CITY COUNCIL REPORT

Meeting Date: **September 19, *2023***
General Plan Element: ***Economic Development***
General Plan Goal: ***Sustain Scottsdale as a tourist destination***

ACTION

Scottsdale Taste of Italy and International Food Fair Adopt Resolution No. 12925 authorizing the one-year agreement No. 2023-134-COS with the Italian Association to produce the Scottsdale Taste of Italy and International Food Fair and funding up to $36,750 from the portion of the FY 2023/24 Tourism Development Fund that is allocated toward event retention and development.

BACKGROUND

The Italian Association, producer of Scottsdale Taste of Italy and International Food Fair, has proposed a one-year agreement with the City of Scottsdale for event development.

Scottsdale Taste of Italy and International Food Fair is an event held at the Scottsdale Stadium and includes authentic Italian culture, food, and music. Although focused on Italian foods and beverages this year the event will feature non-Italian food vendors of diverse cultures.

On August 15, 2023, the Tourism Development Commission recommended that City Council allocate $36,750 in support of the one-year agreement. Allocation of potential funds will be from the Tourism Development Fund established for events and event development.

ANALYSIS & ASSESSMENT

The two-day event will take place on October 21 and 22 with an estimated attendance of 10,000.

The event will promote local businesses and destination promotion through broadcasts, radio, print, and on-line outlets highlighting the event. The producer of the event is allocating $10,000 toward event marketing against a total event budget of $170 thousand.

Last year the event received event funding in the amount of $58,502.

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.

Action Taken Approved on Consent

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.

RESOURCE IMPACTS

Available Funding

The total maximum annual city investment is $36,750 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 because of the proposal.

OPTIONS & STAFF RECOMMENDATION

The Tourism Development Commission and Tourism and Events Department staff recommend the adoption of Resolution No. 12925 authorizing the one-year agreement No. 2023-134-COS with the Italian Association to produce the Scottsdale Taste of Italy and International Food Fair and funding up to $36,750 from the portion of the FY 2023/24 Tourism Development Fund that is allocated toward event retention and development.

RESPONSIBLE DEPARTMENT(S)

Tourism & Events Department

STAFF CONTACT

Steve Geiogamah, Tourism Development Manager, SGeiogamah@scottsdaleaz.gov

BlueInk Bundle ID: ri3dkL9XTZ

APPROVED BY

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

8/30/23 12:50 MST
Date

Ana Lia Johnson

Ana Lia Johnson, Acting Budget Director
480-312-7893, anjohnson@scottsdaleaz.gov

8/30/23 13:07 MST
Date

Erin Perreault

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

8/30/23 18:10 MST
Date

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

8/31/23 09:22 MST
Date

Jim Thompson

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

8/31/23 11:47 MST
Date

ATTACHMENTS

1. Resolution No. 12925
2. Agreement No. 2023-134-COS

BlueInk Bundle ID: ri3dkL9XTZ

RESOLUTION NO. 12925

A RESOLUTION OF THE COUNCIL OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING FY 2023/24 FUNDING NOT TO EXCEED $36,750 FROM THE PORTION OF THE TOURISM DEVELOPMENT FUND THAT IS ALLOCATED TOWARD EVENT RETENTION AND DEVELOPMENT FOR THE SCOTTSDALE TASTE OF ITALY AND INTERNATIONAL FOOD FAIR EVENT AND AUTHORIZING AN EVENT FUNDING AGREEMENT WITH THE EVENT PRODUCER, THE ITALIAN ASSOCIATION.

WHEREAS, City desires to provide funds for the Scottsdale Taste of Italy and International Food Fair event ("event"); 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, Maricopa County, Arizona, as follows:

Section 1. The City Council authorizes an amount not to exceed $36,750 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 Scottsdale Taste of Italy and International Food Fair event.

Section 2. The City Council authorizes and directs the Mayor to execute, on behalf of the City, Contract No. 2022-134-COS with The Italian Association.

PASSED AND ADOPTED by the City Council of the City of Scottsdale, Maricopa County, Arizona this ____ day of _____, 2023.

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 Hylen, Senior Assistant City Attorney

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ATTACHMENT 1

EVENT FUNDING AGREEMENT

THIS NEW EVENT FUNDING AGREEMENT (the "Agreement") is made this ____ day of _____, 2023 by and between The Italian Association ("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 2023 Scottsdale Taste of Italy and International Food Fair (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 $36,750 (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 60 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 $36,750 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 changes 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: Mickey Rao, President
The Italian Association
8020 E. Gelding Dr.
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: The Italian Association

By: _____
President

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 Hylen
Senior Assistant City Attorney

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George Woods
Safety and Risk Management Director

Steve Geiogamah
Tourism Development Manager

Exhibit A

1. The official title of the 2023 Scottsdale Taste of Italy and International Food Fair event held at the Scottsdale Stadium on October 21 and 22, 2023, will be "Scottsdale Taste of Italy and International Food Fair" (the "Event") and will be referred to by this title in all print and other references.

2. In addition to including the City of Scottsdale name as a title sponsor, Producer shall include the City name and/or logo in all Event media including television, local and national public relations, radio, print, schedules, press material and digital media.

3. Producer shall ensure that Old Town Scottsdale literature and/or promotional material that promotes Old Town Scottsdale as a destination will be distributed to participants at the Event. City shall provide literature and/or promotional material to Producer one week prior to the Event.

4. Producer shall ensure that beginning at least three weeks prior to the Event and continuing through the duration of the Event, there are weekly sponsored, exclusive Facebook and Instagram posts promoting the Event and Scottsdale as a destination. City shall provide messaging.

5. Producer shall ensure that Scottsdale is identified as host on the Event website. The Event website shall include a link to the Old Town Scottsdale website, which promotes Old Town Scottsdale as a destination, and identify Experience Scottsdale's website as a vacation planning resource or visitor information resource.

9. Producer shall provide at least $36,750 in event marketing and promotional value. Such value shall be reflected in the required marketing and promotional plan. All marketing shall comply with Section 2.5 of this agreement in acknowledging City's support and sponsorship. In the event the marketing and promotional value is less than $36,750, the sponsorship amount shall decrease to the level of the marketing and promotional value, provided that all other requirements of this Agreement are met.

10. Producer shall create and implement a marketing and promotion plan for the Event to provide assurance of increased tourism as a result of the Event. By September 20, 2023, Producer shall provide the marketing and promotion plan to the City and initiate the marketing and promotion plan.