

# CITY COUNCIL REPORT



Meeting Date: ***March 20, 2018***  
General Plan Element: ***Economic Development***  
General Plan Goal: ***Sustain Scottsdale as a tourist destination***

## **ACTION**

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**Cinco de Mario Scottsdale.** Adopt Resolution No. 11056 to authorize:

- 1) Funding not to exceed \$70,000 from the portion of the Tourism Development Fund that is allocated toward event retention and development for the Cinco de Mario Scottsdale;
- 2) Event funding one-year agreement, 2018-037-COS, with the event producer, Cinco de Mario LLC.

## **BACKGROUND**

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Cinco de Mario LLC, producer of the Cinco de Mario Scottsdale festival has proposed a one-year agreement with the City of Scottsdale.

The Cinco de Mario Scottsdale festival will take place at the Scottsdale Civic Center Mall on May 5, 2018. Festival attractions include an authentic Mexican Mercado, live music, and multiple food vendors.

On February 20, 2018, the Tourism Development Commission recommended that City Council allocate \$70,000 in support of the one year agreement. Allocation of potential funds in support of the agreement will be from Tourism Development Fund established for events and event development

## **ANALYSIS & ASSESSMENT**

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The Cinco de Mario Scottsdale festival will have marketing and promotional benefits focused on highlighting the Scottsdale destination through media and promotional opportunities. The first year festival is anticipated to attract 7500 attendees as well as provide Scottsdale destination with over \$260,000 in media and promotional value.

Information regarding the economic and media impact as well as overall value and benefits associated with the event sponsorship is outlined in the attached Bruce Skinner & Associates report. City staff has evaluated the proposal to identify the benefits for the city and the local tourism industry and has identified a public purpose for the city's expenditure. The marketing and

promotional benefits provide direct consideration substantially equal to the proposed city's expenditure.

Following the conclusion of the event, Cinco de Mario LLC will provide the city a post event report that will provide an evaluation of the producer's performance under the event funding agreement as well as the benefits to the city and the public achieved.

In addition, the city has the option to conduct an intercept survey during the event using questions selected by the city. As well the option to conduct an audit in order to substantiate charges and claims related to the agreement.

## **RESOURCE IMPACTS**

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### **Available Funding**

The total maximum city investment for the agreement is \$70,000. Based on FY 2017/18 Tourism Development Fund sources and uses projections, funds are available.

### **Staffing, Workload Impact**

No additional staffing or other resources are anticipated as a result of the proposal.

## **OPTIONS & STAFF RECOMMENDATION**

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The Tourism Development Commission and Tourism and Events Department staff recommend the adoption of Resolution No. 11056 authorizing funding not to exceed \$70,000 from the portion of Tourism Development Fund that is allocated toward event retention and development for the one year event funding agreement, 2018-037-COS, with Cinco de Mario LLC.

## **RESPONSIBLE DEPARTMENT(S)**

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Tourism & Events Department

## **STAFF CONTACT**

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Steve Geiogamah, Tourism Development Manager, [SGeiogamah@scottsdaleaz.gov](mailto:SGeiogamah@scottsdaleaz.gov)

**APPROVED BY**

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Karen Churchard, Tourism & Events Director

480-312-2890, [kchurchard@scottsdaleaz.gov](mailto:kchurchard@scottsdaleaz.gov)

March 5, 2018

Date



Judy Doyle, Budget Director

480-312-2603, [jdoyle@scottsdaleaz.gov](mailto:jdoyle@scottsdaleaz.gov)

3.5.18

Date



Brent Stockwell, Assistant City Manager

480-312-7288, [bstockwell@scottsdale.gov](mailto:bstockwell@scottsdale.gov)

3/5/18

Date



Jim Thompson, City Manager

480-312-2811, [jthompson@scottsdaleaz.gov](mailto:jthompson@scottsdaleaz.gov)

3/5/18

Date

**ATTACHMENTS**

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1. Resolution No. 11056
2. Agreement No. 2018-037-COS
3. Bruce Skinner & Associates Report

RESOLUTION NO. 11056

A RESOLUTION OF THE COUNCIL OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING USE OF TOURISM DEVELOPMENT FUNDS FOR CINCO DE MARIO SCOTTSDALE AND AUTHORIZING AN EVENT FUNDING AGREEMENT WITH THE EVENT PRODUCER, CINCO DE MARIO, LLC.

WHEREAS, City desires to provide funds for Cinco de Mario Scottsdale; and

WHEREAS, City and the event producer wish to enter into an agreement for the event;  
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, Maricopa County, Arizona, as follows:

Section 1. The City Council authorizes an amount not to exceed \$70,000 from the portion of the Tourism Development Fund that is allocated toward event retention and development for promoting the City of Scottsdale through the Cinco De Mario Scottsdale event.

Section 2. The City Council authorizes and directs the Mayor to execute, on behalf of the City, Contract No. 2018-037-COS with Cinco De Mario, LLC.

PASSED AND ADOPTED by the City Council of the City of Scottsdale, Maricopa County, Arizona this \_\_\_\_ day of \_\_\_\_\_, 2018.

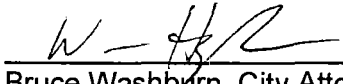
CITY OF SCOTTSDALE, an Arizona  
municipal corporation

ATTEST:

\_\_\_\_\_  
Carolyn Jagger, City Clerk

\_\_\_\_\_  
W.J. "Jim" Lane, Mayor

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Bruce Washburn, City Attorney  
By: William Hylan  
Senior Assistant City Attorney

Contract No. 2018-037-COS

### NEW EVENT FUNDING AGREEMENT

THIS NEW EVENT FUNDING AGREEMENT (the "Agreement") is made this \_\_\_\_ day of \_\_\_\_\_, 2018 by and between the Cinco de Mario, LLC ("Producer") and the City of Scottsdale, an Arizona municipal corporation ("City").

### RECITALS

A. City's City Council has approved the expenditure of a portion of certain funds collected (the "Bed Tax Funds") in conformity with Financial Policy 21A to be used to help promote certain events supporting tourism and the hospitality industry in Scottsdale, Arizona.

B. Producer is the producer of the Cinco de Mario Scottsdale (the "Event").

C. Producer has submitted to City a proposal (the "Proposal") describing the Event and requesting that City authorize use of a portion of the Bed Tax Funds for the Event to promote Scottsdale as a tourist destination.

D. At Producer's request, City has determined to provide funds (the "Event Funds") to Producer up to the maximum amount of \$70,000 (the "Event Amount") for the Event.

E. City's willingness to provide the Event Funds is conditioned upon Producer's executing and performing this Agreement and delivering to City after the Event a report (the "Post Event Report") accompanied by a separate invoice (the "Invoice").

NOW, THEREFORE, in consideration of the foregoing and good and valuable consideration received, the parties hereto agree as follows:

1. Funding Limitation. Payment of the Event Funds is subject to all of the following cumulative conditions and limitations:

1.1 The total amount of Event Funds City pays under this Agreement shall not exceed the Event Amount.

1.2 City's payment shall be made only from Bed Tax Funds, specifically the portion allocated to Event development. City is not obligated to provide funding from any other source.

1.3 Without detracting from limits contained elsewhere in this Agreement, Event Funds shall be disbursed only to the extent City determines, in its sole and absolute discretion, that City has collected adequate Bed Tax Funds to disburse these amounts, taking into account all circumstances including, without limitation, competing uses for the Bed Tax Funds.

2. Event Requirements. In addition to the Event Scope of Deliverables more specifically set forth in Exhibit A, attached hereto and herein incorporated by reference in its entirety,

Producer shall cause the Event to comply with all of the following requirements:

2.1 The Event shall be open to the public.

2.2 The Event shall be held on the dates shown on Exhibit A. Notwithstanding the foregoing, if the Event fails to occur on the above date solely due to weather, an act of God, or a condition beyond the reasonable control of Producer, then the Parties may agree to reschedule the Event (or any portion thereof) to a subsequent date certain. All rights and privileges of the parties will continue until conclusion of the Event. Should the Parties agree that rescheduling the Event is not tenable or the Parties cannot agree on a rescheduled date, this Agreement will terminate and City shall have no further obligation to provide additional funds beyond the value of sponsorship benefits provided as of the date of termination.

2.3 Producer's representation that the Event will be of the same scale, quality, attendance, economic benefit to the public and provide other public benefits, or better, as are described in the Proposal is a material term of this Agreement.

2.4 Producer shall publicly acknowledge the City support represented by this Agreement. All publicity and messaging that acknowledges any person or entity that supports the Producer financially or through provision of products or services (hereinafter "supporter") shall acknowledge the City as a supporter and shall utilize (where appropriate in City and Producer's discretion) a logo provided by City and a logo provided by the Scottsdale Convention & Visitors Bureau ("SCVB"). At a minimum, Producer shall acknowledge the City as a supporter at least twice in publicity and messaging. No other use of City's name is allowed in any form of advertising or public relations without prior City approval.

2.5 Producer shall provide the City with benefits, including recognition and publicity, commensurate with benefits provided to other supporters at a similar support level as the City.

2.6 At the time of the Event, City may elect to conduct an event intercept survey. City shall provide the survey questions. Producer shall pay to City up to fifty percent (50%) of the cost of the survey as requested by City's contract administrator, Producer's share not to exceed Three Thousand Five Hundred and no/100 Dollars (\$3,500). Producer shall cooperate, as requested by the City, with City in conducting the intercept survey and shall not hinder or prevent City from conducting the survey. Producer will reimburse this cost within 60 days of the City sending an invoice.

2.7 After the Event, Producer shall provide the Post Event Report to City as follows:

2.7.1 The Post Event Report shall include the following:

2.7.1.1 A narrative description of:

2.7.1.1.1 The Event.

2.7.1.1.2 Producer's performance under this Agreement.

2.7.1.1.3 The benefits to City and the public achieved and likely to be achieved because of the Event.

2.7.2 Any publication tear sheets, air-time logs, website content, distribution or viewing logs, and other evidence of media publication or distribution verifying that Producer has performed the Non-Reimbursable Activities, all in form and content acceptable to City.

2.7.3 If applicable, a tear sheet of City's full page advertisement in the Event program.

2.7.4 Any economic impact report that Producer may prepare or obtain of the Event.

2.7.5 The results of any intercept survey or similar data Producer may prepare or obtain of the Event.

2.7.6 The results of Producer's tracking of hotels and other lodgings used by persons attending the Event based on evidence from Scottsdale Hotels.

2.7.6.1.1 The Event's effects on City hotels.

2.7.6.1.2 The positive and negative effects on City services, facilities and neighborhoods.

2.7.6.2 A statement of the total attendance for the Event.

2.7.6.3 A statement identifying all of the Producer's partners and all supporters of the Producer. For purposes of this Section, "partner" means any individual or entity that invests in, receives or may receive benefits from the Producer.

2.7.6.4 Such other information as the Post Event Report template to be provided by City shall require. The Post Event Report shall follow the format of the template provided by the City.

2.7.7 Producer shall deliver the Post Event Report to City no later than 30 days after the Event or by May 30 following the Event, whichever is earlier.

2.7.8 Producer shall deliver the Post Event Report and the Invoice simultaneously in the same package.

3. Event Fund Payment. Producer shall request Event Funds and City shall pay Event Funds based on the quantified values in Producer's post-Event report as follows:

3.1 City's payment of the Event Funds is conditioned upon Producer executing and performing this Agreement. City reserves the right to reduce the Event Amount below \$75,000 or not make payment if Producer fails to fully perform all terms of this Agreement, including

failing to make the full direct dollar marketing investment in the Event as required by Exhibit A, or if Producer's post-event report does not support such direct sponsorship amount.

3.2 Subject to Section 3.3, City shall make the payment within thirty (30) days after receiving all of the following:

3.2.1 The Post Event Report;

3.2.2 The Invoice;

3.2.3 All supporting and other materials required by this Agreement. Payment of Event Amount shall be conditioned on Producer providing such evidence as City requests.

3.3 If the City determines that an audit under Section 7 of the Agreement will be conducted, payment will be made within 120 days of the City receiving the information in Section 3.2 provided the Producer fully cooperates in the audit. The Producer's failure to fully cooperate in the audit may delay payment beyond 120 days.

4. Compliance With Law. This Agreement does not waive and is not a substitute for Producer's obligation to comply with all applicable state, local and federal laws, policies and regulations. This Agreement is not a permit or regulatory approval to hold the Event. This Agreement is not a promise to make City venues or other resources available for the Event.

5. Indemnification. To the fullest extent permitted by law, Producer, its successors, assigns and guarantors, shall defend, indemnify and hold harmless City, its agents, representatives, officers, directors, officials and employees from and against all allegations, demands, proceedings, suits, actions, claims, damages, losses, expenses, including but not limited to, attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense, related to, arising from or out of, or resulting from any negligent or intentional actions, acts, errors, mistakes or omissions caused in whole or part by Producer, and any work or services in the performance of this Agreement including, but not limited to, any subcontractors, suppliers or others of Producer connected with the Event or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable and any injury or damages claimed by any of Producer's customers or employees. Producer's indemnification obligations shall extend beyond and will not be affected by any termination of this Agreement.

6. Insurance. Producer shall purchase and maintain insurance during the Event and during all setup and takedown and shall include and comply with coverages and limits as follows:

6.1 The following coverages are required as applicable:

6.1.1 If any vehicle is used in the performance of the scope of work that is the



subject of this contract, the Producer must maintain Commercial/Business Automobile Liability insurance with a limit of not less than \$1,000,000 each occurrence with respect to the Producer's owned, hired, and non-owned vehicles.

6.1.2 Workers Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Producer's employees; and Employers' Liability insurance of not less than \$100,000 for each accident, \$100,000 disease for each employee, and \$500,000 disease policy limit. If any work is performed by third parties, Producer will cause the third parties to provide Workers Compensation and Employers' Liability to at least the same extent as required of Producer.

6.1.3 Commercial General Liability insurance on a per occurrence form with a limit of not less than \$1,000,000 for each occurrence, \$2,000,000 Products and Completed Operations Annual Aggregate, and a \$2,000,000 General Aggregate limit. The policy shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. If any Excess insurance is utilized to fulfill the requirements of this paragraph, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying.

6.1.4 If valet parking is offered by Producer, Garagekeepers Legal Liability with limits of not less than \$75,000 per vehicle.

6.1.5 If alcohol is sold at the Event by Producer or its subcontractor, liquor liability insurance with a limit of not less than \$5,000,000 for each occurrence and \$5,000,000 aggregate.

6.2 For all insurance policies except Workers Compensation, City shall be named as additional insured.

6.3 City's Risk Management Division may increase or change required insurance coverage and limits from time to time depending on the size, scope and nature of the activities of the Event. No reduction in coverage or policy limits is effective without the written approval of City's Risk Manager or designee.

6.4 Use of Subcontractors. If any work under this Agreement is subcontracted in any way, Producer shall execute a written agreement with Subcontractor containing the same Indemnification Clause and Insurance Requirements as required by this Agreement which protects City and Producer. Producer shall be responsible for executing the agreement with Subcontractor and obtaining Certificates of Insurance verifying the insurance requirements.

6.5 Required insurance shall be issued by insurance companies licensed to do

business in the State of Arizona, or from qualified non-admitted insurers who are authorized to do business in the State of Arizona.

6.6 Producer shall provide City, prior to the Event, certificates of insurance as evidence that the required insurance coverages and limits are in full force and effect. If the Event occurs at WestWorld, compliance with the WestWorld event contract regarding evidence of insurance will be considered compliance with this Section.

7. Records and Audit Rights. Producer's records (hard copy, as well as computer readable data), and any other supporting evidence considered necessary by the City to substantiate charges and claims related to this contract are open to inspection and subject to audit and/or reproduction by City's authorized representative to the extent necessary to adequately permit evaluation and verification of the cost of the work, and any invoices, change orders, payments or claims submitted by the Producer or any of Producer's payees in accordance with the terms of the contract. The City's authorized representative must be given access, at reasonable times and places, to all of the Producer's records and personnel in accordance with the provisions of this Section throughout the term of this contract and for a period of 3 years after last or final payment.

Producer shall ensure that records necessary to substantiate charges and claims by subcontractors who perform work under this contract are made available for City inspection and subject to audit and/or reproduction by: inserting a provision requiring subcontractors to comply with this Section in a written agreement between Producer and subcontractor; or obtaining the relevant documents from the subcontractor.

If an audit in accordance with this Section discloses overcharges of any nature by the Producer to the City in excess of 1% of the total contract billings, the cost of the City's audit, but not exceeding the amount of the overcharge, will be reimbursed to the City by the Producer. Any adjustments and/or payments which must be made as a result of any audit or inspection of the Producer's invoices and/or records will be made within a reasonable amount of time (not to exceed 90 days) from presentation of City's findings to Producer.

8. Term/Termination. This Agreement shall be in effect from the date executed by City's Mayor and will terminate upon Producer providing to City a satisfactory Post Event Report and City paying to Producer the Event Funds. However, City may, without further obligation, terminate the Agreement earlier for convenience or cause, upon giving Producer ten (10) days written notice. If the Event is canceled, this Agreement and all obligations of City and Producer hereunder shall also be cancelled at such date.

9. Miscellaneous.

9.1 Assignment. Producer's obligations and rights hereunder shall not be assigned or delegated, in whole or in part, without City's prior written consent.

9.2 Cancellation. This Agreement is subject to cancellation pursuant to the provisions of A.R.S. §38-511.

9.3 Modifications. Any amendment or modification from the terms of the Agreement shall be in writing and shall be effective only upon approval of all parties.

9.4 Severability. If any term or provision of this Agreement shall be found to be illegal or unenforceable, the remainder of this Agreement shall remain in full force and effect, and such term or provision shall be deemed to be deleted.

9.5 Attorney's Fees. If any party brings any action for any relief, declaratory or otherwise, arising out of this Agreement, the prevailing party shall be entitled to receive from the non-prevailing party reasonable attorney's fees, costs, and expenses, determined by a court sitting without a jury, which shall be deemed to have accrued on the commencement of such action.

9.6 Authority. The person executing this Agreement on behalf of Producer warrants and represents to have full power and authority on behalf of Producer to enter into and perform this Agreement.

9.7 Employment of Unauthorized Workers. Producer shall comply with A.R.S. §23-211, et seq. and all other applicable federal, state and local laws and regulations that relate to Producer's employees (collectively, the "Unauthorized Worker Laws"). Producer shall cause its contractors to comply with the Unauthorized Worker Laws as respects the contractors' employees. Without limitation, Producer warrants and represents pursuant to A.R.S. §41-4401(A)(1) that Producer and its contractors comply with A.R.S. §23-214(A). Pursuant to A.R.S. §41-4401(A)(2), a breach of this paragraph shall be a material breach of this Agreement and an event of default, which shall entitle City to exercise any and all remedies described in this Agreement or otherwise available at law or equity, including without limitation termination of this Agreement. However, pursuant to A.R.S. §41-4401(C), Producer shall not be deemed to be in material breach of the warranty if Producer and its contractors establish that they have complied with the employment verification provisions prescribed by §274A and §274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. §23-214(A). City shall have the right to inspect the records and papers of Producer and its employees, and of Producer's contractors and their employees, to ensure that Producer and its contractors are

in compliance with this paragraph.

9.8 Notices. Notices hereunder shall be given in writing by hand delivery or by United States mail, return receipt requested, postage prepaid addressed to:

If to City: Steve Geiogamah (Contract Administrator)  
Tourism Development Manager  
City of Scottsdale  
7506 E. Indian School Road  
Scottsdale, AZ 85251

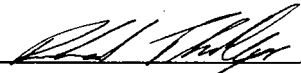
If to Producer: Rick Phillips  
Cinco De Mario, LLC  
214 E. Roosevelt  
Phoenix, AZ 85028

By notice, City or Producer may designate other addresses for receiving mailed notice hereunder. Service of any notice by mail shall be deemed to be complete three (3) days (excluding Saturday, Sunday and legal holidays) after the notice is deposited in the United States mail.

9.9 Producer certifies that it is not currently engaged in and agrees for the duration of the contract to not engage in a boycott of Israel as defined in A.R.S. § 35-393.

IN WITNESS WHEREOF, the parties have hereunto subscribed their names as of the date first stated above.

**PRODUCER: CINCO DE MARIO, LLC**

By: \_\_\_\_\_

Its: Member\_\_\_\_\_

CITY:

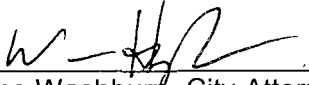
CITY OF SCOTTSDALE, a  
municipal corporation

By: \_\_\_\_\_  
W. J. "Jim" Lane, Mayor

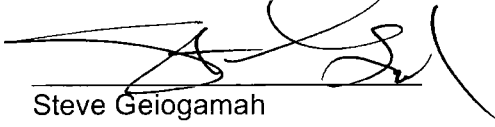
ATTEST:

By: \_\_\_\_\_  
Carolyn Jagger, City Clerk

APPROVED AS TO FORM:

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

  
Katherine Callaway  
Risk Management Director

  
Steve Geiogamah  
Tourism Development Manager

## Exhibit A

Event Name: Cinco de Mario Scottsdale

Producer shall ensure the following:

1. The official title of the 2018 Cinco de Mario Scottsdale held at the Civic Center Mall on May 5, 2018 will be the "Cinco de Mario Scottsdale" (the "Event") and will be referred to by this title in all print and other references.
2. Producer shall ensure that City of Scottsdale and/or the City's contracted destination marketing representative, Experience Scottsdale, have access to a minimum of a 10 foot x 10 foot reasonably prominent exhibit space at the Event to be used at no charge for the purpose of promoting Scottsdale.
3. Producer shall provide twice per day public address announcements throughout the Event that promote Scottsdale as a destination using a City or Experience Scottsdale pre-produced audio reel and live from the main stage, using the same text as the pre-produced audio reel.
4. Producer shall ensure that there are four custom weekly emails delivered beginning four weeks prior to the Event to subscribers promoting Scottsdale as a destination.
5. Producer shall ensure that there are four weekly, sponsored, exclusive Facebook, Twitter, Instagram, and Google AdWords posts promoting Scottsdale as a destination in the target markets of Chicago, Canada, and Los Angeles beginning at least four weeks prior to the Event and continuing through the duration of the Event.
6. Producer shall ensure that the City of Scottsdale and Experience Scottsdale are identified as hosts on the Event website. The Event website shall include a link to Experience Scottsdale's website, which promotes Scottsdale as a destination, and identify Experience Scottsdale's website as a vacation planning resource or visitor information resource.
7. Producer shall provide a two week radio ad run schedule on KISS FM, 95.5, Live 101.5, The Mountain, and 93.7 El Patron, beginning 15 days prior to the Event and continuing through the duration of the Event that mention the City of Scottsdale as the host and sponsor of the Event. Producer shall ensure that Live 101.5 will provide an on-site broadcast during the Event.
8. Producer shall ensure that there are at least four Mario Lopez advertisement instagrams promoting the Event and identifying the City of Scottsdale as the host and sponsor of the Event.
9. Producer shall issue a minimum of two press releases for the Event that promote Scottsdale as a destination.
10. Producer shall ensure that a total of five television and/or radio broadcast spots on "Extra" and "On Air with Mario" for the Event will air that mention the City of Scottsdale as the host and sponsor of the Event.

11. Producer shall ensure that beginning four weeks prior to the Event and continuing through the duration of the Event, there are a minimum of 10 billboards (digital and non-digital) in the Phoenix metropolitan area advertising the Event that include the City logo.

12. Producer shall ensure that Mario Lopez will provide a 30-second video promoting Scottsdale as a destination that is produced by the City and/or Experience Scottsdale and delivered by to the City by May 30, 2018.

13. Producer will ensure a minimum of a \$70,000 marketing value in the Event for the City as reasonably determined by the City, of which the Producer will provide a direct dollar marketing investment of \$35,000. Such value shall be reflected in a marketing and promotional plan that Producer shall provide to the City's contract administrator by March 30, 2018.

## **2018 Cinco de Mario Review of Event & Tourism Impact**

### **Situational Analysis**

Television star Mario Lopez is planning to “reimagine” the typical Cinco de Mayo celebration with a star-powered “Cinco de Mario,” scheduled for Saturday, May 5, at Scottsdale Civic Plaza. The event will have multiple components, including an authentic Mexico Food Farmers Market, a Kids Zone, a Candy Crush E-Sports Tournament, an “A.C. Slater” look-a-like contest, live music and other entertainment, bar activations and live painting. Since the event is on the same day as the Kentucky Derby, organizers also plan an activation called “The Mansion,” where guests can drink mint juleps in a mini Churchill Downs setting.

Lopez is not only the host of the event, but he also will aggressively promote it across his vast network of national media channels, including his personal social media, national syndicated television shows, “Extra” and “CBS Candy Crush, and on shows that he frequently visits, such as “Ellen,” “Live with Kelly and Ryan,” “The NBC Today Show,” “The View,” “Steve Harvey,” and others.

Lopez is known by many for his role as A.C. Slater in the pop culture hit, “Saved by the Bell.” Because of his connections, he also expects guest appearances by other celebrities.

Planners are hopeful that Scottsdale will be one of the event’s primary sponsors, requesting \$70,000 from the New Event Development Funding Program. If the City chooses to become a partner, organizers will promote it as Cinco de Mario’s destination and provide other benefits.

### **Pertinent Questions**

1. Will the event remove itself from the clutter of the many Cinco de Mayo celebrations that are held?
2. What’s the projected economic impact and how many room nights will be generated?
3. How will marketing dollars be spent to promote the event?
4. How will Scottsdale be promoted and branded in marketing and publicity?

### **General Assumptions**

- The City of Scottsdale will be listed as the destination of the event, therefore receiving recognition in all marketing and outreach messaging locally and nationally.
- Organizers say that additional support for the event from the City will allow them to “double” their advertising expenditure, thus increasing exposure for Scottsdale.



- The event will support the “art and culture” and “culinary” categories.

### **Economic and Media Impact**

Because of Lopez’s celebrity, the event should generate significant advertising and publicity on his name alone both locally and nationally. His career spans multiple age groups and demographics, starting with his portrayal of A.C. Slater in *Saved by the Bell*.

Event planners say that the City will be mentioned in all advertising and public relations efforts. The PR plan has the potential to be substantial:

- Lopez has agreed to create promotional videos for Scottsdale
- FleurCom Group will manage market outreach. As the agency for the azcentral Food & Wine Experience, they generated 95 million consumer impressions through promotions and news coverage.
- Strategic national media outlets will be targeted.
- Social media and e-marketing campaigns will target Lopez’s many endeavors.

Without city funding, their marketing plan is still impressive:

- They expect 10 million impressions, with approximately 43 percent of people attending between the ages of 40-64. Forty percent have household incomes of over \$75,000.
- A social media plan projected to have 3.5 million impressions, which will include four Mario Instagrams (\$80,000 value)
- Mario will promote the festival through his “own” channels, including “EXTRA,” (he’s the host), his iHeart nationally syndicated radio show, and during the television shows of his “friends,” including “Ellen,” “Live with Kelly & Ryan,” “The View,” “Steve Harvey” and others.
- “EXTRA” will be sending a crew to film the event, and footage will be available for use after the completion of the event.
- Advertising on Arizona stations KISS FM, 95.5 The Mountain, and 93.7 El Patron.
- Full page ads in Entertainer Magazine
- An outdoor campaign of 2 million impressions
- Bus shelter advertising
- Old Town shuttle advertising

In addition, a page on the Cinco de Mario website will be dedicated to “stay and play” packages that will promote travelling to the event. Because of the celebrity participation, it has the potential to generate heads and beds and economic impact. It could drive people to Scottsdale when the City is heading into his “shoulder/low season.”

## **Summary**

With the addition of celebrities and the diversity of events, Cinco de Mario immediately separates itself from the clutter of the many other Cinco de Mayo events, which have lost their impact due to their proliferation. Mario has been involved with many layers of television and movies, which generates an instant audience for this event. The planned Kids Zone and other youth oriented activities will promote family attendance.

One of the main traffic drivers will be an extensive social media campaign, made effective due to Lopez's many connections outlined in the proposal. The event will be able to provide qualitative and quantitative information due to an online ticketing platform that can capture data. They also plan to conduct a post event survey and have a team on site that will interact with event patrons.

It's also important to note that since Cinco de Mayo falls on a Saturday, organizers plan to collaborate with Scottsdale restaurants and bars, making Cinco in Scottsdale the place to be.

The City should confirm that planners will "double all advertising costs" as outlined in their proposal, and that the marketing budget will "expand rapidly" and allow organizers "to explore options that are cost prohibitive before Scottsdale funding."

That being said, this event has incredible potential due to Mario's pull nationally, not only with the Hispanic market but also with other demographics. As organizers say, this event will have a "cultural mixed bag."

Respectfully submitted,

**Bruce Skinner and Associates**