

INDIAN WELLS CITY COUNCIL

May 18, 2023



To: City Council
From: City Manager Department
Prepared by: Micaela Wilkey, Senior Management Analyst
Subject: **2023 Winterfest Event Update**

RECOMMENDED ACTIONS:

Council **RECIEVES** and **FILES** report documenting staff's work with Cooper Consulting and Creating to develop a 2023 Winterfest event plan, budget, sponsorships, and report back in September 2023.

BACKGROUND:

At the February 3, 2021, City Council Strategic Planning Session, Council directed staff to identify opportunities for an Indian Wells Holiday Experience in collaboration with the Indian Wells Collection of hotels to help drive business during the slower shoulder season of December. In the summer of 2021, an Indian Wells Event Committee (IW Event Committee) including the city, Visit Greater Palm Springs, Indian Wells Golf Resort, Hyatt Regency, Miramonte Resort & Spa, and Renaissance Esmeralda was formed to develop a unique holiday experience for the Golf Resort campus.

The concept for the event was to include the following amenities and activities:

- Enhanced lighting and décor at each property, the intersection of Highway 111 and Indian Wells Lane, and along the Indian Wells Lane median.
- Programming to be coordinated and available to guests of any property. For instance, a guest staying at Hyatt would be permitted and encouraged to participate in activities at Miramonte, the Golf Resort, and Renaissance.
- An ice-skating rink and Christmas tree at the Indian Wells Golf Resort planned as an anchor attraction.

The goals of Winterfest were tracked by measuring hotel occupancy and average daily rates in comparison to historic levels, ticket sales at the ice-skating rink, and sales of food and beverage. There was an expectation of initially nominal gains that would increase in subsequent years as the event matures. The first year's goal was to reach an increase of at least 5% occupancy in leisure over the same period in 2019. There was an increase of 38% from 2019 per the attached Hotel Comparison.

At the May 3, 2022, Marketing Committee Meeting, the committee recommended the hiring of an event company to manage all logistics and event delivery and to seek City Council's approval of Winterfest from November 14, 2022, through January 1, 2023. At the June 3, 2022, City Council Meeting, the City Council approved Winterfest 2022 with a budget of \$370,000, which included a \$99,285 Greater Palm Springs Tourism Grant. Funding from the grant was used for decorations, lighting and programming, as well as placement and operation of the ice-skating rink.

Overall, the IW Event Committee agreed that the 2022 Winterfest was a success. A high-level inclusive event was planned and executed in record time. Despite being a first-year event, it was well attended, participants' reviews indicated that they enjoyed themselves and the marketing elevated the City of Indian Wells.

The event saw over 4,500 ice skaters, introduced new visitors to the Golf Resort, and was an excellent opportunity to promote the new Top Tracer technology that was added to the Golf Resort. The IW Events Committee did concur that various unexpected events affected the overall success of Winterfest.

- Indian Wells Director of Tourism stepped down in the middle of the event for another job opportunity.
- A promoter identified to assist in fundraising and publicity of the event decided not to participate in the event.
- Unexpected costs that impacted the finances of the event.
- Hotel partners' participation and activation was not up to expectations.
- Uniformity was not there for driving more traffic.

The Marketing Committee requested clearer Winterfest numbers for the Indian Wells Golf Resort (IWGR). The IWGR absorbed some costs that were not budgeted for ice skating (e.g., electricity, security, housing), which are reflected in the ice-skating costs presented to the Marketing Committee.

Winterfest had a total budget of \$370,000 with an estimated \$299,285 in estimated revenues. The actual expenses came in at \$420,555 and revenue came in at \$193,508 with a Golf Resort profit of little over \$48,000. These numbers include the \$99,000 grant from Visit GPS. This report does not include any additional revenues from the VUE Grille & Bar as there is not a clear way to account for those that went to the VUE after or before partaking in Winterfest. The IWGR did look at revenues and covers for December 2021 and 2022 as a possible link to spin off revenues in the VUE. VUE revenues were \$11,000 (229 covers) better in 2022 vs 2021. We will look at ways to better track next year.

Some of the challenges of the event were accurate record keeping of new transient occupancy tax (TOT) revenues generated from Winterfest and the amount of revenue generated at the Golf Resort.

Not having sponsorships and unexpected costs associated with a first-time event created some financial stress to the budget. The Indian Wells Golf Resort was able to secure a media partnership. Some of the challenges with the recordkeeping stemmed from measurement tools and hotel packages not being placed as well as late marketing due to obtaining a point-of-sale system. The IW Event Committee agrees that better tracking needs to take place for revenues to reflect the financial impact and is dedicated to helping that with tracking codes and packages.

After the conclusion of Winterfest, the IW Event Committee met and completed the attached after-action report. They also supported a 2023 Winterfest with some suggested revisions and enhancements.

Resort Impact Transient Occupancy Tax (TOT)

In the months of November and December, the hotels reported a total of approximately \$14,224,995.00 in total room revenue producing approximately \$1,742,562.00 in TOT. This is an increase of 22.4% from last year and 38% increase from 2019. The chart attached shows room nights sold and average daily rate changes. Winterfest performance was tracked by measuring hotel occupancy and average daily rates in comparison to historic levels, ticket sales at the ice-skating rink, and sales of food and beverage. The first year's goal was to reach an increase of at least 5% occupancy in leisure over the same period in 2019. Staff notes that group business has been at a high due to COVID and has impacted the high increase in TOT for the month of December 2022. Marketing was done through social media, print, PR, and online marketing via a marketing strategy targeting the drive and local markets. That has been included as an attachment from VGPS.

DISCUSSION:

At the March 1, 2023, Marketing Committee Meeting, the committee discussed the after-event report on Winterfest and recommended that the City, Golf Resort, and hotel partners work together to develop an event plan, budget, and secure financial sponsorships for a 2023 Winterfest. Over the last couple of months, the various partners have been discussing several ideas to secure funding and how to improve the Winterfest experience. Staff recognized that for the event to be successful, an event coordinator and fundraising consultant was needed. The city has since brought on board Cooper Consulting and Creating, which has experience putting events and fundraising together,

to develop the event plan, budget, and seek sponsorship opportunities for a 2023 Winterfest.

At the May 11, 2023, Marketing Committee Meeting, the committee met with Cooper Consulting and Creating to continue exploring a 2023 Winterfest experience. The committee agreed to have Cooper Consulting and Creating work with the various partners on the event plan and budget. In addition, the goal is to raise at least \$200,000 in sponsorships to help offset the cost of the event. Cooper Consulting and Creating has been asked to begin gathering sponsorship commitments prior to September 1, 2023. It has been suggested that Cooper Consulting and Creating secure \$100,000 in sponsorships and additional cost-saving efforts for the September 2023 City Council meeting. At that time the City Council can review the progress and make a final assessment of hosting a 2023 Winterfest event. The earlier the City is able to commit to a 2023 Winterfest, the more advanced time for advertising of the event and securing vendors at a cheaper price. If Cooper Consulting and Creating is able to secure funding earlier than the September 2023 date, staff will agendize the 2023 Winterfest for an earlier date.

The event is also recommended to be shortened to a one-month period. There needs to be more activations at the resort hotel partners for guests. In addition, holiday lighting at the event needs to be enhanced. The event needs to have a better tracking system in place to gather data on guest attendance, TOT generation, and Golf Resort impacts for a better analysis for future events.

Staff is informing the City Council on the process with Cooper Consulting and Creating to work with the IW Event Committee and develop a 2023 Winterfest event plan, budget, sponsorships, and report back in September 2023. A more detailed plan will be presented to Council at a future meeting.

FISCAL IMPACT:

The Marketing Committee recommends that the event has sponsorship of at least \$200,000 to continue hosting a 2023 Winterfest experience. In addition, Visit Greater Palm Springs will be offering another tourism grant to assist in offsetting costs for Winterfest. A complete event budget of expenses, revenues, sponsorships, and estimated TOT and Golf Resort revenues will be included for discussion at the September 2023 City Council Meeting.

ATTACHMENTS:

1. Hotel Comparative Spreadsheet
2. Marketing Report from Visit Greater Palm Springs
3. IW Event Committee After-Action Report