#### SCOTTSDALE CITY COUNCIL **WORK STUDY SESSION MINUTES** TUESDAY, FEBRUARY 11, 2014



#### CITY HALL KIVA 3939 N. DRINKWATER BOULEVARD SCOTTSDALE, AZ 85251

#### CALL TO ORDER

Mayor W.J. "Jim" Lane called to order a Work Study Session of the Scottsdale City Council at 5:11 P.M. on Tuesday, February 11, 2014, in the City Hall Kiva.

#### **ROLL CALL**

Present:

Mayor W.J. "Jim" Lane

Vice Mayor Virginia L. Korte

Councilmembers Suzanne Klapp, Robert W. Littlefield, Linda Milhaven,

Guy Phillips, and Dennis E. Robbins

Also Present: City Manager Fritz Behring

City Attorney Bruce Washburn City Treasurer Jeff Nichols City Auditor Sharron Walker City Clerk Carolyn Jagger

#### **MAYOR'S REPORT**

Mayor Lane announced that the Mayor's annual State of the City address is at 12:30 p.m., Wednesday, February 12, 2014, at the Scottsdale Marriott. All of the seats for the fundraiser luncheon portion of the program, which is hosted by Scottsdale Business Development Forum to benefit Operation Fix-It, have been sold. Open seating for the public to hear the Mayor's address will be available.

**CITY MANAGER'S REPORT - None** 

**PUBLIC COMMENT - None** 

NOTE:

MINUTES OF CITY COUNCIL MEETINGS AND WORK STUDY SESSIONS ARE PREPARED IN ACCORDANCE WITH THE PROVISIONS OF ARIZONA REVISED STATUTES. THESE MINUTES ARE INTENDED TO BE AN ACCURATE REFLECTION OF ACTION TAKEN AND DIRECTION GIVEN BY THE CITY COUNCIL AND ARE NOT VERBATIM TRANSCRIPTS. DIGITAL RECORDINGS AND CLOSED CAPTION TRANSCRIPTS OF SCOTTSDALE CITY COUNCIL MEETINGS ARE AVAILABLE ONLINE AND ARE ON FILE IN THE CITY CLERK'S OFFICE.

#### 1. Tourism Development and Marketing Five-Year Strategic Plan

**Request:** Presentation, discussion, and possible direction to staff regarding the Tourism Development and Marketing Strategic Plan and Fiscal Year 2013/14 Plan implementation.

Presenter(s): Steve Geiogamah, Tourism Development Coordinator Staff Contact(s): Danielle Casey, Economic Development Director, 480-312-7601, dcasey@scottsdaleaz.gov

Tourism Development Coordinator Steve Geiogamah gave a PowerPoint presentation (attached) on tourism development strategic plan initiatives.

Valeri LeBlanc, Places Consulting Principal Consultant, gave a PowerPoint presentation (attached) on the strategies for creating additional event experiences for Scottsdale visitors.

Tourism Advisory Task Force Chair John Holdsworth and Task Force members Kate Birchler and Margaret Dunn spoke on the committee's activities and progress. Mr. Holdsworth's PowerPoint presentation is attached.

Councilwoman Klapp suggested using open spaces, such as the green belt, park system, and the Mall to create an art, performance, and culture destination.

Councilman Robbins suggested creating a computer application that allows visitors to obtain information on Scottsdale events and activities.

Councilman Phillips suggested identifying Frank Lloyd Wright as a landmark for visitors and placing color-coded signs at the airport to direct visitors to events within the City.

Mayor Lane suggested using ambassadors at Sky Harbor Airport to assist potential Scottsdale visitors.

Mayor Lane opened public testimony.

• Joan Barron, Scottsdale citizen, expressed support for the initiatives that are happening in the City and the art community.

Mayor Lane closed public testimony.

Vice Mayor Korte believes efforts should be made to separate Scottsdale from Phoenix and other destinations in Arizona.

#### 2. Transportation Strategy

**Request:** Presentation, discussion, and possible direction to staff regarding the City Council's priority to develop a transportation strategy that anticipates future needs.

Presenter(s): Paul Basha, Transportation Director

**Staff Contact(s):** Paul Basha, Transportation Director, 480-312-7651, pbasha@scottsdaleaz.gov

Transportation Director Paul Basha gave a PowerPoint presentation (attached) on the Council's priority to develop a transportation strategy that anticipates future needs.

Mayor Lane opened public testimony.

Jim Derouin, Scottsdale citizen, spoke in favor of traffic calming and a tier two transit study.

Mayor Lane closed public testimony.

- Councilman Phillips spoke in support of a bus route that would include the Desert Botanical Garden.
- Councilwoman Milhaven suggested raising the priority level of the tier two study, conducting a study on the tradeoffs between busses and trolleys, and implementing trolley fees to make the service more viable.
- Councilwoman Klapp suggested adding more bus service to the area surrounding the Via Linda Senior Center.
- Vice Mayor Korte expressed support for charging a fee for trolley service; providing transportation options for citizens, visitors, and the workforce coming into the City; and making sure that the City has appropriate representation at the regional transportation plan discussions.
- Mayor Lane suggested increasing the frequency and consistency of the City's trolley routes.

#### **MAYOR AND COUNCIL ITEMS - None**

#### **ADJOURNMENT**

With no further business to discuss, the Work Study Session adjourned at 9:04 P.M.

SUBMITTED BY:

Carolyn Jagger

City Clerk

#### CERTIFICATE

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Work Study Session of the City Council of Scottsdale, Arizona held on the 11<sup>th</sup> day of February 2014.

I further certify that the meeting was duly called and held, and that a quorum was present.

**DATED** this 18<sup>th</sup> day of March 2014.

Carolyn Jagger, City Cler

#### Item 1

Steve Geiogamah Presentation

## Tourism Development Marketing Strategic Plan

City Council February 11, 2014

#### Tourism Advisory Task Force

- Custodians of the plan's vision and strategy
- Ensure plan is meeting objectives and milestones
- Provide communication structure

#### Plan Recommendations

#### Staff Initiatives:

- Enhance City Tourism Research Program
- Downtown Economic Plan
- Enhance City Tourism Event Program

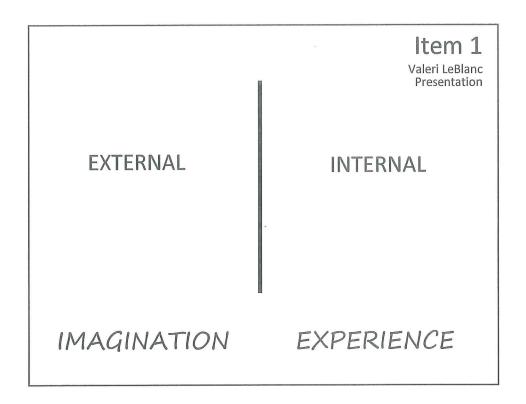
#### Resource Impact

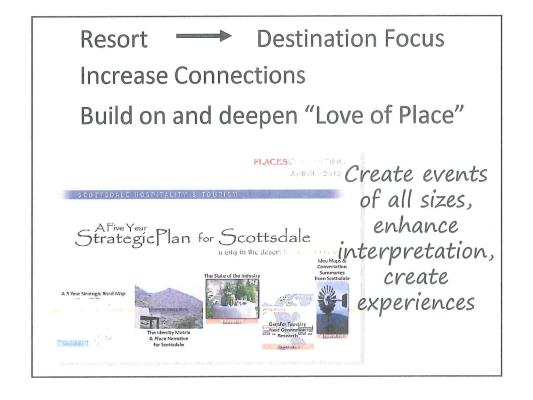
	Year 1 (FY13/14)				
	Year 2 (FY14/15)	Year 3 (FY15/16)	Year 4 (FY16/17)	Year 5 (FY17/18)	Total
Total	\$625,000	\$385,000	\$345,000	\$286,000	\$1,641,000

#### Estimated Bed Tax Revenue:

FY2013/14 \$13.9 Million FY2014/15 \$15.7 Million

Next Five Years \$86.8 Million



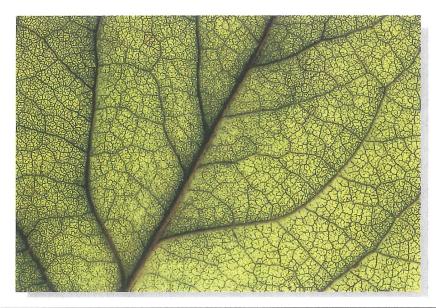


#### **SEVEN WORKING GROUPS**

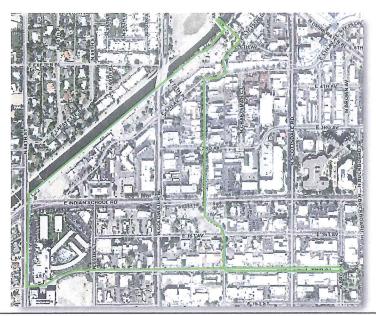
- Community Foundation
- Arrival Experience
- Arizona CentralRituals
- Dashboard

- Events and Festivals
- Events and Happenings

#### CONNECT IT ALL UP -



#### 1/16/2014 Downtown Bike Tour



**COMMUNICATIONS** 

**PARTICIPATION** 

#### Item 1

John Holdsworth Presentation

#### Food for Thought

» How is Scottsdale performing relative to other destinations

➤ Identify factors influencing trends

➤ Factors that we should consider to ensure Scottsdale maximizes its future performance and position in the marketplace

#### National and State Trends Lodging Room Demand Growth

>Lodging performance key indicator of overall visitation trends

➤ Arizona hit more significantly in economic downturn improvements below national norms

>2012 performance particularly concerning – less than ¼ of the national average

➤While 2013 improved, still below national average

% Growth				
	U.S.	Arizona		
2008	-1.6	-5.2		
2009	-5.8	-7.5		
2010	7.7	8.0		
2011	5.0	3.6		
2012	3.0	.6		
2013	2.2	1.9		

Poom Domand

Source: Smith Travel Research

#### Top 25 Visitor Markets - RevPAR growth

		2012			2013	
▶Concerning	1	Oahu Island, HI	16.7	1	Houston, TX	13.8
trends reflected		New Orleans, LA	14.6	2	Nashville, TN	13.4
within Phoenix	3	Houston, TX	13.8	3	San Francisco/San Mateo, CA	12.9
	4	San Francisco/San Mateo, CA	12.8	4	Oahu Island, HI	12.5
metro area	5	Tampa-St Petersburg, FL	11.5	5	Dallas, TX	10.8
	6	Los Angeles-Long Beach, CA	11	6	Miami-Hialeah, FL	10.1
Darrantia man	7	Chicago, IL	10	7	Denver, CO	8.6
≽Revenue per	8	Nashville, TN	9.8	8	Anaheim-Santa Ana, CA	85
available room	9	Anaheim-Santa Ana, CA	9.3	9	Seattle, WA	7.9
(RevPAR) ranking	10	Seattle, WA	8.8	10	Orlando, FL	7.8
	11	Boston, MA	8.4	11	St Louis, MO-IL	7.3
demonstrates how	12	Miami-Hialeah, FL	7.9	12	Minneapolis-St Paul, MN-WI	7.2
far below other	13	San Diego, CA	7.4	13	Detroit, MI	7.0
metro areas	14	Detroit, MI	7.1	14	Los Angeles-Long Beach, CA	6.8
	15	Atlanta, GA	7.1	15	New Orleans, LA	6.6
Phoenix was; still	16	St Louis, MO-IL	6.5	16	Phoenix, AZ	6.3
bottom half	17	New York, NY	6.1	17	Atlanta, GA	6.1
	18	Norfolk-Virginia Beach, VA	5.8	18	Boston, MA	5.6
	19	Denver, CO	5.7	19	Chicago, IL	4.4
≽Many other	20	Philadelphia, PA-NJ	5.2	20	San Diego, CA	4.2
warm weather	21	Orlando, FL	4.8	21	New York, NY	4.1
	22	Dallas, TX	4.6	22	Tampa-St Petersburg, FL	3.1
competitors	23	Minneapolis-St Paul, MN-WI	3.4	23	Norfolk-Virginia Beach, VA	-0.6
performed better	24	Phoenix, AZ	1.6	24	Philadelphia, PA-NJ	-0.9
1	25	Washington, DC-MD-VA	-0.5	25	Washington, DC-MD-VA	-1.7
Source: Smith Travel Research		Top 25 Markets Avg	7.8		Top 25 Markets Avg	6.6
Source: Simar naver nescaren		US Average	6.8		US Average	5.4

#### Influencing Factors

- Greater Phoenix hit more harshly and did not rebound as rapidly as in past economic cycles
- ➤ Social tensions associated with the broader state have impacted Scottsdale – particularly the meetings market
- ➤ Arizona's association with drugs, kidnappings, safety and security has allowed inaccurate perceptions in prospective visitors
- ➤ Significant reductions in state marketing resources has hampered the ability to proactively address these issues

- 1. Slow economic recovery
- 2. Social tensions (SB 1070 & others)
- 3. Safety and security perceptions
- 4. Reduction in State marketing resources

#### 2013 Tourism Strategic Plan Noted a Variety of Key Concerns

1. Perceptions of us as Serious Meeting Destination

"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."

2. Negative Fallout of Racial Tensions

"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."

3. Need to Reinvent - New Experiences

"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."



#### "LIFT" IS BECOMING EVEN MORE CONCERNING-SKY HARBOR HAS:

- Eliminated nearly one out of every five flights: the 19.4% decline translates to more than 800 fewer flights per week and more than 100 fewer flights per day.
- Trimmed international service: weekly international flights out of Phoenix, already small for a city this size, fell from 145 to 132, a decline of 9 %. The industry average was a gain of 3 %.
- Cut non-stop service to 18 destinations: Cities include Cincinnati, Cleveland, Memphis, Hartford, Providence and Manchester, N.H., as well as smaller destinations.
- During the same time period, only three new non-stop destinations were added: Miami, Santa Fe and Silver City, N.M.
- Sharply reduced flight frequencies: The number of weekly flights to/from Las Vegas and Nashville fell by nearly half. Cleveland flights plunged by 82 %, San Diego flights fell by a third and Los Angeles flights fell by nearly a fourth.
- Hiked airfares at a rate higher than the national average: The average domestic ticket in Phoenix increased by 9 % compared with 3.5 % nationally.
- Sharply increased ticket prices on many key routes: Flights to Los Angeles, Albuquerque, Dallas, Houston and Denver all jumped between 25 and 55 %.

#### Final comments on "lift"

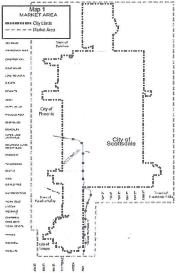
- An article from the *Business Journal* in early January 2014 also reports that Sky Harbor was the only airport among the top 10 busiest in the U.S. to report a decline in passengers in 2012.
- The American/ US Airways merger agreement made with the Justice Department included a sobering clause:

The "new" American is only required to maintain a "hub" in Phoenix for 3 years. Then what?

#### Scottsdale Specific Performance

#### Two Slightly Different Geographic Areas Considered

- 1. City of Scottsdale Lodging product in City boundaries
- 2. Greater Scottsdale Region City of Scottsdale, Paradise Valley, Salt River Pima, Fort McDowell and portions of southern Phoenix



#### Scottsdale Room Demand Growth in Context

- $\,\triangleright\,$  Both City of Scottsdale and broader Scottsdale Region performed close to national norms in 2010
- ightharpoonupCity of Scottsdale significantly below norms in 2011 and 2012, but we saw improvement in 2013
- Newer properties in broader Scottsdale Region helped them perform better

Room Demand % Growth					
Year	U.S.	Arizona	Phoenix Metro	Scottsdale Region	City Scottsdale
2010	7.7	8.0	10.3	8.1	7.9
2011	5.0	3.6	5.2	3.8	.9
2012	3.0	.6	.6	3.5	1.5
2013	2.2	1.9	3.4	5.0	3.8

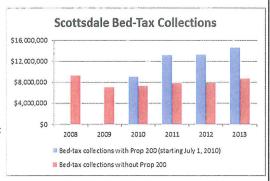
Source: Smith Travel Research

#### **Bed Tax Collections**

➤ Bed tax collections have provided a sense of strong gains, but can be misleading

➤Increases heavily influenced by the 2% increase which went into affect July 1 2010

>When adjusted to reflect what change would have been at constant 3% tax rate, clearer sense is gained



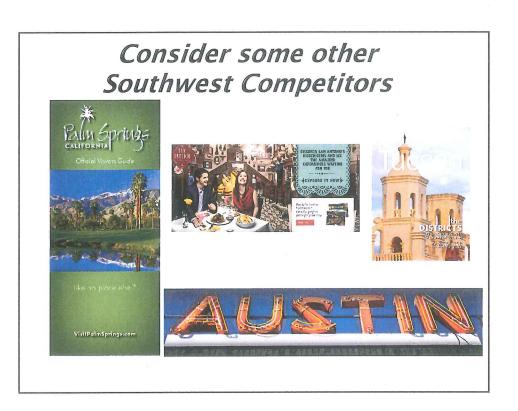
Source: City of Scottsdale

#### **Bed Tax Collections**

	2008	2009	2010	2011	2012	2013
Bed-tax collections with Prop 200 (starting July 1, 2010)			\$9,061,398	\$13,091,863	\$13,203,402	\$14,570,134
Bed-tax collections without Prop 200	\$9,216,185	\$7,014,612	\$ 7,221,792	\$ 7,855,118	\$ 7,922,041	\$ 8,742,080

Source: City of Scottsdale

## Other Destinations have made Competitive Strides



### Other Southwest Competitors Outperformed in 2011 & 2012

 ${\triangleright}$  Scottsdale's performance even more concerning when considering performance of other southwest competitors

>Others grew new lodging demand at far faster rates over past 2 years

>Tucson and Scottsdale both negatively impacted by previously noted trends

➤ City of Scottsdale showing improving trends in 2013......room demand % growth is shown below

Year	2011	2012	2013
Austin	7.2	3.3	7.7
Palm Springs	6.7	4.0	0.8
San Antonio	7.3	5.8	0.0
Tucson	1.1	1.8	0.1
City of Scottsdale	.9	1.5	3.8

Source: Smith Travel Research

#### Others Aggressively Reinventing Scottsdale's At Risk

➤ More than just marketing continual evolution - product development - new interpretations

➤Destinations that "Don't' Change" and embrace a "We Like It As Is" are at risk as others aggressively evolve and steal market share

➤ Critical that Scottsdale does not allow these others to attract visitors that could have been ours



## Implications for Scottsdale

#### The depth of the problem

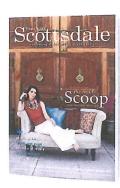
➤ Scottsdale has regained momentum since economic downturn, but continues to be impacted by broader Statewide challenges, including "lift"

>The destination continues to face strong competition from other markets, many of which continue to provide new experiences and reasons for visitors to return

➤ Scottsdale has a real potential to increasingly lose relevancy in an increasingly competitive environment

New resources from bed tax increases are an important resource – but marketing alone will not keep Scottsdale relevant

➤New product development and experiences critical in future



#### Considerations for City Leadership

- 1. Proactive steps must be taken on new development opportunities.
- 2. Fostering a "We are Scottsdale, they will come" attitude risks relevancy for the visitor industry and broader economic vitality. We should attempt to leverage Tourism strengths to support economic development.
- 3. Projects that have been on the "Drawing Board" for years need to move ahead we need to see more of a "Fast Track" attitude to move efforts forward.
- 4. We need a strong political leadership commitment to the new 5 Year Tourism Strategic Plan.
- 5. Near-term efforts in Downtown have the potential to act as a catalyst to other evolving experiences – we MUST pursue these and other parts of the plan with vigor if we are going to regain our position amongst the nation's top destinations.

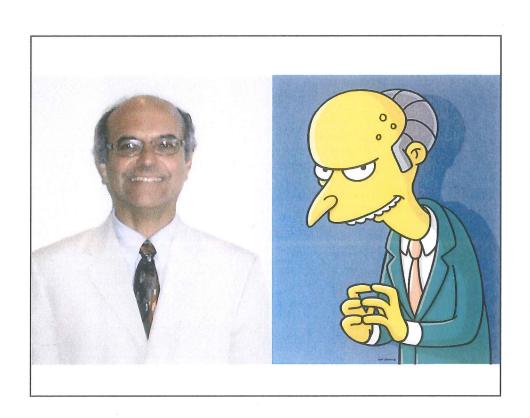
#### Item 2

#### CITY COUNCIL PRIORITY

Develop transportation strategy that anticipates future needs.

11 February 2014





#### TRANSPORTATION

#### **CHOICES**

Live, Work, and Play where and how we prefer Safe, Efficient, Convenient, Cost-Effective

#### PRESENTATION

Data – Purpose Current Decisions Future Plans



#### **SYSTEM SIZE**

\$1,300,000,000 of streets and drainage

2,963 lane-miles of paved streets

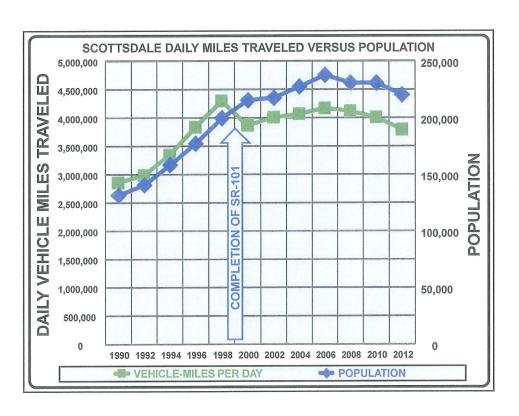
825 lane-miles of major streets

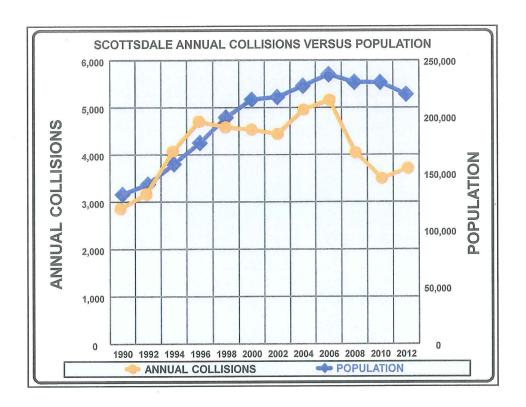
300 signalized intersections

15 bus routes with 1,880,000 annual riders

87,200 annual trips for elderly and disabled residents

500 miles of paths, trails, bicycle lanes, bicycle routes





#### **COLLISION REDUCTION**

7 Bond 2000 project locations:

Camelback: 64th to 68th

Hayden: Cactus to Redfield

Indian Bend: Scottsdale to Hayden

Indian School: Drinkwater to Pima

Pima: Deer Valley to Pinnacle Peak

Pima: SR-101 to Thompson Peak

Thunderbird: Scottsdale to Hayden

After Completion: Total of 80 fewer collisions per year

#### **ALL 2012 COLLISIONS**

55% at intersections

0% involve fatalities (6)

3% involve serious injuries

26% involve minor or possible injuries

71% without injuries



#### **ALL 2012 COLLISIONS**

17% caused by speeding

41% rear-end

17% angle

13% left-turn



## Specific Location Collisions



#### 2012 INTERSECTION COLLISION EXPERIENCE HIGHEST NUMBER

INTERSECTION	RATE	NUMBER
Hayden & Thomas	1.82	40
SR-101 & Frank Lloyd Wright	1.26	40
Scottsdale & Thomas	1.43	30
92 <sup>nd</sup> & Shea	1.14	28
Greenway / Hayden & F. L. W.	1.14	27

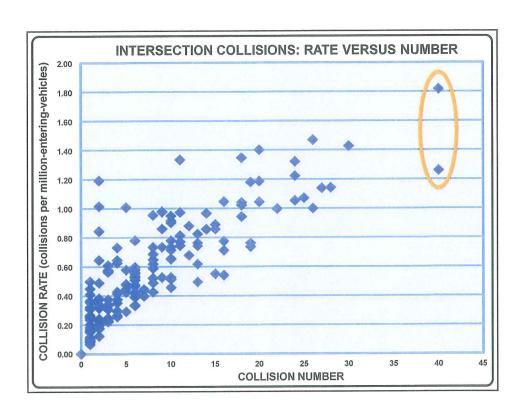
COLLISION RATE is collisions per million-entering-vehicles



#### 2012 INTERSECTION COLLISION EXPERIENCE HIGHEST RATES

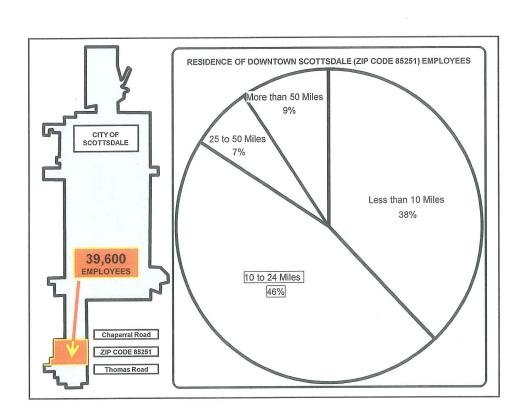
INTERSECTION	<u>NUMBER</u>	RATE
Hayden & Thomas	40	1.82
Hayden & Chaparral	26	1.47
Scottsdale & Thomas	30	1.43
68 <sup>th</sup> & Thomas	20	1.40
Scottsdale & Dynamite	18	1.35
Miller & Chaparral	11	1.33
Scottsdale & Indian Bend	24	1.32

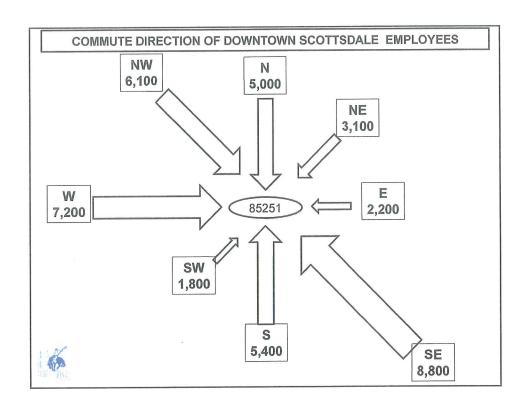


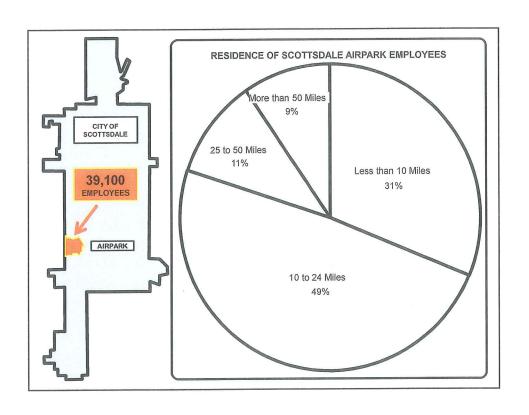


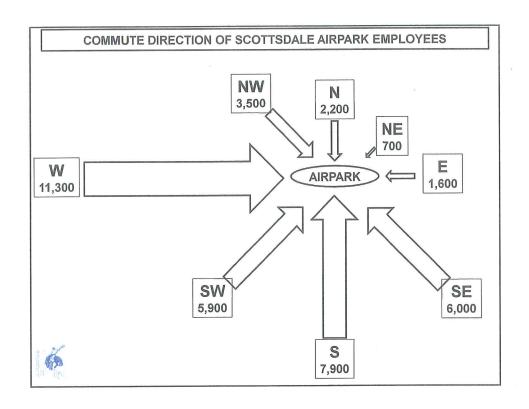
# Residences of Employees in Scottsdale Businesses DOWNTOWN AND AIRPARK







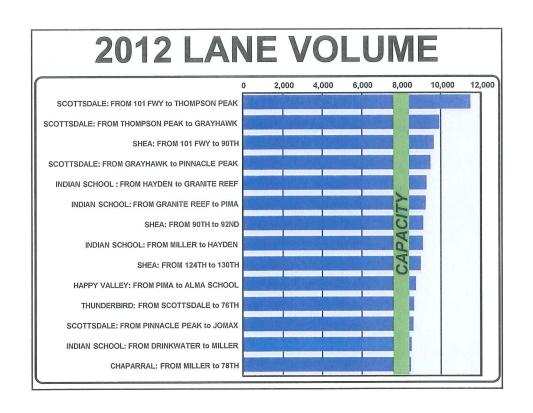




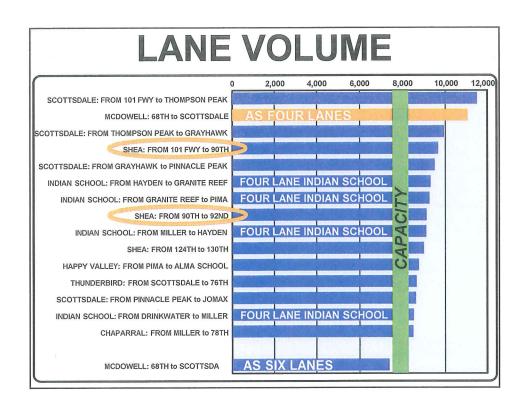
## TRAFFIC VOLUME AND LANE NUMBER

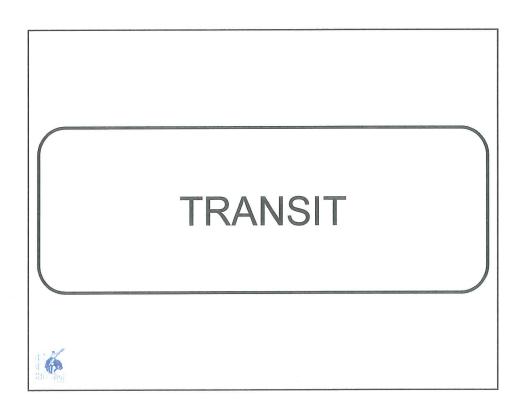
MCDOWELL ROAD





# MCDOWELL ROAD Narrowing from 6 to 4 Lanes RANKING As 6 Lanes 2012 Volumes 131st 1998 Volumes 89th 2nd





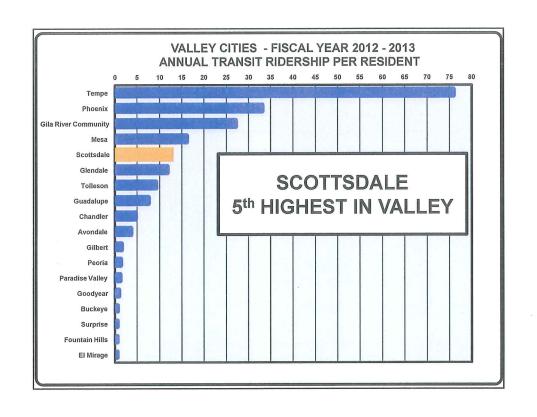
#### **AWARD**

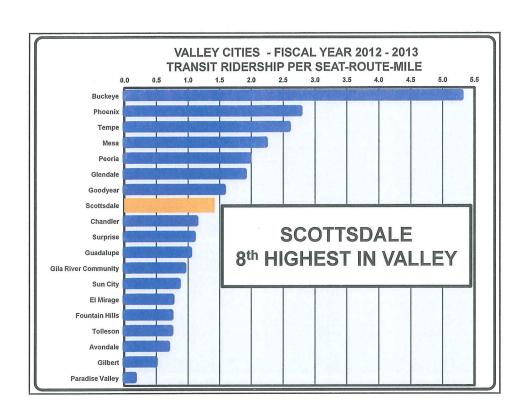
2013 "OUTSTANDING TRANSIT ORGANIZATION" Arizona Department of Transportation / Arizona Transit Association

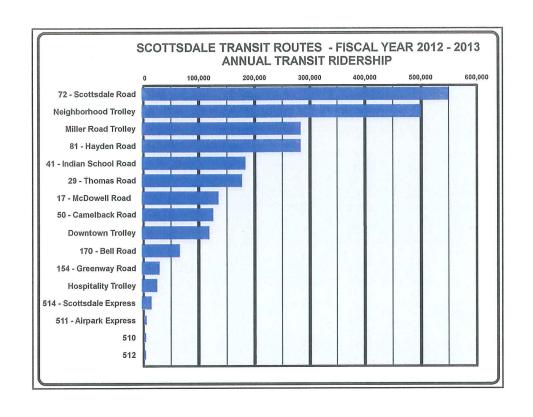
#### TRANSIT RIDERSHIP

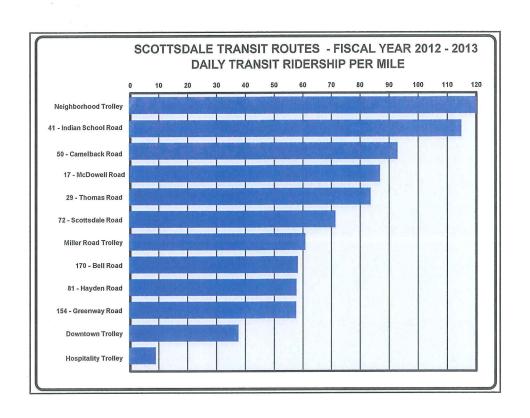
AT POINT OF BOARDING





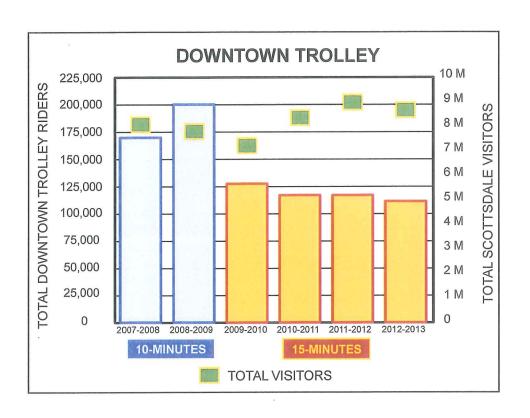


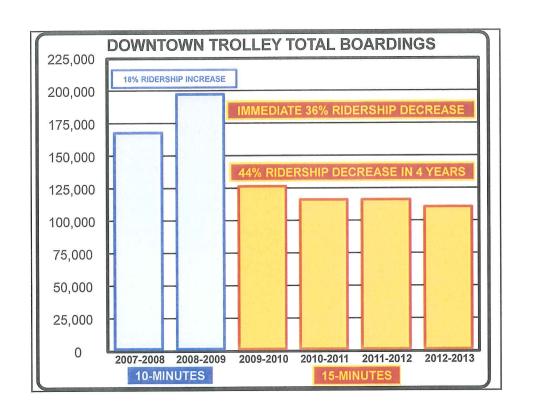




# TRANSIT RIDERSHIP AND SERVICE FREQUENCY

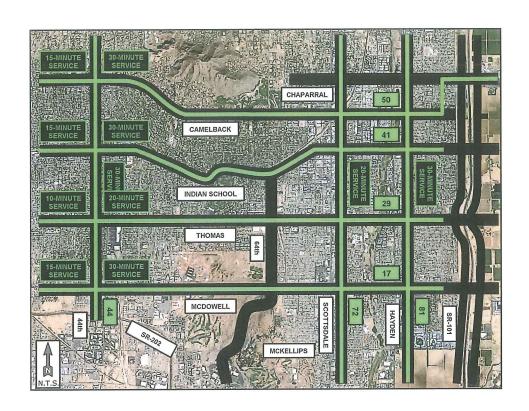






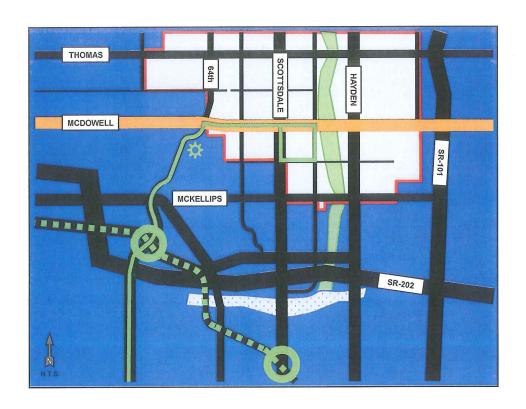
# EAST-WEST STREETS BUS FREQUENCY





## MCDOWELL ROAD BUS SERVICE



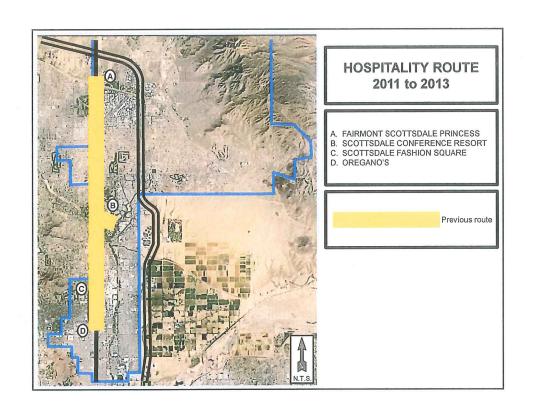


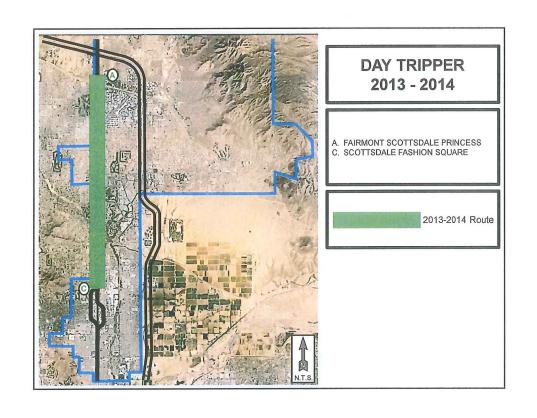
#### HOSPITALITY TROLLEY ROUTE 2011 to 2013

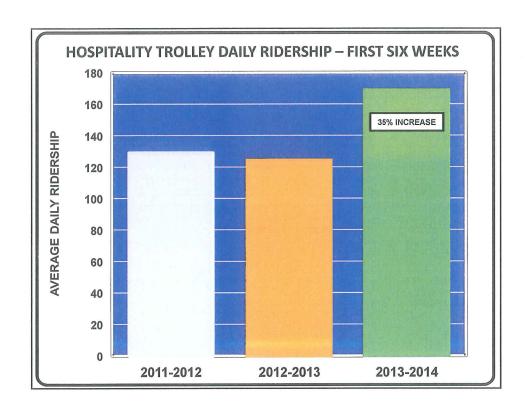
Partial funding from advertising Route determined by advertisers

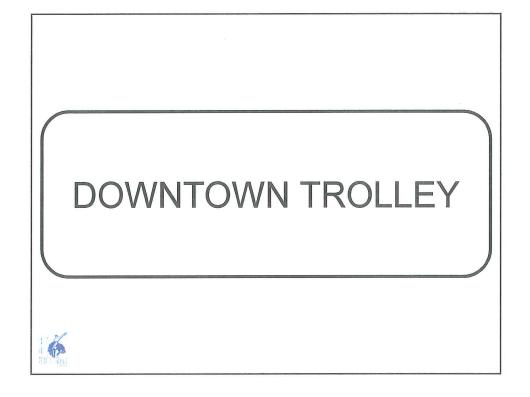
#### **2013-2014 DAY TRIPPER**

Only hotel bed tax
Route determined by
Ridership Desire

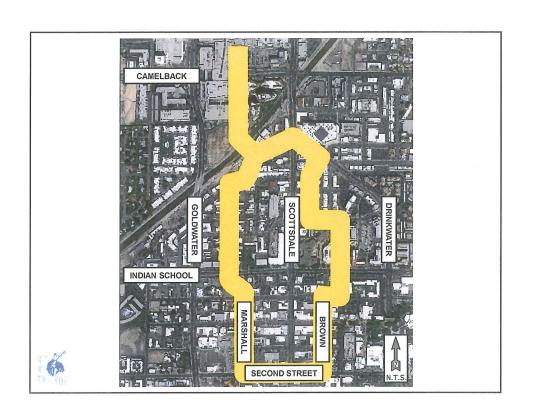






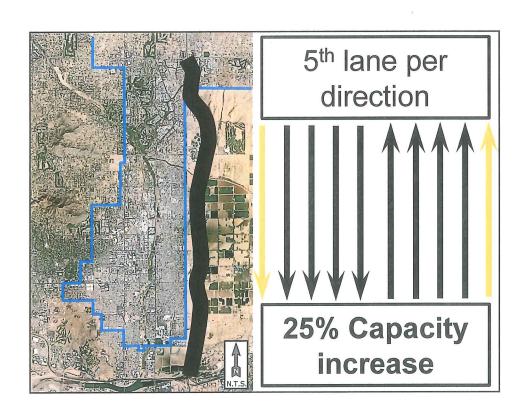


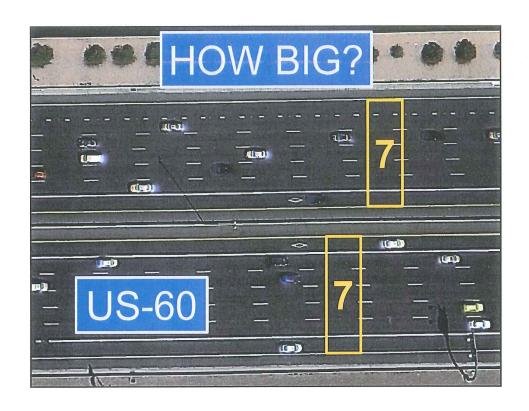


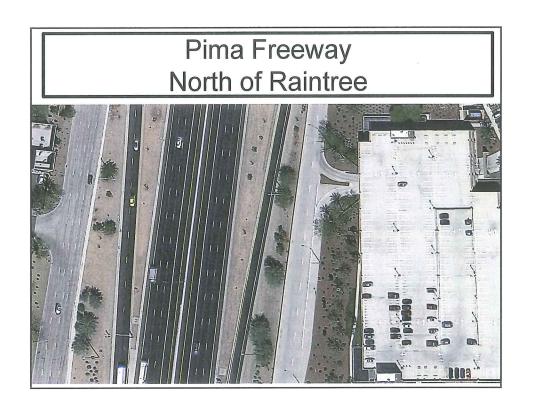


### TRANSPORTATION MODE IMPACT AND COST COMPARISON

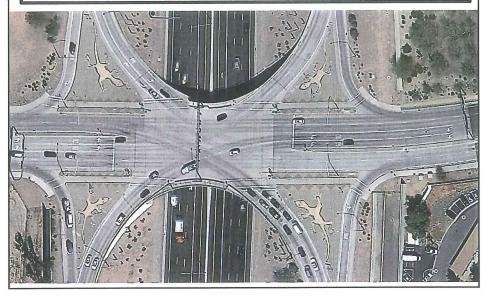








#### Pima Freeway Cactus Interchange



5<sup>th</sup> SR-101 lane per direction Double east/west bus frequency

\$100,000,000

\$1,275,000

\$10,000,000 per mile \$64,000 per mile

25% Capacity increase

100% Capacity increase

#### PATHS AND TRAILS



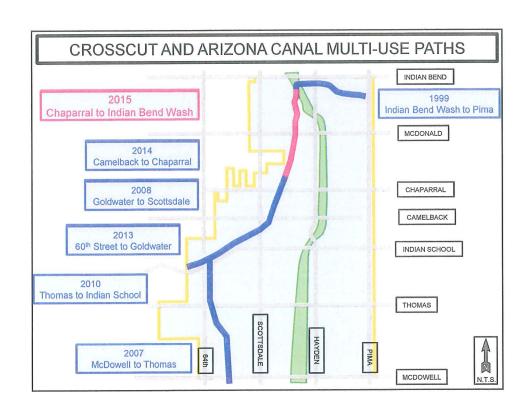
#### **AWARD**

2005 to 2007 "SILVER – BIKE FRIENDLY COMMUNITY" League of American Bicyclists

2007 to 2009 "SILVER – BIKE FRIENDLY COMMUNITY" League of American Bicyclists

2009 to 2011 "SILVER – BIKE FRIENDLY COMMUNITY" League of American Bicyclists

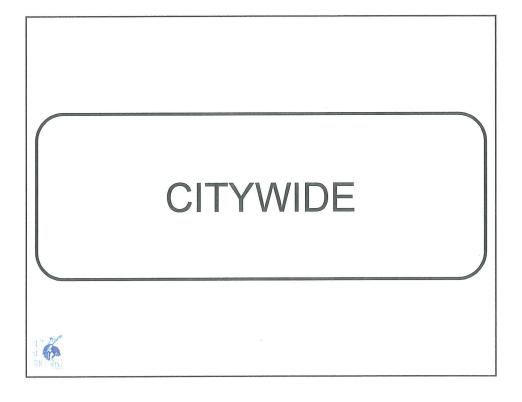
2011 to 2015 "GOLD – BIKE FRIENDLY COMMUNITY" League of American Bicyclists



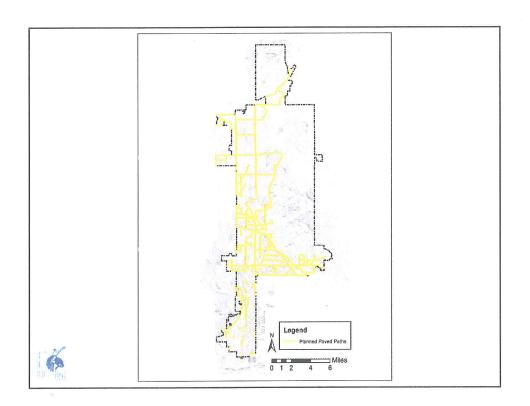
## MCDOWELL ROAD BICYCLE LANES

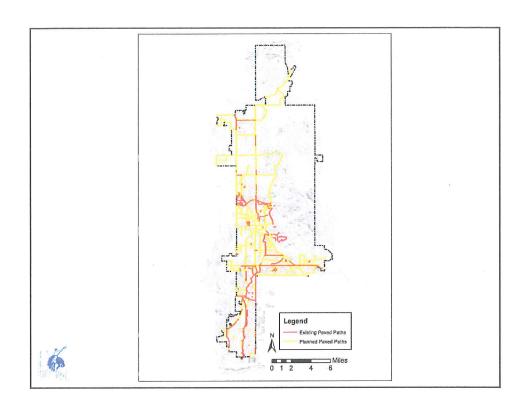


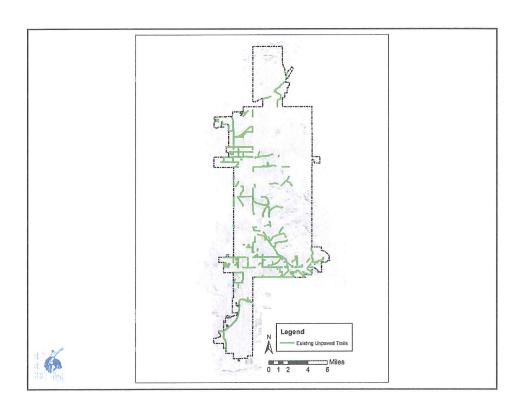
# MCDOWELL ROAD 64th STREET to PIMA FREEWAY REPART MILLER MCDOWELL ARIZONA CANAL PATH ARIZONA CANAL PATH

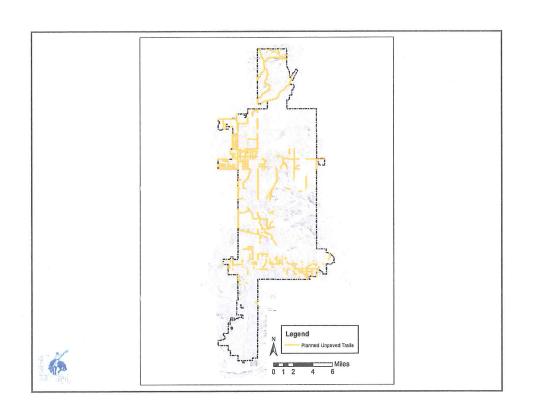


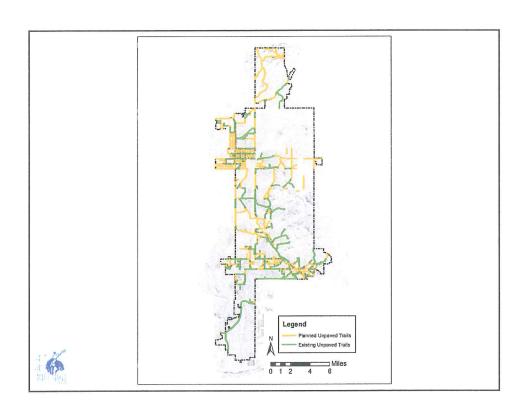












#### FUTURE TRANSPORTATION PLANS



#### TRAFFIC SAFETY

Identify, analyze, and reduce collisions
Identify high-speed-collision locations for
enforcement



#### TRAFFIC OPERATIONS

Identify, analyze, and reduce congestion

Develop future transportation prediction models

Develop travel time as efficiency measure

Improve vehicle detection at signals

Maximize Traffic Management Center benefits

Install Roundabouts



#### **TRANSIT**

Implement Scottsdale Road Bus Rapid Transit
Implement Route 56 Extension into Scottsdale
Evaluate 15-minute and 10-minute service

Recruit Principal Transit Planner
Comprehensive System Evaluation
Identify New Technologies
Identify under-served areas

Complete Tier 2 High Capacity Transit Study (per General Plan)



#### **TROLLEYS**

Evaluate Day Tripper (Hospitality Trolley)

**Evaluate Downtown Trolley** 

**Consider Airpark Trolley** 

Consider Via Linda Senior Center Trolley

Consider SkySong Trolley

**Evaluate Existing Trolley Routes** 



#### MULTI-USE PATH, BICYCLE, AND PEDESTRIAN FACILITIES

Consider Bike Share Program

Continue to improve signs and markings

Improve bicycle detection at signals

Continue to improve pedestrian crossings

Continue to improve signal operation for people with visual impairments



#### MULTI-USE PATH, BICYCLE, AND PEDESTRIAN FACILITIES

Continue to implement Complete Streets
Continue to identify and provide:

Missing bicycle lane segments

Missing multi-use path segments

Intersection curb ramps



#### **COUNCIL DIRECTION**

How should we anticipate our future needs?

How should we develop our transportation strategy?

What additional information should we provide?

What concepts require more detail?

