



**CITY OF SCOTTSDALE
TOURISM ADVISORY TASK FORCE
SPECIAL MEETING
Notice and Agenda
Thursday, October 8, 2015**

**Arizona State University SkySong
Global Conference Room 201
1475 North Scottsdale Road
Scottsdale, Arizona 85257
APPROVED MINUTES**

PRESENT: John Holdsworth, Chairman
Cory Baker (telephonic)
Andrew Chippindall
Kathy Duley
Richard Hayslip
Taryl O'Shea (telephonic)
Susan Potje
Fred Unger

ABSENT: Kate Birchler, Vice-Chair

STAFF: Steve Geiogamah
Danielle Casey
Holli Shannon
Rose Rimsnider
Brent Stockwell
Mary Murphy-Bessler
Rachel Smetana
Dan Worth

GUESTS: Linda Milhaven, Council Member
Valeri LeBlanc, PLACES Consulting
Ace Bailey, TDC
Betty Drake
Diane Jacobs, Holly Street Studio
Michael Jacobs, Holly Street Studio
Michael Fox, Museum of the West

1. **Call to Order/Roll Call**

Noting the presence of a quorum, Chair Holdsworth called the special meeting of the Scottsdale Tourism Advisory Task Force to order at 2:13 p.m.

2. **Approval of Minutes**

CHAIR HOLDSWORTH MOVED TO APPROVE THE MINUTES OF THE SEPTEMBER 16, 2015 REGULAR MEETING AS PRESENTED. TASK FORCE MEMBER UNGER SECONDED. THE MOTION CARRIED BY A VOTE OF EIGHT (8) TO ZERO (0). VICE-CHAIR BIRCHLER WAS ABSENT.

3. **Loloma Site Reuse**

Chair Holdsworth explained that City Council's Economic Development Subcommittee has requested that the TATF look at the potential of utilizing the Loloma site for the proposed AZ Central project. When AZ Central first came up, the Loloma site was not considered because it was party to a development agreement that has since dissolved. The site is now available for use, but not necessarily for tourism. Economic Development and Public Works have been looking at a variety of potential uses for the site.

Danielle Casey, Director of Economic Development, said the City gets on average one or two calls per week inquiring about the City's intent for the property. It is recognized as a prime piece of real estate that is sitting vacant. The Department asked the Council Subcommittee on Economic Development to provide input on what they would like to see done with the parcel. They in turn expressed interest in a tourism asset and brought up the AZ Central concept.

Dan Worth, Executive Director Public Works, said the Loloma site is about five acres in size on both sides of Second Street between Marshall Way and Goldwater Boulevard. The northern portion is about two acres, and the southern portion is about three acres. The City has existing property in the area that is being used by the Scottsdale Artists' School (SAS), the Scottsdale Museum of the West, and the Stagebrush Theater. There is City-owned public parking underneath the privately owned Main Street Plaza condominiums. The terms of the Stagebrush Theater lease with Greasepaint are very favorable to the City in terms of revocability. The SAS building is on the Scottsdale Historic Register.

Mr. Worth said the development agreement for Loloma was for multi-family residential. The first phase was built in the form of the condominiums, but subsequent phases were not built and the remaining rights were terminated. The parcels are now free and clear from any encumbrances. There has been no effort to do anything with the property ever since. The parcel is the last large piece of undeveloped land in downtown Scottsdale. Apart from the theater, the property is occupied by crumbling pavement. Comparable land sales in the past year suggest that the parcel could be worth up to \$17 million if sold and used for high-density residential.

Ms. Casey stated that the City could easily decide to dispose of the property and have little control over what is built there. On the other hand, a use that connects with and

supports downtown would have a bigger impact on the community overall. Many existing City plans have proposed goals for downtown that could be positively impacted by a complementary vision for Loloma. The City Council Subcommittee requested input on Loloma from the Tourism Advisory Task Force, especially in regards to its suitability for AZ Central.

Chair Holdsworth noted the presence of single family homes west of Goldwater, and doubted that the residents there would welcome a facility intended to be a central hub for downtown right across the street. Mr. Worth responded that many of those buildings are actually former homes now occupied by retail, restaurants and services. Whatever use is decided on will have to go through a full public outreach process anyway. At least three multi-family projects are currently under construction in that area.

Chair Holdsworth inquired about the City's ability to develop the property. Ms. Casey responded that a number of deal structures could be promoted. Most commonly, communities in this situation would look for a private development partner. Task Force Member Chippindall suggested selling the land and using the money to develop a prime piece of property on the waterfront, which has long been considered the ideal place for high-profile events. Mr. Worth noted that the revenue from the sale could be used for any purpose, not just tourism, which means that any other City department could also propose a use for it. Task Force Unger proposed incorporating a nearby vacant triangle of land as a family park that could be connected to Loloma via a pedestrian bridge and serve as an entry point into downtown.

Valeri LeBlanc asked whether Scottsdale has ever created a master plan of acquirable and desirable sites for the City to use as public space. Mr. Worth responded that other than project-specific needs, mostly related to transportation, the City has not been in the mode of acquiring downtown properties for a long time, but that could change under the right circumstances.

Brent Stockwell noted that whatever project is planned for the site must consider downtown parking, historical structures, the arts district and traffic circulation, particularly a project that removes parking and increases density. Chair Holdsworth said the Drinkwater and Goldwater couplets are designed to move cars through downtown as fast as possible, in contradiction to the tourism center, which is intended to keep people in the area. Downtown has many parking spaces, but most are located in the wrong spots. Mr. Stockwell agreed that improved signage would help people locate the parking that is available.

Chair Holdsworth expressed concerns about the viability of the Loloma site in relation to the rest of downtown. The goal of AZ Central is to create vibrancy for residents and visitors and that benefits all aspects of Scottsdale and Arizona, not just one specific group. He questioned whether Loloma is the right spot to accomplish this goal. Scottsdale's infrastructure encourages people to drive everywhere, so it might not be feasible to expect them to suddenly leave their cars behind and walk to AZ Central at Loloma.

Task Force Member Hayslip asked about the transportation habits of museum guests. Michael Fox, Museum of the West, said most visitors drive there. The museum is a destination that people specifically visit before heading out to explore downtown. Ace

Bailey said most visitors are unaware of the museum or downtown's other amenities within walking distance. Because they are not asking about downtown, she has been promoting it.

Task Force Member Potje felt that parking would be a good use for at least part of the site. She suggested that they should think like a tourist. Guests staying at resorts in the north cannot walk to downtown and are most likely to drive. Those staying closer in are more likely to walk and look at the offerings along the way to their destination. As downtown becomes more energized, the points of interest will be linked together. Hopefully people will cross the Canal bridge and walk the districts. Like Ms. Bailey, she has had opportunities to tell visitors about attractions downtown. Chair Holdsworth noted that the current reality is that Scottsdale does not have good connectivity, and that needs addressing. Will the Loloma site help overcome those issues?

Mr. Stockwell said the Downtown Area Plan discusses all these issues. The AZ Central concept fits right into the section that addresses enhancing, expanding, and creating new downtown public realm and open space areas. Policy 5.5 calls for promoting both the Civic Center and Arizona Canal areas as primary downtown public open spaces for community residents, and visitors. These places are to be actively programmed with a variety of social, cultural, artistic, and entertainment activities and special events. The location that has been considered for AZ Central so far is very consistent with this notion. Chair Holdsworth noted that eight locations around downtown were considered for AZ Central, but it quickly became clear how the canal site made the most sense. The canal is a terrific spot that is currently being underutilized.

Ms. LeBlanc stated that AZ Central is envisioned as a natural hub that people would gravitate to and then be encouraged to explore from there. The question related to the Loloma site is whether it can become a central point.

Diane Jacobs explained that Holly Street Studio was asked to look at two City assets with potential and compare and contrast them. To answer this question, the community must consider what it is trying to do in creating a city, and what its current and future assets are. Scottsdale Fashion Square is to the north of downtown. The Museum of the West is located in the southwest. The Civic Center and Scottsdale Stadium are to the east. The original AZ Central site and the Loloma site were compared to each other, and both locations would be assets as public spaces. The main advantage of the canal site is the density and complexity of the surrounding areas. It is right in the thick of things and there is great energy already in that space. The Loloma site could work for Scottsdale the same way Gammage Auditorium works for Tempe, by informing visitors that they have arrived at their destination.

Ms. Jacobs said the canal bank site is smaller than Loloma, but has direct visibility from all directions, and presents the opportunity to showcase the variety of uses that Scottsdale has to offer. Development can bookend the site, creating even more energy and directing traffic and focus on the canal bank resource. The Loloma site has a high degree of visibility and lots of available space, but the context with the surrounding area is very different than what exists at the canal. Energy will have to be created there to support AZ Central. The museum, arts school, and theater are mutually supporting uses that are related to their surroundings. It is already an important part of the neighborhood for the people that live there.

Ms. Jacobs presented an idea for the Task Force to consider. Marshall Way connects the Loloma site to the AZ Central canal site on a north/south axis, and this line continues north to Fashion Square. Along the way, the corridor offers a little something for everyone. If the Loloma site is developed appropriately by the visionaries who wrote the downtown, tourism, and character development plans, it would pay for itself in terms of future development and recognition of that area. It has the possibility of becoming a true Scottsdale asset if done right. Michael Jacobs added that the Loloma site would be remote for some period and an effort would have to be made to connect the two areas, possibly in phases.

Ms. Jacobs stated that AZ Central, the Loloma site and the Civic Center could each play different but mutually supporting roles in energizing downtown. It is not a question of either or, but all. The Civic Center is set up to be the seat of government, the village green, and the center for fine and performing arts. Loloma has the ability to serve as the community's backyard, a market space, a people's park, and a hub for education. It would remain relatively quiet. The canal site would be Scottsdale's energetic living room and a hub of activity day and night. The three sites could be connected by trolleys or at least very safe bike paths. She encouraged the Task Force to take a long-term view of Loloma, rather than just an initial return on investment as valuable land. The ultimate value of having the open space in downtown far supersedes what Scottsdale could get from a developer right now.

Task Force Member Unger said considering the City already owns the Loloma land, it would be a travesty to sell it for more high-density residential. The private sector will find a way to build that type of use anyway. Spaces like Millennium Park in Chicago are what make cities great. Scottsdale lacks that, and downtown is almost built out. The north parcel should have a parking garage with a lower floor ringed by retail or gallery space. The south parcel should be reserved for a central park and a public farmers market open all week long.

Chair Holdsworth questioned whether City Council could be convinced that the long-term vision is more valuable to Scottsdale's legacy than the short-term gain of a sale. Council Member Milhaven encouraged the Task Force to assume a leadership role and advocate for that approach while thinking big. The bigger the idea, the more passion it will generate. That passion will be contagious, and money will be found to make it happen.

Task Force Member Chippindall said using the three spots in harmony to anchor downtown is a visionary approach that would make Scottsdale a true luxury destination, while still greatly benefitting the local community. Task Force Member Duley noted that there is vacant land south of Indian School on Marshall Way. That gap has created a barrier between the north and south portions of the corridor. It would be a natural place to build connectivity as it is right in the center.

Task Force Member Potje said the Task Force has never wanted to be an either/or. They have always wanted to be an "and." Some people have tried to say that the Task Force is either/or, but this is an "and" Task Force. This is their chance to make downtown really special. The Task Force is committed to that.

Chair Holdsworth said this is part of a leadership position in a broader tourism opportunity, where the Task Force can bring a total vision of all tourism assets to City Council.

Council Member Milhaven said the Task Force should not fixate on the immediate return on investment regarding Loloma. Roads, parks and libraries do not pay for themselves. The community makes decisions around what they want their community to be and finds a way to pay for it. Mesa passed a quality of life tax ten years ago and has been doing amazing things with it. Ms. Jacobs said the best way to approach Loloma is to view it as an effort to give something back to the people who are funding it.

Chair Holdsworth said the Task Force is obligated to warn City Council that proposed changes to the Special Events Ordinance threaten to let individual special interests take precedence over the interests of the city as a whole. This path could have catastrophic consequences for Scottsdale. The Task Force has a work study session scheduled with City Council on October 27.

Mr. Geiogamah cautioned against straying from the agenda.

Ms. LeBlanc inquired whether Scottsdale has considered paid public parking in downtown. Mr. Worth responded that paid public parking is one of the options being studied by a consultant. Chair Holdsworth said the Task Force should agendize a discussion on this issue once the parking study is released.

Task Force Member Chippindall said if half the rumors he has heard about the Special Events Ordinance changes are true, it will make already skittish event producers even more hesitant to come to Scottsdale. The current Ordinance is a mess and needs to be redone, but it should be made more event friendly, not less so.

Chair Holdsworth stated that the Task Force has been asked to recommend what the City should do with the Loloma land and whether it could be used for AZ Central. The Task Force should prepare a vision along the lines suggested by Holly Street Studio, but should add a caveat warning City Council that the path they are on regarding the Ordinance would make this effort irrelevant. He was concerned about a request from Council to City management to consider revoking a special event permit that has apparently been granted in accordance with due process. S.B. 1070 taught a lesson that social tension creates skittishness. If event producers feel that Scottsdale is getting even less event friendly than they have already complained about, they will stay away. This is the most critical issue tourism is facing in Scottsdale. He opined that this is essential if Arizona Central is to be feasible since attracting events is the key to extending the tourist season. He would not be doing justice to the City if he did not make Council aware of the potential damage of this path.

Task Force Member Unger said the City should not place the Loloma property up for sale and should instead issue an RFQ to develop the property in a way that would fit into the vision put forward by Holly Street Studio.

The Task Force members discussed the wording of a motion to encompass their thoughts and concerns. Mr. Geiogamah said the motion should be tied to the action agendized for today. Staff plans to bring the Task Force's input to City Council on

October 27. Mr. Geiogamah said they can convene another meeting to discuss other issues if the Task Force Members wish. He noted that any decision to revoke a special events permit is in the hands of City staff.

Task Force Member Potje said it is important to get things right, given the investment of time and energy they have made. It is wonderful that the Task Force has taken on the job of doing everything possible to make downtown shine. This includes everyone who is already there. The Task Force's purpose is to enhance the whole district.

Chair Holdsworth said this is a massive opportunity and a fantastic vision. He thanked everyone, especially Ms. Jacobs, for their help in creating the vision. It would be tragic to lose all this over the special events ordinance.

TASK FORCE MEMBER CHIPPINDALL MADE A MOTION STATING THAT THE LOLOMA PARCEL CAN BE AN IMPORTANT CITY ASSET THAT WOULD COMPLEMENT AN OVERALL COMPREHENSIVE VISION OF A VIBRANT DOWNTOWN AND SHOULD BE DEVELOPED AS A CITY ASSET. THE TASK FORCE MEMBERS BELIEVE THAT THE PROJECT CURRENTLY NAMED AZ CENTRAL SHOULD BE LOCATED ON THE CANAL BANK. IN ORDER FOR THIS VISION TO BE SUCCESSFUL, THE GROUP IS CONCERNED THAT THE CHANGES TO THE SPECIAL EVENTS PERMITS MAY BE DETRIMENTAL TO EXISTING AND FUTURE EVENTS THAT MAY HAVE UNKNOWN NEGATIVE CONSEQUENCES FOR THE CITY. WHILE THE GROUP BELIEVES THE ORDINANCE REQUIRES UPDATE, IT SHOULD BE SIMPLIFIED TO ATTRACT AND PROMOTE MORE EVENTS FOR THE CITY. SECONDED BY TASK FORCE MEMBER HAYSLIP. THE MOTION CARRIED BY A VOTE OF EIGHT (8) TO ZERO (0). VICE-CHAIR BIRCHLER WAS ABSENT.

4. Public Comment

Betty Drake stated that locating AZ Central on the canal bank makes the most sense. It will be a public place in the middle of downtown that will tie it all together and open up a variety of spaces for all types of events. The concept for Loloma would provide a place for families to gather, which is something sorely lacking in downtown.

5. Identification of Future Agenda Items

The next scheduled meeting is December 16, 2015

6. Adjournment

The meeting adjourned at 4:25 p.m.

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