



## **FY2016/17 BUDGET REQUEST – TOURISM STRATEGIC PLAN**

Tourism & Events Department  
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Scottsdale, AZ 85251  
Karen Churchard, Director

**To:** David Scholefield, Chairman  
Tourism Development Commission

**From:** Karen Churchard, Tourism & Events Director

**Date:** June 16, 2016

**Subject:** Tourism Strategic Plan FY2016/17 Budget Request

### **BACKGROUND**

On May 14, 2013, City Council approved the Tourism Development and Marketing Strategic Plan, the Implementation Process, and established specific funding for the Fiscal Year 2013/14 Plan at \$625,000. The application process for the Tourism Advisory Task Force was also established at that time.

Prior to council approval, the approximate investment for each of the five years as well as a total amount to implement the strategic plan elements was provided (shown below) for council review and discussion at their February 12, 2013 Work Study Session. Formally, on April 16, 2013, the TDC unanimously voted to recommend both the funding and leadership processes (now TATF) as outlined by staff.

5YR PLAN BUDGET	Year 1 (FY13/14)	Year 2 (FY14/15)	Year 3 (FY15/16)	Year 4 (FY16/17)	Year 5 (FY17/18)	Total
Initial / Proposed	\$625,000	\$360,000	\$385,000	\$345,000	\$286,000	\$2,001,000

As part of the information for the initial recommendation in 2013, the City's Treasurer's Office estimated bed tax revenue during the five years of the strategic plan to be \$77.1 million. In 2016 terms, these numbers have been re-forecasted based on actuals (2013-2015) and future estimated bed tax revenues by the City's Treasurer's Office to be \$88.3 million. Finally, the City's Treasurer's Office is estimating FY2016/17 bed tax revenue of \$18.7 million.

## **REVIEW AND IMPLEMENTATION PROCESS**

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In 2013, a priority implementation schedule for the 5YR Strategic Plan based on maximizing economic impact, examination of resources, and potential return on investment was identified by the City and SCVB staff through PLACES Consulting.

The 5YR Strategic Implementation Plan has and will continue to be used as a strategic framework by TATF and the City with input from the SCVB to ensure that all of the suggested actions continue to be weighed and addressed appropriately. All areas of the plan are complex, and require reexamination of resources, options and potential return on investment during the five year implementation.

In reviewing the 5YR Plan and developing proposed concepts for FY2016/17, the following was recommended by City staff and in some cases the Event Working Group. All of the proposed concepts were presented to the TATF at its June 15, 2016 meeting, which was unanimously approved by the quorum present 8-0.

**Advertising Agency** – Develop an Urban Tourism Plan to include Marketing, Advertising and Social Media (emphasis on Metro Region as well as State of Arizona, pending further review with the Scottsdale CVB). Staff proposes that this be accomplished on a project-to-project basis, i.e. to promote Scottsdale events and calendar of events, advertising of Downtown Scottsdale and in the future, rebranding of downtown.

ESTIMATED COST: \$25,000 per project

*5YR PLAN: "LOVE OF PLACE" LP1. Advance the knowledge and experience of quality of living in Scottsdale with residents and visitors.*

**Public Relations Agency** – Develop an Urban Tourism Public Relations strategy (emphasis on Metro Region as well as State of Arizona, pending further review with the Scottsdale CVB). Staff proposes that this be accomplished on a project-to-project basis pitching media on Scottsdale events, calendar of events, and Downtown Scottsdale, as well as developing and/or pitching storytelling concepts and creating place based experiences. The Public Relations Agency would work in parallel with the Advertising Agency.

ESTIMATED COST: \$30,000 per project

*5YR PLAN: "LOVE OF PLACE" LP1C. Develop an ongoing program of seeding stories for media; DOWNTOWN DS5. Create easy access to Scottsdale and to the Downtown events to drive interest, through communication and interpretation. Drive awareness of the city as a consciously created and well run place offering authenticity. (Use communication portals to promote events and significance); DS5A. Develop daily calendaring including events, merchant offerings for mobile devices and GPS enabled devices giving businesses and cultural agencies, etc. content entering ability; DS5B. Solicit a media partner to further extend the visibility of offerings; and DS5C. Seek a development partner for the technology and include ease of use to pull content for newsletters and other forms of circulation.*

**Downtown Event Parking Plan** – Via Walker Parking, the City’s online parking consultant, determine a usable plan for all downtown events regardless of whether they are large or small that provides parking locations for vendors, volunteers, staff, participants and/or attendees. Currently, the City requires each event to devise its own parking plan. However, establishing our own City plan will provide for consistency with streets, traffic and police as well as a consistent message to the public and media.

ESTIMATED COST: \$40,000

*5YR PLAN: DOWNTOWN DS2. Work with urban planner/transportation planner to create a plan for trail access Downtown, traffic calming, bike sharing, bringing in living desert landscape, entrances, way finding, shade and other cooling, easily convertible lighting and decoration for all kinds of holidays, Southwestern design elements, easy access to integrate downtown and Fashion Square including easy in and out access to Fashion Square and costs associated with implementing the elements of the plan.*

**Event Production & Strategies** – The City of Scottsdale would develop and own events. In some instances, the city would provide an “umbrella” marketing/PR during a period of time, i.e. Western Heritage month to promote the city and in some instances Downtown Scottsdale. NOTE: Estimated costs are listed below per event.

*5YR PLAN: DOWNTOWN DS4. Create an animated Downtown with three categories of events: happenings, Downtown events, festivals; DS6C. Create areas of focus to advance joint “programming” in business sectors with emphasis on inside business structure harmonizing with outside organizations and events (galleries, restaurants, tech businesses). "LOVE OF PLACE" LP1D. Work with leadership in the arts, the Native American community, architecture, health and wellness providers, and standard bearers in the areas of identity to create experiences which express character of place.*

- Holiday (Nov 25, 2016-Jan 1, 2017) - The purpose of a holiday activation event or series of events is to increase pedestrian foot traffic that supports the economic vitality of Downtown Scottsdale and to extend the appeal of Scottsdale for winter visitors and those seeking a holiday experience (daytrip and overnight). A strategic plan, in development to be finalized by June 30, will include recommendations for public and private participation in a variety of programming intensities that ultimately will activate six destination zones over a development period of three years (2016-2018). Final elements for the plan will be developed based on communication and inclusion of merchants and businesses. The final concept will require a combination of purchasing contracts that could include individual entertainers, event producers, designers and vendors. Based on consensus of the Event Working Group (TATF, TDC and key partners) the first year will focus on one of the six destination zones – the Canal Banks. In addition, we will work with the other focus areas of downtown to create and promote happenings within 5<sup>th</sup> Avenue, Main and Marshall Way, Old Town and Entertainment.

ESTIMATED COST: N/A for Year 1 NOTE: Funding for the Holiday Event will come from the TDC and Council FY2016/17 Out of budget approved \$300,000.

- Western Heritage (Feb 2017) – Enhance and promote existing events, galleries, museums, etc. that feature Western and Native American aspects and/or exhibits during the month of February to include Parada del Sol Parade. Provide décor in Downtown Scottsdale to include at a minimum Arizona State Flags on posts throughout downtown. Develop a formal partnership with Parada del Sol Parade and Hashknife Express. Using Ad Agency and PR Agency and begin a process of western focus during this period of the year, with the intention to find what could become a year-round feature, or perhaps how to extend the western identity into other offerings year round.

ESTIMATED COST: \$50,000

- Development of “Signature” Event(s) for 2017 Fall Shoulder Season (Propose for Sept or Nov 2017 based on SCVB should season needs) – Discuss and vet concepts reviewed and presented by Webb Management Services i.e. Biking and Cool World. Additionally, consider other concepts such as “Arts and Technology.”

ESTIMATED COST: \$250,000-\$500,000 depending on determined event.

**Additional / Other** – As opportunities present themselves through working group and other discussions, staff will bring additional concepts to the TATF and TDC before proceeding and/or to potentially request additional funding.

## RESOURCE IMPACTS

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In 2013, the total five-year investment to implement the strategic plan elements was estimated at \$2 million. As TATF moves into Year 4 (FY2016/17) of the strategic plan, City staff is requesting that the Year 2 and Year 3 recommended combined funding of \$745,000 be allocated for use in Year 4.

5YR PLAN BUDGET	Year 1 (FY13/14)	Year 2 (FY14/15)	Year 3 (FY15/16)	Year 4 (FY16/17)	Year 5 (FY17/18)	Total
Initial / Proposed	\$625,000	\$360,000	\$385,000	\$345,000	\$286,000	\$2,001,000
Requested / Approved	\$625,000	\$0	\$0	\$0	\$0	\$625,000
<b>FY2016/17 Request</b>	<b>N/A</b>	<b>\$360,000</b>	<b>\$385,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$745,000</b>
Remaining	\$0	\$0	\$0	\$345,000	\$286,000	\$631,000

**Available Funds**

The City's Treasurer's Office is estimating FY2016/17 bed tax revenue of \$18.7 million. The estimated carryover balance, less Council approved ongoing debt/expenses, is \$6.1 million. City staff has already allocated \$300,000 for in the FY2016/17 Budget toward event development, which was approved by the TDC and Council. Requested funds of \$745,000 are in addition to the \$300,000 for a total of \$1.04 million.

**Requested Action**

The proposed budget and concepts were presented to the TATF at its June 15, 2016 meeting, which was unanimously approved by the quorum present 8-0. If the TDC wishes to recommend that Year 2 and Year 3 funding of \$745,000 be allocated for use in Year 4 (FY2016/17) as proposed above, action by motion is requested. Alternatively, if there is other direction or additional suggestions, staff will proceed accordingly.

If approved by the TDC, this item will be reviewed on consent or regular agenda at the August 30 and 31 City Council meeting.