



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

Tuesday, March 8, 2016

**Kiva Forum - City Hall
3939 N. Drinkwater Boulevard
Scottsdale, Arizona 85251
APPROVED MINUTES**

PRESENT: David Scholefield, Chairman
Ren Hirose, Vice Chairman
Ace Bailey
Carl Grupp (arrived at 8:17 a.m.)
Camille Hill
Robert McCreary

ABSENT: Linda Dillenbeck

STAFF: Steve Geiogamah
Karen Churchard
Holli Shannon

GUESTS: Virginia Korte, Councilmember
Beverly Moore
Sandy Schenkart
Bob Pejman
Laura Weaver
French Thompson
John Holdsworth
Fred Unger
Susan Potje

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 8:03 a.m.

2. Approval of Minutes

- February 16, 2016 Regular Meeting

COMMISSIONER BAILEY MOVED TO APPROVE THE MINUTES OF THE FEBRUARY 16, 2016 REGULAR MEETING. COMMISSIONER MCCREARY SECONDED. THE MOTION CARRIED BY A VOTE OF FOUR (4) TO ZERO (0). COMMISSIONERS DILLENBECK WAS ABSENT AND COMMISSIONER GRUPP WAS NOT YET PRESENT. VICE CHAIRMAN HIROSE ABSTAINED.

3. Special Events Draft Ordinance Update

Karen Churchard provided an update on the Scottsdale Event Ordinance. A series of public meetings have been held since September of 2015 to gather public feedback. A City Council work study session was held on February 16. City Council will receive a presentation at the March 15 regular meeting.

Ms. Churchard said special events pose unique challenges because they are perceived differently by different groups of people, and it has been difficult to create an ordinance that will make all parties happy. She reviewed highlights from each article of the proposed ordinance.

Purpose, Exemptions and Definitions: This article explains how events are important to the well-being of Scottsdale's economy and tourism, and notes that events must be regulated. Events are defined as organized, temporary activities, or a series of temporary activities that are held outdoors on public or private property that is inconsistent with the legal use of the property under the Zoning Ordinance. They should be open to the public by advertisement or invitation with or without charge. Events that are held, in whole or in part, by the City of Scottsdale are exempt from the Ordinance, but events for which the City solely provides funding or sponsorship for will not be considered an event organized in whole or in part by the City for the purposes of this section.

Event Criteria: Event organizers will have to answer a series of questions about their events. The application will be used to determine whether each event provides a unique organized activity or experience, and if is suitable for the chosen location. The questions will also touch upon traffic and parking, staffing, vendors, emergency services, temporary structures, restroom facilities, trash management, and noise management. The aggregate impact of the event on others should be net neutral or net positive.

Ms. Churchard said that when an event wants to take place on City property they will have to meet additional criteria. They must partner with Scottsdale businesses to encourage retail and/or restaurant sales. Events must attract regional, national, or international attendance and entertainment, promote Scottsdale in event-related marketing, and provide civic or cultural benefits.

Vice Chairman Hirose requested more specifics on the parking requirements. Ms. Churchard explained that event promoters will have to demonstrate how their parking plans will work. Commissioner Hill inquired about the process of judging whether events are net neutral or net positive. Ms. Churchard responded that it would

be determined through an initial notice to businesses in the area. The input would be broad based so as to ensure a well-rounded perspective.

Event Permits: Three different processes will be used depending on event type. Administrative approvals would be used for events like grand openings and seasonal sales, etc. The application time for these events will be only 15 days, and there would be no permit fee. Simple applications would be for events held on private property and with minimal impacts on City services or other people. These applications would require 30 days to process and the fee would be \$100. The standard application would be used for events on City property, or for events like the ESPN Fanfest that are held on private property but use temporary structures. These permits would require 60 days processing time, with a 30-day approval. The fee would be \$250 plus use fees for City property.

Vice Chairman Hirose inquired about applications submitted with short notice. Ms. Churchard explained that the ordinance would allow staff to accept applications with short turnarounds if event producers can demonstrate a good reason for not meeting the required deadline. An example would be a pep rally for a football team that qualifies for a bowl game shortly before the game is played.

Ms. Churchard stated that the ordinance restricts events from occurring more than ten consecutive, or 24 total days, during the period of January 1 through March 31, and no more than 30 consecutive, or 48 total days, during the remaining calendar year, unless otherwise provided. In response to an inquiry from Chairman Scholefield, Ms. Churchard noted that opinions varied widely on this topic, with some people proposing strict limits and others proposing no limits. The original ordinance contained similar limitations, though she was unable to find any other city that placed limitations on event durations.

Commissioner Hill inquired whether the limitations included the days necessary to prepare the event. Ms. Churchard explained that the limitations only apply to the true event. Commissioner Hill said the limitations make it more difficult for producers to hold events in Scottsdale. Ms. Churchard said most events held in the past would fit within the proposed durations, but it is difficult to know what the future will bring. Commissioner Hill asked whether a variance could be applied to special situations. Ms. Churchard responded that events at WestWorld, Scottsdale Stadium, the Civic Center Mall, and the McDowell Sonoran Preserve would not be required to follow this ordinance because they are governed by separate procedures. Outside of those areas, the City Manager would have to seek special permission from City Council to grant a variance. Commissioner Hill said this process would make it harder to produce events here. Ms. Churchard noted that conditional use permits and licensing permits could allow for occurrences like farmers markets.

Ms. Churchard noted that another limitation would prevent art-related events from being approved in the area between Osborn and Camelback Roads, and Goldwater Boulevard and Scottsdale Road if they conflict with the scheduled Thursday night ArtWalks. Initially the draft Ordinance contained language that many viewed as overly broad and vague, and City Council directed staff to replace it with this restriction. Vice Chairman Hirose noted that this restriction would remain in place for the life of the ordinance. Ms. Churchard said staff intends to propose an alternative whereby the advice of the

Scottsdale Gallery Association would be sought if an application is received for an event that could be complementary to ArtWalk.

Commissioner Bailey felt it would be appropriate to seek the input of gallery owners, but giving them final say over the matter would grant too much power to one special interest group. Ms. Churchard responded by noting that the City Council's current directive would automatically be more restrictive. She clarified that the Museum of the West could hold events on the same night as ArtWalk because it is a City-owned property. Commissioner Hill asked whether any other protected areas existed in the Ordinance. Ms. Churchard explained that it is just the ArtWalk area.

Vice Chairman Hirose noted that the area restriction would hold even if the ArtWalk ceases to exist in the future. Ms. Churchard agreed, but felt that ordinances should be reviewed periodically anyway. Staff will ask City Council to review the ordinance after six months to discuss what has transpired. Chairman Scholefield said he approves of efforts to protect existing events, but opposes offering veto powers to a special interest group in one area.

Procedures and Requirements: Ms. Churchard said this section explains the different procedures for each type of application, and provides a process for when event producers disagree with City decisions.

Enforcement: Ms. Churchard said the ordinance allows the City to terminate events under certain circumstances. It describes the means of enforcement, penalties, jurisdictions, and restitution.

Implementation: Ms. Churchard stated that the City Manager will provide reasonable guidelines to implement the ordinance. Any additional guidelines developed by the City Manager are subject to review by the City Attorney and must be filed with the Clerk and posted on the City's website. No new guidelines created by the provisions of this section shall be effective until 30 days after being filed with the City Clerk. Although it is not specified in the ordinance, staff will create a user-friendly event procedure guidebook to walk applicants through all the processes.

Chairman Scholefield suggested that new guidelines developed by the City Manager should be presented to anyone who has already provided feedback on this ordinance, instead of just posting it on the website.

Fees: Ms. Churchard said this section provides the details on the fees for each type of application. A separate team will determine the fair market value of using City property. Each year, City Council reviews all rates and fees for all purposes.

Vice Chair Hirose noted that the fee structure for WestWorld remains constant all year long, even though the demand is lower during summer months. They are not competitive. The TDC recently had to provide funding to support venue fees, because WestWorld could not lower them for summer programs. Ms. Churchard responded that City Council has tasked staff to review the fee structure from a seasonality standpoint. She reiterated that WestWorld is exempt from the Event Ordinance and its fees, but she would make a recommendation to have City Council introduce seasonality to the WestWorld fee structure.

Chair Scholefield stated that the TDC has been involved in the process of crafting the Event Ordinance from the beginning. The Tourism Advisory Task Force has also been asked for their input. The TDC wants the galleries to survive, but he expressed concern over giving the galleries veto power over events using an unidentified process. The Commission may feel more comfortable with the process if City Council were to solicit the opinions of the SGA, but ultimately make the final decisions.

Commissioner Grupp commended staff for the extensive public outreach effort, noting that about 250 citizens provided their input in addition to the tourism community. He reiterated the concern that the Scottsdale Gallery Association would have a great deal of control over Thursday nights. Ms. Churchard clarified that under the proposal, staff would contact the SGA Board to get their input on Thursday night events in the defined gallery area. The five Gold Palette ArtWalks would have to go through the same event application process that every other event does.

Vice Chairman Hirose agreed that the SGA's advice should be sought, but felt the City should make the final decision based on what outcome would benefit the community as a whole. Retailers and restaurants could potentially desire special events that could be vetoed by the galleries. Commissioner Grupp added that this policy would set a bad precedent because the City would be recognizing one special interest group whose opinion could outweigh the community's goal of bringing great events into the area. Ms. Churchard encouraged the Commissioners to raise their concerns with City Council.

Vice Chair Hirose reiterated that the TDC does want gallery owners to succeed. He invited the gallery owners to work with the Commission to jointly find ways to make the arts district better. A vibrant downtown works for everyone in the community.

Commissioner Grupp said he volunteered to attend a meeting with merchant owners to discuss downtown issues, but none of them showed up. He would be interested in trying again to see if they are truly interested in having this dialogue. The TDC understands the different facets that make tourism a vibrant commodity in Scottsdale and would love to have ArtWalk be the most successful event in the city, but this cannot happen if the process gives veto power to one group. The process has to be collaborative.

COMMISSIONER HILL MOVED TO RECOMMEND THAT CITY COUNCIL REVISIT THE FOLLOWING TWO ASPECTS OF THE EVENT ORDINANCE: THE LIMITATIONS ON EVENT DURATIONS, AND THE VETO POWERS PROVIDED TO ANY SPECIFIC GROUP. THE COMMISSION ALSO REQUESTS THAT ANY REVISIONS BE RESUBMITTED FOR THEIR REVIEW. COMMISSIONER BAILEY SECONDED. THE MOTION CARRIED BY A VOTE OF SIX (6) TO ZERO (0). COMMISSIONER DILLENBECK WAS ABSENT.

4. Public Comment

John Holdsworth, Chairman of the Tourism Advisory Task Force (TATF), said he is generally opposed to cities legislating competition, and does not feel that veto powers should be given to any outside group. He is not opposed to ArtWalk or the galleries. It is up to governments to address these issues as part of their civic responsibility, and to abdicate that responsibility is unacceptable. He sees no benefit to mandatory day restrictions, and other cities do not have them. Imposing restrictions puts up barriers

and makes it harder to do business with Scottsdale. The fee schedule for use charges and the user guide should be presented in conjunction with the proposed ordinance prior to City Council's decision. Whilst the management agreement with the Museum of the West allows them to handle certain events at certain times, they are not specifically mentioned along with the other exempt City facilities. It is worrisome that the SGA could have control of the Museum of the West if it is not included as an exempt facility.

Fred Unger, TATF Member, inquired whether the bridge and canal banks would be included in the ordinance. Ms. Churchard said they are, and an ordinance specific to that area will be created at a later date. If the City wanted to hold an event there, it would be exempt, but if another event organizer wanted to use it, they would have to go through the City's process and pay the fees. Mr. Unger said Scottsdale wants to be a user friendly, event-oriented City, but the proposed Event Ordinance establishes day limitations when no other city does. It seems overly regulatory, when there is no need to be. Elected officials and City staff should not abdicate their responsibilities to any group. The SGA's input is valuable, but to give them veto power does not seem right.

Susan Potje, TATF Member, expressed support for the arts district and ArtWalk, but felt it makes little sense to do so at the expense of the Events Ordinance. Viable cities that draw lots of tourists do not use this approach. She said Danielle Casey proposed a set of ideas to the TATF over the summer that would benefit the arts district, and the SGA also presented a list of their own ideas. Trying these out would be preferable to manipulating the Events Ordinance.

Sandy Schenkart said she has been personally involved with special events issues for the past few years. The community wants to welcome events, but sometimes undesirable ones get approved. The Rock Bar, for example, had 48 special events on City property in the first quarter of the year, totally disrupting downtown. A blanket policy will only encourage more of these disruptions. Of the 75 days of events listed on the website for March, 35 are bar-related. Events should not take away parking from galleries and downtown businesses. She supports the recommendations put forth by the Coalition of Greater Scottsdale. The Noise Ordinance is another set of rules that is being abused.

Beverly Moore, of Beverly Moore Studio, said Zoning Administrator Randy Grant denied an artisan market permit for 2016 based on safety issues. Nothing has changed in the proposed Event Ordinance that would make any event safer on the bridge, as the path for emergency vehicles, trolleys and horse drawn carriages would be blocked. Retail sales on the bridge negatively impact sales and the availability of parking for downtown businesses. The galleries are not opposed to special events like Canal Convergence, but feel that strict guidelines are necessary as to what events can be held on the bridge, and limiting them to only a few a year.

Bob Pejman, of Pejman Gallery, said he loves events so long as they are the right ones. Recently, Scottsdale has allowed events that have negatively impacted merchants. He agrees with Councilman David Smith who said Scottsdale should have events that enhance the merchants. The arts district is full of vacant retail spaces. The City is not taking into consideration the importance of the district as a tourist draw. He felt the TDC should dispense money to the arts district to enhance it as a draw for tourists, instead of

treating it as a nuisance. Many cities have no events, but use their merchant districts as tourist draws. Scottsdale brings in events at the expense of the merchants.

Laura Weaver said she used to live in San Jose, California and saw it transform from a beautiful historical downtown to a homogenized landscape due to the revitalization efforts imposed by elected officials in the 1970s and 80s. This scenario seems to be unfolding again with the destruction of downtown Scottsdale. It is morphing from a destination of fine art, to the art of drinking and excess. Aspen, Jackson Hole, and Santa Fe do not make the mistake of placing white tent retail next to their fine arts districts. Artisan markets do impact the financial welfare of downtown businesses. Hundreds of downtown merchants are being impacted by special events. In the hundreds of events that have been held downtown over the last eight years, only the Grand Prix Scottsdale and the Italian Festival have conducted outreach to businesses there. Downtown businesses are the reason people come to Scottsdale, in addition to events. The focus should not only be on events.

French Thompson said he has owned a gallery in downtown Scottsdale for 19 years. Tourism is important to Scottsdale, and much of that is based on the arts. Some of the comments against downtown galleries are upsetting. It is an untruth that the galleries are gaining control over events across the city. The concern is over arts-related events in a small area of the city one night per week. City Council approved a \$1.7 million study to decide what to do about the entrance to the McDowell Sonoran Preserve. Only \$30,000 was allotted to market the ArtWalk, which is what brought people to Scottsdale in the first place. The City should commit \$1.7 million to help preserve downtown and make it stronger, rather than try to undermine it. The galleries are only asking to provide input on events that could have a detrimental effect on them. Instead of just attracting tourists, a greater effort should be made to attract businesses to downtown.

5. Identification of Future Agenda Items

Mr. Geiogamah noted that the work study meeting is scheduled for March 15, 2016. The topic will be the city's event funding programs. The April 19 meeting has twelve agenda items currently scheduled and will have to be pared down.

Adjournment

The meeting adjourned at 9:28 a.m.

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