Tourism & Events Department
7506 E. Indian School Road
Scottsdale, AZ 85251
480.312.7177

To: **David Scholefield, Chairperson**
Tourism Development Commission

From: **Steve Geiogamah, Tourism Development Manager**

Date: **September 19, 2017**

Subject: **Desert Edge Concept**

At the August 10, 2017 Tourism Development McDowell Mountain Sonoran Preserve Commission joint work-study, information regarding the Desert Edge concept and business plan were presented.

At the September 19, regular TDC meeting, further information outlining the concept will be provided by Desert Discovery Inc. Following the presentation and discussion the commission will be requested to consider the following possible options:

1) Provide a TDC recommendation for City Council consideration regarding the Desert Edge concept, business plan or possible allocation of tourism development funds in support of the concept.
2) Direct staff to continue evaluation of the concept and return with additional information and possible actions for consideration.
3) Take no action or further evaluation on the concept.

Alternatively, if there are additional questions or information needed for further consideration, staff will proceed accordingly.

The following items are attached for your reference in order to assist in preparing for the September 19 meeting:

Item 3a – Desert Edge Operating Plan Executive Summary
Item 3b – Desert Edge Preliminary Marketing Strategy
Item 3c – Desert Edge Branding Strategy

Please contact me at 480.312.4013 or at sgeiogamah@scottsdaleaz.gov if you need any further information.

Desert Discovery Center – Operating Plan Executive Summary

Prepared by:
ConsultEcon, Inc.

Prepared for:
Desert Discovery Center Scottsdale

July 2017

EXECUTIVE SUMMARY

BUSINESS PLAN FOR THE DESERT DISCOVERY CENTER

This report presents a business plan for Desert Discovery Center (DDC) to be located adjacent to the McDowell Sonoran Preserve Gateway in Scottsdale, Arizona. The DDC business plan reflects the 2017 DDC concept, operating concept, proposed operating partnerships, site and architectural plans and concepts, Exhibition Concept Design, project scale and target capital cost and the relationship of DDC to its site and the overall McDowell Sonoran Preserve. The full design analyses and concepts are presented under separate cover, and are the specific project concept that this business plan is based on. This business plan also reflects input received from the DDC design team and Desert Discovery Center Scottsdale (DDCS), the not-for-profit organization that is leading the planning for and fundraising the 501(c)(3) organization, charged with developing the plans for DDCS and raising support and funding for its successful development.

The research and analysis undertaken in preparing this DDC business plan were based on the following tasks:

- Evaluate, from a market and operating perspective, the site and facility concepts;
- Analyze the resident and tourist markets available to support DDC;
- Research the experience of other desert and arid place interpretive centers for their operating experiences and practices, and their success strategies;
- Analyze the attendance potential of DDC as currently planned;
- Estimate the operational revenue potential of the DDC concept as planned given its attendance potential and operating plan;
- Prepare a personnel plan and pro-forma operating budgets commensurate with DDC's operating opportunity, the physical and exhibit plans and to support DDC's success and fulfillment of its mission and objectives;
- For all baseline pricing, revenue and operating factors, unless otherwise noted, amounts are inflated from 2017 value of the dollar to 2021 estimated future value to reflect the planned opening date in October 2021. Certain factors such as personnel wages and fringe & benefits have been increased at higher rates to reflect current market conditions.
- Identify the appropriate amounts of non-operational revenues to be targeted to support planned operations, achieve operating success and fulfill DDC mission and objectives understanding that virtually all not-for-profit conservation and education institutions raise funds through contributions, grants, gifts, non-cash goods and

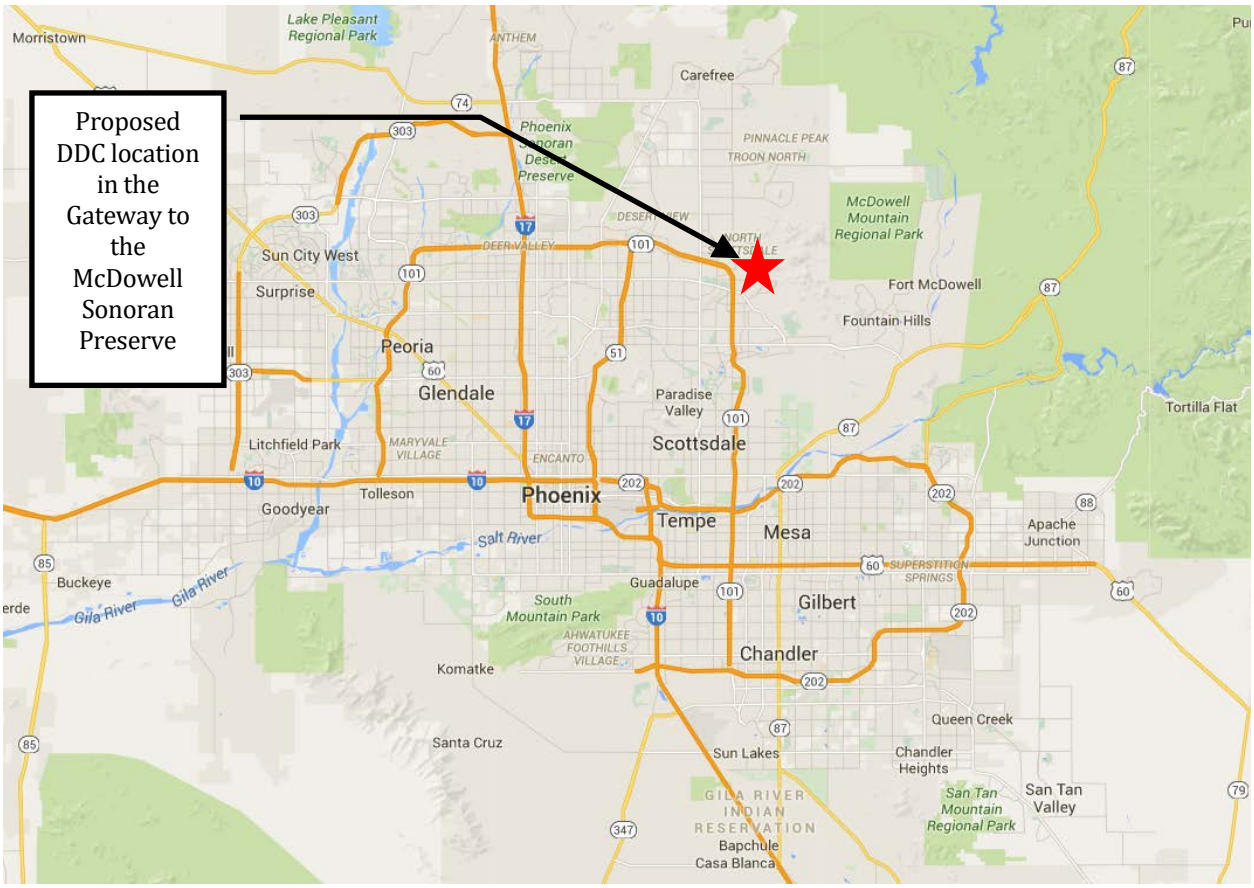
services and other contributed revenues. Estimates of non-operational revenue have been limited to the extent required. Higher amounts will be sought.

- Summarize marketing considerations for DDC.

DDC Location and Site

The Desert Discovery Center (DDC) will be located at the McDowell Sonoran Preserve Gateway at the intersection of Thompson Peak Parkway and Bell Road, about one mile from Exit 14 (Bell Road) on State Route 101, a major limited-access loop road connecting Scottsdale to the rest of the metro area. As such, the site will be easily accessible by vehicle to residents from the Phoenix metro area, as well as visitors from outside the region that may be less familiar with the area. See **Figure 1** below.

Figure 1
Regional Accessibility in Phoenix Metropolitan Area



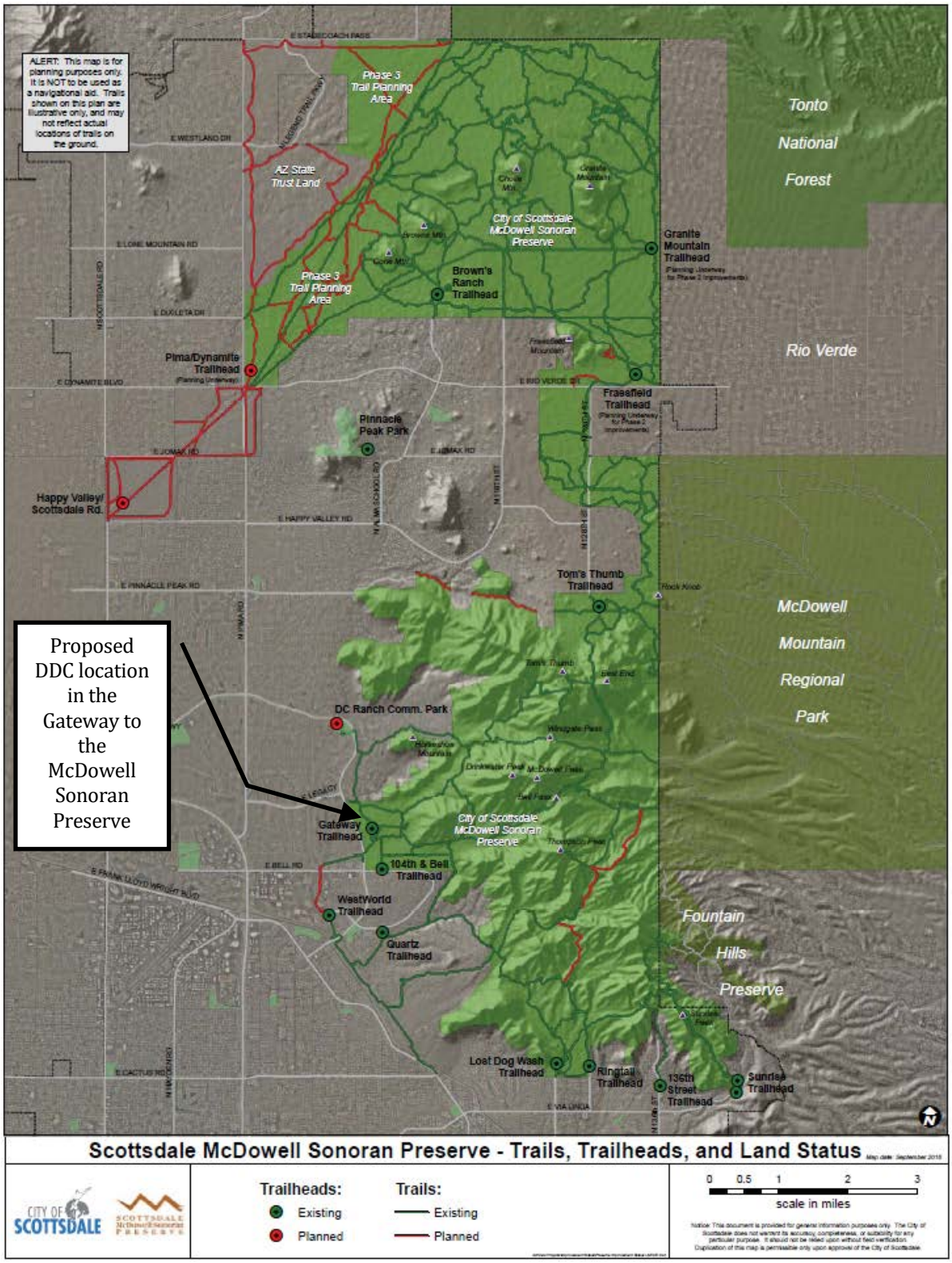
Note: Red star shows location of the planned DDC site
Source: GoogleMaps

Site size and quality, as well as adjacent uses are supportive of the development of DDC. The primary adjacency of DDC is the McDowell Sonoran Preserve, a 30,580-acre preserve, which will be the central interpretive theme for DDC. Trail use since the establishment of the Preserve has been increasing, with an estimated 700,000 uses at 9 trailheads in 2016. Trail users include both visitors to the area and residents who use the trails for hiking, trail running, and biking. DDC will be located at the McDowell Sonoran Preserve Gateway Trailhead. The Gateway is the principle public access point and largest trailhead for the preserve, with an estimated 210,000 uses from this trail head in 2016. The DDC site at the Gateway Trailhead is situated at the foot of the mountains, with direct views of the McDowell Mountains in one direction and views over the Phoenix urban area in the other. This will provide a dramatic contrast of views between natural desert and urban environments.

DDC's site at the McDowell Sonoran Preserve Gateway will be an important aspect of its accessibility and visibility and will increase public awareness of the facility. This location will foster fulfillment of DDC's education and conservation mission. **Figure 2** presents a map of the McDowell Sonoran Preserve.

Residential uses lie to the west and south of the site, across Thompson Peak Parkway and Bell Road, respectively. A mix of uses is located to the north. Overall, the highly accessible location and the dramatic site at the edge of the McDowell Sonoran Preserve provide the DDC with site characteristics that will support operating success and the opportunity to fulfill its mission.

Figure 2
Map of McDowell Sonoran Preserve Lands and Trails



Source: City of Scottsdale, September 2016

Desert Discovery Center Concept

Scottsdale's Desert Discovery Center (DDC) is envisioned as an interpretive, education and research center intended to complement the McDowell Sonoran Preserve experience and be a focal point for understanding human interaction with arid environments.

Ownership and Governance

The City of Scottsdale owns the land, and will own DDC's buildings and infrastructure. It is envisioned that a private operator will be under contract to run the facility on a daily basis, providing programs, experiential exhibits, volunteers, and staff. This model for a public/private partnership is used to run facilities such as Western Spirit: Scottsdale's Museum of the West.

Desert Discovery Center Scottsdale, Inc. is the 501(c)(3) nonprofit organization established for the purpose of planning and possibly operating DDC. The DDC plan has been advanced in the last year in its design, planned visitor experience, partnerships, and operating approach. Arizona State University (ASU)'s Global Drylands Institute will have facilities at DDC and will share in creating programs and educational experiences for visitors.

The DDC facility conceptual design has been advanced by the City of Scottsdale's architect Swaback Partners, and by DDCS' visitor experience designer, Thinc Design. ASU's Global Drylands Institute will have facilities at DDC and will share in creating programs and educational experiences for visitors. This business plan reflects these and other partnerships and plans as detailed in this report, as well as in separate design and planning documents.

DDC will offer a unique setting and visitor experience, encompassing an indoor-outdoor setting with views framed to enjoy the natural environment, as well as connections to the McDowell Sonoran Trail System. Exhibits and programs will explore geological origins, biodiversity and connectivity, water and its role in sustaining life, humans living sustainably in arid places, and many other related topics with the McDowell Sonoran Preserve being the lens for the visitor experience.

Total square footage of the campus is estimated to be 126,000 square feet (SF) of which 47,600 SF will be under roof conditioned space and the remainder will be unconditioned space under roof, canopy or open air. Further, there will be additional non-programmed areas, pedestrian circulation, plantings, etc. Exhibits are planned for 30,900 gross square feet (GSF) in both indoor and outdoor areas. ASU's Global Drylands Institute will occupy 10,500 Gross SF of which 9,000 gross SF will be under roof conditioned space. An off-site Administration Building of 5,400 is also planned.

There are currently 381 parking spaces at the Gateway site which serve Gateway Trailhead users. The adjacent DDC will also have dedicated parking. At this time an additional 163 parking space are planned to be developed in conjunction with the DDC. While there may be opportunities for "shared parking" with the Gateway's parking, such sharing could only

occur once DDC is open and there is proof of additional parking capacity from Gateway designated parking spaces. This operating plan does not include such shared parking opportunities. There may also be the opportunity for valet parking on-site and within the designated parking footprint by using valet parking techniques in a designated valet parking area during the busiest periods.

A parking management plan will be developed for DDC in conjunction with the Gateway, program partners with off-site parking at an "overflow" lot and other parking strategies. This overflow parking will be at the site of the off-site DDC administration building. Off-site parking will be used for staff and volunteers during busy periods; for buses and large vehicles; for visitors on high attendance days; and for attendees of evening events. It is estimated that 180 or more spaces will be needed at the overflow lot co-located with the off-site DDC administration building. The operating plan includes staff for shuttle bus operations.

Resident Market Characteristics

The overall resident market area for DDC is defined as the Phoenix Metropolitan Area, which encompasses Maricopa and Pinal Counties, extending to about 75 miles away from the planned site. The resident market area population is projected to increase between 2016 and 2021 by 7.8 percent, from 4.6 million to 4.9 million. This growth trend will increase the size of the markets available to DDC.

The demographic characteristics of the resident market areas include moderately high household-income levels, a similar age profile to the United States as a whole, and a large population of school-age children. In all, there were an estimated 822,000 school age children in 2016 in the resident market area, a number that is projected to increase by 5.4 percent, to approximately 866,000 by 2021. The median household income in the overall resident market area is somewhat higher than those of the State of Arizona, but about the same as that in the United States as a whole. While this indicates that a significant number of households can afford to visit a conservation and education destination such as DDC, care should be taken in planning ticket price ranges to be affordable to all economic levels in the resident market areas.

Also indicative of the resident market potential to visit DDC was resident's relatively high level of engagement in active, leisure, and educational activities; on the whole, residents of the primary market area were more likely than other parts of the resident market area, the State of Arizona, and the United States as a whole to participate in activities like walking for exercise and visiting a museum, indicating that they will have a higher propensity to visit a destination like DDC. Overall, these population and income level data, especially in the primary market area, are positive indicators for potential resident market visitation to DDC.

Tourist Market Characteristics

As a major conservation and education destination, DDC has the potential to draw visitation from tourists in Scottsdale, as well as tourists staying in other locations throughout Central Arizona. The tourist market segments for the proposed DDC include overnight visitors in both paid and non-paid accommodations, seasonal residents, day trip visitors originating from within Arizona, as well as overnight visitors in other parts of Arizona, and international overnight visitors.

Overall, the market for tourism in Arizona has experienced continual growth and change in recent years. In 2015, Arizona welcomed an estimated 36.4 million domestic and 5.7 million international overnight visitors, generating substantial visitor spending and economic impact on the state. A large concentration of this impact is in Central Arizona – the Phoenix Metropolitan Area – which welcomed an estimated 22.1 million visitors in 2015.

Scottsdale has long been an important tourism destination in Central Arizona, known for its luxury tourist amenities, as well as rich desert scenery. Overall, there are an estimated 2.8 million overnight visitors and 4.4 million day visitors to Scottsdale in a typical year. Among overnight visitors, an estimated 1.9 million are domestic and international hotel visitors; 390,000 are estimated to be travelers in other paid accommodations; 348,000 are estimated to be visitors staying with friends and relatives; and, 159,000 are estimated to be visitors in seasonal homes. The estimated 4.4 million day trip visitors are made up of 4.1 million estimated domestic day trippers and 280,000 estimated international day trip visitors who stay overnight in other parts of Central Arizona.

Change and growth in the tourist market in Scottsdale is in part due to increasing visitor volumes, but also due to changes in visitor interests and increasing interest in cultural activities, family activities, and outdoor recreation. The trend in the tourism industry emphasizes that travelers seek authenticity in their travels, especially in natural settings. The addition of DDC will add accessibility to the desert for tourists who do not know how or are otherwise reluctant to enter the desert environment without preparation or interpretation. Further, DDC will diversify and enhance Scottsdale's tourism offerings with its outdoors and desert focus. As a high-profile destination, the offerings at DDC will be important to the tourism economy and quality of life for the local community.

Competitive Context

The Phoenix Metropolitan Area, which includes Scottsdale, offers many popular attractions, professional sports teams, major shopping malls, outdoor recreation, and a substantial accommodations base. In addition, there are a number of cultural and nature based destinations, including museums, parks, cultural and educational attractions, and historic sites.

Attendance at the top tourist attractions in Phoenix Metropolitan Area ranges up to 1.3 million at the Phoenix Zoo, which has the largest number of visitors among the profiled

attractions. There are five cultural/nature based destinations that draw an estimated 200,000 to 450,000 visitors annually, including the World Wildlife Zoo and Aquarium, Desert Botanical Garden, Arizona Science Center, the Heard Museum, and Phoenix Art Museum. Ticket prices at local facilities vary greatly, from $2.00 at some of the smaller venues to $39.99 at the Wildlife World Zoo, with the most popular attractions generally charging between $10.00 and $20.00 for adult admission.

As the population in the Phoenix Metropolitan Area grows, so does the context for competitive leisure activities in the area. New attractions in the area include the South Mountain Environmental Education Center in Phoenix, the SEALIFE Arizona Aquarium in Tempe, and the OdySea Aquarium in Scottsdale. Recreation parks and mixed-use destinations provide additional infrastructure for visitors and residents alike. Further, annual sporting and cultural events in Scottsdale draw a large number of visitors, generating demand for attractions and activities, as well as tourism infrastructure.

The context of competitive attractions and leisure activities in the Phoenix Metropolitan Area in general and Scottsdale in particular is active and growing; however, for a metropolitan area of the size and growth of Phoenix, there are few cultural and nature based destinations that achieve high levels of attendance, indicating room to grow within the market. The proposed high-quality educational and cultural experience to be offered at the DDC will be a welcome addition to the market. Ticket prices for the proposed DDC will be set in line with other attractions in the area and the unique offerings at the DDC will be emphasized in order to differentiate the organization from other competitive attractions in the area.

Conservation and Education Destination Case Studies

To inform the DDC plan, case studies of five national conservation and education destinations have been prepared. While there are no exactly comparable facilities to DDC, the case studies the detailed analyses identified the following success factors for facilities of this type.

- Staying true to the mission of the facility.
- Image-able, unique setting that is well-located for accessibility.
- Design that creates a sense of immersion in the natural environment.
- Outstanding facility that highlights its setting and interpretive programming. Newer facilities are “green” and/or LEED certified.
- Exciting, changing exhibits that bring in new and returning audiences.
- Special events and festivals that appeal to a wide demographic.
- Strong educational programs for adults, children, families, and school groups.
- Competitive ticket pricing.

- Retail, food service and other guest services that allow visitors to spend more time and dollars at the facility and enhance the overall experience.
- Aggressive marketing that promotes the facility, its exhibits and special programming.
- Public/private partnerships that allow for membership and donor opportunities.
- Appropriate staffing and the extensive involvement of volunteers.
- Cost controls and careful operational planning.

Attendance Potential

Based on the market research and analysis undertaken and the planned high-quality visitor experience, a preliminary range of attendance potential for DDC has been established. Stabilized attendance levels are typically achieved in the third or fourth year after opening. Attendance potential at DDC in a stable year (Year 3) is estimated at 228,000 to 385,000, with a mid-range estimate of 306,000.

In addition to visitors to the interpretive areas, it is anticipated that there will be considerable regular use of the non-paid components of DDC such as the café and retail shop, and the free entry campus areas by local residents and Scottsdale tourists. This use will often be in conjunction with hiking and other use of the overall McDowell Sonoran Preserve.

Attendance is expected to be somewhat higher in early years of operation due to local excitement about the project; a 20 percent attendance surge is estimated in Year One and a 10 percent attendance surge is in year two. Attendance will be highest during the November through April period. This seasonality will affect use of on-site parking resources. The DDC development plan includes parking sufficient for many days of the year, but for busier periods on-site parking will be supplemented with a DDC off-site parking lot co-located with the DDC administration building. A parking shuttle will be provided during high attendance periods when staff, volunteers, and some visitors would need to park off-site, and for evening events as needed. This attendance potential analysis reflects a competitive ticket pricing policy and aggressive marketing of DDC. This estimate of attendance potential represents a range of market response, but it also reflects a high-quality program and interpretive focus.

Revenue Potential

DDC, as do virtually all cultural, conservation, and education destinations, will generate revenues from a wide variety of sources including operational revenues from tickets, retail, food service, facility rentals and so forth; from memberships; and from an array of non-operational revenue sources such as interest from the planned $6.3 million operating reserve fund, fund raising events, grants, gifts, contributions, contributions in-kind, bequests and so forth. These many revenue sources are needed to meet the institutions

operating costs and to contribute to future facility re-investment and capital maintenance. The revenue plan as described is achievable if the full DDC facility and interpretive plan is implemented; a successful governance structure and organization is established; and, the quality of operations is as described in these early plans.

In this business plan, DDC has $4.6 million in operational revenue potential in a stable year in 2017 value of the dollar. A targeted $1.7 million in annual, current dollar non-operational revenues is targeted for a stable year of operations. This amount would fully cover operating expenditures including the planned capital reserve fund. Therefore, DDC operational revenues have been estimated to be about 73 percent of total revenues, with the remaining 27 percent from non-visitor related revenue sources. This is a favorable ratio of operational and non-operational revenues sources. DDCS plans to will seek larger amounts to fund additional programs and activities, enhance its market position, build its endowment and capital reserves, and to fund capital improvements.

Operating Costs

The DDC staffing profile for the project includes 55 full-time year-round employees, 36 part-time employees, and 14 seasonal employees, for a total of 76.5 full-time equivalent positions. The total payroll, including fringe and benefits, for DDC is estimated at $3.6 million. Paid staffing will be supplemented with volunteers. Total operating costs, including personnel, budgeted expenditures for administration, marketing, exhibits, programs, utilities, maintenance, etc., as well as capital reserves, is estimated at approximately $6.3 million in a stable year and in current dollar value.

Operating Potential Summary

Based on the analysis in this report, DDC has the potential to operate successfully over time, if the assumptions regarding quality of facility development, operations, and annual fundraising are met. This project will derive substantial income from tickets, retail, food service, facility rentals, memberships and programs; however, active and successful fundraising is vital to sustain DDC financially. According to this plan, in the current value of the dollar in a stable year, operating expenses are planned at $6.3 million annually. In this scenario, DDC earns $4.6 million – about 72 percent of the revenues needed to support the facility's operating costs. This is a strong rate for a successful, well-run facility of this scale and type, and reflects the outstanding site, the attractive facility plan, programming partners, and the organizational profile and expense budgets as outlined herein.

In addition to DDC's substantial capacity to generate operational revenues, DDC like virtually all not-for-profit institutions of its type, will need to secure non-operational revenues to sustain operations. The non-operational revenues target has been set only at the level needed to cover the operating expenses of the plan. The non-operational revenues assumed in this plan are well within the experience of other major conservation and education destinations nationally and in the Phoenix Metro Area. In reality, DDC will set higher targets for non-operational revenues in order to expand programs, build endowment, reinvest in the facility and increase financial reserves to mitigate any

variances from operational revenue plans. A directed set of fundraising and giving programs will help to accomplish this goal.

There is a $6.3 million (current dollar) cash operating reserve planned as part of the project's initial capital cost that will be available for any contingencies, as well as to provide funding should fundamental shifts in the organization's structure be necessary to reach a new equilibrium between revenue sources and operating costs. The amount of the cash operating reserve is equal to a full year's operating budget.

The operating profile of the facility is similar to many of the comparable institutions, whose operating strategies have been used in preparing the operating plan. Many projects of this type experience early year surges in attendance. This pattern has been included in this plan, and the operating plan is based on stable year performance. Diversified and creative sources of revenue and sound fiscal management will assist DDC to sustain its operations and provide a valuable resource for conservation, education and quality of life in Scottsdale and surrounding areas.

APPENDIX F

PRELIMINARY MARKETING STRATEGY

Publicity and public outreach will be an ongoing and increasingly important activity as DDC is developed. These activities will transition to the ongoing marketing, advertising, publicity, and fundraising for DDC as it opens and operates. Following is a Preliminary Marketing Strategy for DDC.

Product Definition

DDC product definition starts with its Mission Statement, and extends to its building, site program, and the types of experiences it will offer. The Desert Discovery Center Mission Statement is currently being developed.

DDC as planned will be an indoor-outdoor campus with a variety of spaces. It will be open to the public with admission fees to visit the exhibits. This will be a major destination in the Phoenix Metro Area and has the space and capacity to accommodate a high attendance pattern and high attendance days.

The architecture of the Desert Discovery Center (DDC) is conceived as a world-class statement on how to sensitively integrate a built environment into its pristine Sonoran Desert setting, while at the same time providing for all the educational, recreational, and social opportunities DDC affords.

Experiencing DDC's various pavilions and courtyards, visitors will gain an insightful education about the McDowell Sonoran Mountain Preserve, as well as the Sonoran Desert and other arid environments. Numerous interpretative exhibits, and hands-on demonstrations by Preserve docents will be contained within the courtyards and pavilions geared to all ages and all levels of interest. Programming partners, will substantially enhance the visitor experience by bringing expertise and content to changing exhibits, programs, and events, as well as offering guided hikes and specialized experiences.

An immersive theater experience will take visitors on an emotional journey through the desert. Within DDC, one will be able to fully encounter the mysteries of the desert and the hidden worlds of the desert plant and animal life through interesting and engaging exhibit experiences, suitable for both adults and children. DDC will be a place of constantly changing presentations and events so that one gains a different experience on every visit.

The campus will be a place of community gathering and entertainment, including:

- A restaurant/café, featuring a unique desert-dining experience.
- A shade covered amphitheater, featuring frequent and diverse talks and programs.
- A retail shop, featuring a unique blend of desert-related items such as gifts, hiking gear, books, desert plants, art, CD's, etc.
- The programming partners will reinforce DDC as the best place to learn about the latest research on desert environments and sustainable lifestyles in desert environments for those interested in these topics, and volunteer to support research or DDC overall.
- The Sonoran Seasons will be another community gathering place, as a multi-purpose, architecturally unique, indoor/outdoor pavilion that will be used for a variety of presentations and conferences, as well as social gatherings and corporate events.

DDC will most importantly act as a gateway to explore the McDowell Sonoran Preserve, as it will be directly linked to a short interpretive path to stroll into the desert or to continue on to enjoy the miles of pathways that take visitors deep into the desert. It will be a well-known destination for Scottsdale and in the Phoenix Metro Area as a whole.

Brand Development

DDC will develop its core "Brand" in a process paralleling its planning and development. A starting point for describing the "core essence" or "core characteristics" of DDC will help to establish the DDC Brand. These core essences will also inform the marketing messages to potential visitors. Simultaneously, as planned, a new name for DDC will be developed. It should be tested and verified as a part of the institution's brand development. Following are initial ideas for descriptions of the DDC's core essences that have been drawn from the characteristics of DDC, the visitor experience planning, and the input of the creative team and the client group throughout the planning process.

- A "true" Sonoran Desert experience.
- Feel the mystery and beauty of the Sonoran Desert.
- A desert experience that informs and entertains all age groups and levels of experience with the desert.
- A world-class facility that sensitively integrates a built environment into its pristine Sonoran Desert setting.
- The best view of the McDowell Mountain Range in the Phoenix metro area.
- Become engaged in conservation of arid places, starting in Scottsdale.
- A cool oasis in the desert.
- The authoritative interpreter of the Sonoran Desert.
- An entree to a lifetime of desert experiences.
- A great place to enjoy with family and friends.
- The best setting in Scottsdale for your special event.

The branding process is part of the ongoing project planning to distill DDC's characteristics from a marketing perspective to focused characteristics that will become the basis for DDC publicity, marketing, advertising, and fundraising.

Market Segments and Target Audiences

DDC is expected to attract visitors from both resident and tourist markets. Marketing channels that engage both residents and tourists will be most effective. Because many visitors to the area look to area residents for advice on things to do while visiting the area, elements of the marketing efforts should focus on a general campaign in the Phoenix Metro Area. There are plentiful tourist prospects in the local area such that marketing outside the Phoenix Metro Area should focus on publicity and building familiarity in the travel industry, rather than in major media expenditures. The available advertising dollars are better focused in-market; with "earned media" (editorial coverage opportunities, as opposed to advertising) focused on general publicity and name recognition outside of the Phoenix market.

Types of Visitors

Elements of DDC's marketing should focus on targeted types of potential DDC visitors such as the following:

- Resident market families.
- Adult couples and groups from the resident market.
- Outdoor sports enthusiasts including hikers and mountain bikers.
- Tourist families.
- People visiting friends and relatives who reside in Scottsdale or elsewhere in the metro area.
- Couples and singles staying in resorts and hotels in Scottsdale and other metro area communities.
- People interested in the latest research on desert environments and sustainable lifestyles in desert environments.
- Attendees of marquee events such as auto auctions, championship sports events, etc.
- Attendees of Phoenix Area conferences and events looking for a special place to visit, as well as event organizers who may use the DDC as the location for a conference related event.
- Seniors or others who can no longer hike deep into the desert environment.
- School groups.
- Attendees to social and business events held at DDC.
- People using DDC's restaurant as a destination for a meal or drinks with friends.
- People using the Gateway to access the McDowell Sonoran Preserve.
- People desiring a Sonoran Desert experience during the hottest months.

Usage Patterns

Related to the product offered, and available markets, usage patterns suggest that the following will be primary ways that visitors will engage with DDC:

- As a special outing on a weekend, holiday or while on vacation.
- As a regular part of one's leisure time routine -- this especially occurs among DDC members and volunteers.
- As part of a school group.
- With a group such as an elder hostel, a church group, or Boy and Girl Scouts.
- For special programs and events such as lectures, guided hikes, new exhibit openings, and so forth.
- For children's birthday parties during regular hours.
- Before or after a desert hike or bike ride.
- To attend a business or social function.

- To have a meal or drink with friends.
- To purchase a special item at the retail store.

Product Pricing

Attendance is the primary driver of Operating Revenues. Attendance levels are also an important contributor to the evaluation of mission fulfillment and public reputation. Thus, a pricing strategy that focuses on high attendance both supports mission fulfillment and supports the financial success of DDC. A benchmark DDC adult ticket price of $17.50 is assumed with youth tickets (ages 3-12) at $11.00. In marketing DDC, the high value to price ratio these proposed ticket prices represent will be a strong selling point. As the project moves forward and the DDC plan is refined, the ticketing assumptions and pricing will need to be revisited along with assumptions regarding the use of "coupons" and discounting of admissions. The ticket prices used in the business plan are in line with the quality and value of the product offerings, the typical visitor length of stay at DDC, the experience of comparable facilities nationally, and with local area conservation, cultural, and educational attractions. Prices in this range signal to a potential visitor that there is a major experience offered; but that the price is not too high to give pause to most potential visitors.

Organizational Partners

DDC will provide experiences that are both enjoyable and educational. The conservation mission of DDC will be advanced. Its visitors will include residents, school children, and tourists. Therefore, there is a broad array of existing organizations and entities that will have common interests with DDC. The following are examples of partnerships that are now forming.

- Area conservation, science, and nature-based attractions could create joint ticketing, programming, marketing, and other strategies.
- Tourism based organizations may offer cooperative advertising opportunities, joint website placement, and other marketing opportunities. Connections to other Scottsdale leisure and entertainment oriented entities should also be explored.
- Partnerships with individual hospitality entities may be desirable. These might include bus tour package organizers, Scottsdale resort properties, event planners, and hiking guides.

The intent in each of these relationships is to find areas of mutual interest and programs that can advance DDC's marketing effectiveness. However, care must be taken that DDC maintain its standing, foremost as an advocate for the understanding and conservation of the Sonoran Desert and the McDowell Sonoran Preserve.

Marketing Budgets

An advertising budget of $612,000 in current dollars is included in the DDC operating plan based on $2.00 per attendee. This is commensurate with ticket pricing, the overall marketing budget, and industry best practices. This budget when leveraged with cooperative advertising and other such techniques is sufficient to maintain a strong marketing presence. In addition, however, marketing will be in part a personnel or overhead expense across multiple departments, including marketing, membership, visitor services, facility rental and management, and education and public outreach staff. A significant responsibility of all of these positions is public outreach. Thus, in addition to the media and sales aspects of marketing, there will be an ongoing effort toward creating events and programs that are news-worthy and will create opportunities for formal and informal outreach to targeted market segments. In addition, the DDC website should be leveraged as a primary marketing vehicle, and adequate funding should be allocated in the planned operating budget to dedicate staff and resources to maintenance of DDC's web presence.

Design of Marketing Programs

The marketing, advertising, and public relations elements of the marketing program – during all phases – must not only describe the quality of the planned attraction, but also create excitement among residents, potential visitors, media, and potential funders, sponsors, and marketing partners. Media and marketing design should reflect the following elements.

- The location, site, and accessibility must be emphasized in all media and marketing materials, and must be part of what builds community support.
- Vivid descriptions must be developed during DDC planning and design for future programming, including exhibits, events, and community uses.
- Marketing messages should appeal to as many audience segments as possible for cost-effectiveness and should be used in targeted, focused campaigns for each audience.

The DDC website will be the information portal for most people regarding a visit to DDC and regarding its important interpretive themes. It should be well-designed at inception and well-maintained to provide the public with updates on all that is happening at DDC, in addition to including content related to DDC that draws visitors to learn more about DDC and the desert environment it interprets.

Phasing of the Public Relations and Outreach Efforts

Public relations and outreach efforts are now underway. Following are suggested activities and a proposed sequence for the public relations and outreach efforts. As noted many of these efforts have begun or are in place.

Phase I - Building Community Support Through Marketing and Public Relations

During the planning, building, and launch phases of the project, it is important for project sponsors and advocates to engage the public and build support for the overall goals of DDC. Community leaders can use more of a public relations (or community relations) approach, directed toward the Primary and Secondary Resident markets, which is most cost-effective at this stage. It consists of the following segments.

- Additional community meetings, with advance notice via the city's website, e-mail blasts, notes with utility mailers, city newsletter, and local/regional media outreach (newspapers, radio stations, and television stations).
- Creation of a Facebook "fan" page devoted to tourism, with sections for each special area of DDC interpretation, and a section focusing on the efforts to create DDC.
- Media training for project sponsors, city officials and those most involved in the economic development efforts in order for them to be adequately prepared to discuss DDC and how it fits into Scottsdale's conservation efforts and tourism development activities. This would happen after all "messages" are finalized.
- Regular media outreach and media appearances by project sponsors and city officials during each phase of the project, with a media plan designed for outreach to local, regional, state, national, and international media.

Phases II and III - Marketing and Public Relations

Since DDC's cash budget for marketing/advertising buys will have constraints during initial development and later when open and operating, the recommended focus of the available dollars is to create exceptional advertising and promotional materials. Then, focus on taking

advantage of other "earned media" (editorial coverage opportunities, as opposed to advertising) opportunities to spread the word about DDC. Having superior marketing materials will be attractive to marketing partners and enhance the effectiveness of marketing and promotional materials when they receive public exposure. This will mean an aggressive "strategic communications, media relations, and PR campaign," designed and executed by a staff person designated for this role.

Initially, this will mean staged message development as plans are refined for DDC. Messages will be formulated as the vision and direction for the building of DDC and for the role that it will play in the life of the community and the region become increasingly clear and detailed over time.

When early messages are developed, they should be tested with the list of potential funders, sponsors, programming partners, and marketing partners. These messages should be brief, concise, and designed to give an overview of the vision for DDC, the costs involved in bringing it to completion, and examples of how DDC will affect and improve the lives of those in the Community; enhance conservation of the McDowell Sonoran Preserve and the Sonoran Desert as a whole; as well as how it will serve as an important "draw" for tourists and regional residents.

Earned media can also be built around website development, planning phases, and special events in support of DDC. In addition, the events that occur in Scottsdale must be used to their maximum advantage to market and promote DDC in all its facets. An audience attracted for an advertised community event may not be aware of the planned DDC. Implementing a plan to directly inform and attract these people can be highly effective in building its audience and maintaining a high profile in the area.

Media materials should include:

- Fact sheet on the plans for DDC.
- Photos of the McDowell Sonoran Preserve.
- Photos of planned areas for DDC development and the design concepts to date.
- Enhanced website specific plans for DDC.

- Ties to city / DDC website.

Language and style in message development and in media materials should consider the following:

- All materials should be developed in both Spanish and English.
- All materials should also reflect the language/content on the Scottsdale city website.
- All materials should also focus on the "storylines" that will be part of the mission of DDC: environment and ecology; conservation; celebration of the desert's beauty; living in the desert environment; and others.
- Messages should:
  - Emphasize the future role of DDC as an iconic destination attraction that becomes co-branded with the city of Scottsdale.
  - Reflect the critical mass and quality of attraction elements inherent in DDC and its mission.
  - Reflect the connection to and participation of programming partners at DDC.
  - Serve resident, tourist, and other markets (funders, sponsors, marketing partners, potential exhibit producers).
  - Have "repeatability" and be open to review and adaptation as plans grow and change.
  - Advance the goal of attracting new audiences and contributing to longer stays.
  - Help foster better "word of mouth" advertising by visitors: give them phrases that are easy to summarize and repeat to others.
  - Reflect the storylines of DDC that will enhance the competitive position of the area and DDC as a tourist, conservation and educational destination.
  - Emphasize the impact on quality of life for area residents (the cultural, recreational, educational, and aesthetic resources that will be enjoyed by residents as well as visitors and will inspire community pride).

Once the final plan is in place, DDC needs to organize familiarization tours ('fam' tours) for local area travel agents, statewide tourism officials, CVB staff from the surrounding cities and areas where appropriate, as well as travel writers and tour packagers and operators.

Examples of Media Outlets

Links to tourism-related websites are also important. There are a number of Phoenix Metro Area Tourism related websites that might be ideal for linking and cross promotion.

Establishing strong relationships with Phoenix Metro Area media outlets will be vital to staying top of mind in the area and in providing good coverage for DDC related activities and press releases. There is a diversity of Media Outlets in the Phoenix Metro Area that are available and that should be utilized.

Local, Arizona and national media and magazines that could be targets for earned media (editorial coverage opportunities) might include: The *Arizona Republic*, *North Valley Magazine*, *Arizona Weekly, KKNT* news talk radio*, East Valley Tribune, Monthly*, *Arizona Highways Magazine, Arizona Foothills Magazine*, and *Conde Nast Traveler, Travel + Leisure* Magazine, and *Backpacker* Magazine among many others.

DESERT DISCOVERY CENTER
BRANDING STRATEGY
CONCEPT GRAPHICS AND VISUALS

Branding is an embodiment of an institutional culture; it is based on a holistic perspective of who an organization is and how they wish to be perceived. A successful organization proactively and deliberately shapes the perceptions of their institution. Thus, a branding strategy is a comprehensive plan that sets the tone for outreach and communication.

The Desert Discovery Center is in the process of refining their public perception and honing their messaging through development of a new brand identity. A collaborative effort will be required between Thinc and the Desert Discovery Center to enable Thinc to prepare concept level graphics in support of the Center's branding efforts.

Initially we suggest that the Desert Discovery Center revisit and refine several aspects of their communication planning to articulate how the Center is perceived now, and how its wishes to be perceived. Many of these discussions can be accomplished with short conversations within the Center's staff; others may require polling the larger Desert Discovery Center community.

a. Desert Discovery Center Core Values: (i.e. Sustainability, Desert Preservation) Starting with the mission and vision statements, reduce the core values to a simple, short list.
b. Target Audiences: (i.e. school children, vacationers, etc.). What are their attitudes, knowledge, interests, preferences or behaviors?
c. Current Perceptions of Organization: (i.e. advocates, green politicians) List positive and negative perceptions of the Desert Discovery Center. This will help highlight the opportunities to build on, or areas where we need to reverse perceptions.
d. Desired Personality and Voice: (i.e. upbeat, knowledgeable, neighborly) Once clearly defined, the personality and a voice can be manifested in the visual look and feel, as well as the tone of communications.
e. Market Position and Differentiation: What makes the Center different from the other organizations (i.e.: Desert Botanical Garden or Phoenix Science Museum). What experiences does the Desert Discovery Center provide that no one else can provide and/or match?
f. Naming and Messaging: If a new name is being contemplated for the institution, formal or informal studies should be conducted to test names under consideration, as well as any associated taglines and key messages.
g. Communication Channels: Identify the range of collateral materials for which a visual identity needs to be developed (i.e. newsletters, solicitations, etc.)

Once the materials listed above are in hand in the Schematic Design Phase, Thinc will develop up to three options for the required concept level visual identity elements. Thinc will meet with Center to present each approach in draft form and gather feedback. Based on the Center's direction, Thinc will refine one approach. Thinc's deliverables for Schematic Design will include the following:

- Logo
- Color Palette
- Typography Approach