

TOURISM ADVISORY COMMITTEE
REGULAR MEETING
TUESDAY, May 7, 2019
PRESCOTT, ARIZONA

MINUTES OF THE REGULAR MEETING OF THE TOURISM ADVISORY COMMITTEE HELD ON May 7, 2019, AT THE GARDEN ROOM AT HASSAYAMPA INN, LOCATED AT 122 E. GURLEY 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
Matt Brassard, Vice Chair, left at 10:45
Peter Gebauer
Cindy Gresser arrived at 10:14
Tricia Lewis
Robert Coombs
Jim Dawson
Linda Nichols
Mayor Pro Tem Billie Orr

Absent/Excused
Fred Veil
Steve Bracety

STAFF PRESENT:

John Heiney, Community Outreach Manager
Ann Steward, Sales & Marketing Coordinator
Joe Baynes, Recreation Services
Kristi Miller, Airport Management Analyst

C. Approval of March 5, 2019 Minutes. **MOTION TO APPROVE MARCH 5 2019 MINUTES BY Robert Coombs, SECOND BY Linda Nichols. MOTION PASSES UNANIMOUSLY.**

D. Welcome New Committee Members. Each committee member gave their introduction of what they do and where they came from.

1. Also introductions from guests – Cecilia Jernegan, Jim and Lori Kennedy.

E. Appointment of Committee Secretary. Chair Margo Christen asked if John Heiney could explain the duties of the secretary. He said that the recording is done by staff, and that largely it's just a position for a third executive in case the committee needs leadership in a meeting. John Heiney explained the reason why the position needs to be filled is because Amore Cianciola who was secretary left the board (her term was up). Chair Margo Christensen asked if anyone would like to nominate someone or if anyone wanted to come forward and volunteer for the position. Tricia Lewis spoke first that she would volunteer, followed also by Jim Dawson. John Heiney then stated that we would ask for nominations for someone to nominate Tricia and/or Jim. Chair Margo Christensen nominated Tricia .

MOTION TO APPOINT TRICIA LEWIS AS SECRETARY BY MARGO CHRISTENSEN, SECOND BY MATT BRASSARD. MOTION PASSES UNANIMOUSLY.

Move to Item I.

- I. Support for Three Hour Parking in Downtown Prescott. John Heiney stated that there was a memo in the packets and he could explain it in further detail. John Heiney asked for Mayor Pro Tem Orr to explain what it is leadership wanted to do regarding this item and why they are asking for a letter of support. Mayor Pro Tem Orr stated that Prescott Downtown Partnership will be sending a letter of support as well. She said that the council will study the issue for an upcoming meeting. Tricia Lewis commented that she attended an ADOT conference awhile back and Scottsdale shared a study on their parking situation, it was very informative and detailed. She shared that after Scottsdale went through the study and made changes to their parking that it increased the vitality of the town. Mayor Pro Tem Orr asked if they changed their limits, Tricia Lewis commented that they did change their hours and made changes to employee parking as well, Robert Coombs commented that as part of the Visitor Information Center the two-hour limit is usually always an issue for visitors coming to town, most of the volunteers do remind people about the parking limit, but it is still not enough time for them to be parked and do what they are planning on doing. The problem he sees is that people are not aware where the parking garage is, even though there are signs people still don't see them and don't know it's free. Chair Margo Christensen asked if anyone had looked into the cost of new, improved or revised signage for parking. Mayor Pro Tem Orr said they didn't know the exact cost, but they are ready to move on getting this done along with City Manager Michael Lamar.

Matt Brassard asked if the changes in parking would be across the board for all of downtown. John Heiney commented that it would start with the Plaza vicinity and the lot behind Bashford Courts.

Jim Dawson commented that parking is a very important issue when it comes to destination attraction and isn't something that should be taken lightly. He suggested that we look at similar destinations and look at their best practices as evidence as we move forward with making these changes. He commented that the three-hour limit seems to be a reasonable turn-over time for shopping, eating, etc.

Robert Coombs commented that this is also an issue for visitors with campers/trailers who come to town. He also requested that the two 30 minute limit spaces already in front of the Chamber/Visitor Information Center be kept at that limit.

- II. Cindy Gresser stated that something she has noticed is the realtor vehicles that stay parked downtown. These are their vehicles with commercial wraps that are advertising themselves. She has noticed that when signature events are happening they move these vehicles around to various spaces, but stay parked downtown. Linda Nichols commented that employees are also shoppers so we need to be mindful of this moving forward, she also points to the garage when guests are at the Visitor Center and they are very appreciative of this helpful tip. Margo Christensen asked if a vote was needed for the letter of support. John Heiney commented that the suggested action item would be to make a motion to support changing parking limits from two-hour to three-hour in the downtown and direct staff to draft a letter on behalf of the Tourism Advisory Committee which will be submitted to council, if there are any modifications or additional items you want to put in the letter direct those to staff. **MOTION TO DIRECT STAFF TO WRITE A LETTER TO COUNCIL REGARDING CHANGING THE PARKING LIMITS FROM TWO-HOUR TO THREE-HOUR IN THE DOWNTOWN BY JIM DAWSON, SECOND BY CINDY GRESSER. MOTION PASSES UNANIMOUSLY.**

Move to Item J

J. World's Oldest Rodeo Funding Increase. Tricia Lewis recused herself. John Heiney explained that Prescott Frontier Days has asked that the council consider increasing the tourism grant amount for the World's Oldest Rodeo from \$20,000 to \$30,000. The grant amount for the \$20,000 has been set at that amount for well over 10 years, for the last several years we've seen performance of the rodeo in terms of tickets sales and attendance increase year over year significantly, it is one of our marquee events, a great event for our western heritage. He explained that in the budget you would see similar marquee events that also get tourism grant funding. John Heiney said that what we are looking for today is a recommendation from TAC, ultimately the decision would be decided by council, and the committee's action today would be a recommendation to council for this funding increase. Jim Dawson asked if the funding is coming from somewhere else or it depending on revenue increases. John Heiney commented that there is a place holder for this amount in FY 2020 for this additional increased amount but its pending approval by TAC and council, but it is budget for the \$30,000 amount. Robert Coombs commented that it is a signature event for Prescott and he would support it. **MOTION TO RECOMMEND TO COUNCIL TO INCREASE TOURISM GRANT FUNDING FOR WORLD'S RODEO TO \$30,000 BY CINDY GRESSER, SECOND BY LINDA NICHOLS. MOTION PASSES UNANIMOUSLY.**

Move to Item G.

G. Proposed Fiscal Year 2020 Budget. John Heiney reviewed the FY 2020 Budget. See Budget handout included in package. John Heiney explained that the City's fiscal year runs July 1 – June 30. He explained that some of the expenditures with staffing have increased due to his role and that part of that salary is now coming out of bed tax. Aside from the administrative expenses were looking to increase the advertising portion.

Chair Margo Christensen asked if there was also a portion for increases for more staff. John Heiney explained that it's not in this budget, but that's something that TAC could look at and propose/recommend for FY 2021. A committee member asked a clarifying question if Front Burner Media's contract was in that advertising line item as well, John Heiney confirmed that yes it is. Jim Dawson asked what percentage was also being forecast for increase of administration outside of marketing. John Heiney stated that the increase for marketing was about a 5-7% increase so that encompasses those as well. Jim Dawson asked salary increases. John Heiney stated that there is standard for increase of salaries of about 3%, but he is not sure what the benefits will be. Chair Margo Christensen asked if the contingency was not used then would it roll over to the next year. John Heiney said yes it would and would go to the fund balance and there have been some items that will be coming out of that from City Manager and Recreation Services requests. He explained the next big set of expenses is for the Tourism Grant allocations. TAC and PAAHC will be moved into one line item together and are showing on next year's budget as \$80,000, currently its \$75,000. There was a \$5,000 budget increase to this item pending conversation by TAC today. Cindy Gresser asked if the arts and culture grant money would remain, John Heiney said yes. Another new item he wanted to bring attention to was downtown trash clean-up by city staff, this will come out of the bed tax budget, and this will fall in line with our destination management strategies. Cindy Gresser asked when the museums might see an increase; she was told it could be made a discussion item for a future agenda.

John Heiney went on to explain that the bed tax was primarily always supposed to be used for marketing, however, it also can be used to enhance public facilities that visitors and residents utilize, therefore there are allocated funds to continually enhance our destination. Joe Baynes commented that some of these items are for the power and water for our fields, to keep them in the best shape, Open Space Management (supplies, support, tools for Over the Hill Gang), trail visitation still continues to increase even though more trails are continually being built, capital projects such as the restroom at the Constellation Trail Head, Lower Goldwater Lake improvements, cart paths at the golf course, utility carts for recreation services, etc.

John Heiney went on to explain the fund balance is healthy and that we are looking at opportunities to use that fund balance. Tourism has been healthy as an industry. There were comments shared about the ground breaking for the new hotel. Jim Dawson asked if there was multi-year planning process in place for budgeting and expenditures of the fund balance, is there a strategy behind the fund balance. John Heiney stated that yes; keep in mind that this budget fall's within a greater budget that is under council's purview so we are advisory to council on the Bed Tax Budget. Council and the city do long-range budget planning as part of their strategic planning process. Jim Dawson suggested that maybe a percentage be used to explain what the fund balance should remain at.

Back to Item H

H. Grant Process FY 2020 Updates.

1. Grant Funding Increase FY 2020. John Heiney commented this item was requested by a member to be placed on the agenda to increase the grant funding amount. It has been at \$75,000. The suggestion is being made because the demand for grant funding has been more than what we have budgeted, therefore a sliding scale had to be put into place to accommodate the applicants. The suggestion is to increase the funding by \$5,000. Cindy Gresser stated that the increase would be beneficial, all of these organizations are trying to do better and are adhering to a more rigid process, and are reporting and if we are having to cut the funds it only makes sense to increase this amount for this process. John Heiney stated that with the new increase the funds would just be split evenly between the TAC and PAHHC grants. **MOTION TO SUPPORT THE \$5,000 INCREASE FOR GRANT FUNDING BY CINDY GRESSER, SECOND BY TRICIA LEWIS. MOTION PASSES UNANIMOUSLY.**

K. Staff Reports/Information

1. STR (Smith Travel Research) and Bed Tax reports were handed out. John Heiney commented on the overall increase of the bed tax revenue year over year. We are tracking positively with the exception of March (which is really February) which is our first double digit decrease. John Heiney commented that some of the reasons are due to a colder winter, February's snow storm, Flagstaff was open for ski season, and the AIA tournament had to cancel. John Heiney commented to take into consideration we are down from previous February which was exceptional.
2. Community Outreach Manager. No report.
3. Sales and Marketing Coordinator. Ann Steward reported that Go West Report was sent to all stakeholders and follow-up is actively taking place. Also, Ann along with Chair Margo Christensen attended the AZLTA Industry Forecast in April. They shared that basically 2018 was an unprecedented and a banner year for the travel industry. They still predict that 2019 and 2020 will be good but a little more flat. Therefore with that in mind Heather, John and I have been working hard on the FY 2020 Marketing and PR Plan. Some efforts that we'll be concentrating on are the drive market, Denver and LA Sales and Media Missions. Ann Steward also shared that the Tourism Office will have a showcase table at the MPI meeting tomorrow.
4. Recreation Services. Joe Baynes commented on a few items going back to the budget, the design of Lower Goldwater Lake is underway as well as the addition for more Pickle Ball Courts (this actually coming out of the Acker fund), and construction for the restrooms at Constellation trailhead. He is excited about the plans for the park located near the new Hilton Garden Inn and the new location of the Farmer's Market.
5. Airport Update. Kristi Miller shared a report (see handout).
 - a. Terminal Schematic shared with committee.
6. 2019 Upcoming Meeting and Schedule:
 - a. Today is the National Travel and Tourism Week Open House

- b. Tuesday, Jul. 9th – 10am: Regular Meeting – Hassayampa Inn
- c. Wednesday, July 31st – 10am :Tourism Team Up – Smoki Museum – Pueblo Building
- d. Tuesday, Sept. 3rd – 10am: Regular Meeting – Hassayampa Inn
- e. Tuesday, Oct. 1st – Regular Meeting - Hassayampa Inn
- f. Nov. – Committee Holiday Gathering
- g. Dec. – No Committee Meeting

L. Future Agenda Items.

- a. Museum funding increase discussion.
- b. Grant process improvement.

I. Adjournment. There being no further business to discuss, the Tourism Advisory Committee Meeting adjourned at 11:15 a.m.

Respectfully Submitted by:

Ann B Steward
ANN STEWARD

9/3/2019
DATE

Margo Christensen
MARGO CHRISTENSEN, CHAIR

9/3/2019
DATE

**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.

Transient Lodging (Bed Tax)

Reported in	Receipts	Receipts	%	Receipts	%	Receipts	%
Month	FY 19	FY 18	Change	FY 17	Change	FY 16	Change
July	105,637	99,145	6.55%	88,774	11.68%	82,916	7.07%
August	94,608	89,260	5.99%	84,597	5.51%	85,684	-1.27%
September	91,512	77,799	17.63%	73,169	6.33%	68,168	7.34%
October	93,565	86,613	8.03%	80,050	8.20%	71,495	11.97%
November	87,916	82,434	6.65%	73,527	12.11%	64,227	14.48%
December	71,175	66,919	6.36%	53,767	24.46%	47,976	12.07%
January	76,380	75,782	0.79%	69,208	9.50%	59,666	15.99%
February	62,629	58,557	6.95%	48,403	20.98%	44,623	8.47%
March	64,836	73,662	-11.98%	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	5.22%	881,316	12.86%	790,310	11.85%

FY20 Bed Tax Budget

	FY18	FY19	FY19	FY20	%
	Actual	Budget	Projection	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.