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

Chair Dillenbeck called the meeting of the Scottsdale Tourism Development Commission to order at 8:00 a.m. and noted the presence of a quorum. She announced that Frank Ashmore was no longer serving on the Commission and acknowledged his service, insight and assistance.
2. Approval of Minutes

- April 17, 2018 Regular Meeting Minutes

Chair Dillenbeck invited comments and revisions on the minutes.

**COMMISSIONER WINTER MOVED TO APPROVE THE MINUTES OF THE APRIL 17, 2018 REGULAR AS PRESENTED. COMMISSIONER GRUPP SECONDED. THE MOTION CARRIED BY A UNANIMOUS VOTE OF SIX (6) TO ZERO (0).**

3. Electric Desert Light and Sound Experience Mega Event Funding Request

Mr. Geiogamah provided a brief introduction, noting that this is a mega event request, at $250,000. It meets the criteria of a mega event in that it receives regional support and has regional impact. Ken Schutz, Executive Director, was present on behalf of the Desert Botanical Garden. The Desert Botanical Garden was opened in 1939 with a mission to conserve and conduct research, education and exhibition of deserts plants. There is an average of 400,000 visitors per year, which can double on occasions of megahits, or blockbusters. Approximately half of visitors are from out of state. Many guests stay in properties located in Scottsdale. There are currently 32,000-member households with 18 percent of members living in Scottsdale. Twelve percent of members are from out of state. The Garden celebrates the intersection of art and nature, which has becoming a business development tool since 2008. The first megahit was Chihuly, which garnered over 500,000 visitors.

The second time Chihuly was featured, in 2013/14, more than 600,000 visitors attended. It was discovered that the most popular time to see Chihuly was nighttime. Nighttime light exhibits resulted in 318,000 visitors. When Chihuly was in town the second time, the Garden commissioned a study through ASU on the economic impact. The study concluded that 30,000 people travelled to the Valley to visit Chihuly and spent $22 million in the region. Now that nighttime exhibits have proven so successful, they have found the new exhibit, Electric Desert: A Light and Sound Experience. Mr. Schutz played a short sample video. The public opening is October 12th, running through May 12th, for a total of 173 nights. Projected attendance for nighttime is 320,000. Of these, it is expected that 128,000 to 160,000 will be tourists. The Garden proposes naming the event as Experience Scottsdale Presents Electric Desert. If the funding request is received, funds will be used to advertise out-of-state markets, including Los Angeles, Chicago, New York, Denver and Canada.

Commissioner Grupp asked whether the 600,000 visitors for Chihuly were unique visitors to the exhibit and could be tracked through tickets. Mr. Schutz confirmed this understanding. He also confirmed Commissioner Grupp’s understanding that the 300,000 expected for this event is above and beyond the normal visitation and are unique visitors.

Commissioner Hill commented that she attends all the Garden’s events and commended them for their quality. While this is a great opportunity, Scottsdale has so many other needs arising. Mr. Schutz suggested that the Garden would be able to deliver the bang for the buck.
Commissioner McKenzie inquired as to the major partners. Mr. Schutz stated that major sponsors include the City of Phoenix through the Office of Arts and Culture, the Steele Foundation and APS. Smaller requests are currently out to local and statewide foundations.

In response to a question from Commissioner Hill, Mr. Schutz confirmed that the request is tied into naming rights. If the Commission were to suggest a lesser contribution, the naming rights would be eliminated.

Chair Dillenbeck asked whether cities other than Phoenix are contributing. Mr. Geiogamah stated his understanding that the Tempe Tourism Office is considering a contribution. Mr. Schutz added that there is already a firm commitment for a marketing partnership with Tempe.

Commissioner Grupp noted that for similar mega events, there is typically a like contribution from other municipalities, sometimes including a formula in terms of room availability. However, this event is unique, and he likes the fact that Scottsdale is a title sponsor and that the draw is the destination brand, Experience Scottsdale. The Garden is one of the biggest draws, as it is unique to the destination.

Commissioner Hill sought clarification as to whether the event title would include City of Scottsdale or Experience Scottsdale. Mr. Schutz noted this would be up to the TDC upon its funding commitment. Mr. Geiogamah added that if the Commission approves the funding as title sponsor, staff will negotiate with the Garden to work out the deliverable points. Commissioner Henry inquired as to the sponsor amount for the next level down. Mr. Schutz said that in the past, the Garden had one title sponsor for Chihuly (Chase Bank) at $250,000. In this instance, APS has committed $75,000, the City of Phoenix contribution is $50,000 to $60,000 and the Steele Foundation $50,000. For the City of Tempe, the ask is still pending.

Commissioner McKenzie suggested a comment from Experience Scottsdale. Rachel Sacco stated that staff have visited with Mr. Schutz and his team. Experience Scottsdale will be working during this time to promote a contemporary art month and there are likely opportunities to collaborate.

Commissioner Grupp suggested a period of consideration before making a final decision, particularly in terms of solidifying partnerships. Mr. Geiogamah said there is the possibility to bring it back in June. Mr. Schutz confirmed that they are able to continue the discussion until June.

Chair Dillenbeck asked whether there was any flexibility with the $250,000 amount for naming rights. Mr. Schutz stated that the Garden would welcome support at any level and would deliver as much value as possible. He stated that they will hold the line, as they do not want to diminish the value for top line naming.

Commissioner Hill commented that it is a worthy event, however the Commission is struggling with the issue of diminishing funds. Mr. Geiogamah stated that staff will put together a list of deliverables to show fair, substantial and equal value. Staff will carry the topic forward. There was consensus to postpone a vote. Commissioner Grupp
noted it would be helpful for the Events Working Group to look at this and provide advice to staff on what to bring back in June.

4. **Dia de los Muertos Event Update**

Mr. Geiogamah stated that the event took place November 2nd through 5th, 2017. According to the event producer, there were 7,500 in attendance with $13,000 in community event funding. Robert Ramirez, Lore Productions, provided a presentation regarding the inaugural Dia de los Muertos Festival. The event is a festive, cultural celebration of life, becoming the nation’s newest popular holiday observance. The goal is the make the City of Scottsdale the key destination for its celebration. Lore Productions coproduces the largest Dia de los Muertos in the LA Music Center Area at Grant Park and the City of Los Angeles with over 120,000 in attendance over a week.

Mr. Ramirez reviewed a list of other Lore Productions events. They believe that Scottsdale’s intimate pueblo-style layout is a perfect setting for Dia de los Muertos. The production is focused on community. Scottsdale has walkability and access to Museum of the West, the Adobe Mission, Performing Art Center and Civic Center Plaza. The focus will be to activate a Dia de los Muertos cultural week. The Adobe Mission is the main partner. The event will garner marketing support from outside of Scottsdale while also bringing international support. A short demonstrative video was played.

Mr. Ramirez reviewed details from last fall’s Dia de los Muertos event. Lore Productions invested over $200,000 in large scale arts and production activations. They presented Smithsonian recognized lectures, brought in Aztec dancers, as well as a company from a highly recognized folk ballet company. There was also engagement from Our Lady of Perpetual Help, local Boys & Girls Club, Scottsdale Police Department, Vista del Camino Community Center and Food Bank, Office of Diversity and Experience Scottsdale. There was sponsorship and direct collaboration with Omni Resorts Montelucia.

The Festival will take place from Friday, November 2nd through Sunday, November 4th at the Old Adobe Mission. They will be reintroducing large scale art and will bring in artists associated with the Tournament of Roses as well as performers from Mexico. Lore Productions will be working with Downtown Scottsdale’s Farmers Market as well as Museum of the West. In terms of potential marketing partners, the Diamondbacks are interested in supporting the event. Arizona State University and the Diamondbacks will be brought on board as major promotional partners.

Chair Dillenbeck thanked Mr. Ramirez and Lore Productions’ efforts to collaborate with partners throughout the City as well as the proactive approach in providing the Commission with details of last year’s event. The Scottsdale venue has the capacity for a large event but with the quality of intimacy desired.

Commissioner Hill commented that she enjoyed last year’s event, although it had a “shoestring” appearance. She finds it to be a fascinating approach that Lore Productions is tying so many other elements into the event; this shows vision. Mr. Ramirez acknowledged that last year’s event represented Lore Productions’ investment in the community as a small entry event.
In response to a question from Commissioner Hill, Mr. Ramirez confirmed that the event will activate the Adobe Mission and involve the Museum of the West. In addition, there is the possibility of a Civic Center Plaza activation as well. In response to a question from Commissioner Hill, Mr. Ramirez confirmed that Lore Productions has held ticketed events in the past.

Chair Dillenbeck noted there was a request to speak on this agenda item from Brian Cannon, Director of Parish Engagement for Our Lady of Perpetual Help and board member at the old Adobe Mission. He voiced strong support for Scottsdale Dia de los Muertos and Lore Productions. Their experience during the inaugural event last year far exceeded expectations, as cultural authenticity holds such importance in their faith community. Since last year’s event, there has been greater engagement from the Latino community at the church. The term of the event last year represented the largest number of visitors and donations over any other comparable time period.

5. **Event Funding Program Recommendations**

   a. **Day of the Dog Festival** - $12,500

   Mr. Geiogamah stated that staff recommends moving forward with funding for the event, which will take place on 2nd Street Between Marshall and Goldwater.

   Chair Dillenbeck noted that there was a request to speak on this agenda item. Sandy Schenket questioned how many heads in beds this will produce. As this is a strictly a local event, she questioned the $12,500 request and having the event close off a street for its activities. She also addressed the Desert Botanical Garden event and suggested having Experience Scottsdale fund part of the $250,000. She attended the Dia de los Muertos event twice last year and did not observe the attendance numbers quoted to the Commission. The nighttime events were dark and not well attended. She suggested that lighting be addressed. In addition, the adjacent city parking lot is a disgrace and requires repairs.

   Commissioner McKenzie said he is not familiar with Day of the Dog and requested further details. Mr. Geiogamah stated that it is a festival centered around dogs. There are multiple activations, including racing events. Vendors will also be onsite. Cheryl Sumners from Tourism and Events Special Events stated that the request is for a two-day street festival focused on all things dog, including services, retail, products, health and well-being, and related activities. It is free event, with the producers coming from Canada. The producers have held the event in Canada in three different cities for about five years and are looking to expand into the United States. Scottsdale is their first stop.

   Commissioner McKenzie asked whether the producer has provided economic impact estimates. Ms. Sumners confirmed that they have provided the information and staff could provide it at a later time. Mr. Geiogamah added that the vendor has this information on their website as well. As it is a participating community event, they are not necessarily required to show the impact.
COMMISSIONER GRUPP MOVED TO APPROVE THE EVENT FUNDING AS PRESENTED. VICE CHAIR HILL SECONDED. THE MOTION CARRIED BY A UNANIMOUS VOTE OF SIX (6) TO ZERO (0).

6. **Staff Reports**
   a. Staff Bed Tax Collection Report
   b. Staff Bed Tax Hotel Classification Report
   c. Bed Tax Proforma
   d. Smith Travel Report
   e. Program Updates

Mr. Geiogamah stated that March bed tax collections were up 45 percent. This is related to a timing issue of funds coming in earlier than expected related to the year prior. Year-to-date collections are at 14 percent. Miscellaneous retail tax collections are up year-to-date at 17 percent. Restaurants are up 14 percent. In terms of the proforma, some updates have been done related to the revenue forecasts.

Chair Dillenbeck addressed the importance of reserving funding for the Super Bowl in the context of considering funding other major projects. She inquired when the ask might come and what the appropriate procedure would be to allocate and protect carryover funds. Ms. Churchard said the Super Bowl bid was submitted to the NFL and the Valley should hear back from the NFL on May 23rd. Perhaps the funding issues can be discussed in greater detail at the TDC’s June meeting. Commissioner Hill asked whether they have the ability to protect money in advance by inserting a line item in the budget. Mr. Geiogamah said there is always a possibility for the TDC to make a recommendation regarding the funding of bed tax. Making an advance determination would require agendizing the issue for approval at an upcoming meeting.

Commissioner McKenzie asked for an update on the 2015 approved budget for the Super Bowl. Mr. Geiogamah stated his recollection that the total was $645,000 made in three annual payments.

Chair Dillenbeck stated that she has heard negative comments regarding the new Downtown marketing program. Ms. Churchard said she would be happy to provide a presentation in June, including the images and ads. The campaign launched in the second week of April. The billboards (including one in question) went up in May and remain up through the end of the month. Digital ads were pulled which included the image that was the subject of complaint. Google analytics reveal that the 30-second video ad is providing the most impressions and click-throughs. Commissioner Grupp commented that he has strong feelings about the campaign as a creative process.

Mr. Geiogamah briefly addressed the Smith Travel Report, which includes 59 properties. Occupancy is up 1.7 percent. Average daily rate is up 3 percent. Rev Par is at 4.7. The Downtown Report related to occupancy is up 4 percent. In terms of program updates, they have not yet received the post event report for Cinco de Mario, which took place on the Civic Center Mall on May 5. Based on ticket sales, the event attracted approximately 3,500 attendees, which was slightly lower than anticipated and attributed to the
excessive heat. In addition, other competitive events may have impacted the attendance numbers.

7. **Public Comment**

There were no additional comments.

8. **Identification of Future Agenda Items**

Chair Dillenbeck said that during this meeting, agendizing Super Bowl was recommended, including possible allocation of funding. Additional items include Ms. Churchard’s presentation on the Downtown ad campaign and Dia de los Muertos return. From previous notes, the Commission also notes that the district matching funds criteria draft would be available in June. She asked whether Little Red School House would be returning for a presentation. Mr. Geiogamah cited additional items, including new event development funding for the Expo Off Road event as well as the Desert Botanical Garden. City Staff hopes to meet with the Historical Society members on the Little Red School House to obtain a better understanding of the request.

9. **Adjournment**

The meeting adjourned at 9:22 a.m.

SUBMITTED BY:

eScribers, LLC