

SCOTTSDALE CITY COUNCIL
WORK STUDY SESSION MINUTES
MONDAY, NOVEMBER 13, 2017



CITY HALL KIVA
3939 N. DRINKWATER BOULEVARD
SCOTTSDALE, AZ 85251

CALL TO ORDER

Mayor W.J. "Jim" Lane called to order a Work Study Session of the Scottsdale City Council at 5:57 P.M. on Monday, November 13, 2017, in the City Hall Kiva.

ROLL CALL

Present: Mayor W.J. "Jim" Lane
Vice Mayor Virginia L. Korte
Councilmembers Suzanne Klapp, Kathleen S. Littlefield,
Linda Milhaven, Guy Phillips, and David N. Smith

Also Present: City Manager Jim Thompson, City Attorney Bruce Washburn,
City Treasurer Jeff Nichols, City Auditor Sharron Walker, and City Clerk Carolyn Jagger

PUBLIC COMMENT – Patty Badenoch, Bob Pejman, Marilyn Atkinson, Richard Hayslip, and French Thompson commented on the draft Downtown Scottsdale 2.0 Plan.

- 1. Tourism Strategic Plan and Downtown Tourism-Related Economic Feasibility Study**
Request: Presentation, discussion, and possible direction to staff on the Tourism Advisory Task Force recommendations pertaining to Year 5 of the Tourism Strategic Plan and the Downtown Tourism-Related Economic Feasibility Study recommendations from CSL International for Downtown Scottsdale as it relates to tourism and economic development.
Presenter(s): Karen Churchard, Tourism and Events Director and John Kaatz, CSL International
Staff Contact(s): Karen Churchard, Tourism and Events Director, 480-312-2890,
kchurchard@scottsdaleaz.gov

Tourism and Events Director Karen Churchard gave PowerPoint presentations (attached) on the Tourism Advisory Task Force recommendations pertaining to the Tourism Strategic Plan and the Downtown Tourism-Related Economic Feasibility Study.

NOTE: MINUTES OF CITY COUNCIL MEETINGS AND WORK STUDY SESSIONS ARE PREPARED IN ACCORDANCE WITH THE PROVISIONS OF ARIZONA REVISED STATUTES. THESE MINUTES ARE INTENDED TO BE AN ACCURATE REFLECTION OF ACTION TAKEN AND DIRECTION GIVEN BY THE CITY COUNCIL AND ARE NOT VERBATIM TRANSCRIPTS. DIGITAL RECORDINGS AND CLOSED CAPTION TRANSCRIPTS OF SCOTTSDALE CITY COUNCIL MEETINGS ARE AVAILABLE ONLINE AND ARE ON FILE IN THE CITY CLERK'S OFFICE.

CSL International Principal John Kaatz gave a PowerPoint presentation (attached) on the Tourism-Related Economic Feasibility Study.

Council gave direction on the four staff recommendations as follows:

- Recommendation 1: Include short term projects and related administrative costs in Operating Budget process
 - Items include:
 - Canal Convergence
 - Downtown activation
 - Wayfinding and décor
 - Increase in temporary art installations
 - Business development tools

Staff was directed to proceed with Recommendation 1 and to incorporate a master plan for connectivity and walkability in the Downtown Plan.

- Recommendation 2: Develop a process to prioritize 2.0 recommendations
Staff was directed to proceed with Recommendation 2.

- Recommendation 3: Solicit private interest in development of a Conference Center
 - Significant hotel development interest is occurring now
 - This process could include an RFI/RFQ process to determine private interest and qualifications, and identifying partnership structures
 - Requires no commitment or city funds to determine interest

There was no consensus to proceed with Recommendation 3 as presented; however, staff was directed to research the viability of a conference center from a private market basis.

- Recommendation 4: Explore recommended management structure and each suggested funding mechanism via research, public education and input
 - We have more desires and expenses than revenue
 - New funding sources must be evaluated to increase the projects, programs, and level of service identified in this Study

Staff was directed to proceed with Recommendation 4, excluding the formation of a revitalization district.

Council suggested:

- Implementation of an improved parking management program as a parking solution, rather than as a funding mechanism.
- Utilization of Drinkwater Boulevard to assist in walkability and connectivity.
- Adding pocket parks; a community center; additional lighting and signage; and clean, safe restroom facilities in Downtown.
- Upgrade and restore the water features on the mall.
- Using the trolley system as a method for conveying information about Scottsdale.
- Study the City's overall sales tax program.

Council requested additional information:

- What population number the City is shooting for in Downtown and the reasoning behind it. What commercial numbers are we shooting for in Downtown and the reasoning behind it.
- A list of the improvements that have been made in Downtown.

2. Downtown Plan Review and Update

Request: Presentation, discussion, and possible direction to staff regarding an update to the 2009 Downtown Plan.

Presenter(s): Erin Perreault, Planning, Neighborhood and Transportation Manager

Staff Contact(s): Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov

Planning, Neighborhood and Transportation Manager Erin Perreault gave a PowerPoint presentation (attached) on the Downtown Plan.

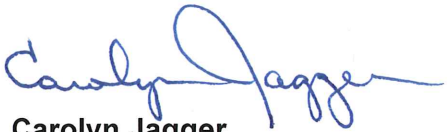
Staff was directed to proceed with the Downtown Plan update as presented.

MAYOR AND COUNCIL ITEMS – None

ADJOURNMENT

The Work Study Session adjourned at 8:54 P.M.

SUBMITTED BY:



Carolyn Jagger
City Clerk

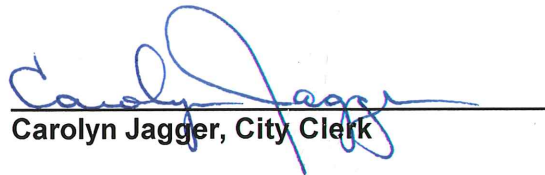
Officially approved by the City Council on December 4, 2017

CERTIFICATE

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Work Study of the City Council of Scottsdale, Arizona held on the 13th day of November 2017.

I further certify that the meeting was duly called and held, and that a quorum was present.

DATED this 4th day of December 2017.



Carolyn Jagger, City Clerk

Work Study Item 1

Tourism Strategic Plan Final Recommendations

City Council Work Study

November 13, 2017

Tourism Strategic Plan Components

1. Implementing an urban Downtown experience
2. Implementing of programs to protect Scottsdale's identity
3. Develop programs that appeal to multiple generational visitors and professionals
4. Develop and enhance transportation programs
5. Develop Tourism Crisis and Reserve Plan
6. Develop thought leadership and innovation opportunities for both golf and group meetings
7. Recommendation that the tourism industry moves from resort centric to destination centric

**SCOTTSDALE VISITOR INDUSTRY DEVELOPMENT
GROWTH SCENARIO CONCEPTS**

Presented to the City of Scottsdale | May 2017

POPULOUS

Downtown Economic Feasibility Study

B BrandOutlook
Brand Strategy • Market Research

HAPI CITY OF SCOTTSDALE

Downtown Scottsdale Brand Perceptions Presentation
June 7, 2017

**SCOTTSDALE
DOWNTOWN**
— THE ORIGINAL —

Downtown Brand & Marketing



Street Banners / Décor



Festoon Lighting / Décor



SCOTTSDALE CONNECTIVITY PROJECT

CANAL BANK SITE UPDATE

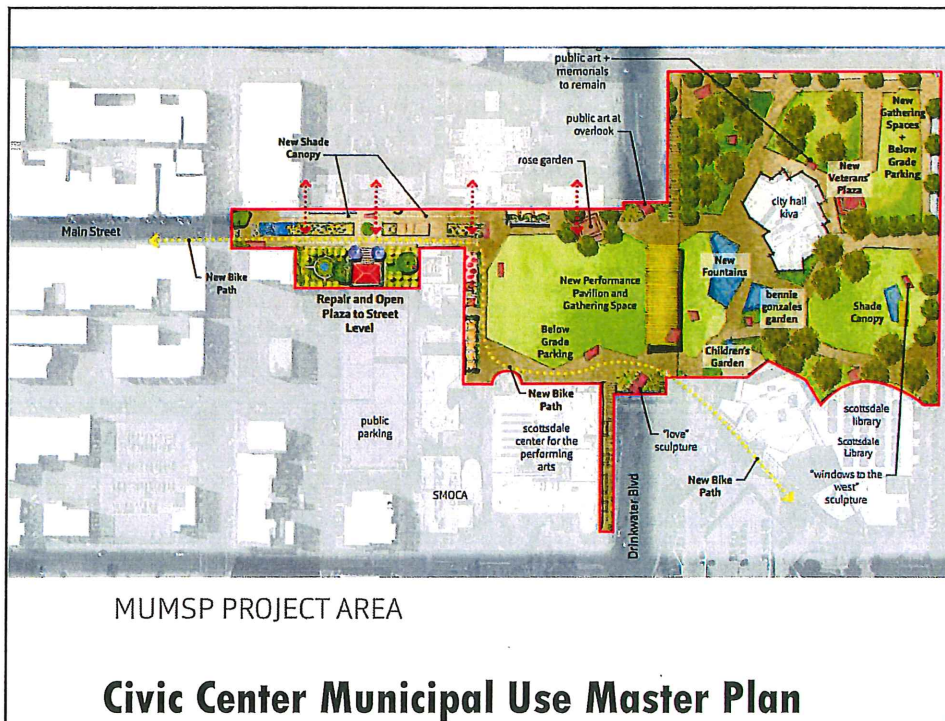
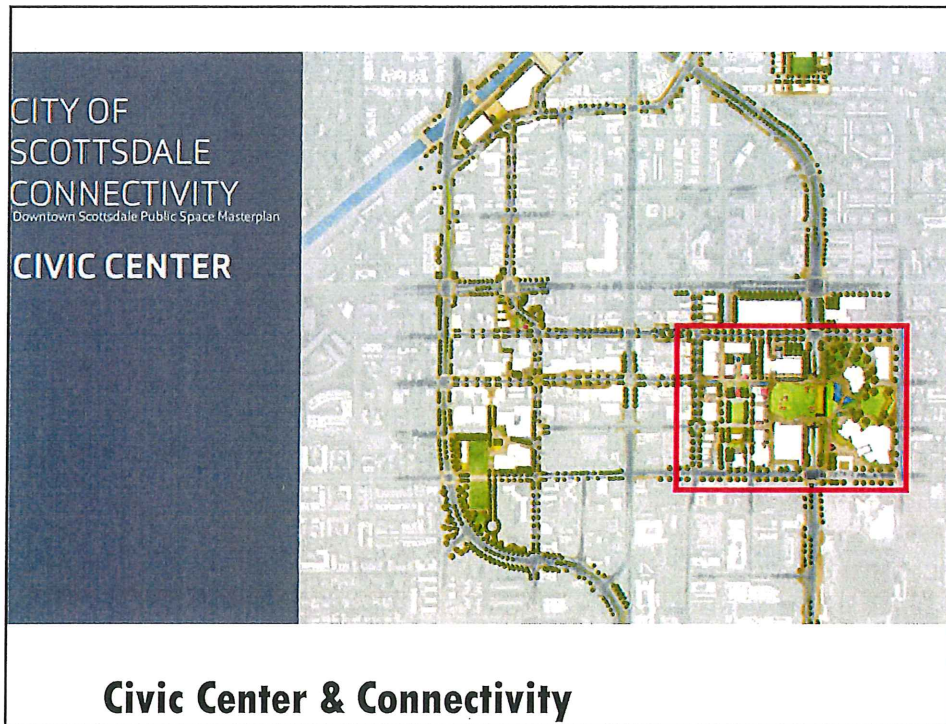
Tourism Advisory Task Force :: June 7, 2017



“Arizona Central” / Connectivity



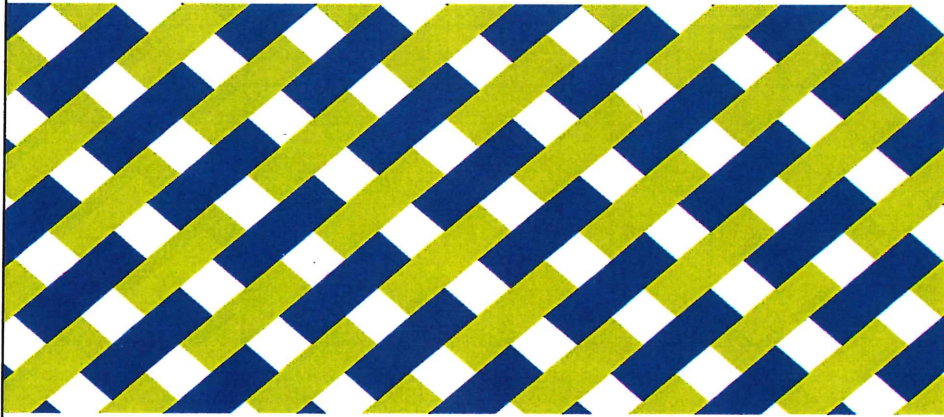
Marshall Way Street & Pedestrian Project



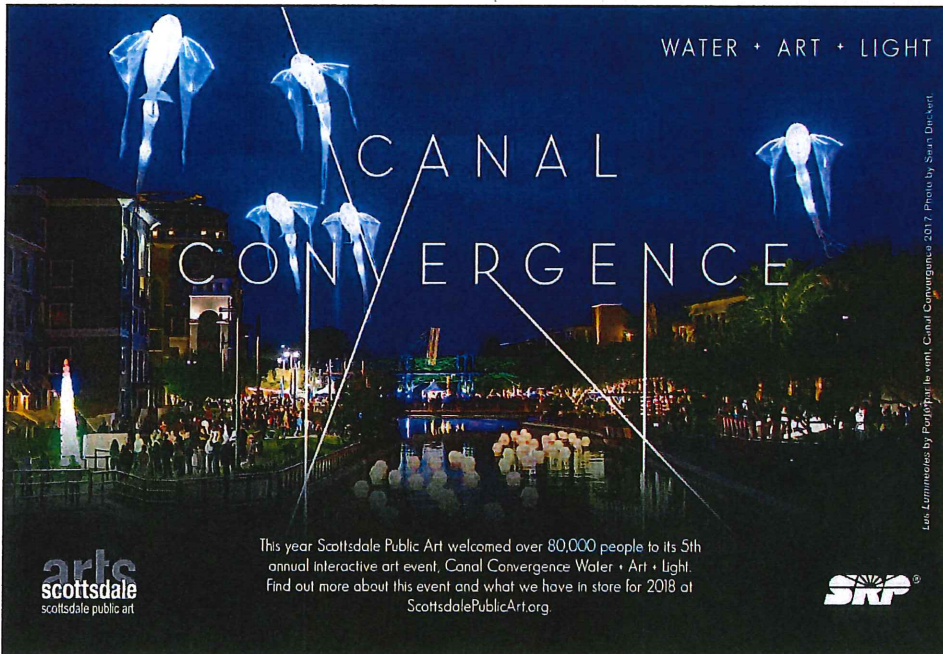
webb

management
services
incorporated

building creativity



Webb Report



Canal Convergence

**HOLIDAY SPARKLE
IN DOWNTOWN SCOTTSDALE**

NOVEMBER 25 - JANUARY 1, 2017

Scottsdale is a month-long celebration in Downtown Scottsdale. The week-long event series includes a variety of holiday-themed events, including a holiday tree lighting, a holiday parade, and a holiday concert. The event series is a celebration of the holiday season in Scottsdale. Many of the events are family-friendly and suitable for all ages. The event series is a celebration of the holiday season in Scottsdale. Many of the events are family-friendly and suitable for all ages.

For more information, visit SCOTTSDAZZLE.COM

Scottsdazzle



LIGHT UP THE NIGHT

NOVEMBER 25 - JANUARY 1, 2017

Scottsdazzle

For more information, visit SCOTTSDAZZLE.COM

Scottsdazzle

HOLIDAY SPARKLE IN
DOWNTOWN SCOTTSDALE

NOVEMBER 25 - JANUARY 1, 2017

Details: Scottsdazzle.com

Scottsdazzle Promotion 2016

SCOTTSDALE

**BRING YOUR TEN-GALLON HAT,
TEN-GALLON WALLET AND
TEN-GALLON APPETITE.**

EVENTS HAPPENING
EVERY WEEK IN
FEBRUARY.

WESTERN WEEK

VIEW EVENTS

**20 RIDERS, 200-MILE TREK,
20,000 PIECES OF MAIL.
COME SAY HOWDY.**

FEB. 10 - HASHKNIFE
PONY EXPRESS

WESTERN WEEK

VIEW EVENTS

SCOTTSDALE WESTERN WEEK

EVENTS HAPPENING EVERY WEEK IN FEBRUARY.

WESTERN WEEK

VIEW EVENTS

Western Week Online Promotion

SPRING TRAINING IN SCOTTSDALE
EVENTS HAPPENING IN DOWNTOWN SCOTTSDALE THROUGH MARCH

VIEW EVENTS

SPRING TRAINING IN SCOTTSDALE
EVENTS HAPPENING IN DOWNTOWN SCOTTSDALE THROUGH MARCH

VIEW EVENTS

SPRING TRAINING IN SCOTTSDALE
EVENTS HAPPENING IN DOWNTOWN SCOTTSDALE THROUGH MARCH

VIEW EVENTS

Spring Training Online Promotion

arts
scottsdale
scottsdale public art

Reflection Rising (Nov-Mar '18)

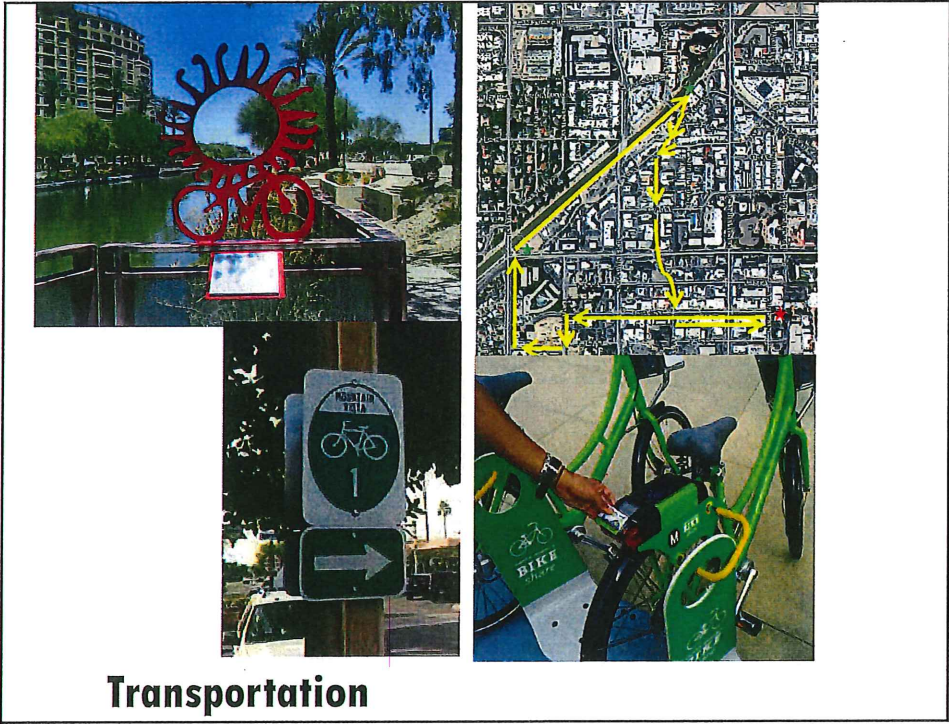


Scottsdale 2016 Visitor Research

Research



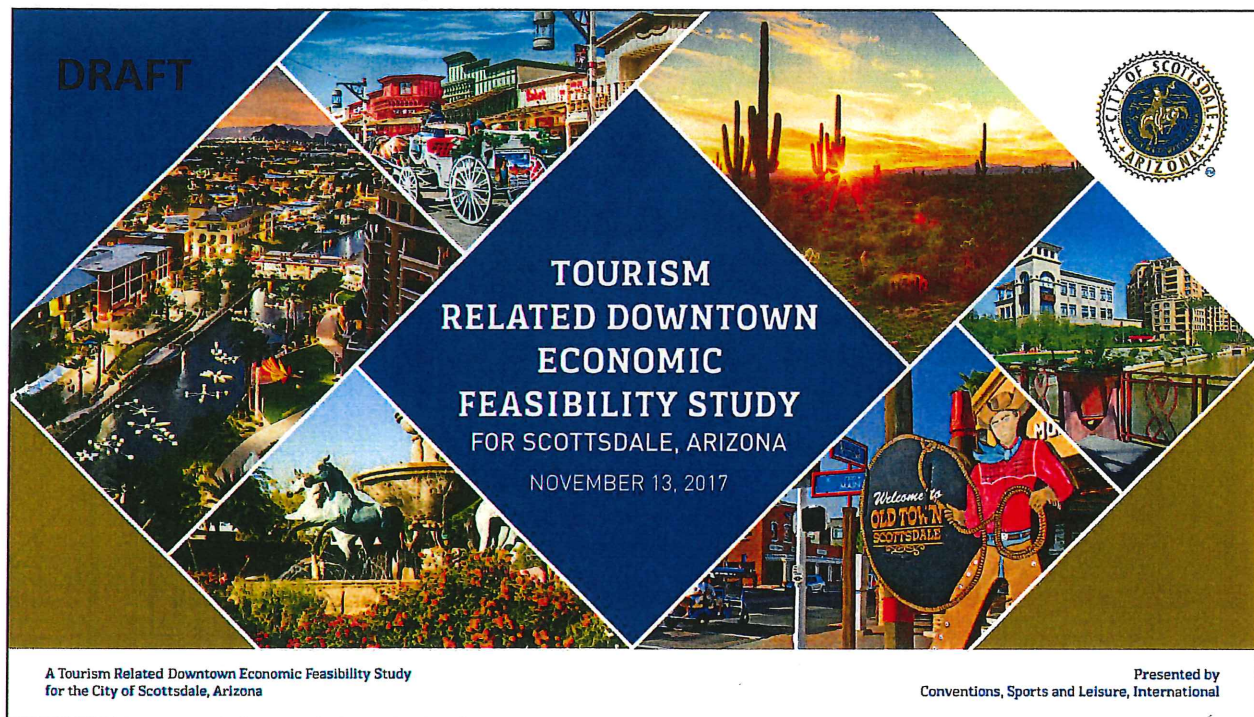
Seasonal Entertainment & Carriage Rides



Transportation

**Tourism Strategic Plan - Year 5
TATF Recommendations**

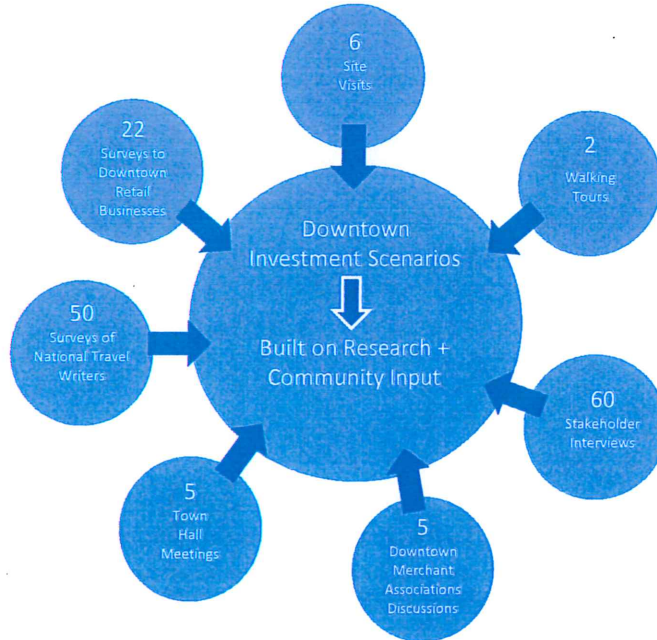
1. Downtown Scottsdale 2.0
2. Downtown Brand & Marketing, Website
3. Scottsdazzle
4. Western Week
5. Canal Convergence / Destination Event
6. Temporary Art Installations
7. Transportation / Bike Share & Additional Routes
8. Transportation / Sky Harbor Connection to Scottsdale



A Tourism Related Downtown Economic Feasibility Study

*Economic and planning analysis focusing on Downtown
Scottsdale with a focus on maximizing visitor economic
performance and creating a highly desirable downtown.*

Outreach



3

Residential and Commercial Development Supporting Visitor Industry Product

4

Increase Downtown Resident Population

- Target 8,200 residents by 2025, 1,050 additional units needed
- 10,000 residents by 2030 - “critical mass” to support a thriving, self-sustained downtown neighborhood
- Visitors drawn to unique + authentic neighborhood experiences vs. less dense, “manufactured” environments
- Expectation for high quality design/architecture



5

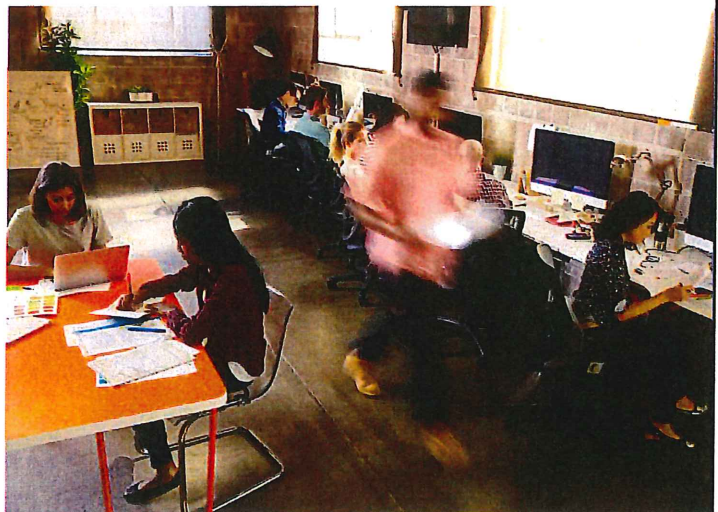
Increase Workforce / Infill

Creative Class Recruitment

High-end + Arts-oriented:

- Tech Firms
- Boutique Law Firms
- Design Firms
- Studio Space
- Architects/Planners
- Incubators/Shared Space
- Marketing/Advertising

3,000 to 5,000 square foot buildings suitable for retrofit



6

Increase Commercial Space

- Long term target up to 630,000 square feet of commercial office development by 2030
- Limited large parcels
- Creates a desirable “24/7” environment
- Focused on creative class tenants
- Increase restaurant/retail inventory by 15 to 20 percent



7

Creating Public Spaces that Benefit Residents and Visitors

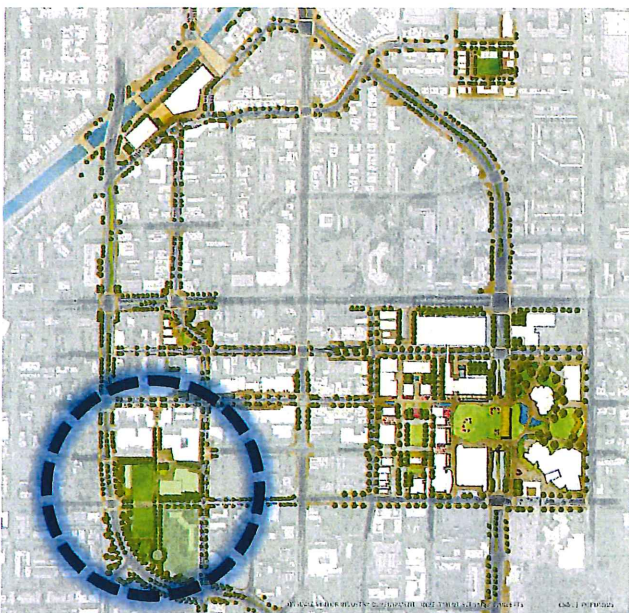
8

Public Space Placemaking – Civic Center Mall



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Public Space Placemaking – Loloma

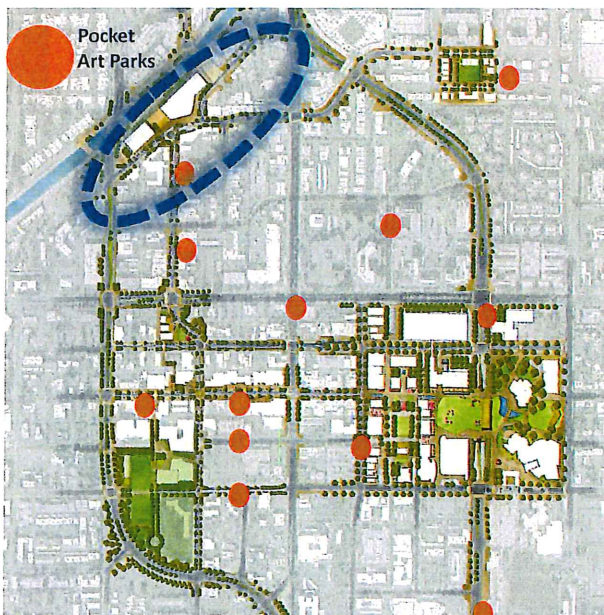


10

Loloma Large Office Development



Public Space Placemaking – Arizona Canal



- Public space, interior and exterior
- Community gathering and event space
- Pedestrian linkages north and south
- Inviting to both residents and visitors
- Significant public art
- Robust amenities for bike transportation

Arizona Canal – Arizona Central



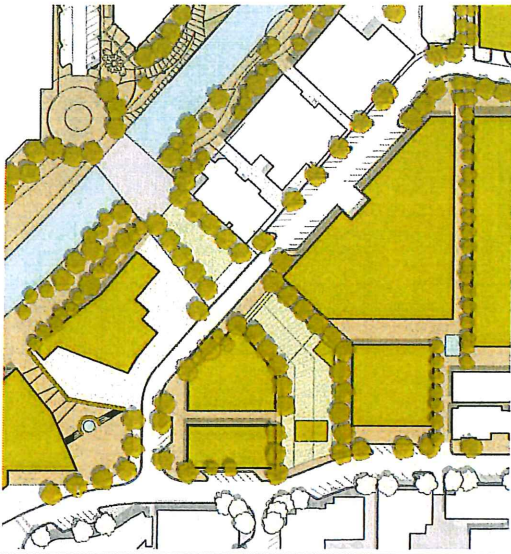
13

Arizona Canal – Arizona Central

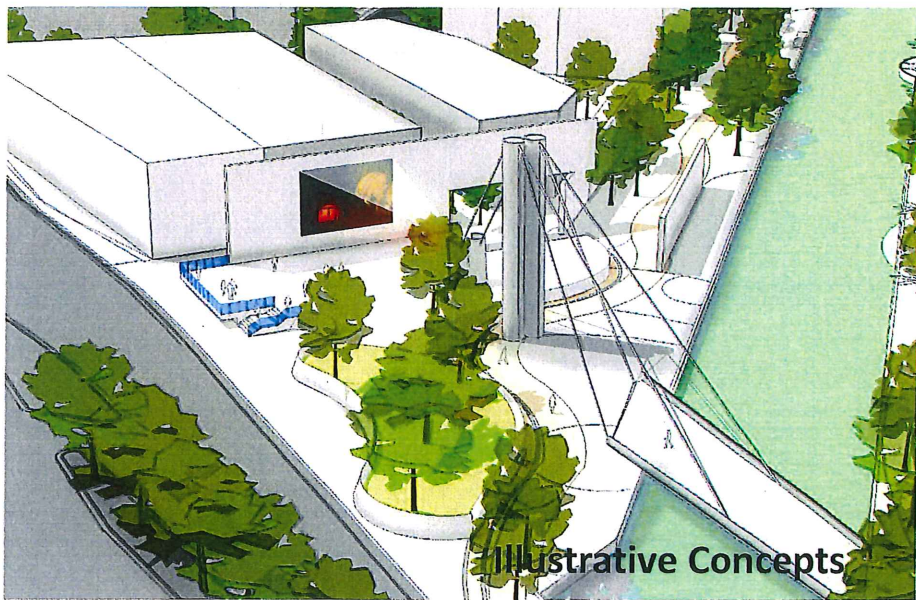


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Arizona Canal – Public Plaza Site

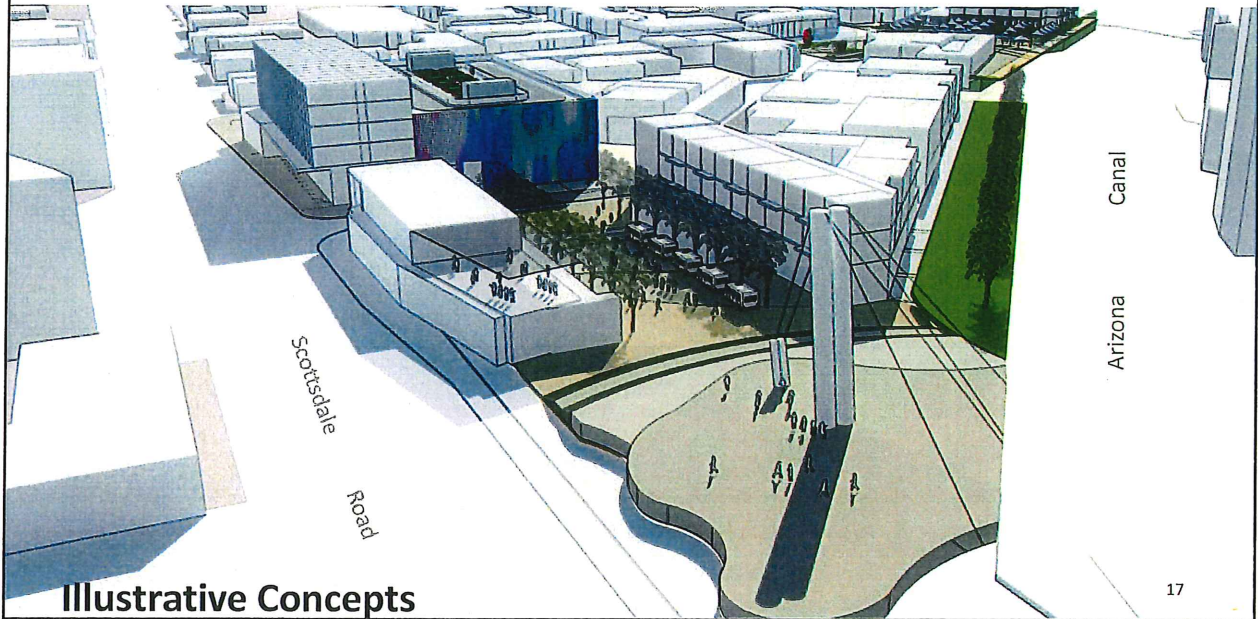


Arizona Canal – Extend Soleri Bridge



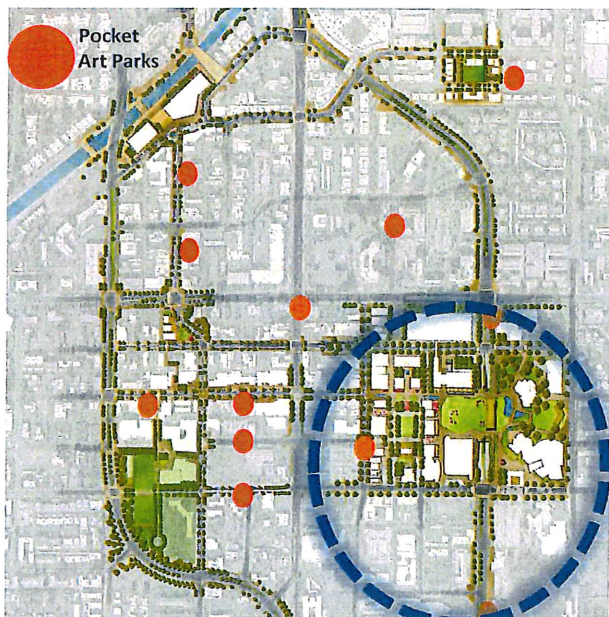
Arizona Canal – Extend Soleri Plaza

Destination Transformation



Illustrative Concepts

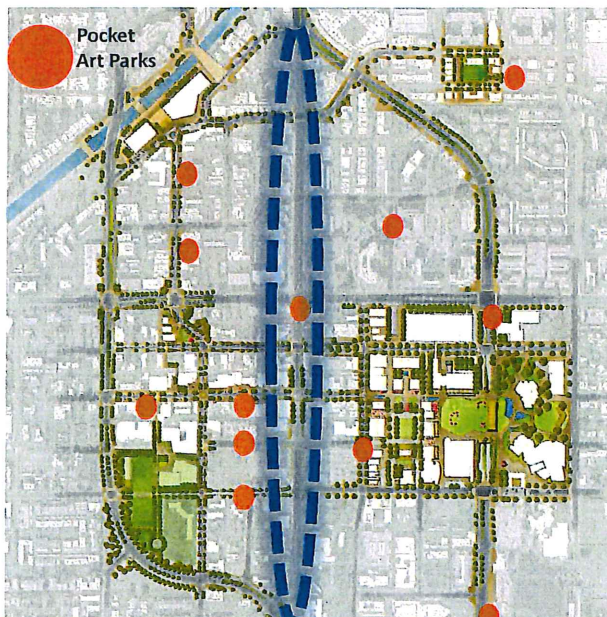
Public Space Placemaking – Civic Center & Stadium



Scottsdale Stadium Transformed



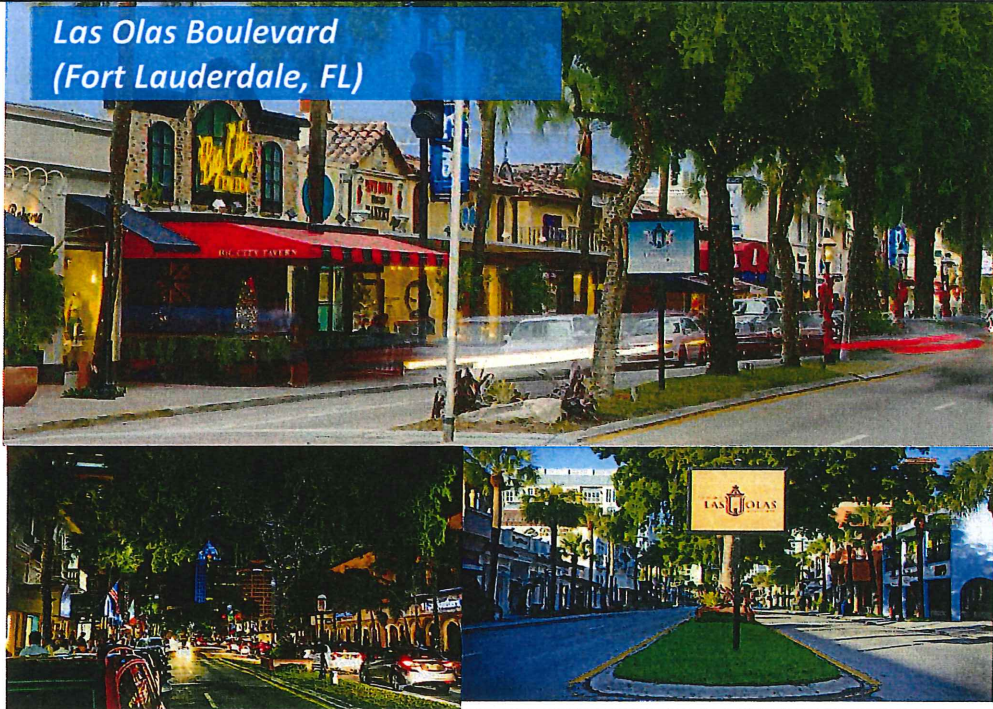
Public Space Placemaking - Scottsdale Road



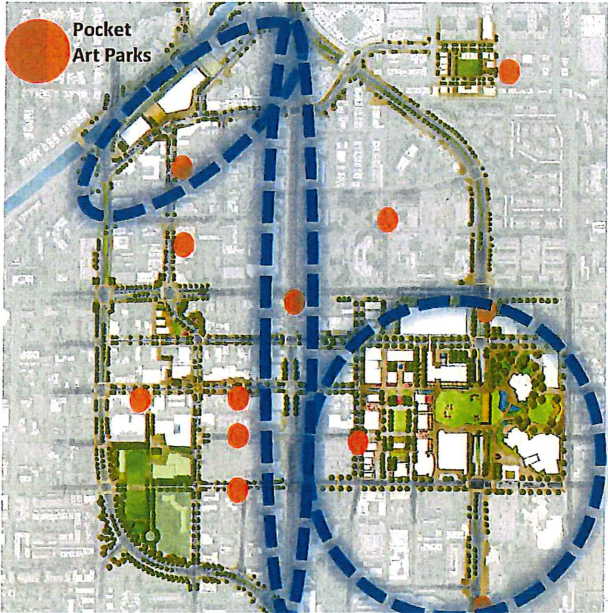
Scottsdale Road Transformed



Scottsdale Road Transformed

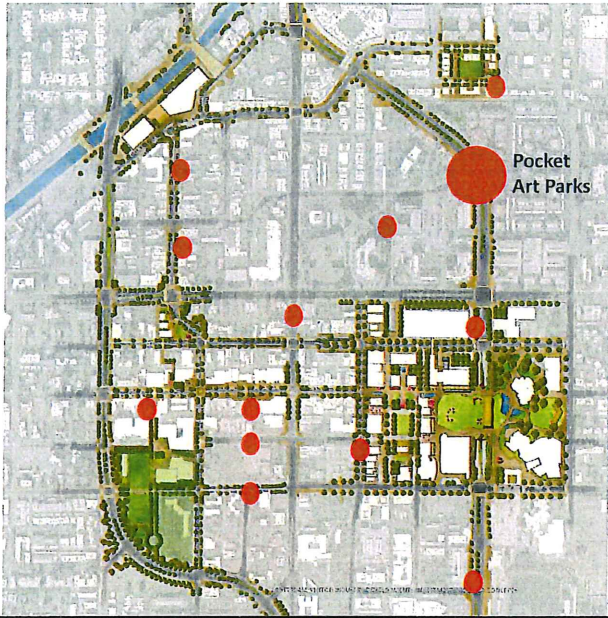


Downtown Scottsdale Transformed



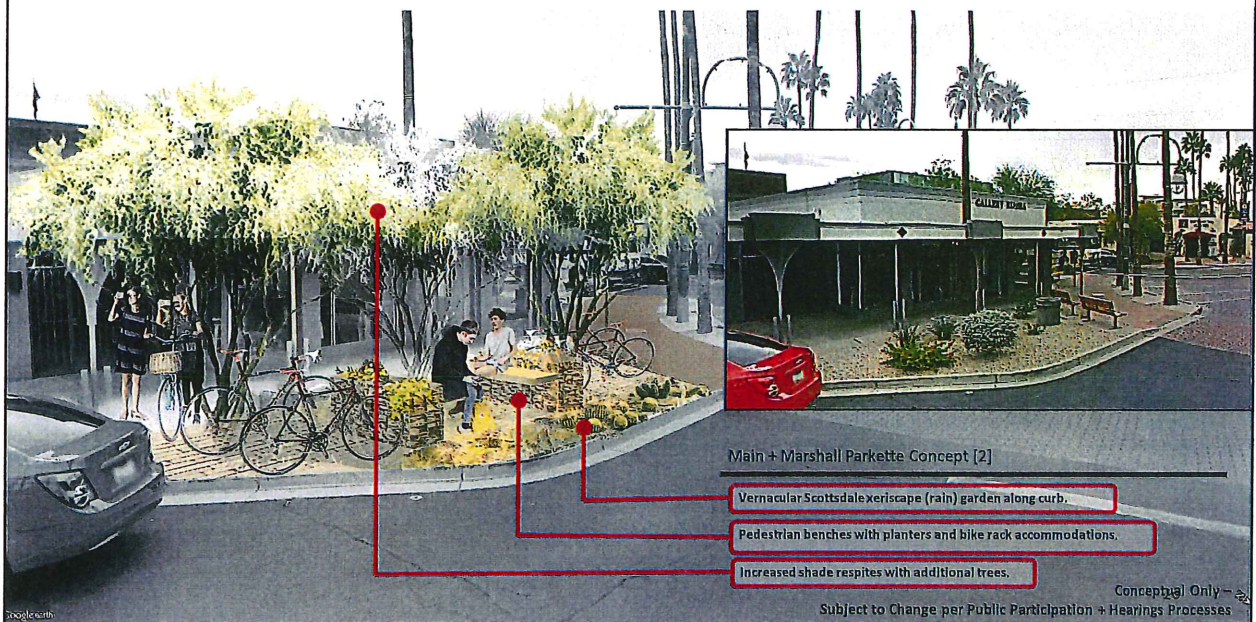
Leveraging the Brand – Refocusing the Arts Sector Approach

Public Space Placemaking – Pocket Art Parks



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Pocket Art Parks

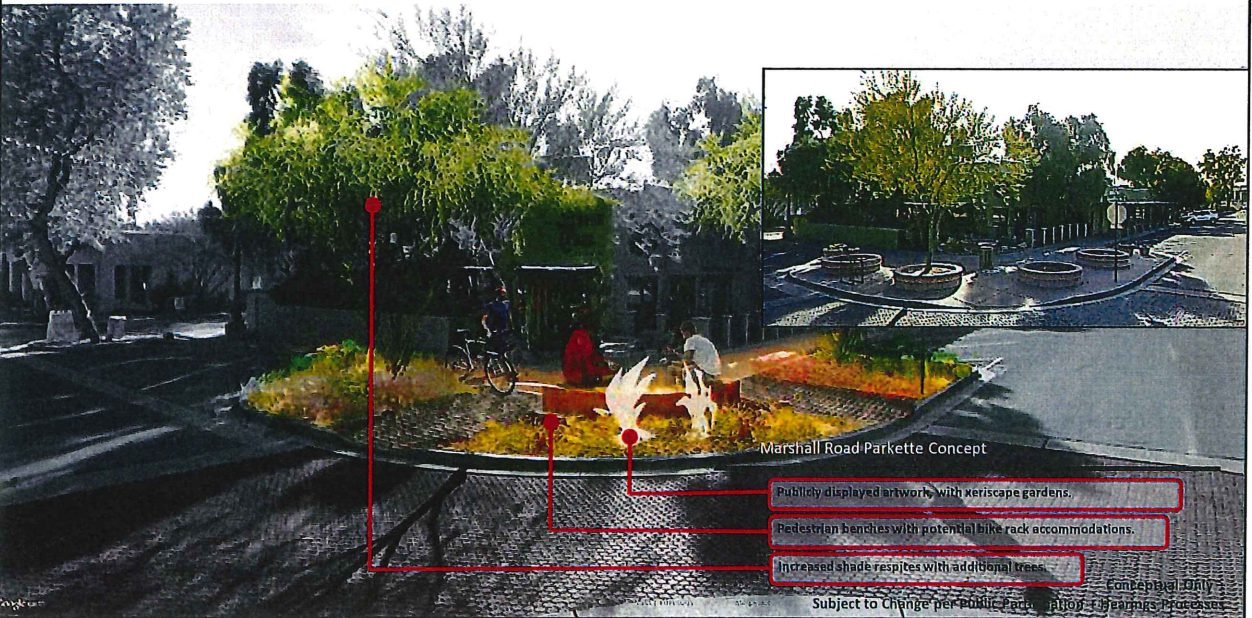


Pocket Art Parks



Conceptual Only
Subject to Change per Public Participation & Hearings Processes

Pocket Art Parks



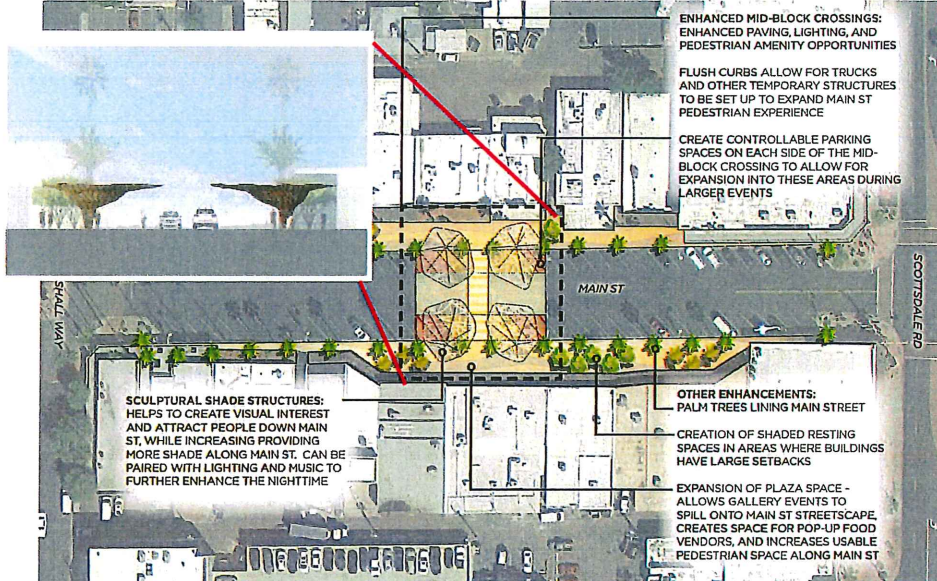
Marshall Road Parkette Concept

- Publicly displayed artwork with xeriscape gardens.
- Pedestrian benches with potential bike rack accommodations.
- Increased shade respites with additional trees.

Conceptual Only
Subject to Change per Public Participation & Hearings Processes

Main Street Enhancements

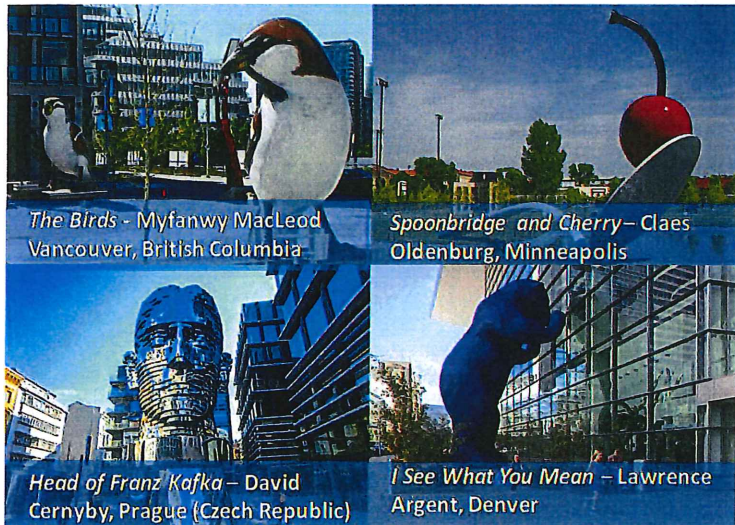
MAIN STREET STREETScape ENHANCEMENT



Monumental Art



 Potential Monumental Art Sites



The Birds - Myfanwy MacLeod
Vancouver, British Columbia

Spoonbridge and Cherry - Claes Oldenburg, Minneapolis

Head of Franz Kafka - David Cerny, Prague (Czech Republic)

I See What You Mean - Lawrence Argent, Denver

Re-focus Arts Sector Approach – Art Trail



Temporary art installations

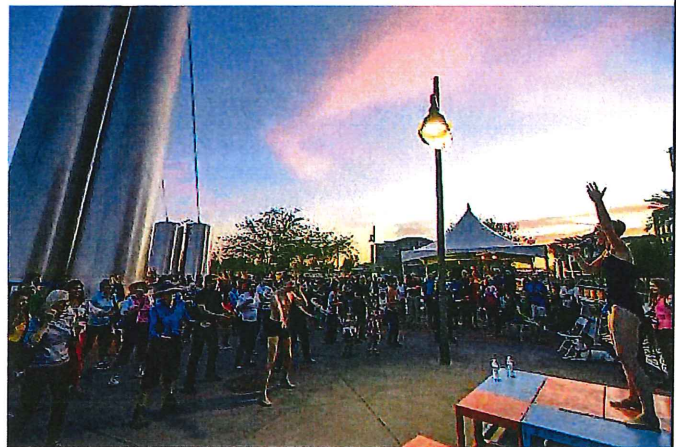
Rotate imaginative, engaging pieces

Tied to pocket art parks



Develop New / Expand Existing Festivals

- A single major event, potentially continuing to expand Canal Convergence
- Several events for shoulder seasons:
 - Plein Air painting competition / art auction
 - Luxury brand car drive-in
 - Health, fitness and yoga festival
 - Outdoor concert series



Leverage the Brand - Re-focus Arts Sector Approach

- Art & hospitality partnering – Grapes & Galleries
- Cross Promotion – Galleries and major events
- Target complementary businesses for Arts District
- International, juried event for emerging artists
- Resources for regional, national and international marketing
- Arts and music programming

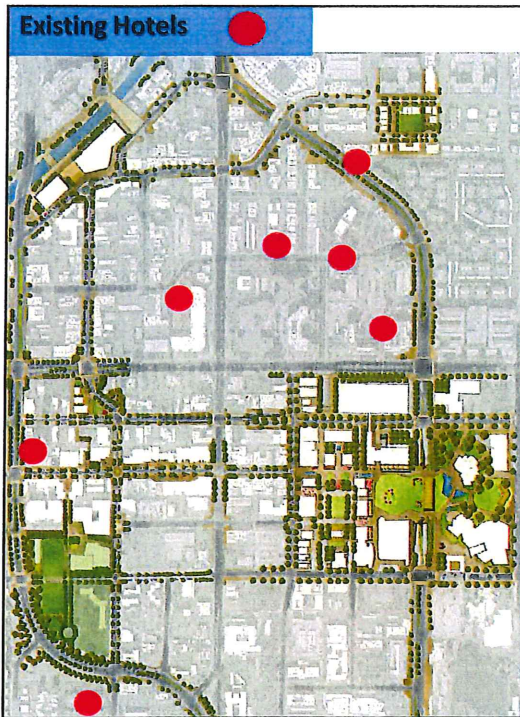


33

A New Hotel & Conference Center for Downtown Scottsdale

34

Existing Hotels



Hotel + Conference Center

- High-performing hotels, limited conference space
- Potential for significant new visitation
- Target: 300 rooms, 4 star, full service, national brand
- 25,000 sf of usable meeting/banquet space with walking access to downtown amenities
- Potential PPP opportunity

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Downtown Management Organizational Structures and Funding Sources

36

New Downtown Management Entity

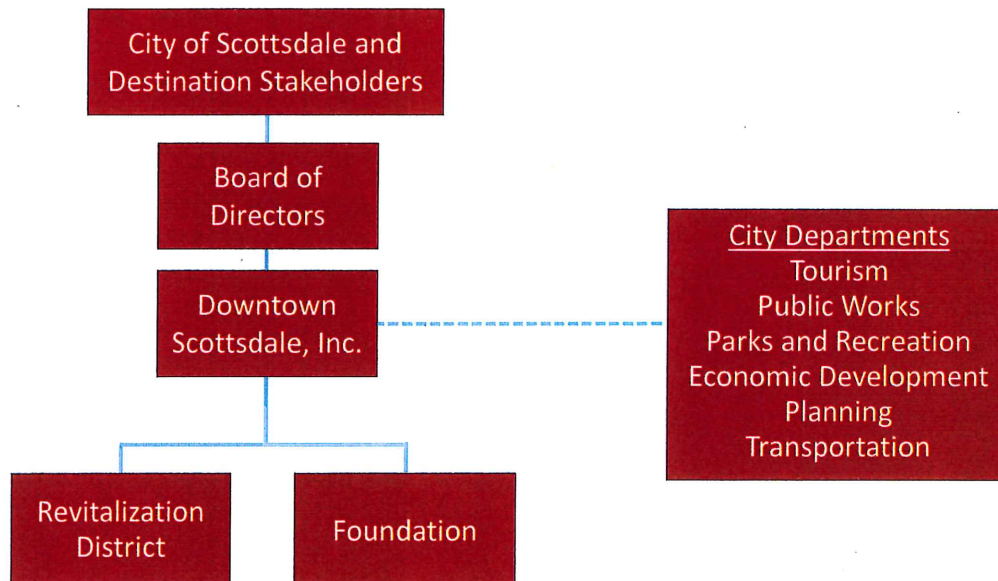
Roles and Responsibilities



37

New Downtown Management Entity

Organizational Structure



New Downtown Management Entity

Roles and Responsibilities

Downtown Scottsdale, Inc. and Revitalization District

- Build consensus with Downtown stakeholders to clearly define mission.
- Define measurable goals for the District, and the tactics and strategies used to achieve these goals.
- Ensure robust stakeholder input in all key decisions including BOD involvement.
- Annual reporting and accountability.

Downtown Scottsdale Foundation

- Primary mission – improve quality of life in Downtown by connecting local donors to the critical needs of the Downtown economy.
- Allow for contributions from individuals, businesses and other foundations/trusts to support specific projects in Downtown.
- Identify very specific goals or initiatives, potentially focusing on monumental art, and/or public space development/land acquisition.

ISSUE 2017

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Potential Funding Sources

Common in Other Markets

- District Assessment
- Downtown Organization earned income
- Local Option Sales Tax
- Prepared Food and Beverage Tax
- Parking Revenue
- City Budget Allocation
- City Bond Issue
- Tax Increment Allocations
- Downtown Development Fees

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Downtown Scottsdale 2.0

Tourism & Events Department
Economic Development Department
Planning Department
Transportation Department

November 13, 2017

Downtown Scottsdale 2.0 – What We Heard

- Community input as summarized by CSL
- Tourism Advisory Task Force general support for recommendations

Recommendation 1:

Include short term projects and related administrative costs in Operating Budget process

- Items include:
 - Canal Convergence
 - Downtown activation
 - Wayfinding and decor
 - Increase in temporary art installations
 - Business development tools

3

Recommendation 2:

Develop a process to prioritize 2.0 recommendations

4

Recommendation 3:

Solicit private interest in development of a Conference Center

- Significant hotel development interest is occurring now
- This process could include an RFI/RFQ process to determine private interest and qualifications, and identify partnership structures
- Requires no commitment or city funds to determine interest

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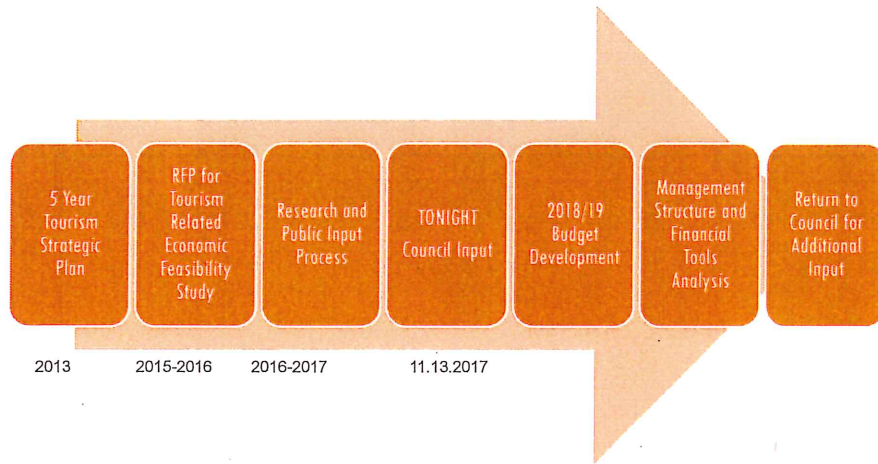
Recommendation 4:

Explore recommended management structure and each suggested funding mechanism via research, public education and input

- We have more desires and expenses than revenue
- New funding sources must be evaluated to increase the projects, programs, and level of service identified in this Study

6

Downtown Scottsdale 2.0 – Timeline



Downtown Scottsdale 2.0

Tourism & Events Department
Economic Development Department
Planning Department
Transportation Department

November 13, 2017

Additional Information:

Downtown Districts in Arizona

- Enhanced Municipal Services District (EMSD)
 - Not applicable - requires designated redevelopment area
- Revitalization District
 - Support must be demonstrated by petition signatures from property owners representing more than 50% of the assessments paid and more than 50% of the District Property Owners

Downtown Residential Snapshot

- **Population: 4,020**
 - **Housing Units: 3,830**
 - **Units Under Construction: 1,047**
 - **Units Approved Through DRB: 248**
 - **Population w/ under construction
+ approved units: 5,380 – 6,869**
- 60% Renter
40% Owner
- } 1,295



Downtown Residential Snapshot

- Does Not Include:
 - Blue Sky: 749 units
 - Hanover: 420 units
 - Waterview: 240 units
 - Fashion Square: 1,580 units



Downtown Office Snapshot

Type	Size (sq. ft.)	Total (sq. ft.)	Vacant (sq. ft.)	Vacant (%)	Gross Rent (sq. ft.)
Office	0 - 5,000	2,365,308	307,349	13	\$30.06
Office	5,000 – 10,000	1,337,500	218,743	16.4	\$31.43
Retail	0 – 5,000	1,981,925	85,259	4.3	\$33.58
Retail	5,000 – 10,000	88,566	18,197	20.5	\$28.00



Source: Costar, October 2017

Downtown Office Projects

Project	Square Footage	Status
Bidtracer	3,201	Under Construction
Main St Place	2,485	Under Construction
China Mist	5,388	Approved
6922 Mixed Use	650	Approved
Andante Law Group	13,829	Approved
Funke Mixed Use	1,960 (work-live)	DR Submitted
Shoeman Office	204,660	Zoning Approval
Industry West	1,659	Completed



Source: City of Scottsdale, CDS

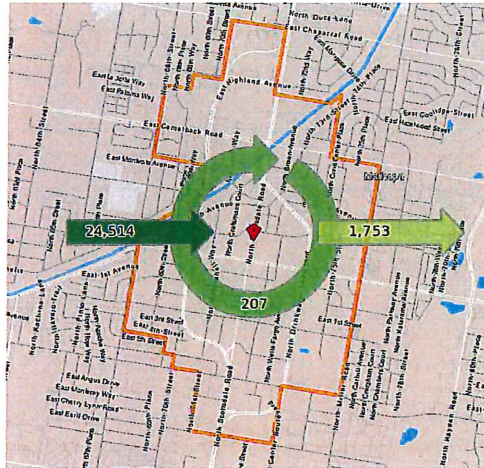
Downtown Employment – Job Industry

Industry	2015	
	Count	Share
Accommodation and Food Services	6,529	26.4%
Retail Trade	5,484	22.2%
Professional, Scientific, and Technical Services	2,291	9.3%
Finance and Insurance	1,991	8.1%
Administration & Support, Waste Management	1,731	7.0%
Information	1,409	5.7%
Health Care and Social Assistance	1,398	5.7%
Arts, Entertainment, and Recreation	875	3.5%
Wholesale Trade	731	3.0%
Public Administration	687	2.8%
Other Services (excluding Public Administration)	551	2.2%
Real Estate and Rental and Leasing	402	1.6%
Construction	315	1.3%
Other	327	1.3%



Source: US Census, On the Map and LEHD Origin-Destination, 2015

Employment – Inflow/Outflow



24,514 — Employed in
Downtown, Live Outside

1,753 — Live in
Downtown, Employed
Outside

207 — Employed and Live
in Downtown



Source: US Census, On the Map and LEHD Origin-Destination, 2015

Restaurant & Bar Tax

Community	Rate
Scottsdale	1.65%
Carefree	3.00%
Cave Creek	3.00%
Chandler	1.80%
Fountain Hills	2.60%
Gilbert	1.50%
Glendale	3.90%
Mesa	1.75%
Paradise Valley	2.50%
Peoria	2.80%
Phoenix	2.30%
Surprise	3.20%
Tempe	1.80%



Source: AZ DOR

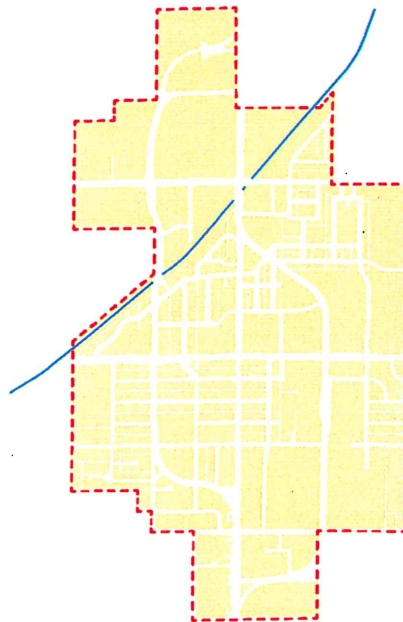
Work Study
Item 2

**2009 Downtown Plan
Update**

City Council
November 13, 2017

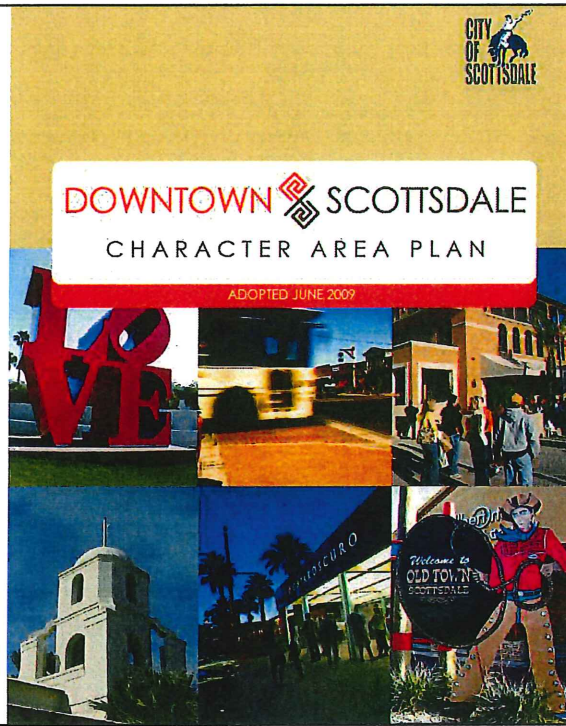
Erin Perreault, AICP
Long Range Planning Manager

- Downtown Plan 1984
- City Council adopted
June 2009
- Guiding policy
document for
Downtown Scottsdale



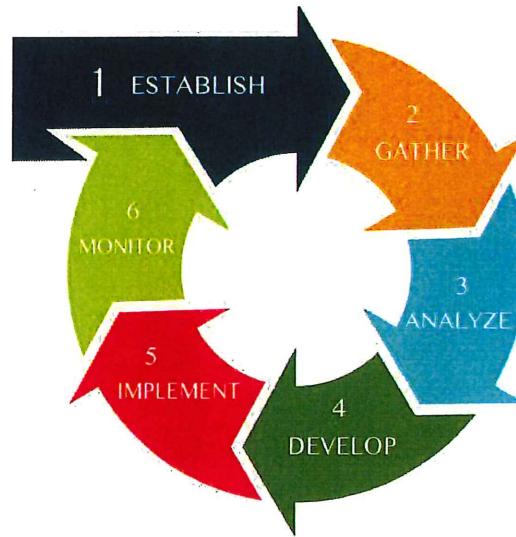
Consists of 6 Chapters:

- Land Use
- Character & Design
- Mobility
- Arts & Culture
- Economic Vitality
- Public Services & Facilities



Plan Assessment

- Assess for relevance and viability
- Implementation Completion
- New plans, policies and initiatives



Implementation 2009-Present

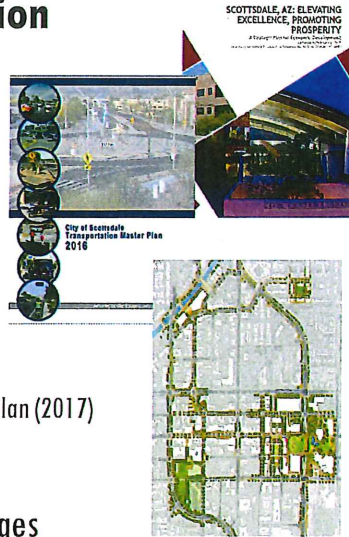
- ✓ Ordinance Amendments
- ✓ Streetscape Improvements
- ✓ Parking Ordinance Amendments
- ✓ Adjust Trolley Routes/Timing
- ✓ Pay for Hire Taxi/Pedicab Regulations
- ✓ Promotion of local, city-wide and regional transit options
- ✓ Scottsdale Museum of the West
- ✓ Public Art Master Plan
- ✓ Soleri Bridge/Plaza
- ✓ Public Art Conservation/Restoration
- ✓ Business Attraction/Retention
- ✓ Available Properties Resource Online
- ✓ Economic Development Marketing/Promotions Programs
- ✓ Tourism Development Programs
- ✓ Infrastructure Assessments/Modeling
- ✓ Wet/Dry Utilities Master Plans
- ✓ Drainage/Stormwater Retention Codes and Policies Update
- ✓ Civic Center Master Plan
- ✓ Downtown Lighting Improvements

Implementation 2009-Present – Outstanding/Ongoing

- Outstanding Items
 - > Vendor/Market Carts Ordinance
 - > Pedestrian Wayfinding
 - > Map Parking Inventory
 - > Provision of new public parking supply
 - > SCA Renovations
 - > Undergrounding of Utilities

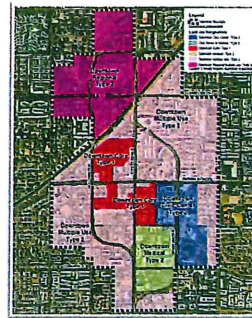
Downtown Growth and Evolution

- Major planning efforts since 2009:
 - Public Art Master Plan (2012)
 - Community Services Master Plan (2015)
 - Economic Development Strategic Plan (2015)
 - Transportation Master Plan (2016)
 - Civic Center Master Plan (2017)
 - Downtown Public Spaces/Connectivity Master Plan (2017)
 - Tourism Downtown 2.0 Study/Report (2017)
- Downtown commercial/residential changes
- Downtown Investment



Update Downtown Plan to:

- Align plan with other plans, policies & recommendations
- Refine & add new maps/graphics about desired urban design, architecture, open space areas, and infrastructure
- Renew the Implementation Program



Next Steps

- **Council discussion and direction - Proceed Forward (tonight)**
- **Public outreach and plan update (Nov. 2017-May 2018)**
- **Planning Commission/Council Public Hearings (May 2018)**

