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# MEMORANDUM

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Date: June 26, 2018

To: The Honorable Chairman and Members  
Pima County Board of Supervisors

From: C.H. Huckelberry  
County Administrator 

Re: **Major League Soccer's Room Night and Marketing Performance 2018**

Please see the attached report from Visit Tucson regarding the participation by various professional soccer teams in Preseason Major League Soccer (MLS) spring training who trained and participated in scrimmages at Kino Sports Complex in January and February 2018.

The analysis is straightforward. Our contribution, which was capped at \$130,000 annually, will be made at the rate of \$111,677 as determined by the number of teams and length of stay in hotels in the unincorporated area of the County. 54% of the 2018 MLS room nights totaling 2,412 were consumed in properties in unincorporated Pima County, up from 39% in 2017. 1,465 room nights occurred from teams lodging in hotels and resorts within the City of Tucson; and 572 room nights occurred in Oro Valley area hotels and resorts.

The total 2018 Bed Tax paid by MLS teams at properties in unincorporated Pima County totaled \$48,477. In total, 4,449 room nights occurred in 2018.

I have authorized a payment to Visit Tucson in the amount of \$111,677 pursuant to our agreement entered into on January 17, 2017.

CHH/mp

Attachment

c: Jan Leshar, Chief Deputy County Administrator  
Tom Burke, Deputy County Administrator for Administration  
Diane Frisch, Director, Attractions and Tourism



TO: Mr. Chuck Huckelberry, County Administrator, Pima County  
 CC: Ms. Jan Leshner, Deputy County Administrator, Pima County  
 Ms. Diane Frisch, Director of Attractions & Tourism, Pima County  
 Ms. Reenie Ochoa, Director, Pima County Stadium District

FROM: Brent DeRaad, Visit Tucson

RE: Major League Soccer's 2018 Mini Mobile Sun Cup Room-Night & Marketing Performance

DATE: June 22, 2018

**Agreement**

On Jan. 17, 2017, the Pima County Board of Supervisors approved a three-year agreement, renewable annually, to reimburse Visit Tucson up to, but not to exceed, \$130,000 annually for Major League Soccer (MLS) teams' participation in MLS Preseason in Tucson.

The event was operated by FC Tucson in 2017 and by the United Soccer League's Phoenix Rising in 2018. Phoenix Rising acquired FC Tucson in fall 2017 and operates the club. Phoenix Rising renamed the event in 2018 as the Mini Mobile Sun Cup.

Visit Tucson will write a check this month to MLS for the entire amount (\$224,628) due to its teams for participation in the 2018 Mini Mobile Sun Cup. Of that amount, Visit Tucson is seeking reimbursement of \$111,677 from Pima County as outlined in this memo.

Parties to this agreement include: Pima County; Pima County Stadium District; City of Tucson; Major League Soccer; FC Tucson Events (responsibilities assumed by Phoenix Rising); and Visit Tucson. The agreement covers Mini Mobile Sun Cup activities from late January-February from 2017 through 2019.

For the 2018 event, Pima County agreed to pay MLS up to \$20,000 per team based on: 1) teams staying 12 or more nights in hotels or resorts within unincorporated Pima County; and 2) marketing done by MLS teams to their fans encouraging them to travel to Tucson for MLS Preseason in Tucson. Teams staying less than 12 nights are eligible to receive \$1,667 per night. In all cases, the value of the teams' marketing of MLS Preseason in Tucson to their fans must equal or exceed the payment amount. Tucson and Oro Valley are participating in this agreement in 2018 under the same terms as Pima County.

**\*Lodging—Unincorporated Pima County Properties**

<u>Team</u>	<u>Resort/Hotel</u>	<u>Stay</u>	<u>Room Nights</u>	<u>Total Expenditures</u>
Sporting Kansas City	Westin La Paloma	16 nights (2/8-2/25)	556	\$139,094
Portland Timbers	Westin La Paloma	13 nights (2/12-2/26)	446	\$109,020
Houston Dynamo	Loews Ventana Canyon	13 nights (2/10-2/24)	424	\$117,405
Colorado Rapids	Omni Tucson National	10 nights (2/7-2/17)	325	\$97,844
LA Galaxy	Westin La Paloma	9 nights (1/28-2/5)	292	\$104,889
Seattle Sounders	Westin La Paloma	7 nights (2/1-2/8)	256	\$102,436
FC Dallas	Westin La Paloma	5 nights (2/13-2/18)	<u>113</u>	<u>\$49,385</u>
<b>Totals—Properties in Unincorporated Pima County</b>			<b>2,412</b>	<b>\$720,073</b>

\*Source: Visit Tucson, March 15, 2018

**Recap—2018 MLS Mini Mobile Sun Cup**  
**Page 2**

The other four teams that participated in Mini Mobile Sun Cup training activities, but stayed in Tucson and Oro Valley hotels and resorts were: New England Revolution; New York Red Bulls; Real Salt Lake; and San Jose Earthquakes. Additionally, the Portland Timbers added a second stay, which was at JW Marriott Tucson Starr Pass Resort.

**\*Lodging—Tucson Properties**

<u>Team</u>	<u>Resort/Hotel</u>	<u>Stay</u>	Room <u>Nights</u>	Total <u>Expenditures</u>
New England Revolution	JW Starr Pass	14 nights (2/10-24)	448	\$220,143
Portland Timbers	JW Starr Pass	12 nights (1/22-2/3)	438	\$135,564
San Jose Earthquakes	JW Starr Pass	10 nights (1/29-2/8)	262	\$103,256
Real Salt Lake	Tuc Univ Park	9 nights (1/30-2/8)	<u>317</u>	<u>\$79,058</u>
<b>Total—Tucson Properties</b>			<b>1,465</b>	<b>\$538,021</b>

\*Source: Visit Tucson, March 15, 2018

**\*Lodging—Oro Valley Properties**

<u>Team</u>	<u>Resort/Hotel</u>	<u>Stay</u>	Room <u>Nights</u>	Total <u>Expenditures</u>
New York Red Bulls	Hilton El Con	19 nights (2/5-25)	<u>572</u>	<u>\$178,491</u>
<b>Total—Oro Valley Properties</b>			<b>572</b>	<b>\$178,491</b>
<b>Total—2018 MLS Preseason in metro Tucson</b>			<b>4,449</b>	<b>\$1,436,585</b>

\*Source: Visit Tucson, March 15, 2018

**Team Expenditures**

Based on information in Visit Tucson’s 2014-17 MLS recaps to Pima County, here is a comparison of reported expenditures for teams that stayed in hotels/resorts in unincorporated Pima County in 2014-18, along with Pima County’s investment.

	Room <u>Nights</u>	Total <u>Expenditures</u>	Pima County’s <u>Investment</u>
<b>2018</b>	<b>2,412</b>	<b>\$720,073</b>	<b>\$111,677</b>
2017	1,803	\$577,537	\$80,000
*2016	2,610	\$724,192	\$130,000
2015	2,822	\$739,550	\$185,000
2014	3,008	\$1,327,928	\$190,376

\* 2016 figures include Pima County and JW Marriott Starr Pass room nights & expenditures. Pima County’s figures without Starr Pass were 1,963 room nights & \$517,700 in total expenditures. Pima County’s 2016 payment factored in that JW Marriott Tucson Starr Pass pays Pima County a 2% fee on all hotel revenues. The City of Tucson reimbursed Visit Tucson in 2017 for MLS team stays at Starr Pass and other Tucson properties and is doing so again in 2018.

**Overview**

54% of the 2018 MLS room nights (2,412 of 4,449) were consumed in properties in unincorporated Pima County, up from 39% in 2017. Metro Tucson hotel/resort revenue per available room (RevPAR) was up 11.8% and 2.5%, respectively, year over year, in January and February 2018.

## Recap—2018 MLS Mini Mobile Sun Cup

### Page 3

#### Pima County Bed-Tax Revenue

Per room revenue data supplied by Westin La Paloma, Loews Ventana Canyon and Omni Tucson National, we extrapolated the following amounts of transient occupancy (bed) tax paid by the MLS teams that stayed in these properties during the 2018 Mini Mobile Sun Cup:

\$11,811 – Sporting Kansas City (Westin La Paloma Resort)  
\$7,198 – Portland Timbers (Westin La Paloma Resort)  
\$7,648 – Houston Dynamo (Loews Ventana Canyon Resort)  
\$6,618 – Colorado Rapids (Omni Tucson National Resort)  
\$7,152 – LA Galaxy (Westin La Paloma Resort)  
\$5,923 – Seattle Sounders (Westin La Paloma Resort)  
\$2,127 – FC Dallas (Westin La Paloma Resort)

**\$48,477 – Total 2018 Bed Tax Paid by MLS teams at Properties in Unincorporated Pima County**

Of the \$48,477 (12.05%) in estimated resort/hotel taxes collected above, \$24,355 (6.05%) went to the State of Arizona and \$24,122 (6%) went to Pima County. With Pima County also receiving 2% of all expenditures at JW Marriott Starr Pass Resort, that total equals \$9,179 ( $\$458,963 \times 2\%$ ).

#### MLS & MLS Team Marketing

We received marketing reports from 10 of the 11 participating MLS teams—Colorado Rapids, FC Dallas, Houston Dynamo, LA Galaxy, New England Revolution, New York Red Bulls, Portland Timbers, San Jose Earthquakes, Seattle Sounders and Sporting Kansas City. We did not receive a report from Real Salt Lake.

With that being the case, we at Visit Tucson recommend reimbursing at 100% the 10 MLS teams that conducted Tucson preseason marketing and reimbursing Real Salt Lake (City of Tucson) at 75% because it did not supply Phoenix Rising/Visit Tucson with a Tucson preseason marketing report.

Should Pima County approve this approach, all seven teams that stayed in unincorporated Pima County would receive full reimbursement—Colorado Rapids, FC Dallas, Houston Dynamo, LA Galaxy, Portland Timbers, Seattle Sounders and Sporting Kansas City.

#### 2018 Team Marketing Overview

Colorado Rapids (Omni Tucson National—unincorporated Pima County)

- **Social Media:** Visit Tucson received three social media posts as the “Photo of the Day” during the Rapids’ stay in Tucson for preseason. The Photo of the Day encouraged fans to travel to Tucson for MLS preseason. The posts on Instagram, Twitter and Facebook had a combined 107,000 impressions, 4,100 engagements and 9,352 views.
- **Digital Media:** Visit Tucson received three run-of-site ads on the Rapids’ website, inclusion in two email blasts to season-ticket members and inclusion in three videos and articles regarding preseason called “Camp Check In.” Visit Tucson’s logo was included and Visit Tucson was identified as presenting sponsor. The web ads had 47,000 impressions.

## Recap—2018 MLS Mini Mobile Sun Cup

### Page 4

#### 2018 Team Marketing Overview (continued)

##### FC Dallas (Westin La Paloma—unincorporated Pima County)

- **Social Media:** FC Dallas included mentions of Visit Tucson and images and copy about their preseason training experience, including a co-branded photo filter. FC Dallas distributed posts through its Facebook (373,000 followers), Twitter (156,000 followers) and Instagram (70,000 followers) accounts.
- **Website:** FC Dallas provided Visit Tucson with a logo/link on its website — [www.fcdallas.com](http://www.fcdallas.com).
- **FC Dallas Game Day Magazine:** Visit Tucson received a full-page ad in 4 editions of FC Dallas' digital match-day magazine for the following home matches—March 18 and 24 and April 7 and 21. The magazine was distributed via email to 140,000 subscribers.

##### Houston Dynamo (Loews Ventana Canyon Resort—unincorporated Pima County)

- **Digital Media:** Visit Tucson received a 10-day (Feb. 19-28, 2018) digital ad package containing units on HoustonDynamo.com, along with its mobile website. The campaign generated 19,431 impressions. Tucson was also promoted in two Dynamo e-newsletters—Feb. 15 (86,303 emails delivered) and Feb. 21 (85,099 emails delivered).
- **Social Media:** The Dynamo ran three Instagram posts tagging Visit Tucson during preseason. They generated 55,547 impressions and 2,825 engagements.
- **Content:** Dynamo promoted preseason and Tucson in two episodes of “The Slice” digital video series, both filmed in Tucson in February. The episodes had 9,821 views and two five-second commercials with the Mini Mobile Sun Cup logo and voiceover included.

##### LA Galaxy (Westin La Paloma—unincorporated Pima County)

- **Website:** The Galaxy posted four times in its photo gallery about its Tucson preseason activities (Jan. 29-Feb. 2, 2018), posted a Feb. 3 match preview (Feb. 2) and posted an article (Feb. 3) about its starting 11 for its Feb. 3 Tucson preseason match vs. Real Salt Lake. The six posts generated 5,286 unique visits to the Galaxy's website with 6,526 page views.
- **Social Media:** The Galaxy tweeted 13 times between Jan. 30 and Feb. 4 about its Tucson activities and Feb. 3 match vs. Real Salt Lake. They also posted on their team's Facebook page six times between Feb. 2 and 4, while posting nine times on Instagram between Jan. 29 and Feb. 3. The 28 posts delivered 870,368 impressions, along with 46,604 engagements.

##### New England Revolution (JW Marriott Tucson Starr Pass Resort—Tucson)

- **Website:** Tucson preseason soccer ads ran on [www.revolutionsoccer.net](http://www.revolutionsoccer.net) from Jan. 29-Feb. 24, 2018. The ads generated 76,717 impressions. The Revolution also created a Tucson preseason page on its website with team-produced video content, match recaps and more. The page garnered 24,000 page views in January-February 2018.
- **Twitter:** The Revolution tagged 8 tweets with @VisitTucsonAZ between Feb. 12 and 23, 2018. The tweets generated 81,000 impressions, 8,700 total video view and 606 engagements (likes + retweets).

### 2018 Team Marketing Overview (continued)

#### New York Red Bulls (El Conquistador—Oro Valley)

- **Digital Media:** Visit Tucson received a rotating banner ad on homepage of Red Bulls' website, along with a digital ad campaign promoting fan travel to Oro Valley, the tournament, and to entice fans to take part in the experiences offered in the preseason package. Ads ran from Jan. 8-March 1, 2018.
- **Social Media:** The Red Bulls promoted its participation through editorial/social mentions on Facebook, Twitter and Instagram. Naranja Park images were included.
- **Database Marketing:** The Red Bulls sent two Visit Tucson-branded emails to the Red Bulls' database promoting sales of the preseason package. The first email was sent Jan. 12, 2018 to "red" members—3,272 emails sent to, 2,432 unique opens, 723 unique clicks. The second email was sent Jan. 23 to third-party message opt-ins—17,612 emails sent to, 3,670 unique opens, 229 unique clicks.

#### Portland Timbers (Westin La Paloma—unincorporated Pima County)

- **Enter-to-Win Contest:** The Timbers promoted an enter-to-win contest on its website and via social media from Feb. 1-5, 2018. One grand-prize winner received: 2 tickets to the Timbers vs. FC Dallas match, Feb. 17, at the Kino North Stadium; 2 Timbers' jerseys; dinner for 2 at a Tucson restaurant; watch pre-game warmups from the Timbers' bench.
- **Website:** The Timbers ran Visit Tucson banner ads for 4½ weeks on its website—Jan. 25-Feb. 25, 2018.

#### San Jose Earthquakes (JW Marriott Tucson Starr Pass—Tucson)

- **Social Media:** The Earthquakes sent 3 Tweets in January 2018 promoting an enter-to-win contest for a trip to Tucson to enjoy an Earthquakes' preseason match. The packages included airfare, hotel stay, Quakes prize pack and game tickets. Total impressions: 19,117; Likes: 1,076.
- **Website:** The Earthquakes set up an enter-to-win landing page for the aforementioned contest on its website, which included Visit Tucson banner ads. Total impressions: 38,284; clicks 110.

#### Seattle Sounders (Westin La Paloma—unincorporated Pima County)

- **Digital Media:** Visit Tucson received logo inclusion on the Sounders' preseason landing page from Jan. 8-Feb. 5, 2018. Visit Tucson received rotating web ads on the primary and secondary pages of SoundersFC.com and the Sounders FC mobile app. Total impressions: 97,848.
- **Social Media:** Visit Tucson received 1 Tweet (Jan. 30) from the Sounders FC official Twitter handle that promoted MLS Preseason in Tucson. Impressions: 15,352.
- **Emails:** An email was sent Jan. 23 to 21,148 Sounders' fans encouraging fans to purchase Sounders' preseason tickets for Tucson matches. Tucson preseason was also covered in Sounders' e-newsletters that were emailed Jan. 18 and 31 to a total of 114,340 addresses.

**2018 Team Marketing Overview (continued)**

Sporting Kansas City (Westin La Paloma—unincorporated Pima County)

- **Website:** Visit Tucson received a run-of-site package on Sporting Kansas City's website with 3 banner ads active from Jan. 2-Feb. 28, 2018. Total impressions: 152,787; click-throughs to Visit Tucson's website: 134. Visit Tucson received a logo/link on the preseason home page of Sporting Kansas City's website: 250 webpage views (Jan. 2-Feb. 28).
- **Email:** Sporting Kansas City sent an email to 3,902 season-ticket holders on Jan. 25 encouraging them to travel to Tucson for Sporting KC matches. Open rate: 35%; click through to ticket purchasing site: 2%.
- **Social Media:** Visit Tucson received 10 posts on Sporting Kansas City's Twitter account between Jan. 2-Feb. 28, 2018 promoting MLS preseason training. Total impressions: 168,037; total engagements: 5,865; total favorites: 523; total retweets: 63.
- **Player Snapchat Takeover:** Visit Tucson received a Snapchat Takeover with a Sporting Kansas City player (Khiry Shelton) on Feb. 13, 2018. The takeover occurred in Tucson and concluded with an enter-to-win contest encouraging fans to show how they supported Sporting KC this preseason. Participants entered for a chance to win a team-signed jersey. The contest received 25 entries.

**Value to Pima County**

Marketing

Last year, we valued the teams' marketing efforts to their fans at roughly \$367,500 based on the digital and social media delivered, along with limited game streaming. Information was not supplied this year regarding Mini Mobile Sun Cup game streaming, but the team marketing was equal to 2017 efforts. Without the 2018 game streaming data, we are lowering the projected 2018 marketing value by \$50,000 to \$317,500.

**2018 Marketing Value: \$317,500**

Direct Spending

Pima County's sponsorship agreement with MLS generated 2,412 room nights in January/February 2018 in resorts within unincorporated Pima County, along with team spending of \$720,073. Of that total, an estimated \$48,477 in bed-tax revenue went to Pima County.

Additionally, Pima County received 2% of the New England Revolution's, Portland Timbers' and San Jose Earthquakes' expenditures at JW Marriott Starr Pass Resort, which equates to \$9,179.

This spending does not include MLS or visiting fans' expenditures. An unknown number of MLS officials, team sponsors and fans stayed in hotels and resorts within unincorporated Pima County.

**2018 Total—Pima County + JW Marriott Revenue to County: \$729,252**

Mini Mobile Sun Cup Revenue to Pima County

Phoenix Rising paid Pima County \$42,702 for revenue share, rent and services provided related to 2018 MLS training and matches. Additionally, the Pima County Stadium District received \$5,149 in revenue share from concession sales during the event. The combined payments equal \$47,851, down nearly \$4,000 from 2017.

**Recap—2018 MLS Mini Mobile Sun Cup**  
**Page 7**

**Recommended Payment**

Based on a review of the teams’ length of stay in metro Tucson, whether they stayed in resorts or hotels within unincorporated Pima County, and marketing performance, it is recommended that Visit Tucson, with full reimbursement from Pima County, pay Major League Soccer \$111,677, per the contract among Pima County, Pima County Stadium District, City of Tucson, MLS, FC Tucson and Visit Tucson. Details follow:

<u>Team</u>	<u>2 Weeks PC Resort/Hotel</u>	<u>Preseason Tucson Marketing</u>	<u>Recommended Payment by FC Tucson</u>
Colorado Rapids (Omni)	10 nights	yes	\$16,670
FC Dallas (Westin)	5 nights	yes	\$8,335
Houston Dynamo (Loews)	13 nights	yes	\$20,000
LA Galaxy (Westin)	9 nights	yes	\$15,003
Portland Timbers (Westin)	13 nights	yes	\$20,000
Seattle Sounders (Westin)	7 nights	yes	\$11,669
Sporting Kansas City (Westin)	18 nights	yes	<u>\$20,000</u>
<b>Total:</b>			<b>\$111,677</b>

2018 Proposed Payments

**\$111,677 – Pima County**

\$67,926 – City of Tucson

\$25,025 – Visit Tucson

\$20,000 – Oro Valley

**\$224,628 – 2018 Total Payment to MLS Teams**

**Visit Tucson**

Per the agreement, no governmental entity is being asked to pay more than \$20,000 per team stay. For those teams staying 13 nights or longer, Visit Tucson is covering all amounts over \$20,000 per team. For Pima County, Visit Tucson is covering \$10,004—Sporting Kansas City-\$6,672; Portland Timbers-\$1,671 and Houston Dynamo-\$1,671. In total, Visit Tucson will spend \$25,025 on team stays, plus \$25,000 on a Phoenix Rising sponsorship to promote Tucson to Rising fans and build a relationship with the team to maintain and grow MLS preseason training and matches at Kino Sports Complex.

**2018 MLS Mini Mobile Sun Cup Return on Investment to Pima County**

\$720,073 – 2018 direct hotel spending by 7 MLS teams staying in resorts in unincorporated Pima County

+\$9,179 – 2% of direct hotel spending by 3 MLS teams that stayed at JW Starr Pass in 2018

+\$47,851 – Phoenix Rising’s 2018 MLS-related payments and revenue share to Pima County

**\$777,103** – Total 2018 MLS preseason revenue to Pima County and its resorts

/\$111,677 – 2018 requested reimbursement of MLS-related expenses from Pima County

**\$6.96 – Pima County’s 2018 return on investment in MLS Mini Mobile Sun Cup**

**2018 MLS Mini Mobile Sun Cup Total Cash Return on Investment**

\$1,484,436 – 2018 direct spending by 11 MLS teams in metro Tucson + Rising’s revenue share payment

/\$224,628 – Total 2018 investment by Pima County/Tucson/Oro Valley/Visit Tucson

**\$6.61 – 2018 regional cash return on investment from MLS Mini Mobile Sun Cup**

**Recap—2018 MLS Mini Mobile Sun Cup**  
**Page 8**

**2018 MLS Mini Mobile Sun Cup Total Cash + Marketing Return on Investment**

\$1,484,436 – 2018 direct spending by 11 MLS teams in metro Tucson + Rising’s revenue share payment

+\$317,500 – 2018 MLS Preseason in Tucson marketing value from participating teams

\$1,801,936 – Total 2018 MLS preseason revenue + marketing

/\$224,628 – Total 2018 investment by Pima County/Tucson/Oro Valley/Visit Tucson

**\$8.02 – 2018 regional cash + marketing return on investment from MLS Mini Mobile Sun Cup**

**Return on Investment**

The numbers cited don’t include air fare, off-site meals, local transportation, entertainment, shopping or other local team/player expenditures, while in metro Tucson.

**Summary**

We at Visit Tucson thank Pima County for investing in MLS preseason. Without the County’s leadership, this event would not have come to fruition in our region five years ago.