

CITY COUNCIL REPORT



Meeting Date: **June 24, 2025**
General Plan Element: **Character & Design**
General Plan Goal: ***Build upon the significant role the arts have played in shaping our community's image and lifestyle by maximizing the potential of public art to enrich the daily lives of people that live in or visit Scottsdale.***

ACTION

Scottsdale Arts Management Services Agreement

1. Adopt Resolution No. 13428 authorizing Agreement No. 2020-046-COS-A1 amending a Management Services Agreement for advisory and management services regarding the city's arts and cultural programs and extending the contract between the City of Scottsdale and Scottsdale Arts until December 31, 2025.
2. Adopt Resolution No. 13429 authorizing Contract No. 2025-082-COS, a Financial Participation Agreement in the amount of \$3,405,157 to be allocated for activities consistent with Management Services Agreement 2020-046-COS-A1.

BACKGROUND

Since 1987, through a public-private partnership, the city has maintained a management services organization for advisory and management services regarding the arts and cultural programs and facilities of the city. For 38 years, the non-profit rebranded as Scottsdale Arts in 2016 has served as the principal organization managing arts and cultural activities as well as operating certain city-owned facilities and art programs for the city. In addition, Scottsdale Arts promotes the city's arts and cultural interests at the local, regional, state and federal levels.

The benefit of the city using a public-private partnership for arts and cultural management services is to increase opportunities to work together for the benefit of our city, and most importantly, our citizens of all ages. The Management Services Agreement (MSA) ensures that city funds are used for the program of work as presented annually through an operation plan and report. The agreement is monitored on an ongoing basis by the city's contract administrator and through annual performance measures, programming updates and financial reports. Terms of the contract call for an annual audit and year-end financial report. The City Council must annually approve the allocation for the city's Financial Participation Agreement (FPA).

In 2024, the City Auditor conducted an audit to evaluate compliance, effectiveness, and administration of the Management Services Agreement with Scottsdale Arts. Primary audit

Action Taken _____

conclusions are: 1) maximizing event programming and rental of city-owned facilities can help decrease reliance of city funding and increase events available to the Scottsdale community; 2) improvements to contract clarity and performance expectations are needed and 3) reporting of financial, performance information, and monitoring of deliverables could be improved. Those issues still require discussion and coordination, and new city leadership needs additional time to renegotiate an improved, clear, and transparent long-term contract, and therefore decided to extend the existing contract for six months.

The current MSA, approved in 2020, is to expire June 30, 2025 and may be extended for up to an additional five years, but the desire for updated objectives, unambiguous contract language and better-defined performance measures necessitates a brief extension and execution of a new agreement. In 2018, the city's Purchasing Department reviewed a single source request, and determined it could be awarded to Scottsdale Arts, and that determination will be reevaluated during the extension period.

ANALYSIS & ASSESSMENT

The Amended and Restated Management Services Agreement differs from the original in the following ways:

1. Term of Agreement is extended for six months until December 31, 2025.
2. Remove Arts and Cultural Needs Assessment requirement as this was completed during the previous contract term.
3. Remove required development of a citywide arts and cultural calendar as that has become part of a larger city-led global calendar of events initiative.
4. Remove requirement to propose new facility rental fees for this contract period but will be evaluated with a requirement included in the long-term contract.
5. Deadlines for reporting and payments made consistent with the December 31, 2025 contract expiration date.
6. Other minor administrative clean-up such as updated titles, departments, and removing references to previous agreements.

Agreement Funding

The city provides annual funding to Scottsdale Arts through the annual FPA, which authorizes a management services fee to Scottsdale Arts to deliver the services outlined in the MSA.

This FY 2025/26 agreement is calculated using half the FY 2025/26 adopted general fund budget allocation and half of the FY 2025/26 Community Arts Trust funding consistent with a six-month extension. See table 1.

Additionally, the FPA includes \$750,000 in bed tax funding for Canal Convergence public art event which takes place November 7-16, 2025. This is 100% of the FY 2025/26 adopted budget and the

city has consistently funded this amount since 2018 (minus pandemic year.) At its April 15, 2025 meeting, the Tourism Development Commission recommended unanimously (4-0) that the City Council approve \$750,000 of bed tax funds in FY 2025/26 for Scottsdale Arts the Canal Convergence event.

Table 1. FY 2025/26 Financial Participation Agreement for Management Services

	FY 25/26	City Fund
<i>Unrestricted General Fund:</i>		
Management and Administration Fee	\$1,750,428	General Fund
<i>Restricted General Fund:</i>		
Arts Education	398,570	General Fund
Community Arts Grant Program	50,000	General Fund
Public Art Conservation	67,222	General Fund
Public Art Administration	336,111	General Fund
Specialty Equipment	27,326	General Fund
<i>Sub-Total General Fund Restricted:</i>	<i>879,229</i>	
<i>Total General Fund Fees:</i>	<i>\$2,629,657</i>	
<i>Restricted Other Fund Sources:</i>		
Canal Convergence	750,000	Bed Tax Fund
Community Arts Trust	25,500	Special Programs Fund - Community Arts Trust
Total Management Services Fee	\$3,405,157	

FY 2025/26 Council Appropriation

On June 10, 2025, City Council adopted a budget that includes a full year of funding. Additionally, Scottsdale Arts requested a 2.5% cost of living increase and \$100,000 for a Public Art Vision Plan (strategic plan). Both the cost-of-living request and the Vision Plan request were moved to contingency pending further discussion and additional information.

Under the current Management Services Agreement (MSA), Scottsdale Arts is responsible for managing both the Art in Public Places and Cultural Improvements programs in accordance with the City Code (S.R.C. 20-121 through 20-123) and Zoning Ordinance (Sec. 7.1000).

The Public Art Vision Plan is a required guiding document. It is the city of Scottsdale's plan, executed by Scottsdale Public Art. Notably, the zoning ordinance states that public art in private development must be reviewed for alignment with the adopted public art master plan. Without an updated plan in place, Scottdale Arts has a lack of clear and up-to-date framework for evaluating these contributions, potentially weakening the effectiveness of the ordinance.

City Council Report | Scottsdale Arts Management Services Agreement

Unrestricted Revenue

Scottsdale Arts is required to match two dollars in earned and contributed revenue for every dollar of unrestricted funds received from the city. Projected for FY 2024/25, 32% of the total unrestricted funds is from the city as stated in Attachment 6 and the same percentage is forecasted for FY 2025/26.

RESOURCE IMPACTS

Sufficient funding of \$5,484,905 is included in the FY 2025/26 Adopted Operating Budget. This includes for a full year of funding, a 2.5% cost of living increase and \$100,000 for Scottsdale Arts to develop the city's Public Art Strategic Plan. Contract No. 2025-082-COS requests \$3,405,157 for a six-month extension and the entire appropriation for Canal Convergence.

STAFF RECOMMENDATION

3. Adopt Resolution No. 13428 authorizing Agreement No. 2020-046-COS-A1 amending a Management Services Agreement for advisory and management services regarding the city's arts and cultural programs and extending the contract between the City of Scottsdale and Scottsdale Arts until December 31, 2025
4. Adopt Resolution No. 13429 authorizing Contract No. 2025-082-COS, a Financial Participation Agreement in the amount of \$3,405,157 to be allocated for activities consistent with Management Services Agreement 2020-046-COS-A1.

RESPONSIBLE DEPARTMENTS

Tourism and Events Department

STAFF CONTACT

Rachel Smetana, Tourism & Events Director, rsmetana@scottsdaleaz.gov, 480-312-2890

APPROVED BY



Scott Selin, Budget Director
(For Financial Policies Compliance and Budget Appropriation)
480-312-2603, sselin@scottsdaleaz.gov

6/12/25 10:12 MST

Date



Judy Doyle, Senior Director – Enterprise Operations
480-312-2691, jdoyle@scottsdaleaz.gov

6/12/25 10:50 MST

Date



Greg Caton, City Manager
480-312-7759, gcaton@scottsdaleaz.gov

6/12/25 10:55 MST

Date

ATTACHMENTS

1. Resolution No. 13428
2. Amended Management Services Agreement 2020-046-COS-A1
3. Resolution 13429
4. Financial Participation Agreement No. 2025-082-COS
5. Scottsdale Arts FY 2025/26 Operating Budget
6. Scottsdale Arts Revenue Detail
7. Scottsdale Arts Performance and Strategic Plan Detail

RESOLUTION NO. 13428

A RESOLUTION OF THE COUNCIL OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING AGREEMENT NO. 2020-046-COS-A1 AMENDING A MANAGEMENT SERVICES AGREEMENT FOR ADVISORY AND MANAGEMENT SERVICES REGARDING THE CITY'S ARTS AND CULTURAL PROGRAMS AND EXTENDING THE CONTRACT BETWEEN THE CITY AND SCOTTSDALE ARTS UNTIL DECEMBER 31, 2025.

WHEREAS:

A. Scottsdale Cultural Council doing business as Scottsdale Arts ("Scottsdale Arts"), was formed to provide advisory and management services regarding the arts and cultural programs and facilities of the City.

B. The City, through Management Services agreements with Scottsdale Arts, has enjoyed a long mutually beneficial relationship with Scottsdale Arts and desires to pursue certain objectives to further enhance and promote arts and cultural programs and facilities in the City.

C. The objectives are to advise the City on current and future arts and cultural affairs and facilities in Scottsdale; engage the community to create within the City a climate in which the arts may flourish; increase artistic partnerships with local arts organizations; ensure that arts education and outreach programs are provided to the community; manage the City's artwork and the Public Art program and events; and operate and manage programming, facility rentals and events at the City-owned Facilities to provide important benefits to Scottsdale's art and cultural programs, organizations and Scottsdale generally.

D. In 2020, the City and Scottsdale Arts entered into a five-year Management Services Agreement with the option to extend the Agreement upon agreement of the parties.

E. The parties wish to extend the Management Services Agreement until December 31, 2025 with the option to extend an additional six months and make certain other changes to the Agreement.

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, on behalf of the City of Scottsdale, Management Services Agreement No. 2020-046-COS-A1.

PASSED AND ADOPTED by the Council of the City of Scottsdale, Arizona, this ____ day of _____, 2025.

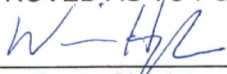
ATTEST:

CITY OF SCOTTSDALE,
a municipal corporation

Ben Lane, City Clerk

Lisa Borowsky, Mayor

APPROVED, AS TO FORM:



Sherry Scott, City Attorney
By: William Hylen
Supervising Assistant City Attorney

AMENDED AND RESTATED MANAGEMENT SERVICES AGREEMENT

This Amended and Restated Management Services Agreement (this "Agreement") is made and entered into this ____ day of _____, 2025 by and between the CITY OF SCOTTSDALE, an Arizona municipal corporation ("City"), and Scottsdale Arts, an Arizona non-profit corporation ("Scottsdale Arts") (individually, a "Party;" collectively, the "Parties").

RECITALS

A. The City and Scottsdale Arts wish to amend the Agreement the parties entered into in 2020 to extend the term of the Agreement as permitted by Subsection 1.1 and to make certain other changes.

B. City and Scottsdale Arts desire to pursue certain objectives to enhance and promote arts and cultural programs and facilities in the City. The Objectives are:

1. Provide advisory services to the City for current and future arts and cultural affairs and facilities in Scottsdale.
2. Actively work to engage the community to create within the City a climate in which the arts may flourish.
3. Increase artistic partnerships with local Arts Organizations for use of the City-Owned Facilities and increase the amount of grant funding available for Scottsdale-based and Scottsdale-focused arts organizations.
4. Ensure that arts education and outreach programs are provided to the community.
5. Manage City Artwork and the Public Art Program and Events, and curate displays of City Artwork and other displays of community interest at the Scottsdale Public Libraries and other City facilities.
6. Operate and manage programming, facility rentals and events at the City-Owned Facilities.
7. Increase funding over time from earned and contributed revenue with the goal of increasing reliance on outside funding to 67 percent of total revenue.
8. Increase private revenues and secure new funding sources for use to supplement City expenditures on capital improvements necessary for current and future facilities.

C. The Parties recognize that the City or Scottsdale Arts may from time-to-time desire to add facilities or services to the scope of this Agreement and that such addition(s) may require the Parties to negotiate further amendments to this Agreement.

NOW, THEREFORE, in consideration of the above recitals and the mutual covenants and agreements contained herein, the Parties agree as follows:

1. TERM OF AGREEMENT

1.1. Term of Agreement. This Agreement shall take effect on the date it is executed by both parties ("Effective Date") and shall continue until December 31, 2025, unless sooner terminated as set forth in this Agreement. The term of this Agreement may be extended for an additional six months upon mutual agreement of the parties. The City's contract administrator may execute any such extension.

2. ARTS AND CULTURAL ACTIVITIES

2.1. Arts Advocacy. Scottsdale Arts shall advise City and, as determined by Scottsdale Arts, other governmental entities (including at the state and federal level), on how various activities or plans may affect arts and cultural affairs and facilities in Scottsdale. Scottsdale Arts shall not use City funds, including the Management Services Fee, to influence elections for governmental offices, but can educate and advocate on arts and cultural affairs.

2.2. New Arts and Culture-Related Facilities, Ventures and Partnerships. In its capacity as arts and cultural advisor to the City, Scottsdale Arts shall establish processes and criteria for considering opportunities for new partnerships or ventures that would bring new programs or arts facilities to Scottsdale. Criteria shall include, without limitation, consistency with Scottsdale Arts' Strategic Plan, Annual Reports, demonstrated community support, and the potential for private partnership. Scottsdale Arts shall evaluate all such opportunities and make recommendations (including budgetary implications and proposals) to the City, as appropriate.

2.2.1. "Arts Organizations" means those independent, non-profit organizations that are either based in Scottsdale or conduct programs in Scottsdale, and that have visual, literary, performing arts, or cultural enhancement as a component of their mission.

2.3. Community Arts Grants Program. Scottsdale Arts shall manage and administer a community arts grants program in support of Arts Organizations. Scottsdale Arts shall work to increase the amount of grant funding available for Arts Organizations. The City shall not make any decisions pertaining to the selection of Arts Organizations to be funded through this program. The majority of Community Arts Grants Program funding in a fiscal year shall be awarded for specific arts projects. The program may also provide Scottsdale-based, non-profit arts and culture organizations with general operating support funding to fund programs that are 100% arts-related and pursue objectives under this Agreement. Scottsdale Arts shall acknowledge the City's support, and require grant recipients to acknowledge the City's support, in press releases, advertisements and other media using the City symbol and the following language: *This program is made possible, fully or in part, by a grant from Scottsdale Arts with funding provided by the City of Scottsdale.*

2.4. Rental Support Program. Scottsdale Arts shall manage and administer a program to provide rental support for the City-Owned Facilities for Scottsdale-based non-profit Arts Organizations. Scottsdale Arts shall acknowledge the City's support, and require Arts Organizations to acknowledge the City's support, in press releases, advertisements and other media using the City symbol and the following language: *This program is made possible, in part, by Scottsdale Arts with funding provided by the City of Scottsdale.*

2.5. Artistic Partnership Program. Scottsdale Arts shall establish Artistic Partnerships with Scottsdale-based Arts Organizations. Funding for Artistic Partnerships shall be provided directly by Scottsdale Arts and may include funds provided under the Community Arts Grant and

Rental Support Programs. Scottsdale Arts shall acknowledge the City's support, and require Arts Organizations to acknowledge the City's support, in press releases, advertisements and other media using the City symbol and the following language: *This program is made possible, in part, by Scottsdale Arts with funding provided by the City of Scottsdale.*

2.6. Community Events. Scottsdale Arts shall develop and implement a minimum of 12 arts and cultural events citywide each year that are available at no cost to the public. Such events shall be free to the public and shall emphasize the talent of local artists, and/or arts education. Scottsdale Arts may program the events to occur at any of the Facilities or other public spaces and facilities within the City of Scottsdale. The proposed schedule for community events should be discussed and reviewed annually with the Contract Administrator, after review with city departments and other impacted community arts organizations and businesses.

2.7. Destination Event. Scottsdale Arts shall manage and administer an Arts-Related Destination Event that shall include components that are open and free to the public but may include fee-based programming. Scottsdale Arts shall work with the City's destination marketing organization and the Contract Administrator on developing and implementing a marketing plan. Scottsdale Arts shall include local, national and international artists and organizations, and include both visual and performing arts of interest to residents of and visitors to Scottsdale. Scottsdale Arts shall be responsible for all elements of event production. Scottsdale Arts shall retain all fees and sponsorship revenue earned from the event to support the Objectives. If the event occurs on City property, Scottsdale Arts shall pay the rate established by fee schedule for use of the property. Scottsdale Arts shall reimburse the City for any damage occurring to the event location.

2.8. Arts Education and Outreach Programs. Scottsdale Arts shall manage and administer Arts Education and Outreach Programs through working with local educational institutions, as well as with other arts and cultural organizations within Scottsdale.

3. ADMINISTRATION AND MANAGEMENT OF CITY ARTWORK

3.1. Management of City Artwork. Scottsdale Arts shall manage all City Artwork on behalf of the City. "City Artwork" means the City's entire art collection, consisting of the Scottsdale Municipal/Portable Works Collection, the Public Art Collection, and the Museum Collection, together with any Artwork acquired and accessioned by Scottsdale Arts pursuant to this Agreement. Management includes Conservation. "Conservation" means the process of maintaining, preserving and protecting Artwork.

3.2. Purpose, Policies and Procedures. Subject to and consistent with the applicable provisions of the Scottsdale Revised Code, as amended, Scottsdale Arts shall define the purpose and focus of the Public Art Collection, the Portable Works Collection and the Museum Collection, and shall establish and implement comprehensive written management and stewardship policies and procedures applicable to such collections.

3.2.1. "Public Art" or "Public Art Collection" means publicly accessible Artwork that is acquired and accessioned by Scottsdale Arts on behalf of the City pursuant to the Art in Public Places Program.

3.2.2. "Scottsdale Municipal/Portable Works Collection" or "Portable Works Collection" means readily moveable Artwork that is acquired and accessioned into the City's portable works collection. The Portable Works Collection does not include Artwork in the Museum Collection or the Public Art Collection.

3.2.3. "Museum Collection" means the permanent art collection of the Scottsdale Museum of Contemporary Art ("SMoCA").

3.3. Adherence to Recognized Standards and Guidelines. All policies and procedures related to the Public Art Collection and the Portable Works Collection shall at all times conform to generally recognized standards and guidelines for the acquisition, display, exhibition, storage, conservation, disposition and decommission of Artwork in each of these collections. All policies and procedures related to the Museum Collection shall at all times conform to standards and guidelines promulgated from time to time by the American Association of Museums ("AAM"). With the exception of the Museum Collection standards and guidelines, Scottsdale Arts shall provide the City with a copy of all such policies and procedures, including amendments, for review and comment at least 15 days prior to final approval and implementation.

3.4. Inventory. By no later than December 31, Scottsdale Arts shall deliver to the City an updated inventory and condition report regarding all City Artwork, specifically setting forth new acquisitions and any lost, damaged or stolen items. The updated inventory shall be incorporated herein by this reference upon delivery to the City Contract Administrator.

3.5. Ownership of City Artwork. Scottsdale Arts acknowledges and agrees that it does not hold title to, or possess any incidents of ownership of, and hereby expressly waives any claims to ownership of, City Artwork, whether any such Artwork is acquired or accessioned before, during or after the term of this agreement. Moreover, at no time shall Scottsdale Arts acquire legal, beneficial or equitable title to any Artwork of any kind, nature or description, it being the intent of the Parties that Scottsdale Arts acquire or accession Artwork solely on behalf, in the name, and for the benefit, of the City and the citizens of Scottsdale.

3.6. Conservation of City Artwork. Scottsdale Arts is responsible for the Conservation of City Artwork. Not later than December 31, concurrently with the updated City Artwork inventory required pursuant to subsection 3.4 above, Scottsdale Arts shall assess the condition of all City Artwork and submit to the City Contract Administrator a 10-year Conservation analysis and 10-year budget estimate that will provide sufficient funding for conservation of existing public art. If under section 5.1, Scottsdale Arts requests an amount greater than that specified in the conservation budget, Scottsdale Arts shall provide written justification for such request.

3.7. City Involvement. The City shall not make any decisions pertaining to the design, selection and management of City Artwork, including the selection of artists. Scottsdale Arts shall, however, notify and provide the City with a reasonable opportunity to review and comment on Scottsdale Arts' consideration of any existing Artwork or Artwork design that may require a substantial financial commitment for Conservation. Scottsdale Arts shall consider any such comments before making a final decision to approve the design of any such Artwork, or to acquire or accession any such Artwork.

3.8. Museum Collection.

3.8.1. In order to ensure SMoCA and the Museum Collection are managed in accordance with the highest professional standards, and to maximize the potential for major donations of historical value by private collectors, Scottsdale Arts shall at all times operate and manage SMoCA and the Museum Collection in accordance with AAM standards and shall use its best efforts to maintain SMoCA's AAM accreditation throughout the term of this Agreement.

3.8.2. Scottsdale Arts shall present annually at SMOCA at least one exhibit from the Museum Collection.

3.9. Management of Art in Public Places Program and Public Art Collection. Scottsdale Arts shall manage and administer the Art in Public Places Program, as set forth in S.R.C. §§ 20-121 through 20-123, as amended, and shall manage the Public Art Collection. Scottsdale Arts shall establish and implement written policies and procedures for the administration of the Art in Public Places Program, which shall contain provisions for public participation and for appeals of decisions concerning Public Art to the City Council. Scottsdale Arts shall deliver to the City Contract Administrator copies of all such policies and procedures, including amendments, for review and comment at least 15 days prior to final approval and implementation. Notwithstanding anything in this subsection to the contrary, the City does not intend to and does not hereby delegate to Scottsdale Arts any of its authority, duties or functions set forth in S.R.C. § 20-123(e), as amended.

3.10. Management of Cultural Improvements Program. Scottsdale Arts shall manage and administer the Cultural Improvements Program, as set forth in Section 5.3083 of Appendix B to the Scottsdale Revised Code, as amended. Scottsdale Arts shall maintain written policies and procedures for the management and administration of the Cultural Improvements Program. Scottsdale Arts shall deliver to the City Contract Administrator copies of all such policies and procedures, including amendments, for review and comment at least 15 days prior to approval and implementation.

3.11. Art Displays at Public Libraries and City Facilities. Scottsdale Arts shall curate displays of City Artwork and other displays of community interest, such as those showcasing the work of local artists, at spaces made available by the City at the Scottsdale Public Libraries and other City facilities.

4. MANAGEMENT AND PROGRAMMING OF CITY-OWNED FACILITIES

4.1. City-Owned Facilities. The City-Owned Facilities ("City-Owned Facilities") are arts and cultural facilities owned, leased or otherwise controlled by the City. The City-Owned Facilities are:

4.1.1. The Scottsdale Center for the Performing Arts ("SCPA"), which is located at 7380 E. Second St., Scottsdale, Arizona, excepting those portions of the premises occupied from time to time by the City. For the purposes of this agreement, this does not include the portion of the Scottsdale Center for the Performing Arts occupied by the City's Information Technology Department.

4.1.2. Scottsdale Civic Center ("Civic Center") means the City-owned property, and facilities located thereon, as defined in S.R.C. § 20-107, as amended.

4.1.3. The Scottsdale Museum of Contemporary Art, which is located at 7374 E. Second Street, Scottsdale, Arizona.

4.2. Managerial Services and Responsibilities. Scottsdale Arts shall manage, operate and program each of the City-Owned Facilities in a manner consistent with this Agreement, which shall include, without limitation, scheduling, booking, promoting, administering, creating and presenting exhibitions, events and programs at the City-Owned Facilities. Scottsdale Arts shall manage the Facilities in a first-class manner; furnish prompt and courteous service, and keep the

Facility attractively maintained, orderly, clean, sanitary and in an inviting condition at all times to the City's reasonable satisfaction. For each of the City-Owned Facilities Scottsdale Arts shall:

4.2.1. Comparison Facilities. Operate the City-Owned Facilities and perform its operation and maintenance obligations to standards equal to or higher than those maintained at similar first-class facilities in Maricopa County, all as reasonably determined by City. For purposes of the preceding sentence, Tempe Center for the Arts, Mesa Arts Center, and Chandler Center for the Arts (the "Comparison Facilities") shall be deemed to be similar facilities. City shall have the right by written notice from time to time in its reasonable discretion to designate other arts centers in the western United States as additional or replacement Comparison Facilities.

4.2.2. Policies. Establish and implement reasonable written policies, regulations, hours of operation, and other reasonable and appropriate operating procedures. Scottsdale Arts shall provide the City Contract Administrator with a copy of any such materials, including amendments, for review and comment at least 15 days prior to final approval and implementation. The purpose of the review and comment is to ensure that the content of the proposed materials conforms to this Agreement and all applicable federal, state, and local laws, ordinances, resolutions, rules, and regulations; however, any failure by the City Contract Administrator to comment shall not constitute an approval by the City of such materials.

4.2.3. Ticket prices and admission fees. Establish and maintain reasonable event and City-Owned Facility ticket prices and admission fees for the public at the sole discretion of Scottsdale Arts with exception of subsection 4.4. Scottsdale Arts may also establish and maintain a reasonable ticket surcharge to be used to help fund improvements to the City-Owned Facilities or replace Specialty Equipment.

4.2.4. Adequate Qualified Personnel. Ensure the presence at the Facilities of adequate qualified personnel to conduct all operations at the Facilities as required or permitted by this Agreement. All personnel shall be authorized to represent and act for Scottsdale Arts in matters pertaining to all emergencies and the day-to-day operation of the Facilities. Scottsdale Arts shall provide notice to the City Contract Administrator and the City's Facilities Management Director of the name, business address, email address, and regular and after-hours telephone numbers of a person or persons to handle Scottsdale Arts' affairs and emergencies at the Facilities.

4.2.5. Access Control and Security. Assume all operational responsibility and costs for access control and security, including all property contained therein.

4.3. Non-City-Owned Facilities. The City of Scottsdale is not responsible for the "Non-City-Owned Facilities" which means properties leased or owned by Scottsdale Arts, including, without limitation, the administrative offices located at 7373 N. Scottsdale Mall in Scottsdale. Management Services Fees cannot be used to pay the cost of leasing the Non-City-Owned Facilities.

4.4. Scottsdale Civic Center. Scottsdale Arts shall schedule all public and private events, including events produced by Scottsdale Arts, occurring at Scottsdale Civic Center, including accepting and reviewing event applications for compliance with applicable City special event permit requirements, confirming required insurance coverage, collecting applicable fees, issuing facility use permits with appropriate conditions, and advising users of their responsibilities under the Scottsdale Revised Code. Scottsdale Arts, event producers, and any third-party contractors shall comply with S.R.C. §§ 20-106 through 20-120, as amended, and all other

applicable federal, state, and local laws, ordinances, resolutions, rules and regulations in discharging these responsibilities.

4.4.1. The City and Scottsdale Arts will review actual revenues and expenses for scheduling and providing services for the six months of this Agreement to determine net revenues. Rental-related income and events produced or co-produced by Scottsdale Arts are included in net revenues. Scottsdale Arts shall pay thirty percent of net revenues to the City by December 31 following Scottsdale Arts' annual fiscal year audit.

4.4.2. Scottsdale Arts may administratively determine a policy for refunds due to inclement weather.

4.4.3. Scottsdale Arts shall have the first-right-of-refusal to provide for the sale or dispensing of any food and beverages, including alcohol if pursuant to a valid state license, on Scottsdale Civic Center except when the event is sponsored by the City.

4.4.4. Scottsdale Arts will notify the City Manager, or the City Manager's designee, and any other City departments potentially impacted by the issuance of the permit at the time the permit application is filed and upon the issuance of the permit.

4.4.5. If the date of the proposed use is being held by Scottsdale Arts, it must make a determination of Scottsdale Arts' use within 15 working days of the applicant's submission of the event proposal.

4.4.6. Scottsdale Arts shall ensure that Scottsdale Civic Center is cleaned up immediately following each event and left in good order and repair, and in at least the condition in which Civic Center existed immediately prior to the event. The City and Scottsdale Arts should immediately notify the other's respective contact in the event that damage is discovered.

4.4.7. The City reserves the right to assess to Scottsdale Arts any costs associated with damage, beyond normal wear and tear, which result from any event or performance scheduled by Scottsdale Arts. Damage due to severe weather conditions shall be considered normal wear and tear for the purposes of this section.

4.4.7.1. If damage to a turf area is so significant that it requires immediate replacement for use by the general public or an event, Scottsdale Arts shall be responsible for reimbursement of the City's costs for turf replacement. No payment is necessary for general wear and tear, or damage that does not necessitate immediate replacement, or occurs at the end of the season when turf is scheduled for replacement regardless.

4.4.8. Scottsdale Arts shall pay to the City upon demand any and all amounts expended or incurred by the City in performing Scottsdale Arts' obligations under this subsection, or if agreed to by both parties, the amount shall be deducted from the next payment required under the annual Financial Participation Agreement.

4.4.9. The City and Scottsdale Arts shall meet at least once to review and discuss grounds and facilities maintenance issues.

4.4.10. Scottsdale Arts shall ensure the presence of on-site staff to continually monitor event impacts, including, without limitation, refuse, security and public restroom sanitation, appropriate to the size, nature and duration of the event.

4.4.11. The City Contract Administrator shall have the authority to require Scottsdale Arts and third parties using Scottsdale Civic Center to use reasonable protective materials, signage or safety equipment to protect City landscaping and infrastructure.

4.4.12. All other functions in connection with Scottsdale Civic Center, including routine maintenance, shall be performed by the City.

4.5. Food, Beverage and Retail Concessions. Scottsdale Arts may:

4.5.1. Operate food and non-alcoholic beverage concessions at each of the Facilities.

4.5.2. Operate alcoholic beverage concessions at City-owned Facilities in accordance with the terms of the Concession Agreement executed between the City and Scottsdale Arts.

4.5.3. Operate retail concessions that are consistent with the purpose and function of each Facility, as determined by the City.

4.5.4. Subcontract with other entities to operate food and beverage and retail concessions.

4.5.5. Allow licensees or permittees to provide food and beverage and/or retail concessions for their respective events.

4.5.6. Scottsdale Arts, its subcontractors, licensees or permittees shall at all times comply with all rules, regulations, standards, laws and ordinances of the United States of America, State of Arizona, County of Maricopa, City of Scottsdale and any other authority lawfully exercising authority over food and beverage sales and services and retail sales including, without limitation, Federal Pure Food and Drug Laws.

4.5.7. Scottsdale Arts shall at its own expense obtain and maintain all necessary licenses and permits (with the exception of the City's government liquor license) permitting the sale of food, beverages and retail items.

4.5.8. Scottsdale Arts shall operate all concessions in a first-class manner. Scottsdale Arts shall supervise any and all subcontractors, licensees and permittees such that they provide the same level of service and quality products as required by Scottsdale Arts hereunder.

4.6. Government Liquor License and Concession Agreement. The City holds government liquor license no. 05071004 ("Liquor License"), which applies to the City-Owned Facilities. The City and Scottsdale Arts are parties to an alcoholic beverage concession agreement (No. 930069) ("Concession Agreement"), dated June 14, 1993, which names Scottsdale Arts as the alcoholic beverage concessionaire. The Concession Agreement, as amended, or any successor agreement, specifies the terms and conditions under which Scottsdale Arts may use the Liquor License. The Parties understand and agree that the Concession Agreement authorizes Scottsdale Arts to execute a subcontract with a third party for the provision of alcoholic beverage concession services, and that such a subcontract does not constitute an assignment of Scottsdale Arts' rights and obligations under the Concession Agreement. The City's rights under this Agreement shall supplement and augment the City's rights under the Concession

Agreement. In the event of an irreconcilable conflict between the Concession Agreement and this Agreement, this Agreement shall control. All of Scottsdale Arts' obligations and limitations under this Agreement are in addition to its obligations and limitations under the Concession Agreement. Any breach by Scottsdale Arts of the Concession Agreement is a default by Scottsdale Arts under this Agreement and any default by Scottsdale Arts under this Agreement is a breach by Scottsdale Arts of the Concession Agreement. The Contract Administrators under this Agreement constitute the contract administrators for the Concession Agreement.

4.7. City Access to Facilities.

4.7.1. The City may access all parts of City-Owned Facilities at all times upon reasonable notice and in such manner as will minimize disruption to the extent reasonably practicable, for purposes of:

4.7.1.1. Performing, administering or enforcing this Agreement.

4.7.1.2. Examining, inspecting, evaluating, planning, repairing, designing, maintaining, showing or otherwise administering the City-Owned Facilities.

4.7.1.3. Performing City's regulatory, law enforcement and other governmental duties.

4.7.2. The City retains the right to conduct health/safety inspections of City-Owned Facilities. Scottsdale Arts must immediately implement any corrective measures resulting from these inspections and notify the City in writing of the implementation within seven days.

4.8. City Notification of Reserved Dates. In consultation with Scottsdale Arts, the City shall have the right to reserve dates during which no events or performances may be scheduled in the City-Owned Facilities so that the City may reseed the turf, perform other maintenance or renovations, or schedule tourism-related events and programming. The City Contract Administrator will inform Scottsdale Arts of such dates in writing as soon as possible.

4.9. City Use of City-Owned Facilities. The City shall have the right, without charge, to use any of the City-Owned Facilities, provided there is no conflicting event or performance scheduled by Scottsdale Arts. Facility use fees and in-house labor and equipment use fees shall be waived for all City use of City-Owned Facilities. The City shall be responsible for paying expenses incurred for temporary or contract labor (over-hires), or rental costs of Specialty Equipment required for the event. The City may use any concessionaire or caterer for events it conducts at the Facilities. City use of the City-Owned Facilities shall not exceed 12 events per year, unless Scottsdale Arts consents to additional dates.

4.10. Naming of City-Owned Facilities and Event Title Sponsorship.

4.10.1. The names of the City-Owned Facilities shall include the word "Scottsdale." All names of the City-Owned Facilities, interior spaces therein, and Event Title Sponsorships are subject to City Council approval at City Council's sole and absolute discretion as to name, and payments for naming rights. The preceding sentence does not apply to temporary (12 months or less) naming of programs, changing exhibit spaces, education classes and workshops.

4.10.2. Scottsdale Arts shall not use in connection with the City-Owned Facilities or its operations at the City-Owned Facilities any name associated with products or purveyors of any sort of alcohol, tobacco, adult entertainment or gambling-related products or services.

4.11. Maintenance, Utilities and Replacement. Maintenance, utilities and replacement for the Premises shall be provided as follows:

4.12. Maintenance. Maintenance shall be provided for the Center for Performing Arts and Scottsdale Museum of Contemporary Art as follows:

4.12.1. Maintenance, repairs and replacement. Except as specifically stated otherwise, the duty to maintain any item includes the duty to repair and replace the item.

4.12.2. Maintenance by Scottsdale Arts: Scottsdale Arts shall perform certain maintenance work (the "Scottsdale Arts Maintenance Work") as follows:

4.12.2.1. The Scottsdale Arts Maintenance Work is limited to the items listed on Exhibit "A" attached hereto together with all other maintenance that this Agreement does not specifically require City to perform.

4.12.2.2. Scottsdale Arts shall perform the Scottsdale Arts Maintenance Work at Scottsdale Arts' expense and maintain the Facilities in a first-class, clean and sanitary condition.

4.12.3. Maintenance by City: City shall perform certain maintenance work (the "City Maintenance Work") as follows:

4.12.3.1. The City Maintenance Work is limited to the items listed on Exhibit "B" attached hereto.

4.12.3.2. City shall perform the City Maintenance Work at City's expense.

4.13. Utilities. Utilities shall include electricity, water, gas, sewer, solid waste and recycling services. The City shall notify and bill Scottsdale Arts for its share of utility costs. The City Contract Administrator shall notify Scottsdale Arts of changes in utility rates to assist Scottsdale Arts in its budgeting process, but the duty to pay shall in no way be conditioned upon such notification. Either Party may request the performance of an energy audit; the requesting Party shall pay for the cost of such audit.

Utilities shall be paid for the Premises as follows:

4.13.1. Utilities by Scottsdale Arts: Scottsdale Arts shall pay certain utilities (the "Scottsdale Arts Utilities") as follows:

4.13.1.1. Scottsdale Center for the Performing Arts: fifty percent (50%).

4.13.1.2. Scottsdale Museum of Contemporary Art: one hundred percent (100%).

4.13.1.3. Scottsdale Civic Center: zero percent (0%).

4.13.1.4. Any other Facilities: one hundred percent (100%).

4.13.2. Utilities by City: City shall pay certain utilities (the "City Utilities") as follows:

4.13.2.1. The City shall pay one hundred percent (100%) of all utilities at the Scottsdale Civic Center and fifty percent (50%) of all utilities at the Scottsdale Center for the Performing Arts.

4.13.3. Utility Interruptions and Mishaps. City is not responsible for utility interruptions. City is not responsible for the acts, breaches, errors or omissions of any provider or consumer of electrical service or other utilities to the Premises.

4.14. Specialty Equipment. Scottsdale Arts shall maintain and repair all Specialty Equipment (Exhibit C), and may, if necessary, replace any Specialty Equipment which is damaged beyond repair or obsolete. "Specialty Equipment" means highly technical personal property that is unique to the performing or visual arts including, without limitation, the Steinway grand piano located in the Scottsdale Center for the Performing Arts

4.15. Specialty Fixtures. The City shall maintain and repair all Specialty Fixtures (Exhibit D), and may, if necessary, replace any Specialty Fixtures which are damaged beyond repair or obsolete. "Specialty Fixture" means personal property unique to the performing or visual arts and that is affixed to City-Owned Facility including, without limitation, stage lighting, rigging, cabling and sound equipment.

4.16. Capital Improvements. Scottsdale Arts shall work with the City Contract Administrator to identify and propose capital improvements, and funding sources for improvements, to City-Owned Facilities as part of the City's budget process to further the objectives outlined in this agreement. Scottsdale Arts may conduct capital campaigns for projects in the City's Adopted Capital Improvement Plan and may contribute financially from any of Scottsdale Arts non-City financial resources. Capital improvements to City-owned facilities shall only be constructed with City permission.

4.17. Damage to Facilities. Scottsdale Arts shall notify the City Facilities Department of any fire, flooding or other damage that occurs within, on or about the Facilities. Scottsdale Arts shall give the notice required under this subsection as soon as possible, either in person or by telephone; under all circumstances, Scottsdale Arts shall also give the notice in writing, within one business day of the occurrence requiring the notice, and such notice may be transmitted personally or by email.

4.18. Responsibility for Damage. Scottsdale Arts shall bear all costs resulting from damage arising from or related to any event or performance scheduled at, or other use of, the Facilities, by Scottsdale Arts or its invitees, licensees or permittees. City shall bear all costs resulting from damage from or related to City use of the City-Owned Facilities under Sec. 4.9.

4.19. Liens – City Right to Cure. Scottsdale Arts shall not, directly or indirectly, create or permit to be created or to remain and shall promptly discharge, at its expense, any mortgage, lien, encumbrance or charge on or pledge of the City-Owned Facilities, or any part thereof, except to the extent that such mortgages, liens, encumbrances, charges or pledges are created or expressly approved in writing by the City Contract Administrator. Scottsdale Arts shall promptly notify the City Contract Administrator of any lien or encumbrance that has been created on or attached to City-Owned Facilities, whether by act of Scottsdale Arts or otherwise. If Scottsdale Arts, in violation of the provisions of this Agreement, shall fail to pay and to discharge any imposition, mortgage, lien, encumbrance, charge or pledge, the City may (but shall not be

obligated to) pay or discharge it, and the amount paid by the City and the amount of all costs, expenses, interest and penalties connected therewith, including attorneys fees, shall be reimbursed to the City by Scottsdale Arts on demand.

5. CITY FUNDING

5.1. Management Services Fee. The City shall pay Scottsdale Arts a fee ("Management Services Fee") for the performance of its obligations under this Agreement. The City Council shall determine the amount allocated for the Management Services Fee in accordance with the City's annual budgetary process. However, the City is not obligated to pay to Scottsdale Arts the full amount budgeted for the Management Services Fee. The amount to be paid to Scottsdale Arts is the amount set forth in the Financial Participation Agreement(s) under subsection 5.5, which may be less than the amount budgeted. Scottsdale Arts may request annually through the City Manager's operating budget process an adjustment in the Management Services Fee for increased costs related to the performance of its obligations under this Agreement. Scottsdale Arts shall submit any request for the following fiscal year, along with sufficient justification, in writing to the Contract Administrator by December 1. If approved by the City Council, the increase will be adjusted into a new Management Services Fee amount for the next fiscal year of the contract period. The Contract Administrator shall evaluate Scottsdale Arts' performance, services and documentation to determine the appropriateness of the increase requested. The Management Services Fee is subject to annual appropriation by the City Council, which appropriation shall be at the sole and absolute discretion of the City Council. If city revenues are the same as or less than the annual forecast, the Contract Administrator shall inform Scottsdale Arts that an increase in their fee is unlikely and it is possible that the Management Services Fee may be less than the previous fiscal year.

5.2. City Budgetary Process. In accordance with the City's deadlines for submission of budget proposals and supporting documentation, Scottsdale Arts shall provide the City Contract Administrator with timely information relevant to the City funding needed to perform the Objectives outlined under this agreement. Scottsdale Arts' information shall include all estimated funding sources, direct and indirect expenditures, and City funds allocation plans for the following activities:

5.2.1. Management and administration of the Objectives of this Agreement not otherwise specified below.

5.2.2. Management and administration of the Public Art Program as follows:

5.2.2.1. Management and administration of the Public Art Program shall include those administrative and programming costs associated with the implementation of the program, and includes funding for public art staff salaries, benefits and overhead; the implementation of a temporary art program; public art planning, education and outreach; and other related public art programs, events, and exhibitions.

5.2.2.2. Management and administration of the Public Art Program shall not include public art salaries, benefits and overhead associated with project management of Artwork funded through the City's capital improvement project budget, which is provided for below. It shall also exclude public art expenditures associated with a higher level of service provided to developers with Cultural Improvement Program commitments. Such expenditures include costs associated with researching public artists for the benefit of a specific developer, the solicitation of

art proposals on behalf of developers, and construction or project management of public art installations for developers.

5.2.3. Community Arts Grants, Rental Support and Artistic Partnership programs as outlined in Sec. 2.4 through 2.7.

5.2.4. Destination Event as outlined in Sec. 2.8.

5.2.5. Conservation of City Artwork as outlined in Sec. 3.6.

5.2.6. Specialty Equipment as outlined in Sec. 4.14.

5.3. City Budgetary Responsibilities. With the assistance of Scottsdale Arts, the City Contract Administrator shall be responsible for proposing as part of the City's budgetary process, a budget for capital improvements to the City-Owned Facilities, non-capital improvements to the City-Owned Facilities, and replacement of the Specialty Fixtures outlined in Exhibit D.

5.4. Art in Public Places Program ("AIPP") Funding. On July 1, in consultation with Scottsdale Arts, the City will identify the level of Capital Improvement Project funding consistent with the Public Art ordinance.

5.4.1. Project administration of AIPP projects will be funded within the City's Capital Improvement Project budget as a part of the Arts in Public Places CIP Project, as a stand-alone CIP project or as a component of specific existing or planned Capital Improvement Projects.

5.4.2. Scottsdale Arts shall work with the Transportation & Infrastructure Department prior to the initiation of any public art project funded by the City's Capital Improvement Program to define each project, identify the funding source, determine if the project will be stand alone or integrated to an existing capital project, determine management and maintenance responsibilities and the project budget. This information shall be documented in a Memorandum of Understanding to be signed by Scottsdale Arts, the Transportation & Infrastructure Department and the Facilities department. The Memorandum of Understanding may be executed administratively.

5.4.3. Scottsdale Arts shall track and separately invoice to the Senior Director – Transportation & Infrastructure based on each signed Memorandum of Understanding. Scottsdale Arts may track and invoice for staff time and costs directly associated with the delivery of the public art project. An estimate of any invoiced costs must have been included in the signed Memorandum of Understanding.

5.5. Financial Participation Agreement. The City shall disperse the Management Services Fee to Scottsdale Arts in installment payments, the timing and amount of which the Parties shall set forth in a separate Financial Participation Agreement, in substantially the form attached hereto as Exhibit E. Although as provided in subsection 5.1, an amount is budgeted per fiscal year for the Management Services Fee, the parties may enter multiple Financial Participation Agreements covering parts of the fiscal year, the total of which may be less than the amount budgeted for the fiscal year.

5.6. Scottsdale Arts' Revenues. Scottsdale Arts shall, to the maximum extent practicable, supplement the Management Services Fee with contributed and earned revenues, including, without limitation, in-kind services, grants, donations, membership fees, rentals, fund

raisers, ticket sales, consulting fees, sponsorships and underwriting. Scottsdale Arts shall implement a financial development plan that increases funding over time from earned and contributed revenue with the goal of increasing reliance on outside funding to 67 percent of total revenue by the end of this agreement. For the purpose of calculating this goal:

5.6.1. Only the funds outlined in subsection 4.4.1 shall be considered as part of total revenue;

5.6.2. Rental gross sales and special event gross sales are included in earned revenue;

5.6.3. Restricted City funding is excluded from both City Funding and total revenue;

5.6.4. Supplemental funding for long-term capital improvements and restricted endowments are excluded from total revenue unless the funding advances the Objectives of this Agreement as reasonably determined by the City;

5.6.5. If the goals outlined in the plan are not met, as stated in the annual operational plan, city funding shall stay at the same level until the plan is met. Scottsdale Arts shall work to increase the amount of grant funding available for Scottsdale-based and Scottsdale-focused arts organizations from non-City sources. Scottsdale Arts shall also increase private revenues and secure new funding sources for use to supplement City expenditures on capital improvements necessary for current and future facilities. Scottsdale Arts shall devote substantially all of its revenues to the performance of the Objectives under this Agreement and Scottsdale Arts shall not participate in any project or undertake any activity that will impair or detract in any material respect from the performance of the Objectives under this Agreement.

5.7. Non-Program Costs. Scottsdale Arts shall keep its non-program costs within a competitive range as determined by market conditions and its applicable policies. As used in the immediately preceding sentence, "competitive range" and "market conditions" shall be determined by comparing the Scottsdale Arts non-program costs with those of arts organizations similar to Scottsdale Arts. Scottsdale Arts shall provide to the City a written comparison of Scottsdale Arts' non-program costs with those of its peers in the Annual Report required under section 6.3. As used in this Section, "non-program costs" means administrative/general expenses and personnel costs.

5.8. Required Policies. On or before the date that is 60 days after the effective date of this agreement, Scottsdale Arts shall provide to the City a copy of its current compensation, facilities use, procurement and travel policies (the "Policies"). If Scottsdale Arts makes any substantive revisions to any of the Policies, Scottsdale Arts shall provide a copy of such revised Policies to the City Contract Administrator not less than 30 days prior to the effective date of the revised Policies.

5.9. Transparency Requirements. Scottsdale Arts shall post on its website for a minimum of five years a copy of its IRS Form 990, financial audit, and annual report.

5.10. Unanticipated, Extraordinary Funding Requests. Scottsdale Arts may seek supplemental Management Services Fees from the City in the event of unanticipated, extraordinary expenses. Nothing in this subsection, however, shall obligate the City to provide additional Management Services Fees.

5.11. Accounting System. Scottsdale Arts shall maintain an accounting system that complies with generally accepted accounting principles ("GAAP") and with GAAP standards for non-profit corporations. Not later than December 31, Scottsdale Arts shall provide the City Contract Administrator with an annual audit report and opinion by an independent certified public accountant.

5.12. Scottsdale Arts' Budget. The City shall not approve Scottsdale Arts' annual budget. Scottsdale Arts shall provide a copy of its final budget within ten days of approval by Scottsdale Arts Board of Trustees. Scottsdale Arts' budget documentation shall include all estimated funding sources, direct and indirect expenditures, and City funds allocation plans. Scottsdale Arts shall make its staff available for budget presentations at the City's request.

5.13. Earmarked Funds. Scottsdale Arts shall account separately for funds that are designated from time to time by ordinance, resolution or agreement for a specific program or purpose and shall only use such funds for the earmarked program or purpose.

5.14. Inspection of Books and Records. City or its agent may, by giving reasonable advance notice to Scottsdale Arts and on the date or dates that City and Scottsdale Arts may reasonably agree upon, inspect Scottsdale Arts' books and records that relate to this Agreement at such times during normal business hours that City deems appropriate. Upon reasonable request, Scottsdale Arts shall furnish copies of such books and records to City, at no cost to City.

6. REPORTS AND AUDITS

6.1. Strategic Plan. This agreement incorporates by this reference Scottsdale Arts' current strategic arts and cultural affairs plan ("Strategic Plan") that includes Scottsdale Arts' mission, vision and goals to provide the City with the advisory, planning, development, production, operations and managerial services required of it under this Agreement. The Strategic Plan shall address each of the Objectives under this Agreement. Scottsdale Arts shall provide the City Contract Administrator with amendments to the Strategic Plan as approved by the Board of Trustees.

6.2. Annual Operational Plan. Scottsdale Arts shall provide the City Contract Administrator with an comprehensive written operational plan no later than June 1. The initial Operational Plan shall include Scottsdale Arts' detailed plans to achieve the Strategic Plan, including financial development plan progress, performance measures for each of its goals, objectives, strategies and other components, adopted budget, as well as an update on progress-to-date in achieving the previous operational plan.

6.3. Annual Report. Scottsdale Arts shall provide the City Contract Administrator with an annual report no later than December 31. The Annual Report shall include a pro forma budget that corresponds with the City's fiscal year, which shall be organized in such a way as to clearly reflect Scottsdale Arts' organizational structure. The Annual Report shall critically evaluate, for the preceding fiscal year, each of the performance measures, Scottsdale Arts' satisfaction of each of its objectives under this Agreement, and Scottsdale Arts' achievements with regard to its mission.

6.4. Performance Audits. The City may at any time conduct a performance audit to evaluate Scottsdale Arts' performance under this Agreement. Scottsdale Arts shall make available any information related to this Agreement requested by the City for the audit reasonably promptly after City's written request, but in any event, within ten (10) working days of City's written request.

The performance audit may consider all information that is relevant to Scottsdale Arts' responsibilities under this Agreement.

6.5. Internal Controls. Scottsdale Arts shall maintain financial controls and management policies consistent with the responsible stewardship of City-Owned Facilities, City Artwork and Specialty Equipment.

6.6. Arts Grants Audits. Scottsdale Arts shall require all organizations that receive a grant from the Arts Grants Program in excess of \$10,000.00 to agree, in writing, to allow the City, upon request, to inspect and audit the organization's financial records upon ten (10) business days written notice, and the City shall be named a third party beneficiary of such audit provision in all such grant agreements.

6.7. Third Party Agreements. Subject to City approval, which the City may withhold in the exercise of its sole and absolute discretion, Scottsdale Arts may enter into separate agreements with third parties for the provision to those third parties of advisory and managerial services similar or related to those it provides to the City under this Agreement.

7. INSURANCE AND INDEMNITY

7.1. Indemnification by Scottsdale Arts. To the fullest extent permitted by law, Scottsdale Arts agrees to defend, indemnify and hold harmless the City, its Mayor and Council, appointed board and commission members, officials, officers and employees individually and collectively from and against any and 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 or alleged to arise from or out of, or result from, any negligent or intentional actions, acts, errors, mistakes or omissions caused in whole or part by Scottsdale Arts or arising out of Scottsdale Arts' negligent performance of the terms of this Agreement, including but not limited to, any subcontractor or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable. Insurance provisions set forth in this Agreement are separate and independent from the indemnity provisions of this Agreement and shall not be construed in any way to limit the scope and magnitude of the indemnity provisions. The indemnity provisions of this section shall not be construed in any way to limit the scope and magnitude and applicability of the insurance provisions.

7.2. Indemnification by City. The City agrees to indemnify and hold harmless Scottsdale Arts, its officers, directors and employees from all losses, claims, suits, demands, expenses, subrogation, attorneys' fees or actions of any kind and nature resulting from personal injury to any person (including bodily injury and death) or damages to any property, arising or alleged to have arisen out of the City's use of the Facilities, where the injury or damages resulted from a negligent act or omission of a City employee or a person for whom the City is legally liable.

7.3. Insurance in General. Without limiting any of its obligations or liabilities, Scottsdale Arts, at its own expense, shall purchase and maintain the hereinafter stipulated minimum insurance with companies duly licensed by the State of Arizona, with an AM Best, Inc. rating of B++6 or above, or an equivalent qualified unlicensed insurer (non-admitted insurer) with policies and forms satisfactory to the City. Use of alternative insurers requires the City's prior approval. Failure to maintain insurance as specified may result in termination of this Agreement at the City's option.

7.4. Additional Insureds. All insurance coverage required by this agreement, including but not limited to General Liability and Liquor Liability, except Workers' Compensation and Directors and Officers Liability, shall name the City and its elected or appointed officials, officers, directors, commissioners, board members, agents or employees as Additional Insureds. Furthermore, the insurance shall specify that Primary and Excess insurance purchased by Scottsdale Arts shall be the primary insurance layers and that any insurance coverage or self-insurance carried by the City shall be excess coverage and not contributory to that provided by Scottsdale Arts.

7.5. Deductibles and Self-insured Retentions. The policies set forth in these requirements may provide coverage which contains deductibles and/or self-insured retentions. Such deductibles and/or self-insured retentions shall not be applicable with respect to the limits provided to the City. Scottsdale Arts shall be solely responsible for any such deductible and/or self-insured retention.

7.6. Licensees and Permittees. Scottsdale Arts shall execute written agreements with Licensees or Permittees containing the same Indemnification Clause and Insurance Requirements set forth herein protecting the City and Scottsdale Arts. Unless the Licensee or Permittees can provide the same insurance coverage as required herein, Scottsdale Arts must extend its insurance to cover Licensees' and Permittees' activities as excess insurance in order to satisfy the total insurance limit requirements. Scottsdale Arts shall be responsible for executing the agreements with Licensees or Permittees and obtaining Certificates of Insurance verifying the insurance requirements.

7.7. Certificates of Insurance. Within five (5) days from the date of this Agreement, Scottsdale Arts shall furnish the City Contract Administrator with Certificates of Insurance, or formal endorsements as required by this Agreement, issued by Scottsdale Arts' insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverages, conditions, and limits of coverage and that such coverage and provisions are in full force and effect. If any of the cited policies expire during the term of this Agreement, Scottsdale Arts shall forward renewal Certificates to the City Contract Administrator within (10) days after the renewal date containing all the aforementioned insurance provisions.

7.8. No Representation of Adequacy of Coverage. The City makes no representation or warranty with respect to the extent or adequacy of the insurance protection required to be provided by Scottsdale Arts, and Scottsdale Arts shall satisfy itself as to the coverage afforded by such policies. The furnishing of the insurance policies by Scottsdale Arts shall not limit, reduce or otherwise amend any of the obligations or liabilities of Scottsdale Arts expressed herein or in the financial participation agreements or other contract documents.

7.9. Waiver of Subrogation. All policies, except for the Directors and Officers Liability policy and the Fidelity/Crime policy, shall waive rights of recovery (subrogation) against the City of Scottsdale, its agents, representatives, officers, directors, commissioners, board members, officials and employees for any claims arising out of this Agreement.

7.10. Notice of Cancellation. If Scottsdale Arts becomes aware that any of the required policies of insurance are or will be cancelled because of non-payment of premium, Scottsdale Arts shall provide prompt notice of same to the contract administrator, unless such coverage is immediately replaced with similar policies. Scottsdale Arts shall not suspend, void, cancel or reduce coverage except until after 30 days written notice has first been given, by certified mail, return receipt requested to the contract administrator. Scottsdale Arts shall include in the notice

how Scottsdale Arts intends to remain in compliance with the insurance requirements of this agreement after the proposed cancellation, suspension or reduction in insurance.

7.11. Required Coverages.

7.11.1. Commercial General Liability. Scottsdale Arts shall maintain "occurrence" form Commercial General Liability insurance with a limit of not less than \$5,000,000 for each occurrence, \$5,000,000 Products and Completed Operations if applicable, and a \$5,000,000 General Aggregate Limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, products/completed operations and 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 insurance.

7.11.2. Liquor Liability. Scottsdale Arts has entered into an agreement with the City to use the City's governmental liquor license and shall have the right to operate concessions for food and beverages. Scottsdale Arts and any vendor or concessionaire that serves, sells, or in any manner provides alcoholic beverages in the Facilities shall procure and maintain Liquor Liability insurance in the amount of \$5,000,000 each Occurrence. If Scottsdale Arts enters into a concession agreement that involves liquor service, that contract shall contain the same indemnity language and insurance provisions as required herein specifically naming the City as indemnitee and additional insured. If any Excess insurance is utilized to fulfill the requirements of this paragraph, such Excess insurance shall be "follow form" equal to or broader in coverage and scope than underlying insurance.

7.11.3. Automobile Liability. If applicable, Scottsdale Arts shall maintain Business Automobile Liability insurance with a limit of \$5,000,000 each accident with respect to Scottsdale Arts' owned, hired, and non-owned vehicles assigned to or used in performance of Scottsdale Arts' work or services.

7.11.4. Workers' Compensation. Scottsdale Arts shall maintain Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Scottsdale Arts' employees engaged in the performance of the work or services under this Agreement and shall also maintain Employers' Liability insurance of not less than \$100,000 for each accident, \$100,000 disease for each employee, and \$500,000 disease policy limit.

7.11.5. Directors and Officers Liability. Scottsdale Arts shall maintain Not for Profit Directors and Officers Liability insurance, including Employment Practices Liability, in the amount of \$1,000,000 per claim, \$1,000,000 annual aggregate, inclusive of defense costs.

7.11.6. Employee Fidelity/Crime. Scottsdale Arts shall maintain Crime/Fidelity coverage, including but not limited to, the perils of Employee Dishonesty, robbery, theft, and disappearance or destruction of money and securities in performance of their duties under this Agreement. The coverage limit shall be not less than \$100,000 per loss.

7.11.7. City Art Insurance. The City shall have sole and absolute discretion to determine the kinds and amounts of insurance to be purchased for City Artwork in the custody and possession of Scottsdale Arts. Scottsdale Arts shall pay the first two thousand five hundred dollars (\$2,500.00) of each loss of City Artwork. The City shall secure and pay for the insurance policy(ies) for City Artwork.

7.11.8. Vendors and Subcontractors. Scottsdale Arts shall require that all vendors and subcontractors provide the same insurance and indemnity as required in this Section 7.

7.11.9. Other Insurance. Upon written notice from the City, Scottsdale Arts shall obtain and cause to be in force any other insurance or increase in insurance limits the City may require to account for inflation, changes in risk, or other factor for the protection of the City, its employees, officials, representatives, officers, directors, commissioners and agents or the public. Any modification or variation from these insurance requirements must be made by the City's Risk Manager, whose decision is final. Such action will not require a formal Contract amendment but may be made by administrative action.

8. BREACH AND TERMINATION

8.1. Breach by Scottsdale Arts. Scottsdale Arts shall comply with, perform and do each performance and thing required of Scottsdale Arts herein and Scottsdale Arts' failure to do so shall be a breach by it of this Agreement.

8.2. Events of Default. This entire Agreement is made upon the condition that each and every one of the following events shall be deemed an "Event of Default" and a material breach by Scottsdale Arts of its material obligations under this Agreement:

8.2.1. If Scottsdale Arts shall fail to maintain any insurance required by this Agreement. Notwithstanding the preceding sentence, such failure shall not be a default if, within five (5) days after notice from the City, Scottsdale Arts provides to the City the required insurance and the required evidence thereof. Such insurance must cover the past for a period adequate that there is no gap in the insurance coverage required by this Agreement.

8.2.2. If any environmental, health, safety or similar inspector issues any formal notice of investigation or violation of health, environmental or similar regulations in connection with Scottsdale Arts' management and operation of the Facilities or determines during any two or more consecutive inspections that the same deficiency has been repeated or that the overall operation falls materially below first-class standards. Notwithstanding the preceding sentence, Scottsdale Arts shall not be in default if it immediately commences and thereafter diligently proceeds to cure the condition and the City receives within thirty (30) days official notice from the regulatory authority that the notice is rescinded or the matter otherwise completely resolved to the satisfaction of the regulatory authority.

8.2.3. If Scottsdale Arts shall be the subject of a voluntary or involuntary bankruptcy, receivership, insolvency or similar proceeding, or if any assignment of any of Scottsdale Arts' property shall be made for the benefit of creditors or if Scottsdale Arts is not regularly paying its debts as they come due.

8.2.4. If Scottsdale Arts shall fail to or neglect to do or perform or observe any other provisions contained herein on its part to be kept or performed and such failure or neglect to do or perform or observe any of such other provisions shall continue for a period of thirty (30) days after the City has notified Scottsdale Arts in writing of its default hereunder.

8.2.5. If Scottsdale Arts shall engage in a pattern of repeated failure (or neglect) to timely do or perform or observe any provision contained herein.

8.3. The City's Remedies. Upon the occurrence of any Event of Default or at any time thereafter, the City may, at its option and from time to time, exercise at Scottsdale Arts' expense any or all or any combination of the following cumulative remedies in any order and repetitively at the City's option:

8.3.1. Terminate this Agreement. Termination of this Agreement due to Scottsdale Arts' breach or for any other reason does not terminate Scottsdale Arts' obligations arising prior to or simultaneous with, or attributable to, the termination or in any way terminate any of Scottsdale Arts' liability related to any breach of this Agreement.

8.3.2. Terminate or suspend any and all of Scottsdale Arts' rights under this Agreement.

8.3.3. Use, manage, operate or allow another party to use, manage or operate all or part of the Facilities.

8.3.4. Pay or perform, for Scottsdale Arts' account, in Scottsdale Arts' name, and at Scottsdale Arts' expense, any or all payments or performances required hereunder to be paid or performed by Scottsdale Arts.

8.3.5. Abate at Scottsdale Arts' expense any violation of this Agreement.

8.3.6. Be excused without any liability to Scottsdale Arts therefor from further performance of any or all obligations under this Agreement, including suspending payments under the Financial Participation Agreement unless and until such breach is remedied.

8.3.7. Assert, exercise or otherwise pursue at Scottsdale Arts' expense any and all other rights or remedies, legal or equitable, to which the City may be entitled.

8.4. Notice of Scottsdale Art's Breach. Scottsdale Arts shall promptly give notice to the City of any event or circumstance that is (or which with the passing of time or the giving of notice, or both, will become) an Event of Default under this Agreement. Scottsdale Arts shall also promptly give to the City notice of any notice or claim given by any third party alleging that an event or circumstance has occurred that is (or that with the passing of time or the giving of notice, or both, will become) an Event of Default under this Agreement.

8.5. Non-waiver. Except as otherwise expressly provided in this Agreement, any failure or delay by any Party in asserting any of its rights or remedies as to any default shall not operate as a waiver of any default, or of any such rights or remedies, or deprive such Party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

8.6. Reimbursement of City's Expenses. Scottsdale Arts shall pay to the City upon demand any and all amounts expended or incurred by the City in performing Scottsdale Arts' obligations, together with interest thereon at the rate of ten percent per annum from the date expended or incurred by the City.

8.7. Breach by the City. In the event the City at any time is required to pay to Scottsdale Arts any amount or render any performance, such amount or performance is not due until thirty (30) days after notice by Scottsdale Arts to the City that the amount has become payable or that the performance is due. In the event a cure cannot be effected during that period, the City shall not be

in default so long as the City commences cure during the period and diligently prosecutes the cure to completion provided such cure must be completed within 60 days after the notice.

8.8. Scottsdale Arts' Obligations. In the event of and following such notice of termination, Scottsdale Arts agrees not to enter into any contracts or agreements for events or performances scheduled to occur at any time after notice of termination in the City-Owned Facilities or to commission any projects through the Art in Public Places or Art in Cultural Improvements Programs.

8.9. City Obligations. In the event of and following such notice of termination, the City agrees to fulfill and perform any non-cancelable contracts or agreements of Scottsdale Arts for events or performances scheduled to occur in the City-Owned Facilities subsequent to such notice of termination and to fulfill and carry out any artists' commissions in connection with the Art in Public Places or Cultural Improvements Programs. The City will hold Scottsdale Arts harmless from and against any liability for cancellation fees or payments in respect of any such contracts or agreements; provided, however, the City shall not have any responsibility to fulfill or perform, or any obligation to hold Scottsdale Arts harmless from and against any liability for, any contracts or agreements of Scottsdale Arts that contain terms of agreement longer than two years from the notice of termination, with the exception of Scottsdale Arts office space.

8.10. Expenditure of City Monies. Following notice of termination of this Agreement for any reason, Scottsdale Arts must receive prior City approval from the City Contract Administrator of each expenditure of any Management Services Fees or any other monies received from the City.

8.11. Return of City Monies. Upon termination of this Agreement for any reason, Scottsdale Arts shall return to the City, within 30 days of the effective date of the termination, all unexpended Management Services Fees and any other monies received from the City.

8.12. Return of City Artwork and Specialty Equipment. Upon termination of this Agreement for any reason, Scottsdale Arts shall, within 30 days of the effective date of the termination, return to the City custody and possession of all City Artwork (unless otherwise required by the terms and conditions of any particular donation, which terms and conditions the City agreed to in writing contemporaneously with the donation) and Specialty Equipment paid for with City funds, remove all Scottsdale Arts property from City-Owned Facilities, and clean the City-Owned Facilities to "broom-clean condition."

9. MISCELLANEOUS

9.1. Amendments. This Agreement may not be amended except by a formal writing executed by the Parties.

9.2. Appropriation.

9.2.1. Notwithstanding any other provision hereof, all payments from the City to Scottsdale Arts under this Agreement are in all respects subject to appropriation by the City Council, which appropriation shall be at the sole and absolute discretion of the City Council.

9.2.2. In the event funds necessary to pay such Management Services Fees or otherwise fulfill Scottsdale Arts' obligations pursuant to this Agreement during the ensuing fiscal year are not appropriated by the City Council, the City shall give prompt written notice to Scottsdale Arts

and the City and Scottsdale Arts shall each have the right to terminate this Agreement upon not less than 30 days prior written notice.

9.2.3. Termination pursuant to this subsection does not constitute a breach of or default under this Agreement and Scottsdale Arts shall not be entitled to claim or receive any damages, other compensation or remedy from or against the City as a consequence thereof.

9.3. Assignment. No assignment of this Agreement by Scottsdale Arts is contemplated or bargained for. Scottsdale Arts acknowledges that only Scottsdale Arts can provide to the City the benefits that induced the City to enter into this Agreement. The City, therefore, has the absolute right for any reason or for no reason in its sole and absolute discretion to give or withhold consent to any assignment or to impose any conditions whatsoever upon the City's consent to any Assignment.

9.4. Attorneys' Fees. In the event any action, suit or proceeding is brought by either party to enforce this Agreement or for failure to observe any of the covenants of this Agreement or to vindicate or exercise any rights or remedies hereunder, the prevailing party in such proceeding shall be entitled to recover from the other party such prevailing party's reasonable attorneys' fees and other reasonable litigation costs as determined by the court (and not a jury) in such proceeding.

9.5. Choice of Law. This Agreement shall be governed by the laws of the State of Arizona. Claims by Scottsdale Arts shall comply with time periods and other requirements of State law and the City's claims procedures.

9.6. City Consent. Unless expressly stated to the contrary herein, any provision for consent or approval of any matter by the City or any officer or employee of the City shall be in the sole and absolute discretion of the City.

9.7. Commodities. Each Party shall purchase, at its expense, all supplies and commodities used in conjunction with its respective responsibilities under this Agreement.

9.8. Compliance with Law. Scottsdale Arts shall perform its obligations and exercise its rights under this Agreement in accordance with all federal, state, county and local laws, ordinances, regulations or other rules or policies as are now in effect or as may hereafter be adopted or amended.

9.9. Conflicts of Interest. No officer or employee of the City shall have any direct or indirect interest in this Agreement, nor participate in any decision relating to the Agreement that is prohibited by law.

9.10. Construction. The words such as "herein," "hereinafter," "hereof," "hereby" and "hereunder" refer to this Agreement as a whole and not merely to a section or subsection in which such words appear, unless the context specifically requires otherwise. Whenever the context of this Agreement requires, the singular shall include the plural, and the masculine shall include the feminine. Any reference to any federal, state, local or foreign statute, law or ordinance shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise.

9.11. Contract Administrators.

9.11.1. The City Contract Administrator shall be the individual designated by the City Manager in a notice to Scottsdale Arts. Unless otherwise specified, the City Contract

Administrator shall be authorized to represent the City on all matters relating to the performance of this Agreement.

9.11.2. Scottsdale Arts' Contract Administrator shall be the Chief Executive Officer of Scottsdale Arts or such individual designated by the Chief Executive Officer in a notice to the City. Unless otherwise specified, Scottsdale Arts' Contract Administrator shall be authorized to represent Scottsdale Arts on all matters relating to the performance of this Agreement.

9.12. Discretion. When a Party may exercise discretion under this Agreement, it shall do so reasonably, unless otherwise expressly indicated.

9.13. Discrimination. No person shall be excluded from participation, denied the benefits of, or be otherwise subjected to discrimination in the use of the Facilities or any other programs or activities produced, sponsored or supported by Scottsdale Arts, on the grounds of race, color, religion, sex, national origin, age, sexual orientation, gender identity or disability.

9.14. Exhibits. All exhibits specifically referenced herein are hereby incorporated into and made an integral part of this Agreement for all purposes.

9.15. Headings. The section and subsection headings contained herein are for convenience in reference and not intended to define or limit the scope of any provision of this Agreement.

9.16. Integration. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes any prior agreement, understanding, negotiation, or discussion.

9.17. Joint Participation in Negotiation of Agreement. The Parties have participated jointly in the negotiation and drafting of this Agreement. This Agreement has been negotiated at arm's length by parties of equal bargaining power. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

9.18. Non-liability of Officials and Employees. No official, representative or employee of the City shall be personally liable to any Party, or to any successor in interest to any Party, in the event of any default or breach by the City or for any amount which may become due to any Party or successor, or with respect to any obligation of the City or otherwise under the terms of this Agreement.

9.19. Non-Profit Status. At all times Scottsdale Arts shall maintain its legal status as an Arizona non-profit corporation.

9.20. Notices. Except as otherwise indicated, all notices, waivers, demands, requests and other communications required or permitted by this Agreement (collectively, "Notices") shall be in writing and shall be effective only if sent by one or more of the following methods: (a) personal delivery; (b) generally-recognized overnight commercial courier regularly providing proof of delivery, with delivery charges prepaid or duly charged; or (c) United States registered or certified mail, return-receipt requested, postage prepaid, addressed to the Parties at the respective addresses set forth opposite their titles below, or to any other address or addresses as either Party

shall designate from time to time by notice given to the other in the manner provided in this subsection:

TO SCOTTSDALE ARTS:

President and Chief Executive Officer
Scottsdale Arts
7380 E. Second Street
Scottsdale, AZ 85251

TO THE CITY:

City Contract Administrator
Tourism & Events Department
7447 E. Indian School Rd., Suite 301
Scottsdale, AZ 85251

Notices given or served by personal delivery shall be deemed to have been received upon tender to the respective Party. Notices given by facsimile transmission shall be deemed to have been received on the day of transmission, as evidenced by a report of successful transmission generated by the transmitting facsimile machine. Notices given or served by mail or commercial courier shall be deemed to have been given or served as of the date of delivery (whether accepted or refused) established by the United States Postal Service return-receipt or the overnight courier's proof of delivery, as the case may be. When the Parties are permitted to provide notice by email, they shall do so at the email address(es) designated from time to time in the manner provided in this subsection.

9.21. No Real Property Interest. Notwithstanding any provision herein to the contrary, and notwithstanding any negotiation, correspondence, course of performance or dealing, or other statements or acts by or between the Parties, Scottsdale Arts does not and shall not have, and the Parties do not by this Agreement intend to create, a lease, easement or other real property interest in, on, under, over or through the City-Owned Facilities.

9.22. Relationship. Nothing contained within this Agreement shall be deemed or construed to create a partnership, joint venture, principal and agent, landlord and tenant, or similar relationship between the City and Scottsdale Arts. Scottsdale Arts is a legal entity separate and distinct from the City; Scottsdale Arts is not a council, board, commission, department, agency or agent of the City. The management of Scottsdale Arts operations is solely the responsibility of the Scottsdale Arts' Board of Trustees and its appointed officers.

9.23. Severability. If any term, condition, covenant, stipulation, agreement or other provision of this Agreement is held to be invalid or unenforceable for any reason, the invalidity of any provision shall in no way affect any other provision herein contained and this Agreement shall otherwise remain in full force and effect. If any provision of this Agreement is so severed, this Agreement shall retroactively be deemed reformed in such a manner so that the reformed Agreement provides, to the extent reasonably possible, the same rights and benefits to the Parties as if such severance and reformation were not required. The Parties further agree in such circumstances, to do all acts and to execute all amendments, instruments and consents necessary to accomplish and to give effect to the purposes of this Agreement to the extent permitted by law.

9.24. Statutory Cancellation Right. In addition to its other rights hereunder, the City shall have the rights specified in A.R.S. § 38-511.

9.25. Survival of Indemnifications. All indemnifications contained in this Agreement shall survive the rescission, cancellation, expiration or termination of this Agreement for any reason.

9.26. Taxes and Assessments. Scottsdale Arts shall promptly pay all taxes of every kind or nature properly assessed against it by reason of its activities, duties or responsibilities under this Agreement. Scottsdale Arts shall further require that any contract related to use of the Facilities entered into by Scottsdale Arts shall have pertinent provisions therein requiring that the contracting party shall promptly pay all taxes or assessments of every nature applicable to it by virtue of any and all activities arising out of such contract.

9.27. Time Periods. Unless otherwise expressly indicated, any reference to a period of time shall mean calendar time (e.g., "30 days" shall mean 30 calendar days; "one year" shall mean one calendar year). Any reference to a year shall refer to a calendar year, unless a fiscal year is specifically stated. Unless otherwise stated or required by the context, references to a fiscal year refer to the City's fiscal year. Where any action in this Agreement is required on or by a date which is either a Saturday, a Sunday or a legal holiday, the Party obligated to take such action shall be entitled to delay such action until the next succeeding day which is not a Saturday, a Sunday or a legal holiday.

9.28. Israel Boycott Prohibition. Scottsdale Arts certifies that it is not currently engaged in and agrees for the duration of this agreement not to engage in a boycott of Israel as defined in A.R.S. §35-393.

9.29. Immigration Law Compliance. Under the provisions of A.R.S. §41-4401, Scottsdale Arts warrants to the City that Scottsdale Arts and all its Subcontractors will comply with all Federal Immigration Laws and regulations that relate to their employees and that Scottsdale Arts and all its Subcontractors now comply with the E-Verify Program under A.R.S. §23-214(A).

9.29.1. A breach of this warranty by Scottsdale Arts or any of its Subcontractors will be considered a material breach of this Contract and may subject Scottsdale Arts or Subcontractor to penalties up to and including termination of this Contract or any subcontract. Scottsdale Arts will take appropriate steps to assure that all Subcontractors comply with the requirements of the E-Verify Program. Scottsdale Arts' failure to assure compliance by all its' Subcontractors with the E-Verify Program may be considered a material breach of this Contract by the City.

9.29.2. The City retains the legal right to inspect the papers of any employee of Scottsdale Arts or any Subcontractor who works on this Contract to ensure that Scottsdale Arts or any Subcontractor is complying with the warranty given above.

9.29.3. The City may conduct random verification of the employment records of Scottsdale Arts and any of its' Subcontractors to ensure compliance with this warranty. Scottsdale Arts agrees to indemnify, defend and hold the City harmless for, from and against all losses and liabilities arising from any and all violations of these statutes.

[SIGNATURE PAGE FOLLOWS]

EXECUTED as of the date first given above.

SCOTTSDALE ARTS, an Arizona non-profit
corporation

By: 

Dr. Gerd Wuestemmann, President and CEO

CITY OF SCOTTSDALE,
an Arizona municipal corporation


By: _____

Lisa Borowsky, Mayor

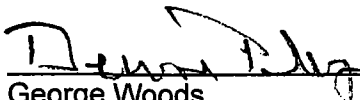
ATTEST:

Ben Lane, City Clerk

APPROVED AS TO FORM:



Sherry Scott, City Attorney
By: William Hylan, Supervising Assistant City Attorney



George Woods
Risk Management Director



Rachel Smetana, Tourism & Events Director

EXHIBIT A. SCOTTSDALE ARTS MAINTENANCE RESPONSIBILITIES

SCOTTSDALE ARTS SHALL BE RESPONSIBLE FOR:

1. **Cleaning.** Wash, wax, vacuum, dust floors, walls, windows, furniture, HVAC register grills, and equipment.
2. **Supplies.** Restroom stock, commodities, light bulbs for all light fixtures, copy paper, writing utensils, etc.
3. **Interior Fixtures.** Maintain, repair, refinish and replace if necessary, the interior fixtures (any item within the interior of any rooms within the Center for Performing Arts or Contemporary Museum) including AV projectors, screens, furniture, and window coverings, exterior and interior doors, and building security system.
4. **Trash and Pest Control.** Building interior trash and recycling collection, removal to dumpsters, and pest control.
5. **Payments.** Trash Collection bills. Utility bills at the following facilities: Scottsdale Center for the Performing Arts at 50% percent; SMOCA at 100%; Scottsdale Civic Center Plaza at 0%; and any other facilities at 100%.
6. **Offsite Coordination.** Direct bus, valet and limousines to acceptable parking.
7. **Furniture and Equipment.** Furniture and equipment within any room's interior space that has no permanent connection to the structure of a building or utilities.
8. **Exhibits and Artwork.** Maintenance and operation of the museum's interior and exterior exhibit and artwork.
10. **Security System.** Daily monitoring; repair and replacement of buildings' security systems.
11. **Humidity Control System.** Daily monitoring of system and notifying the City of any need for repair or replacement as the City is responsible for the building's humidity control system.
12. **City Notice.** Contact Facilities and Contract Administrator if a City maintenance responsibility item needs attention.

EXHIBIT B. CITY OF SCOTTSDALE MAINTENANCE RESPONSIBILITIES.

THE CITY SHALL BE RESPONSIBLE TO MAINTAIN, REPAIR AND REPLACE IF NECESSARY:

1. Roof. Roofing material, caulking, flashing, beams, slabs and trusses.
2. Electrical distribution systems. Main panel, breakers, receptacles, raceways, ballasts, and wiring within walls, and motion sensors not connected to security system.
3. Floors. Concrete flatwork.
4. Fenestration. Windows and storefronts, except interior and exterior doors.
5. HVAC. Heating, ventilating, air conditioning and humidity systems, including quarterly change out of HVAC filters.
6. Automated energy management systems.
7. Fixtures. Replacement of normal wear and tear of interior such as painted surfaces, carpeting, wall coverings, drains and plumbing fixtures, cover plates and specialty lighting fixtures.
8. Plumbing system. Water lines, valves and waste pipes within the walls as well as traps and fixture hangers.
9. Vertical circulation. Guardrails, handrails and elevators (includes emergency phone and line and annual maintenance contract with regular inspections).
10. Emergency and safety systems. Fire alarm panel, fire sprinklers, fire extinguishers, emergency exit lighting, and the annual inspection of these items.
11. Building Exterior. Paint, caulking of exterior surfaces, metal siding and lights attached to building, including soffit areas and in courtyard (all items attached to exterior of the building except for artwork).
12. Lighting for Grounds and Sculpture Garden. Area light poles, fixtures and ground boxes.
13. Exterior Grounds, Hardscape and Sculpture Garden. Trees, cactus, shrubs and groundcover; irrigation valves and boxes, control wire, heads and emitters; exterior pest and weed control; sidewalks and patio surfaces.
14. Routine exterior trash collection.

EXHIBIT C. SPECIALTY EQUIPMENT LISTING

SCOTTSDALE ARTS SHALL BE RESPONSIBLE TO MAINTAIN, REPAIR AND REPLACE:

1. Audio Cables.
2. Audio Visual (AV) Projectors.
3. Clothing Racks.
4. Forklift.
5. Gels for Stage Lighting.
6. Geni/Scissor Lift.
7. Grand Piano.
8. IT Systems/Equipment (SCPA Enterprise Network).
9. Kitchen / Food Service Equipment.
10. Marley Dance Floor.
11. Microphones.
12. Motor Control Units for Line Array and Lineset Cable Management.
13. Spare Motors to hang truss or other items in the theatre.
14. Outdoor Portable Stage Equipment (Sound, Lighting, etc.).
15. Ticketing and Retail Point of Sales (POS) Systems.
16. Road Cases.
17. Sandbags.
18. Special Security Systems (Museum).
19. Sewing Machines.
20. Stage Manager Console.
21. Video Switcher.
22. Washer & Dryer.
23. Wireless Microphones.
24. Wireless Receivers.

EXHIBIT D. SPECIALTY FIXTURE LISTING

THE CITY SHALL BE RESPONSIBLE TO MAINTAIN, REPAIR AND REPLACE IF NECESSARY:

1. Audio System (Amps, Distribution Rack, Monitor etc.).
2. Catwalks.
3. Digital Signal Processing (DSP) System.
4. Emergency / Exit lights.
5. Flyline system.
6. Follow Spot Lights.
7. House lights.
8. Lamps.
9. Lighting - Booms & Pipe, Cables, Console / Board, Dimmers, Storage Racks and Lighting Instruments.
10. Motor Control Units for Acoustic Paneling above the audience and the Main Curtain.
11. Orchestra Shell (Side and Top).
12. Public Address (PA) System.
13. Paging System.
14. Paradigm Lighting Control System.
15. Projector Roll/Drop down Screen.
16. Proscenium Panels.
17. Retail Store Furnishings.
18. Rigging Chain, equipment.
19. Sound Console / Board.
20. Speakers Surround Sound Equipment.
21. Stage Audio / Lighting Panels.
22. Stage Structure.
23. Stage Surface.
24. Stage Weights.
25. Theater Aisle lighting.
26. Theater Seats.
27. Video Distribution Rack.
28. Wall mounted power distribution.

EXHIBIT E. FINANCIAL PARTICIPATION AGREEMENT FORM

City of Scottsdale Agreement No. 2020-046-COS
Resolution No. XXXXX

This Financial Participation Agreement ("Agreement") is made and entered into this ____ day of _____, 2020, by and between the City of Scottsdale, an Arizona municipal corporation (the "City"), and the Scottsdale Cultural Council, an Arizona non-profit corporation doing business as Scottsdale Arts (the "Cultural Council").

RECITALS

A. On _____, 2020, the City and the Cultural Council executed City of Scottsdale Agreement No. 2020-046-COS ("Management Services Agreement"), in which the City designated the Cultural Council as the principal organization for advising, planning and administering arts and cultural activities for the City.

B. In accordance with the Management Services Agreement, the City desires to pay the Cultural Council a Management Services Fee for the City's fiscal year 2020-21, and the City Council has appropriated funds for such purposes.

C. The Management Services Agreement provides that the City shall disperse the Management Services Fee for any given fiscal year to the Cultural Council in installment payments, pursuant to a separate financial participation agreement.

NOW THEREFORE, in consideration of the mutual covenants and conditions hereinafter set forth, the parties agree as follows:

1. Incorporation of Recitals. The recitals to this Agreement are hereby affirmed by the parties as true and correct and are incorporated herein by this reference.
2. Incorporation by Reference. The Management Services Agreement is incorporated into this Agreement by this reference as if fully set forth herein. Likewise, this Agreement is made a part of the Management Services Agreement by this reference as if fully set forth therein.
3. Definitions. Unless otherwise expressly provided herein, the definitions contained in the Management Services Agreement shall apply to the same terms used in this Agreement.
4. Services to be Performed by the Cultural Council. The Cultural Council shall provide the services specified in the Management Services Agreement and shall comply in all respects with the provisions of the Management Services Agreement.
5. Financial Participation by the City.

5.1. Solely for the purposes stated in this Agreement and the Management Services Agreement, the City shall pay the Cultural Council a total Management Services Fee of \$_____ during and for the City's fiscal year 2020-21. The City shall pay the Management Services Fee to the Cultural Council in accordance with the following schedule. If the first of the month falls on a weekend, payment is due on the following Monday.

EXHIBIT E. FINANCIAL PARTICIPATION AGREEMENT FORM

5.1.1 \$_____ by July 1, 2020.

5.1.2 \$_____ by August 1, 2020.

5.1.3 \$_____ by September 1, 2020.

5.1.4 \$_____ by October 1, 2020.

5.1.5 \$_____ by November 1, 2020

5.1.6 \$_____ by December 1, 2020

5.1.7 \$_____ by January 1, 2021

5.1.8 \$_____ by February 1, 2021

5.1.9 \$_____ by March 1, 2021

5.2. Of the Management Services Fee specified above, \$_____ is hereby allocated and unrestricted by the City as the management and administrative fee to the Cultural Council.

5.3. Of the Management Services Fee specified in Subsection 5.1, the following amounts are hereby allocated and restricted by the City and shall be expended by the Cultural Council solely for the identified purposes:

5.3.1 \$_____ for the management and administration of grant awards for the Community Art Grants Program, as provided in Subsection 2.4 of the Management Services Agreement.

5.3.2 \$_____ from the City's special revenue Community Arts Trust to support additional amounts towards the grant awards and/or other Arts Organizations as provided in Subsection 2.4 of the Management Services Agreement.

5.3.3 \$_____ from the City's special revenue Tourism Development Fund carryover for the management and administration as the Arts-Related Destination Event (Canal Convergence) as provided in Subsection 2.8 of the Management Services Agreement.

5.3.4 \$_____ for the Conservation of City Artwork, as provided in Subsection 3.6 of the Management Services Agreement.

5.3.5 \$_____ for the management and administration of the Cultural Improvements Program and the Art in Public Places Program, as provided in Subsections 3.9 and 5.4, respectively, of the Management Services Agreement.

5.3.6 \$_____ for the maintenance and repair of all Specialty Equipment as provided in Subsection 4.14 and Exhibit C of the Management Services Agreement.

5.4. Not later than December 31, 2020, in accordance with Subsection 5.11 of the Management Services Agreement, the Cultural Council shall provide the City Contract Administrator with a separate accounting of each of the earmarked funds set forth above in subsection 5.2.

EXHIBIT E. FINANCIAL PARTICIPATION AGREEMENT FORM

6. Term. The term of this Agreement shall commence on July 1, 2020 and end on June 30, 2021, unless sooner terminated.
7. Termination. The termination provisions of the Management Services Agreement are incorporated herein by this reference as if fully set forth.
8. Statutory Cancellation Right. In addition to its other rights hereunder, the City shall have the cancellation rights specified in A.R.S. § 38-511.
9. Survival. Any and all provisions or obligations contained in this Agreement that by their nature or effect are required or intended to be observed, kept or performed after termination of this Agreement shall survive termination of this Agreement and remain binding on the parties.
10. Israel Boycott Prohibition. The Cultural Council certifies that it is not currently engaged in and agrees for the duration of the contract not to engage in a boycott of Israel as defined in A.R.S. § 35-393.

RESOLUTION NO. 13429

A RESOLUTION OF THE COUNCIL OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING CONTACT NO. 2025-082-COS, A FINANCIAL PARTICIPATION AGREEMENT IN THE AMOUNT OF \$3,405,157 TO BE ALLOCATED FOR ACTIVITIES CONSISTENT WITH MANAGEMENT SERVICES AGREEMENT 2020-046-COS-A1 WITH SCOTTSDALE ARTS FOR THE PERIOD OF JULY 1, 2025 THROUGH DECEMBER 31, 2025.

WHEREAS, on November 10, 2020, the City and Scottsdale Arts ("Scottsdale Arts") entered into Management Services Agreement 2020-046-COS ("Management Services Agreement"), wherein the City designated Scottsdale Arts as the principal organization for advising, planning and administering arts and cultural activities for the City; and

WHEREAS, the City desires to provide funds to Scottsdale Arts for the period of July 1, 2025 through December 31, 2025 so that Scottsdale Arts may continue to administer the arts and cultural activities for the City pursuant to the terms of the Management Services Agreement, and the City Council has appropriated funds for such purposes; and

WHEREAS, the Management Services Agreement provides that if the City Council appropriates funds for Scottsdale Arts, the parties shall enter into a Financial Participation Agreement regarding the appropriation; and

WHEREAS, the City is not obligated to pay Scottsdale Arts the full amount appropriated, rather the amount to be paid to Scottsdale Arts is the amount set forth in the Financial Participation Agreement;

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

Section 1. The Mayor is hereby authorized and directed to execute, on behalf of the City, Financial Participation Agreement No. 2025-082-COS with Scottsdale Arts for the total sum of Three Million Four Hundred and Five Thousand One Hundred and Fifty-seven Dollars (\$3,405,157) for the period of July 1, 2025 through December 31, 2025 for Scottsdale Arts to administer the City's arts and cultural activities pursuant to the terms of the Management Services Agreement.

PASSED AND ADOPTED by the Council of the City of Scottsdale, Arizona, this ____ day of _____, 2025.

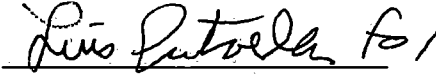
ATTEST:

CITY OF SCOTTSDALE,
a municipal corporation

Ben Lane, City Clerk

Lisa Borowsky, Mayor

APPROVED AS TO FORM:



Sherry Scott, City Attorney
By: William Hylen
Supervising Assistant City Attorney

FINANCIAL PARTICIPATION AGREEMENT BETWEEN THE CITY OF
SCOTTSDALE AND SCOTTSDALE ARTS FOR FISCAL YEAR 2025/26

This Financial Participation Agreement ("Agreement") is made and entered into this ____ day of _____, 2025, by and between the City of Scottsdale, an Arizona municipal corporation (the "City"), and Scottsdale Arts, an Arizona non-profit corporation ("Scottsdale Arts").

RECITALS

A. On November 10, 2020, the City and Scottsdale Arts executed City of Scottsdale Agreement No. 2020-046-COS ("Management Services Agreement"), in which the City designated Scottsdale Arts as the principal organization for advising, planning and administering arts and cultural activities for the City.

B. On June 24, 2025, the City of Scottsdale and Scottsdale Arts executed Amended and Restated Agreement 2020-046-COS-A1 ("Amended and Restated Agreement") to extend the term of the agreement for six months and make certain other changes.

C. In accordance with the Amended and Restated Agreement, the City desires to pay Scottsdale Arts a Management Services Fee for the term of the Amended and Restated Agreement, which expires on December 31, 2025 (unless extended), and the City Council has appropriated funds for such purposes. If the Amended and Restated Agreement is extended for an additional six months, the City may enter into a separate Financial Participation Agreement with Scottsdale Arts but is under no obligation to do so.

D. The Amended and Restated Management Services Agreement provides that the City shall disperse the Management Services Fee to Scottsdale Arts in installment payments, pursuant to a separate financial participation agreement.

NOW THEREFORE, in consideration of the mutual covenants and conditions hereinafter set forth, the parties agree as follows:

1. Incorporation of Recitals. The recitals to this Agreement are hereby affirmed by the parties as true and correct and are incorporated herein by this reference.
2. Incorporation by Reference. The Amended and Restated Management Services Agreement is incorporated into this Agreement by this reference as if fully set forth herein. Likewise, this Agreement is made a part of the Amended and Restated Management Services Agreement by this reference as if fully set forth therein.
3. Definitions. Unless otherwise expressly provided herein, the definitions contained in the Amended and Restated Management Services Agreement shall apply to the same terms used in this Agreement.
4. Services to be Performed by Scottsdale Arts. Scottsdale Arts shall provide the services specified in the Amended and Restated Management Services Agreement and shall comply in all respects with the provisions of the Management Services Agreement.

5. Financial Participation by the City:

5.1. Solely for the purposes stated in this Agreement and the Management Services Agreement, the City shall pay Scottsdale Arts a total Management Services Fee of Three Million Four Hundred Five Thousand One Hundred Fifty-seven Dollars (\$3,405,157) during and for the six-month period of July 1, 2025 through December 31, 2025. The City shall pay the Management Services Fee to Scottsdale Arts in accordance with the following schedule:

5.1.1 One Million Two Hundred Thirteen Thousand Seven Hundred Seventy-six Dollars and Seventeen Cents (\$1,213,776.17) on July 1, 2025.

5.1.2 Four Hundred Thirty-eight Thousand Two Hundred Seventy-six Dollars and Seventeen Cents (\$438,276.17) by August 1, 2025.

5.1.3 Four Hundred Thirty-eight Thousand Two Hundred Seventy-six Dollars and Seventeen Cents (\$438,276.17) by September 1, 2025.

5.1.4 Four Hundred Thirty-eight Thousand Two Hundred Seventy-six Dollars and Seventeen Cents (\$438,276.17) by October 1, 2025.

5.1.5 Four Hundred Thirty-eight Thousand Two Hundred Seventy-six Dollars and Seventeen Cents (\$438,276.17) by November 1, 2025.

5.1.6 Four Hundred Thirty-eight Thousand Two Hundred Seventy-six Dollars and Seventeen Cents (\$438,276.17) by December 1, 2025.

5.2. Of the Management Services Fee specified in Subsection 5.1, One Million Seven Hundred Fifty Thousand Four Hundred Twenty-eight Dollars (\$1,750,428) from the General Fund is hereby allocated and unrestricted by the City as the management and administrative fee to Scottsdale Arts.

5.3. Of the Management Services Fee specified in Subsection 5.1, the following amounts from the General Fund are hereby allocated and restricted by the City and shall be expended by Scottsdale Arts solely for the identified purposes:

5.3.1. Fifty Thousand Dollars (\$50,000) for the management and administration of grant awards for the Community Art Grants Program, as provided in Subsection 2.3 of the Amended and Restated Management Services Agreement.

5.3.2. Three Hundred Ninety-eight Thousand Five Hundred Seventy Dollars (\$398,570) for Arts Education and Outreach Programs, as provided in Subsection 2.8 of the Amended and Restated Management Services Agreement.

5.3.3. Sixty-seven Thousand Two Hundred Twenty-two Dollars (\$67,222) for the Conservation of City Artwork, as provided in Subsection 3.6 of the Amended and Restated Management Services Agreement.

5.3.4. Three Hundred Thirty-six Thousand One Hundred Eleven Dollars (\$336,111) for the management and administration of the Art in Public Places Program and the

Cultural Improvements Program (Art in Private Development), as provided in Subsections 3.9, 3.10 and 5.4, respectively, of the Amended and Restated Management Services Agreement.

5.3.5. Twenty-seven Thousand Three Hundred Twenty-six Dollars (\$27,326) for the maintenance and repair of all Specialty Equipment as provided in Subsection 4.14 and Exhibit C of the Amended and Restated Management Services Agreement.

5.4. Of the Management Services Fee specified in Subsection 5.1, the following amounts are hereby allocated and restricted by the City and shall be expended by Scottsdale Arts solely for the identified purposes:

5.4.1. Twenty-five Thousand Five Hundred Dollars (\$25,500) from the City's special revenue Community Arts Trust to support additional amounts towards the Community Arts Grants Program, as provided in Subsection 2.3 of the Amended and Restated Management Services Agreement and the City's Tourism and Events Department's Administrative Directive-TED100.

5.4.2. Seven Hundred Fifty Thousand Dollars (\$750,000) from the City's special revenue Tourism Development Fund for the management and administration of the Arts-Related Destination Event (Canal Convergence), as provided in Subsection 2.7 of the Amended and Restated Management Services Agreement.

5.5. Not later than December 31, 2025, in accordance with Subsection 5.13 of the Amended and Restated Management Services Agreement, Scottsdale Arts shall provide the City's Contract Administrator with a separate accounting of each of the earmarked funds set forth above in subsection 5.2.

6. Term. The term of this Agreement shall commence on July 1, 2025 and end on December 31, 2025, unless sooner terminated.

7. Termination. The termination provisions of the Amended and Restated Management Services Agreement are incorporated herein by this reference as if fully set forth.

8. Statutory Cancellation Right. In addition to its other rights hereunder, the City shall have the cancellation rights specified in A.R.S. § 38-511.

9. Survival. Any and all provisions or obligations contained in this Agreement that by their nature or effect are required or intended to be observed, kept or performed after termination of this Agreement shall survive termination of this Agreement and remain binding on the parties.

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

[Signature page follows]

EXECUTED as of the date first given above.

SCOTTSDALE CULTURAL COUNCIL,
an Arizona non-profit corporation



Gerd Wuestemann
President and CEO

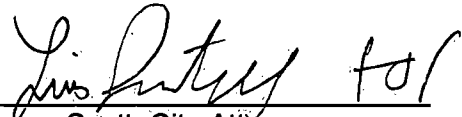
ATTEST:

CITY OF SCOTTSDALE,
an Arizona municipal corporation

Ben Lane, City Clerk

Lisa Borowsky, Mayor

APPROVED AS TO FORM:



Sherry Scott, City Attorney
By: William Hylen
Supervising Assistant City Attorney

Rachel Smetana
Tourism and Events Director

**SCOTTSDALE ARTS
FY 25/26 BUDGET**

	FY 2023-24 Actual	FY 2024-25 Budget	FY 2024-25 Reforecasted	FY 2025-26 Proposed
REVENUE				
Earned Revenue				
Performances	1,721,534	2,105,641	2,220,598	2,712,894
SMoCA Admissions	105,828	117,000	110,852	110,000
SALI Education Programs - earned	70,276	87,740	90,206	60,450
Civic Center Live!	0	100,000	20,000	100,000
Facility Rentals	637,559	594,310	642,349	683,000
Food & Beverage	236,664	237,635	269,888	263,100
Retail	85,595	135,868	106,095	80,000
Other Earned	667,647	1,413,199	1,318,853	1,312,931
TOTAL Other Earned Revenue	3,525,103	4,791,393	4,778,841	5,322,374
Contributed Revenue				
Individuals	345,310	571,000	571,000	571,000
50-Year Campaign				150,000
Foundations	512,350	550,000	550,000	400,000
Memberships	185,103	210,000	186,318	200,000
Special Events	329,528	401,000	0	400,000
Estate Gifts	12,222,434	0	528,351	0
Other Sources	321,242	610,000	853,670	610,000
TOTAL Contributed Revenue	13,915,967	2,342,000	2,689,339	2,331,000
City of Scottsdale (per contract)				
General Fund Unrestricted:		(1)	(1)	
Management and Administration Fee	3,638,820	3,606,042	3,606,042	3,696,193
General Fund Restricted:				
Community Arts Grant Program	67,222	100,000	100,000	100,000
Public Art Conservation	134,444	134,444	134,444	137,806
Public Art Administration	672,222	672,222	672,222	689,028
Arts Education & Outreach Programs	797,140	797,140	797,140	817,068
Specialty Equipment	54,652	54,652	54,652	56,019
Special Revenue Funds Restricted:				
Community Arts Trust: Scottsdale Philharmoni	20,000	0	0	0
Community Arts Trust: Supplemental for Grant	31,000	51,000	51,000	52,275
Total Restricted	1,776,680	1,809,458	1,809,458	1,852,195
TOTAL City of Scottsdale (per contract)	5,415,500	5,415,500	5,415,500	5,548,388
City of Scottsdale Pass-Throughs				
Public Art Pass-Through	1,091,210	766,250	439,793	402,463
Canal Convergence				
Earned Revenue	91,842	85,000	58,787	50,000
Contributed Revenue	233,142	255,000	310,707	300,000
City of Scottsdale	750,000	750,000	750,000	750,000
TOTAL Canal Convergence	1,074,984	1,090,000	1,119,494	1,100,000
TOTAL Revenue	25,022,764	14,405,143	14,442,967	14,704,225
EXPENSES				
Programmatic Expenses				
Artist Fees & Travel	1,455,624	1,745,819	2,245,892	2,426,973
Community Art Grants	115,500	120,640	151,000	151,000
Conservation of Public Art	137,411	138,087	134,444	134,444
Equipment	420,487	279,900	303,739	245,345
Exhibition Costs	112,336	124,935	117,544	92,599
Outside Services	161,444	114,633	142,866	149,931
Public Art Pass-Thru Projects	1,091,210	766,250	439,793	402,463
CARES - Special City Projects	50,573	0	0	0
Other Expenses	2,528,335	2,183,192	2,267,246	2,782,523
Programmatic Personnel	4,579,558	5,320,767	4,571,821	4,407,286
TOTAL Programmatic Expenses	10,652,479	10,794,223	10,374,346	10,792,564
Administrative & Operational Expenses	3,277,222	2,713,032	3,185,891	3,080,387
Fundraising Expenses	912,757	894,102	660,356	821,386
TOTAL Expenses	14,842,458	14,401,357	14,220,593	14,694,337
Net	10,180,306	3,787	222,375	9,888

SCOTTSDALE ARTS
REVENUE HISTORY OVER THE DURATION OF THE CURRENT MSA
CITY SUPPORT PERCENTAGE

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Projection FY 2024-25	
Earned Revenue						
Performances	168,076	1,426,070	1,463,338	1,721,534	2,220,598	
SMoCA Admissions	31,165	112,750	109,099	105,828	110,852	
SALI Education Programs - earned	39,773	63,545	98,947	70,276	90,206	
Civic Center Live!					20,000	
Facility Rentals	91,910	225,389	446,026	644,113	642,349	
Food & Beverage	22,285	85,404	130,746	236,664	269,888	
Retail	46,781	111,729	95,192	85,595	106,095	
Canal Convergence Earned Revenue	750	27,003	45,451	91,842	58,787	
Other Earned	80,920	183,591	332,350	661,095	1,318,853	
TOTAL Other Earned Revenue	481,660	2,235,481	2,721,150	3,616,947	4,837,628	
Contributed Revenue						
Individuals	122,707	474,997	693,900	535,310	571,000	
Foundations	592,702	123,910	348,000	512,350	550,000	
Memberships	196,583	195,854	178,079	185,103	186,318	
Special Events	108,218	338,810	315,277	329,528	0	
Federal	642,482	3,251,445				
Estate Gifts		1,500,000	1,423,586	12,222,434	528,351	
Canal Convergence Contributed Revenue	109,925	162,040	158,775	226,774	310,707	
Other Sources	205,724	471,513	318,851	131,242	853,670	
TOTAL Contributed Revenue	1,978,340	6,518,568	3,436,467	14,142,741	3,000,046	
City of Scottsdale (per contract)						
General Fund Unrestricted:						
	4,139,520	4,222,311	3,590,233	3,638,820	3,606,042	When paid, city reduced this by \$108,495 to pay for retro CC fees
Management and Administration Fee						
General Fund Restricted:						
Community Arts Grant Program	62,730	63,984	65,904	67,222	100,000	
Public Art Conservation	125,460	127,969	131,808	134,444	134,444	
Public Art Administration	627,300	639,846	659,041	672,222	672,222	
Arts Education & Outreach Programs			758,747	797,140	797,140	
Specialty Equipment	51,000	52,020	53,581	54,652	54,652	
Special Revenue Funds Restricted:						
Community Arts Trust: Scottsdale Philharmoni	20,000	20,000	20,000	20,000	20,000	
Community Arts Trust: Supplemental for Grant	30,000	31,000	31,000	31,000	31,000	
Canal Convergence Funding	550,000	750,000	750,000	750,000	750,000	
Total Restricted	1,466,490	1,684,819	2,470,081	2,526,680	2,559,458	
TOTAL City of Scottsdale (per contract)	5,606,010	5,907,130	6,060,314	6,165,500	6,165,500	
City of Scottsdale Pass-Throughs						
Public Art Pass-Through	227,125	524,468	2,025,764	1,087,660	439,793	
CARES Grant Pass-Through	1,034,633					
CARES - Special City Projects	0	125,000	125,000	0	0	
TOTAL Revenue	9,327,768	15,310,647	14,368,695	25,012,848	14,442,967	

Unrestricted City Funding	4,139,520	4,222,311	3,590,233	3,638,820	3,606,042	15,057,406
Total Unrestricted Revenue	6,599,521	12,976,360	9,747,850	21,398,508	11,443,716	55,566,434

Percent of Unrestricted Funding that was provided by CoS

63%	33%	37%	17%	32%
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27%

5-year average

COVID YEAR COVID RECOVERY YEAR COVID RECOVERY YEAR

arts scottsdale

2023–24
Annual Report





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FROM THE CEO



This past year has been nothing short of transformational for Scottsdale Arts. From the highly anticipated opening of our new Civic Center outdoor campus to the launch of new festivals and the record-breaking success of our 11th annual Canal Convergence, Scottsdale Arts continues to push boundaries in service to our community.

We are especially grateful for our more than 50-year partnership with the City of Scottsdale, which provides significant venues and resources to us. As the city's cultural stewardship organization, we are responsible for providing outstanding services to our community, patrons, artists, and fellow organizations—and it is this deep-rooted collaboration that makes much of our work possible.

Our footprint expanded significantly—not just in physical space, but in reach, recognition, and relevance. With more than 450 events, hundreds of thousands of patrons served, and programs spanning from world-class

exhibitions and performances to public art installations and youth engagement, we are proud to stand as Arizona's most comprehensive multidisciplinary arts organization.

We are grateful for the investments that made this possible. Thanks to strategic philanthropic support, major gifts, and a robust season across all departments, Scottsdale Arts remains on strong financial footing and is well-positioned for sustainable growth. This year brought accolades from national media like Rolling Stone and Forbes, awards for SMOCA and Canal Convergence, and the continued expansion of our Learning & Innovation department—an area we believe is central to building long-term cultural equity and access.

At the heart of our mission is a belief that the arts should be accessible to all. With much of our programming offered free to the public—including one of the largest and most diverse public art collections in the country—we continue to serve as both a cultural steward and economic driver for our region. Our new outdoor stages and public gathering spaces are already serving as catalysts for placemaking, civic pride, and artistic expression.

Scottsdale Arts is not simply an arts presenter; we are a creative convener, a community collaborator, and a platform for both local and international voices. This work is only possible because

of the remarkable team that drives it: 185+ staff members, 30+ trustees, 75+ community advisors, and an army of dedicated volunteers. Together, with support from donors like you, we are building a vibrant, inclusive arts ecosystem for Scottsdale and beyond.

Looking ahead, we remain committed to deepening our impact. Plans for a new theater and a major expansion at SMOCA are underway, and we are actively investing in initiatives that promote innovation, equity, and sustainability across our programs. We are excited for what's next, and we are honored to share this journey with you.

Thank you for your continued partnership and belief in the power of the arts.

With gratitude,

A handwritten signature in black ink, appearing to read 'Gerd Wuestemann'.

Dr. Gerd Wuestemann,
President and CEO, Scottsdale Arts

SCOTTSDALE ARTS ADVISORY BOARDS AND COMMITTEES

OFFICERS

Dennis Robbins (chair)
Alison Lewis (past chair)
Stephanie Lyon (secretary)
Kathy Wills (treasurer)
J.P. Dahdah (executive committee)
Priscilla Nelson Johnson
(executive committee)

AT LARGE TRUSTEES

Rhonda Anderson
Tim Baughman
Julie Bennett
Bruce Beverly
Steve Biddle
Kirsten Brown
Dino Camuñez
Mark B. Candelaria
Richard Coleman
Mary Fedewa
Keith Galbut
Kristopher Harman
Linda S. Peterson
Catherine Long
Erik Peterson
Linda S. Peterson
Merle Roskam
Jaqueline Schenkein, M.D.
Pauline Scott
Melanie Sutton
Mistie Weishaar

ASSOCIATE TRUSTEES

Peter Boyle, M.Ed. – Diversity, Equity,
Inclusion, & Access Committee
Christine Kovach – Scottsdale
Public Art Board
Paige Cecil – Scottsdale Arts
Young Professionals
Brianna Johnson – Scottsdale Arts
Learning & Innovation Committee
Liz Cohen – Scottsdale Museum of
Contemporary Art
Advisory Council

COMMITTEE CHAIRS AND STAFF CONTACT

Executive Committee

Chair: Dennis Robbins

Staff: Gerd Wuestemann

Finance Committee

Chair: Kathy Wills

Staff: Michael Martin

Governance Committee

Chair: Stephanie Lyon

Staff: Gerd Wuestemann

Development Committee

Chair: Priscilla Nelson-Johnson

Staff: Erin Krivanek

Diversity, Equity, Inclusion & Access Committee

Chair: Peter Boyle

Staff: Gerd Wuestemann

Public Art Advisory Council

Chair: Christine Kovach

Staff: Kati Ballares

Learning & Innovation Advisory Council

Chair: Brianna Johnson

Staff: Natalie Marsh

Scottsdale Museum of Contemporary Art Advisory Council

Chair: David Itzkowitz

Staff: Jennifer McCabe

Senior Management Team

Dr. Gerd Wuestemann
President and CEO

Kati Ballares
Director, Scottsdale Public Art

Zach Ciaburri
Director of Production

Martin Dickey
Facilities Director

Jennifer Gill
Deputy Director, Canal Convergence

Erin Krivanek
Director of Development

Natalie Marsh
Director, Scottsdale Arts
Learning & Innovation

Michael Martin
Chief Financial Officer

Jennifer McCabe
Director and Chief Curator,
Scottsdale Museum of
Contemporary Art

Abbey Messmer
Programming Director, Scottsdale
Center for the Performing Arts

Jamie Prins
Events Director, Scottsdale Center
for the Performing Arts

Meribeth Reeves
Managing Director,
Scottsdale Center for the
Performing Arts

Summer Roth
Director of Marketing
and Communications

Andria Sheridan
CAO/CPO

SCOTTSDALE ARTS BY THE NUMBERS

BY THE NUMBERS:

\$9,105

in rental fees discounts were given to **15** nonprofit organizations .

\$18,091

rental fees waived for **6** organizations.

389

features or mentions in local, national, and international media outlet

\$237,783

sales (net) in 2 retail spaces and provided retail space
for local, national, and international artists.



41,080

Facebook follows across **5** pages



19,938

Instagram followers across 4 accounts



9,868

Twitter followers across 3 accounts



1,998,661

total page views and **730,226** new users

* Website traffic data reporting for all
Scottsdale Arts websites combined.



COMMUNITY ARTS GRANT

27

TOTAL NUMBER OF
GRANTS SUBMITTED

20

TOTAL NUMBER OF
GRANTS AWARDED

\$109,500

TOTAL FINANCIAL
IMPACT OF GRANTS

Scottsdale Arts administers the Community Arts Grant Program (CAG), which provides funding to Scottsdale-based arts and cultural organizations, as well as to Valley arts organizations to foster community engagement, professionalism, and long-term growth in Scottsdale's arts community. The grants are funded by the city of Scottsdale through Scottsdale Arts' management services agreement.

Of the 27 applications received, 18 were project requests, 1 was a microproject request, and 9 were general operating support requests. A total of \$229,420 in grant funds were requested. And 20 applications were recommended for funding with a total award amount of \$109,500.

GRANT PROPOSAL HIGHLIGHTS

Childsplay was able to bring two in-school performances to four elementary schools in Scottsdale Unified School District. *Eddie & Vinnie* is a story about a boy who lives with the challenges of his dyslexia, and *Eric & Elliot* tells the tale of overcoming tragedy and the impacts of bullying.

Through a general operating grant, the 2023–24 season marked a record-breaking year at Musicfest filled with 35 performances and an expansive offering of valuable and enriching community engagement programs for youth and seniors. While CAG general operating support helps enhance the organization as a whole, it is most vital to sustaining non-revenue-generating programs. Beyond the concert stage, grant support helped reach more patrons than ever before with the expanded Music Alive! music-making and lifelong learning series. More than 4,000 patrons—an all-time high—attended these free programs as part of their 2023–24 Musicfest experience.

The **Phoenix Conservatory of Music** leveraged the Community Arts Grant to serve Scottsdale students in providing high-quality music arts opportunities in an equitable and accessible way with more than 60 hours of programming and support through its Music in the Library program, which enables young children to learn through play-based interaction and incorporates music as a tool to integrate for developing emergent literacy.



ARTRAGEOUS GALA COSMIC CRESCENDO

SATURDAY,
APRIL 6,
2024

SCOTTSDALE
CIVIC CENTER

On April 6, 2024, Scottsdale Arts hosted the ARTrageous Gala | Cosmic Crescendo, a one-night-only celebration that transformed Scottsdale Civic Center into a celestial wonderland. Inspired by the awe-inspiring beauty of a solar eclipse, the gala featured a fusion of dance, music, and contemporary art, creating a transcendent experience for guests.

The evening began with a red-carpet arrival, followed by immersive galactic experiences, interactive art stations, a live auction, and gourmet culinary stations. Eclipse-inspired performances blended movement, sound, and visuals, highlighting the seamless unity of artistic expression. Throughout the night, guests engaged in collaborative art activations, reinforcing the power of creativity and community.

The ARTrageous Gala recognized trailblazers in the arts, honoring individuals and organizations that have made significant contributions to the cultural landscape of Scottsdale.

HERBERGER AWARD FOR THE ARTS – JOHN AND KAREN VORIS

John and Karen Voris were honored for their unwavering commitment to the arts. As longtime supporters of Scottsdale Arts, John has served multiple terms on the Scottsdale Arts board, while Karen has been actively involved in Scottsdale Arts Learning & Innovation. Their dedication to modern dance and arts education has enriched the local arts scene.

The Vorises played a pivotal role in establishing the ArtSpark initiative, a program designed to support emerging artists and foster career development in the creative sector. Their philanthropic leadership has quietly shaped the future of the arts in Scottsdale, ensuring accessibility and opportunities for artists and audiences alike.

CORPORATE TRAILBLAZER AWARD – NATIONWIDE

Nationwide was recognized for its exceptional support of the arts, not only through financial contributions but also through volunteer efforts, board participation, and direct engagement in community arts programs. The company's involvement in initiatives like Canal Convergence and arts-integration residencies has directly impacted students and educators across Scottsdale.

Nationwide's support has provided invaluable resources for arts education, enabling students to explore literature, creativity, and critical thinking through artistic expression. As Natalie Marsh, director of Learning & Innovation, noted:

"Nationwide's generosity is not just a financial investment; it's a catalyst for change, a beacon of hope, and a testament to the power of collective action."

TRAILBLAZING ARTIST AWARD – DOROTHY FRATT

The Trailblazing Artist Award was posthumously awarded to Dorothy Fratt (1923–2017), a visionary painter whose bold use of color and abstraction shaped contemporary art in the Southwest. Fratt's career spanned decades, from her early recognition in Washington, D.C., to her lasting impact on the Arizona arts community.

Her legacy was honored through *Dorothy Fratt: Color Mirage*, a landmark exhibition at SMOCA, celebrating her contributions to color field painting and abstraction. As Jennifer McCabe, PhD, stated:

"On the occasion of SMOCA's 25th anniversary, it was the perfect moment to celebrate a much-loved artist and share the impact of a great American painter."

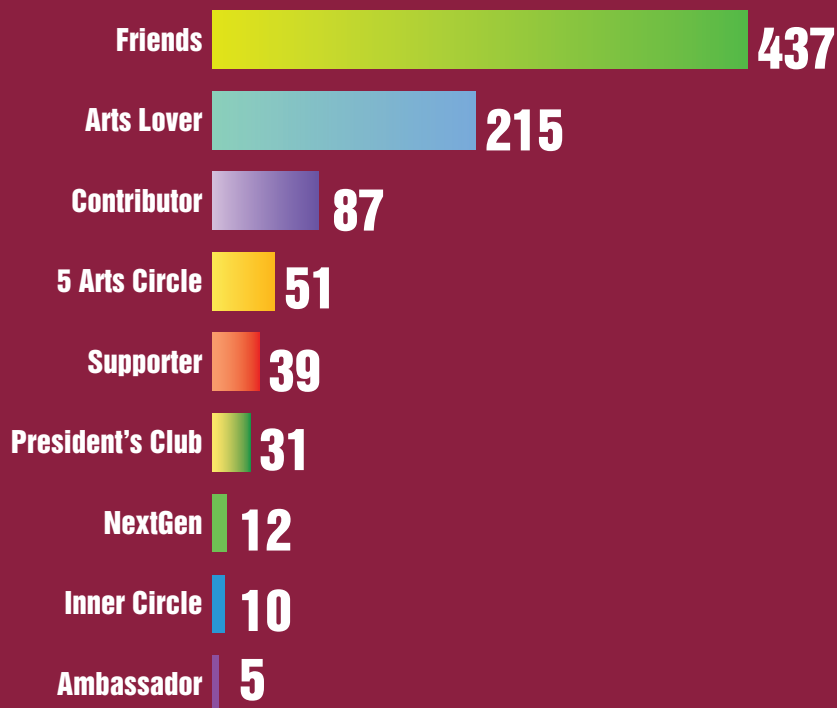
SPONSORS:

Billie Jo Herberger
Nationwide and Nationwide Foundation
Rich and Melody Simoncic of
SOAR Foundation
Merle and Steve Roskam
STORE Capital
Pride Guide Arizona
SRP
Northern Trust
Urban Design Associates, LTD
Krumwiede Lewis Foundation
Astral Tequila
Seedlip
PHX Architecture
Rhonda and Gary Anderson
Arizona Informant
Scottsdale Fashion Square
Dollar Radio Rentals

TABLE HOSTS:

Arizona Republic
Candelaria Design Associates
Richard Coleman
Priscilla Nelson Johnson
Christine and Richard Kovach
John and Karen Voris
Mistie and Oliver Weishaar

ONE MEMBERSHIP



886

TOTAL NUMBER OF
MEMBER HOUSEHOLDS

\$209,750

TOTAL FINANCIAL IMPACT
OF MEMBERSHIP

Scottsdale Arts ONE Membership is a vital part of the cultural fabric of Scottsdale, supporting world-class exhibitions, performances, and educational programs. ONE Members are at the heart of the arts, ensuring that Scottsdale Arts can continue to provide innovative and engaging artistic experiences for the community.

Through membership dues, ONE Members help sustain a diverse range of programming, including live performances at Scottsdale Center for the Performing Arts, thought-provoking exhibitions at Scottsdale Museum of Contemporary Art (SMoCA), and arts

education initiatives through Scottsdale Arts Learning & Innovation. Their support directly contributes to student matinees, museum programs, and community outreach, enriching the creative landscape of Scottsdale.

To show appreciation, ONE Members receive exclusive benefits such as early access to tickets, unlimited admission to SMoCA, discounts on select performances, and invitations to members-only events. In 2024, Scottsdale Arts introduced a new membership level, Ambassador (\$850), to bridge the gap between Supporter and President's Club, offering members

more options to engage with and support the arts. Their commitment strengthens Scottsdale Arts' ability to present cutting-edge contemporary art and world-class performances while fostering arts education for all ages. such as early access to tickets, unlimited admission to SMoCA, discounts on select performances, and invitations to members-only events. Their commitment strengthens Scottsdale Arts' ability to present cutting-edge contemporary art and world-class performances while fostering arts education for all ages.

SMoCA ALLIANCE

18

TOTAL NUMBER OF
SMoCA ALLIANCE
INSIDERS

13

SMoCA ALLIANCE
INDIVIDUAL INSIDER

5

SMoCA ALLIANCE
CORPORATE INSIDER

Launched in January 2024, SMoCA Alliance offers a deeper connection to the museum's exhibitions and programs for those with a passion for contemporary art. This dedicated community was created to support and elevate SMoCA's mission by providing enhanced engagement opportunities for art enthusiasts.

SMoCA Alliance Insiders receive behind-the-scenes access, including exclusive events, curator-led tours, artist meet-and-greets, and travel opportunities, as well as special recognition within SMoCA. Through this program, members connect with

like-minded individuals who share an appreciation for contemporary art, design, and architecture, while helping to advance SMoCA's bold and thought-provoking exhibitions.

With ONE Membership included, SMoCA Alliance members enjoy all the benefits of Scottsdale Arts membership while gaining deeper insight into the world of contemporary art. This added layer of engagement offers an opportunity to experience the museum in a more meaningful way, fostering a greater appreciation for the artists and curators shaping today's artistic landscape.

Through their support, ONE Members and SMoCA Alliance Insiders ensure that Scottsdale Arts remains a leading force in the region's cultural growth. Their commitment makes it possible to bring the life-changing power of the arts to Scottsdale, inspiring audiences and artists alike for generations to come.





SCOTTSDALE CENTER FOR THE PERFORMING ARTS

85,649
PEOPLE ATTENDED **134**

EVENTS PRESENTED BY
SCOTTSDALE CENTER FOR
THE PERFORMING ARTS.

93,455
PEOPLE ATTENDED
83 RENTAL EVENTS.

35 OF THOSE
PRESENTED AND RENTAL
EVENTS, WITH

96,115
PEOPLE ATTENDING,
UTILIZED SCOTTSDALE
CIVIC CENTER.

276
ARIZONA ARTISTS WERE
FEATURED IN THE SEASON
PROGRAMMING AND
COMPENSATED FOR
THEIR WORK.

5,572
VOLUNTEER HOURS WERE
DONATED BY 131 COM-
MUNITY MEMBERS, FOR
A TOTAL SAVINGS TO
THE ORGANIZATION OF
\$78,570
(AT MINIMUM WAGE).



Scottsdale Center for the Performing Arts is dedicated to delivering exceptional performing arts experiences to the community. Its mission is to inspire new ideas, foster shared understanding, and showcase innovative approaches to traditional and contemporary performing arts. Through diverse programming, the Center champions diversity, inclusion, and accessibility for the health and well-being of Scottsdale and surrounding communities.

Jeffrey Siegel began his 45th season at Scottsdale Center for the Performing Arts on Dec. 5, 2023. For nearly half a century, Scottsdale audiences have enjoyed Siegel's Keyboard Conversations®, an innovative blend of concert and commentary. Originating in Chicago more than 55 years ago, Keyboard Conversations® has become a cornerstone of the Center's programming, making classical music more accessible to all audiences.

Each performance centers on a theme, featuring works from one or multiple composers. Before playing a piece in full, Siegel provides historical context, offering insights into the composer's life and the significance of the music. He often plays short excerpts to highlight key elements, helping audiences develop a deeper appreciation for the compositions.

Many first-time attendees describe the experience as revelatory. His storytelling and meticulously researched details add layers of meaning, transforming the listening experience. Audiences consistently leave performances feeling enriched and inspired, often returning with friends to share the experience.

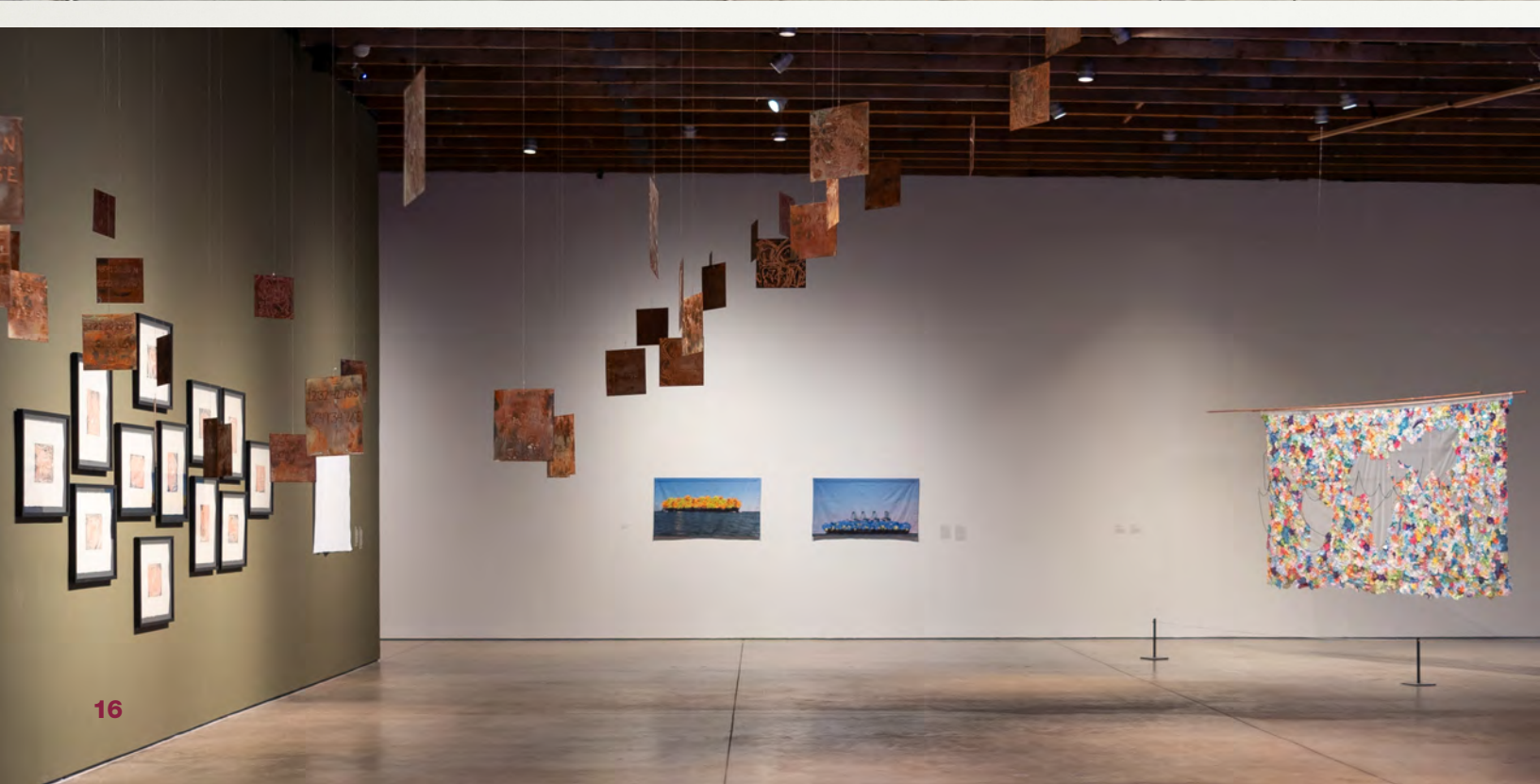
Keyboard Conversations® was first introduced to Scottsdale by the late Dayton Grafman, who brought Siegel to the Center after hosting him at Northwestern University. Siegel frequently praises the acoustics of the Virginia G. Piper Theater and the expertise of the Scottsdale Arts technical team.

A highlight of each performance is the post-show Q&A, where audience members can ask Siegel about the music, composers, and his experiences. These sessions often lead to fascinating discussions, with questions ranging from insightful to delightfully unexpected.

Jeffrey Siegel's 45th season at the Center featured a program dedicated to Chopin and Liszt (Dec. 5, 2023). Subsequent concerts explored Beethoven's passion and resilience (Jan. 9, 2024), delivered a "French Musical Feast" with Debussy's *Clair de lune* (Feb. 6, 2024), and ended with a season finale that celebrated Tchaikovsky, Brahms, and Grieg (March 5, 2024).

With encyclopedic knowledge, engaging humor, and a deep passion for music, Jeffrey Siegel remains a cultural treasure in Scottsdale. His concerts offer more than performances—they provide a gateway to experiencing classical music in an enlightening and engaging way. This 45-year tradition continues to be a highlight of the Center's programming, inviting audiences to discover the beauty of classical music in an accessible format.







SCOTTSDALE MUSEUM OF CONTEMPORARY ART

22,107

PATRONS VISITED SMoCA,
DRIVING

\$100,525

IN REVENUE.

25 PROGRAMS

HELD WITH **2,410**

PEOPLE ATTENDING,
DRIVING

\$13,099

IN REVENUE.

15 WORKS BY
8 ARTISTS

ACQUIRED FOR THE
SMoCA COLLECTION.



Scottsdale Museum of Contemporary Art (SMoCA) is an accredited and internationally recognized institution that encourages reflections and conversations about life through art. For 25 years, SMoCA has been at the forefront of contemporary art, showcasing the best artists and thinkers of our time through exhibitions, publications, and events. Designed by award-winning architect Will Bruder, the museum features a Skyspace by renowned artist James Turrell, reinforcing its mission to engage imagination, challenge perceptions, and inspire change.

In February 2024, Scottsdale Arts celebrated SMoCA's 25th anniversary with a special event honoring the museum's history and contributions to the community. The SMoCA 25th Birthday Celebration + Opening took place on Feb. 9, featuring signature cocktails, gourmet treats, music by DJ J-ME LEE, and a performance by artist Carolina Aranibar-Fernández. Attendees explored new exhibitions, including *Dorothy Fratt: Color Mirage* and *Carolina Aranibar-Fernández: Oleaje*.

Color Mirage marked the first major retrospective of American painter Dorothy Fratt (1923–2017), known for her vibrant abstractions. Co-curated by Jennifer McCabe, SMoCA's director and chief curator, and Lauren O'Connell, curator of contemporary art, the exhibition was accompanied by a coffee table book, featuring essays and discussions with contemporary artists.

Oleaje, which translates to *Groundswell*, opened on Feb. 10, 2024, and featured large-scale installations by Bolivian-born artist Carolina Aranibar-Fernández. Curated by assistant curator Keshia Turley, the exhibition explored the global trade industry's ripple effects, mapping and memorializing its impact through immersive artwork.

Beyond these milestone exhibitions, SMoCA continues to offer dynamic experiences. Visitors engaged with Roelof Knol's interactive, audiovisual installation, which blurred the boundaries between digital and physical spaces. Additional 2023 fall exhibitions included Phillip K. Smith III's light-based installations and a traveling photography exhibition by Christina Fernandez, examining identity, labor, and the photographic medium's capabilities.

Originally, Scottsdale Arts curated exhibitions in the atrium of what is now Scottsdale Center for the Performing Arts. In the 1990s, the vision for a dedicated contemporary art museum led to the transformation of a five-screen United Artists cineplex into SMoCA. Bruder's redesign integrated modernist elements while preserving aspects of the original structure, resulting in a visually striking institution. Public artworks, such as James Carpenter's *Glass Scrim Wall* and Turrell's *Knight Rise Skyspace*, further enhance the museum's architectural significance.

SMoCA's commitment to accessibility includes pay-what-you-wish admission every Thursday and the second Saturday of each month. General admission ranges from \$10 to \$12, with discounts for students, seniors, and veterans. Scottsdale Arts ONE Members, healthcare workers, first responders, and patrons 18 and younger enjoy free admission.

SCOTTSDALE PUBLIC ART

REACHED
464.8
MILLION
PEOPLE.

4 TEMPORARY PUBLIC
ART PROJECTS AND
4 EXHIBITIONS IN-
STALLED.

6 PIECES OF PUBLIC ART
HAD CONSERVATION
AND RESTORATION
WORK COMPLETED.

OVER
3.1
MILLION
TOOK TIME TO STOP, STAY,
AND CONNECT WITH
A PIECE.

1 MAJOR EVENT,
CYCLE THE ARTS, HELD
WITH MORE THAN
100 ATTENDEES
AND 20 VOLUNTEERS.

3 PERMANENT
PUBLIC ART PIECES
INSTALLED, BRINGING
THE ENTIRE PUBLIC ART
COLLECTION TO
160 PIECES INCLUDING:

Breakaway, Artist: Barbara Grygutis
Drinkwater Boulevard underpass

Polygon Plaza, Artist: Troy Neiman
Reata Ranch Sports Complex

TriHexCirc, Artist: Phillip K. Smith III
Raintree Drive and Hayden Road roundabout

70 ARTISTS WORKED
WITH THE DEPARTMENT.

5 NEW PERMANENT
AR EXPERIENCES CREATED
AND IMPLEMENTED
WITH ARTISTS.

29 PERMANENT PROJ-
ECTS WERE IN
PROGRESS— **13** ART IN
PUBLIC PLACES AND 16 ART
IN PRIVATE DEVELOPMENT.

Scottsdale Public Art continues to celebrate and preserve its rich artistic heritage, and in 2023, it marked the 50th anniversary of *Windows to the West* by renowned sculptor Louise Nevelson. As Scottsdale's oldest large-scale public artwork, *Windows to the West* has remained a defining element of the city's art collection, embodying both artistic excellence and historical significance.

Commissioned in the early 1970s, *Windows to the West* was made possible through a Works of Art in Public Places matching grant from the National Endowment for the Arts. Scottsdale was the first small city to receive this prestigious grant, placing it alongside larger urban centers such as Houston, Seattle, and Grand Rapids, Michigan, in securing monumental public sculptures by major American artists.

Nevelson, one of the most significant sculptors of the 20th century, was known for her intricate, shadow-filled wooden assemblages. However, *Windows to the West*, originally titled *Atmosphere and Environment: Scottsdale*, marked her transition into Cor-Ten steel, a material she began using just three years prior. Unveiled in November 1973, it became her first monumental steel sculpture in the Southwest and remains her largest architectural work in the western United States. Nevelson described herself as an "architect of shadows," a concept

evident in *Windows to the West*, where silhouettes, negative space, and shifting light create a dynamic visual experience.

The sculpture was originally installed on the east side of Scottsdale Civic Center, southeast of Scottsdale City Hall. During renovations to the Civic Center in 2023, *Windows to the West* was carefully relocated to the west side of the plaza, where it now serves as a prominent entrance feature between the West Paseo and West Bowl, closer to Scottsdale Center for the Performing Arts and Scottsdale Museum of Contemporary Art.

50TH ANNIVERSARY CELEBRATION

On October 26, 2023, Scottsdale Public Art hosted a 50th-anniversary celebration honoring *Windows to the West* and Scottsdale's newest public artwork, *The Desert's Garden*. The event welcomed art enthusiasts, historians, and community members to commemorate Nevelson's impact and the continued evolution of Scottsdale's public art landscape.

For five decades, *Windows to the West* has served as a testament to Scottsdale's commitment to integrating world-class public art into the cityscape. As it enters its next 50 years, the sculpture remains a symbol of the city's dedication to artistic excellence, cultural heritage, and the power of public art to inspire and connect communities.







Barbara Grigg 2024



CANAL CONVERGENCE

175,000+
VISITORS ATTENDED THE
EVENT OVER THE COURSE
OF **10** DAYS.

9 ARTWORKS BY
7 ARTISTS
WERE INSTALLED.

30 SPONSORS AND
PARTNERS SUPPORTED
THE EVENT.

5,000+
ATTENDEES PARTICIPATED IN
WORKSHOP ACTIVITIES.

145+ INSTANCES
OF PRESS COVERAGE
APPEARED IN PRINT, RADIO,
TV, AND ONLINE.

In November 2023, Scottsdale Arts presented another successful edition of Canal Convergence, the annual public art event that transforms the Scottsdale Waterfront into an immersive celebration of light-based artworks, performances, and interactive experiences. The 2023 theme, “The Power of Play,” guided the 10-day event from November 3–12, featuring more than 100 workshops, performances, and educational tours.

A key addition to the programming was the Canal Convergence Mini Film Festival, which explored themes of play, water, art, and light through a curated selection of short films. The festival was programmed by Ernie Quiroz, a film expert with experience at Sundance, Telluride, and SXSW, and took place at the Herberger Stage within the Canal Convergence Beer and Wine Garden at Soleri Plaza.

A returning highlight was the One Water Brewing Showcase (Nov. 3–4), where attendees sampled craft beers brewed with ultra-purified water, showcasing Scottsdale Water’s commitment to sustainability. Participating breweries included AZ Wilderness Brewing Co., Huss Brewing Co., and Wren House Brewing.

In an effort to increase accessibility, Canal Convergence Art Tours were offered in Spanish (Nov. 6) and American Sign Language (Nov. 8) for the first time, providing more visitors the opportunity to engage with the artwork and learn about the featured artists from across the globe.

Interactive workshops reflected the 2023 theme, “The Power of Play.” Visitors participated in monster-making, silk painting, and audio speaker-building sessions. Workshop leaders included both local and exhibiting artists, such as Arizona-based performer Zarco Guerrero, who led a mask-making workshop, and Francisco Diaz, whose upcycled fashion space encouraged sustainable creativity.

Community organizations played a key role in weekend programming at the Scottsdale Arts Roundabout. Notable engagements included the Puppet Pie ice cream truck, where guests could craft their own puppets, and an interactive activity from the S’edav Va’aki Museum, allowing participants to create canal fish or silly snakes while learning about the region’s cultural history.

Live music and dance performances remained a central part of the experience. Headlining acts included Pleasure Cult (indie-pop), Earth Surface People (soul), Veronica Everheart (indie-rock), Jaleo (Latin), and Rising Sun Daughter (Americana). Dance performances featured NicoleOlsonIMovementChaos in collaboration with Ithaca Studio’s “Ripple,” alongside performances from BeKind Crew and Scottsdale Community College Dance Department.

Additional highlights included Lululemon’s ticketed yoga event (Nov. 8) beneath *Ripple*, the Scottsdale Gallery Association’s Gold Palette

ArtWalk (Nov. 9), and the Women's Collective Night Run. Augmented reality experiences also returned via the Hoverlay app, featuring Isaac Caruso's AR-infused murals placed at Canal Convergence, Scottsdale Fashion Square, and Scottsdale Civic Center.







SCOTTSDALE ARTS LEARNING & INNOVATION

49,822 PEOPLE

REACHED THROUGH

42,196 HOURS

OF ARTS INSTRUCTION.

1,322 DAYS OF

SERVICES PROVIDED,

AVERAGING MORE THAN

6 PROGRAMS PER DAY.

77 TEACHING

ARTISTS EMPLOYED.

40 COMMUNITY

ORGANIZATIONS AND

44 SCHOOLS ACROSS

THE VALLEY COLLABORATED

WITH SALI PROGRAMS.

MEMORY LOUNGE

Scottsdale Arts Learning & Innovation continues to provide enriching arts experiences through Memory Lounge, a program designed for individuals with mild to moderate memory loss and their care partners. Through interactive workshops in the visual and performing arts, Memory Lounge fosters socialization, reduces stress, and offers creative engagement in a welcoming environment.

Each Memory Lounge workshop features professional artists guiding participants through hands-on experiences. In November 2023, the late musician Keith Johnson led a dynamic drumming session at Scottsdale Center for the Performing Arts, introducing participants to rhythms from African and Caribbean traditions. Using drums sourced from countries such as Guinea, Mali, and Senegal, Johnson encouraged participants to create their own beats, culminating in an introduction to the Caribbean steel drum. The session ended with joyful music-making and a shared sense of accomplishment.

In addition to performing arts workshops, Memory Lounge also explores visual arts. Arizona-based artist Mary Shindell, whose work is featured in the Scottsdale Public Art Permanent Collection, led a recent workshop where participants created

drawings inspired by their favorite plants. These works were transformed into free-standing sculptures, providing a tangible memory of their artistic exploration.

Throughout the workshops, participants not only create art but also build community, engaging in conversations about artists, artistic techniques, and personal experiences. Discussions range from the works of renowned sculptor Louise Nevelson, creator of *Windows to the West*, to broader topics on the role of women in contemporary art. The program offers a unique space for creative expression while reinforcing cognitive engagement and meaningful social interaction.

“Memory Lounge isn’t just about making art,” said Laura Hales, curator of learning and innovation at Scottsdale Arts. “It’s about fostering joy, connection, and lifelong learning.”

Workshops take place throughout the year, with rotating themes and guest artists from Scottsdale Museum of Contemporary Art, Scottsdale Public Art, and the broader Arizona arts community. Whether exploring music, sculpture, painting, or storytelling, participants leave each session with new experiences and lasting connections.

Through Memory Lounge, Scottsdale Arts Learning & Innovation continues its mission to make the arts accessible to all, demonstrating the power of creativity in enhancing quality of life for individuals and their care partners

SCOTTSDALE ARTS LEARNING & INNOVATION: 25 YEARS OF VISIONS

For 25 years, Visions, a flagship program of Scottsdale Arts Learning & Innovation, has provided advanced art students from high schools across the Valley with opportunities to explore contemporary art. Through hands-on workshops, artist collaborations, and museum visits, the program fosters artistic growth, collaboration, and civic engagement. More than 1,000 students from diverse backgrounds have participated in Visions since its inception.

One of those students was Lauren R. O’Connell, a member of the first Visions cohort 25 years ago. Today, she is the curator of contemporary art at Scottsdale Museum of Contemporary Art (SMoCA), the very institution that launched the Visions program.

As a high school student at Chaparral High School, O’Connell participated in Visions, creating an acrylic painting for the program’s year-end exhibition. While the program was less formalized at the time, it provided her with an introduction to contemporary art beyond the classroom. Though she did not pursue a career as an artist, her journey eventually led her back to SMoCA in a different capacity.

After graduating in 2000, she explored various academic paths, earning a degree in classics with a focus on Etruscan civilizations from the University of Arizona. While her studies took her on an archaeological dig in Italy, she remained connected to the arts through her art history minor and early museum work.

In 2007, she joined SMoCA as an education assistant, just eight years after the museum’s founding. She quickly developed a passion for working with contemporary art and was promoted to curatorial assistant. Encouraged by mentors, she pursued a master’s degree in curatorial practice at California College of the Arts in San Francisco.

Following graduate school, O’Connell worked at San Francisco Museum of Modern Art, Berkeley Art Museum, and Pacific Film Archive, and curated exhibitions in Phoenix and the Bay Area. In 2019, she returned to SMoCA as assistant curator and was promoted to curator of contemporary art in 2021.

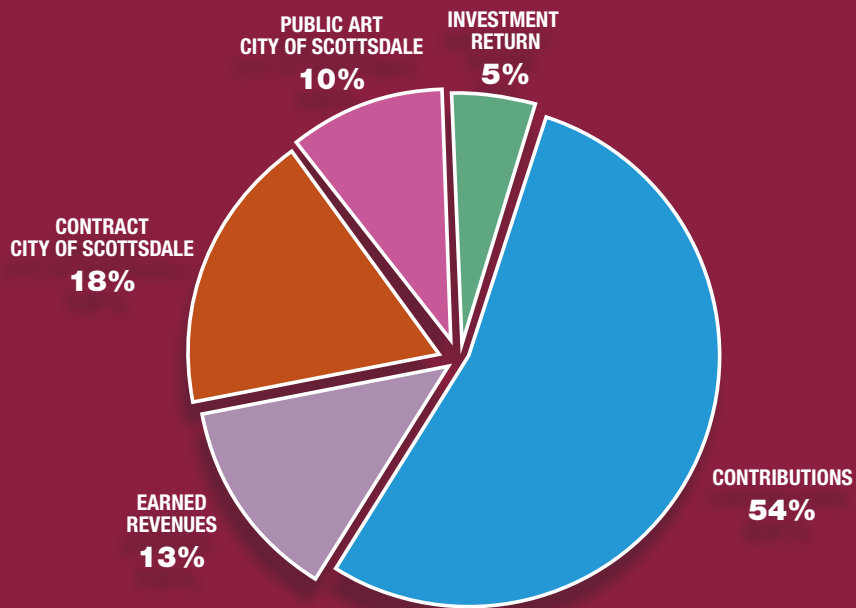
Now, O’Connell helps guide the next generation of Visions students, offering them museum tours and insights into curatorial practice. She recognizes the importance of exposing young artists to career paths beyond artmaking and ensuring museums feel accessible to students from all backgrounds.

“Visions now is so solid in thinking through what it’s offering students,” she said. “Whether they become artists or not, they’ll have a more expansive appreciation of art.”

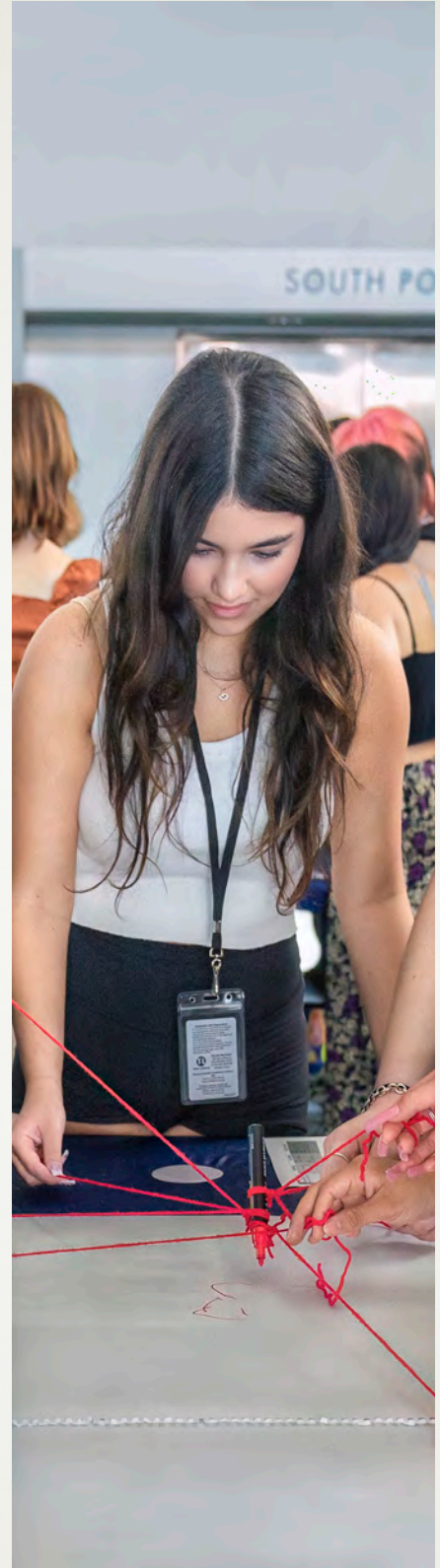
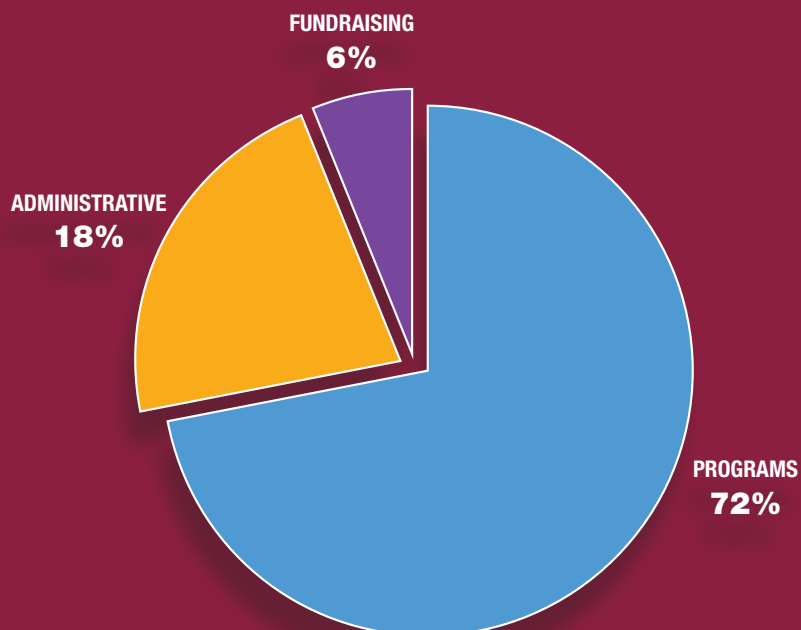
As Scottsdale Arts Learning & Innovation celebrates 25 years of Visions, the program continues to provide students with valuable experiences, fostering creative exploration and professional development in the arts.

FINANCIAL DATA

HOW WE EARNED IT



HOW WE SPENT IT



	2024 Unrestricted	2024 Restricted	2024 Total	2023 Total
Earned Revenues	\$3,193,600	—	\$3,193,600	\$2,602,601
Contract – City of Scottsdale	4,608,834	—	4,608,834	4,610,298
Public Art – City of Scottsdale	2,650,026	—	2,650,026	3,640,113
Contributions – City of Scottsdale	—	—	—	125,000
Contributions	13,479,261	378,722	13,857,983	3,306,928
Investment Return	599,419	691,942	1,291,361	869,434
Other Income	57,743	—	57,743	10,558
Net Assets Released from Restrictions	693,917	(693,917)	—	—
TOTAL REVENUES, SUPPORT & OTHER INCOME	\$25,282,800	\$376,747	\$25,659,547	\$15,164,932

	2024 Unrestricted	2024 Restricted	2024 Total	2023 Total
Programs	\$10,542,873		\$10,542,873	\$10,394,087
Administrative	3,240,273		3,240,273	2,779,919
Fundraising	939,871		939,871	759,262
TOTAL EXPENSES	\$14,723,017	—	\$14,723,017	\$13,933,268

Change in Net Assets	\$10,559,783	\$376,747	\$10,936,530	\$1,231,664
Net Assets, Beginning Of Year	1,197,442	9,712,948	10,910,390	9,678,726
NET ASSETS, END OF YEAR	\$11,757,225	\$10,089,695	\$21,846,920	\$10,910,390

As of June 30

CORPORATE AND FOUNDATION SPONSORS

Scottsdale Arts is pleased to recognize the following individuals, corporations, foundations, government agencies, and in-kind donors for their support of the arts in our community between July 1, 2023, and June 30, 2024. For more information on participating as a sponsor or partner, please contact Denise Wisdom, corporate and foundations manager, at 480-874-4669 or DeniseW@ScottsdaleArts.org, or Marcus Pittaluga, individual giving manager, at 480-425-5353 or MarcusP@ScottsdaleArts.org.

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**ARIZONA
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FOUNDATION**

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Magnum Electric Bikes	Overture North Scottsdale	whiteLAVA creative and metal art
McDowell Sonoran Conservancy		

SMALL BUSINESS COLLABORATOR PARTNER

State Farm – Adam Gettys, Agent	Ageless Women's Health	Lake Pleasant Cruises
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SPIRIT OF THE COMMUNITY PARTNERS (promotional products support)

Blick Art Materials	GEST Carts	Westin Kierland Resort & Spa
Chompie's Restaurant, Deli, and Bakery	Pink Sky Photobooth	Ziegler Fiesta Bowl Museum
Fairytale Brownies	Navajo Mike's	
	Vibe Spot	

MEMBERS AND DONORS

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\$100,000 +

Wendy Sternberg Estate
Billie Jo Herberger

\$50,000–\$99,999

Betty Hum and Alan Yudell *
Alison Lewis and
Craig Krumwiede *^
John and Karen Voris

\$25,000–\$49,999

Christine and Richard Kovach^
Cynthia Shevlin
Merle and Steve Roskam *^

\$10,000–\$24,999

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Dino and Heidi Camuñez *^
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Mary and Dale Fedewa *^
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Pauline Scott*^
Peter Fish
Priscilla Nelson Johnson *^
Rhonda and D. Gary Anderson *^
Richard and Ivorie Coleman *^

\$5,000–\$9,999

Carol Barmore *
Darren Jeffrey
Dennis Yares
Ethelyn Cohen and Raymond Lazar *
Jeff Rakoczy and Laura Ahl *
Julie and Fred Van Etten
Kathy Kolbe and William Rapp *
Mistie and Oliver Weishaar *^
Richard and Marie Stewart
Robert and Robyn Silverberg
Rona and Joelle Guymon

\$2,500–\$4,999

Adam and Iris Singer *
Amber Wayne
Arlene Reach and Phyllis Steckler *
Avrum and Lauren Elmakis
Chris McConnell
Dimitri and Suzanne Haniotis
Dominic Russo
Elizabeth and John Shaw *
Gregory Fratt
Jeannine and Ben Gillikin *
Jean-Pierre and Monique Millon *
Jim Carmichael and
Marianne Mallia *
Jomar Jenkins
Judy Mayfield
Kathy and Michael Wills *^
Kent and Heidi Welborn *
Laura and Edward Madden *
Leslie Dashew and Jack Salisbury *
Linda Kilgore Bernard and
Nicholas Bernard *
Lucas Haldeman *
Dr. Mischa Cohen Peck
Oscar De las salas and
Gary Jackson *

Paige and Ryan Jones *^
Paul Salinas
Peggy Sharp Chamberlain *
Sophie and Douglas Freedman
Tamar Weiss

\$1,000–\$2,499

Alan Rudy
Alexis Cosca *
Amy Gause *
Angela and Jeffrey Glosser *
Ann Mammel Balusek and
Brian Balusek *
Charles and Nancy Brickman
Christine and Bob Irish *
Clark Olson and Christi Manuelito *
Dale Suran and Delores Rodman *
Dan and Elise Parish
Daniel Heuerman
Daniel Ling and Lee Obrzut *
David and Mary Patino *
David Cooper
David Goldberg
David Ortega and Rosemary
Gannon-Ortega *
Debbie and Jack Waitkus*
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Diana and David Smith *
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Barbara Montgomery-Ratcliff
Janet and John Melamed *
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Jerry and Susan Gilbert *
Jim and Marcia Lowman *
Judith and Richard Cooper *
Judy Ackerman and
Richard Epstein *
Judy and Sam Linhart *
Judy and William Goldberg *
Karen and Larry Harris *
Karen Dunn
Kathleen Duley and
Carroll Huntress *
Kay Butler *
Kitt and Mary Ormsby *
Leo and Hermine Philippe
Linda and James Saunders *
Linda Cohen *
Lisa Huey *
Lori Hirsch *
Lynn and Larry Kahn *
Makenna and Mike Albrecht *
Marjorie Hebert *
Mark and Stella Saperstein *
Maureen and Thomas Eye *
Megan and John Anderson *
Mimi Horwitz *
Missy Romanoff *
Nancy and Kevin Rhein *
Nancy and Tom Thomson *
Pat and Phil Turberg *
Patricia Ann Schmidt *
Patty Napier *
Peter Boyle*^
Randy and Carol Schilling *
Richard and Susan Goldsmith *
Richard and Gretchen Wilson *
Robert and Barbara Schmid*

Robert Dixon *
 Susan and Manny Kramer*
 Thomas Morgan *
 Tina Gomez

\$500–\$999

A Friend of Scottsdale Arts
 Anonymous
 Arnold and Anita Newman *
 Cathleen and Jim Tonkin
 Catrina Kahler
 Craig Smith and Linda
 Fontana-Smith *
 Dale Leitman *
 Daniel Gerard
 Danielle Spahle
 Dawn Dickinson *
 Deanna Bell *
 Eliot Minker*
 Eric Pittman*
 Fred Horne
 Gerri and Mark Smith *
 Gwen Walters *
 Jack Carpenter
 Jamie Rothschild *
 Janice Lavitt*
 Jill Christenholz *
 Jo Flittie*
 John and Alissa Krupar
 John Reyes
 Judy Heller *
 Karen Nackard *
 Kathryn Derezinski *
 Kathy Vander Pluym
 Kay Collier *
 Kenneth Kwilosz
 Kerry Dunne
 Kristopher and Cheri Harman*^
 Kyle Caoettee and
 Savannah Eastburn*
 Kenady and Jordan Jobe*
 Lesley Monfardini
 Linda Callabresi
 Linda Milhaven
 Liz Hyatt
 Lois Tatelman *
 Lori Thiemann
 Mark Stapp *
 Martyn and Laura Hollenbeck
 Mary Renne
 Melody Salamo *
 Michael and Enid Seiden *
 Dr. Otto Stanislaw*
 Richard and Penny Post
 Richard Lehmann *
 Robert and Micheline Faver
 Robyn Hansen *
 Rowena Simberg *
 Sara and Richard Pederson *
 Sergio and Anita Baranovsky *
 Shari and Judy Capra *

Stephanie and Douglas Leventhal *
 Steve and Linda Biddle *^
 Dr. Susan Sacks and
 Mr. Jim Andrews *
 Suzette and Curtis Long *
 Ted Jarvi and Leslie Hall *
 Toni and Bruce Beverly *^
 Wendy Gordon *
 William Fishkind

THE LEGACY SOCIETY

The Legacy Society honors those who have included Scottsdale Arts in their will, trust, insurance policy, or estate plans.

Joining The Legacy Society is a meaningful and generous way to continue sharing your values with future generations while enjoying recognition with a network of like-minded friends today. We proudly recognize the following Scottsdale Arts Legacy Society members:

Anonymous
 Arleen Lorrance and
 Diane Kennedy Pike
 Chet and Ann Goldberg Estate
 Chris and Bob Irish
 Cynthia Muss Lawrence
 Diane Rejman
 Eric Jungermann and Family
 Evelyn Y. Davis
 Fred J. English and Sara M. English
 Charitable Trust
 J. Patrick McCarthy Estate
 Joan Mills Miller Estate
 Linda and Sherman Saperstein
 Lou Jekel
 Patricia Aloe-Stauber
 Phyllis and Arnold Morof
 Richard Herman Estate
 Sara and David Lieberman
 Sue and Robert Karatz
 Theodore R Stephan Trust for
 Student Matinees
 Wendy Sternberg Estate
 Ellie and Michael Ziegler

SMoCA ALLIANCE

SMoCA Alliance is a community of belonging—based on an affinity for contemporary art, design, and architecture—that cultivates support and exposure for Scottsdale Museum of Contemporary Art exhibitions and programs.

For more information on SMoCA Alliance and other ways to support the art you love in Scottsdale, please contact Erin Krivanek, director of development at ErinK@ScottsdaleArts.org or Marcus Pittaluga, individual giving manager at MarcusP@ScottsdaleArts.org.

CORPORATE INSIDERS

180 Degrees Design + Build
 Art Solutions & Installations, LLC
 Kendle Design Collaborative
 Multistudio
 Maria Z Interiors
 Nikolaev Designs Jewelry Arts
 Nick Tsontakis Architecture
 Schnitzer Properties

INDIVIDUAL INSIDERS

Adam and Iris Singer
 Alexis Cosca
 Amy Gause
 Arlee Reach and Phyllis Steckler
 Clark Olson and Christi Manuelito
 Dorothy Lincoln Smith
 Elizabeth and John Shaw
 Gail Neuberger
 Jean-Pierre and Monique Millon
 Jeannine and Ben Gillikin
 Jim Carmichael and Marianne Mallia
 Laura and Ed Madden
 Linda Kilgore Bernard and
 Nicholas Bernard
 Kent and Heidi Welborn
 Oscar De Las Salas
 and Gary Jackson
 Peggy Sharp Chamberlain

***Premier Member, Scottsdale Arts ONE Membership**



7380 E. Second St., Scottsdale, AZ 85251
480-994-ARTS (2787) | ScottsdaleArts.org

We are SCOTTSDALE ARTS | FY25 – FY27 Strategic Plan

Our MISSION

We enhance lives through the power of the Arts.

Our VISION

Scottsdale Arts creates transformative arts experiences, making Scottsdale a premier arts destination.

We VALUE

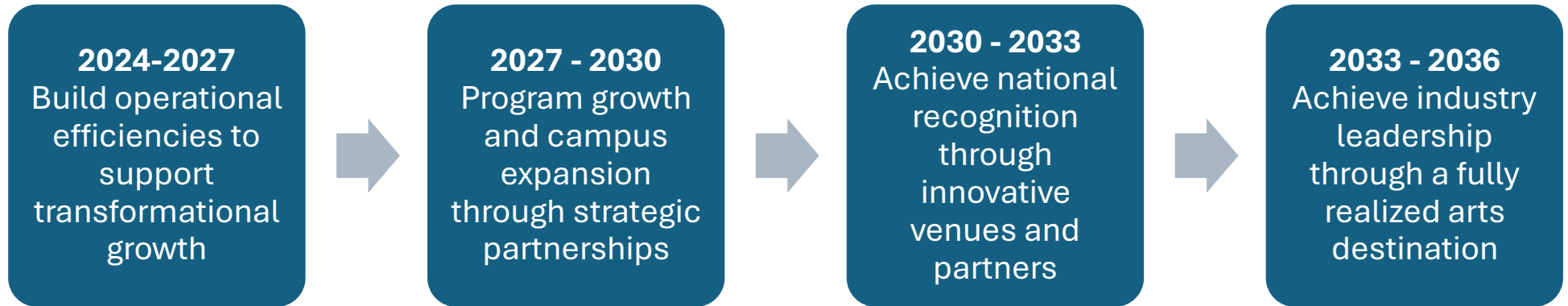
Integrity: Through the consistency of quality experiences, we build trust and confidence and cultivate an environment where creativity thrives.

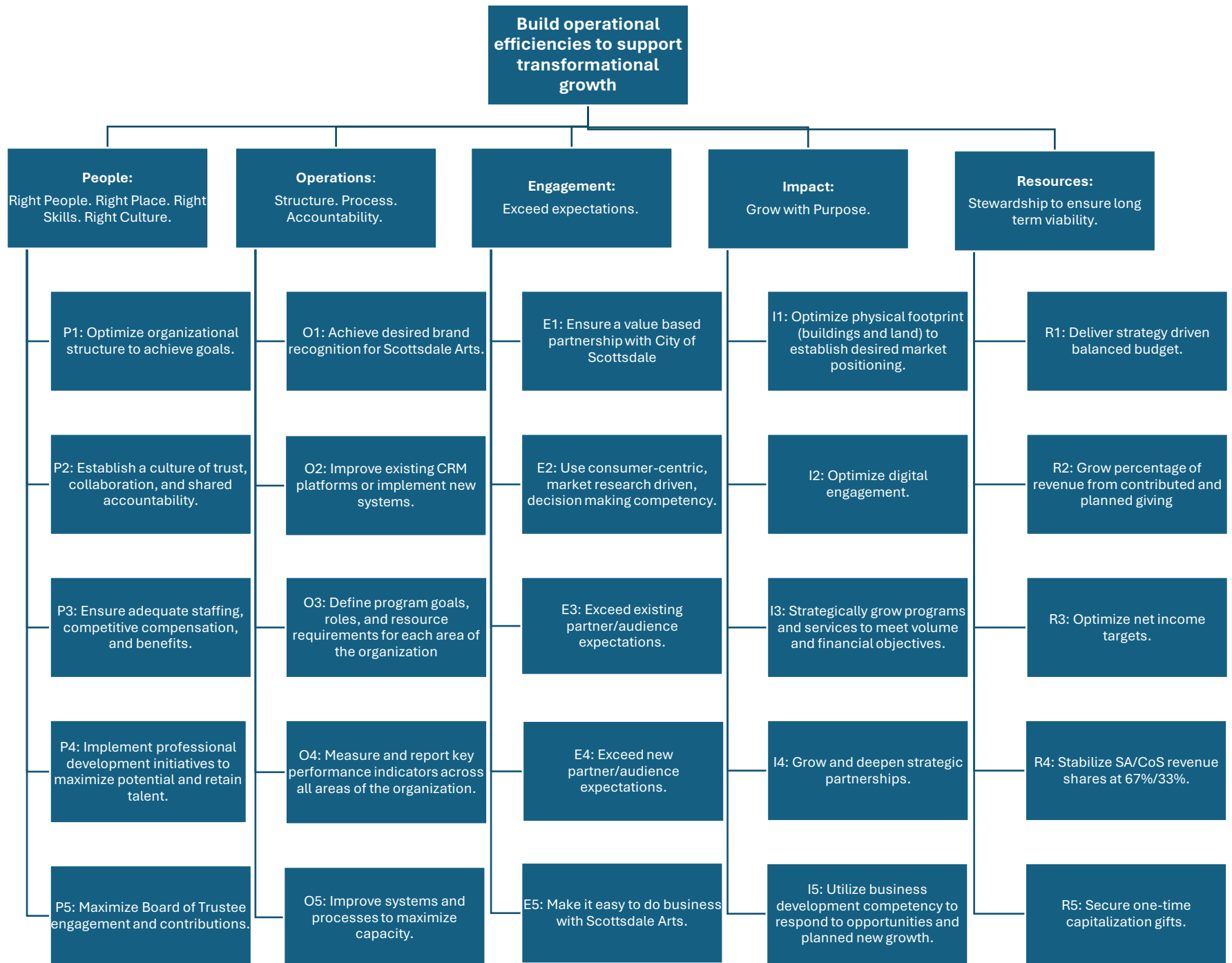
Innovation: We harness the power of passionate people and unite them through collaboration, re-defining what a multi-disciplinary arts organization is and what it can achieve.

Inclusivity: We are committed to creating space for more voices to be heard and valued, fostering a genuine sense of belonging where everyone feels included and represented in all we do.

Intentionality: We prioritize our goals with respect and focus. Our decisions are purposeful, and we steward our resources to ensure a legacy of impact to our community.

Our pathway to industry leadership (over 12 years / 4 strategic planning cycles)







Scottsdale Arts Operational Plan FY26:

1. Connection to Strategic Plan:

Please find as part of the attached materials SA's adopted Strategic Plan for FY25-FY27, which will go into effect July 1, 2024. This 3-year plan focuses on operational efficiencies toward transformational growth. 30-40 operational goals, KPI's and a balanced scorecard will keep SA on track.

SA continues with 3-year planning intervals to reflect the fast-changing arts non-profit environment. SA's recent new successes, new venues and windfalls allow for faster pace of development and more ambitious goal setting. This new plan sits within a 12-year vision encompassing 4 planning cycles, all with succinct strategic missives toward our long-range goals.

Great care was taken to align the current SA Strategic Plan with the objectives of our current and soon expiring CoS contract. As we engage in the creation of an updated contract, and as city priorities may have shifted, SA will evaluate the continued alignment of objectives.

2. Performance Measures:

This operational plan works in conjunction with annual performance measures. The FY26 operational plan outlines goals, while the attached FY25 performance measures indicate how well the organization has performed against last year's goals. Parameters for these are based on our partnership agreement with the City of Scottsdale. These performance measures are an excellent baseline indicator of year-over-year performance metrics and hopefully a helpful addition to our Financial Participation Agreement

3. Financials, programmatic and operational goals FY26:

The below goals are aligned with the strategic goal areas of our new FY25-27 strategic plan.

- **People: Advance creative leadership by supporting and cultivating top staff, board.**
 - Internal culture/brand:
 - Six business units fully unite around an admin core – One SA
 - A seventh unit 'SA @ Cattletrack' launches in Fall 2025
 - Evolved logo and new website will launch August 2025
 - Social Media channel integration in progress
 - All collateral will be refreshed throughout FY26
 - Significant funding for collateral/campaign has been raised/earmarked
 - Staff:
 - continued improved to staff satisfaction
 - better performance and retention
 - minimal turnover - currently SA averages 6.8 years staff longevity
 - below 8% turnover including overhires
 - industry standard is 4.1 years and 19% turnover
 - SA is slowly up-staffing for capacity: 2 new positions for FY26

- Significant internal collaboration – all departments working together
 - E.g. Canal Convergence is managed by 2 staff but produced by all SA
 - Improved wage banding, equity - consistent for 4 straight years
 - Solid staff benefits, tied to low turnover
 - Implement increased professional development opps, beyond senior staff
 - Staff surveys every 18 months allow for staff satisfaction tracking
- **Operations: Develop strong governance structure to serve our vision and mission.**
 - 29 Trustees on the Board, all fully invested and compliant w board requirements
 - 74 committee members on various department and outside committees
 - SPA Board, SMoCA Council, SMoCA Alliance, NextGen YPs, Gala, Cattletrack, SALI
 - The complex network of advisory committees and task forces creates a governance root system, assuring representative voices from across our community and across all social strata: artists, educators, patrons and advocates can all find their way to representation.
 - The FY25 budget allocates limited resources for internal culture work
 - Full revision of new staff handbook goes into effect in July 2025.
 - Full revision of Board Documents in effect July, 2025
 - SA has had no governance issues over the past four years.
 - Excellent organizational governance record
 - **SA achieved Platinum designation on Candid (formerly GuideStar), 2% of NPOs**
 - SA's new FY25-FY27 strategic plan and brand campaign embodies a 12-year growth perspective (through 2036), toward industry leadership.
- **Customers: deepen and diversify Scottsdale Arts' engagement with its audiences**
 - Continue to strategically expand on diversifying season offerings: 200+ shows, 350 events, workshops and exhibits, new public art installations, innovative events at Civic Center, arts integration initiative with SUSD
 - A wider range of offerings develops high level of new patrons, first time buyers, and allow more community members to participate at their comfort level
 - Outstanding FY26 season with major performers, celebrating the Center's 50th Anniversary! Season kicks off with a 50th anniversary Gala
 - SA continues to reclaim its role as a leading arts organization in the Southwest
 - Access to the arts for all! Free, underwritten or low-ticket programs abound, veterans' programs and focus on equitable access.
 - Canal Convergence Nov 2025: increased level of artworks, larger footprint of work along the Canal - increased participation at same size budget from FY25
 - Innovation at Canal Convergence includes suspended live performers and a drone show
 - Canal is anticipating a record turn-out for FY26, in excess of 150,000 visitors!
 - SA is working on a new presenting underwriter to keep up with increases in events cost. At present SA roughly matches the TDC funding w cash and inkind sponsorship.
 - Canal Convergence is working to prepare for added conferencing model in FY27

- SMOCA will undergo its national reaccreditation in FY26 and has recently hired a new museum's director
- SMOCA award-winning catalogues, exhibits receive national recognition, with scheduled reviews in ArtNet, NY Times and other national publications
- SMOCA draws a young and diverse audience, goal is a 10% increase in visitors for FY26
- Upcoming SMOCA exhibits are supported by the NEA (pending changes by the current administration), Warhol, Goldschmidt, and Rauschenberg Foundation
- Public Art slated to install 5-7 new works and is managing record number of projects
- If funding is provided by CoS, Public Art will develop a new 10-year public art plan on behalf of CoS
- Public Art is prepared to bring a fresh version of the current public art ordinance to the city in FY26
- Conservation of the Goldwater Blvd walls and start of the 101 walls restoration are planned for FY26
- The new Civic Center outdoor stages have been a great success story. Activation in FY26 will increase even more with 94+ events / 145 days of activation from October – May. This includes a record 35 days of city event use and \$385K of SA in-kind city event support
- New and continued Civic Center events:
 - Dia de los Muertos Procession and Fiesta
 - 50th Anniversary Gala
 - Dreamy Draw Festival
 - Women's Marathon
 - Canal Convergence
 - Mercantile Markets (4 events)
 - Concours d'Elegance
 - Shakespeare in the Park
 - Family Arts Fest (moves from Skysong)
 - TASTE Culinary
 - Army Field Band Community Concert
 - Bunnanza
 - Celebrity Wine & Spirits Festival
 - Scottsdale Jazz Fest
 - New Music Festival
 - Sun and Sounds Free Sunday Concerts
 - Dancing under the Stars (w Ballet AZ)
- **Strategic Growth: Foster org progress to support the future of Scottsdale Arts**
 - SA is now recognized as a Local Arts Agency for East Valley – as designated by Americans for the Arts. SA has increased grant making and in-kind contributions to total close to \$500,000 in FY26

- SA has set aside \$8M in private funds toward the construction of a new Ziegler Theater. SA would turn the asset over to CoS. SA also has \$1.23M in the 2019 GO Bond – now allocated in CIP for FY26. We have plans and architects identified and a contract with CoS prepared by former staff in December 2024.
- SA proposes to close contract for the theaters by December 2025 and start construction by June 2026 to take advantage of summer for the more impactful portions of the project.
- SA anticipates opening of the new venues in Spring 2027
- SA Campus Development Task Force of community leaders is shaping future plan
- Driven by findings from the Cultural Assessment, we have been assisting CoS in exploring the future development of a large venue in Central Scottsdale. This concept has resonated with the new mayor and the community and has resulted in a recent feasibility study
- Increased partnerships w SUSU, SCC, GCU and others will continue grow SA's engagement in Arts Integration, K-12 services, and creative career development
- A new partnership with the 11-acre Cattletrack campus will result in the new *ArtSpark* career development program for emerging young artists, launching in Fall 2025, as well as a new artist-in-residence. SA has aided in the moving of a historic barn onto the premises and the construction of an archive building for the works of iconic artist Phil Curtis.
- *ArtSpark* pilot money has been raised and earmarked for deployment in FY26
- **Financial: Secure essential financial resources for core ops, programs, future growth.**
 - SA made significant improvements in earned and contributed revenue year-over-year and will continue this trajectory for FY26.
 - SA is one of the most fiscally stable arts non-profits in the Southwest.
 - After a banner year in FY24, FY25 has been a good fiscal year with continued solid financials and increased fundraising.
 - SA has exceeded revenue/budget goals for a 5th consecutive year, closing FY25 with a continued strong balance sheet and net assets.
 - FY26 marks another year with SA exceeding its percentage goal versus the city's budget percentage. Over the past three years, SA averages 73% vs CoS 27% - significantly bettering the required 67/33 percentage split.
 - SA added a contingency to the FY26 budget, to allow for uncertainty/risk of new endeavors such as new festivals, possible expenses for Ziegler Theater planning and a large-scale 50th Anniversary gala.
 - SA has lowered admin cost to 18% of budget. Goal for FY26 is to maintain this level. This margin places SA in the top NPO echelon.
 - SA remained dedicated to cost control throughout FY25 and will continue in FY26
 - SA is absorbing a 3% increase for staff and a 9.9% benefits increase for FY26
 - SA will maintain the highest possible *Platinum Rating* with Guidestar/Candid. This is a high benchmark for non-profits, and we are proud of the result. Only 2% of nonprofits currently reach this status. SA will also achieve re-accreditation by the AMA for SMOCA by the end of FY26.

SA Annual Budget	FY25 Year-end Projection	FY24 Actuals	FY23 Actuals	FY22 Actuals**	FY21 Actuals*
	\$14,363,003.00	\$14,386,102	\$14,295,498	\$12,028,000	\$10,560,137
		Addtl. Board-restricted revenue: \$11,816,542		**COVID recovery year, Fall 2021 still impacted by cap limits, slow audience return	*COVID shutdown, SA mostly open w/ limited cap
SA Performance Measures		FY24 Actuals	FY23 Actuals	FY22 Actuals**	FY21 Actuals*
1. Operate and manage programming, facility rentals and events at the City-Owned Facilities		*** Placer.ai: Canal Con/Civic Center/public art formula; SCPA/ SMOCA admissions; FamilyArtsFest/ ArtsEd/Library events/partnerships			
# of Events	785	687	632	610	303
# of Attendees	807,000	786,530***	657,000	763,000	552,375
# of Rentals	113	102	78	42	*no outdoor events
# of Collaborations	102	47	24	35	28
# of SA members	1,298	1,249	1,258	1,400	1274
# of SA Volunteers	1,615	903	805	1,000	864
2. Manage City Artwork, Public Art Program, Events & Exhibits		****very large projects e.g. Pima Freeway			
AIPP Projects In Progress/Completed	27/7	24/9	9	6	6
AIPD Projects In Progress/Completed	6/2 (1 not approved)	5	5	6	6

Conservation In Progress/Completed	five/three	4/4	4/4		4	10
Exhibits of City Collection in Libraries	7	8	8	6	3	
Public Art Events & Residencies	35	31	31	28	12	
Estimated Public Art Patrons	Total Unique Visitors in FY25	493,000	475,000	450,000	267,075	
	3,926,700					
3. Ensure that arts education and outreach programs are provided to the community*****		*****NEW Family Arts Fest major edu event @ Skysong				
# of unique participants	42,657	46,530	42,780	42,350	39,200	
# of hours of instruction	123,355	36,200	34,210	34,000	30,500	
# of schools participating	47	39	27	n/a	n/a	
4. Increase partnerships with local Arts & Community Organizations						
# of Partner Organizations	107	93	88	90	84	
Value of In-Kind Services/Facility Waiv	\$483,000.00	\$397,000	\$315,000	275,000	\$274,000	
5. Increase amount of grant funding for Scottsdale-based and Scottsdale-focused arts organizations						
Grant \$ to organizations	\$125,000.00	\$110,000	\$110,000	\$100,000	\$1,3M * incl. CARES funding	
Scholarships/paid internships	\$125,000.00	\$100,000	\$100,000	\$100,000	\$89,000	
6. Tickets provided to Veterans, Students, Teachers, Low-income families						
# of free tickets/admissions (NOTE: includes Civic Ctr vet events)	52,400	43,400	38,500	33,000	24,000	

7. Actively work to engage the community to create a climate in which the arts flourish					
# of artists presented	1,579	1,445	1,347	1,820	980
# of regional emerging artists	83	62	38	65	57
# of local artists employed	298	307	312	330	321
8. Increase earned/contributed revenue over time; increase percentage of expenditure on mission vs admin					
				8% * COVID created huge shortfall in earned revenues, lowered capacity	
Earned Revenue %	37%	36%	32%	25%	
Contributed Revenue %	31%	112%	34%	25%	38%
Programmatic Expenses % (vs admin)	82%	82%	80%	80%	86%
9. Secure new funding to supplement City expenditures on capital Facilities improvement/future facilities					
Private Donations for future capital projects	\$738,250.00	\$12,000,000	\$0	\$750,000	\$750,000
Endowed Funds for operations	\$147,500.00	\$10,500,000	\$10,500,000	\$8,200,000	\$7,800,000
10. Visibility & Marketing					
# of households connected to SA	175000	140,000	140,000	121,564	102,000
# of annual website page views	1,998,661	1,420,000	approx. 1,000,000	750,000	660,000
# of annual new website users	730,226	356,000	approx. 200,000	123,000	87,000
# of FB impressions/followers	15M/51,080	15M/55,000	15M/55,000 13M/50,000		12M/44,000
# of Insta impressions/followers	5M/19,938	4.5M/20,000	4.5M/20,000 2.5M/18,000		2.1M/14,000
# of X impressions/followers	4M/9,868	3M/7,000	2.3M/5,000 2M/4,000		1M/3,000

# of articles, editorials, TV & radio	872	834	800	761	731
11. TOTAL Economic Impact of SA in Community					
Estimated Tax Base Impact to CoS	\$6,124,500.00	\$5,874,000	\$5,874,000	5,670,000	\$3,966,638
Estimated Impact to Local Economy	\$25,760,000.00	\$23,400,000	\$22,410,000	\$21,350,000	\$14,266,741
Regional, National Grant \$	\$723,000.00	\$450,000	\$350,000	3,720,000	\$1,735,000
<div> <div></div> <div>* incl. SVOG 1 & 2, ERC, Piper Capital grant</div> <div>* incl. PPP2 Awards cancelled</div> </div>					
12. National, Regional Awards	16 Awards	17 Awards	11 Awards	Awards cancelled	

Scottsdale Arts Management Services Agreement & Financial Participation Agreement

June 24, 2025

Rachel Smetana, Tourism and Events Director



Brief History

Management Services Agreement Amendment

- Six-month Extension
 - Program of Work
 - Scottsdale Arts Learning and Innovation
 - Scottsdale Center for the Performing Arts
 - Scottsdale Museum of Contemporary Art
 - Civic Center Live!
 - Canal Convergence

FY 2025/26 Financial Participation Agreement for Management Services

	FY 25/26	City Funding Source
Unrestricted General Fund		
Management and Administration Fee	\$1,750,428	General Fund
Restricted General Fund		
Arts Education	398,570	General Fund
Community Arts Grant Program	50,000	General Fund
Public Art Conservation	67,222	General Fund
Public Art Administration	336,111	General Fund
Specialty Equipment	27,326	General Fund
Total General Fund Fees:	\$2,629,657	
Restricted Other Fund Sources		
Canal Convergence	750,000	Bed Tax Fund
Community Arts Trust	25,500	Special Programs Fund -Community Arts Trust
Total Management Services Fee	\$3,405,157	

FY 2025/26 Budget Request

- Council Adopted Budget – June 10, 2025
 - \$5,259,314 General Fund
 - \$50,000 Community Arts Trust
 - \$750,000 Canal Convergence

Contingency Fund

- 2.5% Cost of Living
- Public Art Strategic Plan - \$100,000

Public Art Strategic Plan

Mandated by City Agreements and Ordinances

Under the current Management Services Agreement (MSA), Scottsdale Arts is responsible for managing both the Art in Public Places and Cultural Improvements programs in accordance with the City Code (S.R.C. 20-121 through 20-123) and Zoning Ordinance (Sec. 7.1000).



Action Requested

1. Adopt Resolution No. 13428 authorizing Agreement No. 2020-046-COS-A1 amending a Management Services Agreement for advisory and management services regarding the city's arts and cultural programs and extending the contract between the City of Scottsdale and Scottsdale Arts until December 31, 2025.
2. Adopt Resolution No. 13429 authorizing Contract No. 2025-082-COS, a Financial Participation Agreement in the amount of \$3,405,157 to be allocated for activities consistent with Management Services Agreement 2020-046-COS-A1.