

Approved June 12, 2019



**CITY OF SCOTTSDALE
WESTWORLD SUBCOMMITTEE
REGULAR MEETING
Wednesday, April 10, 2019
Monterra at WestWorld
Conference Room
16601 North Pima Road,
Scottsdale, Arizona**

SUMMARIZED MINUTES

PRESENT: Vice Mayor Linda Milhaven, Chair, Councilmember Virginia Korte
Councilmember Guy Phillips (arrived at 4:17 PM)

STAFF: Brian Dygert, WestWorld General Manager, Bill Hysten, Assistant City
Attorney, Jim Thompson, City Manager

Call to Order/Roll Call

Noting the presence of a quorum, Vice Mayor Milhaven called the regular meeting of the Scottsdale WestWorld Subcommittee to order at 4:00 p.m.

1. Approval of February 20, 2019 Minutes

COUNCILMEMBER KORTE MOVED TO APPROVE THE MINUTES OF THE FEBRUARY 20, 2019, REGULAR MEETING AS PRESENTED. VICE MAYOR MILHAVEN SECONDED.

Mr. Dygert requested that on page 4, item number 5, WestWorld Update, the last bullet be revised by adding the words "to supporting events".

COUNCILMEMBER KORTE AMENDED THE MOTION TO INCLUDE THE ABOVE CHANGE. VICE MAYOR MILHAVEN SECONDED. THE MOTION CARRIED BY A VOTE OF TWO (2) TO ZERO (0). COUNCILMEMBER PHILLIPS WAS NOT YET PRESENT.

2. Presentation Discussion, and Possible Direction to Staff Regarding Prioritizing the WestWorld Event Calendar

Mr. Dygert provided a brief presentation on how the calendar has been administered:

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- Normal contracts work through a normal first right of refusal
- Issue has been that moving forward, how to prioritize events and work with a fixed calendar on bigger level with some consistency and professionalism
- Working with Mr. Thompson staff has identified four areas as:
 1. Maximizing activity on calendar
 2. Financial responsibility (regarding economics for the city in event production)
 3. Diversity of events
 4. Growing the market (expanding and enhancing possibilities)

Other issues are:

- How to prioritize calendar moving forward
- Have 16 Council-approved contracts that represent 35 events (most are multi-year and all have some type of negotiated business terms), while all other items reported here are annual and moving through the normal rotation component

Mr. Thompson stated that increasing event activities included bringing sand volleyball into the Equidome (summer event), and how to activate that. He noted that at times only parts of the facility were being used for certain events, so considering how to maximize the entire facility and holding concurrent events were considerations. Mr. Thompson added that parking was then at issue, with some of the solutions being under discussion.

Mr. Thompson stated that one of the best attended events is the 4th of July, which is normally at break-even or a loss. This is a great opportunity for exposure to the community. He said that recreational events are important, as well as those that make a profit. He noted that staff was considering how the entire facility could be utilized as a community asset and not simply a tourism asset. Mr. Thompson added that multiple discussions were occurring at this point in time, but it would be a couple of months before this issue would go back to Council. He asked for feedback from the Sub-Committee Members regarding possible opportunities or suggestions. He noted that there are fixed costs associated with operations, so offsetting that with revenue streams is key. This gives flexibility as to what has to come in from every event. He suggested that goals be identified, such as making money on the calendar, maximizing the calendar, or having diversity of events.

Councilmember Korte commented that growing the market is critical issue. There might be something to gain from professional event companies in the community, namely, Merestone, whose president serves on the Tourism Development Commission, and has assisted in some of the infrastructure of WestWorld.

Mr. Thompson stated that a discussion point should be how to open doors and not scare away opportunities. He said that maximizing opportunities at the Monterra building is also under discussion. Existing partners could also be key to that. Councilmember Korte noted the building is old, and Vice-Mayor Milhaven added that there had not been a lot of activity in the building even when it was new.

Mr. Dygert stated that the partners now in place, National Western and M Culinary, have professional relationships with Merestone, and WestWorld has crossed events with them, such

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as the 4th of July and the Children's' Expo. The Taco Festival was also a joint effort; these partnerships could be strategic in creating opportunities on a national level.

Vice Mayor Milhaven stated that in order to challenge themselves, the group should strive to at least cover expenses, even though not all events can do that. She said that overall though, WestWorld should be covering its own events, and that people made lots of money putting on events and there was no reason that Scottsdale should not be doing the same. Vice Mayor Milhaven said that financial responsibility should be a priority, with the expectation of it taking some time. She added that maximizing the calendar needs to be clarified and targeted events should also be considered. Vice Mayor Milhaven asked for staff's guidance on those issues.

Mr. Thompson stated that partnering and financial responsibility were important and major events with long-term agreements should be brought back to the discussion table also. He said that fiscal responsibility will always be a driving factor, and progress in that area would come in place naturally along with the other goals. Maximizing the calendar is an ongoing challenge as events are sometimes booked that turn out to be on a smaller scale than anticipated.

Mr. Thompson noted that the timing of events sometimes means that not all parties are happy with the scheduling. He noted the importance of goals being clear, maximizing the calendar, and diversifying.

Mr. Thompson stated that financial responsibility and growing the market are key targets and should help all other issues to fall in line. He added that staging the facility optimally would also maximize profit. He mentioned holiday events as something that could be pursued but noted that would require staging of the facility before and after in a sequential manner in a way that has not been done in the past. Mr. Thompson added that the long-term agreements with vendors would need to account for this and allow WestWorld to maximize the facility even during those events. He stated that in the past event contractors have traditionally been allowed the entire facility, even though they only needed a portion of it for their activities. Mr. Thompson stated that debt on the facilities and some legal limitations must also be considered in the overall plan.

Councilmember Phillips asked who the calendar team is at WestWorld, and Mr. Dygert stated that city staff members, as well as 109 contracted event producers on site comprise the team. He added that recurring events are managed. Primary staff is the first contact for new inquiries, followed by practical and business terms to be reviewed by City Manager and City Attorney, to end up at Mr. Dygert's office. Councilmember Phillips stated that it seemed that staff should be the main contact for calendar management, and perhaps certain areas should be designated. Mr. Dygert stated that managing the competition is also important.

Councilmember Phillips asked for an organizational chart, and Mr. Dygert undertook to provide that.

Councilmember Korte stated that there is always competition with WestWorld and she asked if customer surveys are ever sent out. Mr. Dygert responded that customer surveys are sent out routinely to all current contract users, but response is usually minimal.

Councilmember Korte noted that competitiveness is also on a national level; customer survey feedback could assist with that.

Mr. Thompson stated that fee structures were competitive, and the location was excellent, but the challenge would be utilizing WestWorld during the hotter months of the year. He added that there were many ideas brought to the table that would be helpful. Vice Mayor Milhaven stated that some guidelines would be important, and Mr. Thompson said that staff would draft guidelines and bring back to the Sub-Committee for input.

Councilmember Phillips said that he did not want to hear of a person who needed to set up an event being strung along to see if a better offer comes along.

Mr. Thompson stated that he would bring guidelines back to the Sub-Committee for their input, and Mr. Dygert said he would provide a flow chart also at that meeting.

3. Presentation, Discussion and Possible Direction to Staff Regarding Obtaining Authority for the City Manager or Staff to Administratively Execute WestWorld Contracts With Negotiated Rates and Fees

Mr. Thompson stated that some companies did not agree with the step that required Council's approval for contracts since they do not want their information made public. He added that a possible solution might be to give staff or the City Manager the Authority to sign on contracts that are five years or less. Councilmember Philips asked if the dollar amount of contracts should also be considered in this matter, and Councilmember Korte stated that if WestWorld was to be the optimal enterprise the restriction of going to Council with each contract could be an important issue. She asked what the best practice was for venues such as the Phoenix Civic Center and noted that she is willing to eliminate going to Council. Mr. Thompson stated that most convention centers do not need to go to their city council level. If WestWorld staff did not have to get Council approval on every contract that would probably make a big difference in the ability to negotiate the best events. Vice Mayor Milhaven stated that five years sounds reasonable to her, to allow staff to make the decisions.

Mr. Thompson stated that there are serious discussions ongoing about how to bring in partners and expertise and optimize the facilities. Mr. Hylen stated that the current code has a land lease requirement that requires certain contracts to go before Council, but that could be rewritten to exempt WestWorld from that requirement.

Mr. Thompson said that the five-year contract was the most practical time frame, but anything beyond that would probably have some big dynamics unique to scenarios, such as the Arabian Horse Show and Bike Week (ten-year contract). Everything else would be within normal windows that would not put the City at risk (three- to five-year contracts).

4. Future Agenda Items

The following agenda items were identified for next meeting:

- Three- to five-year contracts
- Organizational Charts
- Event Calendar Priorities
- Moving horse statue and making a grand entrance on Bell Road
- Parking issues

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Public Comment

There were no public comments.

Adjournment

COUNCILMEMBER KORTE MOVED TO ADJOURN THE MEETING. COUNCILMEMBER PHILLIPS SECONDED. MOTION CARRIED THREE (3) TO ZERO (0).

The meeting adjourned at 5:01 p.m.

Recorded and Transcribed by eScribers.