



Governor's Tourism Advisory Council Meeting (TAC)

Friday, July 11, 2008 12:30 P.M. – 3:00 P.M.

Westin La Paloma Resort & Spa, 3800 E. Sunrise Drive, Tucson, AZ

Meeting Minutes

I. Call to Order and Opening Comments

Colleen Cutshaw opened with a thank you for attending and several accolades on this year's conference. She then advised the group of two new appointees to the TAC: Teresa Propeck (Area 3) and Stacey Button (Area 3), that Ron Charles has been reappointed for another five-year term, and that Dan Cuning would be leaving the Council because he is relocating to California.

II. AOT Update

Margie Emmermann began by talking about budget cuts and measures AOT is taking in support of those cuts. Examples: AOT had been scheduled to move to a larger space to accommodate new personnel but the move was cancelled and arrangements were made to construct a two-office expansion at the current location. The vacancy of a director level position was not filled and through reorganization, that division's functions and responsibilities were reassigned to other directors. Other vacant positions are not being filled and the hiring freeze is expected to continue through FY09.

Margie recapped AOT's funding sources (formula funding, Indian gaming, Prop 302) and the budget reductions.

Kay Daggett inquired as to whether AOT segregates the personnel budget. Linda Yuhas responded that AOT does keep it separate, however is not required to do so.

III. Economic Impact & Year-end Visitation

AnnDee Johnson began her year-end presentation by pointing out the 45% increase in visitor spending since 2002 and that 78.5% is from people outside of Arizona.

A comparison chart between business and leisure travel showed that leisure travel drives Arizona visitation. Arizona's average in-state traveler was older in 2007, which is a reflection of economic conditions that caused fewer younger, less affluent residents to travel. The corresponding household income was also up for 2007.

The majority of out-of-state visitors were from California and Illinois, while Ohio and Iowa entered the top ten origin states for the first time. In a separate study of visitors to www.arizonaguide.com, Ohio and Iowa residents were also in the top ten.

National figures for overseas visitors to the U.S. are up from last year. There is a direct correlation between overseas visitation and multiple non-stop flights to a destination. Arizona has only one non-stop overseas flight, a British Airways flight from London to Phoenix six days a week. Indications are that without more non-stop flights, we will continue to lag other destinations in overseas visitors.

According to Statistics Canada, Canadian travel to Arizona was down in 2007. Now that Canadian residents are required to have passports to travel to the U.S., they are able to travel other places just as easily. Some TAC members mentioned that Canadian visitation for their areas (Lake Havasu, Sierra Vista, Scottsdale) has continued to be very strong. The statewide visitor decline is primarily caused by a decline in visitors from Ontario, because Ontario's economy has been seriously affected by the declining auto industry. Therefore some areas could still show excellent Canadian visitation while the overall travel to Arizona by Canadians is down.

A map showing airline cutback indicates fewer flights. Bullhead City has lost all commercial flights.

In closing, AnnDee presented a surface map of Arizona showing expected development around the state. Arizona's population is expected to grow from 5.1 million (2000) to 16 million or more by 2050. The challenge and concern for our industry is how to maintain our open spaces and scenic beauty in the face of population growth and continuing development.

IV. Approval of April 17, 2008 TAC Meeting Minutes.

Colleen asked for a motion to approve minutes of the April 17th meeting. Dan Cunning made the motion which was seconded by Bruce Lange.

V. Call to Adjourn

Kay Daggett made a motion to adjourn which was seconded by Michael Luria. Meeting adjourned at 3:05