



**CITY OF SCOTTSDALE
TOURISM ADVISORY TASK FORCE
SPECIAL MEETING
Thursday, July 30, 2015
Arizona State University SkySong
Ingenuity Conference Room: 301
1475 North Scottsdale Road
Scottsdale, Arizona 85257
APPROVED MINUTES**

PRESENT: John Holdsworth, Chairman
Cory Baker
Andrew Chippindall
Kathy Duley (arrived at 9:05 a.m.)
Richard Hayslip
Taryl O'Shea
Fred Unger

ABSENT: Kate Birchler
Susan Potje

STAFF: Steve Geiogamah
Rose Rimsnider
Holli Shannon
Cheryl Sumners
Nicole Curtis
Brent Stockwell

GUESTS: Valeri LeBlanc, PLACES Consulting
Duncan Webb
Chris Ewing
Elizabeth Healy

1. Call to Order/Roll Call

Noting the presence of a quorum, Chairman Holdsworth called the special meeting of the Scottsdale Tourism Advisory Task Force to order at 9:01 a.m.

Chairman Holdsworth noted that Matthew Wright submitted his resignation from the Task Force.

2. Public Comment

Mr. French Thompson said he has been working in Scottsdale for 35 years, and recognizes that the city is a work in progress. The Scottsdale Gallery Association requests that the City of Scottsdale bring in downtown events that are not vendor driven. Many events consist of little more than retailers who come in during the height of the season and draw money away from the galleries that stay year round paying taxes. The SGA requests that Scottsdale focus on drawing events that engage existing full-time businesses, instead of bringing in part-time competing businesses.

Mr. Tom Giller said he too has been in Scottsdale for 35 years, and manages retail business properties in downtown. The galleries are the fabric of downtown and promote Scottsdale as an arts and culture community. He expressed concern about City corruption. Many events and festivals consist of little more than pop-up retail businesses that compete with established businesses in the community. They need to be either prohibited or made to pay for the damages they do to existing businesses.

3. Approval of Minutes

Chairman Holdsworth noted that Carl Grupp is a member of the Tourism Development Commission.

TASK FORCE MEMBER HAYSLIP MOVED TO APPROVE THE MINUTES OF THE JUNE 17, 2015 REGULAR MEETING AS AMENDED. TASK FORCE MEMBER CHIPPINDALL SECONDED. THE MOTION CARRIED BY A VOTE OF SEVEN (7) TO ZERO (0). TASK FORCE MEMBERS POTJE AND BIRCHLER WERE ABSENT.

4. Destination Event Marketing Analysis and Fundraising Feasibility Analysis

Chairman Holdsworth pointed out that events and festivals are an important part of the Five-Year Strategic Plan, but are only one part of a plan that contains hundreds of tourism-related initiatives. The details of the plan are available on the City's website.

Duncan Webb, Webb Management Services, presented highlights of Phase I of the Destination Event Marketing Analysis and the Fundraising Feasibility Analysis. A multi-disciplinary team was assembled to study this complex question. The study looks at the steps Scottsdale could, should, and might take to fulfill the recommendations that emerged from the Tourism Master Plan regarding large events. It considers the market, the people who visit Scottsdale, existing events, existing facilities to support events, relevant examples from other places, and the assets available to build something appropriate for Scottsdale.

Elizabeth Healy explained that festivals and large events have grown over the past few years. They have blossomed into experiences where people expect multiple genres and mediums. The market has grown to such an extent that some of the larger branded festivals can sell out before any programming is announced, as people know there will be multiple things they can enjoy. Today's major festivals appeal to people of all ages, and all interests. Technology corresponding to festivals has also advanced to the point where it is now expected. Sponsors can no longer remain passive, and are expected to interact with people as part of the festival environment. Social media has advanced the conversation about festivals, and are a key part of branding now.

Ms. Healy said people, especially millennials, want to feel they are part of a community. Part of creating a festival is taking the good things a community has to offer and celebrating them in a new way. Audiences today do not want one thing, they want many things. Live music is more vibrant now. It used to be that record sales drove the music business, but now 95% of artist income comes from live performances. Scottsdale has many wonderful assets that can be celebrated by bringing in fresh energy. Festivals must be inclusive of the region's diversity.

Mr. Webb said Scottsdale is part of a Census Bureau Statistical Area that will reach 4.8 million people by 2020. Scottsdale is relatively homogenous, and is older, more affluent, and with a higher level of educational attainment than the surrounding region. A festival has to make sense in Scottsdale while still reflecting and serving the larger market. Scottsdale has a significant part-time population with 13,000 people who come during the winter and have a critical impact on the economy. About four million visitors come to Scottsdale mostly for leisure, but also for business and business leisure. Most visitors come from closer states and visit between January to March, though visitation remains significant from April to June and from October to December. They come for the historic places, cultural activities, and the exceptional culinary experiences in Scottsdale.

Mr. Webb said Scottsdale has an amazing set of festivals of different kinds, from small to large. The community is very good at hosting a variety of large and small events. Event producers have identified the challenges they face in Scottsdale, including the lack of large supporting spaces in and around downtown, a smaller corporate base that makes fundraising tougher, the support connectivity between north and south Scottsdale, competition for events nationally, and the desire to do something innovative that feels authentic to Scottsdale. There are many different viewpoints on what authenticity means, but there are also many elements to Scottsdale's history and heritage that can serve as a strong starting point. The regional market is event heavy, but those events are concentrated in the high season. There is much variance in size and duration, but most are short and have a relatively low impact.

Mr. Webb stated that many potential partners exist to help develop new events and festivals if the right idea comes along. A number of facilities exist in Scottsdale. They were rated in terms of functionality, backstage amenities, audience amenities, acoustics, access, suitability for users, etc. The ratings are subjective, but consistently so. There are many venues in the capacity range of 500 seats or less, but very quickly the supply of larger venues thins out. The recent expansion of WestWorld has made it a world-class destination for particular types of events. The polo field at WestWorld is a key large capacity outdoor event venue. The Waterfront has a capacity of about 6,000. The resorts offer many quality meeting and event spaces with associated food and beverage operations. The facilities are distributed fairly well across all parts of Scottsdale, with a pretty good split between indoor and outdoor options.

Mr. Webb summarized that from a market perspective, there is a case that Scottsdale can support additional large events. The audience for them exists locally and regionally. The airport connections are good. Many of the existing smaller festivals are interested in partnering in an effort to grow something larger. The addition of large events supports Scottsdale's broader goals and vision.

Mr. Webb explained that the study identifies five different approaches to adding a festival.

1. Create something that adds a big new element while including some of the existing smaller pieces.
2. Import a satellite event of a well established and branded event.
3. Establish a set of different festivals in consecutive weeks and promote them as a package.
4. Select an existing local festival that has the potential to grow exponentially.
5. Create a brand new event from scratch.

Mr. Webb said the final answer will likely be a combination of these approaches. The goal is to do something distinctive and authentic that builds upon the assets Scottsdale already has; to start with a strong hook, and build around it over the years.

Mr. Webb presented five interesting possibilities that could be used in developing an event for Scottsdale. In each of these ideas, assets throughout the city could be used to create a citywide festival environment that incorporates different components and connects them through an overarching theme.

1. A destination level festival centered around country music, but with different elements celebrating Scottsdale's Western heritage, food and beverage. For these types of festivals, it is important to offer a layered approach, appealing to RV campers, VIPs, and people interested in emerging artists.
2. A festival about the new and interesting ways young people are using media and technology. There could be an awards ceremony, a conference, a festival of programs, workshops to teach video production methods, and VIP sessions. This festival would probably be more oriented towards downtown and smaller venues. Key partners would be the entertainment companies who are interested in understanding how these new technologies will affect them.
3. A cool world conference that would be ideas-based and positively framed around climate change solutions. It would be upbeat and attempt to bring people together who are working on finding creative ways to solve this issue. Arizona is a good place to do this since climate and water issues are readily apparent. There could be an academic component partnering, for instance, with ASU's School of Sustainability. Other viable components include new technologies for dealing with climate change, business entrepreneurs talking about their ideas, various grass-roots efforts, and celebrities who advocate for climate change solutions.
4. A set of events based around the bicycle, including a competitive road race, fun rides, discussions on creating bike friendly communities. It could have grass-roots, competitive sports, recreational, and celebrity entertainment components.
5. A multi-disciplinary, multi-layered, destination arts festival that uses facilities across the city and attracts a multitude of local, regional, national and international performers and artists. It would play on Scottsdale's reputation as an arts community and incorporate a food and wine component.

Mr. Webb suggested a method to begin evaluating these ideas. All of these ideas could have positive impacts on downtown merchants, galleries and small businesses. Costs to produce and sustain them would vary. The country festival could require more large venues. All of the ideas are scalable and have the potential to grow over time.

Chris Ewing noted that the Institute of Giving reported that more philanthropic gifts were made in 2014 than in 2007, before the recession. In the realm of arts and culture, philanthropy increased by 9%. Festival funding could come from a variety of sources, including sponsorships, earned revenue, and corporate and philanthropic support. Fundraising requires an appealing endeavor, leadership, and a cultivated pool of donors. Each of the festival ideas has a different fundraising potential. The country festival is highly appealing because it offers something for everyone. It has to appeal to older philanthropists, however. The appeal of the media and technology festival is also high. The donor pool would be high because of its uniqueness. The cool world conference would have to be presented in a positive and lively way to have broad appeal. The festival of the bicycle could benefit from the large number of local philanthropists who have an interest in cycling. The arts festival needs a hook to distinguish it in the eyes of philanthropists. Fundraising would have to extend beyond Scottsdale in order to make any of the festivals a reality.

Task Force Member Unger inquired whether the Canal Convergence event has the potential to grow into a substantial festival. Ms. Ewing responded that it absolutely would. Mr. Webb added that on its own, Canal Convergence has scaling limitations, but it could be leveraged as the starting point for something bigger. Task Force Member Chippindall suggested that the cool world festival could be combined with some of the other ideas like the bicycle festival.

Mr. Webb invited the Task Force to push the conversation on these ideas with the goal of eventually settling on one or a combination of them, or on something else entirely. Once a festival concept is chosen, a business plan will be written for it, and its fundability will be tested.

Valeri LeBlanc said the seriousness of the cool world festival can easily be combined with Scottsdale's lifestyle qualities to make it a well-rounded experience. In any good festival, it is important to get the hook right and build upon it.

Chairman Holdsworth suggested tabling the item until the Task Force has had a chance to consider the information carefully and assess it in light of some of the other current initiatives regarding tourism in the community. The Task Force agreed by consensus to table the item.

Chairman Holdsworth expressed his appreciation for the freshness of the ideas presented. Scottsdale as a community has grown comfortable with the things it does well, but has struggled to find new ones. Task Force Member Duley said she would like to see a strong arts component incorporated into any of the festivals, as this would enhance Scottsdale's reputation as an arts community. Task Force Member Hayslip asked whether any of the ideas could become a significant festival in a short period of time. Mr. Webb responded that the pace at which festivals can be developed has accelerated greatly, mainly because of the use of social media and technology. The challenge is that festivals that grow organically are more adaptable to challenges that emerge over time and have a better chance of succeeding.

Task Force Member Unger said festivals as large as these would require significant management, organizational and entrepreneurial ability to put together. Chairman Holdsworth noted that the Strategic Plan discusses hiring a professional event manager to help develop events, festivals, and promotions for the city, but not necessarily within the City structure itself.

5. Identification of Future Agenda Items

The next scheduled meeting is September 16, 2015.

CHAIRMAN HOLDSWORTH SUGGESTED A TASK FORCE EXECUTIVE SESSION TO DISCUSS OPTIONS BROUGHT FORWARD DURING THE DESTINATION EVENT MARKETING ANALYSIS. TASK FORCE MEMBER CHIPPINDALL MOVED TO HOLD AN EXECUTIVE SESSION AND MEMBER UNGER SECONDED. THE MOTION CARRIED BY A VOTE OF SEVEN (7) TO ZERO (0). TASK FORCE MEMBERS POTJE AND BIRCHLER WERE ABSENT. A DATE WILL BE DETERMINED.

6. Adjournment

The meeting adjourned at 10:20 a.m.

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