

9/15/2025



**CITY OF SCOTTSDALE
COUNCIL SUBCOMMITTEE ON ECONOMIC DEVELOPMENT REGULAR MEETING – APPROVED
MINUTES**

1:00 p.m., Monday, June 9, 2025
City Hall Kiva Conference Room
3939 N. Drinkwater Blvd., Scottsdale, AZ 85251

PRESENT: Councilman Adam Kwasman, Chair
Vice Mayor Jan Dubauskas
Councilwoman Solange Whitehead

STAFF: Scott Cooper, Interim Economic Development Director
Rachel Smetana, Tourism and Events Director

GUESTS: Rachel Sacco, Experience Scottsdale
Rachel Pearson, Experience Scottsdale

Call to Order

Chair Kwasman called the Council Subcommittee on Economic Development to order at 1:01 p.m.

Roll Call

A formal roll call confirmed the presence of Subcommittee Members as noted above.

Chair Adam Kwasman suggesting agendaizing a discussion to change the Council Subcommittee on Economic Development's name to a committee, noting that they are no longer a smaller committee formed from a main committee.

Public Comment

There were no members of the public who wished to speak or written comments submitted.

1. Approval of April 10, 2025, Summarized Minutes of Regular Meeting

VICE MAYOR DUBAUSKAS MOVED TO APPROVE THE APRIL 10, 2025 COUNCIL SUBCOMMITTEE ON ECONOMIC DEVELOPMENT REGULAR MEETING MINUTES. COUNCILWOMAN WHITEHEAD SECONDED THE MOTION, WHICH CARRIED THREE (3) TO ZERO (0). CHAIR KWASMAN, VICE MAYOR DUBAUSKAS, AND COUNCILWOMAN WHITEHEAD VOTED IN THE AFFIRMATIVE. THERE WERE NO DISSENTING VOTES.

2. Tourism and Events Department Overview and Strategic Plan Update

Ms. Smetana conducted a slideshow presentation and reviewed slides with the following titles:

Tourism and Events Department; Forecasted 24/25 - Tourism Development Fund Review; 64% Overnight Visitors Very Satisfied; Season of Trip; Main Purpose of Trip; Attractions Visited; and Strategic Plan.

Ms. Smetana reviewed the responsibilities of her department and its efforts to coordinate with Old Town business engagement, adding that a new position has been approved to assist with that engagement. She mentioned the Tourism Development Fund was approved by voters in 2010 with its proceeds split on destination marketing and other tourism expenses.

She reviewed survey results about visitors' satisfaction with their trips, mentioning that she felt there is an opportunity for the City to enhance its available attractions and better communicate the positive impacts of tourism. She reviewed the number of overnight visitors per month, saying that most visitors came to see friends and family. She reviewed the percentages of people who participated in outdoor activities, cultural activities, sporting events, shopping, Old Town Scottsdale, the McDowell Sonoran Preserve, the Museum of the West, and specific events. The survey differentiated between those who visited Old Town and those who visited the Old Town galleries.

Ms. Smetana noted they are two years into their strategic plan, and they received feedback that there is insufficient inventory of different-sized performance spaces. Experience Scottsdale is focused on attracting luxury travelers, and the City should reflect that in its marketing. She believed there are opportunities to expand existing events, capitalize on the resurgence of the western lifestyle, host another mature golf tournament, and try to attract lacrosse and field hockey players.

Councilwoman Whitehead wanted a differentiation between people who visited to attend professional sporting events versus those who came to see league events. She thought Wellness Week has the potential to be a standalone event.

In response to Committee Member questions, Ms. Smetana said many performance venues seat 1,600 to 1,800 individuals, but Scottsdale is capped at 800 seats even though certain entertainers can sell far more tickets. She stated Scottsdale does not have its own convention or meeting center, though that does attract high-end groups who do not want to be in a large plaza. They try to attract conventions of 150 to 250 rooms. Rachel Sacco, President and CEO of Experience Scottsdale, said 73 percent of bookings are between 10 and 100 peak room nights.

With respect to the Scottsdale Airpark, Ms. Sacco said it is promoted to international visitors as a great hub for many western attractions. Experience Scottsdale is working directly with one of the carriers to make visitor information available, both for people coming as passengers and for visitors to fly their own planes.

Discussion ensued regarding visitors' desire to play golf in Scottsdale versus locals' demand for golf membership with Chair Kwasman saying he wanted a focus on the latter. Ms. Sacco remarked there is great demand for golf in the area, and Experience Scottsdale is working with the Arizona Golf Association on opportunities for tournaments. She would love to see a new resort.

3. Experience Scottsdale Overview and Tourism Update

Rachel Sacco, President and CEO of Experience Scottsdale, conducted a slideshow presentation and reviewed slides with the following titles: Tourism by the Numbers;

Partnering with the City; Division of Responsibilities; Opportunities to Collaborate; Target Leisure Markets; Target Meetings Markets; Advancing Economic Development; and Tourism Trends & Insights.

Ms. Sacco said visitors provide \$3.5 billion in revenue each year, and a quarter of all sales and event taxes comes from visitors. She expressed pride that Scottsdale is home to one of only four Grand Hyatts in North America. She spoke about the increase in bed tax approved by voters in 2010 and what some of the money generated from that is used for, including stadium renovations, WestWorld improvements, and the Museum of the West. She expressed pride in Scottsdale's branding model, which she described as one that provides emotional attachment.

Ms. Sacco discussed the way Experience Scottsdale gathers feedback from heads of corporate, medical, technology, financial, and insurance fields. She mentioned an event to be held in New York City focusing on wellness and opportunities that can only be found in the West. She hoped to expand air service into Asian markets like China and Japan.

In response to Committee Member queries, Ms. Sacco felt Scottsdale Sister Cities provides wonderful outreach, though it may not encourage visitation. Chair Kwasman wondered whether bringing it in-house would be more beneficial as a tourism and economic growth engine. Ms. Sacco thought it would come down to who the City wants to target as potential partner markets.

Ms. Sacco explained the importance of targeting meeting markets, noting a 47 percent increase in summertime revenues at Scottsdale hotels and resorts. Experience Scottsdale functions as the liaison between businesses and conferences, she noted, and an occupancy rate of 70 percent indicates success.

Rachel Pearson, Vice President of Community & Government Affairs with Experience Scottsdale, continued the presentation by reviewing slides with the following titles: Hotel Product in Scottsdale; Hotel Product Pipeline; Hotel Renovations; and Hotel & Resort Performance (2 slides). She noted Experience Scottsdale represents about 400 businesses and about 55 properties.

Ms. Pearson talked about a partnership with Paradise Valley. She reviewed some of the hotels that are set to open soon, some that are still under consideration, and the renovations that have taken place at other resorts. She clarified that STR is the name of the company that provides data, and it has nothing to do with short-term rentals. She reviewed figures regarding occupancy, rates, and revenues.

In response to additional Committee Member questions, Ms. Pearson discussed some of the properties expected to be luxury, upper-moderate, or moderate facilities. She noted some properties change in scope as they progress. Ms. Sacco said branding is what drives luxury properties. Discussion ensued regarding how Scottsdale can be more proactive in trying to attract luxury resorts. Chair Kwasman expressed concern about luxury rates being charged in Scottsdale by non-luxury establishments. He wanted a presentation placed on a future agenda to discuss whether any headway has been made regarding luxury resorts and restaurants. Ms. Sacco pointed out the CEO of the Restaurant Association is on Experience Scottsdale's executive committee, and that market is thriving.

Ms. Pearson concluded the presentation by reviewing the following slides: Competitive

Markets; Golf Performance; Hotel & Resort Forecast; International Tourism Trends; Domestic Tourism Trends; Luxury Tourism Trends; Scottsdale Visitors; Target Audiences; Who is the Luxury Traveler; and Meetings Trends.

Ms. Pearson noted golf has made a resurgence since the COVID-19 pandemic. She attributed the flat hotel numbers to economic uncertainty, inflation, and high prices. International visitors spend more than domestic visitors when they visit, she commented, though it is not expected that international travel will reach pre-COVID levels until 2029. Acknowledging a dip in visitors, she anticipated those numbers should increase if Scottsdale stays the course. Luxury travelers have not seen a reduction in their intent to continue traveling.

Responding to additional questions, Ms. Pearson said Scottsdale's competitors in the luxury travel market are San Diego, Laguna Beach, and St. Petersburg/Clearwater. Ms. Sacco spoke about some of the challenges in attracting visitors who can go anywhere, which is why collaborations with airflight agencies are so important. She said they also focus on attracting associations who can have conferences in smaller spaces. Most visitors want to go where they feel welcome and where it is authentic; indigenous cuisine is also important, which is why Experience Scottsdale tries to hold events highlighting all of those elements. She noted two large investors have cited the City's strong leadership as one reason why they invest in Scottsdale.

Chair Kwasman thought the Museum of the West needs a reintroduction as a Smithsonian museum. Councilwoman Whitehead thought better promotion is needed for some of Scottsdale's smaller events. Chair Kwasman spoke about ways Scottsdale could attract Jewish visitors during Passover.

4. Open Call to the Public (A.R.S. §38-431.02)

There was no response to the call for public comment.

5. Identification of Future Agenda Items

It was decided to move the next scheduled meeting from August 4 to after August 15. Chair Kwasman reiterated his requests for agenda items regarding a potential change to the subcommittee's name and a discussion about attracting luxury resorts and restaurants. He requested a future presentation from Katie Prendergast and the Golf Association. Additionally, he wanted an update on the strategic plan.

6. Adjournment

With no further business to discuss, Chair Kwasman adjourned the regular meeting at 2:20 p.m.

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