



City of Las Cruces[®]

PEOPLE HELPING PEOPLE

COUNCIL WORK SESSION SUMMARY ROUTING SLIP

Meeting Date May 11, 2015

TITLE: SPORTS TOURISM REPORT

- Are there attachments to the Council Work Session Summary? Yes No
- Will there be a Video Presentation for this item? Yes No
- Will there be a PowerPoint Presentation for this item? Yes No
- If "yes", will a copy of the PowerPoint Presentation be included on the Council Work Session Agenda? Yes No

DEPARTMENT / ORGANIZATION	SIGNATURE	PHONE NO.	DATE
Ed Carnathan, Sports Sales Mgr.		X-2166	4/30/2015
Department Director		X-3060	4/30/2015
Other			
Assistant City Manager/CAO (if applicable)			
Assistant City Manager/COO (if applicable)		-221	4/30/15
City Manager			5-1-15



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Council Work Session Summary

Meeting Date May 11, 2015

TITLE: SPORTS TOURISM REPORT

PURPOSE(S) OF DISCUSSION:

- Inform/Update
- Direction/Guidance
- Legislative Development/Policy

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:

The Las Cruces Convention and Visitors Bureau (CVB), as part of its overall marketing effort to promote Las Cruces as a tourism destination, has made an effort to increase the level of sporting events in town. The City hired Huddle Up Group (HUG) of Phoenix, AZ to conduct a study of the City's sport tourism promotion efforts, review our existing City-owned and other regionally available sporting facilities, and evaluate the current sporting events being brought to town. The study's process included extensive phone interviews, site tours, an in-person workshop, and conversations with several national sporting events producers. CVB staff, in partnership with representatives from HUG, will provide an overview of the report's findings and recommendations to the City Council on improving our efforts and positioning as a sports tourism destination.

SUPPORT INFORMATION:

1. Attachment "A", Huddle Up Group Summary Report.

(Continue on additional sheets as required)



**Las Cruces Convention and Visitors Bureau
Sports Tourism and Events Study
Executive Summary**

It is the opinion of the Huddle Up Group that there is great opportunity to expand the sports tourism work of the Las Cruces Convention and Visitors Bureau ("CVB"). Through our extensive phone interviews, site tours, in-person workshop, and conversations with several (national) events rights holders, we believe the tools exist to enrich the Las Cruces community, increase economic development, and to impact venue development projects that will sustain the region's sports tourism efforts over time. In a marketplace with limited convention space, it is critical that grass roots sports tourism and events continue to be a top priority in Las Cruces.

Synopsis and Recommendations

Methodology

The Huddle Up Group ("Consultant") conducted a complete audit on the current sports tourism and event efforts of the Las Cruces Convention and Visitors Bureau ("CVB"). The audit included phone interviews with 11 key stakeholders, including CVB staff, community leaders, venue managers, hospitality community executives, event owners, elected officials, and additional targets that were identified by the CVB.

The Consultant also conducted an in-person evaluation/site-visit in Las Cruces (July 30 – August 1, 2014). This two-plus day evaluation included venue tours, meetings with key community leaders, an internal CVB staff meeting, and one 60-minute concept workshop with the USSSA team. The workshop was facilitated by Huddle Up Group CEO Jon Schmieder and focused on three themes: national best practices in sports tourism, Las Cruces' efforts in the sports tourism space, and sports tourism/venue development opportunities. These themes were determined from the pre-visit phone interviews conducted by the Consultant. Discussions were held around national best practices in the three theme areas and focus was given to applications for the CVB. The intent of this in-person effort was to create community support for the CVB's increased sports tourism enrichment effort by giving local stakeholders a voice, to foster a teamwork mentality for Las Cruces, and for the CVB to be perceived as the leader of this united effort.

The Consultant took the results from the audit, phone and in-person interviews, the workshop, and overlaid national best practices to develop and deliver the enclosed game plan. This plan is intended to create a sustainable sports tourism and venue enrichment effort for the CVB. The game plan includes recommendations for three primary focus areas:



1. Concepts for an enhanced community messaging and external marketing platform for the sports tourism efforts of the CVB.
2. Event solicitation and concepts relating to the solicitation of new events for the area.
3. Determine new venue development/enrichment opportunities that would positively enhance sports tourism in the region.

Huddle Up Group's recommendations to the CVB are summarized on the following pages. While the goal is to provide the framework for a five-year vision, many of the items are focused on the near term (2015) as these are formative years for the plan and its related action items.

Recommendations

Focus Area #1: Messaging and Marketing Platform

The CVB has been marketing the area in the national sports tourism space for several years. While the CVB has been proactive in this growing marketplace, the Consultant offers four suggestions to enhance the ongoing work of the CVB:

1. External Communications – The CVB needs to create a forum to regularly and consistently communicate with sports community leaders across the entire region. In order to be proactive rather than reactive, without having the fiscal ability to drive the venue development process (yet), the CVB needs to serve as the communication facilitator for the area by providing a vision for the future. In order to be on par with the strong sports tourism players in the region (ex: El Paso, Albuquerque, Tucson) the leaders in Las Cruces need to work together in a very meaningful way, with the long-term in mind. In the opinion of the Consultant, as it relates to sports tourism and venues, the CVB is the lone organization that has the ability to pull the region together for this unified purpose. Specifically, the Consultant recommends that the CVB staff revisit the role of the existing Advisory Board, increase community outreach, and continue to expand the use of existing marketing collaterals.
2. Targeted Outreach – Expand the outreach effort to the national governing bodies (NGBs) and sport event rights holders. Currently, the CVB staff attends four of the industry's significant sports tourism conferences. The Consultant believes that there may be greater potential in adding one additional conference to the marketing mix, while also allocating additional funds to conduct targeted relationship-building efforts that will prove fruitful over time. This should be done through the addition of the NASC Best Practices Fall Meeting and USOC Sportslink Conference to the marketing plan (these events are held concurrently at one site), and by conducting one outbound sales trip to either Colorado Springs or Indianapolis each year.



Throughout the marketing process (FAMs, sales trips, and sports tourism conferences), the CVB should engage elected officials and community leaders by inviting them to attend these conferences and sales trips. The CVB should budget to pay the expenses for these VIPs to attend the various events with key CVB staff members.

3. Strategic Partnerships – In addition to the rights holders and events listed above, the CVB should take a tactical approach at engaging the user groups on campus at NMSU. Specifically, consideration should be given to aligning with the intramural and club programs that are competing on campus.
4. Trumpet Successes – Several participants in the Consultant’s work indicated they would like the CVB to issue an economic impact estimate for their events. This can easily be done using the National Association of Sports Commission’s (NASC) online tool. The NASC tool allows the CVB to issue a third-party estimate that is backed by the leading association in sports tourism, all the while tagging the CVB name to the reporting of the impact and helping validate the work of area stakeholders.

In order to thrive in the sports tourism and events industry, it is critical that the CVB continually and consistently build relationships within the industry. Strong relationships with local promoters, national governing bodies, and events rights holders are the key to attracting future business. The sports tourism industry is more about relationships than many other industries. The decision makers only want to do business with people they trust. These sport relationships are often built within smaller social settings (over lunch, at an industry meeting happy hour, or in a best practices break out session). No matter the venue, in order for the staff at the CVB to be successful, they need to be empowered to build these relationship bridges (whether hosting decision makers for a meal, an adult beverage, or taking them to a ball game).

Focus Area #2: Event Solicitation

Through the on-site venue tours and the personal interviews, it became apparent to the Consultant that there are several solid facilities in the area that are adequate for hosting major national tournaments. At the same time, many of these venues are overbooked in non-peak tourism seasons (ex: NMSU and the area high school facilities) or they are too expensive to utilize (ex: Field of Dreams).

Additionally, the hotel inventory in Las Cruces is roughly 3,000 total keys, with 50% of those regularly occupied throughout the year with transient and corporate business. On average, this leaves only 1,500 rooms that can be committed for tournaments and/or conventions. In addition, there are some individual hotels that won’t participate with sports groups, so the pool is quite small to work with.

In order for Las Cruces to reach its maximum sports tourism potential, the team at the CVB needs to take a lead role in identifying the core challenges for events rights holders to do business in Las Cruces. This includes removing barriers in the following areas:



1. Budgets – The current CVB sports budget is roughly \$77,000 (not including staff salaries). Of this allocation, \$30,000 (or 39%) is tied to one event. Consideration to a more diverse use of the CVB’s sports funds should be given. Specifically, events that drive larger room night numbers should be given priority.
2. Bookings – There is no firm policy of how far out the CVB staff can book Parks and Recreation venues. In the absence of a formal policy on this process, the Consultant recommends the CVB ask the City Parks Department for a form of “Favored Nation Status.” That is the CVB would be able to commit facilities on behalf of the City outside of one year out, and the Parks staff would then book any facility requests within the one year time period. The community’s recurring legacy events such as the Enchilada Softball Tournament would of course be given primary booking status. Beyond that, the CVB would book long-range tourism based events and the Parks Department would book the shorter term community focused leagues and tournaments. Both the CVB and the Parks Department are part of the City, which lends itself to a more structured effort (and policy) as to how sporting events should be handled to best enrich the community.
3. Fees – The Consultant suggests a usage fee study be conducted comparing the rate structure of the Las Cruces Parks and Recreation facilities to those of their peer group cities.

Over the long-term, event solicitation priority should be given to two areas of focus: (1) replicating/expanding existing annual events (ex: USSSA Baseball World Series, Whole Enchilada), and (2) expanding the sales efforts for the bat and ball sports while also soliciting the governing bodies of emerging sports that match the venues in Las Cruces (ex: BMX, archery, shooting, and lacrosse). The Consultant recommends that 50% of the sports marketing budget’s event support line item be attributed to areas of existing strength (baseball and softball), and 50% should be allocated to new and expanding sports markets (running, archery, lacrosse, BMX, etc.).

Focus Area #3: Venue Development/Enrichment

Sporting events drive a sizeable amount of tourism business to Las Cruces. In order to continue the growth of sports tourism in the region, and to draw new business in shoulder/down tourist seasons, the venue tool kit that is used to target grass roots youth championships must be greatly improved. The participant driven youth venues are the ones to which attention must be given in Las Cruces.

At this point in time, short of increasing the bed or sales tax pool, or making a significant change in the way tourism funds are allocated, the CVB is not currently in the facility funding business. With that said, it is IMPERATIVE that the CVB take a leadership role in the facilitation of discussions that will lead to future venue enhancement and development for the region. The Consultant recommends the CVB use its political capital and unifying community power to help grow the venue offering wherever possible. Specifically, we outline three areas of opportunity below:



1. Hadley Complex – This facility has great potential, but is also in need of a significant upgrade. The existing venue has below standard restrooms, parking lot surfaces, lighting, concession stands, and scoreboards. The field surfaces also need to be revamped. On the positive side, these are not difficult fixes. In addition, there is land near the facility to expand the number of fields on site, which would greatly enhance the venue offering of Las Cruces in marketing the destination. The difference between 11 fields at one location and 16-20 fields at one location is a game changer for hosting of regional and national events. The Consultant recommends the CVB, in partnership with the Parks and Recreation Department staff, formally request that the City’s core of engineers revisit the facility’s layout in regards to an expansion, improved parking, lighting, and irrigation. The Consultant also recommends that Parks and Recreation evaluate a turf surface (versus grass) for any added fields in order to extend seasonal play and limit weather suspended games.
2. BMX Facility – The Wild Chile BMX facility has the ability to host major state, regional, and national events. While a recent bid to the sport’s governing body (USA BMX) was not selected, there is great opportunity in this quickly growing Olympic sport. The Consultant suggests that the CVB host USA BMX’ senior track director on a site visit to ask their opinion on how to improve the facility for long-term success in hosting events.
3. Funding – The CVB needs to find a revenue stream to create a “Sports Venue Improvement Fund.” The Parks and Recreation Department has over \$30 million in facility projects on the drawing board, but only \$2 million in identified funding for those projects. The CVB’s “Fund” should be used to leverage existing resources in the community in the form of a matching grant program specifically for enhancing the area’s venue offering. This Fund could be formed with initial seed money from an expanded Gross Receipts Tax (GRT), with the premise that area hotels would match these funds through an assessment based on number of keys at each property.

A number of new community/tournament sports facilities have been built across the United States with some form of public investment. The most common funding source for new facilities of this nature is a general fund allocation from the city or county where the facility is located as well as a land contribution for the venue to be constructed (again by the city or county). In a new twist, several communities around the country have already, or are in the process of, raising their bed tax collection rate to fund sports-related facility development, including:

- Evansville (IN) has broken ground on a new \$15MM multi-use outdoor sports complex that is entirely funded by bed tax dollars. The future management of this facility will also be funded by bed tax dollars.
- Spokane (WA) is in the process of bonding \$25MM against future bed tax collections to construct a new athletic field house.
- Shreveport (LA) is in the final stages of passing a 2.5% bed tax increase for development of a new grass-roots sports tourism complex and to fund its ongoing sports tourism marketing effort.



- Fox Cities (Appleton, WI) is soon to raise their bed tax rate from 6% to 10% to build a convention center as well as a large indoor sports complex.

While there is yet to be a flood of success stories in the case of bed/sales tax dollars used for grass-roots sports facilities, this is a trend that Las Cruces should continue to monitor. By not taking action to improve/expand the Hadley facility (and others), other cities in the region (ex: El Paso, Ruidoso, Midland/Odessa, Albuquerque) could build a new complex and start to grab market share from Las Cruces.

Conclusion

The sports tourism industry has grown consistently over the past twenty years. Studies show that the grass roots portion of this market is worth between \$7.8 and \$8.3 billion annually to the domestic economy. Whether you use the National Recreation and Parks Association spending estimate (\$85 per person per day), or a 2011 study by the National Association of Sports Commissions (\$208 per person per day), the value of this niche market is profound.

Due to the efforts of multiple community players, Las Cruces has had success in the sports tourism marketplace the past decade. There is opportunity to build on annual events like the USSSA tournaments and Whole Enchilada. Hosting events such as the WAC Basketball Tournament and the Biggest Loser show sports event rights holders that Las Cruces is a community that can pull off larger events as well. These events provide a foundation for Las Cruces to build upon in the sports tourism marketplace.

For Las Cruces to continue to be relevant in this industry, it is mission critical that the CVB strengthen its messaging locally and it's marketing nationally, and that is plug into the area's venue development opportunities politically and financially. With the proximity of numerous NGBs and rights holders, and the national connections of select community leaders, the door is open for Las Cruces to become a player in the Southwest. In order to capture this opportunity, the CVB will need to collaboratively lead several stakeholders toward a "regionalism" mentality by connecting the sports community in an ongoing and proactive manner.

Submitted to the Las Cruces Convention and Visitors Bureau on October 10, 2014.