



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

Tuesday, August 16, 2016

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

PRESENT: David Scholefield, Chairperson
Ren Hirose, Vice Chairperson
Camille Hill, Commissioner
Ace Bailey, Commissioner
Linda Dillenbeck, Commissioner
Robert McCreary, Commissioner
Carl Grupp, Commissioner

STAFF: Steve Geiogamah
Karen Churchar
Gary Meyer

GUESTS: Rachel Pearson, SCVB
Ken Koziol, Parada del Sol
AnnDee Johnson, Longwoods International
Jason Rose, Barrett-Jackson Collector Car Auction

1. Call to Order/Roll Call

Chairman Scholefield called the regular meeting of the Scottsdale Tourism Development Commission to order at 8:00 a.m., and noted the presence of a quorum. He acknowledged that this would be the last meeting for Commissioner Bailey.

2. Approval of Minutes

- June 21, 2016

Chairman Scholefield referred to the agenda item relating to the Transportation Master Plan. The statement included reference that Transportation Director Paul Basha felt it

would be appropriate for the TDC to consider a motion. Chairman Scholefield recalled that this was a qualified statement. Although the Transportation Master Plan had been presented to the TDC, it had not yet entertained a motion. After consulting with Paul Basha, it was felt that the TDC should consider a motion. Steve Geiogamah stated that the audio recording of the meeting would be reviewed and the necessary change made.

COMMISSIONER HIROSE MOVED TO APPROVE THE MINUTES OF THE JUNE 21, 2016 REGULAR MEETING WITH THE RECOMMENDED AMENDMENT. COMMISSIONER BAILEY SECONDED. THE MOTION CARRIED BY A UNANIMOUS VOTE OF SEVEN (7) TO ZERO (0).

3. Manager Reports

Mr. Geiogamah prefaced the presentation by stating that as there was no meeting in July, some updates will include two sets of monthly reports.

- a. Staff Bed-Tax Collection Report

Bed tax collections were up 7% for the month of May. YTD collections were up 1%. Restaurant tax collections were down 2% for the month, but up 5% YTD. Miscellaneous retail sales tax was up 12% for the month, up 9% percent overall. In regards to the classification report identified with resorts, limited property and full service, resorts was up 5.2% percent for the FY, limited property was up 4.1% and full service property was down 4.4% for the FY.

For the new fiscal period beginning in July, bed tax collections were up 14%. Restaurant tax collections were up 1%. Miscellaneous retail sales were flat for the month of June. In terms of hotel property classification, resorts are up 11%, limited property up 11% and full service property was down 6.5%. Review of classifications of some of the properties was conducted with subsequent adjustments made. Some full service properties were moved into the resort classification. Some were moved from limited property into full service.

Chairman Scholefield for further clarification on the negative positions, noting that it was originally attributed to renovations and drop in inventory, Mr. Geiogamah confirmed that these were the driving factors for the downward trend in comparison to the prior year. The classification revisions will likely result in a continued downward trend through the next fiscal year.

Chairman Scholefield asked for a time frame to revisit this issue to identify additional contributing factors. Mr. Geiogamah suggested moving through the first quarter of the new FY, with an evaluation at that time. Chairman Scholefield asked for placement of this issue on the September agenda. Prior to that time if there is no reversal in the trend, some information could be obtained from SCVB or other appropriate source.

Vice Chairperson Hirose asked about the possibility of listing the hotels whose categories have changed. Mr. Geiogamah stated that the properties cannot be identified.

- b. Bed Tax Proforma

Mr. Geiogamah reported that FY 15/16 revenue and expenses are still designated as estimates, but essentially, through the second close, they have trued up expenses. Some recent TDC recommendations are indicated in FY 16/17, which include the Tourism Strategic Plan funding for \$745,000. City Council has not taken action on this.

Chairman Scholefield asked for a timeline of when the strategic plan document will be presented to Council. Mr. Geiogamah indicated that it would go before Council in September.

Vice Chairperson Hirose referenced the bed tax stabilization fund and expressed concern regarding readiness and response times. Mr. Geiogamah stated that the Commission did set aside funds for this. Staff is working through the process to identify when this can be presented to City Council.

Vice Chairperson Hirose asked for an explanation of the increase in the tourism research budget from \$53,000 to \$90,000. Mr. Geiogamah stated that increased expenses are anticipated as surveys on events increase. In addition, Applied Economics has been brought in to help with economic impact reports.

- c. Smith Travel Report

For June, the average daily rate is up 1.5% percent for the past 12 months. Revpar is up 2.3%. Occupancy is trending fairly flat at just under 1%. Going forward, this report will include focus on specific areas, such as ten downtown properties. This may be provided in packets going forward.

Chairman Scholefield questioned why specific reports could not be provided for other specific areas. Mr. Geiogamah replied that there can be evaluations for north and south, however, the initial focus will be downtown. Chairman Scholefield recommended proceeding to include the other areas.

- d. Program Updates

On September 13th, the Tourism Department will present City Council with a license agreement with downtown farmers market. The agreement will provide benefits to the City as well as offset fees and expenses. The Scottsdale Museum of the West has been selected as a finalist in the site development public sector category of Arizona Forward's 36th Annual Environment Excellence Award Program. The 27th Final Four Tournament sponsorship is being reviewed and is scheduled to go to City Council on September 13th.

Chairman Scholefield noted the adjusted proposed sponsorship of the Final Four to \$125,000 and asked whether this was based on deliverables that were unattainable. Mr. Geiogamah confirmed that this is potentially the case, however it is still being evaluated.

Chairman Scholefield asked whether there is anything the TDC can do to assist with regards to the farmers market. Mr. Geiogamah replied that no additional assistance is

needed. The idea is to offset expenses for an event taking place on a near weekly basis of 36 to 37 events. There will be no funding considerations in the licensing agreement and the TDC will be kept updated.

Mr. Geiogamah recognized Commissioner Bailey's service, as this is her last meeting after six years of service. Commissioner Bailey thanked everyone for their hard work over the years and commended the TDC for its teamwork.

4. Event Funding Program Recommendations

Mr. Geiogamah stated that this is a new step as part of the event funding review and recommendation process. In the past, the Event Funding Working Group would meet and then provide their recommendations to the Mayor for signature. This year, the Event Funding Working Group's recommendation is being brought back to the TDC for recommendation approval. The community events include:

- A) AZ Fall Championship
- B) Scottsdale International Film Festival
- C) AZ SciTech Festival Kickoff Conference

The event program was presented to City Council in July. City Council asked that changes be made to the community event funding program. This has been completed and the recommendations will go to City Council on August 30th.

For the AZ Fall Championship, the Event Funding Working Group recommends \$11,000. This includes a 10% seasonality adjustment, which was one of the recommendations from the Commission. City Council asked that this be continued. The recommended amount for Scottsdale International Film Festival is \$16,500, including 10% additional seasonality adjustment. AZ SciTech Festival Kickoff Conference has been recommended for \$5,500. Staff is requesting either approval of the funding amounts, direction to staff to further evaluate events, or direct staff to take no action.

Commissioner McCreary asked for the location of the SciTech Festival, which Mr. Geiogamah stated was located at the Civic Center Mall.

Vice Chairperson Hirose suggested that the form include projected attendance. Chairman Scholefield added that it might benefit the Commission to provide perspective as to what may have been received the previous year. Commissioner Hill stated that she and Commissioner Dillenbeck were part of the group that evaluated these events. There were adjustments up and down depending on the request.

COMMISSIONER BAILEY MOVED TO APPROVE THE EVENT FUNDING PROGRAM RECOMMENDED AMOUNTS AS PRESENTED. COMMISSIONER DILLENBECK SECONDED. THE MOTION CARRIED BY A UNANIMOUS VOTE OF SEVEN (7) TO ZERO (0).

5. Event Partnership Agreement Parada del Sol Parade

The City is currently evaluating the possibility of entering an event partnership agreement with the Parade. The Parade has received funding through the Community Event Funding Program for over 20 years in amounts varying from \$15,000 to \$30,000. Due to historical perspective and longevity of the event, the City would once again like to consider further engagement, possibly through a five-year contract that would include potentially direct dollar funding support. Staff is still evaluating the potential amount as well as providing in kind services to the Parade.

Mr. Geiogamah introduced Ken Koziol, who provided a presentation on the Parade.

- 64th year for the event, which began in 1951 as the Sunshine Festival that was sponsored by Scottsdale as a parade and barbeque
- Name changed to Parada del Sol (walk in the sun) in 1956
- Scottsdale Jaycees took over the Sunshine Festival in 1953
 - Added the rodeo
 - Operated until 2008
 - This age related organization lacked sufficient participation. The Jaycees organization dissolved, however the parade and rodeo continued.
 - Parada, Inc., A 501(c)(4) organization was incorporated
- Last year, the committee split with the rodeo a separate legal entity than the parade and festival, but currently 501(c)(4) organizations
- Recent enhancements include:
 - “Scottsdale,” added to the official name
 - Paul Messinger named Grand Marshal
 - Enhanced merchant relations
 - Updated route to include Museum of the West
 - Partnership with Scottsdale Unified School District
 - Arizona Flag pilot program in Old Town in February
 - Updated equine safety plan
 - At trails end, activities were enhanced, the site plan was updated and the budget was expanded to enhance music and entertainment
- Short-term goals
 - Update event branding
 - Enhance event offerings
 - Increase media outreach
 - Increase organizational efficiencies
 - Expand sponsorship outreach
 - Financial stability for the organization
- Long-term goals
 - Develop into a destination event and premiere festival
 - Expand to a two- to three-day event
 - Include as many business downtown as possible
 - Generate hotel bookings
 - Possibility of moving dates to extend length
- Schedule of events
 - February 11th parade 10 a.m. to 12 p.m. Trails End 12 p.m. to 5 p.m.

- Route is nearly identical to 1959 route
- Includes Western village, Native American village and Hispanic village
- Cowboy kids area
- Vintage vehicle displays
- Mayor's "Stars of Scottsdale" program

Commissioner Hill described the concepts as "music to my ears," recalling the Parada as a week to two-week event as a child. The community was greatly involved and the events were a significant help to merchants. She expressed support and added that it could become a television coverage event.

In response to a question from Commissioner McCreary, Mr. Koziol stated that the Parade moved south on Scottsdale Road, the route changed two years ago.

Commissioner Grupp asked about merchant support. Mr. Koziol stated that street closures are sometimes a challenge for merchants. Support has been 50/50. There was discussion that the new route will be more beneficial for the downtown area.

Commissioner Bailey asked whether staff is also working with the Task Force on this in terms of the Five Year Strategic Plan. Karen Churchard confirmed that this is the plan, particularly due to a focus on the Western Month theme. One of the Task Force's primary areas of concentration is developing product and events. A partnership will assist with the focus on February as a Western heritage month. Commissioner Bailey agreed that having a core event in place and building upon it is an effective approach.

Vice Chairperson Hirose talked about attending this year's Parada del Sol, noting that he was particularly impressed with Trails End. He added that during a recent visit to Houston, he met with a luxury publication, who expressed interest in writing about and attending Trails End.

Chairman Scholefield asked for a timeline for the plan development. Mr. Geiogamah stated that when a plan is complete, it will be brought back, along with an agreement, funding and in kind services outlined. The goal for this next step is September. Chairman Scholefield suggested keeping the Commission involved as the process moves forward.

Commissioner Grupp asked about plans to enhance next year's event. Mr. Koziol stated that the very first committee meeting took place last night. In the past, securing a date for the event was a struggle and there was window of approximately only six weeks to coordinate the event. The fact that the first meeting has already taken place is very encouraging.

Mr. Geiogamah suggested the possibility of having the Event Working Group to work with Mr. Koziol's group to flesh out points related to programming. Chairman Scholefield agreed, suggesting that they also draw on the talents of the Tourism Advisory Task Force. Ms. Churchard added that the Event Working Group includes both Task Force and TDC members.

6. 2015 Longwoods Travel USA Report

Mr. Geiogamah noted that this report came out of the Tourism Development Strategic Plan, in an effort to enhance research and reporting to be more comprehensive. AnnDee Johnson, Vice President, Longwoods International, provided the report as follows:

National Market

- Data collection via nationally syndicated survey
- Data collection four times per year
- Domestic travel only
- Steady growth from 2011 to 2015
- 2.4% increase from 2014 to 2015
 - Trip types
 - 44% visiting friends/relatives
 - 43% marketable
 - 10% business
 - 3% business-leisure
 - All segments grew during the period

Scottsdale market

- Total trips in 2015: 8.6 million
 - 3.1% increase over 2014
 - 52% overnight trips (4.4 million)
 - 48% day trips (4.2 million)
- Total overnight in 2015: 4.4 million
 - 48% visits to friends/relatives (2.1) million
 - 35% marketable (1.5 million)
 - 12% business (0.5 million)
 - 5% business-leisure (0.2 million)
 - Total overnight spending: \$1.2 billion
 - 11.8% increase versus 2014
 - 41% lodging (\$479 million)
 - 27% food and beverage (\$324 million)
 - 13% retail (\$150 million)
 - 11% recreation (\$134 million)
 - 8% transportation at destination (\$98 million)
 - Growth sectors: lodging, restaurant food and beverage and recreation
- Total day trips: 4.2 million
 - 4.2% increase versus 2014
 - 49% marketable (2 million)
 - 39% visits to friends/relatives (1.6 million)
 - 8% business (0.4 million)
 - 4% business-leisure (0.2 million)
 - Total day trip spending: \$266 million
 - 3.9% increase versus 2014
 - 36% food and beverage (\$96 million)
 - 31% retail (\$83 million)

- 20% recreation (\$53 million)
- 13% Transportation (\$34 million)
- Growth sectors: retail, recreation

Key findings

- In 2015, Scottsdale had 8.6 million person trips, an increase of 3.1% over 2014. 52% were overnight trips and 48% were day trips.
- The overnight trips generated \$1.2 billion in spending, an increase of 11.8% over 2014.
- When asked about the main purpose of their overnight trip, 48% responded that they were visiting friends and relatives, while 35% said they were on marketable trips.
- The most prevalent marketable trip types was special event trips (fairs, festivals and sporting events), which was up 1% from 2014. The second most prevalent type was touring through the region and the third type was resort, which was up 1% from 2014.
- The average number of nights spent in Scottsdale on an overnight trip was 3.9 nights, which was the same in 2014 with average travel party size at 2.4 persons. This is down slightly from 2014, with slightly fewer children traveling.
- Travelers on overnight trips to Scottsdale were more likely to arrive by plane and less likely to travel in their own car than the national average.
- Travelers on overnight trips to Scottsdale were most likely to engage social media by reading travel reviews, posting photos online and accessing news/promotions.
- The top five states of origin for overnight trips were California, Arizona, Illinois, Colorado and Florida.
- The top six DMA's of origin were Los Angeles, Chicago, Phoenix, Tucson, New York and San Francisco.
- The top five activities engaged in by travelers on overnight trips to Scottsdale were shopping, fine dining, swimming, visiting a landmark/historic site and hiking/backpacking.
- Overall trip experience and friendliness of the people received the highest satisfaction ratings for overnight visitors to Scottsdale.
- 70% of overnight visitors had visited Scottsdale before, and 59% said they had visited in the past year.
- 49% of overnight trips were planned 2 months or less before the trip, and 7% did not plan anything in advance.
- "Airline" was the most frequently cited source of planning information at 25% and the top ranked method of booking at 28%.
- Scottsdale exceeds the national average in terms of satisfaction with sightseeing and attractions as well as value for the money.

Commissioner Grupp asked about the reference to increased percentage of feeder markets from Florida. Ms. Johnson did not cite a specific impetus, but noted that Florida has been moving up the list of feeder markets and this will be tracked in more depth over time.

Vice Chairperson Hirose asked about specifics of the survey and sampling. Ms. Johnson stated Longwoods works with Survey Sampling International (SSI)'s North

American panel in order to collect the data. The survey is a representative sample of the U.S. market. Census categories are utilized to determine sample criteria. Data is collected four times per year. The data is weighted against known statistics relative to the U.S. population as a whole. The national sample in 2015 totaled approximately 330,000 with a margin of error of less than 1%.

In response to a question from Vice Chairperson Hirose, Ms. Johnson stated that the data is not broken down by quarter and is presented on an annual basis. Data is collected by quarter to enhance data validity.

Chairman Scholefield commented that a quarterly breakdown would provide greater understanding of feeder market strength on a seasonal basis. Ms. Johnson replied that the data can be, "sliced and diced," to pinpoint this segment.

Chairman Scholefield referred to the 2.1% increase in overnight trips and asked whether this could be broken down by how much was in VFR, business leisure, business and marketable trips. Ms. Johnson stated that this could be done just by a comparison of one year to the next. Chairman Scholefield stated that this would be helpful data to include in future reports. The same would be true for increases in spending.

Ms. Johnson stated that from 2014 to 2015 in overnight trips, VFR went from 47% to 48%. Marketable trips are steady at 35% of the total. Business trips went from 13% to 12%. Business leisure trips were steady at 5%.

Chairman Scholefield asked whether a formula was used to calculate recreation spending and retail spending when generating a total spending chart for those surveyed. Ms. Johnson stated that those surveyed are asked for specific spending amounts in different categories. The spending data is run through additional analysis to determine comparisons to other known data sources in relation to the Scottsdale market.

Vice Chairperson Hirose expressed surprise that business travel percentages are so low. Ms. Johnson stated that this a common question, particularly at city level, where staff are dedicated to developing business travel revenue through meetings, conferences and individual business travelers.

Vice Chairperson Hirose commented that at 50%, visiting friends and relatives is a great opportunity from a marketing standpoint. Commissioner Bailey agreed, noting that many locals do not have a complete understanding of all there is to do in the City.

7. SCVB Fourth Quarter Performance Measures Report

Rachel Pearson, Vice President of Community & Government Affairs of the Scottsdale CVB, provided the report on fourth quarter performance. All City performance measures were not only met but far exceeded. The convention sales team booked over 536 meetings into Scottsdale area hotels and reports, reflecting a 35% conversion rate. Staff has continued to focus on meetings and groups for fall and summer periods and 36 percent of bookings were for these time periods.

The tourism team met with over 4,000 travel agents and tour operators this year through trade shows, media missions, familiarization tours and product training seminars. They also spent the year training travel agents and tour operators on how to sell Scottsdale. They trained over 1,000 agents, reflecting a 50% increase over the previous year.

The public relations team generated over 1,000 articles on Scottsdale. These articles were worth \$27.5 million in editorial value. Coverage reached 3.8 billion people, reflecting an increase of 46% readers and viewers than the previous year.

The marketing team focused on season campaigns, including summer, spring, fall and holiday season. These campaigns drove more than 500,000 page views to the website. There was also a record high 2.6 million unique website visitors.

More details and highlights will be provided in the annual report to be completed in late September following the annual meeting. The new brand will be launched September 21st during the annual meeting.

8. Desert Discovery Center Management Services Agreement

Gary Meyer, Senior Project Manager provided the report. On January 11th, the City Council approved a contract with nonprofit partner Desert Discovery Center Scottsdale, the operator and manager for the facility. City Council gave direction to create a business plan and feasibility analysis, and also directed the process of amending the existing municipal use master site plan for the Gateway Trailhead site. They gave direction to City staff to hire an architect to create conceptual plans.

In February, City staff issued a request for qualifications for a design team, architect and sub-consultants. In March, 11 responsive proposals were received. A selection process followed via a five-member selection panel. The top four firms were interviewed and ultimately Swaback Partners was selected.

Two well attended public meetings regarding the Center were held in April. In June, the City Council formally approved the architectural design contract with Swaback Partners and the sub-consultants. Recently, Desert Discovery Center Scottsdale has hired Thinc Design out of New York City as the experience designer. Thinc Design was in town the previous week for an immersive week-long collaborative session.

Work has continued with the design team on the programming process in cooperation with project partner ASU. There is a MOU with ASU for research and education.

Next steps include the programming phase with plans for public meetings in the fall to present findings, with a focus on balancing the financial, environmental and physical needs of the project. Following public meetings, the project will progress to schematic design phase during the winter and spring. By spring, conceptual plans will be shown to the public followed by a formal update to the municipal use master site plan. The current phase is scheduled for completion next summer, at which time it will go back to City Council for further direction.

In response to a question from Chairman Scholefield, Mr. Meyer confirmed that the project is still progressing according to the original timeline.

Commissioner Bailey stated that she had been impressed by the presentation by Thinc Group, and that it brings a new perspective to the Center, its potential and the importance of its proposed location.

9. WestWorld 2020 Update

Jason Rose provided the update, noting that he was present on behalf of Barrett-Jackson. Two factors driving the effort include the general economic climate as well as increased demand for state land. There are extremely important state land parcels around WestWorld that may need attention. In addition, the passage of Prop 123 will increase pressure to sell state land to fund the Governor's education objectives.

The large tent that originally hosted Barrett-Jackson is being removed at the instigation of DC Ranch residents who did not care for the site's aesthetics. In addition, there was a commitment when the Tony Nelson Equestrian Center went up that the tent would come down. The tent will be removed after Barrett-Jackson 2017. Critical remediation work will have to be done to integrate the site into Barrett-Jackson 2018. It is particularly important that this be completed in a way that does not impact the Scottsdale Arabian Horse Show.

The recent economic report put Barrett-Jackson on par with the Fiesta Bowl and the Cactus Bowl combined at \$167 million annual economic impact. However, to allow this growth, the amount of cars being consigned is up to 1,300. There are several questions related to storage and care of the vehicles. Historically, the tent has served this purpose, with the nicest vehicles staged within the tent. Removal of the tents means less adequate storage and staging space. Last year, 25 percent of vehicles were stored in Lot G. There were many complaints from car owners about the amount of dust accumulating on the vehicles. These conditions have the potential to decrease sales.

The policy question relates to whether Barrett-Jackson should cease operations or whether the issues can be addressed. Barrett-Jackson has offered to finance some of the improvements. The Tony Nelson Equestrian Center has been underutilized. It is believed that the area would have greater utility if it were paved, rather than dirt. The relocation of Arena 8 is an issue impacting Barrett-Jackson far less than the Lot G issue. I would allow greater staging near the Tony Nelson Equestrian Center, where the City has placed so much investment. The roughly estimated cost for the improvements is \$885,000. The Scottsdale Arabian Horse Show is amenable to this change, provided that required specialty mats are procured along with the improvement.

Possible suggestions for funding the improvements include a Barrett-Jackson contribution paid over three years in the amount of \$282,000, contribution from the City of Scottsdale in the amount of \$353,000 and unused portion of Scottsdale tourism tax funds in the amount of \$250,000.

There are two state land parcels that are worrisome to Barrett-Jackson's future. These include a ten acre parcel at 96th Street and Bell Road, which currently provides two

entrances into WestWorld. They are also used by Barrett-Jackson for parking. If this parcel is sold, only two entrances into WestWorld would remain, at 94th Street and the main entrance. In addition, there is a 7.29 acre parcel that could potentially be used for residential development. If this becomes a housing development, there will likely be complaints about equestrian uses and noise at WestWorld.

The tent removal will cut Barrett-Jackson's square footage by 30,000 to 40,000 square feet for display. Barrett-Jackson is in the process of locating replacement tents. A policy question relates to the possibility of Barrett-Jackson putting alternative tents up and whether they should stay up for two to three months for the event season, or whether they should be taken down after each event.

Additional potential steps include installation of lights at the K lot parking area, enhancing the equestrian show with Arena 6 and 7 and expanding the number of RV sites.

Mr. Rose noted that this issue is not only related to Barrett-Jackson and the Scottsdale Arabian Horse Show, but also affects the Phoenix Open. The City is working proactively to come up with a plan west of Scottsdale Road near the Penske auto dealerships, which may provide a solution for the Phoenix Open and for WestWorld.

Barrett-Jackson owns eight acres of land at 94th Street and WestWorld Drive across from the existing tent. It is Barrett-Jackson's desire to build the "Taj Mahal" of collector car headquarters, with a preference to do this on its own private property. What happens at WestWorld affects this decision making.

Cost estimates for WestWorld improvements were provided by the City. K Lot light installation at approximately \$1.1 million, cover Arena 6 or 7 at approximately \$750,000 and expand the number of RV sites at WestWorld at approximately \$1.5 million.

The projected timeline is as follows. In 2018, construction begins on Barrett-Jackson corporate headquarters. In 2019, Barrett-Jackson's offices are completed. In 2020, WestWorld's future is secured as parking, site improvements and private sector investments come online.

A significant factor in deliberations relates to APS indicating for several years that it needs to provide more power in the area. APS has been reluctant to go east. Their chosen route goes from Raintree along the 101, cutting in front of WestWorld's entrance. The lines would then run in Horseman's Park, Commerce Park, by a school, by the Ice Den and eventually connecting its power lines. At a meeting with APS a month ago, the Mayor's office, Congressman Schweikert, the Bureau of Reclamation, private property owners, the Ice Den, Barrett-Jackson and the Scottsdale Arabian Horse Show all asked APS not to move forward with this and to explore other routes.

APS subsequently stated that it could not move forward with the alternate route for a variety of reasons, however, they would be willing to move the lines underground at a cost of \$3 million. The Horseman's Park area is willing to tax themselves, however, there is not enough property to raise \$3 million. There is the potential to raise up to \$1.5 million. Another possibility is the use of tourism funds. If no alternative is reached, construction of the power lines will begin in the fall.

Mr. Rose suggested the possibility of a special working group that could potentially frame the recommendations to come back before September 20th for potential action.

Commissioner Hill asked about alternate options that had been considered by APS. Mr. Rose stated that there were a variety of options to the east, however APS concluded that there were too many residents east of Raintree to develop an alternative in that area. An additional option would have routed along the canal and gone east on the canal, cutting through the east side of WestWorld before connecting back to the power line. He added that action and recommendation from this Commission would be helpful, in that APS is sensitive to public input. If APS is unwilling to accept an alternative, funding sources for burying the power lines need to be explored.

Vice Chairperson Hirose agreed that the power lines will damage views. However, a million dollars from tourism funds could also be used to promote other events. In addition, the expenditure of such a large amount will prevent expenditures in other areas. He referred to Lot G, noting the expense of the suggested improvements, while there are acres of other paved areas suitable for parking. Mr. Rose stated that Barrett-Jackson has maxed out the site in terms of paved areas for parking. Vice Chairperson Hirose commented that parking visitors could park in the dirt lots with paved parking left open for Barrett-Jackson vehicles.

Chairman Scholefield asked for a review of proposed timelines. Mr. Rose stated that he would like to be back before the Commission in September in terms of the APS power line issues. Without an alternative, construction on the power lines will begin in the fall. The second issue is addressing Lot G for Barrett-Jackson 2017. Next action items relate to the state land parcels. Chairman Scholefield noted that the City should be asked whether there is any update on applications for hotels for this space. Mr. Geiogamah agreed to provide an update.

Chairman Scholefield commented that this may have to become part of a larger overall discussion for WestWorld 2020, including operational procedures, marketing procedures and process, contractual limitations and other challenges. At the same time, he would not like to have this issue held up in lieu of resolution of these other issues.

Mr. Rose stated that WestWorld is likely the most studied property in the history of Scottsdale and that the issues presented are brought forth by the biggest user of the space as to what will be required to protect this area for a long period of time.

Chairman Scholefield stated that the Commission could guarantee a spot on the September agenda. Mr. Geiogamah suggested that staff work further with Mr. Rose with regards to some of the concepts presented with an eye towards a September presentation. Chairman Scholefield noted that the Commission is sensitive to significant investments made in the WestWorld area and he requested that three Commissioners be included as part of the discussion process.

Commissioner Hill asked about any vocalized opposition to the APS power lines. Mr. Rose noted that this move has not yet been featured in the newspaper and is not widely known.

Commissioner Grupp asked why and when the tent is coming down. Mr. Rose reiterated that part of the TNEC approval process included removal of the tent. There was also input from the community that the tent was not aesthetically pleasing. A compromise was reached to allow the tent to stay up through Barrett-Jackson 2017.

10. Public Comment

There were no comments.

11. Identification of Future Agenda Items

Vice Chairperson Hirose expressed appreciation for Commissioner Bailey's service, experience and professionalism during her time on the Commission. Chairman Scholefield also thanked Commissioner Bailey for her invaluable input and perspective.

Mr. Geiogamah stated that the September meeting will potentially include an update on the Canal Convergence event and an update on Museum of the West.

Commissioner Dillenbeck requested an update on the holiday event.

12. Adjournment

The meeting adjourned at 10:00 a.m.

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