



Governor's Tourism Advisory Council Meeting

Tuesday, May 6, 2014

10:00 a.m. – 2:00 p.m.

Arizona Office of Tourism

1110 West Washington Street, #155

Phoenix, Arizona 85007

Meeting Minutes

I. Call to Order/Approval of February 4, 2014 Governor's Tourism Advisory Council (TAC) Meeting Minutes.

Jody Harwood opened the meeting at 10:09 a.m.

The following TAC members were present: Jody Harwood, Stacey Button, Jeff Serdy, Kelly McCullough, Victoria Yarbrough, Lorraine Pino, Delcie Schultz, Katherine Fassett; and, Teresa Propeck. Members present via conference call were Katie Cobb, Raphael Bear, Michael Luria; and, ex-officio Debbie Johnson.

Arizona Office of Tourism (AOT) staff present: Sherry Henry, Chris Mardian, Mark Stanton, Linda Yuhas, Karen Churchard, Kiva Couchon, Mary Rittmann, Karen Cahn; and, Laura French Franco.

In addition, Patrick Murphy, of Off Madison Avenue, was also present.

Public attendees: Becca Cummings and Carrie Johnson

Motion was made by Jeff Serdy to approve meeting minutes of the February 4, 2014 meeting. Motion was seconded by Teresa Propeck. Minutes of February 4, 2014 meeting were approved unanimously.

II. Arizona Office of Tourism (AOT) Updates

Sherry Henry, Director of AOT, reviewed the AOT budget, noting the \$9,102,600 total: two separate line items from the Tourism Fund; \$7,000,000 from the General Fund, plus \$102,600, which is an adjustment, plus \$2,000,000 from the governor to support the Pro Bowl.

Linda Yuhas, Assistant Deputy Director of AOT, reported on FY15 Proposition 202 and 302 funding. Department of Gaming is more aggressive in their forecasting of Proposition 202 and projecting distribution at \$6.9 million. Using year over year history, AOT estimates a more conservative \$6.4 million for FY15. In FY14, AOT estimated \$6.1 million and final receipts are projected close to that total. Proposition 302 funds as projected by Kevin Daniels, CFO, AZ Sports & Tourism Authority, are \$7,205,083 for FY15. Each monthly allocation is one-twelfth of estimated annual total; however with monthly itemizations Kevin has stated that two months (September and October) will skew from the

relatively equal monthly distributions; but feels the final annual allocation will finish closer to the amortization schedule provided in statute.

Karen Churchard, Assistant Deputy Director of AOT, serves as the major point person for sporting events. Karen, along with Kiva Couchon, Director of Communications and Public Information Officer of AOT; and, Karen Cahn, Director of Advertising at AOT, gave an overview of what AOT will be doing regarding advertising and public relations for the Super Bowl, Pro Bowl, College Football Playoff Group (the new national college football national championship game and semi-finals); and, Final Four. Raphael Bear asked that he be kept abreast of possible tribal opportunities for the upcoming events. Karen Churchard plans to keep TAC updated as plans progress.

Karen Cahn presented an advertising update, reviewing high level results of current campaigns. Patrick Murphy presented as well.

- National Target Cities Campaign (Chicago and Los Angeles) –offline media placements received 322,000,000 impressions and online received 87,000,000 impressions
- Unique visits to website are up over second quarter-year over year they are up 25%
- Cooperative campaign generated almost 19,000,000 impressions

Patrick Murphy shared a few metrics in terms of advertising efforts made by Off Madison Avenue:

- Return visitors-seeing return visitation come up 63% year over year
- Organic search shows significant increase of 60% year over year
- 15% of new “likes” came from ads and sponsored stories
- Unique visitors were up year over year

Katie Cobb asked Karen Cahn where results of the campaigns could be reviewed. Karen Cahn will forward Katie Cobb her presentation. Katie also asked Karen about Super Bowl efforts to incorporate local activities for visitors. Karen plans to share more specific information with TAC regarding efforts to extend visitors’ stay and explore more of the state.

Patrick Murphy reviewed the Spring Training Campaign, which focused on specific experiences for the Arizona visitor – water wonders, family travel, sightseeing, adventure, etc.

Karen Cahn wrapped up her presentation reviewing some of the new projects AOT is moving forward with:

- The Official State Visitor’s Guide (OSVG) – in addition to receiving an OSVG via USPS; AOT is responding to requests with an email, which will link the visitor back to the website.
- The website is currently in phase one of being redesigned, with a targeted launch date of January 2015. In November, the national campaign will pick up again and there will be a new URL – www.visitarizona.com.
- Celebrity and Guest Blog
- “140 Characters”
- Photo Contest – enhanced with more attractive prizes and easier rules

- Destination Video – in process of updating
- Photo Library – in process of updating and enhancing

Karen Churchard gave an update on the Research division. AOT will be using InSight, a subscription based product, which will be helpful to the advertising team in terms of what visitors are looking for. InSight has the largest data base of search and travel booking globally. AOT is also doing a project with Buxton with the goal of increasing tourism and visitor traffic to the state (and five separate regions within the state), in hopes of assisting the rural areas in their marketing efforts and to gain a better understanding of visitor potential. Research is also working on target cities analysis. Travel impact information for 2013 YE will be announced at the Governor's Conference on Tourism (GCOT), in July 2014. Research continues to work on the Tribal Tourism study, which should be completed late summer/early fall 2014. An Electric Vehicle Visitor's Guide is being developed, with the first itinerary being Los Angeles/Phoenix/Flagstaff-Grand Canyon and a second itinerary for Southern Arizona to be posted by May 19, 2014. Kiva Couchon and Jennifer Miller, Research Specialist at AOT, are working on a public announcement.

Kiva Couchon gave a very brief update on AOT's public relations campaign, including a joint press release-*Celebrating Arizona Travel and Tourism Days*, which went out May 5, 2014.

Laura Franco French, Director of Community Relations at AOT, did a Nogales update. While tourism in the Santa Cruz County is increasing; in Nogales it has been declining since 2007. AOT hired Mitch Nichols, Nichols Tourism Group, to help with a tourism development plan. The very extensive plan is online at www.azot.gov. Laura also reported on the Marketing Cooperative Program, which is designed to promote traveling to regions outside the Phoenix and Tucson areas, to leverage community partnerships to enhance their reach and broaden communities' marketing efforts. The FY2015 campaign runs September 1 – August 31, the primary markets being Los Angeles, Phoenix and Tucson, with secondary markets of Canada, Las Vegas and San Diego. Last year, there were 25 partners, 18 rural communities, four tribes, two regional partners and one statewide tourism association. AOT matched partner's contributions for a total spend of \$1,400,000. Glenn Schlottman, Community Relations Manager at AOT, along with Off Madison Avenue, will be leading a webinar on May 14, 2014. Once the guidelines are out, they will be due back June 6, 2014. The campaign will be promoted in *AOT in Action*.

Mary Rittmann, Director Trade and Media Relations at AOT, gave an International Trade and Media update. Under Trade and Media at www.azot.gov, is the marketing plan for Trade and Media Relations. Please note some of the activities do not indicate dates yet, as some trade shows have not released their dates. In addition, under International Marketing, you will find information listing all of AOT's representatives, along with their contact information. Mary distributed a Phoenix Air Service Overview, from Phoenix Sky Harbor International Airport and reviewed the changes occurring as a result of the merger between US Air and American Airlines.

Mark Stanton, Deputy Director of AOT, provided an update on Brand USA, which is the federal government's division of the Department of Commerce, promoting the US internationally as a leisure destination. This year, Brand USA will be expanding their efforts to include the development of an IMAX

film, focusing on the national parks of the United States. In addition, they are looking at doing some programming with Mexico City in advance of Super Bowl. AOT is modifying current campaign to Spanish to be used in Mexico. Mark also reported on the Reauthorization of the Travel Promotion Act and the inclusion of extending Brand USA's survival into the future. The bill has been introduced into Congress and is vital to the industry. This is a self funding program, which is supported by a one-time visitor's fee, paid by visitors from Visa Waiver Countries. Council members are encouraged to contact federal delegation with their support. The agency's efforts to support Brand USA have been cleared with the governor's office, as all dealings with federal elected officials must be. AOT will provide council members with sample letters for their use.

Karen Churchard gave a brief overview of the upcoming Governor's Conference on Tourism. She distributed and reviewed a draft of the program. TAC will be meeting in Laveen A, at the Sheraton Downtown Phoenix, 11:00 a.m. to 2:00 p.m.

Laura Franco French gave a brief highlight of the recently held Regional Workshop. Laura thanked Teresa Propeck for helping to assemble a committee, prepare an agenda and put together such a successful workshop. Teresa stated that the workshop was of great benefit to the community and the value will be lasting.

III. Area Reports

Area 1: Maricopa County

Katie Cobb reported that The Phoenix Symphony has a new music director, Tito Munoz. The Phoenix Symphony is in conversations with the NFL and Super Bowl Committee regarding a performance.

Katherine Fassett commented on the importance of participating in the upcoming elections, as she works in campaigns and public affairs consulting.

Lorraine Pino reported for the area. Glendale Occupancy for March was up 1.5% from last March; Average Daily Rate (ADR) was up 5.7% from last March at \$135.07; RevPar is up 7.3% from last year, at \$119.71.

- Glendale Convention and Visitor's Center is participating in "Your Piece of the Tourism Pie" campaign
- Major concerts include Justin Timberlake, Marc Anthony Katy Perry, and The Eagles
- Cardinal's pre season begins August 9 and the regular season begins September 8

Kelly McCullough announced that KAET's second annual "Check Please" was highly successful, selling out days prior to the event. Season four of "Check Please" continues to do very well as does "Capture My Arizona", the photo contest with 80,000 photographs available at www.capturemyarizona.com. PBS has produced three or four *Art Beat* segments on Arizona Horizon, which get pushed out and aired on PBS stations nationwide. Segments have included Sky Train Art, Chihuly in the Garden Exhibition and Musical Instrument Museum (MIM).

Jody Harwood reported that numbers were up for the first quarter in Area 1. Though Spring Training attendance was down slightly, this March was one of the best in the past five years. April numbers increased slightly. Unfortunately, “discounting” has started very early, which usually indicates the resorts do not have the group business on the books.

Raphael Bear reported that Fort McDowell will be celebrating the 22nd Annual Sovereignty Day. Spring numbers were great and March and April continue to be healthy; however, May and June do not look as optimistic. The destination will be going through a name change by October 1, 2014, from The Radisson Resort Fort McDowell to We-Ko-Pa Resort. The Arizona American Indian Tourist Association (AAITA), a nine member board, targeting 22 tribes, is currently working with the City of Scottsdale regarding Super Bowl to do the Indian Village similar to the Indian Village at Arizona’s Centennial.

Stacey Button reported on the Coconino County area. Occupancy for March was up 5.1%; Average Daily Rate (ADR) was up 1.2%; RevPar was up 6.4%. Hotel revenues for March were up 8.3% and Bed, Board and Booze (BBB) revenues, fiscal year to date through February, were up 4.16%.

- Dew Downtown Flagstaff – February 8 and 9, 2014 – over 10,000 in attendance
- Convention and Visitor’s Bureau – July 2014 – Downtown Phoenix-Cool Zone (a walk through tunnel with misters is wallpapered to look like Flagstaff)

Airport – Best March on record regarding enplanements and load factors, with April being up over 1,000 enplanements. Efforts are still under way to secure a second airline and route.

Economic Development – many retail development projects in the works for this year and early next year. Gail Jackson will be moving to Economic Development in early June 2014.

Area 2: Pima County

Area 3: Apache, Coconino, Navajo and Yavapai Counties

Teresa Propeck announced that 89A will be closed from Flagstaff to Sedona beginning the day after Memorial Day through the month of June 2014.

- Verde Canyon Railroad celebrating National Train Day-May 10, 2014-expected attendance 1,500
- 49th Annual Jerome Historic Home and Building Tours – May 17, 2014

Area 4: La Paz and Yuma Counties – no report

Area 5: Pinal County

Jeff Serdy reported that the fire restrictions are hurting businesses in the area and that the visitor center is conducting a study of where the visitors are coming.

Area 6: Cochise, Santa Cruz, Graham and Greenlee Counties

Delcie Schultz reported occupancy being slightly down.

- 63rd Annual Rex Allen Days –October 3-5, 2014
- Wings Over Willcox-January 15-18, 2014
- Wine Festivals – May and October 2014
(Willcox area has 23 planted vineyards and 12 tasting rooms currently)
- Willcox has 22 eating establishments currently
- Willcox Rodeo Arena holds several rodeo, roping and barrel racing events throughout the year

Victoria Yarbrough reported the following:

Cochise County Occupancy: (YTD 55.8%, +19.2% over last year), March at 61%, +26.4% over last March; ADR: (YTD 66.61, -1.4% over last year), 4th quarter-5.2% to 63.29, March at \$66.66-1.8% over last March. RevPar: (YTD \$37.15, +17.6%), March \$40.65, +24.1% over last March.

Santa Cruz County: (YTD 53.3%, +15.8% over last year), March 60.1%, +20% over last March. ADR: (YTD \$67.23, -5% over last year), March \$65.76-7.4% over last March; RevPar: (YTD \$35.85, +9.9% over last year), March \$48.88,-2.6% over last March.

Graham County Occupancy: (YTD 78.1%, +40.2% over last year), March 79.8% over last March; ADR: (YTD \$91.54, +15.5% over last year), March \$72.39, +1.2% over last March; RevPar: (YTD \$71.54, +61.9% over last year), March \$92.79, +11.7% over last March.

Greenlee County: No data

- Chrome Pony Rally – May 6, 2014 – Sierra Vista
- First “Douglas Days” – May 17-18, 2014
- Annual Mariachi Festival – May 17, 1014 – Patagonia Lake State Park

Chris Mardian reminded council members of next TAC meeting, which will be at the GCOT. Our meeting will be held at 11:00 a.m. – 2:00 p.m., in Laveen A, at Sheraton Downtown Phoenix.

Call to the Public: none.

Lorraine Pino moved to adjourn and Jeff Serdy seconded the motion. Meeting adjourned at 1:09 p.m.

Call to the Public- none.

IV. Adjournment

Lorraine Pino motioned to adjourn meeting with Jeff Serdy seconding the motion. The meeting was adjourned at 1:09 p.m.