

# DDC Issues & Solutions

## Issues

The major issues with the DDC are listed below, in order of severity. Numbers shown are from the Phase II study as they are the last numbers that had any meaning. The real numbers are unknown at this point as the project continues to change, but the issues remain the same.

1. **Location** – Locating it in the Preserve would violate most if not all of the Preserve rules and certainly the whole concept of what a Preserve is and was envisioned to be. Further, locating at the major entry point into the Preserve will also compromise the whole experience users currently have at the Gateway and will also be a huge burden on the parking for the trailhead which is already stressed to its current limits requiring an expansion of the parking facilities. Alternate sites may be more desirable and also would mitigate or totally eliminate all these site related issues. See additional comments on the “preferred” location below.
2. **Public Opposition** – Locating the DDC in the Preserve will meet a lot of opposition from the public, not just Preserve supporters. The Preserve belongs to the public, they need to be heard on both its location and how to fund it. The whole concept of the DDC, including its location, has not been vented to the public.
3. **Development Cost** – Having morphed from a relatively small, more compatible venue costing between \$5M and \$10M to a \$74M huge footprint project will challenge any funding mechanism. See the DDC History table at the end of this document.
4. **Running Cost** – Even the most ardent supporters predict relatively large running cost deficits up to \$5M/year. This projected deficit has been a major obstacle to finding an operator. See the DDC History table at the end of this document.

The major issues with locating the DDC in the Preserve are:

1. The DDC is totally **incompatible** with the Preserve in that it violates most if not all of the Preserve rules and will need to be managed in a way that is almost a total opposite of how the Preserve needs to be managed. Specifically:
  - a. The DDC needs to charge a fee for touring the DDC while the Preserve is free to all users. This creates another conflict in that there needs to be some sort of permanent barrier that separates the DDC from the Preserve so that Preserve users can't cross over into the DDC. Any sort of wall or fence would also violate the whole concept of keeping all of the Preserve free of any such barriers so wildlife will be free to move within the Preserve.
  - b. The DDC will need to have concessions, specifically a café or restaurant and gift shop. This is a direct violation of the Preserve Ordinance.
  - c. The DDC will need sound amplification equipment, this also is a direct violation of the Preserve Ordinance.
  - d. The DDC will need to have night time operations which is a direct violation of the Preserve Ordinance. This one is particularly disturbing because the whole reason

all human presence in the Preserve is limited to daytime hours is because dusk to dawn is the major time wildlife is active in foraging for food and moving from one area to another so it is critical to shut down everything in the Preserve at dusk. This concern could be mitigated by moving the DDC to the edge of the Preserve instead of inside it.

- e. The DDC will have a significant footprint in the Preserve which was envisioned to have MINIMAL human improvements, limited to one very small building to locate facilities needed for the major trail heads. Putting larger structures and occupying a much larger footprint is in violation of the whole concept of a Preserve.
2. For the reasons above, and others, the opposition that will be encountered if the DDC is located in the Preserve, and the Preserve Ordinance has to be modified to accommodate this use, should not be underestimated. It will not only be significant it will be very passionate.
3. Locating the DDC at the Gateway in the Preserve has NOT been vented to the public, much less accepted by the public. It is their Preserve, they should have input.
4. Lack of easy access to other tourist venues. The chosen site is tucked away from other tourist venues, specifically West World and the Bell Road “tourist corridor”. Proximity to West World would be a huge advantage because of all the events hosted at West World bringing in far more tourists than the total number that would visit the Preserve, much less the number that would visit the one trailhead at the Gateway where the DDC would be located. Similarly, proximity to residential and a planned hotel would boost use of the restaurant and gift shop as a minimum, making it more viable financially.

### Alternate Sites

Alternate sites are available that would mitigate or eliminate all of the site related issues. Two are compared to the current selected site in the table below, which is a modified version of the table in the original site report. These sites are known by the DDC advocates and have been discussed with them, but they have shown no interest in considering them. Either one would be an acceptable alternate to Preserve supporters. The sites are.

1. **NE corner of Thompson Peak and Bell Road.** This site is still in the Preserve but is on the edge of the Preserve and in a location that mitigates some of the concerns and could be easily carved out of the Preserve so it doesn't have to follow any of the Preserve rules.
2. **NE corner of 94<sup>th</sup> Street and Bell Road.** This site is already owned by the city, is relatively close to the Preserve, very close to West World and right in the Bell Road “tourist corridor”. As such, it will tend to see more traffic than if it is buried in the Preserve. Since this site is not in the Preserve, it eliminates ALL of the issues with locating it in the Preserve.

Parameter	Site 1	Site 2	Site 6
	Thompson Peak Parkway & Bell Road	94th Street & Bell Road	At Gateway Trailhead
Location and Accessibility	Good - 3 Miles to 101 & Pima, Relatively close to West World, SW Corner of Gateway w/bus bay	Good Excellent -1.5 miles to 101 & Pima, Close to West World, Close to intended hotel, 0.75 mi to Preserve via trail	Good - 2.75 miles to 101 & Pima
Visibility and Prominence	Excellent	Excelent	Good
Site Size and Qualities	40 acres -Excellent	40-acres -Moderate	33 acres - Excellent
Connectivity to Preserve	On Preserve land	Yes - connection to Preserve via trail 0.75 mi	On Preserve Land
Adjacent and Nearby Uses	No negative impacts	Potential impacts from nearby uses	No negative impacts
Building Program and Visitor Experience Potential	Can accommodate full DDC buildout	Can accommodate full DDC buildout	Can accommodate full DDC buildout
Availability and Developability	In existing Preserve	City owned	In existing Preserve
Issues	Incompatible with Preserve (1) Moderate Impact on Preserve	None	Incompatible with Preserve (1) Huge negative impact on Preserve (2)
<b>SUMMARY OF POTENTIAL SITE IMPLICATIONS</b>			
Attendance Potential	Attendance potential somewhat lower HIGHER than at Gateway (intersection of two major roads and closer to other attractions)	Highest Attendance potential somewhat lower HIGHER than at Gateway (On major road plus close to West World and planned hotel)	Baseline Highest attendance potential for a stand-alone DDC (Requires other Preserve users to use DDC facilities to meet projections)
Resident Market Attendance	Resident attendance potential somewhat lower HIGHER than at Gateway (closer to residential)	Resident attendance potential somewhat lower HIGHER than at Gateway (closer to residential)	Highest resident attendance potential for a stand-alone DDC requires other Preserve users to use DDC facilities
Tourist Market Attendance	Tourist attendance potential lower HIGHER than at Gateway (closer to West World and intended hotels)	Tourist attendance potential lower HIGHER than at Gateway (closest to West World and intended hotels)	Baseline Highest tourist attendance potential for a stand-alone DDC based on tourist hikers going to DDC (questionable assumption)
School Group Attendance	Highest School group attendance potential similar to Gateway due to easy access and adjacent to Preserve and residential uses.	2nd Highest School group attendance potential similar to Gateway due to easy access and adjacent to residential uses.	Baseline Highest school group attendance potential for a stand-alone DDC (not as convenient as sites on Bell Road)
Restaurant Market	HIGHER Lower than Gateway (close to West World, residential uses and industrial uses)	HIGHEST potential Lower than Gateway (closest to West World, residential uses and industrial uses)	Good opportunity (assumes users of Preserve will use DDC facilities, questionable assumption)
Meetings and Events Market	Similar to Lower than Gateway (Must violate Preserve ordinance and management objectives)	Higher Lower than Gateway due to being closer to West World, intended hotels, and industrial uses.	Good opportunity (Must violate Preserve Ordinance and management philosophy to do this)
Capacity to Fulfill Mission	Strongly supports DDC Mission	Strongly Potentially supports DDC Mission	Strongly supports DDC Mission
Outside Funding and Partnering	Possible	Possible	Possible
Sustainable Operations	Operating potential and sustainability is somewhat HIGHER lower than at Gateway (Closer to compatible venues)	Highest operating potential and sustainability is somewhat lower than at Gateway (Closer to compatible tourist venues)	Operating potential is questionable highest at Gateway
Tourism / Economic Impacts	Tourism / Economic Impacts potential is somewhat HIGHER lower than at Gateway (close to West World and intended hotels)	Highest Tourism / Economic Impacts potential is somewhat lower than at Gateway (close to West World and intended hotels)	Baseline Tourism / Economic Impacts potential is highest at Gateway
Community Benefits	Community Benefits are HIGHER somewhat lower than at Gateway (less opposition)	Community Benefits are HIGHER somewhat lower than at Gateway (less opposition, none from Preserve standpoint, some from adjacent residential)	Community Benefits are LOWEST highest at Gateway (there will be substantial public opposition to this site)
Land Ownerships Status	City of Scottsdale - McDowell Sonoran Preserve	City of Scottsdale	City of Scottsdale - McDowell Sonoran Preserve
Zoning	R1-10 PCD ESL & R1-18 ESL & R1-10 ESL (Assume COS ESL in future)	P1-7 ESL (HD) PCD (very dense)	R1-10 PCD ESL & R1-18 ESL & R140 ESL (Assume COS ESL for future)
Summary	2nd Best Site but has conflict with the Preserve	Best site, close to Preserve and other tourist venues	3rd best site but has a major conflict with the Preserve





# DDC History

Report Name	Prepared by	Company	Date	Bldg. (Sq Ft)	Cost Estimate	Cost Type	Est. FTE's	Est. Attendance	Est. Operating Income (Loss) w/o Contributed Income
Proposed DDC Report (including site analysis criteria)	Langdon Wilson Architecture Planning	Museum Management Consultants	Sep-1999	15,800	\$4,330,000	Hard Costs	18-20	300,000 - yr. 1	(\$897,500) - yr. 1
DDC Concept Update & Market	Refinement -- Nichols Tourism Group	WeedleGilmore Architects	Apr-2006	19,665	\$15,382,126	Hard and Soft	23-26	300,000 - yr. 1	(\$140,843) - yr. 1
Draft Business Plan for DDC <sup>1</sup>	Prepared by COS Financial Svs.		Oct-2006	19,665	\$15,382,126	Hard and Soft	18-20	300,000 - yr. 1	\$545,857 - yr. 1
McDowell Portal	Consult Econ in association with	Exhibit Design Associates	Jun-2008	20,010	\$23,358,486	Hard and Soft	??	132,000 - yr. 1	No Estimate
Exhibition Sonora	Consult Econ in association with	Exhibit Design Associates	Jun-2008	52,920	\$56,854,446	Hard and Soft	??	237,600 - yr. 1	No Estimate
DDC Business Plan	ConsultEcon in association with	Olinger Group	Jul-2010	72,972	\$74,041,936	Hard and Soft	79.25	399,600 - yr. 1 333,000 - yr. 3	(\$873,353) - yr. 1 (\$2,011,956) - yr. 3
<sup>1</sup> Income/loss calculation includes 10% contingency but does not include debt expense.									