



## Does your City have Festival Fatigue?

**November 12, 2024**

### SUMMARY

**Context:** This trendspotting forum focused on events and festivals that take place in Downtowns and Main Streets, often resulting in street closures (not large-scale festivals for music or entertainment).

#### BENEFITS OF EVENTS

Events, festivals and races have been a major driver to reinvigorate Downtowns that lost foot traffic from a daytime workforce that converted to a remote or hybrid work model. Some cities are heavily reliant upon events as one of the only mechanisms to draw people to their Downtown. Retail businesses can benefit greatly from events, but they must be able to participate and not have access hindered by an event. In cities that are struggling with unsheltered people in public spaces, events sometimes move this population to other areas, which can make event attendees feel safer. Overall, the benefits of events likely still outweigh the challenges, but a balanced perspective must be maintained by city policymakers to ensure that the needs of residents, retail businesses, and city staff are taken into account.

### TRENDS AND CHALLENGES

#### GAP IN METRICS

City representatives that participated in this forum indicated a gap in metrics to measure the economic benefits and contributions of events. Many have to rely on self-reported data from event organizers.

**Data points to consider would include:**

- Direct income to the city in fees e.g. permits
- Overnight hotel stays
- Revenue from dining and entertainment businesses (brick and mortars) in and surrounding the event area.
- Parking and transit use

#### LACK OF EVENT LONGEVITY

Some cities are seeing that new events that come to their downtown are unable to produce the event year after year, and don't come back after year one. This may be a result of high costs to produce, and other local restrictions, including bans on alcohol and/or food sales.

#### RESIDENTS' PERSPECTIVE ON EVENTS

While in some cities, residents can be a built-in customer base and supporter of events, other cities have residents expressing concern about events regarding:

- **Street closures** impacting access to homes
- **Sound from events**

Events sometimes have noise exemption permits with different decibel limits than licensed venues. Enforcing sound at events can also be challenging due to limited law enforcement resources. Also, events like road races often begin quite early in the morning, which can be problematic to some neighbors.

## BUSINESS ENGAGEMENT WITH EVENTS

There are mixed reactions to events by brick and mortar business operators. While some benefit from increased foot traffic from events, other businesses are negatively impacted by street closures that inhibit access to their business. Business employees have a more difficult time finding parking when they must compete with event attendees and are charged surge pricing.

Engagement opportunities with brick and mortar businesses vary event to event. Some event organizers offer the following:

- Incentives/coupons for customers
- Business directories/guides
- Directional signage to nearby businesses
- Free or reduced cost booths for vendors
- Scavenger hunts associated with an event where event participants visit brick and mortar businesses

In many cities, outside alcohol (purchased from a licensed establishment) is not allowed into a dedicated event space, as this takes away a source of revenue for the event. However, in the city of Raleigh, NC, their “Sip n’ Stroll” (Social district) area overlaps with the most commonly used location for events. Some event organizers opt in to allow event participants to purchase drinks from bars and restaurants then bring the alcohol into the event space.

In California, ABC requires event organizers to have a 1-day license or a catering license to sell alcohol, so brick and mortar businesses cannot benefit from alcohol sales happening within the event space. Event organizers must hire security guards to ensure alcohol purchased on the street doesn’t go inside licensed venues and vice versa. However, this is changing with the passage of California’s Entertainment Zone legislation.

Additionally, food trucks at events often severely impact brick and mortar restaurants in the area, and are therefore rarely supported by businesses.

## INCREASE IN MAKER’S FAIRS

Some business owners had to close their brick-and mortar stores due to COVID, but still participate in events as vendors selling their wares. There is hope that they may be able to return to a brick-and-mortar business model.

## CHALLENGES WITH SECURING SUFFICIENT SAFETY RESOURCES

U.S. city representatives shared the common challenge of filling the safety requirements for events. Many events rely upon an event organizer hiring off-duty officers to provide security. This reliance on voluntary sign-ups can be problematic, as some officers may prefer certain venues (e.g. an enclosed arena) instead of a street festival, and some police unions have forbidden the working of off-duty posts, due to fear of burn-out, etc. This may lead to events moving

forward without the required number of security due to insufficient sign-ups. Or, police departments may have to mandate that officers work at events to protect public safety.

In some cities, event organizers are required to hire private security guards to check IDs AND hire off-duty police officers, who don't check IDs. When officers charge a minimum pay rate and number of hours, this can be a barrier to event organizers. Other safety resources – sheriffs, officers from other jurisdictions – may be an alternative resource to supplement a city's police.

In Edmonton, Alberta, Canada, the police department made a policy decision to not allow police officers to work “special duty” or “off-duty” assignments at special events as security due to the removal of “boots from the street” and the reduction of officers available to patrol their precincts.

### STRAIN ON GOVERNMENT RESOURCES

While some cities do have staff dedicated to permitting events, other agencies involved in safety reviews (e.g. fire, police, public works, parking, transportation) are expected to participate in event review meetings as part of their “other duties as assigned” instead of as a full-time job. When there is a large number of simultaneous or consecutive events, this puts strain on department staff.

### FEWER LOCATIONS AVAILABLE

Some cities have less and less space available to produce events, due to natural disasters or increased property development. This means more events happen in the same location, causing those living near those locations to be heavily impacted, as well as causing a decline in participation (events begin to look and feel similar to each other).

### INCREASING COST OF EVENTS

The cost to produce an event has risen in most cities due to rising insurance rates, city fees, and cost of labor. This is the most notable reason given by event producers for not returning to a city. Some cities bear the cost of hosting events (i.e. closing streets, hiring security, trash, fire) and don't charge admission for events. Other cities pass on all costs to the event organizer, including creation of a Transportation Management Plan (TMP) and hiring of off-duty organizers.

Event organizers in some cases have only done “one-off” events because they may not have anticipated the cost of organizing an event, finding that they may have only broken even or lost money from the event. Additional income streams must be found (outside of ticketing, food and beverage sales, booth sales) in order to sustain these events.

### ABUNDANCE OF EVENTS LEADS TO OTHER CHALLENGES

There is such a demand for events that some cities have had to proceed with the following approaches:

- **Black-out dates where no more events can be allowed** due to insufficient city resources to manage those events
- **Move events to alternate locations** e.g. parks managed by Parks and Recreation departments.
- **Turn away events** that submit applications

### CONTENT OF EVENTS

Some cities' event management staff have difficulty finding a balance of events that are city-sponsored, sponsored by for-profit entities and non-profits to ensure events attract a regional or national audience, as well as offer cultural significance to the local community. One city reported an observable decline in interest and participation in downtown

events from younger generations. This may be due to the programming and content of an event, but more data is needed.