



**CITY OF SCOTTSDALE
TOURISM ADVISORY TASK FORCE
REGULAR MEETING**

Wednesday, December 16, 2015

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

- PRESENT:** John Holdsworth, Chairman
Andrew Chippindall
Kathy Duley
Richard Hayslip
Susan Potje
Fred Unger
- ABSENT:** Kate Birchler, Vice Chair
Taryl O'Shea
- STAFF:** Steve Geiogamah
Brent Stockwell
Mary Murphy-Bessler
Karen Churchard
- GUESTS:** Linda Milhaven, Council Member
Valeri LeBlanc, PLACES Consulting
Rachel Sacco, SCVB
Ace Bailey, TDC
Diane Jacobs, Holly Street Studio
Duncan Webb, Webb Management Services
Megan Doyle

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 10:07 a.m. He introduced Karen Churchard, the new Tourism and Events Director for the City of Scottsdale.

2. Public Comment

There were no public comments.

3. Approval of Minutes

TASK FORCE MEMBER HAYSLIP MOVED TO APPROVE THE MINUTES OF THE OCTOBER 8, 2015 SPECIAL MEETING AS PRESENTED. TASK FORCE MEMBER POTJE SECONDED. THE MOTION CARRIED BY A VOTE OF SIX (6) TO ZERO (0). VICE CHAIR BIRCHLER AND TASK FORCE MEMBER O'SHEA WERE ABSENT.

4. Destination Event Marketing Analysis and Fundraising Feasibility Analysis

Mr. Geiogamah explained that the Task Force has three options regarding this agenda item: to recommend advancing to Phase 3 of the analysis, to recommend that staff continue to work with Webb Management to further evaluate Phase 2, or to take no action.

Duncan Webb said Webb Management Services was contracted to help Scottsdale identify and plan a great new major destination event. Five ideas were presented, and the Task Force chose to move forward with a combined Cool World/Bike Festival. Over the past two months Webb has been writing a business plan that advances that concept. The intent is to create a destination event that occurs in Scottsdale, attracts a set of separate satellite events around it, and draws the attention of new visitors to Scottsdale during the shoulder season while driving new economic activity.

Mr. Webb said festivalgoers would be able to engage in ten different activities, four of which are centered on the bicycle, and six on the cool world theme. Together they would form an event that could range between ten and 14 days. The activities are:

- A criterium bicycle road race tightly concentrated on a course running through the core of the city. It would come at the end of the criterium season and attract high profile racers from around the world. This event comes with high sponsorship opportunity. About 5,000 visitors are projected during year one, in addition to all the active participants. This is modeled after the Houston Grand Crit.
- A bicycle fun ride that would run on a separate course from the criterium race. Partnership potential exists with the organizers of Tour de Scottsdale. This would be focused more on participants than visitors.
- A three-day trade show for the cycling industry modeled after Interbike in Las Vegas, but targeting the general public.
- A conference that would bring people from around the world to discuss policy related to cycling. This would present an opportunity to show off the progress Scottsdale has made in terms of bicycle policy. An estimated 400 participants would attend in the first year. Partnership opportunities abound.
- A policy conference where people can discuss all the great things being done to improve environmental sustainability. It should have a positive vibe and tap into

- youthful enthusiasm. This would be modeled after TED Talks. ASU is a logical partner for this conference.
- A Cool World version of a trade show focused on ideas, technology and products that address environmental sustainability. This will require downtown venue space large enough to accommodate 200 exhibitors. A similar example is Aquatech Amsterdam.
 - The Cool World Healthy Living Festival would focus on healthy personal choices. Telluride offers a similar Weekend of Wellness event.
 - A food and beverage festival with the theme of environmental sustainability, both in terms of production and consumption. It would have an entertainment component as well. Potential partners include the Culinary Festival and the Desert Botanical Garden. Chicago has VeganMania, which could serve as a model.
 - A two-day music festival featuring high-level entertainers known for promoting environmental sustainability at WestWorld. Similar events include Seattle's Bumbershoot, San Antonio's Lightning in a Bottle, and San Francisco's Outside Lands.
 - A juried public art competition centered on the themes of environmental sustainability and cycling would run throughout the festival. Cash prizes would be given to artists. A 19-day art competition in Grand Rapids recently attracted 400,000 visitors.

Mr. Webb said the report includes an operating budget for the first year of the festival, prepared under the assumption that all ten events would occur in the first year. Some events would turn a profit immediately, while the music festival would likely take more time to gain momentum. Year one projected income is \$3.3 million against \$3.9 million in projected expenses, leaving a shortage of about \$645,000. As the set of events grows over time, it could reach the breakeven point by year five.

Mr. Webb stated that the economic impact study measures the number of people coming to Scottsdale from out of town who would not otherwise visit, and estimates what they would spend. The study includes information from the Longwoods Report that measures money spent by overnight and daytrip visitors. Year one is projected to have 106,000 total visitors, 54,000 of whom would be distinct, and 36,000 of whom would come from outside Maricopa County. Estimated spending associated with the City's \$645,000 year one investment is projected to be about \$6.3 million. That expenditure in turn would lead to \$18 million in new sales, \$6.1 million in new earnings, and 223 new jobs not directly tied to the festival.

Mr. Webb explained that each of the ten events would have a separate producer, because they all require very different approaches. Somebody would have to be in charge of the whole affair. The ten events would each have their own identity, but would be branded and coordinated as part of the larger package. The City could issue an RFQ to find someone who can run a set of events like this. Another option is to have the Scottsdale Cultural Council (SCC) run the festival. The third option would be to have a staff person manage it. He recommended inviting the SCC to make a proposal before considering the other two options.

Mr. Webb said he is still in the process of firming up the sponsorship numbers. The final report will include a critical path plan that will describe all of the steps necessary to reach the end point.

Task Force Member Potje said the Task Force should determine whether the community supports events in general. The trend of hybrid/combo festivals is growing. Chairman Holdsworth said he is very much in favor of the approach.

Task Force Member Unger stated that launching an event like this takes enormous energy and momentum to get started. He expressed skepticism, saying that the Valley is saturated with music and food festivals. To launch new ones into this market is risky. It might be better to invite existing festivals to become part of this event. Producers are unlikely to take on something of this magnitude without a large amount of money behind it. Sponsorships are difficult to acquire. There are fewer sponsors in general and the ones that remain concentrate on specific events and people.

Task Force Member Potje felt that the starting budget would have to be much bigger, and people might not want to wait five years to make a small profit. Securing good sponsors will be critical. Task Force Member Chippindall expressed his approval of the concept. It has many different components. Scottsdale has the infrastructure to support something of this magnitude and should not be afraid of dreaming big. It will require much work, but if Scottsdale does not try, somebody else will. It is unique and forward-thinking and will be held at the perfect time of year. Task Force Member Duley noted that the Paris climate conference has pushed communities towards constructive conversations about this topic. Scottsdale cannot wait too long to start working on it.

Valeri LeBlanc said the community's broad support will make a big difference in whether or not a multi-faceted destination festival will work in Scottsdale. If it is a tourism-only event, it will not be sustainable. Sustainability and bicycling are major areas of focus that are on the rise. Scottsdale can lay claim to having already understood them and invested in them as a community. It is healthy to be skeptical about the feasibility of a large festival, but Scottsdale knows how to put on large scale events. Task Force Member Potje said the concept is modeled after other events that have become successful, but can evolve to become uniquely Scottsdale.

Chairman Holdsworth stated that the concept is very good and Scottsdale should attempt it, but several issues have to be resolved first, notably the Special Events Ordinance update. The broader community has to decide on a consistent approach to special events in Scottsdale. The uncertainty and anger that has resulted from recent discussions must be avoided. The community must find a level of agreement that takes into account all viewpoints and needs. If the underlying issues cannot be resolved, Scottsdale will fail to attract new events at desirable times of the year, and should avoid investing large sums of money in the Cool World festival in the meantime.

Task Force Member Hayslip said desert cities will be uniquely challenged by climate change and the Cool World festival should be sharply focused on that aspect. Mr. Webb responded that ASU's Global Institute of Sustainability is centered on six areas of focus: water, urban design, biomimicry, bioenergy, food systems, and planet works.

Ms. LeBlanc suggested partnering with potential producers and sponsors to further define the concept. Task Force Member Chippindall felt that the development process has to continue moving forward, despite the questions surrounding the Special Events Ordinance, otherwise all momentum will be lost and the hard work done so far will have been wasted.

Mr. Geiogamah requested a recommendation to move forward on Phase 3. Chairman Holdsworth said Scottsdale needs to have a new big event. The analysis should include a review of best practices from other communities and an estimate of sponsorship potential.

TASK FORCE MEMBER CHIPPINDALL MOVED TO HAVE WEBB MANAGEMENT SERVICES CONTINUE MOVING FORWARD WITH PHASE 3 OF THE DESTINATION EVENT MARKETING ANALYSIS AND FUNDRAISING FEASIBILITY ANALYSIS TO INCLUDE REPORTING ON BEST PRACTICES AND SPONSORSHIP POTENTIAL. TASK FORCE MEMBER HAYSLIP SECONDED. THE MOTION CARRIED BY A VOTE OF SIX (6) TO ZERO (0). VICE CHAIR BIRCHLER AND TASK FORCE MEMBER O'SHEA WERE ABSENT.

5. Arizona Central, Civic Center Mall and Loloma Projects Update

Diane Jacobs, Holly Street Studio, recommended reading *Walkable City* by Jeff Speck to understand why this matters. People are becoming aware that cities can transform their lives and that walkability provides connections to vibrant spaces in a city. These vibrant spaces are deliberately planned around the idea that people want to come together in an flexible environment that can evolve over time. People now would rather be together than apart, and are less willing to spend many hours of their lives in unhealthy commutes. Vibrant spaces are places where tourism can thrive, but they also can protect the legacy of Scottsdale's identity as a desert city.

Ms. Jacobs said it is on the Task Force and other advocates to prioritize where Scottsdale's energy and resources need to flow. Places like Arizona Central, Loloma, the Civic Center, and Fashion Square are nodes of the city. The walkability, streetscapes, and connectivity issues are critical but really secondary to first creating the vibrant spaces that can benefit the entire community.

Knowing Scottsdale's history is critical to understanding its values and what makes it unique. Big events cannot happen in a vacuum, and people are drawn to them partially because of the places they are held in. Scottsdale has mandated a high quality of life, a diverse collection of vibrant mixed-use neighborhoods, meaningful open space with interconnectivity, public/private partnerships, good design, and an array of recreational and entertainment opportunities. What Scottsdale is missing is walkability. People are increasingly consulting walkability scores when deciding where to live and buy property. The biggest population bubble in 50 years will choose first choose where they want to live and then look for a job. Fully 77% plan to live in the urban core.

Ms. Jacobs explained what needs to happen to improve Scottsdale's walkability. The value of the Civic Center Mall as a point of pride is evident, but significant problems have to be overcome in order for the space to reach its full potential. The number of

residential properties in downtown is expected to more than double by 2020, leading to more mixed use opportunities. Downtown's key destinations are all isolated from each other, and people who come to one often fail to realize that the others exist. The proposed Arizona Central site is well-suited for dense events with rapid turnover and small scale events tied to the entertainment district. Loloma is an equally important site, but is a completely different kind of open space that can tie into the Museum of the West to make that area more vibrant. The Civic Center is the cultural and municipal home for Scottsdale, but is visually isolated from adjacent areas. All of these places are situated within easy walking distance of each other. Once they are all enhanced as multi-functional, multi-cultural nodes, successful connections between them will be easy to create.

Ms. Jacobs noted that the Task Force has envisioned a downtown that includes central gathering places, a series of smaller intimate spaces, and active and passive recreational and entertainment opportunities, connected together in one walkable, bikeable, transit-friendly fashion. Many good things can happen in a well envisioned space. It will be important to have a citizen advocacy group that is in favor of looking at Scottsdale as a whole and making its pieces work together. The return on investment associated with projects like this across the country has exceeded expectations. It is really an economic development issue.

Brent Stockwell, Assistant City Manager, explained that this agenda item is a follow-up from the October 27 work study session. He asked the Task Force to discuss the presentation and then consider a recommendation to extend the contract with Holly Street Studio to develop these concepts further. City Council has directed staff to return with additional information on Arizona Central site locations and uses. Staff put together a scope of work for Holly Street to flesh out the concepts in more detail. To date \$300,000, split between bed tax funds and the General Fund, has been committed to the Civic Center Mall project, and \$30,000 in tourism bed tax funds has been committed for the Arizona Central work. Staff recommends adding another \$60,000 from tourism bed tax funds to prepare conceptual site plans for Arizona Central, Loloma, and the Civic Center Mall as well as the connectivity between them, and to identify associated programming opportunities and phasing options.

Chairman Holdsworth said he would be willing to extend the contract of Holly Street Studio, but cautioned against losing sight of some of the other activities that the Task Force will be required to bring back to Council.

Mr. Stockwell explained that a Task Force endorsement would help Holly Street move forward on their efforts. The question then would be deciding how to implement smaller actions that would help the larger effort as soon as possible. Ideas include using temporary locations near the Arizona Central site to test some of the concepts so they can be operating before the main site is open.

Task Force Member Potje felt that this plan would do more to help downtown Scottsdale than anything else that has been proposed so far. It is critical to consider it as a whole rather than as separate districts. Task Force Unger said much will depend on having someone responsible for deciding what the built out downtown should look like and making sure the City gets there, otherwise private developers will determine those

things. Chairman Holdsworth said an RFP should answer that question. One was supposed to have been released in the Task Force's first year, but it is still not out.

TASK FORCE MEMBER HAYSLIP MOVED TO EXTEND THE HOLLY STREET STUDIO CONTRACT USING \$60,000 FROM THE BED TAX FUND. TASK FORCE MEMBER CHIPPINDALL SECONDED. THE MOTION CARRIED BY A VOTE OF FIVE (5) TO ZERO (0). TASK FORCE MEMBER UNGER ABSTAINED. VICE CHAIR BIRCHLER AND TASK FORCE MEMBER O'SHEA WERE ABSENT.

6. Downtown Tourism Related Economic Feasibility Study - Request for Proposal

Mr. Geigamah presented the final version of the Request for Proposal for the Downtown Tourism Related Economic Feasibility Study. The TATF budget started at \$625,000. No funds were expended for the first year, FY2013/14. In the second year, \$30,000 was allocated for the Arizona Central Project, and almost \$30,000 was spent on the Webb Report. The Longwoods Research cost \$19,000, and about \$26,000 was spent on the downtown animation program. Bike sign design cost \$750. Total expenditure was a little over \$100,000, leaving an available budget of \$520,000. The potential spend for this fiscal year has been identified. For the Downtown Tourism Economic Feasibility RFP, \$300,000 has been allocated. Potentially \$60,000 could be allocated for the downtown connectivity project. The Webb Report will continue through Phases 2 and 3 for \$44,000. Downtown animation will continue with another \$70,000. The available budget at the end of the fiscal year will be around \$47,000. The bike sign design was left out of the report, because the cost is unknown.

Chairman Holdsworth requested specificity on what the downtown animation money was spent on and whether that effort was successful or not. He noted that there are many constituents in Scottsdale that have interest in the downtown study, and the Task Force must ensure that any bed tax dollars spent on this study remain specifically tourist-related. It would be inappropriate to have the bed tax budget used to research activities on behalf of other constituents.

Mary Murphy-Bessler reported on downtown animation activities. Live entertainment was provided for the Grand Prix of Scottsdale, Small Business Saturday, Parada del Sol, the Hashknife Pony Express, and the Art Walk series. The Singing Cowboy performs every Saturday in Old Town. The Bronze Cowboy and Johnny Hotshot also perform in downtown. 365 Live activates the Arts District. Entertainment is provided on Fifth Avenue between January and April. More promotion is planned for entertainment offerings during the high season. Reactions to performances have been fairly positive. A schedule is available, but some of the performers roam. She undertook to ask area businesses if they have experienced a positive impact from the animation.

Brent Stockwell reported that an agenda item will be added to next month's meeting to discuss downtown animation. Chairman Holdsworth inquired about the funding source for it. Mr. Stockwell responded that a temporary source of funding, the Community Arts Trust, was used initially. Next month's discussion should include identifying a long-term source of funding for downtown animation. Mr. Geigamah noted that the Task Force

recommended moving forward with the RFP, and that some minor revisions were made subsequently.

7. Generational Change Scottsdale Life

Task Force Member Chippindall explained that his working group has been charged with bringing the next generation of travelers to Scottsdale. They have been meeting once a month for the past year, and have considered what attracts young people to other cities. It is necessary to activate the young people of Scottsdale in order for the destination to become attractive to travelers of their generation. In order to entice young visitors, the community has to entice young people to live, work, and play and ultimately love Scottsdale. A new website, Scottsdale.life, will launch very soon. It is designed to be appealing to young people, and eliminate the negative perceptions they might have. Community involvement is encouraged, especially in local government. The James Agency helped produce the brand guideline, and a web developer is helping to manage the site. Their work comes at no cost.

Task Force Member Chippindall said one of the main challenges moving forward will be getting enough compelling content. The videos will tell stories about local residents, what it's like to live in Scottsdale, activities and community involvement. It will promote community-centric events that encompass the urban living activities occurring organically in downtown Scottsdale. The message will be that Scottsdale is a great place to live and that people can change it for the good. The effort will be very social media heavy. It will serve as a vehicle to market the destination to young travelers who are considering a visit. The group that is currently working on the project is engaged, but as the site goes live, more people will be needed if the site is to remain interesting. Once people see what is on offer, more will want to get involved.

Chairman Holdsworth described the effort as an exciting development for the future of Scottsdale. This working group has been the most successful one at reaching out to people beyond the tourism industry. Megan Doyle said it is important to understand that while the website will not be tourism-focused, it will have an enormous impact on the tourism community. One aspect that drives young people to visit a destination is the local community that lives there. The site itself will only be a part of the entire effort. This is more of an organic, volunteer-based movement that reflects the community.

8. Special Events Ordinance Update

Cheryl Sumners, Special Events Manager, provided an update on Scottsdale's Special Events Ordinance. The City has created a webpage specifically dedicated to public outreach efforts related to this ordinance. The existing regulations have not changed in 23 years. A change is necessary because events themselves have changed quite a bit in that time. Staff planned a series of public monthly meetings. The first discussion was in October and focused on general topics related to events. The November discussion framed the key concepts. The December meeting was aimed at outlining the draft ordinance. About 100 people participated in the first meeting, 33 in the second, and 27 in the third. The participants have been representing residents, merchants and the event industry in about equal portions. Every comment that has been heard at every

meeting has been documented. The January meetings are scheduled for the 12th and 13th. They will focus on the draft ordinance.

Ms. Sumners stated that a City Council work study session is being planned for February, and a regular agenda item for March. Staff looked at best practices from local and national cities and integrated those ideas into the outline. Overwhelmingly, the prevailing opinion at every public meeting has been that people like and embrace events in Scottsdale. At no point did people think they should not occur, nor did they express opposition to specific types of events. Some concerns were expressed about the types of potential impacts that could result from events, such as vendor-driven events that could impact the bottom line for retailers, but everyone supported events so long as they are well planned, considerate of others, and have impacts that are anticipated in advance, communicated, and mitigated.

Part II: 32:57-- Ms. Sumners said the ordinance will continue Scottsdale's tradition of welcoming events. Chairman Holdsworth commended the public outreach effort, but expressed concern that the low turnout does not reflect what the community as a whole feels about special events. The Task Force has been tasked with reviewing the Special Events Ordinance and passing a recommendation on it. It has to be agendized. He felt that the signature event status should be reinstated. Signature events were those that were able to attract a large number of out of market visitors to the city. Task Force Member Unger said basing the criteria on room nights was a mistake.

Chairman Holdsworth stated that the ordinance has been broken for a long time. Scottsdale has to find a way to be friendlier to events. The perception among event producers is otherwise, and if it continues, will impact Scottsdale's performance as a tourist destination.

Task Force Member Potje said it is important that Scottsdale understands why event producers feel the processes here are so difficult and what needs to be changed to bring them in line with other cities. Ms. Sumners noted that event producers met with the SCVB to share their viewpoints on this very subject. Ms. Sacco added that the overlying message was that Scottsdale's process was intimidating and definitely could be easier. They were excited that the City has taken up this update, and the effort will make more events want to come here. Chairman Holdsworth felt the City should have the SCVB review the draft ordinance as well.

Ms. LeBlanc inquired whether the people who signed a recent petition regarding one particular event were invited to participate in the outreach discussions. Ms. Sumners explained that if the City had an email or physical address of a petitioner, they absolutely were notified. Almost 800 people received notifications. The list included event promoters and anyone who contacted the City to express an interest in special events. It is important to explain to the public all the benefits that they receive from special events. Scottsdale hosts many events that other communities would love to have. Ms. Sacco added that the communication has to be ongoing and the SCVB will continue to look for ways to spread that message.

Mr. Stockwell reiterated that none of the participants stated that they do not like events, but specific aspects of certain events seem at contrast with the interests of some local businesses. Others have pointed out that they have enjoyed events, but that specific

details could have been better managed and communicated. The responses have been nuanced. Not all special events are alike, and not all of them need to go through the same process. They all need to be reviewed to ensure that they run successfully.

Chairman Holdsworth said he is happy that the update is happening, but cautioned against rushing the changes through before they are done right. There are ways to craft ordinances to encourage the kinds of things the community wants to see, while discouraging those aspects that they do not. Mr. Stockwell responded that staff committed to get back to City Council in early 2016. If Council says they need more time, it will be extended. At the same time, people want the process to be fixed. It is better to take the time to get the problems fixed.

Chairman Holdsworth stated that a special meeting of the Task Force might be necessary to ensure that the ordinance is reviewed before it goes to City Council for the work study session. Task Force Member Potje said her working group feels very strongly that Scottsdale must get the Special Events Ordinance right in order to make the destination competitive. The City Council has been sending mixed messages regarding their support for special events. The negative perception still has to be overcome to some extent. Chairman Holdsworth felt the industry has not done a good enough job of communicating the benefits of tourism to City Council Members.

9. Tourism Development & Marketing Strategic Plan - Year 3 Action Plan

This item was tabled due to time constraints.

10. Timeline for Tourism Advisory Task Force New Members Update

Mr. Geiogamah noted that the Task Force has three open positions and that the City Clerk is working to have them filled. Eight applications were received and appointments will be made in January. The Task Force can make recommendations directly to City Council. Chairman Holdsworth said the appointees should ideally come from underrepresented areas of expertise.

11. Identification of Future Agenda Items and Meeting Dates, Times and Locations

The next scheduled meeting is January 27, 2016.

12. Adjournment

The meeting adjourned at 2:12 p.m.

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