

TO: James L. App, City Manager

FROM: Meg Williamson, Assistant City Manager

SUBJECT: Tourism Promotion - Paso Robles Events Center  
Pacific Coast Cutting Horse Association Sponsorship

DATE: September 16, 2014

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NEEDS: For the City Council to consider a request to recommit to the sponsorship of Pacific Coast Cutting Horse Association (PCCHA) equestrian events.

- FACTS:
1. In 2006, the City and Chamber of Commerce adopted an Economic Strategy that includes a principal focus on promoting tourism.
  2. The strategic importance of tourism includes not only first dollar direct income from visitors, but the opportunity to expose more people to the Paso Robles lifestyle. And, in doing so, entice them to return and ultimately invest.
  3. The Paso Robles Event Center (PREC) is a key asset in hosting events that attract visitors.
  4. The PCCHA events – a 6-day event in March (Round Up) and a 13-day event in October (Futurity) – attract horsemen, owners, trainers and others from across the United States, Canada and Australia.
  5. The participants take up lodging in town generating approximately 1000-1600 visitors per day (see attached PCCHA information). For multi-day events, this converts to approximately 2000-7800 room night stays per event.
  6. The visitor days result in local hotel room and retail sales not otherwise realized.
  7. In 2006, the PREC succeeded in attracting the PCCHA to town. The PCCHA committed to conduct two major multi-day equestrian competitions annually between 2007 thru 2009.
  8. In 2006, the City joined with the Chamber of Commerce and the (then) Visitors & Conference Bureau to provide \$5,000 per year sponsorships each (\$15,000 total) to secure the PCCHA shows for three years.
  9. In 2008, the PCCHA committed to extend their stay in Paso Robles through 2014, and requested expanded sponsorship to build on its early success.
  10. In 2008, the City committed to a \$20,000 annual sponsorship through 2014 provided that the “business community” (spearheaded by the Promotions Coordinating Committee/PCC) would raise \$10,000 of those funds as matching funds to a City contribution of \$10,000.
  11. Since FY09/10 the City has funded \$10,000 of the \$20,000 annual PCCHA sponsorship. The Promotions Coordinating Committee/PCC (representing private business) and Travel Paso Robles Alliance (TPRA) have matched this amount as promised (the TPRA’s “BID community partnership” fund contribution of \$5,000 began in FY 11/12).

12. On July 8, 2014, members of the PCCHA presented a sponsorship request to the Tourism Collaboration Committee (TCC), indicating their renewed commitment to the Paso Robles Event Center (PREC) for an additional 5-year contract. The PCCHA will continue with two multi-day events per year and are requesting the City's recommitment to the \$20,000 annual sponsorship (see attached PCCHA presentation materials).
13. The TCC discussed the PCCHA's sponsorship request in the context of the business value to the community (inclusive of hotels, downtown retail and restaurants, and service businesses). The committee members had high praise for the value of the event to the community in both first dollar return (TOT and sales tax) and in secondary returns such as real estate and business investment.
14. On a unanimous 5-0 vote, the TCC recommended that the City Council support the \$20,000 annual request. However, based on the restructuring and work focus of the currently organized TCC, it was determined that private fund raising to generate annual matching funds would not be an appropriate use of TCC resources.
15. On August 26, 2014, the Travel Paso Robles Alliance (TPRA) unanimously supported the TPRA's continued community sponsorship contribution to the PCCHA for an additional 5 years, at an increased level of \$10,000 annually (up from \$5,000).

#### ANALYSIS &

**CONCLUSION:** PCCHA competitions are major horsing events, attracting participants/vendors from across the country and internationally. The March Round Up and October Futurity events straddle 20 days of the year with an estimated 7,800 participants plus attendees per day at the larger Futurity event. The events present a significant opportunity to market the unique character and heritage of the community (highlighting Paso Robles agricultural roots and industry). PCCHA is committing to stay at the PREC through 2019 (5 more years). They request a continued commitment of the \$20,000 annual sponsorship through the year 2019.

The City's FY14-15 Financial Forecast shows a modest operating surplus, yet the City is still trying to rebuild services lost since 2008. The PCCHA events generate mid-week lodging and retail sales that result in direct income to the City that might not otherwise be realized.

#### POLICY

**REFERENCE:** 2006 Economic Strategy.

#### FISCAL

**IMPACT:** \$20,000 annually FY 2015 – 2019. The TPRA recommendation for continued and increased BID community partnership funding at a \$10,000 level will reduce the General Fund fiscal impact of the sponsorship to \$10,000 annually (commensurate with the historic/current funding impact).

- OPTIONS:**
- A. For the City Council to authorize recommitment of a \$20,000 annual sponsorship through 2019 to the PCCHA; or
  - B. Amend, modify or reject options above.

#### Attachments:

1. Resolution 14-XXX authorizing extended annual sponsorship
2. PCCHA 7/8/14 Presentation

# Pacific Coast Cutting Horse Association

Presentation to the City of Paso Robles

July 8, 2014



# Meeting Purpose and Objectives

- Re-affirm PCCHA's commitment to Paso Robles
- Provide a profile of the typical PCCHA member (and his/her spending habits)
- Share the economic benefits that the PCCHA Futurity and Round Up have on the City of Paso Robles
- Existing local sponsors and vendors
- Request financial and partnership commitment from City of Paso Robles

# PCCHA Commitment to Paso Robles

- To hold the PCCHA Futurity and Round Up at the Paso Robles Events Center through the year 2019



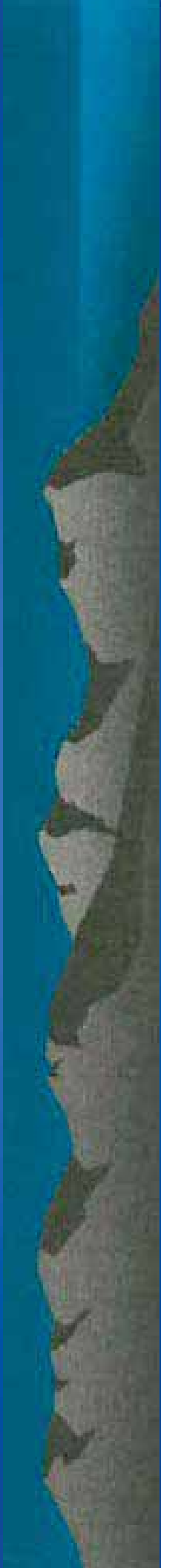
# PCCHA Round Up

- Held in March of each year
- 6-day event
- Exhibitors from 5 states plus Canada
- #3 ranked PCCHA event
- Estimated 6180 total visitor days
- Estimated prize money of approx. \$151,000



# PCCHA Futurity

- Held in October of each year
- 13 day event
- Exhibitors from 10 states plus Canada & Australia
- PCCHA's Premier Event –  
2<sup>nd</sup> largest Futurity in the world (The largest on the West Coast)
- Featured event for 3-year-old horses
- Estimated 21,125 total visitor days
- Estimated prize money of approx. \$975,000



# PCCHA Member Demographics

- Of the NCHA's 16,000 members, 2,129 live in Region II (CA, HI, AZ, NV)
- 1130 are members of the PCCHA
- 68% of PCCHA members are between 46 & 65 of age (47% male/53% female)
- 51% of members have a Bachelors or Post Graduate Degree
- Average income: \$215,640/yr. (54% earn more than \$150 per year)
- Average net worth: \$1,832,000
- 69% are married



# PCCHA Exhibitor (Region II of NCHA)

- Average number of horses owned: 8.6
- Average purchase price per horse: \$20,086
- 63% reside in rural area
- 78.6 acres of land owned or leased
- 97% have internet service
- 69% own a diesel truck
- Average miles driven each year: 37,229
- 37% own their own business

# PCCHA Members Loyalty and Spending Habits

- 48% of PCCHA members attend the fall Futurity held in Paso Robles each year (approx. 540 members)
- 83% of PCCHA members drink wine
- 68% of PCCHA members support Sponsor restaurants
- 50% of PCCHA members stay in the Host hotel(s)
- 65% purchase tack or clothing while at PCCHA event
- PCCHA members are very loyal to the organization and its sponsors and supporters. Our “ancillary spend” is very high

# Economic Benefits of PCCHA Events to the Paso Robles Community

- 19 event days per year
  - Round Up: 6 days in March
  - Futurity: 13 days in October
- 30,305 visitor days per year <sup>1</sup>
  - Round Up: 1,020 per day
  - Futurity: 1,625 per day
- \$1,075,828 in estimated annual retail food & beverage expenditures <sup>2</sup>
  - Round Up: \$325,890
  - Futurity: \$749,938

<sup>1</sup> Assumes 2.7 persons per horse/stall

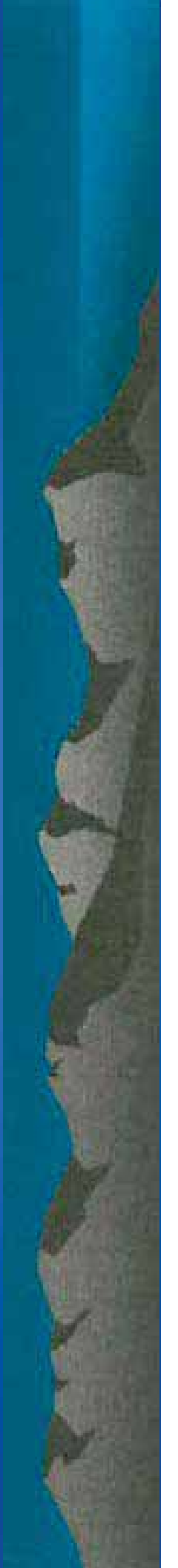
<sup>2</sup> Assumes 50% visitor penetration and \$71.00/day consumption (based on NCHA statistics)

# Economic Benefits of PCCCHA Events to the Paso Robles Community

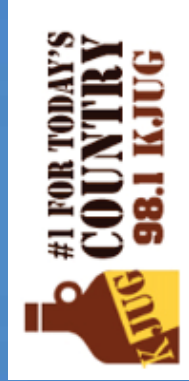
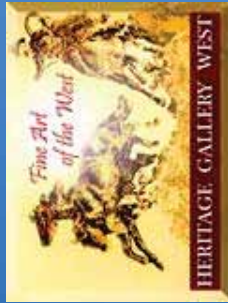
- \$579,755 in estimated annual hotel room revenue (\$57,975 in TOT)<sup>3</sup>
- \$42,720 in estimated annual jet fuel and rental car revenue<sup>4</sup>
- \$871,119 in actual 2013 show production expenditures
- \$120,000 in estimated annual fuel and miscellaneous sales

<sup>3</sup> Assumes 14.83% penetration (NCHA statistic) and \$129.00 average daily rate – approx. 204 rooms per night

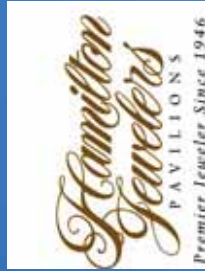
<sup>4</sup> Assumes 25 cars/event plus 5,400 gallons of jet fuel



# PCCHA Event Sponsors - Local



# PCCHA Event Sponsors - Other



# PCCHA – Paso Robles Area Vendors

- Enterprise
- Bonnie Marie's
- Centennial Livestock
- Heritage Foundation
- John Lacy
- Local FFA Chapters
- Yesterday's Sportswear
- Paso Robles Equine
- AJ Excavating
- Lowe's
- Quinn & Ultrex
- RLF
- All Signs
- Staples
- Mark Switzer
- Target
- Rent to Own
- Valley Sand & Soil
- Wal-Mart
- Harvey's Honey Hut
- Paso Robles Events Center
- Holiday Inn Express
- Dave Fowler



# Financial/Partnership Request

- \$20,000 annual commitment through the year 2019
- Concierge at Events Center during peak hours of each event day





Thank you for your time.



RESOLUTION NO. 14-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES  
AUTHORIZING ANNUAL SPONSORSHIP OF THE PACIFIC COAST CUTTING HORSE  
ASSOCIATION (PCCHA) THROUGH 2019

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WHEREAS, in 2006, the City and Chamber of Commerce adopted an Economic Strategy that includes a principal focus on promoting tourism; and

WHEREAS, the strategic importance of tourism includes not only first dollar direct income from visitors, but the opportunity to expose more people to the Paso Robles lifestyle, and in doing so, entice them to return and ultimately invest; and

WHEREAS the Paso Robles Event Center (PREC) is a key asset in hosting events that attract visitors; and

WHEREAS, the PCCHA events in March and in October attract horsemen, owners, trainers and others from across the United States, Canada and Australia; and

WHEREAS, the participants take up lodging in town for these multi-day events which result in local hotel room and retail sales not otherwise realized; and

WHEREAS, in 2008 the City committed to a \$20,000 annual sponsorship through 2014 provided that the "business community" would raise \$10,000 of those funds as matching funds to a City contribution of \$10,000; and

WHEREAS, the PCCHA has made a sponsorship request to the Tourism Collaboration Committee (TCC) to align with their renewed commitment to the Paso Robles Event Center (PREC) for an additional 5-year contract; and

WHEREAS, the TCC discussed the PCCHA's sponsorship request and had high praise for the value of the event to the community in both first dollar return (TOT and sales tax) and in secondary returns such as real estate and business investment, and voted unanimously to recommend that the City Council support the \$20,000 annual request; and

WHEREAS, on August 26, 2014, the Travel Paso Robles Alliance (TPRA) unanimously supported the TPRA's continued BID funded community sponsorship contribution to the PCCHA for an additional 5 years, at an increased level of \$10,000 annually; and

WHEREAS, the TPRA recommendation for continued and increased BID community partnership funding at a \$10,000 level will reduce the General Fund fiscal impact of the sponsorship to \$10,000 annually (commensurate with the historic/current funding impact); and

WHEREAS, the PCCHA competitions present a significant opportunity to market the unique character and heritage of the community (highlighting Paso Robles agricultural roots and industry); and

WHEREAS, the PCCHA events generate mid-week lodging and retail sales that result in direct income to the City that might not otherwise be realized.

THEREFORE BE IT HEREBY RESOLVED that the City Council does authorize an annual sponsorship of \$20,000 to the Pacific Coast Cutting Horse Association (PCCHA) through the calendar year 2019.

ADOPTED by the City Council of the City of El Paso de Robles at a regular meeting of said Council held on the 19<sup>th</sup> day of September 2014 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

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Duane Picanco, Mayor

ATTEST:

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Caryn Jackson, Deputy City Clerk