

Report to the City Council on the Financial Impacts of Special Events on the City of Austin

Special Events are part of the identity of the City of Austin. Some, like SXSW, have built a worldwide name for Austin over the last 20 plus years; another segment of the world has learned about Austin through the last two years of Formula 1 races. Nearly 2.3 million people participated in the city's 25 biggest events in 2013, as reported in the Austin Business Journal, January 2014. Some events are local in nature, like Pecan Street Festival, Kite Festival, or Eeyore's Birthday Party; some draw a wider audience like the Republic of Texas Motorcycle Rally or the international events previously mentioned.

SPECIAL EVENT COSTS AND REVENUES

Over the last five years (2009 through 2013), the City of Austin collected \$13,259,000 in fees or reimbursements for services (see attachment 3). The City of Austin spent \$23,953,000 to support those events (see attachment 2). Most of the difference was made up from general funds, but portions were budgeted from enterprise funds to support specific activities. In addition, during that period \$3,485,000 in fees and costs were waived (see attachment 1). Also, the Austin Convention Center for events with significant hotel rentals, provides a rental discount. For SXSW in 2013 the ACC discounts totaled \$232,728.

In 2013, the difference between the City's expenses and the moneys collected was about \$4,256,000 in the red, or about \$2 per event participant. The five year numbers for costs do not reflect the actual numbers because some departments did not break out costs for special events in earlier years. Likewise, given the incomplete information gathered from event organizers, the economic benefit from sales tax could not be accurately reflected.

It should be noted that a portion of the expenses are for free speech events. The City does not charge for services for Free Speech events. The event organizers are required to let APD know about the event, and APD allocates resources to protect the event participants and persons impacted by the events.

ESTIMATED ECONOMIC IMPACT OF EVENTS

Staff requested information about economic impacts from each of the people and companies that currently operate special events in Austin. Of those companies responding, they reported direct impacts of \$680 million for 2009 to 2013, indirect impacts of \$439 million, and charitable donations of \$3 million (see attachment 4). City staff does not have the information or ability to gage the accuracy of these promoter's estimates. The City of Austin receives sales tax of 1% that is accrued to the general fund. Based on the estimates provided by the event promoters; a total of \$11.2 million was collected by the general fund in the last five years attributed to special events.

PATH TO SUSTAINABLE FUNDING MODELS FOR SPECIAL EVENTS IN AUSTIN

The costs for special events can be calculated a number of ways; yet the most direct method to account for expenses is to distinguish between the application/permitting processes, and the staff and resources needed to support the event itself.

ATTACHMENT 3 – Fees and Reimbursement Collected

Fees collected from Special Events by Department

APD	\$ 1,147,785	\$ 1,252,116	\$ 2,113,867	\$ 1,318,025	\$ 1,938,514	\$ 7,770,307
ATD OSE		\$ 120,432	\$ 120,461	\$ 138,735	\$ 191,944	\$ 571,572
AFD					\$ 313,327	\$ 313,327
HHSD	\$ 127,070	\$ 127,745	\$ 152,565	\$ 174,020	\$ 251,700	\$ 833,100
PARD	\$ 865,058	\$ 416,964	\$ 571,554	\$ 477,081	\$ 461,709	\$ 2,792,366
ATCEMS	\$ 140,295	\$ 107,183	\$ 128,227	\$ 165,996	\$ 436,159	\$ 977,860
Planning and DR						
YEAR	2009	2010	2011	2012	2013	TOTAL
TOTAL	\$ 2,280,208	\$ 2,024,440	\$ 3,086,674	\$ 2,273,857	\$ 3,593,353	\$ 13,258,532

ATTACHMENT 4 – Economic Impact Information provided by Promoters

The Austin Center for Events (ACE) contacted all event promoters and asked for their estimates of impacts of their events. The data provided is listed below.

		2009	2010	2011	2012	2013	TOTAL
	Direct impact	\$ 87,320,379	\$ 109,027,253	\$ 157,688,062	\$ 173,309,226	\$ 153,203,100	\$ 680,548,020
	Indirect Impact	\$ 72,786,249	\$ 72,419,970	\$ 104,558,087	\$ 146,353,460	\$ 42,844,480	\$ 438,962,246
	Charitable Contribution	\$ 246,023	\$ 296,419	\$ 704,382	\$ 864,519	\$ 878,777	\$ 2,990,120
Austin Marathon and Half Marathon							
		2009	2010	2011	2012	2013	TOTAL
	Direct impact	\$ 6,320,316	\$ 6,393,240	\$ 7,261,956	\$ 6,117,120	\$ 7,133,100	\$ 33,225,732
	Indirect Impact	\$ 4,463,500	\$ 4,515,000	\$ 5,128,500	\$ 3,964,057	\$ 5,124,480	\$ 23,195,537
	Charitable Contribution	\$ 82,654	\$ 122,987	\$ 480,567	\$ 356,344	\$ 276,520	\$ 1,319,072
SXSW							
		2009	2010	2011	2012	2013	TOTAL
	Direct impact	\$ 50,236,000	\$ 75,300,000	\$ 111,700,000	\$ 125,800,000	\$ 145,800,000	\$ 508,836,000
	Indirect Impact	\$ 16,143,000	\$ 21,100,000	\$ 31,400,000	\$ 35,700,000	\$ 37,500,000	\$ 141,843,000
	Charitable Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,058,500
Run for the Water							
		2009	2010	2011	2012	2013	TOTAL
	Direct impact	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 600,000
	Indirect Impact	\$ 220,000	\$ 220,000	\$ 220,000	\$ 220,000	\$ 220,000	\$ 1,100,000
	Charitable Contribution	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 500,000
Moonlight Margarita Run							
		2009	2010	2011	2012	2013	TOTAL
	Direct impact	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Indirect Impact	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Charitable Contribution	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 300,000
Fight for Air Climb							
		2009	2010	2011	2012	2013	TOTAL
	Direct impact	\$ -	\$ 84,000	\$ 120,000	\$ 146,000	\$ 150,000	\$ 500,000
	Indirect Impact	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Charitable Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Austin Film Festival							
		2009	2010	2011	2012	2013	TOTAL
	Direct impact	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

			-	-	-	-	-
	Indirect Impact	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,000,000
	Charitable Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Austin 10/20		2009	2010	2011	2012	2013	TOTAL
	Direct impact	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Indirect Impact	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Charitable Contribution	\$ -	\$ -	\$ -	\$ 234,500	\$ 196,000	\$ 430,500
Uptown Classic		2009	2010	2011	2012	2013	TOTAL
	Direct impact	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Indirect Impact	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Charitable Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 87,500
Trail of Lights		2009	2010	2011	2012	2013	TOTAL
	Direct impact	\$ -	\$ -	\$ -	\$ 1,400,000	\$ -	\$ 1,400,000
	Indirect Impact	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Charitable Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bat Fest, Crawfish, Ice Cream Festivals		2009	2010	2011	2012	2013	TOTAL
	Direct impact	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Indirect Impact	\$ -	\$ -	\$ -	\$ 9,000,000	\$ -	\$ 9,000,000
	Charitable Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ROT Rally		2009	2010	2011	2012	2013	TOTAL
	Direct impact	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Indirect Impact	\$ -	\$ -	\$ -	\$ 35,000,000	\$ -	\$ 35,000,000
	Charitable Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Austin City Limits Festival		2009	2010	2011	2012	2013	TOTAL
	Direct impact	\$ 30,644,063	\$ 27,130,013	\$ 38,486,106	\$ 39,726,106	\$ -	\$ 135,986,288
	Indirect Impact	\$ 51,959,749	\$ 46,584,970	\$ 67,809,587	\$ 62,469,403	\$ -	\$ 228,823,709
	Charitable Contribution	\$ 3,369	\$ 13,432	\$ 63,815	\$ 113,675	\$ 246,257	\$ 440,548

**Austin Fire Department
Special Event Over Time Cost and Reimbursement**

FY 2013

Descriptions	Amount	Comments
Total A/T Hours	3,398	
Average over time per hour cost for staff providing special event services	\$69	Ranks: Battalion Chief, Captains, Lieutenants
Funds Received	266,809	Amount was kept by AFD to offset overtime costs
Cost of over time (\$69 x 3,398 hrs.)	271,722	O.T cost was cost neutral

FY 2014

Descriptions	Amount	Comments
Total A/T Hours	4,514	
Average over time per hour cost for staff providing special event services	\$69	Ranks: Battalion Chief, Captains, Lieutenants
Funds Received	308,939	Amount was kept by AFD to offset overtime costs
Cost of over time (\$69 x 4,514 hrs.)	311,466	O.T cost was cost neutral

Austin Police Department Special Events Expenditures

FY13

Regular Duty	\$699,017
OT Non-Reimbursed	\$648,720
OT Reimbursed	\$927,489

FY14

Regular Duty	\$781,880
OT Non-Reimbursed	\$642,905
OT Reimbursed	\$1,083,763

Austin-Travis County Emergency Services Department
Special Events Direct and Indirect Costs

FY13 Operating/Support Overhead Budget \$188,528

FY13 Special Events Personnel Expenses \$941,367

FY13 Revenue Received \$233,589

FY13 Fees Waived/City Co-Sponsored Events \$19,858

FY14 Operating/Support Overhead Budget \$899,333*

**FY14 Budget increases \$658K to offset OT costs related to Special Events*

FY14 Special Events Personnel Expenses \$945,614**

***FY14 Projections through September*

FY14 Revenue Received \$594,684***

****FY14 Projections through September*

FY14 Fees Waived/City Co-Sponsored Events \$22,023