



One City | One Future

A Plan for the Future Management
of the One City Marathon:
Final Report



PROJECT TEAM

Lewis Leff

Gabe Reaume

Tadd Wille

Bryan Woods

TABLE OF CONTENTS

Executive Summary	3
Project Overview	4
Research on Alternative Models	4
Austin, Texas - Nonprofit Model	5
Richmond, Virginia - Nonprofit Model	6
San Antonio, Texas - Contracted Vendor Model	6
Pittsburgh, PA - City Managed Model	7
Analysis of One City Marathon and Events	8
Financial Review	8
Site Visit #1: Race Weekend	10
Site Visit #2: Post-Race Debrief	13
Summary of Findings	15
SWOT Analysis with Strategies	17
Scenarios	18
New Nonprofit Model	18
Contracted Vendor Model	18
City Managed Model	19
Final Recommendation	21
Immediate transition steps	21
Two-year OCM Transition Plan	22
Conclusion	22

Executive Summary

The City of Newport News created the One City Marathon weekend to meet multiple City goals, including strengthening community connections and increasing the health and wellness of the community. The City has hosted three successful events with over 8,300 runners participating and nearly 1,500 volunteers assisting and coordinating the various activities tied to the event. In addition, the One City Marathon has raised nearly \$40,000 for different charitable organizations. With multiple successful events achieved, the City Manager's Office engaged the 2017 Leadership ICMA program team ("the team"), a group of local government professionals from across the country, to undertake a holistic analysis of the One City Marathon and associated events. The scope of work included gathering feedback from community members and interested stakeholders, researching how its management model compares to other successful cities, and making a final recommendation on how to ensure the long-term sustainability for the event.

Research Findings

The team first analyzed the available documents regarding the prior year events. This included a thorough financial review, as well as gathering community feedback through media articles and post-event survey results. The team found that the event is financially viable, even at a relatively early point in its evolution, and that there is broad community support for the event to continue. Through two separate visits to Newport News, two team members participated in the Maritime 8K and a number of pre-race community events during the race weekend, and two team members were also present to observe the current race management firm and City staff as they conducted a post-event race debrief. The site visits confirmed that there are many people both in the City organization and in the community that contribute great effort in order to make the event a success. While the people involved continue to try to work to make the event better, there are inherent challenges in the current management model that will continue to persist without a transition to a new model.

The team researched and explored three types of event management models as potential options for the future management of the One City Marathon: a City Managed model, a Contracted Vendor model, and a Nonprofit model. The team conducted interviews with city staff and event management professionals from Austin (TX), Richmond (VA), San Antonio (TX), and Pittsburgh (PA). The full report documents how the events in each respective city have evolved from their original management models, and the various benefits and outcomes that have resulted in a management model transition.

Recommendation

Based on best practice research, primary source analysis, direct field observation, and input from City of Newport News staff and community stakeholders, the team recommends that future management and governance of the One City Marathon is best served by the creation of a new, dedicated nonprofit entity. Such an entity would be exclusively focused on this event's success and could best maintain the original event mission to bring together the various neighborhoods in Newport News as one community while supporting and encouraging active and healthy lifestyles. Creation of a nonprofit entity will allow City Management to work in partnership with key stakeholders and a future nonprofit board to enhance community engagement, event marketing, and fundraising, and ensure long-term sustainability for the One City Marathon.

Project Overview

Background

The Newport News One City Marathon held its first event in 2015, and has now held three successful events with over 8,300 runners participating and nearly 1,500 volunteers assisting and coordinating the various activities tied to the event. The event meets multiple City goals, including strengthening community connections and increasing the health and wellness of the community. In addition, the One City Marathon has raised nearly \$40,000 for multiple charitable organizations. The One City Marathon has been a USA Track & Field Certified Course and Boston Qualifier since the inaugural event in 2015. Since inception, over 60 One City Marathon runners have qualified for Boston Marathon.

The most recent marathon runner survey revealed that 84% of respondents live in the Hampton Roads Region, while only 6% of survey responses said it was their first time visiting Newport News. Nine out of ten respondents had a “Good” or “Excellent” race experience and would recommend the race to others.

Purpose

The International City/County Manager’s Association (ICMA) offers a Leadership ICMA Program for local government leaders to work with cities and counties across the nation to provide innovative solutions to practical challenges facing urban, suburban, and rural communities. Since the inaugural event of the One City Marathon, the City of Newport News leadership have recognized the need to develop a model to ensure its long-term sustainability, without continued reliance on significant City resources. The Leadership ICMA Program Team is comprised of four local government leaders with decades of government experience between them, who are skilled in researching best practices, analyzing strengths and weaknesses, and will develop options and recommendations for the long-term sustainability of the Newport News One City Marathon.

Timeline

The project began with the Leadership ICMA Program Team (“the Team”) researching other cities who have also transitioned management of events to a new model. The Team then gathered information about the One City Marathon through document analysis and review. Throughout the project, the Team worked with City of Newport News City Manager’s Office staff, other City staff, and a variety of community stakeholders to understand the context of the event, and the impact of the event on the community. The Team experienced the One City Marathon event weekend, attended the post-event debriefs, and conducted in-person and phone interviews with City staff, event attendees, business members, race operators, volunteers, sponsors, and other stakeholders. The Team discussed preliminary findings with the City of Newport News staff and current race manager, and is now presenting the final report with recommendations for consideration by the City Council and City Manager.

Research on Alternative Models

The Team looked at other municipalities who put on events, including marathons, and identified one example of each of the most prevalent models today. While it was our preference to find cities and

events of similar size to Newport News and the One City Marathon, within the timeframe we had it was difficult to come across many relevant examples in our research. As a second-best alternative, the Team decided to focus on the best available examples of the models in use today where we could secure the most relevant information. The following four cities are a good representation of how each model functions.

Austin, Texas - Nonprofit Model

The Trail of Lights event in Austin, Texas is a prime example of a City-run event transitioning to a new management model in order to ensure long-term viability. The City of Austin’s Parks and Recreation Department managed the event for multiple years, and had one or two City employees managing the fundraising, the planning, and the programming of the event. Considering the limited resources applied to the event it was a relative success, but many recognized the potential for growth. Then, the event transitioned to a newly formed Special Events Office. This Office never had full-time staff dedicated solely to the Trail of Lights, so everyone’s time was “cannibalized” for the event each winter, resulting in less focus on the many other events and activities in the community.



City staff reported a modest budget was set aside for the event, but no one added up all of the assumed and operational costs, which likely added up to hundreds of thousands of dollars.

A few years ago, leaders with the City of Austin wanted to transition the event to an outside firm. It was clear that an outside firm could build the relationships with potential sponsors to identify new funding sources in order to enhance the event’s offerings to the community. After a couple of starts and stops, a new nonprofit emerged consisting of respected community leaders, and they decided to hire an executive director to run all aspects of producing the event. The agreement with the nonprofit specified performance metrics, minimum funds raised by certain dates leading up to the event, and an opt-out clause for the City of Austin. City representatives have mentioned that the time and effort spent by City staff in the past was a real cost that has now been saved through contracting out management of the event. City staff and the nonprofit representatives review the financials at the end of each year’s event, and the prices for tickets and parking are set by the City Council annually. The City waives event application and processing fees, but the event managers do pay for hard costs like City staff time on site, and public safety.

Both sides to the agreement stated that this model only worked due to a high level of trust in the individuals involved and the knowledge that the director had the capacity and relevant experience to produce a successful event. Since then, event managers have engaged with various sponsors for

multi-year commitments and produced multiple successful events, scaling up number of participants and offerings each year.

Richmond, Virginia - Nonprofit Model

The Richmond Marathon began in 1998 with 2,600 runners and has since grown into the Anthem Richmond Marathon which boasts more than 21,000 race participants. The Richmond Marathon was the first event to be owned by Sports Backers, a donor-supported organization that runs the races associated with the event as well as supporting numerous other events and organizations in pursuit of their goal to create a more active community in Richmond. Sports Backers formed in 1991 through the support of 110 founding members. These original supporters raised more than \$55,000 in hopes of bidding on events to drive sports tourism in the city. Over the years, they have successfully bid on or attracted a wide variety of events to the area. In 1998, the organization shifted away from bidding on events and began producing their own, beginning with the Richmond Marathon. This strategy has continued to drive the growth of sports tourism for the community and earned Sports Backers national recognition. Sports Backers utilized that momentum and notoriety to shift their focus away from just driving the economic impact of their events and pivot towards a goal of raising the level of active living in the community.



Sports Backers initially operated under the leadership of a single employee, their executive director. Today the organization operates as a 501(c)(3) Non-Profit Organization under the oversight of a board of directors consisting of more than thirty representatives from a diverse group of community organizations. The volunteer board includes a Chair, Vice-Chairs, Treasurer, Past-Chair, Secretary and Legal Counsel. Sports Backers also employs a staff of more than twenty-five to oversee aspects of race and community development including sponsorships, events, community outreach, operations, marketing and technology. Their strategic plan now includes “Grow advocacy for bike & pedestrian infrastructure, support active living partnership network, create diverse event opportunities, and provide group fitness programs throughout RVA.” In addition to an expanding role in the community and the Anthem Richmond Marathon, Sports Backers has grown its network of partners to include more than 364 volunteer organizations, sponsors and donors.

San Antonio, Texas - Contracted Vendor Model

In the mid-2000s, the City Manager in San Antonio put out a call to a local organization dedicated to ensuring a healthy community through sport to bring the first marathon to the city. This organization, San Antonio Sports, worked to organize the first few marathons with various partners prior to 2011

when a national business, the Competitor Group’s Rock ‘n’ Roll Marathon series, took over as the lead organizer. The City of San Antonio agreed to a 5-year contract directly with the Competitor Group to perform all of the planning for the event. The contract stipulates all of the responsibilities, requirements, and timelines desired by the City, including updates on number of event participant signups to ensure the possibility of a successful event. The City resources dedicated to the event include one full-time staff member handling contract management, the City’s waiver of right-of-way fees, and the City providing ~\$300,000 through the San Antonio Convention and Visitor’s Bureau (known as Visit San Antonio) for marketing of the event.

2012 Economic Impact Report



TOTAL ECONOMIC IMPACT	\$32,196,157
DIRECT SPENDING	\$16,692,585
INDIRECT/INDUCED IMPACT	\$15,503,572
TAXES & FEES GENERATED	\$1,337,196
HOTEL ROOM NIGHTS	21,956
OUT-OF-TOWN VISITORS	29,714

The San Antonio City Manager served as the champion of the idea to have the event, but all of the fundraising and sponsor development has been and currently is handled by the vendor, outside of the City’s purview. City staff from the departments involved in the event do spend some time assisting organizers prior to the event to review plans and make recommendations for improvements, but all other event planning and implementation is performed by the outside vendor. An economic impact performed on the race weekend in 2012 demonstrated a total economic impact of over \$32M, from a runner population of 23,500 individuals and over 29,000 out-of-town visitors.

Pittsburgh, PA - City Managed Model

The Richard S. Caliguiri City of Pittsburgh Great Race was established in 1977 by then-Mayor Caliguiri as a “community fun run.” From its inception, the race was a 10K event and was managed and funded by



the City of Pittsburgh. During the 40 years of its existence the Great Race evolved to include events such as a 5K, team competition, and junior race. In 2003, the entire event weekend was cancelled due to the City of Pittsburgh’s financial crisis. The City also funded the Pittsburgh Marathon from 1985-2003, when it was also canceled due to the same municipal funding issues. The Pittsburgh Marathon did not occur again until 2009, when a nonprofit created by Dick’s Sporting Goods revived, organized, and sponsored the event. While the marathon has never returned to receiving financial support from the City, the Great Race and its associated events returned in 2004 under City control and continues to occur annually. The current race

configuration contains a 5K and 10K that have seen as many as 16,000 participants and is accompanied by a Family Fun Run as well as two other junior events. In addition to the races, the weekend's events include a two day Great Race Expo and a Fuel Up Day dinner, both of which are sponsored events.

The race continues to be managed by the City of Pittsburgh's Parks and Recreation Department. City funding for the race comes from the Special Park Program Trust Fund which was established in 1979 to fund special park events and the Great Race. Currently this fund is dedicated to the race and carries a balance in excess of \$500,000. The race also receives significant financial support through sponsorships provided by national, regional, and local entities, as well as the registration fees paid by participants. The Great Race also enjoys the benefits of strong partnership with the organizers of the Pittsburgh Marathon. Although the races occur at different times of the year, the races do their best to pool resources and share knowledge. Financial audits going back as far as 2009 indicate that the race is cost-neutral for the City, largely due to the sponsorships and registration fees. In addition to its own financial solvency, the Great Race includes a charitable component that provides financial support to Amyloidosis research and advocacy by donating \$1 of each registration fee to that cause. The founder and namesake of the race, Mayor Caliguiri, died of the disorder eleven years after it was first held.

Analysis of One City Marathon and Events

The City of Newport News began the One City Marathon as a way to meet multiple City goals, including strengthening community connections and increasing the health and wellness of the community. The linear route of the marathon lends itself to being a bridge between many of the city's neighborhoods, and associated events help to tie-in areas that are off of the main route. Many people have commented how planning to participate in this annual event has helped them to increase their level of exercise and healthy activities throughout the year.

Financial Review

When the event was first conceived, a primary motivating factor was to produce an event that the whole community could participate in without a major financial burden to individual participants or the City of Newport News. Within three years, the One City Marathon Event has come within 3% of break-even, demonstrating that organizers have been successful at securing community partners through sponsorships, and that race registrations have been at a successful level.

Event Revenues and Expenditures

In 2017, registration revenue constituted 33% of the event's gross revenue. 65% of the registration revenues was attributed to alternative events separate from the full marathon such as the marathon relay, 8K, and fun run events. These alternative events also constituted nearly 85% of total registrants. Sponsorship revenues constituted 67% of gross revenues for the event. Of the sponsorship revenues, 81% came from just five sponsors, demonstrating how vital these community partners are to the viability of the event.

In 2017, 78% of expenditures were fixed costs (i.e. costs that do not change with an increase or decrease in the number of event participants) including costs for equipment, space rentals, and contracted labor. The greatest expense each year is the right-of-way costs to close certain roads in order to provide a safe

experience for race participants. The costs for variable costs (i.e. costs that are dependent on the number of event participants) comprised 22% of expenditures including costs for volunteer and participant shirts, medals, shuttles services, etc.

The costs associated with the dedication of City staff time connected to the weekend have not been estimated or included in the \$363,000 in event expenditures. This cost has not been tracked by the City to date, which is in line with the majority of cultural and other special events hosted and produced by the City. Currently, City departments absorb any costs associated with the event within their respective annual personnel, maintenance, and operations budgets. It is known, however, that several City departments incur overtime costs as a result of the event such as the Special Events Office as well as the Police, Fire/EMS, and the Sheriff Departments. Assigned exempt employees are not paid overtime and manage their time working on the One City Marathon events preparation and execution as part of their daily responsibilities.

Registration Rates

Registration rates were originally established by the City after reviewing comparable races in the Hampton Roads region, and across the state and in the Mid-Atlantic region. The City enlisted the assistance of the local running community (Peninsula Track Club & the Colonial Road Runners) to help determine the initial price points, along with other decisions regarding the event schedule, time of year, and length of secondary races. The City felt it was important that the event be affordable to promote a more inclusive experience for the City's diverse community, as well as reinforce the goal of emphasizing community health and healthy lifestyles. The most recent marathon runner survey demonstrated over 80% of runners felt the registration costs were fairly priced, and close to 5% would consider paying more to ensure future events.

In 2015, the City selected Flat Out Events through a public procurement process to provide race management services. With their professional expertise, Flat Out Events staff established enhanced pricing tiers and rates to maximize revenue opportunities. These tiers increase registration rates as the event date nears. However, City staff and Flat Out Events staff continue to share the goal of promoting healthier lifestyles and ensuring rates remain affordable in relation to similar events in the region.

The One City Marathon also offers a "Run for Free" Program offering runners the opportunity to run for a purpose. Runners receive a free entry for the One City Marathon, One City Marathon Relay, or Maritime 8K if they commit to raise a predetermined minimum dollar amount on behalf of one of the official charitable partners. The fundraising minimums range from \$100 to \$150. Runners registered in the "Run for Free" Program can personalize their own fundraising page and reach out to others to ask for help in reaching their goal. Contributions are tax-deductible to the extent allowed by law.

Charitable Donations

The One City Marathon has an established tradition of supporting local nonprofits through an official charitable partnership program to improve the lives of families in the Newport News area. Each year Newport News has an application process where official charitable partners are selected for one year as race beneficiaries based on established criteria that further the goals of the event and support the local community. The criteria include how the organization addresses a community need, demonstrates

effective impact on the community, and provides a creative plan to get involved with the One City Marathon.

The City received twenty-three applications from nonprofit organizations interested in being an official 2017 One City Marathon charitable partner, so it appears that the nonprofit community understands the benefits of being chosen as a partner. Interestingly, however, for 86% of runner survey respondents the tie to charity was not a significant factor for why they chose to participate.

Financial Review: Findings

The event appears to be close to breaking even on an annual basis, including all sponsorship dollars raised and the City's contribution to the post-event activities. A key consideration with the financial aspects is who will be the responsible person to ensure fundraising and sponsorships continue to provide value to all parties. Research has shown that utilizing a City Manager's Office as the primary point of contact for sponsorships is rare and unique, and it has the potential to lead to unintended consequences or the perception of potential conflicts of interest. A new model could have an ownership stake or revenue sharing for an outside entity, where a transition period may allow for a percentage raised by the outside management firm to be kept in order to incentivize their fundraising, allow for unexpected event expenses due to weather or otherwise, and ensure funds are available for future events. Financial models are dependent on sponsors or on registrants to commit to raising funds (typically on behalf of a nonprofit).

Site Visit #1: Race Weekend

With its long and linear natural city limits, the race course runs through most of the city's neighborhoods. The shipyard and downtown industrial core is far from most of the commercial and retail activity centers, and each neighborhood cluster tends to identify with each other more closely than with the city as a whole. The geography of Newport News, Virginia lends itself nicely to a marathon, with the race course lending itself to creating "One City."



Packet Pickup/Health and Wellness Expo

Runner packet pickup recently moved to the Denbigh Community Center as part of a Health and Wellness Expo that is free and open to the public. The new location continues to expand the footprint of activities tied to the race weekend into new parts of the community.

The Expo includes a number of vendor booths as well as a number of free health screenings and giveaways for children. The three official race charities use the Expo event to market and bring awareness to their specific missions and causes.

We spoke with Kathy Johnson, Executive Director of Alternatives, Inc., which was an official 2017 race charity. Ms. Johnson stated that Alternatives, Inc. receives a lot of very positive publicity and the opportunity to share information about their work with hundreds of people using the One City Marathon as a platform. The race gives each of the charities involved higher name recognition and a chance to showcase their organization's efforts.

The Peninsula Road Runners Club is a group of amateur, recreational, and competitive runners from around the Hampton Roads region. The club regularly sponsors races and organizes members to run in local races. Joe Harney is a long-time supporter of the club and is originally from the Boston area. Mr. Harney spoke at length about the need for the One City Marathon to retain a unique identity, and stated that the most unique feature of the race is the marathon relay. That sets the race apart from a traditional 5K, 10K, half and full marathons. It also introduces a team-aspect and gets participants who might not have an interest in running a full marathon.



Pasta Dinner

A pasta dinner the night before the marathon included a keynote speaker and panel of elite athletes. The speaker, LaTasha Colander Clark, promoted healthy living and achieving one's dreams to set a positive tone for the event. Ticket sales were limited for the event; but it felt like an occasion that could certainly have a much larger crowd and serve as a broader community "homecoming" before race day.

Elite Runner Bryan Morseman

Bryan Morseman of Bath, New York, won the One City Marathon in 2016. Morseman's youngest son was born with spina bifida, and he uses race winnings to help pay for medical bills associated with his son's ongoing care. At the pasta dinner Morseman shared insight about his preparation and touched on how his son motivates him. Bryan's story and many others could be used to bring further media awareness to the One City Marathon, the City of Newport News, and charitable efforts in the region. There may be opportunities in the future to solicit further running-focused sponsors.

Sponsor Discussions

We had the opportunity to visit with representatives from three major sponsors for 2017: Newport News Shipbuilding, The Daily Press, and Riverside Regional Medical Center. Each of these sponsors was initially approached by former City Manager Jim Bourey for sponsorship opportunities. There was some discussion about the general concern regarding the future of the race due to Mr. Bourey's departure.

City Council Perceptions

The Southeast Community, an area with the lowest household income in the city but some of the most attractive waterfronts as well, has experienced significant revitalization, and much land assembly,



remediation, and growth appears on the horizon. Due to the potential for traffic congestion, the race courses do not include the roads in the Southeast Community, so in the spirit of inclusion City staff organized a community event in front of Jim's Local Market featuring live music, games and events for adults and children. This event brings a fun and family-friendly event connected to the race weekend to the area for the surrounding neighborhoods to enjoy.

At the community event, Vice Mayor Tina Vick spoke in support of the race and the attention it brings to the

city. She also participated as a walker in the Maritime 8K. There was some concern about the future of the race due to Mr. Bourey's departure, but the One City Marathon's prestige and media attention specifically for Newport News was significant in her opinion. Ms. Vick was pleased with the turnout of the event in the Southeast Community and noted that many of her constituents were pleased as well.

We also talked with Mayor McKinley Price briefly about the marathon. He seemed to enjoy the event and indicated he would like to see it continue in the future. Given the previous City Manager's strong involvement in the organization and vision for the event, it is unclear what the vision of the City Council may be for future events, including the marathon, during the One City weekend.

Race Participants

The two Team members participated in the Maritime 8K, and saw firsthand the uplifting and supportive atmosphere of all race participants being cheered by community members as they crossed the finish line. The Team members observed the realization of a community-building event.

As some race participants noted, our Team did encounter the lack of regular buses back to hotels after the race; there were surprisingly few opportunities for participants to be shuttled back regularly after completion. (Note: the post-event debrief captured the fact that shuttles that had been underutilized in the past were now a desired facet and shuttle frequency would be enhanced in future years.) Also, due to the weather, the post-race festivities were not as well attended as hoped. It was so cold that racers appeared to cross the finish line, proceed to get their items, and directly leave the event footprint.



Site Visit #1: Findings

One of the key observations from the race weekend visit was the fact that the City of Newport News was largely unrecognized as a significant race sponsor, and marketing appeared focused on the largest corporate sponsors. The City of Newport News as event sponsor and chief organizer contributes tens of thousands of dollars in in-kind donations to the event. Increased involvement by the City of Newport News Tourism Development Office may help address this situation.

It would help to ensure current and future sponsors know the event has long-term support from the City, especially from the elected officials and new City management team. Since the impetus for hosting the One City Marathon originated from the prior City Manager's Office, there may be an opportunity now to establish a more formal process and framework for sponsorships in the future.

Regardless of the types of events offered over the weekend, or how well they are organized, the weather is a significant factor in attendance. The organizers have also recognized the need to adjust the date of the event in order to avoid the daylight savings time change, and the 2018 race date reflects this recognition.



Site Visit #2: Post-Race Debrief

A few weeks after the event, two of the Team members traveled to Newport News to gain insight into the lessons learned from the third iteration of the event. We spoke with sponsor representatives, key City staff, and the race management team chosen by the City (Flat Out Events).

Primary Organizers: City Staff and Flat Out Events



The team at Flat Out Events (FOE) believes that there are a core group of individuals who are critical to the race success. They described having a representative from the City Manager's Office, Dr. Telly Whitfield, as a key member for facilitating

the needs of FOE to the various City departments is invaluable. The FOE team feels this role would always need to exist on the City side in order to ensure the proper participation from department heads. This is especially critical due to the fact that the City has no dedicated personnel or resources for the event, and the One City Marathon appears to be treated as an additional responsibility to City staff's regular workload. The City's traffic engineer, Dave Wilkinson, also plays a critical part in the planning and execution of the event. Mr. Wilkinson was the primary architect of the route and oversees safety and operations on race day, coordinating with the traffic control vendor and the police to facilitate road closures and teardown procedures.

Other Volunteers

The FOE team also recognizes that the race would not happen without the level of volunteer support that exists today, especially with marketing and volunteer management for the event. Jennifer St. Martin with the Peninsula Health District coordinates all of the volunteers, including signups, communication, meals and race day activities. The many other organizations and residents of Newport News that help along the route make it a positive race-day experience for all participants.

Future Roles

The FOE team does not desire to take on any additional roles related to the One City Marathon. Their business model is to focus on race planning and operations, and they typically refrain from other duties such as marketing or acquiring sponsorships. The One City Marathon is their only marathon race and others are usually on private property with few or no road closures along with much less expense. The City's agreement with FOE is for race operations and they have taken on additional duties in order to ensure the race happens. The City and FOE did attempt an incentive model where FOE would receive a portion of new or increased sponsorships, but the two parties have agreed to remove this contract item.

While reviewing alternative models, the FOE team felt a nonprofit model similar to Boston or New York could be ideal, and they believe that the demand for such groups and participation exists within the Newport News community. They do believe City participation will be imperative for the sustainability of future One City events and securing sponsorships. They also expressed concern related to the date of the race as it relates to weather, the nearby Shamrock race, and daylight savings.

Race Debrief Items

The race attracted ~2,675 runners across the various events, and over 660 volunteers helped out in 2017. These numbers were down from the prior year, but the belief is that the weather played a big factor in attendance. There were some issues related to medical attention at the start and end of the race, but staff felt those issues could be addressed for future years. Some of the feedback from post-race event attendees was that there was not enough food, and that more hot drink options would have been appreciated.

City staff stated that the workload is decreasing with each event as better processes are in place and much of the planning can be replicated each year. There were questions about some of the events over the weekend, and whether there is sufficient return on the investment of City staff time to produce them. Even if the race were to transition to an external group, many staff would still need to be involved in plan review to ensure safety, permit completeness, and adherence to City rules. However, some staff believed it could relieve anywhere from 10-80% of the workload, depending on the staff role. All seemed to acknowledge that releasing control can reduce workload but has the potential to move the event in a direction away from City goals.

Sponsor Discussions

We also had the opportunity to visit with representatives from major sponsors for 2017. Tom Cosgrove, with Newport News Shipbuilding, mentioned that they see their sponsorship as a natural extension of their 100 year relationship with the City. He believes that the OCM is unique because of its scale, and the overall package of community connections, improved health, and charitable contributions is what is most attractive to the company. As we discussed potential new models, Mr. Cosgrove recognized that his company's executives already sit on nonprofit boards and that the continued support of the company does depend largely on the City's direct involvement in the event.



Amy Duncan and Elizabeth Williams, with Riverside Medical, spoke to us about their involvement in the event. They stated that if the City of Newport News is successful, then their organization is as well. Riverside Medical has been a premier sponsor of the Marathon through monetary and in-kind services for three years. They provide one of the most successful exhibits over the weekend, with a well-organized and interactive set up. Riverside Medical sponsors many different activities and events, but none of this magnitude or which unifies the city in the same way. Riverside Medical does have



long-term commitments to some of their other partners, but it depends on certain factors, including mutual benefits, having a clear vision for the event, and a visible champion from the City. In discussion about a new model, they mentioned that a new model with clear decision-making, and well-defined goals and objectives, could be a positive and they would want a seat at the table.

Representatives from WM Jordan stated their involvement is due to wanting to support their hometown, as many of their employees are

Newport News residents. They felt the 2017 event was the best one yet, and they use the event to promote their own corporate wellness program. Sponsoring the event helps WM Jordan with brand recognition and visibility, which provides good value to them. The company intends to stay involved long-term, and they feel the City should continue to invest resources to get the community out and involved as there is no other event in the city like it. They would still support a new model for managing the event, if it makes it better overall, and they felt the charity piece is a nice touch.

We spoke with a few people from the Daily Press who mentioned that the One City Marathon is a first class event, and they were most impressed with the communications and branding around the event. The Daily Press team could be interested in a long-term investment, but leadership changes are an important consideration for them.

Site Visit #2: Findings

City staff have been heavily involved to date in the first three events, and a new management model could relieve many (but not all) of the duties that some staff take on in addition to normal day-to-day workloads. There is clear agreement among the FOE team and volunteers and sponsors that a new model could be successful, but there would need to be a commitment by the City to stay engaged, and there should be a visible champion to drive the community engagement aspects. Considering the positive brand that has been built for the event, it should more easily lend itself to finding someone who wants to benefit from the great media and attention tied to the event.



Multiple conversations revolved around a more intense look at the return-on-investment for some of the events over the weekend, particularly the pasta dinner. There is also a desire for an increase, or a new direction, in marketing for the event, especially beyond the region. That could help with branding, attracting a larger runner base, increasing the broader economic impact over the weekend, and providing more value to sponsors. Again, increased involvement by the City of Newport News Tourism Development Office may contribute to an enhanced marketing strategy.

Summary of Findings

Research into alternative management models for events like the One City Marathon demonstrate that the City of Newport News has been successful for a relatively young event to reach the point of viably transitioning the management model. There are a variety of alternatives to consider as the City transitions the marathon and related events to a new model. The City Managed Model does still exist, but it appears that it is becoming rarer in an age of public-private partnerships and new nonprofits developing to take on programs which have been traditionally managed by municipal governments.

The financial review showed that the event can be financially viable for whichever model is chosen by the City, however further thought needs to be given to fundraising roles and responsibilities considering the public nature of the event. Any outside entities will need the ability to raise funds to cover expenses

and provide additional value to their business or nonprofit, especially for purposes of building up the capital to ensure the long-term sustainability of the event.

The two site visits by the Leadership ICMA Team reconfirmed the positive brand that the One City Marathon weekend has built up in a short time. City management and City staff should be recognized for the hard work done to date to make it an inclusive event and a weekend full of activities for the whole community to enjoy. Many of the sponsors spoke highly of the value they receive from their participation, and a shared desire to continue to partner with the City to ensure future events. There is a clear need for the partners and the public to know who the champion of the event will be moving forward, and with a transition in City management the timing is right to identify this person, or multiple people, to take on this role.

All of the research and first-hand experiences of the Team during the site visits created the insights which provide the basis for the SWOT Analysis and scenario descriptions that follow.

SWOT Analysis with Strategies

<p>ONE CITY MARATHON SWOT ANALYSIS with STRATEGIES</p>	<p>Strengths</p> <ol style="list-style-type: none"> 1. Broad community support with schools, churches, businesses involved; positive feedback from participants and elite runners 2. Operational planning and execution 3. Flat, fast track with high % qualifying for Boston marathon 4. Steady volunteer involvement 5. Relay option not found in many other regional races 6. Route, associated weekend events, donations to charity do help accomplish the stated goal of "One City" 	<p>Weakness</p> <ol style="list-style-type: none"> 1. Significant City staff resources dedicated to event planning 2. "Year to year" funding, largely dependent on a few major sponsors, is unsustainable 3. Linear route drives largest cost (ROW company) 4. Who is the new project champion with City Manager gone? 5. Dependent on City Manager's Office to lead sponsor discussions 6. Demonstrated need for targeted and fully-resourced marketing plan; potential for outside firm to assist
<p>Opportunities</p> <ol style="list-style-type: none"> 1. More engagement with key stakeholders, runner community 2. Adding a half marathon for increased participation 3. New management model could reduce reliance on City staff and ensure L-T viability 4. Added financial support from community 5. Use marathon to engage with community multiple times throughout the year, training groups, other events 	<p>Opportunity-Strength (OS) Strategies</p> <ol style="list-style-type: none"> 1. Form a new nonprofit to leverage community support, ensure goals/mission is preserved through transition 2. City commits to increasing funding to demonstrate long-term commitment for other sponsors 	<p>Opportunity-Weakness (OW) sStrategies</p> <ol style="list-style-type: none"> 1. Form a new nonprofit to incorporate community leaders, overcome staff resource issue, and identify a long-term point person to lead all planning aspects 2. City hires someone part-time to be point person and free up City Manager's staff time 3. Identify a new project champion, elected official or City manager, to engage sponsors and the community
<p>Threats</p> <ol style="list-style-type: none"> 1. Schedule reducing attendance - daylight savings, college spring break, other events in region 2. Weather - potential for cancellation, less participation 3. General reduction in running event participation regionally 4. Reliance on a few major sponsors for cash needs may put event in jeopardy 	<p>Threat-Strength (TS) Strategies</p> <ol style="list-style-type: none"> 1. Utilize the stakeholder groups to identify the best option for a new event date 2. Add weather contingencies to existing race plan 3. Expand community events to reduce focus on marathon 	<p>Threat-Weakness (TW) Strategies</p> <ol style="list-style-type: none"> 1. Utilize an outside entity to manage the event and reduce reliance on City staff to plan/implement the event 2. Secure multi-year commitments from key sponsors

Scenarios

New Nonprofit Model

As has been demonstrated in multiple cities, an event management model that is led by a nonprofit can prove to be the most successful model in existence today. Typically, the nonprofit is created for the specific purpose of producing the one event. A new board forms, which can be made up of community leaders, key event stakeholders, and possibly one ex-officio spot for a City representative. The board can be in charge of hiring the various vendors necessary to produce the event, or it can hire an executive director to run all aspects of the event coordination and management.

A major benefit of the nonprofit model is that it ensures the focus remains on the production of a successful event that preserves the original intent - bringing together the various neighborhoods throughout the city as one community and encouraging healthy lifestyles. The nonprofit status means that the board can focus on fundraising to meet current year goals and even preserve funds for future years, but that all funds will stay dedicated to this one event weekend. In addition, having a nonprofit board separate from the City be responsible for sponsorships and fundraising will eliminate any perception of conflicts of interest between sponsors and the City. The idea to expand other event offerings during the race weekend could be easier to achieve with a new board formed. It may prove to entice more participants from the community, who may not be runners, thereby expanding the reach of the event to achieve the “One City” goal.

A primary weakness is that there is some loss of City control over event operations, and the board could decide to go a different direction with event routes or associated events than the City desires. In addition, if the event does not continue to get a robust level of support by the City, there is potential to lose some of the sponsors that have been involved in the past. Moving to this new model, as it would with any new model, will result in some ‘growing pains’ but these would be worthwhile for the long term sustainability of the event, overcoming the other weaknesses associated with this particular model.

One of the most critical outstanding questions from this project was to identify a new project champion (or champions) who can drive promotion of the event in the community; a nonprofit model would provide ample opportunity for one or more people to be the champion and realize the positive public sentiment tied to producing a successful community event. The champion could be an elected official or someone on the board. Another important question was how City staff would be impacted by a new model. In this model, City staff could treat this like any other event, potentially charging for public safety staff hours put toward assisting event production and charging for fees related to permit review and technical assistance. However, as we’ve seen in Austin and elsewhere, waiving these fees can be a show of good faith and City commitment to the success of the event.

Contracted Vendor Model

A contracted vendor model typically limits the role of the City and provides for a private company to function as their partner. The City may pay a flat fee for services, may participate as a lead sponsor, or contributes toward a specific aspect, like marketing, but the vendor typically owns and manages all

aspects of the race, including sponsorships and race operations. For example, while the San Antonio event referenced in the report is on a larger scale, the City of San Antonio has committed a significant sum (~\$300,000) in tourism funding to assist a contracted vendor with marketing and promotion.

The strength of a contracted vendor model allows for the expertise of a race manager to be paired with the logistics control and public service provision of the sponsor city. The City of Newport News will continue to be an important partner in the event due to traffic and public safety support necessary to protect the public's interest on race day. In a contracted model there may be opportunities to leverage City tourism and marketing resources to better create a "destination" event. As a benefit for the greater community, it is likely that the City will remain an in-kind partner in the future of the event by donating at least some staff time and effort for race day safety and logistics measures. If the City chose to account for and recover the full cost of staff time and resources, it would make it challenging for an outside entity to produce a financially viable event.

Newport News has had great success in creating a unifying city event from scratch. The City has contracted with a talented race production team (FlatOut Events) to plan and execute quality events. Marketing and fundraising is not a core function of FlatOut Events' role as race manager, however they've done an admirable job in leading these functions given the circumstances. The previous City Manager led the development of corporate sponsors and coordinated the expenditure of a significant portion of available marketing resources. This is a function that may lend itself better to the expertise of a professional company to handle if the contracted vendor model were to be pursued.

Due to the City's desire to transition out of the currently very active role it currently plays, using a contracted vendor model for the One City Marathon may not be the best option for future success.

City Managed Model

The One City Marathon is currently operated under a city managed event model. While the race and its associated events have been successful to this point and this model presents some benefits, continuing to pursue this system could also present challenges and require modification.

Most of the cities we examined with events of similar size and scope began using the city managed model. This approach provides an easy means of entry into creating a new event through the use of city resources. These cities utilized staff to plan, coordinate and execute the races. Gaps in specific areas were filled through a combination of group and individual volunteers. The city managed model is well suited for the complex nature of multifaceted, geographically diverse events such as a marathon. Since the city provides a wide range of the services involved in executing a race and has a built in management structure, decisions that require a clear vision and direction amongst many departments can be expedited. They are also uniquely positioned to eliminate much of the red tape that can be involved in planning these events.

The city managed model is also a popular choice in the infancy of races due to their access to capital funds. Most races of similar size and scope to the One City Marathon require hundreds of thousands of dollars to put on and city budgets are almost always the catalyst in an events early stages. The biggest advantage to the city managed model is the ability to maintain the vision and integrity of the event. This characteristic is very apparent in the success of the One City Marathon. Relinquishing control through

another model can make it difficult to direct the nature of the events. Communicating and adhering to the vision and purpose of an event is a key component in ensuring its long term sustainability. The One City Marathon has succeeded in executing community events through its early years and has set a standard for success moving forward through its use of the city managed model.

Despite the advantages of the city managed model and the success that it has yielded for the One City Marathon to date, it also presents significant challenges. First and foremost, the city managed model often fails to account for the additional staff resources that are required to manage these events internally. Utilizing existing resources places additional stress on staff and can result in the degradation of other city services. If Newport News were to pursue the city managed model moving forward, there would need to be consideration given to hiring and/or dedicated staff to this event. Currently some of the departments involved in the event track their time related to it. This could be a basis for determining the additional staff requirements and a holistic analysis of staff time that is dedicated to the marathon should be performed across the organization.

The funding provided by City for the race weekend was critical to its early success and its sustainability, but is not dependent on the city managed model. These funds can be allocated to the race through the use of any of the models that were examined. The city managed model is also susceptible to weakness in the area of fundraising. While Newport News has generated significant income from the race and sponsorships, direct funding marketing and fundraising for events by staff members can be problematic. Performing this activity under a city managed model would require that it be outsourced in order to remove any potential conflicts of interest. Furthermore, tying sponsorships and fundraising to specific staff can present long term challenges if there is turnover.

Although maintaining a city model provides the organization the most control over the event, it can also hinder its organic growth and development. Our interviews and research indicated that the race was well received and that the community had a strong desire to become involved in the vision for its long term success and sustainability. The city managed model can be a barrier to allowing the community to shape the nature of the event as most decisions related to it are made by staff. Council can provide direction, but would need to be heavily involved to achieve the same dynamic effects of having community members directly involved in the race planning and operation.

Our research indicated that while most cities began their event using the city managed model, almost all transitioned away from it within the first five to ten years of its existence. The city managed model presents an opportune way for cities to leverage existing resources to get in event up and running successfully in a short period of time, but can present significant barriers to the perpetual sustainability of future events. Newport News has achieved a tremendous amount under this model, but the event has reached the point at which continuing in this manner is not sustainable. In order to continue to put on the race weekend events at the same high level, the city will need to both allocate and dedicate substantial additional resources or transition to another management model.

Final Recommendation

After consideration of all of the major factors, the Team's final recommendation is to transition management of the One City Marathon to a new nonprofit. The nonprofit should be created for the specific purpose of producing this one event, and it is the best option to preserve the original intent - bringing together the various neighborhoods throughout the city as one community and encouraging healthier lifestyles for all residents. The responsibility of fundraising would be given to the nonprofit board, consisting of community and business leaders, thereby minimizing risk of future conflicts of interest on the City's behalf. It allows for an elected official, a board member, or a combination of people to step up to be recognized as champions of the event and work to expand the broad community support that already exists. And this approach should reduce staff time dedicated to the event, even potentially opening up new avenues to reimburse the City for some staff time related to event production. With a recent transition in City management, and with a handful of successful events to point to, this is the right time to start a transition to a new model and enhance the identity of the event.

Immediate transition steps

1. Summer 2017: City management holds community and key stakeholder meetings to discuss the desired new direction for the event, and begins to gauge interest in undertaking the transition to a nonprofit management model. Based on the results of these conversations, and if sufficient support is there, then the City could choose to follow the next steps.
2. Summer 2017: As the Fiscal Year 2018 budget is developed, City Council and City Management should ensure there are sufficient funds available to help launch a new nonprofit and jump start the 2019 event (the first wholly planned by the nonprofit). These funds should be considered as a starting point to the fundraising by the board, and the funds could go toward hiring an executive director, if so desired by the board.
3. Fall 2017: Finalize formation of a new nonprofit with a board made up of community leaders, key event stakeholders, and one ex-officio spot for a City representative who can coordinate with City staff on all City-related aspects. For the first year at a minimum, this City representative should be someone with extensive knowledge of the event and an understanding of the many planning aspects.
4. January 2018: By this date, the full board should be in place to observe the planning of the 2018 One City Marathon. The board should begin to discuss whether they will choose to manage contracting with the various vendors necessary to produce the event or whether they will prefer to hire an executive director to run all aspects of the event coordination and management. This decision will depend on the experience and skill sets of the new board members, and whether there is available funding for the first year and/or successive years for a full- or part-time staff member.

5. March 5, 2018: City management should provide a letter to the nonprofit declaring it has released all ownership and management rights of the One City Marathon to the nonprofit effective on this date. The nonprofit will then be in a position to begin planning the 2019 event immediately following the conclusion of the 2018 event.

Two-year OCM Transition Plan

If the City desired a longer transition period, the City should continue its annual renewal of the contract with Flat Out Events for race day production, but one of the following options could be implemented in lieu of the full immediate transition:

- Option 1: Form the nonprofit, but it would only be responsible for fundraising and sponsorships for the 2019 event. It would donate the funds raised to the City to cover the costs of the contracts related to event production.
- Option 2: Form the nonprofit, but it would only be responsible for the marketing of the 2019 event. It would raise funds, coordinate with the City, and contract with a professional marketing or communications firm to do all event marketing.
- Option 3: Form the nonprofit, but it would only be responsible for the fundraising and sponsorships and marketing of the 2019 event.

This two-year transition would require the new nonprofit to take over all aspects for planning the 2020 event beginning in March 2019 after the 2019 One City Marathon weekend.

Conclusion

The One City Marathon and associated events have a clear mission, a solid brand, and broad community support. Its goal of connecting the various neighborhoods throughout the city is admirable, and we feel the event has achieved much in a relatively short period of time. Regardless of the timeline chosen for a transition, under the purview of a strong new nonprofit the One City Marathon has great potential to continue to grow into a long-term, signature event for the city.