

THE URBAN HEART OF ARIZONA

DOWNTOWN PHOENIX PARTNERSHIP ANNUAL REPORT 2010



Downtown Optimism in Bloom

I am pleased to report that the Downtown Phoenix Partnership enjoyed a very successful 2010, despite the difficult economic times we find ourselves in. We believe that both the Partnership and Downtown Phoenix are well positioned for the coming years, and the likely economic recovery.



In 2010 the Partnership celebrated its 20th anniversary with a focus on a “20 Years of Progress” public relations campaign. Downtown Phoenix is very different today than at the time of our founding in 1990 — there is much greater diversity, activity, and vibrancy. We still have a ways to go, but there is no doubt that Downtown is on the right path.

Downtown Phoenix was one of the few areas of the Valley that had positive news to report in 2010, including:

- CityScape opened to positive reviews and commercial success. The office tower is over 90 percent occupied, boasting a who’s who of major tenants — United Healthcare, Alliance Bank, Squire Sanders & Dempsey, and Jennings Strouss & Salmon, to name just a few. The retail portion is completely leased with a variety of basic services, fashion retailers, and restaurants/entertainment venues.
- The new Central Park East office building was completed and is occupied. It is the new corporate headquarters of Freeport McMoRan, along with a new Westin Hotel (opening in March).
- The \$187 million Health Sciences Education Building on the Phoenix BioMedical Campus broke ground in May, with an expected completion date in 2012.
- The County continues to move forward on the construction of the \$340 million County Court Tower at 1st Avenue and Jackson; this facility is expected to complete construction in November of this year.

- A number of major renovations to existing facilities took place in 2010, including the Herberger Theater Center, the Arizona Science Center, and the Chase Tower.
- On the tourism front, in addition to the previously mentioned Westin Hotel, the Wyndham is being redone as a Marriott Renaissance, and the new Kimpton Palomar hotel at CityScape is under construction with a planned late 2011 opening.

The bottom line is that Downtown is showing very positive economic signs. There is currently over 1 million square feet of space under construction. The class A office vacancy rate is the lowest in the Valley. Total sales tax receipts are increasing. More employees are working Downtown. Enrollment at the ASU Downtown campus increased by 36 percent. And more residents are moving to Downtown. As the economic recovery gains steam over the next few years, we fully expect that Downtown will be one of the first areas to see significant new development take place.

The Downtown Phoenix Partnership has made some great strides in the past year as well. While the development side has remained slow, we have focused on a number of key initiatives designed to enhance the Downtown experience for years to come. One of the most visible changes has involved the Downtown streetscape. Over the past year we have repaired the irrigation and electrical systems, planted new trees, repainted all of the street furniture, added 40 hanging flower baskets, created a new Ambassador

kiosk at 2nd Street and Adams, added over 500 banners throughout Downtown, and are now in the process of installing all new wayfinding signage throughout the area. All of these improvements should help Downtown look better for years to come. But we also need to make sure it stays looking good, and so we have created a permanent “Clean Team” — a 3-member crew that picks up garbage, removes graffiti, power washes sidewalks, and so on. Also, in coordination with the City Public Works Department, you will soon see new trash receptacles throughout Downtown, which will now include recycling bins.

As we move into 2011 we will continue to look for ways to enhance Downtown Phoenix. In the coming year we will focus on a diverse set of issues, including better parking management, looking at ways to reach out more effectively to our Downtown residents, enhancing our web site navigation and social networking, adding new events, and supporting special events like Major League Baseball’s All Star Game in July.

While 2010 was a tough year for many of us, I believe that the stage is set for a very successful 2011 and beyond. Downtown has just gone through its most significant growth ever, and the Partnership continues to grow with it. I am very proud of the role that we have played in this renaissance. The years ahead promise to be very positive for Downtown Phoenix!

David Roderique
President & CEO

OPERATIONS

Security and Hospitality

GRAFFITI REMOVAL

The number of graffiti tags removed soared in 2010 in comparison to 2009 (790 tags removed in 2009; 1,715 tags removed in 2010 — a 54% increase). Part of that increase was due to the return of our graffiti abatement specialist, Don Olund. Don has been a member of the Downtown Phoenix Ambassador team since 2001, and devotes most of his day to removing tags and repainting structures that have been altered by graffiti. Thanks to Don's attention, and supplies furnished by the City of Phoenix's Graffiti Busters department, the Downtown Phoenix Partnership has saved downtown businesses over \$120,000 in removal fees.

AMBASSADORS

Next time you're talking to Ambassador, check out their handheld computer and printer. You may know our Ambassadors are able to print directions, business information and event details. However, you may not realize that we now have the capability to print coupons and special promotions offered by our businesses on-the-spot! This is a free service for downtown businesses — and free to pedestrians interested in visiting a Downtown business.

In 2010 alone, the Ambassadors printed 7,500 coupons/promotions for patrons. The response from stakeholders has been positive. Hard Rock Cafe reported an additional \$1,000 generated in just one month from the coupons printed by Ambassadors. If you are a stakeholder interested in participating in the Drive & Thrive program, please contact Michael Salerno at msalerno@downtownphx.org.

REAL CHANGE CARDS

The Downtown Phoenix Partnership is working with the Lodestar Resource Information Center to offer "Real Change" cards that can truly assist someone in need. These cards provide information on available social services and are a useful tool for employees and students to use when approached by a panhandler. By giving a Real Change card, the recipient will receive \$2 in "Get Going" bucks that can be used at the Lodestar Resource Center to purchase food, toiletries and bus passes. If you are interested in purchasing this card for your clients, employees or affiliates, please contact Terry Madeksza at tmadeksza@downtownphx.org.

Transportation and Parking

DOWNTOWN EVENING EXPRESS

The Partnership continues to offer FREE trolley service with our Downtown Evening Express. The route has recently been updated to include some of the most requested destinations identified by riders. This service is provided Thursdays from 6 p.m. to 11 p.m., and Fridays and Saturdays from 6 p.m. to 2:30 a.m., and connects entertainment venues,

restaurants and bars, hotels, ASU and many evening destinations. A Downtown Phoenix Ambassador rides on board to provide additional information to riders.



Downtown wayfinding system

Streetscape and Urban Design

WAYFINDING INSTALLATION

Much progress was made on the comprehensive wayfinding signage system for Downtown Phoenix. Placement and messaging for the signs was finalized in early 2010, and fabrication began in the summer.

The entire pedestrian system has been installed; bright purple and orange signs are on nearly every corner helping pedestrians find their way. Crews also completed much of the underground work necessary to install the vehicular system which began in January 2011.

CLEAN TEAM

The Clean Team continued to make an impact Downtown. Due to City budget cuts and reduced services, the Partnership expanded Clean Team responsibilities, which now include trash pick-up, alley clean-up, weeding, sidewalk sweeping and power washing, among other light maintenance and landscape services. From September to December of 2010 the Clean Team picked up over 714 bags of trash from stakeholder property, spent over 120 hours cleaning, and removed over 400 bags of trash from alleys, and spent over 300 hours sweeping and power washing sidewalks.

The Clean Team, from left: David Rice, Cornelius Victor, Walter Phillips



Downtown Phoenix Ambassadors



Information Kiosk and (right) hanging flower baskets

AESTHETIC IMPROVEMENTS

Partnership staff placed a major emphasis on public space enhancements in 2010. Throughout the year, crews worked to improve underground irrigation and electrical systems along Monroe and Adams

streets. With repairs complete and systems running efficiently, 28 new shade trees were planted, 185 antiquated uprights were replaced with new energy-efficient LED lights and 40 hanging flower baskets were installed. Over 500 banners were also installed, adding more

color and warmth to downtown pedestrian walk ways.

Additionally, the Ambassador Information Kiosk located at 2nd Street and Adams has been rebranded and repainted, and all sidewalk furniture has been repainted a neutral silver to complement the new wayfinding signage system.

ZOMBIE WALK 2

(Much) Bigger, Better, and Undead-er... the Downtown

Ambassadors spearheaded Zombie Walk 2, which was held at Heritage Square Park Oct. 29 in conjunction with the All Hallows Eve celebration at the Rose & Crown. Over 2,000 zombies participated in the Heritage Square gathering, which was followed by a march through Downtown. The news media flocked to the park to cover the event, which made Phoenix a major player in the national zombie walk craze.



Zombie Walk

ECONOMIC DEVELOPMENT

Business and Stakeholder Outreach

The Partnership continued its outreach to businesses and stakeholders through the *Dateline* electronic newsletter, which was changed to a

blog format to better suit online users as well as reach new subscribers. Economic development outreach efforts have begun to incorporate social media tools such as Facebook and LinkedIn, and staff is working toward full utilization of interactive development tools and data on the Business section of DowntownPhoenix.com. These are in addition to the Partnership's ongoing business attraction outreach to potential tenants, retailers and investors.

Fee for Service

With new business growth continuing outside the Partnership's boundaries, a new program was implemented to offer the DPP's range of services to those businesses within a quarter mile of the district's edges. Restaurants, retailers and other businesses not currently within the boundary can pay a fee to take advantage of the Partnership's marketing, business outreach and other services. Additionally, businesses adjacent to the district also

have the option of paying for Ambassador services. This will allow the DPP to have additional resources to produce more advertising materials for distribution and potentially hire more Ambassadors.

Downtown Phoenix Community Development Corporation [DPCDC]

As a sub-entity of the Partnership charged with attracting workforce housing throughout



Dateline Downtown Phoenix



Lofts at McKinley

greater Downtown, the DPCDC has focused on taking advantage of the depressed real estate prices to secure land for affordable housing projects. The DPCDC is the non-profit partner with Gorman & Company in the Lofts at McKinley senior housing project in the Roosevelt Neighborhood which will offer 60 affordable units for active seniors. Staff has worked to advance the project past the initial design

phase and is working with the development team, City staff and neighborhood leaders to commence construction by June. In addition, staff has teamed up with other community organizations, cities and the private sector to implement transit oriented development policies in the region and find funding sources to bring projects to fruition. The DPCDC continues working closely with the Phoenix Public

Market to help grow new business in Downtown and create an even stronger gathering place for residents and visitors.

Development Outreach

While development has nearly come to a halt in most areas of the Valley, Downtown Phoenix saw continued construction activity throughout the

year. Staff worked with development and City leadership on various projects including the CityScape retail/office complex and the Biomedical Campus, as well as various parties interested in potential projects within Downtown. Staff also attended several convention expos and designed a new display and collateral to attract new Downtown business and potential development.

MARKETING

20 Years of Progress Campaign

With several Downtown organizations and projects celebrating their 20th anniversaries—Herberger Theater Center, Arizona Center, Deck Park and the Downtown Phoenix Partnership—the DPP built an entire campaign around Downtown’s growth and development over the last two decades. This campaign included:

- Outdoor advertising on billboards and bus shelters.
- Radio and print editorial support.
- Increased advertising impressions on AZCENTRAL.
- 10 DPP-sponsored events held between Sept 25-Nov. 16, including two events built around DPP’s 20-year anniversary, a VIP engagement at 1130 The Restaurant and a street fair featuring over 2000 attendees and 65 Downtown businesses.
- Published a commemorative 20 Years of Progress edition of *Downtown Quarterly*.

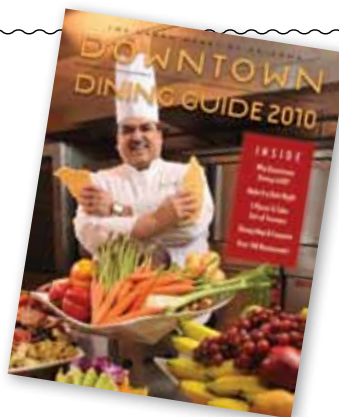
- Researched, developed and published a 20 Years of Progress timeline that was featured in *Downtown Quarterly* and distributed at several events.



First Annual Downtown Dining Guide

In July, the DPP published its biggest publication to date, the 2010 *Downtown Dining Guide*.

- *Downtown Dining Guide* included 24 pages of maps, coupons, directory and editorial on every restaurant in the DPP district (over 100 total).
- 16,000 printed copies were gone within three weeks of publication. DPP received requests from all over the country, including other markets looking to duplicate the book.



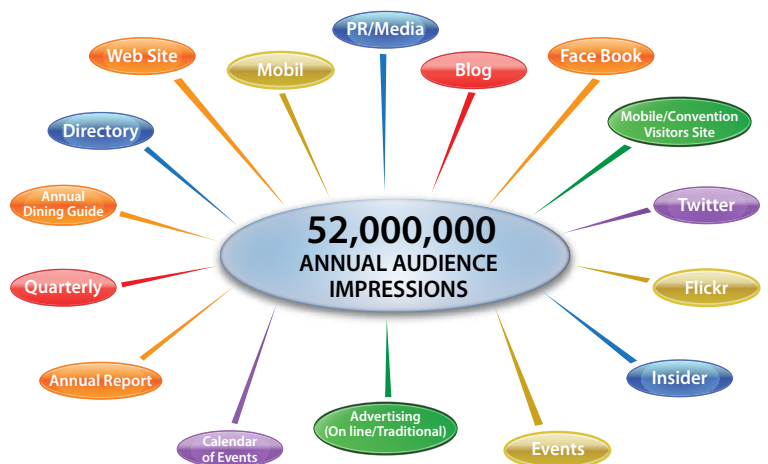
Downtown Dining Guide

- Both a downloadable version and e-book were featured on DowntownPhoenix.com.
- DPP hosted a successful tasting event to introduce the *Downtown Dining Guide* to the local media.

16-Point Outreach Program

In a continuing effort to maximize exposure for Downtown Phoenix via traditional print and outdoor as well as electronic marketing platforms, the Partnership in 2010 implemented a 16-point outreach program that combined the powers of print and online advertising, events, social media, our information-based web site, public relations and publications to accumulate 52 million market impressions.

Downtown Phoenix Partnership Outreach Activities



16-Point Outreach Program

Social Media and Online Communications

Electronic marketing has moved into the realm of social networking and the Partnership continues to invest heavily in promoting Downtown Phoenix on popular streams like Facebook, Twitter, Flickr, and throughout the blogosphere. Including our Downtown Insider weekly e-newsletter, over 20,000 users follow Downtown Phoenix via social media.

DPP was awarded a \$10,000/month Google grant that allows us to advertise on the world's most powerful search engine.

Speaking of Google, in 2010 DowntownPhoenix.com became the No. 1 ranked site for information on Downtown Phoenix, has over 40,000 monthly users, and is a major information resource for other media covering the Downtown area.

The Partnership conceived, developed and implemented a one-of-a-kind service for groups visiting Downtown Phoenix that gives each convention and trade show its own unique URL directing them to a tailored web site designed to enhance their visit with event calendars, coupons and other important Downtown-specific information.

The Downtown Weekly Insider got a facelift thanks to an extensive online survey of our loyal users. The online survey findings showed that Downtowners crave information about upcoming events, dining/entertainment, and new business and the revamped Insider is a product of those findings.

Events

16TH DREAMR LUNCHEON

For the 16th year, the annual DREAMR Awards Luncheon honored those individuals,



Urban Wine Walk

projects, and organizations that significantly contributed to making the dream of a vital, exciting Downtown Phoenix a reality. During the event, which was held in February at the Phoenix Convention Center, 2009 DREAMR winners were recognized:

- Private Sector Individual: Mike Ratner
- Public Sector/Non-Profit Individual: Don Keuth
- Organization: Phoenix Mercury
- Program/Project: Freeport McMoRan Center
- Unsung Hero: Frank Fairbanks
- Visionary: R. Neil Irwin

The 2009 Best of Downtown Awards went to:

- Best Breakfast Spot: First Watch

- Best Lunch Spot: Majerle's
- Best Happy Hour: Hooters
- Best Nightlife Spot: PHX
- Best Place to Relax: Arizona Grotto
- Best Cultural Attraction: Arizona Science Center
- Best Retail Store: Teamshops – US Airways Center
- Best Athlete: Diana Taurasi
- Best Personal Care: Downtown Chiropractic Center

FIRST ANNUAL SPRING URBAN WINE WALK

The Urban Wine Walk was a free event held April 13 that encouraged wine enthusiasts

and urban explorers to ride METRO light rail into the Downtown Phoenix core to enjoy wine samples and snack plates at various Downtown restaurants like 1130 The Restaurant, Phoenix Public Market, Majerle's, Steve's Greenhouse Grill, District American Kitchen and Wine Bar, and Kincaid's, among others. Over 300 people attended the event, which was a big enough success that the Partnership vowed to bring it back in the fall.

FIRST ANNUAL SPRING FLING PUB CRAWL

An unprecedented 750 Crawlers came out for the inaugural Spring Fling Pub Crawl on May 15 to imbibe and meet new friends. A diverse list of bars and restaurants participated, including Hanny's, Hooters, Bar Smith, Seamus McCaffrey's, Ghost Lounge, Steve's Greenhouse, Friday's Front Row and Rose & Crown.

DPP 20TH ANNIVERSARY STREET PARTY

On Oct. 15, to celebrate the Partnership's 20th anniversary, we blocked off Adams Street between Central and 1st Avenue over the lunch hour and invited over 65 Downtown businesses to show off their wares to an estimated 1,600 attendees. Musician Joe Draper was there with his band, as was the Reverend Steven Strange and his street performers.

20th Anniversary Street Party



5TH DOWNTOWN PHOENIX ANNUAL PARADE OF THE ARTS

Known as the world's only parading arts fair, PAPA offers residents a little bit of everything in food and entertainment, plus the opportunity to build a float and star in their very own parade. Creative costumes were out in force, plus belly dancers, music from Soul Power, and much more. Over 1,800 people turned out for this ever-growing annual event.



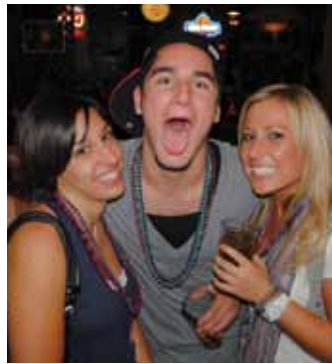
Phoenix Annual Parade of the Arts

FIRST ANNUAL FALL URBAN WINE WALK

On Sept. 25, wine walkers were once again out in force as restaurants from Downtown Phoenix, the Camelback Corridor, and Tempe participated in the fall installment of the Urban Wine Walk. Part of the 20 Years of Progress season of events, the fall Urban Wine Walk attracted over 500 people to Downtown wine destinations like Brick Pizzeria and Wine Bar, District, Phoenix Public Market, Kincaid's, ICON Lounge, 1130 The Restaurant, Steve's Greenhouse and Ghost Lounge.

FOURTH ANNUAL DOWNTOWN PUB CRAWL

The Crawl that rules them all, the Fourth Annual Downtown Phoenix Pub Crawl returned



Downtown Pub Crawl

Oct. 23 and over 800 people came out to tour a record 17 Downtown bars and restaurants, including CityScape newcomer Lucky Strike Lanes, Seamus McCaffrey's, Bar Smith, Steve's Greenhouse (which hosted the awesome post-Crawl breakfast), Networks, Ghost Lounge, Kincaid's, Turf, Hanny's, Majerle's, Friday's Front Row, Coach & Willie's, Rose & Crown, Bentley's, Carly's, District American Kitchen and Hooters.

FIRST ANNUAL DOWNTOWN DINE AROUND

On Dec. 4 the Partnership invited the public to attend the inaugural Downtown Dine Around, a showcase for Downtown's burgeoning dining scene and another chance for urban adventurers to savor Downtown's unique offerings. From 11 a.m. to 4 p.m., 400 diners took their appetites to ICON, Kincaid's, District American Kitchen, Brick Pizzeria, Matador, Sing High, Ghost Lounge and 1130 The Restaurant to munch on plates priced below \$3. The event was free but the Partnership did ask that attendees make a donation to St. Mary's food bank.



Publications

DOWNTOWN QUARTERLY

The Partnership's glossy, four-color quarterly publication continued its maturation into a news magazine in 2010, printing four thematic issues, plus a fifth edition that served as our organization's annual report. *Downtown Quarterly* is distributed by mail all over the Valley and is available at the Downtown Ambassadors Information Center outside the US Bank/101 North tower. *Downtown Quarterly* can be downloaded or viewed in digi-book format on DowntownPhoenix.com.

Here's a list of 2010's issues:

- Spring / Light Rail
- Summer / Downtown Dining Guide
- Fall / 20 Years of Progress
- Winter / The Holidays Happen Downtown

BUSINESS DIRECTORY

The Partnership prints the most comprehensive guide to Downtown Phoenix twice a year and 2010's directories included everything from business and restaurant listings to maps and transportation

information. A total of 220,000 directories were distributed both Downtown and in hotels across the Valley. The directory can be picked up at the Downtown Ambassadors Information Center or downloaded on DowntownPhoenix.com.

BI-MONTHLY EVENTS CALENDAR

On a bi-monthly basis, the Partnership produces 25,000 copies of the most complete events calendar available Downtown. The calendar includes two months' worth of activities at arts and cultural and entertainment venues within the district. It is distributed to Valley residents, area visitors and stakeholders via mail, kiosks and hand delivery.

COLLATERAL

In 2010, marketing produced and distributed nearly half a million pieces of print collateral:

- 220,000 directories
- 20,000 copies of *Downtown Quarterly*
- 16,000 copies of the 2010 *Downtown Dining Guide*
- 180,000 bi-monthly events calendars
- 20,000 holiday calendars



Downtown Phoenix collateral: events calendar, holiday calendar, directory, and quarterly



THE URBAN HEART OF ARIZONA

Downtown Phoenix Partnership
101 N. 1st Avenue, Ste. 1450
Phoenix, Arizona 85003



Printed on recycled paper 2/115,000

DOWNTOWN PHOENIX PARTNERSHIP

Staff

David Roderique, CEcD
President & CEO

Lydia Wolf
Controller

Economic Development

Dan Klocke
Vice President –
Development

Ray Cabrera
Economic Development
Project Coordinator

David Noble
Economic Development
Project Coordinator

Marketing

Jim Flynn
Director of Marketing

R. J. Price
Marketing Coordinator
& Online Community
Editor

Julie De Anda
Events Coordinator

Operations

Terry Madeksza
Vice President
of Operations

Samantha Jackson
Program Manager

Jovanna Perez
Operations Project
Coordinator

Board of Directors

Donald Brandt
Chairman
President and CEO
APS/Pinnacle West

John Zidich
Vice Chairman
President/Publisher
The Arizona Republic

Ron Butler
Treasurer
Arizona Managing
Partner
Ernst & Young, LLP

Rick Welts
Secretary
President and CEO
Phoenix Suns

Mike Arnold
Freeport McMoRan

Gene Blue
President
Arizona OIC

John Bouma
Chairman
Snell & Wilmer

Richard Bowers
President
Herberger Theater

David Cavazos
City Manager
City of Phoenix

Amber Cox
COO, Phoenix Mercury

Dr. William Crist
V.P. Health Affairs
U of A College of
Medicine-Phoenix

Mike Ebert
Managing Partner
RED Development

Debra Friedman
VP/ASU Downtown
Phoenix Campus
Dean/College of Public
Programs
Arizona State University

Mayor Phil Gordon
Advisory
City of Phoenix

Derrick Hall
President and CEO
Arizona Diamondbacks

Don Henninger
Publisher
The Business Journal

Chevy Humphrey
President and CEO
Arizona Science Center

Councilmember
Michael Johnson

Advisory
Councilmember, Dist. 8
City of Phoenix

Todd Kindberg
Sr. Vice President

Central Park East
Associates, LLC

David Krietor
Deputy City Manager
City of Phoenix

Hope Levin
Arizona Market President
US Bank

Jeff Myers
Executive Director
Lincoln Family
Downtown YMCA

Rick Naimark
Deputy City Manager
City of Phoenix

Leo Percopo
General Manager
Sheraton Phoenix
Downtown Hotel

Bill Smith
Owner
Smith Hospitality Group

David Smith
County Administrator
Maricopa County

David Wallach
President
W Developments, LLC

Mary Rose Wilcox
Advisory
Supervisor, District 5
Maricopa County Board
of Supervisors

Chairman Emeritus
Jerry Colangelo
R. Neil Irwin



THE URBAN HEART OF ARIZONA