

# CITY COUNCIL REPORT



Meeting Date: **August 22, 2023**  
 General Plan Element: **Economic Development**  
 General Plan Goal: **Sustain Scottsdale as a tourist destination**

## ACTION

**Arizona Major Events Host Committee Agreement.** Adopt Resolution No. 12901 authorizing Agreement No. 2023-126-COS with the Arizona Major Events Host Committee, a financial sponsorship agreement not to exceed \$432,000 to be made in two payments of \$216,000 each in FY 2023/24 from the Tourism Development Fund that is allocated toward destination marketing and retained by the city to support the regional hosting of the NCAA Men’s Final Four Tournament in April 2024.

## BACKGROUND

The metropolitan Phoenix area successfully hosted the NCAA Men’s Final Four Tournament in 2017. The Arizona Major Events Host Committee (AMEHC) requested funding from various municipalities and contracted with the Seidman Research Institute at Arizona State University's W.P. Carey School of Business (ASU) to complete an economic impact study. Below is a review of the 2017 Scottsdale investment, AMEHC reported realized value and the economic impact to the region reported by ASU.

**Table 1. funding Requests and Economic Impact to Region**

	Scottsdale Investment	Scottsdale Realized Value*	Economic Impact to the Region **
2017 NCAA Men’s Final Four	\$150,000	\$249,625	\$324.5 million

\* SOURCE: According to AMEHC Post Event Report provided to city of Scottsdale on May 1, 2017.

\*\* SOURCE: Economic Impact study conducted by the Seidman Research Institute at Arizona State University's W.P. Carey School of Business.

The estimated 59,761 visitors who came to Arizona for the 2017 Final Four stayed an average 4.16 nights and spent an average \$487.19 per day, according to the study. The AMHEC reported that more than 77,000 attended the Final Four semifinal games while 76,000 attended the Championship Game noting the combined 153,000 attendance was the second highest in NCAA history at that time; 23 million viewers watched the broadcast; and, 2,200 media were credentialed media, also a record high at that time.

According to the AMEHC per their daily Smith Travel Research reports, specific to the Scottsdale area during the bulk of the Final Four events that occurred March 31 through April 3, 2017, Scottsdale-area hotels and resorts saw more significant year-over-year growth with 85 percent occupancy (+9.5 percent), \$324.68 ADR (+43.6 percent) and \$275.99 RevPAR (+57.5 percent). For the same period in

Action Taken See Marked Agenda - Adopt Resolution No. 12901 - YES - 7/0

2018 Scottsdale hotel and resorts saw a decrease in key performance indicators occupancy (-15.2 percent), ADR (-16.6 percent), and RevPar (-29.7 percent) illustrating the enhanced incremental impact associated with the 2017 Final Four.

During the 2017 Final Four, Scottsdale was the site for nine corporate events most notably one of the top premium Final Four corporate events hosted by Turner TV with 1,400 guests.

Given the positive results of the 2017 Final Four, the Arizona Sports and Tourism Authority, local municipalities, destination marketing organizations, Arizona State University and the Arizona Cardinals teamed up with the AMEHC to bid on hosting one of the 2023-2026 NCAA Men's Final Fours. In July 2018, the Metropolitan Phoenix won the right to host the 2024 Final Four in a competitive bid process that included six other finalists.

The direct economic impact, goodwill generated, creation of temporary jobs, extensive television coverage, and first-hand experiences of out-of-town attendees, are generally regarded among the greatest benefits of hosting a mega-event such as the Final Four.

## **ANALYSIS & ASSESSMENT**

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The AMEHC's operating budget includes the request for funds in the amount of \$4 million from all cities in Maricopa County that qualify for Prop 302 funds. The AMEHC utilizes the same formula as the Arizona Office of Tourism for Proposition 302 revenue distributions, which is based on each participant's percentage of total gross room sales from the previous calendar year. The AMEHC calculated Scottsdale's contribution at \$432,000.

While the overall economic impact to Arizona for hosting the NCAA Men's Final Four will likely be significant, of importance is the amount of incremental revenue that is generated to Scottsdale. As noted above, the AMEHC per their daily Smith Travel Research reports showed Scottsdale-area hotels and resorts saw significant year-over-year growth primarily in ADR and RevPAR. Below is an overview of the actual tourism related tax collections in March and April 2017 as compared to the year prior, noting that the 2017 event was held March 31 through April 3. An incremental fiscal impact of \$1.89 million in direct tax revenues was realized by the city in March and April 2017 over and above the year prior during the same months.

**Table 2. Indicators as Reflected in March & April 2017 Tax Collections\***

	<b>Total March/April 2016 Tax Collections</b>	<b>Total March/April 2017 Tax Collections</b>	<b>+ / (-) Change</b>	<b>YOY Additional Collection</b>
TPT & Use Taxes	29,901,255	31,299,308	4.7%	1,398,053
Bed Tax	4,836,320	5,328,914	10.2%	492,594
	<b>34,737,575</b>	<b>36,628,222</b>	<b>5.4%</b>	<b>1,890,647</b>

*Tax collections based on business activity for the month. They may include adjustments for late payments, refunds and audits processed after the periods shown.*

## City Council Report | Arizona Major Events Host Committee Agreement

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*SOURCE: City Treasurer Division.*

In addition to incremental tax revenues, the AMEHC will provide benefits to the city as a sponsor:

- **ROOM NIGHTS** – Include 4,000 room nights within Scottsdale in its official 2024 NCAA Men’s Final Four room block.
- **MARKETING INCLUSION** - Highlighted feature within the “Travel Information” portion of the website promoting hotels, restaurants, etc.; opportunity to be included as one of the representatives on the Marketing & Communications Council; Opportunity to be included in social media giveaways and game week social media coordination & outreach to visiting fans.
- **COMMUNITY ENGAGEMENT** - May provide the Fan Jam Truck, mascots, cheerleaders, etc. to select Scottsdale events (based on availability); will work with Scottsdale to communicate to all schools within Scottsdale about its unique and exciting “Read To The Final Four” opportunity for 3rd graders; invite qualified Scottsdale businesses to apply for the Business Connect Program; opportunity to highlight Scottsdale businesses participating in the Program; City of Scottsdale and AMEHC to work together to engage Scottsdale residents in volunteer sign-ups, opportunities, etc.
- **EVENTS & PLANNING** – Scottsdale will be included in the Familiarization (FAM) trip leading up to Final Four, and the AMEHC will work with Scottsdale to make connections to the NCAA, media, partners, etc.; working with the NCAA and various other stakeholders, AMEHC will encourage the use of Scottsdale venues and businesses as sites for Final Four events and activities; AMEHC and NCAA will host one (1) meeting or dinner for the visiting NCAA staff, vendors and partners at a Scottsdale restaurant and resort; and one (1) Invitation to all CEO Forum events for City of Scottsdale.
- **ACCESS** - AMEHC will provide the following hospitality opportunities related to the 2024 NCAA Men’s Final Four:
  - Marquee Partner Luncheon: Two (2) Invitations
  - VIP Golf Tournament: One (1) Foursome
  - Media Party: Four (4) Tickets
  - Final Four:
    - Fourteen (14) PLOC VIP Tailgate Tickets
    - Fourteen (14) Final Four Game Tickets
    - Timing: Saturday, April 6, 2024
  - Championship:
    - Fourteen (14) PLOC VIP Tailgate Tickets
    - Fourteen (14) Championship Game Tickets
    - Timing: Monday, April 8, 2024

Additionally, Experience Scottsdale will partner closely with the City of Scottsdale and AMEHC to leverage the 2024 NCAA Men’s Final Four for the area’s tourism industry through in-kind marketing/promotions.

## **City Council Report | Arizona Major Events Host Committee Agreement**

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Based on the above, a bed tax investment of \$432,000 coupled with the sponsorship benefits, extensive television coverage and national media exposure should provide substantial value to the city investment sponsorship amount.

Staff recommends that this investment be paid from the Tourism Development Fund that is allocated toward the destination marketing reserve in two equal installments of \$216,000. The first payment upon Tourism Development Commission (TDC) recommendation and City Council approval and the second payment a week prior to the 2024 Final Four.

### **Community Involvement**

A presentation about the 2024 NCAA Men's Final Four took place at the May 2023 TDC meeting. Formally, staff and a AMEHC representative presented the agreement benefits and request for funding to the TDC at its July 25, 2023, meeting, which was approved by the quorum present (5-1).

## **RESOURCE IMPACTS**

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The City Treasurer Division has estimated FY 2023/24 bed tax revenue at \$31.4 million. Fifty percent of the total bed tax revenue derived from the bed tax, per voter approval, is used for destination marketing to promote tourism, of which, 5% is retained by the city and 45% is provided to Experience Scottsdale per Agreement No. 2022-054-COS. The remaining fifty percent is allocated among tourism administration and research, support for tourism-driven events and event development, tourism-related capital projects, and other eligible uses.

Based on FY 2023/24 Tourism Development Fund sources and uses projections, funds are available for the total payment of \$432,000 from the 5% destination marketing allocation retained by the city. Justification for the use of destination marketing reserve is based on Arizona Office of Tourism's Prop 302 guidelines that include event sponsorships as an allowable category for funding.

### **Staffing, Workload Impact**

There are no staffing or city services impacts associated with this request for funding. Any requests for city services such as police or traffic control because of an NCAA event being held in Scottsdale would come through the AMEHC or NCAA for the city's consideration separately from this action.

## **STAFF RECOMMENDATION**

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Adopt Resolution No. 12901 authorizing Agreement No. 2023-126-COS with the Arizona Major Events Host Committee, a financial sponsorship agreement not to exceed \$432,000 to be made in two payments of \$216,000 each in FY 2023/24 from the Tourism Development Fund that is allocated toward destination marketing and retained by the city, to support the regional hosting of the NCAA Men's Final Four Tournament in April 2024.

## **RESPONSIBLE DEPARTMENTS**

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Tourism and Events Department

**STAFF CONTACT (S)**

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Karen Churchard, Tourism and Events Director, [kchurchard@scottsdaleaz.gov](mailto:kchurchard@scottsdaleaz.gov), 480-312-2890

**APPROVED BY**

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*Ana Lia Johnson*

8/3/23

Ana Lia Johnson, Acting Budget Director  
(For Financial Policy Compliance and Budget Appropriation )  
480-312-7893, [anjohnson@scottsdaleaz.gov](mailto:anjohnson@scottsdaleaz.gov)

Date

*Erin Perreault*

8/3/23

Erin Perreault, Executive Director  
Planning, Economic Development & Tourism  
480-312-7093, [eperreault@scottsdaleaz.gov](mailto:eperreault@scottsdaleaz.gov)

Date

*Brent Stockwell*

8/3/23

Brent Stockwell, Assistant City Manager  
480-312-7288, [bstockwell@scottsdaleaz.gov](mailto:bstockwell@scottsdaleaz.gov)

Date

*Jim Thompson*

8/3/23 14:17 MST

Jim Thompson, City Manager  
480-312-2811, [jthompson@scottsdaleaz.gov](mailto:jthompson@scottsdaleaz.gov)

Date

**ATTACHMENTS**

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1. Resolution No. 12901
2. Agreement No. 2023-126-COS

RESOLUTION NO. 12901

A RESOLUTION OF THE COUNCIL OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING FUNDING UP TO \$432,000, TO BE MADE IN TWO PAYMENTS OF \$216,000 IN FY 2023/24 FROM THE TOURISM DEVELOPMENT FUND THAT IS ALLOCATED TOWARD DESTINATION MARKETING FOR FINANCIAL SPONSORSHIP AGREEMENT NO. 2023-126-COS WITH ARIZONA MAJOR EVENTS HOST COMMITTEE FOR THE NCAA MEN'S FINAL FOUR TOURNAMENT IN APRIL 2024.

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

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

WHEREAS, the NCAA Men's Final Four Tournament (the "Event"), increases Scottsdale's attractiveness to tourists, provides recreational opportunities, and otherwise advances the prosperity of Scottsdale and the broader community.

WHEREAS, City desires to enter into a contract with Arizona Major Events Host Committee ("Producer") to conduct the Event.

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 Event Agreement No. 2023-126-COS with Producer for the Event.

Section 2. Funding is authorized up to \$432,000 to be made in two payments of \$216,000 in FY 2023/24 from the Tourism Development Fund that is allocated toward destination marketing for Financial Sponsorship Agreement No. 2023-126-COS with Arizona Major Events Host Committee for the NCAA Men's Final Four Tournament in April 2024.

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

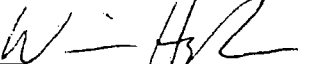
CITY OF SCOTTSDALE, an Arizona  
municipal corporation

ATTEST:

\_\_\_\_\_  
Ben Lane, City Clerk

\_\_\_\_\_  
David D. Ortega, Mayor

APPROVED AS TO FORM:

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

Contract No. 2023-126-COS

## EVENT FUNDING AGREEMENT

THIS NEW EVENT FUNDING AGREEMENT (the "Agreement") is made this \_\_\_\_ day of \_\_\_\_\_, 2023 by and between Arizona Major Events Host Committee ("Producer") and the City of Scottsdale, an Arizona municipal corporation ("City").

### RECITALS

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

B. Producer is the producer of the 2024 Men's Final Four (the "Event").

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

D. At Producer's request, City has determined to provide funds (the "Event Funds") to Producer up to the maximum amount of \$432,000 (the "Event Amount") for the Event.

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

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

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

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

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

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

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

2.1 The Event shall be open to the public.

2.2 The Event shall be held on the dates shown on **Exhibit A**. Notwithstanding the foregoing, if the Event fails to occur on the above date solely due to weather, an act of God, or a

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

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

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

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

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

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

2.7.1 The Post Event Report shall include the following:

2.7.1.1 A narrative description of:

2.7.1.1.1 The Event.

2.7.1.1.2 Producer's performance under this Agreement.

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

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

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

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



Event.

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

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

2.7.6.1 The Event's effects on City hotels.

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

2.7.6.3 A statement of the total attendance for the Event.

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

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

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

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

3.1 City's payment of the Event Funds is conditioned upon Producer executing and performing this Agreement. City reserves the right to reduce the Event Amount below \$432,000 or not make payment if Producer fails to fully perform all terms of this Agreement.

3.2 City shall make one payment of \$216,000 within fifteen (15) days of City Council approving this Agreement. City shall make a second payment of \$216,000 seven (7) days prior to the start of the Event. Within sixty (60) days after the end of the Event, Producer shall submit the following:

3.2.1 The Post Event Report;

3.2.2 The Invoice;

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

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

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

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

6.1 The following coverages are required as applicable:

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

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

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

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

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

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

6.3 City's Risk Management Division may increase or change required insurance coverage and limits from time to time depending on the size, scope and nature of the activities

of the Event. No reduction in coverage or policy limits is effective without the written approval of City's Risk Manager or designee.

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

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

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

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

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

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

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

9. Miscellaneous.

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

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

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

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

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

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

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

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

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

If to Producer: Arizona Major Events Host Committee  
Kyle Hedstrom  
201 E. Washington Street, Suite 1400  
Phoenix, AZ 85004

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

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

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

**PRODUCER:** Arizona Major Events Host Committee

By: \_\_\_\_\_  
Jay Perry  
Its: President and CEO


**CITY:** CITY OF SCOTTSDALE, a  
municipal corporation

By: \_\_\_\_\_  
David D. Ortega, Mayor

ATTEST:

By: \_\_\_\_\_  
Ben Lane, City Clerk

APPROVED AS TO FORM:

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

\_\_\_\_\_  
George Woods  
Safety and Risk Management Director

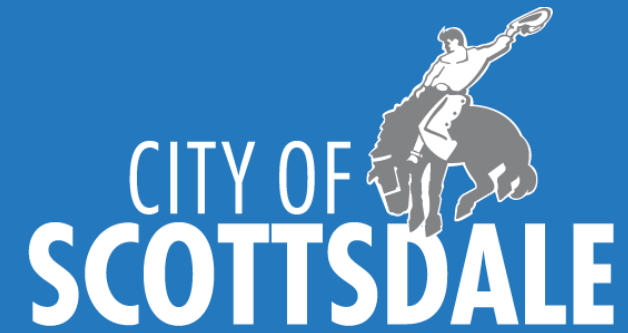
\_\_\_\_\_  
Steve Geiogamah  
Tourism Development Manager

Exhibit A

Event Scope of Deliverables

1. Arizona Major Events Host Committee (AMEHC) shall ensure that at least 4,000 hotel and resort room nights in Scottsdale are booked in connection with the NCAA Men's Final Four (the "Event") by including 4,000 Scottsdale hotel and resort room nights in PLOC's official room block.
2. AMEHC, working cooperatively with the City of Scottsdale ("City") and the City's marketing representative, Experience Scottsdale, shall make all reasonable efforts to encourage sponsors, alumni and other prominent groups to use Scottsdale hotels and resorts for lodging, entertainment and other activities in connection with the Event.
3. AMEHC shall ensure that a City marketing staff member serves on the PLOC Marketing & Communication Council and be included in social media giveaways and game week social media coordination and outreach to visiting fans.
4. AMEHC shall ensure that the Scottsdale destination will have a highlighted feature within the travel information portion of the AMEHC website.
5. AMEHC will make best efforts to provide trophy, mascots, and cheerleaders to select Scottsdale events.
6. AMEHC shall work with City to communicate to all Scottsdale schools about "Read To The Final Four" program.
7. AMEHC shall work with the City and invite Scottsdale businesses to apply for the Business Connect Program.
8. The AMEHC shall allow the City and Experience Scottsdale, as City's marketing representative, to use the AMEHC logo. All uses of the logo must be approved by the AMEHC prior to use.
9. AMEHC will include the City in the Familiarization trip leading up to Final Four, and will make connections to the NCAA, media, partners working with the NCAA and various other Stakeholders.
10. AMEHC shall ensure that prior to the Event, the National College Athletic Association (NCAA), in partnership with the AMEHC, will hold a meeting at a hotel or resort in Scottsdale and host a dinner for the NCAA/AMEHC at a restaurant in Scottsdale.
11. AMEHC shall provide to the City one (1) Invitation to all CEO Forum events.
12. AMEHC shall provide a VIP Golf Tournament and provide one (1) Foursome package to the City.

13. AMEHC shall provide City the following hospitality benefits:
- Marquee Partner Luncheon: Two (2) Invitations
  - Media Party: Four (4) Tickets
  - Final Four (Saturday April 6, 2024):
    - Fourteen (14) PLOC VIP Tailgate Tickets
    - Fourteen (14) Final Four Game Tickets
  - Championship Game Saturday (Monday April 8, 2024):
    - Fourteen (14) PLOC VIP Tailgate Tickets
    - Fourteen (14) Championship Game Tickets



# **NCAA Men's Final Four Tournament**

**City Council Meeting – August 22, 2023**



# Regional Event

Arizona Major Events Host Committee requesting \$432,000 in support of the regionally hosted 2024 NCAA Men's Final Four Tournament

Tournament to be played April 6 & 8, 2024 in Glendale at State Farm Stadium

On July 30, Tourism Development Commission recommended City Council allocate up to \$432,000 from the Tourism Development Fund's 5% destination marketing allocation retained by the city in support of the agreement



# 2017 Final Four Results

Successfully hosted the NCAA Men's Final Four Tournament in 2017

Funding was requested by Host Committee from many municipalities regionally

Scottsdale's 2017 Investment & Economic Impact to Region:

	Investment	Realized Value	Economic Impact to the Region
2017 NCAA Men's Final Four	\$150,000	\$249,625*	\$324.5 million**

*\*SOURCE: Host Committee Post Event Report provided to city on May 1, 2017.*

*\*\*SOURCE: Economic Impact study by Seidman Research Institute at Arizona State University's W.P. Carey School of Business.*

# 2017 Final Four Impacts

59,761 visitors came for Final Four and stayed an average 4.16 nights spending an average \$487.19 per day

Combined attendance of 153,000 was the second highest in NCAA history at that time

23 million viewers watched the Final Four broadcast

# 2017 Final Four Scottsdale Impacts

Scottsdale-area hotels saw significant year-over-year growth:

85 percent occupancy (+9.5 percent)

\$324.68 ADR (+43.6 percent)

\$275.99 RevPAR (+57.5 percent)

Scottsdale hosted nine corporate events most notably one of the top premium Final Four corporate events by Turner TV with 1,400 guests



# Analysis

Host Committee operating budget includes \$4 million funding requests from Maricopa County cities qualifying for Prop 302 funds

Utilizes same formula as Arizona Office of Tourism for Prop 302 distributions, a participant's percentage of total gross room sales from the previous calendar year

Actual tourism related tax collections from March and April 2017 compared to year prior:

City of Scottsdale	March/April 2016 Total Tax Collections	March/April 2017 Total Tax Collections	+ / (-) Change	YOY Additional
TPT & Use Taxes	29,901,255	31,299,308	4.7%	1,398,053
Bed Tax	4,836,320	5,328,914	10.2%	492,594
<b>Total:</b>	<b>34,737,575</b>	<b>36,628,222</b>	<b>5.4%</b>	<b>1,890,647</b>

*SOURCE: City of Scottsdale City Treasurer's Division*

# Deliverables to Scottsdale

*Room Nights* – 4,000 within Scottsdale official room block

*Marketing Inclusion* – Highlighted feature within the “travel information” portion of the website promoting hotels, restaurants, etc.

*Community Engagement* – May provide Fan Jam Truck, Mascots, Cheerleaders, etc. to select Scottsdale events. Coordinate with Scottsdale to communicate to all schools about unique “Read to the Final Four” program

*Businesses* – Invite qualified Scottsdale businesses to apply for the Business Connect program; opportunity to highlight Scottsdale businesses participating in the program

# Deliverables to Scottsdale

*Events & Planning* – Included in Familiarization trip ahead of Final Four. Host Committee will work with Scottsdale to make connections with NCAA, media, partners, etc.

*Venues* – Host Committee will encourage use of Scottsdale venues and businesses as sites for Final Four related events and activities

*Hospitality* – Invitations and ticket opportunities related to the 2024 NCAA Men's Final Four

*Experience Scottsdale* – Will closely partner with Scottsdale and Host Committee to leverage the 2024 NCAA Men's Final Four through in-kind marketing and promotions

# Analysis

Bed tax investment of \$432,000 coupled with sponsorship benefits, extensive television coverage and national media exposure should provide substantial value to the city investment sponsorship

Based on FY 2023/24 Tourism Development Fund sources and uses projections, funds are available for the total payment of \$432,000 from the 5% destination marketing allocation retained by the city



# Action

Adopt Resolution No. 12901 authorizing Agreement No. 2023-126-COS with the Arizona Major Events Host Committee, a financial sponsorship agreement not to exceed \$432,000 to be made in two payments of \$216,000 each in FY 2023/24 from the Tourism Development Fund that is allocated toward destination marketing and retained by the city, to support the regional hosting of the NCAA Men's Final Four Tournament in April 2024.