

Governor's Tourism Advisory Council Meeting (TAC)
Wednesday, September 21, 2011
10:00 a.m.
Conference Call
Meeting Minutes

I. Call to Order/Approval of May 26, 2011 Governor's Tourism Advisory Council (TAC) Meeting Minutes.

Michael Luria called the meeting to order. Michael welcomed everyone and introduced the new members – Lorraine Pino and Victoria Yarbrough. He also congratulated the reappointed members – Bruce Lange and Teresa Propeck. The following TAC members were present: Michael Luria, Jeff Serdy, Teresa Propeck, Sam Campana, Susan Sternitzke, Raphael Bear, Lorraine Pino, Victoria Yarbrough, Kay Daggett (past member); and, Kristen Jarnegin (for Debbie Johnson). AOT staff present: Mark Stanton, Chris Mardian, Linda Yuhas, Laura French Franco, Kiva Couchon; and, Mary Rittmann.

Motion was made by Susan Sternitzke to approve meeting minutes of May 26, 2011. Motion seconded by Jeff Serdy. Motion approved.

II. Legislative Update

Kristen Jarnegin presented the report, as Debbie Johnson was unable to attend the conference call. Arizona Hotel and Lodging Association (AzHLA) and Arizona Tourism Alliance (ATA) have merged lobbyists. There is one concise and clear message being expressed through long time lobbyist, Barry Aarons. Relationships with key legislators are being maintained and the value of tourism funding is being kept in the forefront.

Debbie Johnson, Mark Garcia and Doug Yonko, who is chairman of ATA, just returned from Washington, D.C., where they met with many legislators, leading to very positive results for Arizona.

We hope to become a Super Political Action Committee (PAC). The Hotel and Tourism PAC is officially the State's 25th Super Political Action Committee (PAC). We have already begun distributing those funds. The monies collected will assist in showing support for those candidates who understand the value of tourism in Arizona. This is not based on promises, but on what has been done for tourism. We are gearing up for the 2012 session and the return of the formula fund will be the main priority. There is much momentum. We request that everyone benefit from AOT's success and AOT's funding.

III. Introduction of New Members and Review of Memorandum of Understanding and Standards of Conduct in the Public Sector for Boards and Commissions

Lorraine Pino and Victoria Yarbrough introduced themselves.

Lorraine is the manager of the Glendale Convention and Visitor's Bureau. She has been with the City of Glendale for 11 years. They have just transitioned from a tourism office to a CVB and have just celebrated their one year anniversary. She is a long time Glendale resident. Lorraine will be representing Area 1 – Maricopa County.

Victoria Yarbrough introduced herself. She is the Leisure and Library Services Director for the City of Sierra Vista and Cochise County. She has been with them for three months. She is most recently from Douglas, Arizona, where she was the Director of Libraries and Recreation for the City of Douglas. Victoria is replacing Kay Daggett, representing Area 6 – Cochise County.

Michael reminded the members of their agreement to the Memorandum of Understanding and the Standards of Conduct in the Public Sector for Boards and Commissions. If you have not taken care of these two documents, please do so. Chris Mardian will provide Lorraine Pino and Victoria Yarbrough with the necessary documents, which will need to be executed and filed. If you have any questions, please contact Chris at the Arizona Office of Tourism.

Michael thanked everyone in advance for signing and returning the documents. He also thanked each member for attending the Governor's Conference on Tourism.

He reminded everyone we cannot lobby on behalf of an issue but we can be there as a presence to stay informed and to support the industry.

IV. Arizona Office of Tourism (AOT) Budget Updates

Mark Stanton reported on behalf of Sherry Henry. Mark reported that in FY2012, AOT's budget was divided between Proposition 302 and Proposition 202. Proposition 302 had \$ 5.9 million, and Proposition 202 was approximately \$ 5.5 million, which was dedicated for AOT marketing. Formula funding was suspended for the amount of \$14, 728,693. Moving forward, the FY2013 budget submittal, which includes a position paper requesting the reinstatement of the formula funding, would be projected at \$15,149,300. Projections for Proposition 202 are looking at \$5.8 million and Proposition 302 is looking at \$6.2 million. All funding for FY2013 is projected to be \$27,291,357. This is if we get the formula funding.

We have our budget submittal in and we will be waiting to hear from the Governor's Office regarding what the Governor's budget will be and we will build our program of work against that budget and see how things move forward into the session.

It was asked when the Governor's Office releases their budget. It is released in January. At this point, there are no indications as to what her recommendations will be.

V. Area Reports

Raphael Bear-Area 1: Maricopa County

Raphael reported on the tribal area, Fort McDowell in particular. They just recently completed the American Indian Alaska Native Tourism Association (AIANTA) meeting. A year of planning went into the preparation of this great event, with sponsorship from AOT and Scottsdale CVB. All reviews were very positive. Next year, the same event will be held in Billings, Montana.

Sam Campana – Area 1: Maricopa County

Sam did not have a prepared report.

Michael Luria – Area 2: Pima County

They are still lagging where they used to be years ago, but hopefully they have hit rock bottom and are working their way out. Resorts are beginning to see more interest and booking inquiries looking into 2013 and 2014. On the attractions side, attendance has improved. The summer was better, particularly for indoor attractions. The Gem and Mineral Show is a couple of months away.

Lorraine Pino – Area 1: Maricopa County

Glendale just celebrated their one year anniversary as a Convention and Visitors Bureau. They had their annual meeting, in August, with Win Holden, from Arizona Highways, as a keynote speaker. Their occupancy was up 15.2% from last year at this time. They are busy with Cardinals and Coyotes games. They are preparing for the Annual Glendale Glitters, which takes three months to prepare. Lorraine is working with statewide convention and visitors bureaus to prepare for their first advisory board.

Teresa Propeck – Area 3: Apache, Coconino, Navajo and Yavapai Counties

The Greater Verde Valley is very grateful for the numbers and increased occupancy. They have seen a great recovery in their area. October is full of upcoming events ranging from the Festival of Native American Culture, Sedona Jazz on the Rocks,

Rhythm and Ribs in Cottonwood, the Jerome Art Walk; and, the Verde Canyon Railroad's Ales on Rails.

Apache and Navajo counties are working together to market their areas. They are being very proactive.

Jeff Serdy – Area 5: Pinal County

Jeff is not receiving reports from Gila County. The Apache Junction area is looking towards their Festival of the Superstitions, which will be held on Veteran's Day. In addition, they have their Centennial event, Lost Dutchman Days, which will be February 25, 2011. The visitor center just sent out the "Sunny Arizona" postcards. They are targeting the Canadian market.

Susan Sternitzke – Area 4: La Paz, Yuma Counties

Occupancy is up 14.7% over 2010. Hotels are experiencing more of a military influx. They are going to be strategizing about the lowered per diem and are creating a task force to open dialogue on this issue. They have created a large campaign, mirroring an event from one hundred years ago, when the forefathers gave away free food every day the sun did not shine, in their area. They have reintroduced this campaign. Every hotel guest will receive a \$10 gift certificate for food each day the sun does not shine. They have projected the number of non-sunny days being approximately 15, for which \$50,000 for food has been allocated. This campaign is being picked up internationally. London ran a story recently on the campaign. The campaign ties in nicely with the Arizona's Centennial celebration. Agritourism division is continuing to expand with every tour being sold out, resulting in two additional tours being added. December brings a large Centennial event, focusing how Christmas was celebrated 100 years ago. And, Yuma Lettuce Days, in March, won "Best Event" at this year's Governor's Conference on Tourism.

Victoria Yarbrough – Area 6: Cochise County

Across the board, occupancy rates are up. Graham County has almost a 10% increase from last year. Greenlee County information is not available. Sonoita and Elgin reported being slow since summer, with numbers picking up since Labor Day weekend. State budget cuts have reduced funding to fairgrounds.

In Cochise and Sierra Vista, there has been a normal summer lull with a slight rise in day visitors. There have been many inquiries regarding birding and other natural attractions since the fires. The universal message being sent out is that the area has been impacted but is still open for business. Budget issues are at the forefront for all areas. Bisbee is considering closing their visitor center.

VI. “Tourism Works for Arizona”

Mark Stanton reported that AOT has retooled the fact sheet “Tourism Works for Arizona”, which has been put together by Kiva Couchon, of AOT. Copies will be forwarded to the members and is also available on the website. This piece recaps overall economic impact to the state. We are using this to provide information to our constituents, legislators, and other stakeholders as well.

As a complimentary piece, Sherry Henry had the initiative to create a business card style piece listing the figures and analysis of overall tourism impact and recounts the mission of AOT. This is a one stop piece we provide to stakeholders, constituents and legislators. We will forward these to you as well. This is part of our efforts to let everyone know what is going on in our industry.

In addition, Mark Stanton reported on the first major Centennial event, the Best Fest, which took place in Prescott, Arizona. The event was a very remarkable – a great celebration of Arizona. It is the first of three Best Fests. In January there will be one in Tucson, Arizona. In February 2012, there will be one in the Phoenix area. Best Fest received great statewide media coverage, which was excellent and the social media feedback was very good as well. The Arizona Centennial Commemorative Statehood Stamp, which was designed by renowned Arizona artist, Ed Mell, was unveiled by the U.S. Postal Service. The City of Prescott did an incredible job of accommodating the numbers of people in attendance.

Michael requested copies of the artwork be sent to the members.

The next TAC meeting is Wednesday, November 16, 2011, at 10:00 a.m., at Audubon Arizona.

VII. Adjournment

**Sam Campana motioned to adjourn with Jeff Serdy seconding the motion.
Meeting adjourned 11:06 a.m.**

