

TOURISM ADVISORY COMMITTEE
REGULAR MEETING
TUESDAY, JANUARY 8, 2019
PRESCOTT, ARIZONA

MINUTES OF THE REGULAR MEETING OF THE TOURISM ADVISORY COMMITTEE HELD ON JANUARY 8, 2019, AT PONDEROSA HOTEL MANAGEMENT OFFICES, LOCATED AT 222 S. CORTEZ ST., PRESCOTT, ARIZONA.

A. Call to Order. Chair Margo Christensen called the meeting to order at 10:00 a.m.

B. Roll Call:

TOURISM ADVISORY COMMITTEE MEMBERS:

Present:

Margo Christensen, Chair

Robert Coombs

Fred Veil

Cindy Gresser, Arrived 10:41am

Bill McCleary

Kim Villalpando

Steve Bracety

Absent/Excused

Matt Brassard, Vice Chair

Mayor pro tem Billie Orr

Amore Cianciola, Secretary

Jason Seidman

STAFF PRESENT:

John Heiney, Community Outreach Manager

Ann Steward, Sales & Marketing Coordinator

Kristi Miller, Airport

C. Approval of November 1, 2018 Minutes. Change to the minutes by Margo Christensen regarding page 2 at the bottom regarding room night increase. Ann Steward will change the minutes and have Margo Christensen sign off. **MOTION TO APPROVE NOVEMBER 1, 2018 MINUTES with noted change BY BILL MCCLEARY, SECOND BY ROBERT COOMBS.**

D. Prior to the vote being taken, Committee Member Announcements

Robert Coombs (Prescott Chamber of Commerce, Visitor Information Center)-2018 numbers are good and show an increase. New programs coming up such as the gift certificate program, this program is continuous and not just for the holidays. Contact the Chamber for information about this program. Robert Coombs also thanked Margo for her time on the Chamber Board.

Fred Veil (Executive Director of Sharlot Hall Museum) – Education Center funding should be reached soon and project coordination to begin soon as well.

Bill McCleary (President Prescott Downtown Partnership) – his term for PDP is coming to a close this month. Commented on the visit by Ron Drake who will look into our downtown welfare. All of his stores are going to be combined and located in the Burmister building.

Kim Villalpando (Director Phippen Western Art Museum) – tomorrow is her last day. In March, the Desert Horizons Exhibit will open. Admission prices have also increased. Collection Room is being expanded.

Steve Bracety (General Manager Prescott Resort and Conference Center) – commented on snow.

Margo Christensen (Ponderosa Hotel Management) – Sierra Vista Best Western will open in 4-5 weeks.

Public Introductions:

Edd Kellerman – replacing Kim Villalpando as Executive Director at Phippen Western Art Museum. Prescott native, happy to be a part of the museum.

Comments from committee members congratulating Edd on his new role.

Cecilia Jernegan – consultant Forest Villas Hotel, excited to be here and hear all of the information.

Doug Reed – Tour Prescott, happy to be here and hear all of the information.

Margo Christensen then introduced her new sales and marketing assistant Katie. She works in sales for Holly Mauerer and alongside Margo for marketing.

Return TO ITEM C. Vote with noted changes to Minutes - **MOTION PASSES UNANIMOUSLY. Staff will update minutes accordingly.**

E. Committee Member Terms and Vacancies. John Heiney reported that when TAC was established as a City committee there would be staggering terms. We are now into the first wave of committee members' terms coming up. All City Boards and Commissions all come up in March at every year, what that means is, any vacancies or terms that are ended have to be filled between end of year to February as far as applying. There are term limits implemented, but we do encourage those to reapply who haven't reached their term limit. John Heiney explained that you go to the city website to reapply. The link will also be sent to the members below.

February 1st is the deadline. John Heiney encouraged everyone to reapply and/or to let us know if you think you will not reapply.

The following committee members' terms are coming up:

- Amore Cianciola
- Bill McCleary
- Jason Seidman
- Fred Veil
- Kim Villalpando

Question from Fred Veil about the term limits. John Heiney commented that members can serve two consecutive terms. Terms are two years each. Steve

Bracety clarified that you can serve two, two year terms. John Heiney also commented that there has been interest from the public as well, he also explained what the selection timeline and process is by the Clerk and the Council. Robert Coombs asked again to clarify that not all members have to reapply, John Heiney commented correct, only the names of those given out in the list above.

F. Budget Report. John Heiney reported that we just passed the midyear point, there is no written report, but he will share some highlights. If you want more information please call him. Bed tax collections are up. It was originally estimated that bed tax collections would be just under a million dollars, the prediction is it will now be just over a million dollars.

Steve Bracety asked if this would be a record year. John Heiney affirmed that yes, it will be a record year. The last two years have seen solid growth, year over year about 12%.

Margo Christen asked if it was still more of a record compared to the years 2006-2007. John Heiney said he would have to look back, but he doesn't believe the Bed Tax collections have ever seen over a million dollars.

Steve Bracey commented that he also believes this to be right.

John Heiney went on to report that midyear expenditures are just under 50% (49.8%). He also reminded everyone that there was a withdrawal this year in the amount of about \$230,000 approved by council, which went towards Parks and Recreation amenities (trailheads, restrooms, Lower Goldwater Lake, etc.), that was a onetime appropriation which did draw down the fund balance. Fund Balance right now is just under \$300,000, which is healthy and will continue to increase in funding. As bed tax collections may increase over the projection, the fund will increase again to probably about the \$400,000 range in the next 6-8 months. John Heiney commented on what is a healthy fund balance. We will probably stay in the \$300-400,000 range.

Steve Bracey asked if that is what is budgeted for as well. John Heiney answered yes, that is what is budgeted, so we are on track.

Margo Christensen asked if council moves forward to award Epic Rides the \$50,000, would it come out of contingency fund balance. John Heiney commented that it is a non-budget item so it would come out of this fund balance. If it becomes a contractual basis it would be budgeted in moving forward in the future budgets.

John Heiney commented on marketing portion of budget has spent about 40%, but we have a lot going on between now and June 30. John Heiney also commented that council seems pleased with the level we are at.

Robert Coombs asked when council would be voting on the Epic Rides contract. John Heiney commented that it will probably be in February.

G. Grant Process FY 2020. John Heiney shared that the grant process is coming up and that the Tourism Office would like to streamline the process and get it done earlier in the year. He shared his comments regarding last year – went reasonably well, TAC process was smooth and on time, PAAHC was a bit of straggler due to change of leadership and the Tourism office taking it over. TAC grants got approved about April last year, PAAHC did not get approved till about June. John Heiney proposed to do

both grant processes congruently. Changes were made to make the applications similar; there are some differences in scoring and criteria. John Heiney shared that staff would send out all communications and shared rough calendar timeline:

1. Timeline, Meetings, Process. Applications would open March 1, mandatory meetings would be about a week later (March 8th).

Margo Christensen asked if that would be for all applications.

Steve Bracety asked that if they have to be attended. John Heiney commented yes for all applicants and yes the meeting is mandatory to attend. April 8th – deadline. TAC Grant review meeting on or around April 24th and PAAHC Grant review meeting on or around April 26th.

Margo Christensen asked if PAAHC Grant review committee is a subcommittee of TAC. John Heiney answered yes, it is a subcommittee with people from TAC and the Prescott Area Arts and Humanities Council board.

John Heiney continued that this is a proposed timeline and can be changed; however assuming decisions are made with this proposed schedule staff would send notification letters May 8th and Council would do final approval in June.

Bill McCleary asked how much money would be going towards the grant process this year. John Heiney commented that unless there is a movement to change it, the total between the two is \$75,000. 27 recipients last year for both TAC and PAAHC.

Fred Veil asked how that was allocated. John Heiney stated that it was \$40,000 to TAC and \$35,000 to PAAHC, he mentioned that PAAHC had more applicants therefore there had to be a prorated schedule. John Heiney stated that he does anticipate seeing more applications coming for both grant processes and therefore the money would need to be prorated and scaled back for each process depending on the number of applicants.

Steve Bracety asked if the full amount had been given in the last two years. John Heiney stated that the full amount for TAC was given last year and that the year before the full amount was not given.

Bill McCleary commented that the grant process seems to be a successful tourism drawer and why we couldn't increase that amount of money. John Heiney commented that there was no reason why we couldn't; direction by TAC would be given to increase the funds and then go to Council for approval.

Ann Steward said we should put that item on the next agenda, since that item was not agenzized for this meeting. The committee agreed that increasing the grant funding amount will be put on the March 5th agenda.

2. Fillable form – software. Ann Steward explained that last year there was a problem with not having a saveable form and also the character counts for each question. She explained the history for the following year regarding character counts and limits, etc. What staff took away was that we need to find a save able form, increase the character counts, but also set a limit on the character counts, so that there are not too many additional attachments. Staff has been trying to find that software. Chair Margo Christensen asked if they do need more space than the limit, can they submit another page.

John Heiney commented that yes we took these extra pages last year with the caveat that they may not be read, so to direct the applications to put the most important and necessary information in the space provided. If we cannot find a software with these options we may go back to a word document so that it can be saved. Steve Bracety

said to check with Carol Chamberlain of the Arizona Community Foundation about software. John Heiney commented we will check with Carol Chamberlain and try to find a solution to the software otherwise we will go back to a word document. Bill McCleary asked if applicants are given a guide sheet when filling out the applications. John Heiney commented that yes they get guidelines and instructions.

H. Kim Villalpando Recognition. Kim Villalpando was recognized for her efforts on the TAC committee. A proclamation was read and she was presented a bouquet of flowers. Kim Villalpando commented that she has enjoyed being part of TAC. John Heiney shared that there is a reception Wednesday, January 9th at the museum beginning at 3pm.

I. Staff Reports.

- a. STR (Smith Travel Research) and Bed Tax reports were handed out. John Heiney commented that key indicators still tend to be up year over year, stronger than we expected. Margo Christensen commented that forecast for first quarter is showing strong. Any questions about the reports give staff a call.
- b. Community Outreach Manager. Reports covered in the above items.
- c. Sales and Marketing Coordinator. Ann Steward reported that she will be traveling to Chicago for the consumer Travel and Adventure Show on Thursday and will have another one in March in San Francisco. Next week she will also travel down to Phoenix to be part of meetings with AOT and American Airlines product managers regarding the Phoenix to Heathrow flight. History Hunt Adventure Guide will launch this spring. All other items can be found in yesterday's partner's newsletter. Margo Christensen asked if Condor Airlines might have a similar program. Ann and Heather will check on this. John Heiney commented that with new air service we will also launch further exposure initiatives into LA and begin with the Denver market as well.
- d. Recreation Services. Joe Baynes could not attend, but John Heiney shared that that the new trails in the open space purchase that were started about a year and a half are almost totally complete. The Tourism Office also recently began an agreement with Pink Bike (premier mountain biking magazine) and we will be working with them in April.
- e. Airport Update. See report attached. Bill McCleary asked about the classifications of airports. Steve Bracety asked about the timeframe that the 10,000 mark was met. Kristi Miller commented that it was made in about 4 months. Margo Christensen asked about the car rental situation. Kristi Miller commented that new agencies are being looked into for around the time the new terminal is built. John Heiney asked about the business Enterprise may be getting from the new airline traffic. John Heiney commented on the hard work that Robin, Kristi and the airport staff have completed in the last several months.
- f. 2019 Upcoming Meeting and Schedule:

- i. February – Tourism Team Up, Date and Location TBA
 - ii. Tuesday, March 5th – 10am – Regular Meeting – Location TBA
 - iii. April – No meeting
 - 1. Grant Meetings
 - iv. Tuesday, May 7th – 10am – Regular Meeting – Location TBA
- Ann Steward shared the schedule for the year with the additions of the grant meetings more than likely in April, and Tourism Team Ups, etc. John Heiney commented on meeting locations and moving out of City Hall. We are looking into one location for the year and will let everyone know.

J. Future Agenda Items. Grant funding increase and terminal schechmatic.

K. Adjournment. There being no further business to discuss, the Tourism Advisory Committee Meeting adjourned at 11:02 a.m.

Respectfully Submitted by:

ANN STEWARD

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MARGO CHRISTENSEN, CHAIR

[Handwritten signature]
Matt Brassard, vice chair for

[Handwritten signature]

DATE

[Handwritten signature]

DATE 3/7/19

Airport Report – TAC January 8, 2019

With the help of an amazing Airport team - including our Operations, Maintenance, and Administration staff – and our Airline, FBO, and tenants, the Airport had a busy and productive November and December.

Construction

- Converted airside ramp space to a temporary parking lot in early December adding an additional approximately 60 spaces. Hertz's fifteen "ready-lot" spaces were moved to the new temporary lot opening more spaces in the main lot. In addition we paved a previous dirt area to add an additional five spaces. In total now we have 177 spaces in the main terminal lot and new temporary lot. This includes 143 spots dedicated for short term parking up to 10 days, (13) 2 hour spots, (6) ADA spots and (15) spots for Hertz. In addition we have 106 spots by Airport Administration that can accommodate long term parking as well as dirt parking areas located by Aviation and the Civil Air Patrol Quonset hut. In total we have identified 317 parking spaces available.
- Starting the design process for a taxiway relocation project which is estimated at \$13M project. This relocation project is needed to meet safety standards of 400 feet separation from the centerline of the runway to the centerline of the taxiway.

Airline Service

- Launched Fly Prescott 10K Campaign to get to 10K enplanements in CY18. This is important as it re-classifies the airport with the FAA from a non-primary, commercial service airport to a primary, non-hub airport and automatically qualifies the Airport to receive \$1M in entitlement funds for Airport improvements from \$150K. In addition, the primary classification is important as it is needed to qualify for up to \$20M for terminal projects which we are doing, opposed to only \$200K.
- FAA bases their funding only on enplanements which is what the campaign focused on. During the campaign, one passenger from the flight that contained the 7K, 8K, 9K and 10K pax won prizes donated from mostly local businesses. We received donations from NAZ Suns, Rosa's Restaurant, Tour Prescott, Barley Hound, Hampton Inn, PBC and the grand prize RT tickets for two pax on SkyWest. Thanks to all the support in the region we achieved our 10K pax on December 30th during the Denver flight.
- Airline loads have been extraordinary since SkyWest started service on August 29th.

December Totals

Departures: 2,574 REV + 67 Non-Rev (84.4% LF) – 61 flights (The last flight of the year from PRC-LAX was cancelled due to weather since the aircraft could not arrive from DEN where they were getting snow as well that day)

Week of December 15-21: had a 91.7% LF

Week of December 22-28: had a 91% LF

Total Passenger Information – Here is a compilation of some overall statistics since SkyWest started operations on August 29, 2018

- YTD for Airline Operations only (Enplanements) = 10,111 (10,228 counting the charter operations)
- 8,912 Revenue passengers have boarded SkyWest flights at PRC this year (75.85% LF)

- 8,764 Revenue passengers have arrived on SkyWest flights from DEN and LAX (74.27% LF)
- 17,676 Total Revenue passengers have utilized service at PRC (75.06% LF)
- 471 SkyWest flights have arrived and departed PRC (473 scheduled – giving them a 99.58% completion)

New Terminal

- 30% Schematic Design was completed and presented to City Council on December 18th
- Received approval for funds from City Council to complete the design process which should be completed by May and construction still slated to begin in September 2019.
- Submitted an application for funding under the \$1B Supplemental funding that Congress appropriated when they passed the FAA Reauthorization Act in early Fall 2018. This is funding that is available for small airports to fund infrastructure projects that normally wouldn't get funded under the entitlement or discretionary funding the FAA provides. To qualify for the \$9.3M we applied for with the terminal project, this is why it was imperative we hit 10K passengers and achieve a different airport classification. We have been advised by our FAA Airport District Office we should hear about this funding by January or February.

Administrative

- We are completing an updated Economic Impact study and currently working with the consultant to establish a brochure regarding the Airport's economic impact. While the report is still being finalized, currently we anticipate the total spent by visitors in the regional economy each year to be valued at \$11.6M and air visitors generate an economic impact of \$13.8M

Transient Lodging (Bed Tax)

Reported in	Receipts	Receipts	%	Receipts	%	Receipts	%
Month	FY 19	FY 18	Change	FY 17	Change	FY 16	Change
July	102,155	99,145	3.04%	88,774	11.68%	82,916	7.07%
August	92,330	89,260	3.44%	84,597	5.51%	85,684	-1.27%
September	91,086	77,799	17.08%	73,169	6.33%	68,168	7.34%
October	90,259	86,613	4.21%	80,050	8.20%	71,495	11.97%
November		82,434		73,527	12.11%	64,227	14.48%
December		66,919		53,767	24.46%	47,976	12.07%
January		75,782		69,208	9.50%	59,666	15.99%
February		58,557		48,403	20.98%	44,623	8.47%
March		73,662		61,741	19.31%	54,538	13.21%
April		92,274		86,764	6.35%	69,764	24.37%
May		89,627		77,610	15.48%	71,554	8.46%
June		95,800		83,705	14.45%	69,700	20.09%
Total:		987,871	6.94%	881,316	12.86%	790,310	11.85%

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October	90,259	86,613	4.21%	80,050	8.20%	71,495	11.97%
November	86,389	82,434	4.80%	73,527	12.11%	64,227	14.48%
December		66,919		53,767	24.46%	47,976	12.07%
January		75,782		69,208	9.50%	59,666	15.99%
February		58,557		48,403	20.98%	44,623	8.47%
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Total:		987,871	6.51%	881,316	12.86%	790,310	11.85%

		2018			Running 12 Months		
		Jan	Feb	Mar	2016	2017	2018
This Year	Occupancy (%)	53.7	65.2	71.1	63.6	64.8	66.4
Last Year		51.1	61.7	71.5	62.8	63.6	64.8
Percent Change		5.0	5.7	-0.6	1.3	1.9	2.4

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		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Nov
This Year	Occupancy (%)	53.7	65.2	71.1	67.6	68.8	69.9	69.4	68.8	67.7	65.7	62.0	65.6
Last Year		51.1	61.7	71.5	65.0	66.6	72.6	65.0	62.6	67.2	67.9	61.3	64.1
Percent Change		5.0	5.7	-0.6	4.0	3.3	-3.7	6.7	9.9	0.7	-3.2	1.2	2.3

		2018											
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Nov
This Year	ADR	88.19	101.22	103.21	114.77	115.85	117.88	107.89	106.35	109.75	108.59	96.76	106.07
Last Year		83.00	96.15	101.37	109.74	108.36	112.92	111.86	100.93	104.97	103.83	93.74	102.07
Percent Change		6.3	5.3	1.8	4.6	6.9	4.4	-3.5	5.4	4.5	4.6	3.2	3.9

		2018											
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Nov
This Year	RevPAR	47.37	66.02	73.38	77.58	79.75	82.45	74.86	73.21	74.30	71.39	59.99	69.58
Last Year		42.45	59.35	72.52	71.33	72.18	82.04	72.76	63.20	70.59	70.55	57.42	65.44
Percent Change		11.6	11.2	1.2	8.8	10.5	0.5	2.9	15.8	5.2	1.2	4.5	6.3

		2018											
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Nov
This Year	Demand	29,340	32,197	38,853	35,752	37,621	36,994	37,918	37,624	35,804	35,928	32,793	42,096
Last Year		27,951	30,473	39,100	34,379	36,407	38,424	35,549	34,223	35,546	37,112	32,377	41,516
Percent Change		5.0	5.7	-0.6	4.0	3.3	-3.7	6.7	9.9	0.7	-3.2	1.3	2.3

		2018											
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Nov
This Year	Revenue	2,587,512	3,256,872	4,010,192	4,103,316	4,358,431	4,360,769	4,091,059	4,001,195	3,929,473	3,901,525	3,172,966	44,771,291
Last Year		2,319,912	2,929,970	3,963,489	3,772,870	3,944,888	4,338,899	3,976,598	3,454,194	3,731,390	3,853,318	3,034,992	42,104,358
Percent Change		11.5	11.2	1.2	8.8	10.5	0.5	2.9	15.8	5.3	1.3	4.5	6.3

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Percent Change		11.5	11.2	1.2	8.8	10.5	0.5	2.9	15.8	5.3	1.3	4.5	6.3