



**CITY OF SCOTTSDALE  
TOURISM DEVELOPMENT COMMISSION  
REGULAR MEETING**

**Tuesday, October 20, 2015**

**Scottsdale Museum of the West  
3830 N. Marshall Way  
Scottsdale, Arizona 85251  
APPROVED MINUTES**

**PRESENT:** David Scholefield, Chairman  
Ace Bailey  
Linda Dillenbeck  
Carl Grupp  
Camille Hill  
Robert McCreary

**ABSENT:** Ren Hirose, Vice-Chairman

**STAFF:** Steve Geiogamah  
Holli Shannon  
Lee Guillory  
Cheryl Sumners  
Gary Meyer  
Mary Murphy-Bessler

**GUESTS:** Rachel Sacco, SCVB  
Caroline Stoeckel, SCVB  
Lisa Anderson, Mesa History Museum  
AnnDee Johnson, Longwoods  
Donna Isaac, Scottsdale Cultural Council

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

Noting the presence of a quorum, Chairman Scholefield called the regular meeting of the Scottsdale Tourism Development Commission to order at 8:02 a.m.

**2. Approval of Minutes**

- August 18, 2015 Regular Meeting

Commissioner Dillenbeck noted that the TDC discussed staff's review of the hotel closures report. In response to Chair Scholefield's inquiry, Mr. Geiogamah clarified that the hotel sales tax increase mentioned in the manager's report actually reflects late payments.

**COMMISSIONER BAILEY MOVED TO APPROVE THE MINUTES OF THE SEPTEMBER 15, 2015 REGULAR MEETING AS AMENDED. COMMISSIONER DILLENBECK SECONDED. THE MOTION CARRIED BY A VOTE OF SIX (6) TO ZERO (0). VICE-CHAIRMAN HIROSE WAS ABSENT.**

### **3. Manager Reports**

Mr. Geiogamah stated that from now on, staff will distribute the manager's reports in memo form in advance, and will answer any questions during the meetings.

- a. Staff Bed-Tax Collection Report
- b. Bed Tax Proforma

Mr. Geiogamah noted that the ending dates of multi-year commitments are now highlighted on the proforma. He clarified that "minimal payments received" refers to business activity that occurred in August, was reported in September, and was paid in October. Chair Scholefield felt the numbers should align with the month.

Chair Scholefield inquired about the changes in the way the Tonto National Forest tour operator numbers are reported. Lee Guillory explained that the invoice for the third payment of \$10,000 was not received in time for FY2014/15, but has been received and paid already in FY2015/16. Mr. Geiogamah explained the reasons for the increase in administrative expenses for FY2015/16.

Chair Scholefield inquired about the Museum of the West five-year donation. Ms. Guillory explained that the contract was amended in FY2014/15 to allow for some matching that actually occurred in FY2013/14. The FY2015/16 estimate of \$1.2 million actually represents the final three years of match at \$400,000 each. Multi-year commitments are typically used for very long-term debt service. Carryover is supposed to be for one-time money only, not multi-year commitments, so City Council requested that the proforma reflect that the full \$1.2 million was being used.

- c. Smith Travel Report
- d. Program Updates

Mr. Geiogamah noted that the Commission requested an update from the PGA Tour on the 2015 Charles Schwab Cup. They were unable to attend, but submitted a media marketing overview of their plan. Staff is working with them to ensure their compliance with the agreement.

Mr. Geiogamah said the audit report was presented to the City Council Subcommittee, which accepted it without questions. A Tourism Advisory Task Force work study session with City Council is scheduled for 4:00 p.m. on Tuesday, October 27. Council will be updated on the plan and will be presented with a detailed explanation of the AZ Central concept.

Mr. Geiogamah reported that the Fine Art and Wine Festival is on the City Council consent agenda this evening.

#### **4. Proposed Downtown Scottsdale Baseball Museum**

Lisa Anderson, CEO of the Mesa History Museum, said eight years ago, her museum decided to create a spinoff organization called the Arizona Spring Training Experience (ASTE). The collection and exhibition space started small, but has grown over the years. Many tourists come to the Valley for baseball, and this past year, the Cactus League broke a record with nine million attendees. Additionally, Arizona hosts the Diamondbacks, ASU Baseball, the Arizona Fall League, youth tournaments, and travel teams of all levels from all around the world. Scottsdale is a home base for many of these teams. Baseball is a year-round endeavor in Arizona, and is essential to the local economy and culture.

Ms. Anderson said Cactus League had an \$809 million economic impact, and more than half of attendees came from out of state. ASTE has held over 21 exhibitions across the Valley, and has partnered with five cities. More than 500,000 people have seen these exhibitions. The collection now consists of over 5,000 objects that are unique to spring training and help tell the story of how baseball has grown in Arizona. The sport is an iconic part of the state, and has been present here in one form or another since the late 1800s.

Ms. Anderson stated that the bulk of the collection is related to the Giants, and has come from private donors in the area. The collection focuses on the unique connections that players have formed with the community. Many pieces have never been seen by the public before. The long-term goal is to establish a permanent home in Scottsdale, but a temporary space would suffice in the meantime. A Scottsdale location would attract people who want to have a broad range of experiences. Many donors desire a space in Scottsdale that would give them an opportunity to show their collections. Fans of other Cactus League teams would also be drawn to Scottsdale to visit the museum. Daily programming would extend beyond the walls of the museum. The museum would be willing to work with the City on marketing initiatives. ASTE already has strong relationships with corporate, art, and baseball partners that will enhance programming and exhibitions. Scottsdale's ability to form partnerships and innovate will make the community a good fit for the museum.

Commissioner Bailey inquired whether ASTE is considering any other communities as a backup. Ms. Anderson responded that they have worked with communities across the Valley, but the focus over the past two years has been on bringing the museum to Scottsdale on a permanent basis. Commissioner Bailey inquired whether specific sites have been chosen. Ms. Anderson said several vacant downtown properties have been considered, including one near the stadium. The library has made a great space

available for exhibitions. The mid-term goal is to have about 5,000 square feet of space that will be available for about five years. The long-term goal is for a permanent full-scale museum.

Ms. Anderson explained that the proposal is for a memorandum of understanding in which the City would be expected to provide a location at their expense and pay a fee to access the collection for exhibit purposes. ASTE would handle the operations, including staffing, insurance and marketing. Revenue would be generated through admissions, memberships, and fundraising. Museum space would be made available for events. Once the temporary space is open, the other exhibition sites would be closed. She invited the Commissioners to view an existing exhibition to gain a sense of the collection.

Mr. Geiogamah said staff has worked with ASTE on the spring baseball festival, and will continue to do so. Ms. Anderson noted that the museum would also permanently house the Cactus League Hall of Fame.

Commissioner Grupp inquired whether ASTE has a relationship with the National Baseball Hall of Fame in Cooperstown. Ms. Anderson said they have assisted on research and provided some photographs in the past. A permanent space will have the capacity to support traveling exhibitions, including those from Cooperstown. She added that Florida does not have a spring training museum. Former players have expressed an interest in bringing a Latin American Baseball Hall of Fame to Scottsdale.

Chair Scholefield noted that many visitors stay in northern Scottsdale. He suggested that satellite exhibits in hotels would tempt them to visit the downtown location. Ms. Anderson welcomed those contacts.

## **5. Marshall Way Project**

Donna Isaac, Director Scottsdale Public Art, stated that R&R Studios of Miami, Florida, Robert Behar and Rosario Marquardt, were selected unanimously by the selection panel to create the project. There were three reviews in June, July and August. The design contract is about six weeks behind. The site has posed some real constraints and challenges for the artists. The City has expressed concern that the color palette originally chosen by the artists would interfere with traffic signals. There are also issues related to pedestrian and ADA accessibility.

Ms. Isaac said after the August review, the artists were asked to relocate poles at the behest of Risk Management, who expressed concern that trucks could possibly hit them while navigating intersection corners. The artists will be in Phoenix on November 2 to accommodate a redesign that could move the project ten feet to the north. This move would make the project less visible from Scottsdale Road and Goldwater. The City has also requested that the color palette be limited to one or two colors, and that the redesign be presented in two weeks. The selection panel will review the redesign and staff will hold community open houses, possibly in early December or January. The artists will be available via Skype to discuss the project with the public. The design phase is the most critical phase, and it is not unusual for one to run behind. Installation is still expected by early spring.

Ms. Isaac said the original design had the ability to feature some signage over Marshall Way, but the artists are now looking at using lighting to connect the two parts of the entryway feature instead. They are still trying to create an inviting entryway to Marshall Way, even though it will not be at the corner itself. The selection panel has been very involved in the process and understands where the artists are. R&R Studios has a good track record on public art and have worked on challenging sites before.

Commissioner Bailey inquired whether an extensive redesign could cause the entire project to go back to a new RFP. Ms. Isaac said the City is committed to the artists at this point, and they are being given an opportunity to revise it within the constraints. An alternate artist was selected during the process. If the selection panel feels R&R Studios will not be able to find a solution, then the City will turn to the alternate. Every public art project has to balance the artist's aesthetic with practical considerations related to the site. Commissioner Hill asked whether the redesign would add to the cost of the project. Ms. Isaac responded that it will not. The contract expects the artists to address issues raised by the City and make changes.

Chair Scholefield inquired whether the people who requested the money were re-consulted on the changes. Ms. Isaac said the request was for an entryway feature. If that were to change, the project would have to go back to City Council.

## **6. Event Ordinance Update**

Cheryl Sumners, Events Manager, reviewed the process of updating the Special Events Ordinance. The City has ordinance regulations that apply to special events not held at City-owned venues. The regulations have been in place for 23 years and there have been few changes during that time. Staff received input from City Council during two work study sessions. They also approved the initiation of a text amendment to the Ordinance, which allows staff to begin public outreach.

Ms. Sumners explained that the public outreach will consist of a series of meetings in three stages. The first stage consists of several community conversations focused on event topics. From these conversations, staff will create draft concepts that could potentially be included in the Ordinance. A second round of public meetings will occur in November to gather more feedback. The third stage will present a rough draft of the new Special Events Ordinance for public input. The target is to present a draft Ordinance to City Council in early 2016 for their input. The public is being notified about outreach opportunities through mailings and emails. A webpage has been created for people to submit their input and follow the progress of the effort.

Commissioner Hill asked whether hotels were invited to attend the meetings. Ms. Sumners said certain representatives from hotels were on the list of contacts. Commissioner Hill encouraged staff to consider a balanced perspective. Much of the recent dialogue seems to have been dominated by one particular perspective. The people who rely on special events should be heard, and hotels are a crucial part of that. There is a growing fear that something negative could transpire regarding the permitting process. Ms. Sumners responded that at this point, it is hard to predict what the feedback will be, because it has been so long since the last update. The whole event

industry has changed significantly in that time. There should be no negative impacts to businesses and residents.

Commissioner Hill asked whether staff has researched similar ordinances from Austin, Palm Springs, Miami, or San Diego. Ms. Sumners explained that staff has benchmarked several destinations, and would share that information.

Chair Scholefield said any city with a designated tourist area would be an area of interest, because they have had to address issues related to transportation, electricity, infrastructure, existing businesses and residents. That information would help Scottsdale craft a well-rounded ordinance. The process has to be balanced to ensure that any party that benefits from, or is impacted by, special events is solicited for their input. Special events are critical to the basic foundation of the Commission, and the TDC deserves, by mandate, to be involved in the process all the way through to the end.

He said special interest groups have valuable input to provide, but it is always best to take a broad approach so that City Council can make their decisions from a balanced perspective. He requested that any information of a public record be sent to the TDC for their consideration, including the public opinions received. Individual Commissioners can attend meetings as citizens and representatives of their respective industries until the Commission is able to approve a formal recommendation. Even at the end of the process, the TDC should be re-consulted prior to City Council executing a policy or procedural change that could impact the future of events in Scottsdale. Ms. Sumners offered to return once the public meetings have concluded to solicit the TDC's feedback on the draft ordinance.

Commissioner Bailey said this is a business issue that is turning into an emotional issue. Commissioner Hill felt City Council decisions should be based not on the loudest voices, but on the right voices. Ms. Sumners assured the Commission that staff will take a balanced approach. Chair Scholefield questioned whether the TDC should make a motion to express their desire to stay connected to this issue. Mr. Geiogamah responded that staff would continue to ensure that occurs, especially as it relates to the TDC's mandate and its connection to the Special Events Ordinance.

## **7. Longwoods Report**

AnnDee Johnson, Vice President of Longwoods International, presented highlights of the Travel USA report, the largest ongoing survey of American travelers. Over 300,000 people were surveyed nationally in 2014. The Scottsdale report looks at the whole picture of visitation to the destination. She focused on presenting aspects of the report that have generated the most conversation.

Ms. Johnson explained that the data gathering process focuses on trip types. Forty-seven percent of visitors say their main purpose in coming to Scottsdale is to visit friends and relatives. Marketable trips are those types which can be influenced by advertising, and 35% of the overnight Scottsdale trips in 2014 were marketable trips. Touring and special events are both at 9% of visitors. Resort, city, golf, and casino are each at 4% of visitors, and outdoors and theme park are at 2% and 1% respectively. Eighteen percent

of visitation is of the business trip variety. In total, 82% of Scottsdale visitation falls into the category of leisure travel.

Commissioner Grupp inquired whether anything stood out in terms of the trends. Ms. Johnson responded that marketable trips are really destination-specific. Scottsdale's information can be compared to the national norm. Chair Scholefield inquired whether Scottsdale has access to data from competing cities. Ms. Johnson explained that the City has access to the entire database, but can only share Scottsdale's data publicly. The competitive dataset is for strategic internal purposes only, and cannot be included in the public record. Chair Scholefield suggested that the TDC, as an extension of the internal structure, choose some cities for a comparative report, and that they include Santa Fe and New Orleans, as well as other cities mentioned previously.

Ms. Johnson reported that Scottsdale has twice as many guests visiting for conferences or conventions as the national norm. The top states providing visitors to Scottsdale are California at 25%, Arizona at 18%, followed by Illinois, Colorado, New York, Texas, Ohio, Nevada, Washington and New Jersey. The top designated market areas are Los Angeles, Phoenix, Chicago, Denver, New York, Tucson, San Francisco, San Diego, Seattle, and Las Vegas. The average number of nights away on trips that include Scottsdale is 5.3, compared to 3.7 nights for the national average. Of those 5.3 nights, 3.9 of them were spent in Scottsdale.

Ms. Johnson noted that 49% of visitors arrive by airplane, versus 24% nationally. However, the number of people who arrive by their own car or truck is almost equal to the air arrivals, but lower than the national average.

## **8. Public Comment**

In reference to Item 5, the Marshall Way Art Project, Dan Semenchuk read a prepared statement expressing his opposition to the use of public money to build an archway that he described as an unnecessary and irrelevant. Marshall Way already has an entryway monument and a Scottsdale Public Art installation. The City is using tax dollars to subsidize and promote a small group of select and transient merchants, namely art galleries. SPA is essentially an art gallery run by City Council and the Scottsdale Cultural Council, and it is costing citizens financially and culturally.

Staff retained a physical copy of the statement.

## **9. Identification of Future Agenda Items**

Mr. Geiogamah stated that Transportation Director Mr. Paul Basha has requested an opportunity to present the Transportation Master Plan in November. That meeting will also include a proposal for a rugby event, as well as updates on WestWorld, the Desert Discovery Center, and tourism related capital projects evaluations.

Chair Scholefield requested that the Special Events Ordinance Update be put back on the agenda for a possible TDC recommendation. He also requested an update on the Charles Schwab Cup once all the answers have been received from PGA Tour.

Commissioner Hill requested an update on the Civic Center Mall project.

Rachel Sacco suggested a presentation on the information received from Longwoods research. Mr. Geiogamah reminded the Commission of the restrictions against publicly releasing non-Scottsdale specific information.

### **Adjournment**

The meeting adjourned at 9:40 a.m.

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