

City of Culver City, California Agenda Item Report

Meeting Date: 09/08/2014		Item Number: <u>A-2</u>	
CITY COUNCIL AGENDA ITEM: Consideration of an Additional Amount of In-Kind Assistance for IndieCade: International Festival of Independent Games.			
Contact Person/Dept.: Jeremy Green/ City Clerk's Office		Phone Number: (310) 253-5859	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☒	Attachments: ☒
Commission Action Required: Yes ☐ No ☒		Date: _____	
Public Notification: Meetings and Agendas – City Council (09/03/14); Culver City Chamber of Commerce (09/03/14).			
Department Approval: Martin R. Cole (09/03/14)		City Attorney Approval: Carol Schwab (by H. Baker) (09/03/14)	
Chief Financial Officer Approval: Jeff Muir (by M. Noller) (09/03/14)		City Manager Approval: John M. Nachbar (09/03/14)	
<u>RECOMMENDATION:</u> Staff recommends the City Council consider an additional amount of in-kind financial assistance for IndieCade: The International Festival of Independent Games (IndieCade Festival) based on economic benefits information requested by City Council. <u>BACKGROUND/ DISCUSSION:</u> At the August 25, 2014 City Council meeting, the City Council considered a request from the producers of the IndieCade Festival for additional support from the City. Such request included the value of additional room rentals at the Veterans Memorial Building to support the growth of IndieXchange, the educational portion of the IndieCade Festival. The producers requested the City Council waive such costs in the amount of \$4,528. A breakdown of these costs is included in an attachment. At the City Council meeting of August 25, 2014 and prior to making a decision on the subject, the City Council requested the following additional information from the producers and staff, with the item to return this evening to the City Council: • Staff to provide information on room usage at the Veterans Memorial Building during the 2013 IndieXchange event, including if any requests were made for use of the Auditorium for 2014.			

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- Staff to attempt to secure occupancy percentages or other information relative to the IndieCade Festival's economic impact on the Four Points by Sheraton, DoubleTree by Hilton, Courtyard by Marriott and the Culver Hotel.
- Producers to provide financial information from the 2013 event (budgets, profits and losses, sponsorships).
- Producers to provide any quantifiable data reflecting the IndieCade Festival's economic impact on the City.
- Seth Horowitz of the Culver Hotel to ask restaurants and hotels through the Downtown Business Association (DBA) to provide actual or anecdotal examples of positive economic impact during the time of the IndieCade Festivals over the last few years.

Veterans Memorial Building Room Usage

The Auditorium, Iksan, Lobby, Room A and Room B rooms were available when IndieCade requested the additional rooms at a meeting with staff on July 10, 2014. Calendar year to date, there hadn't been any requests received from other potential renters to use the Auditorium on October 9. Further, staff has not received any inquiries requesting use of the Auditorium on October 9 to date. Staff cannot predict with certainty whether or not there will be any additional requests between now and October 9 for use of rooms by another patron (such as a PRCS program, TV shoot, memorial service, or group whose event has been displaced from another location).

PRCS staff checked the calendar from 2013. Veterans Memorial Building accommodated seven (mostly regular) renters on October 6, the same day IndieXchange was held. A small amount of revenue was lost when one regular renter was moved to a smaller room at a lesser rate for a 2.5 hour time period.

IndieCade Impact on Hotels

Staff contacted the Four Points by Sheraton, the DoubleTree by Hilton, the Courtyard by Marriott, and the Culver Hotel to inquire about any economic impact from the Festival. Asking about the occupancy percentages, the Culver Hotel's General Manager Seth Horowitz indicated that on all the weekends of the event over the last 3 years that he has worked at the hotel "we turned away a bunch of room nights because we were fully booked, mostly with wedding parties on the weekend" and that "we were full (to a certain degree), prior and post the event, for all 3 years."

The other hotels responded their occupancy rates were pretty much the same each year. They were not able to attribute impacts specifically to the IndieCade Festival.

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The Culver Hotel has had a reserved block of rooms for IndieCade Festival attendees each year and has accommodated other attendees of IndieCade outside of the block. Mr. Horowitz indicated that the willingness of IndieCade Festival attendees to pay the room rates improved each year, and that there has been a consistent increase in revenue in food & beverage of over 25% each year over the weekends of the IndieCade Festival. Mr. Horowitz also reports the following:

Rooms Revenue over a period of about 4-5 days of the conference.

- 2010 – 69 room nights for Average Daily Revenue (ADR) of \$165
- 2011 – 49 room nights ADR \$197 – I estimate an additional 12 rooms were booked outside the block.
- 2012 – 44 room nights ADR \$209 – I estimate an additional 20 rooms were booked outside the block.
- 2013 – *75 room nights ADR \$240 – *most of the bookings this last year were outside of our actual room block setup for the group, as the larger sponsors needed rooms closer to the date.

The other three hotels indicated they do not have a specific room block for the IndieCade Festival, but one hotel specifically mentioned that they would be interested in meeting with the producers to discuss working together for future events.

IndieCade Financial Information

The IndieCade Festival Producer, Stephanie Barish, contacted staff the day after the City Council meeting and indicated that they would not be able to afford to rent the space at a cost of \$4,500 because the IndieXchange is not a money-generating event. IndieXchange is run at an expense to the overall IndieCade Festival to support the independent development community, providing support to a community that otherwise could not afford to attend such an event.

Further, Ms. Barish indicated that she would prefer that the City waive the rental fee for the Auditorium and Meeting Rooms A & B, but if that was not forthcoming, they would request Meeting Rooms A & B and let the community know that capacity has been reached.

Ms. Barish supplied the information below for the IndieXchange portion of the event (with an expectation of 400 attendees including IndieCade staff):

IndieXchange Expenses:

\$380 rentals (additional tables, bar supplies, linens, etc.)

\$550 equipment (AV, projection, laptops, cabling)

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\$200 production/office supplies
\$500 all-day coffee services
\$650 IndieXchange reception costs (snacks, drinks, wine, decor)
\$370 Culver City (staffing of Vets Memorial)
\$250 IndieXchange coordinator
\$150 IndieXchange production assistant

\$3,050 total

IndieXchange Revenue:

\$0 IndieXchange Pre-Summit purchase to date at \$225 rate (0 tickets)
\$0 IndieXchange Pre-Summit purchase to date at \$0 rate (306 tickets as of 8/30/14)

Pursuant to the City Council's direction, staff requested Ms. Barish provide (1) financial information from the 2013 event (budgets, profits and losses, sponsorships) and (2) any quantifiable data reflecting IndieCade's positive economic impact on the City. Staff requested such data be provided no later than noon on September 2, 2014. As of the writing of this report, such information has not been received. Should Ms. Barish provide such information prior to the City Council meeting, staff will forward any such information to the City Council upon receipt.

DBA Information

Mr. Horowitz confirmed that he had contacted the President and Executive Director of the DBA to enquire if they can provide some feedback. However, he has not received a response from the DBA as of the preparation of this report.

FISCAL ANALYSIS:

Approved Fee Waiver for Veterans Memorial Building Rooms:	\$ 4,553.00
Additional Room Rental Fees:	\$ 4,528.00
Total Veterans Memorial Building Fee Waiver Request:	\$ 9,081.00

TOTAL Fee Waiver request for IndieCade 2014: \$18,128.00
(Original request of \$13,600.00 + Add'l request of \$4,528.00)

ATTACHMENTS:

Veterans Memorial Building Hourly Room Rates Sheet and IndieCade 2014 Additional Costs for Rooms at Veterans Memorial Building.

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MOTION:

That the City Council:

Consider the request from the producers of the 2014 IndieCade Festival, including the additional information provided in response to the City Council's requests, and direct staff as deemed appropriate.