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FOR CITY COUNCIL PACKET
FEBRUARY 18, 2014

The February 18, 2014 Policy Session has been Cancelled.

BACK-UP INFORMATION FOR THE WEDNESDAY, FEBRUARY 19, 2014 FORMAL AGENDA

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Packet Date: February 13, 2014

CITY COUNCIL REPORT

FORMAL AGENDA

TO: City Council AGENDA DATE: February 19, 2014
FROM: Greg Stanton PAGE: 1
Mayor
SUBJECT: BOARDS AND COMMISSIONS

Environmental Quality Commission

I recommend the following for appointment:

Anthony Musa

Mr. Musa is a development representative for Arizona State Credit Union and works in development for the Southwest Center for HIV/AIDS. He is also pursuing a degree in business administration at Arizona State University. He is recommended by Councilwoman Kate Gallego and will serve a three-year term to expire August 31, 2016.

Planning Commission

I recommend the following for appointment:

Alan Stephenson

Mr. Stephenson is the Acting Planning and Development Director. He replaces Derek Horn and will serve as an ex-officio member.

CITY COUNCIL REPORT

FORMAL AGENDA

TO: Mayor and Council Members AGENDA DATE: February 19, 2014

FROM: Penny Parrella, Executive Assistant PAGE: 1
to the City Council

SUBJECT: BOARDS AND COMMISSIONS – CITY COUNCIL APPOINTEES

Camelback East Village Planning Committee

Councilwoman Kate Gallego recommends the following for appointment:

Hector Acuna

Mr. Acuna is the owner and director of Ranchito Creative LLC, a local creative consulting and advertising project management firm. He resides in District 8 and is recommended by Councilwoman Gallego to replace Mr. Wally Graham, whose term expired. He will serve a partial term to expire November 19, 2015.

CITY COUNCIL REPORT

FORMAL AGENDA

TO: Lisa Takata
Deputy City Manager

AGENDA DATE: February 19, 2014

FROM: Cris Meyer
City Clerk

ITEM:19 PAGE: 28

SUBJECT: POLICE DEPARTMENT RECOMMENDATION FOR ONE LIQUOR
LICENSE ITEM ON THE FEBRUARY 19, 2014 FORMAL AGENDA.

The attached memorandum supplements the Request for Council Action report for one liquor license item on the February 19 Formal Council Agenda. This memorandum provides the Council with additional information regarding the Police Department disapproval recommendation for the following item:

Old Business Item

• **District 2, McFadden's Restaurant & Saloon**

For further information regarding this item, please contact the City Clerk Department, License Services Section at 602-262-7003.

Police Department Liquor License Disapproval Recommendation

Application Information

Business Name	McFadden's Restaurant & Saloon	District	2
Business Location	21001 North Tatum Blvd #6		
Applicant Name	Randy Nations	Series Type	12

The Police Department recommends disapproval of this liquor license application for the following reasons:

The owners' other two locations, McFadden's located at 9425 West Coyotes Blvd in Glendale, Arizona, and Calico Jacks located at 6770 North Sunrise Blvd in Surprise, Arizona, have a 3-year history consisting of several violations and fines levied related to Repeated Acts of Violence, Selling to Intoxicated or Disorderly Person's, Underage Consumption, Failure to ID, Employee Consuming on Duty, Accepting Unauthorized ID, Failure to Maintain Capability, Qualification and Reliability and Having Intoxicated on Premises for thirty minutes.

The application is for a Series 12 license but it appears the location is actually going to be operated as a bar requiring a Series 6 liquor license similar as the owners' other two locations operated as bars under Series 6 licenses. The new location is similar to the Series 6 location in Glendale in scope of types of tables appearing to be more than 60% for alcohol consumption, advertisement of promotions and alcohol consumption, business plan operations indicate more of a sports bar atmosphere (24 TV's), staffing of security, layout of location to include an outside bar area.

The applicants have failed to maintain capability, qualification and reliability for the licenses they already have. Additionally, the Series 12 license that they are applying is inappropriate for the stated intended use. For these reasons the Police Department recommends denial.

This recommendation for disapproval is submitted by: Officer Timothy Mitten # 5279

SIGNATURES	
Administrative Licensing Investigator	
Liquor Enforcement Detail Supervisor	

CITY COUNCIL REPORT

FORMAL AGENDA

TO: Paul Blue AGENDA DATE: February 19, 2014
Senior Executive Assistant to the
City Manager

FROM: Debbie Cotton, Interim Director ITEM: 21 PAGE: 34
Phoenix Convention Center

SUBJECT: AMENDMENTS TO CITY CODE CHAPTER 10A, CONVENTION
CENTERS AND THEATERS

This report provides backup information on Item 21 on the February 19, 2014, Formal Agenda regarding proposed amendments to Phoenix City Code Chapter 10A, Convention Centers and Theaters.

THE ISSUE

The last major revision to the ordinance governing operations of the Phoenix Convention Center Department (PCCD) occurred in 2007. Since then, the department and the market it serves have changed dramatically. In 2008, the expansion of the Phoenix Convention Center was completed, nearly tripling its square footage and establishing Phoenix as a top-tier convention destination. Shortly thereafter, the economic downturn and other factors negatively impacted the convention, trade show, and meeting market.

The effects of these changes continue to be felt. The Phoenix Convention Center must compete aggressively with national and international convention centers to win business and generate sufficient revenues to meet operating, capital, and debt service costs. At the same time, clients, who are faced with tighter budgets and greater economic uncertainty, are more demanding and less willing to book as far in advance as in the past.

The revisions to Chapter 10A recommended by staff (hereafter, "the amendments") address these challenges by providing greater sales flexibility and speed-to-market with client proposals while establishing new opportunities for generating revenues in market-driven, business-friendly ways.

OTHER INFORMATION

The amendments are based on extensive cross-functional staff discussions, competitive research, and input from the department's destination marketing contractor, Visit Phoenix (formerly the Greater Phoenix Convention and Visitors Bureau). They include:

- **Extending rate tables through 2026** – The current ordinance provides rates only through 2018 for the Phoenix Convention Center and 2015 for Symphony Hall, Orpheum Theatre, and Executive Conference Center. In order to book future business at new rates, those rates must first be approved by City Council. Proposed rates are based on a competitive analysis conducted by staff in cooperation with Visit Phoenix and are designed to keep PCCD's published rates at or below market averages.
- **Provide greater flexibility to respond to client requests** – As clients book closer to event dates and become more demanding during negotiations, PCCD must be able to prepare competitive client proposals quickly. The recommended Chapter 10A amendments increase speed-to-market by authorizing the Director to approve rental discounts of up to 80 percent.
- **Maximize Food & Beverage (F&B) sales and commissions** – To win convention clients, PCCD discounts the fee for use of space based on banquet and catering sales, for which PCCD receives commissions. The scale used to calculate F&B-based discounts has been adjusted to provide greater client incentives.
- **Accommodate unusual client requests and close the gap on missed revenue opportunities** – Although the current ordinance provides rates for commonly used spaces, such as meeting rooms and exhibit halls, it does not address other areas that clients sometimes request (such as pre-function spaces, atriums and terraces). The amendments give PCCD broader authority to honor client requests and quote rates for spaces campus-wide. Additionally, the amendments broaden the type of events at which clients can sell merchandise, for which PCCD may receive a commission.
- **Consolidate all PCCD-managed venues under ordinance** – Rates and operations of PCCD-managed Parking Facilities are not currently covered by the department's ordinance. Staff recommend adding a section related to parking for efficiency.

To review a copy of Chapter 10A as it would be amended based on staff recommendations, see [Attachment A – Proposed Ordinance Revision](#).

The recommended rates and fees were posted to the City's website on October 30, 2013, to allow a minimum of 60 days for public review and comment as required by Arizona Revised Statutes Section 9-499.15.

The proposed amendments to Chapter 10A, Convention Centers and Theaters, of the Phoenix City Code were recommended for City Council approval by the Downtown, Aviation, and Redevelopment Subcommittee on February 5, 2014.

Attachment A – Proposed Ordinance Revision

Chapter 10A PHOENIX CONVENTION CENTER

- 10A-1. Definitions.
 - 10A-2. Director's authority.
 - 10A-3. Use agreement rules.
 - 10A-4. Use agreement rates.
 - 10A-5. Deposits.
 - 10A-6. Cancellations.
 - 10A-7. Exclusive contractual services.
 - 10A-8. Merchandise sales.
 - 10A-9. Parking rates.
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10A-1 Definitions.

Booking Guidelines – The guidelines established and agreed upon by the Phoenix Convention Center Department (PCCD) and the Destination Marketing Organization (DMO) to determine whether an event qualifies as a Convention Event and establish when and how much space may be reserved or contracted for the event.

City – The City of Phoenix, Arizona, owner and operator of the Phoenix Convention Center, Executive Conference Center, Theatrical Venues and Parking Facilities.

Client – Any person, firm, association, organization, partnership, company, civic or corporate entity that enters into a Use Agreement with the City for use of space in the Phoenix Convention Center, Executive Conference Center, Theatrical Venues or Parking Facilities.

Client Support Space – Support space such as loading docks, pre-function and registration areas, show offices and rehearsal, first-aid, dressing, storage and green rooms, may be provided subject to availability.

Concessions – Food and beverage sales at fixed and portable outlets in the Phoenix Convention Center, Executive Conference Center and Theatrical Venues.

Convention Center – The Phoenix Convention Center West (excluding the Executive Conference Center), North and South Buildings and their grounds up to the property lines.

Convention Event – An event where attendance is generally limited by invitation or registration and the number of room nights is sufficient to qualify the event as a convention under the prevailing Booking Guidelines.

Dark Day – A day for which a Client has leased the space, but there is no Client activity scheduled.

Destination Marketing Organization (DMO) – A contractor hired by the City that provides marketing, solicitation and booking of regional, national and international conventions and tradeshow, and promotes tourism business for PCCD.

Director – The Director, or authorized delegate, of PCCD.

Event Day – Part or all of a calendar day identified in a Use Agreement when the Convention Center, Executive Conference Center or Theatrical Venues are occupied by the Client, Client's exhibitors, contractors, delegates, paid attendees or invited guests.

Executive Conference Center – The boardroom, lecture hall and meeting rooms located on the 200 level of the Convention Center West Building featuring built-in audiovisual technology and high-end furnishings.

Exhibit Halls – West and North Halls 1, 2, 3, 4, 5 and 6; North Halls A, B, C, D and E; and South Halls F and G.

Merchandise Sales – The sale of any items including, but not limited to, t-shirts, CDs, DVDs, photos, books and other merchandise in conjunction with an event at the Convention Center, Executive Conference Center and Theatrical Venues.

Multipurpose Rooms – West Building rooms 301 A, B, C and D and South Ballroom.

Net Square Footage – The estimated usable space, which is calculated by multiplying the gross square footage by 50 percent.

Non-Convention Event – Any event that does not meet the definition of a Convention Event.

Non-Event Day – Part or all of a calendar day that is utilized by a Client for move-in or move-out, Dark Day or other activities related to an event that are normally closed to the Client's delegates, paid attendees or invited guests.

North Ballroom – North Building rooms 120 A, B, C and D.

Operating Policies and Procedures (also referred to as Facility Guide) – The rules governing use of the Convention Center, Executive Conference Center, Theatrical Venues and Parking Facilities, authorized by the Director.

Parking Facilities – The parking lots, garages and other parking areas under the management of PCCD.

Performance – The presentation of an entertainment or artistic event, competition or ceremony before an audience. Examples include, but are not limited to, musicals, plays, concerts and graduations.

Phoenix Convention Center Department (PCCD) – The department of the City of Phoenix responsible for the management of the Phoenix Convention Center, Executive Conference Center, Theatrical Venues and Parking Facilities.

Theatrical Venues (also referred to as *Theaters*) – The Orpheum Theatre and Symphony Hall.

Use Agreement – A written contract between the City of Phoenix and a Client for the use of space in the Convention Center, Executive Conference Center or Theatrical Venues.

10A-2 Director’s authority.

A. The Director is delegated the responsibility and authority to manage and operate the Convention Center, Executive Conference Center, Theatrical Venues and Parking Facilities. The Director’s authority includes the authority to develop, amend, substitute, supplement and institute Operating Policies and Procedures as the Director deems necessary and appropriate for the staging and performance of events in, and other uses of, the Convention Center, Executive Conference Center, Theatrical Venues and Parking Facilities. The Operating Policies and Procedures include policies and procedures regarding: (a) the operation of the Convention Center structures and surrounding property; (b) the type of labor, equipment and services that the City offers in support of an event and the fee charged for such support; (c) a description of the services and equipment included in the basic Use Agreement rates; and (d) security requirements.

B. The Director is authorized to enter into Use Agreements with Clients for the staging and presentation of events and Performances in the Convention Center, Executive Conference Center and Theatrical Venues that, in the Director’s judgment, will best serve the economic interests of the City and the State.

C. As may be required to meet competitive conditions, maximize revenues and economic benefit generated, and best serve the interests of the City and community, the Director is delegated authority to provide discounts up to 80 percent of the prevailing Use Agreement rates and provide other incentives determined necessary to compete effectively for local, regional, national and international events. Discounts exceeding 80 percent of the prevailing Use Agreement rates require the approval of the City Manager or authorized delegate.

D. PCCD space not delineated in this ordinance may be contracted at a rate set by the Director when the use of the space is in the best interest of the City.

10A-3 Use agreement rules.

A. All fees for use of the Convention Center, Executive Conference Center, Theatrical Venues or Parking Facilities, including labor, services and equipment rental must be paid in U.S. Dollars by cash, check, credit card, Automated Clearing House (ACH) transfer, wire transfer or other manner acceptable to the City. All payments will be deposited by PCCD, but payment alone will not create a binding agreement until full execution of the Use Agreement by the Client and City.

B. If the deposit(s) or balance due is not received by PCCD on the due dates specified in the Use Agreement, the event may be canceled by the Director without further notice.

C. The Client is required to pay the fees established by the Director for labor, services and equipment provided at the Convention Center, Executive Conference Center, Theatrical Venues and Parking Facilities in effect at the time of the Client's event. The Client must adhere to the Operating Policies and Procedures in effect at the time of the event.

D. Space for events scheduled on a tentative basis in the Convention Center, Executive Conference Center and Theatrical Venues event management system may be released at the discretion of the Director.

E. The Client is required to furnish in writing 30 days prior to first move-in day of the client's event any information requested by PCCD to determine the labor, equipment, special services and utilities that will be necessary for the proper production and management of the client's event. Failure to provide such information in the time period specified may result in additional fees assessed by PCCD.

F. Deposits and other payments for use of the Convention Center, Executive Conference Center and Theatrical Venues are non-refundable except when the City is unable to deliver possession of the facilities as provided in the Use Agreement, or if otherwise deemed appropriate by the Director.

G. Use Agreement rates for use of space in the Convention Center, Executive Conference Center and Theatrical Venues may be discounted when banquets or other catered food and beverage functions are held on premises and the commission received for the food and beverage service is equal to or greater than the prevailing Use Agreement rates.

H. If the Client exceeds the contractual move-in or move-out time in the Use Agreement, the Client will pay the prevailing hourly overtime fees for the excess time.

I. For all events excluding conventions, 501(c)(3) non-profit organizations whose principal place of business is located in Arizona are entitled to a 20-percent discount off the prevailing Use Agreement rates.

10A-4 Use agreement rates.

A. *Use Agreement Rate Goals.* The City establishes and maintains competitive Use Agreement rates to ensure its facilities compete effectively for the convention, tradeshow, corporate, civic, performing arts and other non-convention business.

B. *Use Agreement Rate Development.* The rates for use of the Convention Center, Executive Conference Center, Theatrical Venues and Parking Facilities are intended to be competitive and set within the range of rates of similar competing convention centers, conference centers, Theatrical Venues and Parking Facilities. To ensure the Use Agreement rates are maintained at competitive levels, the Director is delegated authority to conduct a biennial survey of rates charged by similar facilities. For purposes of conducting the biennial Convention Center survey, the competitive set for the survey will be determined in consultation with DMO. Based upon the survey results, the Director will recommend new rates to the City Council for approval prior to implementation.

C. *Exhibit Hall and Multipurpose Room Inclusions.* Exhibit Hall and Multipurpose Room Use Agreement rates include the contracted space, adjacent public lobby space (non-exclusive use), general house lighting, heating or air conditioning. For any additional set-up requirements by Client (e.g., general session activity), the Director may charge for additional labor and equipment required for space set-up at the rates established in the Operating Policies and Procedures.

D. *Meeting Room, Ballroom and Executive Conference Center Inclusions.* Meeting Room, Ballroom and Executive Conference Center Use Agreement rates include: the contracted space, adjacent public lobby space (non-exclusive use), general house lighting, heating or air conditioning, cleaning, equipment and additional services as outlined in the Operating Policies and Procedures.

E. *Client Support Spaces.* Support spaces may be provided to Client subject to availability and as agreed upon in the Use Agreement.

F. *Event Staffing, Equipment and Services.* Based upon the requirements of the Client's event, PCCD will provide the necessary level of event staffing, equipment and services required to effectively produce and manage the event. The fees for staffing, equipment and services are established in the Operating Policies and Procedures.

G. *Convention Events.*

1. The range of Use Agreement rates for Exhibit Halls is intended to provide necessary rate flexibility for the successful marketing and lease of the Convention Center space. The discount that is given on Exhibit Halls may also be applied to the Multipurpose Rooms, ballroom and meeting rooms. The final Use Agreement rate for each event is subject to Director's approval.

2. *Seasonal Rate.* A seasonal discount of 33 percent will be given to the entire event when any of the contracted dates fall within the period of Memorial Day to Labor Day.

3. Conventions with exhibits will receive complimentary non-exhibit areas equal to approximately 33 percent of the total leased and occupied exhibit areas utilized by the Client.

4. *Non-Event Days.*

a. *Exhibit Halls, Multipurpose Rooms and South Building Meeting Rooms.* The City will provide the Client with complimentary Non-Event Days equal to the number of Event Days for Exhibit Halls, Multipurpose Rooms and South Building meeting rooms when these rooms are used for exhibits.

i. For any Non-Event Day exceeding the total number of complimentary Non-Event Days the rate is 50 percent of the prevailing Event Day rate.

ii. If the space is not used for exhibits, the rate for any Non-Event Day is 50 percent of the prevailing Event Day rate.

b. *North Ballroom and Meeting Rooms.* The rate for any Non-Event Day is 50 percent of the prevailing Event Day rate.

5. *Use Agreement Discount for Banquets and Catering.* To meet competitive conditions and maximize food and beverage sales at the Convention Center, the Director is authorized to provide an incentive to a Convention Event based on the chart below of gross banquet and catering sales guaranteed to be held in facilities managed by PCCD.

Gross Banquet and Catering Sales*	Use Agreement Rate Discount
\$0 to \$150,000	0%
\$150,001 to \$250,000	10%
\$250,001 to \$350,000	15%
\$350,001 to \$500,000	20%
\$500,001 to \$650,000	25%
\$650,001 and above	30%

*Excluding applicable sales taxes, administrative charges, service charges, gratuities, and food and beverage sales generated from fixed and portable concession stands during Client's event.

6. *Convention Center Use Agreement Rate Schedule for Conventions.*

a. *Exhibit Halls – West, North and South Buildings.*

Calendar Years	Event Day Net Square Footage Rate
2013-2014	\$0.25 to \$0.29
2015-2016	\$0.27 to \$0.31
2017-2018	\$0.28 to \$0.32
2019-2020	\$0.30
2021-2022	\$0.31
2023-2024	\$0.32
2025-2026	\$0.33

b. *Multipurpose Rooms – West and South Buildings.*

Calendar Years	Event Day Net Square Footage Rate
2013-2014	\$ 0.31
2015-2016	\$ 0.34
2017-2018	\$ 0.35

Calendar Years	Event Day Net Square Footage Rate
2019-2020	\$ 0.36
2021-2022	\$ 0.37
2023-2024	\$ 0.38
2025-2026	\$ 0.39

c. *North Ballroom.*

Calendar Years	Event Day Net Square Footage Rate
2013-2014	\$ 0.31
2015-2016	\$ 0.34
2017-2018	\$ 0.35
2019-2020	\$ 0.36
2021-2022	\$ 0.37
2023-2024	\$ 0.38
2025-2026	\$ 0.39

d. *Meeting Rooms.* Meeting room Use Agreement rate is a flat rate.

Calendar Years	Event Day Room Rate
2013-2014	\$300
2015-2016	\$325
2017-2018	\$350
2019-2020	\$375
2021-2022	\$400
2023-2024	\$425
2025-2026	\$450

H. *Non-Convention Events.*

1. *Non-Event Days – Exhibit Halls, Multipurpose Room, Meeting Room and Ballroom.* The Use Agreement rate for any Non-Event Days is 50 percent of the prevailing Event Day Use Agreement rate.

2. *Convention Center Use Agreement Rate Schedule for Non-Conventions.*

a. *Exhibit Halls – West, North and South Buildings.*

Calendar Years	Event Day Net Square Footage Rate
2013-2014	\$0.17
2015-2016	\$0.18
2017-2018	\$0.19
2019-2020	\$0.20
2021-2022	\$0.21
2023-2024	\$0.22
2025-2026	\$0.23

b. *Multipurpose Rooms – West and South Buildings.*

Calendar Years	Event Day Net Square Footage Rate
2013-2014	\$ 0.31
2015-2016	\$ 0.34
2017-2018	\$ 0.35
2019-2020	\$ 0.36
2021-2022	\$ 0.37
2023-2024	\$ 0.38
2025-2026	\$ 0.39

c. *North Ballroom.*

Calendar Years	Event Day Net Square Footage Rate
2013-2014	\$ 0.31
2015-2016	\$ 0.34
2017-2018	\$ 0.35
2019-2020	\$ 0.36
2021-2022	\$ 0.37
2023-2024	\$ 0.38
2025-2026	\$ 0.39

d. *Meeting Rooms.* Meeting room Use Agreement rate is a flat rate.

Calendar Years	Event Day Rate
2013-2014	\$300

Calendar Years	Event Day Rate
2015-2016	\$325
2017-2018	\$350
2019-2020	\$375
2021-2022	\$400
2023-2024	\$425
2025-2026	\$450

I. *Executive Conference Center.*

1. If Executive Conference Center space is contracted as part of a Convention, the terms and conditions from Section 10A-4.G.1-5, will apply to the Executive Conference Center space.
2. Executive Conference Center meeting rooms are categorized by size and type, as follows:
 - a. *Standard* – West Building rooms 202, 203, 204, 205, 206 and 208 (A or B).
 - b. *Large* – West Building rooms 201 Boardroom and 211 (A or B), 212 (A, B or C) and 213 (A or B).
 - c. *Lecture Hall* – West Building room 207.
3. *Non-Event Days.* The rate for all Non-Event Days is 50 percent of the Event Day rate.
4. *Executive Conference Center Use Agreement Rate Schedule.*

Calendar Years	Event Day Rate – Standard Room	Event Day Rate – Large Room	Event Day Rate – Lecture Hall
2013-2015	\$250	\$400	\$2,500
2016-2019	\$275	\$450	\$2,750
2020-2022	\$300	\$500	\$3,000
2023-2026	\$325	\$550	\$3,250

J. *Third Street Outdoor Meeting Space.*

1. Third Street Outdoor Meeting Space refers to the outdoor area bounded by Monroe Street, North Building, Washington Street and West Building. This area may be closed and contracted for events. Use must not interfere with other events at the Phoenix Convention Center, Executive Conference Center or Symphony Hall.
2. The Use Agreement rate for the Third Street Outdoor Meeting Space is \$5,000 per day. This rate is for space only.

K. *West Building Atrium.*

1. The Atrium of the Phoenix Convention Center West Building may be contracted for events. Use must not interfere with other events at the Phoenix Convention Center, Executive Conference Center or Symphony Hall.
2. The Use Agreement rate for the West Building Atrium is \$1,500 per day. This rate is for space only.

L. *Theatrical Venues.*

1. *Open Rehearsals.* Any activity in the facility with 20 or more persons not directly engaged in the production of the event will be charged at the Event Day rate.
2. *Non-Event Days.* The rate for Non-Event Days is 50 percent of the Event Day rate.
3. *Multi-Performance Rate.* The rate for additional Performances on the same day is 50 percent of the Event Day rate for each additional Performance.
4. *Theatrical Venues Use Agreement Rates.*

a. *Symphony Hall.*

Calendar Years	Event Day Rate
2013-2014	\$3,470
2015-2016	\$3,470
2017-2018	\$3,600
2019-2020	\$3,700
2021-2022	\$3,800
2023-2024	\$3,900
2025-2026	\$4,000

b. *Orpheum Theatre.*

Calendar Years	Event Day Rate
2013-2014	\$2,050
2015-2016	\$2,050
2017-2018	\$2,100
2019-2020	\$2,150
2021-2022	\$2,200
2023-2024	\$2,250
2025-2026	\$2,300

10A-5 Deposits.

A. A deposit of 25 percent of the total Use Agreement rate for use of the Convention Center, Executive Conference Center and Theatrical Venues is due and payable upon execution of the Use Agreement. The Director may grant an exemption from the standard deposit requirements provided a nominal deposit, as determined by the Director, is paid as consideration for reserving the space. Client must pay all remaining Use Agreement charges and event expenses prior to the first move-in day for their event. Any Use Agreement charge or service fee remaining unpaid after the due date will accrue interest at the rate of 1.5 percent per month from the due date until payment has been received by PCCD. Additionally, overdue deposits may result in cancellation of the Use Agreement as provided in Section 10A-3.

B. If hotels or DMO are booking and paying part or all fees on behalf of a Convention Event Client, the Director may grant an exemption from the standard deposit requirements provided a nominal deposit, as determined by the Director, is paid as consideration for reserving the space. All charges and service fees are due and payable no later than 30 days from date of invoice.

C. The Director may accept a deposit to reserve space for an event earlier than the date that the Booking Guidelines permit entering into a Use Agreement.

10A-6 Cancellations.

A. *Conventions.* Cancellation of a convention will result in the following cancellation fees:

1. From the date of contract signing to 36 months prior to first contracted date, the cancellation fee is 25 percent of the total contracted Use Agreement charges.
2. From 36 months to 24 months prior to the first contracted date, the cancellation fee is 50 percent of the total contracted Use Agreement charges.

3. Within 24 months prior to the first contracted date, the cancellation fee is 100 percent of the total contracted Use Agreement charges.

B. *Non-Conventions*. Cancellation of a Non-Convention Event taking place in the Phoenix Convention Center or Executive Conference Center will result in the following cancellation fees:

1. From the date of contract signing to 12 months prior to the first contracted date, the cancellation fee is 75 percent of the total contracted Use Agreement charges.

2. Within 12 months prior to the first contracted date, the cancellation fee is 100 percent of the total contracted Use Agreement charges.

C. *Theatrical Venues*. Cancellation of an event taking place in the Theatrical Venues will result in the following cancellation fees:

1. From the date of contract signing to six months prior to the first contracted date, the cancellation fee is 75 percent of the total contracted Use Agreement charges.

2. Within six months prior to the first contracted date, the cancellation fee is 100 percent of the total contracted Use Agreement charges.

D. *Release of Contracted Space*.

1. *Conventions*. Up to 10 percent of total Net Square Footage of space (excluding Exhibit Halls), may be released without cancellation fees up to 18 months prior to the first contracted date.

2. *Non-Conventions (excluding theatrical events)*. Up to 10 percent of total Net Square Footage of space (excluding Exhibit Halls), may be released without cancellation fees up to six months prior to the first contracted date.

3. Contracted space may be modified at any time without cancellation fees, as long as the original contracted Use Agreement rate does not decrease.

E. *Cancellation Fees*. Cancellation fees may be waived if deemed appropriate by the Director.

F. *Deposits*. Deposits and Use Agreement payments retained due to cancellation may be refunded if deemed appropriate by the Director.

10A-7 Exclusive contractual services.

The following are exclusive services for the Convention Center, Executive Conference Center, Theatrical Venues and Parking Facilities: audio-visual equipment operations (Executive Conference Center only), automated teller machines, banquet and catering, event security (non-convention only), food and

beverage Concessions, parking, rigging, telecommunication services, theatrical equipment operations, ticketing, ushers and utility services. Resale of exclusive services by the Client or its agents is prohibited, unless resale of such services enhances service delivery and revenue to PCCD as determined by the Director. Subject to City Council approval, the Director may designate additional services as exclusive when deemed in the best interest of the City.

10A-8 Merchandise sales.

A. Programs, CDs, apparel and other merchandise may be sold in conjunction with the Client’s event. These sales may be subject to a commission fee payable to PCCD.

B. Conventions may sell and distribute convention-related merchandise to their delegates. These sales are not subject to a commission fee.

10A-9 Parking rates.

A. *Event Parking.* The Director is authorized to adjust parking rates within the following ranges based on market conditions.

Calendar Years	Event Day Rate
2013-2014	\$5 to \$12
2015-2018	\$5 to \$14
2019-2022	\$6 to \$16
2023-2026	\$7 to \$18

B. During major downtown events, the Director is authorized to increase parking rates by up to 100 percent above the Event Day rate.

C. *Valet Parking.* The Director is authorized to waive the Event Day rate when PCCD-contracted valet services are used.

D. *Parking Buyouts.* In order to secure business, the Director may negotiate a flat rate for an entire garage.

E. *Other Parking.* The Director is authorized to set all other parking rates including, but not limited to, hourly, daily, overnight, monthly, volunteer, reserved and tenant parking, based on current market rates.