

CITY COUNCIL REPORT



Meeting Date: **May 17, 2022**
 General Plan Element: ***Economic Development***
 General Plan Goal: ***Sustain Scottsdale as a tourist destination***

ACTION

Scottsdale Fourth of July Celebration. Adopt Resolution No. 12481 authorizing funding up to \$55,000 from the portion of the Tourism Development Fund that is allocated in the FY 2022/23 Proposed Budget toward event retention and development in support of agreement No. 2022-067-COS with M Culinary for the Scottsdale Fourth of July Celebration, which includes the Wimbledog Event.

BACKGROUND

M Culinary, LLC, producer of the Scottsdale Fourth of July Celebration has requested up to \$55,000 in tourism development funds to purchase fireworks for the Scottsdale Fourth of July Celebration and a new Wimbledog Event that will be incorporated into the Scottsdale Fourth of July Celebration.

M Culinary, LLC is a subcontractor of National Western Capital Corporation, which is a city contractor. M Culinary, LLC receiving tourism funds is not inconsistent with NWCC's contract with the city.

The Scottsdale Fourth of July event at WestWorld was developed to bring a family friendly event to Scottsdale. The ninth annual event will feature family entertainment and one of the largest fireworks show in Arizona. This year the event will include the inaugural Wimbledog Event to be held in a climate-controlled area prior to the annual firework show that will feature three performances by The Canine Group who appeared on America's Got Talent. This new event will also promote Scottsdale as a dog friendly city and will provide complimentary vendor space for Scottsdale-based shelters and feature Scottsdale dog-friendly businesses. The long-term vision is to grow the Wimbledog Event into a stand-alone event that will enhance Scottsdale's overall image and increase national visibility for Scottsdale as one of the "Dog Friendliest" cities in the U.S.

The Tourism Development Commission unanimously recommended that City Council allocate up to \$55,000 on April 19 from the Tourism Development Fund in support of the event agreement.

ANALYSIS & ASSESSMENT

Events are an important component of Scottsdale's overall image and its product. They help increase national and international visibility for Scottsdale as a desirable tourist destination.

Providing tourism development funds in support of the Scottsdale Fourth of July event will provide an opportunity to grow the celebration and provide something to do for visitors already here. The Scottsdale Fourth of July Celebration will provide a local market reach of over 16.4 million people through news coverage and 320,000 consumer impressions provided through local broadcasts and social media. Scottsdale residents will receive 50% off the general admission viewing lots and the producer will create hotel packages with discounts for attendees booking nights in Scottsdale properties.

The funding request amount includes \$30,000 for the purchase of fireworks and \$25,000 for the new Wimbledon Event.

City staff has evaluated the proposal to identify the benefits for the city and the local tourism industry and has identified a public purpose for the city's expenditure. The marketing and promotional benefits provide direct consideration substantially equal to the proposed city's expenditure.

Community Involvement

The TDC discussion relating to the Scottsdale Fourth of July Celebration took place at the March 15, and April 19 TDC meetings.

RESOURCE IMPACTS

Available Funding

The total maximum city investment for the event is \$55,000. Based on Tourism Development Fund sources and uses projections included in the FY 2022/23 Proposed Budget, funds are available.

Staffing, Workload Impact

No additional staffing or other resources are anticipated.

OPTIONS & STAFF RECOMMENDATION

The Tourism Development Commission and Tourism and Events Department staff recommend the adoption of Resolution No. 12481 authorizing funding up to \$55,000 from the portion of the Tourism Development Fund that is allocated in the FY 2022/23 Proposed Budget toward event retention and development in support of agreement No. 2022-067-COS with M Culinary, LLC. for the Scottsdale Fourth of July Celebration.

RESPONSIBLE DEPARTMENT AND STAFF CONTACT

Tourism and Events Department, Steve Geiogamah, Tourism Development Manager, 480-312-4013, sgeiogamah@scottsdaleaz.gov

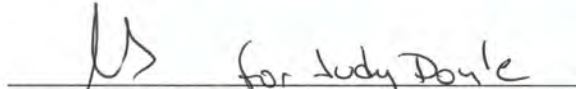
APPROVED BY



Karen Churchard, Tourism & Events Director
480-312-2890, kchurchard@scottsdaleaz.gov

4.28.22

Date


for Judy Doyle
Judy Doyle, Budget Director
480-312-2603, jdoyle@scottsdaleaz.gov

4/28/2022

Date



Erin Perreault, AICP, Acting Executive Director

April 26, 2022

Date

480-312-2664, rgrant@scottsdaleaz.gov

Brent Stockwell, Assistant City Manager
480-312-7288, bstockwell@scottsdale.gov

Date



Jim Thompson, City Manager
480-312-2811, jthompson@scottsdaleaz.gov

05/03/2022

Date

ATTACHMENTS

1. Resolution No. 12481
2. Agreement No. 2022-067-COS

RESOLUTION NO. 12481

A RESOLUTION OF THE COUNCIL OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING FUNDING UP TO \$55,000 FROM THE PORTION OF THE TOURISM DEVELOPMENT FUND THAT IS ALLOCATED IN THE FY 2022/23 PROPOSED BUDGET TOWARD EVENT RETENTION AND DEVELOPMENT IN SUPPORT OF AGREEMENT NO. 2022-067-COS WITH M CULINARY FOR THE SCOTTSDALE FOURTH OF JULY CELEBRATION, WHICH INCLUDES THE WIMBLED OG EVENT.

WHEREAS, Scottsdale's tourist oriented and community events are an important community asset providing significant economic, tourism and cultural amenities for Scottsdale's citizens, businesses and visitors.

WHEREAS, the City of Scottsdale is committed to maintaining and enhancing the events to provide these important community benefits.

WHEREAS, the Scottsdale Fourth of July Celebration, which includes the Wimble dog event (the "Event"), increases Scottsdale's attractiveness to tourists, provides recreational opportunities, and otherwise advances the prosperity of Scottsdale and the broader community.

WHEREAS, City desires to enter into a contract with M Culinary, LLC ("Producer") to conduct the Event at WestWorld.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Scottsdale, Maricopa County, Arizona, as follows:

Section 1. The Mayor is hereby authorized and directed to execute WestWorld Event Agreement No. 2022-067-COS with Producer for the Event.

Section 2. Funding is authorized up to \$55,000 from the portion of the Tourism Development Fund that is allocated in the FY 2022/23 proposed budget toward event retention and development in support of Agreement No. 2022-067-COS.

PASSED AND ADOPTED by the Council of the City of Scottsdale, Maricopa County, Arizona this ___ day of _____, 2022.

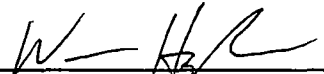
CITY OF SCOTTSDALE, an Arizona
municipal corporation

ATTEST:

David D. Ortega, Mayor

Ben Lane, City Clerk

APPROVED AS TO FORM:



Sherry R. Scott, City Attorney
By: William Hylan
Senior Assistant City Attorney

EVENT FUNDING AGREEMENT

THIS NEW EVENT FUNDING AGREEMENT (the "Agreement") is made this ____ day of _____, 2022 by and between M Culinary, LLC ("Producer") and the City of Scottsdale, an Arizona municipal corporation ("City").

RECITALS

A. City's City Council has approved the expenditure of a portion of certain funds collected (the "Bed Tax Funds") in conformity with Financial Policy 21A to be used to help promote certain events supporting tourism and the hospitality industry in Scottsdale, Arizona.

B. Producer is the producer of the Scottsdale Fourth of July Celebration, which includes the Wimbledon event (the "Event").

C. Producer has submitted to City a proposal (the "New Event Worksheet") describing the Event and requesting that City authorize use of a portion of the Bed Tax Funds for the Event to promote Scottsdale as a tourist destination.

D. At Producer's request, City has determined to provide funds (the "Event Funds") to Producer up to the maximum amount of \$55,000 (the "Event Amount") for the Event.

E. City's willingness to provide the Event Funds is conditioned upon Producer's executing and performing this Agreement and delivering to City after the Event a report (the "Post Event Report") accompanied by a separate invoice (the "Invoice").

NOW, THEREFORE, in consideration of the foregoing and good and valuable consideration received, the parties hereto agree as follows:

1. Funding Limitation. Payment of the Event Funds is subject to all of the following cumulative conditions and limitations:

1.1 The total amount of Event Funds City pays under this Agreement shall not exceed the Event Amount.

1.2 City's payment shall be made only from Bed Tax Funds, specifically the portion allocated to Event development. City is not obligated to provide funding from any other source.

1.3 Without detracting from limits contained elsewhere in this Agreement, Event Funds shall be disbursed only to the extent City determines, in its sole and absolute discretion, that City has collected adequate Bed Tax Funds to disburse these amounts, taking into account all circumstances including, without limitation, competing uses for the Bed Tax Funds.

2. Event Requirements. In addition to the Event Scope of Deliverables more specifically set forth in **Exhibit A**, attached hereto and herein incorporated by reference in its entirety, Producer shall cause the Event to comply with all of the following requirements:

2.1 The Event shall be open to the public.

2.2 The Event shall be held on the dates shown on **Exhibit A**. Notwithstanding the

foregoing, if the Event fails to occur on the above date solely due to weather, an act of God, or a condition beyond the reasonable control of Producer, then the Parties may agree to reschedule the Event (or any portion thereof) to a subsequent date certain. All rights and privileges of the parties will continue until conclusion of the Event. Should the Parties agree that rescheduling the Event is not tenable or the Parties cannot agree on a rescheduled date, this Agreement will terminate, and City shall have no further obligation to provide additional funds beyond the value of sponsorship benefits provided as of the date of termination.

2.3 Producer's representation that the Event will be of the same scale, quality, attendance, economic benefit to the public and provide other public benefits, or better, as are described in the Proposal is a material term of this Agreement.

2.4 Producer shall publicly acknowledge the City support represented by this Agreement. All publicity and messaging that acknowledges any person or entity that supports the Producer financially or through provision of products or services (hereinafter "supporter") shall acknowledge the City as a supporter and shall utilize (where appropriate in City and Producer's discretion) a logo provided by City. At a minimum, Producer shall acknowledge the City as a supporter at least twice in publicity and messaging. No other use of City's name is allowed in any form of advertising or public relations without prior City approval.

2.5 Producer shall provide the City with benefits, including recognition and publicity, commensurate with benefits provided to other supporters at a similar support level as the City.

2.6 At the time of the Event, City may elect to conduct an event intercept survey. City shall provide the survey questions. Producer shall pay to City up to fifty percent (50%) of the cost of the survey as requested by City's contract administrator, Producer's share not to exceed Three Thousand Five Hundred Dollars (\$3,500). Producer shall cooperate, as requested by the City, with City in conducting the intercept survey and shall not hinder or prevent City from conducting the survey. Producer will reimburse this cost within 60 days of the City sending an invoice.

2.7 After the Event, Producer shall provide the Post Event Report to City as follows:

2.7.1 The Post Event Report shall include the following:

2.7.1.1 A narrative description of:

2.7.1.1.1 The Event.

2.7.1.1.2 Producer's performance under this Agreement.

2.7.1.1.3 The benefits to City and the public achieved and likely to be achieved because of the Event.

2.7.2 Any publication tear sheets, air-time logs, website content, distribution or viewing logs, and other evidence of media publication or distribution verifying that Producer has performed the Non-Reimbursable Activities, all in form and content acceptable to City.

2.7.3 If applicable, a tear sheet of City's full-page advertisement in the Event program.

2.7.4 Any economic impact report that Producer may prepare or obtain of the Event.

2.7.5 The results of any intercept survey or similar data Producer may prepare or obtain of the Event.

2.7.6 The results of Producer's tracking of hotels and other lodgings used by persons attending the Event based on evidence from Scottsdale Hotels.

2.7.6.1 The Event's effects on City hotels.

2.7.6.2 The positive and negative effects on City services, facilities and neighborhoods.

2.7.6.3 A statement of the total attendance for the Event.

2.7.6.4 A statement identifying all of the Producer's partners and all supporters of the Producer. For purposes of this Section, "partner" means any individual or entity that invests in, receives or may receive benefits from the Producer.

2.7.6.5 Such other information as the Post Event Report template to be provided by City shall require. The Post Event Report shall follow the format of the template provided by the City.

2.7.7 Producer shall deliver the Post Event Report to City no later than 30 days after the Event or by May 31 following the Event, whichever is earlier.

2.7.8 Producer shall deliver the Post Event Report and the Invoice simultaneously in the same package.

3. Event Fund Payment. Producer shall request Event Funds and City shall pay Event Funds based on the quantified values in Producer's post-Event report as follows:

3.1 City's payment of the Event Funds is conditioned upon Producer executing and performing this Agreement. City reserves the right to reduce the Event Amount below \$30,000 or not make payment if Producer fails to fully perform all terms of this Agreement.

3.2 Subject to Section 3.3, City shall make the payment within thirty (30) days after receiving all of the following:

3.2.1 The Post Event Report;

3.2.2 The Invoice;

3.2.3 All supporting and other materials required by this Agreement. Payment of Event Amount shall be conditioned on Producer providing such evidence as City requests.

3.3 If the City determines that an audit under Section 7 of the Agreement will be conducted, payment will be made within 120 days of the City receiving the information in Section 3.2 provided the Producer fully cooperates in the audit. The Producer's failure to fully cooperate in the audit may delay payment beyond 120 days.

4. Compliance With Law. This Agreement does not waive and is not a substitute for Producer's obligation to comply with all applicable state, local and federal laws, policies and regulations. This Agreement is not a permit or regulatory approval to hold the Event. This Agreement is not a promise to make City venues or other resources available for the Event.

5. Indemnification. To the fullest extent permitted by law, Producer, its successors, assigns and guarantors, shall defend, indemnify and hold harmless City, its agents, representatives, officers, directors, officials and employees from and against all allegations, demands, proceedings, suits, actions, claims, damages, losses, expenses, including but not limited to, attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense, related to, arising from or out of, or resulting from any negligent or intentional actions, acts, errors, mistakes or omissions caused in whole or part by Producer, and any work or services in the performance of this Agreement including, but not limited to, any subcontractors, suppliers or others of Producer connected with the Event or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable and any injury or damages claimed by any of Producer's customers or employees. Producer's indemnification obligations shall extend beyond and will not be affected by any termination of this Agreement.

6. Insurance. Producer shall purchase and maintain insurance during the Event and during all setup and takedown and shall include and comply with coverages and limits as follows:

6.1 The following coverages are required as applicable:

6.1.1 If any vehicle is used in the performance of the scope of work that is the subject of this contract, the Producer must maintain Commercial/Business Automobile Liability insurance with a limit of not less than \$1,000,000 each occurrence with respect to the Producer's owned, hired, and non-owned vehicles.

6.1.2 Workers Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Producer's employees; and Employers' Liability insurance of not less than \$100,000 for each accident, \$100,000 disease for each employee, and \$500,000 disease policy limit. If any work is performed by third parties, Producer will cause the third parties to provide Workers Compensation and Employers' Liability to at least the same extent as required of Producer.

6.1.3 Commercial General Liability insurance on a per occurrence form with a limit of not less than \$1,000,000 for each occurrence, \$2,000,000 Products and Completed Operations Annual Aggregate, and a \$2,000,000 General Aggregate limit. The policy shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. If any Excess insurance is utilized to fulfill the requirements of this paragraph, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying.

6.1.4 If valet parking is offered by Producer, Garagekeepers Legal Liability with limits of not less than \$75,000 per vehicle.

6.1.5 If alcohol is sold at the Event by Producer or its subcontractor, liquor liability insurance with a limit of not less than \$5,000,000 for each occurrence and \$5,000,000 aggregate.

6.2 For all insurance policies except Workers Compensation, City shall be named as additional insured.

6.3 City's Risk Management Division may increase or change required insurance coverage and limits from time to time depending on the size, scope and nature of the activities of the Event. No reduction in coverage or policy limits is effective without the written approval of City's Risk Manager or designee.

6.4 Use of Subcontractors. If any work under this Agreement is subcontracted in any way, Producer shall execute a written agreement with Subcontractor containing the same Indemnification Clause and Insurance Requirements as required by this Agreement which protects City and Producer. Producer shall be responsible for executing the agreement with Subcontractor and obtaining Certificates of Insurance verifying the insurance requirements.

6.5 Required insurance shall be issued by insurance companies licensed to do business in the State of Arizona, or from qualified non-admitted insurers who are authorized to do business in the State of Arizona.

6.6 Producer shall provide City, prior to the Event, certificates of insurance as evidence that the required insurance coverages and limits are in full force and effect. If the Event occurs at WestWorld, compliance with the WestWorld event contract regarding evidence of insurance will be considered compliance with this Section.

7. Records and Audit Rights. Producer's records (hard copy, as well as computer readable data), and any other supporting evidence considered necessary by the City to substantiate charges and claims related to this contract are open to inspection and subject to audit and/or reproduction by City's authorized representative to the extent necessary to adequately permit evaluation and verification of the cost of the work, and any invoices, change orders, payments or claims submitted by the Producer or any of Producer's payees in accordance with the terms of the contract. The City's authorized representative must be given access, at reasonable times and places, to all of the Producer's records and personnel in accordance with the provisions of this Section throughout the term of this contract and for a period of 3 years after last or final payment.

Producer shall ensure that records necessary to substantiate charges and claims by subcontractors who perform work under this contract are made available for City inspection and subject to audit and/or reproduction by: inserting a provision requiring subcontractors to comply with this Section in a written agreement between Producer and subcontractor; or obtaining the relevant documents from the subcontractor.

If an audit in accordance with this Section discloses overcharges of any nature by the Producer to the City in excess of 1% of the total contract billings, the cost of the City's audit, but not exceeding the amount of the overcharge, will be reimbursed to the City by the Producer. Any adjustments and/or payments which must be made as a result of any audit or inspection of the Producer's invoices and/or records will be made within a reasonable amount of time (not to exceed 90 days) from presentation of City's findings to Producer.

8. Term/Termination. This Agreement shall be in effect from the date executed by City's Mayor and will terminate upon Producer providing to City a satisfactory Post Event Report and City paying to Producer the Event Funds. However, City may, without further obligation, terminate the Agreement earlier for convenience or cause, upon giving Producer ten (10) days written notice. If the Event is canceled, this Agreement and all obligations of City and Producer hereunder shall also be cancelled at such date.

9. Miscellaneous.

9.1 Assignment. Producer's obligations and rights hereunder shall not be assigned or delegated, in whole or in part, without City's prior written consent.

9.2 Cancellation. This Agreement is subject to cancellation pursuant to the provisions of A.R.S. §38-511.

9.3 Modifications. Any amendment or modification from the terms of the Agreement shall be in writing and shall be effective only upon approval of all parties.

9.4 Severability. If any term or provision of this Agreement shall be found to be illegal or unenforceable, the remainder of this Agreement shall remain in full force and effect, and such term or provision shall be deemed to be deleted.

9.5 Attorney's Fees. If any party brings any action for any relief, declaratory or otherwise, arising out of this Agreement, the prevailing party shall be entitled to receive from the non-prevailing party reasonable attorney's fees, costs, and expenses, determined by a court sitting without a jury, which shall be deemed to have accrued on the commencement of such action.

9.6 Authority. The person executing this Agreement on behalf of Producer warrants and represents to have full power and authority on behalf of Producer to enter into and perform this Agreement.

9.7 Employment of Unauthorized Workers. Producer shall comply with A.R.S. §23-211, et seq. and all other applicable federal, state and local laws and regulations that relate to Producer's employees (collectively, the "Unauthorized Worker Laws"). Producer shall cause its contractors to comply with the Unauthorized Worker Laws as respects the contractors' employees. Without limitation, Producer warrants and represents pursuant to A.R.S. §41-4401(A)(1) that Producer and its contractors comply with A.R.S. §23-214(A). Pursuant to A.R.S. §41-4401(A)(2), a breach of this paragraph shall be a material breach of this Agreement and an event of default, which shall entitle City to exercise any and all remedies described in this Agreement or otherwise available at law or equity, including without limitation termination of this Agreement. However, pursuant to A.R.S. §41-4401(C), Producer shall not be deemed to be in material breach of the warranty if Producer and its contractors establish that they have complied with the employment verification provisions prescribed by §274A and §274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. §23-214(A). City shall have the right to inspect the records and papers of Producer and its employees, and of Producer's contractors and their employees, to ensure that Producer and its contractors are in compliance with this paragraph.

9.8 Notices. Notices hereunder shall be given in writing by hand delivery or by United States mail, return receipt requested, postage prepaid addressed to:

If to City: Steve Geiogamah (Contract Administrator)
Tourism Development Manager
City of Scottsdale
7447 E. Indian School Road
Scottsdale, AZ 85251

If to Producer: M Culinary, LLC
Brandon Maxwell
16413 N. 91, C100
Scottsdale, AZ 85260

By notice, City or Producer may designate other addresses for receiving mailed notice hereunder. Service of any notice by mail shall be deemed to be complete three (3) days (excluding Saturday, Sunday and legal holidays) after the notice is deposited in the United States mail.

9.9 Producer certifies that it is not currently engaged in and agrees for the duration of the contract to not engage in a boycott of Israel as defined in A.R.S. § 35-393.

IN WITNESS WHEREOF, the parties have hereunto subscribed their names as of the date first stated above.

PRODUCER: M Culinary, LLC

By: [Signature]

Its: CEO/President

CITY: CITY OF SCOTTSDALE, a
municipal corporation

By: _____

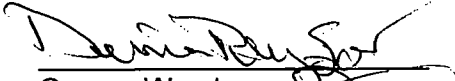
David D. Ortega, Mayor

ATTEST:

By: _____
Ben Lane, City Clerk

APPROVED AS TO FORM:

[Signature]
Sherry R. Scott, City Attorney
By: William Hylan
Senior Assistant City Attorney


George Woods
Risk Management Director



Steve Geiogamah
Tourism Development Manager

Exhibit A

M Culinary, LLC ("Producer") shall ensure the following:

1. The official title of the Event held at WestWorld on July 4, 2022, will be the "Scottsdale Fourth of July Celebration" (the "Event") and will be referred to by this title in all print and other references. The Event includes the Wimbledog event.
2. In addition to including the City of Scottsdale name as a title sponsor, Producer shall include the City name in all Event media including television, local and national public relations, radio, print, tickets, schedules, press material and digital media.
3. Producer shall ensure that the City of Scottsdale will have the opportunity to provide thirty (30)-second videos promoting Old Town Scottsdale as a destination. Producer shall show these videos a total of ten (10) times to attendees at the event.
4. Producer shall ensure that the City of Scottsdale will have the opportunity to provide thirty (30)-second radio ads promoting Old Town Scottsdale as part of Producer's radio spots. Producer shall ensure that these radio ads are broadcast a total of ten (10) times.
5. Producer shall ensure that there is one custom email to Producer's opt-in subscribers promoting Old Town Scottsdale as a destination delivered one week prior to the Event. Producer shall provide the email in advance to the City for review and approval.
6. Producer shall ensure that there are three custom social media posts promoting Old Town Scottsdale as a destination posted at least one week prior to the Event. Producer shall provide these social media posts in advance to the City for review and approval.
7. Producer shall ensure that the City of Scottsdale is identified as host of the Event on the Event's website. The Event website shall include a link to the Old Town Scottsdale website, which promotes Old Town Scottsdale as a destination.
8. Producer shall issue a press release that promotes Old Town Scottsdale as a destination at least one week prior to the Event. Producer shall provide the press release in advance to the City for review and approval.
9. Producer shall create a Scottsdale Hotel Ticket Package designed to promote hotel stays that includes a minimum of 10 City of Scottsdale hotel properties.
10. Producer will provide at least \$55,000 in pre-event marketing and promotional value. Such value shall be reflected in the required marketing and promotional plan. All marketing shall comply with Section 2.4 of this agreement in acknowledging City's support and sponsorship. In the event the marketing and promotional value is less than \$55,000, the sponsorship amount shall decrease to the level of the marketing and promotional value, provided that all other requirements of this Agreement are met.
11. Producer shall create and implement a marketing and promotion plan for the Event to provide assurance of increased tourism because of the Event. By May 31, 2022, Producer shall provide the marketing and promotion plan to the City and initiate the marketing and promotion plan.