

Additional Background: Camp Christmas Economic Impact Information

Dinner and a movie

It is intuitive. Specific experiential events – unique, created experiences like art presentations and sporting events - generate far greater positive economic impact than just the sale of tickets. For example, the phrase, “Dinner and a movie” is so well known because patrons often pair buying dinner with attending a film presentation in the theatre. In addition to movie tickets, many people make purchases of concessions to enjoy during the movie. The movie drives these additional sales and theatres actually generate more revenues from concession sales than from ticket sales.

What often is not contemplated is the staff running the theatre – the ticket takers, the projectionists, the managers, the custodial crew – all receive wages and each put those wages back to work in the community. They buy groceries, supplies and support housing. For live art events, the artists themselves, logistics personnel, and marketing people - all help to create a multiplier effect. **For each dollar spent - for each job created to support the art event effort – there are additional multiplying economic impacts generated for the benefit of the larger community.** If art event jobs generated are in place for weeks or months, the multiplier effect grows even larger. Some events generate hotel stays, merchandise sales, and cooperative marketing efforts between local business and the attraction itself. Add them all up and it becomes clear why this year’s Super Bowl was estimated to bring south Florida 4,597 local jobs and created a total economic impact of \$572 Million dollars.

Camp Christmas may be the “super bowl of local art immersion events” but it’s not the actual Super Bowl. For example, Camp Christmas is not likely to generate many (if any) overnight stays. However, Camp Christmas has been and will continue to be a powerhouse in generating indirect economic impact. Using the right inputs and calculating these impacts can be tricky, but several standard methodologies have come into common practice in the last two decades. Locally, the Colorado Business Committee for the Arts (CBCA) has been a champion of quantifying the economic impacts of arts events.

Standard Methodologies & It’s a Large, Multi-day Attraction

Some of the standard methodologies used by the CBCA, and others, like the Broadway League, involve a tool named the Regional Input-Output Model (RIMS II). RIMS II is a complex and comprehensive spreadsheet calculator and was created by the U.S. Department of Commerce’s Bureau of Economic Analysis. RIMS II carefully calculates the multiplier effects of certain economic activities on related industries, specific to geographic areas in the U.S.

With their models, the CBCA is able to further hone and quantify the economic impacts of Colorado events because the methodology they use for their biennial Economic Activity studies, relies on data reported by nearly 300 Colorado arts, cultural and scientific nonprofits receiving funds through the Scientific and Cultural Facilities District (SCFD). Through the CBCA’s experience, the stories of the positive economic impacts of the arts have become more comprehensive and more precise with each successive study. ([Read CBCA’s Economic Activity Report.](#))

For Camp Christmas, using the standard methodologies, with conservative inputs of total ticket availability, likely percentages of tickets to be sold, square footages of the presentation, similar ticket pricing, length of the production (42 days) and the numbers of jobs created for staging the production:

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The Camp Christmas attraction presented at Heritage Lakewood is estimated to have a \$6.1 Million local economic impact. Less conservative and more typical inputs result in even greater positive economic impacts.

We're calling Camp Christmas an **attraction**, not just an event, because it is so much more. Events, like the Super Bowl or a street fair last only for a day, or perhaps a weekend. The Camp Christmas presentation is 42 days of immersive art presentation. This attraction will be within the height of the critical fourth quarter sales period for businesses. And this is after last year's troubled 2020 holiday season. 2021 will be a year of rebounding sales, so long as people have reasons to stop shopping on their computers and to visit local stores.

The day after Thanksgiving is traditionally known as Black Friday, because it is the day many retailers are able to move their books out of the red ink and into the black. The six weeks of holiday sales period is so crucial to many businesses that sales success during this time can determine whether a retailer/restaurant can continue operating into the next year. Lakewood's facilitating Camp Christmas will provide a regional attraction to bolster the holiday sales season for our Lakewood Local businesses.

Camp Christmas will bolster holiday sales for Lakewood Retailers/Restaurants

In 2019, Camp Christmas was held in Aurora's Stanley Marketplace. Production costs were \$1.2 million and ticket sales were \$1.4 million. Above and beyond all that, the Camp Christmas Attraction was estimated to have a \$3.5 Million impact on the local economy. **Many of the 69,285 visitors in 2019 (91%) came from the SCFD 7-County region.** (Denver 37.2%; Arapahoe 19.3%; Jefferson 13.1%; Douglas 8.5%; Adams, Boulder & Broomfield 13.1%) Most of those visitors bought a meal and did holiday shopping with nearby Aurora businesses. People employed by the attraction spent a significant portion of their wages within the local economy. Camp Christmas will strive to locally source needed labor and materials, also directly supporting our local economy.

If Camp Christmas is held at Heritage Lakewood, cultural tourists from throughout the region will visit a site on Wadsworth Boulevard between 6th Avenue and Hampden Avenue. This visitor zone is such that every visitor will be traveling on Wadsworth, through the heart of one of Lakewood's strongest commercial corridors. **There are 920 Lakewood Business within this section of the Wadsworth Corridor - more than 200 Lakewood retailers/restaurants in this visitor zone, including those in Belmar, Lakewood City Commons, Mission Trace, 3333 Wadsworth, Bear Creek Plaza, Westgate, and Fairfield Commons.** It will be easy to pair a Camp Christmas visit with a meal in a Lakewood restaurant. Instead of "dinner and a movie" it becomes "the incredible Camp Christmas and dinner in Lakewood".

Camp Christmas will directly employ more than 50 artists, installers, set builders and support personnel to work at Hanzon Studios in Lakewood and at the Lakewood Heritage location. Much of this work will occur in the weeks ahead of opening the Camp Christmas attraction. Advance dollars will support these jobs. Advance dollars will also support the construction of immersive art sets, and a companion smart phone app for an enhanced attraction experience.

Every dollar directly spent by a cultural patron or by an organization for operations on the project creates an indirect ripple effect in our local Lakewood economy.

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Additional Economic and Visitor Information

- It is projected the vast majority of the 80,000+ Camp Christmas attendees will be first time visitors to Lakewood Heritage at Belmar Park (HLBP)
- The stage at the Lakewood Cultural Center (LCC) Theater is 2,184 sq. ft. - the HLBP space is ten times larger at 20,000 sq. ft.
- On average, it costs \$75,000-85,000 to mount a musical production on stage at the LCC.
- Camp Christmas will cost approximately \$1M to stage. The area of the presentation is ten times larger than the LCC stage. Moreover, the sets are immersive – the audience doesn’t just look at the sets from a distant seat - the audience becomes part of the presentation, moving through the sets. Also, these sets are in use for six weeks – meaning support personnel are needed for a longer time than a typical production staging.
- According to the Denver Center for the Performing Arts (DCPA) staging for their productions run between \$500K - \$1.5M. Variable factors include square footage, complexity of displays, the amount of construction needed, and length of the show’s run.
- DCPA will be bringing their formidable marketing and promotion reach to the Lakewood Camp Christmas attraction. By, at least one estimate, the DCPA is able to directly reach 66% of the households in the 7-County region.
- Camp Christmas encourages taking photos and posting those images to social media. Each day, visitors promote the event to their individual networks. Word of mouth with friends and friends of friends. Tens of thousands of people learn about the attraction from their friends on social media.
- Camp Christmas issues very specifically timed tickets in order to efficiently spread visitors out throughout the attraction’s run. Surging crowds are rare because a limited number of tickets are available at each time throughout the day.
- Another immersive art experience, Meow Wolf in Sante Fe, NM opened in 2016 with the same square footage (20,000 sq. ft.) as Lakewood Heritage Camp Christmas. Meow Wolf has a similar ticket price, (\$16-20). Meow Wolf started with a \$7M budget (not including the building). Four years later, Meow Wolf raised more than \$156M for expansion and a Denver location (Colfax & I-25) which will open in the fall of 2021.
- Camp Christmas will bring additional people to our community and support our businesses. This attraction is not like the previously distributed one-time operational grants, wherein business pay a few expenses and don’t necessarily increase their number of patrons or bolster their revenues.
- We’ll be advancing \$700,000 in production costs to gain the addition of some 80,000+ visitors along Wadsworth, translating to financial support and positive economic impact for local restaurants & businesses.
- Lakewood will be reimbursed a minimum of \$420,000 of our advance through ticket sales/producer subsidy. We’ll likely receive back all \$700,000 reimbursed through ticket sales. The positive economic impact from increased sales to our businesses is above and beyond this reimbursement.

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- Lakewood will receive a \$150,000 rental agreement for the Heritage Center. Our advanced dollars will be put toward labor and materials right here in the heart of Lakewood.
- Lakewood will be facilitating a community event which supports the Heritage Center Strategic Plan goals and bolsters community pride during the critical fourth quarter of retail sales.
- This incentive doesn't affect the General Fund and uses dollars from the Economic Development Fund. This fund is filled with Lodgers' taxes paid by patrons staying at our hotels. (In other words – presumably mostly out-of-towners, not our residents - have provided the funds for the advance for this project.)
- An Example of economic impact using RIMS II: A presenting organization pays its ushers, who then use their paychecks for expenses such as rent, food, and gasoline. The impact of these expenditures on the local economy is reflected in RIMS II household sector multiplier. Embedded in this multiplier is an estimate of what percentage of the employees live in the area in question and on what they typically spend their earnings.
- An Example of economic impact using RIMS II: The presenting organization hires a maintenance company to repair lighting in its facility. This company uses the revenue to pay its own workers and buy supplies, thus supporting local vendors. The impact of these expenditures is estimated in the RIMS II services to buildings multiplier. Embedded in this multiplier is a measure of what proportion of building maintenance companies are located within the area, and how and where they typically spend their money.
- An Example of economic impact using RIMS II: An audience member travels from her home in an outlying suburb to the city in order to see a Touring Broadway show. In addition to the money she spends on tickets, she dines out and uses local transportation, infusing additional dollars into a downtown area. These dollars are multiplied in the impact analysis by the RIMS II multipliers in the restaurant and transportation industries to estimate their full impact on the local economy.