

CITY COUNCIL REPORT



Meeting Date: **February 23, 2016**
 General Plan Element: ***Economic Vitality***
 General Plan Goal: ***Sustain Scottsdale as a tourist destination***

ACTION

Amendment of the Museum of the West Management Agreement Related to the Permanent Gallery Development and Marketing Project.

Adopt Resolution No. 10354 approving and adopting contract No. 2013-025-A3, an amendment to the Museum Management Agreement between the city and Museum of the West Inc., for the Museum of the West permanent gallery development and marketing project; and authorizing a FY2015/16 Tourism Development Fund contingency budget appropriation transfer not to exceed \$500,000 that will be funded from the city portion of bed tax carry-over funding.

BACKGROUND

On February 26, 2013, City Council approved the management agreement with Museum of the West Inc. to provide management service for the museum. The action taken by city council included reserving \$2.0 million from bed tax carryover to provide up to \$400,000 in matching funds each year for five years; as well as \$900,000 for bed tax carryover to provide debt service reserves equal to one year's debt service.

On January 14, 2014, City Council approved a construction service agreement for the construction of the Museum of the West for a maximum amount of \$11,360,000.

Two additional contract amendments were approved by City Council; the first on June 17, 2014 provided a transfer of utility service costs, the second on December 2, 2014 further defined the matching fund contribution payment.

The Museum of the West opened in January 2015 and has quickly developed dynamic and dramatic exhibits as well as a depth of quality and diverse public programming that is evident by the recent distinction as being recognized as a Smithsonian affiliated museum. First year museum attendance was approximately 65,000 people, with visitors from all of the United States and 18 foreign countries. It is projected museum attendance will reach 100,000 visitors within the first year of operation.

In a short period of time the Museum of the West has built a reputation of being worthy of exhibiting exceptional collections of art and artifacts. The museum currently has nearly 2,000 works

on display and within the year the museum has been operational a number of collections have been replaced with comparable exceptional collections.

Within 60 days the museum is scheduled to be gifted a multi-million dollar Hopi ceramics collection considered to be one of the most important privately owned collection. The Museum of the West is requesting \$500,000 to support the new collection and exhibit.

ANALYSIS & ASSESSMENT

The exhibit and promotional benefits in the attached proposed contract amendment between Museum of the West Inc. and the City of Scottsdale are focused on highlighting the Scottsdale destination through cultural and media and promotional opportunities.

The amendment lists the uses for the \$500,000 investment along with additional information and the exhibit benefits. The requested amount will include \$400,000 toward collection curation services, gallery renovation, exhibition delivery, and \$100,000 to market and promote the new exhibit.

Museum of the West staff anticipates attendance to increase at Museum of the West by 30% due to the addition of the Hopi Ceramic exhibit.

In addition to the value provided to both parties, there are potential additional benefits:

- The opportunities for synergistic marketing and promotion between the Museum of the West and Scottsdale “brands”, i.e. joint promotions of an internationally recognized Native American arts and cultural institution with an upscale, world-class resort destination
- The presence of the Museum of the West in Scottsdale is complementary to the City’s and Scottsdale Convention and Visitors Bureau’s (SCVB) interest in preserving and presenting the cultural history of the Southwest.
- The mutual desire on the part of the Tourism Development Commission (TDC), the SCVB and the Museum of the West to develop ongoing co-op programs to drive increased visitation to the Museum of the West and the City of Scottsdale
- The expanded and enhanced facility provides a “new product” to promote
- Increased visitor-oriented programming will add to the “menu of things to do” in Scottsdale
- Potential future opportunity to “bundle” the Museum of the West, Taliesin West, and the Desert Discovery Center in order to highlight the uniqueness and variety of Scottsdale’s cultural attractions

RESOURCE IMPACTS

Available Funding

Any TDC recommended funding in the current fiscal, could come from the \$4.0 million remaining in the FY2015/16 bed tax carry-over funds.

OPTIONS & STAFF RECOMMENDATION

Adopt Resolution No. 10354 approving and adopting contract No. 2013-025-A3, an amendment to the Museum Management Agreement between the city and Museum of the West Inc., for the Museum of the West permanent gallery development and marketing project; and authorizing a FY2015/16 Tourism Development Fund contingency budget appropriation transfer not to exceed \$500,000 that will be funded from the city portion of bed tax carry-over funding.

RESPONSIBLE DEPARTMENT(S)

Tourism and Events Department

STAFF CONTACTS (S)

Steve Geiogamah, Tourism Development Manager, SGeiogamah@scottsdaleaz.gov

APPROVED BY

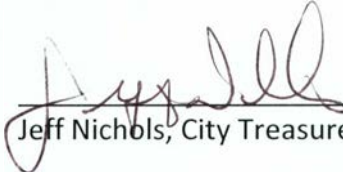


Karen Churchard, Tourism & Events Director

480-312-2890, KChurchard@Scottsdaleaz.gov

2.9.16

Date



Jeff Nichols, City Treasurer

480-312-2364, JeNichols@Scottsdaleaz.gov

2/9/16

Date



Brian K. Biesemeyer, Acting City Manager

480-312-5683, BBiesemeyer@Scottsdaleaz.gov

2-9-16

Date

ATTACHMENTS

1. Resolution No. 10348
2. Museum Management Agreement Amendment 2013-025-COS-A3
3. Canvas of Clay Permanent Gallery Development and Marketing Project
4. January 26, 2016 Tourism Development Commission Special Meeting Minutes

ATTACHMENT 1

RESOLUTION NO. 10354

A RESOLUTION OF THE COUNCIL OF THE CITY OF SCOTTSDALE, ARIZONA, APPROVING AND ADOPTING CONTRACT NO. 2013-025-A3, AN AMENDMENT TO THE MUSEUM MANAGEMENT AGREEMENT BETWEEN THE CITY AND MUSEUM OF THE WEST INC., FOR THE MUSEUM OF THE WEST PERMANENT GALLERY DEVELOPMENT AND MARKETING PROJECT; AND AUTHORIZING A FY2015/16 TOURISM DEVELOPMENT FUND CONTINGENCY BUDGET APPROPRIATION TRANSFER NOT TO EXCEED \$500,000 THAT WILL BE FUNDED FROM THE CITY PORTION OF BED TAX CARRY-OVER FUNDS.

WHEREAS, The Museum of the West anticipates receiving a donation of a collection of a Hopi ceramics (the "Collection"); and

WHEREAS, City wishes to amend the Museum Management Agreement with the Museum Manager, the Museum of the West, Inc., (the "Manager"), to require the Manager to provide certain services for the Collection if the Museum receives the Collection, including curation, exhibition development, buildout of a new exhibit gallery and marketing the Collection; and

WHEREAS, City Council has considered the City's expenditure authorized by the Agreement and the direct consideration the City will receive and finds that there is a clearly identified public purpose for the City's expenditure and the City will receive direct consideration substantially equal to its expenditure.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Scottsdale, Arizona, as follows:

Section 1. The City Council authorizes and directs the Mayor to execute, on behalf of the City, Contract No. 2015-025-COS-A3 with Museum of the West, Inc.

Section 2. The City Council authorizes a FY2015/16 Tourism Development Fund contingency budget appropriation transfer not to exceed \$500,000 that will be funded from the City portion of the bed tax carry-over fund, for use towards the Museum of the West Permanent Gallery Development and Marketing Project.

PASSED AND ADOPTED by the City Council of the City of Scottsdale, Arizona this ____ day of _____, 2016.

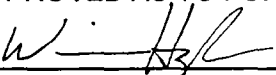
CITY OF SCOTTSDALE, an Arizona
municipal corporation

ATTEST:

Carolyn Jagger, City Clerk

W. J. "Jim" Lane, Mayor

APPROVED AS TO FORM:



Bruce Washburn, City Attorney
By: William Hylen
Senior Assistant City Attorney

ATTACHMENT 2

C.O.S. Contract No. 2013-025-COS-A3
(Resolution No. 10354)
(Museum of the West)

THIRD AMENDMENT TO MUSEUM MANAGEMENT AGREEMENT

THIS THIRD AMENDMENT TO MUSEUM MANAGEMENT AGREEMENT (the "Second Amendment") is made this ____ day of _____, 20____ by City of Scottsdale, an Arizona municipal corporation ("City"), and Museum of the West, Inc., an Arizona non-profit corporation ("Manager").

RECITALS

A. City and Manager executed that certain Museum Management Agreement (the "Original Agreement") dated February 26, 2013 whereby City contracted with Manager to manage a western museum upon certain real property located at the northwest corner of Marshall Way and Second Street (the "Museum"). The Original Agreement is City of Scottsdale Contract No. 2013-025-COS.

B. The Original Agreement was amended February 26, 2013 by the First Amendment to Museum Management Agreement, City of Scottsdale Contract No. 2013-025-COS-A1 and December 2, 2014 by the Second Amendment to the Museum Management Agreement, City of Scottsdale Contract No. 2013-025-COS-A2.

C. The Museum expects to receive a donation of a collection of Hopi ceramics (the "Canvas of Clay Collection" or "Collection").

D. City and Manager desire to amend the provisions of the Original Agreement to specify the responsibilities of Manager and the City related to the Canvas of Clay Collection including curation, exhibition development, build out of a new exhibition gallery and marketing of the Collection.

E. Undefined terms capitalized in this Third Amendment have the meanings assigned in the Original Agreement.

NOW THEREFORE, in consideration of the foregoing and the mutual promises and representations contained herein, Manager and City agree as follows:

1. The first sentence of section 1.5, City's Fixtures and Personalty, is amended to read as follows:

Except as provided in section 3.3.2, the City is not obligated to provide any fixtures or personal property.

2. New Sections 3.3, 3.4, 3.5, 3.6 and 3.7 are added to the Agreement to read as follows and subsequent sections are renumbered accordingly:

3.3 Canvas of Clay Collection.

3.3.1 Manager's Responsibilities. Manager shall provide the following services related to the Canvas of Clay Collection, the contents of which are specified in Exhibit J:

3.3.1.1 Transportation of the Collection to the Museum from an out-of-state location, including procuring necessary packaging materials, crates and climate-controlled moving services;

3.3.1.2 Collections management, documentation, and administration services for the Collection, including acquisition, registration, research materials, and condition reports;

3.3.1.3 Conservation services, including assessing the preservation needs of the Collection, performing treatments that stabilize and extend the life of Collection objects, and developing a cost-effective long range preservation plan;

3.3.1.4 Storage of the Collection in secured, climate-controlled facilities when not on exhibit;

3.3.1.5 Multi-media production to support the storytelling of Hopi potters;

3.3.1.6 Build out of new framed-out wall construction with custom wall finishes and built-in display cases. Manager shall not commence work under this subsection unless and until City has approved the plans for the work. Manager shall complete the work under this subsection within 30 days of the City approving the plans;

3.3.1.7 Design and fabrication of free-standing display cases to be completed within one year of the effective date of this agreement.

3.3.1.8 Notwithstanding anything in this Agreement to the contrary, the Manager shall perform all maintenance work, including repair of normal wear and tear, for all construction, fixtures and furnishings added to support the Canvas of Clay Collection, including any such construction, fixtures or furnishings required under this subsection 3.3.

3.3.1.9 Procurement of audiovisual equipment including display screens, digital players, projectors and speakers;

3.3.1.10 Graphics design and production services including exhibition signs, labels, and graphic imagery;

- 3.3.1.11 Management of all exhibition elements including Collection objects;
- 3.3.1.12 Creation and implementation of a marketing and promotional plan for the City of Scottsdale Canvas of Clay Exhibition which will target Native American western special interest publications, national and local travel publications, on-line marketing and other media channel opportunities. No later than July 1, 2016, the Manager shall provide to the City and initiate a marketing and promotional plan. Manager shall spend at least \$100,000 on marketing and promoting the Canvas of Clay Exhibition as set forth in the marketing and promotional plan provided to the City;
- 3.3.1.13 Prominently display on the Museum website hypertext links to the websites of the City and the Scottsdale Convention and Visitors Bureau (CVB);
- 3.3.1.14 Work closely with the Scottsdale CVB to create additional promotional opportunities and marketing partnership opportunities for the Exhibit; and
- 3.3.1.15 Each calendar year, ensure that there are a minimum of (14) Thursday nights from 5pm to 9pm during which residents of Scottsdale and their families will be admitted to the Museum, including all galleries, without charge.
- 3.3.2 City's Responsibilities. City shall provide the following services related to the Canvas of Clay collection:
 - 3.3.2.1 Build out of a new exhibition gallery, including glass "curtain wall" display cabinetry; minor electrical/lighting for these displays; and carpeting in the new exhibit area;
 - 3.3.2.2 Architectural and electrical plans and building permits and inspections for the items listed in subsection 3.3.2.1; and
 - 3.3.2.3 Project management services for the items listed in subsection 3.3.2.1.
- 3.4 Within 120 days of the execution of this Agreement, Manager shall inform the City in writing of whether the Manager has received the Collection as set forth in Exhibit J.
- 3.5 Subject to section 3.6, if the City receives notice under paragraph 3.4 that the Manager has received the Collection as set forth in Exhibit J, within 30 days of the City receiving such notice the City shall pay to Manager \$380,628 (Three Hundred Eighty Thousand Six Hundred and Twenty-Eight Dollars and 00/100 cents).

- 3.6 If the Museum does not receive the Canvas of Clay collection as set forth in Exhibit J within the period specified in section 3.4 or if the Manager fails to timely notify City that the Manager has received the Collection as required in section 3.4, the City shall have no obligation to pay Manager any amount for services specified in section 3.3 and Manager and City shall have no obligation to provide the services in section 3.3.
- 3.7 Manager shall cause all contracts for items in the Collection to provide that if Manager ceases to operate the Facility:
- 3.7.1.1 City shall have the right to continue to use and display the item during the remaining time of the agreement;
- 3.7.1.2 City shall not be responsible for damage to the item prior to City receiving the item or be otherwise responsible for the actions or omissions of Manager or others; and
- 3.7.1.3 City's use and display of the item shall be at no expense to City except that during City's use and display of the item City shall safeguard the item and shall pay any remaining rental or similar charge for the item according to the contract between the item's owner and Manager, not to exceed a prorated portion of such charges based on the amount of time City has the item compared to the overall term of the contract.
3. Section 3.3 is renumbered to 3.8 and the current language is removed and replaced with the following:
- 3.8 City's Cost Limitations. Except as provided in 3.3, 3.4, 3.5, 3.6 and 3.7 of this Agreement:
4. Amend section 4.8.1.10 to read:
- An inventory of the Manager Collection, Canvas of Clay Collection and the Short-term Borrowed Collection, which shall describe each item and include a list of items required or disposed of during the prior year and the costs of acquisition or disposition.
5. Notice Addresses. Manager confirms the addresses for giving notices as stated in paragraph 17.7 of the Original Agreement. The City's designee for receiving notices under paragraph 17.7 is Karen Churchard, Tourism and Events Director, 7506 E. Indian School Road, Scottsdale, AZ 85251.
6. Miscellaneous Provisions Regarding this Amendment. The parties also agree as follows:
- a. Recording. This Third Amendment, the Second Amendment, the First Amendment, and the Original Agreement shall not be recorded.
- b. No Further Amendment. Except as expressly amended by specific provisions of this Third Amendment, the Second Amendment, the First Amendment and the Original Agreement and the parties' respective rights and obligations related to

the Second Amendment, the First Amendment and the Original Agreement are not affected by this Third Amendment.

- c. Integration. The First Amendment, Second Amendment and this Third Amendment constitute the entire agreement between the parties with respect to amending the Original Agreement and supersede any prior agreement, understanding, negotiation, draft agreements, discussion outlines, correspondence and memoranda or representation regarding amending the Original Agreement.
- d. Manager's Prior Assignees. Manager warrants and represents that Manager has not assigned to anyone any rights under the Original Agreement and is the sole holder of all rights of Manager under the Original Agreement.

EXECUTED as of the date first given above.

MANAGER: SCOTTSDALE MUSEUM OF THE WEST INC.,
an Arizona non-profit corporation,

By: 

Its: Director / CEO

CITY: CITY OF SCOTTSDALE, an Arizona municipal corporation

By: _____

W. J. "Jim" Lane, Mayor

ATTEST:

Carolyn Jagger, City Clerk

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY



Bruce Washburn, City Attorney

By: William Hylan, Senior Assistant City Attorney



Daniel Worth, Executive Director Public Works



Jeff Nichols, City Treasurer

14229783v4

[illegible]

[illegible]

[illegible]

The Cooke Collection of Hopi Pottery

Nampeyo Only Bowls

[illegible]

The Cooke Collection of Hopi Pottery

Nampeyo Family

	Form and Potter Name	Date	Size
1	Jar - Fannie	1967	9 3/4" X 11 1/4"
2	Jar - Fannie	C 1950s	7 1/2" X 9 1/2"
3	Bowl - Daisy Hooie	?	3" X 7 1/4"
4	Jar- Priscella	1972	7 1/2" X 17"
5	Jar - Priscella	1991	6" X 7"
6	Bowl - Dextra	1966	5 3/4" X 11 1/2"
7	Jar - Dextra	1991	4" X 6 3/4"
8	Jar - Dextra	1992	7" 9"
9	Jar - James G	1991	5: X 8 1/2"
10	Jar - Jen S.	1990	9" X 8 7/8"
11	Jar - Jen S.	1999	12 3/4" X 12 1/2"
12	Jar - Jen S.	1991	6 5/8" X 8 1/8"
13	Jar - Jen S.	1970	8 3/4" X 11 3/4"
14	Jar - Jen S.	1982	6" X 9"
15	Jar - Jen S.	1970s	5" X 7 1/2"
16	Jar - Rachel S.	2001	5 1/4" X 13 5/8"
17	Jar - Rachel S.	1992	4 1/2" X 9 3/4"
18	Jar - Rachel S.	1989	3 3/4" X 8"
19	Bowl - Hisi Q.	1995	3 1/2" X 8 1/2"
20	Jar - Hisi Q.	1999	9 1/2" X 16 1/4"
21	Jar - Hisi Q.	1992	5 1/2" X 12 3/4"
22	Jar - Hisi Q.	2001	7 3/4" X 13 1/4"
23	Jar - Steve Lucas	1992	5 3/4" X 8"
24	Jar - Steve Lucas	1996	5 1/4" X 11 5/8"
25	Jar - Steve Lucas	1998	6 1/2" X 11"
26	Jar- Steve Lucas	1995	4 1/2" X 8 1/4"
27	Jar - Steve Lucas	2001	6" X 12 1/2"
28	Jar - Les Namingha	1997	3 3/4" X 7 1/2"
29	Jar Alton Komelstewa	1997	6 1/2" X 12 3/4"
30	Bowl - Daisy Hooie	1930s	3" X 8 1/2"
31	Jar - Anne, Fannie, Priscilla	1925s	4 7/8" X 6 3/4"
32	Jar - Anne, Fannie, Priscilla	1980s	4 3/4" X 13 1/2"

The Cooke Collection of Hopi Pottery

Non - Nampeyo Family

	Form and Potter	Approx. Date	Size
1	Jar - Karen Abeita	2003	5" X 8"
2	Jar - Karen Abeita	1997	5" X 9"
3	Jar - Karen Abeita	1994	4 3/8" X 6 3/8"
4	Jar - Sadie Adams	1950s	7 1/2" X 12 1/4"
5	Nathan Begaye	1999	7 5/8" X 11 1/2"
6	Canteen - Nathan Begaye	2000	8" X 7" X 5"
7	Pitcher - Nathan Begaye	1998	7" X 8"
8	Jar - Marsha Richey	1950s	6 1/2" X 10"
9	Jar - Jody Folwell	1999	10 1/2" X 11 7/8"
10	Jar - Rondina Huma	1986	14" X 11"
11	Bowl - Rondina Huma	1990	6" X 9"
12	Jar - Marcelle Kahe	1968	5" X 7 3/4"
13	Jar - Sonia Kahe	1990	9 1/2" X 6 1/2"
14	Vase - Helen Naha	1950s	9" X 4 3/4"
15	Bowl - Paqua Naha	1938	4 3/4" X 15"
16	Wedding Jar - Joy Nause	1960s	12 1/2" X 6"
17	Jar - Garnet Par	1940s	8 3/4" X 14"
18	Bowl - Garnet Pavatea	C. 1960s	3 1/8" X 12"
19	Bowl - Garnet Pavatea	1950s	4 3/4" X 13"
20	Bowl - Diego Romero (Coch)	1996	4" X 10 1/4"
21	Bowl - Diego Romero (Coch)	1999	4 1/2" X 10"
22	Bowl - Diego Romero (Coch)	2003	4 3/4" X 10"
23	Bowl - Diego Romero (Coch)	1992	4 1/2" X 12"
24	Bowl - Diego Romero (Coch)	2002	8" X 16 1/4"
25	Bowl - Diego Romero (Coch)	2007	6 1/2" X 15 1/4"
26	Bowl - Mark Tahbo	1992	3 3/4" X 10 3/4"
27	Bowl - Myrtle Young	1950s	4 1/2" X 15"
28	Jar - Raymond Naha	2008	4 1/2" X 8 1/4"
29	Bowl ??	1950s	4 1/2" X 13"
Other Pueblos			
1	Jar - Juanita Fregur	1990	5 1/2" X 5 3/4"
2	Jar - Helen Shanolo	1990	7 1/4" X 7 1/6"



SCOTTSDALE'S MUSEUM OF THE WEST

CANVAS ON CLAY PERMANENT GALLERY DEVELOPMENT AND MARKETING PROJECT

On February 26, 2013, the Scottsdale City Council unanimously voted the development of its museum and the appointment of the not-for profit organization, Scottsdale Museum of the West, to serve as its operating manager. This community-based project which was over 30 years in the making has culminated in an extraordinarily successful public-private partnership between the City and a group of dedicated, visionary, and inspired civic leaders who have shown their strong convictions for the mission, value, and potential of the community's newest public attraction.

One year ago this month, Scottsdale proudly opened its long anticipated new *Western Spirit*: Scottsdale's Museum of the West. The museum's first year has been overwhelmingly successful with visitors from every state of our country and 18 foreign countries expressing most favorable comments about their visit, whether commenting on the beauty and design elements of the museum's award-winning building...the dynamic and dramatic exhibitions... the depth of the quality of the "best of the West" collections... the diversity of the public programs, including film showings, lectures on varied subjects of the region, performing art programs, artists' demonstrations, impersonator presentations, storytellers, poetry readers, book signings and docent-led tours. In addition, the scores of conventioner groups and other business and special groups from around our country and beyond who have hosted a private event at the museum have been awestruck by their constituencies' introduction to the American West in this new community-owned and privately-supported new institution located in the heart of the historic arts district.

HOPI

One of this public-private museum partnership's greatest strengths has been the dependency on collectors world-wide to make the decision that our new institution is worthy of exhibiting their collections of art, artifacts, memorabilia, photography and media. There has been no other bona fide museum known to have begun its operations wholly relying on the special considerations of hundreds of collectors and public and private institutions to exhibit their work in ways to fulfill the museum's unique **storytelling** mission. These successes of featuring only the most authentic, intrinsic, and beautiful collections on loan to the museum have now resulted in a number of collectors wishing to someday donate their extraordinary collections.

One major, multi-million dollar in value collection is scheduled to be gifted to Scottsdale Museum of the West within the next 60 days. It features what is believed to be one of the single most important collections still in private ownership of Hopi ceramics from early Black on white Ware to the exuberant carved, painted, and sculptured masterworks of 14th through 16th century Sikyatki Polychrome to the emergence of the Sikyatki Revival style and the fluid artistic interpretations that emerged in the 20th and 21st centuries. The seven centuries of Hopi pottery represented in over 120 ceramic works is richly illustrated with examples from all the major Hopi stylistic traditions and particularly offers a close look at the art and life of the master Hopi-Tewa potter Nampeyo.

This collection will be a gift to our community of Scottsdale in order for it to be proudly shared with the Hopi Peoples and all our other visitors to and residents of Scottsdale who will wish to come to observe, study, and cherish this extraordinary collection in Scottsdale's Museum of the West. The fact that this collection was amassed over a period of over 30 years by a medical doctor, Australian in birth, who for decades has been a leading physician and scholar at a major Midwestern university, it is time and the rightful place for this ceramic collection to generously "come home" to Arizona, the proud land of the Hopi.

This exhibit will explore the meaning, beauty, and intellectual significance of a pottery tradition that spans from prehistory to contemporary times. It is a tradition easily loved for its aesthetic complexity and vivacious beauty, and one that is believed to represent a pinnacle of artistry in native North America. It is impossible for Western Spirit: Scottsdale's Museum of the West to tell the story of the American West without wishing for its visitors to experience these handmade, pit-fired, stone-polished clay masterworks. They are the enduring testament to the genius of Hopi women as potent contributors to the history Western art and world art. They are also helping to tell the remarkable story of the collectors, themselves, who wanted to chronicle the aesthetic aspirations of a people, time and culture.

OPPORTUNITY

We now have the opportunity to take this public-private partnership to its next and natural level. With the requested support of \$500,000 from the City of Scottsdale, its operating manager, Scottsdale Museum of the West, will be with resources sufficient to assume the professional responsibilities of collection curation, gallery renovations, exhibition development, and marketing of the planned permanent exhibition to be featured in the Diane and Bruce Halle *Great Hall*. These costs, as noted in the following budget, include collections' curation, packing and art courier transportation, gallery design and construction, exhibition design, graphics design and development, specialized lighting, media production and global marketing of this collection permanently featured in the museum.

VALUE

There are a number of tangible benefits to be derived from the exhibition of this collection of Hopi potters' masterpiece works, both to promote **TOURISM** and to complement the City's rich heritage in **ARTS AND CULTURE**:

TOURISM:

- 1) It is believed this collection alone will attract new visitors from Hopi and other Nations of North America, as well as people from around the world who are scholars and/or lovers of the creations of Native Peoples of North America;
- 2) This permanent presentation will be cause for visitors to the museum to wish to repeat their time spent in Scottsdale and at the museum knowing that these collections will frequently rotate;
- 3) This exhibition has the potential for it to become a destination presentation and likely increasing visitor length of stay knowing of its rarity of collections over the span of seven centuries and featuring master Hopi-Tewa artist, Nampeyo;
- 4) This collection has the ability to be reason alone for conventioners and other tourism-related businesses to help market the museum to their varied constituencies when they plan to visit Scottsdale both during peak and non-peak seasons;
- 5) This permanent exhibit affords the opportunity to present it to meeting planners and travel writers at their convenience knowing as they market the museum to their constituencies or write about the institution this exhibition will always be on display;
- 6) This new gallery presents new experiences for the visitor and adds one more thing for visitors to do while they are in our community which contributes to a wider array of tourism events to attract new and returning visitors.

ARTS AND CULTURE

- 7) This exhibit will enhance Scottsdale's worldwide reputation to honor indigenous peoples in a most respectful, educational, inspiration and sensitive manner;
- 8) This exhibit could be cause for collectors and others to wish to purchase works by Hopi People and other artisans of Indigenous Peoples at Scottsdale's galleries, thus generating new spending in the community;
- 9) This exhibit lends itself to interesting public programming and other special public events to celebrate the Hopi and many other living cultures of the American West, therefore, each helps to enhance Scottsdale's perceived value as a community offering enlightening experiences for its community visitors;
- 10) This exhibition presents the opportunity to further enhance the cross-cultural interest and reputation of the museum, thus translated to be an enhanced reputation for Scottsdale.

CONCLUSION

This gift of the seven centuries of Hopi Ceramic Art to Scottsdale's newest public attraction will become a game changer for the City-owned museum and its ability to build visitation both during peak seasons and non-peak seasons and to new markets. It truly is a one-of-a kind opportunity which is in perfect concert with the hopes of the voters who approved the Bed Tax while also building on the early success of the museum. It will be public-private partnership exemplified leading to the exhibition in the renovated gallery becoming the shining jewel among many other extraordinary works of art and artifacts which the museum is privileged to exhibit in the course of being the *storyteller* about the

American West and its many transformations. The support of this proposal presents a natural improvement to an already outstanding City asset in the historic arts district.

The permanent exhibition to be featured in the Diane and Bruce Halle *Great Hall* will be our community's great privilege to have its worldwide visitors to its museum come to look so closely at the face of true art, created by Hopi ceramists of seven centuries.

No one could ever have imagined that a museum of only one year is both deserving of distinction as a Smithsonian Affiliate as well as recipient of a masterpiece collection that will help tell the story of Hopi pottery and their Peoples' history, culture, symbolism, and aesthetic beauty.

###

Prepared by Michael Fox, Director/CEO
January 2016



**CITY OF SCOTTSDALE
TOURISM DEVELOPMENT COMMISSION
SPECIAL MEETING**

Tuesday, January 26, 2016

**Kiva Forum - City Hall
3939 N. Drinkwater Boulevard
Scottsdale, Arizona 85251
DRAFT MINUTES**

PRESENT: David Scholefield, Chairman
Ren Hirose, Vice-Chairman
Ace Bailey
Camille Hill
Robert McCreary

ABSENT: Linda Dillenbeck
Carl Grupp

STAFF: Steve Geiogamah

GUESTS: Mike Fox, Scottsdale Museum of the West
Jim Bruner, Scottsdale Museum of the West

1. Call to Order/Roll Call

Noting the presence of a quorum, Chairman Scholefield called the special meeting of the Scottsdale Tourism Development Commission to order at 8:00 a.m.

2. Museum of the West Permanent Gallery Development and Marketing Project Funding Request

Steve Geiogamah said the Commission is requested to consider a recommendation to allocate \$500,000 in carryover funds in support of the Scottsdale Museum of the West Gallery Exhibit and Visitor Marketing Project. In February of 2013, City Council approved the management agreement with MOW, Inc. to manage the service facility for the museum. That action included \$2 million from bed tax carryover to support matching funds on an annual basis for five years, with a maximum amount of \$400,000 annually. It also included \$900,000 in carryover bed tax funds to provide debt service reserves for

construction of the facility. Currently \$4.1 million is available in the fund to support this requested action.

Jim Bruner, Chairman of the Board for the Scottsdale Museum of the West, presented an opportunity for a public/private partnership that he said would benefit residents and tourists alike. In the three years since the agreement was approved by City Council, all museum obligations have been met, including building a 43,000 square-foot facility featuring a conference center, library, and a 2.5 acre outdoor sculpture garden. The museum has attracted visitors from all 50 states and at least 18 foreign countries during its first year. The facility has hosted a variety of activities and events, and has presented screenings, lectures and other programming that attracts people to downtown.

Mr. Bruner said a November 6 program honoring the 50th Anniversary of the Cowboy Artists of America attracted over 1,000 people. The museum was invited to become an affiliate of the Smithsonian Institute. CBS Sports recorded a 20-second spot at the museum that aired during a nationally broadcast Arizona Cardinals game.

Mike Fox, Executive Director/CEO of the Scottsdale Museum of the West, thanked the Commission for their support over the years. He explained that the museum has been completely reliant so far on private sector loans for the collection on display. One major collector has amassed an extraordinary collection of ceramic pots from the Hopi culture, ranging from prehistoric to contemporary times. There are over 120 pieces in this collection, and the donor wants to gift the collection to the museum to create a permanent display for them. The collection recognizes Nampeyo, a Hopi-Tewa potter who has inspired generations, and the museum would be privileged to display many of her masterworks.

Mr. Fox said the requested \$500,000 in City support would position the museum to properly curate the collection, perform gallery renovations, create the exhibit, and develop a marketing plan to promote its uniqueness. The objectives are to attract new visitors from the Hopi and other Native American nations, as well as scholars, and art lovers. The display would be rotational, allowing visitors to see new works each time they visit. Once the marketing program is launched, people will begin to see the significance of the collection. It would give them a reason to come to Scottsdale or stay longer if they are already here.

Mr. Fox stated that this exhibition will add another attraction for visitors to Scottsdale, enhance the community's reputation, and stimulate an interest in and market for Native American art. Opportunities for specialized public programs and events centered on the Hopi and other indigenous nations of Arizona will increase. The exhibition will enhance cross-cultural communication. The opportunity to acquire a collection of such quality comes along very rarely. This use of bed tax money is in concert with the intent of voters who created the fund, and will continue to build on what the museum has already started.

Mr. Fox reviewed the projected \$500,000 budget.

- Collection management, administration and transport - \$100,000
- Exhibition design and project management - \$60,000
- Gallery build out - \$75,000

- Exhibit furniture, fixtures and equipment - \$60,00
- Audio/visual production and equipment - \$60,000
- Graphic design production - \$20,000
- Exhibit installation - \$25,000
- Marketing and miscellaneous expenses - remainder

Commissioner Hill said she is a sustaining member of the museum and inquired about the plans to market the museum and the collection. Mr. Fox explained that the museum has had very limited funds for marketing so far. The SCVB, hoteliers, and destination management companies have been essential to the effort. A monthly newsletter is sent to all members. The requested funding will allow for advertising purchases in regional, national and international publications.

Commissioner Hill inquired whether the Museum of the West has applied for grant funding like the Heard Museum has. Mr. Bruner responded that a number of local foundations have provided capital funds so far. He acknowledged Mr. Fox's role in helping the Heard Museum achieve its present success. The pottery donor could have given his collection to any museum in the country. Mr. Fox noted that all Title I schoolchildren now have the opportunity to experience the museum at no cost, thanks to a recent donation from the Marley Foundation.

Vice Chairman Hirose said he supports the museum, but questioned the marketing effort. Much bed tax money has been spent on the museum, but it largely remains a well-kept secret. A good public relations campaign is more cost-effective than magazine advertising buys. Mr. Fox said a specific marketing plan is being developed for this project. A great deal is being done by the limited staff that is currently available. It typically takes three to five years to build a good marketing campaign. The Board has increased the investment for paid advertising and social media, but most of the marketing so far has been through other media considerations. Mr. Bruner noted that the museum operates in the black, which is a rarity for a first-year non-profit. Significant funds have been set aside for an endowment as well. Vice Chairman Hirose offered the TDC's assistance.

Vice Chairman Hirose inquired about the Hopi community's reaction to this proposal. Mr. Fox said he has not spoken to anyone specifically, but based on his past experience, Native Americans have embraced major collections at the other museums he has been associated with. Hopis will be involved in the planning and development of this exhibit. He said he hopes the exhibition becomes a source of inspiration to young potters of Hopi and other origins. Vice Chairman Hirose asked whether other donors are considering establishing permanent collections. Mr. Fox responded that the museum will soon be in the position to announce other major additions to the permanent collection.

In response to an inquiry from Vice Chairman Hirose, Mr. Bruner said the matching funds provided by the City sends a powerful message to potential donors that Scottsdale is committed to the museum.

Chairman Scholefield offered his congratulations. He stated that the Commission's primary concern is how to drive attendance to Scottsdale's attractions so that they can be successful in the future. Mr. Fox responded that the Museum of the West appreciates the TDC's continuous input and involvement when it comes to marketing the

institution. The staff size is very small, so the community's resources are certainly welcome. Chairman Scholefield recommended seeking the input of the Hospitality Sales Marketing Association, the National Association of Catering Executives, and TDC members.

Vice Chairman Hirose inquired about the time frame for the \$500,000 spend. Mr. Fox explained that the reason the funding is needed immediately, is to demonstrate the commitment and ability to develop this exhibit. The goal is to have the exhibit open in January of 2017. Commissioner Bailey asked whether the allocation would enable the museum to increase its marketing staff. Mr. Fox said the marketing staff is set to increase by one following the Board's decision to increase that budget.

Commissioner Bailey said this collection is extremely important, and it is imperative that the funding is available as soon as possible.

COMMISSIONER BAILEY MOVED TO RECOMMEND FUNDING IN THE AMOUNT OF \$500,000 FROM THE BED TAX CARRYOVER FUND TO SUPPORT THE SCOTTSDALE MUSEUM OF THE WEST PERMANENT GALLERY. COMMISSIONER MCCREARY SECONDED. THE MOTION CARRIED BY A VOTE OF FIVE (5) TO ZERO (0). COMMISSIONERS DILLENBECK AND GRUPP WERE ABSENT.

3. Public Comment

None.

4. Identification of Future Agenda Items

None.

Adjournment

The meeting adjourned at 8:53 a.m.

Recorded and Transcribed by AVTronics Inc., d/b/a AVTranz Transcription and Reporting Services



Amendment of the Museum of the West Management Agreement

**City Council
February 23, 2016**



Requested Action

Adopt Resolution No. 10354 approving and adopting contract No. 2013-025-COS-A3, an amendment to the Museum Management Agreement between the City and Museum of the West, Inc.

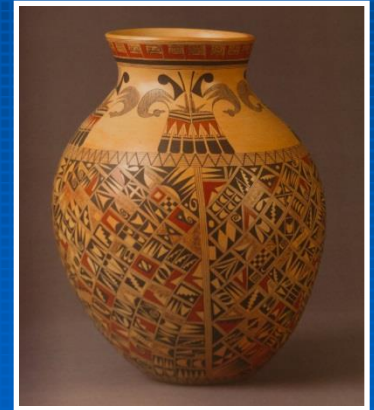
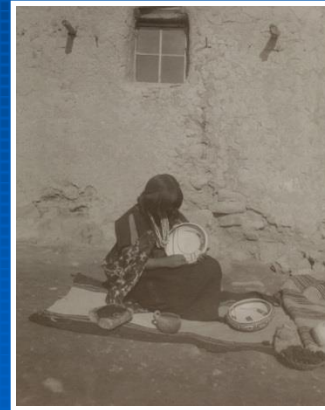


Museum of the West

- Museum of the West opened in January 2015 attracting approximately 65,000 visitors in the first 10 months of operation.
- The Museum of the West has built a reputation of being worthy of exhibiting exceptional collections of art and artifacts.

Museum of the West

- The museum is currently scheduled to be gifted a multi-million dollar Hopi ceramics collection.



Canvas on Clay Exhibit

- The Museum of the West is requesting \$500,000 to support the new collection and exhibit.
- \$380,628 would be paid directly to the museum manager, Museum of the West, Inc., to be used for collection curation services, gallery renovation, exhibition delivery. Of this amount \$100,000 will be used for marketing and promotion of the new exhibit.

Canvas on Clay Exhibit

- \$199,372 would be used by the City to build out the new exhibition gallery.



Exhibit Benefits

- Enhanced opportunities for synergistic marketing and promotion between the Museum of the West and Scottsdale brand.
- The expanded and enhanced facility provides a “new product” to promote.
- Increased visitor-oriented programming would add to the “menu of things to do” in Scottsdale.

Requested Action

Adopt Resolution No.10354 approving and adopting contract No. 2013-025-A3, an amendment to the Museum Management Agreement between the City and Museum of the West Inc., for the Museum of the West permanent gallery development and marketing project; and authorizing a FY2015/16 Tourism Development Fund contingency budget appropriation transfer not to exceed \$500,000 that will be funded from the city portion of bed tax carry-over funding

Item 24

***Amendment of the
Museum of the West
Management Agreement***

**City Council
February 23, 2016**

Requested Action

Adopt Resolution No. 10354 approving and adopting contract No. 2013-025-COS-A3, an amendment to the Museum Management Agreement between the City and Museum of the West, Inc.

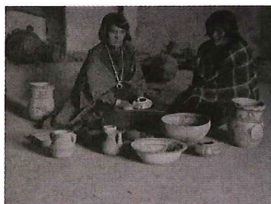


Museum of the West

- Museum of the West opened in January 2015 attracting approximately 65,000 visitors in the first 10 months of operation.
- The Museum of the West has built a reputation of being worthy of exhibiting exceptional collections of art and artifacts.

Museum of the West

- The museum is currently scheduled to be gifted a multi-million dollar Hopi ceramics collection.



Canvas on Clay Exhibit

- The Museum of the West is requesting \$500,000 to support the new collection and exhibit.
- \$380,628 would be paid directly to the museum manager, Museum of the West, Inc., to be used for collection curation services, gallery renovation, exhibition delivery. Of this amount \$100,000 will be used for marketing and promotion of the new exhibit.

Canvas on Clay Exhibit

- \$199,372 would be used by the City to build out the new exhibition gallery.

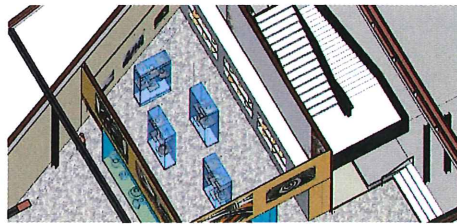
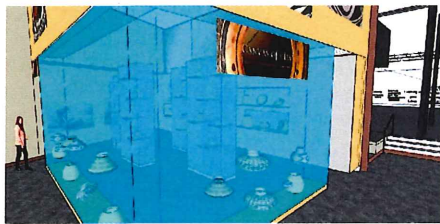


Exhibit Benefits

- Enhanced opportunities for synergistic marketing and promotion between the Museum of the West and Scottsdale brand.
- The expanded and enhanced facility provides a “new product” to promote.
- Increased visitor-oriented programming would add to the “menu of things to do” in Scottsdale.

Requested Action

Adopt Resolution No.10354 approving and adopting contract No. 2013-025-A3, an amendment to the Museum Management Agreement between the City and Museum of the West Inc., for the Museum of the West permanent gallery development and marketing project; and authorizing a FY2015/16 Tourism Development Fund contingency budget appropriation transfer not to exceed \$500,000 that will be funded from the city portion of bed tax carry-over funding

Wyant, Erica

From: sandra@hbc.com
Sent: Tuesday, February 23, 2016 8:07 AM
To: Agenda Item Comment
Subject: Agenda Item Comment for 02/23/16 - Item 24

Meeting Date: 02/23/16
Item Number: 24

Contact Information (if blank, user did not provide):

Name: Sandy Schenkat
Address: 10961 E. Gary Road
C/S/Z: Scottsdale, AZ 85259
Phone: 480-268-9200

Comment for 02/23/16 Item 24:

I would encourage the city council to vote for the \$500,000 expenditure for Scottsdale's Museum of the West. This Hopi collection is a tremendous gift from a Doctor in Kansas. This will enhance the city's investment by at least 50%. I don't understand why there was any discussion by the TDC members. The request should be a unanimous vote without deliberation. The Mayor and council should honor the benefactor with a letter and plaque of sincere gratitude. I would assume the city's legal department would also be involved in the acceptance of this generous gift.