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

Chair Dillenbeck called the meeting of the Scottsdale Tourism Development Commission to order at 8:03 a.m., and noted the presence of a quorum. She welcomed new Commissioner Richard Newman.
2. **Approval of Minutes**

   - August 21, 2018 Regular Meeting Minutes

COMMISSIONER GRUPP MOVED TO APPROVE THE REGULAR MEETING MINUTES OF THE TOURISM DEVELOPMENT COMMISSION ON AUGUST 21, 2018 AS PRESENTED. COMMISSIONER WINTER SECONDED THE MOTION, WHICH CARRIED 5-0 WITH CHAIR DILLENBECK, VICE-CHAIR HILL, COMMISSIONERS GRUPP, NEWMAN AND WINTER VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES.

3. **New Event Development Funding FY 2019/2020 Program**

Steve Geiogamah, Tourism Development Manager, stated that at the last meeting staff had outlined their intent to look further into evaluating the new event development program. This is one of four event funding programs which are funded through bed tax. He reviewed a memo outlining the process staff will use to evaluate the FY2019/20 New Event Development Funding Program, which can provide funding up to $30,000 and $75,000 per event.

The other programs funded with bed tax monies have undergone rigorous review in the past couple of years, including the matching and advertising fund, community and venue fee program. Staff proposes to use the standard review process for these programs but complete a more in depth consideration of the New Event Development Funding Program. Six events participated in FY 2017/18 New Event Development Funding Program and received a total of $395,000. Marketing return was about $337,000.

The process staff proposes will begin to identify event community stakeholders to gather feedback regarding the New Event Development Program. The Tourism Development Commission would be involved in that step. Staff is considering using a facilitator to assist in this process. The role of staff would be listening to stakeholders and providing input where it would be helpful. Once this has been accomplished staff will incorporate the new event development program into the current program review process and bring it to City Council in spring 2019. The goal is to complete a broad comprehensive review of what is being done within the new event development program in hopes of improving the return on the City's investment.

Mr. Geiogamah said that staff is not asking for any Commission action at this time but for input from the Commissioners.

Commissioner Grupp commented that TDC should be heavily involved in the process. Chair Dillenbeck agreed. It might also be helpful for Experience Scottsdale to participate in order to provide input from a national level in terms of the types of events being funded. Mr. Geiogamah said staff plans to involve Experience Scottsdale staff, and added that they would also like to involve the venues and management teams in order to gather insight and input.
4. **Experience Scottsdale Fourth Quarter Performance Measures Report**

Rachel Sacco, Experience Scottsdale, noted that this report ends the fiscal year and focuses on the last quarter. Experience Scottsdale exceeded all performance measures outlined by the City. For convention sales and service and the 432 bookings, they were 13 percent above the totals from last year. They also brought 15 percent more room nights than ever before with the focus on bringing new business to the destination. Of all leads sent to member properties, 26 percent have been for new business. In addition, 35 percent of bookings have been through the “need” time period of June through September and November and December. The result of all bookings for the last FY represented an impact to the community of $92 million.

The focus for travel agent sales is training agents to include Scottsdale in national and international outreach. There was a 40 percent increase in travel trainings. In May, they launched the “It’s That Hot” summer campaign. Since May, there have been six group corporate bookings, which will generate over $3 million back to the community. For convention sales and services, the focus was to help the City with its City-owned facilities. One successful booking is for an upcoming softball tournament, which will use six fields and generate 400 additional room nights in November.

In terms of communications, 48 percent of earned media had a focus or mention of Downtown. Twenty-seven percent of articles had a culinary focus. On average, 70 percent of all visitors to the website are new from month to month. There was television coverage on CBS and articles in Colorado Expressions, the Irish Independent in Ireland, and Western Canadian Living. “An Insider’s Guide to Planning your Bachelorette Party In Scottsdale” appeared in Martha Stewart Weddings. For several years, they have produced the Scottsdale Area Hiking, Biking and Trail Guide, a comprehensive guide with hiking tips.

She invited Commissioners to attend the annual meeting on September 27th.

Chair Dillenbeck commended the creativity of Experience Scottsdale staff. She asked for an opinion on the City’s most significant challenge in terms of generating successful results. Ms. Sacco said it relates to strategies for creating new experiences, particularly for the slower times of the year, including holidays and summertime.

Vice Chair Hill asked for the five top things that Tourism funds should be dedicated to. Ms. Sacco stated that with Prop 200, there is a self-generating mechanism that is paid not by residents, but by visitors to hotels. Fifty percent of the funds go back to Experience Scottsdale to continue marketing and growing the fund. The real opportunity lies on the City side, where recommendations are made to City Council on how the money can be used for things that residents cannot do and the City may not have the funds to do. Another question is how the funds can be used to attract new visitors. For example, the Five Strategic Plan called out a program for making Downtown more pedestrian friendly and connected.

Commissioner Grupp commented that the only way to have successful summers is through smart growth. Having an engaged and connected conversation on smart growth is the avenue for expanding on summer season. It is important for the TDC to ensure that the dollars generated by visitors are spent smartly.
5. **Multi-Year Community Event Funding Update: Gold Palette ArtWalk**

Mr. Geiogamah provided an update on the agreement, which is in its second year of three for a multi-year community event funding program.

French Thompson, Scottsdale Gallery Association, stated that the Scottsdale Arts District is a top destination for Scottsdale visitors. The ArtWalk has been an Downtown event for over 40 years and is the longest continuous art walk in the country. He expressed thanks for the increased funding. The 2017/18 year was highly successful and through careful use of funding from the City, the Gallery Association was able to bring a higher number of people to the Downtown area. During 2018/16, the Gallery Association will continue to fulfill the terms of the contract with the City of Scottsdale by holding a full Gold Palette series. One of the strategies is to tie events to things that the City is already investing time and money into. The Artists Celebrating Scottsdale event is part of Celebrate 68. There will also be a focus on highlighting Contemporary Month by promoting contemporary art.

In terms of direct dollar advertising, both paid and in-kind marketing promotion will increase from the 2017/18 series. The SGA anticipates building on the success from the 2017/18 series in both attendance and participation. The SGA is contracted with all media outlets on the media plan and is proceeding with the development of advertising content, which includes the City of Scottsdale in name as well as locations. This includes Old Town Scottsdale. Logos and sponsorship identification will be used in all print and web media. Direct dollar investment for the 2018/19 season will be $48,157. This exceeds the contractual requirement of $39,937. The actual attendance for 2017/18 was 31,344 for the seven events. According to the contract with the City, the attendance goal for 2018/19 is 16,800. They feel confident in exceeding this contractual term. For direct dollar sponsorship in 2017/18, the total achieved was $3,500. The goal for 2018/19 is $7,000. The SGA has already secured a direct dollar sponsorship of $2,500 toward this series and is actively pursuing other sponsorships.

The 2018/19 annual budget reflects a $7,154 increase from last year in anticipation of additional outside funding. This is due to the increase in marketing, advertising and proven attendance. There was an increase in in-kind sponsorships over last year, due to both the Scottsdale brand and ArtWalk brand in terms of advertising and social media. At $36,450, it is currently well over the contractual requirement of $25,300. The SGA will continue to encourage beneficiaries of the ArtWalk series in the Downtown area to include both brands in their media, specifically with social media and to repost items containing references to these brands. Gallery participation continues to grow with more galleries considering staying open during art walks and participate in the Gold Palette Series. The SGA has hired a new marketing company, who already has proven results in just the time since they have been contracted.

Vice Chair Hill commended Mr. French for the success in organizing independent business owners for a common goal. The impact is not merely on galleries, but also restaurants, shops and the entire Downtown area.

Commissioner Grupp asked about the level of visitation during the peak time of the ArtWalk. Mr. Thompson said the numbers have been fairly consistent throughout. However, the Food and Wine event drew the largest attendance. Mr. Thompson was
unable to provide numbers from past years, as a count was never done. Going forward, they are prepared to provide more precise numbers.

Commissioner Grupp inquired as to the total number of galleries in the Downtown District. Mr. Thompson said the membership consists of 35 galleries. There are those who have chosen not to be members. He estimated approximately 50 total overall galleries.

6. **Event Funding Program Recommendations**

   a. Arizona Asian Festival – $15,000
   b. Violins of Hope – $13,500

Mr. Geiogamah stated that both events were reviewed by the Event Working Group. The Arizona Asian Festival is entering its fifth year in the Community Event Funding Program. It features 19 unique cultures from Asia over a two-day festival. The Violins of Hope has applied for Community Event Funding. It will take place February 26th through March 24th. This is a new event. There is a consensus from the Event Working Group to move forward. City staff also recommends moving forward.

COMMISSIONER GRUPP MOVED TO APPROVE THE EVENT FUNDING AS PRESENTED. COMMISSIONER WINTER SECONDED THE MOTION, WHICH CARRIED 5-0 WITH CHAIR DILLENBECK, VICE-CHAIR HILL, COMMISSIONERS GRUPP, NEWMAN AND WINTER VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES.

Commissioner Grupp referenced the construction at the Civic Mall area in terms of impacts on events and asked whether any measures could be taken. Karen Churchard stated she has been working with the Scottsdale Arts Association in this regard as well as the capital project management team. They are receiving weekly updates. They have reached out to all the event producers with events in November and December as well as in the spring. She received an update yesterday indicating that it would not be reopening until after April. As such, there will be further outreach to spring events. They are working on two pedestrian crossovers in the areas on each end of the bridge as well as semi-permanent fencing.

7. **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
      1. Scottsdazzle

Mr. Geiogamah reported that June’s bed tax collections were up 1 percent, noting that this is the beginning of the fiscal year. There are fluctuations related to retail and restaurants,
likely related to cash collections or accrual issues. In terms of the proforma, there are no significant updates. Staff has removed the last fiscal year from the proforma report.

Chair Dillenbeck asked for clarification that expense for the electrical outlets for Downtown represents funds spent previously. Ms. Churchard confirmed this.

Chair Dillenbeck asked whether there is a way to track how much of the budget for event programs, particularly community, has been committed. Mr. Geiogamah said this has been the policy and staff will continue to update this for all three programs.

Mr. Geiogamah addressed the Smith Travel Report. The trend area consists of 59 properties. For northern properties, there is a third month drop in regards to occupancy compared to last year. Vice Chair Hill asked when such a circumstance is considered to be a trend. Mr. Geiogamah stated that at this point, he does not know if it is trend although staff will continue to monitor. He noted that the average daily rate continues to be high compared to the national average.

Ms. Churchard provided an update on Scottsdazzle. In December and January, she requested an additional $100,000 from bed tax specifically for lighting this event. The TDC had suggested that the funds be directed to bring the event to Scottsdale Road. Ms. Churchard has worked with the contracted vendor, and after discussion, the $100,000 amount quickly grew to an estimated $200,000 without much impact. Scottsdale Road is particularly challenging in terms of street lights and other physical challenges. They placed some lighting on Scottsdale Road from Osborn to Chaparral; even this lighting was not very impactful. At this point it does not seem financially viable or sufficiently impactful to incorporate Scottsdale Road. There has been reach-out to McCormick Stillman Railroad Park regarding a partnership in terms of the City’s event at that location and the Scottsdale event.

Chair Dillenbeck suggested placing street banners on Frank Lloyd Wright, as it would advertise events to residents in the north. Ms. Churchard agreed that staff could look at this.

8. **Public Comment**

There were no public comments.

9. **Identification of Future Agenda Items**

Mr. Geiogamah stated that staff is looking at bringing back for discussion the Matching Marketing Program.

There is one event for review, the Off-road Expo.

In terms of Longwoods Travel, USA, staff continues to work towards scheduling a presentation by the consultant.
Other topics for discussion include tourism expenditure long range planning as well as the Ride Share program, specifically related to transportation from the Airport.

Chair Dillenbeck suggested a discussion on the matching funds criteria update as well as a discussion on the stadium and the Super Bowl.

Ms. Churchard stated that many years ago, funding was taken from the carryover for a public art piece on Marshall Way. This will be arriving tomorrow. A dedication reception will take place on October 25th.
9. **Adjournment**

With no further business to discuss, being duly moved and seconded, the meeting adjourned at 8:58 a.m.

AYES: Chair Dillenbeck, Vice Chair Hill, Commissioners Grupp, Newman and Winter
NAYS: None

SUBMITTED BY:

eScribers, LLC