



Tourism & Events Department
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**To: Sherry Henry, Chairperson
Tourism Development Commission**

From: Steve Geiogamah, Tourism Development Manager

Date: November 21, 2023

Subject: Staff Report – Tourism Reports

Bed Tax Collection Report

This report provides a summary of monthly tax collections for the city's transient occupancy tax (bed tax), hotel/motel sales tax and sales tax on miscellaneous retail and restaurant as a percentage change from the same period in the previous year.

Highlights for Business Activity in September

September bed tax collections YTD collections were up (1%). Miscellaneous retail tax collections were down YTD (-10%) and restaurants were down YTD (-1%). This report is on a cash basis, so only the cash that is received within the month is included.

September YTD hotel classification report indicates YTD bed tax collections for resorts were down (-11.6%), full-service properties were up (40.2%) and limited-service properties were down (-8.4%). Other Transient Non-Hotel classification was up (10.7%). Other Transient Non-Hotel classification includes bed tax collections that are not included in Resort, Full Services, or Limited Services such as single-family homes and multi-year units rented on short term basis. The hotel classification report pulls data based on the reporting period not the actual receipt collections.

Tourism Program Special Revenue (Bed Tax) Proforma

The Tourism Program Proforma updates include highlighted event funding.

Smith Travel Report

The City of Scottsdale contracts annually with Smith Travel Research (STR) to track hotel data (average room rate, occupancy, etc.) in the Scottsdale/Paradise Valley Market Area and its competing destinations.

Highlights for September 2023

Scottsdale Trend Report (63 properties)

September occupancy (60.2%) was down (-5.1%) when compared to last year. Over the past 12 months occupancy (65.8%) was up (1.7%), September average daily rate (\$216.65) was down (-1.9%) when compared to last year, over the past 12 months average daily rate (\$281.94) was up (5.1%) August Rev Par (\$130.53) was down (-6.9%) when compared to last fiscal year, over the past 12 months Rev Par (\$185.42) was up (6.9) when compared to the same period last year.

Segment Trend Report (Transient, Group, Contract 47 properties report)

Over the past 12 months transient occupancy (41.9%) was down (-1.4%) average daily rate (\$278.92) was down (-1.4%) and rev par (\$116.80) was down (-2.7%) when compared to the same period last year. Group occupancy (23.5%) was up (10.9%), average daily rate (\$284.94) was up (17.4%) and rev par (\$68.24) was up (30.2%) when compared to the same period last year.

Regional Reports

Trend Scottsdale Downtown (20 properties report)

Over the past 12 months occupancy (70.0%) was down (-3.2%) average daily rate (\$221.56) was up (10.1%) and Rev Par (\$155.16) was up (6.6%) when compared to the same period last year.

Trend Scottsdale Central (31 properties report)

Over the past 12 months occupancy (63.0%) was up (2.9%) average daily rate (\$281.72) was up (2.4%) and Rev Par (\$177.43) was up (5.4%) when compared to the same period last year.

Trend Scottsdale North (11 properties report)

Over the past 12 months occupancy (64.7%) was up (5.6%) average daily rate (\$355.18) was up (4.4%) and Rev Par (\$229.70) was up (10.3%) when compared to the same period last year.

Hotel Performance Indicator Definitions

Occupancy is calculated by rooms sold divided by rooms available multiplied by 100.

Average Daily Rate is calculated by taking room revenue divided by rooms sold.

Rev Par is calculated by dividing room revenue by rooms available.

SOURCE: STR, INC. REPUBLICATION OR OTHER RE-USE OF THIS DATA WITHOUT THE EXPRESS WRITTEN PERMISSION OF STR IS STRICTLY PROHIBITED.

Program Updates

Program updates will be provided at the November TDC meeting.

BED TAX COLLECTION REPORT - FY23/24
Prepared by the City of Scottsdale Tourism Events Department
November 21, 2023 (Preliminary)

This report provides a summary of monthly collections of City revenues that reflect activity in the Tourism Industry in Scottsdale. Column one shows the actual month of business activity, not the City receipt of the taxes.

Table 1 reports the bed tax, the hotel/motel sales tax, the sales tax on miscellaneous retail and the sales tax on restaurants as a percentage change from the same period in the previous year.

Table 2 provides Bed Tax collections by hotel classification (Resort, Full Service and Limited Service) and a comparison with the same period last year and FY22/23 property pre-classification. As a percentage of 9,591 total hotel rooms in the City as of August 2023. Resort hotels represent 38%, Full Service hotels 32%, and Limited Service hotels 30%.

*Bed Tax Classification Table reflects only funds received from a specific month. It does not include late payments received.

Table 1
Tourism Indicators as reflected in Monthly City Sales Tax Revenues
FY23-24 (July 1, 2023 through June 30, 2024) -- Change from the same period last year

Month of Business Activity	Period Share of Annual Total	FY 22/23 Bed Tax Collections	FY 23/24 Bed Tax Collections	FY 21/22 Bed Tax Collections	Room Rev. Tax Change	Hotel/Motel Tax Change	Misc. Retail Sales Tax Change	Restaurant Tax Change
June	3.2%	\$1,125,261	\$2,137,416	\$1,433,064	90.0%	-32.0%	21.0%	44.0%
July ¹	6.0%	\$2,132,077	\$1,340,457	\$1,916,089	-37.0%	-37.0%	-44.0%	-41.0%
August	4.1%	\$1,457,269	\$1,419,425	\$1,226,616	-3.0%	-3.0%	-6.0%	1.0%
September	6.3%	\$2,228,925	\$2,097,311	\$1,754,159	-6.0%	-13.0%	-2.0%	-3.0%
October	6.6%	\$2,359,205		\$2,864,104				
November	8.3%	\$2,927,230		\$2,565,291				
December	9.1%	\$3,212,127		\$2,770,469				
January	10.1%	\$3,566,489		\$2,636,620				
February	14.2%	\$5,027,214		\$3,456,778				
March	12.0%	\$4,265,437		\$4,191,071				
April	13.8%	\$4,882,360		\$4,770,332				
May	6.5%	\$2,297,128		\$2,585,929				
Year to date	100.0%	\$35,480,722	\$6,994,609	\$32,170,522	1.0%	-24.0%	-10.0%	-1.0%

¹ only 4 weeks of payments instead of 5 like last year.

MONTHLY BED TAX COLLECTION REPORT BY HOTEL CLASSIFICATION - FY23/24**Prepared by the City of Scottsdale Tourism and Events Department****November 21, 2023**

FY 2023/24 (July 1, 2023 through June 30, 2024) -- Change from the same period last year								
Month of Business Activity	Resort Hotels 3,615 Rooms	% Change from FY22/23	Full-Service Hotels 3,060 Rooms	% Change from FY22/23	Limited-Service Hotels 2,916 Rooms	% Change from FY22/23	Other Transient Non-Hotel	% Change from FY22/23
June	\$703,144	-9.7%	\$265,134	32.6%	\$483,482	-12.1%	\$559,547	-8.3%
July	\$527,488	-13.6%	\$213,147	39.6%	\$227,534	-5.6%	\$473,004	8.8%
August	\$459,653	-17.5%	\$227,627	57.5%	\$243,768	-10.8%	\$574,383	14.5%
September	\$857,744	-8.5%	\$333,943	35.7%	\$498,452	-10.2%	\$670,651	8.4%
October								
November								
December								
January								
February								
March								
April								
May								
Year to date	\$2,548,029	-11.6%	\$1,039,851	40.2%	\$1,453,236	-8.4%	\$2,277,585	10.7%

Table 2 report does not include late payment or adjustments

Please note that all of the Taxpayers that make up this report have been reviewed for proper classification and adjustments were made when necessary.

CITY OF SCOTTSDALE
TOURISM DEVELOPMENT FUND
November 2023

	FY 2022/23 Prelim Actuals ¹	FY 2023/24 Adopted	FY 2023/24 Working Forecast	FY 2024/25 Working Forecast	FY 2025/26 Working Forecast	FY 2026/27 Working Forecast	FY 2027/28 Working Forecast
BEGINNING FUND BALANCE	16,070,952	18,554,409	21,314,843	12,696,751	13,876,851	15,416,351	17,122,251
Destination Marketing Fund Balance	5,112,744	6,859,883	6,859,883	6,859,883	6,673,613	6,526,093	6,418,403
Non-Destination Marketing Fund Balance	10,958,208	11,694,526	14,454,960	5,836,868	7,203,238	8,890,258	10,703,848
REVENUES	40,391,928	35,044,669	35,044,669	30,979,300	31,905,600	32,630,500	33,511,400
Bed Tax Collection	36,492,379	31,448,488	31,448,488	27,674,600	28,449,600	29,246,200	30,065,000
Princess Lease	3,543,920	3,066,671	3,066,671	2,698,700	2,774,200	2,851,900	2,931,800
Interest Earnings	310,378	504,510	504,510	581,000	656,800	507,400	489,600
Recovery of Expense	45,251	25,000	25,000	25,000	25,000	25,000	25,000
EXPENSES	35,148,036	43,386,761	43,662,761	29,799,200	30,366,100	30,924,600	31,545,900
DESTINATION MARKETING (50% of bed tax collections)	16,183,419	15,724,244	16,000,244	14,023,600	14,373,000	14,732,200	15,099,900
Destination Marketing - Contract	16,096,285	14,151,820	14,151,820	12,453,600	12,803,000	13,162,200	13,529,900
Destination Marketing - City	87,134	1,572,424	1,848,424	1,570,000	1,570,000	1,570,000	1,570,000
Advertising	-	484,000	484,000	700,000	700,000	700,000	700,000
NCAA 2024 Men's Final Four Tournament (Council approved 08/22/23)	-	216,000	432,000	-	-	-	-
District Matching Marketing	-	50,000	50,000	50,000	50,000	50,000	50,000
Matching Event Advertising ¹²	-	110,000	107,500	110,000	110,000	110,000	110,000
Scottsdale Polo Championship	-	-	2,500	-	-	-	-
Arabian Horse Show	-	-	30,000	-	-	-	-
Barrett-Jackson Auction	-	-	30,000	-	-	-	-
One-Time Funding	-	112,424	112,424	110,000	110,000	110,000	110,000
Regional Event Funding	-	400,000	400,000	400,000	400,000	400,000	400,000
Marketing efforts - WestWorld	-	100,000	100,000	100,000	100,000	100,000	100,000
Marketing efforts - Scottsdale Stadium	-	50,000	50,000	50,000	50,000	50,000	50,000
Marketing efforts - Choose Scottsdale	-	50,000	50,000	50,000	50,000	50,000	50,000
GENERAL FUND ALLOCATION (12% of bed tax collections)	4,256,571	3,773,819	3,773,819	3,321,000	3,413,900	3,509,500	3,607,800
		2,830,364					
EVENTS AND EVENT DEVELOPMENT (9% of bed tax collections)	2,583,580	2,830,364	2,830,364	2,490,900	2,560,600	2,632,300	2,706,000
Multi-Year Event Funding Agreements	729,164	279,530	279,530	212,700	221,200	-	-
Parada del Sol Parade (Council approved 07/05/17) Year 5 of a 5-year agreement	79,400	-	-	-	-	-	-
Fiesta Bowl (20 yr agreement since 2006) Year 16 of 20-year agreement	196,664	204,530	204,530	212,700	221,200	-	-
AZ Superbowl Host Committee/NFL Agreement (Council approved 3/3/20) Year 4 of a 4-year agreement	303,100	-	-	-	-	-	-
Arizona Sun Circuit Quarter Horse Show (Council approved 1/19/21) Year 3 of a 3-year agreement	75,000	-	-	-	-	-	-
PAC 12 Men's Championship Baseball Tournament (Council approved 8/24/21) Year 2 of a 3-year agreement	75,000	75,000	75,000	-	-	-	-

CITY OF SCOTTSDALE
TOURISM DEVELOPMENT FUND
November 2023

	FY 2022/23 Prelim Actuals¹	FY 2023/24 Adopted	FY 2023/24 Working Forecast	FY 2024/25 Working Forecast	FY 2025/26 Working Forecast	FY 2026/27 Working Forecast	FY 2027/28 Working Forecast
One Year Event Funding Agreements	529,002	-	366,750	-	-	-	-
ArtWalk Gold Palette Event (Council approved 11/21/22)	75,000	-	-	-	-	-	-
NCAA 2023 Men's & Women's Division 1 Golf National Championship (Council approved 7/6/22)	75,000	-	-	-	-	-	-
Día de los Muertos (Council approved 9/20/22, Council approved (10/24/23)	70,000	-	60,000	-	-	-	-
Taste of Italy and Music Festival (Council approved 9/20/22)	58,502	-	-	-	-	-	-
Scottsdale Arabian Horse Show Stallion Stampede (Council approved 11/14/22)	20,000	-	-	-	-	-	-
Savannah Bananas Exhibition (Council approved 3/21/23)	50,000	-	-	-	-	-	-
Rock n Roll Marathon (Council approved 1/10/23)	40,000	-	-	-	-	-	-
Scottsdale International Jazz Festival (Council approved 3/7/23)	75,000	-	-	-	-	-	-
Scottsdale Fourth of July Celebration (Council approved 5/17/22)	55,000	-	-	-	-	-	-
McDowell Sonoran Conservancy Event	10,500	-	-	-	-	-	-
Scottsdale Fourth of July Celebration (Council approved 6/13/23)	-	-	35,000	-	-	-	-
Scottsdale Taste of Italy (Council approved 9/19/23)	-	-	36,750	-	-	-	-
Tour de Scottsdale (Council approved 1/23)	-	-	200,000	-	-	-	-
Lloyd Kiva New Film Screening (Council approved (11/13/23)	-	-	35,000	-	-	-	-
Event Funding Programs	288,770	874,394	1,010,894	932,800	573,200	573,700	574,100
Matching Event Advertising Funding Program (MEAF) ¹²	88,770	-	-	-	-	-	-
<i>Arizona Bike Week</i>	30,000	-	-	-	-	-	-
<i>Arabian Horse Show</i>	28,770	-	-	-	-	-	-
<i>Barrett-Jackson Auction</i>	30,000	-	-	-	-	-	-
Event Venue Fee Program	60,000	-	60,000	-	-	-	-
<i>Triple Crown Baseball Spring Championship</i>	12,000	-	-	-	-	-	-
<i>Desert Super Cup Soccer</i>	12,000	-	12,000	-	-	-	-
<i>Phoenix Cup Girl's Tournament</i>	12,000	-	12,000	-	-	-	-
<i>Phoenix Cup Boy's Tournament</i>	12,000	-	12,000	-	-	-	-
<i>Ahwatukee Classic</i>	-	-	12,000	-	-	-	-
<i>Scottsdale Cup</i>	12,000	-	12,000	-	-	-	-
Community Events Program	140,000	-	76,500	-	-	-	-
<i>AZ Fall Championship</i>	12,500	-	12,500	-	-	-	-
<i>Hashknife Pony Express</i>	18,500	-	-	-	-	-	-
<i>Parada del Sol Rodeo</i>	27,500	-	-	-	-	-	-
<i>Greater Phoenix Jewish Film Festival</i>	12,500	-	12,500	-	-	-	-
<i>Day of the Dog Festival</i>	13,000	-	13,000	-	-	-	-
<i>AZ National Quarter Horse Show</i>	-	-	12,500	-	-	-	-

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<i>AQHA West Championship Pinnacle Circuit Horse Show</i>	11,000	-	-	-	-	-	-
<i>Arizona Asian Festival</i>	10,500	-	-	-	-	-	-
<i>Arizona Concours d'Elegance</i>	6,000	-	-	-	-	-	-
<i>Scottsdale Philharmonic</i>	12,500	-	-	-	-	-	-
<i>Scottsdale Family Arts Fest</i>	5,000	-	6,000	-	-	-	-
<i>Children's Learning and Play Festival</i>	-	-	10,500	-	-	-	-
<i>NRCH Western Derby</i>	11,000	-	-	-	-	-	-
<i>Discover India</i>	-	-	9,500	-	-	-	-
City Holiday Event - Scottsdazzle	431,018	400,000	400,000	400,000	400,000	400,000	400,000
Western Week/Arizona Indian Festival	112,473	150,000	150,000	150,000	150,000	150,000	150,000
Old Town Advertising & Promotions	40,000	324,394	324,394	382,800	23,200	23,700	24,100
Chihuly in the Desert Art Architecture and Nature Exhibit (Council approved on 9/21/21)	150,000	-	-	-	-	-	-
Scottsdale Arabian Horse Show Tent Rental (Council approved 2/14/23)	60,000	-	-	-	-	-	-
ESPN Main Street Event Funding	230,270	-	-	-	-	-	-
Misc expenses for event support	12,883	-	-	-	-	-	-
Event Retention and Development - Undesignated, Uncommitted	-	802,046	298,796	412,600	1,193,000	1,484,900	1,557,800
ADMINISTRATION AND RESEARCH (4% of bed tax collections)	975,326	1,257,940	1,257,940	1,107,000	1,138,000	1,169,800	1,202,600
Administrative Expenses	727,896	1,107,940	1,107,940	957,000	988,000	1,019,800	1,052,600
Tourism Research	247,430	150,000	150,000	150,000	150,000	150,000	150,000
OTHER COMMITMENTS (25% of bed tax collections, lease revenue, prior years balance)	11,149,140	19,800,395	19,800,395	8,856,700	8,880,600	8,880,800	8,929,600
Multi-Year Commitments for Capital Projects	5,114,781	4,984,034	4,984,034	4,974,800	4,985,400	4,972,200	4,990,800
WestWorld 80-acres Land Purchase Debt Service (started FY 2006/07, ends FY 2034/35)	456,700	471,176	471,176	470,300	469,000	467,300	470,000
TNEC Equestrian Center Debt Service (started FY 2012/13, ends FY 2032/33)	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Museum of the West Debt Service (started FY 2014/15, ends FY 2033/34)	880,385	882,178	882,178	877,400	886,300	873,400	890,900
TPC Renovations Debt Service (started FY 2014/15, ends FY 2033/34)	900,000	900,000	900,000	900,000	900,000	900,000	900,000
Scottsdale Stadium Debt Service (started FY 2019/20, ends FY 2038/39)	1,677,696	1,530,680	1,530,680	1,527,100	1,530,100	1,531,500	1,529,900
Other Uses	6,034,359	14,816,361	14,816,361	3,881,900	3,895,200	3,908,600	3,938,800
Tourism Related Support - Internal	3,701,612	12,767,686	12,767,686	2,406,900	2,420,200	2,433,600	2,463,800
<i>WestWorld Marketing Fee</i>	100,000	-	-	-	-	-	-
<i>Stadium Marketing</i>	17,000	-	-	-	-	-	-
<i>Tourism Strategic Plan Implementation</i>	-	300,000	225,000	300,000	300,000	300,000	300,000
<i>- ArtWalk Palette Event (pending Council approval 10/24/23)</i>	-	-	75,000	-	-	-	-
<i>WestWorld Land Purchase Reimbursement (Council approved on 9/14/21)</i>	1,587,003	1,587,002	1,587,002	-	-	-	-
<i>Short-Term Rental Program (FY 2022/23 - FY 2026/27 Council approved on 06/07/22)</i>	404,989	276,198	276,198	202,800	213,500	224,400	243,400
<i>Funding for Super Bowl's anticipated expenses</i>	1,050,327	-	-	-	-	-	-
<i>Preserve - Ecological Resource Plan (Council approved on 06/07/22)</i>	150,000	-	-	-	-	-	-

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TOURISM DEVELOPMENT FUND
November 2023

	FY 2022/23 Prelim Actuals¹	FY 2023/24 Adopted	FY 2023/24 Working Forecast	FY 2024/25 Working Forecast	FY 2025/26 Working Forecast	FY 2026/27 Working Forecast	FY 2027/28 Working Forecast
<i>Park and Preserve Unit - Police (Council approved on 06/07/22)</i>	322,061	51,366	51,366	54,100	56,700	59,200	70,400
<i>Contribution for Scottsdale Stadium Renovations - Phase 2 (Council approved on 06/07/22)</i>	-	-	-	1,000,000	1,000,000	1,000,000	1,000,000
<i>Software to monitor short term rentals</i>	70,233	-	-	-	-	-	-
<i>Funding for Seasonal Events</i>	-	75,000	75,000	75,000	75,000	75,000	75,000
<i>Sister Cities</i>	-	25,000	25,000	25,000	25,000	25,000	25,000
<i>Operational Support Program - Parks & Recreation, Civic Center Management</i>	-	250,000	250,000	250,000	250,000	250,000	250,000
<i>Funding for Seasonal Events - Scottsdale Stadium</i>	-	250,000	250,000	250,000	250,000	250,000	250,000
<i>Funding for Seasonal Events - WestWorld</i>	-	250,000	250,000	250,000	250,000	250,000	250,000
<i>Painting of Art Wall facing the Arizona State Route 101</i>	-	1,000,000	1,000,000	-	-	-	-
<i>WestWorld Polo Field Lighting for Soccer Fields</i>	-	1,300,000	1,300,000	-	-	-	-
<i>Pinnacle Peak Trail Enhancements</i>	-	503,120	503,120	-	-	-	-
<i>Scottsdale Stadium - First Base Event Plaza</i>	-	1,500,000	1,500,000	-	-	-	-
<i>Scottsdale Stadium - Add amenities & access to accommodate a Day Park in Left Field Berm</i>	-	1,900,000	1,900,000	-	-	-	-
<i>WestWorld Tent Refurbishment</i>	-	3,500,000	3,500,000	-	-	-	-
Tourism Related Support - External	1,409,944	1,475,000	1,475,000	1,475,000	1,475,000	1,475,000	1,475,000
<i>Museum of the West Funds</i>	400,000	650,000	650,000	650,000	650,000	650,000	650,000
<i>Museum of the West Additional Funds (Pending Council approval 4/4/23)</i>	250,000	-	-	-	-	-	-
<i>Canal Convergence</i>	750,000	750,000	750,000	750,000	750,000	750,000	750,000
<i>Rentals for Special Events</i>	9,944	75,000	75,000	75,000	75,000	75,000	75,000
Old Town Advertising & Promotions	324,597	-	-	-	-	-	-
Old Town Events & Event Production ¹³	598,206	-	-	-	-	-	-
Old Town Site Furniture ¹⁴	-	573,675	573,675	-	-	-	-
Revenues Over/(Under) Expenses	5,243,892	(8,342,092)	(8,618,092)	1,180,100	1,539,500	1,705,900	1,965,500
ENDING FUND BALANCE	21,314,843	10,212,317	12,696,751	13,876,851	15,416,351	17,122,251	19,087,751
Destination Marketing Fund Balance	6,859,883	6,859,883	6,859,883	6,673,613	6,526,093	6,418,403	6,351,653
Non-Destination Marketing Fund Balance	14,454,960	3,352,434	5,836,868	7,203,238	8,890,258	10,703,848	12,736,098

¹ FY 2022/23 Prelim Actuals are not final until the financial audit is completed.

¹² Starting in FY 2023/24, the Matching Event Advertising Funding Program (MEAF) will be funded by the city's portion of the destination marketing allocation.

¹³ Includes Juneteenth, June Days, AZ Indian Festival, and Western Week.

¹⁴ FY 2023/24 budget is carryover from prior year.

POST EVENT REPORTING

	Event	Event Dates	Approved Funding	Reported Attendance	Placer Attendance	Total Event Expense	Total Event Revenue	Reported Marketing Spend	Room nights	Amount Funded	
CE	AZ Fall Championship	Sept 20-24	\$ 12,500.00	4000	4200	\$ 400,923	\$ 475,692	\$ 13,418.00	n/a	\$ 12,500.00	*
CE											
CE											
EVF	Scottsdale Cup	Oct. 6-8, 2023	\$12,000	6000	3800	\$ 275,000	\$ 275,000	\$60,000	454	\$ 8,393.97	*
EVF											
EVF											
MEAF											
MEAF											
MEAF											
NEF											
NEF											
MULTI											
MULTI											
MULTI											
OTHER	2023 July 4th event	July 4, 2023	\$ 35,000.00	17440	14200	\$ 275,166	\$ 279,059	\$ 20,864.00	n/a	\$ 35,000.00	
OTHER	Dia de os Muertos		\$ 60,000.00								
OTHER	23/24 Artwalk										

n/a = insufficient data

* recently added