial or in-kind contribution) to support projects and events that benefit the community

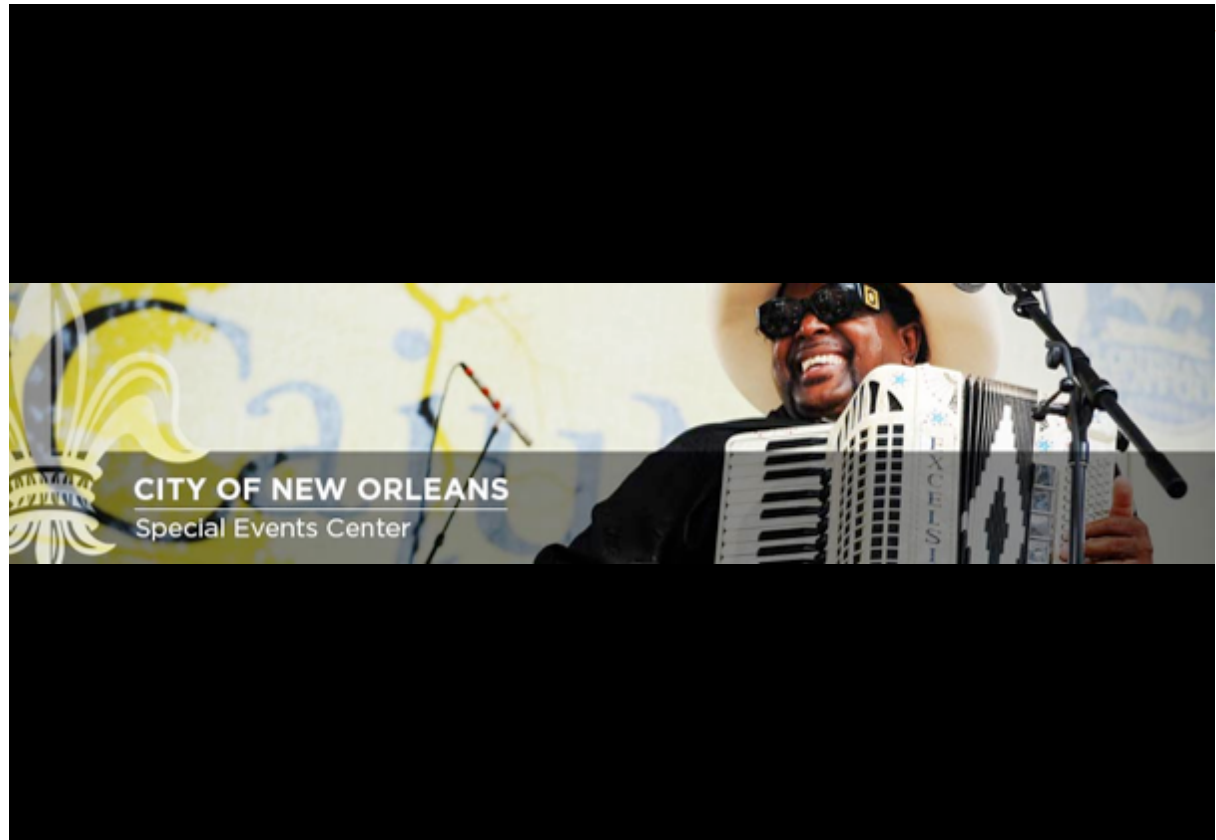


Redland City Council  
**Event Information Kit**  
 General information about holding events in the Redlands



process support Special Events  
Center | City of New Orleans | New  
Orleans, Louisiana

- \* The Special Events Center is an online portal for festival and event planners
- \* Planners can look up event needs and requirements by type (wedding, parade, trade show, etc.) or level of impact (categorized by attendance and geographic reach)
- \* The site also provides access to the City's Event Support Team, a multi-agency team of decision makers that represent the municipal departments involved and/or affected by event production; the Team meets monthly to review events, mitigate operational issues, and provide counsel to event planners; during the meetings, event operators can share the details of their event and get feedback
- \* The City also hosts training and informational sessions
- \* The **One Stop Shop** is the City's online resource for all city permits and licenses
- \* The Events Center also provides a fee schedule and list of important City contacts

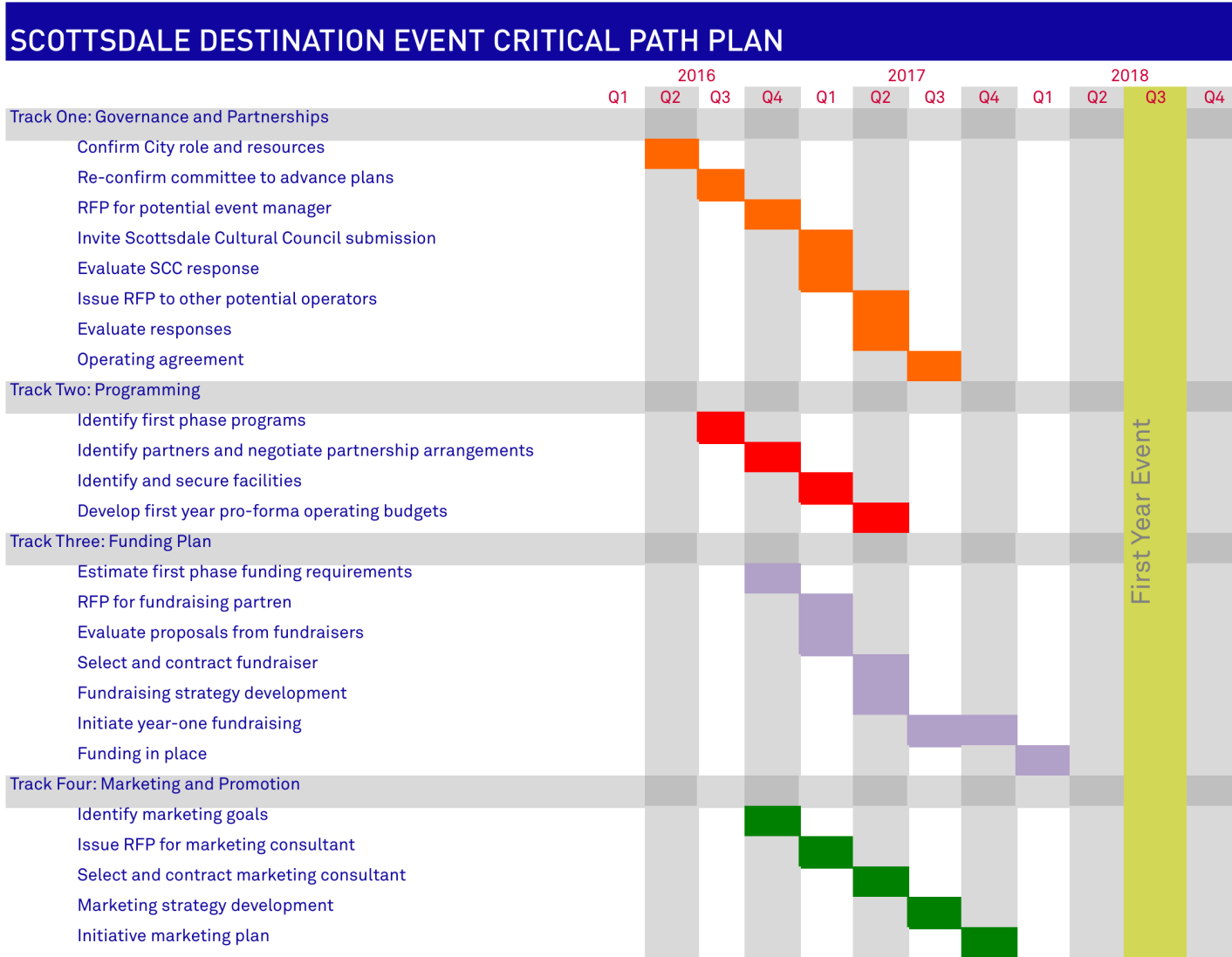


## Event support recommendations

- \* Review city policies and, where appropriate, change or adapt them to support and accommodate events
- \* Develop city initiatives that make getting around and using the city easy, both for residents and visitors
- \* Create funding streams that provide short-term financial support to new or growing festivals/ events
- \* Build a system of support for festival and event planners that spells out city policies and procedures, connects planners to key points of contact, and functions as a sounding board throughout the planning process



# Critical Path Plan





## **SPONSOR POTENTIAL FOR PROPOSED EVENT CONCEPTS**

*Presented by Bruce Skinner, Bruce Skinner and Associates  
In association with Webb Management Services*

Webb Management Services has developed a business plan for an event for the City of Scottsdale. It proposes producing 10 events (some of which have other events within them), which will generate \$895,000 in sponsorship.

After researching several domestic events of their type, I think that the sponsorship goal above is attainable. As part of my research, I talked to event organizers that sell sponsorship for each event category. In addition to researching these “one off” events, I also contacted many events in metro areas similar to Phoenix that do multi-day, multi-event festivals. I discovered that most of these festivals/events – similar what is being proposed for Scottsdale – generate sponsorship well above the \$895,000 figure.

Although their schedules don’t include the same events as the proposed Scottsdale calendar, they do include some of the components and are multi-faceted in scope.

They include:

- **500 Festival | Indianapolis, IN** – This 10-day event held in conjunction with the Indy 500 race produces a major parade, the largest half marathon in the world, many other events, and has funded public art. It raises \$5.5 million in sponsorship, \$3.5 million in cash and another \$2 million in budget relieving in kind.
- **Kentucky Derby Festival | Louisville, KY** – A two week event that features a music event, food festival, parade, the largest ongoing fireworks show in the U.S., and a comprehensive environmental/recycling program. They raise \$3.3 million in cash sponsorship.
- **Memphis in May | Memphis, TN** – Voted the top event in the South by USA Today, this festival features a food festival (barbecue competition), international performances, and a major music festival. It brings in \$1.8 million in cash sponsorship.
- **Sunfest | West Palm Beach, FL** – This event is primarily a music festival but also produces other events in a market similar to Scottsdale. It generates \$1.2 million in cash sponsorship.
- **National Cherry Festival | Traverse City, MI** – Held in a city of only 15,000 people, this event still does \$585,000 in sponsorship and produces many events that are being proposed for Scottsdale – healthy lifestyle (cycling, running), a major music festival, food events and has an environmental component.

**Projected Sponsorship for entire event (Webb Management) \$895,000**

**Likely Sponsorship \$895,000 -- \$2,000,000**

**Comment:** As you can see by the above, there are many major events in the country that produce seven figure sponsorship revenues.

## THE COOL WORLD MUSIC FESTIVAL

- Concept: A weekend music festival with a series of major performers all embracing the Cool World Concept.
- Duration: Two days
- Venues: Westworld
- Visitors: 20,000 national and international
- Artists: Sheryl Crow, Melissa Etheridge, Jason Mraz, Bonnie Raitt, Green Day, Pearl Jam, The Roots, Willie Nelson, Jack Johnson, John Legend, Linkin Park, Barenaked Ladies, Arcade Fire, Maroon 5, Norah Jones, Dave Matthews, John Mayer, Ben Harper, Janelle Monae, Carole King, Alanis Morissette, Phish, James Taylor, and Coldplay.
- Sponsors: Corporate

**Projected Sponsorship (Webb Management Budget)     \$300,000**

**Likely Sponsorship     \$400,000 -- \$1,000,000**

**Comment:** Among all the event types mentioned in the report, historically, music festivals sell more sponsorship than any other type. Therefore, it has the best chance of achieving partnership success.

### **Examples**

- **Summerfest | Milwaukee, WI** – An 11 day event in July, Summerfest sells over \$5 million in sponsorship, according to Festival producer Bob Babisch. They include Miller Brewing, Briggs & Stratton, U.S. Cellular, BMO, Harley Davidson, Kohl’s Pepsi, Northwestern Mutual, Sentry Foods, McDonald’s and many others. Every major act has played here.
- **Memphis in May | Memphis, TN** – *USA Today* rated this festival as the best Southern event. It is a multi-faceted event and includes the Beale Street Music Festival, the Autozone Sunset Symphony Grand Finale, and other cultural events. The festival sells \$686,000 for Beale Street alone.
- **Sunfest | West Palm Beach, FL** – Another top music event, Sunfest, draws 170,000 people in April, with \$1.2 million in cash sponsorship. Although it has other events, it is mostly a music festival.
- **Bumbershoot | Seattle, WA** – This performing arts event is only three days, but according to former Festival Director Jon Stone, it generates \$600,000-\$1.3 million in sponsorship per year, depending on if they are successful at selling titles. Entering its 46<sup>th</sup> year, Bumbershoot offers visual arts, film, theater, dance and comedy; but its major focus is music.
- There are many other events that sell sponsorship at this level, including many in California, South by Southwest in Austin, Texas, Forecastle in Louisville, Kentucky, and other events produced by promoter AEG.

## THE COOL WORLD PUBLIC ART COMPETITION

- Concept: A two-week exhibition of juried public art themed around environmental sustainability
- Duration: Two weeks
- Venues: All over Scottsdale
- Visitors: 50,000 national and international
- Cash prizes for participating artists
- Sponsors: Corporate

**Projected Sponsorship (Webb Management)      \$150,000**

**Likely Sponsorship                                      \$150,000 -- \$500,000**

**Comment:** There are many cities that raise money in order to fund public art displays.

### **Examples**

- **500 Festival | Indianapolis, IN** – For its 50<sup>th</sup> anniversary, the 500 Festival, which annually sells \$3.5 million in sponsorship, raised \$500,000 in public art contributions. The festival also presented *The Tent*, a permanent art sculpture that stands 43 feet high and 14 feet wide. It is a wind activated sculpture built from tubular stainless steel that has nearly 500 painted panels.
- **ArtPrize | Grand Rapids, MI**– This annual competition features large, outdoor works of art displayed throughout three square miles of downtown Grand Rapids over a 19-day period. Winners are selected through juried and public voting, with \$500,000 in cash prizes funded by local foundations.

## **THE COOL WORLD FOOD FESTIVAL**

- Concept: A food and beverage festival with a strong orientation towards healthy choices for production and consumption
- Duration: Three days
- Venues: Downtown Scottsdale – outdoors
- Visitors: 9,000 in year one – regional and national
- Key Partners: Culinary Festival
- Sponsors: Industry and foundations

**Projected Sponsorship (Webb Management) -- \$100,000**

**Likely Sponsorship \$100,000 -- \$750,000**

**Comment:** Food festivals are highly popular and have a number of potential targets for sponsorship. A focus on healthy food would create sponsorship opportunities for companies that target health-conscious customers. A grocery store (Spout's, Whole Foods) could sponsor and sell sub sponsorships to its vendors.

### **Examples:**

**Memphis in May's World Championship Barbecue Cooking Contest | Memphis, TN** – This large food festival is projected to sell \$740,000 in sponsorship. In 2015, 244 teams from 26 states and 7 foreign countries competed for the title of World Champion in the largest pork barbecue cooking contest on the planet. USA Today selected this as the No. 1 rated "Most Prestigious BBQ Competition" in the U.S.

**Chicago VeganMania | Chicago, IL** -- In its seventh year, this event features a vegan food court with foods prepared by Chicago's top vegan and vegan-friendly restaurants; an exhibit hall with vegan clothing, shoes, accessories, home, and body care products; and Culture Café, a coffeehouse with live music. Programming includes lectures, panel discussions, opportunities for one-on-one conversations with vegan experts, and cooking demos. The event is incredibly green—last year, a total of five trash bags were sent to a landfill while more than 15 times that amount was composted or turned into new products

## **THE COOL WORLD HEALTHY LIVING FESTIVAL**

- Concept: A trade show focused on opportunities for healthy living
- Duration: Three days
- Venues: Downtown hotels and exhibit spaces
- Visitors: 6,000 regional and national
- Key Partners: Commercial sector
- Sponsors: Industry

**Projected Sponsorship (Webb Management) -- \$50,000**

**Likely Sponsorship \$25,000 -- \$50,000**

**Comment:** This category usually doesn't generate high sponsorship figures, but if 6,000 people are in attendance, companies that have an environmental focus will want to be involved.

### **Example:**

**Weekend of Wellness | Telluride, CO** – This event works to “identify, address, and change a neglected global epidemic and the social issue of our nation’s depression and obesity problem.” Produced by Fuel Telluride (a local gym) and a local entrepreneur/yoga studio owner, Weekend of Wellness in its third year and spans four days. Activities include lectures, workshops, fitness classes, group hikes, mountain climbing, and biking. It’s marketed as a festival for all ages, body types, and levels of fitness. The event only does \$10,000 sponsorship, according to event producer Becca Tudor, but that figure is still impressive given the low attendance (375) and Telluride’s small market.

## **THE COOL WORLD TRADE SHOW**

- Concept: A trade show focused on goods and services that positively impact climate change
- Duration: Three days
- Venues: Downtown hotels and exhibit halls
- Visitors: 7,500 - regional, national and international
- Key Partners: ASU
- Sponsors: Foundations

**Projected Sponsorship (Webb)**

**\$50,000**

**Likely Sponsorship**

**\$25,000 -- \$50,000**

**Comment:** See “Comment” under “Healthy Living Festival” section.

**Aquatech Amsterdam | Amsterdam, Netherlands** – This attraction is a five day trade exhibition dedicated to innovation in the water industry. A bi-annual event, Aquatech attracts over 18,500 visitors and 750+ exhibitors, and takes place during the Amsterdam International Water Week. Programs include the Amsterdam International Water Week Conference, Young Water Professionals events, a World Championship Pipefitting Competition, and an Aquatech Innovation Award ceremony. The trade show features multiple country pavilions, mini-seminars and workshops, an Innovation LAB, and pavilions dedicated to specific topics (storm water, industrial water use, etc.)

## **THE COOL WORLD CONFERENCE**

- Concept: An international conference on constructive responses to climate change in the public and private sectors
- Duration: Three days
- Venues: Downtown hotels and meeting spaces
- Visitors: 800 public sector leaders and private sector activists
- Key Partners: ASU
- Sponsors: Foundations

**Projected Sponsorship (Webb)**

**\$40,000**

**Likely Sponsorship**

**\$40,000 -- \$100,000**

**Comment:** Climate change can be a controversial topic, and sponsors tend to steer clear of controversy. However, foundations that have a climate change agenda can be targeted, as well as the University of Arizona, Northern Arizona University and Arizona State University. Another possibility is to invite the “Living Future Unconference” to schedule its meeting in Scottsdale.

**Living Future Unconference** -- Hosted by the International Future Living Institute, the Unconference is entering its 10<sup>th</sup> year and will be held in Seattle in May of 2016. A forum for leaders in green building, programming includes hands-on workshops, tours, interactive breakout sessions, a variety of speaker sessions (keynotes, ‘15 Minutes of Brilliance’, etc.), and a trade show. The 2014 conference had 1,300 attendees.

Because many Foundations (as well as corporate partners, especially utility companies) will be interested in the conference, the event has the potential to attract a number of sponsors. Living Future organizers wouldn’t divulge sponsorship figures for the event, but they do collect \$2.6 million in donations for the Institute annually.







## **THE BIKE RIDE**

- Concept: A fun-ride in and around Scottsdale
- Duration: One day
- Venues: The City of Scottsdale
- Visitors: More about participants
- Key Partners: Tour de Scottsdale
- Sponsors: Regional foundations

**Projected Sponsorship (Webb)**

**\$25,000**

**Likely Sponsorship**

**\$25,000 -- \$250,000**

**Comment:** Several bicycle rides in the U.S. generate six figure sponsorship revenues. Even smaller ones like Denver's Century Ride and the Iceman Cometh Challenge in Traverse City receive over \$100,000. Title sponsorship is the key here.

### **Examples:**

**Ice Man Cometh Challenge | Traverse City, MI** – With over 5,300 riders, the Ice Man Cometh annually raises \$300,000 in sponsorship. They sell both endemic (Trek, several bike shops) and non-endemic (the largest being Meijer).

**Denver Century Ride | Denver, CO** – The race covers several distances and has a fabulous post event street party. It generates over \$100,000 in sponsorship.

**Tour de Bronx | Bronx, NY** -- New York State's largest free cycling event has over 5,000 cyclists who do either 25 or 40 miles through Bronx streets, parks and shorelines. Now in its 21st year, it is presented by the Bronx Borough President and Transportation Alternatives and produced by the Bronx Tourism Council.

## **THE BIKE RACE**

- Concept: A downtown criterium race
- Duration: One day
- Venues: Downtown Scottsdale
- Visitors: 5,000 in year one – regional, national and international
- Key Partners: USA Cycling and Arizona Cycling clubs
- Sponsors: Manufacturers

**Projected Sponsorship (Webb) \$60,000**

**Likely Sponsorship \$10,000 -- \$100,000**

**Comment:** Sponsorship will depend on the size of the event and the quality of its riders. Olympic athletes can help produce higher sponsorship figures.

### **Example:**

**Houston Grand Crit | Houston, TX** -- Now in its 10<sup>th</sup> year, this event features rides for professionals, enthusiasts and kids. Winners can take home up to \$4,000. According to organizers, the Grand Crit produces \$10,000 in sponsorship revenues.

In conclusion, the potential to sell sponsorship for most of the above events is high. As stated above, there are many multi-day, multi event festivals that generate well over \$1 million in sponsorships.

The proposed “Scottsdale Festival” can generate maximum results by developing a well-connected and invested Board of Directors, as well as a strong sales staff.

As a matter of perspective, the Tempe Arts Festival (which is much smaller and only a visual arts festival), sells \$225,000 in sponsorship according to former Festival Director Steve Remington.

The strongest events for selling sponsorship will be the music festival and the public arts competition. Foundations can be approached for the latter, which would allow Scottsdale to sell other corporate partners for other events.

**POTENTIAL SPONSORS:**

American Express

APS

Arbor Day Foundation

Arizona Cardinals

Arizona Commerce Authority

Arizona Community Foundation

Arizona Game & Fish

Arizona Lottery

Arizona Manufacturers Council

Arizona Office of Tourism

Arizona State University, Global Institute of Sustainability

- LightWorks
- Food Systems Transformation
- Biomimicry Center
- UR

Avnet

Bank of America Charitable Foundation (12th in US for art grants)

Bank of Arizona

Banner Children's - Healthy Food Good Mood Go Kids

Bashas

Blue Cross Blue Shield of Arizona\

Budweiser (Hensley Co)

Bureau of Reclamation

Celgene

Central Arizona Project

CenturyLink

Change Catalyst Group

Climate Assessment for the Southwest (CLIMAS) program, part of NOAA RISA

Commission on the Arts

Copper Point

Cox Communications

DMB

Ernst & Young, LLP

Fennemore Craig, PC

Freeport McMoRan Inc.

Fry's Food Stores

GM

GoGreen Conference Arizona

GSN (Global Sustainability Network)

Haley Aldrich

Henkel - Scottsdale

Honeywell

Hudbay

Intel

JP Morgan Chase Foundation (19th in US for art grants)

Knight Foundation

MAK Construction

Maricopa County Air Quality Department

National Geographic

Pepsico

PING  
Polsinelli  
Quarles & Brady, LLP  
Raytheon  
Republic Services  
Resolution Copper Mining  
Revana  
Scottsdale Cultural Council  
Snell & Wilmer  
Southern Rockies Landscape Conservation Cooperative (SRLCC)  
Southwest Airlines - support activities promoting conservation and preservation of natural resources.  
Southwest Gas  
Southwest Climate Science Center (SW CSC)  
SRP  
Steelcase  
SUMCO  
Sundt Construction  
Swift Transportation  
The Trust for Public Land  
Trane  
U.S. Environmental Protection Agency / Arizona Department of Environmental Quality (ADEQ)  
Union Pacific Railroad  
Unisource Energy Services  
United States Department of Agriculture Southwest Climate Hub  
United States Department of Agriculture Southwest Regional Climate Hub  
United States Geological Survey (USGS)  
University of Arizona, Institute of the Environment

- Lunar Greenhouse

UPS  
US Fish & Wildlife Service  
USAA  
Virginia G. Piper Charitable Trust  
Waste Management

Leading renewable energy companies doing business in Arizona include:

- Abengoa Solar - Gila Bend
- APS - Solana is one of the world's largest solar plants.
- First Solar - Tempe with 280 employees.
- GSS Solar Steel - Surprise facility
- Kyocera Solar - producer and supplier of solar energy panels with 80 employees at its Scottsdale headquarters
- Rioglass Solar - a Spanish company with 80 employees at its U.S. headquarters in Surprise
- Schletter Inc. - Tucson with 80 employees manufacturing ground-mounted systems
- Stealth Solar - Phoenix
- Sun Valley Solar Solutions - Chandler
- UNS Energy Corp - 300 employees at its Tucson headquarters

## **THE NON-PROFIT MODEL**

I think the secret to achieving the level of sponsorship numbers listed above will be to establish a non-profit organization to run the festival, much like those found in the successful events mentioned in this report.

A well-connected board of directors leads to higher sponsorship numbers, due to their connections and clout with the local business community. A company is much more apt to get involved when they are contacted by a local business person who is a volunteer, than if they are contacted by a for-profit company or a governmental entity.

And if the business being approached is a vendor or owes something to the board member, a successful sale usually results.

There are several examples of cities starting events and then inspiring local business leaders to establish a non-profit to run the festival.

The best example is Milwaukee and the world's largest music festival, Summerfest. The vision for Summerfest was the brainchild of the late Mayor Henry Maier in the 1960s. Following a visit to Oktoberfest in Munich, Germany, Maier dreamed of a festival for the people that would revitalize Milwaukee's downtown and bring the community together. He inspired community leaders to create a non-profit organization which still today runs the event.

Many cities (many mentioned above) have large-scale, non-sporting, non-profit festivals like Summerfest – Seattle (Seafair), Portland (Rose Festival), Louisville (Kentucky Derby Festival), Traverse City (National Cherry Festival), and many others.

Since the State of Arizona doesn't have such an event, I think that this is a niche that Scottsdale can fill and be very successful.

webb

management  
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