

ECONOMIC IMPACT ANALYSIS

2017 Christkindlmarket





February 19, 2017

Ms. Rena Tamayo-Calabrese
President and CEO
Naper Settlement
532 S. Webster St.
Naperville, IL 60540

Dear Ms. Tamayo-Calabrese:

Thank you for choosing Stone Planning LLC. It has been a pleasure to work with you over the last five months on this project.

This report summarizes the results of our estimates of the economic and fiscal impacts generated within Naperville from Naper Settlement's 2017 Christkindlmarket. The results are based on responses from Market attendees regarding their characteristics and activities, as well as other industry data. We also summarize other attendee feedback that is not directly related to economic impacts.

This economic impact analysis of Christkindlmarket completes our first phase of work for you. We look forward to working with you throughout this year to complete similar analyses of other Naper Settlement events in 2018.

Thank you to you and your staff for your assistance throughout the study process, and we look forward to continuing to work with you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Stone Planning", is written over a light blue horizontal line.

Stone Planning LLC

STONE PLANNING LLC

Stone Planning LLC is a Chicago-based consulting firm that assists in the planning of public-assembly venues and events. The firm helps public- and private-sector owners and other stakeholders to guide important decisions regarding assets that impact a community and its economic development for decades. Our independent analyses have been relied upon by municipalities, universities, developers, financial institutions, and others in the development of billions of dollars of construction.

The firm was started by David Stone in 2017, and David has 20 years of experience working for municipalities, non-profits, colleges and universities, private developers, and others across the United States and internationally. Past economic impact studies have included the following:

Denny Sanford PREMIER Center
Sioux Falls, SD

KFC Yum! Center
Louisville, KY

PPL Center
Allentown, PA

Lambeau Field
Green Bay, WI

New MLS Stadium
San Diego, CA

Tacoma Dome
Tacoma, WA

Morris Performing Arts Center
South Bend, IN

Lollapalooza
Guadalajara, MEX

Prince George's Equestrian Center
Upper Marlboro, MD

Genesis Convention Center
Gary, IN

Recreational Ice Facility
West Carrollton, OH

Rushmore Plaza Civic Center
Rapid City, SD

Century Center
South Bend, IN

Ocean Center
Daytona Beach, FL

Swiftel Center
Brookings, SD

Washington State Convention Center
Seattle, WA

Minor-League Baseball
State of Maryland

Hance Park
Phoenix, AZ

Palais Royale
South Bend, IN

New Convention Center
Buenos Aires, ARG

Pier 94
New York, NY

New NFL Stadium
Oakland, CA

EXECUTIVE SUMMARY

BACKGROUND

Naper Settlement is a 13-acre outdoor history museum located on the edge of downtown Naperville, and includes 30 buildings and has become a year-round learning and interactive attraction for all ages. NSnow hosts nearly 382,000 visitors per year and has approximately 66,000 artifacts. The museum has been named as one of Illinois' 25 must-see buildings by USA Today.

The museum's programming includes a wide variety of offerings, such as lectures, school tours, summer camps, entertainment, events, and an annual Christkindlmarket. (Market) This report estimates the economic and fiscal impacts of the 2017 Christkindlmarket to Naperville.

METHODOLOGY

In general, economic impacts are based on new spending that is attracted to an area (in this case, Naperville) from outside of the area. All spending, including spending by Naperville residents, is considered to be the gross impact; net impacts only consider non-Naperville residents. This spending then generates tax revenues and supports employment at the businesses that capture the spending (such as restaurants, drug stores, gasoline stations, and retail stores).

The methodology employed for estimating these spending, employment, income, and tax impacts follows that of generally-accepted methods in the industry, and has been used by Stone Planning for events and facilities in cities across the country. For this study, we have benefitted from direct input by Market attendees, as this is the foundation upon which all calculations are based. Input from actual attendees provides the most reliable and accurate accounting of actual economic activity generated by the attendees.

RESULTS/OUTCOME

Using the methodology discussed and analysis of responses based on replies from attendees regarding their characteristics such as party size, city of residence, and daily spending, the following table summarizes the estimated economic and fiscal impacts of the 2017 Christkindlmarket to Naperville.

SUMMARY OF IMPACTS		
	Gross	Net
Total Spending	\$7,346,000	\$4,343,000
Total Jobs (Full-Time Equivalent)	64	38
Total Earnings	\$1,915,000	\$1,132,000
New Tax Revenues to the City	\$45,400	\$26,800

Source: Stone Planning LLC

A total of approximately \$7.3 million was spent in the City of Naperville by all Market attendees; considering non-local residents only, new spending in Naperville was \$4.3 million within a 22-day period from late November through late December. These net spending impacts supported approximately 38 jobs with \$1.1 million in income. In addition, the spending generated approximately \$27,000 in sales tax revenue to the City of Naperville.

These estimates are presumed to be conservative because substantial impacts are likely also generated by the Market's vendors, many of whom stay in the City of Naperville throughout the Market or come for the day on every day of the event. Of note, the figures do show that the Market has a significant impact on Naperville, and specifically its downtown. The net impacts in particular, which represent the results of spending that would not have been captured in Naperville but for the presence of the Market, indicate that more than \$4.3 million was spent in Naperville within approximately two weeks' worth of days. Again, these non-Naperville residents presumably would not have visited Naperville, and spent money in the City, without the attraction of the Christkindlmarket. This spending in turn supported jobs in downtown Naperville and generated new tax revenues to the City.

In addition, nearly 90 percent of Market attendees rated their experience as "very good" or "excellent." Other common feedback received from survey respondents included that the Market is better than others in the area, and that continuing the Market at its current location is desirable.