

PROPOSED COMMUNITY CENTER TOWN OF ALTA

PHILANTHROPIC MARKET ANALYSIS

November 2021

EXECUTIVE SUMMARY

Background and Methodology

On June 30, 2021, the Town of Alta retained the services of Pathway Associates, a regional fundraising consulting firm based in Salt Lake City, to conduct a philanthropic market analysis assessing the Town of Alta's ability to raise \$20 million in private, charitable support for a proposed community center.

The purpose of the assessment was threefold:

- 1) to realistically assess the Town of Alta's opportunity to raise the required capital funds from private donors;
- 2) to assess donor interest in the Town of Alta's plans and make recommendations concerning campaign marketing and messaging;
- 3) to develop a goal, strategy and general implementation plan for a capital campaign, should a campaign prove feasible and advisable.

From August through October 2021, Pathway conducted 11 internal interviews with Town of Alta staff and Town Council members, and 23 external interviews with donor and/or leader prospects who are members of the Alta community.

The purpose of the internal interviews was to familiarize the consultant with the Town of Alta's strengths, challenges and aspirations; assess its internal readiness to undertake a capital campaign; and collect information for a Case for Support.

The purpose of the external interviews was to elicit advice, opinions and other useful information concerning various factors predictive of a successful campaign.

The following is a summary of our conclusions and recommendations.

Internal Analysis

Pathway Associates considered four factors in assessing the Town of Alta's internal campaign readiness:

- 1) the degree to which the proposed capital project has been defined;
- 2) the financial stability and sustainability of the organization;
- 3) how well it executes plans and events;
- 4) the level of commitment to the project exhibited by the board, staff and other internal constituencies.

The Town of Alta scores well in most of these categories; however, there is still a significant amount of work to be done to define the project and to build consensus in order for the Town of Alta to be ready to embark on a capital fundraising effort.

While there was widespread support for building a community center in the Town of Alta, the proposed building, the site, and project costs were all repeatedly identified as challenges that must be overcome in order for the project to move forward. Additionally, a formal financial plan for operations that includes revenue projections will help allay concerns over sustainability, assuming that the costs to operate does not place undue burden on the Town's annual budget. Additionally, funds to cover the upfront cost of a capital campaign would be required and should be budgeted for in order to assure the initiation of campaign activities will not drain resources from current operations.

Overall, the Town of Alta is felt to be proficient at planning, coordinating and implementing its services, programs and events. Many respondents noted the challenges and complexities of small town politics. The fact that building a community center has been discussed for over 20 years was cited repeatedly as indication that the Town of Alta struggles to gain the consensus necessary for large scale projects.

Staff, Town Council members, and others who are believed to be internal stakeholders of this project are generally enthusiastic about the proposed capital campaign, with a belief that private fundraising is the only way for a community center to be built. However, internal interviewees were quick to identify a variety of issues that they feel must be addressed in order for this project to be a success.

External Analysis

In the course of its external interviews, Pathway gathered information relevant to five key factors it considers predictive of a successful capital campaign:

- 1) community perceptions of the sponsoring organization,
- 2) the appeal of its Case for Support;
- 3) the availability of volunteer leadership;
- 4) the philanthropic environment; and
- 5) the availability of philanthropic support.

A summary of the findings on these key factors indicates that:

- 67% of respondents indicated they have favorable impression of the Town of Alta. This solid favorability rating speaks to the deep affection that many respondents feel for the Town of Alta.
- 38% of the respondents had a favorable impression of the Case for Support. 52% had a mixed impression, and 10% had a negative impression.
 - Pathway considers a 65% favorable response to be a threshold indicator of strong community appeal, so this outcome indicates that there is significant work to be done in order to build support for this project.
- 32% of respondents indicated a willingness to serve on a campaign advisory committee, a solid starting point from which to recruit volunteer leadership.
- There was not a strong feeling that current fundraising activities conducted by other nonprofits would compete with any capital effort by the Town of Alta.
- Because the Town of Alta is a government entity without a formal fundraising operation, in order for volunteer leadership to be successful there must be a strong campaign manager in place in order for the effort to be successful.
- 64% of the respondents indicated it was likely they would make a gift to the proposed campaign at some level, while 14% were uncertain.
 - This is a solid indicator of potential support, however, many of these affirmative responses were given with the caveat that their support would be predicated on the project itself changing significantly.
- The number of high-level prospects (18) identified was well below the minimum needed to achieve a \$20 million goal (84) in a traditional campaign.
 - Pathway believes there is an insufficient number of prospects available to generate the required number of gifts for a traditional campaign effort.

Conclusions and Recommendations

After weighing the various factors affecting the viability of a Town of Alta capital campaign, Pathway Associates concludes that a campaign to raise between \$15-20 million is feasible. However, the Town of Alta has significant work to do in order to develop a project scope that will secure that level of philanthropic support. The current proposal for a community center is not that project. In order to be successful, the campaign must secure very large gifts from a very small pool of prospective donors.

CAMPAIGN FOCUS

It is recommended that the Town of Alta take at least 12 months to reconceive the project and build consensus around a new proposal. There is broad interest in the idea of a community center that acts as the center of community life for the Town of Alta; however, there is no consensus around what this proposed community center is.

Reimagining the project presents an opportunity to engage those who were identified as potential campaign leaders and lead donors in order to fully understand and address their concerns at the outset. A working committee with a scope of work focused on resolving the concerns identified in this study would be an ideal way to engage these key prospects.

In general, the concerns that must be resolved or answered in satisfactory manner for project success are:

- Site issues – including safety, location, accessibility, parking
- Intended audience and amenities offered – current residents, workers, tourists, etc.
- Cost vs. benefit --ensuring that the total price tag for the project is accurate and current, and is also in line with the perceived long-term benefit to the town
- Cost to operate – ensuring that it will not be a strain on the Town’s annual operating budget
- Facility programming

CAMPAIGN PERIOD

When ready, the Town of Alta should plan for an active campaign period of 27 months (three months of campaign organizing activities and 24 months of gift solicitation.) Donors should be given three-to-five years to fulfill their pledges.

CAMPAIGN MANAGEMENT

The proposed campaign should be volunteer driven but professionally managed. The term “volunteer driven” refers to the formation of a core group of dedicated, highly motivated volunteers who will serve as the catalyst for the essential campaign activities of identifying, cultivating and helping to solicit key donor prospects. The term “professionally managed” implies the engagement of a part-to-full-time campaign manager who will work as an employee of the Town of Alta (contract or otherwise), but under the guidance of a professional campaign consultant. Failure to adopt this recommendation will result in a significantly longer campaign period.

NEXT STEPS

In addition to the initial work to reimagine the project, Pathway suggests the Town of Alta complete some foundational work that will aid in the next steps for a capital campaign effort. These specific tasks are:

- Send follow up letter to study participants
- Form a volunteer committee to reimagine the project with a focus on addressing the key points of contention and uncertainty
- Determine operational structure for a fundraising effort within the Town (i.e., ensure that mechanisms to accept charitable gifts are in place)
- Determine leadership roles for the fundraising effort amongst town staff
- Budget for start-up costs for the campaign, including campaign counsel, materials, and a campaign manager

Final Words

The Town of Alta inspires strong feelings amongst those who live, work, and play in the area. The dream of a community center has been an aspiration for many years, and while full consensus on the project will be impossible to achieve, there is enough interest in moving this project forward to make it a reality. The next steps will be critical in order to maintain a sense of progress and build community confidence in a transformative capital effort. It has been an honor and pleasure to serve as your consultants for these important first steps of your capital campaign journey. Pathway Associates congratulates you on the completion of this first leg.