

AN ECONOMIC DEVELOPMENT STRATEGY FOR TOWN OF MAMMOTH LAKES SPECIAL EVENTS

OVERVIEW

One of the key outcomes of the Town Council's Strategic Planning work was a focus on economic development. The work included the ongoing discussion on the role of special events and the significant economic impact special events contribute primarily during the summer months in Mammoth Lakes. One of the first quarter milestones was to finalize a special events strategy. This charge was previously given by Town Council as precedent to releasing the next round of Town funding for events. Events have been placed in four general categories:

- 1) Arts and Culture programming funded in part by Measure U;
- 2) Special events that are transitioning out of the Measure U funding category;
- 3) Events that are not directly funded by the Town, but supported by Town staff (i.e. public works, PD, Recreation, etc.); and,
- 4) Events put on by others that do not require Town funding or support.

While the impetus for this strategy was related to Town funding, the application of the strategy is inclusive of the four categories, with a focus on those outside of Measure U funding. Partnerships with such events may be pursued. Growing events across the spectrum is part of the planned outcome of the Strategy.

Funds for the FY16-17 events were allocated from Measure U and the Town has set aside funding for FY17-18. Funding will be discussed in more detail below. The majority of the funds are committed across fiscal years due to the majority of events happening in July and August.

The purpose of the creating a "Special Events Economic Development Strategy" is much more than simply funding a few events. It is the idea that events in Mammoth Lakes must be part of what makes us "Great". They represent a key area for short-term economic growth with long term impacts. A growing, diverse and dynamic events calendar will be one of the factors that drive the Town towards sustainable economic vitality.

The overall events strategy has a simple mission:

"There is always something happening in Mammoth Lakes"

Events can be large or small, local or visitor centric, ticketed or free, entertaining or educational, spectator or participant, but all have serve as a social gathering place for a specific purpose. Events (broadly defined) are often the "engine" that drives tourism in many communities. In a simplified tourism model, visitors use some mode of transportation to leave their homes and travel to attractions, which are supported by various kinds of services, such as hotels/motels, restaurants, and retailing. The attractions and support services provide information and promote their offerings to target groups they have identified as potential visitors. Attractions and events activate this tourism system.

“Tourism depends on attractions. Rarely do people travel to another place because they enjoy the car or airplane ride, or because they want to stay in a particular hotel or dine at a restaurant in a different city. The desire to go to another place is stimulated by attractions.” John Crompton, Ph.D.

This reality is the driver behind the Town’s focus on being a year round destination resort. Events are both an added value and primary attraction for the Town of Mammoth Lakes.

As demonstrated in the Strategic alignment process the Town has a primary role in the economic health of the community. The primary purpose statement - “. . . to achieve sustainable economic security for the community” captures this concept. The planning process itself highlighted the Town’s role in economic development and need to work with partners.

TOWN’S ROLE

The Town has a multi-fold role in economic development:

- The Town provides **Leadership**;
- The Town provides the primary **regulatory** environment;
- The Town serves as **facilitator/partner**;
- The Town provides support **services and facilities**; and
- The Town provides limited and directed **financial support**.

The roles as noted are part of the necessary foundations for a successful Event Strategy. The Strategy builds on and expands Mammoth Lakes’ tourism-based economy. It focuses on increasing visitors, local and visitor experiences and optimizes the impact of dollars that flow into the community. Specifically, the Strategy supports the larger effort to extend Mammoth Lake’s’ business climate into 10 months of strong economic activity. It is flexible and can take advantage of trends within the existing/emerging trends and opportunities related to events (types, timing, location, target visitors, partners, etc.).

Mammoth Lakes’ economy has been and continues to be tourism oriented. Expanded and enhanced event driven activities appears to be “low hanging fruit”. There are opportunities for events to have a more direct impact on the concept of being an all season destination resort. One of the strategies to achieve this vision is to have vibrant, diversified, desirable, year round events.

EVENTS DEFINED

As part of the Town’s economic development strategy events have the potential to enhance the economic vitality of the community in both the short-term and long-term. Events are defined broadly and include “special events”; festivals, music events, other entertainment, fairs, etc. The category is expansive by design. Events are proposed to increase general “animation” in the Town, to provide opportunities for social gatherings, to engage the community, to give visitors a flavor of Mammoth Lakes, to provide reasons for visitors to come to Mammoth Lakes and create a variety of opportunities to improve the economic stability of the community. As used in this strategy the term “events” is to be taken broadly and extends beyond those that receive Town funding and/or support.

EVENT STRATEGY

The leveraging of events to enhance the economic vitality of Mammoth Lakes is a straight forward process. The strategic steps are simple and with solid execution the associated Goals, Objectives and Outcomes will be achieved, with measurable metrics.

FIVE POINT STRATEGY

- 1) Establish where events “live” as a managed program
Proposed: With the Town via a contract
- 2) Create the “Events Champion”
Contracted Service - “Director for Mammoth Lakes Events” fills this role
- 3) Provide logistical, financial, and partnership etc. support for events as mutually beneficial
Proposed: Support from Town, MLR, MLT, ESTA, Chamber, business, non-profits
- 4) Make events a core element of the Town’s economic vitality plan
Proposed: Leverage allocation of \$125,000 as economic development investment
- 5) Execute on the Goals, Objectives, and Outcomes with measurable metrics.
Proposed: Defined contract deliverables with a three year initial commitment

These five basic elements of the Event’s Strategy will achieve a number of defined goals based on achieving measurable objectives resulting in desired outcomes.

Goal: Events in Mammoth Lakes will be world renown, embraced by the community and with increasing positive influence on the Town’s economic vitality.

- Provide enhanced reach and duration of events.
- Provide new, year around events.
- Provide infrastructure, logistics, and support for regional arts and culture.
- Provide infrastructure, logistics, and support for special events and festivals.
- Provide logistics, and support for recreational based events.
- Provide a broad range of cultural and artistic opportunities.
- Provide a variety and range of program support for available meeting and conference spaces.
- Provide a variety and range of program support event venues and recreational facilities.
- Provide activities, programs, and services that lead to higher visitation and return visitors.
- Provide for the creation of new financial sources to support events.

Objectives: To implement specific actions that will result in enhanced event funding, support, diversification, growth, coordination, and management supporting the economic vitality of Mammoth Lakes.

- Expand the variety and number of non-winter and winter activities and events for both local residents and visitors.
- Meet and exceed visitor expectations for quality events.
- Partner with existing event promoters to expand the current event offerings
- Assist event promoters with processes, event enhancements, and development of new concepts.
- Enhance existing, smaller scale, authentic Mammoth Lakes’ events.
- Add to the animation, look, and feel of Mammoth Lakes as an all season destination resort.
- Leverage the Town’s investment in events by growing financial support from partnerships, sponsors and direct event revenue.
- Increase the number of visitors and related spend at each event.

Outcomes: As a means to enhance the economic vitality of Mammoth Lakes and to engage the community in creating a world class destination resort a number of key outcomes are anticipated over the next three years.

- A dynamic events calendar that has three times the events of today (2016)
- The production of two to three large events (5,000+/- participants)
- Enhanced animation and activity throughout Town
- Enhanced and new events to “peak” our “peaks” (150+ full occupancy days)
- Added events during the winter season
- Added events during softer visitation times
- Add programs and events designed for Town facilities
- Events budget growing by leveraging Town funds
- Balance between visitor and local centric events, enjoyed by both
- Growth in events s by the Town, quasi-public/private and private funds
- “Event Champion” creates own value and funding based on success

Metrics:

A successful event strategy will be measured through a variety of metrics, not all of which will apply to each event. Specific tools and data sets will need to be defined.

- Average nightly accommodation occupancy tied to event calendar
- Visitor satisfaction with events (survey)
- Resident satisfaction level with events (survey)
- Repeat visitors to events
- Rooms sold tied to events
- Average number of attendees
- Average length of stay extended related to events
- Number of successful events created
- Event distribution by season
- Sales tax, generated at appropriate events
- Tickets sold year over year for same events
- Full/Part time jobs created or retained
- Number of businesses actively participating in events
- Funds raised for participating non-profits
- Community enjoyment and ownership of events – “We are a Great Place, with Great Events”

A SUCCESSFUL ECONOMIC EVENTS STRATEGY

To achieve the above goals, objectives and outcomes events need a defined “place to live” and a single point of management. Success needs to be incentive based and not simply reliant on Town funding. The event strategy needs a champion, someone who gets up each day with a focus on growing the economic value, impact and success of events. This includes having the ability to be financially rewarded from their success.

The Town has committed \$125,000 for events going into FY17-18. This past year, approximately \$113,000 was used to support events, with successful events now paying a portion of the funds back. This model may continue with the funds going back to leverage additional events/support and using the additional \$12,000 for contractor support and/or leveraging of additional event(s).

The proposed structure is to contract out this work to a “Director for Mammoth Events”, or similar title, who (individual or company) would be charged with meeting the goals and objectives outlined above. They would be measured on the planned outcomes and metrics. This will require them to partner with

the current mix of event producers. This includes providing funding related to current successful events and defining new opportunities for partnerships. To be successful a three year commitment of funding and support will be necessary to allow an expanded base of events and to grow the financial base for events and for the contractor. Town funding is anticipated to continue as an ongoing public commitment to the event strategy and local event producers.

While several of the events are not tied to being profitable (i.e. the need for ongoing Town financial support and others), having an incentive based program for the overall events program will allow for continued support as well being a funding source for the “events champion”. This approach eliminates most of the politics associated with event funding, moves it out of Measure U and gives it a “home, and creates an incentive based program where success will bring success. This will require working relationships with the Chamber, MLT, MLR, TOML, local businesses, non-profits and others. Support from these partners will need to be provided as mutually beneficial goals are achieved.

The contractual arrangement would be structured as an “Economic Development Subsidy”. By making events one of the focal points of the Town’s Economic Vitality Strategy we have the ability to provide an “Economic Development Subsidy” as provided under AB562. From the Town’s perspective the funding may be more appropriately defined as an “investment”. The Town followed the process outlined in AB562 in making allocations to MLR and MLT this past year. Subsidy is defined as follows:

“Economic development subsidy” means any expenditure of public funds or loss of revenue to a local agency in the amount of one hundred thousand dollars (\$100,000) or more, for the purpose of stimulating economic development within the jurisdiction of a local agency, including, but not limited to, bonds, grants, loans, loan guarantees, enterprise zone or empowerment zone incentives, fee waivers, land price subsidies, matching funds, tax abatements, tax exemptions, and tax credits.”

The proposed structure established events as a priority with a single entity in charge with directed responsibility and accountability. The structure reduces the bureaucratic process, creates an incentive based system, drives innovation, is flexible and requires partnerships to be successful.

BACKGROUND

ECONOMIC VITALITY STRATEGY – EVENTS ELEMENT

Economic Vitality Plans or Economic Development Strategies often includes actions related to events, festivals, arts & culture, heritage, geo-tourism, natural amenities, conferences, etc. Communities produce, market, support, subsidize, and promote these activities due to the economic impact they have on the financial health of their local economy and vibrancy.

Similar goals and strategies were included in the Destination Resort Community & Economic Development Strategy (DRCEDS), district plans, parks and recreation master plan, various studies and other planning documents as commissioned/accepted/approved by the Town. This includes creating a sense of place that includes events, animation and décor. Elements within these reports include the creation of visitor and community serving cultural, entertainment and recreation hubs and adding new amenities. The need to provide a broad range of cultural and artistic opportunities by encouraging and sponsoring concerts, performances, visual art exhibits, festivals, sporting venues and activities, and educational and civic events in the community are all documented goals. The following provides a brief overview of how events are part of the Town’s vision.

GENERAL PLAN VISION

The Town’s vision for its future is clearly stated within the General Plan and both expanded upon and given more specific detail through a variety of reports, studies and plans developed for and accepted or adopted by the Town. The Mammoth Lakes Community Vision is what we aspire to be. By describing Mammoth Lakes in the future, it helps guide or strategic planning and actions over time toward the Vision. The following is an excerpt from the Mammoth Lakes Community Vision (page 7 of the General Plan):

“Surrounded by uniquely spectacular scenery and diverse four-season recreational opportunities, the community of Mammoth Lakes is committed to providing the very highest quality of life for our residents and the highest quality of experience for our visitors.”

The General Plan’s Economy Element states the following:

Marketing, Promotion and Special Events

E.1.H. Policy: Develop and implement an aggressive inbound and outbound marketing and sales promotion campaign.

E.1.I. Policy: Promote public/private efforts to provide ongoing customer service training for hospitality, retail and resort employees.

E.1.J. Policy: Promote special events year-round with emphasis on producing multi-day events with particular attention to midweek and shoulder seasons.

E.1.J.1. Action: Develop a year-round special events program and venue plan.

E.1.K. Policy: Encourage resort development and transient accommodations to partner in cooperative marketing.

E.1.L. Policy: Support diverse arts, cultural, and heritage programming, facilities and development of public venues for indoor and outdoor events. Sustainable Tourism

E.2. GOAL: Achieve sustainable tourism by building on the area’s natural beauty, recreational, cultural, and historic assets.

E.2.A. Policy: Support a range of outdoor and indoor events, facilities, and services that enhance the community’s resort economy.

The General Plan's Land Use Element provides:

Accommodations and Community Amenities

L.4. GOAL: Be the symbolic and physical heart of the Eastern Sierra: the regional economic, administrative, commercial, recreational, educational and cultural center.

L.5. GOAL: Provide an overall balance of uses, facilities and services to further the town's role as a destination resort community.

The Mammoth Lakes Economic Forecast and Revitalization Strategy prepared by EPS Inc. (EPS), 2011 states *"In order to achieve the revitalization and development of Mammoth Lakes envisioned in the General Plan and District Plans it will be necessary to create more 'all-season' facilities and attractions, incentivize private investment in resort development, and to increase attractiveness to national and internationally-based destination visitors. Competing for a larger market share of the desired groups will require, in addition to sustaining and improving outdoor recreation facilities, a long term and aggressive focus on improving Mammoth's built environment and the range of non-skiing/boarding, non-outdoor recreation activities and attractions."*

DESTINATION RESORT

Mammoth Lakes has also strived to position itself as a Destination Resort Community. A Destination Resort Community and Economic Development Strategy (DRCEDS) was adopted in 2009, with an update adopted in April 2012.

Destination resorts are distinguished from non-destination resorts by:

- the proximity of the resort to its primary market,
- the means by which the resort user reaches the resort,
- the frequency with which a user patronizes the resort,
- the typical length of stay, and the quality of the resort setting.

Destination resorts tend to be a considerable distance from their primary markets, users travel by air rather than by car, visit infrequently (usually once a year or less and often only once), and book longer stays (often one- or two-week vacation visits). Destination resorts also tend to be located in dramatic or particularly attractive settings. Defining characteristics of destination resorts are:

- A higher ratio of hotel rooms to second homes, whereas the reverse is true for regional resorts.
- Hotel rooms tend to have a higher rate of occupancy ("hot beds") than second homes and condominiums ("cold beds").
- More upscale and expensive than regional resorts.
- A four-season resort amenity package that attracts visitors throughout the year.

A number of the Strategies and Objectives were identified in the DRCEDS report to focus the Town on moving towards being "Destination Resort". In part this included the following from the two reports:

As a destination resort, providing a comprehensive roster of special events and cultural arts activities is an important strategy to attract visitors to Mammoth.

Strategy 1.11

Provide a broad range of cultural and artistic opportunities by encouraging and sponsoring concerts, performances, visual art exhibits, festivals, and sporting, educational and civic events in the community.

Objective 1.1.A Become a branded high altitude sports and cultural destination known for its innovation. Key tactics that can implement this objective are:

- Complete a cultural and events market feasibility and site evaluation study to recommend permanent event sites.
- Dedicate resources to attract, support and coordinate the production of town-wide events and major new festivals.
- As a destination resort, providing a comprehensive roster of special events and cultural arts activities is an important strategy to attract visitors to Mammoth.

Objective 1.11A: By December 2009, develop a cooperative marketing campaign for arts and cultural events with metrics for effectiveness.

Objective 1.11B: Hold two new visitor-attracting events in 2010.

Objective 1.5.A Develop a variety of meeting and conference spaces with future hotel development in general and in the North Village, Town Center and Main Street districts. This objective would potentially target spaces ranging from 2,000 to 5,000 square feet, 7,000 to 10,000 square feet, and 15,000 square feet. (This program should be considered and refined through the Special Events Feasibility Study and Gateway District Plan; see Objectives 1.1.A and 1.6A)

Objective 1.5.B Develop a variety and range of indoor and outdoor event venues with future hotel development in general and in the South Mammoth, North Village, Town Center and Main Street districts. This should potentially target a 45,000 square foot indoor events facility with a 2-3 acre joint sports field and events area, a 100-seat indoor town hall/ meeting/performance facility, and three to five smaller outdoor events areas and plazas. (This program should be considered and refined through the Special Events Feasibility Study Gateway District Plan; see Objectives 1.1A and 1.6A)

A successful events program is one of the means necessary to create the Destination Resort Community that has been articulated by the Town. Implementing the event strategy is a logical piece of an integrated economic vision.

UNDERLYING ECONOMIC VISION

It is recognized that economic development will require a combination of efforts and is not a task the Town can take on alone. The ultimate success will depend on contributions from a variety of sources and investment from the private sector. Successful Economic Development will result in both a stronger community and economic growth.

Economic development in the simplest terms is generally described as building wealth in which community benefits are created, or is formally defined as the sustained, concerted actions made by communities to promote their standard of living and economic health. Community development on the other hand is a capacity building process for making a community a better place to live work and recreate. The Town has active role in both elements and the two come together as we look at the economic vitality of the Town. The outcome of an effective economic and community development program will have two primary benefits:

- 1) **Building Better Communities:** People chose to live in a community with a wide variety of local employment opportunities and commercial enterprise, good schools, safe neighborhoods, high-quality public services, community enrichment, enjoying a sense of place, a sustainable environment and efficient infrastructure.
- 2) **Ensuring Economic Vitality:** Economic development efforts are targeted to achieve sustainable economic security for a community. Economic security may be defined differently for each community and person. Economic development increases the number/quality of jobs, the tax base, purchasing power, diversity, and the availability of goods and services. These factors make community improvement and investment possible by both the private and public sectors. A vibrant economy benefits the whole community by providing the means to meet public service obligations and expectations.

In most discussions on economic development, the statement regarding “Quality of Life” is used as one of the key measures or assets of our community. As that statement has different meaning to individuals and companies setting a definition may be helpful. Therefore, as used in this discussion the definition of “Quality of Life” is as follows:

Quality of Life: The level of enjoyment, sense of well-being, and fulfillment derived by residents from the life they live within their local economic, cultural, social, and environmental conditions.

The above definition captures the ideals that are often expressed in the discussion of economic development. The concepts are carried through a number of the economic related studies and documents prepared for the Town of Mammoth Lakes.

Our community and economic values and principles are designed to implement the vision of the Town to achieve self-sustaining economic vitality and targeted improvement of the livability and quality of life of the community through economic growth. Economic growth stimulates investment, high quality jobs, and prosperity. Economic growth provides opportunities to improve community-serving amenities and upgrades the character and quality of our environs. This is achieved when new wealth is created through investment and importation of capital.

The following values are also in line with the broad goals, policies and actions contained in the Town’s General Plan, studies and implementing documents:

Partnership - Create an alignment of strategic intent for events to be integrated to collectively foster economic growth and improve the quality of life. Great things are achieved when we work together.

People - Develop people to power the economy. Increase skills, opportunities, and demand for local talent to be a part of event development and delivery. Recognize and increase community and business investment in, and commitment to the economic impact events have on the businesses and jobs. Great people make Great places.

Place - Improve quality of place to attract investment and occupancy by visitors and workers through establishing distinctive, quality, stable, safe and sustainable physical improvements and attractions that welcome business, commerce, tourism, employment, and wealth necessary to maintain and enhance quality of life. Events add to the enjoyment, character and mystique of our Great Place.



Positioning - Develop and market the unique character, heritage and special attributes of the community as the premier mountain destination to visit, play, invest, work and live. The events calendar must equal or exceed the visitor expectation of our Great Town.

The above four factors all work together to make a truly successful destination resort. The same factors work together in the production of great quality events.

CONCLUSION

A combination of strategies will be needed to expand and diversify our tourism base. A healthy, vibrant and expanded events calendar is one piece of economy that can be enhanced in the near term. Events provide quality opportunities to our visitors, creating an experience that makes our community special and attractive. They create a sense of vibrancy for local residents and generate both new and repeat visits. Creating a dynamic events menu across the year will assist in “weather proofing” the economy.

The economic fabric of Mammoth Lakes and the Eastern Sierra is complex. It is part of a regional, national and global economy. The Town’s overall role in economic development needs to be focused, and directed to those areas over which the Town has the greatest influence, based on available tools and resources. Actions taken related to events are not exclusive to other economic vitality strategies, nor are the actions outlined in this report inclusive of what may be done or what is being done with events. There are different time horizons; some have very specific tasks and others that are ongoing. The purpose is to give the Council and community a strategic framework to guide specific actions over the next 12-36 months to make a significant impact on our local economy. Actions taken in support of events will be a part of implementing the Town’s Economic Vitality Plan.