

SCOTTSDALE HOSPITALITY & TOURISM

# A Five Year Strategic Plan for Scottsdale

a city in the desert the desert in a city

Idea Maps & Conversation Summaries from Scottsdale

A 5 Year Strategic Road Map



Think in systems and recognize the necessity to change one or more systems to realize your future picture.



The Identity Matrix & Place Narrative for Scottsdale

The State of the Industry



Appendix 1



Appendix 2



Appendix 3

## EXECUTIVE SUMMARY

### UPS AND DOWNS IN TOURISM

Scottsdale is a notably successful destination. It's profile is unusual. It is highly seasonal and is dependent on the affluent resort market which is sustained by corporate meetings. Such an asymmetrical marketplace is unhealthy on the face of it, but it has been so successful as to be a source of pride. However, repeated downturns in the late 1990's, after 9/11 and the great recession of 2008 have eroded that success. And the city is seeing faltering tourism revenues. The instinctive response of the industry is to seek a single solution such as new events or new markets.

### IDENTITY IN SCOTTSDALE

In the meantime, the City of Scottsdale is increasingly aware of an identity problem as the Phoenix metropolis threatens to swallow Scottsdale. And the people who are advocates "for keeping things the way they are" are concerned about taking actions which will damage the place, unaware that not taking action, and specifically action to secure the economic independence of the city, will assure Scottsdale's absorption into the megalopolis. As everyone knows, it is the natural order of things unless there is a plan to do otherwise (don't do anything is not a plan). Reports going back ten years call attention to this problem.

What motivates this kind of protectionism is love of place. PLACES, by reading and researching about elements of the place and by conducting interviews and collecting stories about the place, has developed a tool to help guide the way through change. It is called Scottsdale's Identity Matrix. In the strategic plan for Scottsdale, PLACES recommends that the Identity Matrix be a living document which informs the decisions about the future, about what to strengthen and how to keep what people love alive and a part of everyday life. Economists have a term, social capital, which describes the investment of citizens in the place they live. What inspires social capital is love of place. The love of people for a place is a major asset, valuable in tourism and immeasurably important in protecting a place under threat.

What's necessary to protect Scottsdale, is a deep understanding of: what needs to be protected, how keeping a unique place requires that Scottsdale have a strong local economy, the importance of being organized like a city (with more connections and joint enterprise interest in the future of the place). The isolation of Scottsdale, geographically, socially, in business and civic life is more like a suburb. Suburbs don't focus on building an economic base, they focus on land use. Suburbs get absorbed, cities stand on their own. Independent and distinctive cities have strong downtowns.

### DOWNTOWN, THE PLACE TO START

Four things converge to recommend that Scottsdale create an urban experience in downtown. An amenity-rich, pedestrian-friendly downtown designed around authentic identity will anchor leisure tourism and next generation economic development. Making downtown a major focus area for Scottsdale extends the city's competitiveness and financial success as well as the protection of its unique identity into the next era. The four converging things are:

- 1) The problems perceived by meetings market that Scottsdale has little to do.
- 2) A huge shift in lifestyle preferences among young professionals in travel experiences and in where they live.
- 3) The need to protect and advance the identity of Scottsdale within and against the region.
- 4) The opportunity to continue the very successful economic development edge in which a visitor to Scottsdale turns into a resident, and brings their business with them, and to address next generation professionals in the green, tech and creative class sectors of the economy).

### THE STRATEGIC FOCUS AREAS

The downtown opportunity is to focus on the identity of Scottsdale and its unique character of place combined with a deliberate attempt to encourage downtown development in a pattern of urban lifestyle and programmed activity "Scottsdale style." This will create a major advantage for Scottsdale tourism in stabilizing and significantly growing the market in a move from a resort centered to a destination centered approach to tourism combined with the strategic approach which addresses the future of tourism. PLACES' recommendations for

doing so follow.

Strategic planning is undertaken to change a system, the way it operates and the way it performs. The Downtown strategic focus area, begins with an assessment of the economic issues which would support reinvestment by current land owners and improve the opportunities for current merchants operating downtown. It then follows a stepwise plan to begin creating this lively and prosperous downtown. There are additional initiatives for downtown: create an Arizona Central facility to support the touring vacation and to get those on touring vacations to make Scottsdale part of their experience. Create an “animated” experience with small events, rituals and festivals that make the Downtown a place where locals, those in the region and those on trips want to spend time. And create a funding and management structure to keep those experiences going.

Recognizing that the most important component of economic stability in the future is to be a desirable place to live (and in Scottsdale’s case - visitors decide to stay - and bring their businesses with them). What will make this even more true for the next generation than it was for the last generation is being a unique place with the amenities people want. PLACES believes that the qualities of the place that make citizens love it, provide the roadmap for the next steps and for deepening the sense of place. How to use this “Love of Place” is described in the strategic plan, and Scottsdale’s Identity Matrix embeds core identity elements for Scottsdale and all its citizens and businesses to use in what PLACES describes as pervasive interpretation of place.

Since Scottsdale has lost some steps in its appeal and involvement of next generational professionals, there is a strategic focus around how to develop the right mix of amenities downtown to provide the live/work environment desired by this group and how to leverage some of what Scottsdale has accomplished to aid in recruiting companies in areas of high growth like tech, green industries and creative economies.

Transportation is a strategic focus area: the connection to the airport, the issues with visitors getting around in Scottsdale plus the larger issues of workforce transportation and Scottsdale’s connectedness to the region. The plan also addresses opportunities in private jet

travel to Scottsdale Airport. There are also strategies to strengthen access and use of the quite extensive trail system, beginning downtown, as a signature for Scottsdale. The trail system is one component which anchors love of place core identity characteristic “a city in the desert, the desert in a city” (from Scottsdale’s Identity Matrix).

There are strategic focus areas for the development and extension of thought leadership and innovation opportunities for both golf and group meetings, the traditional mainstay of the tourism industry in Scottsdale. These strategies leverage content and expertise in Scottsdale.

A significant recommendation in this consultancy is that the tourism industry move from resort centric to destination centric. So developing the leisure market, with more experiences in Scottsdale, an animated downtown are part of the focus. So is developing strategies to grow leisure in all seasons including the development of regional themed events around an area of content which is marketable over several weeks, and the addition of classes of all kinds in the summer.

The final area of strategic focus has to do with managing (or stopping) crisis so as to limit their effect on tourism.





A photograph of a stone archway leading to a building with a large arched window. The archway is made of rough-hewn stone and frames a path that leads towards the building. The building has a large, arched window with a blue-tinted glass. The overall scene is brightly lit, suggesting a sunny day.

# Project Scottsdale

2017

Think in systems and recognize the necessity  
to change one or more systems  
to realize your future picture.

**PLACES**CONSULTING

Risk taking can help move us forward.  
We need to focus on creating a sustainable tourism industry.  
We need to put our properties into productive use.  
Meeting, Nov. 1 at the Fairmont Princess Mayor Jim Lane



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Of course it's about strategy is hard – making tough choices. It's about deliberately choosing to be different.

If you want to make a difference as a leader, you've got to make time for strategy... only strategy can create sustainable advantage.  
- -Michael Porter  
Harvard Business Review March 2001

We haven't come to terms with the fear of change and that can make it hard to move forward.  
John Holdsworth, Strategy Meeting

## A SHORT SUMMARY OF THIS PROCESS

Here is a short summary of how this planning process works. We sometimes lose sight of the bigger ideas. Chief among them are the following:

For things to be significantly different tomorrow than they were yesterday, you almost certainly need to change how the system you are working in is organized.

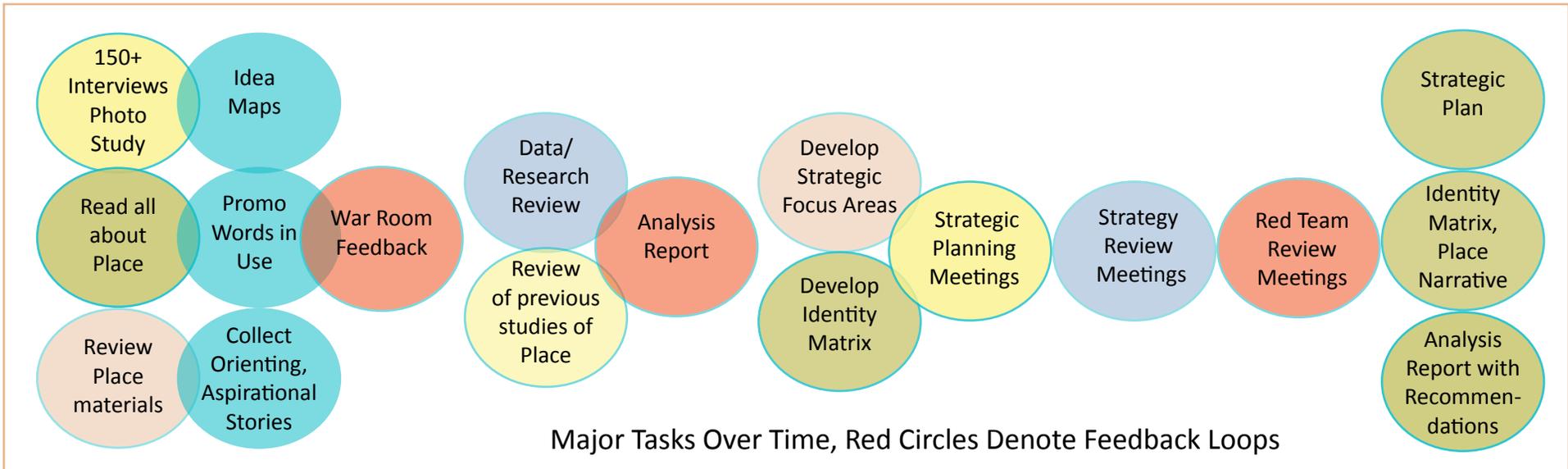
When you choose to change, make sure the change leads to significantly greater capability. Stay away from changes that will only produce marginal improvements.

When you do your planning, plan in the open, focus strategic action on centers of gravity, execute campaigns in parallel to get the largest impact (hysteresis effect).

Make sure to break connections with the past in order to focus on the future.

Understand that places rich in character are easy to love and hard to leave

It is possible to capture, express, enhance and make use of character of place.



## SCOTTSDALE'S FUTURE PICTURE

SCOTTSDALE IN 5 YEARS

Scottsdale is a *City in the Desert, the Desert in a City*. To be there is to be *close to the great and permanent forms of nature (Wordsworth)*. *Consciously created* from the start, periodically re-invented, and chosen by its residents, Scottsdale is a *well-spring of health* and it offers to visitors and residents *the best in life*.

By 2017, downtown Scottsdale is an animated around the clock place. Events, spontaneous and planned anchor themselves Downtown. It is festive for holidays of all kind, with shade, where seating spills out onto the streets, and the commercial district is inviting to pedestrians. It has become one of the most desirable cities for the next generation high tech, green and creative industry workers with a variety of officing options, affordable downtown housing (Scottsdale style), public transportation and well used bike paths. And the next generation of entrepreneurs have discovered it. As these enterprises progress, the city's wealthy population moves to develop more venture funding and other means of helping the new Scottsdale businesses grow.

Baby boomers who increasingly prefer the Downtown active lifestyle to age segregated communities have also started to move to Scottsdale. Both new resident sectors enjoy an urban experience, Scottsdale style.

Having invested in a Scottsdale style, sustainably built, urban core, and created an attractor for visitors and desirable residents, now the galleries, merchants, great restaurants and other downtown assets are healthy and growing. Merchants have increased sales considerably in the five year period. Downtown is not only a center of Scottsdale life, it also offers interpretation of what living in Scottsdale is all about.

Scottsdale is a distinctive place made more distinctive because its residents and businesses are atuned to its qualities. Living here is easy. And loving the place inspires citizen engagement to shape its future, building on the qualities they love.

People who live in Scottsdale find it easy to communicate to visitors about awakened senses, the natural drama of the day. They share their connection to nature and their love of place with personal stories, orienting visitors and residents. And the civic engagement this kind of love of place inspires creates a cohesive Scottsdale, working

Our city is only 100 years old. We have youth on our side.  
Tom Enders, Strategy Meeting

together, creating a sustainable and resilient place.

It is also a place to experience first-hand one of the most bio-diverse ecosystems in the world, the Sonoran Desert, and to understand how responsible stewards care for this unique piece of the world. Framed experiences like city starry nights, bikes and trails, an interpretation of how people have lived in the desert from early days until now is ready to hand deepening the connection to the desert. These next gen pacesetters love the outdoor experiences, cafe culture, bike rentals and bike paths, public transportation, the small city feel in a major urban area. Seeking a place more laid back than the coasts, many of these young people from ASU, UofA and dozens of other schools (recruited by alumni) choose Scottsdale. Some were encouraged to come here by friends or decided to visit after seeing a story about the new place to be for tech then made the decision to move. Important to them is the lifestyle afforded in the arts and entertainment district, complete with live music, comedy clubs, in addition to night clubs and bars. They spend evenings at dinner and then in this arts and entertainment district.

The combination of the welcoming and supportive business community and the immediate outreach from active, young professionals has helped these newcomers understand the city. As a result they immediately get involved in civic life, in organizations of their peers coordinating with the larger civic community but working on their chosen initiatives, their way.

Because people of means can live anywhere, those who love Scottsdale continue to choose to live here. They insist on great architecture for their residences and the city. They buy art and support the arts. They entertain, go to great restaurants, enjoy great shopping and fine cars. They support the civic and cultural interests of the Scottsdale and so they invest in it to keep it wonderful and special.

Despite so much affluence, Scottsdale has become welcoming to its natural diversity which reflects the increasing diversity of the nation and its western region. Scottsdale is friendly to the contributions of all of its residents, and love of place unites everyone.

*A City in the Desert, the Desert in a City*, Scottsdale provides an environment in which people relax, regenerate and innovate.

In Scottsdale, the redevelopment of Downtown to serve as a

vibrant, pedestrian live/work environment, and the development of a stronger leisure tourism market, happened in part because of the focus on transportation as an underlying issue becoming an asset. Along with developing better transportation from the airport and throughout the city, including a focus on downtown. The arrival experience was improved, and the mobile communications system including GPS interfaces and interpretation of place are managed. In doing so the city advances its position as environmental stewards as well as a tech savvy place.

The most interesting part of the transportation program is the leveraging of the city's extensive trail system into downtown.

As a result of its effective interpretation of place which has enabled media of all kinds to get the stories right, Scottsdale is on the agenda for international travellers both through international commercial airline flights and also with direct arrival of private jets at the Scottsdale Airport. Airport service companies are helping with direct solicitation for Chinese golfers and travellers and European horse people building more groups of people who know and love Scottsdale. And Scottsdale Airport enjoys more users.

Scottsdale, long a strong group meeting destination has innovated in the sector. with additional services, unique content for group meetings with general business applications, and by establishing a unique position as a place that can help a group "relax, regenerate, innovate" which mitigates any issues related to the high end nature of the meeting location by contributing exceptional value to the meetings held here. Innovations in the group business sector have added ways to organize group business for Scottsdale and result in a stable and growing stream of meetings and attendees all developed in Scottsdale.

In Scottsdale, the leisure demand has grown. A major area of growth has been through the adoption of a position as "Arizona Central," the place you want to go as part of your touring vacation of the Southwest. While the offerings for touring products are part of the draw, the development of local products and experiences are growing with the sales outlet and promotional platform. And the local pink jeep tours out of the "Arizona Central" facility downtown create a lot of interest in the Preserve and other outdoor experiences, accessible from downtown Scottsdale.

The food reputation, local food products plus the unique food experiences are growing.

The process of entrepreneurial development in tourism is a conscious one. Students in the tourism school at ASU, business own-

ers, people with special interests are becoming aware of how part time business offerings can be marketed as part of visitor experiences.

Summer has full calendars for class and workshop activities, for adults and children, spread throughout Scottsdale, with appeal to locals and to the region.

The first themed event happens in the fall, for 3-6 weeks. It is a Native American linked series of events. All of the Native Tribes of Arizona are invited to participate. The time period for the linked event strategy becomes a marketable leisure period and marketing resources are spent to develop tourism in that time period.

Scottsdale is known for golf, and the golf market is strong and growing both locally and with visitors as a result of a conscious effort to become thought leaders in this area and to innovate, attracting more players to the game.

The area of the world which has continued golf growth (Asia particularly China and Korea) orients toward Scottsdale. Scottsdale courses have put together a comprehensive cultural and golf play program in their native languages using pros, and people to teach the cultural aspects of the game. The program also offers assistance in business development using the Asian golfer's Scottsdale golf trip to create business exchanges for US businesses desirous of conversation with these potential trade partners.

Scottsdale airport is a partner in soliciting private jet owners in these countries, letting them know about the Scottsdale airport (all jets can arrive direct and clear customs at the airport). The act of marketing these advantages plus leveraging the Scottsdale sister city in China, starts a new affinity market with emerging Asian wealth and Scottsdale resorts and golf.

When Scottsdale plans for the future, plans include how to prepare for a crisis. This effort uses the "table top" model of preparation in use by Utility Companies. Scottsdale has a contingency budget and other response mechanisms (such as hotel/restaurant industry script) which can keep activities going and allow citizens to participate in recovery.

These five years of development in Scottsdale have stabilized downtown and tourism, and both are growing, building a next generation Scottsdale which deepens resident's connection to the qualities of place they have loved. This growth continues the historic process of economic development in Scottsdale by enticing visitors to become residents, and bring their businesses. A city in the desert and a desert in the city are protected for another generation.

## MAPPING THE SYSTEM

*Here is the Human Body as system described in each of the six rings.*

**Beliefs:** the purposes of life (to survive, to grow, to propagate the species, etc.) provide motivation and impetus and the belief system of a person steers the focus of a person.

**Leaders:** In the human being, the brain, as the center of both reason and emotion, is the leadership component; the brain tells the rest of the body where to go and what to do.

**Processes:** In the body for example, the digestive, the respiratory and the circulatory systems convert oxygen and food into energy for the muscles and the brain.

**Infrastructure:** Bones and muscles give the body shape and hold it together. They are part of its infrastructure. So are blood vessels, the lymph nodes, etc.

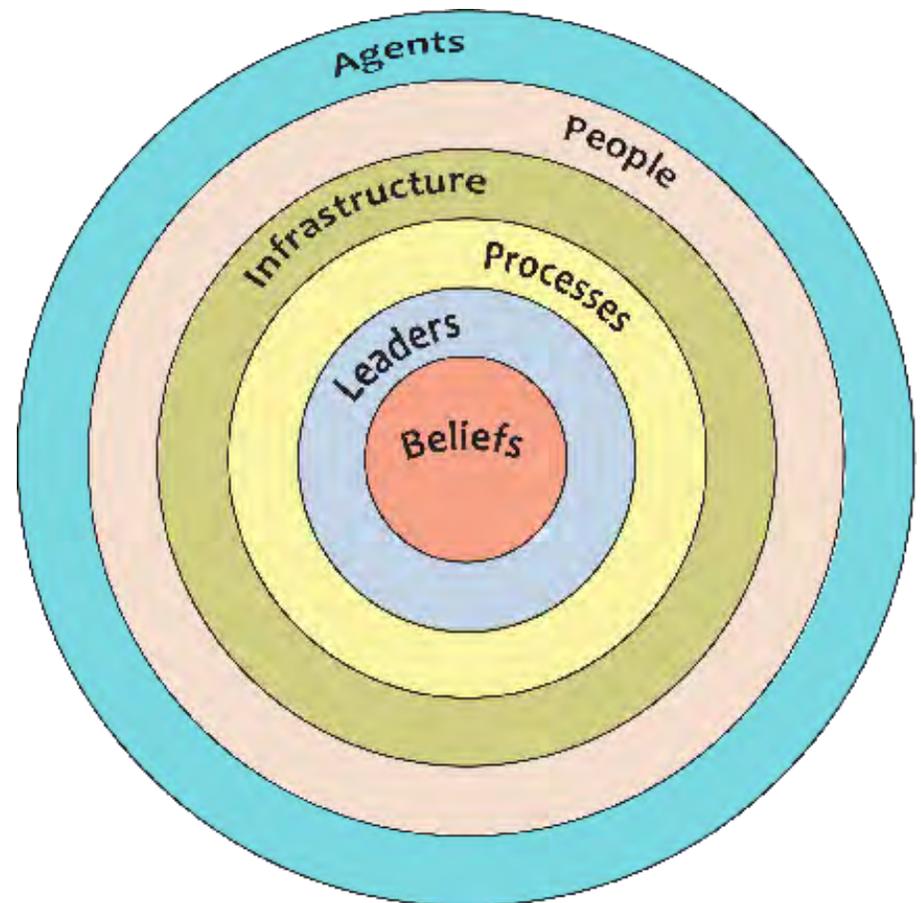
**People:** The body has populations (groups) of all kinds of cells – skin cells, bone cells, nerve cells, etc. We would not normally be interested in a single individual cell, but we can think about them and work with them as a group.

**Agents:** Agents propagate the system or defend it from attack. In the body, there are groups of cells that become potent agents to deal with problems. For example, some cells take on invading germs while others make the blood clot in response to a wound.

**Systems Thinking Example:** One example: the US Forest Service decided to fight forest fires by quenching every small fire immediately. The fire is our enemy, we put it out. That is a direct attack. It failed, because small fires burn off brush and debris and help keep big fires from happening. Letting small fires burn is a counterintuitive indirect approach to preventing forest fires. And, absent extreme drought conditions, it works. But recent budget limitations have prevented its implementation.

Every system has similar attributes which include: purposes and meaning, leadership that sets direction for the system, processes that allow the system to function, infrastructure that holds the systems together, groups of people (not individuals) who make the system function, and agents active in defending the system, repairing the system, or interacting with other entities inside or outside the system. Mapping includes both market and organizational systems.

In our planning we break these system attributes into rings, a simplification to help with the process of mapping the system. Below are the rings.



**Plan in the open.**

Open planning is the only way to tap dispersed knowledge and it is the best way to build consensus for plans.

**Value and interpret character of place.**

In a world where each place is becoming like every other place, what is distinctive about a place links the past and present to the future, generates energy and creates an understanding that is unique, authentic and sustainable. It creates social capital, releasing the energy of citizens committed to a place they love.

**Begin by focusing on the future.**

Every action affects the future. Every action has consequences. Specific actions create a specific future. You can not predict the future but you can and will create it.

**Map the system.**

Everything and every action happens in a system. Our bodies are systems, as are families, companies, markets and countries. Everything we do takes place in the context of one or more systems and everything we do affects these systems.

**Realize our future picture by changing the system.**

We stress the system to a the point that it cannot just resume its old shape. When you bend something beyond its ability to snap back It's called the hysteresis effect. Think of a coat hanger.

**Systems resist change.**

All systems have inertia and resist change. Newton long ago described the law of inertia for physical objects: a body in motion tends to remain in motion and a body at rest tends to remain at rest. Systems comprised of animate and inanimate resist change.

**Stress the system by identifying and impacting centers of gravity.**

All systems, no matter how complex or how simple, have elements or points whose alteration has a greater impact on the whole system. These are leverage points.

**Design strategies to impact those centers of gravity.**

Systems change when their centers of gravity change. The extent and probability of system change is directly proportional to the number of centers of gravity affected, how central they are to the system, and the speed at which they are affected (with slow action the system learns how to repair itself).

**Design Measures of Merit, to tell when strategies have succeeded.**

These Measures of Merit tell us if the strategy is working. This keeps us acting strategically (not tactically).

**Measures of Merit also tell if strategies are failing.**

If a measure of merit indicates that a strategy is not working because of market changes or other events and the strategy is no longer valid, it is time to stop.

**Create and use reserves.**

Reserves are used to apply extra effort in application to strategies. Reserves can create the decisive difference.

**Repeat the process.**

This process can be used in campaign sessions over the course of the planning period. The process will see its greatest results when it extends deeply into the industry and creates organizational change.

**Concentrate on creating value, not on competitors.**

Systems mapping shows that the least powerful place to apply effort is against the competition. It is more productive to apply effort against beliefs, leadership, processes, infrastructure, and population.

**Plan for cycles, including the end of a campaign.**

Everything around us functions in a cycle with a beginning and an end. We plan for the end of our campaign when it will be time to start over with another cycle of strategic planning.

## DOWNTOWN'S FUTURE PICTURE

### SCOTTSDALE IN 5 YEARS

By 2017, downtown Scottsdale is an animated 24/7 place where shaded seating from cafes and coffee shops spills out onto the street. Investment from current and new owners has created a new mix of retail, consciously created. Downtown occupancy is 95% and merchants have experience sales increases year over year for the past five year period. Visitors move easily between Fashion Square and Downtown Scottsdale. Five years from now downtown Scottsdale has become the Valley's most desirable place to live and work for the new generation of high tech, green and creative economy workers. In five years 15,000 residents live Downtown and can enjoy a pedestrian lifestyle, easily walking to what they need and enjoying an urban experience, Scottsdale style. New offices (traditional, warehouse style, live work plus artist studios) are part of the mix of office options available.

In keeping with Scottsdale's "consciously created" character and excellent planning process, downtown transformation has created a clear picture for current property owners and institutions for re-investment and has created new investment models and processes with the result being new investment in downtown. Iconic buildings are created and quality aesthetics are part of the downtown architectural environment.

Events, spontaneous and planned, connect themselves to downtown (even if they are primarily operating in another part of the city or region). Experiences that can be easily accessed from downtown Scottsdale throughout the city, region and state make downtown "Arizona Central." Visitors coming to the region go downtown as part of their experience of Arizona.

Downtown is festive for holidays of all kind, and is not only a center of Scottsdale life, it also offers interpretation of what living in this place is all about. Visitors are exposed everywhere to pervasive interpretation of place. Rituals deepen the local and visitor experience. Iconic spaces and experience "framing" provide a touchstone for the downtown experience.

The gestures of historic branding are replaced. Better wayfinding, entrances, interpretation and animation are part of the visitor experience. The Old City, western experience is enriched. The remaining areas, the rest of Downtown Scottsdale, are made more accessible

Scottsdale has a background of innovation and forward thinking.  
Linda Milhaven, Strategy Meeting

with transportation calming making it easy and inviting to navigate downtown on foot, bike, or horse. Marked and used trails integrate outdoor trail activities with urban experiences. The waterfront is interpreted and showcased.

Street and Scottsdale Mall activities provide daily color and the Civic Plaza is adapted to easily support larger gated events and concerts. The Mall is renamed to reflect its function as a town center (Village Green) and is made more visible. The night club scene is expanded to include live music and other entertainment to create an appeal to broader audiences.

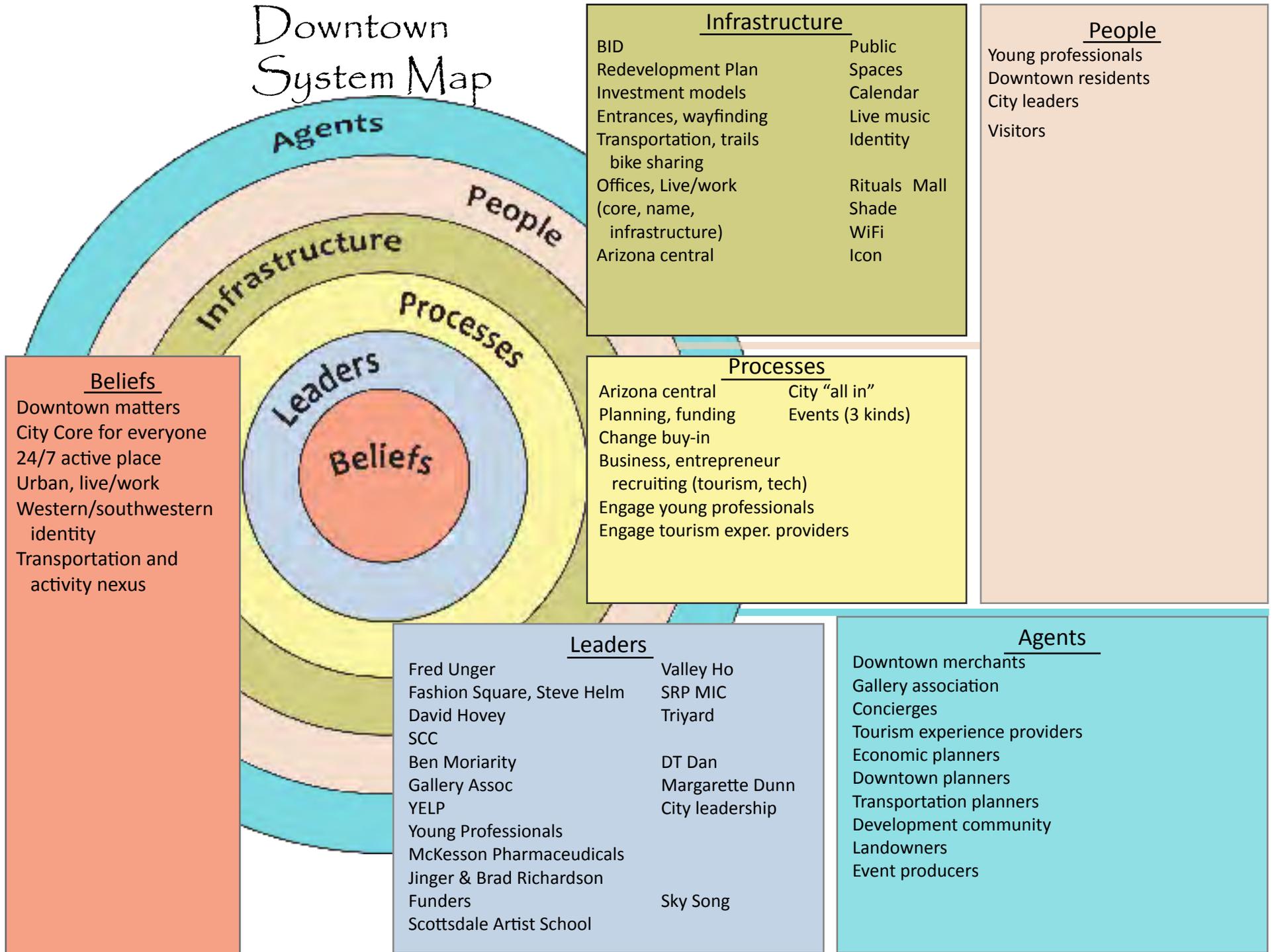
Recognizing the importance of animating downtown, making it a lively place to be, there are three categories of events all of which are measured for growth. The first is happenings (small street experiences: gourmet vending carts, costumed characters with stories selling water, interpretive characters, tours beginning downtown, artists drawing, picture taking settings, virtual video golf play of Scottsdale's best golf holes. All these activities offer spontaneous experiences and serendipitous encounters). The second kind of downtown events are block parties and themed free events. The third kind of event is festivals (gated or ungated large events acting as a draw to bring visitors and locals downtown).

Calendaring of daily downtown events is available for mobile devices via WiFi (WiMax) as are stories of all kinds: around themes, linked by GPS to location, as are merchant sales and other specials. Authenticity in Native American jewelry and crafts is supported in a program which validates the "real" merchandise so that visitors are certain of quality. There is also new wayfinding signage which is helpful to visitors.

An ongoing funding mechanism is in place for many of these initiatives, which grows as sales grow.

Sensitivity to the environment is revealed in city and merchant practices like recycling and the use of recycled materials, protecting dark skies, easy access to bicycle rentals, integration of the waterfront and its story, fresh and local foods, energy conservation.

# Downtown System Map



# Downtown Strategies

Strategy list may or may not be complete. We will add to strategies if desired, identify centers of gravity to effect desired changes, devise means (tactics) to achieve those changes. It is likely we will need to add to the mapping of the Scottsdale system, mapping of the marketplace in which it operates. We will identify Measures of Merit, resources, owner, timeline for each strategy.

**DS1.** Create economics plan for transforming downtown retail, offices, active retail street components.

## BUSINESS

**DS1A.** Develop a foundation fund to provide leadership and strategic investment in Downtown as a centerpiece of Scottsdale.

**DS1B.** Hire economist/planners to develop comparables, create a plan for retail mix, local retail tenanting, active street components, office mix, local live/work components and establish overall market potential for Downtown Scottsdale, understand the historic plan district map and address any issues including reuse. Evaluate parking needs and approaches, inventory ownership, occupancy.

**DS1C.** Evaluate required market performance to achieve investability.

**DS1D.** Provide to the city an economic and fiscal impact analysis.

**DS1E.** Work with the city and Downtown land owners, merchants, businesses in creating the plan.

**DS1F.** Create re-investment incentives for local owners.

**DS1G.** Create new investment models and processes for Downtown development.

**DS1H.** Create a broad monitoring tool (dashboard) to provide data and analysis for ongoing management of Downtown including: Downtown sales, Downtown office occupancy, Downtown office space, residential units sales and occupancy, rate, construction permits and construction budgets, tax revenues, opportunities for ongoing improvement.

**Measures of Merit:** Plan is created, foundation fund established with significant initial fundraising, monitoring of annual civic fundraising increases, economic plan leads to new investment: retail, office, three anchor feasibility assessments, dashboard (Dash) monitoring in place

**Resources:** \$300,000-\$500,000

**Owner:** Business leadership, MIM

**Timeline:** 1

**DS2.** Work with urban planner / transportation planner to create a plan for trail access Downtown, traffic calming, bike sharing, bringing in living desert landscape, entrances, wayfinding, shade and other cooling, easily convertible lighting and decoration for all kinds of holidays, Southwestern design elements, easy in and out access to Fashion Square and costs associated with implementing the elements of the plan. Implement the plan.

## BUSINESS

**DS2A.** Develop plan for these elements working with the city and Downtown land owners, merchants, businesses in creating the plan.

**DS2B.** Deepen the west design elements in old town, create entrances, wayfinding and traffic calming to allow an enjoyable walking experience throughout Downtown.

**DS2C.** Work with operators offering tourism experiences (tour operators, horse and bike tours, outdoor experiences) to understand infrastructure needs and opportunities to bring the outdoor experience Downtown.

**DS2D.** Work with tourism industry to understand what is necessary to house/be “Arizona Central.”

**DS2D.** Work with the offerers of experiences to understand infrastructure which would support rituals and pervasive interpretation of place, experience framing, waterfront showcased.

**DS2E.** Develop a plan to improve visibility, entrances to Scottsdale Mall making it clearly the city center and create an event ready venue for festivals serving 25,000, plus rename.

**Measures of Merit:** Plan is created, funds are allocated to implement the program physical program. “Arizona Central” working group determines partnerships to meet feasibility. (Dash) measures framing experiences & rituals offered, waterfront showcased.

**Resources:** \$300,000-\$500,000

**Owner:** Planners, Margaret Dunn

**Timeline:** 1

# Downtown Strategies

We want to have visitors experience these amazing things.  
Rachel Sacco, Strategy Meeting

- DS2F.** Develop incentives to support live music and a broader offering appealing to a different crowd.
- DS2G.** Work with the economics plan and all elements of this plan to determine whether an iconic building is desirable and can serve a purpose Downtown, offer planning & regulation advantages for superior buildings.
- DS2H.** Secure owners to implement parts of the plan and seek public and private funds to execute the plans.
- DS2I.** Make sure plans reflect high sensitivity to the environment.

## DS3. Create "Arizona Central."

### LEISURE

- DS3A.** Reach out to AOT, tour offerers, destination attractions to assess what is feasible and how it would create funding for a facility, or look for an operator interested in this opportunity.
- DS3B.** Assess what would work in the way of a facility to help people explore Scottsdale and Arizona and provide opportunities for activities (tour beginnings, etc.)
- DS3C.** Locate the facility to serve as a trail head if possible with parking for arriving tour guests.
- DS4D.** For permanent facility, map to transportation planning.

**Measures of Merit:** Test of concept is tried quickly and proved to work. Location which supports growth of offerings is secured and built.

**Resources:** \$50,000

**Owner:** Tourism Industry

**Timeline:** 1,2,3

## DS4. Create an animated Downtown with three categories of events: happenings, Downtown events, festivals.

### PLACE

- DS4A.** Work with merchants, planners, best ideas from citizens to describe appropriate Scottsdale happenings. Develop zoning and planning support, change regulations as necessary.
- DS4B.** Have an ongoing process of seeking happenings, testing what works, offering entrepreneurial opportunities to citizens, students, etc.
- DS4C.** Work with cultural representatives to create interpretive and ritual experiences.
- DS4D.** Develop budget and method to support those offerings.
- DS4E.** Develop a calendar of block parties and themed events around holidays, interpretive events and a proven slate of event producers. Offer incentives to make events better than average. Create mechanisms for self funding which include Downtown sponsorship relationships, alcohol sales, etc.
- DS4F.** Develop (and extend) the festival producers familiar with Downtown Scottsdale and provide incentives for the development of festivals suited to place, which can be scaled to attract larger crowds regionally and appeal to visitors.
- DS4G.** Support large events with Downtown transportation options other than driving a car in.
- DS4F.** A dashboard is created where each event is recorded and can be linked to further content.

**Measures of Merit:** Plan is created, zoning is changed, temporary budget is secured, slate of event producers is developed, events are happening and event days are kept, festivals offered are high quality events with strong draw as represented by gate.

**Resources:** \$250,000

**Owner:** SCC

**Timeline:** 1

# Downtown Strategies

Scottsdale knows how to do things right and does things well.  
Dan Gruber, Strategy Meeting

**DS5.** Create easy access to Scottsdale and to the Downtown events to drive interest, through communication and interpretation. Drive awareness of the city as a consciously created and well run place offering authenticity.

PLACE

**DS5A.** Develop daily calendaring including events, merchant offerings for mobile devices and gps enabled devices giving businesses and cultural agencies, etc. content entering ability.

**DS5B.** Solicit a media partner to further extend the visibility of offerings.

**DS5C.** Seek a development partner for the technology and include ease of use to pull content for newsletters and other forms of circulation.

**DS5D.** Create evergreen and seasonal interpretive content for the platform.

**DS6D.** Hire telecom planner to create comprehensive plan for WiFi, WiMax coverage for wireless devices Downtown.

**DS7D.** Fund and provide incentives for coverage.

**DS8D.** Create a validation system for authentic merchandise and authentic offerers and seek a home for this program.

**Measures of Merit:** Partners agree, platform is designed, interpretive content is created, technology coverage planning funding is secured, wireless coverage plan is in place, wireless coverage increases every year, calendaring is in place as are GPS tags for mobile content.

Seasonal and evergreen content created. Authentication program is operating and growing in uses (based on Dash).

**Resources:** \$30,000

**Owner:** City

**Timeline:** 1,2,3,4,5

**DS6.** Create an ongoing management structure for Downtown animation and improvement with a funding mechanism which grows with sales, occupancy and other means and operates as much as possible like a management company for a mall.

PLACE

**DS6A.** Create funding and management function and home for this operation once the funding is secured.

**DS6B.** Work with the foundation, the city and other regional players to continue to advance the interests of Downtown as the centerpiece of Scottsdale by presenting new initiatives, reporting progress.

**DS6C.** Create areas of focus to advance joint “programming” in business sectors (eg. galleries, restaurants, tech businesses, etc.)

**Measures of Merit:** Funding mechanism for ongoing management is passed. (Dash) measurements are put in place.

**Resources:** \$50,000

**Owner:** Steve Helm

**Timeline:** 1,2,3

## FUTURE PICTURE LOVE OF PLACE

### SCOTTSDALE IN 5 YEARS

Scottsdale, a city of choice for residents, is becoming so for the most desirable, upwardly mobile next generation (a.k.a. Millennials) in a continuing cycle of visitors who become residents and bring their businesses with them. Scottsdale's desert environment is ancient and timeless, but as cities go it is young and has the vibrancy of youth.

Attracted by smart growth and the citywide sensitivity to environmental issues, these next gen leaders see Scottsdale as a thought leader. It is a beautiful, well run city. Not as hectic as the coasts, it is casual, full of the sights and sounds and smells of the desert, big open skies. It is a city rich with sports, arts and culture experiences, large and small animating events, a restaurant culture, resort amenities and shopping. It is a distinctive place made more distinctive because its residents and businesses are attuned to its qualities. Southwestern architecture, the new west and the old west, horses, Native American culture, and other cultures, all infuse Scottsdale with an indescribable quality of life. Living here is easy. And loving the place inspires citizen engagement to shape its future, building on the qualities they love.

It is also a place to experience first-hand one of the most bio-diverse ecosystems in the world, the Sonoran Desert, and to understand how responsible stewards care for this unique piece of the world. Indian Bend Wash is the essential "origin story" for Scottsdale's environmental focus and everyone visiting or living in Scottsdale hears the story and many experience the place.

Framed experiences like city starry nights, bikes and trails, an interpretation of how people have lived in the desert from early days until now is ready to hand deepening the connection to the desert. The value of water, of clean dry air is ever present.

People who live in Scottsdale find it easy to communicate to visitors about awakened senses, the natural drama of the day. They share their connection to nature and their love of place with personal stories, orienting visitors and residents. For visitors, experiences are framed to help them move from nature deprivation through experiences that are regenerative. The health benefits in Scottsdale are well known, from wellness practices all the way to leading health care offerings.

Because people of means can live anywhere, those who love Scottsdale continue to choose to live here. They insist on great archi-

*This is a community of choice. Not many people were born here.*  
Rick Kidder, Strategy Meeting

itecture for their residences and the city. They buy art and support the arts. They entertain, go to great restaurants, enjoy great shopping and fine cars. They support the civic and cultural interests of Scottsdale and advance the shared agenda for smart growth and environmental sensitivity because they want the place they live to remain distinctive. They understand that the place they chose to love is special and so they invest in it to keep it that way.

In five years of understanding love of place, Scottsdale has become more aware of its natural diversity which reflects increasing diversity of the nation and its western region. Scottsdale is friendly to the contributions of all of its residents, and love of the city unites everyone.

From the earliest canals and the agriculture of native peoples, through conquerors and settlers, cattlemen and cowboys, Cavalry and Indians, there are layers of stories, frequently told. No one story is essential, but together all are. The painters and writers who settled here knew that when they were creating the Myth of the West. Scottsdale shares its stories everywhere, scattered like dark sky stars across the landscape and into the awareness of everyone in the place. Visitors and residents alike experience the deep time of geology, the slow time of the desert, the wonder of this ancestral place sacred to some families, but there for all to share.

In places where two different environment are next to each other, biologically those environments are naturally productive. For citizens and visitors to Scottsdale a city in the desert and the desert in a city provides a unique environment which is infinitely creative, surprising, self-renewing.

Scottsdale from birdsong at first light through sun-drenched days with big skies and vivid desert sunsets to deep star-filled night skies has a purpose. It weaves the tapestry of the past forward into a sustainable place that attracts the best in life and inspires people to experience their own best quality of living.

Birdsong at first light

**Joy** Long deep shadows, streams of soft golden light

Sense of space  
Cool mornings  
Daily cycle of life  
Wildlife stirring  
Smell of Orange Blossom  
Connect

**Close**  
to the great  
and permanent forms  
of nature

Slow down  
Sundown cool  
Slow time  
Sundown, sparkle skies  
Enveloped in sunlight  
Deep time

Wordsworth  
Vivid desert sunsets  
Deep star-filled night skies  
Smell of mesquite

Reawakening senses  
Self-renewing  
Zen of the desert  
Sun-drenched days, big skies

Drama of the day  
Fresh open spaces

Indian Bend Wash

**Desert views** Happy trails

Grey water irrigation  
Earth-connected, sustainable  
Desert golf greens  
Edge zones

**A Consciously  
Created City**

Recharge aquifer  
Landscaped  
The Preserve  
Ancient & modern canals  
City starry nights

Precious water life force

Bikes, horses, hikers

Makes your eyes happy

Myth of the west  
Guns, ropes, saddles, belts, boots, arrows

Ranches  
Southwestern spirit  
Architects of Place  
Solari, Wright

Convivial events  
Sonoran Desert  
Cattlemen and cowboys

**A City in the Desert,  
The Desert in a City**

Olives, Oranges, Cotton  
Spanish adobe architecture  
Chilled nights, fire pit conversations  
Bio-rich desert, lush after rain

Painters and storytellers  
Desert air  
Cavalry and Indians

Mr. Wright  
Rimmed in rugged mountains

Nourished by sunlight, dry fresh air

Relaxation rewards  
Health spas  
Desert healing

Active outdoor lifestyle  
MAYO Clinic Southwest  
Leading genome research

**The Well Spring  
of Health**

Relaxation health benefits  
Decelerate  
Concierge health care  
Scenic drives  
Health retreats  
Whole health self-care  
Premium health care

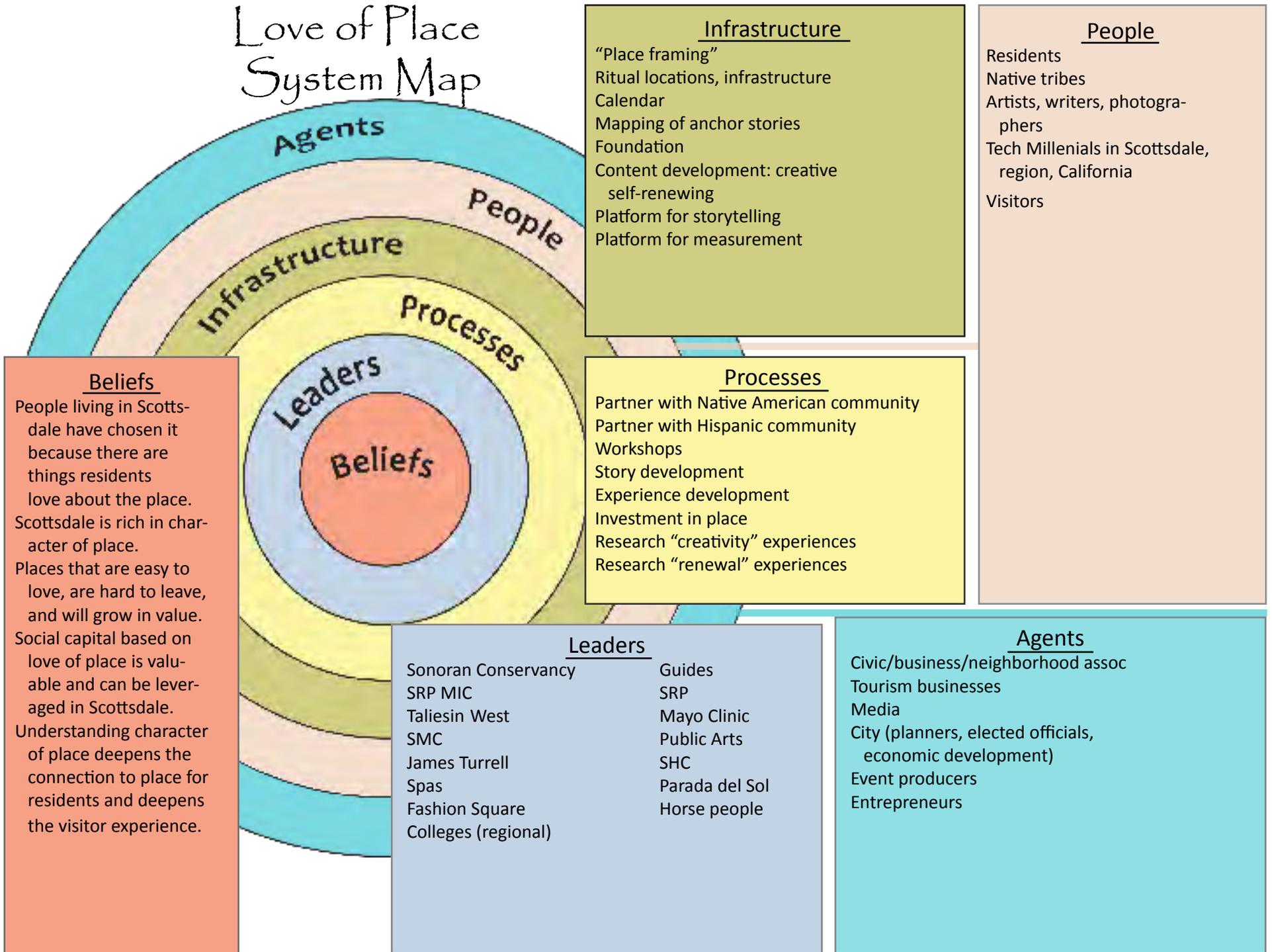
Art-filled living

Collector cars in exotic locations  
Tesla store and more  
Rich culture  
Native American adornment  
Rich people

**The Best  
in Life**

Rich shopping experiences  
Focus on quality  
Art-rich public places  
Resorts, restaurants, spas, golf courses  
Modern, adobe architecture

# Love of Place System Map



**Beliefs**  
 People living in Scottsdale have chosen it because there are things residents love about the place. Scottsdale is rich in character of place. Places that are easy to love, are hard to leave, and will grow in value. Social capital based on love of place is valuable and can be leveraged in Scottsdale. Understanding character of place deepens the connection to place for residents and deepens the visitor experience.

**Infrastructure**  
 "Place framing"  
 Ritual locations, infrastructure  
 Calendar  
 Mapping of anchor stories  
 Foundation  
 Content development: creative self-renewing  
 Platform for storytelling  
 Platform for measurement

**People**  
 Residents  
 Native tribes  
 Artists, writers, photographers  
 Tech Millenials in Scottsdale, region, California  
 Visitors

**Processes**  
 Partner with Native American community  
 Partner with Hispanic community  
 Workshops  
 Story development  
 Experience development  
 Investment in place  
 Research "creativity" experiences  
 Research "renewal" experiences

**Leaders**  
 Sonoran Conservancy  
 SRP MIC  
 Taliesin West  
 SMC  
 James Turrell  
 Spas  
 Fashion Square  
 Colleges (regional)  
 Guides  
 SRP  
 Mayo Clinic  
 Public Arts  
 SHC  
 Parada del Sol  
 Horse people

**Agents**  
 Civic/business/neighborhood assoc  
 Tourism businesses  
 Media  
 City (planners, elected officials, economic development)  
 Event producers  
 Entrepreneurs

# Love of Place Strategies

So many people are unaware about the Indian Reservation and Indian culture... we need to break down that barrier.

Blessing Mc Anlis-Vasquez, Strategy Meeting

**LP1.** Advance the knowledge and experience of quality of living in Scottsdale with residents and visitors and in mediated environments.

## LEISURE

**LP1A.** Provide workshops to teach the identity matrix and how to create personal stories of place.

**LP1B.** Work with tourism businesses and concierges to deepen their content about place and to deepen their understanding of place and tune their offerings to the Scottsdale identity matrix.

**LP1C.** Develop an ongoing program of seeding stories for media.

**LP1D.** Work with leadership in the arts, the Native American community, architecture, health and wellness providers, standard bearers in the areas of identity to create experiences which express character of place.

**LP1E.** Develop a program for would be entrepreneurs to develop small businesses based on industry needs and opportunities of experience delivery based on character of place.

**LP1F.** Develop pervasive interpretation of place in public buildings like libraries.

**Measures of Merit:** Use (Dash) to provide data and analysis for ongoing workshop attendance, stories created, experiences created, entrepreneurs entering experience delivery, stories placed in media, database of stories, # of stories

**Resources:** \$75,000

**Owner:** Historic Foundation, Scottsdale Community College, Scottsdale Leadership, Scottsdale realty

**Timeline:** 1,2,3,4,5

**LP2.** Establish Scottsdale as a thought leader in environmental issues: as they apply to the city, the region, the world.

## PLACE

**LP2A.** Catalog the process of environmental concerns, including good regulations, incentives, model planning processes and entrepreneurial efforts, green businesses.

**LP2B.** Shape the public policy toward environmental issues and take a public vote on its tenets.

**LP2C.** Create obvious ways to express the policies (recycling, bike sharing, night sky protection) and communicate about the initiatives in public using character of place sensitivities.

**LP2D.** Create a working group to continually review places for improvement, seeks partners who are improving environmental approaches, communicate about the changes.

**LP2D.** Create a speakers panel which is conversant with environmental issues and Scottsdale and its partners approach, the long view of what needs to happen, the roadmap for how to get there.

**LP2E.** Go beyond the usual "green and sustainable" standard. Create a holistic, systems-based approach to sustainability including social capital measurements, energy efficiency measures, the canal system and water delivery methods and conservation efforts, open space efforts, etc. and call it the "Scottsdale Approach."

**LP2F.** Immediately make the Indian Bend Wash story the "origin story" of the "Scottsdale approach and extensive biking as its newest addition.

**LP2G.** Focus long term on the Sonoran Desert, living desert in the city, interpretation of the desert as it relates to global climate issues with the Preserve as the crown jewel.

**LP2H.** Find or create an institute (local or national) which takes on this initiative long term and communicates annually municipal best practices.

**Measures of Merit:** Media coverage as posted in (Dash), (Dash) measurements of progress, speaking, social engagement measurements, investment in environmental protection projects, savings on energy, water,

**Resources:** \$50,000

**Owner:** ASU, City, ECAB, McDowell Conservancy

**Timeline:** 3,4,5

# Love of Place Strategies

It is difficult to unwrap the way we are used to thinking. There is great value in beliefs and stories, what makes us different. It will make Scottsdale a richer place.  
Susan Morrow Potje, Strategy Meeting

**LP3.** Extend the understanding of close proximity of different environments to productivity biologically into a process of understanding relax, regenerate, innovate and learn how to make framed experiences in Scottsdale around those ideas readily available to locals, visitors and the group market.

## MEETINGS

**LP3A.** Convene “experts” (as well as leisure travelers and regular folks) in a series of conversations (video or audio taped) around these themes to understand the native healers, the process as understood by science and medicine, by artists and academics, by those who commune with nature.

**LP3B.** Engage focus groups from Scottsdale to review the conversations and propose the intersection between those thoughts and Scottsdale and its offerings.

**LP3C.** Identify speakers, exercises, experiences that can unlock opportunities for locals and visitors to experience deeper creativity, renewal.

**LP3D.** Gather stories about the experiences.

**LP3E.** Get media pick up of stories, bookings by groups of speakers and activities.

**LP3F.** Get offerers to create experiences, monitor # of experiences sold.

**Measures of Merit:** Experts convened, focus groups engaged; speakers, exercises, experiences defined and offered (Dash), # stories gathered and databased, media pick up of stories.

**Resources:** \$30,000

**Owner:** ASU, Tribal leaders, SCC

**Timeline:** 1

**LP4.** Engage the health care providers in an evidence based medical approach to health interventions for visitors and for the community.

## MEETINGS

**LP4A.** Work with Mayo Clinic to offer executive health check ups for meetings market executives.

**LP4B.** Work with Scottsdale Health Clinic on an approach to community health using Scottsdale’s identity matrix to frame healthy behaviors, monitor activity and results.

**Measures of Merit:** Provider agreement, (Dash) to provide participation.

**Resources:**

**Owner:** Scottsdale Health Clinic

**Timeline:** 1

**LP5.** Extend the historic advantage for Scottsdale of people visiting, moving to the city and bringing their businesses with them.

## BUSINESS

**LP5A.** Working with current tech businesses, venture capitalists, economic development and real estate professionals create an advance notification system for visitors who might be more deeply introduced to Scottsdale, beginning deeper connections with the place.

**LP5B.** Create a working group that meets regularly among those who regularly interact in a “place”recruiting position in Scottsdale to advance the understanding and benefits of pervasive interpretation of place.

**LP5C.** Provide place stories for place-recruiting professionals to use in pre and post introductions to Scottsdale.

**Measures of Merit:** Provide data analysis # business contacts made, sectors, business attraction, participation in regular working group

**Resources:**

**Owner:** Chamber

**Timeline:** 1

## FUTURE PICTURE GENERATIONAL CHANGES

SCOTTSDALE IN 5 YEARS

Scottsdale has created a vibrant, walkable, amenity rich, active Downtown with a variety of officing options, affordable loft housing and the next generation of tech entrepreneurs and “green” companies and creative enterprises have discovered it. These next gen pacesetters love the outdoor experiences, cafe culture, bike rentals and bike paths, public transportation, the small city feel in a major urban area. And Scottsdale loves these new residents. Seeking a place more laid back than the coasts, many of these young people from ASU, UofA and dozens of other schools (recruited by alumni) choose Scottsdale. Some were encouraged to come here by friends or decided to visit after seeing a story about the new place to be for tech then made the decision to move. Important to them is the lifestyle afforded in the arts and entertainment district, complete with live music, comedy clubs, and alternative environments in addition to night clubs and bars. They spend nights at dinner and then in this arts and entertainment district.

These new residents are the population every city in the US is trying to get. And they are here. Attracted by outdoor and arts-infused lifestyle plus a major city airport, they have set-up shop, rolled up their sleeves and are getting involved in Scottsdale. The combination of the welcoming and supportive business community and the immediate outreach from active, young professionals has helped these newcomers understand the city. As a result they immediately get involved in civic life, in organizations of their peers coordinating with the larger civic community but working on their chosen initiatives, their way. The city leaders and the next gen leaders make sure that young professional residents are part of the decisionmaking process. They have a seat at the table.

They are also doing business with US and international companies and have learned to use Scottsdale as a business advantage in getting clients and partners to travel here. They talk about how productive and creative the environment is and embrace the relax, regenerate and innovate concepts in their lifestyles. In doing so they introduce Scottsdale to international business travellers.

As these enterprises progress, the city’s wealthy population moves to develop more venture funding and other means of helping the new Scottsdale businesses grow.

For the Baby Boomer retirees who want to live in a vibrant,

Young people are incredibly tech savvy. Art and Tourism need to be much more experiential and experimental to compete with technology which allows people to practically experience things without physically being there.

Dan Gruber, Strategy Meeting

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The younger generation wants to experience something different.

Taryl O’Shea, Strategy Meeting

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We have a quality of life unlike other places.

Andrew Chippindall, Strategy Meeting

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Touch the past and the present in the same day.

Bruce Leadbetter, Strategy Meeting

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If we are going to engage the “younger generation” they can’t sit at the kids table. The leaders need to let things change. We talk way too much about what to protect as opposed to enhance.

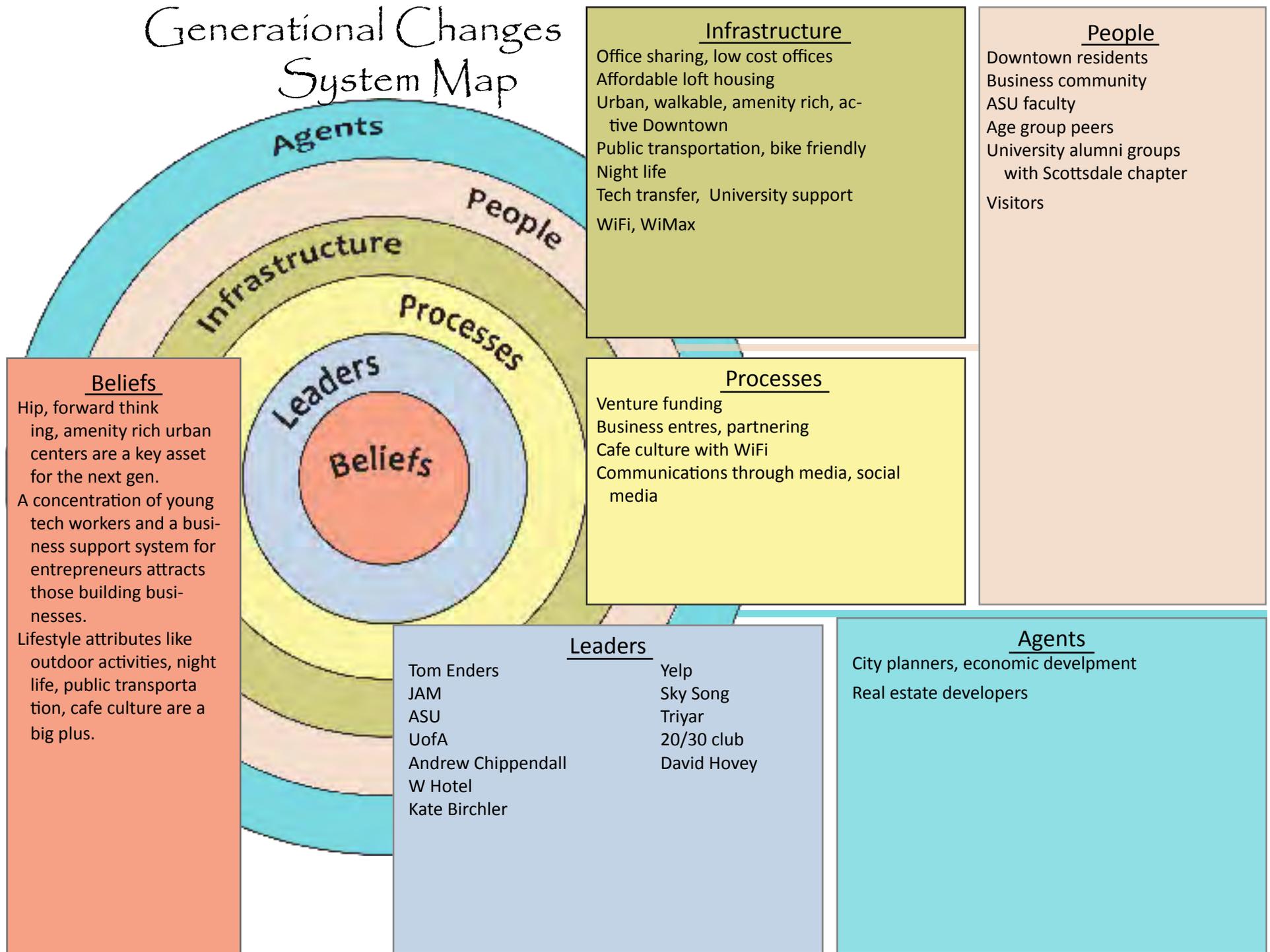
Fred Unger, Red Team Meeting

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walkable Downtown and not in age restricted areas, Scottsdale has what they want as well.

Scottsdale has invested in a sustainably built, urban core, walkable with desirable retail, food and entertainment experiences has created an attractor for visitors and desirable residents, all who keep the galleries, merchants, and great restaurants healthy and growing.

# Generational Changes System Map



Beliefs  
 Hip, forward thinking, amenity rich urban centers are a key asset for the next gen.  
 A concentration of young tech workers and a business support system for entrepreneurs attracts those building businesses.  
 Lifestyle attributes like outdoor activities, night life, public transportation, cafe culture are a big plus.

Infrastructure  
 Office sharing, low cost offices  
 Affordable loft housing  
 Urban, walkable, amenity rich, active Downtown  
 Public transportation, bike friendly  
 Night life  
 Tech transfer, University support  
 WiFi, WiMax

People  
 Downtown residents  
 Business community  
 ASU faculty  
 Age group peers  
 University alumni groups with Scottsdale chapter  
 Visitors

Processes  
 Venture funding  
 Business entres, partnering  
 Cafe culture with WiFi  
 Communications through media, social media

Leaders  
 Tom Enders  
 JAM  
 ASU  
 UofA  
 Andrew Chippendall  
 W Hotel  
 Kate Birchler  
 Yelp  
 Sky Song  
 Triyar  
 20/30 club  
 David Hovey

Agents  
 City planners, economic development  
 Real estate developers

# Generational Changes Strategies

It is a common belief that Scottsdale is special and different.  
Don Hadder, Strategy Meeting

**GC1.** Create a process for understanding and connecting with companies and entrepreneurs working in tech and “green” technologies and creative industries.

## BUSINESS

**GC1A.** Develop area alumni group connections and conversations, to research University programs of interest, and companies forming or operating in this target space.

**GC1B.** Create “lifestyle” materials to recruit promising students and offer Scottsdale connections and move-in incentives in housing, officing.

**GC1C.** Gather a regional brain trust around these subjects and provide conferencing opportunities for this sector regularly (making Scottsdale known in this world) and allowing the strategic advantages of the city to be known in Universities, among alumni groups and in tech, green, and creative industries.

**GC1D.** Place stories in business and trade magazines.

**GC1E.** Develop young professional connections and initiatives with those in Scottsdale now and get them recognition for their civic work. Develop new kinds of civic engagement models (rather than a once a month meeting) which begin and end around issues where the young professional groups can step in and impact an issue then move on to the next issue/initiative. Support them as they take leadership roles.

**GC1F.** Involve young leaders in an advisory panel for the recruiting process, designing materials. These leaders have seat at the table when decisions are being made.

**Measures of Merit:** Made connections, materials and incentives (Dash), conferences successfully held, young professional groups operating throughout the city, measure occupancy in this age range (Dash), media coverage (Dash)

**Resources:** \$25,000

**Owner:** Get Phoenix, 20/30 Club, Alumni Associations

**Timeline:** 2

**GC2.** Increase venture and other funding in these tech, “green” and creative industries.

## BUSINESS

**GC2A.** Actively speak to venture capitalists, business sectors likely to assist in venture funding formation.

**GC2B.** Monitor funds in the region, size of funds.

**GC2C.** Look for state assistance in fund formation.

**Measures of Merit:** Fund and funding (Dash)

**Resources:** \$5,000

**Owner:** Alumni Associations

**Timeline:** 5

**GC3.** Attract new downtown residents to the City core, including next generation, multi-cultural and baby boomers.

## PLACE

**GC3A.** Inventory living space in Downtown.

**GC3B.** Work with realtors and leasing agents to monitor occupancy in all age ranges.

**GC3C.** Create character of place orientations at fine facilities and get them started on their path to deep connection to the place.

**GC3D.** Create connections with these new residents, find out their interests, invite them to participate in project based civic initiatives (go local for example).

**GC3E.** Recognize and embrace next gen residents with conscious efforts to reach out to them, direct them to needs, but let them plan their own process of civic engagement, develop a regular conference to introduce them to their colleagues.

**Measures of Merit:** Measure occupancy in this age range (Dash), hold new resident orientation

**Resources:** \$10,000

**Owner:** YELP, 20/30 Club, Alumni Associations

**Timeline:** 2

## FUTURE PICTURE TRANSPORTATION

### SCOTTSDALE IN 5 YEARS

In Scottsdale, the redevelopment of downtown to serve as a vibrant, pedestrian live/work environment, and the development of a stronger leisure tourism market happened in part because of the focus on transportation as an underlying issue which became an asset.

Employers needed transportation to attract residents to downtown, visitors needed transportation from Sky Harbor Airport and from resorts and other lodging to downtown and other city sites and these needs have led to a transit system which operates frequently from 5am until Midnight.

Transportation options, long a concern for meeting planners, have been addressed, making car rental and orientation to Scottsdale an easier and even richer experience. There is a visual interpretation of Scottsdale and its geology, an orientation to the brown and bio-diverse desert landscape, for all visitors at the rental car facility. Improved signage, GPS navigation routes to Scottsdale, entrances to Scottsdale on key roads, all make driving and arrival a framed experience. And it begins the expectation that the city is well run.

In addition, Scottsdale has private transportation options for visitors from the airport to the city (which also provide interpretation via video screen images and text) framing the place along the way. This transportation node connects to the rest of the transit system in the valley, and the mapping and use of the system is well explained with a mobile interface connected to the interpretive mobile offerings of Scottsdale.

Transit with strong ridership, within Scottsdale, is also operating. Recognition from employers as to what they were spending privately to transport workers helped make it all possible. Now locals and visitors alike are choosing to travel in the evening to a performance and dinner and do so without driving. Within downtown itself there is also a 24/7 vehicle for hire system. Events are well serviced by transportation with a calendar/ridership model that is refined with each offering. Like everything else the city does, this system of transportation is well run, responsive to need. And the city provides transportation in a more economically sensitive and sustainable way.

In keeping with the process of building on character of place, the city has made the extensive trail system a centerpiece of downtown. Bikes for rent and bike parking make it possible to use bikes for

We have so much to offer...we don't have one single headliner.  
Fred Unger, Strategy Meeting

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We keep people coming back through curiosity and education.  
Kathy Duley, Strategy Meeting

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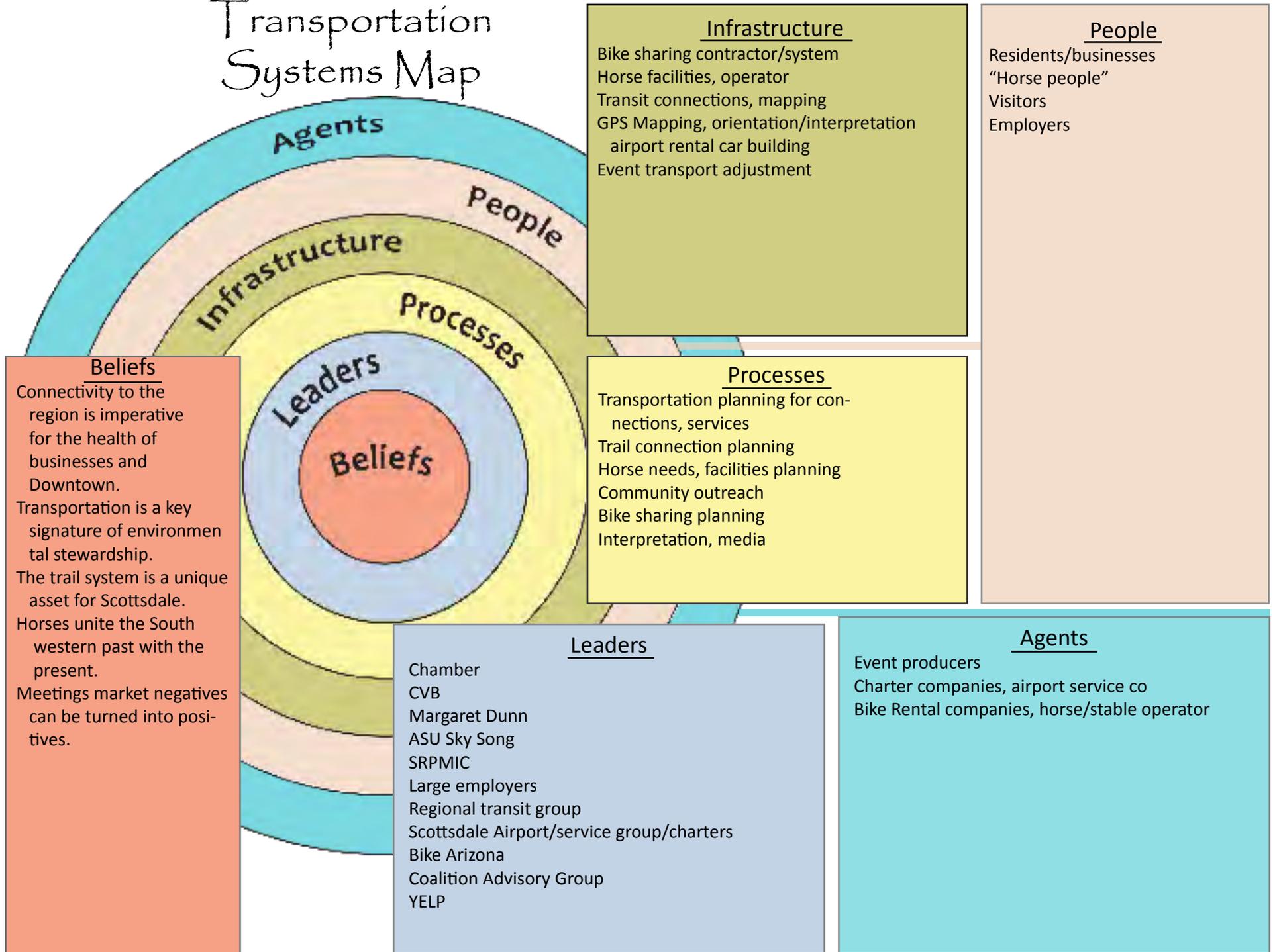
There are plenty of assets in Scottsdale and we need to work together to bring them out.  
Susan Morrow Potje, Strategy Meeting

transportation. Bike self-guided tours to public art, bike to hike opportunities with groups, and other experiences are framed. The reputation of Scottsdale as an environmentally sensitive place is “fueled” by the presence of bikes in downtown Scottsdale. Combined with its growing environmental accomplishments and its live/work city core, Scottsdale is on the top of all the media lists for livable places.

Perhaps the most novel and memorable part of the transportation/trail system, is the way that Scottsdale has linked its southwestern past, its trail system, and its extensive horse culture to the present by creating horse friendly trails and hitching locations. This access to horse culture, the trail system and trail riding excursions, the rodeos, the world class horse shows, all give Scottsdale a living continuation of its past and its unique stories combine with the other assets of Scottsdale to make the city an international media star.

As a result of its effective interpretation of place which has enabled media of all kinds to get the stories right, Scottsdale is on the agenda for international travellers. With its downtown and resort experiences, and “Arizona Central” connections, Scottsdale has a complex appeal which charter services understand. For those with access to private jets a non-stop flight is ready to hand. So is airport customs for international arrival. The airport service companies are helping with direct solicitation for Chinese golfers and travellers, and for European horse people. Trendsetters and their followers discover Scottsdale (and drive the use of Scottsdale Airport).

# Transportation Systems Map



# Transportation Strategies

I want for people to understand the importance of the horse world.  
Taryl O'Shea, Strategy Meeting

**TS1.** Transportation plans for connection to the Sky Harbor Airport and regional transit, within the city are being executed.

## LEISURE

**TS1A.** Airport transportation is available with interpretive video as a private transport operation.

**TS1B.** Orientation and interpretation at the rental car facility at the airport, mobile mapping linked to Scottsdale's mobile interpretation, better signage and entrances are all part of the arrival experience.

**TS1C.** An assessment of the costs borne by private employers for transportation and the issues of hiring because of transportation settled the issue and effective transportation within Scottsdale with links to the regional network are in place, ridership is growing in commute times, night time, and for events.

**TS1D.** Vehicles for hire regulations insure quality offerings Downtown and 24/7 coverage. Monitoring of the use is ongoing.

**TS1E.** Parking required for downtown uses is provided, the free parking policy is evaluated to serve this need.

**TS1F.** Meeting planner good news circulated, survey shows improvement.

**Measures of Merit:** Airport transport, arrival experiences improved, capture of meeting planner responses, survey improvement, local ridership growing among residents and visitors (Dash), vehicle for hire availability/use monitored (Dash)

**Resources:** \$200,000 (entrances)

**Owner:** City, Margarette Dunn

**Timeline:** 1,2

**TS2.** Trail connections and use Downtown unite outdoor, bike, horse experiences with urban core.

## LEISURE

**TS2A.** Trail connections, mapping, interpretation are in place as are specialized facilities for bikes and horses.

**TS2B.** Bike rentals and racks are in place and growing as a means of transportation for visitors and locals.

**TS2C.** Stories and experiences are created and media coverage of all kinds is tracked.

**TS2D.** Reputation of Scottsdale as an environmentally sensitive place is growing in the media as are the unique Downtown experiences.

**TS2E.** Pink Jeeps travel from downtown to the Preserve and other natural places.

**Measures of Merit:** Trails, bike and horse facilities, bike sharing are well used (Dash), stories (Dash), media coverage tracking (Dash)

**Resources:** \$200,000 (trail connections)

**Owner:** City, Bike Arizona

**Timeline:** 3

**TS3.** Charter and private plane arrivals from international destinations, are fueled by the media darling position for Scottsdale.

## MEETINGS

**TS3A.** Interpretation of place is part of the Scottsdale airport/service company role and they are fully involved in story collection.

**TS3B.** Service companies working with tourism businesses, reach out to international jet owners in target markets to invite a visit.

**TS3C.** Story collection from those trips is fed back into the target markets through media.

**Measures of Merit:** Direct sales to target markets for private jet, charter (Dash), story development (Dash), media coverage tracking (Dash)

**Resources:** \$25,000

**Owner:** Scottsdale Airport, FBOs

**Timeline:** 1

## FUTURE PICTURE GROUP MEETINGS

### SCOTTSDALE IN 5 YEARS

Scottsdale, long a strong group meeting destination has innovated in the sector with additional services and unique content for group meetings.

The unique content has general business applications, and establishes a unique position as a place that can help a group “relax, regenerate, innovate.” This position mitigates any issues related to the upscale reputation of the destination as the content and services contribute exceptional value to the meetings that are held here.

Scottsdale has created offerings which extend the stay of high value group meeting attendees with new product such as executive health check-ups through Mayo Clinic. These offerings, including all testing, allow specialty health care, in a concentrated number of days before or after a meeting. The health check-ups are offered with busy executives in mind and the efficient and comprehensive process offers great value to executives. Other packages are available like coaching in economics/investments, in international opportunities, in golf, in lifestyle intervention, etc. These packages are well described as not just offerings but as offerings with an outcome orientation.

Content for group meetings (beginning with areas of focus that tie into Scottsdale’s identity) is created. These include subject areas where Scottsdale has strong research leadership such as environmental issues, genetics/genome, other areas discovered in content research. Scottsdale has also developed cutting edge content for group meetings with general applicability to business. Initially offered in one hotel, these programs are now generally available and offer a booking edge for group meetings in Scottsdale.

Scottsdale has developed the Scottsdale Advantage (supported with media) which describes Scottsdale as a place to “relax, regenerate, innovate” and backs that up with special conference content (science-based) as well as workshops on how to arrive at the best ideas for a person or an organization because the group met in Scottsdale. The position, in addition to being science-based (supporting creativity, creating new strategic focus, etc.) is also tied to open spaces and sky, anchoring the place as part of the creative process of getting to the best ideas.

There is no other market like Scottsdale when it comes to group meetings.

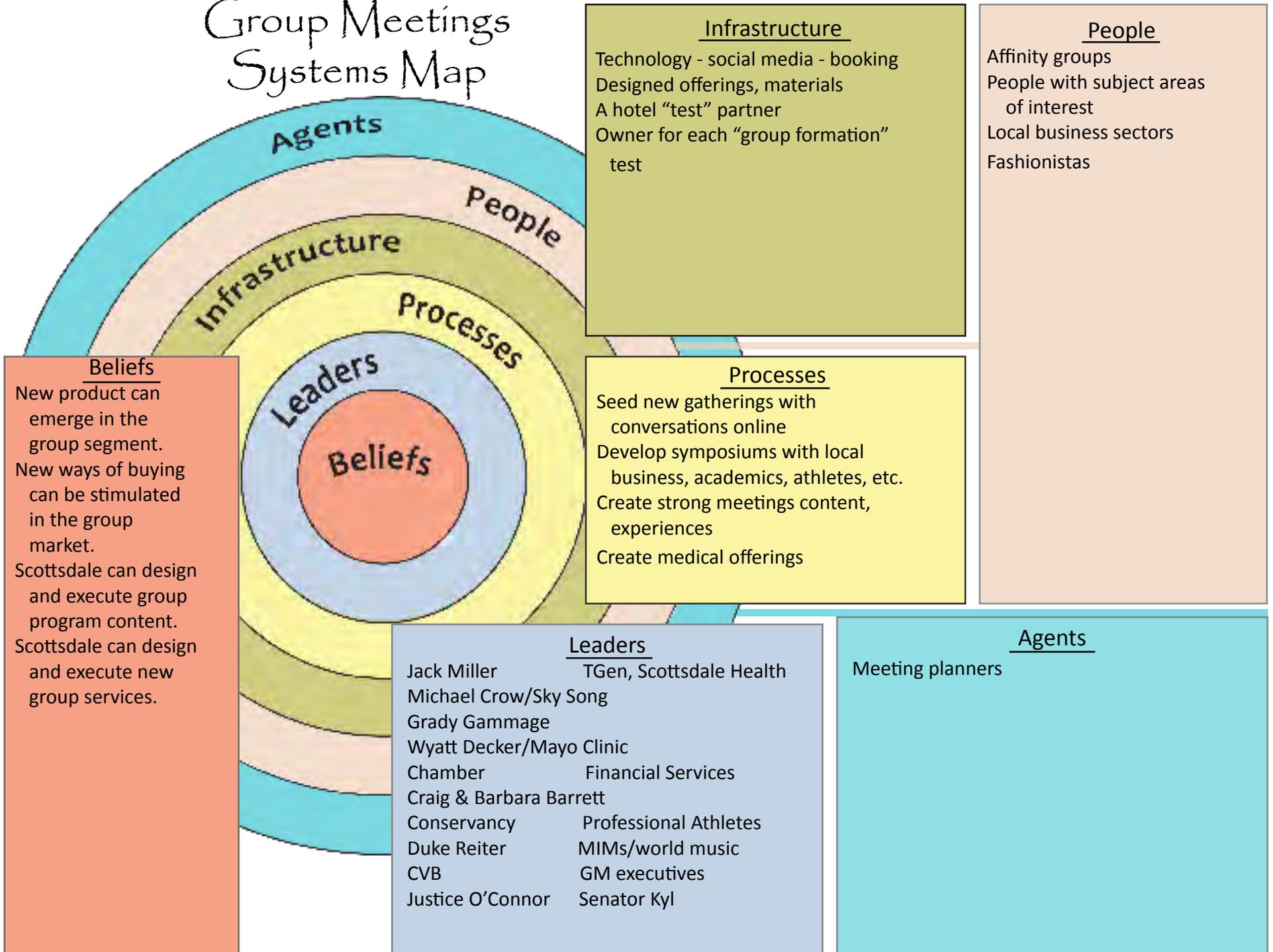
Rachel Sacco, Strategy Meeting

Scottsdale has also sought out business sectors and other affinity groups as possible sources of group meetings activities. These groups include: retired athletes, world music, groups interested in environmental issues, financial services, immigration summit, GM executives, event sponsors, other local business or academic leadership areas, and (or through further research). These groups were encouraged to think about areas of interest for a conference or meeting, and locally initiated conferences are growing, adding to the base of conferences offered in Scottsdale.

Finally, taking advantage of the “long tail” ability of the internet to organize affinity groups, Scottsdale has developed a novel way to attract new groups beginning with online conversation (seeded by experts). An initial conversation is extended into the development of conference content and then the development of a conference, offered in Scottsdale. This disintermediated process allows more kinds of conferences (even one of a kind conferences) to be developed and offered (without a formal organization) using a web platform.

These innovations in the group business have added ways to organize group business for Scottsdale and result in a stable and growing stream of meetings and attendees all developed in Scottsdale.

# Group Meetings Systems Map



# Group Meetings Strategies

Waste Management is already leveraging their event, with their Executive Sustainability Forum.

Paul Katsenes, Strategy Meeting

**GMS1.** Scottsdale has developed group offerings which are unique to the meetings market and are proving to be an advantage in landing business.

## MEETINGS

**GMS1A.** Working with Mayo Clinic, executive check-ups including testing, are conducted before and/or after meetings for a total of a couple of extra days of stay.

**GMS1B.** Around areas of focus: creativity, environmental issues, genetics/genome, other areas discovered in research, Scottsdale has developed content for group meetings of bringing unique content and speakers with general applicability for a meeting which are offered initially in one hotel, but once tested are made generally available.

**GMS1C.** A specialty position with extensive (science-based) group meeting content is created around Scottsdale as a place that can get you/your group to the best ideas. The position is media supported and describes Scottsdale as a place to “relax, regenerate, innovate.”

**GMS1D.** Tie position to open spaces and sky, develop support material for the “best idea” position.

**GMS1E.** Develop collaboration of this position with all business recruiters in the area.

**GMS1F.** Create customizable meetings web page and link, for every meeting to have a link for their meeting in Scottsdale, with a selection of Scottsdale content available to use, so character of place and travel options for the group is connected to each meetings group meetings content

**Measures of Merit:** Technology in place, packages created, tests conducted (Dash), groups booked, value of groups, (Dash) business/academic outreach locally (Dash), media coverage (Dash)

**Resources:** \$10,000

**Owner:** CVB

**Timeline:** 1,2

**GMS2.** Develop an online and offline ideas leadership forum process where people can start talking about ideas with the intention to meet.

## MEETINGS

**GMS2A.** Develop technology for website, support package of communications to seek conversations, both a social media platform and a booking technology.

**GMS2B.** Create at least two “lead group” positions from among those suggested: athletes, world music, conservancy/environmental, financial services, immigration summit, GM executives, other local business or academic leadership areas (or through further research)

**GMS2C.** Use other leadership areas to develop conferences on behalf of sponsors, areas of expertise associated with Scottsdale.

**Measures of Merit:** Web technology developed, user process tracked for lead groups (Dash), other conferences developed through Scottsdale associated business sectors and areas of expertise in the area (Dash)

**Resources:** \$5,000

**Owner:** ASU/Sky Song/Hotel

**Timeline:** 1

**GMS3.** Reach out to political leadership, other leadership and celebrities, to develop meetings and conferences.

## MEETINGS

**GMS3A.** Discuss the desire to create more different kinds of meetings with citizens who could focus a concept and act as an organizing and visible proponent of the meeting.

**GMS3B.** Develop a program management process which uses the above technology to test and offer these meetings.

**GMS3C.** Work with local groups to get them to bring meetings to Scottsdale.

**GMS3D.** Create an immigration summit to put Scottsdale in the discussion on this political issue.

**Measures of Merit:** Outreach process in place to design groups, offer (Dash)

**Resources:** \$5,000

**Owner:** Chamber

**Timeline:** 1

## FUTURE PICTURE LEISURE/SEASONAL

### SCOTTSDALE IN 5 YEARS

In Scottsdale, the leisure demand has grown. A major area of growth has been to move Scottsdale into a position as “Arizona Central,” the place you want to go as part of your touring vacation of the Southwest. Arizona Central, which offers a lively place to introduce you to the experiences of Arizona, including in Scottsdale as well as other regions of the state. While the offerings for touring products are part of the draw, the development of local products and experiences are growing with the sales outlet and promotional platform. And the local pink jeep tours out of the “Arizona Central” facility downtown create a lot of interest in the Preserve and other outdoor experiences, from downtown Scottsdale.

Scottsdale builds on and expands its reputation as a place for road trips and car auctions, with high end cars, and all kinds of other brands in road rallies and other kinds of consumer focused events for car brands.

The development of pervasive interpretation of place as a conscious process in the tourism industry has made it possible for more businesses and entrepreneurs to understand what products and experiences are tuned to the place, and that enhances the sense of place in Scottsdale. It also creates a stronger regional draw for Scottsdale. The story of Scottsdale as a place to relax, regenerate, innovate is embedded in messaging.

The food reputation, local food products plus the unique food experiences are growing. Locals and visitors alike are talking up the local food scene in Scottsdale and are participating in the local offerings. Great shopping is developed downtown and mapped in the mobile communications.

The process of entrepreneurial development is a conscious one. Students in the tourism school at ASU, business owners, people with special interests are becoming aware of how part time business offerings can be marketed as part of visitor experiences. The training programs which run monthly are always full. The quality of the people who participate in these programs is high because they are passionate about their interest. The training programs are collegial, and are taught in a manner in which the students become part of the review and growth process for each other. The energy from these programs

Summer is not an obstacle for tourism, especially in the morning and evening and in dry summer.

Dan Gruber, Strategy Meeting

encourages more participants and the creative offerings become part of the Scottsdale creative story.

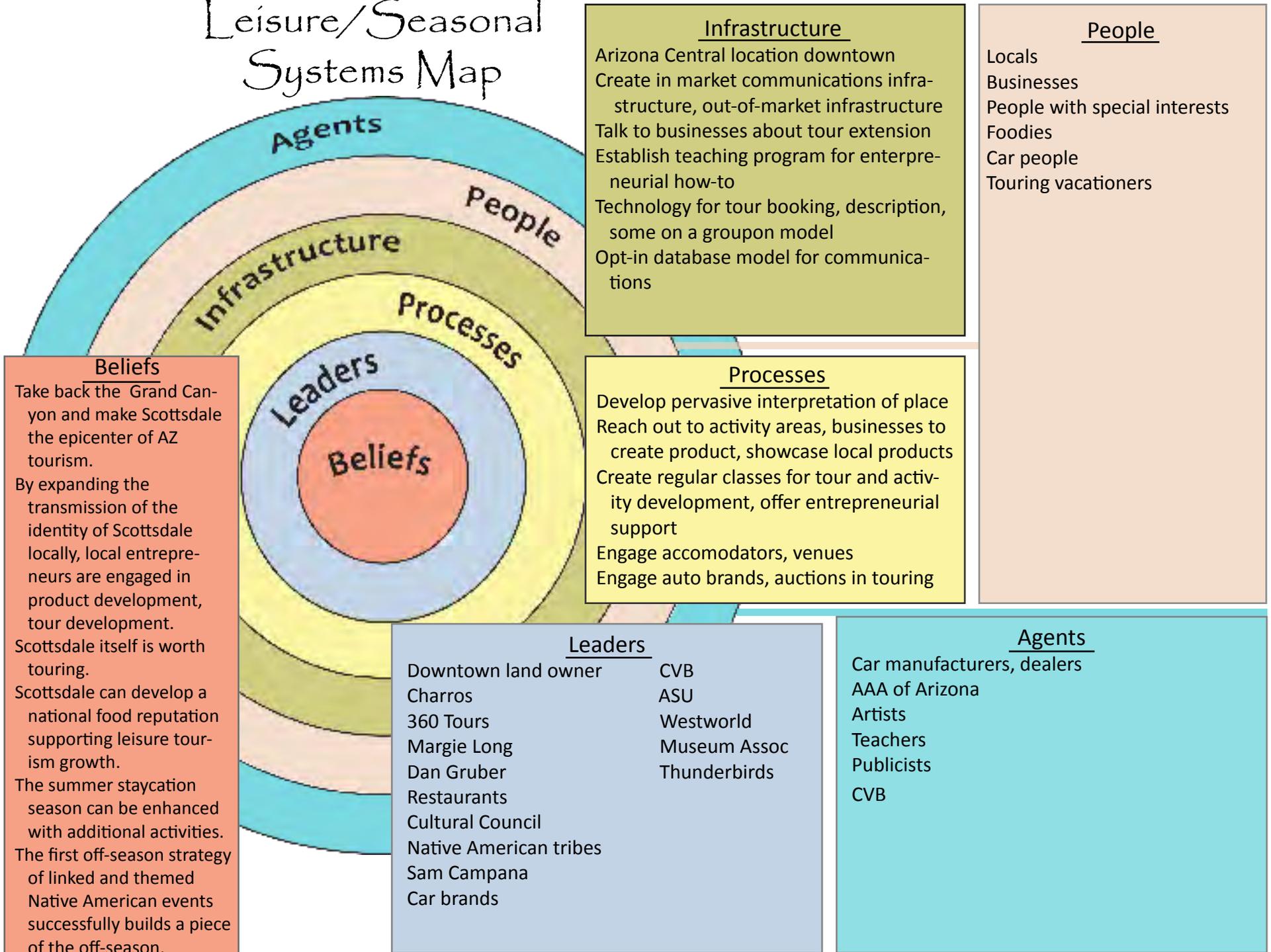
The technology which is in place for these offerings makes it possible for a one-time event or happening like an “after the rain” desert tour to be known by visitors and locals. Each offering has a story, developed by the participants (students in the training courses) and required by the technology. The tourism program at ASU becomes a significant player in recruiting, assisting in development of better programs and identify best practices for the participants. Business owners across Scottsdale use this system of entrepreneurial development to animate their businesses and raise the overall energy in a way that makes the destination feel as if high season is year round.

There is local media pick-up of the events and offerings as they are unique, local, easy and interesting to write/talk about. This incubator program becomes a new layer of business development spawning full time and growing businesses both tuned to the character of place and knowledgeable about how to create an experience economy. Local products of all kinds are readily available as trip mementoes, craft and quality of place enhancers and some distributed product lines.

Summer has full calendars for class and workshop activities, for adults and children, spread throughout Scottsdale, with appeal to locals and to the region. These activities are part of the Summer Staycation campaign.

The first themed event happens in the fall, for 3-6 weeks. It is a Native American or alternatively a Health and Wellness linked series of events, with a producer who coordinates the offerings, locations, with an understanding of the subject matter exploration, the focus of events to give a wide range of experiences including: artistic expression, historically focused events, contemporary conversations, teaching native crafts, food preparation, meditation, etc. All of the Native Tribes of Arizona or all types of medical and wellness professionals are invited to participate. The time period for the linked event strategy becomes a marketable leisure period and marketing resources are spent to develop tourism in this time period.

# Leisure/Seasonal Systems Map



**Beliefs**  
 Take back the Grand Canyon and make Scottsdale the epicenter of AZ tourism.  
 By expanding the transmission of the identity of Scottsdale locally, local entrepreneurs are engaged in product development, tour development.  
 Scottsdale itself is worth touring.  
 Scottsdale can develop a national food reputation supporting leisure tourism growth.  
 The summer staycation season can be enhanced with additional activities.  
 The first off-season strategy of linked and themed Native American events successfully builds a piece of the off-season.

**Infrastructure**  
 Arizona Central location downtown  
 Create in market communications infrastructure, out-of-market infrastructure  
 Talk to businesses about tour extension  
 Establish teaching program for entrepreneurial how-to  
 Technology for tour booking, description, some on a groupon model  
 Opt-in database model for communications

**People**  
 Locals  
 Businesses  
 People with special interests  
 Foodies  
 Car people  
 Touring vacationers

**Processes**  
 Develop pervasive interpretation of place  
 Reach out to activity areas, businesses to create product, showcase local products  
 Create regular classes for tour and activity development, offer entrepreneurial support  
 Engage accomodators, venues  
 Engage auto brands, auctions in touring

**Leaders**  
 Downtown land owner CVB  
 Charros ASU  
 360 Tours Westworld  
 Margie Long Museum Assoc  
 Dan Gruber Thunderbirds  
 Restaurants  
 Cultural Council  
 Native American tribes  
 Sam Campana  
 Car brands

**Agents**  
 Car manufacturers, dealers  
 AAA of Arizona  
 Artists  
 Teachers  
 Publicists  
 CVB

# Leisure/Seasonal Strategies

Las Vegas made a strategic decision to capture travel to the Grand Canyon.

Bruce Leadbetter, Strategy Meeting

**LD1.** Scottsdale has developed a touring identity for Scottsdale as the base for statewide touring, and also offering new product for local touring and experiences for the leisure traveler.

## LEISURE

**LD1A.** Scottsdale has become “Arizona Central,” known as the place to start a tour of Arizona and the Southwest. And Scottsdale itself has extended its identity by offering unique experiences (art/architecture/design, outdoor, environment, for example) because there is supported infrastructure and training for entrepreneurs in offering all ranges of events and experiences, one time only, occasional, regularly.

**LD1B.** And Scottsdale itself has extended its identity by offering unique experiences (art/architecture/design, outdoor, environment, including early morning and night skies) because there is supported infrastructure and training for entrepreneurs in offering all ranges of events and experiences, one time only, occasional, regularly.

**LD1C.** A strong food reputation is developed for Scottsdale, with both high end and unique local opportunities and stories well covered in media and in tours and in culinary classes.

**LD1D.** The story of the unique position for Scottsdale as a place “relax, regenerate, innovate” is told locally through media and with local meeting content.

**LD1E.** Car shows and car brands, are used to help build the touring identity.

**LD1F.** Arizona Highway position is leveraged into partnership to extend touring brand.

**Measures of Merit:** Arizona Central in location booking tours (Dash), technology and training in place for tour development, experiences and booking (Dash), PR placement for food, relax, regenerate, innovate position, car rally (Dash) locally told story to groups (Dash), Arizona Highway position secured (Y/N)

**Resources:** \$100,000

**Owner:** CVB/Cultural Council

**Timeline:** 2,3,4,5

**LD2.** Entrepreneurial training is ongoing and new product is always entering the market helping to frame and extend the character of place.

## BUSINESS

**LD2A.** ASU tourism program and other participants conduct monthly training programs for entrepreneurs supporting best practices, teaching pervasive interpretation of place and helping to refine product ideas in a collegial environment.

**LD2B.** The technology is available for all participating in product development, and the local media companies are able to build unique stories out of the content developed on the promotional platform and the calendaring used in offerings.

**LD2C.** Media coverage and group outreach drives local and regional participation in the tours, events and experiences.

**LD2D.** Summer is full of classes of all kinds including for children and adults, local perception of summer is changed to be more positive about being active in the summer.

**Measures of Merit:** Training in place for tour, experience development and booking (Dash), technology platform for offering product, supporting calendaring and local media coverage in place and used (Dash)

**Resources:** \$25,000

**Owner:** ASU/Sky Song

**Timeline:** 1

**LD3.** The first themed and linked series of events, focusing on the Native American tribes of Arizona or Health and Wellness is created for the fall shoulder season.

## MEETINGS

**LD3A.** A producer(s), working with the Native American tribes creates a series of linked events which creates a marketable themed event.

**LD3B.** A marketing program is put together for the event.

**Measures of Merit:** Themed and linked events schedule is in place as is marketing, results tracked (Dash)

**Resources:** \$200,000

**Owner:** (Producer) Judy Yates, Sally Sargent

**Timeline:** 2

## FUTURE PICTURE GOLF DEMAND

### SCOTTSDALE IN 5 YEARS

Scottsdale is known for golf, and the golf market is strong and growing both locally and with visitors as a result of a conscious effort to not only appeal to golfers as visitors but also because the market innovated, attracting more players to the game.

Pairing golf events with meetings is an important part of evaluating new golf events. Group meetings are combined with current golf events, leveraging sponsorship affiliations with golf events.

The interest in golf and the recognition of the great holes on Scottsdale golf courses is supported with a presence downtown (virtual play environment in downtown Scottsdale) film or other experiential opportunity.

Golf in Scottsdale and the region is leading the way in understanding how to get young professionals to sample golf and begin to include golf in their schedule.

The future of golf is also advanced by the imbedding of the history of golf, through stories of golf, and of the business deals that have been struck on the golf course. These are recognized through stories and recognition in clubhouses.

The stories of Scottsdale golf place the golf industry in the thought leadership for golf: the environmental approach to golf course management; the approach to creating new sampling opportunities for next generation golfers; the development of more exposure of the game off the course; the modifications of play and other initiatives. With this process recognized, Scottsdale becomes the home of a golf think tank, regularly hosting meetings to address research ideas on expanding golf play, and testing those efforts in markets through the think tank participants who attend meetings in Scottsdale. Scottsdale has its own awards program.

Athletes who live in Scottsdale (active and retired) are offered opportunities by the golf courses, to develop events around their alumni groups, charities, and others, using the technology for developing groups, promoting and booking events. These events are even publicised after the fact as part of a program on how "Golf Gives," another element of a business/golf program.

The area of the world which has continued golf growth (Asia

If there is a leadership position in creating a stronger market for golf, we should do it in Scottsdale.

Paul Katsenes, Strategy Meeting

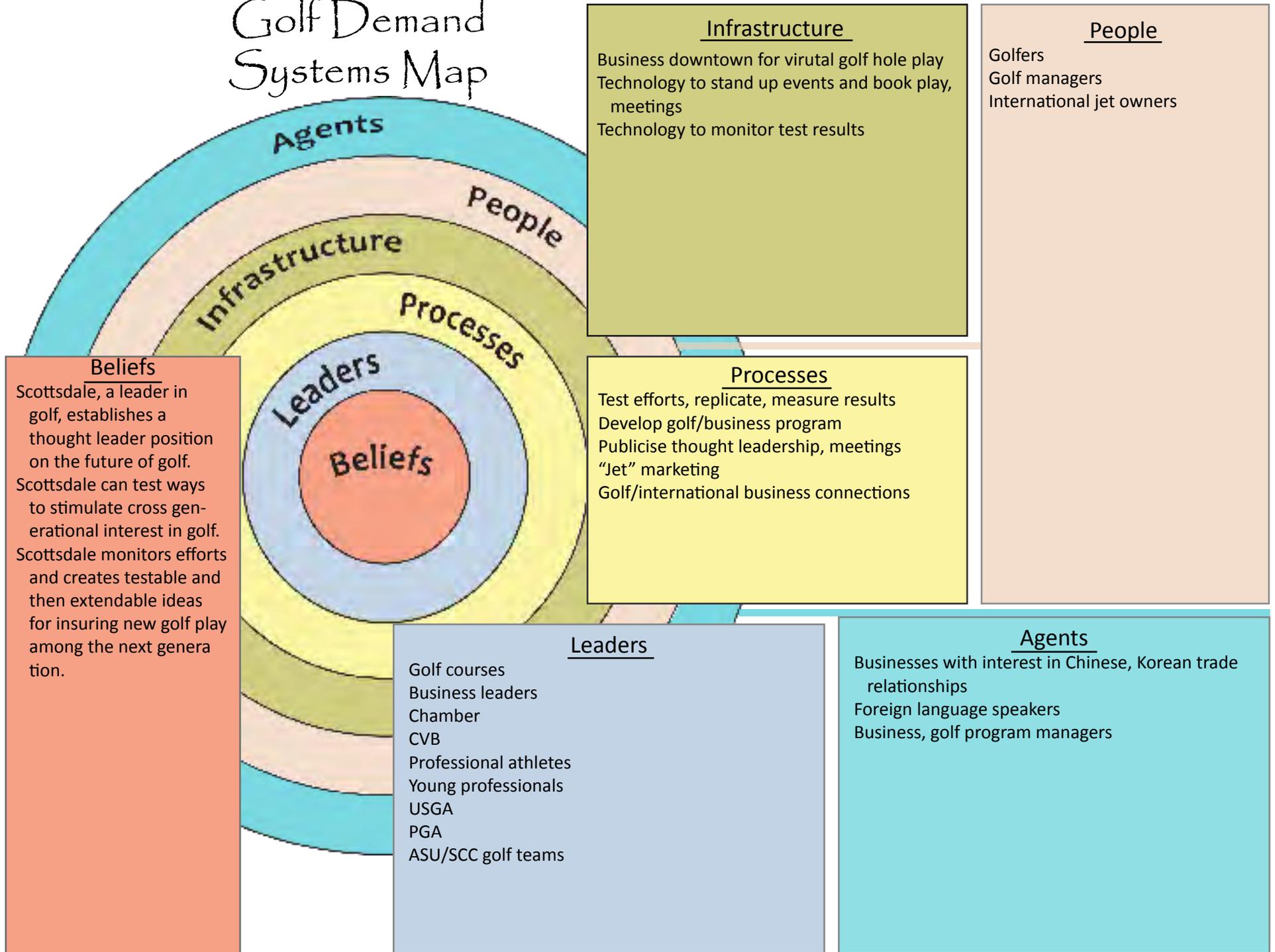
A "TED" Conference for golf. Innovative ideas, cool stories. If we could create something like that for Scottsdale, it would be amazing. PR value would be really good.

Mike Petty, Golf Review Meeting

particularly China and Korea) orients toward Scottsdale. Scottsdale courses have put together a comprehensive cultural and golf play program in their native languages using pros, and people to teach the cultural aspects of the game. The program also offers assistance in business development using the Asian golfers Scottsdale golf trip to create business exchanges for US businesses desirous of conversation with these potential trade partners.

Scottsdale airport is a partner in soliciting private jet owners in these countries, letting them know about the Scottsdale airport (all jets can arrive direct and clear customs at the airport). The act of marketing these advantages plus the Scottsdale sister city in China starts a new affinity market with emerging Asian wealth and Scottsdale resorts and golf.

# Golf Demand Systems Map



## Beliefs

Scottsdale, a leader in golf, establishes a thought leader position on the future of golf. Scottsdale can test ways to stimulate cross generational interest in golf. Scottsdale monitors efforts and creates testable and then extendable ideas for insuring new golf play among the next generation.

## Infrastructure

Business downturn for virtual golf hole play  
Technology to stand up events and book play, meetings  
Technology to monitor test results

## People

Golfers  
Golf managers  
International jet owners

## Processes

Test efforts, replicate, measure results  
Develop golf/business program  
Publicise thought leadership, meetings  
"Jet" marketing  
Golf/international business connections

## Leaders

## Leaders

Golf courses  
Business leaders  
Chamber  
CVB  
Professional athletes  
Young professionals  
USGA  
PGA  
ASU/SCC golf teams

## Agents

Businesses with interest in Chinese, Korean trade relationships  
Foreign language speakers  
Business, golf program managers

# Golf Demand Strategies

Waste Management is already leveraging their event, with their Executive Sustainability Forum.

Paul Katsenes, Strategy Meeting

**GS1.** Scottsdale has developed a thought leadership position on the future of golf.

MEETINGS

**GS1A.** Golf courses in Scottsdale have developed and teach best practices in golf management in a golf thought leadership program.

**GS1B.** Methods which engage next generation players are tested by Scottsdale golf courses and replicated and monitored in tests around the country, by participants in the golf leadership program, including virtual play of local holes, business/mentor programs.

**GS1C.** Stories of golf, its history, the course the golfer is playing, the business deals made on the course are all part of the golf experience and are captured and communicate in club houses, online, etc.

**Measures of Merit:** Best practices cataloged and course offerings taught, tests replicated, results tracked

**Resources:** \$25,000

**Owner:** City, Golf leadership

**Timeline:** 1,2

**GS2.** Event focus around golf, extends tournaments and others into establishing more meetings and events.

MEETINGS

**GS2A.** Create meetings which leverage tournaments as an attraction for business meetings participants.

**GS2B.** Create outreach to professional athletes to set up charity, alumni events and publicise the events before and after as “Golf Gives” events

**Measures of Merit:** Tournaments are leveraged to create meetings (Dash), Professional athletes set up charity, alumni events (Dash), all charity events are publicised as “Golf Gives” events (Dash)

**Resources:** \$25,000

**Owner:** Chamber

**Timeline:** 3

**GS3.** Areas of international growth in golf, Asia, particularly China and Korea orient toward Scottsdale to learn the game and to enjoy play in the US.

BUSINESS

**GS3A.** Establish a marketing program to reach Asian private jet owners concerning the Scottsdale airport and its ability to receive direct flights from anywhere in the world and to clear travelers through customs at the airport.

**GS3B.** Establish a golf teaching program and business exchange for trade partners in Scottsdale conducted with native language speakers for Asian (Chinese, Korean) business leaders. Extend the golf focus into trade meetings with businesses in the US interested in partnerships.

**Measures of Merit:** Sales efforts to jet owners in Asia are measured (Dash), extended teaching program and business exchange attracts deal makers to Scottsdale (Dash)

**Resources:** \$5,000

**Owner:** FBO, Scottsdale Airport

**Timeline:** 1,2

## FUTURE PICTURE CRISIS & RESERVES

### SCOTTSDALE IN 5 YEARS

When Scottsdale plans for the future, plans include how to prepare for a crisis. Planning in advance, including working with people who have their own communications and response requirements. While it is not possible to know what kind of crisis is likely to happen, the industry has prepared for high level emergencies and has prepared and assisted others in preparing for event emergencies. This effort uses the “table top” model of preparation in use by Utility Companies.

There is a private site with emergency communications contacts which industry businesses ask event producers to use to record crisis contact information.

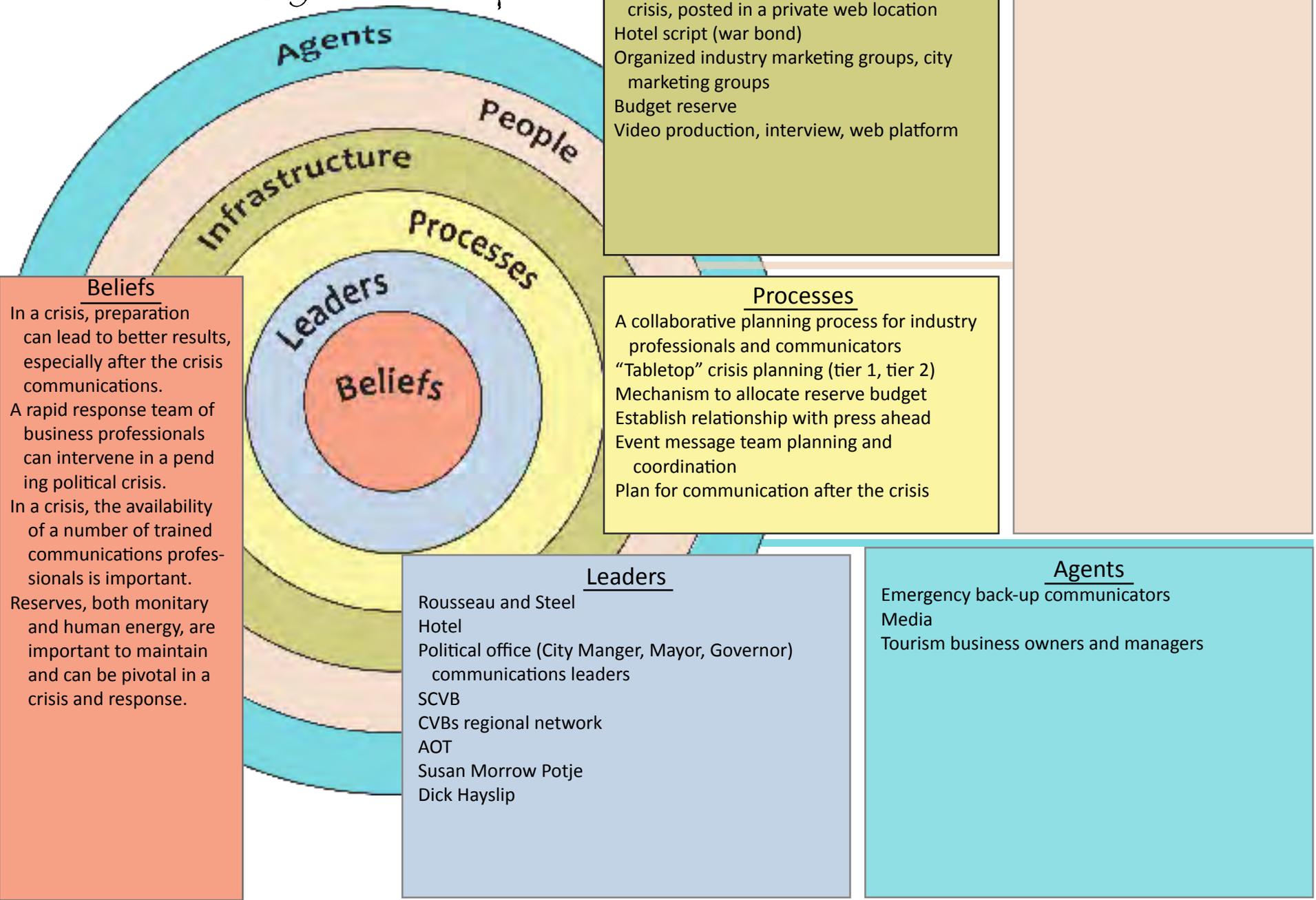
Since the tourism industry is likely to have secondary roles in communications during a crisis and primary communications responsibilities after the crisis, relationships with media, a coordinated approach among tourism officials and operators is understood in advance. Also, there is a reserve system in place for those involved in communications should the crisis require multiple shifts of communicators.

The industry is prepared with video production and a web platform to serve as their own media communications vehicle.

While thinking that many crises are immediate and are over fairly quickly, some are prolonged and require resources and responses which can be quickly in place. In these cases, Scottsdale has contingency budget and other response mechanisms (such as hotel/restaurant industry script) which can keep activities going and allow citizens to participate in recovery.

There are well know planning methods to prepare for a crisis.  
Dick Hayslip, Strategy Meeting

# Crisis & Reserves Systems Map



**Beliefs**  
 In a crisis, preparation can lead to better results, especially after the crisis communications.  
 A rapid response team of business professionals can intervene in a pending political crisis.  
 In a crisis, the availability of a number of trained communications professionals is important.  
 Reserves, both monetary and human energy, are important to maintain and can be pivotal in a crisis and response.

**Infrastructure**  
 Communications plans and technologies  
 A go-to list for contacts in a challenge or crisis, posted in a private web location  
 Hotel script (war bond)  
 Organized industry marketing groups, city marketing groups  
 Budget reserve  
 Video production, interview, web platform

**People**  
 Visitors  
 Residents

**Processes**  
 A collaborative planning process for industry professionals and communicators  
 "Tabletop" crisis planning (tier 1, tier 2)  
 Mechanism to allocate reserve budget  
 Establish relationship with press ahead  
 Event message team planning and coordination  
 Plan for communication after the crisis

**Leaders**  
 Rousseau and Steel  
 Hotel  
 Political office (City Manger, Mayor, Governor) communications leaders  
 SCVB  
 CVBs regional network  
 AOT  
 Susan Morrow Potje  
 Dick Hayslip

**Agents**  
 Emergency back-up communicators  
 Media  
 Tourism business owners and managers

# Crisis & Reserves Strategies

Getting the best crisis response in place needs to include a plan for communications after the crisis is over.

Rachel Sacco, Strategy Meeting

**CRS1.** Scottsdale tourism has trained for crisis response.

PLACE

**CRS1A.** Working with planners from Utility companies, Scottsdale tourism, government and businesses plan for a crisis using the “table top” method.

**CRS1B.** Those holding events in Scottsdale are asked to review emergency communications plan suggestions and fill out their emergency contact information in advance of their event.

**CRS1C.** Communications goals and priorities for after the crisis are understood and taught regularly to tourism industry communications officials.

**CRS1D.** The process of developing shifts of communications workers is understood and there is a standing list for people available to fill that function (which is updated in an email opt in as required).

**CRS1E.** The communications platform and camera are ready to use in the event of a crisis.

**Measures of Merit:** Training for emergency held, web platform for emergency contacts is in place, means for web video in place (Dash)

**Resources:** \$1,000

**Owner:** AOT, Hotel/Restaurant, Business leaders

**Timeline:** 1

**CRS2.** Reserve system is in place, easy to activate, as are other response tools.

PLACE

**CRS2A.** A reserve budget for tourism is in place as are mechanisms for use.

**CRS2B.** Other response mechanisms like a “war bond” style citizen buy in to support the industry.

**Measures of Merit:** Reserve budget and mechanism exists, “war bond” style response mechanism exists

**Resources:**

**Owner:** City Council

**Timeline:** 1

Close  
to the great  
and permanent forms  
of nature  
Wordsworth

A Consciously  
Created City

## Scottsdale's Identity Matrix

A City in the Desert,  
The Desert in a City,

The Well Spring  
of Health

The Best  
in Life

PLACESCONSULTING

Birdsong at first light

**Joy** Long deep shadows, streams of soft golden light

Sense of space  
Cool mornings  
Daily cycle of life  
Wildlife stirring  
Smell of Orange Blossom  
Connect

**Close**  
to the great  
and permanent forms  
of nature

Slow down  
Sundown cool  
Slow time  
Sundown, sparkle skies  
Enveloped in sunlight  
Deep time

**Wordsworth**

Self-renewing  
Zen of the desert  
Sun-drenched days, big skies  
Vivid desert sunsets  
Deep star-filled night skies  
Smell of mesquite

Indian Bend Wash

**Desert views** Happy trails

Grey water irrigation  
Earth-connected, sustainable  
Desert golf greens  
Edge zones

**A Consciously  
Created City**

Recharge aquifer  
Landscaped  
Precious water life force  
The Preserve  
Ancient & modern canals  
City starry nights

Bikes, horses, hikers

Makes your eyes happy

Myth of the west  
Guns, ropes, saddles, belts, boots, arrows  
Architects of Place  
Solari, Wright

Ranches  
Southwestern spirit  
Convivial events  
Sonoran Desert  
Cattlemen and cowboys

**A City in the Desert,  
The Desert in a City**

Olives, Oranges, Cotton  
Spanish adobe architecture  
Chilled nights, fire pit conversations  
Bio-rich desert, lush after rain

Painters and storytellers  
Desert air  
Rimmed in rugged mountains  
Mr. Wright  
Cavalry and Indians

Nourished by sunlight, dry fresh air

Relaxation rewards  
Health spas  
Desert healing  
Active outdoor lifestyle

**The Well Spring  
of Health**

Relaxation health benefits  
Whole health self-care  
Concierge health care  
Scenic drives  
Premium health care  
Decelerate  
Health retreats

MAYO Clinic Southwest  
Leading genome research

Art-filled living

Collector cars in exotic locations  
Tesla store and more  
Rich culture  
Native American adornment  
Rich people

**The Best  
in Life**

Rich shopping experiences  
Focus on quality  
Art-rich public places  
Resorts, restaurants, spas, golf courses  
Modern, adobe architecture

## THE GREAT AND PERMANENT FORMS OF NATURE (Wordsworth)

Many Americans live cut off from what Wordsworth called “the great and permanent forms of nature.” He lamented that already in his time, two centuries ago, men saw little in nature that they could call their own, because they were too busy “getting and spending.” But in Scottsdale, in the midst of a lot of upscale getting and spending, nature is there all the time. You can’t just ignore the natural world, because it is too beautiful, and too powerful.

Living in Scottsdale, a person is drawn to the great cycles of life. Time moves slowly in the desert—a Saguaro cactus takes 25 years to grow to the size of a bowling ball, and puts out its first arms at 75 years. Petroglyphs on the desert rocks take us back hundreds and even thousands of years in an instant. And the deep time of geological formations reminds us of how fleeting human life is in the evolution of the planet.

The drama of life’s cycles is renewed every day. A cool morning, as wildlife awakens, brings birdsong at first light. As the sun rises, soft golden streams of light alternate with deep shadows. And then the day arrives: sun-drenched, with big wide-open skies, an elixir of joy and freedom. Later, vivid desert sundown cools slowly into deep star-filled night skies. And all around, vistas that make your eyes happy.

a city in the desert the desert in a city



Chiricahua Apache sculptor Allan Houser’s work *Singing Heart*, in morning sun (top) and at sundown (bottom).



## A CONSCIOUSLY CREATED PLACE

In the Arizona desert there are rivers without water—at least most of the time. Some of them are on the map as rivers, and there is a famous story of a German prisoner of war, held in Arizona, who planned to escape by floating a raft into Mexico. It might have worked if there had been water in the river instead of sand and rocks. Some of these waterless streams have names like Dry Gulch or its Spanish equivalent, Arroyo Seco. The one that ran for ten miles through the middle of Scottsdale when the city was incorporated in 1951 was inelegantly called “the slough.”

In the rainy season it carried runoff from McDowell Mountain and the Phoenix Mountain Range down to the Salt River. The slough was hard packed earth, not permeable, so it did not absorb much water, just gave it a place to rush through. It ran right through the middle of the city, north to south, dividing one half of the city from the other. When it rained hard enough, the slough would fill with water and a flash flood would result, washing away anything imprudent enough to be in its path. When it rained hard enough and long enough, the whole floodplain around the slough would be inundated, flooding homes that had been built on the conveniently level and easily accessible land, washing away cars, and often killing people—and cutting half the town off from emergency services.

Several such floods in a relatively short time made it clear that something had to be done, and the US Army Corps of Engineers was brought in to plan for flood control. Their solution was a canal, lined with concrete, trapezoidal in shape, 140 feet across at the top and 14 feet across at the bottom and 25 feet deep, able to handle the water from a 70 year flood. Think of the often dry, concrete-lined Los Angeles river bed. It was, at the time, a standard engineering solution.

But the people of Scottsdale were not having it. They rejected a bond issue to pay the City’s share of the cost, and

started a process of looking for alternatives. The result was one of the most imaginative and ecologically sensible engineering projects in the world: Indian Bend Wash. Dams collect the water from the mountain runoff and channel it through an area of greenspace: parks, small lakes, golf courses, and other beautiful recreational spaces. The soil comes to accept the water, which actually charges an aquifer. Buildings and structures in the Wash are designed to withstand flooding and be easily put back into service. Surfaces are designed to be hosed clean, and the fences around the tennis court float teathered in the flood water and return to position as the water recedes with little damage. There are 300 acres of well-used parks within walking distance of 80% of Scottsdale residents, and the other 900 or so acres are also available for public use, and are well-used. Even the private golf courses are open to the public by agreement with the City.

Maybe there is something about this place that makes people take charge of their own environment. The early inhabitants here certainly did. Between 500 and 1450 in the Current Era (CE) the Hohokum dug a thousand miles of canals from the Salt River into two thousand square miles of land—the largest pre-industrial irrigation system in the world. Almost nothing of the old canal system remains, but many of the modern canals follow their paths, and ground-penetrating radar recently turned up previously unknown canals beneath the modern city of Mesa.

It took a complicated coalition to make Indian Bend Wash happen, involving City, State, and Federal funding, alliances with developers, and donations of land from major property owners who were incentivized by understanding that the rest of their land would grow in value. Homes and apartments with a view of Indian Bend Wash are sought after, and popular trails for walking and biking run through it. A model for ecologically sensitive flood control, parks, golf courses, tennis courses, well-stocked fishing lakes—and not a concrete-lined ditch in all of it.

a city in the desert the desert in a city

## WELL SPRING OF HEALTH

“Healing is an everyday job...and we can never heal without our spirit. Our spirit is the most magic thing in our life...the spirit we carry is the creator spirit.”

Victoria Havel  
7th generation Navaho medicine woman

Native American practices like the talking circle (where a feather or “Talking Stick” is passed around the circle in a “sunwise” direction, giving each person a chance to speak their heart-truth, providing self-empowerment and healing), or drumming to a state of trance (and measurable changes in brainwaves) have been part of this place for thousands of years. Such rituals and ceremonies reduce anxiety, relax the body, reconnect a person to their community and release endorphins, the body’s natural pain killers. They are healing processes, native to a healthy place.

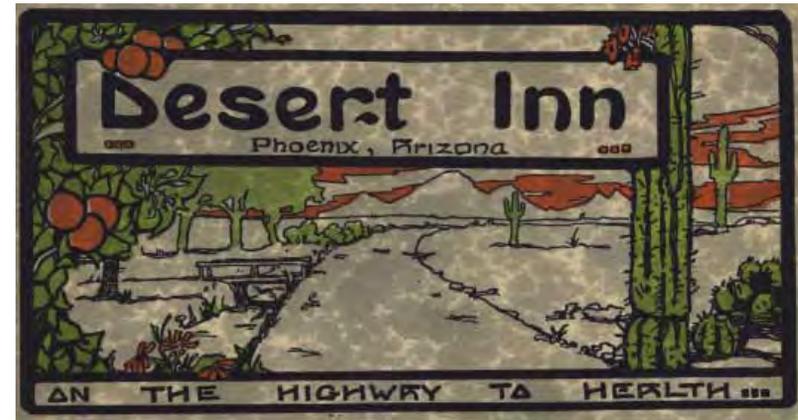
At the turn of the 20th century, it was widely thought that breathing the desert air was by itself enough to treat deadly diseases. Patients were routinely sent to Arizona to be cured by the clean, dry air. Scottsdale was once known as “White City” because of all the white tents where the tuberculosis patients lived.

A turn of the century brochure described The Desert Inn as a place to “meet some of the most cultured and delightful people from all parts of the country.”

“Across the restful and infinitely modulated green of orchard and shade trees, of cotton, alfalfa and barley fields, of orange groves and feathery palms, the eye is led to a distant horizon of rugged mountains, where shifting light and shadow make an endless play of color, astonishingly vivid to a traveler new to desert landscapes and unceasingly attractive day after day--this is the Salt River Valley of Arizona. Here your tired nerves and restless body will be soothed and refreshed by God’s own sunshine and buoyant air.”

a city in the desert the desert in a city

They offered cottages and bungalows each with sleeping porches “with the elastic walls of God’s own solitudes, no windows, no doors, no blinds, and the ever moving winds kissing your cheek, bringing sweet odors to your senses and then with soft soothing mesmeric touch quieting all care and fear and tranquilizing you for a sleep which falls upon you as gently and unconsciously as night falls upon day. Sleeping out is not only a delightful experience, but it is one of the chief factors in the restorative process of your life at Desert Inn.”



Scottsdale became the second location for the Mayo Clinic. A father and his two sons, all Mayo’s, started the Mayo Clinic in Rochester, Minnesota in the second half of the nineteenth century. From the beginning, they were innovative, asking other doctors and scientist/researchers to join them in what was at that time an unconventional “teamwork” approach to the practice of medicine. In Scottsdale, Mayo opened a clinic, a hospital and now a medical school. Their facility has broad light windows that open out to the desert. Research and treatment leaders, they offer innovative programs like their Humanities in Medicine which includes an atrium music series, music and poetry at the bedside, and a walking path into the surrounding wilderness landscape.

## WELL SPRING OF HEALTH

And Scottsdale has the highest concentration of spas in US, with some services reminiscent of past practices: a turquoise wrap, a signature treatment based on the Native American belief in the healing power of turquoise (at the Golden Door Spa); guided meditation sessions to achieve inner bliss (at the Center for Well-Being); or the chance to leave your troubles at the door in the handmade Apache woven baskets hung at the entrance of every treatment room at the Agave Spa where guests are asked to place their thoughts, to-do lists and worries in the basket so the mind is clear and available to enjoy the benefits of the treatment.

Tieraona Low Dog, MD is transitioning Willow Stream Spa, to be the first luxury resort in the US to combine a medical and spa program to improve health and happiness. Ms. Low Dog studied midwifery and massage therapy, and was a highly respected herbalist before receiving her Doctor of Medicine degree from the University of New Mexico School of Medicine. On faculty at Andrew Weil's Arizona Center for Integrative Medicine she is working with Willow Stream's Well & Being health and wellness complex to offer medical services, nutrition, wellness, fitness, skincare, and integrative medicine, all in a lush oasis setting overlooking the purple and sacred McDowell Mountains.

And so Scottsdale continues to weave a complex fabric, offering modern health care, well-being, favorable climate, sunny days and cool nights all in a beautiful setting close to nature.

“The love of the wilderness is more than a hunger for what is always beyond reach; it is also an expression of loyalty to the earth which bore us and sustains us, the only home we shall ever know, the only paradise we ever need...”

Edward Abbey

*Desert Solitaire: A Season in the Wilderness*



a city in the desert the desert in a city

“In the end, it's not going to matter how many breaths you took, but how many moments took your breath away.”

shing xiong

Rich people have been drawn to Scottsdale for more than a hundred years. With an inspiring setting, perfect weather, and train access, Scottsdale in the late nineteenth and early twentieth century was the kind of place to attract people of means, at least for a visit. And they came.

When they got here, they found artists and writers spinning the Myth of the West.

The world's most famous architect, Frank Lloyd Wright, set up his winter camp, both home and office, here. He showed the well-to-do how to live, differently, in the desert. How to create indoor-outdoor living spaces, adapting a home to its site, hiding it, fitting it perfectly into the environment. A casual resort lifestyle developed, as people came for escape from winter, with some deciding to set-up second homes.

There were a number of ranches around Scottsdale, like the McCormick family ranch, started in 1942, which grew to 4200 acres. This was not the kind of ranch on which a family scratched out a living. The McCormick family were heirs of Cyrus McCormick, who invented the mechanical reaper, and was Chairman of International Harvester. The ranch was primarily used as a winter home by the McCormicks, who preferred the desert over Chicago winters. Anne McCormick (wife of Harold Jr.) was the primary overseer of the ranch's operation. She was also responsible for bringing Arabian horses to Scottsdale—or back to Scottsdale, since the Spanish Conquistadors may have been riding Arabians.

Designers on Scottsdale's 5th Avenue followed the wealthy to town. So did the galleries which today carry western and contemporary art. Now there is a design center offering furniture and finishes for all the new million dollar plus homes.

Add air conditioning and a real estate boom and more people of means chose to live in Scottsdale. Goldwater's, the family department store of the 1964 Republican Presidential candidate was an anchor store for what

a city in the desert the desert in a city

## THE BEST IN LIFE

would become Fashion Square, a downtown mall with 2 million square feet including Barneys, Nordstroms, Tiffany & Co. and a Tesla store (birds of a feather flock together).

The pattern is established now. Rich people come to Scottsdale for the Phoenix Open, for the world's premier premium car auction, the Barrette Jackson Collector Car Show, and for the Arabian Horse Show. All add layers of wealthy people with exposure to all Scottsdale has to offer. Business meetings and golf trips add more exposure to Scottsdale and some decide to move into their own desert colored, desert landscaped houses, with grand windows overlooking the desert mountains. Their neighborhood restaurant is part of a five diamond resort. They live close to several championship golf courses which are environmentally sensitive, including some with Audubon Society ratings which confirms the courses are a healthy habitat for wildlife.

There are no billboards and apparent crass commercialism. Instead, all that real estate development put resources into a successful public art program. The considerable collection of public art adds to the quality of the landscaped environment throughout Scottsdale.

And these citizens of Scottsdale voted with their pocketbooks, supporting nearly one billion dollars in bond funding to preserve desert land in the McDowell Mountains. When rich people embrace a place fully and commit their resources to its preservation and improvement, it ends up being a nice place to live.

“A civilization which destroys what little remains of the wild, the spare, the original, is cutting itself off from its origins and betraying the principle of civilization itself. If industrial man continues to multiply its numbers and expand his operations he will succeed in his apparent intention, to seal himself off from the natural and isolate himself within a synthetic prison of his own making.

He will make himself and exile from the earth.”

Edward Abbey

*Desert Solitaire: A Season in the Wilderness*

pal•imp•sest (p l mp-s t ) n.

1. A manuscript, typically of papyrus or parchment, that has been written on more than once, with the earlier writing incompletely erased and often legible.
2. An object, place, or area that reflects its history.

“Men come and go, cities rise and fall, whole civilizations appear and disappear –the earth remains, slightly modified...Turning Plato and Hegel on their heads I sometimes choose to think that man is a dream, thought an illusion, and only rock is real. Rock and sun.”

Edward Abbey  
*Desert Solitaire*

“In the legends of the saints, and prophets, either a desert or a mountain is pretty sure to figure.”

Joseph Wood Krutch  
*The Modern Temper: A Study and a Confession*

Petroglyphs, rock markings from early days, tell a story of earlier times. There are Native American Tribes whose traditions survive here. There is wisdom in these traditions for complex modern lives.

“If you mean something that has a distinct character, something appropriate to its setting, something admirably fitted to a designed end,...then the desert will show forth much that people nowadays are beginning to think beautiful.”

John C. Van Dyke  
*The Desert*

Scottsdale once called itself the West’s most western town, but in a way they were cheating. The West may have been created by cowboys and Indians, by settlers and cattle ranchers and sheep farmers and oil men. But the myth of the West was created by writers and painters, many of them working for the railroads and promoting tourism into this exciting new land – and Scottsdale was one of the centers of the creation of the myth of the American West, so Scottsdale got to define what it meant to be Western. Guns, ropes, saddles, boots, belts and arrows – the imagery of paintings that came out of Scottsdale and other artists’ places became the imagery of the West.

## A CITY IN THE DESERT, THE DESERT IN A CITY

After the Civil War some Southerners settled here and started to grow what they knew, cotton. But it was the cotton the Pima Indians had grown for centuries, with short, strong fibers, Pima Cotton, that proved to be the valuable crop and the newcomers learned and switched, adding another layer to the human marks on the desert with massive irrigation – but not as massive as what the Hohokum Indians carried out a thousand years ago.

“What it is that this land, together with the plants and animals who find its strangenesses normal, has been trying to say to me... and what kinship with me they all so insistently claim.”

Joseph Wood Krutch  
*The Desert Year*

Spanish adobe architecture fit well into the desert landscape, and then was combined with mid-twentieth century modern American architecture. Frank Lloyd Wright made this his Western home and studio, and his disciple Paolo Soleri followed him here. Scottsdale does not have one or a few large iconic public buildings that make a great architectural statement – but it has many homes that fit so naturally into their setting that it is possible to miss what a great accomplishment that is.

Indian Bend Wash goes well beyond being a preservation of the existing landscape. It is regenerative, creating health and biodiversity where there was a dead zone, a dry gulch. The McDowell Preserve keeps the Sonoran Desert alive and healthy in Scottsdale. Immersed in the bio-rich desert, lush and green after rain, Scottsdale stimulates an outdoor life.

The day begins early, outside – a hike, a horseback ride, a round of golf, in a city and the desert. At dusk, the desert sky, even in a city, is full of stars and chilly evening conversations are still outside gathered around firepits, reminiscent days gone by, or generations, or centuries, or millennia. Layer upon layer, the people who choose to make Scottsdale their home are choosing how to make their mark for future generations.

a city in the desert the desert in a city

Birdsong at first light

**Joy** Long deep shadows, streams of soft golden light  
 Sense of space  
 Cool mornings Daily cycle of life  
 Smell of Orange Blossom  
 Wildlife stirring  
 Connect Close  
 to the great  
 and permanent forms  
 of nature  
 Slow down  
 Sundown cool  
 Slow time  
 Sundown, sparkle skies  
 Enveloped in sunlight  
 Deep time  
 Vivid desert sunsets  
 Deep star-filled night skies  
 Smell of mesquite  
 Sun-drenched days, big skies  
 Zen of the desert  
 Self-renewing  
 Reawakening senses  
 Fresh open spaces  
 Drama of the day  
 Reawakening senses

Indian Bend Wash

**Desert views** Happy trails  
 Earth-connected, sustainable  
 Desert golf greens  
 Edge zones  
 Bikes, horses, hikers  
 A Consciously Created City  
 Recharge aquifer  
 Landscaped  
 The Preserve  
 Ancient & modern canals  
 City starry nights  
 Precious water life force  
 Grey water irrigation

Makes your eyes happy

Myth of the west  
 Guns, ropes, saddles, belts, boots, arrows  
 Architects of Place Solari, Wright  
 Ranches  
 Southwestern spirit  
 Sonoran Desert  
 Convivial events  
 Cattlemen and cowboys  
 Olives, Oranges, Cotton  
 A City in the Desert, The Desert in a City  
 Painters and storytellers  
 Desert air  
 Chilled nights, fire pit conversations  
 Spanish adobe architecture  
 Bio-rich desert, lush after rain  
 Cavalry and Indians  
 Mr. Wright  
 Rimmed in rugged mountains

Nourished by sunlight, dry fresh air

**Relaxation rewards** Health spas  
 Desert healing  
 Active outdoor lifestyle  
 MAYO Clinic Southwest  
 Leading genome research  
 The Well Spring of Health  
 Decelerate  
 Relaxation health benefits  
 Concierge health care  
 Health retreats  
 Whole health self-care  
 Scenic drives  
 Premium health care

Art-filled living

**Collector cars in exotic locations** Tesla store and more  
 Native American adornment  
 Rich people  
 Rich culture  
 The Best in Life  
 Resorts, restaurants, spas, golf courses  
 Rich shopping experiences  
 Art-rich public places  
 Focus on quality  
 Modern, adobe architecture

Connect Your Narrative to the Place Narrative

## THE HERMOSA INN

The Paradise Valley fault separated Camelback Mountain from the rest of the Phoenix Mountains about 1650 million years ago. These colorful mountains: green, grey, tan, red are the result of ocean volcanic activity, continental deposits and three “deformational episodes.” They climb 1378 ft. above the valley floor and feel close enough to touch from the Hermosa Inn in the mostly residential town of Paradise Valley.

Casa Hermosa (Handsome House) was alone in this valley when it was built by Lon Megargee as an adobe ranch house and studio in the Sonoran Desert, far away from Phoenix. Lon fashioned his house organically using the styles of Spain and Mexico, with heavy wood timber ceilings and thick walls of straw and mud bricks hand-made on site. In the early 1930s, the house was a combination guest house, card gambling parlor and artist’s studio, reflecting the complex identity of its builder, one of the first cowboy artists in Arizona and a charming self-promoting rogue.

The thick walls with deep eaves, the walled private courtyards and native desert cactus and other plants still surround the old house, now expanded to include a restaurant (appropriately called Lon’s) with an underground wine cellar and a bar where his studio used to be. On the undulating adobe walls are some of Lon’s colorful paintings and block prints, ropes, a saddle, spurs and other accoutrements of the cowboy life the builder/artist lived and celebrated in his art.

The artist sanctuary is now an Inn with a pool, a spa, and thirty four casitas. These little houses carry through the original Casa Hermosa elements, adobe-like walls, an indoor-outdoor quality, beehive fireplaces, and copies of Lon Margargee’s cowboy art, all in a Sonoran desert landscaped environment.

The artist’s sanctuary has attracted more art, the art of Allan Houser. Houser was one of the most renowned Native American painters and Modernist sculptors of the 20th century. Houser was a Chiricahua Apache and his sculptures at the Hermosa Inn are emotionally rich images of compellingly strong, proud people, at home on the desert grounds.

On the way from dinner to a Casita, there is a life-sized Apache sentry, tall and thin but muscular, with his head turned and gun lifted, poised to take aim. On his hip is a fringed pack. On his head is a band out of which flows his long hair. It is not hard to imagine him to be real, to have actually lived here.

The mountains have been around for over a billion years. The desert as we now know it, with its present animal and plant inhabitants, less than five thousand years. The Indians were here for at least a few thousand years, and for less than a hundred of those years the cowboys shared this land with them. Cowboy art has persisted into the twenty-first century, and now Allan Houser has brought Indian art traditions into modernism. Yet it all fits together seamlessly at the Hermosa Inn, as if this were a timeless place.



a city in the desert the desert in a city

## LON MEGARGEE (COWBOY ARTIST)

For Philadelphian Lon Megargee (just Lon Marge until he came out west) the lure of Arizona began with dime store novels about cowboys and Indians. He became one of the first iconic painters of the American West, in a lifelong romance with its symbols and beauty. He liked to call himself a self-taught painter (it fit with the idea that he was a simple cowboy and his gift for painting was natural talent). He had plenty of natural talent, but he studied at the Pennsylvania Academy of Fine Art before heading west to live with his aunt, who had moved to Phoenix in 1917. He was still a teenager, precocious, rebellious, and set on living life his way.

Lon was a natural storyteller, and his most imaginative story was his own life. He managed to make his lineage somewhat mysterious (though his father was a successful Cuban businessman in Philadelphia and his mother an heiress). He charmed his way into several marriages, though it is not clear that divorce was involved. One wife, we know, hired a lawyer to locate him years after he had left her. She was seeking child support for their son. He talked her out of following through on the legal proceeding, then left town without making the payments he promised.

Lon was a handsome man, very fit through to old age. His home and studio in Paradise Valley in the shadow of Camelback Mountain, was hand built out of bricks made of mud and straw (adobe). In the desert a long way outside of Phoenix (a trip that now takes about fifteen minutes), Lon the poker dealer regularly hosted illegal card games. He became a colorful rogue, out of one of the dime novels he had liked so much.

But the reason we know this rogue cowpoke (and he really did work on his uncle's ranch for several years as a young man) is because he not only reshaped himself into part of the myth of the American West, he was one of the creators of that myth. His paintings are full of cowboys firing guns, proud and colorful Indians on horseback, divinely colored regal cliffs, and of course horses—usually running or bucking. His paintings are full of movement and ac-

tion. The Santa Fe railroad bought his paintings to entice Easterners to take a trip west. The first governor of Arizona commissioned him to create several murals for the state capital building.

One Lon Megargee painting has a cowboy wearing a red shirt, lying back on a saddle. His hat is tipped over his eyes as if he is slumbering. His blue jean clad legs are bent at the knee and supported by a flying cloud which stretches toward a sunset-tinged cloud shaped like a naked woman riding a bucking horse, all floating in an end-of-day blue sky. It is called "Cowboy Dreams."

So if you find yourself longing for a taste of the west, put on your own blue jeans and cowboy boots, and grab your cowboy hat off the hat tree. As you do, take just a second to look at the ribbon inside the hat, the famous Stetson logo of a cowboy and his horse. It was Lon's work-for-hire, the iconic Stetson logo—still part of the myth of the west.



a city in the desert the desert in a city

## ARTFUL AMERICAN CUISINE (AT LON'S)

Scottsdale is not known as a great restaurant town, but its desert resorts are host to some of the most sophisticated people in the world, so it makes sense that the food would be something special. And sure enough, tucked away in the resorts as well as scattered through the city, there are restaurants that can stand with any in the world.

Lon's, at the Hermosa Inn, is named for one of the earliest cowboy artists, Lon Megargee. Looking around the restaurant, there are paintings whose subject is the American West. There is a saddle (resting on top of an Indian rug) on the wide, softly curved adobe wall which separates the service hall from one of the modest-sized dining rooms. Actually, the core of this restaurant is the cowboy artist's 1935 hand-built adobe home and studio in Paradise Valley in the Sonoran Desert, with its heavy timber beams and light wood ceiling. It has been expanded to include a wine cellar, a library, and several private dining rooms. The original studio now houses the bar.

Nice atmosphere, but what about the food?

The goat-cheese-stuffed squash blossom is a lightly fried delicate bloom served with house-made salami, shishoto peppers, shaved radish, and citrus vinaigrette. Light and lovely. Or there is

a cucumber gazpacho with lump crab, fennel, and lime olive oil. And there is the side the waiter recommended, the truffle goat cheese macaroni.

Of course there is beef, a chili-rubbed cowboy rib eye. If you want fries with that they are parmesan fries with a truffle dipping sauce. For dessert, one decadent option is a tall Mexican chocolate cup with a filigree scroll handle, filled with a scoop of house made Mascarpone ice cream, on top of a cinnamon cake. Lon's version of Tiramisu, Mexican style.

My favorite starter is the square (and fine) piece of rare Ahi tuna garnished with chili threads, cilantro, and pickled onion, brought to the table on a square block of Himalayan salt (looking like a dark piece of marble). Tableside, the dish sizzles when the waiter pours the citrusy "ceviche" sauce on to the super-hot salt square.

Artful, eclectic, international, yet very American cuisine, where they serve produce grown in the state, olive oil from a grove south of town, beef and a variety of goat cheeses from local providers. Executive chef: Jeremy Pacheco. Chef de cuisine: James Ducas. Inspiration: the first cowboy artist whose home this once was, Lon Megargee.



a city in the desert the desert in a city

SCOTTSDALE HOSPITALITY & TOURISM



# The State of the Industry

This report provides analysis of the operations of Scottsdale's Hospitality and Tourism industry. It reviews current research contextualized for Scottsdale. It contains pertinent excerpts from previous Scottsdale research reports which are still relevant. All this information is used to address how the system, in which Scottsdale tourism exists, can be changed for the better through effective strategic planning (*Project Scottsdale 2017*).

# PLACESCONSULTING

PLACES principals (and its specialists and associates) have worked in the development of places: their design, development and marketing.

PLACES begins with understanding the character of the place, its natural and built environment, its history and culture, the stories that unite and separate the people in the place. We look for the orienting and aspirational stories of place. We learn through structured interviews with people, we read books and read research about aspects of the place. We conduct our own figure/ground study and seek research to put our findings in context. And we create a series of idea maps around assets and issues.

These idea maps are the basis of our first formal feedback loop. We invite participants to review the idea maps and provide feedback. We adjust the maps and use them as part of our strategic planning preparation.

Next we create a technical review, which includes research, operational findings, important information and other considerations which provide a way to understand the performance of the place. We select previous study findings and correlate them for relevance to the current situation - - looking, for example, for cyclical problems or other important trend information.

We develop an analytical report for review. This narrative report is the basis of our second formal feedback loop.

Then we create an Identity Matrix, which clusters unique qualities of a place in order to systematically reveal the character of a place. We use the natural place, values, experiences, often repeated stories, cultural identities and other qualities which express resident's shared love of place. We create a third formal feedback loop around the Identity Matrix. We create a Place Narrative to provide another way to

understand Love of Place and the way in which this Love of Place can build social capital.

These three discovery processes provide a framework for strategic planning. PLACES uses a future oriented, systems focused planning method created by the leading US military planner, Col. John Warden (USAF retired). Based on the understanding that all of us are smarter than any of us, this method uses group processes to develop a future picture. The process harnesses the best information from participants as to how things can be organized to realize the future picture of a place.

A place is a complex system. At its base it is always a natural system—a landscape and ecosystem, already very complex. Layered over that are many human systems—economic, political, governmental, transportation, and so on, often more than one of each—creating a social system. All of the many “participants” in a social system contribute to its dynamics. In the group process this understanding of a place as a complex system underscores all strategic decisions.

Group participants come to understand that everything happens in a system; that intervention in a system can have unintended consequences; and that to create significant change, the system in which things operate has to change. Participants map the system in order to understand how it works, and where intervention can have outsized results. They address strategic focus areas and plan out particular actions. For each action they arrive at strategy owners, measures of merit (how to know if the action worked), budget and timeline .

The resulting strategic plan reaches widely into the place to leverage love of place and the resulting social capital to drive change. It creates a recognition among those in the group process for how to create change in a complex system. It creates momentum and a measurable process of success.

*“You cannot predict the future, but you can create it.” Colonel John Warden, USAF (retired).*

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Scottsdale is an unusually self-aware city, perhaps partly because it is a self-invented city. From the first it was presenting itself as a place visitors had to experience, and from time to time throughout its history Scottsdale has paused to take inventory and assess where it has come and where it is going. The last decade has been particularly rich in that kind of self-examination, as the city

nears build-out of its available land (except state land to the north) and struggles to understand the future. Scottsdale has looked inward again and again to take stock of itself. This report illustrates (from the studies and reports done in the last decade) that many of today's issues were yesterday's, creating a context for the Strategic Planning and the next step in Scottsdale's self-invention.

## BACKGROUND AND HISTORY

The Scottsdale hospitality and tourism industry is at a critical turning point caused by a downturn in meetings business, the threat of loss of Scottsdale's unique identity to the Greater Phoenix metropolis, and a shift to a new, more urban generation of professionals.

To some extent that is a matter of the natural evolution of a tourism destination and a city through generational changes. In 2003 a seminal report, *Which Way Scottsdale*, used a technology metaphor: Scottsdale 1.0 had been successful, and it was time to launch Scottsdale 2.0, the new and improved version. In 2006 a strategic plan for tourism announced a turning point, and in 2010 a follow-up to *Which Way Scottsdale* declared the need as yet unmet. As one tourism industry participant put it, "we have been at a turning point for five or ten years. Surely we must have turned by now." But generational changes happen slowly, in the way of evolutionary change.

Right now, however, a lingering downturn in the tourism and hospitality business raises the stakes and makes change more urgent.

Historically Scottsdale has been a notably successful tourist destination, well-managed, well-marketed, and prosperous, the envy of other cities. Blessed with a favored location, where just breathing the desert air was deemed sufficient to cure people of deadly diseases, Scottsdale developed what may be the finest cluster of high-end resorts in the world (all claim Scottsdale, some are in fact outside the city limits). To a greater extent than most places, Scottsdale has attracted the people who live here by its climate and its lifestyle: the people who are in Scottsdale mostly chose to be here, and many of them came first as tourists, returning to be residents. From its earliest days Scottsdale attracted artists, and an outstanding arts and culture scene added to the high quality of life. A land drenched in sunshine, it is a happy, even joyful place. You can live in a town called Carefree, worship at Our Lady of Joy church, take an evening walk on the Happy Trail, and know that you are in the Paradise Valley—all in or around Scottsdale.

Scottsdale has been a tourist destination since before it was a city. There were guest ranches before Winfield Scott settled here. It is set in the Sonoran Desert, the world's most bio-productive desert envi-

ronment, alive with plants and animals, at times lush and color-rich and always intriguing in its natural beauty.

Its hospitality industry has had its challenges: it is heavily dependent on its high-end resorts, it is extremely seasonal, it is dependent on meetings to maintain the needed levels of occupancy and room rates/revenues. But in high season (January through April) business has historically been so good that the profile of a meetings-intensive, resort-centered, luxurious and pricey place has been something to be proud of—to the point that some industry old hands say Scottsdale had even become complacent in its success, with an attitude of "We are the best and we don't plan to change." Scottsdale in the twentieth century and into the twenty-first century has been what the European spa centers were in the nineteenth century: the finest place in the world for the privileged to escape and renew themselves, the very definition of luxury.

Times change and fashions change, and it might seem that Scottsdale's ascendancy would fall to the inevitability of such changes, but in fact the resorts here and the destination's marketers have been very capable at reinventing themselves to maintain their edge. The *Which Way Scottsdale* study, and its follow-up report in 2010, suggested that Scottsdale's resorts might be losing their luster to properties in Phoenix, and the city's assets were "aging jewels." That report detailed a number of challenges that are still relevant to Scottsdale as it creates its future, but the fear of declining resort dominance and competition from boutique hotels has not really proved true.

It took something more to take some of the ginger out of Scottsdale tourism: it took the Great Recession, the most severe economic downturn in the United States since the Great Depression, and the beginning of an ongoing world financial crisis.

In 2008 and 2009 the financial sector of the United States economy collapsed. The largest banking institutions, on which the conduct of world economic activity depends, were on the verge of complete failure and bankruptcy. Among other things, a vast system of collateralized debt obligations—investments derived from shaky mortgages packaged and repackaged into speculative instruments—had undermined the stability of banks and insurance companies—which had far too low a ratio of solid assets to debt. A global economic disaster was imminent, and was only prevented by massive intervention from the United States govern-

## Market Area Lodging (Rooms)

Scottsdale	9,354
Paradise Valley	1,862
Other Nearby	5,375

Resort Hotels	9,093
Full Service Hotels	2,545
Lmt Service Hotels	4,954

ment under two administrations, one Republican and one Democratic—an intervention so costly that one analyst estimates the price tag in constant dollars exceeded the entire cost of the New Deal programs that helped end the Great Depression, the Marshall Plan that restored Europe after World War Two, the moon-shot, the Savings and Loan bailout of the 1980’s, the wars in Korea, Vietnam, and Iraq, and NASA’s lifetime budget, all combined. In fact, you can throw in the Louisiana Purchase. It was by far the largest outlay of government funds in the history of the United States.

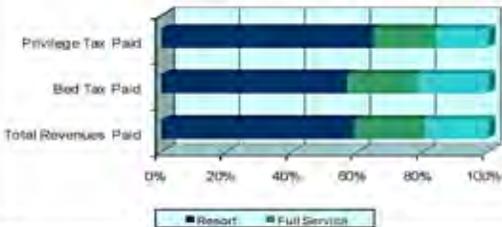
This is not just a fiscal curiosity, it is a real indication of the magnitude of the events of 2008 and 2009. The entire world economy was teetering on the edge of collapse—a chain of failure that would have swept through the “too big to fail” banks and taken down governments. Every aspect of “normal” day-to-day economic life would have been shattered. Needless to say a crisis that large had serious effects on the United States economy, including on Scottsdale tourism.

In 2007, just before the crisis, Scottsdale’s hospitality industry was riding high. Average daily room rates were over \$170, which includes all the limited service and mid-range full service hotels, and includes the soft summer and fall seasons. Average annual occupancy was around 60%, where it had settled from a high of over 75% in the mid 1990’s, before a growth spurt in the number of hotel rooms, particularly in the mid-range and limited service sectors. Twenty-seven percent of corporate meeting planners surveyed that year in the biannual Metropoll study planned to hold a meeting in Scottsdale in the next three years. That performance was remarkable, the result not just of the splendid natural and cultural assets of the destination, nor even of the combination of those assets and its high quality resorts. It was the result of a very successful destination promotion program, developed over many years. Scottsdale, a relatively small city (the 92nd market in the US), without a major convention hall, had fought its way into a competitive set of bigger cities and better-funded destinations, many of them with first-class convention facilities. Like a boxer punching above his weight class, Scottsdale had used skill to match competitors with greater resources. A long history of success was continuing, with no real signs of trouble. The Which Way Scottsdale report lamented the fact that people might think reinventing Scottsdale was unnecessary and foolish, since things were already fine.

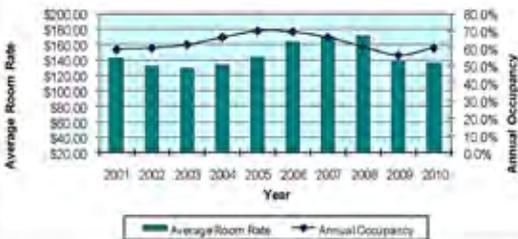
The effect of the Great Recession on the Scottsdale hospitality industry was immediate and, more important, it has been lasting. Its effect on occupancy and room rates was exacerbated by the addition of almost a thousand rooms in the immediate market in 2008 (the first year of recession effects), including two large high-end full-service hotels, the 224 room W hotel and the Montelucia resort with nearly 300 rooms and suites. In 2011, a full five years later, the average daily room rate (at \$136 per night) was down more than 20% from 2007 highs and only 11% of corporate meeting planners intended to hold a meeting in Scottsdale in the next three years, according to the Metropoll study. The Metropoll study also reveals some additional problems for the Scottsdale meetings market. Among 40 convention and meeting destinations Scottsdale scored 6th in an undesirable quality: it is perceived as not a serious place to get work done. This is part of a cluster of vulnerabilities often referred to in the hospitality industry as the AIG effect, or sometimes the AIG/GSA effect. Whether these remain as permanent issues is not known. They are usually cyclical. But in this case there is continued

### The Scottsdale/Paradise Valley Tourism Study — Part I: Lodging Statistics

Chart 2  
2010 Hotel Revenue Stream  
City of Scottsdale - Hotel Revenue Streams



Hotel Occupancy and Average Rate: 2001-2010  
Scottsdale/Paradise Valley Market Area



pressure for government austerity and limited spending which passes on as a regulatory environment to the private sector. This condition has been in place a half decade, its continuance for an equal period of time is likely.

At the time when the insurance giant AIG was receiving massive bailout funds from the federal government, company managers were enjoying the perks of what were seen as needlessly luxurious and indulgent corporate rate meetings. A number of government agencies set limits on the room rates employees could pay on business travel. Later the General Services Administration, which is in part a watchdog agency over government spending, was exposed in what its own employees described as lavishly wasteful spending on group meetings. It is in this context that Scottsdale is being tagged as not a serious place to get work done. This is also reflected in the response to two other



**Scottsdale (and destinations like it) took an especially hard hit after 9-11.**

**Tourism Development and Marketing Strategic Plan**

**Scottsdale Compared to US Norms**

- Scottsdale impacted more significantly during downturn
- Influenced by the heavy mix of air travelers and business demand.

**% Change in Bed Tax Receipts**

**Cumulative % Change Bed Tax Receipts 2001-2003**

Scottsdale	-12.4
U.S.	-4.3

**Scottsdale impacted almost 3 times the level as compared to nation as a whole!**

**Scottsdale's Vulnerability**

Cumulative % Change Bed Tax Receipts 2001-2003

Scottsdale -12.4  
U.S. -4.3

Source: City of Scottsdale Financial Services Department, Tax Audit Division, and IGA.

questions on the Metropoll survey. Scottsdale scores fairly high on the derogatory description “exorbitant costs,” and even more telling it scores poorly on giving “good value for the money.” The current corporate economic environment is not very friendly to high-cost, amenity-rich luxury tourism.

Some resort operators in Scottsdale expressed their conviction that the AIG/GSA effect was over and done with. “My customers are affluent. They want luxury and they won’t apologize for it,” said one. However, it is not leisure customers who are doing the complaining about waste and extravagance in the meetings market. It is not even those who attend corporate meetings. It is meeting planners and corporate managers looking over their shoulders and fearing accountability and public opinion. The luxury leisure market is more resilient than the meetings market, and will cushion to some extent the impact of cost-cutting on Scottsdale, making it less vulnerable than more purely meetings-oriented markets.

Scottsdale has faced adversity before—after 9/11 the golf industry had a 50% decline in business, but it recovered relatively quickly. Travel is a resilient industry and industry predictions are that worldwide travel will recover in 2013 to pre-recession levels, if there are no more economic shocks. Although much travel is discretionary, people are reluctant to give up travel even in hard times. High end leisure travel patterns after 9/11 were the least altered and the first to return to normal, because affluent people were quickest to resume discretionary spending. But even the affluent will economize in hard times, and the corporate travel market is quick to become cost-conscious when things tighten up. There is a continuing trend toward fewer, shorter, and more price-conscious corporate meetings. And the downturn since 2008 has been persistent, slow to recover fully.

The 2012 Metropoll study of Scottsdale as a convention and meetings destination (in comparison to a total of 40 such destinations) revealed a significant trend in the meetings business which is problematic for Scottsdale, and the Scottsdale CVB is already taking steps to deal with it. The trend is toward fewer, shorter, and more price-conscious corporate meetings, the type of meeting which generates most of the high-value business for Scottsdale’s resort hotels. In fact the news is worse than that, because the business sector to which Scottsdale must turn to replace the corporate business is the lower-spending association meetings, and regional association meetings at that, which will make replacing the lost revenue very difficult.

Scottsdale’s performance at peak was quite remarkable, given that they have no convention center and are so heavily reliant on the resort hotel segment. Like a boxer fighting above his weight class, Scottsdale has used its skill to overcome the greater strengths of other destinations. And Scottsdale has developed a reasonable plan to deal with this challenge as well: sell more lower yield business, including regional associations and SMERF, to try to make up the shortfall in high value meetings. But the challenge will be a difficult one, and this problem will not go away quickly or easily.

**The last tourism strategic plan addressed perceived lack of activity, evolving leisure markets and generational shifts all of which remain relevant today.**



So this problem is not just a brief blip. Scottsdale’s high-end resort business peaked in 2007, when the destination’s average daily room rate reached over \$170. That year 27% of corporate meeting planners planned to hold a meeting in Scottsdale in the next three years. Four years later In 2011 the ADR was about \$136 and the percentage of corporate planners intending a meeting in the next three years was 11%. And the downturn since 2008 has been persistent, slow to recover fully. What is happening in Scottsdale now is the longest stretch of downturn in the living memory of the hospitality industry here.

In 2009, at the height of the recession, one medical equipment company set a policy that resort locations were unacceptable for seminars and workshops because they “are generally not deemed conducive to training, education, or the effective transmission of knowledge and should be avoided as venues for programs and events.” Furthermore, this kind of controversy over the resort environment is far from relegated to the past. In August of 2012 the 9th circuit court of appeal judges (along with two Supreme Court justices) were chastised by members of congress for their plans to hold a meeting in a Hyatt resort in Hawaii. In the current economic and political climate more such incidents can be expected.

The challenge for Scottsdale is to sell the value of its resort-based corporate meetings in getting serious work done. The most resonant attacks on corporate spending have focused on lavish entertainment which has no connection to the work the meetings are supposed to advance. But unlike Las Vegas, Scottsdale is not known for flashy entertainment. The “pampering” luxuries one might enjoy at a Scottsdale resort are perfectly compatible with getting work done. In fact, there is scientific evidence that the kind of relaxation and renewal Scottsdale offers can increase creativity and productivity.

Another troubling perception of Scottsdale is that 2/3 of meeting planners regard it as a place that is high in “racial tension” there is no doubt that this results from much publicized political controversy over immigration laws. At the moment those controversies are not so intensely focused on Arizona and on Maricopa County as they had been in the recent past, but whether they flare up again is uncontrollable. Attention-seeking, deliberately and flamboyantly controversial stances by Arizona’s Governor and the Sheriff of Maricopa County are unlikely to moderate in the current polarized political environment.

Whatever the range of political opinion, an industry that is based on hospitality cannot allow others to define its destination as inhospitable. And an industry that provides important entry-level jobs and is labor intensive will benefit from moderate immigration policies. The Scottsdale tourism/hospitality industry will have to decide whether to protect its interests.

There is one trend in the meetings business which offers an

advantage to Scottsdale, namely that meeting planners have shorter booking cycles, particularly for relatively small meetings. This change was pronounced at the deepest part of the recession but it has persisted. Research done for the upscale meetings booking site Zentilla showed that 60 percent of all meetings are booked inside of 90 days. In May of 2012 *Covington Travel* noted that even with a recovering economy and increased meetings activity, booking advance time seems to be getting shorter.

Although this trend creates challenges for resorts and full service hotels that depend on the meetings business (because they have to move quickly to act on leads and compete for business) it also has favorable implications. Planners making a quick decision seem to favor luxury properties (where they know the experience will be first rate) and places they already know. Scottsdale’s long history of high-end meetings creates the foundation for competing successfully for short cycle bookings. Furthermore meeting planners have more discretionary authority to book meetings on short notice, which makes for a smoother sales process.

The hospitality industry is not known for taking the long view, nor for patience in the face of adversity. Hotels are judged by daily occupancy and room rate, because an unused hotel room night can never be sold again—the inventory disappears daily. Tourism is used to hitting rough spots, but the industry is also used to quick recovery, and the trend for more than a decade now, beginning with 9/11/2001, has been toward deeper downturns and slower recovery. Certainly that is true in Scottsdale. The industry is impatient for solutions, perhaps particularly so because the struggle has never been this hard before. One industry player said “Scottsdale is not used to slugging it out in a long, hard fight. This is an easy place. People throw a punch or two and then go home and relax.”

A long downturn puts pressure on the entire industry and all of its support apparatus. Everyone is looking for a solution, a big answer to the big question: how do we get out of this mess and get back to prosperous times? Scottsdale did take a major step to address the challenge: it increased the hotel bed tax, increasing the amount of money available for tourism marketing and development, which set the stage for increased competition over the use of those resources.

For a decade people have been telling the industry about the vulnerabilities that need to be addressed in the group market. Meanwhile, the tourism industry has been talking about the need to find more high end customers like the ones in the high season. The direct route is likely to be less effective than building the entire destination and going after leisure.



## Scottsdale Goals

Broaden range of experiences  
Enhance active/vibrant identity  
Respond to evolving market desires



Link and integrate with  
products/experiences outside  
City boundaries

## PLACES RECOMMENDS

Scottsdale's very successful tourism industry has been impacted significantly, and in a negative way by forces external to Scottsdale. In fact, the impact for Scottsdale has been greater than other destinations reviewed. This outsized impact is the result of three things: the heavy dependence on the high-end resorts; the extreme seasonality of the market; and the overdependence on the meetings market for occupancy, room rates (and revenues). We think that there are ways to mitigate some of the negatives in the meetings business by becoming a meetings innovator. It's time to go all in and create a more complex tourism market for Scottsdale.

This means creating much more leisure demand which is destination focused rather than resort focused. Starting with a focus downtown, create an urban experience with linkages to other activities in Scottsdale and Arizona. Take back the Grand Canyon, speak to next generation audiences, and develop a more complex destination. This, with strong marketing and PR, will create a stronger leisure demand and has the additional benefit of strengthening local and regional use generating economic value for Scottsdale.

The industry will benefit from stronger occupancy and rev/par. The focus on building shoulder and off-season demand is also important in generating stronger revenues.

For the last ten years consultants have been warning of changes in the leisure market and in the generational markets that you need to deal with. But you have said "What we do is working. We need more of the same." The truth is that you are already at the top of your game. The way to build your high end high yield business is to build the destination, which includes shoulder and off season business. You will win twice.

*Project Scottsdale:* Group Meetings, Downtown, Leisure/Seasonal

## RESORT CENTRIC TO DESTINATION CENTRIC INTERNATIONAL, LEISURE, SEASON, REGION

The years since Scottsdale's last strategic plan for tourism have been eventful. The Great Recession and its political repercussions have rocked the tourism/hospitality industry here and around the world, and persistent macroeconomic instability keeps the threat of further damage alive. In particular, the meetings market in the United States has undergone major and perhaps permanent or at least long-lasting changes.

### INTERNATIONAL

Increased competition from new and exotic international resort destinations challenges the dominance of Scottsdale's resorts, which are among the best in the world.

Scottsdale, like many tourism destinations, has suffered in what has come to be called the Great Recession and its aftermath. In 2008-2009 the world economy was at the edge of a second Great Depression. The largest banking institutions, on which the conduct of world economic activity depends, were on the verge of collapse. The worst case scenario—global economic disaster—was averted by the action of the United States government, but the damage was already deep, and political polarization followed immediately and slowed the recovery.

Tourism/hospitality is a resilient industry. Travel recovers faster than other sectors from difficult economic conditions. But the effects on travel have been persistent. The hospitality industry relies on skillful salesmanship and astute marketing, but it is always in the grip of macroeconomic conditions, and the lesson everyone learned in 2008-2009 is that globalism is more than an idea. The global economy is deeply interconnected. What happened to US banks had effects in Europe and Asia, and the current European banking crisis threatens at any moment to have significant effects in the US economy.

Because the economic system is so complex and there are so many interacting variables it is difficult to call out the effects specifically. Continued economic decline and austerity in Europe will decrease travel abroad (including to the United States) by affluent Europeans. Meanwhile an extended European recession will decrease the relative cost of travel to Spain, Portugal, and Greece for US travelers. If Greece were to leave the European Union and its economy return to the (severely devalued) drachma, the cost of travel in the Greek Islands, one of the great tourism destinations in the world, would drop dramatically. If the Euro declines in relative value against the currently weak dollar, European travel in general might become more attractive. Threats from macroeconomic conditions are clearly not over.

At the same time growing wealth in Asia and other markets affords new opportunities. For Scottsdale's high-end resorts, concentrations of wealth define favorable markets. The Boston Consulting Group (BCG) conducts an annual study of private financial wealth. For the purpose of analysis, they have divided wealth into what they call the "Old World," which consists of Western Europe, North America, and Japan, and the "New World," which is everywhere else. In their 2011 report they conclude that private global financial wealth grew 1.9%, but in the Old World there was a net loss of wealth of .9%, and ultra high net worth households (with \$100 million or more in assets) lost 2.4%. The United States lost 129 thousand millionaire households, but still has the largest share in the world with over 5 million. Japan is second with over 1.5 million households with net worth of a million dollars or more.

But the Asia-Pacific region outside Japan is where growth in wealth is most impressive, with India and China leading the way. BCG projects that more than a third of all growth in wealth over the next five years will happen in China, and China has over 1.4 million households with a net worth of a million dollars or more, and will soon overtake Japan as the second largest concentration of millionaires in the world. A recent book from the Harvard Business Review Press (*The \$10 Trillion Prize*) notes that in 2001 there was only one billionaire in China, but by the end of 2011 there were 146. Over 700 thousand households have more than a million dollars in net worth and over \$250 thousand in annual income.

The China market now represents over half of all the global business of the Gucci line of luxury products. Gucci's parent company, PPR, predicts that their China business will triple in the next decade. Everyone has recognized for some time that China is a major emerging market, but the pace of its growth is accelerating and it is becoming a source of very high-end business. According to the authors of the \$10 Trillion Prize the new very affluent Chinese love to travel, want their luxury purchases to take place abroad, favor brands with strong heritage, and are prestige oriented. It is an interesting sidenote that the Chinese government disapproves of the term luxury and other similar language, and discourages the use of those words in advertising.

Scottsdale is a golfing destination, and Japan has long led the way in the adoption of golf in Asia, but the Japanese market peaked in the 1990's and China, with its huge population and large land mass, is now the mecca for golf course designers and construction companies (many from Scottsdale), and it is the fastest growing golf market in the world.

One challenge and opportunity for Scottsdale in the decade ahead will be to establish its identity as the finest resort destination in the world, and one of the world's great must-play golfing destinations, among the rising wealthy class in China. That challenge will be made more difficult by the emergence of new luxury exotic resorts in Asia and around the world, and by the rapid growth of golf in China itself. One golf expert has said that by 2050 the best golfers and the best golf tournaments in the world will be in China. PGA commissioner Tim Finchen visited five Chinese cities in 2010 looking for locations for tournaments.

This Asian market potentially replicates the successful resort/golf market has been the mainstay of the leisure market in Scottsdale.

### **LEISURE**

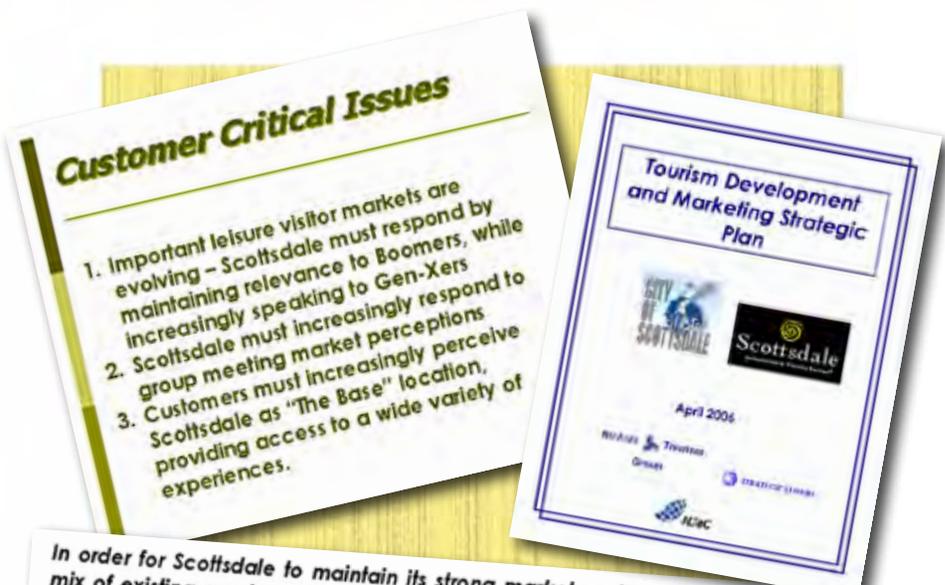
There are several additional leisure trends worth noting in the leisure market. One is a trend among affluent travelers toward multi-generational travel (defined as travel where members of at least three generations are participating). Young parents bringing



their children and meeting their own parents are the archetype of this kind of travel. Sometimes it involves both sets of grandparents and is an alternative to the traditional holiday trip to the home of one or the other grandparents. This is a variation on “special occasion” travel which may take place around holidays or personal special days such as birthdays or anniversaries. Because of the high quality of its resorts, and its desirable climate, Scottsdale has the right assets to become a place people choose for those special occasions. An analogy may be useful: we have seen restaurants in several cities position themselves as the place to go for birthdays, anniversaries, and other such occasions. Scottsdale and its resorts could do something similar—and indeed we have seen evidence that resorts are already marketing special occasion travel to their repeat customers.

Another leisure trend Scottsdale can take advantage of is the touring vacation. In which travelers drive from place to place, enjoying the scenic drives and stopping to enjoy the amenities. Locals interviewed in this planning process nearly always talked about get away day and overnight trips within Arizona.

The touring vacation is one of the most popular trip types and beloved of the US traveler. (Longwoods research shows that 9% of leisure trips are touring vacations whereas resort vacations are 5% of leisure, and most are beach resort vacations. Where they are combined in Colorado, 15% of touring trips include resorts). Scottsdale is perfectly located to be the hub of a touring vacation, in the near region and through out Arizona. This is so powerful a motivator that Las Vegas has packaged itself with the Grand Canyon (the Grand Canyon has 5M annual visitors) as a satellite attraction. Scottsdale is a little closer to the Grand Canyon than Las Vegas is. With Prescott, Jerome, Sedona, Flagstaff, Oak Creek Canyon and the Grand Canyon to the north, Tucson, Tombstone, Tubac, Bisbee, Sierra Vista and the Chirachoua Mountains to the south, with the Payson and the Mogillon Rim, Roosevelt Lake and the Apache Trail to the east, and Meteor Canyon, the Painted Desert and Navaho and Hopi Country to the north, Scottsdale is in the midst of an embarrassment of riches. Places like Gatlinburg and Asheville, NC have made use of their position on the Blue Ridge Parkway and its touring vacations, and they are less interesting places on a much less interesting drive.



*In order for Scottsdale to maintain its strong market position and ensure that its great mix of existing assets perform to their maximum potential today and into the future, a renewed focus must be undertaken - one which reinforces the destination's most unique elements. Visitors must increasingly recognize that while others can provide similar products, none can duplicate elements like the Sonoran environment, native cultures and Scottsdale's overall Southwestern lifestyle.*

Scottsdale must take these proactive efforts today and not wait for these competitive advantages to further erode and become less appreciated in the increasingly competitive visitor marketplace. If the destination waits until these trends are reflected in declining performance and market share, it will be much more difficult to effectively set a corrective course. Additionally, it should be understood that new strategic efforts have to move beyond marketing and steps must be taken to proactively mold and direct new product development efforts that reinforce these differentiating qualities.

### Products

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#### Objectives

1. Expand exposure of and access to Scottsdale's strengths
2. Create high profile destination experiences that reinforce Scottsdale on a national and international basis.
3. New development incentive tools should be pursued.

**Scottsdale's leisure focus needs to be expanded.**

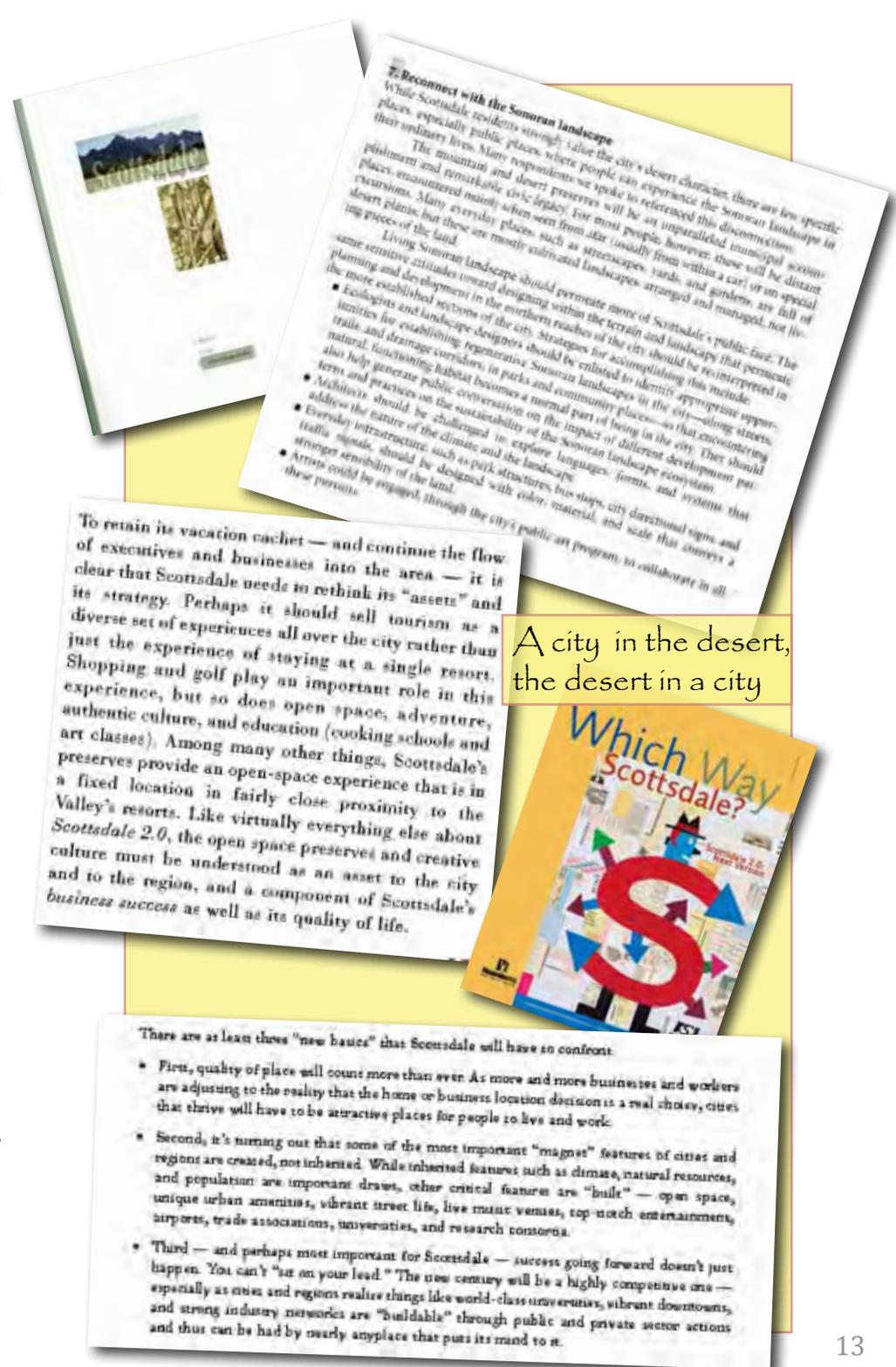
## DESTINATION CENTRIC

Scottsdale is located in one of the fastest-growing and most dynamic markets in the United States. Changes in the Phoenix market and other markets in the region and development in and around Scottsdale itself present challenges. Within that megalopolis Scottsdale has a distinctive identity but that identity has not been well expressed in destination marketing and is threatened with erosion unless it is anchored in the next generation appeal of a distinctive place.

Scottsdale has a number of studies which call out the issues about the need to have good decisionmaking and cross community support to realize a continuing position as a distinctive place. From the Indian Bend Wash initiative through the acquisition of the land in the McDowell Preserve, citizens have voted to maintain and preserve a distinctive natural place (the votes in favor of acquiring the land in the Preserve were an impressive, favorable, self-taxing vote of 70% then 64%). The work the city has done to make certain Scottsdale has a strong visual appeal is another example of the core principles with broad support.

Both the desert and the desert environment as well as the city and the urban environment are important components for Scottsdale. In the Identity Matrix (a part of PLACES report to the city), the core identity description is "A city in the desert, the desert in a city." This has implication for both sides of the identity in terms of development, interpretation and other key issues.

While there is support for protecting the environment and the visual appeal of Scottsdale, there is less understanding within Scottsdale concerning the overall economic issues including those facing tourism. Still less understanding that Scottsdale faces inevitable absorption into a fast growing megalopolis without conscious and significant planning and investment. This is not just land use planning, but economic planning. Without it, the erosion of a unique identity of Scottsdale within a decade is likely. But the way to protect that from happening is not to rally around the idea of "keep Scottsdale as it is (or was)." There is no such thing as keep things as they are/were. Things are either growing or dying, moving forward or moving backward. It is important to recognize the natural law of entropy.



In interviews there was a lot of concern expressed about the loss of distinctiveness in Scottsdale. Most of the recognition in civic life has presented itself as downtown issues related to building height, the entertainment district, and development in general. There is experience in Scottsdale for how tourism was the basis for ongoing economic development, but little knowledge about what that means for the next generation appeal of the place. What it takes to maintain a distinct place in a megalopolis with changing economic conditions is little understood and even less planned for.

There is also civic understanding of the different parts of Scottsdale, the long and narrow character of Scottsdale and the reputation of Scottsdale as “stopsdale” or “snobsdale.” All of these characteristics lend momentum to Scottsdale evolving into a suburb in the Phoenix region. Couple that with the most functional part of downtown being a mall and with the original downtown in need of considerable upgrade and re-visioning, especially understanding the desirability of an urban experience in next generation businesses and their high income employees and the stage is set to lose identity as this new generation rises to dominance.

There is a growing awareness among tourism and hospitality industry participants in Scottsdale that the destination might benefit from a more coherent and powerful expression of its identity and in the planning sessions the Identity Matrix was well received and more importantly it opened up some conversations about how to support the unique character of the place

Scottsdale has world-class resorts, and has in part defined itself by the quality of its resorts, but neighboring Phoenix has some very similar resorts. Indeed the Phoenician, which claims Scottsdale as its location, is technically in Phoenix, as are the historic Biltmore, the Pointe Hilton, and some of the resorts on Camelback Road and Lincoln Drive. While the number and quality of its resorts will remain an important foundation of the tourism market in Scottsdale, the resort product alone does not adequately define the destination, and leaves Scottsdale open to a loss of distinctiveness. Scottsdale has some of the best resorts in the world, but Scottsdale as a destination is not just “the place with resorts.” The resorts are located in a distinctive place, Scottsdale, and derive some of their magnetism from being in Scottsdale. That’s why the Phoenician and other properties technically in Phoenix claim the Scottsdale brand.



In the 2006 strategic plan there was a recommendation that Scottsdale should shift from a resort-centered to a guest-centered model. Perhaps it would be a better focus to suggest a change from a resort-centered model of the destination to a broader destination identity. And it is important to deepen the identity of the place and to share that deeper understanding widely within the tourism industry and the larger community. The shared love of place is the basis for authenticity and civic investment (social capital). It is also the core of what PLACES calls pervasive interpretation of place.

Much of the research into cultural tourism tracks growing consumer interest in authenticity and distinctiveness, and that trend shows no signs of abating. It includes interest in distinctive local foods, for instance, and in the memorable dining experiences available uniquely in a particular destination.

Phoenix is adding rooms close to its convention center, which will limit the generalization of demand from large conventions and trade shows there into the Scottsdale market. Markets adjacent to Scottsdale absorb some of the demand from facilities and events that Scottsdale is investing in, including Westworld. Spring training facilities in Glendale and Phoenix, interesting events around the region including arts-related facilities in Glendale, and the major-league sports stadiums in Phoenix, provide demand for the entire region but move

the center of activity away from Scottsdale. Scottsdale faces significant challenges from its interaction with a growing and dynamic region—and the tourism/hospitality industry is caught up in that same process.

Being located in a growing, prosperous, energetic region is an asset, one that can only be realized through a process of regional interaction. Threats can be minimized and opportunities maximized by deliberate planning. The urban position is still available in the region, and it can be an urban position “Scottsdale style,” extending and enhancing the unique identity of the place.

### ***SEASON/REGION***

In interviews conducted in this process, a number of people cited Spring Training as the most exciting time in the Scottsdale tourism year. The structure of that event is informative for future event planning, particularly events that can extend the season into the shoulder and off-season. First, there are linked, themed events, which are scheduled over a long enough period, making them effectively marketable. The extended event model also moves occupancy over a period of more than a weekend. The Spring Training model is also a regional event in which the region is involved and the funding for a major “even” is shared. Of course, Spring Training benefits from the organization of Major League Baseball. But the structure is instructive and with planning and coordination replicable.

The summer season is considered a lost cause by many interviewed. Yet the resorts have gone from being closed in the summer to regional promotions working (with mention that the visitor in the summer is more costly to secure and less lucrative). To extend the appeal, more than pools and golf and shopping could make a difference. Classes of all kinds, particularly those tuned to character of place (eg. early morning photography classes) could add interest and different audiences, with more return for the marketing investment.

The entanglement of threats and opportunities in the region is evident in the Scottsdale’s tourism and hospitality industry’s interactions with the Native American culture of the area. That important

potential connection has long been neglected, but as possible development in the lands of the Salt River Pima Maricopa Indian Community adjacent to Scottsdale becomes imminent, the local tourism and hospitality industry and others perceive a possible threat from competition. The relationship between Scottsdale and the area’s Native American history and traditions is moving to the foreground. In Canada, Ontario’s research shows that getting to experience Native Peoples is the top interest for international visitors.

The region is a much stronger arts destination than Scottsdale is. Scottsdale has galleries, a small contemporary art museum, a performing arts center and a considerable public art collection, but it takes other communities in the Valley to create a full experience of the arts. So a regional approach to arts promotion is important in not disappointing the visitors seeking and arts and cultural experience. There are some recommendations concerning downtown which are components of arts and cultural interpretation and development.

In addition to the arts, health and wellness, Native American culture are other areas to explore in creating themed, linked, marketable regionwide events, and there are many other areas to explore. In the end, Scottsdale benefits from this regional approach because of the quality urban experience, the variety of hotel to resort accommodations and services, the range of other things to see and do, and the position to link the region and to link the region to the state.

Building a destination is part building on assets with experiences, rituals and other opportunities to deepen the sense of place. It is part building up interpretation of place and generalizing knowledge so that development tuned to the character of place happens naturally and so visitors and locals can find opportunities to keep experiencing more of the place and more of the things that interest them in the place. The most important thing that a strong destination benefits from is repeat visits. For a tourism destination to have strong repeat visitation (particularly in the 500 mile window) the visitor needs a sense in planning and on arrival that there is a lot to see and do, and upon leaving that there is still much left to see and do.

# San Francisco Chronicle

## Giants spring stadium a gem in the Arizona desert

Gwen Knapp

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It's hard to top the pleasure of walking into the Giants' regular-season home at China Basin, seeing sailboats behind the outfield walls and hearing seagulls squawk as they hover around McCovey Cove. But Scottsdale Stadium, the team's spring-training park, more than meets the challenge.

Other than Lambeau Field for football, the Palestra in Philadelphia for basketball, Fenway Park and Wrigley Field, none of the places I've visited as a sportswriter feels as intimate and evocative of its sport as Scottsdale Stadium. Anyone with the means to make sports pilgrimages should put all five venues on the agenda. For anyone west of the Rockies with a modest travel budget, the Cactus League's quaintest stadium ranks as the ideal destination.

The park tucks discreetly into its neighborhood, much like Wrigley and Fenway, but without overwhelming its surroundings. A short walk behind the outfield leads to City Hall. The hospital next door towers over the low-lying stadium, made of terra cotta-colored brick and lots of green wrought iron, matching colors of the mountains in the distance and of the 200 trees on the park's 11 acres. The place blends into the landscape as if Frank Lloyd Wright had come back from the grave to assist the architects who replaced the old wooden park 20 years ago.

### Fan-friendly park

There is no such thing as a mediocre seat, not even when 12,000 people cram the place to capacity. Bales of hay sit alongside concession stands selling barbecue and soba noodles. The loudspeakers practically whisper music, virtually all of it recorded more than 20 years ago. For fans reclining on an outfield berm, it's like listening to a radio at the beach. My lawn seat cost \$9 for Wednesday's game against the White Sox, but the same ticket has gone as high as \$26 for a Dodgers game.

Large black-and-white pictures in the press box and hanging along the back of the Charro Lodge show the old stadium, built from wood in 1956, a full 28



years before the Giants called it home. The Orioles played here, and so did the Red Sox, with Ted Williams. Pictures of the crowd from that era abound with cowboy hats.

Step out of the park, walk a few blocks and you'll be in Old Town, where the most prominent horses are sculptures and taverns are giving way to wine bars. (The affordable menu at 5th and Wine will be a welcome culture shock for San Franciscans.) None of the nine other Cactus League parks can match this experience.

The Angels play near the Arizona State campus, and the A's Phoenix Muni sits near Papago Park and the lovely Desert Botanical Garden. But the nightlife hub of spring training is Scottsdale.

### Salt River Fields

I kept hearing raves from fans and some Giants staff about the new, state-of-the-art stadium shared by the Diamondbacks and Rockies. After watching a Giants batting practice, I took the 4-mile drive north to Salt River Fields at Talking Stick. The world up there seemed so different, the trip should have required a passport.

Instead of the Pink Pony steakhouse and art galleries nearby, Salt River Fields sits next to a Target and movie multiplex. Concrete rules the landscape, offset by some sprouting trees and cactus gardens.

“Many people travel to places they don’t know,  
do lots of what they would normally do,  
and leave not knowing where they have been.

A place that captures the imagination of a traveler,  
that enriches their sense of uniqueness over and over in a trip,  
and has them leave wanting more.

That place has a bright future and a high quality of life.”

The parking lot and the walkways at the new stadium consume more space than the entire Giants facility. Batting cages sit along the walkway, allowing a rare view for the patrons. The outfield berms stretch out forever. Shade, like everything else, is more abundant than at the Giants’ park, and free sunscreen dispensers accessorize the lawn seating.

The relative inconveniences of Scottsdale Stadium in contrast to the new one kept adding up. Parking is virtually nonexistent at the older venue. The front concourse is closed, preventing a view of the field. The light standards appear to have been preserved from the wooden park, and players complain about picking up the ball in night games.

The only old thing about Salt River Fields was the music - Duran Duran's "Hungry Like the Wolf" played quietly as I entered, the theme to "Grease" as I exited - but virtually all baseball parks are allergic to anything recorded in the last 20 years.

#### Inconveniences

On the drive back to the older park in downtown Scottsdale, I thought of the discomfort and inconveniences at Fenway Park and wondered whether the Giants’ little spring home would soon seem as outdated. The sound of Jimmy Buffett's "Margaritaville" wafted into the street, and I smiled as I reached the entrance, the way I always do when I go back there.

Salt River Fields, someone said later, "isn't spring training." It's a baseball McMansion. Scottsdale Stadium just feels like home.

## PLACES RECOMMENDS

Move Scottsdale from resort-centered to destination-centered and drive development of the leisure market. This is critical. An addition of attractions does not get the job done.

To do this, first understand the Identity Matrix and use that understanding in all development. Connect “a city in the desert and the desert in a city” as a centerpiece of action. Create an urban experience (more in the next section on this).

In destination-centered Scottsdale, there is a significant development of the leisure market. Build on the sense of place in the Identity Matrix, creating unique settings, rituals, experiences and offerings. In the process, develop the understanding within Scottsdale of the Identity Matrix and inspire more “tuned to place” offerings. Make certain that not only those on the front line, but those living in Scottsdale have a rich sense of the place. Put Scottsdale on or back on the list of best things to experience in the region.

Develop new international markets (especially China and Japan) to extend the best in the world resorts position and the new potential direct private jet capacity at the Scottsdale Airport (from anyplace in the world).

Develop Scottsdale as an integral part of the touring market for not only the region but also for Arizona. Take back the Grand Canyon and develop the connections and interpretation that makes Scottsdale part of all of those trips, regionally, nationally and internationally.

Create regional event(s) which use the successful spring training model with themed, linked events, available in a marketable and extended time period to address shoulder season weakness. Deepen the summer experience with classes and other special offerings.

*Project Scottsdale:* Love of Place, Golf, Leisure/Seasonal

## DOWNTOWN, NEXT GENERATION APPEAL

Four things converge to recommend that Scottsdale create an urban experience in downtown. An amenity-rich, pedestrian friendly downtown designed around authentic identity will anchor leisure tourism and next generation economic development. Making downtown a major focus area for Scottsdale extends the city's competitiveness and financial success as well as the protection of its unique identity into the next era. The four converging things are:

- 1) The problems perceived by meetings market as having little to do.
- 2) A huge shift in lifestyle preferences among young professionals.
- 3) The need to protect and advance the identity of Scottsdale within and against the region.
- 4) The opportunity to continue the very successful economic development edge in which a visitor to Scottsdale turns into a resident, and brings their business with them, especially young professionals in the green, tech and creative class sectors of the economy).

One major trend in consumer behavior which is already affecting the Scottsdale tourism and hospitality industry, and the community at large: the growing preference of young professionals for living (and vacationing) among their diverse peers in dense, amenity-rich urban places. This is one of the largest shifts in attitude for a demographic group in decades. In Scottsdale it has already shown up in the emergence of an entertainment district with a youthful clientele. The internet review company Yelp is interested in expanding its employment base in Scottsdale by 600 employees. A key issue for employers recruiting young professionals in the tech, green and creative economy sectors is location. Alternative markets for their expansion are: San Francisco, Chicago and Austin. These are "gold standard" cities in one of the most desirable sectors of the next generation economy.

Scottsdale is behind the rest of the region in appealing to this desirable next generation market. Gensler research (see appendix) shows that next gen professionals have a high tendency to travel, play two times more golf, are fifty percent more likely to attend sport events, thirty percent more likely to go to a live music venue and dine out more than twice a week. They enjoy cultural activities, theatre,

dance performances, biking, tennis, hiking. The desirable next gen market researched by Gensler represents twenty percent of US households, twenty eight percent of metro Phoenix households but only 4.5% of Scottsdale households.

When combined with the other three things described above, it is overdetermined that the creation of a lively, 24 hour, live-work urban experience, which is identified as uniquely Scottsdale in both qualities and experiences will provide a significant strength for Scottsdale. The urban experience combines the availability of apartment-centered living in active neighborhoods with 24 hour or at least late-night "third places" (neither home nor work) such as coffee shops, more arts and cultural experiences including live music, comedy clubs, theatre, etc. Transportation connecting Scottsdale to the larger metro area is very important in next generation appeal, for employers (and in their attempt to recruit top employees) and for visitors.

The changing preference for urban amenities is showing up among meeting planners, too, many of whom see Scottsdale as a place where there is "little to do." Conversely, too few planners rate Scottsdale as having a variety of things to see and do. In a related perception, some planners are concerned that meeting attendees are somewhat isolated in individual Scottsdale resorts and cannot easily find and make their way to additional experiences. This problem was already well focused in 2006 when the last strategic plan for Scottsdale tourism was completed and a major recommendation of that plan was to work to change that perception.

The problem is that in fact Scottsdale is not a dense urban destination. It has some pockets of density but it is in the very nature of the desert resorts that they are spread out and each occupies its own well defined space. Locals as well as visitors are limited by the lack of efficient public transportation. The Scottsdale Center for the Performing Arts has considered offering transportation for night time performances. There is a high season free trolley and there are a number of employers paying for transportation for employees. And there is a bus transit system which operates hourly. This points toward the need for transportation in Scottsdale. There has been some discussion of a light rail system connected to the public transportation system throughout the valley, which might connect downtown Scottsdale and the Scottsdale airport into that system. There is discussion

“Keep things the same”  
=  
Losing unique identity

# Which Way Scottsdale?

## Choosing a Future for Downtown

Even though there are “three Scottdales,” choosing a future for downtown matters to all of them. It’s critical to the city’s image, draw, and well-being.

The city has been focusing intensely on downtown. A number of consultant reports and citizen surveys provide recommendations for everything from street signs to potential tenants to improve the area’s economics and image.

But Scottsdale’s approach is not strategic. There are many plans for big real estate projects that could stop the decay and retail sales leakage. However, great cities and great downtowns are rarely built on one or two big things. Greatness requires connecting the big projects in a grand vision and that, in turn, requires a thousand little things, all of which are moving the city forward in the same desired direction. In other words, when it comes to downtown,

Scottsdale is a “project town” seriously in need of strategy. The city must decide on a long-term direction and stay the course.

One idea — offered in the spirit of stimulating creative thinking — is to make south Scottsdale, starting with downtown, a place where technology, entertainment and the arts interact in your the kind of creativity driving the economy today.

Table 3, *The Evolving Face of Downtowns*, provides a framework for imaging such a place. It also suggests an imperative: successful downtowns evolve — adding layer by layer, decade by decade — in response to changing trends. And based on the broader transformation of the US economy as a whole, this is a good “decade” to cultivate an identity for downtown as a hub of creativity of all sorts — entertainment, culture, technology.



### 4. Make downtown an everyday place

We feel that while downtown is strongly valued because of its historic importance for community and commercial activity, its future success will depend on its ability to reclaim its status as an everyday place and to serve a number of specialized functions in an integrated way. This can be accomplished through several strategies:

- Strengthen the sense of Scottsdale’s history through recognition and active reuse of structures that have played an important role in the development of the community, including the Little Red Schoolhouse, the former Bank of Arizona, the church at Brown and Second, and Cavaliers’ Blacksmith Shop. These places should have as strong an identity as the tourist shop component of Old Town.
- Encourage more residential development and more retail, food, and service establishments that provide for the needs of downtown residents and workers. Their uses should be developed in buildings that are lodged within the existing grid framework and that relate to the street instead of as isolated, suburban-style commercial and residential complexes.
- Extend the downtown linkage strategy on the Marshall/Main corridor to the Brown-Buckboard-Wells Fargo and Fifth-Stetson corridor to create a downtown linkage loop. This strategy has provided extraordinary guidance for public and private development and for downtown management programs. These corridors anchor several districts that stand out among the commercial areas of the city.
- Effective legible pedestrian crossings should be made at points along the complex (Goldwater and Civic Center) in order to link the downtown core to secondary downtown areas. Prime candidates for connections across Goldwater Boulevard include Second Street, Main Street, and Fifth Avenue. Arizona Canal. Candidates for connection across Drinkwater Boulevard are Second Street, Third Avenue, and in the Galleria/Fifth Avenue area, if Drinkwater Boulevard is realigned in conjunction with waterfront development.

To avoid blending into the Phoenix megalopolis  
Scottsdale needs an urban center  
“Scottsdale style”

- Finishing the system of paths and trails should be a major capital and political priority. Just as important is improving the design: paths and trails should be more visible and accessible as they pass through the city; celebrated where they connect with major parks, canals, or roads; and linked to parking more effectively.
- The visual character of the path-trail system should reflect Scottsdale’s Sonoran landscape setting and its artistic spirit: bridges, signage, and lighting could demonstrate more inventiveness. This is an important opportunity for artist-engineer-industrial designer-landscape architect collaborations.
- The legibility of the system should be improved: there should be one map that shows the entire, interconnected path and trail system and intersections of paths and trails with other elements of the civic structure (arterials, canals, and public preserves). A new set of informational and directional signage, unique to the system, should be designed.
- The accessibility of the path-trail system should be improved. Directional signage should indicate how to drive from major arterials to parking areas.
- Canals might be considered an element of the park, path, and trail system. They should be clearly connected to other open spaces and marked more memorably where they intersect with other elements of the civic framework or important areas of the city.

FOCUS: suburb to city

### 5. It’s not just about physical attributes. Intangibles such as “HIPNESS,” TOLERANCE, AND ENTREPRENEURIAL CULTURE are part of the calculation.

Richard Florida, author of *The Rise of the Creative Class*, believes people look for the same things in a city that they look for in a company: energy, amenities, inclusiveness, and sense of fun. Talented and creative people want to be where the action is and where the interaction is. That is where they find unique life experiences — and that’s where their ideas stand the chance of coming to fruition. Scottsdale has some of these attributes — such as the nightclub scene in the downtown — but its generally upscale resort orientation and gated communities often work against tolerance and diversity rather than promoting them.



### Hip, Tolerant, Entrepreneurial City? Depends on Who You Ask

Scottsdale sees itself as hip, tolerant, and entrepreneurial, as revealed by the residents survey.

### Residents Say Scottsdale...

attracts those with creativity, a strong entrepreneurial spirit, and the latest ideas  
35%

attracts those who want to retire, slow down, and enjoy life  
26%

is a place where diverse groups always welcome  
41%

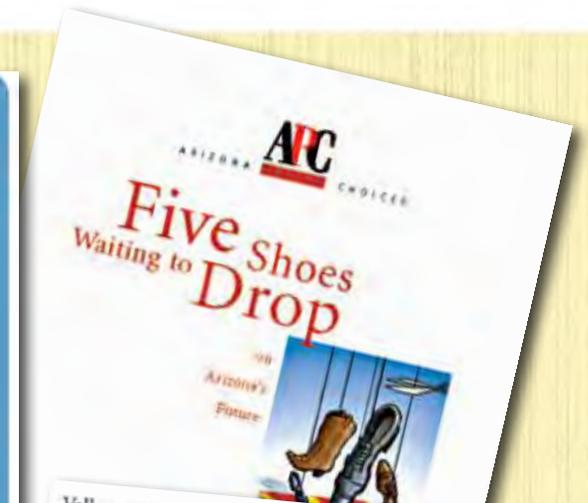
is a place where diverse groups not welcome  
29%

\* See end notes for survey details.

Yet other research suggests a different image in the world’s eyes. As cited in red flag #3, key national opinion leaders see the area teeming with retirees and vacationers. This is a significant DISCONNECT which suggests serious consideration of Scottsdale’s image locally, nationally, and globally.

Scottsdale also sees itself as a place that welcomes diverse groups. But the “welcome diverse groups” positives peak among residents in the north and men, and are lowest among lower income residents, women, and minorities. In short, there appears to be a real disconnect on this issue as those impacted by it are less positive, while those least impacted are much more positive. And not to be overlooked is the fact that nearly one out of every three of the residents surveyed said Scottsdale is not welcoming of diverse groups.

Portland has changed position since this report was written in 2001.



Valley residents were asked to pick one image they would most like for the Phoenix region on a scale of "0" to "10" with "10" meaning the Phoenix region should actively promote the image, and "0" meaning it should not promote the image at all. The average scores for each image from most favored to least favored are presented below.

1. Great quality of life. . . . . 8.3
2. Sonoran Desert, mountain preserves and open spaces . . . . 8.1
3. Smart people and education opportunities. . . . . 8.0
4. Technology leadership . . . . . 7.7
5. Art and cultural entertainment . 7.6
6. Diverse ethnic and cultural heritages . . . . . 7.5
7. Western heritage . . . . . 7.2
8. Low taxes . . . . . 7.0
9. Professional sports . . . . . 6.8
10. Real estate booms . . . . . 6.0
11. Fast growth . . . . . 5.4
12. Conservative politics . . . . . 5.5

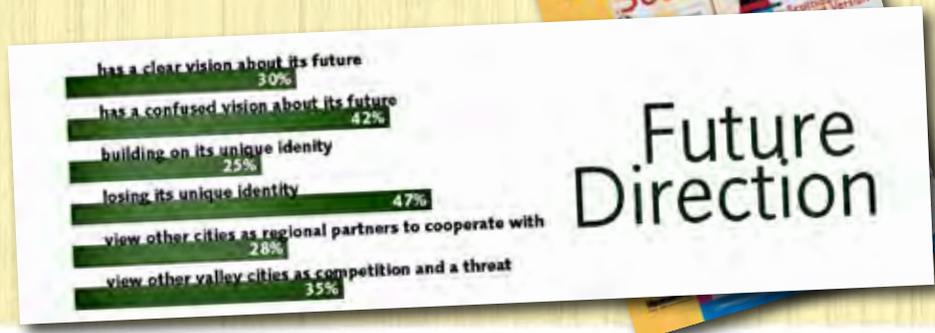


### TABLE 3

#### Stewards Go Beyond Traditional Forms of Leadership. They are Committed to the Long-Term Well Being of Places.

Traditional Leadership	Regional Stewardship
One jurisdiction, one organization	Multiple jurisdictions and organizations
Specific problem or goal	Integrated vision for the region
Single network	Diverse collaborative networks
Commitment to an idea/cause	Commitment to place

Source: Alliance for Regional Stewardship, Regional Stewardship: A Commitment to Place



Cities are economic units. They have lots of links. They are organized around the best interest of the place. People in cities recognize that quality of life, opportunity and the future are a shared enterprise.

about whether the solution is a better transit system or a transportation system for visitors. Transit systems are expensive and necessary in a city to mitigate traffic issues and to support businesses and their need for employees. Fixed transit systems (such as light rail and street cars) are particularly attractive to more affluent consumers.

Some in Scottsdale have expressed the idea that light rail is inappropriate for Scottsdale because of the overhead wires they associate with light rail. In fact, there are two proven systems which do not require overhead wires. A second issue is the disruption for businesses in a construction project. This can be addressed, indeed must be, when undertaking a downtown rebuilding.

In some sense, the discussion around transportation needs in Scottsdale is around the issue of whether to “stay the same” or to change. The trouble is that the discussion is misguided. To “stay the same” has unintended consequences, namely that Scottsdale will experience economic loss, which will increase disproportionately over time. Here is one way to understand this. A resort can decide to handle transportation for their customers and employees while other smaller businesses who have the same needs but not the same means, would be unable to set-up shop in Scottsdale. The number and type of those businesses is unknown, but what is known is that the ability of a downtown to stand-up small, entrepreneurial enterprises greatly improves creative offerings and fuels the kind of lively experiences (desirably tuned to place) that can make down-

A pedestrian friendly, amenity-rich, vibrant urban experience, with downtown living and everything residents need within walking distance...

## 2. The changing tastes of out-of-state “empty nesters” and high-end retirees could leave Arizona out of the game of attracting them.

The second issue that raises concerns about Arizona’s ability to attract and retain the most desirable cohorts of aging boomers involves the increasing sophistication of those groups. The reality is that the most desirable boomers may choose to go elsewhere just when Arizona needs them most.

Arizona has profited from the wealth and spending of the 15,000 to 20,000 retirees it attracts from other states each year. To be sure, accommodating these migrants has demanded a lot of Arizona. But their arrival has brought an influx of financially secure, active and educated new citizens to the state. Only Florida has welcomed more of this “advantaged” segment than has Arizona.

Yet now the process of attracting talented

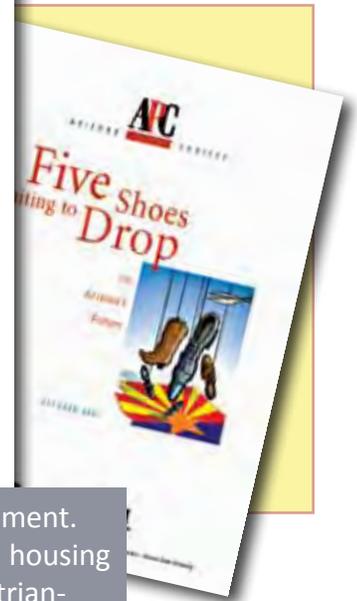
retirees and well-heeled migrants may be changing. Migrants represent a new talent source for states, for one thing. At the same time, “yuppie” seniors appear to be different from their predecessors. Better-educated and increasingly affluent (see Figure 4), aging boomers are also healthier, choosier and less group-oriented in comparison to previous generations. Amenities, aesthetics and the environment count for a lot with them, since economic security is not an issue. Boomers are sophisticated consumers of “place” and appear ill disposed to spend their twenty “new” years of added lifespan according to old patterns.

Given that, fewer boomers may settle for Arizona’s traditional menu of retirement options (see Table 3). Some retirees, even now, are being turned off by the congestion, pollution and loss of open space affecting Arizona’s retirement communities. Others might avoid metro Phoenix’s worsening “heat island,” which has increased summer nighttime low temperatures by 10 degrees F in the last 30 years. Other boomers may spurn senior-only settings altogether. Demographers William Frey and Ross

DeVol of the Milken Institute foresee diminished demand for mass-market, age-segregated retirement communities like Sun City. Frey and DeVol, along with other experts, suspect some empty nesters will be looking for more centrally located multi-age developments in high-amenity communities, perhaps so they can easily continue working. In all this, local amenities and quality of life will be critical selection factors. Restaurants and theaters, architectural and landscape aesthetics and efficient transportation are key draws for these discerning consumers.

A final draw will be opportunities for self-improvement and engagement. Quintessentially the “education generation” and fond of work, boomers seem certain to seek places that facilitate lifelong learning and ongoing employment. Regions that cater to these passions will garner vital new stores of human capital.

will attract baby boomers in retirement. Many do not want age segregated housing but prefer an amenity-rich, pedestrian-friendly urban lifestyle.



town a counterpoint to generic chain businesses. What is also important is that transportation makes more trips more likely in the region, and more sampling of downtown and all it has to offer to those on overnight trips. Having good transportation downtown and a live/work residential base downtown makes the streets lively and the businesses downtown successful.

Lastly, when Scottsdale looks at the extension of its considerable accomplishments in protecting and preserving its desert environment and its notable accomplishment in creating a green city, it can claim its position as a well run, environmentally sensitive place. However, without transportation issues being handled with environmental consideration, that position is likely to be out of reach. Environmentally sensitive cities are the darlings of next gen professionals and their companies.

There is one other benefit to developing an urban experience in Scottsdale, and that is that a number of baby boomers who are reaching retirement will not choose age segregated communities for retirement, preferring lively urban lifestyles instead.

In making Downtown a pedestrian friendly, lively urban environment it is important to keep the Identity Matrix in mind beginning with “A city in the desert, the desert in a city” creating an urban center “Scottsdale style.”

In the end, a strong preference “for keep things as they are” does not achieve the end but assures the assimilation of Scottsdale into the Megalopolis and the loss of Scottsdale’s unique qualities of place. The long geographic footprint of Scottsdale, the presence of a successful downtown mall and a weak downtown center, the economic pressures and competition in the valley, plus the evidence that the lackluster performance of downtown has been known for at least ten years signals a warning that in ten more years the downtown offerings will have missed their appeal to the next generation. Missing a generation of upgrade and revitalizing downtown sets the stage for Scottsdale to be absorbed into the Megalopolis. In the US, the ability for a place to control its future (and identity) is ultimately related to the power of its local economy. For Scottsdale, two major economic drivers are facing challenges: the tourism industry and because of the economy and limited availability of land for development, Scottsdale needs additional economic drivers. And the quality of its past accomplishments is attracting its next opportunities.

## PLACES RECOMMENDS

The opportunity for Scottsdale to move its very successful two stage economic development program forward is within reach. That process is one where a visitor to Scottsdale decides to make it their home, and then establishes Scottsdale as the new home for their business enterprise as well.

To do this and attract next generation visitors requires that Scottsdale create an urban experience, Scottsdale style. Marrying the very successful Fashion Square with a revitalized downtown, one that is a pedestrian friendly, animated, 24 hour amenity-rich place will create a sense of urbanity. The design of the new downtown needs to be uniquely Scottsdale and offer rituals, unique experiences, places to sit with shade, coffee cafes, outdoor dining among innovative, local shops. All the components of the new leisure tourism program are located downtown: trails, a place to start a tour experience both regionally and statewide. Downtown also has live/work spaces, office space of all kinds, downtown residential both apartments and condos, and nightlife with broad appeal. And it has services for residents all developed with a sense of “a city in the desert and the desert in a city.”

Connect the visitors to downtown and to the region with transportation and establish Scottsdale as the top choice for an urban experience in the fast growing and competitive region.

To accomplish this change, understand the unique qualities, described in the Identity Matrix, and how to express them in creating an urban experience Scottsdale style. Most importantly, help others to understand that the desire to “keep things as they are” will lead to losing the distinctiveness citizens want to save.

One remarkable thing about this transformation is how Scottsdale already has opportunities that would be the envy of other distinctive places.

*Project Scottsdale:* Downtown, “Love of Place,” Generational Change, Transportation, Leisure/Seasonal

## The Challenge of a Split Personality

Arizona does not approach its economic future with a singleness of purpose. Many of its leaders want to compete with California, Texas or Colorado as centers of the knowledge economy. But just as many leaders are quite content to keep on promoting Arizona merely as the perpetual construction machine or a retirement haven. (See Figure 4.)

This split personality plays itself out in many ways. As a state, Arizona cannot quite make up its mind whether to be urban or rural, nostalgic or cutting edge. On the one hand, there's the "Old West" image, Grand Canyon, Sonoran desert, sunsets, and orange trees; on the other hand, there's the "built world" of

Lake Powell, America West Arena, red-tile roofs, world-class resorts, and Sun City. Residents recognize that population growth provides the market base for culture and sophisticated consumption, symphony, art galleries, restaurants, but don't want a state that forgets its setting and history.

This contradictory sense of self is expressed in the ways the cities in Phoenix metropolitan area represent themselves to the world. Several cities, like Scottsdale and Glendale, play to the past ("The West's Most Western Town" and "Arizona's Antique Capital," respectively), while Tempe, Chandler and others play to the future ("High-Tech Oasis"). The biggest city, Phoenix has chosen an identity tied to neither of these, but one that projects efficient government ("The Best Run City in the World"). Maricopa County appears to be following Phoenix's lead.

Does it matter that Arizona – and its largest region – are lacking a strong, distinct identity?

Yes, it does. Economic analyst Joel Kotkin, author of *The New Geography: How the Digital Revolution is Reshaping the American Landscape*, argues that the defining question of the twenty-first century is likely to be: "Who wants to live where?" He points out that "today, people and businesses can search the entire country to find the places most desirable to them. Freed from old ties to raw materials or pools of cheap labor, the

Tune development, amenities, and quality-of-life to the unique identity of Scottsdale using *Scottsdale's Identity Matrix*.

Information Age businesses that drive the economy, and their employees, can be anywhere they want." In this context, Arizona's image is more important than ever.

In addition, a more strategic approach to the state's "economic identity" forces Arizona's leaders to answer two fundamental questions that are easy to overlook:

1. What is our most important asset?
2. Where do we want to go?

Answer these questions by creating an economic identity, says Harvard Business School's Michael Porter, and you can begin to think about how to make tradeoffs. You can decide which opportunities are good for your future and which are not.

## The Challenge of Moving from Being Fortunate to Being Smart

In a lot of ways, Arizona is successful today because it has been lucky. Air conditioning, the shift toward the Sun Belt, the whole trend of retirement communities, even Motorola's decision to build a plant in Phoenix some 50 years ago: All these breakthroughs came about in large part through luck. But Arizona can't rely forever on being fortunate. It's time to be smart.

Maybe the best example for Arizona to learn from is Austin. ●●●

## Policies to Win in the Scramble for Talent

Turning the scramble for talent into a human resource bonanza depends on providing attractive places for all people to call home.

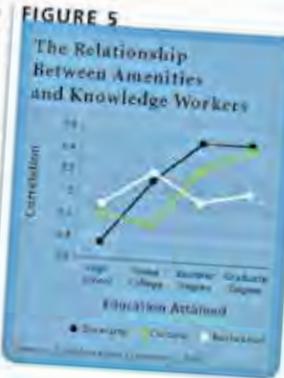
To succeed at this, Arizona must:

Put ambitious, Arizona-style quality of life upgrades near the center of state and regional economic development efforts.

Policy makers should notice that several themes run through the expressed preferences of the three major talent cohorts. Cities seem to draw all of the groups. Good schools attract knowledge workers with young families just as much as they do upwardly mobile Latino career people. Interest in people-friendly streetscapes, inclusiveness and gathering places seems to cut across the categories. Opportunities for lifelong learning and retraining will also appeal widely to all three constituencies of workers.

Research also suggests the convergence of boomers' and young professionals' preferences on other quality-of-place agendas, though data is thin on immigrants. Both groups are full of "doers" who appreciate numerous venues for active recreation throughout the city and region, including hike paths, nature preserves and mountain-bike trails. Similarly, culture and the environment appear to be critical. Environmental, open space and smart growth initiatives impress both well-educated groups, as do performing arts venues. Conveniently, such agendas popular with highly-educated potential Arizonians enjoy broad popular support within the state as well (see Figure 5).

With these trends in mind, very different choices for economic policy emerge. A decade ago, cities and states studied what



individual companies wanted and competed for them with "private goods," or customized tax breaks and other incentives to lower costs. Now with a knowledge and service-centered economy, the new choice is to compete for talent groups with "public goods" – amenities such as clean air, interesting public spaces and good schools.

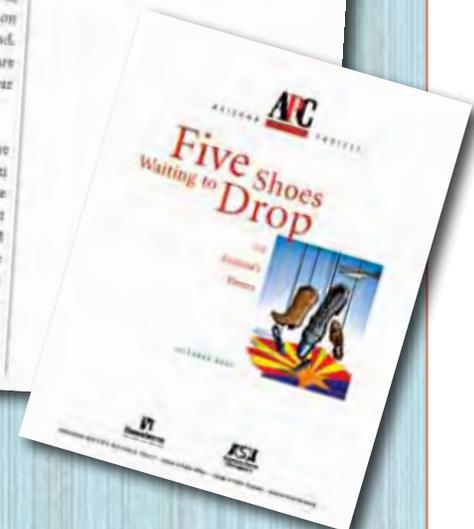
Understanding the desires for amenities is, of course, far more complex than deciding on tax breaks. Nevertheless, Seattle, Portland, Austin and Chicago and other cities are engaged in amenity strategies that appear to be paying off.

Seattle, Portland and Austin have become centers for the development of information technology in part because of their lifestyle amenities. Both cities have set the pace in implementing smart growth strategies, and in their recent dramatic growth, both have aggressively included cultural initiatives in their public agendas. Seattle, home to Microsoft, has been a site of cultural as well as technological innovations, especially in youth culture. Austin, with its country

music, also fosters rich connections between its youth culture and its technology sector.

Chicago, which recently took Boeing's headquarters from Seattle, appears to be concentrating on lifestyle also. Chicago's main industry today, according to University of Chicago economist Terry Clark, is entertainment, defined as including tourism, conventions, restaurants, hotels, and related amenities. Conscious of this new role for the city, Mayor Richard Daley has focused on enhancing the many aspects of a distinctive urban lifestyle from architecture to schools and parks. For example, he proudly claims to have planted more trees than any other mayor in history, around one million, as part of a commitment to the environment and city aesthetics. He also asked the Legislature for authority to take over the Chicago Public Schools and the Parks District. Both moves were part of Daley's agenda "to do all those things which make a city a livable and pleasant place."

Daley is one of several big-city mayors who in the past decade focused on public amenities, including education, as central to urban economic development. Others include Richard Riordan in Los Angeles, Rudolph Giuliani in New York, Ed Rendell in Philadelphia and Stephen Goldsmith in Indianapolis.



## TOURISM AND HOSPITALITY MARKETING AND MANAGEMENT

Tourism development in Scottsdale is structured as a cooperative process, a public-private partnership. The city imposes a bed tax on hotel guests which currently yields over \$13 million a year. The money goes into the city's general fund and half of it is automatically allocated to a tourism marketing fund managed by the Scottsdale Convention and Visitors Bureau. The SCVB in turn files annual reports specifying and defending its use of the marketing dollars. Oversight of the SCVB is handled administratively by the Economic Development Department of city government.

The other half of hotel tax revenues is appropriated from the general fund to a tourism development fund. The tourism development fund is in the budgetary control of the Scottsdale City Council. An appointed body, the Tourism Development Commission (TDC) is charged with advising on the use of those funds. Again the Economic Development Department serves as the administrative staff to manage the tourism development commission and process.

On the whole this structure performs quite well. Because hotel tax revenues are public funds, oversight and ultimately control by the city council is inevitable. At the same time, because the tourism industry contributes so powerfully to the economic vitality of Scottsdale, it is important, indeed necessary, for the industry to be well represented in the planning and decision making process.

There is a natural tension between the way city government works and the way an industry based commission works. Government has the habit of focusing on process and planning. Business leaders on the other hand have a habit of decisiveness and action. Government is inherently methodical and patient, not to say slow. Business is chronically impatient, eager for action.

Both sides are inclined to be aggressive in claiming the right to make or influence spending decisions. At times the city has ap-

peared to treat the Tourism Development Fund almost as if it were a departmental budget, and plans have gotten pretty far along without much industry collaboration—and the City Council has made allocations of tourism development funds that the industry regarded as unwise.

Such conflicts are familiar and similar to what exists in other cities. The Civic Tourism movement, which began here in Arizona, has it as a central tenet that tourism does not belong to the tourism industry but to the entire community. Tourism affects not just the economy of the entire city but its quality of life.

There has been some pressure from the tourism industry in Scottsdale to assign all revenues from the hotel bed tax to a special tourism fund, with the TDC or other industry centered group in charge. This is similar to initiatives we have seen in other cities and states to achieve dedicated funding for tourism and remove that funding from the political process. However, in so far as tax revenues (rather than voluntary or mandatory industry fees) are involved that just won't work. When budgets get tight or when, periodically, the impact of tourism comes under public scrutiny no dedicated funding is truly secure and the political process will eventually have to be dealt with.

The tourism development program in Scottsdale is built on viable compromise. The staff of Economic Development has done a capable and professional job of managing the process. The industry has given generously of its time and energy and has been admirably conscientious in advising on the tourism and development fund. With the proviso that the tourism development process will from time to time, on particular issues, require even broader participation (from the tourism industry and from the general public), we can say that the general structure by which tourism development in Scottsdale is managed is a good one.

## TOURISM-RELATED EVENTS IN SCOTTSDALE

Scottsdale has long pursued a successful strategy of cultivating events as a way to bolster tourism. Two events in particular—the Barrett-Jackson Collector Car Auction and the Scottsdale Arabian Horse Show—are very productive for tourism and have undoubtedly influenced the industry to seek more events in the hope of replicating their success. Each is an unusually successful event in its own right and in its impact on tourism, and relatively few cities enjoy events of this quality. Both are “home-grown” events rather than events brought to Scottsdale by event producers shopping for a location—which may help to explain their long tenure in the market. Both have led to other similar events locating in Scottsdale, and both automobiles and horses have been recognized by the tourism industry as “themes” that can drive tourism and might lead to other productive events.

Like many urban tourism destinations, Scottsdale (as part of the Phoenix metropolitan area) cultivates sports events as tourism magnets. Phoenix has hosted Superbowls, and such a huge event has tourism benefits for the entire area, which Scottsdale supports as part of the area effort. The same is true for the college Fiesta Bowl. The Phoenix area is also one of two destinations where baseball spring training chiefly happens. (It is known as the Cactus League and the other major destination is Florida, home of the Grapefruit League). Scottsdale built a stadium where the San Francisco Giants come for spring training, and it is considered the best stadium in the league. Because the facilities in Scottsdale, Phoenix, and Glendale are all close together, fans can easily see several teams in training and can see multiple practice games in a single day. As a result baseball spring training is a festive extended event in Scottsdale. Spring training lasts for six weeks, with the final two weeks the most visitor-intensive, so there may be room for growth in the earlier weeks. Scottsdale appears to be doing a good job in supporting sports events with everything from capital investment (the stadium) to special incentives for major events.

Besides sports and the example of Barrett-Jackson and the Arabian Horse Show, the tourism industry may be inclined to pursue an events strategy because it has many similarities to the dominant meetings strategy. Scottsdale can prospect for and sell both meetings and events, and once they are sold the results are usually clearly observable and even measurable. In a way an events strategy is a mid-point between selling meetings and a broad destination marketing program aimed in part at leisure travelers and built around the identity of the destination. Scottsdale sets aside a portion of its tourism development funds to subsidize events.

Perhaps because event development has not proved to be the silver bullet that solves all the problems of Scottsdale tourism, some controversy has developed over whether or not the criteria being used to judge and award funding to events in Scottsdale is appropriate. The principal criterion used is whether or not the event will drive consumption of hotel room nights. Events looking for funding support are asked to estimate (and later to substantiate) how many room nights they will generate, and two questions have been raised: are room nights a sufficient criterion (or should other factors be taken into account), and are the events actually generating the room nights they claim?

With regard to the first of those questions, when hotel room nights are generated by an event it is a reliable predictor of economic impact on tourism. However it is also possible that economic impact can be generated that is not directly associated with measurable room nights. A reading of the minutes of Tourism Development Commission meetings at which event funding has been discussed reveals that in fact multiple criteria were considered in evaluating events, including media exposure and brand-building. Recently the TDC divided event funding proposals into three tiers and set the criteria for each tier. Tier One events are eligible for a maximum grant of \$30k; Tier Two events for a maximum of \$15k;

and Tier Three events for a maximum of \$5k. Multiple criteria are identified for each tier level. It would probably be possible to create a more definitive grid of criteria and measurement to evaluate events, but that might be wasted effort, because the general strategy of inviting event producers to apply for grant funding at the level being offered is not likely to produce the kind of large-scale, high-impact, long-lasting events Scottsdale tourism seems to be hoping for—events comparable to the Barrett-Jackson Collector Car Auction or the Scottsdale Arabian Horse Show.

As for whether the events currently being funded actually generate the predicted or claimed room nights, the answer is that the quality of evidence is very high for the events that would now be classified as Tier One events, and in general the quality of evidence declines as the level of funding decreases. Measuring room nights takes work, requires sophistication, and can cost money, so less well-funded events are less likely to do it well. It would be possible, and might be desirable, to increase the quality of evidence demanded of less generously funded events, but once again that would not be likely to produce the high-impact events Scottsdale seems to be looking for. Deeper and more strategic shifts in approach may be necessary.



## PLACES RECOMMENDS

The tourism industry needs to understand that the Jackson-Barrette Car Show and the Arabian Horse Show are gold standard events, and that building events like that is a full time enterprise, and will not likely happen with small producers. The strategy recommended in this consultancy is to build leisure demand and in the shoulder and off-season develop a linked, regional and marketable event which runs over a period of a few weeks. Determine the outcomes and benefits and stand up a second event of this structure (different content) around another period of need. The most successful implementation of this strategy focuses several events on a single producer (Jazz Fest and Essence were one producer, Christmas New Orleans Style and French Quarter Festival were another in New Orleans, consciously set-up that way). There are and will continue to be events worthy of support both from the tourism development fund and from the community event fund. The decisions around these opportunities is largely valuation.

There has been talk about using tourism development resources as an inducement for larger events. The price for this process is rising annually and competing destinations are more resource rich. It would be better to focus on growing what Scottsdale can own, and tuning that to the character of place of Scottsdale.

There is a need to assess how to build demand for West World. The common approach for this kind of a facility is to hire a facility manager (there are only a few). The challenge is that their focus is on successful events, not room nights. Regional centers for meetings and events commonly operate at a deficit, and that problem has been exacerbated by overbuilding in this sector. So a unique facility which serves horse events is a niche without a lot of competition and offers a potential to be more stable. However, it is unlikely that a facility manager has expertise in horse shows. Perhaps it is possible to negotiate a compromise, get a management company and an equestrian specialist. The ability to secure promotional relationships for the facility (or for Scottsdale) may leverage partnership resources for events at West World.

*Project Scottsdale*: Leisure/Seasonal, Downtown

## RESEARCH

Research regarding the tourism and hospitality industry in Scottsdale faces some special challenges. Scottsdale sits in the shadow of Phoenix, which is the center of one of the fastest growing metro areas in the country. National syndicated tourism research does not easily reach a random sample of overnight visitors to Scottsdale, because visitors do not necessarily know whether the hotel where they stayed was in fact in the City of Scottsdale. Signature resorts which are in fact, geographically in Phoenix give their address as Scottsdale. Some of the finest and most famous resorts are outside the city limits in Paradise Valley. This is by no means a unique challenge, but it is a significant one.

In such a situation, it might be tempting to define the destination as bounded by the city limits of the City of Scottsdale—within which, for instance, hotels pay a bed tax that goes to support the tourism industry. To Scottsdale's credit, the industry has not yielded to that temptation, but instead has defined a destination that corresponds more closely to consumer perceptions and legitimate common interests. Financial arrangements have been made with neighboring Paradise Valley and with the neighboring tourism facilities of the Salt River Pima Indian Tribe as well as the Ft. McDowell Indian Tribe who contribute to the Scottsdale Convention and Visitor Bureau. In this case the apparently "smart" decision to define the destination by those who pay the bed tax would be shortsighted. The way to achieve optimal growth of tourism in Scottsdale is to promote the larger destination, not to narrow the focus. What Scottsdale has put together is inevitably an imperfect union, but it is the right approach.

Making such local/regional alliances is very difficult and Scottsdale can be credited with a "best practice" for its attempt to identify a coherent destination. Perhaps more remarkable, Scottsdale has achieved the holy grail of tourism research: a very large sample of actual transactional data from the hotels in its destination footprint. Tourism research companies like Smith Travel Research (STR) try to accumulate similar data, but do not reach the level of information Scottsdale achieves: direct transactional data

regarding over 135 thousand overnight hotel stays, including room revenues and non-room revenues. Centering on those data, Scottsdale triangulates a number of other information sources to put together a capable understanding of its tourism marketplace. On the whole, this is a good tourism research program.

We have, however, found what we consider one serious weakness in Scottsdale's tourism research program. Even though the measurement of room nights is a reasonable way to evaluate the impact of events on tourism in Scottsdale, an exclusive focus on room nights in the larger context of overall measurement of tourism impact is a significant shortcoming of the city's tourism-related research program. At present, Scottsdale measures the economic impact of tourism by extrapolating the spending and behavior of overnight visitors who stay in hotels. The remainder of overnight visitors they refer to briefly as "house guests and seasonal residents" whose behavior and impacts "are no longer measured." Upon inquiry we were told that information on those visitors was "too hard to find."

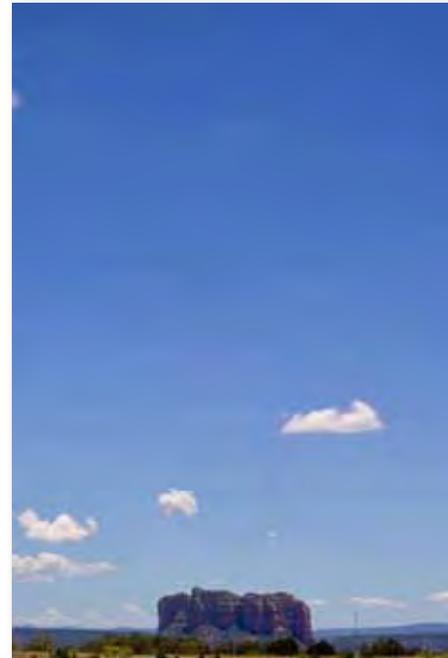


In a 2011 report, the City of Scottsdale Visitor Inquiry Study, prepared by the Behavior Research Center, Inc. of Phoenix, it is estimated that about 60% of overnight visitors to Scottsdale stay in hotels. Another 17% stay in timeshares, 12% in a rental home, apartment, or condo, 2% in a second home, and 10% as a guest in a private home, which adds up to just over 40%.

The same study calculated that guests who stayed in limited service hotels had travel party spending estimated at \$394 a day. Those in full service hotels spent \$480, and those in luxury resorts spent \$694. By contrast, those who stayed in timeshares typically spent \$316 per day, house guests in private homes spent \$350 per day and those in rental homes, apartments and condos spent \$393 a day. It is clear that visitors who stay in hotels and in particular those who stay in resorts are the highest-value customers. But a substantial amount of money, in the aggregate, is being spent in Scottsdale by overnight visitors not staying in hotels. Using the Behavioral Research Center's spending figures and estimates of the size of each segment, about 30% of total visitor spending in Scottsdale is being ignored in the current tourism impact analysis.

## PLACES RECOMMENDS

In other destinations we have recommended purchasing the syndicated Travel USA study done by Longwoods International, which can provide a statistically reliable way of estimating visitor volume, economic impact, and other important visitor characteristics for all visitors, including those who stay in other lodging than hotels and those visiting friends and family. This is important to have, and also important is the understanding of people who do not come to Scottsdale and the characteristics of the trips they do take, who and where they are, etc. However currently the Longwoods USA study does not identify overnight visitors to Scottsdale. It identifies overnight visitors to the Phoenix metro area who spent time in Scottsdale. Since state tourism is using this research perhaps Scottsdale, Longwoods and AOT can explore a process for sampling that can get an appropriate sample of Scottsdale visitors at an affordable cost. This might be part of the Arizona Central process of promotion from downtown Scottsdale in helping further develop the touring vacation so important to Arizona Tourism.



## TOURISM DEVELOPMENT PRIORITIES AND USE OF RESOURCES

If, as we have concluded, the overall structure of tourism development funding and decision-making is an appropriate public-private collaboration, that still leaves open the question of whether the particular decisions being made are optimal. Are priorities being set and resources being used in such a way as to produce the best results for Scottsdale tourism? To address that question requires looking closely at three major projects in Scottsdale's tourism development: the Soleri bridge, the expansion of WestWorld, and the proposed Desert Discovery Center.

### THE SOLARI BRIDGE AND SCOTTSDALE'S ROLE IN 20TH CENTURY VISIONARY ARCHITECTURE

Scottsdale was the chosen site of visionary architect Frank Lloyd Wright for his western workplace, Taliesin West. Wright disciple Paolo Soleri also chose Scottsdale as his home and workplace. Soleri is an ambitious theorist of the future city, a discipline he himself calls Arcology (combining architecture and ecology), and he was particularly known for a number of innovative bridge designs which until recently existed only on paper. He built an experimental desert city in the Sonoran Desert some distance north of the Phoenix metropolitan area, Arcosanti, where he developed experiments with earth-formed concrete structures and natural cooling. Both at Arcosanti and at his facility in Scottsdale which he calls Cosanti, Soleri makes cast bronze bells the sale of which finances his enterprises.

A movement developed in Scottsdale to realize one of Soleri's bridge designs as a work of public art and a visible symbol of the city's connection to visionary architecture. It was appropriately observed that such an icon could have a place in the tourism personality and economy of the city. At a point when a surplus fund from tourism development had grown to between 1 and 2 million dollars in size the City Council allocated some of those funds to the construction of the Soleri Bridge. Some tourism industry interests objected on the grounds that the bridge was unlikely to directly generate a measurable increase in hotel room nights which provide the bed tax

revenues for the development fund. Others felt that the allocation of funds for this purpose ought to have been reviewed by the Tourism Development Commission and a recommendation made, whatever the final decision of the City Council.

PLACE's opinion is that the Soleri Bridge project as an iconic object of public art uniquely tied to Scottsdale is a legitimate tourism-related capital investment. However it is striking to us that it stands alone, not connected to any substantial ongoing interpretation of Scottsdale's distinctive role in twentieth-century visionary architecture, nor to any plans to integrate public places such as the bridge site into tourism development and marketing. The Soleri Bridge is a legitimate capital investment, but in its isolation it is not being used to best effect, and does not appear to be part of a strategic approach to tourism growth.

### THE EXPANSION OF WESTWORLD

WestWorld is an equestrian center and special events facility owned by the City of Scottsdale. A \$40 million expansion of the facility is underway to provide an all-weather arena and an expanded event space. The expansion will serve two highly successful events in Scottsdale tourism, the Barrett-Jackson Collector Car Auction and the Scottsdale Arabian Horse Show, (Sun Country and underwriting) and will stabilize their location in Scottsdale in the immediate future. It will also provide increased opportunity to contract with and serve other events. The construction cost will be supported from the bed tax, and in addition to city funding, the Arabian Horse Association of Arizona, the Arizona Quarter Horse Association and the Barrett-Jackson Collector Car Auction have committed funds to the project. The design stage of the expansion was funded from bed tax revenues, with the expectation that the funds advanced would be returned to the tourism development fund when the expansion was fully funded. However, a decision was made by the City Council not to return those funds, causing some discontent in the tourism industry.

This outcome was predictable. In PLACES' experience, revolving funds to get tourism development projects started rarely revolve. They become sinking funds, because if projects fail to obtain final funding there is no source for repayment, and if they do obtain final funding tight budgets militate against repaying already sunk costs.

Questions have been raised concerning whether this expansion is sufficiently flexible and will serve a wide enough range of events to justify the investment. The concern heard most frequently is that the facility may be too specialized toward horse events. In fact it was originally conceived specifically to increase the opportunity for such events and then a design program to generalize its use was developed. Flexibility will make the space more saleable, but general event space is widely available in competing destinations, while the specialized space for horse events is less common. The strength of the expansion may well lie as much in its specialized capability as in its flexibility.

Questions have also been raised concerning how to sell the increased available space, and whether sales should be handled by staff at WestWorld, by staff at the SCVB, or by one or more contractors. An RFP has been issued looking for a sales contractor to sell use of the expanded facility. A further problem with this question exists, because equestrian events exist in a highly specialized event world and require deep knowledge and broad contacts within that world for successful sales. A contractor who is well equipped to sell equestrian events may well not have the expertise and contacts to sell a wider range of other kinds of events. This illustrates again the major weakness in Scottsdale's capital investment program: as with the Soleri Bridge, a sound capital investment is rendered less than optimal by not thinking through how to integrate the capital project with ongoing operations and management to take maximum advantage of the investment. The need for or desirability of the capital investment has been carefully considered, but the details of how to maximize its effectiveness seem to have been relatively neglected or at least delayed.

#### THE DESERT DISCOVERY CENTER

The Scottsdale tourism industry has long recognized the beauty and favorable climate of the Sonoran Desert as a major asset, and Scottsdale's high end resorts emphasize their desert location as much as their amenities and services. In the last two decades, as the city has built out more and more of its available space, there has been a growing concern that visitors may not have enough opportunity to experience the desert. Land acquisition for the McDowell

preserve had broad public support, and in a second phase of land acquisition the proposal was passed with the understanding and implementation of a comprehensive program of public access with improved trails and trailheads. Meanwhile the concept of providing access to the desert through a major interpretive facility has gained support, but with reservations.

In its most boisterous claim the facility is described as uniquely positioned to "own" the Sonoran Desert as a tourism attraction. Given that the Sonoran Desert extends from Mexico through much of Arizona, and in the light of the excellent interpretation of the desert environment at the Arizona-Sonora Desert Museum in Tucson and the nearby Saguaro National Park (which occupies over 80 thousand acres split into two areas east and west of Tucson), and the Desert Botanical Garden in nearby Phoenix, that is not the case.

The Desert Discovery Center has been around in concept in excess of two decades. It has recently been the subject of two phases of feasibility analysis, and has been through a conceptual design process. Yet it remains unbuilt, in part because to build it will require a city bond issue backed by property tax revenues, which in turn will require voter approval, and in part because the economic conditions for issuance of such a bond issue and for obtaining an estimated \$25 million (of the total \$75 million cost) in private investment have not been favorable. In the tourism industry there has been a lot of impatience that a project which has been the subject of so much planning and study has not yet been built. The most surprising thing in the industry is that the use and promotion of McDowell Preserve seems to be at a complete standstill until it is built, as if the center were necessary in order to make the preserve available to visitors.

There is strong support for the Desert Discovery Center, particularly in the tourism industry and among those who have worked on the project. One supporter told the consultants that their job in producing a strategic plan for tourism was simple: all that had to be done was recommend that the Desert Discovery Center be built forthwith. It is clear that the general concept of a facility to increase visitor access to and interpretation of the desert environment has earned support from thoughtful people in the tourism industry—but for some reason that conceptual support has not translated into the kind of momentum that produces a successfully funded project. After

sixteen years the Desert Discovery Center is still being studied and debated.

The consultants have had numerous conversations about the Desert Discovery Center and have heard a continuum of viewpoints as to what should be built. At one end of the spectrum of possibilities is a facility that is chiefly about giving visitors a clear place to go to get out into the desert—on foot, on horseback, on mountain bikes, or even in motorized vehicles—and be given a guided experience. This has been described as a Desert Concierge service. In the center is an interpretive facility at a relatively modest investment level (perhaps \$25 million). At the other end, is the Desert Discovery Center as it is now proposed: an interlinked group of LEED buildings and connecting outdoor spaces, priced at \$75 million, with elaborate interactive exhibits. There is described a restaurant and venue designed to take advantage of the desert setting and the magnificent views from the McDowell Preserve.

The consultants have heard many reservations about the Desert Discovery Center as proposed—most of them expressed quietly and anonymously, because the project is regarded as inevitable. Despite their reluctance to come forward with criticism of the project, skeptics exist. Doubts expressed among the desert preservation community of scientists and volunteers who are deeply involved in the McDowell preserve, and who have two major concerns: that the center will open up the preserve to too much invasive activity, and that it will not provide enough interpretive access to the actual desert, instead substituting exhibit-style interpretation which may require regular updates to avoid losing luster to newer attractions. Doubts also exist in the architectural and design community, mostly around the scale and

program of the project, with even more nervousness because no one wants to speak out against a design project by another professional.

PLACES discussed the feasibility studies for the Desert Discovery Center with an economist experienced in evaluating such facilities, who remarked that the assumptions of over 330 thousand annual visitors in a stabilized year, with per capita daily expenditures of over \$22, were “not conservative.” Evidently the committee now designated by the City of Scottsdale to oversee the project going forward has similar concerns, since they have tried to evaluate how the center would perform at a much lower attendance figure (stabilized year of 250 thousand) with correspondingly lower revenues, and even with phasing of the project (which the Phase II feasibility study energetically rejected). Discussion of a “stabilized year” for attendance reflects the common problem that new facilities often enjoy a “honeymoon” period when their novelty contributes to high initial attendance, after which there is significant falloff.

To these concerns about the impact of the DDC on its desert setting, and about the aggressiveness of the estimates of attendance and revenues, PLACES would add three other considerations. First, although the project description mentions a research and educational mission, little planning seems to have been done along those lines. This is central to the difference between a tourism facility and a facility integrated and living role for such a facility. Secondly, PLACES is concerned that although an attempt has been made to estimate attendance at the DDC, no attempt has been made to estimate how many of those visitors would be added visitors to Scottsdale as differentiated from residents or visitors coming anyway for whom this



would be a worthwhile added activity. If the destination is counting on the DDC to draw more visitors (and that seems to be the expectation in the tourism community), this is an important omission. Finally, impatience to have a long-planned project completed could lead to shortcutting the process—and in particular that instead of obtaining voter approval for a bond issue an alternative may be adopted of using hotel tax revenues to secure a bond. Such a decision would drastically reduce for a long time the money available for tourism development, and it could be particularly problematic if the project ends up needing an annual subsidy, the obvious source for which would also be the bed-tax-supported tourism development fund.

#### CLIMATE ISSUES, THE DESERT DISCOVERY CENTER, A WORLD VIEW

In the science of global climate change, it is now clear that the Sonoran Desert will face significant changes. A hot place without rain can focus people (visitors, residents, funders) on what climate change is, how it affects life on the planet, and how valuable even a desert is to the ecosystem of the world.

Scottsdale is a climate-based tourism destination. People come to Scottsdale to experience the benign desert environment and enjoy its healthful benefits. Furthermore, the Sonoran Desert is the most bio-productive desert environment in the world, rich in variety of plants and animals, which Scottsdale tourism has long recognized as a major destination asset. But the world is in the grip of global climate change, which scientific consensus agrees is manmade (despite persistent denial centered in the United States). And the scientific community studying the Sonoran Desert has already recorded and described significant climate changes taking place now in the region, and some of their effects. Broadly, it is clear that shifts in temperature and changes in patterns of precipitation will change both plant and animal regimes. At this point those changes do not threaten the tourism/hospitality industry, but one predicted result is changes in the spring flower displays which are a spectacular feature of the Sonoran

environment.

The effects of climate change are difficult to predict. The general trend toward a warmer global environment does not produce a simple pattern of warmer places everywhere. The most prominent and visible effect of global climate change is the combination of rising seas and an increase in extreme weather events: droughts (and associated wildfires), hurricanes, tornados, and even—some scientists now suggest—earthquakes, tsunamis, and volcanic eruptions.

In the Sonoran Desert scientists are already monitoring significant changes. J.L. Weiss and I.T. Overpeck, writing in the journal *Global Change Biology* (Volume 11, Issue 12, pages 2065-2077), note that data from the Sonoran Desert “show widespread warming trends in winter and spring, decreased frequency of freezing temperatures, lengthening of the freeze-free season, and increased minimum temperatures....” Possible effects they predict include “contraction of the overall boundary of the Sonoran Desert in the south-east and expansion northward, eastward, and upwards in elevation, as well as changes to distributions of plant species within and other characteristics of Sonoran Desert ecosystems.”

Travis Huxman, Associate Professor of Ecology and Evolutionary Biology at the University of Arizona and the Director of UA Biosphere2 and B2 Earthscience, sees the threat of increased rates of perennial plant mortality, increased erosion, exotic plant invasions, and more wildfires “resulting in a loss of native woody plants.” He suggests that “the climate-driven dynamics of the fire cycle is likely to become the single most important feature controlling future plant distributions in the U.S.” The devastating potential of wildfires to affect economic conditions including tourism and hospitality in the American West is already well evidenced.

Other scientists have noted change in the range of birds and animals, and have recorded a paradoxical effect: a shift in the pat-

tern of winter rains into cooler months (November and December rather than October) has given an edge to cooler-weather plants which germinate in those months. Huxman predicts that the effects of climate change will combine with other influences: "Land use change, increased nutrient availability, increasing human water demand, and the continued pressure from non-native species will act synergistically with climate warming" to restructure the rivers and riparian environments of the southwestern US.

PLACES believes that the combination of global climate change, a strong research base of national and international significance, carried on by the kind of volunteer corps already in place in the McDowell Preserve, the connection to the larger environmental issues and local place-based leadership programs and decisions plus the generalized awareness of Scottsdale's environmental accomplishments (see the Identity Matrix) could create an international center at the Preserve. This does not start with a building, but rather a program, a reputation for the city as environmentally sensitive with a new way to activate citizens and their support to save their piece of the planet. This "Scottsdale approach" can form the basis of an institution used to research environmental issues and also issues, how to activate change around environmental, biological and social issues, and teach others how to generalize that knowledge place by place.

Such an opportunity exists because of the big issues facing the world, the accomplishments of Scottsdale and its citizens and the educated and concerned citizenry taking a leadership position on these issues. PLACES believes that this research program, if in place and operating for a few years, combined with a national reputation for Scottsdale as a place of environmental thought leadership, will provide the program to create a living institution and an interpretive, learning center which can exist with a program which is more tourism centric.

Competing with the DDC for public support and capital may be the proposed Museum of the West, also conceived as a tourism draw for Scottsdale.

## PLACES RECOMMENDS

On the Solari Bridge - this project as an iconic object of public art uniquely tied to Scottsdale is a legitimate tourism-related capital investment. But needs to be connected to Scottsdale's distinctive role in twentieth-century visionary architecture, and into tourism development and marketing. In isolation it lacks a strategic approach to tourism growth.

On West World Expansion - Work to get a management company to hire an equestrian specialist as part of their management and booking responsibilities.

On the DDC - PLACES believes that the combination of global climate change, a strong research base of national and international significance around environment issues is the starting point for a fundable project. Add to that the research which is carried on by the kind of volunteer corps already in place in the McDowell Preserve, plus the connection to the local place-based leadership programs and decisions and there is an environmental story worthy of imitation. Finally, with an awareness of Scottsdale's environmental accomplishments (see the Identity Matrix) the Preserve could gain international attention. It does not start with a building, but rather a program in an environmentally sensitive city with a new way to activate citizens to support and save their piece of the planet. This "Scottsdale approach" can form the basis of a research and teaching institute on how to activate change around environmental, biological and social issues.

Such an opportunity exists because of the big issues facing the world, the accomplishments of Scottsdale and its citizens and the educated and concerned citizenry taking a leadership position on these issues. PLACES believes that this research program, if in place and operating for a few years, combined with a national reputation for Scottsdale as a place of environmental thought leadership, will provide the program to create a living institution and an interpretive, learning center which can exist with a program which is more tourism centric.

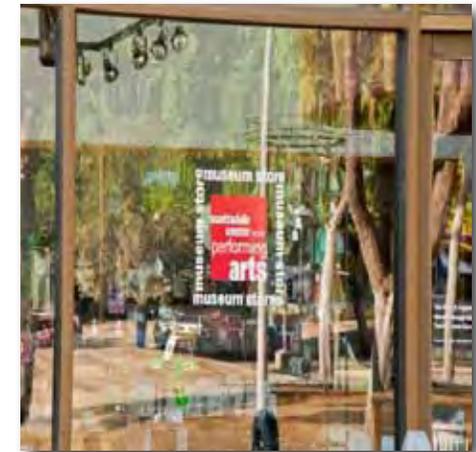
*Project Scottsdale:* Downtown, Transportation, "Love of Place"

## SCVB PROCESS, PRIORITIES AND USE OF RESOURCES

As noted above, there is no fundamental problem with the City of Scottsdale’s process, priorities, or use of funding for event support and tourism development. In fact Scottsdale has a sound working public-private partnership, well managed, with strong participation and conscientious effort from elected officials, city staff, and the private sector. Nevertheless, the recommendations section of this planning report will suggest significant changes in perspectives and priorities to foster growth in Scottsdale’s tourism and hospitality industry. It is not that the current structure can be evaluated as having done badly; it is that there are ways to do better.

The situation of the Scottsdale Convention and Visitor Bureau is similar: it is a well-managed organization, doing a difficult job very well, with adequate resources and a capable staff—but recommendations will suggest how its performance might be significantly enhanced.

Markets	Palm Springs	Phoenix	San Francisco	Scottsdale
Annual Budget	\$ 7,283,633	\$ 12,392,683	\$ 26,206,000	\$ 8,727,340
Annual Room Night Available	2,620,578	3,145,007	18,678,232	5,489,076
\$ Per 1000 Room Nights	\$ 2,779	\$ 3,940	\$ 1,403	\$ 1,590
Budget Marketing & Promo	\$ 3,049,875	\$ 5,654,422	\$ 15,278,000	\$ 4,587,340
MKT \$ Per 1000 Rm Nights Available	\$ 1,164	\$ 1,798	\$ 818	\$ 836
Room Night Demand	1,426,236	1,821,561	14,754,384	3,364,605
Budget \$ Per 1000 Rm Night Demand	\$ 5,107	\$ 6,803	\$ 1,776	\$ 2,594
Mkt \$ Per 1000 Rm Night Demand	\$ 2,138	\$ 3,104	\$ 1,035	\$ 1,363
Revenue	\$ 110,154,621	\$ 232,676,604	\$ 2,288,016,498	\$ 495,526,251
Revenue/Marketing \$	\$ 36	\$ 41	\$ 150	\$ 108



This chart shows results for Scottsdale and three competitors. Phoenix, its closest neighbor, Palm Springs a similar market to Scottsdale, and San Francisco, a competitor and the gold standard for destination cities.

In terms of the results from investing in tourism promotion among these cities, San Francisco is the most efficient, Scottsdale second while Phoenix and Palm Springs lag behind. That Scottsdale’s profile parallels San Francisco’s is a remarkable achievement.

Data Sources:  
DMAI, STR Global

One major responsibility of the SCVB is to write, design, and publish destination guides and other promotional materials. It is an area in which the SCVB excels. They have brought the design process in-house, with their own graphic designer and other creative staff—and they have assembled an impressive cluster of writers, photographers, and other content-providers. Destination guides typically face two hazards: in their effort to be comprehensive and to provide a lot of useful information, they may deteriorate into a lackluster bunch of listings; and in their effort to spice up all those listings they may be over-written, full of “colorful” adjectives. They go all gray and then clot up around the jewels. We have focused this problem by stating a principle of all tourism marketing: an ounce of intrigue is worth a pound of information.

The SCVB guides are substantially better and more intriguing than typical destination guides. They focus some of their stories on people and present the destination through people—whose individual voices can even be recognized. They lighten the informational and business-like

presentation of information with gentle humor and interesting sidelights. They profile their writers and photographers briefly, and even without those profiles it would be evident that the people who produce these guides are themselves immersed in the destination and lifestyle it portrays. There is room for improvement in fulfilling the “ounce of intrigue” principle, but the SCVB has gone further down that road than most destination managers.

In fact, in one case they may even have gone a little too far in making a publication friendly and accessible: their annual report. Typical annual reports are glossy accounting documents; theirs is not like that at all. It was described (critically) to us as “all public relations,” because it is full of interpretation of the success of the work done by the SCVB. For those who are used to approaching annual reports as the official record of financial information—and the official description of processes such as evaluations—the report is a bit light on content, an omission that could easily be remedied without changing the overall spirit and energy of the annual report.

## COMPARATIVE MARKETS ON DMAI EFFICIENCY MEASURES

\*NOTE- Scottsdale is on the next page.

<i>Markets</i>	<b>Chicago</b>	<b>Denver</b>	<b>Las Vegas</b>	<b>Los Angeles</b>	<b>Miami</b>	<b>Orlando</b>	<b>Palm Springs</b>	<b>Phoenix</b>	<b>San Diego</b>
<i>Number FTE</i>	<b>58.8</b>	<b>62</b>	<b>572</b>	<b>72</b>	<b>64.8</b>	<b>169</b>	<b>38</b>	<b>53.8</b>	<b>na</b>
<i>Cost Per Employee</i>	<b>\$ 116,248</b>	<b>\$ 89,444</b>	<b>\$ 83,887</b>	<b>\$ 123,611</b>	<b>\$ 101,591</b>	<b>\$ 87,332</b>	<b>\$ 88,150</b>	<b>\$ 94,072</b>	<b>na</b>
<i>% of Budget Personnel</i>	<b>48.7%</b>	<b>32.3%</b>	<b>18.4%</b>	<b>45.6%</b>	<b>30.3%</b>	<b>29.4%</b>	<b>45.7%</b>	<b>41.5%</b>	<b>27%</b>
<i>% of Budget Marketing</i>	<b>39%</b>	<b>62.9%</b>	<b>45.2%</b>	<b>38.2%</b>	<b>59.6%</b>	<b>64.9%</b>	<b>39.1%</b>	<b>44.6%</b>	<b>64%</b>
<i>% of Budget Admin</i>	<b>12.3%</b>	<b>4.9%</b>	<b>36.5*%</b>	<b>16.2%</b>	<b>10.1%</b>	<b>5.7%</b>	<b>15.2%</b>	<b>13.9%</b>	<b>9%</b>
<i>Annual Budget</i>	<b>\$ 14,025,897</b>	<b>\$ 16,508,400</b>	<b>\$ 226,347,850</b>	<b>\$ 19,548,000</b>	<b>\$ 21,789,000</b>	<b>\$ 49,784,431</b>	<b>\$ 7,283,633</b>	<b>\$ 12,392,683</b>	<b>\$ 23,794,583</b>

Data Sources: DMAI

\* Las Vegas CVB also runs the convention center and a sports arena

Another key responsibility of any destination manager is the design, production, purchase, and evaluation of advertising and promotions. Scottsdale stands out in that regard because it makes a serious and consistent effort to actually measure the effectiveness not only of its advertising in general but of specific ads and campaigns. It is axiomatic (for instance in medicine) that if you want to improve something, you first have to measure it, and the efficiency of advertising is no exception. In the end not all ads and promotions can be measured at affordable cost, but most destinations (in part influenced by advertising agencies, many of whom dislike such accountability and want only their own estimates of effectiveness to be consulted) simply let it slide. The SCVB refers consumers to different internet “splash pages” (points of entry) in different ads, in order to estimate which ads deliver more responses. They use variations on the specialized but well-established methods of direct-response ad buying for the same purpose. They even do conversion

## COMPARISON

<i>Markets</i>	San Francisco	Scottsdale
<i>Number FTE</i>	104	37
<i>Cost Per Employee</i>	\$ 91,779	\$ 93,158
<i>% of Budget Personnel</i>	34.8%	40.6%
<i>% of Budget Marketing</i>	55.7%	52.6%
<i>% of Budget Admin</i>	9.5%	6.9%
<i>Annual Budget</i>	\$ 26,206,000	\$ 8,727,340

On DMAI efficiency measures, Scottsdale performs well even against larger and better funded competitors. The markets were selected from the historic markets used by SCVB as competitive markets based on research.

San Francisco is considered the gold standard because of its consistent and balanced performance as a destination.

studies to move from counting respondents to projecting actual visiting behavior.

Their advertising also ranges across different sizes of markets, different kinds of media outlets, and different approaches. It is all too common for marketing theory to drive out common sense. We have seen a technique such as indexing (chasing higher and higher percentages of audience with particular characteristics) lead ad campaigns down blind alleys from which there is no return (in that case because as the audiences conform more to the desired pattern they get smaller and less representative of the entire marketplace). We have seen large budgets risked on one medium in what amounts to a big experiment which sometimes does not pan out (one campaign we have seen spent hundreds of thousands on ineffective, untested radio advertising which yielded almost no results). Scottsdale has made some ad buys we question and which are hard to measure—such as wrapping cable cars in New York City—but they are proportional in relation to their total budgets, so the risk is not exaggerated. The SCVB does a good job in its responsibility for destination advertising.

A third critically important responsibility is generating leads for meetings. The SCVB uses a small specialized staff for that purpose. They are very intensive in relationship marketing with meeting planners who are repeat customers, but they also prospect constantly for new customers using state-of-the-art databases and energetic “cold-calling.” The proof of the pudding is in the eating, and in a recent “you show me yours, I’ll show you mine” exchange Scottsdale had an impressive conversion ratio of leads to meetings, higher than its competitor. Scottsdale, as a high-end, luxury, resort and spa intensive destination, has been hit hard by the recession and its associated business and political climate. It has suffered in occupancy by comparison to competitive markets—and occupancy has held down revenue per available room. But Scottsdale has consistently outperformed its competitors on average daily rate, as data from STR Global demonstrates. The convention sales staff will continue to struggle, in this environment, to keep revenues from falling—but the solution will have to be found elsewhere than in either blaming or changing the sales program.

The Destination Management Association International

(DMAI) does a review of destination management budgets and operations every two years. One measure considered important is the percentage of budget that goes to administration (lower is better). Scottsdale is lower than eight out of nine competitors, even though most of them have higher budgets (which should make for lower relative administrative costs). In the percentage of budget assigned to personnel and marketing Scottsdale is in the middle of its competitive group. But its annual budget is lower than all its competitors except Palm Springs.

PLACES has designed several new parameters to reckon relative efficiency, using a combination of DMAI and STR data. We have compared Palm Springs, Phoenix, San Francisco, and Scottsdale on several measures.

The first is total CVB budget. Scottsdale, on this absolute measure, is higher than Palm Springs and lower than Phoenix and San Francisco.

The second measure is relative to market size: the annual CVB budget in dollars per 1000 available room nights in the market-

place. Phoenix and Palm Springs invest more heavily than Scottsdale and San Francisco relative to their product availability.

Third, is in comparison of marketing budgets, first as absolute numbers and then in relation to market size. The pattern is the same, with Phoenix and Palm Springs investing more heavily than Scottsdale and San Francisco.

Fourth, PLACES looks at both budgets (overall and marketing) in relation to room night demand (actual rooms sold) and to revenues. In all these measures San Francisco is the most efficient market, Scottsdale second, and Phoenix and Palm Springs lag behind.

San Francisco is the gold standard for destination marketing, one of the most consistently successful destinations on a variety of ratings over many years. Scottsdale holds up very well by comparison. All in all, by every available measure, the program of the Scottsdale CVB is a model that can be held up to other cities to emulate.

**COMPARISON OF SCOTTSDALE AVERAGE DAILY RATE WITH OTHER MARKETS, 2006-2011**

	Chicago	Denver	Las Vegas	Los Angeles	Miami	Orlando	Palm Springs	Phoenix	San Diego	San Francisco	Scottsdale
2006	122.54	90.12	106.48	113.98	142.69	101.89	94.57	133.12	130.84	138.27	164.18
2007	129.75	99.44	115.32	123.13	158.58	106.06	97.44	143.07	138.91	148.63	172.69
2008	132.2	105.94	118.5	128.92	160.52	106.15	98.37	148.11	142.52	156.44	176.89
2009	113.5	93.19	89.18	114.93	139.74	93.62	90.17	130.22	125.02	133.54	145.08
2010	112.88	94.24	86.72	116.56	143.89	90.8	87.40	124.76	121.98	136.24	139.69
2011	118.11	97.56	91.2	123.22	153.31	94.11	89.47	127.73	126.01	155.07	147.28
Average	121.63	96.81	101.55	120.19	149.8	98.79	93.02	134.34	130.95	144.9	157.87

Data Source: STR Global

DRAFT

## TARGET MARKET



**young** median age under 40

**urban** living in metro/urban/suburban neighborhoods

**affluent** median household income above \$50,000

**active** high tendency to travel and participate in tourism related activities

In order to better understand the tourism and attraction market for Scottsdale, Gensler used Tapestry Analysis, a household segmentation tool developed by ESRI to target 65 statistically stable household typologies.

**11** TAPESTRY SEGMENTS  
fit the target demographic profile.



# DAYTRIP & RESIDENT MARKET

## Local Phoenix Metro

### **28% of households**

In the metro Phoenix area represent **three** of the targeted young, affluent tapestry segments and total nearly 440,000 households.

In Scottsdale, these same segments account for account for **4.5%** (4,500) of total households.

The three segments include some of the highest concentrations of dual-income households. Residents are well educated, and primarily work in professional occupations. The median household income is over \$70,000

The median age is around 34. Households are often comprised of married couples with young children.

source : 2010 Census, ESRI, Genstar

# DAYTRIP & RESIDENT MARKET

## TENDENCIES vs. US average

The young and affluent nature of these households indicates a higher rate of participation in tourism activities. In fact, the households in these tapestry segments are 25% more likely to have taken a domestic vacation in the past 12 months than the national average.

Prevalence of young families makes family outings a priority, with many choosing theme parks and zoos as their entertainment. Participation in outdoor activities, sports events and entertainment is above average.

Most are daily internet users, and are 80% more likely to obtain information and book travel via online resources.



up to  
**2x**  
more likely  
to play golf  
and tennis

**50%**  
more likely  
to attend team  
sport events

live music venue  
attendance is  
**>30%**  
above average

dining out is common  
**50%**  
greater likelihood  
to dine out  
more than 2x a week

source : 2010 Census, ESRI, GenSler

# NATIONAL MARKET

## National United States

In United States, the 11 target segments represent nearly 22.5 million households, or **20% of total US households**.

The households are a mix of single individuals and young families, and are predominantly well educated young professionals. Levels of disposable income are higher than the US Average, and as a result travel for both business and pleasure are key part of their lifestyles. Most are members of frequent flyer programs.

Residents in these households are likely to exercise regularly, and lead active outdoor lifestyles, enjoying hiking, biking and tennis.

Online presence is high, with most going online frequently to check email, shop and arrange travel.

Cultural activities are also popular, with many enjoying theater, concerts/live music, dance performances and going to bars and nightclubs.

source : 2016 Census, ESRI, Genesler

# NATIONAL MARKET

TENDENCIES  
vs. US average



up to  
**3x**  
more likely to  
make travel  
plans online

all segments are at least  
**25%**  
more likely to have  
gambled in Las Vegas, with  
**some more than 2x likely**

most enjoy **hiking and  
backpacking** with  
**>50%**  
greater participation rate  
amongst a large portion of  
households

up to  
**2x**  
more likely to  
**play golf on  
vacation**

>50% more likely  
to spend over  
**\$1,000**  
on domestic  
vacations

**>50%**  
more likely  
to have attended a  
**bar or nightclub**

up to  
**2x**  
greater **dance  
and live theater**  
attendance

source : 2016 Census, ESRI, GenSler

Abu Dhabi UAE  
Atlanta  
Austin  
Baltimore  
Bangalore IN  
Bangkok TH  
Beijing CN  
Boston  
Charlotte  
**Chicago**  
Dallas  
Denver  
Detroit  
Dubai UAE  
Hong Kong CN  
Houston  
La Crosse  
Las Vegas  
London UK  
Los Angeles

Miami  
Minneapolis  
Morristown  
New York  
Newport Beach  
Phoenix  
Raleigh-Durham  
San Diego  
San Francisco  
San Jose  
San José CR  
San Ramon  
Sao Paulo BR  
Seattle  
Seoul ROK  
Shanghai CN  
Singapore  
Tampa  
Tokyo JP  
Washington DC

Wesley LeBlanc  
Director of Analytics

11 E. Madison  
Suite 300  
Chicago, IL 60602  
312.456.8123  
[www.gensler.com](http://www.gensler.com)

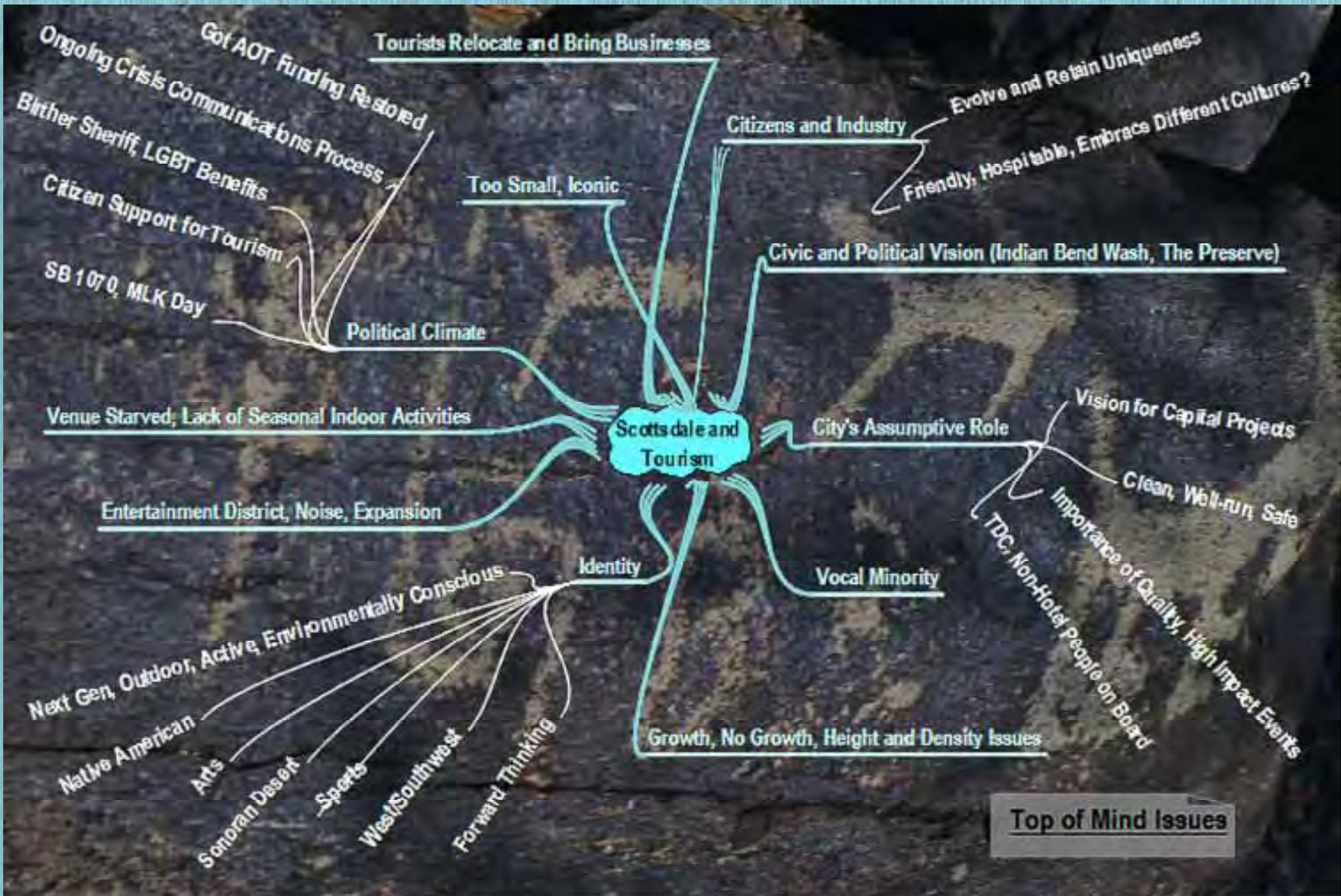
**Gensler**



SCOTTSDALE HOSPITALITY & TOURISM

# Idea Maps & Conversation Summaries from Scottsdale

Many strategic planning processes use what is called a SWOT analysis to understand how to plan the future. In the planning method used by PLACES Consulting, conversations and idea maps to capture the past and present. This report captures and summarizes what PLACES and distilled through conversations with 150+ people. This a baseline of how stakeholders see things.



## Idea map:

This map condenses conversations into some key ideas at the intersection of Scottsdale the place and Scottsdale the tourism destination. These conversations with citizens, people in the tourism industry and City officials form the basis of planning by understanding current conditions.

## Scottsdale and Tourism

Tourism is a major economic development force so productive that even people who are immersed in tourism are surprised by economic impact studies. In the City and in the Tourism industry, there is a recognition of its ongoing importance all the way down to naming the department which assists in industry development the Economic Development Department.

A desirable quality of Life in a strong tourism destination is not an automatic thing. In fact, tourism can destroy what it celebrates. Scottsdale has a well managed tourism development process, and where a broad coalition of citizens have been involved, there have been inspirational decisions which have assured the wise protection of what has created this jewel of a place. Two powerful examples were mentioned over and over again. The decision to not allow the Corps of Engineers to create an eight or nine mile flood control structure in the middle of town, but rather create Indian Bend Wash which provide the flood control and a beautiful, landscaped linear park with paths, high quality development along side and a significant quality of life enhancement for citizens and visitors. Also mentioned repeatedly was the citizen's vote to acquire and preserve against development the desert and the McDowell Mountains through two votes to tax themselves. A number of other development efforts: McDowell Mountain Ranch, DC Ranch were named as model processes.

It is also clear that there are areas of friction in growth, some of which is seen as being driven by tourism. Those include the entertainment district with its noise issues and questions concerning its containment or expansion to cover a larger area of downtown, especially since no formal zoning districts exists. There are also growth, height and density issues which are persistent and of concern to citizens because they relate to both what they see as the character of Scottsdale (low along the horizon) and also because they can punctuate the sense of the desert and mountains view. Many of the people in the meetings put forward the idea that decisionmaking in Scottsdale is developer driven. In fact, some questioned whether the planning department had the sophisticated planners trained to protect the superb built and natural environment through the complicated era that lies ahead. They also often cited the failed General Plan coupled with, what most saw as a vocal minority standing in opposition to particular decisions. There is likely a need for more comprehensive planning which will take in comprehensively broader citizen input (a key in Scottsdale to visionary decisions).

There is a sense in the tourism industry that tourism could help to shape and inform those conversations for two reasons. The first is that there are changes which are necessary to maintain a competitive and productive tourism industry and those changes need to be in a context which further's the City's unique appeal to visitors. The second is that tourism has generated significant business immigration, where a business owner comes to Scottsdale on a trip and decides to move his or her business to the city.

## *Citizens, City Officials, Industry*

### *City of Scottsdale*

Brian Dygert  
Scott Hamilton  
Dave Meinhart  
Gary Mascaro  
Paul Katsenes  
Chief Rodbell  
Reed Kempton  
Rob Millar  
Linda Walton  
Kroy Eblaw  
Cheryl Sumners  
Ben Moriarity  
Kim Hanna  
Bill Murphy  
Scott Hamilton  
Dave Meinart  
Greg Bestgen  
Christin Hill  
Rachel Smetana  
Anthony Floyd  
Eric Perrault  
Ross Cromarty  
Marry Vanvord  
Cindi Eberhardt  
Mayor Lane

### *CVB*

Rachel Sacco  
Carolyn Stoeckel  
Laura McMurchie  
Kelli Blubaum  
CVB Staff

Some issues which came up in conversation with tourism officials included the fear that Scottsdale was too small and iconic to stay relevant in the hyper-competitive high end tourism marketplace. Also, that the destination was venue starved, and lacked the ability to have seasonal indoor activities. The tourism industry recognized that a focus on both capital projects and high quality, high impact events was very important, while wondering why the decisionmaking role on those two areas of importance included people not in the tourism industry and likely less informed about what was needed.

In keeping with the tourism industry's habit of boosterism, some of the political issues which have caused some set backs in tourism were cast as events whose impacts were temporary: SB1070 with its controversial treatment of immigration policy, the question of whether the state would recognize MLK Day, the presence of an attention seeking politically extreme character, for example. While those events plus the loss of funding negatively impacted tourism, so did the economic downturn and the loss of state funding for Arizona Office of Tourism. The industry successfully lobbied to get funding restored.

Bigger and overarching issues around the political issues is that Scottsdale cannot be seen to be an inhospitable place if it wants tourism. In tangent with that is the question, what kind of support is there for tourism among Scottsdale citizens? What do they understand about the industry, its positive impacts and ways to protect what they love? Can the citizens and the industry embrace different cultures?

From the City's point of view Scottsdale is a clean, well-run and safe city. All of considerable importance in advancing tourism. The City has also created a management system which puts the city, the citizens and tourism all into a decisionmaking structure for tourism decisionmaking. This kind of structure in decisionmaking is critical to balancing the needs of tourism, the qualities and livability of a place.

The tourism industry has a significant role in helping to shape the identity of Scottsdale, within the city. While citizens are the owner's of a place, they know what draws them and holds them, tourism has to interpret that to the larger world. And tourism has to sort out what is authentic, what the industry can build on to create unique experiences. Tourism has more understanding of those processes than the local citizens, who have a personal relationship with the issues. Ultimately, the identity of Scottsdale, well understood and expressed in visitor experiences is the holy grail of tourism today. To that end, there are some identity components which were discussed which together begin to weave a new pattern of identity out of what people love and think are strong assets for Scottsdale for the next generation. While some thought that Scottsdale was a bit old and tired, there was a lot of forward thinking around the outdoor, active, environmentally conscious character of the city, all significant components of desirable hubs for younger generation leadership (think Portland, OR), The Sonoran Desert and the history (and maybe new relationships) with Native Americans were seen as important to Scottsdale's identity. Sports were an extension of the climate advantages and the active lifestyle of citizens. Art (and we would add architecture) are important to the identity of the city. And the Old West identity, under fire from most participants, has an authentic strain that will be part of any clarified identity.

## ***Citizens, City Officials, Industry***

### ***Downtown/retail***

Mitch Woulfe  
Alex Mundy  
Steve Helm  
Kate Birchler

### ***Events***

Phil Neri  
Susan Morrow  
Amy Ettinger  
Doug Huls  
Taryl Oshea  
Janice Wight  
Brad Bennett  
James Moser  
Dave Alford  
Allen Pile  
Chris Lyman  
Scott Harkey  
Judi Yates  
Mike Phillips

### ***Outdoor***

Melinda Gulick

### ***Guided Tours***

Jeff Slade

### ***University***

Dr. Kathy Andereck

### ***Wellness***

Isabella Klein  
Greg Thomas

## Systems Thinking

These “idea maps” provide part of the context for the planning which PLACESConsulting will develop a five-year Tourism Strategic Plan for Scottsdale.

The method is different from traditional strategic planning methods. They were developed by the foremost US military planner, Air Force Lt. Col. John Warden (retired). Warden wrote a book which was highly regarded in military planning circles and when the Department of Defense was forced to plan an attack on Iraq in the first gulf air war. Warden was the architect of a new kind of military planning and plan of attack for that war. Warden went on to found a Strategic Planning Firm Venturist, Inc. Valeri LeBlanc and Gary Esolen, PLACES Consulting principals, have trained under Warden to learn this innovative approach to planning.

There are three significant structural differences between Warden’s approach to Strategic Planning and traditional SWOT analysis. First, the methods are grounded in science of systems thinking. “To change anything you must change the system in which it operates....and systems resist change.” Second, the entire process is future focused (Warden says looking at the past or present to plan the future is like driving looking at the rear view mirror). Third, it is designed to impact points of leverage in the system, in what Warden calls “fast time” to maximize the opportunity for system change (the system cannot easily respond).

No system can be modeled completely and idea mapping gets at a system understanding as it exists now. In the next stages of strategic planning, PLACES Consulting will begin the development of a future picture for Scottsdale tourism five years from now. The next maps describe the systems in which tourism operates and locates points of leverage where effort and resources can achieve outsized results, changing the system to make room for the future picture of Scottsdale tourism.

Systems thinking is the basis of our contemporary understanding of biological systems, of how our bodies work and increasingly, how to create better places (and based on the experiences of people who love Scottsdale) how to create better lives because we live in better places.





## Idea map:

This map condenses conversations into some key ideas at the intersection of Scottsdale the entire Greater Phoenix Metro area. These conversations with citizens, people in the tourism industry and City officials form the basis of planning by understanding current conditions.

## **Scottsdale and Regional Issues**

In the conversations with citizens, City officials and the tourism industry, there were four areas around which there was substantial content: regional issues, transportation, downtown and luxury.

From a regional perspective, Scottsdale is part of a fast growing metro area. The city and the tourism industry have admirably created what some called an “It Factor” around Scottsdale (“it factor” was a term coined for the indescribable magnetism of Marilyn Monroe). How that specialness remains in a region that is fast growing, competitive, and lacking cohesiveness was a point of concern. That was especially true when citizens saw the Performing Arts Centers in neighboring communities, and the move by other communities to mimic (and maybe capture) some of the charm of Scottsdale.

There is some joint planning: Sky Song and the Triangle Development (which some see as struggling), the Phoenix Convention Center and the regional sports events still provide energy and occupancy to Scottsdale and along with the 302 Fund for tourism has regional tourism officials working together on some projects.

And there are some perceived weaknesses in the region: limited direct flights to SkyHarbor, the I-93 to Las Vegas and its impact on Summer Staycations, the sense that if you take away sports there is no big thing (big draw) to the region. There is also a sense that this factional region has not built much in the way of loyal business stewards who support the future of the region, as corporations do in more established cities.

Within Scottsdale, there is a significant concern about the loss of developable land and the fear of development of land on the freeway corridor on Native American Tribal lands, with a subsequent loss of taxes and amenities. Add to that the weak relationships between Scottsdale and its tourism industry Native American neighbors as well as the lack of interpretation of Native American history and culture and there is plenty of missed opportunity going around.

Systems and system thinking are often applied first in cities around shared infrastructure, like transportation (discussed in more detail next), water & sewer, or roads. Telecommunications and utility companies plan for capacity. Sometimes regional planning extends to include business cluster development, say around an area of research or a particularly large and focused industry. Seldom does planning focus on dispersed business interests like tourism and tourism experiences like arts and culture or other quality of life enhancers, which issues do not stop at municipal borders.

Such planning, if it were undertaken, would seek to create ways to expand the product and offerings which ideally are suited to each place while offering those experiences widely to visitors as is the case in the most successful regional experience - Spring Training.

### ***Citizens, City Officials, Industry***

#### ***Resorts w/ Golf***

David Akin  
Tiffany Nelson  
Jeff Lessig  
Tom Enders

#### ***Other Tourism***

Sherry Henry  
Lorraine Pino  
Stephanie Nowack

#### ***Resort Hotels***

Troy Batt  
Jack Miller  
Pam Gilbert

#### ***Tribal Communities***

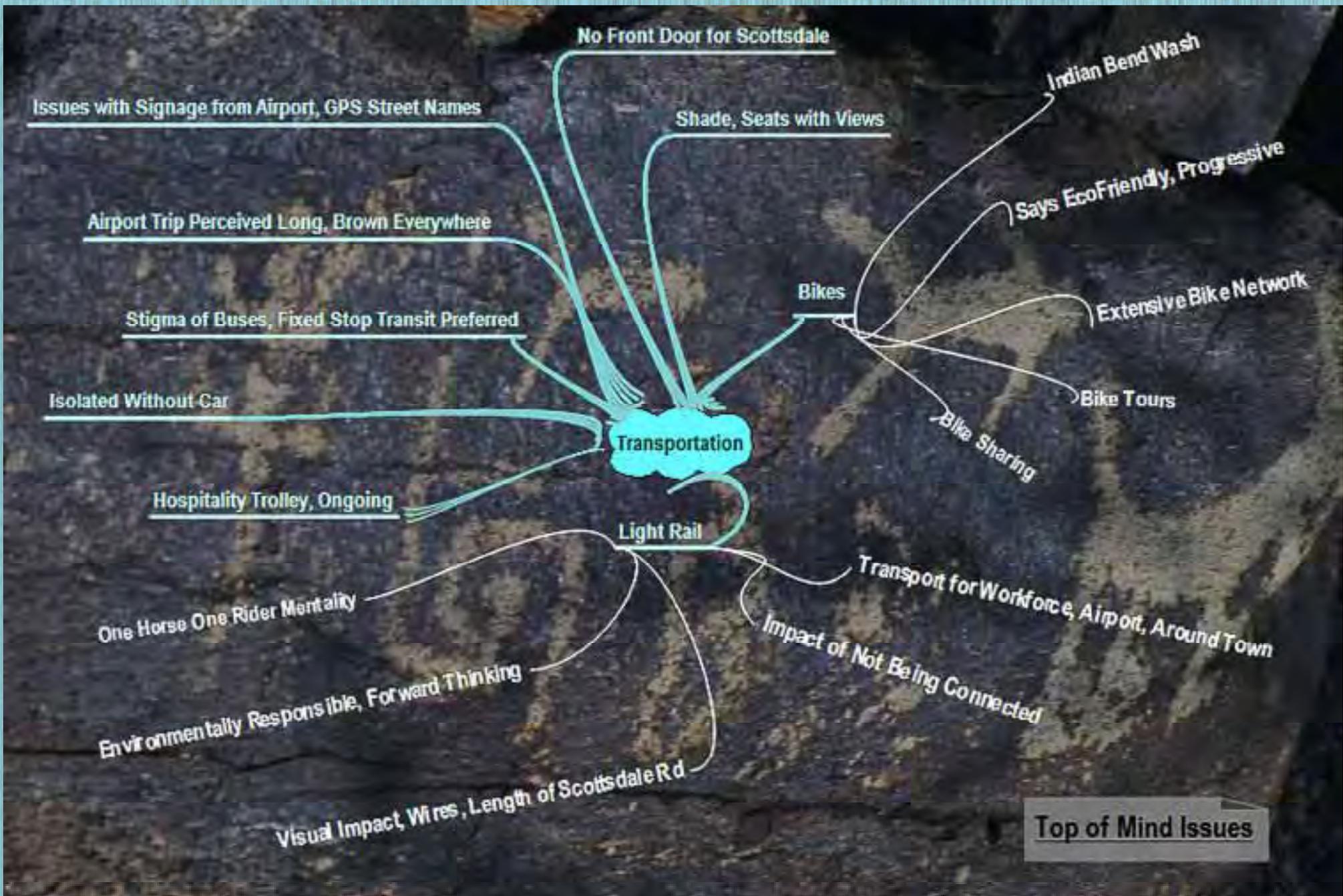
Raphael Bear  
Shane Antone  
Blessing McAnlis-Vasquez

#### ***Restaurants***

Don Carson

#### ***Hotels (Limited Service)***

Peter Rice  
Joe Iturri  
Ren Hirose  
Peter Arceo  
Tom Silverman



## Idea map:

This map condenses conversations into some insights about transportation issues identified in the last strategic plan for tourism as an area of concern. These conversations with citizens, people in the tourism industry and City officials form the basis of planning by understanding current conditions.

## **Scottsdale and Transportation Issues**

Transportation was considered a significant issue in the last tourism strategic plan. Since the development of transportation systems is often regional, and since transportation systems are based first on the needs of residents because of costs, this is an area of slow progress. The basic problems are that Scottsdale's land mass is long and narrow necessitating a car or other kind of transportation to experience the city. Another issue is that arrival at Sky Harbor Airport offers little interpretation of the desert, which makes the trip from the airport one in which the uninformed traveller is uncomfortable with the brown scenery. Discomfort makes a trip seem longer, as does disorientation because of signage or GPS issues. And when visitors arrive, there is no front door to the City.

The tourism industry has worked with the City to develop a hospitality trolley, currently offered only in the "high" season. This trolley provides two benefits, it helps to mitigate the isolation and it keeps extra vehicles off the roads especially for transport to events.

Many if not most conversations gave a nod toward the appropriateness of mass transit, acknowledging a preference for fixed stop transit. Nearly all conversations talked about light rail, most believing it was necessary (for environmental and transport reasons, especially to the airport and around town). Tourism officials talked about the need for light rail in getting their employees to and from work (as most do not live in Scottsdale). Most thought that light rail would not happen and wondered about the impact of not being connected to the rest of the valley. There were four reasons commonly given for Scottsdale not accepting light rail: it will bring crime, it will disrupt downtown businesses, the visual impact of wires the length of Scottsdale Road is unacceptable and finally Scottsdale has a "one horse one rider mentality."

There was a lot of enthusiasm around the potential to use bicycles for transportation in Scottsdale. Indian Bend Wash was often mentioned as a recreational bike path. But Scottsdale has been developing a very extensive bike network, which among other things connects Town Lake in Tempe, soon all the way out to the Preserve. An eco-friendly and progressive policy, in a very desirable climate, Scottsdale could share the "path" with other progressive cities who are capturing next gen professionals to whom this is a core interest. Bike tours and bike sharing offer opportunities for stronger use by visitors. And the paths with shade and seats with "framed views" are part of what was expressed as a desirable extension of this amenity which would serve both citizens and visitors.

### ***Citizens, City Officials, Industry***

#### ***Tourism Development Commission***

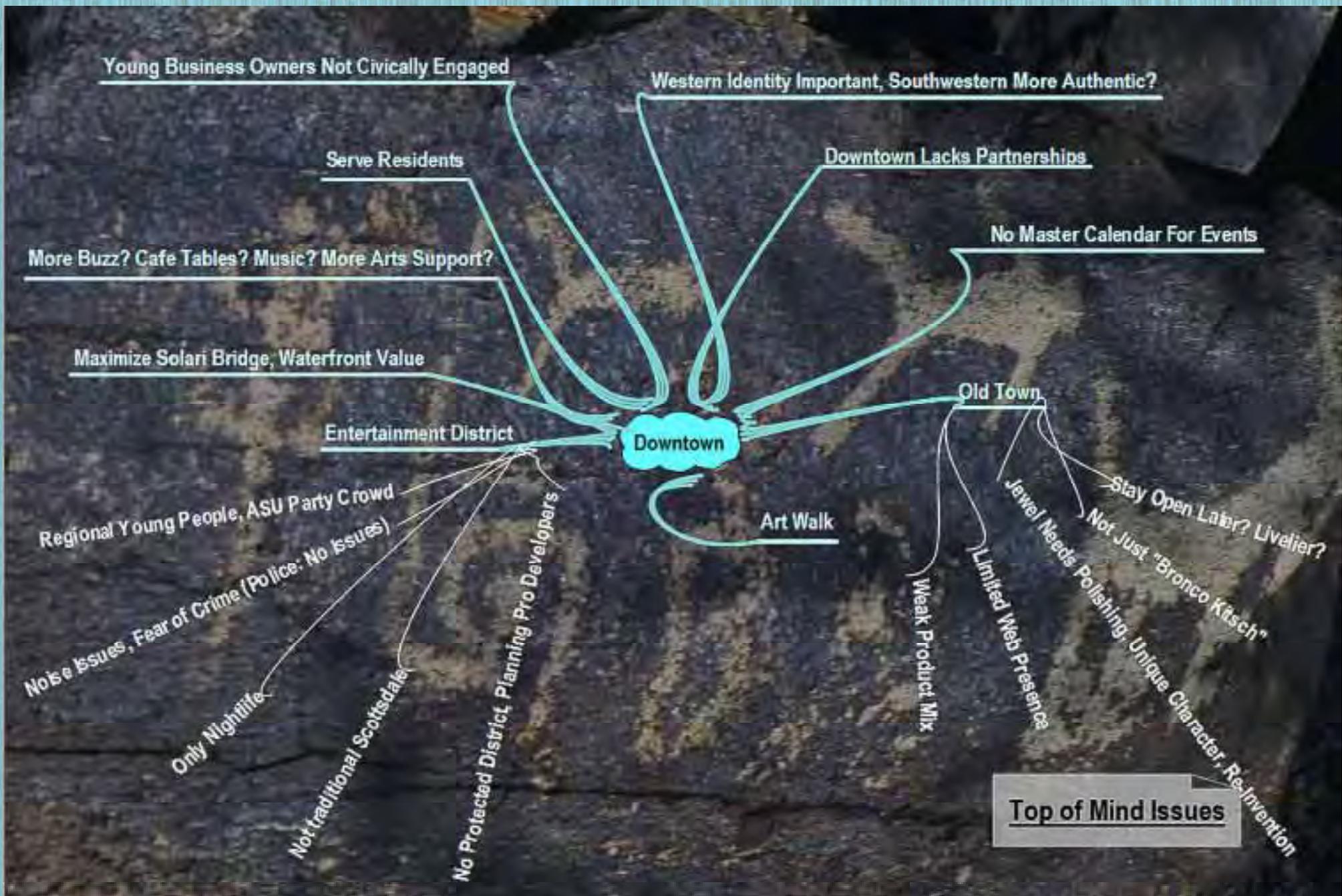
David Scholefield  
Kathleen Glenn  
David Richard

#### ***Arts/Culture/Architecture***

Cory Baker  
Ace Bailey  
Susan Potje  
Veronica Graffius  
Brent Bond  
Janie Ellis  
Joann Handley  
Dick Hayslip  
Janice Bartczak  
Debra Kuffner  
Bill Banchs  
Bernadette Mills  
Kathy Duhley  
Tim Rodgers  
Donna Isaac

#### ***Business Groups/Chambers***

Fred Unger  
Rick Kidder  
Karen Churchard  
John Sather  
Glenn Williamson  
Dan Schweiker  
Jennifer Karris  
John Holdsworth  
Les Gin



# Idea map:

This map condenses conversations about significant concerns about downtown Scottsdale. These conversations with citizens, people in the tourism industry and City officials form the basis of planning by understanding current conditions.

## Scottsdale and Downtown Issues

Closer in than regional or transportation issues, stakeholders had a lot to say about downtown Scottsdale. There was a general discontent with what was happening downtown and there were lots of problems and needs identified.

Overwhelmingly people stood on opposite sides of the Entertainment District issues: noise, crime and “not traditional Scottsdale.” The “district” is regarded locally as largely a regional destination for young people (up to 40 in the high season). It is talked about as the only night life in Scottsdale, modeled after the night club scene in LA. There were a number of people in the tourism industry who thought the “district” provided an amenity sought by their guests, whose absence would have limited the appeal of Scottsdale.

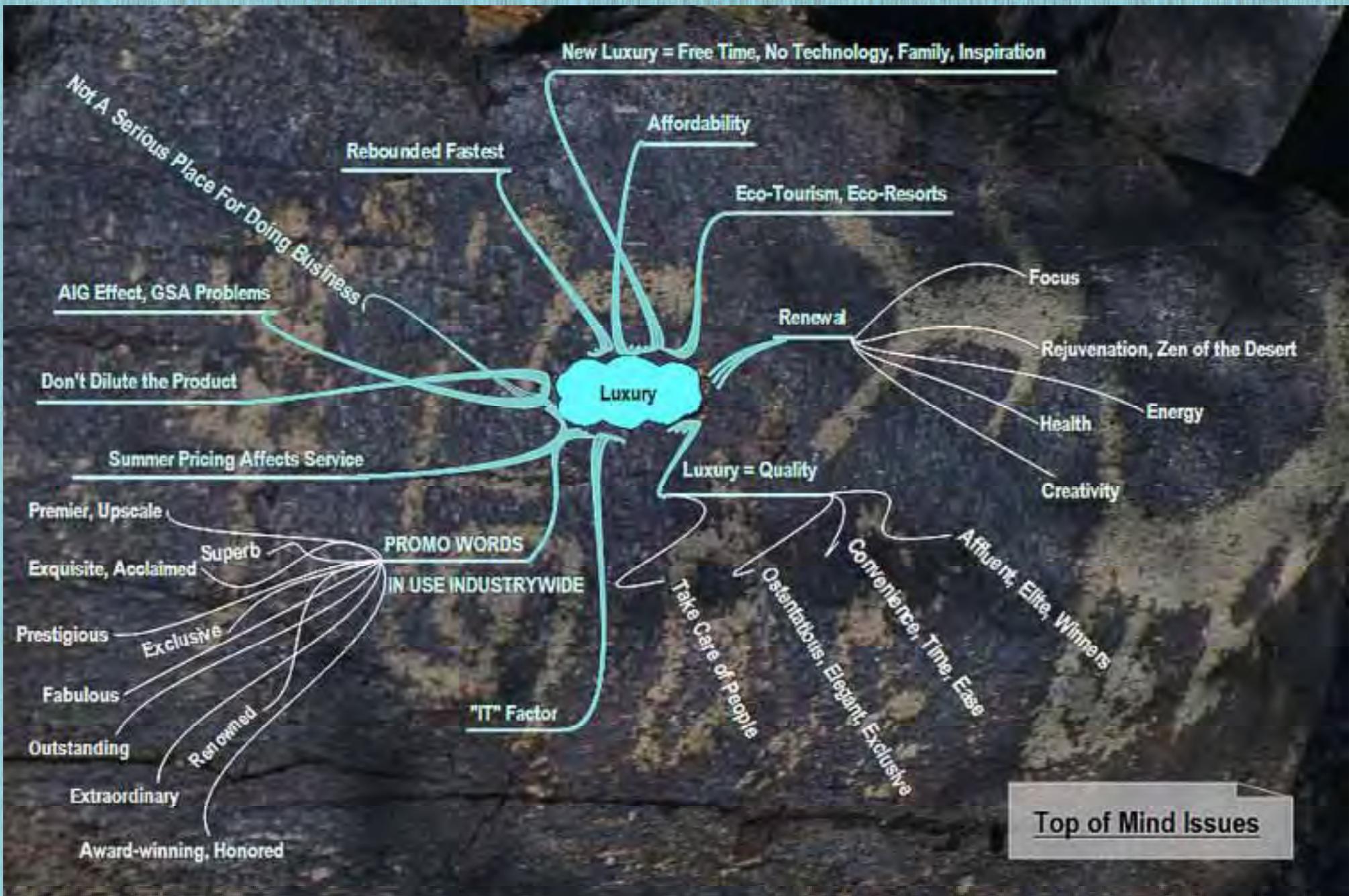
Much controversy has centered around the noise problems for neighboring residents who predated the night life in the entertainment district. Many saw the problems of the district as having been preventable if there were a defined district and a sensitivity to design issues which could mitigate noise. Most thought that the entertainment “district” was an example of pro-developer planning decisions which were not working. As a part of the conversation about the entertainment district there was a sense that the young business owners were not civically engaged and may not care about the overall impact of their efforts on the city and its tourism identity. In addition, it was seen as detractor to the image of Scottsdale, potentially leading to bad press around crime. The police consider the district unthreatening.

Another controversy particularly in the tourism industry was the value of the Solari Bridge (to tourism) especially since it used bed tax dollars.

From the Downtown merchants there was a recognition that the participants who were crafting the downtown experience were not acting as partners, they were not trying to help serve the needs of the new downtown residents and though the energy of the art walk was widely recognized, there was no master calendar for events, limited web presence, weak product mix and not much in the way of energy downtown outside of events. Those downtown at night are not intrigued by store displays or other promotional opportunities.

The biggest issue with downtown, identified in most every conversation, was the recognition that Scottsdale was counting on the attractiveness of an authentic and unique downtown to attract visitors. The western identity was questioned as inauthentic, and it was suggested that downtown needs polishing and re-invention along perhaps with a more southwestern identity, keeping the unique lure of Native Americans, Cowboys and horses, and the desert, but not in competition with owners of a traditional western identity like Montana, Colorado, Texas. Rather, go for a more complex identity of Southwestern, which embraces the lure and adds art and architecture as well as a modern outdoor lifestyle.





**Top of Mind Issues**

# Idea map:

This map condenses conversations around the position of Scottsdale as a luxury destination in light of changes in how luxury is perceived in tourism and in other brand areas. These conversations with citizens, people in the tourism industry and City officials form the basis of planning by understanding current conditions.

## Scottsdale and Luxury

Scottsdale has long seen itself and marketed itself as a luxury destination. There are some significant advantages that have come to Scottsdale tourism with the close association of luxury and quality. Many business decisions which resulted in Scottsdale's high value clientele were the result of this association. Meeting planners and travel signal-givers recognize that Scottsdale tourism takes care of people. Travellers to Scottsdale are elite and affluent, and they enjoy the elegant, exclusive and even over the top offerings in Scottsdale. A review of hundreds of pieces of promotional literature provide an understanding of how central this identity idea is; words like Premier, Upscale, Exquisite, Superb, Exclusive, Fabulous, Renowned were used and repeated.

The industry leaders described the significant hit taken from what is commonly called the AIG effect, namely that taking business trips to expensive destinations is difficult to defend. Industry leaders pointed out that there has been significant rebound, that luxury goods rebounded faster than non-luxury goods. Leaders expressed concerns that low summer pricing was affecting their ability to deliver on the "quality" promise. Many tourism officials wondered if the advent of more affordable offerings in fact diluted the Scottsdale brand. A piece of research which was done by the CVB surveying meeting planners, surfaced a concern that Scottsdale was not a serious place for doing business. In addition, the issues around the GSA allowing inappropriately expensive business locations for government meetings cause more problems in that direction.

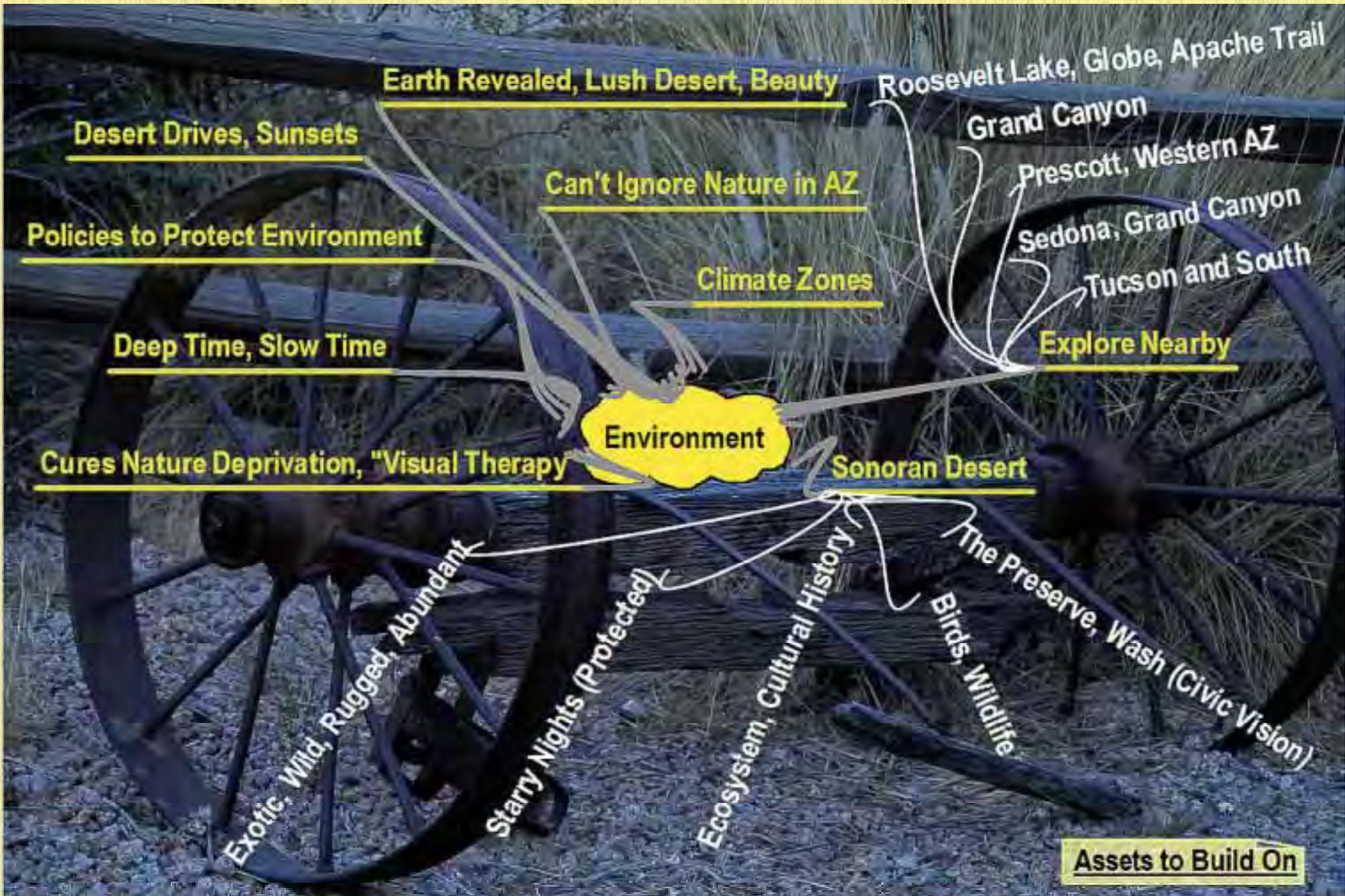
Meanwhile, there are new kinds of tourism destinations which are attracting upscale, sometimes younger travelers, based on eco-tourism and eco-resorts. Many recognized the additional competition from these kinds of offerings especially internationally. There was some discussion of how people personally defined what they wanted: free time, freedom from technology, connection to family, inspiration.

As an exercise in reconsideration, there were some ideas about what else luxury means in Scottsdale and what that could mean to business meetings and to visitors. Described as renewal, it includes deepening focus, rejuvenation (one person said experience the Zen of the Desert). It also includes the renewal of energy as a result of the sun-drenched, dry air, the improved health of the desert, outdoor experience, and the creativity these elements inspire (to solve problems and transform organizations).

Many described the Scottsdale "It Factor" (a term that was coined for the indescribable star power of Marilyn Monroe. Marilyn described "It" in her own terms declining an invitation to dinner from Bobby and Ethyl Kennedy, "I am involved in a freedom ride protesting the loss of the minority rights belonging to the few remaining earthbound stars. All we demanded was our right to twinkle").

This quest is as true to the history of Scottsdale as it is to its future.





# Idea map:

This map condenses conversations around the natural environment of Scottsdale and how the tourism industry sees this asset as part of a visitor experience. These conversations with citizens, people in the tourism industry and City officials form the basis of planning by understanding current conditions.

## Environment

When citizens, city officials and tourism industry representatives talk about the assets of Scottsdale, the overwhelmingly important asset everyone mentioned was the natural environment and particularly the Sonoran Desert. The citizens of Scottsdale have stepped up to preserve the desert, taxing themselves twice to preserve 1/3 of Scottsdale's land mass in its natural Sonoran Desert state. The civic vision is a recognition of what citizens love. In descriptions, they talked about living in nature with abundant birds and wildlife. They talked about the starry nights being special, and about the diversity of the Sonoran Desert ecosystem and the rugged terrain. Some talked about the settlement history, reaching back to the early Native Americans. "You can't ignore nature in Arizona."

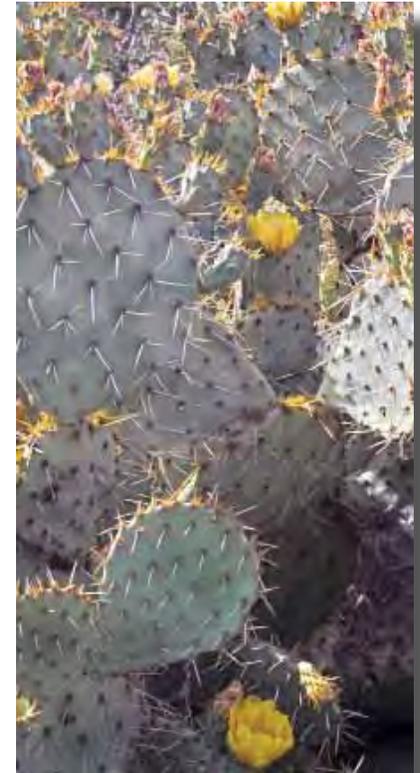
Nature deprivation was discussed as a city dweller's disease, and Scottsdale some said has the "visual therapy" to cure it. Many talked about their habits of watching sunrises and enjoying bird songs. Or taking a desert drive to watch the sun set. People talked about the diversity of the desert, its beauty and seasons, and the wonder of how things change as you migrate through climate zones.

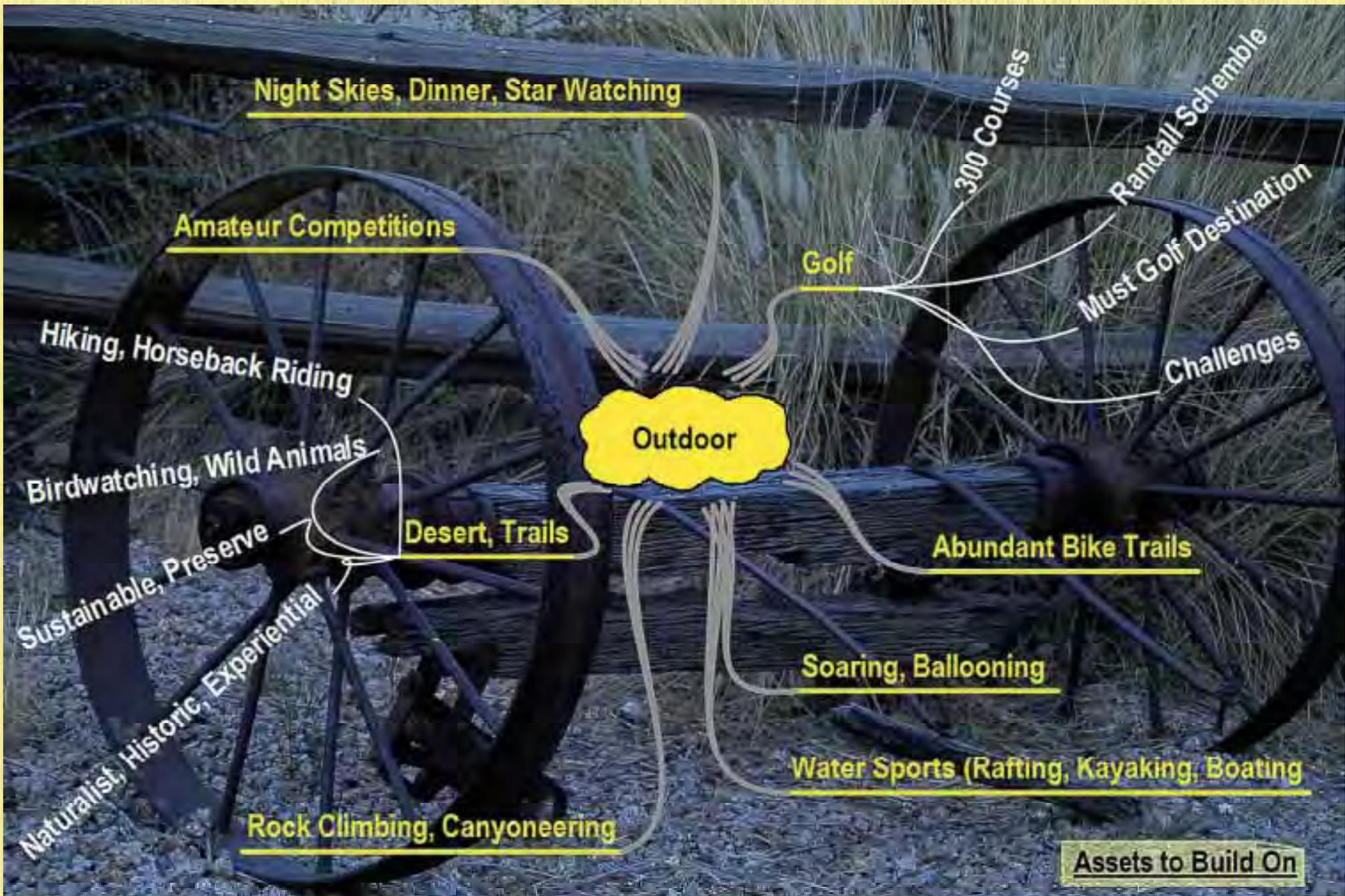
Rather than brown everywhere, which was a complaint of new visitors in their drive to Scottsdale from the airport, there was talk about how interesting it was to see the earth revealed, and how different types of rock were formed. They knew about the kind of deep time that was involved in these geological processes. And they saw beauty everywhere in the lush desert.

Policies to protect the environment were widely supported.

People were less likely to talk about human habitation in the desert and the thousands of years of "slow time" where cultures did not change much.

When asked about the experiences they valued most in the desert, many mentioned outdoor activities (discussed in more detail next) but nearly all talked about exploring Arizona. They talked about the attraction of water at Roosevelt Lake, of drives on the Apache Trail and kicking around in Globe (or Bisbee or Tubac or Jerome or Prescott). They went to Tucson or areas south, and to the Grand Canyon. Some in the tourism industry mentioned doing some packaging with Sedona and Grand Canyon. But when asked about the behavior of locals and whether that would appeal to visitors, some in the tourism industry thought that visitors would not be inclined to explore nearby areas. Many wondered how Las Vegas was able to so successfully claim the Grand Canyon as theirs and funnel people to it.





60 **Idea map:**

This map condenses conversations around the outdoor experiences in Scottsdale and how the tourism industry understands outdoor visitor experiences. These conversations with citizens, people in the tourism industry and City officials form the basis of planning by understanding current conditions.

## Outdoor

A large number of people, when asked about their favorite Scottsdale day, began that day with an outdoor activity. For some it was golf. For others it was hit the trails with some hiking boots, a mountain bike, a horse.

The trails, are a very important part of the desert experience. While some of the outdoor experiences were about the physical activity, others enjoyed seeing the desert with naturalists or bird or animal watchers, or those intersted in discovering petroglyphs and other evidence of older civilizations. No matter what trail experience people enjoyed, providing access to this natural environment was important to them. So was assuring the sustainability of the natural environment.

Some outdoor enthusiasts enjoyed even more rugged adventures like rock climbing and canyoneering.

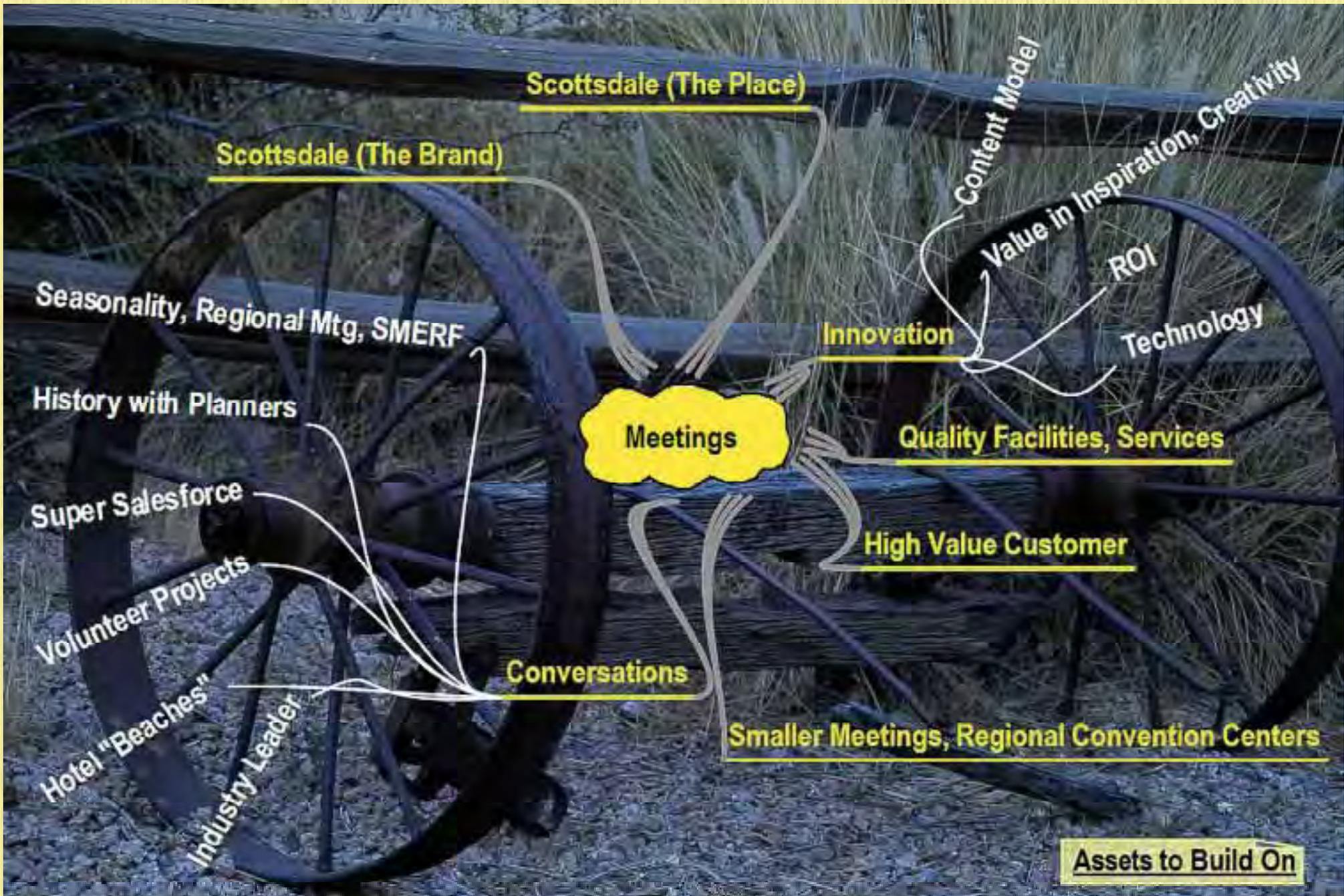
Golf is a big part of many people's experience of Scottsdale, both local and visitors. The association with a younger golfer as a spokesperson was discussed (to help make golf more relevant to younger players). So was the need to support golf challenges. When asked if Scottsdale was considered a "must golf destination" the response was equivocal, more that since there were 300 courses, folks will come to Scottsdale to golf.

Other kinds of outdoor experiences like marathons, or other competitions were mentioned as a good way to attract visitors.

Some described their enjoyment when taking to the sky as in soaring or ballooning. A large number of people described enjoying water sports, though they believed few visitors understood compelling these activities were. Rafting and river kayaking were mentioned as was boating in the lakes around Scottsdale (particularly metioned was Roosevelt Lake.

While many people began their days with outdoor activities (when they were short, the activities were followed by a breakfast at an outdoor cafe table), nearly all talked about enjoying cocktails and dinner under the night sky, star watching.





62 Idea map:

This map condenses conversations around the meetings business in Scottsdale and how the tourism industry sees this part of their business. These conversations with citizens, people in the tourism industry and City officials form the basis of planning by understanding current conditions.

## Meetings

People in the tourism industry talked about how difficult the last few years have been in the meetings business, some ready to say “but that is behind us, and we are coming back.” While there was discussion about the AIG effect (and the GSA) as well as luxury, there was an abiding belief that Scottsdale offered superior facilities and superior services for meetings. The tourism industry representatives regarded the meetings business as the most important component of their strategy to attract high value customers.

While the external push back on luxury and resort was seen as largely a temporary state, industry participants acknowledged that there were some additional dynamics at play in the meetings business, namely the significant increase in the number of regional convention centers who were “buying down the costs” of meetings business in their centers, and the number of smaller meetings which had more choices for rooms and accommodations.

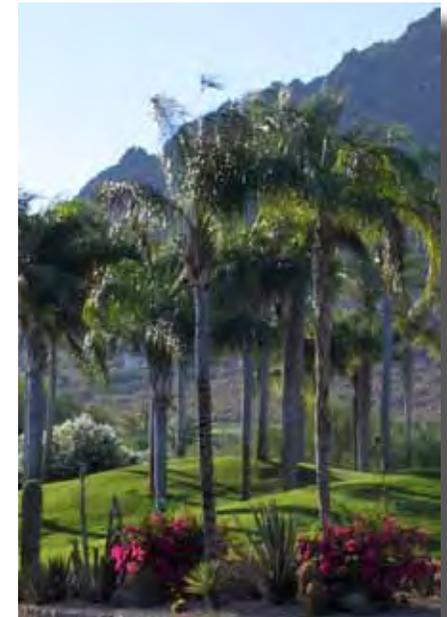
There are a lot of ongoing conversations in Scottsdale between meeting planners and the industry, and there were some common threads mentioned. The fact that Scottsdale through the CVB and highly professional hotel and resort staff believe that planners still regard Scottsdale as a leader in the meetings business. The strong history with planners provides ongoing feedback opportunities.

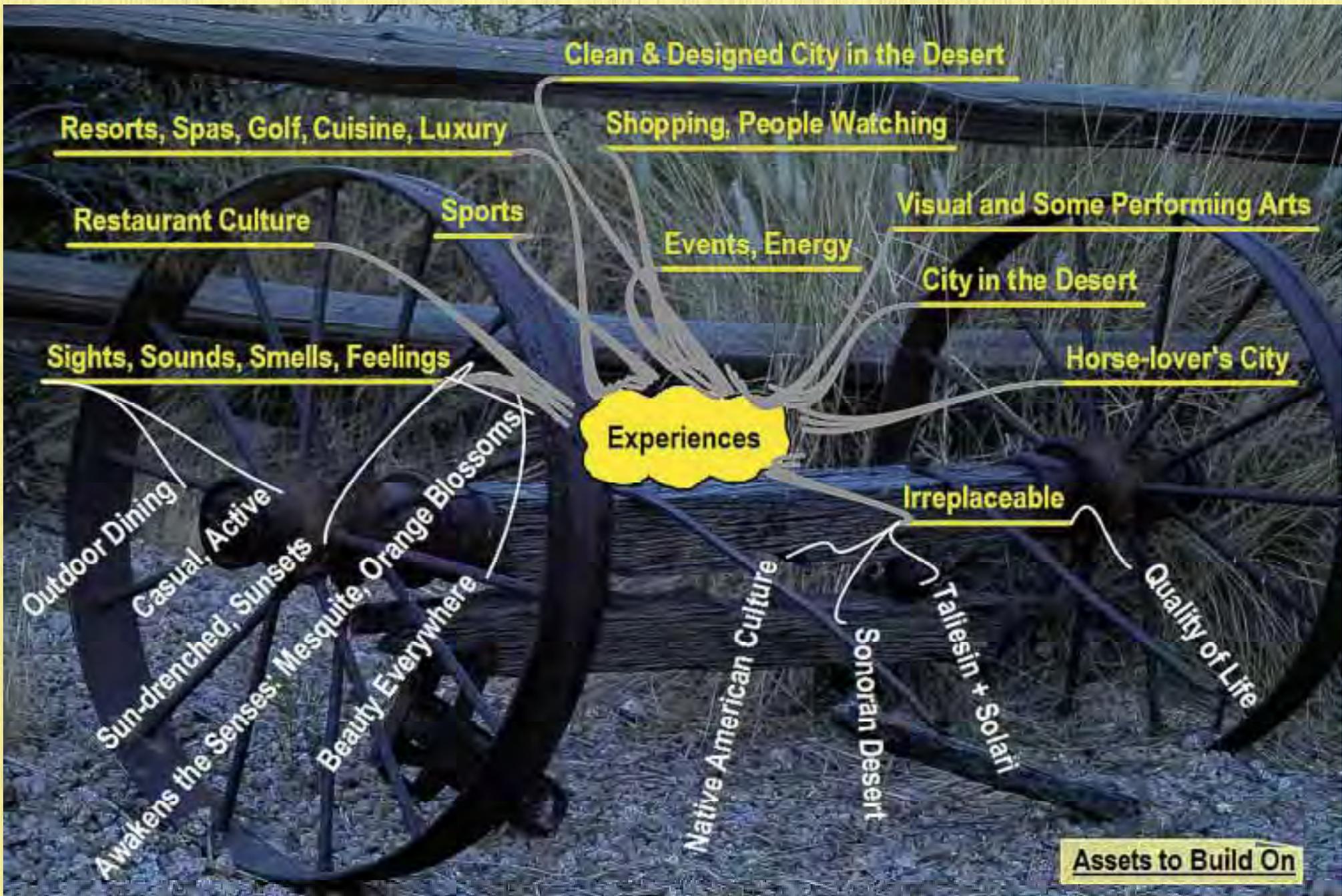
Those who are selling meetings believe that of necessity they may need to cast a wider net in the meetings business, discounting for seasonality, going after regional meetings and SMERF.

Many felt that the “Scottsdale brand” was and is a major (if not the major) advantage that Scottsdale had when speaking to meetings planners. Planners knew that their group would have a meeting in a prestige environment with the best of services and amenities. There was an awareness that when Scottsdale was in the final stages of landing business, “water” might provide the nudge to another destination. Some have started talking about hotel “beaches” as a way to introduce water into the conversation. It was also mentioned that more and more groups want to take on volunteer and team building projects.

Speaking about meetings, there was a lot of discussion about Scottsdale, the brand, but not much about Scottsdale, the place.

To keep high value customers, there was discussion about taking a leadership position in the industry, speaking in favor of the ROI of meetings, the value of the desert experience or the resort to improve creativity and inspiration. There were a few people who talked about upgrading the technologies offered, and there was one mention of some unique content that could be brought to create value add to meetings.





64 **Idea map:**

This map condenses conversations around experiences in Scottsdale and how the tourism industry sees this part of their offering. These conversations with citizens, people in the tourism industry and City officials form the basis of planning by understanding current conditions.

## Experiences

In speaking with citizens, tourism industry and city officials, there were some repeated experiences which people treasured. First, the clean and designed city in the desert. The restaurant culture took a prominent position, especially outdoor dining. The desert environment and the desert experience (birds, wildlife, scenery) are readily available in the city. Many people spoke of how they loved living in a city where people had horses in their yard, where horses were on signs next to pedestrians and bicycles on crosswalks. Even if they weren't "horse people" themselves, they loved that Scottsdale embraced that part of their heritage.

The restaurant culture took a prominent position, especially outdoor dining. So did shopping and along with it, people watching. The amenities of the tourism industry were enjoyed by citizens, the resorts, spas, golf, cuisine, the pampered, luxury environment and experience.

While lots of people enjoyed outdoor experiences and believed they were central to the appeal of Scottsdale to visitors, at least an equal number felt that events and the energy of people enjoying those events was a not-to-be-missed signature of the Scottsdale experience. Events like visual and performing arts events (often mentioned was Native Trails) but so too Art Walk and other arts related experiences. Sports provided another energetic and shared experience. Lots of people talked about the PGA tournament, all talked about Spring Training as the highlight of Scottsdale experiences. A number of other successful events were discussed, as was the need for an event driven strategy to help build occupancy in the shoulder seasons.

When asked what was irreplaceable, what no one else had, the answers frequently resolved to four things: the Sonoran Desert, Native American Culture, Taliesin (and Solari) and a quality of life that (if people knew about it) would be the envy of everyone.

When asked about the sensory experiences of Scottsdale, the sights, sounds, smells, feelings, people talked about the casual (less uptight than people on the coasts) and yet active lifestyle. Nearly everyone talked about outdoor dining whether at breakfast with friends or at dinner under the stars, sometimes with fire to warm up the fresh night air, always with laughter and conversation and a shared sense of wonder to be in such a blessed place. People described their sun-drenched experience of place, with its bird-song sunrises and spectacular sunsets. For everyone, part of the experience of living in Scottsdale is experiencing beauty everywhere.

Scottsdale is a place that awakens the sense. One man spoke of getting up, walking out to get his newspaper in the morning, and being aware of the scent of orange blossoms and then mesquite. He said with a smile "once you smell mesquite it can stay with you all day." One woman (Canadian) described how every morning she and her husband giggle when they open their curtains, for their good fortune to live in such a place.

