

TOURISM ADVISORY COMMITTEE
REGULAR MEETING
TUESDAY, March 5, 2019
PRESCOTT, ARIZONA

MINUTES OF THE REGULAR MEETING OF THE TOURISM ADVISORY COMMITTEE HELD ON March 5, 2019, AT THE MARINA ROOM AT HASSAYAMPA INN, LOCATED AT 122 E. GURLEY ST., PRESCOTT, ARIZONA.

A. Call to Order. Vice Chair Matt Brassard called the meeting to order at 10:03 a.m.

B. Roll Call:

TOURISM ADVISORY COMMITTEE MEMBERS:

Present:

Margo Christensen, Chair (By Phone)

Matt Brassard, Vice Chair

Amore Cianciola, Secretary

Steve Bracety

Robert Coombs

Fred Veil

Mayor Pro Tem Billie Orr

Absent/Excused

Cindy Gresser

Bill McCleary

Jason Seidman

STAFF PRESENT:

John Heiney, Community Outreach Manager

Ann Steward, Sales & Marketing Coordinator

Joe Baynes, Recreation Services

Heather Hermen, Front Burner Media

C. Approval of January 8, 2019 Minutes. **MOTION TO APPROVE JANUARY 8 2019 MINUTES BY STEVE BRACEY, SECOND BY FRED VEIL. MOTION PASSES UNANIMOUSLY.**

D. Committee Member Announcements.

Secretary ,Amore Cianciola (Hassyampa Inn)-Reported on successful Bridal Show recently at Hassayampa.

Robert Coombs (Prescott Chamber of Commerce, Visitor Information Center)-Reported there being a decrease on recent numbers at the Visitor Information Center, he thinks was one of the factors was the snow storm. They are getting ready for this summer and all the shows and events for the upcoming season.

Steve Bracety (General Manager Prescott Resort and Conference Center) – commented on snow and recent success of Leather Workers Conference at the Resort.

Fred Veil (Executive Director of Sharlot Hall Museum) – Getting ready for Arizona History Convention, April 11, 12 and 13. They will be getting bags from the Tourism Office. We need to get this # from Fred and get assistance from the Visitor Center, also recent ground breaking for the Education Center.

Ann Steward will follow-up with Fred on the # of bags and coordinate with Robert Coombs. Mayor ProTem Billie Orr asked if Fred knew if the Prescott Western Heritage Center will have a table there.

Billie Orr (Mayor ProTem) – reported on Hilton Garden Inn property moving forward and that Sam Hill Warehouse from what she understands is under contract with the Schumway Group. John Heiney commented that the addition of the new rooms will be beneficial. Mayor ProTem commented that PDP is increasing their boundaries of what “downtown” Prescott is.

Vice Chair Matt Brassard (Matt's Saloon) – reported that they have the St. Patrick's Day Pub Crawl coming up.

Chair Margo Christensen (Ponderosa Hotel Management) – reported that their Sierra Vista grand opening is tomorrow.

E. Prescott Center for the Arts Grant Update. John Heiney reported that the purpose of the funds for the PAAHC Grant that were given to Prescott Center for the Arts has changed. John Heiney then introduced Tina Blake and Robyn Allen with Prescott Center for the Arts to discuss the new event that the grant funds will be used for. Tina Blake explained that originally the grant funds were for a Theater Swap event, working with the Peoria Theater. Robyn Allen then commented that, there have been some operational and entity changes taking place at the Peoria Theater that have prevented this event from moving forward. They will now be putting on a comedic show featuring and celebrating the life of Erma Bombeck. Tina Blake commented that the show is unique to Arizona and offers them the opportunity to market state-wide. It will run for six weeks. Tina Blake when on to comment that is recently sold out in Phoenix quit quickly, so there is a demand for the show and that it will draw the people from Phoenix up to see the show here and will also given the seasonal tourists a chance to experience the arts in Prescott.

John Heiney commented that in some ways this is a more appropriate use of the grant funds because of the draw form the Valley and around the state. And, to let the Tourism Office know about assistance with social media.

Mayor ProTem Off asked if a date had been set and if tickets are on sale.

Robyn Allen commented that it starts the week after the 4th of July and will go into August.

John Heiney commented on the lull in events and visitors during end of July – August because of monsoon season and some other factors.

Tina Blake commented on the benefit of the event being indoors during monsoon season.

Mayor ProTem Orr asked if John knew who Erma Bombeck was. John Heiney commented that he did because of his mom, but he did not know that she was an Arizona resident.

Tina Blake stated to watch out for the release of next year's season of events being released soon and that there is a lot going on at the center with event and the capital campaign.

John Heiney explained that there was no action required, staff recommends that the funds be used for this new use and if there were comments or question from there committee. There were no comments or questions from the committee regarding this item.

F. Grant Process FY 2020. John Heiney reported that the tourism grant process is underway and it's the first time there is a joint timeline for both TAC and PAHHC, which helps tremendously from an administrative stand point. The process opened on March 1st. See key dates below. April 1st is application deadline. Calendar invitations will be sent from staff to the committee for these keys dates. John Heiney reminded everyone that PAAHC applications are reviewed by a sub-committee, not all of the TAC committee. John Heiney also stated that there has been a lot of new interest and asked if anyone had any questions. He also mentioned an item that may be put on a future agenda regarding an increase in funding for both TAC and PAAHC. Current budget is \$70,000 of grant funding, \$40,000 goes to TAC grants and \$30,000 goes to PAAHC grants. This has been the same funding as long as TAC has been in place. John Heiney mentioned that this could be an action item in the future and asked the committee to give us direction on this item.

Vice Chair Matt Brassard asked if anyone had any comments for questions about this item.

Secretary, Amore Cianciola asked if we have seen any impact to the funding of all grants since there have been more applications than in the past, where the any gaps that needed to be filled.

John Heiney commented that there were no gaps last year, everyone that did apply last year did receive funding. However, what did have to be implemented was a sliding scale because of the number of successful applications, that enabled us to give everyone something.

Steve Bracety asked and commented if the entire funding budget was given out last year; it was the year before that not all the funding budget was given out.

John Heiney commented that yes, last year the entire funding budget was given out with the implementation of a sliding scale.

Mayor Por-Tem Billie Orr asked if there was a recommendation from staff on this item.

John Heiney commented that we are in budget right now and the he did include more into the budget item (\$5,000 for now) and the committee could give direction on asking for more or less. There has been a placeholder set, but he would need action for the committee on the actual amount.

Steve Bracety asked how many grants were given last year. John Heiney commented that it was 27 total for TAC and PAAHC combined.

Vice Chair Matt Brassard asked if we knew how much new interest there is. John Heiney commented that he thinks probably there is less than 5. He also commented that PAAHC is more engaged in the grant process this year and promoting it more to their members, so he believes we'll see an increase for these grants.

Joe Baynes asked if staff had heard from Vicki with the Big Sting. John Heiney commented that yes and she is coming to the mandatory March 8th meeting. Both Joe Baynes and John Heiney commented on the success of this event.

John Heiney then also restated that he currently has a place holder in the budget for an increase in funding but, asked for a motion to keep that place holder there for now or if there was a different number to make a motion for that number.

Mayor Pro Tem Billie Orr commented that whatever is decided that there be data that demonstrates to council a need for the increase in funding for these grants.

Vice Chair Matt Brassard ask how the \$5,000 would be dispersed between the two grant processes, would it be half? John Heiney commented that he would do that unless otherwise directed by the committee.

Secretary, Amore Cianciola asked what the percent was that had to go to marketing. Committee commented that it was 75%, she went on to ask Heather Hermen how much in general marketing costs have increased. Heather Hermen commented that for our department we've been lucky to continue to negotiate good deals, however for the general public the increase in marketing costs is probably 10%. Amore Cianciola commented that then there is a need there for the grant funding to increase because the dollar isn't stretching as far as it used to.

Steve Bracety asked if we had to decide today on the amount for the placeholder or we can just keep this placeholder for now and once the grant applications start coming in we can re-visit this item, to see what the true ask is. John Heiney commented that the timing for that route should work out. Steve Bracety commented to keep the placeholder there for now and the dollar amount would be determined when the applications start coming in. John Heiney commented that we will continue with this committee's recommended direction.

G. Staff Reports.

1. STR (Smith Travel Research) and Bed Tax reports were handed out. Ann Steward commented on what months have been reported and what months are still outstanding. There was an increase in January from the Student Council convention, but we also saw decreases and we believe it has to do with the Government shutdown and Flagstaff having snow this year, etc. John Heiney commented that we are still looking at a year over year increase of 12% from December and 14% increase from November. The Bed Tax collections have been robust, but to keep in mind that it's not just from the number of people visiting, but also what properties are charging for amenities, staff is continuing to predict that bed tax collections will eclipse a million dollars for FY 19. John Heiney went on to comment about the January numbers and the weather this year compared to last year, because of the good weather last year we had more visitation and a very robust winter, so now we are comparing ourselves to an abnormally high year. The numbers still

- haven't decreased greatly, but we still have to keep in mind we comparing ourselves to a banner year.
2. Community Outreach Manager. John Heiney reported a few items:
 - a. Airport report (see report attached to minutes).
 - b. The City took a step last week to enhance the aesthesis of our downtown by passing an ordinance to prohibit the current system of distribution boxes for paper information– newspapers, real estate journals, etc. And at the same time approved expenditure for very nice uniform boxes, down from about a dozen locations to about five or six. They city worked very closely with all publications. The city will provide these boxes at no charge and it will really clean things up around downtown. Robert Coombs asked how many will be provided.
 - c. Public Comment has been removed from Advisory Board meeting agendas.
 - d. Transition period for TAC Committee Members. The next meeting will included our new appointed committee members. He then recognized the exiting members and presented a certificate to Secretary, Amore Cianciola. He will give certificates to the other members when he sees them next.
 3. Sales and Marketing Coordinator. Ann Steward reported that she recently attended Go West and the report will be shared by the end of the month. Heather Hermen shared the information from the German Journalist who was recently here and wrote a story on Sharlot Hall. Also, photography will be starting next month. We haven't had new photography for the tourism office in about 7 years. Steve Bracety asked about the use of the new photography. Heather Hermen commented that there will be some restrictions for this set of photos. But, we are getting some new videographey and from those still shots they will have different uses. Robert Coombs asked if the Visitor Center could use it. Regarding the FY 20 marketing plan, staff has met and started talking about the plan, adding in more LA and Denver marketing with our own efforts. Channel 12 will be doing a staycation segment and they are very keen on including Prescott. The filming will be generic so that we can use it again. John Heiney commented on being excited for new photography. Heather Hermen shared about the background of the photographer.
 4. Recreation Services. Joe Baynes shared that they are looking forward to the Tourism Team Up and the items being presented to at the upcoming council meeting such as, the Lower Goldwater Lake improvements and the Fourth of July event contract to be held at Watson Lake. The city feels that Watson Lake will be a successful location for this event.
 5. 2019 Upcoming Meeting and Schedule:
 - a. Tuesday, March 5th – 11:15am – Tourism Team Up
 - b. April – No Regular Committee Meeting

1. Tourism Grant Meeting dates:
 - a. March 1st Grant Applications Open
 - b. March 8th Mandatory Meeting for all Applicants
 - c. April 1st Application Deadline
 - d. April 24th TAC Grant Review (subject to change)
 - e. April 30th PAAHC Grant Review (subject to change)
 - f. May 8th Notification Letters to Award Recipients
 - g. June 25th City Council Budget Review and Final Approval (tentative)
- c. Tuesday, May 7th – 10am - Regular Meeting – Hassayampa Inn

H. Future Agenda Items.

- a. Grant funding increase.

I. Adjournment. There being no further business to discuss, the Tourism Advisory Committee Meeting adjourned at 10:49 a.m.

Respectfully Submitted by:



 ANN STEWARD

5-17-19

 DATE



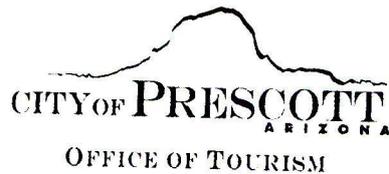
 MATT BRASSARD, VICE CHAIR

5/7/19

 DATE

FY20 Bed Tax Budget

	FY18 Actual	FY19 Budget	FY19 Projection	FY20 Budget	% Change
Revenues					
Bed Tax Revenues (3% levy)	\$ 996,909	\$ 1,050,000	\$ 1,050,000	\$ 1,100,000	5%
Interest Earnings	2,702	1,000	5,000	5,000	400%
Total Revenues	\$999,611	\$ 1,051,000	\$ 1,055,000	\$1,105,000	5%
Expenditures					
Tourism Office - Sales/Marketing/Admin	\$ 409,643	\$ 533,267	\$ 588,323	\$ 610,348	14%
Contingency	13,194	100,000	100,736	329,780	
Tourism Grant Allocations	30,100	40,000	40,000	80,000	100%
Community Events	15,000	-	-	-	
Whiskey Offroad	20,251	30,000	56,500	60,000	100%
PAAHC - Arts and Cultural Grants	-	35,000	35,000	-	-100%
Airport Service Media	-	-	45,000	20,000	
CCJ Work Program	-	-	9,177	-	
Downtown Courtesy Can	-	-	-	36,276	
Courthouse Lighting	30,000	30,000	30,000	30,000	0%
Prescott Frontier Days Rodeo	-	20,000	20,000	30,000	50%
Prescott Downtown Partnership/SCS	69,000	45,000	45,000	45,000	0%
Prescott Creeks Match	12,500	12,500	-	-	-100%
Museum Support					
Sharlot Hall Utilities	6,360	10,000	10,000	10,000	0%
Sharlot Hall Marketing Support	25,000	25,000	25,000	25,000	0%
Phippen Marketing Support	15,000	15,000	15,000	15,000	0%
Smoki Marketing Support	15,000	15,000	15,000	15,000	0%
Recreation Services Support					
Parks Tourism Venues/Amenities	44,350	30,000	49,500	30,000	0%
Open Space Management	9,817	10,000	5,000	10,000	0%
Recreation Development Capital	10,314	255,000	255,000	36,000	-86%
Events Overtime (transfer to General Fund)	25,000	25,000	25,000	25,000	0%
Parking Garage (transfer to General Fund)	20,000	20,000	20,000	20,000	0%
Airport Events (transfer to Airport Fund)	12,973	25,000	37,070	30,000	20%
Sister Cities	2,066	1,500	-	-	-100%
Total Expenditures	\$785,567	\$ 1,277,267	\$ 1,426,306	\$1,457,404	14%
Appropriated Use of Fund Balance					
Ending Fund Balance					
Net Change in Fund Balance	\$214,044	\$ (226,267)	\$ (371,306)	\$ (352,404)	
Fund Balance - Beginning	509,666	723,710	723,710	352,404	
Fund Balance - Ending	723,710	497,443	352,404	-	



MEMO

DATE: May 7, 2019
TO: Tourism Advisory Committee
FROM: John Heiney, Community Outreach Manager
RE: TAC Support for Three Hour Parking in Downtown

When consultant Ron Drake visited Prescott in January, one of the first items he commented on is the two hour time limit for parking in the downtown, including Courthouse Plaza, and the parking lot behind Bashford Courts. His comment was "Welcome to Prescott, but only stay two hours."

Ron later included this comment in his Gap Analysis which was presented to Council by the steering committee in March.

City leadership is considering changing the limit from two to three hours at a future Council meeting. They have asked for letters of support from stakeholder groups, including the Chamber, Prescott Downtown Partnership, the Ron Drake Steering Committee, and Tourism Advisory Committee.

Suggested Action:

To make a motion to support changing parking limits from two to three hours in the downtown, and direct staff to draft a letter on behalf of the Tourism Advisory Committee, which will be submitted to Council.

**Airport Report – TAC
May 7, 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 year so far.

Highlights

Airline Service

- **We reached 15,000 departing passengers by early April 3, since SkyWest started service on August 29th! This is also referred to as 30,000 “total” passengers including enplanements and deplanements.** Towards the end of May we will achieve our 10K enplanement passenger in 2019. This will ensure we remain a Primary – Non-Hub Airport with the FAA, entitling us to another \$1M in federal funding for Airport Improvement projects. As of April 30th we have had 8,393 enplanements in 2019 (80.2% LF).
- Traditionally, January and February are two of the slowest months for PRC passenger traffic, but we still achieved a 64% load factor both months.
- In April we had our second highest month of enplanements (boardings) behind December with 2,406 passengers missing December by 168 passengers (April had one less day of flights).
- The end of February marked the first full six months of service. A press release was issued highlighting the following:
Total Passenger Information –
 - ❖ 12,347 REV Departing passengers (Average Load Factor of 71.47%)
 - ❖ 12,241 REV Arriving passengers (Average Load Factor of 70.92%)
 - ❖ 24,588 TOTAL REV passengers through PRC (Average Load Factor of 71.24%)
 - ❖ Operated 686 Flights (Arrivals & Departures) out of 698 Scheduled – **98.2% Completion Rating with some snow related cancellations, which is still impressive**
 - ❖ 886 Non-Revenue passengers travelled on flights IN/OUT of PRC
- Due to the major snowfall that occurred February 20-22, 2019, flight cancellations occurred on the inbound arrival from Los Angeles on February 20; all flights on February 21; and the outbound flight to Denver on February 22, 2019. **Due to the dedicated efforts of our Operations and Maintenance staff, they were able to complete the snow removal and re-open the airport for the inbound arrival from Denver on February 22, 2019 restoring service to Prescott an entire day ahead of the Flagstaff Airport.** Additionally, due to a heavy snowfall in Denver, flights from PRC to Denver were cancelled on March 13 & 14. **To mitigate additional cancellations, SkyWest Airlines brought in a second, higher performing aircraft to accommodate the PRC-LAX flights those days.**
- Summer schedule will begin on June 08th – in which the IB flight from DEN and OB to LAX will depart in the evening. The airline is doing this to mitigate potential denied boardings for weight and balance due to Prescott’s density altitude.

Construction

- Received approval from City Council in January to start 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. We expect this two phase construction project will commence shortly after the completion of the new terminal.

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 late September/early October 2019.
- 60% Design Development was completed at the end of February
- We chose to utilize a delivery method for construction called Construction Manager at Risk (CMAR) in which the construction company is brought in during the design phase to develop a Guaranteed Maximum Price for construction. This will help to mitigate change orders during construction. A selection committee selected a Joint Venture with Willmeng Construction doing the terminal building and Fann doing the civil work (apron, parking lot, taxi lane, new entrance).
- 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 are still awaiting word from the FAA regarding supplemental funding, but will be meeting with the FAA this week to discuss alternative funding options if the supplemental is not approved. Additionally, we have been working with local State legislators about sponsoring a bill that would appropriate State funding for Airports that receive Supplemental funding.

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
- Completed a three year contract with Eviation for use of a hangar to re-assemble three prototype aircraft after the Paris Air Show in June.
- Re-Design of our website
- Launching a new marketing campaign highlighting the Airport and its importance in the community (not just commercial flights). Four areas of focus:
 - Destinations – specifically ones that highlight places that can easily connect to in LAX or DEN
 - Airline testimonials – Currently on FB we just uploaded a video with Dave Army who has travelled on United Express/SkyWest 19 times to date going to St. Louis.
 - Airport Updates – upcoming videos about the Tanker Base, History of PRC, Parking information (Ditch & Go)
 - Travel Smart – Airline & TSA policies that we receive a lot of questions on (ie: 3-1-1 rule with TSA. Information taken straight from their website.
- Working on Airport Rules & Regulations, Hangar/Storage Room Policy (in preparation for Hangar inspections being done in June), and Commercial Minimum Operating Standards.
 - Rules & Regulations and the Hangar/Storage Room Policy was passed by the Airport Advisory Committee in April.

Occupancy (%)

2019
Jan
This Year
Last Year
Percent Change

2017
2018
2019
This Year
Last Year
Percent Change

2017
2018
2019
Running 12 Months
2018
2019

ADR

2019
Jan
This Year
Last Year
Percent Change

2017
2018
2019
This Year
Last Year
Percent Change

2017
2018
2019
Running 12 Months
2018
2019

RevPAR

2019
Jan
This Year
Last Year
Percent Change

2017
2018
2019
This Year
Last Year
Percent Change

2017
2018
2019
Running 12 Months
2018
2019

Supply

2019
Jan
This Year
Last Year
Percent Change

2017
2018
2019
This Year
Last Year
Percent Change

2017
2018
2019
Running 12 Months
2018
2019

Demand

2019
Jan
This Year
Last Year
Percent Change

2017
2018
2019
This Year
Last Year
Percent Change

2017
2018
2019
Running 12 Months
2018
2019

Revenue

2019
Jan
This Year
Last Year
Percent Change

2017
2018
2019
This Year
Last Year
Percent Change

2017
2018
2019
Running 12 Months
2018
2019

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	86,389	82,434	4.80%	73,527	12.11%	64,227	14.48%
December	70,851	66,919	5.88%	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	6.41%	881,316	12.86%	790,310	11.85%