

September 9, 2014

Rachel Sacco, President & CEO  
Scottsdale Convention & Visitors Bureau  
Galleria Corporate Center  
4343 North Scottsdale Road Suite 170  
Scottsdale, AZ 85251

Dear Rachel:

In May 2013, the Town of Paradise Valley and the Scottsdale Convention & Visitors Bureau signed a five-year contract renewal covering the period from July 1, 2015 through June 30, 2020.

The performance measures for the FY2015-2020 contract will include the following:

- On an annual basis, SCVB Communications will generate at least 195 travel articles mentioning Paradise Valley or its resorts and hotels.
- On an annual basis, SCVB Convention Sales will generate at least 80 meetings' bookings into Paradise Valley properties.
- On an annual basis, SCVB Marketing will develop a \$1,000,000 marketing and advertising program to benefit Scottsdale CVB members, including Paradise Valley hotels and resorts. Details of this program will be provided each year.
- Five-Year Performance Indicator: The Scottsdale CVB's communications, convention sales, marketing and tourism programs on behalf of the Town will aid Paradise Valley hotels and resorts to generate at least \$40.0 million in total Town of Paradise Valley bed tax and sales tax revenues between July 1, 2015 and June 30, 2020.

Please notice that these four performance measures are similar to, but not identical to those in your current contract.

The Scottsdale Convention & Visitors Bureau will be expected to continue providing the Town with quarterly performance reports, including documentation of the performance measures stated above. An annual report for each fiscal year shall be completed and distributed to the Town by September 30 of the same year following completion of the fiscal year. This means that the annual report for the fiscal year ending June 30, 2016 needs to be distributed to the Town by September 30, 2016.

Thanks you for your efforts to support and promote tourism in Paradise Valley.

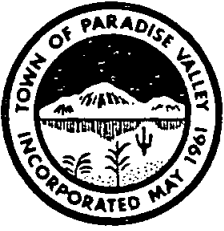
Sincerely,

James C. Bacon, Jr.  
Town Manager

6401 East Lincoln Drive  
Paradise Valley, Arizona  
85253-4328

480-948-7411  
480-951-3715 Fax  
480-483-1811 TDD

JCB/nm  
cc: Scott McCarty, Finance Director  
Andrew Miller, Town Attorney



May 10, 2013

Scottsdale Convention & Visitors Bureau  
Attn: Rachel Sacco  
4343 N. Scottsdale Road, Suite 170  
Scottsdale, AZ 85251

Re: Letter Agreement for Continuation of Contract Between the Town of Paradise Valley and the Scottsdale Convention & visitors Bureau, Inc

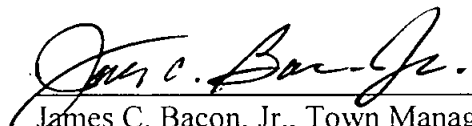
Dear Rachel,

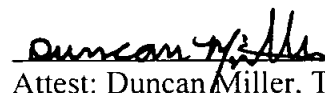
As you are aware, paragraph 8 of the agreement between the Town and the CVB (executed on June 7, 2010, hereinafter the "Agreement") provides that: "This Agreement may be renewed for an additional five-year term covering July 1, 2015 through June 30, 2020 should the parties mutually agree, in writing, to do so."

At its April 18, 2013 Council meeting, the Council unanimously approved authorizing the Town Manager to execute the renewal of the Agreement for the additional five-year term.


By mutual execution of this letter agreement, both the Town and the CVB hereby agree to extend the term of the Agreement through June 30, 2020.

Sincerely,

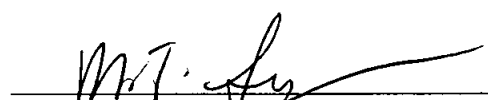
  
James C. Bacon, Jr., Town Manager  
For the Town

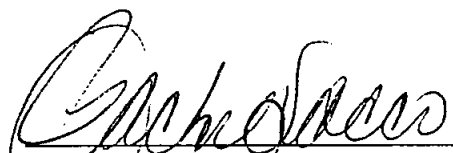
  
Attest: Duncan Miller, Town Clerk

Approved as to Form:

  
Andrew M. Miller, Town Attorney

5/10/2013  
Date

  
Mike Surguine, Chairman  
For the CVB

  
Rachel Sacco, President & CEO  
For the CVB

6401 East Lincoln Drive  
Paradise Valley, Arizona  
85253-4328

AGREEMENT between  
THE TOWN OF PARADISE VALLEY and  
THE SCOTTSDALE CONVENTION & VISITORS BUREAU, INC.

THIS AGREEMENT made and entered into this 7<sup>th</sup> day of June, 2010, by and between the **TOWN OF PARADISE VALLEY**, a municipal corporation of the State of Arizona, hereinafter referred to as "Town", and the **SCOTTSDALE CONVENTION & VISITORS BUREAU, INC.**, hereinafter referred to as "Scottsdale CVB".

The parties agree as follows:

1. **Scope of Services.** The Scottsdale CVB agrees to promote the Town's hospitality industry for the Town for the purpose of bringing additional business to the Town's hospitality industry.

In such promotion and in performing its duties pursuant to this Agreement, the Scottsdale CVB agrees to use its best efforts to include input from the Town's hotels and resorts on program activities related to the expenditure of the funds allocated in Section 2 of this Agreement. The Scottsdale CVB will organize meetings with Town hotels and resorts no less than once a year.

The Scottsdale CVB shall develop and implement an annual destination marketing plan, which is published as the "Destination Marketing Guide" (Exhibit A) attached hereto and incorporated by this reference. The performance of the Scottsdale CVB's duties pursuant to this Agreement will be guided by the Destination Marketing Guide, which will be updated annually. As used herein, the terms "promote" and "promotion" shall mean that the Scottsdale CVB shall perform the duties described in this Agreement.

2. **Compensation.** Town shall pay the Scottsdale CVB for services rendered herein \$900,000 in fiscal year 2010-11, \$925,000 in fiscal year 2011-12, and \$950,000 in fiscal year 2012-13. In fiscal year 2013-14, the Town shall pay the Scottsdale CVB an amount equal to 40.9% of the Town's tax collections upon the business activity of any hotel in the Town charging a tax on transient lodging pursuant to 4A-447 of the Paradise Valley Town Code (the "transient lodging tax") during the fiscal year 2011-2012. In fiscal year 2014-15, the Town shall pay the Scottsdale CVB an amount equal to 40.9% of the Town's transient lodging tax collections during the fiscal year 2012-2013 (40.9% of the total collections represents one third (1/3) of the Town's three percent (3%) transient lodging tax and one hundred percent (100%) of the increase to the transient lodging tax revenue collected by the Town via a four-tenths of one percent (.4%) increase to the Town's transient lodging tax, which was enacted by the Paradise Valley Town Council, May 27, 2010, with an effective date of August 1, 2010).

The distribution of 40.9% of the transient lodging tax revenues received by the Town applies only to the first 3.4% of this tax. It shall not be applied to revenues from any transient lodging tax rate greater than 3.4% which may be levied by the Town in the future. During the term of this Agreement, should the Town decide to levy a transient lodging tax greater than three and four-tenths percent (3.4%), then the parties will renegotiate the provisions of this Agreement related to the distribution of the increased amount of the transient lodging tax.

Sums due herein are payable quarterly by the Town to the Scottsdale CVB on an annual basis with the first quarter payment due July 15, the second quarter payment due October 15, the third quarter payment due January 15 and the fourth quarter payment due April 15.

As a condition precedent to the Town's obligation to pay the Scottsdale CVB an amount equal to 40.9% of the Town's transient lodging tax collections in fiscal year 2013-14 and fiscal year 2014-15 based on prior fiscal years actual transient lodging tax collections, the Town must first receive from each and every hotel in the Town charging a transient lodging tax for every year that this Agreement continues in effect a signed agreement authorizing the disclosure of the transient lodging tax in an aggregate amount for all hotels in the Town charging a transient lodging tax (the "Disclosure Agreement"), said Disclosure Agreement to be substantially in the form attached hereto as Exhibit B. Should the Town not receive all of the Disclosure Agreements needed (in order for the percentage of transient lodging tax returns received in a fiscal year to be calculated and disclosed), then the Town shall be relieved of any obligation to make payments to the CVB for fiscal year 2013-14 and fiscal year 2014-15.

**3. Performance Reports.** Within thirty days after the close of each fiscal year, the Scottsdale CVB shall submit to the Town a report on the Scottsdale CVB's performance under this Agreement. The report shall include an analysis of the effectiveness of the program, including documentation of year-end performance of the indicators set forth in Exhibit C "Performance Measures" attached hereto and incorporated by this reference. At the direction of the Town Manager, these annual reports may also be presented to the Town Council at a regularly scheduled meeting or session.

**4. Audit and Records.** The Town may, upon giving at least five (5) business days' advance written notice to the Scottsdale CVB, review and audit the Scottsdale CVB's records related to the expenditure of funds under this Agreement for the purpose of ensuring compliance with this Agreement and applicable law; provided, however, that any such review and audit does not unreasonably interfere with the regular business activities of the Scottsdale CVB and further provided that the Town shall bear any expense related to its review and audit. The Scottsdale CVB agrees to reimburse the Town for any expenditures it makes utilizing funds pursuant to this Agreement, which are not for the tourism and convention purposes stated herein.

**5. Law.** The Scottsdale CVB shall at all times herein comply with all laws of the Town of Paradise Valley, the County of Maricopa, the State of Arizona and the United States of America. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona and the Town of Paradise Valley. The Town has determined that this Agreement is for a public purpose benefiting the welfare of the Town and its citizens, and that the public receives a valuable and reasonable consideration for the funds expended herein.

**6. Insurance.** The Scottsdale CVB shall provide the Town with a Certificate of Insurance form with coverage and limits reasonably acceptable to the Town.

**7. Independent Contractor.** The Scottsdale CVB is an independent contractor and shall in no way be deemed to be an employee of the Town.

**8. Term and Renewal.** The term of this Agreement shall be from July 1, 2010 through June 30, 2015, unless sooner terminated as provided herein. Either party may cancel this Agreement at any time with one hundred twenty (120) days' written notice to the other party. Upon notice of termination, any amounts owed through the date of termination, according to the terms of this Agreement, will be paid.

This Agreement may be renewed for an additional five-year term covering July 1, 2015 through June 30, 2020 should the parties mutually agree, in writing, to do so. Failure of the parties to

agree to renew the Agreement prior to January 1, 2015, shall be construed to mean that the Agreement will not be renewed.

**9. Factors Considered in Renewal.** The Town shall consider, but not be limited to, the following factors in determining whether or not to renew this Agreement: increase in bed tax revenues received by the Town; amount of convention sales booked by Town hotels and resorts as a direct result of Scottsdale SCVB activities; and increase communication/marketing efforts.

It is expected that the Town will receive bed tax revenues of at least \$2.6 million in 2015 and \$12 million during the first five years of the Agreement. It is further expected that the SCVB will be responsible for at least 75 meeting bookings and 190 travel articles promoting Paradise Valley properties during the initial term of the Agreement.

The Scottsdale CVB is expected to produce regular reports, at least annually, but preferably more frequently, demonstrating its progress. This commitment is described in Exhibit C of this Agreement.

**10. Sole Agreement.** No other agreements or representations of any kind have been made by and between the parties hereto. The Town is free to increase the bed tax beyond 3.4% at its sole discretion.

**11. Conflict of Interest.** This Agreement is subject to cancellation pursuant to A.R.S. 38-511.

**12. Assignment Prohibited, Agreement Binding.** This Agreement shall extend to and be binding upon the heirs, administrators, executors, successors and permitted assigns of the respective parties. Neither party may assign its rights or obligations under this Agreement without the prior written consent of the other party.

**13. Notices.** All notices pursuant to this Agreement shall be in writing and shall be deemed properly given if sent by facsimile, personal delivery, by certified mail or by courier, postage prepaid, addressed to the addresses set forth below. Notice shall be deemed effective on the date of actual receipt or five (5) days after the date of mailing, whichever is earlier.

**14. Amendments.** Amendments to this Agreement shall be made in writing and executed by the parties below.

**15. Default, Force Majeure.** If any party fails to observe or perform any of the provisions of this Agreement and such failure is not cured within twenty (20) days after notice by the affected party, then such party shall be in default and without further notice, the affected party may at any time thereafter continue this Agreement and recover damages resulting from the default or effect a cure on the defaulting party's behalf and all costs and expenses so incurred by the curing party together with interest at the rate of ten percent (10%) per annum shall be due and payable by the defaulting party. However, if a default cannot reasonably be cured within twenty (20) days, the defaulting party shall not be in default of this Agreement if it commences to cure the default within such twenty-day period. If any party is unable to perform hereunder as a result of acts of God, war, national disasters, strikes, fire or other comparable events, or as a result of any lawful order issued by the United States government or an official of the State of Arizona or Town, or for any reason beyond the control of the parties, then this Agreement shall be suspended during such period and for as long as such conditions shall exist and the term hereof shall not be extended.

**16. Immigration Warranty.** Under the provisions of A.R.S. § 41-4401, Scottsdale CVB hereby warrants to the Town that the Scottsdale CVB and each of its subcontractors will comply with, and are contractually obligated to comply with, all Federal Immigration laws and regulations that relate to their employees and A.R.S. § 23-214(A) (hereinafter "Scottsdale CVB Immigration Warranty").

A breach of the Scottsdale CVB Immigration Warranty shall constitute a material breach of this Agreement and shall permit the Town to terminate this Agreement, at the sole discretion of the Town.

Both parties retain the legal right to inspect the citizenship or immigration status papers of any Scottsdale CVB or subcontractors' employee who works on this Agreement to ensure compliance with the Scottsdale CVB Immigration Warranty. Scottsdale CVB agrees to assist the Town in regard to any such inspections.

The Town may, at its sole discretion and sole expense, conduct random verification of the employment records of the Scottsdale CVB and any subcontractors to ensure compliance with Scottsdale CVB's Immigration Warranty, provided that such random verification does not unreasonably interfere with the regular business operations of the Scottsdale CVB or its subcontractors. Scottsdale CVB agrees to reasonably assist the Town in regard to any random verifications performed, and to keep papers and records open for said inspection during normal business hours, and waives any right to keep such papers and records confidential.

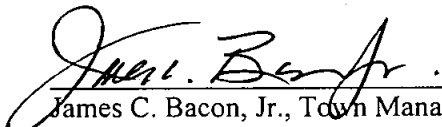
Neither the Scottsdale CVB nor any subcontractor shall be deemed to have materially breached the Scottsdale CVB Immigration Warranty if the Scottsdale CVB or subcontractor establishes that it has complied with the employment verification provision prescribed by sections 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. § 23-214(A). Voluntary compliance may be available through the Arizona Attorney General's Voluntary Employer Enhanced Compliance Program. In furtherance of this paragraph, the Scottsdale CVB shall request that any subcontractors performing work on matters related to this Agreement execute a Certification and Indemnity ("Certification") in the form attached hereto as Exhibit D and incorporated herein by this reference. The Town hereby agrees that, for purposes of this Agreement, any subcontractor that executes the Certification will be conclusively deemed compliant with the Scottsdale CVB Immigration Warranty.

**17. Counterparts.** This Agreement may be executed counterparts and by facsimile/email .pdf signature. Each counterpart, taken together, shall constitute one integrated document. Facsimile/email .pdf signatures shall be acceptable as original signatures.

**[Signatures appear on following page.]**

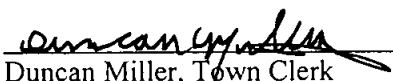
IN WITNESS WHEREOF, the parties have entered into this Agreement effective on the date first above written.

**TOWN OF PARADISE VALLEY**  
6401 E. Lincoln Drive  
Paradise Valley, AZ 85253  
Phone: 480-948-7411; Fax: 480-951-3715


By:   
James C. Bacon, Jr., Town Manager

Date: 6/7/2010


ATTEST:

By:   
Duncan Miller, Town Clerk

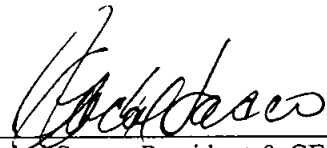
APPROVED AS TO FORM:

By:   
Andrew M. Miller, Town Attorney

**SCOTTSDALE CONVENTION &  
VISITORS BUREAU**  
4343 N. Scottsdale Road, Suite 170  
Scottsdale, AZ 85251  
Phone: 480-421-1004; Fax: 480-421-9733

By:   
Mike Surguine, Chairman of the Board

Date: 6/7/10

By:   
Rachel Sacco, President & CEO

Date: 6/7/10



Scottsdale  
Convention & Visitors Bureau®

*2010-11 Destination  
Marketing Guide*





This past year, during the economic downturn and worldwide decline in tourism, the Scottsdale Convention & Visitors Bureau worked closely with our members to implement new programs and strategies to best meet the needs of our clients and potential customers despite many obstacles.

Additional online and social media marketing drove customers to our website to request destination information and book their next vacation, new sales tactics generated meetings leads to put the CVB's bookings ahead of last year's pace, increased tour operator and travel agent familiarization tours exposed more customers to Scottsdale and multiplied bookings, and additional pitching and media relations resulted in expanded coverage on Scottsdale.

These efforts, along with a strong tourism community and an action plan for recovery, will help us rebound and come out of the economic downturn even stronger than before.

In the coming year, the Scottsdale CVB's focus is on increasing Scottsdale's market share of visitors and meetings and connecting these customers with our members.

While the CVB's budget for 2010-11 is essentially flat to 2009-10, we are focused on delivering the programs that provide a consistent return on investment and implementing new programs that will allow us to remain a competitive, world-class destination. At the beginning of each section that follows, you'll find specific details on every department's focus for the coming year.

We're on the path to recovery. However, we must work together to see the kind of resurgence we're all hoping for. To inspire these positive changes, we urge you to connect with the CVB staff in order to find the programs that best work for you and to maximize your membership with us to ultimately increase your business.

Please feel free to contact us to share new ideas on how we can work together to more effectively market Scottsdale as a premier destination.

Sincerely,



Rachel Sacco  
President & CEO



Michael Surguine  
Chairman of the Board

## FULL- & PART-TIME STAFF LIST

### EXECUTIVE OFFICE

**Rachel Sacco**  
President & CEO  
(480) 949-2160  
rsacco@scottsdalecvb.com

**Rita Pavoni**  
Executive Assistant  
(480) 949-6295  
rpavoni@scottsdalecvb.com

**Brent DeRaad**  
Executive Vice President  
(480) 429-2256  
bderaad@scottsdalecvb.com

### MARKETING

**Lauren Simons**  
Vice President of Marketing  
(480) 889-2714  
lsimons@scottsdalecvb.com

**Caroline Stoeckel**  
Director of Marketing  
(480) 429-2246  
cstoeckel@scottsdalecvb.com

**Kelly Tope**  
Marketing Coordinator  
(480) 889-2711  
ktope@scottsdalecvb.com

**JoAnne Zeterberg**  
Creative Director  
(480) 949-6284  
jzeterberg@scottsdalecvb.com

**Charity Snyder**  
Art Director  
(480) 949-2179  
csnyder@scottsdalecvb.com

**Sara Gilles**  
Graphic Designer  
(480) 889-2718  
sgilles@scottsdalecvb.com

**Josh Kenzer**  
Online Marketing Manager  
(480) 949-6280  
jkenzer@scottsdalecvb.com

**Mitchell Tay**  
Online Marketing Coordinator  
(480) 889-2712  
mtay@scottsdalecvb.com

**Sharon Utsunomiya**  
Visitors Center Manager  
(480) 421-1004  
sutsumomiya@scottsdalecvb.com

**Sue Ritchie**  
Visitors Center Concierge  
(480) 421-1004  
sritchie@scottsdalecvb.com

**Judi Simons**  
Visitors Center Concierge  
(480) 421-1004  
jsimons@scottsdalecvb.com

**Diane Torosian**  
Visitors Center Concierge  
(480) 421-1004  
dtorosian@scottsdalecvb.com

**Jason Martin**  
Warehouse Assistant  
(480) 889-2720  
jmartin@scottsdalecvb.com

### COMMUNICATIONS

**Laura McMurchie**  
Vice President of Communications  
(480) 429-2253  
lmcmurchie@scottsdalecvb.com

**Rachel Pearson, ABC**  
Director of Corporate Communications  
(480) 429-2259  
rpearson@scottsdalecvb.com

**Tatum Luoma**  
Director of Public Relations  
(480) 889-2719  
tluoma@scottsdalecvb.com

**Melissa Matthews**  
Communications Assistant  
(480) 429-2254  
mmatthews@scottsdalecvb.com

### CONVENTION SALES & SERVICES

**Renee Angeles, CMP**  
Director of Sales & Services  
(480) 949-6297  
rangeles@scottsdalecvb.com

**Kelli Blubbaum, CMP**  
Senior National Sales Manager  
(480) 949-6293  
kblubbaum@scottsdalecvb.com

**Courtney Berryman, CMP**  
National Sales Manager  
(480) 949-6287  
cberryman@scottsdalecvb.com

**Julie Nicolazzi, CMP**  
National Sales Manager  
(480) 949-2163  
jnicolazzi@scottsdalecvb.com

**Kimberly Urich**  
National Sales Manager  
(480) 949-2164  
kurich@scottsdalecvb.com

**Kelsey Paul-Petersen, CMP**  
Sales Project Manager  
(480) 429-2257  
kpaul-petersen@scottsdalecvb.com

**Sharon Strauss**  
Sales Assistant  
(480) 429-2248  
sstrauss@scottsdalecvb.com

### TOURISM & MEMBERSHIP

**Deanne Boynton Grupp**  
Vice President of Tourism  
(480) 949-6285  
dboyntongrupp@scottsdalecvb.com

**Kelsey Massee**  
Tourism Sales Manager  
(480) 949-2161  
kmassee@scottsdalecvb.com

**Sarah Reck**  
Tourism Sales Manager  
(480) 889-2705  
sreck@scottsdalecvb.com

**Mary Carlson**  
Tourism Coordinator  
(480) 889-2715  
mcarlson@scottsdalecvb.com

**Brent Gumbert**  
Membership Development Manager  
(480) 889-2706  
bgumbert@scottsdalecvb.com

**Karin Mayes**  
Membership Services Coordinator  
(480) 889-2713  
kmayes@scottsdalecvb.com

### ADMINISTRATION

**Genia Kehayes**  
Vice President of Finance & Administration  
(480) 949-2162  
gkehayes@scottsdalecvb.com

**Marilyn Smith**  
Accounting & HR Assistant  
(480) 949-6292  
msmith@scottsdalecvb.com

**Cindy Smith**  
Accountant  
(480) 889-2703  
csmith@scottsdalecvb.com

**Eric Paschal**  
Director of IT  
(480) 949-6286  
epaschal@scottsdalecvb.com

**Adam Gonzales**  
Technical Support Specialist  
(480) 889-2722  
agonzales@scottsdalecvb.com

## BOARD OF DIRECTORS

### EXECUTIVE COMMITTEE

**Michael Surguine, Chairman**  
*Sanctuary on Camelback  
Mountain Resort and Spa*

**Tom Silverman, Vice Chairman**  
*Chaparral Suites Resort Scottsdale*

**Richard Bibee, Immediate Past President**

**Kate Birchler**  
*Tourism Development Commission  
Chair*

**Don Carson**  
*Don & Charlie's Restaurant*

**Michael Hoffmann**  
*The Boulders Resort, The Waldorf  
Astoria Collection*

**John Holdsworth**  
*TLX Inc.*

**\*Mike King**  
*Gammage & Burnham*

**\*Rachel Sacco**  
*Scottsdale Convention & Visitors  
Bureau*

**Michael Stephens**  
*Hyatt Regency Scottsdale Resort  
and Spa at Gainey Ranch*

**Jack Miller**  
*Fairmont Scottsdale*

### BOARD MEMBERS

**Valeriano Antonioli**  
*InterContinental Montelucia  
Resort & Spa*

**Councilwoman Lisa Borowsky**  
*City of Scottsdale*

**Andrew Chippindall**  
*Hotel Valley Ho*

**Del Cochran**  
*Grayhawk Golf Club*

**Kathy Duley**  
*Duley Jones Gallery*

**Margaret Dunn**  
*Ollie the Trolley*

**Councilwoman Mary Hamway**  
*Town of Paradise Valley*

**Steve Helm**  
*Scottsdale Fashion Square*

**Jim Hollister**  
*FireSky Resort & Spa*

**Blessing McAnlis**  
*Casino Arizona*

**Greg Miller**  
*Royal Palms Resort and Spa*

**Vince Parrotta**  
*Four Seasons Resort Scottsdale at  
Troon North*

**Arnold Roy**  
*Frank Lloyd Wright's Taliesin West*

**Dan Schweiker**  
*China Mist Brands*

**\*Ex-officio Member**

## COMMUNITY PARTNERS



### SCOTTSDALE TOURISM DEVELOPMENT COMMISSION

**Kate Birchler, Chair**  
*Scottsdale Fashion Square*

**Michael Surguine, Vice Chairman**  
*Sanctuary on Camelback Mountain  
Resort and Spa*

**Richard Bibee**

**Sam Fox**  
*Fox Restaurant Concepts*

**Michael Hoffmann**  
*The Boulders Resort, The Waldorf  
Astoria Collection*

**David Richard**  
*The Phoenician*

**Leon Young**  
*W Scottsdale Hotel & Residences*

**Steve Geiogamah**  
*City of Scottsdale (staff liaison)*

### CITY OF SCOTTSDALE

**Mayor Jim Lane**  
**Councilwoman Lisa Borowsky**  
**Councilman Wayne Ecton**  
**Councilwoman Suzanne Klapp**  
**Councilman Robert Littlefield**  
**Councilman Ron McCullagh**  
**Councilman Tony Nelssen**  
**City Manager David Richert**

### TOWN OF PARADISE VALLEY

**Mayor Vernon Parker**  
**Councilman Michael Collins**  
**Councilman Paul Dembow**  
**Councilwoman Mary Hamway**  
**Councilwoman Pam Kirby**  
**Councilman Scott LeMarr**  
**Councilwoman Lisa Trueblood**  
**Town Manager Jim Bacon**

### FORT McDOWELL YAVAPAI NATION

**President Dr. Clinton Pattea**  
**Vice President Bernadine Burnette**  
**Councilman Ruben Balderas**  
**Councilman Paul Russell**  
**Secretary Pansy Thomas**  
**Treasurer Pam Mott**

### SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY

**President Diane Enos**  
**Vice President Martin Harvier**  
**Councilman Anthony Collins**  
**Councilman Thomas Largo**  
**Councilman Ricardo Leonard**  
**Councilwoman Claire Miller**  
**Councilwoman Lynn Myore**  
**Councilwoman Dixie Padilla**  
**Councilwoman Deanna Scabby**



#### 2009 REVIEW

Unfortunately, 2009 was one of the most difficult years ever experienced in the tourism industry. Scottsdale and many other U.S. destinations endured plummeting hotel occupancy, rate, and revenue per available room (RevPAR) due primarily to the economic recession.

Corporate and incentive meetings destinations, such as Scottsdale, were particularly hard hit after some politicians and national media took companies to task in late 2008 for engaging in what they considered to be frivolous meetings.

This criticism, known widely as the “AIG effect” due to a meeting AIG staged just days after receiving bailout money from the federal government, caused many companies to reduce or eliminate their meetings activity to avoid media and public backlash. The AIG effect has been particularly severe in resort destinations, including Scottsdale/Paradise Valley, Phoenix, Las Vegas, Hawaii and Orlando.

Meetings represent at least 60 percent of the business for Scottsdale’s resorts and full-service hotels. Cuts to this sector are particularly harsh because they impact more than just the properties. Destination management companies, audio/visual providers, off-site venues, desert tour operators, restaurants and retail have all felt the pinch.

*USA Today’s* Roger Yu captured what the meetings industry is facing in an April 13, 2010, article. Planners have cut back substantially on all aspects of meetings, including reducing quality and size of venues, staging shorter meetings and fewer coffee breaks, going to less expensive cities and minimizing stage sets. Yu said it appears that these changes will remain in place for the foreseeable future.

Additionally, the recession caused a negative connotation to be associated with the term “luxury” during the past year. American Express Publishing issued a 2009 white paper –

“The Market Formerly Known as Luxury” – prepared by John Butman that encapsulates Scottsdale’s dilemma in this regard. “The extremes that luxury has sometimes been associated with – conspicuous consumption, excess and extravagance – have within a few months, become unacceptable, even to those who once embraced them.”

The report mentioned that the much lower rates at luxury hotels caused properties to reduce staff, service and amenities, which put some hotels in danger of being repositioned into a different segment. Hotels and resorts are now struggling with how to meet customers’ high service and product expectations despite declining revenue and increasing costs. The answer is that many aren’t able to deal with it, which is why hundreds of U.S. hotels are in foreclosure or close to it.

The Ypartnership/Yankelovich 2009 National Travel Monitor confirmed the change in mindset among leisure travelers. The study found that the top three factors in selecting lodging were: value for the price (88 percent), location of hotel (85 percent), and room rate (85 percent). “Getting a free breakfast” jumped from 51 percent in 2008 to 58 percent in 2009.

These difficult economic times have impacted nearly every aspect of our nation’s economy. When corporate and personal bottom lines are suffering, leisure travel and meetings will suffer negative impacts, along with nearly every other aspect of consumer and business spending.

This recession seems to have damaged people’s psyches as much as their wallets. The fear of losing their jobs, savings and homes has led many to reevaluate necessities and wants. A 2009 survey by research firm Mintel found that 40 percent of affluent U.S. adults intend to permanently spend less. When it comes to travel, more people are visiting friends or family, spending time looking for travel bargains or choosing cheaper transportation options.

Other 2009 travel impacts include:

- **Corporate Travel:** PhoCusWright, one of the leaders in travel industry market research, estimated a 15 percent decline in U.S. corporate travel in 2009 to \$85 billion. Companies are researching tools such as videoconferencing to lessen travel expenses.
- **Airlines:** Many airlines began charging customers for checked baggage, meals, aisle seats and other services that used to be included in the airline ticket price in order to make up some of the \$1 billion (*Travel Weekly*) that North American carriers are estimated to have lost in 2009. Considering that more than 70 percent of Scottsdale visitors arrive by plane, this "unbundling" of fees is a deterrent to air travel as is the ongoing route cutting and base fare increases from many airlines. Phoenix Sky Harbor International Airport served 37.8 million customers in 2009, down 5.2 percent from 2008.
- **Commoditization:** Online travel agencies (OTAs) continue to grow in prominence. While these sites are helpful in comparing rates and offering a simple booking process, they do not convey the essence of the experience consumers will receive. Forrester Research issued an August 2009 report that said only 33 percent of travelers who book online feel travel sites do a good job presenting travel choices, down from 39 percent in 2008. OTAs are valuable in moving distressed inventory, but they also can train consumers to wait until the last minute to book at bargain rates.

#### SCOTTSDALE'S TOURISM PERFORMANCE

In 2009, the Scottsdale market area, encompassing Scottsdale and Paradise Valley hotels and resorts, dropped 8 percent in occupancy to 56 percent, while average daily rate fell 20 percent to \$139.28. RevPAR dropped an astounding 26 percent from \$105.45 in 2008 to \$78.03 in 2009.

The softening of Scottsdale's tourism industry can be traced back to mid 2007. Year-over-year occupancy rates dropped in five of the final six months of 2007. Additionally, February was the only month in 2008 that had a year-over-year occupancy increase. Rate held strong in 2008, though, with Scottsdale properties concluding the year with an average daily rate of \$173.52 – the highest in the city's history.

The bottom dropped out of Scottsdale's hotel/resort market, however, during the first nine months of 2009. A glimmer of hope arose in October 2009 when occupancy was down "only" 2.7 percent year over year. Occupancy has continued to improve in subsequent months with double-digit percentage increases from December 2009 through March 2010.

#### SCOTTSDALE TOURISM VS. U.S. LODGING INDUSTRY

|             | Scottsdale | United States | Scottsdale Advantage |
|-------------|------------|---------------|----------------------|
| <b>2007</b> |            |               |                      |
| Occupancy   | 66.6%      | 63.2%         | 5%                   |
| Room Rate   | \$170.59   | \$103.64      | 65%                  |
| RevPAR      | \$113.58   | \$65.50       | 73%                  |
| <b>2008</b> |            |               |                      |
| Occupancy   | 61.0%      | 60.4%         | 1%                   |
| Room Rate   | \$172.26   | \$106.55      | 62%                  |
| RevPAR      | \$105.05   | \$64.37       | 63%                  |
| <b>2009</b> |            |               |                      |
| Occupancy   | 56.0%      | 55.1%         | 2%                   |
| Room Rate   | \$139.28   | \$97.51       | 30%                  |
| RevPAR      | \$78.03    | \$53.71       | 31%                  |

Source: Smith Travel Research, January 2008, 2009, 2010

**Scottsdale Advantage:** Scottsdale's cachet continued to allow our community to see advantages over the U.S. average; however, these advantages were nearly half of what Scottsdale has historically seen.

#### SCOTTSDALE TOURISM INDUSTRY MEASUREMENTS

|             | Occupancy | Room Rate | RevPAR   | Bed Tax     |
|-------------|-----------|-----------|----------|-------------|
| <b>2009</b> | 56.0%     | \$139.28  | \$78.03  | \$7,014,612 |
| <b>2008</b> | 61.0%     | \$172.26  | \$105.05 | \$9,216,185 |
| <b>2007</b> | 66.6%     | \$170.59  | \$113.58 | \$9,741,770 |
| <b>2006</b> | 69.9%     | \$164.19  | \$114.72 | \$9,375,017 |
| <b>2005</b> | 69.9%     | \$146.55  | \$102.45 | \$8,276,226 |
| <b>2004</b> | 66.6%     | \$135.42  | \$90.16  | \$7,439,669 |
| <b>2003</b> | 62.1%     | \$130.47  | \$80.99  | \$6,713,203 |
| <b>2002</b> | 60.6%     | \$136.88  | \$82.89  | \$6,846,846 |
| <b>2001</b> | 60.4%     | \$146.47  | \$88.51  | \$7,276,496 |

(Sources: Smith Travel Research, City of Scottsdale)

**Tourism Plunge:** Scottsdale, like many other U.S. destinations, endured plummeting hotel occupancy, rate and revenue per available room (RevPAR) due primarily to the economic recession.

Tourism, like many industries, is cyclical. Scottsdale enjoyed substantial growth in hotel occupancy, rates and RevPAR throughout the late '90s before the industry softened in 2000 and plummeted after the terrorist attacks of Sept. 11, 2001.

Scottsdale's recovery initiated in 2004 and grew strongly in 2005 and 2006. Scottsdale's tourism performance leveled off in 2007 before the major occupancy drop occurred in 2008 and catastrophe hit in 2009. Scottsdale's 2009 drop in tourism performance outpaced that of most U.S. destinations.

## MEETINGS FORECAST

The Scottsdale CVB participated in Metropoll XIII, a national study conducted every other year to measure meeting impacts and planners' future intentions. Scottsdale was one of 40 U.S. and Canadian destinations to participate.

Meeting planners were interviewed in mid 2009 at the recession's worst point. At that time, their intent to hold meetings was minimal compared to previous years.

- A total of 52 percent of respondents said they held meetings in Scottsdale during the past three years, but only 26 percent plan to hold meetings here in the next three years.
- Comparatively, 66 percent of planners held meetings during the past three years in a competitive destination – such as Hawaii, New Orleans and San Antonio – while 44 percent plan to hold meetings in these locations during the next three years.

Out of the 40 destinations that took part in the study, Scottsdale is one of the smallest.

- Scottsdale ranked 14th in the number of meetings staged in the past three years that had 300 or more delegates.
- Scottsdale ranked ninth in corporate meetings held, which is not surprising considering its plethora of upscale resorts and full-service hotels.
- Scottsdale ranked 18th in the number of association meetings staged. This is remarkable considering Scottsdale finished ahead of several cities that have convention centers. As the size of association meetings shrinks, however, many more now fit in our larger resorts that have ample ballroom and breakout space.
- Regarding meeting intentions for the next three years, Scottsdale retained the 14th spot out of 40 cities, with some slippage to 11th place in corporate meetings, while picking up some ground in association meetings (14th).

The study also compared Scottsdale to the competition: Las Vegas, Orlando, Phoenix and San Diego.

- Meeting planners rated Scottsdale superior to these cities in regard to prestigious address and low crime rate.
- Scottsdale also ranked first in: romantic place, friendly residents, good green policies, good hotels, good shopping, good outdoor recreation, and good restaurants.
- The one negative index for Scottsdale was local transportation. With poor taxi service, no light rail and high rental-car fees at Phoenix Sky Harbor International Airport, Scottsdale is at a major disadvantage.

## METROPOLL XIII RESULTS

### Budget Considerations

| <u>Statement</u>                              | <u>Applies "Very Much"</u> |
|---|----------------------------|
| Negotiating more concessions & discounts..... | 73%                        |
| Shopping price & value.....                   | 66%                        |
| Cutting back in entertainment expenses.....   | 39%                        |
| Scheduling meetings closer to home.....       | 32%                        |
| Using more second-tier destinations.....      | 23%                        |
| Using lower tier hotel/facility.....          | 20%                        |

### AIG Effect

| <u>Statement</u>                                      | <u>Applies "Very Much"</u> |
|---|----------------------------|
| Avoiding gambling/nightlife destinations.....         | 18%                        |
| Selecting destinations with business reputations..... | 18%                        |
| Avoiding resort/warm weather destinations.....        | 7%                         |

### Meetings Intentions (Next 3 Years)

| <u>Meeting Type</u> | <u>More</u> | <u>Fewer</u> |
|---------------------|-------------|--------------|
| Local.....          | 22%         | 14%          |
| Regional.....       | 17%         | 19%          |
| National.....       | 6%          | 17%          |
| International.....  | 8%          | 31%          |
| Incentive.....      | 3%          | 45%          |
| Trade show.....     | 6%          | 26%          |
| Webinar.....        | 65%         | 7%           |
| Teleconference..... | 62%         | 8%           |
| Virtual.....        | 45%         | 14%          |

### Very Important in Site Selection

| <u>Selection Criteria</u>      | <u>Metropoll XIII</u> | <u>Change from MP XII</u> |
|--------------------------------|-----------------------|---------------------------|
| Food & lodging costs.....      | 89%                   | +7%                       |
| Good value for money.....      | 83%                   | +5%                       |
| Travel costs to location.....  | 78%                   | +9%                       |
| Easy to get to.....            | 64%                   | -17%                      |
| Popularity of location.....    | 39%                   | -10%                      |
| Good local transportation..... | 30%                   | -10%                      |

### Very Important Online Sources in Site Selection

| <u>Source</u>                       | <u>"Very Important"</u> |
|-------------------------------------|-------------------------|
| Hotel rating/user review sites..... | 41%                     |
| Meeting facility web sites.....     | 38%                     |
| Destination web sites.....          | 38%                     |
| Social networks/media.....          | 14%                     |
| Incoming e-mail.....                | 9%                      |
| E-mail promotions.....              | 7%                      |
| Webinars.....                       | 7%                      |
| Online trade publications.....      | 4%                      |

Source: Metropoll XIII, Gerald Murphy & Associates, December 2009

The implications for Scottsdale from Metropoll XIII are:

- Increase recruitment of association meetings – they fit and the intention is strong.
- Diversify our meetings mix – incentive business is down considerably, while sports and SMERF business has remained strong.

- Continue our expanded outreach in Arizona and the Southwest to take advantage of the trend for planners to keep meetings closer to home.
- Promote Scottsdale's outstanding quality and value for the money. Planners are beginning to spend money again, but they are demanding strong value in return.

Budget cuts endured by the Scottsdale CVB during the past two years have made it difficult for the CVB to maintain its convention sales efforts. Staff and programming cuts led to eliminating several meetings trade shows and client events.

The news is not all bad, though. Different tactics, such as additional phone prospecting, conducting targeted sales calls and missions, staging additional familiarization (FAM) tours and purchasing meeting planner databases, have led to stronger Scottsdale bookings in the latter half of 2009 and early 2010. Business is being generated from new sources with approximately 50 percent of the CVB's 2009-10 fiscal year sales leads coming from planners or companies who were not in the CVB's database as of June 30, 2008.

#### 2010 PROJECTIONS

Based on national sources and local lodging numbers, in late 2009 we projected Scottsdale's 2010 occupancy to be flat with rate and RevPAR down 3 to 5 percent. In the first 3 months of 2010, however, Scottsdale's occupancy was up 12.6 percent, rate was down 8.4 percent and RevPAR was up 3.1 percent.

Anecdotally, the CVB has heard from its hoteliers that business will slow considerably in the summer months, but that fall 2010 is shaping up well. Complicating the situation is that the booking window is very short for many groups. Some properties that do not have a strong base of business in future months are dangling low group room rates and concessions on meeting space and food and beverage.

The Scottsdale CVB is now projecting 2010 occupancy will increase 6 to 8 percent, rate will decline 6 to 8 percent, and RevPAR will be flat to 2009.

Domestically, Smith Travel Research (STR) predicted that U.S. occupancy would drop 0.3 percent this year, with rate dropping 3.4 percent and RevPAR falling 3.7 percent. According to STR, a rebound of group travel will be key to the industry's recovery – and the same is true for Scottsdale. Rate, however, will remain an issue. "On an inflation-adjusted basis, it's probably going to be longer than six years before the rates get back to 2007 levels," said Mark Lomanno, STR president.

#### SCOTTSDALE OUTLOOK

The CVB continues to face budget challenges entering its 2010-11 (July 1, 2010 – June 30, 2011) fiscal year. Scottsdale voters approved a bed-tax increase that will devote half the collections to the CVB's marketing and sales programs beginning July 1, but the CVB's Prop 302 marketing funds, administered by the state of Arizona, are in peril due to the state's budget deficit. The CVB received approximately \$1.2 million in Prop 302 funding in 2009-10, but that total is projected to drop by at least half in 2010-11.

The CVB began its 2008-09 fiscal year with an \$11.5 million budget. Mid-year cuts from the city of Scottsdale reduced it to \$11 million by year's end. The CVB's budget was cut to \$8.1 million for the 2009-10 fiscal year and it is likely that figure will remain flat or drop slightly in 2010-11.

In particular, it is vital that the CVB continues branding Scottsdale as one of the world's top destinations for leisure and meetings travel. Due to outstanding product and effective advertising, Scottsdale enjoys a cachet that has led to Scottsdale/Paradise Valley room rates being 30 percent higher on average than throughout the rest of the Phoenix area.

#### SCOTTSDALE VS. PHOENIX METRO TOURISM INDUSTRY

| 2009      | Scottsdale | *Phoenix Metro | Scottsdale Advantage |
|-----------|------------|----------------|----------------------|
| Occupancy | 56.0%      | 51.2%          | 9.4%                 |
| Room Rate | \$139.28   | \$97.95        | 42.2%                |
| RevPAR    | \$78.03    | \$49.69        | 57.0%                |

(Source: Smith Travel Research, February 2010)

\*Excludes Scottsdale/Paradise Valley

**Setting Us Apart:** Scottsdale-area resorts continue to outperform other area hotels.

#### TOURISM'S IMPORTANCE TO SCOTTSDALE

Tourism is a vital part of our local economy.

- Tourism is one of Scottsdale's largest industries.
- More than 8 million visitors came to Scottsdale in 2008.
- These visitors generated an economic impact of \$3.6 billion.
- Visitors also generated \$29.4 million in sales- and bed-tax revenue for Scottsdale.
- For every \$1 visitors spend in Scottsdale bed tax, they spend \$3 in local sales tax.
- One in every eight jobs in Scottsdale is directly related to tourism.

Sources: Scottsdale/Paradise Valley Tourism Study, Visitor Statistics, September 2009; City of Scottsdale

#### SCOTTSDALE CVB OVERVIEW

The Scottsdale CVB is a 501(c)(6) nonprofit, private company that has contracts with the city of Scottsdale and town of Paradise Valley to conduct destination marketing efforts on behalf of these municipalities. These entities combined to provide approximately \$6 million of the CVB's \$8.1 million budget in 2009-10.

The CVB's primary funding currently comes from bed tax collected by Scottsdale resorts and hotels and passed along to the city. In March 2010, Scottsdale voters approved a 2 percent increase to the local bed tax effective July 1, 2010. Beginning on that date, half of the city's bed tax will be allocated to the CVB for destination marketing initiatives.

The city's Tourism Development Commission (TDC) recommends to the Scottsdale City Council how to allocate the city's half of the bed-tax revenue, which is designated for tourism-related capital projects, special events and more. The city's relationship with the CVB is overseen by the city's tourism development manager and the TDC.

Other 2009-10 CVB public-funding sources included the State of Arizona, via Proposition 302, where Maricopa County resort/hotel operators and rental car companies collect and pass along an additional tax to the state that is then split and invested in numerous projects. The CVB received approximately \$1.2 million in Prop 302 proceeds in 2009-10.

Additionally, the Salt River Pima-Maricopa Indian Community, which borders Scottsdale on the east, invested \$75,000 in the CVB in 2009-10, while the Fort McDowell Yavapai Nation, located approximately 25 miles northeast of downtown Scottsdale, also invested \$75,000 in the CVB's 2009-10 marketing efforts. Partnering with neighboring communities is critical for Scottsdale as they continue to build tourism attractions, hotels and other visitor services along Scottsdale's borders. As partners, we can help to build the region's attractiveness in the eyes of our group and leisure visitors.

The CVB has been a standalone company since July 2001 after having been an arm of the Scottsdale Area Chamber of Commerce for 15 years. The CVB has more than 30 full- and part-time employees, along with a volunteer board of directors comprised of local industry leaders who represent a variety of segments from the hospitality and tourism industry.

#### Vision

Our vision is to position Scottsdale as a world-class vacation, meetings and group travel destination by communicating an image that sells the uniqueness of the Scottsdale experience.

#### Mission

The CVB is committed to enhancing the economic base of Scottsdale and its partnering communities through a strong visitor, meetings and group travel industry. We achieve this by:

- Maintaining a leadership position in Arizona's hospitality and tourism industry
- Positioning Scottsdale in top-performing domestic and international markets to attract targeted, high-value visitors to our resorts and hotels
- Teaming with member businesses to create awareness and excitement among meeting planners, tour operators, travel agents and media in our established feeder markets, while building credibility and interest in our entry markets

#### RETURN ON INVESTMENT

In 2008-09, the Scottsdale CVB generated \$18 for the community for every \$1 invested in the CVB. In addition to tracking our return on investment, the CVB also evaluates the success of its programs and reports results regularly.

The CVB provides monthly reports to our board of directors and the city of Scottsdale. Reports also are generated quarterly for the TDC and the CVB's community partners to provide customized return on investment recaps. Program results are reported often to CVB members through the weekly *Tourism Industry Update* e-newsletter and the Membership Minute blog, at Quarterly Update Meetings, and through the annual report distributed each fall.

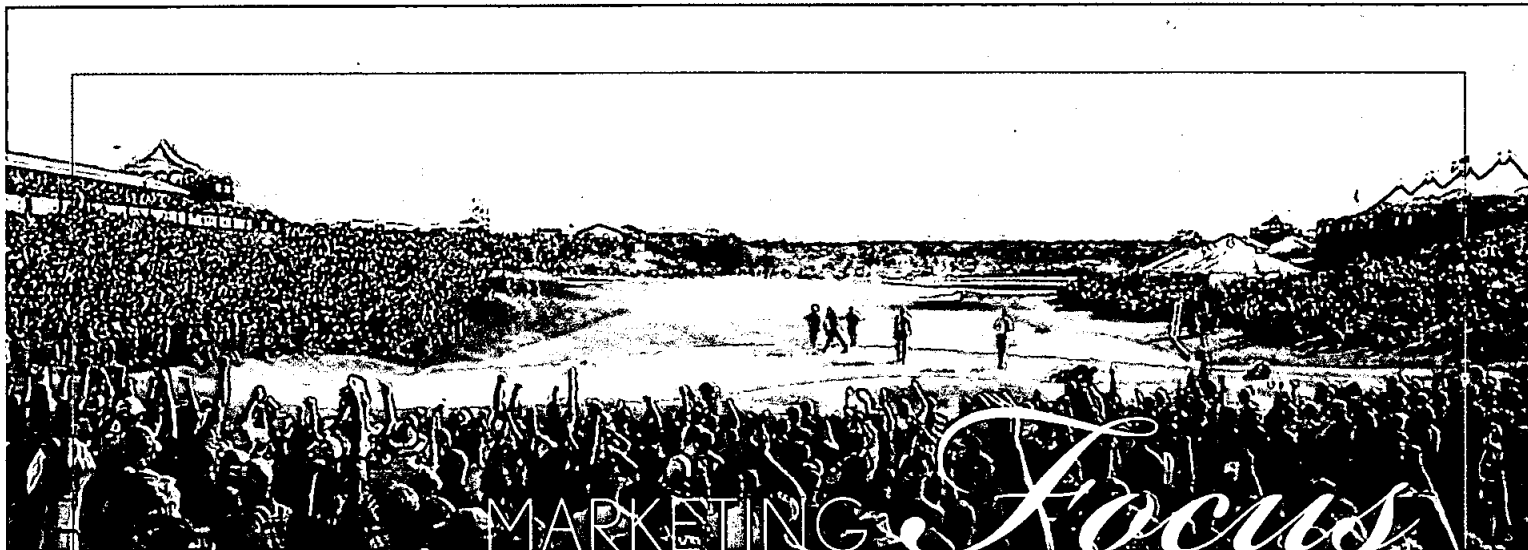
#### OUR PARTNERSHIP WITH YOU

We at the Scottsdale CVB are honored to partner with our valued members, along with the municipalities and Native American communities for which we provide destination marketing services. We exist to position Scottsdale as one of the world's most desirable destinations for leisure and business travel, while creating programs that retain existing visitors and attract new customers to the greater Scottsdale area.

Scottsdale has a cachet that has been built over the years based on promising and delivering an outstanding and unique experience.

We invite you to review this destination marketing guide to learn how you can best partner with us at the Scottsdale CVB to extend our collective message. We look forward to working with you in the coming year!





## CVB BUSINESS PLAN

The CVB is developing a business plan to set our course as we look to the recovery of Scottsdale's tourism industry during the next three to five years. The plan will help the CVB determine how to best address changes in the marketplace as well as our approach to positioning the destination.

## THE SCOTTSDALE BRAND

During the past several years, the CVB altered its brand strategy because of the economy and changing consumer behavior. This coming year, the CVB will shift back to a more traditional strategy that separates the brand from rate-driven offers, which will strengthen our brand presence and allow for stronger rate growth. For example, the CVB will run a brand message in a travel magazine one month in order to encourage visitors to consider Scottsdale for their next leisure vacation. The following month, the CVB may run a cooperative section or direct mail program featuring CVB members to provide specific rate-driven offers to encourage booking.

## TARGET CITIES

The CVB's marketing efforts will be more regionally focused to allow for greater penetration within key target areas, including Chicago, Denver, Los Angeles, Minneapolis, New York, San Francisco and Canada. Within each market, the CVB will layer advertising efforts with a greater emphasis on cable and outdoor advertising, as these elements create a strong base of brand awareness. Layered print and online

programs within each market also will allow CVB members to promote their products and special offers to potential leisure customers. In addition, these campaigns will incorporate targeted pay-per-click campaigns based on current consumer behaviors.

## VIDEO ASSETS

In order to better tell the Scottsdale story and reduce the amount of copy website visitors have to review, the CVB will develop a complete video strategy. This includes creating new 15-, 30- and 60-second TV commercials based upon the CVB's "Richly Sonoran" brand campaign. Plus, the CVB will update its destination video and create a series of short videos that can be used online to engage visitors and better showcase unique Scottsdale experiences. New videos will be posted online every few months to provide fresh content.

## SPECIAL EVENTS

The CVB will continue to work closely with the city to recruit new events and provide marketing support to help increase visitor attendance. The CVB also will work with existing Scottsdale events to help them thrive in the community and build stronger relationships between the events and other tourism partners to drive visitation and enhance the visitor experience in Scottsdale.

---

## OVERVIEW

The Scottsdale Convention & Visitors Bureau's marketing department brands Scottsdale as an upscale leisure and meetings destination through the use of advertising, high-end collateral and publications, online and e-mail outreach, event marketing and sponsorships. The department manages advertising, fulfillment, online, creative services and visitor services.

Our marketing plan is primarily based on branding Scottsdale as a world-class vacation and meetings destination and provides cooperative opportunities within which our members may gain maximum exposure to generate the greatest return on investment.

## TARGET AUDIENCES

The CVB strategically targets the consumer, meetings, and tour and travel markets. Within each group, we develop customer profiles based upon research that assist us in crafting precise messages and selecting the most effective delivery methods.

## GEOGRAPHIC TARGET MARKETS

**Primary:** Canada (Calgary, Edmonton, Vancouver, Toronto), Chicago, Los Angeles, New York

**Secondary:** Denver, Minneapolis, Phoenix, San Francisco

**Target Markets:** Based on our research, the CVB's marketing programs will be targeted to the highest-performing feeder markets.

## LEISURE TRAVELER - AVERAGE VISITOR

|   |              |
|---|--------------|
| Median age .....                                      | 57 years old |
| Median household income .....                         | \$101,600    |
| Average length of stay .....                          | 5.5 nights   |
| Average daily expenditures (hotel guests) .....       | \$391        |
| Percentage of overnight stays in a hotel/resort ..... | 57%          |

U.S. regions where visitors are from (in rank order): West, Midwest, Northeast, South

Top 10 activities (in rank order): Shopping, Day Trips, Art Galleries & Museums, Native American Arts & Culture, Western Culture & Attractions, Outdoor Desert Activities, Special Events, Nightlife, Sporting Events, Spas

(Sources: Scottsdale/Paradise Valley Tourism Study Part II: Visitor Statistics 2009; City of Scottsdale Visitor Inquiry Study 2009)

**Our Visitor:** The profile above reflects our average leisure visitor who requests information from the Scottsdale CVB.

## BRAND POSITION

In all marketing programs, Scottsdale is positioned as an upscale resort destination offering outstanding weather, spas, golf, arts, outdoor adventure, shopping, dining and nightlife.

The CVB's brand campaign showcases the unique and surreal quality of the Sonoran Desert and brings to life the energy, excitement and contemporary rewards of modern life in Scottsdale. Each print ad explores the layered experiences inherent in a quintessential Scottsdale vacation, and the creative incorporates vibrant colors, rich textures and abstract scenes that capture the unique spirit Scottsdale's target audience expects of luxury brands.

## PROGRAMS

Many marketing programs are open for CVB member participation. For specific opportunities, refer to the online Media & Sales Schedule.

## Media Plan

Each year, the CVB creates a media plan based on extensive research, visitor inquiry studies, and the past performance of ads. The criteria for media selection include geographic reach, response rate, cost per response, reader demographics and editorial coverage on the area. The programs we develop and mediums we employ to brand the destination are selected as a result of this research and strategic planning. The CVB seeks media outlets that align the Scottsdale luxury travel messages with the appropriate mediums to target our niche audiences on a personal level.

To extend the reach of Scottsdale's advertising program and to maximize our resources, the CVB has developed a variety of cooperative advertising opportunities for our industry partners. Participants in these programs benefit by receiving discounted rates, taking advantage of additional advertorial space and merchandising, and increasing the reach and frequency of the Scottsdale message. Cooperative opportunities are available in the CVB's print and online advertising campaigns, as well as through direct mail and e-mail.

## Consumer Promotions

Promotions are used to add value to our advertising campaigns, highlight events, and create stronger calls-to-action that will help us collect more contact information for our direct marketing programs. A typical promotion includes a cooperative print advertising component with e-mail, direct mail or social media; a gift giveaway or vacation sweepstakes; and an "enter-to-win" online splash page. These contests allow the CVB to gather new customers for our database and begin a relationship with potential visitors.

## Relationship Marketing

We use relationship marketing to keep Scottsdale top of mind with people who have already visited, expressed an interest in visiting, or fit the profile of our target audience. The collected data provides a glimpse into our customers' interests, behaviors and buying patterns. Sources of this data include Internet and phone inquiries, business reply cards, direct mail responses, direct sales and trade show leads, and list purchases.

We maintain three permission-based customer databases, one for each of our key target markets: leisure travelers, meeting planners, and travel professionals. These databases contain highly qualified customer data and are used for our direct mail and e-mail relationship marketing campaigns. A study conducted by Behavior Research Center in August 2009 found that 76 percent of the CVB's leisure inquiries convert into bookings within 12 months of their contacting the CVB (Source: City of Scottsdale Visitor Inquiry Study 2009).

### ***Publications & Promotional Materials***

The CVB's creative services team produces a variety of publications and collateral materials. The advertising-based *Experience Scottsdale* destination guide is the fulfillment piece for leisure traveler inquiries. For the meetings and travel trade markets, the *Scottsdale Meeting & Travel Planners Guide* provides the same destination information, as well as detailed information to aid in site selection and program planning.

The CVB's inventory of high-quality promotional materials – including lure brochures, city/area maps, postcards, posters, a photo CD, videos and other materials – assist meeting planners, travel agents and tour operators with selling Scottsdale to their clients, and help the CVB stand out from the competition at trade shows.

### ***Online Marketing & Social Media***

To capture the attention of potential visitors and successfully lure them to Scottsdale, the CVB maintains a state-of-the-art website at [www.ExperienceScottsdale.com](http://www.ExperienceScottsdale.com) and [www.ScottsdaleCVB.com](http://www.ScottsdaleCVB.com). In addition, the CVB hosts a variety of other website addresses geared toward specific audiences.

Search engine optimization and marketing play a key role in attracting visitors at various stages of vacation travel planning, including destination selection, hotel booking and activity planning. The CVB strategically targets customers regionally and seasonally to guide visitors to the CVB website and blog for destination information.

As part of the CVB's online marketing strategy, we place ads on high-traffic, travel-oriented and consumer-interest websites. We also maintain a blog, Facebook fan page, Flickr photo stream, YouTube channel and Twitter account to further promote Scottsdale. These social media channels allow the CVB to offer the Scottsdale brand where potential visitors spend their time online, and allow for user feedback and visitor interaction.

In addition, the CVB uses online tools such as a mobile website, live chat, interactive maps and visitor guides, and downloadable coupons to provide greater access to destination information and maximize guest experiences before they even arrive in Scottsdale.

A robust partnership with Travelocity allows consumers to book vacation packages in Scottsdale on both the CVB website and through [Travelocity.com](http://Travelocity.com).

### ***Event Marketing***

The CVB supports the attraction, retention and marketing of special events throughout the city. Whether a motivator for travel or enhancement to visitors' experiences, events are a critical component to Scottsdale's product mix. The CVB incorporates events into its marketing campaign and also uses advertising, resource guides, the website calendar and e-mail blasts to reach visitors to encourage longer stays in Scottsdale.

The CVB will continue to work closely with city-contracted events, such as the Fiesta Bowl and P.F. Chang's Rock 'n' Roll Arizona Marathon, as well as leverage other highly attended and publicized events, such as the Waste Management Phoenix Open, Barrett-Jackson Collector Car Auction and spring training.

Aiding the CVB's event marketing efforts is the willingness of several event operators to provide the CVB with free ads in their programs, which are used to cross promote other Scottsdale events. The CVB also maintains a presence at several events via a booth with space typically donated by the respective events.

### ***Visitor Services***

The CVB takes great pride in serving both potential and current visitors. We operate a full-service visitor center at the Galleria Corporate Centre, provide the services of a visitor center concierge at Scottsdale Fashion Square, and staff the Downtown Group office in downtown Scottsdale on Saturdays seasonally. In addition, the CVB operates an in-house call center to answer visitor inquiries that are generated by CVB marketing programs.

These locations provide visitors with destination information, including brochures, itineraries, city/area maps, walking maps of the downtown area, and personal one-on-one help from visitor center concierges. In addition, the Galleria Corporate Centre location displays CVB member brochures and provides information via a visitor kiosk.

The CVB's visitor center concierges also regularly visit concierges at area hotels to ensure they are updated on Scottsdale events and activities and to provide free copies of CVB publications and other visitor materials. These one-on-one meetings also allow the CVB's concierge staff to remain informed about new amenities at area hotels.



# COMMUNICATIONS *Focus*

## MEDIA FAMILIARIZATION TOURS

The CVB is allocating more resources for individual media visits as these are the most cost-effective way to generate positive publicity about the destination. While the CVB will host several group media tours, the focus will be on individual visits as they cost the CVB less money, are easier for CVB members to provide assistance, and generally allow media to see more of the amenities that interest them. Individual media visits generally result from the CVB's media appointments conducted during trade shows, media missions and as a result of group press trip invitations.

## TARGET CITIES

A media relations program will be executed in the CVB's high performing feeder markets to complement the marketing department's regional efforts. In addition, public relations will be used to augment any nationwide deficits created by the CVB's more regionally focused ad buys.

## INTERNATIONAL EFFORTS

The CVB will keep a consistent, albeit minimal, presence through public relations contracts in Canada, Germany and the United Kingdom. Without funding for international advertising, publicity will continue to be the most important way to reach potential international travelers with Scottsdale's messaging. International communication efforts will include participation in one media mission to each of these markets as well as to Mexico, and attendance and/or representation at four international media trade shows.

## WRITERS' CONFERENCE

The CVB will host the 7<sup>th</sup> Annual Travel Classics West writers' conference, which continues to be an effective way for the CVB to connect with 50 writers/editors and showcase our members and the destination. While the conference is a business-to-business platform for freelance writers to pitch editors, and not specifically designed to generate Scottsdale publicity, past years' conferences have resulted in a tremendous amount of publicity as many of the attendees take advantage of pre- and post-conference tours throughout Scottsdale.

---

## OVERVIEW

The Scottsdale Convention & Visitors Bureau's communications department, which encompasses public relations and corporate communications, garners positive publicity on Scottsdale as a premier travel and meetings destination in key markets while promoting the amenities of the CVB's members.

Through the voices of credible journalists, the CVB is able to increase awareness for Scottsdale, position it as a premier destination, and ultimately increase demand. In markets where advertising dollars are scarce or nonexistent, communications

programs are the most important tactic used to generate consumer awareness for Scottsdale.

The department also works to build credibility for Scottsdale's tourism industry within the community.

#### TARGET AUDIENCES

Print, broadcast and online publicity are the primary outlets for spreading Scottsdale's messages. Targeted, positive media exposure frequently generates consumer interest.

#### GEOGRAPHIC TARGET MARKETS

**Domestic:** Chicago, Denver, Los Angeles, Minneapolis, New York, Phoenix, San Francisco

**International:** Canada, Germany, Mexico, United Kingdom

**Target Markets:** The CVB's communications programs will be focused in the aforementioned markets, which are key to reaching potential visitors and important media outlets.

#### PROGRAMS

Some communications programs are open for CVB member participation. For specific opportunities, refer to the online Media & Sales Schedule.

##### *Media Missions & Trade Shows*

The CVB conducts media missions targeting members of the press in key cities. These missions include one-on-one editorial meetings, receptions and other special events that allow the CVB to target media with strategic messages and build relationships with key journalists.

When possible, the CVB also attends travel trade shows to establish and further develop media relationships as well as share story ideas and new developments.

##### *Media Familiarization Tours*

When journalists write about Scottsdale, we encourage them to visit the city to gain the first-hand experience necessary to make their stories stand out. Media who visit typically produce better coverage and write more often about the destination than those who do not experience Scottsdale for themselves. The communications team facilitates media visits by offering support that ranges from providing story ideas to coordinating hour-by-hour itineraries of the Scottsdale experience with the support of our members, who provide accommodations, meals, activities and more.

Media familiarization tours (FAMs) are conducted on either an individual or a group basis. Many journalists prefer individual tours because it allows them flexibility with their schedule, and the CVB is able to develop the itinerary around the specific interests and needs of that journalist. Group media FAMs are produced around the CVB's key drivers or current marketplace trends. These tours are particularly popular with international journalists.

In addition, the CVB hosts an annual national travel writer conference, Travel Classics West, which provides Scottsdale with an additional way to introduce top editors and freelance writers to the destination.

#### *Media Resources*

The CVB offers a variety of resources to keep media up-to-date on the latest tourism offerings of Scottsdale and the CVB's programs. These resources provide story ideas, enhance editorial, and help the CVB to build relationships with journalists.

- **Press Kits:** The CVB's press kits are used for general media fulfillment and are distributed at trade shows, on media missions and to visiting media. The CVB also has niche press kits specifically for culinary and golf media. Press kits are available online and on flash drives; some materials are available in other languages.
- **Press Releases:** Media are targeted with news and feature releases throughout the year. Releases often incorporate information on events and the newest tourism offerings submitted by CVB members.
- **Customized Pitches:** Customized pitches to targeted media allow the CVB to shape the message and secure thorough, high-value coverage. Many prestigious travel publications are leery of mass-distributed press releases and are reluctant to cover angles that have been covered by other outlets.
- **Destination Images:** The CVB offers video footage of Scottsdale, as well as downloadable images and photo CDs so that Scottsdale images can accompany editorial.
- **Scottsdale Travel News:** This monthly e-newsletter updates more than 4,000 domestic and international media on what's new in Scottsdale. Quarterly versions are distributed to niche media segments for golf, culinary, arts and culture, and meetings; while international versions are sent in Spanish, French and German an average of three times a year.
- **Scottsdale Sun News:** This printed newsletter, which is sent in March and September, provides destination information for travel agents, tour operators, meeting and incentive planners, and the media that cover these markets.

#### *International Representation*

The CVB contracts with public relations representatives in Canada, the United Kingdom and Germany. Our representatives respond to requests from the media for information about Scottsdale, distribute press materials, translate materials for CVB media missions and trade shows, pitch media, and coordinate media visits to Scottsdale as well as Scottsdale-specific media missions in their markets.

### ***Member Communications & Programs***

The communications department has several programs in place to better educate our members on what's happening at the CVB and how they can maximize their membership with us.

- ***Tourism Industry Update:*** This weekly e-newsletter sent to members and industry partners provides up-to-date information on CVB programs, city and state news, tourism industry trends, and competitive destinations.
- ***Membership Minute:*** This members-only blog allows for two-way communications with members and includes podcasts and videos.
- ***Member Dialogues:*** These one-hour sessions are geared specifically to a niche membership group who are invited to meet with the CVB staff to voice their opinions, share ideas and concerns, and hear directly from the CVB regarding how we are helping to market their particular area.
- ***Quarterly Update Meetings:*** These quarterly meetings help members better understand what the CVB has been working on during the past quarter as well as what is coming up, including marketing, events, research, member events and more. The meetings also provide the opportunity to network with other members, CVB staff and city council members.
- ***Member Seminars:*** Seminars are offered throughout the year to help members better promote their business.

### ***Tourism Awareness Campaign***

The communications team spreads the message that tourism creates jobs, lowers taxes, helps pay for municipal services and improves the quality of life for Scottsdale residents.

The CVB produces editorial features for local publications, which are distributed to Scottsdale-area residents. These feature sections in the *Scottsdale Republic*, *Scottsdale Airpark News* and *Independent* help the CVB communicate the positive impact of Scottsdale's tourism industry and engage locals in using the CVB as a resource when planning experiences for visiting friends and family.

In addition, the CVB works with the board of directors to arm them with the tools to educate the public on the benefits of the tourism industry.



# CONVENTION *Focus*

## NEW BUSINESS

The CVB will continue to focus on finding new business for Scottsdale and helping planners see the possibilities of hosting their next meeting in our destination. In order to uncover new business and qualified leads, the CVB will dig deeper into its markets, including second- and third-tier cities.

## THIRD-PARTY PENETRATION

As companies reduce their in-house meeting planning staffs, the market for third-party planners is growing. As an emerging market, and due to their greater interest in working with CVBs, third-party planners are an increasingly important customer for the CVB sales team. Through relationships with Conference Direct, Experient and HelmsBriscoe, the CVB will attend events in 16 cities to connect with and educate more than 1,000 agents. Additional efforts to connect with this market will include hosting two familiarization tours for third-party planners, partnering with the RFP-distribution system Cvent, attending two third-party planner trade shows, and hosting more planners on site visits.

## NICHE MARKETS

SMERF and sports markets, especially youth sports, continue to book business even in a down economy. Therefore, the CVB will attend SMERF trade shows and meet with niche meeting planners to make sure Scottsdale is top of mind and to capture new opportunities for our destination.

## INCREASED SALES CALLS

In order to make the most of our resources, the CVB's convention sales team will increase sales calls (from 13 missions last year to 18 this year) to correspond with the CVB's marketing in key cities, including Chicago, Denver, Los Angeles, Minneapolis, New York, San Francisco and Canada. In addition, the CVB will target second-tier cities where we've seen an increased interest in bringing business to Scottsdale.

## REGIONAL TRADE SHOW PRESENCE

The CVB will continue to attend key industry trade shows – such as MPI, IncentiveWorks, Holiday Showcase, GWSAE, Affordable Meetings and ASAE – in order to provide exposure for Scottsdale. However, the CVB also will supplement its trade show calendar this year with smaller, regional trade shows that provide one-on-one appointments and more interaction with attendees. Trade shows – such as the Meetings Industry Council of Colorado, Washington State Cascadia Conference, and the Southeast Educational Conference in Florida – were chosen based upon feedback from CVB members and planners.

---

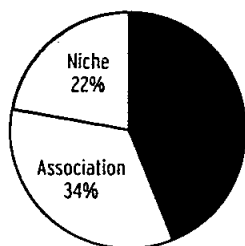
## OVERVIEW

The Scottsdale Convention & Visitors Bureau's convention sales and services department educates meeting professionals about the amenities that differentiate Scottsdale from its competition. In addition to providing destination education, the CVB's convention sales and services experts assist planners in securing space and services for their programs while staying within their budgets and short-planning windows.

## TARGET AUDIENCES

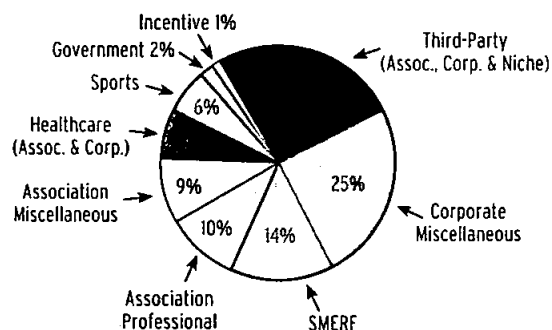
The CVB's sales programs are targeted toward corporate and association meeting planners as well as to niche markets. In Scottsdale, 60 percent of all resort and full-service hotel business results from meetings-related travel.

## 2009-10 SCOTTSDALE CVB BOOKINGS



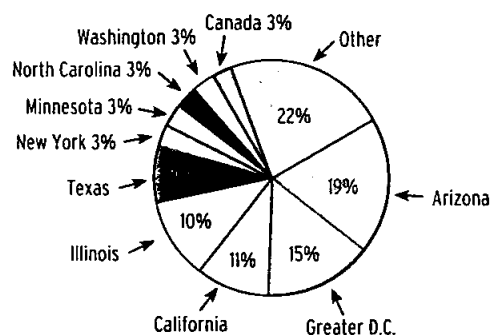
**Corporate Culture:** The corporate sector comprises the largest number of meetings booked by the Scottsdale CVB.

## 2009-10 SCOTTSDALE CVB BOOKINGS BY MARKET



**In the Market:** Third-party meetings are the most likely segment to be booked by the Scottsdale CVB, followed closely by corporate meetings.

## 2009-10 SCOTTSDALE CVB BOOKINGS BY STATE



**Location, Location, Location:** The majority of meetings booked by the Scottsdale CVB come from Arizona, Greater D.C. (which includes Delaware, Maryland, Virginia and Washington D.C.), California and Illinois.

According to Metropoll XIII data, which compares 40 major meetings destinations in the United States and Canada:

- Scottsdale ranked 9<sup>th</sup> with corporate meeting planners who have held a meeting of 300 delegates or more in Scottsdale within the past three years. These same planners ranked Scottsdale 11<sup>th</sup> with regard to their intention to hold meetings in the destination in the next three years.
- When association meeting planners were asked the same questions, Scottsdale was ranked 18<sup>th</sup> for past meetings and 14<sup>th</sup> for intention to hold future meetings.
- Overall, the study found that meeting planners were planning fewer meetings along with less spending. In fact, 73 percent plan to negotiate more concessions and discounts, and 66 percent are shopping price and value. Another 7 percent also said they will continue to avoid resort and warm weather destinations because of the "AIG effect."
- User reviews are becoming more important to planners during their site selection process with 41 percent using hotel rating/user review sites, followed by 38 percent who use meeting facility and/or destination websites. Only 14 percent of planners use social networking sites.
- Planners consider the following "very important" in selecting meeting sites: food and lodging costs (89 percent), good value for money (83 percent), and travel costs to location (78 percent).

### Corporate Meetings

The majority of meetings booked in Scottsdale are from the corporate sector, including financial, manufacturing, healthcare, insurance, high-tech, incentive and more.

### Association Meetings

Association meetings include major conventions, as well as board meetings, training/educational seminars, professional/technical meetings, and regional/local chapter meetings. As attendance at these types of events continues to decline, Scottsdale is able to host more of these meetings.

### Niche Meetings

Niche markets include sports and the SMERF market, which includes social, military, educational, religious and fraternal meetings. These groups often are looking for value when selecting a meetings destination. Therefore, the CVB focuses its attention on these groups during the shoulder and summer seasons. Many SMERF planners also plan family trips around meetings adding to the economic impact of the booking.



## PROGRAMS

Many convention sales and services programs are open for CVB member participation. For specific opportunities, refer to the online Media & Sales Schedule.

### *Generating Leads*

The CVB matches meeting planners' requests for accommodations, meeting space, destination management services, off-property venues, and other types of services with Scottsdale hotels, resorts and other CVB member businesses that can fulfill their needs.

The CVB customizes all requests and does not produce a convention calendar. This not only protects the privacy of our clients, but also ensures that only those companies that fit their needs will be in contact with them. The CVB works closely with both clients and members to ensure a great match between the needs and wants of a client and the products and services of our members.

### *Trade Shows & Sales Calls*

Trade shows and sales calls provide outstanding opportunities to meet customers face-to-face. The convention sales department travels to trade shows each year that specifically market to our target audiences. A majority of the trade shows generate immediate leads for CVB members.

Often in conjunction with a trade show, the CVB will conduct sales calls. Members frequently are able to partner with the CVB for these trade shows and sales missions, increasing Scottsdale's presence in a market. The CVB will travel to key markets to meet with top clients, while focusing on new customer opportunities in emerging markets.

### *Familiarization Tours*

To give meeting planners a first-hand experience of Scottsdale, the CVB conducts meeting planner familiarization tours (FAMs) each year. In addition to two larger FAMs, the CVB hosts smaller niche FAMs centered on Scottsdale's special events. For each FAM, a select group of highly qualified meeting planners is brought to Scottsdale to experience all the city has to offer. These FAMs provide an opportunity for members to showcase their properties and services to potential clients who are actively considering Scottsdale for future programs. The goal of these events is to increase the planners' overall knowledge of the destination and generate leads and bookings for CVB members. In addition to FAMs, smaller and more customized site inspections are coordinated throughout the year for qualified meeting planners.

### *Client Outreach*

Clients are strategically contacted during the course of the year via direct mail, phone calls and e-mails. Quarterly e-mail blasts are sent to customers with information about hotel rates, new amenities and products in Scottsdale, and other specific planner interests within the destination. E-mail and direct mail are used before every trade show to generate awareness, drive traffic to the Scottsdale booth and keep Scottsdale top-of-mind.

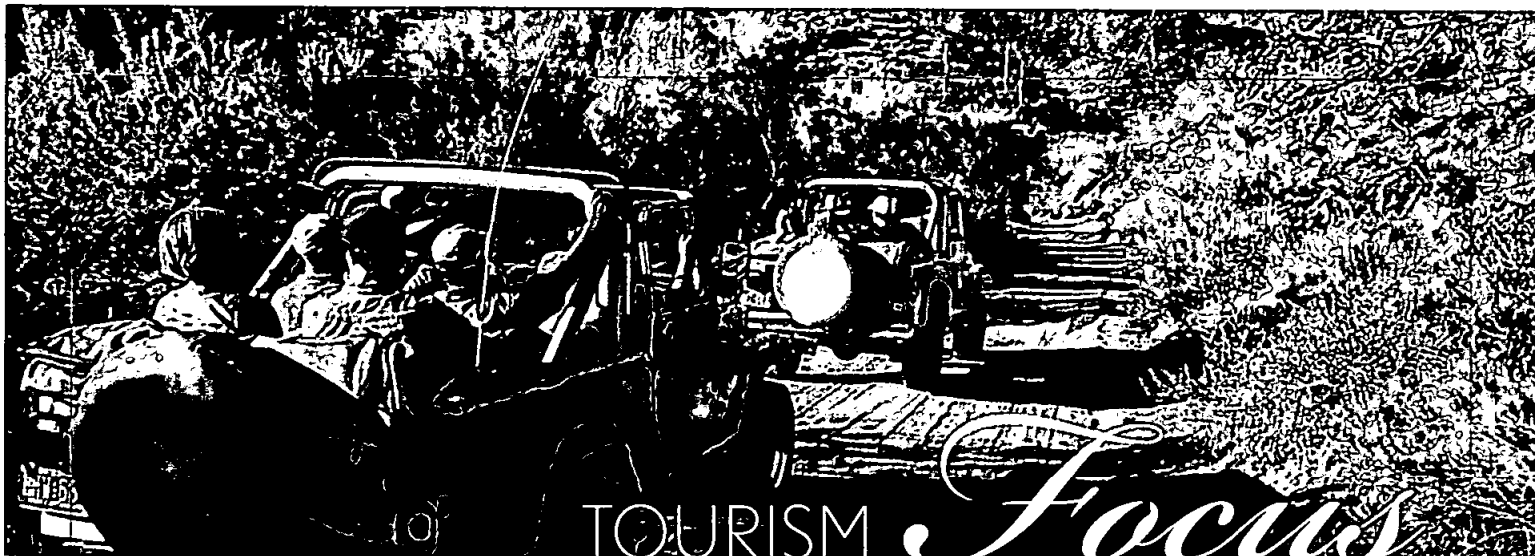
### *Advertising & Public Relations*

The CVB also reaches meeting planners through advertising in predominant trade publications, through e-mail blasts and in online RFP tools such as Cvent. In addition, the convention sales and communications teams work together to keep Scottsdale top-of-mind with media from key meetings publications.

### *Convention Services*

Convention services provides a link between meeting planners and CVB members before and after contracts are signed with Valley hotels and resorts. By efficiently matching the planners' requests for destination management services, off-property venues, speakers, wholesale gifts and other types of services with CVB member businesses, the CVB streamlines the planning process and makes the planner's job easier.

Convention services also provides meeting planners with collateral materials to help boost attendance. Unlike many other tourism bureaus that charge for materials, the Scottsdale CVB makes these items available to clients free of charge. Materials include images of Scottsdale, brochures, posters, videos, postcards, destination guides and welcome letters.



### TRADE SHOWS

In an effort to increase Scottsdale's market share, the CVB will reinstate several trade shows that the CVB was unable to attend last year, including ITB (for international tour operators and travel agents), IMEX (for international meetings and incentive business), and NTA Spring Meet (for owners of domestic tour operators). These additional sales efforts will provide more face-to-face contact with prospective and existing customers and increase lead production to CVB members.

### INTERNATIONAL EFFORTS

The CVB will continue to work with trade representatives in Germany and the United Kingdom to maintain Scottsdale's brand differentiation and exposure as an individual long-haul travel destination apart from Phoenix. The CVB will seek new partnerships in an effort to reduce overall costs associated with these efforts while still maintaining our presence in our top European markets.

### PRODUCT TRAINING

Product training seminars for travel industry clientele and reservation agents who sell Scottsdale hotels and activities have proved to be valuable tools for increasing room-night production to the area and have resulted in accelerated booking activity in markets where training is partnered with consumer advertising. Therefore, the CVB is increasing the number of product training programs.

### TRADE COOPERATIVE MARKETING

To increase Scottsdale's exposure in both domestic and international markets, the CVB partners with travel trade clientele to execute trade cooperative marketing campaigns. In order to maintain success with these partnerships, the CVB will seek out smaller programs with more narrow circulation and value-added benefits in an effort to reach new customers in both domestic and international market segments.

---

### OVERVIEW

The Scottsdale Convention & Visitors Bureau's tourism department works closely with travel agents, receptive operators and tour operators to provide extensive guidance on ways they can best capture the Scottsdale experience for their clients. Since more than half of Scottsdale's hotels have little to no meeting space, they rely predominantly on business from the leisure traveler. Through sales efforts, the CVB ensures that Scottsdale and the destination's brand stands out as a unique product in tour operator product inventories throughout the world.

The department also is responsible for promoting Scottsdale to international meeting and incentive groups.

### TARGET AUDIENCES

The CVB's tourism sales programs are targeted to receptive operators, tour operators and travel agents in the following markets: United States, Canada, Mexico and Europe (especially the United Kingdom and Germany).

In 2008, 37.4 million domestic and international visitors to Arizona spent \$18.5 billion. Leisure travel, including both groups and individual travelers, accounts for approximately 80 percent of the inbound visitation to Arizona year-round. The domestic market represents the greatest percentage of leisure visits to Arizona (*Source: Arizona Office of Tourism Research Roundup, 2009*).

As a result of Scottsdale's positioning in both domestic and international market segments, the city enjoys increased exposure in tour operator catalogues and in-store travel agent promotions, making Scottsdale more visible to the consumer who is shopping for their next vacation destination.

#### **United States**

- Overnight visitation to Arizona: 32.4 million in 2008
- Top 10 revenue-producing markets for domestic overnight visitors to Scottsdale: Boston, Chicago, Dallas, Denver, Los Angeles, New York, Philadelphia, San Francisco, Seattle and Washington D.C.
- Average age: 57 years old
- Average household income: \$101,600
- Average length of stay: 5.5 nights
- Average daily expenditures: \$391 per person
- Favorite activities: shopping, day trips, visiting art galleries and museums, and Native American arts and culture

(Sources: Arizona Office of Tourism, City of Scottsdale)

#### **Mexico**

- Second highest source of international visitors to the United States
- Average length of stay: 7 nights
- Average daily expenditures: \$150 per person
- Peak travel times: the week of Easter, the summer months of July and August, and the Christmas holidays – as most of the schools in the country are closed
- Favorite activities: shopping (84 percent), dining in restaurants (67 percent) and visiting historical places (28 percent)

(Source: Arizona Office of Tourism)

#### **Canada**

- Arizona's top-grossing international market by overall expenditures
- Overnight visitation to Arizona: 517,000 in 2008
- Population: Majority of the population is over 40 years old
- Peak travel times: Because more of the Canadian workforce is self-employed and on contract, they are not forced to take vacation only during Christmas break, March break or summer; many of Canada's residents look to the United States for a quick escape many times throughout the year
- Number of trips: Canadians who visit Arizona do so three or four times a year

(Source: Arizona Office of Tourism)

#### **Europe**

- Key reasons to develop markets in Europe: high expenditures and the fact that many travelers from Europe visit Scottsdale during the summer months
- Scottsdale's key target markets in Europe: United Kingdom, Germany and France
- United Kingdom is Arizona's number one overseas market
  - Overnight visitation to Arizona: 116,900 visitors in 2007
  - Favorite reasons to visit: Arizona's wide open spaces and natural attractions
- German travelers rank the United States as the sixth most popular destination to visit
  - Repeat travelers: about 66 percent of German visitors to the United States
  - Top point of entry: Los Angeles
  - Favorite activities: dining in restaurants, shopping, and visiting national parks

(Source: Arizona Office of Tourism)

#### **PROGRAMS**

Many tourism programs are open for CVB member participation. For specific opportunities, refer to the online Media & Sales Schedule.

#### **Generating Leads**

The tourism department generates hotel and non-hotel leads for CVB members. Once a tour operator has established a relationship with a Scottsdale hotel, the tourism team introduces new itinerary ideas. These ideas assist the operator in offering customers the best possible experience and hopefully increase the number of nights their customers spend in Scottsdale.

#### **Trade Shows & Sales Missions**

The tourism department attends lead-producing trade shows and conducts sales missions in key markets, both domestically and abroad, and capitalizes on the location of the missions by hosting travel agent receptions and scheduling educational seminars. Sales calls provide an opportunity to cultivate relationships with new clients and meet regularly with long-term clients in an effort to ensure that their needs are being met.

During one-on-one client meetings, the CVB reviews travel catalogues to ensure that Scottsdale hotels and resorts are properly featured within a Scottsdale-branded section, as well as the destination being prominently featured in the catalogue and possibly even highlighted on the cover. The circulation of

tour operator catalogues indicates Scottsdale's widespread presence among the travel trade in Canada, Europe, Latin America and the United States.

The CVB also participates in sales activities for the international meetings and incentive market, which has great growth potential due to relatively healthier economies, particularly in Europe.

#### ***Familiarization Tours & Site Inspections***

The CVB coordinates with airlines, tour operators, travel agents and the Arizona Office of Tourism to host familiarization tours (FAMs) each year for travel professionals to increase their overall knowledge of the destination by experiencing it first hand. These FAMs and site inspections provide an opportunity for members to showcase their properties and services to travel professionals who are actively seeking new product to sell.

#### ***Product Training Seminars***

The CVB conducts in-person and online product training sessions for travel industry clientele and reservation agents who sell Scottsdale hotels and activities. These seminars have proved to be valuable tools for increasing room-night production to the area. The more information each agent absorbs, the easier the destination is to sell to the leisure traveler, which results in increased bookings.

#### ***Relationship Marketing***

Tourism clients are contacted during the course of the year via direct mail and e-mail. These communications are sent on a quarterly basis as well as before some trade shows to drive traffic to the Scottsdale booth and keep the destination top-of-mind.

#### ***Marketing, Advertising & Public Relations***

Since the budget for international advertising is limited, the CVB partners with international tour operators to create trade cooperative marketing campaigns in their respective countries. Due to the success of these campaigns internationally, the CVB also creates trade cooperative advertising opportunities with domestic tour operators in an effort to drive more travelers to purchase Scottsdale vacation packages. These promotions are usually organized around seasonal discounted travel packages or a contest to win a vacation to Scottsdale. The CVB matches the nominal cost incurred by the tour operator to execute the promotion and in turn receives exposure in every medium of the promotion (i.e. print ads, direct mail, in-store billboards, etc.).

To further extend our limited advertising dollars in international markets, the CVB has cultivated affinity marketing

partnerships with companies outside the tourism industry who share a similar target audience. These layered campaigns often include in-store promotions, magazine ads and editorial, direct mail, e-mail blasts and catalogues. The cooperative efforts benefit the CVB and the partnering company, as well as travel agents who sell Scottsdale products as they are often included as a call-to-action for those interested in booking a vacation. Lastly, collected consumer information allows the CVB to provide additional information to potential visitors.

The tourism department also relies on public relations programs with consumer and travel trade media to gain exposure in both new and developed markets.

#### ***International Representation***

The CVB works with trade representatives in the United Kingdom, Germany, Canada and Mexico. Our representatives respond to requests from the travel industry for information about Scottsdale, coordinate trade show participation, generate sales leads and conduct educational seminars and sales missions in an effort to promote tourism to Scottsdale.

#### ***Services***

The tourism department fulfills service requests from clients that are looking for information about Scottsdale. The requests are usually for promotional items such as travel planners guides, destination guides, maps, images and videos, and itinerary information. By fulfilling these requests, the CVB is able to reach a wide audience of prospective travelers and educate them on what our destination has to offer. This service assists clients in selling Scottsdale product and creates unique marketing tools that they could otherwise not afford to distribute. Many travel professionals include Scottsdale promotional pieces with itineraries for clients who have purchased a Scottsdale vacation.

# 2010-11 Media & Sales Schedule

*Current as of June 7, 2010*

*This schedule will be updated by July 1 once all 2010-11 funding sources are confirmed.*

*In addition, this schedule is updated quarterly as new opportunities arise.*

The 2010-11 Media & Sales Schedule is designed to help you strategically plan your marketing, media and sales efforts. We encourage you to maximize your programs by partnering in the Scottsdale Convention & Visitors Bureau's cooperative opportunities.

By participating in a cooperative advertising buy with the CVB, you will receive discounted ad rates, can take advantage of additional advertorial space and merchandising, and will help increase the reach of the Scottsdale message.

Hosting clients for site inspections and familiarization tours, as well as joining the CVB for trade shows and sales mission, will provide your business with exposure and increased opportunities for sales.

|   |
|---|
| M = Marketing<br>C = Communications<br>S = Convention Sales<br>T = Tourism<br><b>Bold = Cooperative Opportunity</b> |
|---|

## July 2010

M CVB Quarterly Leisure Visitor E-mail  
M **Scottsdale Republic**  
M Google Pay-Per-Click  
CT Arizona Governor's Conference on Tourism (Tucson), 7/12-14  
S MPI World Education Conference (Vancouver), 7/23-26  
S Denver Sales Mission & HelmsBriscoe/ConferenceDirect Event

## August 2010

M CVB Quarterly Meetings E-mail  
M CVB Quarterly Travel Trade E-mail  
M **Scottsdale Republic**  
M Google Pay-Per-Click  
M *Meeting Mentor*  
S ASAE (Los Angeles), 8/14-17  
S Incentive Works Trade Show (Toronto), 8/17-18  
S Southeast Educational Conference (Florida), 8/20-21  
S Seattle Sales Mission & HelmsBriscoe/ConferenceDirect Event  
T **Eastern Canada Sales Mission (Montreal & Toronto)**  
T Los Angeles Receptive & Japanese Sales Mission

## September 2010

M **Food & Wine (Regional)**  
M Google Pay-Per-Click (Crave & Fashion Week)  
M **Ignite (Canada)**  
M **Scottsdale Republic**  
M *Architectural Digest (Regional)*  
M E-miles.com  
M *Executive Traveler*

M Expedia.com  
 M Facebook.com  
 M Federated Media  
 M *Globe & Mail* (Canada)  
 M Here Media (GLBT)  
 M *Saveur*  
 M Sojern.com  
 M Travelocity.com  
 C **New York Media Event (AOT) & Scottsdale Media Mission**  
 C,S **Explore the American Southwest Meetings FAM**  
 S HSMIA Affordable Meetings National (Washington D.C.), 9/8-9  
 S M&C Buyer Event, 9/12-15  
 S ITME Spa Event, 9/28  
 S Kansas City Sales Calls & HelmsBriscoe/ConferenceDirect Event  
 S New York Sales Calls & HelmsBriscoe/ConferenceDirect Event  
 S Washington D.C. Client Event  
 T **United Kingdom Sales Mission (London, Chester, Manchester), 9/20-24**  
 T **San Francisco Travel Agent Sales Calls & Event**  
 T MLT University (Minneapolis), 9/12-14

## October 2010

M CVB Quarterly Leisure Visitor E-mail  
 M *Departures*  
 M *Globe & Mail* (Canada)  
 M Google Pay-Per-Click (Crave & Fashion Week)  
 M *Scottsdale Republic*  
 M *Travel + Leisure* (Regional)  
 M Travel Direct Meeting Planner E-mail  
 M *US Airways*  
 M *Executive Traveler*  
 M *M&C / Meeting News*  
 M *National Geographic Traveler*  
 C **San Francisco Media Mission & Event, 10/2-4**  
 C **Travel Classics West Writers' Conference, 10/28-31**  
 C **Denver Media Mission & Event**  
 C Discover America Canadian Media Marketplace (Toronto)  
 S ITME (Chicago), 10/12-15  
 T **Showcase Arizona (Hermosillo)**  
 T **New York Travel Agent Sales Calls & Event, 10/3-8**  
 T **Chicago Travel Agent Sales Calls & Event, 10/25-28**

## November 2010

M *Architectural Digest* (Regional)  
 M *Chicago Magazine*  
 M CVB Quarterly Meetings E-mail  
 M CVB Quarterly Travel Trade E-mail  
 M *Experience Scottsdale Destination Guide*  
 M *Globe & Mail* (Canada)  
 M *Golf Digest / Golf World*  
 M *Golf Magazine*  
 M *Ignite* (Canada)  
 M *Minneapolis St. Paul Magazine*  
 M *MPI One+*  
 M *New York Times Travel Magazine*  
 M *Scottsdale Republic*

**M** **Southwest Spirit Magazine**  
**M** **Travel Direct Meeting Planner E-mail**  
**M** **Event Splash Page (Rock 'n' Roll Marathon)**  
**M** *5280 Magazine (Denver)*  
**M** *CMG Canada*  
**M** *Denver Life*  
**M** *Executive Traveler*  
**M** *Google Pay-Per-Click*  
**M** *Links*  
**M** *Meeting Mentor*  
**M** *More (Regional)*  
**M** *Score Golf*  
**C** **Canada Media Mission & Event (Toronto)**  
**S** *FICP (Miami), 11/17-20*  
**S** *Boston Sales Calls & HelmsBriscoe/ConferenceDirect Event*  
**S** *Cleveland Sales Calls & HelmsBriscoe/ConferenceDirect Event*  
**S** *Dallas Sales Calls & HelmsBriscoe/ConferenceDirect Event*  
**S** *Northern California Sales Mission & HelmsBriscoe/ConferenceDirect Event*  
**T** **Western Canada Sales Mission (Vancouver & Edmonton), 11/29-12/3**  
**T** **EIBTM Trade Show (Barcelona), 11/30-12/2**  
**T** *World Travel Market (London), 11/8-11*  
**T** *NTA Trade Show (Montreal), 11/13-17*

## **December 2010**

**M** *Arizona Highways Magazine*  
**M** **Event Splash Page (Rock 'n' Roll Marathon, Fiesta Bowl, Barrett-Jackson Collector Car Auction, Warm Weather)**  
**M** *Google Pay-Per-Click (Waste Management Phoenix Open)*  
**M** *Los Angeles Magazine*  
**M** *Scottsdale Republic*  
**M** **Travel Direct Meeting Planner E-mail**  
**M** *Native Peoples*  
**C** *Scottsdale Media Golf Classic*  
**S** *Holiday Showcase (Chicago), 12/14*  
**S** *Local Client Event*  
**S** *MACE (Washington D.C.)*  
**S** *Toronto & Vancouver Sales Calls & HelmsBriscoe/ConferenceDirect Event*  
**S** *Washington D.C. Sales Mission & HelmsBriscoe/ConferenceDirect Event*  
**T** **US Airways Call Center Product Training (Tempe), 12/14**

## **January 2011**

**M** *5280 Magazine (Denver)*  
**M** *American Art Collector*  
**M** *Chicago Magazine*  
**M** *CVB Quarterly Leisure Visitor E-mail*  
**M** *Denver Life*  
**M** *Departures*  
**M** **Event Splash Page (Rock 'n' Roll Marathon, Fiesta Bowl, Barrett-Jackson Collector Car Auction, Spring Training, Warm Weather)**  
**M** *Food & Wine (Regional)*  
**M** *Golf Digest*  
**M** *Google Pay-Per-Click (Waste Management Phoenix Open & Valentine's Day)*  
**M** *Los Angeles/Bay Area Newspaper Group (Los Angeles & San Francisco)*  
**M** *M&C*  
**M** *Marketing Efforts in Chicago (Cable, Digital Outdoor, Traffic Mentions)*

M Marketing Efforts in New York (Cable, Outdoor)  
 M *Minneapolis St. Paul Magazine*  
 M *Minneapolis Star Tribune*  
 M *MPI One+*  
 M *Scottsdale Republic*  
 M SkyWord Media (Vancouver & Toronto)  
 M *Southwest Spirit Magazine*  
 M *Travel + Leisure* (Regional)  
 M Travel Direct Meeting Planner E-mail  
 M *US Airways*  
 M *Globe & Mail* (Canada)  
 M Marketing Efforts in Minneapolis (Outdoor, NPR Sponsorship)  
 M *More* (Regional)  
 M *National Geographic Traveler*  
 M *Native Peoples*  
 M *New York Times Travel Magazine*  
 M *Saveur*  
 M *True West*  
 C Waste Management Phoenix Open Media FAM, 1/31-2/6  
 S Fiesta Bowl Meetings FAM  
 S HelmsBriscoe ABC (Washington D.C.), 1/6-7  
 S PCMA (Las Vegas), 1/9-12  
 T Denver Travel Agent Sales Calls & Event, 1/10-13  
 T San Francisco Travel Agent Sales Calls & Event, 1/24-27

## February 2011

M *American Art Collector*  
 M *Arizona Highways Magazine*  
 M *Chicago Magazine*  
 M CVB Quarterly Meetings E-mail  
 M CVB Quarterly Travel Trade E-mail  
 M Event Splash Page (Spring Training, Warm Weather)  
 M Google Pay-Per-Click (Valentine's Day)  
 M *Ignite* (Canada)  
 M Los Angeles/Bay Area Newspaper Group (Los Angeles & San Francisco)  
 M Marketing Efforts in Chicago (Cable, Digital Outdoor)  
 M Marketing Efforts in New York (Cable, Outdoor)  
 M *Minneapolis St. Paul Magazine*  
 M *Minneapolis Star Tribune*  
 M *Scottsdale Republic*  
 M SkyWord Media (Vancouver & Toronto)  
 M Travel Direct Meeting Planner E-mail  
 M *US Airways*  
 M *5280 Magazine* (Denver)  
 M AOT Official State Visitor's Guide  
 M *Denver Life*  
 M *Los Angeles Magazine*  
 M Marketing Efforts in Minneapolis (Outdoor)  
 M *MPI One+ E-newsletter*  
 M *Native Peoples*  
 M *New York Times Travel Magazine*  
 M *San Francisco Chronicle*  
 C Travel Media Association of Canada  
 S Destination Showcase (Washington D.C.)  
 S Minneapolis Sales Mission & HelmsBriscoe/ConferenceDirect Event



S Philadelphia Sales Calls & HelmsBriscoe/ConferenceDirect Event  
 S Southern California Sales Mission & HelmsBriscoe/ConferenceDirect Event  
 S Washington D.C. Client Event  
 T Go West Summit (Boise), 2/7-10

## March 2011

M *American Art Collector*  
 M *Arizona Highways Magazine*  
 M Event Splash Page (Spring Training)  
 M Google Pay-Per-Click (Culinary Festival)  
 M *Minneapolis St. Paul Magazine*  
 M *Scottsdale Republic*  
 M *5280 Magazine* (Denver)  
 M *Executive Traveler*  
 M *Los Angeles Magazine*  
 M *Meeting Mentor*  
 M *National Geographic Traveler*  
 M *Saveur*  
 C,T **Arizona Road Show (AOT, Mexico City & Guadalajara)**  
 C **Southern California Media Mission**  
 C ITB Trade Show (Berlin), 3/9-13  
 S **Spring Training Third-Party Meetings FAM**  
 S FICP Forum  
 S Meetings Industry Council of Colorado Trade Show  
 S Washington State MPI Cascadia Conference  
 T ITB Trade Show (Berlin), 3/11-15

## April 2011

M CVB Quarterly Leisure Visitor E-mail  
 M *MPI One+*  
 M *Scottsdale Republic*  
 M Travel Direct Meeting Planner E-mail  
 M Google Pay-Per-Click  
 M *The Grove* (Los Angeles)  
 C **Distinctively Scottsdale Media FAM, 4/11-14**  
 S **Local Meetings FAM**  
 S GWSAE (Washington D.C.), 4/28  
 S Atlanta Sales Mission & HelmsBriscoe/ConferenceDirect Event  
 S New York Sales Mission  
 T **Southern California Travel Agent Sales Calls & Event**  
 T New York Receptive Sales Calls  
 T NTA Spring Meet

## May 2011

M CVB Quarterly Meetings E-mail  
 M CVB Quarterly Travel Trade E-mail  
 M *Scottsdale Republic*  
 M *The Arizona Republic*  
 M Google Pay-Per-Click  
 M *MPI One+ E-newsletter*  
 C **Family Fun Media FAM**  
 C,S **Sunsational Meetings FAM**  
 C,T **Pow Wow Trade Show (San Francisco), 5/21-25**  
 S GWSAE Springtime (Washington D.C.), 5/27  
 S Houston Sales Calls & HelmsBriscoe/ConferenceDirect Event

S MPI Orange County Annual Educational Conference  
T IMEX, 5/25-26  
T US Airways Call Center Product Training (Tempe)

## June 2011

M *Scottsdale Republic*  
M *The Arizona Republic*  
M Google Pay-Per-Click  
M *Meeting Mentor*  
S HSMAI Affordable Meetings West (Long Beach), 6/15-16  
S Charlotte/Raleigh Sales Mission & HelmsBriscoe/ConferenceDirect Event  
S Chicago Sales Mission & Client Event  
S Washington D.C. Sales Mission  
T **German Sales Mission (Frankfurt), 6/13-17**  
T ARLAG Trade Show Brochure Distribution



## **Scottsdale CVB's 2010-11 Program of Work for the Town of Paradise Valley**

### **Paradise Valley-Scottsdale CVB Overview**

We at the Scottsdale Convention & Visitors Bureau are proud to have served as the destination marketing organization for the Town of Paradise Valley since 1987. For more than two decades, the CVB has conducted sales, marketing and communications programs that have generated million of dollars in group and leisure business for Paradise Valley resorts.

The enclosed 2010-11 program of work is designed to provide the Town of Paradise Valley with the best possible return on its bed-tax investment in the Scottsdale CVB via the CVB's implementation of strategies and tactics that generate incremental business for the Town's resorts.

It's vital to note that the CVB is able to provide an outstanding return on the Town's investment because the CVB combines annual investments from numerous public and private sources to devise a comprehensive program of work.

The Town invested \$600,000 in the Scottsdale CVB in 2009-10. The CVB combined that investment with its other funding to produce an \$8 million program of work in 2009-10. Paradise Valley resorts benefited from this entire program.

The Scottsdale CVB has a full-time staff of more than 30 professionals, who market, sell and promote Scottsdale and Paradise Valley to targeted customers throughout the world. These efforts lead to a far stronger return on investment for the Town than it could achieve by investing its bed tax into standalone advertising or sales programs.

### **2010-2011 Paradise Valley Program of Work**

The following is a program of work designed for the Town and its resorts to maximize the return on their bed-tax investment in the CVB.

Based on the Town's increased bed-tax investment in the CVB in 2010-11, we will implement an aggressive advertising/marketing campaign in our top feeder markets. Without the Town's investment, none of these programs would be possible. We will also continue the Fiesta Bowl marketing program per our 20-year contract with the Fiesta Bowl.

**Meetings in New York:** Paradise Valley's investment will allow us to conduct several sales activities in New York, including a sales mission, sales calls, a meeting planner client luncheon and a separate luncheon for third-party meeting planners. We anticipate that Paradise Valley properties would partner with us on these programs.

**San Francisco Giants Spring Training FAM:** We plan to bring out approximately a dozen meeting planners to experience spring training. We anticipate that Paradise Valley will participate in this program.

**Leisure Marketing:** Our advertising programs allow us to generate continued exposure in key feeder markets: New York, Los Angeles, San Francisco, Minneapolis, Chicago; and Canada. These programs result in direct bookings at Paradise Valley resorts.

Following are programs we can run with investment from Paradise Valley. We anticipate that Paradise Valley resorts will leverage these programs through individual participation.

**American Express Publishing (Cannot be implemented without Paradise Valley's increased bed-tax investment)**

**SCVB Advertisements:**

- Travel + Leisure Magazine
  - 2 page insert, October 2010; 4-page insert, January 2011
- Departures magazine
  - 2 page insert, October 2010; 4 page insert, January 2011
- Food & Wine magazine
  - 2 page insert, October 2010; 4-page insert, January 2011
  - Resort Participation, optional:
    - Each resort receives one ½-page ad in each publication
    - Email blast exposure to Time Inc.'s The Luxury Portfolio magazine audience
    - Participation in direct mail opportunities to American Express Cardholders

**National Geographic Magazine (New with increased 2010-11 PV investment)**

**SCVB Advertisements:**

- Full-page Oct '10, Jan '11, & Mar '11
  - National Geographic to bring photographer-run workshop to Scottsdale and Paradise Valley resorts to generate individual bookings from leisure consumers.

**Southwest Spirit Magazine**

**SCVB Advertisements:**

- Full page in November 2010 and January 2011

**New York Target Cities Campaign (New with increased 2010-11 PV investment)**

**New York Times - T Travel Magazine**

**SCVB Advertisements:**

- Full-page September 2010, November 2011
  - Resorts can receive exposure in direct mail to 20,000 subscribers

**Radio Traffic/Weather Sponsorships**

- Sponsorship of radio traffic/weather mentions in the New York metro area

**Manhattan Magazine**

**SCVB Advertisements:**

Full-page November 2010, January 2011, February 2011

- Direct mailed to homes in the wealthiest neighborhoods in and around the city

**Time Warner Cable****SCVB Schedule:**

Cable television ads (:30 seconds each), running consistently in January & February 2011

- Aggressive cable schedule targeting mainly women (primary travel decision makers) ages 25 – 54
- Network examples: A&E, BRAVO, Discovery Health, FOOD Network, HGTV, Lifetime, TLC, TNT, Travel Channel, WE- Women's Entertainment

**CBS Outdoor****SCVB Schedule:**

- Scottsdale promotion on Times Square outdoor board in January 2011

**Canadian Marketing Initiatives****Globe & Mail National Newspaper (New with increased 2010-11 PV investment)****SCVB Advertisements:**

- ¼ page full color ads: January 2011 (2x), February 2011

Full-page ad in Report on Business Magazine, January 2011

- PV can participate in sweepstakes targeting the Canadian market

**Traffic Mentions (New with increased 2010-11 PV investment)****SCVB Schedule:**

- Nearly 2,500 traffic sponsorship ads (:10 seconds each) will run in Vancouver and Toronto, January – February 2011

**Custom Marketing Group****SCVB Advertisements:**

- Full Page color ad in glossy insert placed in the Vancouver Sun, Calgary Herald, Toronto Star, National Geographic, Travel + Leisure, etc.
  - Sweepstakes for Arizona Vacation Package
  - Email Blast to 8,000 consumers

**Paradise Valley Investments in 2010-11 CVB Meetings & Marketing Programs**

\$ 75,000 – Fiesta Bowl

\$ 16,000 – New York meetings initiatives

\$ 10,000 – CVB spring training meeting planner familiarization tour

\$260,000 – American Express marketing program

\$126,000 – National Geographic advertising

\$ 42,000 – Southwest Spirit

\$224,000 – New York target cities campaign

\$147,000 – Canada marketing initiatives

**\$900,000**

In addition to the specific \$900,000 program of work, the Paradise Valley resorts can take full advantage of the comprehensive program of work outlined in the attached draft Destination Guide.

#### Convention Sales

- Paradise Valley resorts will be invited to participate in the CVB's meeting planner familiarization tours, conduct property tours for meeting planners, and participate with the CVB in the trade shows, sales missions and client events that we lead.
- Per the performance measures associated with this agreement, Convention Sales will put forth its best efforts to generate meetings' bookings for Paradise Valley resorts.

#### Communications

- The Town's investment helps to provide our communications team with the resources it needs to promote Paradise Valley resorts and attractions to targeted media.
- Per the performance measures associated with this agreement, Communications will put forth its best efforts to generate travel articles mentioning Paradise Valley resorts. Media impressions and the value of that coverage will be reflected in the performance measures.

#### Tourism

- We at the CVB will promote Paradise Valley's resorts to thousands of international and domestic tour operators and travel agents.
- Our tourism team works with these professional travel planners to ensure that Scottsdale and Paradise Valley resorts are incorporated into tour operator catalogs throughout the world and that travel agents understand our destination and sell it to their leisure clients.

#### Fiesta Bowl (BCS will provide additional 2010-11 benefits)

- Instead of paying the CVB separately for the Town's Fiesta Bowl-related benefits, those benefits will be incorporated as part of this agreement.
- Paradise Valley resorts will benefit tremendously from Fiesta Bowl activities in 2010-11 due to the CVB's 20-year agreement with the Bowl.
- The Bowl has contracted with Scottsdale Plaza Resort to host a Fiesta Bowl team, plus one of the teams that will play in the BCS National Championship Game.
- The Bowl has contracted with Camelback Inn to serve as the official media resort for the Insight Bowl, Fiesta Bowl and the BCS National Championship Game.
- Other Paradise Valley resorts are under consideration for groups related to these games.
- Due to the CVB's agreement with the Fiesta Bowl, occupancy at Scottsdale/Paradise Valley resorts was 92% the night before the game and 98% on game night for the 2007 BCS National Championship Game. Paradise Valley resorts can expect strong business from the Jan. 10, 2011 BCS game.

#### Performance Measures (New in 2010-11)

- We at the CVB are working with Town staff to develop performance measures that will be incorporated into the destination marketing contract.
- These measures, along with the CVB's 2010-11 Destination Marketing Guide, will guide the CVB's efforts in marketing, selling and promoting Paradise Valley resorts.

#### Smith Travel Research (New in 2010-11)

- We at the CVB will contract with Smith Travel Research to get reports for just Paradise Valley resorts regarding monthly occupancy, rate and revenue per available room.
- We will provide these reports to the Town Council and staff.

#### Annual Hoteliers' Meeting

- We at the CVB will continue our tradition of staging a meeting in early 2011 with the Town Council, staff and Paradise Valley resorts to review progress toward the CVB's 2010-11 Paradise Valley program of work.
- Input from this meeting will be incorporated into the CVB's 2011-12 Paradise Valley program of work.

#### Reporting (Quarterly in-person reports-new in 2010-11)

- As has been done for many years, we at the CVB will provide the Town Council and staff with quarterly written reports outlining the CVB's performance related to this agreement.
- At the Council's direction, CVB President & CEO Rachel Sacco will appear at Town Council meetings on a quarterly basis to provide in-person CVB performance reports.

## **Exhibit B**

### **Scottsdale CVB Performance Measures Related to its July 2010 – June 2015 Agreement with the Town of Paradise Valley**

1. On an annual basis, Communications will generate at least:
  - 190 travel articles mentioning Paradise Valley or its resorts and hotels
2. On an annual basis, Convention Sales will generate at least:
  - 75 meetings' bookings into Paradise Valley properties
3. On an annual basis, Marketing will develop:
  - A \$900,000 marketing and advertising program to benefit Scottsdale CVB members, including Paradise Valley hotels and resorts. Details of this program are attached as part of this exhibit.
4. Five-Year Performance Indicator
  - The Scottsdale CVB's communications, convention sales, marketing and tourism programs on behalf of the Town will aid Paradise Valley hotels and resorts with generating \$12.0 million in total Town of Paradise Valley bed-tax revenue beginning July 1, 2010 and concluding June 30, 2015

The Town may consider other factors in addition to these, but will use these four factors as part of any assessment.