

CITY COUNCIL REPORT



Meeting Date: **January 9, 2024**
 General Plan Element: ***Economic Development***
 General Plan Goal: ***Sustain Scottsdale as a tourist destination.***

ACTION

Parada del Sol Parade & Trails End Event Funding. Adopt Resolution No. 13011 authorizing funding for the Parada del Sol Parade and Trails End in an amount up to \$162,500 from the portion of the FY 2023/24 Tourism Development Funds that is allocated toward event retention and development and approve agreement No. 2024-007-COS with the Parada del Sol Historic Parade.

BACKGROUND

Parada del Sol Parade and Trails End event is now entering its 70th year and has been a longstanding community heritage event held in conjunction with Western Week. The February 3, 2024, western cultural themed event will include a parade and trails end celebration in Old Town Scottsdale.

Western culture is an important component of Scottsdale's overall tourism brand and product and increases national and international visibility for Scottsdale as a desirable tourist destination.

On May 16, 2023, as part of Western Week event develop allocation for FY 2023/24, the Tourism Development Commission (TDC) recommended that City Council allocate up to \$162,500 from the Tourism Development Fund in support of the agreement.

ANALYSIS & ASSESSMENT

The one-day Parada del Sol Parade and Trails End Festival will take place on February 3, 2024. The 2023 event had an attendance exceeding 34,000, 132 parade entries, and a media and promotional value of more than \$283,453.

Marketing and promotional benefits focused on highlighting the Scottsdale destination through media and promotional opportunities, will be consistent with previous years and are outlined in the one-year agreement.

The producer of the Parada del Sol Parade and Trails End allocates more than \$25,000 towards marketing and promotion. Proposed key marketing and promotional objectives will focus on highlighting the Scottsdale destination through media and promotion.

Action Taken Approved on Consent

City Council Report | Parada del Sol Parade and Trails End Event Funding

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.

Following the conclusion of the event, the event producer will provide the city a post event report that will provide an evaluation of the producer's performance under the event funding agreement as well as the benefits to the city and the public achieved.

Community Involvement

The discussion related to the Parada del Sol Parade and Trails End took place at the May 16, 2023, TDC meeting.

RESOURCE IMPACTS

Available Funding

The total maximum annual city investment is \$162,500 for the one-year agreement. Based on FY 2023/24 Tourism Development Fund sources and uses projections, funds are available.

Staffing, Workload Impact

No additional staffing or other resources are anticipated.

OPTIONS & STAFF RECOMMENDATION

The Tourism Development Commission and Tourism & Events Department staff recommend the adoption of Resolution No. 13011 authorizing funding up to \$162,500 from the portion of the FY 2023/24 Tourism Development Fund that is allocated toward event retention and development in support of Agreement No. 2024-007-COS with the Parada del Sol Historic Parade.

RESPONSIBLE DEPARTMENT AND STAFF CONTACT

Tourism & 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

12/12/23 12:05 MST

Date



Ana Lia Johnson, Acting Budget Director
(For Financial Policies Compliance and Budget Appropriation)
480-312-7893, anjohanson@scottsdaleaz.gov

12/12/23 13:38 MST

Date



Erin Perreault, Planning & Economic Dev. Exec. Director
480-312-7093, eperreault@scottsdaleaz.gov

12/12/23 13:50 MST

Date



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

12/12/23 13:55 MST

Date



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

12/12/23 16:21 MST

Date

ATTACHMENTS

1. Resolution No. 13011
2. Agreement No. 2024-007-COS

RESOLUTION NO. 13011

A RESOLUTION OF THE COUNCIL OF THE CITY OF SCOTTSDALE, ARIZONA, AUTHORIZING FUNDING UP TO \$162,500 FROM THE PORTION OF THE FY 2023/24 TOURISM DEVELOPMENT FUND THAT IS ALLOCATED TOWARD EVENT RETENTION AND DEVELOPMENT AND AUTHORIZING THE MAYOR TO EXECUTE AGREEMENT NO. 2024-007-COS WITH THE PARADA DEL SOL HISTORIC PARADE FOR THE PARADA DEL SOL PARADE.

WHEREAS, City desires to provide funds for the Parada del Sol Parade and Trail's End Festival; and

WHEREAS, City and the event producer wish to enter into an agreement for the event; and

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

Section 1. The City Council authorizes an amount not to exceed \$162,500 from the portion of the FY 2023/24 Tourism Development Fund that is allocated toward Event Retention and Development for promoting the City of Scottsdale through the Parada del Sol Parade and Trail's End Festival.

Section 2. The City Council authorizes and directs the Mayor to execute, on behalf of the City, Contract No. 2024-007-COS with Parada del Sol Historic Parade.

PASSED AND ADOPTED by the City Council of the City of Scottsdale, Arizona this ____ day of _____, 2024.

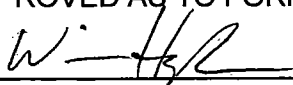
CITY OF SCOTTSDALE, an Arizona
municipal corporation

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 _____, 2024 by and between Parada del Sol Historic Parade ("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 an annual event, the Parada del Sol Parade and Trail's End Festival (the "Event").

C. Producer has submitted to City a proposal (the "Proposal") 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 \$162,500 (the "Event Amount").

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.

1.4 The City may reduce payment or make no payment of Event Funds if the City determines that the Producer has failed to fulfill all terms of this Agreement.

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 or portion of the Event shall be held within the corporate limits of the City of Scottsdale.

2.2 The Event shall be open to the public.

2.3 The Event shall be held on February 3, 2024 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, City shall have no further obligation to provide additional funds for that year's Event beyond the value of sponsorship benefits actually provided.

2.4 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.

2.5 Producer shall publicly acknowledge the City support represented by this Agreement. Without limitation, all Event publicity, messaging and other activities that occur before and during the Event shall clearly and prominently indicate that the Event will occur in Scottsdale. All Event publicity and messaging that acknowledges any Event sponsor shall acknowledge the City as a sponsor and shall utilize (where appropriate in City's discretion) a logo provided by City and/or a logo provided by the Scottsdale Convention & Visitors Bureau d/b/a Experience Scottsdale ("SCVB") provided that at a minimum, Producer shall acknowledge the City as a sponsor 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.

2.6 If the Producer distributes an Event program, Producer shall publish in the Event program at least one reasonably prominent advertisement that is a full page. The advertisement shall use content provided by City promoting Scottsdale.

2.7 Producer shall provide the City with benefits, including recognition and publicity, commensurate with benefits provided to other sponsors at a similar sponsorship level as the City.

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

2.8.1 The Post Event Report shall include the following:

2.8.1.1 A narrative description of:

2.8.1.1.1 The Event.

2.8.1.1.2 Producer's performance under this Agreement.

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

2.8.2 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.

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

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

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

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

2.8.6.1 The Event's effects on City hotels.

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

2.8.6.3 A statement of the total attendance for the Event.

2.8.6.4 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.

2.8.6.5 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.

2.8.7 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.

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

2.9 A statement identifying all of the Producer's partners for the Event and all sponsors of the Event, Producer shall deliver the Post-Event Report and the Invoice simultaneously in the same package.

2.10 Prior to the Event occurring, Producer shall inform City's contract administrator of the method Producer will use to track attendance.

2.11 If City requests, Producer shall make an oral presentation to the Tourism Development Commission and/or the City Council.

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 \$162,500 or not make payment if Producer fails to fully perform all terms of this Agreement, or if Producer's post-event report does not support such direct sponsorship amount.

3.2 City shall make payment of 50% of the Event Funds within ten (10) days after the Agreement is fully executed. Subject to Section 3.3, City shall make payment of 50% of the Event Funds within sixty (60) days of 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 state, local and federal laws, policies and regulations applicable to the Event. 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 relating to the Event, and any work or services in the performance of this Agreement including, but not limited to, any subcontractors, suppliers or others 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, 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 must require all Subcontractors, insurance agents, and material suppliers (payees) to comply with the provisions of this Section by insertion of these contract requirements in a written contract agreement between Producer and payee. These requirements will also apply to any and all Subcontractors.

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 actual cost of the City's audit 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 the Event Funds. However, City may, without further obligation, terminate the Agreement earlier for convenience or cause, upon giving Producer thirty (30) 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 Integration. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes any prior agreement, proposal, draft agreement, discussion outline, correspondence, memoranda or representation regarding the payment of City funds for the Event.

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

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

9.4 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.

9.5 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.

9.6 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.

9.7 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.

9.8 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.

9.9 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, Suite 301
Scottsdale, AZ 85251

If to Producer: Tim Garvin, Parade Chairman
Parada del Sol Parade and Trail's End Festival
10533 E. Lakeview Drive
Scottsdale, AZ 85258

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.

9.10 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.

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

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

PRODUCER:

**PARADA DEL SOL HISTORIC
PARADE**

By: 

Tim Garvin
Parade Chairman

CITY:


**CITY OF SCOTTSDALE, a
municipal corporation**

By: _____
David D. Ortega, Mayor


ATTEST:

By: _____
Ben Lane, City Clerk

APPROVED AS TO FORM:



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



George Woods
Risk Management Director



Steve Geiogamah
Tourism Development Manager

Exhibit A

Producer shall ensure the following for each Event held during the term of this Agreement:

- Producer will host and sponsor the Scottsdale Parada del Sol Parade and Trail's End Festival (or "Event") in Downtown Scottsdale, Arizona on February 3, 2024.
- The City of Scottsdale ("City") will have "naming rights" to the Event and the Event will be titled "The Scottsdale Parada del Sol Parade and Trail's End Festival."
- Event announcers will verbally mention the City of Scottsdale a minimum of six times during Event announcements. The City of Scottsdale will provide the content of such verbal mentions to the Producer.
- The City of Scottsdale shall be identified as hosts on the Event website. The Event website shall include a link to Old Town Scottsdale's website, which promotes Downtown Scottsdale.
- The Event will feature the City of Scottsdale's name and logo in all advertising, banners, press releases, and promotional materials created for the Event, including but not limited to, event posters, flyers and event guides.
- A minimum of three live television and/or radio broadcast spots for the Event will air that mention the City of Scottsdale as the host and sponsor of the Event.
- A total of at least 15 radio spots and digital banner ads promoting the Event will be featured on local radio or other local media outlets.
- At least three ads promoting the Event will be published in the Arizona Republic event page.
- Producer will promote the Event on social media, including Facebook, and Instagram.
- Producer will work closely with the City of Scottsdale to create additional opportunities to promote the City in connection with the Event.
- Producer will ensure a minimum of a \$162,500 marketing value for the City in the event. Such value shall be reflected in a marketing and promotional plan that Producer shall provide to the City's contract administrator by January 19, 2024.