

STAFF REPORT

TO: Planning & Economic Development Committee

DATE: May 20, 2014

FROM: Sam Powers, Economic Development Director
Jon Fillman, Economic Development Specialist

Subject: Event Partnership Agreements & Non-Profit Discounts for Years 2014 - 2016

Summary Statement: Motion to support renewal of anchor events and Pritchard Park Cultural Arts Program through redesigned event partnership agreements, and continuation of fee discounts to non-profit organizations.

Background: The City of Asheville charges everyone a fee to permit and have priority use of parks, permitted amenities, or public facilities. These fees cover extra operational expenses associated with events and guarantee space for the permittee. At the same time, some events produced by non-profit agencies or other sister organizations - such as concerts, art shows, cultural celebrations, theater performances, health fairs, sports events, and others – can also directly further the City's core programs. Consequently, reducing or waiving permit fees and considering in-kind support from city operational departments (i.e., Public Works, Asheville Police Department, Asheville Fire Department) can be an opportunity to leverage the City's ability to provide these programs while reaching a wider and more diverse audience, thus serving a public purpose. As a result, in recognition of the value these events bring the city of Asheville and the broader community, the city has historically offered support to events that meet certain criteria.

In March 2010, City Council authorized staff to enter into three-year agreements to sponsor five anchor events (Asheville Drum Circle, Asheville Holiday Parade, Downtown After 5, Goombay, and Shindig on the Green) in the form of full permit fee waivers and in-kind labor support (police, sanitation, etc.) valued at \$102,211. In November 2012 City Council authorized staff to extend the existing agreements with the anchor event organizations using the same terms for an additional year, FY13-14 while an evaluation was conducted on the City's overall event programming strategy. A summary of the annual support approved for the anchor events is provided in Table A, below.

TABLE A

Anchor Events	Fee Waivers	Labor Support	Total Support
Asheville Drum Circle	\$3,875	\$0	\$3,875
Asheville Holiday Parade	\$1,562	\$39,462	\$41,024
Downtown After 5	\$2,143	\$14,780	\$16,923
Goombay Festival	\$2,942	\$26,869	\$29,811
Shindig on the Green	\$7,414	\$3,164	\$10,578
Anchor Event Support			\$102,211

In addition to the anchor events, City Council approved a discount for property use and permit fees, which amounted to a 75% reduction, for events that were produced by a registered 501c non-profit verified through documentation; open to the general public; and remained responsible for general liability insurance and other related event costs including police coverage, barricades, parking meter closures, etc. Staff has executed those agreements with FY 13-14 as the concluding year.

In May 2011, City Council unanimously voted to provide public support for a period of three years for cultural art programs at Pritchard Park produced by the Asheville Downtown Association at a maximum estimated value of \$18,775 not included in the above table. Referenced as the Pritchard Park Cultural Arts Program (PPCAP), the events have included a weekly exercise program, weekly music performances, and have helped foster additional community partnerships. The programming has been successful in adding positive experiences to a challenged public space and serves a public purpose through promoting economic and community development. The combined support value provided to the anchor events and the Pritchard Park Cultural Arts Program is shown in Table B, below.

TABLE B

Anchor Events & PPCAP	Fee Waivers	Labor Support	Total Support
Pritchard Park Cultural Arts Program	\$18,775	\$0	\$18,775
Anchor Event Support (Table A)			\$102,211
Total Combined Event Support			\$120,986

Current State: In October 2013, outdoor special event programming was transitioned under the Office of Economic Development with a focus on cultivating outside partnerships to capitalize on the benefits of special events and leverage event programs in a manner that is both fiscally responsible and achieves maximum economic and community development returns.

City staff recognizes the exceptional importance, cultural benefits and value leveraged through the City's investment in the Pritchard Park Cultural Arts Program as well as events such as the Asheville Drum Circle, Asheville Holiday Parade, Downtown After 5, Goombay, and Shindig on the Green. These events continue to be evaluated as leaders based on the three key attributes of historical tradition, economic impact, and uniqueness of experience. Staff recommends continued support through consolidated partnerships with three key organizations. A partnership structure allows for performance objectives to be defined and event programming goals set for each organization, a shared tool to gauge and track the effectiveness of mutual investments. The partnership structure encourages high output by reducing barriers specific to an event, increasing flexibility while compounding the overall benefits provided through synergistic opportunities.

The total event support value, as referenced in Table B, has been rounded at a minimal increase to accommodate programming enhancements, event growth and fee increases. A summary of the proposed structure for calendar years 2014-2016 is provided in Table C, below.

TABLE C

2014 – 2016 Cultural Event Partnership Agreements	Maximum Annual In-Kind Support Value
Asheville Downtown Association	\$82,000
TBD – Interim: Community Betterment Foundation	\$13,000
YMI Cultural Center	\$30,000
Total Support	\$125,000

Pros:

- Allows the city to leverage programming and events to reach a wider and more diverse audience
- Converts prior event sponsorships into performance-driven organizational partnerships that encourage higher output by reducing barriers
- Meets strategic operating plan goals of leveraging investment in special event partnerships
- Supports non-profit organizations
- Stimulates the local economy while providing quality cultural programming and diversity
- Provides multi-year consistency

Cons:

- Events produced under partnerships result in department staff costs for the utilization of in-kind services including Police, Fire and Public Works
- Events produced under partnerships result in lost revenue for permits, parking fees and rentals
- The 75% reduction in permit fees for non-profit organizations results in lost revenue for the city; however, the city does not budget for this revenue since it tends to fluctuate from year to year.

Fiscal Impact: Partnership agreements and fee discounts result in lost revenue, and labor support results in increased personnel expenses (as summarized in Table A). In-kind labor costs for anchor events have been included in the City's budget during the agreement period. If these agreements are extended for calendar years 2014-2016, associated expense and revenue impacts will be included in the City's budget.

Recommendation: City staff continues to evaluate the overall event programming strategy in the context of economic and community development, fiscal responsibility and cultural arts objectives. This review includes events produced internally by the City as well as sponsored events and programming needs. Staff recommends continuation of support of events through the formation of strategic organizational partnerships for an additional three calendar years, 2014-2016. City staff recommends a three-year continuation of a 75% reduction in property use and event permit fees for outdoor special events that are open to the public and produced on public property by a registered 501c non-profit organization.

Therefore, staff recommends that City Council pass a motion to direct the city manager or his designee to allow the Office of Economic Development to establish three-year partnership agreements for outdoor special event production with the Asheville Downtown Association, TBD via Interim: Community Betterment Foundation and the YMI Cultural Center, and allow the Office of Economic Development to continue offering a 75% reduction in fees to outdoor special events produced by non-profit organizations under the criteria as described herein.