



**COUNCIL SUBCOMMITTEE ON ECONOMIC DEVELOPMENT**  
**APPROVED SUMMARIZED MINUTES**

Thursday, September 12, 2019  
4:00 P.M.

Kiva Conference Room, City Hall  
3939 N. Drinkwater Blvd., Scottsdale, AZ 85251

**PRESENT:** Councilwoman Suzanne Klapp, Chair  
Vice Mayor Linda Milhaven  
Councilwoman Solange Whitehead

**STAFF:** Rob Millar, Acting Economic Development Director  
William Hylen, Assistant City Attorney  
Rachel Smetana, Chief of Staff, Mayor and Council  
Cristal Rodriguez, Economic Development Manager  
Josh Utterback, Economic Development Specialist

**GUESTS:** Glenn Williamson, Founder & CEO, Canada Arizona Business Council  
Rachel Pearson, Vice President of Community Affairs, Experience Scottsdale  
Todd Hardy, Director of Innovation Zones, Arizona State University

**Call to Order/Roll Call**

Chair Klapp called the regular meeting of the Council Subcommittee on Economic Development to order at 4:05 p.m. A formal roll call confirmed members present as stated above, noting the presence of a quorum.

**1. Approval of June 13, 2019 Minutes**

COUNCILWOMAN WHITEHEAD MOVED TO APPROVE THE MINUTES OF JUNE 13, 2019 AS PRESENTED. CHAIR KLAPP SECONDED THE MOTION, WHICH CARRIED 2-0 WITH CHAIR KLAPP AND COUNCILWOMAN WHITEHEAD VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES. VICE MAYOR MILHAVEN ABSTAINED, HAVING NOT ATTENDED THE PREVIOUS MEETING.

**2. Canada Arizona Business Council (CABC)**

Glenn Williamson, Founder and CEO, Canadian Arizona Business Council (CABC), stated that there are nearly one million Canadian visitors to Arizona annually, not including snowbirds. This is compared to 649,000 in 2010. These visitors generate approximately \$1.5 billion, excluding the cost of houses, cars and furniture. There are approximately 100,000 homes owned or rented by Canadians in Arizona. Current trade range between Canada and Arizona is approximately \$3.6 billion, relatively flat for the past eight to nine years. Under the new United States, Mexico, Canada Agreement (USMCA) hopefully to be passed by congress, this is likely to result in a significant increase. Canada is the largest foreign direct investor in the state of Arizona. Currently, the largest market is Toronto.

Chair Klapp asked about the seasonality of Montreal flights. Mr. Williamson confirmed that they are still seasonal. Last year, they expanded to add an additional 40 days. They are now considering their aircraft size in terms of future growth.

Mr. Williamson attributed the success of the Canadian market to the efforts of Rachel Sacco, President and CEO of Experience Scottsdale, this Subcommittee and others. There are approximately 280 Canadian companies locally, 140 British, 100 French, 100 German and 24 Mexican. Affordable housing options for workers is a significant concern for Canadian companies operating in Arizona and Scottsdale. Of the total international flights landing at Scottsdale Airport, the majority originate from Canada. There is a political shift in Canada currently, as the country moves into a recession and elections will be completed in 35 days.

Chair Klapp expressed appreciation for what Mr. Williamson and CABC are doing to bring business into Scottsdale.

In response to a question from Councilwoman Whitehead, Mr. Williamson confirmed that Tucson Electric Power is now Canadian, purchased by Fortis of Newfoundland. Councilwoman Whitehead requested more information on what CABC is doing with regard to the housing concerns for workers. Mr. Williamson stated that this will be further discussed at the organization's quarterly meeting.

In response to a question from Councilwoman Whitehead, Mr. Williamson stated that a closeness between Mexico and Canada has developed as a byproduct of the USMCA. Canada is looking to Mexico for manufacturing solutions. Having a U.S. headquarters in Georgia, for example, when trying to do business in Latin America, is difficult for Canadian companies. As the Latin American and Mexico market with Canada grows, Canadian companies see Arizona as a halfway point between Latin America and Canada.

Rob Millar, Acting Economic Development Manager, stated that historically, Scottsdale has not had an international strategy when it comes to economic development. Tourism paves the way for economic development. The challenge is identifying travelers when they are present locally. Chair Klapp stated that she would like to see the City have an international strategy at some point. Mr. Millar stated that staff will bring back additional information on strategies at a future meeting.

### **3. Experience Scottsdale Update**

Rachel Pearson, Vice President of Community Affairs, Experience Scottsdale, stated that the organization's mission is to help the community via tourism by bringing meetings, leisure visitors and event producers to the city. The goal is to attract high value visitors who will appreciate the city's character, culture and amenities. Experience Scottsdale achieved all of its contract performance measures for the City the past year. The marketing team's predominant focus is branding the destination not only for the busy season but also for need times. This is accomplished through print, TV and radio. Over the past seven years, in partnership with various entities (Including the City's Scottsdazzle event), occupancy at hotels in November and December has increased by 18 percent.

Another need time is during the summer. During the last two years, they have launched the "It's that Hot," promotion. Efforts have also focused via video marketing and sharing unique stories. They have also worked with partners to highlight important areas of the community, such as art and culture. Planned events include Scottsdale Contemporary Month, Canal Convergence, art walk, Scottsdazzle and others. Traditional outreach methods include the Scottsdale Visitor Guide.

The online versions were downloaded 59 percent more this past year than the previous year and the website overall has traffic of over two million visitors per year.

During the past year, the communications department helped to generate 1,057 articles. They brought 384 journalists to the city. The editorial coverage reached six billion readers, a result which otherwise would have cost \$48 million in advertising expenses. A major focus is Old Town. Half of the coverage generated last year included mentions of Old Town and over one-third of the coverage included arts and culture for Scottsdale.

Convention sales and services provides CEOs to the community and can provide the introduction for economic development. In the past year, the team booked 625 meetings into Scottsdale area properties, generating over 202,000 incremental room nights for the destination. This is the highest number achieved to date. These meetings are expected to bring \$96 million in economic impact. A new program was instituted during the past year to attract meetings during the summer months. This resulted in 26 new meetings in Scottsdale over the course of the next few years, bringing over 34,000 incremental room nights. In terms of leads in the past year, 25 percent were for customers never communicated with prior. Approximately 35 percent of meeting planners who came to experience the destination had never been to Scottsdale.

In the past year, the team brought on a customer advisory board. This consisted of 16 meeting planners booking desirable, high caliber meetings. The tourism team works with travel agents and tour operators to drive interest in the city. Over the past year, over 1,000 travel professionals were trained. Through Brand USA, over 100 travel professionals were brought to Scottsdale from the UK and Ireland to experience the destination.

#### **4. Arizona State University (ASU) SkySong Update**

Todd Hardy, Director of Innovation Zones at Arizona State University (ASU), stated that six ASU campuses offer significant on-site connections to the ASU community, resources and programs and space for integrated collaboration with corporate partners of all kinds. These include:

- ASU Polytechnic
- ASU West
- Arizona Health Solutions Corridor
- ASU Research Park
- Novus Innovation Corridor
- SkySong

The team has been charged by ASU's President Crow with creating a global marketing campaign for all Innovation Zones, particularly for SkySong and Novus. This includes utilization of predictive analytic tools to reach companies in other countries. Over the past four years, SkySong has more than doubled in size, bringing on mixed use amenities, hotel, restaurants, apartments and the fifth office building.

SkySong 5 is 73 percent leased with ASU taking two floors of the building and being the largest single tenant at SkySong. Details on occupancy, including restaurant and hotel, were discussed. Buildings 3 and 4 are at capacity. Details on other corporate suite occupations were listed, the portfolio virtually being full. In response to the need for more inventory, SkySong 6 and 7 are being constructed, with the potential for a park atop the parking deck. The community is mixed use with 320 apartments, retail and nearly 3,000 employees. A brief video was played.

In terms of economic impact, projected revenue to the City over the 30-year period is over \$300 million. Economic output was \$39 billion over that period of time. The team has an arrangement with Elliott Pollack to do an impact study on the entire region surrounding SkySong in comparison to other regions around greater Phoenix. They have asked the City to assist with the assessment, which include interviews, housing data and economic impact statistics.

## **5. Economic Development Marketing Update**

Cristal Rodriguez, Marketing Manager, Economic Development Department, discussed efforts made since she came on board with the City three months ago. Goals include raising awareness locally in terms of what the department is doing. Educating residents on economic development impacts is another focus. The team encourages residents and businesses to engage with the department. Promotion includes communication through the website, job board and department news and events as well as creating consistent and engaging content. A goal for this year is to refresh the overall look and branding of collateral material for the public. A new communication goal is to maintain constant engagement via a virtual relationship, with periodic asks, such as requests to register for events. By identifying the target audience and most active audience, the team has established a content marketing guide for even greater engagement.

Since she started working for the City, LinkedIn percentages are up 13 percent for page views. Unique visitors have increased 4 percent. Facebook engagement is up 93.2 percent with 124 new likes (up 30 percent). Twitter engagement is up 43.7 percent. Mentions are up 188.9 percent. Profile visits are up 102 percent. Instagram is up 32 percent with 220 new followers. Average likes per post is up 653 percent. Future projections show an increase in likes, follows and mentions by 20 percent. The team will focus on producing more compelling award-worthy marketing materials as well as increasing traffic to [choosescottsdale.com](http://choosescottsdale.com).

A subcommittee member suggested reaching out to high school SUSD guidance counselors to connect them with the apprentice opportunities jobsite. Mr. Millar stated that adding SUSD is a good idea, as it links with the City website, which receives significantly more traffic.

## **6. Economic Development Update**

Mr. Millar addressed the annual report, which will be distributed to the full City Council and posted to the website this evening. The department exceeded many of its targets for the past year. They will likely have a healthy current fiscal year, however they may have to evaluate some approaches as the economy shows signs of a slowdown. Commercial vacancy rates remain healthy. Industrial percentages are lower, as the City does not have much in the way of industrial product. Retail and office numbers are steady. The addition of commercial property is healthy, particularly in the Downtown area.

There will be a partnership with the Scottsdale Charros this year in developing a program that will assist with leveraging both the City and the Charros' platforms. This will include a prominent outfield banner that talks about the [Scottsdale.jobs](http://Scottsdale.jobs) website and [Choosescottsdale.com](http://Choosescottsdale.com). The City also wants access to host business appreciation and business attraction events at the Charros Lodge. The Charros will accompany City staff to the San Francisco Bay area at the end of October to meet with clients and attract them to attend spring training.

Nationwide Realty Investors (NRI) is seeking to amend its economic development agreement. Phases 2 and 3 in the pro forma include the need for two limited service hotels. They have requested to amend this to allow for one full-service hotel in phase one.

The Mayor and Council Breakfast will take place next week and the 7th Annual Cure Corridor event will take place in December.

**7. Open Call to the Public (A.R.S. §38-431.02)**

There were no public comments.

**8. Future Agenda Items**

Upcoming agenda items include international marketing strategies.

**9. Adjournment**

Being duly moved and seconded with no dissenting votes and no further business to discuss, the meeting adjourned at 5:32 p.m.

Respectfully submitted,  
Recorded and Transcribed by eScribers, LLC