



**AGENDA MEMORANDUM**  
Action Item for the Corpus Christi Business and Job Development Corporation  
Meeting September 16, 2019

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**DATE:** August 21, 2019

**TO:** President and Honorable Board Members,  
Corpus Christi Business and Job Development Corporation

**FROM:** Matt Blasy, General Manager, American Bank Center  
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<b>Arena Marketing/Co-Promotion Fund Request – Coastal Christmas</b>
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**CAPTION:**

Motion authorizing the expenditure of \$65,000 from American Bank Center Arena Fiscal Year 2018-2019 Marketing/Co-Promotion Fund to offset direct costs of operating Coastal Christmas, a South Texas Winter festival.

**SUMMARY:**

The purpose of this item is to authorize an expenditure of \$65,000 from the Arena Marketing/Co-Promotion Fund for continued support of Coastal Christmas - a homegrown event that began last year. Continuation of this event will help to further establish it as an annual event that generates positive community impact and support.

**BACKGROUND AND FINDINGS:**

The objective of the American Bank Center Arena Marketing/Co-Promotion Fund is to provide funding to the American Bank Center Arena to offset event-related expenses incurred for the purpose of attracting business to the Arena such as: tenant leases, conventions, and other events and business opportunities that generate a positive impact for the City of Corpus Christi. This request relates to other events and business opportunities.

In 2018, SMG successfully hosted its first homegrown event with Coastal Christmas. The event attracted people to the American Bank Center for a one-of-a-kind experience in Corpus Christi to celebrate the holidays. The festivities attracted nearly 15,000 patrons and took place from December 16, 2018 through January 1, 2019.

A contributing factor to its first-year success was utilizing Arena Marketing/Co-Promotion Funds to assist with costs associated in purchasing one-time investments of production elements to

establish the event for continued growth and sustainability in future years. Items purchased included an Inflatable Snow Globe, Snow Machine, LED Santa Chair, Christmas trees, Christmas tree decorations, and miscellaneous site decorations (candy canes, wreaths, etc.)

The feedback received from the 2018 event was overwhelmingly positive, and SMG is planning to further develop the event in 2019 which will take place December 20–31. SMG is seeking to invest the Type A dollars to greatly enhance the “Winter Wonderland” experience by adding more decorations and interactive elements in the main Arena area and Concourse.

In total, the budget for the twelve-day event is \$150,000 compared to \$200,000 in 2018. For 2019, Coastal Christmas will be relying more upon revenues and with less dependence on Type A Marketing/Co-Promotion funds to successfully grow the event. Below is a summary of where the funding support is coming from to cover expenses in 2019 compared to 2018.

	<b>2019</b>	<b>2018</b>
Budget	\$150,000	\$200,000
Sponsorships / Event Revenue	57%	27%
Type A Board Support	43% (pending \$65K approval)	\$60%
Convention Center Content Contribution	0	13%
Total	100%	100%

This financial assistance is critical in continuing to establish Coastal Christmas as a major event at the American Bank Center. This financial support, will allow entry into the event to be free of charge, including parking. The only costs to patrons will be for select elements (skating, skate rental, concessions). This will result in increased attendance and exposure for the event.

SMG recognizes Coastal Christmas as a wonderful opportunity to give back to the community and its non-profit organizations. There are three (3) Charity Nights for non-profit organizations to benefit through promotions for discounted skating prices (vouchers) in exchange for patrons making a charitable contribution (e.g. donation of canned goods). Specific charitable groups are still being identified and SMG is seeking partnerships with major sponsor contributors and their choice of nonprofit organizations. The Charity nights are Monday December 23, Thursday December 26, and Monday, December 30. In addition, SMG is looking to work with local sponsors to provide memorable Christmas experience for underprivileged youth on December 23 where each child will get to ice skate for free and receive a Christmas present.

### **ALTERNATIVES:**

As an alternative, SMG could rely on sponsorships to cover the cost associated with offering a similar event. The risk would occur if this resulted in a shortfall of funds, and then the event would be scaled back to fit within a smaller budget.

A second alternative could be for SMG to charge a nominal admission fee to enter the venue instead of only charging for select elements. This is not recommended since it would more than likely result in a decrease in overall attendance and potential negative financial impact on the revenues.

**FINANCIAL IMPACT:**

Based on the success of last year's event, we are anticipating net positive revenues with the assistance of the \$65,000 in Marketing and Co-Promotion funds. The Fiscal Year 2018-2019 budget for the Type A Arena Fund included a transfer of \$650,000 to the Visitor's Facility Fund for Arena Marketing/Co-Promotion. As of August 31, 2019, \$280,000 of the \$650,000 has been encumbered – leaving \$370,000 available. This agenda item would encumber \$65,000 of the available balance.

**Funding Detail:**

Fund: 4710 Visitor Facility  
Organization/Activity: 13615 Arena Marketing/Co-Promotion  
Mission Element: 734 Tourism  
Project # **(CIP Only)**: N/A  
Account: 530500 Printing Advertising & PR

**RECOMMENDATION:**

Staff recommends approval of this item.

**LIST OF SUPPORTING DOCUMENTS:**

Budget by Funding Source  
Coastal Christmas Expansion