

Arizona Office of Tourism

FY2022 – FY2023

Operating Budget Requests



Grand Canyon National Park



September 1, 2021

The Honorable Douglas A. Ducey
Governor, State of Arizona
1700 W. Washington Street
Phoenix, AZ 85007

Dear Governor:

The Arizona Office of Tourism (AOT) respectfully submits its estimated operating budget in accordance with the guidelines for Fiscal Years 2022 and 2023.

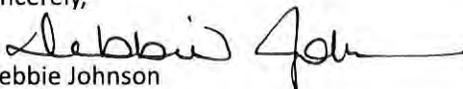
FY2022 – \$8,481,500 lump sum appropriation from the General Fund deposited to Tourism Fund for operations and statewide tourism promotion; and \$5,676,293 (est.) (\$567,629 to AOT and \$5,108,664 to DMO distribution) from the Tourism Fund for Proposition 302/Maricopa County promotion; and \$7,775,100 (est.) from the Tourism Fund for Proposition 202/Gaming for statewide tourism promotion. The estimated total budget increase is \$250,000 from FY21.

FY2023 – \$8,231,500 lump sum appropriation from the General Fund deposited to Tourism Fund for operations and statewide tourism promotion; and \$9,847,815 (est.) (\$984,782 to AOT and \$8,863,034 to DMO distribution) from the Tourism Fund for Proposition 302/Maricopa County promotion; and \$10,000,000 (est.) from the Tourism Fund for Proposition 202/Gaming for statewide tourism promotion. The estimated total budget decrease is \$250,000 from FY22.

Pursuant to A.R.S. § 41-2305, the Arizona Office of Tourism (AOT) serves as the only public agency responsible for leading the destination marketing efforts for the state of Arizona. AOT implements year-round domestic and international marketing initiatives to attract travelers for the purposes of generating tourism-related economic revenue. In response to the global pandemic, AOT led industry-related recovery efforts with its **Arizona Tourism Industry Strategic Recovery Plan** in order to stabilize and revitalize our state's tourism industry. To further support its efforts, AOT received \$4 million in Coronavirus Relief Funds (CRF), which was established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. This funding enabled the agency to broaden the awareness of its "**Rediscover Arizona Recovery Marketing Campaign**," which promoted various Arizona destinations along with information related to COVID-19 travel advisories and health and safety measures.

For FY2023, using allocated funds, AOT will continue with its destination marketing plans, including an expansion of its Target Cities marketing program, to further generate the important tourism-related economic revenue. This revenue helps fund essential programs such as education, public safety and health services. Arizona's travel and tourism industry has a direct and positive impact on our state's economy and gives back to local communities. (See *AOT's Industry Performance Brochure*). To further its mission to build a stronger, more sustainable Arizona tourism industry, AOT will expand its **Statewide Destination Management and Rural Tourism Development Program** to address important tourism-related issues including environmental impact, cultural preservation, positive visitor experiences and resident sentiment. And, to help communities across the state that face diminished or eliminated marketing budgets, AOT will continue with its robust cooperative marketing, trade and media relations and community outreach programs.

Sincerely,


Debbie Johnson
Director

1	Arizona Office of Tourism (AOT) Transmittal Statement AOT Organizational Chart AOT Legislation
2	Revenue Schedule AOT Revenue Justification Sources & Uses of Funds Agency & Program Expenditures Administrative Costs
3	Funding Issues - None
4	Prop 302 - Maricopa County Promotion Guidelines – FY 2022
5	FY 2022 - Rural & Tribal Cooperative Marketing Program
6	Agency & Industry Reports A. AOT's FY21 Annual Report B. AOT's Industry Performance Report C. AZ's Tourism Strategic Recovery Plan D. AZ's Economic Impact of Travel Report
7	Arizona Official State Travel Guide - 2021
8	



State of Arizona Budget Request

State Agency

Arizona Office of Tourism

A.R.S. Citation: 41-2301

Appropriated Funds

FY 2022 Approp	FY 2023 Fund. Issue	FY 2023 Total Budget
8,481.5	0.0	8,481.5
8,481.5	0.0	8,481.5

Total Amount Requested:

General Fund

Governor DUCEY:

This and the accompanying budget schedules, statements and explanatory information constitute the operating budget request for this agency for Fiscal Year 2023.

To the best of my knowledge all statements and explanations contained in the estimates submitted are true and correct.

Agency Head: Debbie Johnson

Title: Director

Debbie Johnson
Debbie Johnson 9/9/2021

(signature)

Phone: (602) 364-3714

Prepared By: Naomi Parks

Email Address: nparks@tourism.az.gov

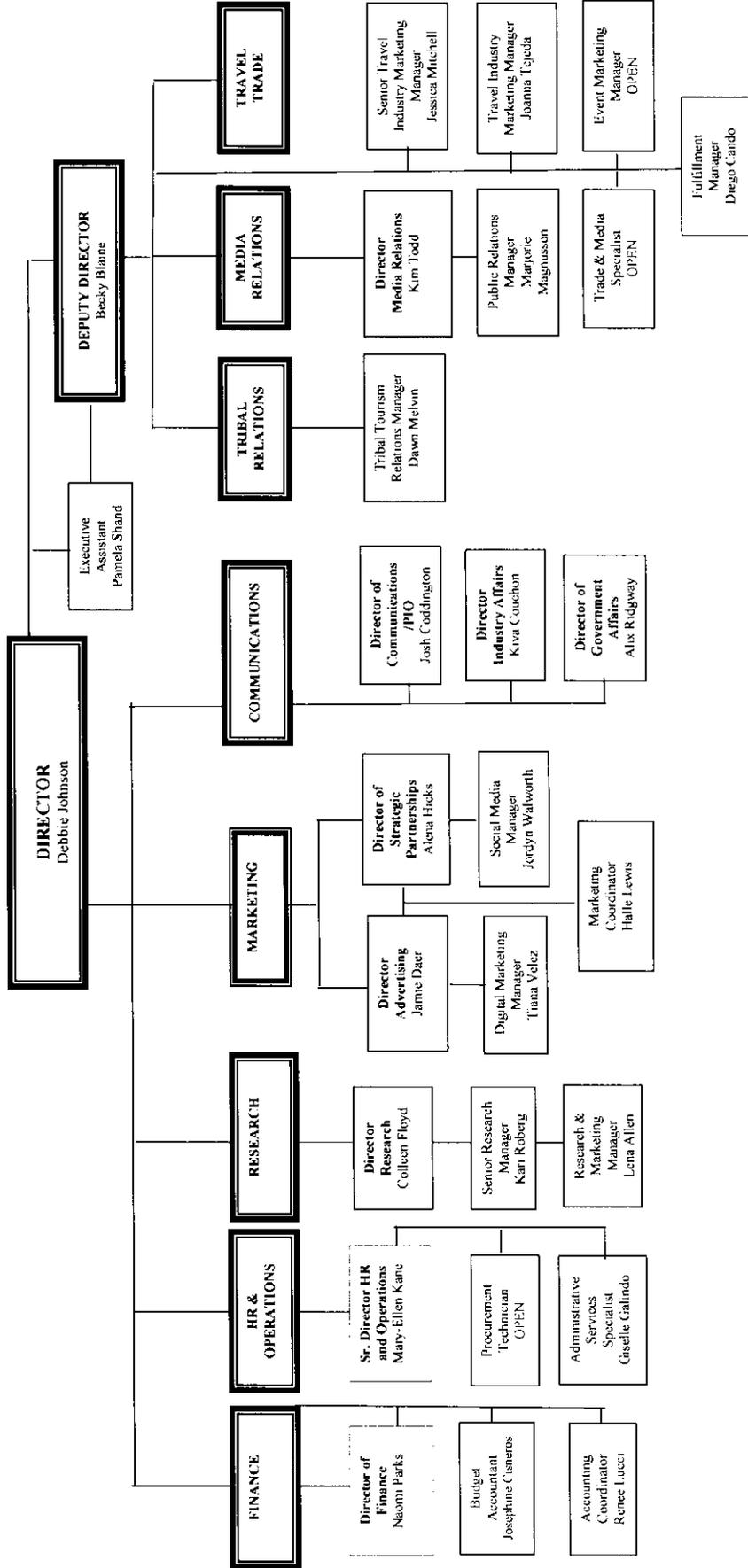
Date Prepared: Thursday, September 9, 2021

FY 2022 Expd. Plan	FY 2023 Fund. Issue	FY 2023 Total Budget
23,432.9	0.0	23,432.9
23,432.9	0.0	23,432.9
0.0	0.0	0.0
0.0	0.0	0.0

Total Amount Planned:

Tourism Fund
Interagency Service Agreement Fund
Title VI - Coronavirus Relief Fund - NEW

Total: 31,914.4 0.0 31,914.4





41-2306. Tourism fund

(Caution: 1998 Prop 105 applies)

A. The tourism fund is established consisting of separate accounts derived from:

1. State general fund monies appropriated to the fund by the legislature. All monies in this account are continuously appropriated to the office of tourism for the purposes of operations and statewide tourism promotion.

2. Revenues deposited pursuant to section 5-835, subsection B or C. All monies in this account are continuously appropriated to the office of tourism, which, in consultation with a consortium of destination marketing organizations in the county in which the tourism and sports authority is established, shall be spent to promote tourism within that county. For fiscal years 2010-2011 and 2011-2012, fifty per cent of the revenues deposited in the tourism fund pursuant to this paragraph may be expended by the office of tourism for operational and administrative purposes.

3. Revenues deposited pursuant to section 42-6108.01. The legislature shall appropriate all monies in this account to the office of tourism, which, in conjunction with the destination marketing organization in the county in which the tax revenues are collected, shall be spent only to promote tourism within that county and shall not be spent for administrative or overhead expenses.

4. Revenues deposited pursuant to section 5-601.02(H)(3)(b)(iv). The office of tourism shall administer the account. The account is not subject to appropriation, and expenditures from the fund are not subject to outside approval notwithstanding any statutory provision to the contrary. Monies received pursuant to section 5-601.02 shall be deposited directly with this account. On notice from the office of tourism, the state treasurer may invest and divest monies in the account as provided by section 35-313, and monies earned from investment shall be credited to the account. No monies in the account shall revert to or be deposited in any other fund, including the state general fund. Monies in this account shall supplement, not supplant, current funds in other accounts of the tourism fund. Monies in this account shall be spent only to promote tourism within the state and shall not be used for administrative or overhead expenses.

B. Monies in the fund are exempt from the provisions of section 35-190 relating to lapsing of appropriations.



41-2308. Special sporting events; promotion and marketing; report; appropriation; definitions

A. Beginning from and after June 30, 2021, the state treasurer shall pay from monies appropriated pursuant to this section one million five hundred thousand dollars per fiscal year, in twelve equal monthly installments, to the office of tourism for the purposes described in this section. The office of tourism shall deposit the monies in a separate fund and shall use the monies to promote and market a special sporting event at a host facility. On or before October 1 of each year, the office of tourism shall report to the joint legislative budget committee the amounts and purposes of all expenditures made pursuant to this subsection in the previous fiscal year.

B. The treasurer may make the payments prescribed in subsection A of this section if the special sporting event project cost incurred from and after December 31, 2016 is at least one hundred million dollars.

C. The host facility shall report to the joint legislative budget committee and the governor's office of strategic planning and budgeting that it has incurred the special sporting event project cost prescribed in subsection B of this section on or before December 31, 2020. The joint legislative budget committee shall certify the expenditures reported by the host facility.

D. If the requirements of subsections B and C of this section are met, the sum of one million five hundred thousand dollars is appropriated annually from the state general fund to the state treasurer for the purposes of this section beginning in fiscal year 2021-2022 and ending in fiscal year 2050-2051.

E. For the purposes of this section:

1. "Host facility" means a complex facility in this state that has fixed seating, that requires a ticket for admission for viewing a sporting event and that was chosen to host a special sporting event by a site selection organization through a competitive selection process that included consideration of at least one facility that is not located in this state.

2. "Special sporting event" means a sporting event that is sanctioned by a nationally recognized premier national auto racing series governing body that establishes an annual schedule of sporting events and grants rights to conduct the events, that has established and administers rules and regulations governing all participants involved in the events and all persons conducting the events and that requires certain liability assurances, including insurance.

3. "Special sporting event project" means:

(a) The acquisition of land subject to property tax in this state to construct a host facility for a special sporting event.

(b) The construction, reconstruction, improvement or renovation of improvements to land subject to property tax in this state of a host facility for a special sporting event.

4. "Special sporting event project cost" means the monies spent from and after December 31, 2016 by the owner of the host facility on the special sporting event project.

Revenue Schedule

Agency: Arizona Office of Tourism

Fund: AA1000 General Fund

AFIS Code Category of Receipt and Description

4901 OPERATING TRANSFERS IN

	FY 2021	FY 2022	FY 2023
	8,335.1	8,481.5	8,231.5
	8,335.1	8,481.5	8,231.5

Fund Total:

Revenue Schedule

Agency: Arizona Office of Tourism

Fund: TO2236 Tourism Fund

AFIS Code	Category of Receipt and Description	FY 2021	FY 2022	FY 2023
4616	PRIVATE GRANTS	4,885.4	5,676.3	9,847.8
4821	PRIOR YEAR REIMBURSEMENT - REFUNDS	167.0	0.0	0.0
4901	OPERATING TRANSFERS IN	19,142.5	17,756.6	19,731.5
Fund Total:		24,194.9	23,432.9	29,579.3

Revenue Schedule

Agency: Arizona Office of Tourism

Fund: TO2500 Interagency Service Agreement Fund

AFIS Code Category of Receipt and Description
4901 OPERATING TRANSFERS IN

	FY 2021	FY 2022	FY 2023
	(721.8)	0.0	0.0
Fund Total:	(721.8)	0.0	0.0

Revenue Schedule

Agency: Arizona Office of Tourism

Fund: TO2975 Title VI - Coronavirus Relief Fund - NEW

AFIS Code Category of Receipt and Description
 4911 FEDERAL TRANSFERS IN

	FY 2021	FY 2022	FY 2023
	4,000.0	0.0	0.0
Fund Total:	4,000.0	0.0	0.0



REVENUE JUSTIFICATION

41-2306. Tourism fund

(Caution: 1998 Prop 105 applies)

A. The tourism fund is established consisting of separate accounts derived from:

1. State general fund monies appropriated to the fund by the legislature. All monies in this account are continuously appropriated to the office of tourism for the purposes of operations and statewide tourism promotion.

2. Revenues deposited pursuant to section 5-835, subsection B or C. All monies in this account are continuously appropriated to the office of tourism, which, in consultation with a consortium of destination marketing organizations in the county in which the tourism and sports authority is established, shall be spent to promote tourism within that county. For fiscal years 2010-2011 and 2011-2012, fifty per cent of the revenues deposited in the tourism fund pursuant to this paragraph may be expended by the office of tourism for operational and administrative purposes.

3. Revenues deposited pursuant to section 42-6108.01. The legislature shall appropriate all monies in this account to the office of tourism, which, in conjunction with the destination marketing organization in the county in which the tax revenues are collected, shall be spent only to promote tourism within that county and shall not be spent for administrative or overhead expenses.

4. Revenues deposited pursuant to section 5-601.02(H)(3)(b)(iv). The office of tourism shall administer the account. The account is not subject to appropriation, and expenditures from the fund are not subject to outside approval notwithstanding any statutory provision to the contrary. Monies received pursuant to section 5-601.02 shall be deposited directly with this account. On notice from the office of tourism, the state treasurer may invest and divest monies in the account as provided by section 35-313, and monies earned from investment shall be credited to the account. No monies in the account shall revert to or be deposited in any other fund, including the state general fund. Monies in this account shall supplement, not supplant, current funds in other accounts of the tourism fund. Monies in this account shall be spent only to promote tourism within the state and shall not be used for administrative or overhead expenses.

B. Monies in the fund are exempt from the provisions of section 35-190 relating to lapsing of appropriations.

Sources and Uses of Funds

Agency: Arizona Office of Tourism

Fund: TO2236 Tourism Fund

Cash Flow Summary			
	Actual FY 2021	Estimate FY 2022	Estimate FY 2023
Balance Forward from Prior Year	3,894.0	9,739.9	9,739.9
Revenue (From Revenue Schedule)	24,194.9	23,432.9	29,579.3
Total Available	28,088.9	33,172.8	39,319.2
Total Appropriated Disbursements	0.0	0.0	0.0
Total Non-Appropriated Disbursements	18,348.9	23,432.9	23,432.9
Balance Forward to Next Year	9,739.9	9,739.9	15,886.3

Non-Appropriated Expenditure			
	Actual FY 2021	Estimate FY 2022	Estimate FY 2023
Expenditure Categories			
Personal Services	1,878.8	1,975.6	1,975.6
Employee Related Expenses	689.8	689.8	689.8
Prof. And Outside Services	2,447.2	3,799.0	3,799.0
Travel - In State	7.0	25.0	25.0
Travel - Out of State	1.7	50.0	50.0
Food	0.0	0.0	0.0
Aid to Organizations and Individuals	4,495.0	6,176.3	6,176.3
Other Operating Expenses	8,768.1	10,655.8	10,655.8
Equipment	61.3	61.4	61.4
Capital Outlay	0.0	0.0	0.0
Debt Service	0.0	0.0	0.0
Cost Allocation	0.0	0.0	0.0
Transfers	0.0	0.0	0.0
Expenditure Categories Total:	18,348.9	23,432.9	23,432.9
Cap Transfer due to Fund Balance	0.0	0.0	0.0
Residual Equity Transfer	0.0	0.0	0.0
Prior Commitments or Obligated Expenditures	0.0	0.0	0.0
Non Appropriated 27th Pay Roll	0.0	0.0	0.0
Non-Appropriated Expenditure Total:	18,348.9	23,432.9	23,432.9
Non-Appropriated FTE:	28.0	28.0	28.0

Fund Description

OSP:
 Revenues are from the General Fund, a portion of hotel taxes, car rental surcharges, and contributions paid to the State by Indian Tribes who have tribal-state gaming compacts. These funds are used to support the statewide promotion of the tourism industry and tourism efforts in the county where the hotel tax and car rental surcharge is collected.

Sources and Uses of Funds

Agency: Arizona Office of Tourism

Fund: TO2500 Interagency Service Agreement Fund

Cash Flow Summary

	Actual FY 2021	Estimate FY 2022	Estimate FY 2023
Balance Forward from Prior Year	728.4	0.0	0.0
Revenue (From Revenue Schedule)	(721.8)	0.0	0.0
Total Available	6.6	0.0	0.0
Total Appropriated Disbursements	0.0	0.0	0.0
Total Non-Appropriated Disbursements	6.7	0.0	0.0
Balance Forward to Next Year	0.0	0.0	0.0

Non-Appropriated Expenditure

Expenditure Categories	Actual FY 2021	Estimate FY 2022	Estimate FY 2023
Personal Services	0.0	0.0	0.0
Employee Related Expenses	0.0	0.0	0.0
Prof. And Outside Services	0.0	0.0	0.0
Travel - In State	0.0	0.0	0.0
Travel - Out of State	0.0	0.0	0.0
Food	0.0	0.0	0.0
Aid to Organizations and Individuals	0.0	0.0	0.0
Other Operating Expenses	6.6	0.0	0.0
Equipment	0.1	0.0	0.0
Capital Outlay	0.0	0.0	0.0
Debt Service	0.0	0.0	0.0
Cost Allocation	0.0	0.0	0.0
Transfers	0.0	0.0	0.0

Expenditure Categories Total:

Cap Transfer due to Fund Balance	6.7	0.0	0.0
Residual Equity Transfer	0.0	0.0	0.0
Prior Commitments or Obligated Expenditures	0.0	0.0	0.0
Non Appropriated 27th Pay Roll	0.0	0.0	0.0

Non-Appropriated Expenditure Total:

Non-Appropriated FTE:	6.7	0.0	0.0
	0.0	0.0	0.0

Fund Description

OSP: This fund was established for state agencies as a clearing account to properly account for, control, and report receipts and disbursements associated with intergovernmental and interagency service agreements, which are not reported in other funds.

Sources and Uses of Funds

Agency: Arizona Office of Tourism

Fund: TO2975 Title VI - Coronavirus Relief Fund - NEW

Cash Flow Summary

	Actual FY 2021	Estimate FY 2022	Estimate FY 2023
Balance Forward from Prior Year	0.0	6.5	6.5
Revenue (From Revenue Schedule)	4,000.0	0.0	0.0
Total Available	4,000.0	6.5	6.5
Total Appropriated Disbursements	0.0	0.0	0.0
Total Non-Appropriated Disbursements	3,993.5	0.0	0.0
Balance Forward to Next Year	6.5	6.5	6.5

Non-Appropriated Expenditure

Expenditure Categories	Actual FY 2021	Estimate FY 2022	Estimate FY 2023
Personal Services	0.0	0.0	0.0
Employee Related Expenses	0.0	0.0	0.0
Prof. And Outside Services	542.7	0.0	0.0
Travel - In State	0.0	0.0	0.0
Travel - Out of State	0.0	0.0	0.0
Food	0.0	0.0	0.0
Aid to Organizations and Individuals	0.0	0.0	0.0
Other Operating Expenses	3,450.8	0.0	0.0
Equipment	0.0	0.0	0.0
Capital Outlay	0.0	0.0	0.0
Debt Service	0.0	0.0	0.0
Cost Allocation	0.0	0.0	0.0
Transfers	0.0	0.0	0.0
Expenditure Categories Total:	3,993.5	0.0	0.0
Cap Transfer due to Fund Balance	0.0	0.0	0.0
Residual Equity Transfer	0.0	0.0	0.0
Prior Commitments or Obligated Expenditures	0.0	0.0	0.0
Non Appropriated 27th Pay Roll	0.0	0.0	0.0
Non-Appropriated Expenditure Total:	3,993.5	0.0	0.0
Non-Appropriated FTE:	0.0	0.0	0.0

Fund Description

OSP:

Summary of Expenditure and Budget Request for All Funds

Agency: Arizona Office of Tourism

Appropriated

Cost Center/Program:

	FY 2021 Actual	FY 2022 Expd. Plan	FY 2023 Fund. Issue	FY 2023 Total Request
1 Office of Tourism	7,235.1	7,381.5	0.0	7,381.5
2 Tourism Promotion	1,100.0	1,100.0	0.0	1,100.0
	8,335.1	8,481.5	0.0	8,481.5
Expenditure Categories				
Personal Services	0.0	0.0	0.0	0.0
Employee Related Expenses	0.0	0.0	0.0	0.0
Professional and Outside Services	0.0	0.0	0.0	0.0
Travel In-State	0.0	0.0	0.0	0.0
Travel Out of State	0.0	0.0	0.0	0.0
Food	0.0	0.0	0.0	0.0
Aid to Organizations and Individuals	0.0	0.0	0.0	0.0
Other Operating Expenses	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0
Capital Outlay	0.0	0.0	0.0	0.0
Debt Service	0.0	0.0	0.0	0.0
Cost Allocation	0.0	0.0	0.0	0.0
Transfers	8,335.1	8,481.5	0.0	8,481.5
Expenditure Categories Total:	8,335.1	8,481.5	0.0	8,481.5

Summary of Expenditure and Budget Request for All Funds

Agency: Arizona Office of Tourism

Non-Appropriated

Cost Center/Program:	FY 2021 Actual	FY 2022 Expd. Plan	FY 2023 Fund. Issue	FY 2023 Total Request
1 Office of Tourism	10,045.4	8,806.5	0.0	8,806.5
2 Tourism Promotion	12,303.7	14,626.4	0.0	14,626.4
	22,349.1	23,432.9	0.0	23,432.9
Expenditure Categories				
FTE	28.0	28.0	0.0	28.0
Personal Services	1,878.8	1,975.6	0.0	1,975.6
Employee Related Expenses	689.8	689.8	0.0	689.8
Professional and Outside Services	2,989.9	3,799.0	0.0	3,799.0
Travel In-State	7.0	25.0	0.0	25.0
Travel Out of State	1.7	50.0	0.0	50.0
Food	0.0	0.0	0.0	0.0
Aid to Organizations and Individuals	4,495.0	6,176.3	0.0	6,176.3
Other Operating Expenses	12,225.5	10,655.8	0.0	10,655.8
Equipment	61.4	61.4	0.0	61.4
Capital Outlay	0.0	0.0	0.0	0.0
Debt Service	0.0	0.0	0.0	0.0
Cost Allocation	0.0	0.0	0.0	0.0
Transfers	0.0	0.0	0.0	0.0
Expenditure Categories Total:	22,349.1	23,432.9	0.0	23,432.9

Summary of Expenditure and Budget Request for All Funds

Agency: Arizona Office of Tourism

Agency Total for All Funds:

30,684.2 31,914.4 0.0 31,914.4

Summary of Expenditure and Budget Request for Selected Funds

Agency: Arizona Office of Tourism
Fund: AA1000 General Fund (Appropriated)

	FY 2021	FY 2022	FY 2023	FY 2023
	Actual	Expd. Plan	Fund. Issue	Total Request
Cost Center/Program:				
1 Office of Tourism	7,235.1	7,381.5	0.0	7,381.5
2 Tourism Promotion	1,100.0	1,100.0	0.0	1,100.0
	8,335.1	8,481.5	0.0	8,481.5
Expenditure Categories				
Personal Services	0.0	0.0	0.0	0.0
Employee Related Expenses	0.0	0.0	0.0	0.0
Professional and Outside Services	0.0	0.0	0.0	0.0
Travel In-State	0.0	0.0	0.0	0.0
Travel Out of State	0.0	0.0	0.0	0.0
Food	0.0	0.0	0.0	0.0
Aid to Organizations and Individuals	0.0	0.0	0.0	0.0
Other Operating Expenses	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0
Capital Outlay	0.0	0.0	0.0	0.0
Debt Service	0.0	0.0	0.0	0.0
Cost Allocation	0.0	0.0	0.0	0.0
Transfers	8,335.1	8,481.5	0.0	8,481.5
Expenditure Categories Total:	8,335.1	8,481.5	0.0	8,481.5
Fund Total:	8,335.1	8,481.5	0.0	8,481.5

Summary of Expenditure and Budget Request for Selected Funds

Agency: Arizona Office of Tourism
 Fund: TO2236 Tourism Fund (Non-Appropriated)

	FY 2021 Actual	FY 2022 Expd. Plan	FY 2023 Fund. Issue	FY 2023 Total Request
Cost Center/Program:				
1 Office of Tourism	6,045.2	8,806.5	0.0	8,806.5
2 Tourism Promotion	12,303.7	14,626.4	0.0	14,626.4
	18,348.9	23,432.9	0.0	23,432.9
Expenditure Categories				
FTE	28.0	28.0	0.0	28.0
Personal Services	1,878.8	1,975.6	0.0	1,975.6
Employee Related Expenses	689.8	689.8	0.0	689.8
Professional and Outside Services	2,447.2	3,799.0	0.0	3,799.0
Travel In-State	7.0	25.0	0.0	25.0
Travel Out of State	1.7	50.0	0.0	50.0
Food	0.0	0.0	0.0	0.0
Aid to Organizations and Individuals	4,495.0	6,176.3	0.0	6,176.3
Other Operating Expenses	8,768.1	10,655.8	0.0	10,655.8
Equipment	61.3	61.4	0.0	61.4
Capital Outlay	0.0	0.0	0.0	0.0
Debt Service	0.0	0.0	0.0	0.0
Cost Allocation	0.0	0.0	0.0	0.0
Transfers	0.0	0.0	0.0	0.0
Expenditure Categories Total:	18,348.9	23,432.9	0.0	23,432.9
Fund Total:	18,348.9	23,432.9	0.0	23,432.9

Summary of Expenditure and Budget Request for Selected Funds

Agency: Arizona Office of Tourism
Fund: T02500 Intergency Service Agreement Fund (Non-Appropriated)

Cost Center/Program:	FY 2021 Actual	FY 2022 Expd. Plan	FY 2023 Fund. Issue	FY 2023 Total Request
1 Office of Tourism	6.7	0.0	0.0	0.0
	6.7	0.0	0.0	0.0
Expenditure Categories				
Personal Services	0.0	0.0	0.0	0.0
Employee Related Expenses	0.0	0.0	0.0	0.0
Professional and Outside Services	0.0	0.0	0.0	0.0
Travel In-State	0.0	0.0	0.0	0.0
Travel Out of State	0.0	0.0	0.0	0.0
Food	0.0	0.0	0.0	0.0
Aid to Organizations and Individuals	0.0	0.0	0.0	0.0
Other Operating Expenses	6.6	0.0	0.0	0.0
Equipment	0.1	0.0	0.0	0.0
Capital Outlay	0.0	0.0	0.0	0.0
Debt Service	0.0	0.0	0.0	0.0
Cost Allocation	0.0	0.0	0.0	0.0
Transfers	0.0	0.0	0.0	0.0
Expenditure Categories Total:	6.7	0.0	0.0	0.0
Fund Total:	6.7	0.0	0.0	0.0

Summary of Expenditure and Budget Request for Selected Funds

Agency: Arizona Office of Tourism

Fund: TO2975 Title VI - Coronavirus Relief Fund - NEW (Non-Appropriated)

Cost Center/Program:	FY 2021 Actual	FY 2022 Expd. Plan	FY 2023 Fund. Issue	FY 2023 Total Request
1 Office of Tourism	3,993.5	0.0	0.0	0.0
	3,993.5	0.0	0.0	0.0
Expenditure Categories				
Personal Services	0.0	0.0	0.0	0.0
Employee Related Expenses	0.0	0.0	0.0	0.0
Professional and Outside Services	542.7	0.0	0.0	0.0
Travel In-State	0.0	0.0	0.0	0.0
Travel Out of State	0.0	0.0	0.0	0.0
Food	0.0	0.0	0.0	0.0
Aid to Organizations and Individuals	0.0	0.0	0.0	0.0
Other Operating Expenses	3,450.8	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0
Capital Outlay	0.0	0.0	0.0	0.0
Debt Service	0.0	0.0	0.0	0.0
Cost Allocation	0.0	0.0	0.0	0.0
Transfers	0.0	0.0	0.0	0.0
Expenditure Categories Total:	3,993.5	0.0	0.0	0.0
Fund Total:	3,993.5	0.0	0.0	0.0

Summary of Expenditure and Budget Request for Selected Funds

Agency: Arizona Office of Tourism

Fund: TO2975 Title VI - Coronavirus Relief Fund - NEW (Non-Appropriated)

	FY 2021 Actual	FY 2022 Expd. Plan	FY 2023 Fund. Issue	FY 2023 Total Request
	30,684.2	31,914.4	0.0	31,914.4

Agency Total for Selected Funds

Program Summary of Expenditures and Budget Request

Agency: Arizona Office of Tourism
 Program: Office of Tourism

	FY 2021 Actual	FY 2022 Expd. Plan	FY 2023 Fund. Issue	FY 2023 Total Request
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Program Summary					
1-1	Administration	17,280.5	16,188.0	0.0	16,188.0
Program Summary Total:		17,280.5	16,188.0	0.0	16,188.0

Expenditure Categories					
0000	FTE Positions	28.0	28.0	0.0	28.0
6000	Personal Services	1,878.8	1,975.6	0.0	1,975.6
6100	Employee Related Expenses	689.8	689.8	0.0	689.8
6200	Professional and Outside Services	2,291.6	1,998.9	0.0	1,998.9
6500	Travel In-State	7.0	25.0	0.0	25.0
6600	Travel Out of State	1.7	50.0	0.0	50.0
6700	Food	0.0	0.0	0.0	0.0
6800	Aid to Organizations and Individuals	0.0	1,500.0	0.0	1,500.0
7000	Other Operating Expenses	5,115.1	2,505.8	0.0	2,505.8
8000	Equipment	61.4	61.4	0.0	61.4
8100	Capital Outlay	0.0	0.0	0.0	0.0
8600	Debt Service	0.0	0.0	0.0	0.0
9000	Cost Allocation	0.0	0.0	0.0	0.0
9100	Transfers	7,235.1	7,381.5	0.0	7,381.5
Expenditure Categories Total:		17,280.5	16,188.0	0.0	16,188.0

Fund Source					
Appropriated Funds					
AA1000-A	General Fund (Appropriated)	7,235.1	7,381.5	0.0	7,381.5
		7,235.1	7,381.5	0.0	7,381.5
Non-Appropriated Funds					
TO2236-N	Tourism Fund (Non-Appropriated)	6,045.2	8,806.5	0.0	8,806.5
TO2500-N	Interagency Service Agreement Fund (Non-Appro	6.7	0.0	0.0	0.0
TO2975-N	Title VI - Coronavirus Relief Fund - NEW (Non-App	3,993.5	0.0	0.0	0.0
		10,045.4	8,806.5	0.0	8,806.5
Fund Source Total:		17,280.5	16,188.0	0.0	16,188.0

Program Group Summary of Expenditures and Budget Request for Selected Funds

Agency: Arizona Office of Tourism
 Program: Office of Tourism

FY 2021	FY 2022	FY 2023	FY 2023
Actual	Expd. Plan	Fund. Issue	Total Request

Fund: AA1000-A General Fund (Appropriated)

Program Expenditures

COST CENTER/PROGRAM BUDGET UNIT

1-1	Administration	7,235.1	7,381.5	0.0	7,381.5
Total		7,235.1	7,381.5	0.0	7,381.5

Appropriated Funding

Expenditure Categories

Personal Services	0.0	0.0	0.0	0.0	
Employee Related Expenses	0.0	0.0	0.0	0.0	
Professional and Outside Services	0.0	0.0	0.0	0.0	
Travel In-State	0.0	0.0	0.0	0.0	
Travel Out of State	0.0	0.0	0.0	0.0	
Food	0.0	0.0	0.0	0.0	
Aid to Organizations and Individuals	0.0	0.0	0.0	0.0	
Other Operating Expenses	0.0	0.0	0.0	0.0	
Equipment	0.0	0.0	0.0	0.0	
Capital Outlay	0.0	0.0	0.0	0.0	
Debt Service	0.0	0.0	0.0	0.0	
Cost Allocation	0.0	0.0	0.0	0.0	
Transfers	7,235.1	7,381.5	0.0	7,381.5	
Expenditure Categories Total:		7,235.1	7,381.5	0.0	7,381.5
Fund AA1000-A Total:		7,235.1	7,381.5	0.0	7,381.5
Program 1 Total:		7,235.1	7,381.5	0.0	7,381.5

Program Budget Unit Summary of Expenditures and Budget Request for All Funds

Agency: Arizona Office of Tourism
 Program: Administration

Expenditure Categories	FY 2021	FY 2022	FY 2023	FY 2023
	Actual	Expd. Plan	Fund. Issue	Total Request
0000 FTE	28.0	28.0	0.0	28.0
6000 Personal Services	1,878.8	1,975.6	0.0	1,975.6
6100 Employee Related Expenses	689.8	689.8	0.0	689.8
6200 Professional and Outside Services	2,291.6	1,998.9	0.0	1,998.9
6500 Travel In-State	7.0	25.0	0.0	25.0
6600 Travel Out of State	1.7	50.0	0.0	50.0
6700 Food	0.0	0.0	0.0	0.0
6800 Aid to Organizations and Individuals	0.0	1,500.0	0.0	1,500.0
7000 Other Operating Expenses	5,115.1	2,505.8	0.0	2,505.8
8000 Equipment	61.4	61.4	0.0	61.4
8100 Capital Outlay	0.0	0.0	0.0	0.0
8600 Debt Service	0.0	0.0	0.0	0.0
9000 Cost Allocation	0.0	0.0	0.0	0.0
9100 Transfers	7,235.1	7,381.5	0.0	7,381.5
Expenditure Categories Total:	17,280.5	16,188.0	0.0	16,188.0

Fund Source	FY 2021	FY 2022	FY 2023	FY 2023
Appropriated Funds	Actual	Expd. Plan	Fund. Issue	Total Request
AA1000-A General Fund (Appropriated)	7,235.1	7,381.5	0.0	7,381.5
Non-Appropriated Funds	7,235.1	7,381.5	0.0	7,381.5
TO2236-N Tourism Fund (Non-Appropriated)	6,045.2	8,806.5	0.0	8,806.5
TO2500-N Interagency Service Agreement Fund (Non-Appro	6.7	0.0	0.0	0.0
TO2975-N Title VI - Coronavirus Relief Fund - NEW (Non-App	3,993.5	0.0	0.0	0.0
Fund Source Total:	10,045.4	8,806.5	0.0	8,806.5
Fund Source Total:	17,280.5	16,188.0	0.0	16,188.0

Program Budget Unit Summary of Expenditures and Budget Request for Selected Funds

Agency: Arizona Office of Tourism					
	FY 2021	FY 2022	FY 2023	FY 2023	FY 2023
	Actual	Expd. Plan	Fund. Issue	Total Request	Total Request

Program: Administration

Fund: AA1000-A General Fund

Appropriated	7,235.1	7,381.5	0.0	7,381.5
6000 Personal Services	0.0	0.0	0.0	0.0
6100 Employee Related Expenses	0.0	0.0	0.0	0.0
6200 Professional and Outside Services	0.0	0.0	0.0	0.0
6500 Travel In-State	0.0	0.0	0.0	0.0
6600 Travel Out of State	0.0	0.0	0.0	0.0
6700 Food	0.0	0.0	0.0	0.0
6800 Aid to Organizations and Individuals	0.0	0.0	0.0	0.0
7000 Other Operating Expenses	0.0	0.0	0.0	0.0
8000 Equipment	0.0	0.0	0.0	0.0
8100 Capital Outlay	0.0	0.0	0.0	0.0
8600 Debt Service	0.0	0.0	0.0	0.0
9000 Cost Allocation	0.0	0.0	0.0	0.0
9100 Transfers	7,235.1	7,381.5	0.0	7,381.5
Appropriated Total:	7,235.1	7,381.5	0.0	7,381.5
Fund Total:	7,235.1	7,381.5	0.0	7,381.5
Program Total For Selected Funds:	7,235.1	7,381.5	0.0	7,381.5

Program Expenditure Schedule

Agency: Arizona Office of Tourism

Program: Administration

	FY 2021 Actual	FY 2022 Expd. Plan
FTE	28.0	28.0
Expenditure Category Total	28.0	28.0
Non-Appropriated		
TO2236-N Tourism Fund (Non-Appropriated)	28.0	28.0
Fund Source Total	28.0	28.0
<hr/>		
Personal Services	1,878.8	1,975.6
Boards and Commissions	0.0	0.0
Expenditure Category Total	1,878.8	1,975.6
Non-Appropriated		
TO2236-N Tourism Fund (Non-Appropriated)	1,878.8	1,975.6
Fund Source Total	1,878.8	1,975.6
<hr/>		
Employee Related Expenses	689.8	689.8
Expenditure Category Total	689.8	689.8
Non-Appropriated		
TO2236-N Tourism Fund (Non-Appropriated)	689.8	689.8
Fund Source Total	689.8	689.8
<hr/>		
Professional and Outside Services		1,998.9
External Prof/Outside Serv Budg And Appn	0.0	
External Investment Services	0.0	
Other External Financial Services	0.0	
Attorney General Legal Services	0.0	
External Legal Services	0.4	
External Engineer/Architect Cost - Exp	0.0	
External Engineer/Architect Cost- Cap	0.0	
Other Design	0.0	
Temporary Agency Services	0.0	
Hospital Services	0.0	
Other Medical Services	0.0	
Institutional Care	0.0	
Education And Training	2.4	
Vendor Travel	6.1	
Professional & Outside Services Excluded from Cost Alloca	0.0	
Vendor Travel - Non Reportable	0.0	
External Telecom Consulting Services	0.0	
Costs related to those in custody of the State	0.0	
Non - Confidential Specialist Fees	0.0	
Confidential Specialist Fees	0.0	
Outside Actuarial Costs	0.0	
Other Professional And Outside Services	2,282.7	

Program Expenditure Schedule

Agency: Arizona Office of Tourism

Program: Administration

	FY 2021 Actual	FY 2022 Expd. Plan
Expenditure Category Total	2,291.6	1,998.9
Non-Appropriated		
TO2236-N Tourism Fund (Non-Appropriated)	1,748.9	1,998.9
TO2975-N Title VI - Coronavirus Relief Fund - NEW (Non-Appropriate)	542.7	0.0
	2,291.6	1,998.9
Fund Source Total	2,291.6	1,998.9
<hr/>		
Travel In-State	7.0	25.0
Expenditure Category Total	7.0	25.0
Non-Appropriated		
TO2236-N Tourism Fund (Non-Appropriated)	7.0	25.0
	7.0	25.0
Fund Source Total	7.0	25.0
<hr/>		
Travel Out of State	1.7	50.0
Expenditure Category Total	1.7	50.0
Non-Appropriated		
TO2236-N Tourism Fund (Non-Appropriated)	1.7	50.0
	1.7	50.0
Fund Source Total	1.7	50.0
<hr/>		
Food	0.0	0.0
Expenditure Category Total	0.0	0.0
<hr/>		
Aid to Organizations and Individuals	0.0	1,500.0
Expenditure Category Total	0.0	1,500.0
Non-Appropriated		
TO2236-N Tourism Fund (Non-Appropriated)	0.0	1,500.0
	0.0	1,500.0
Fund Source Total	0.0	1,500.0
<hr/>		
Other Operating Expenses		2,505.8
Other Operating Expenditures Budg Approp	0.0	
Other Operating Expenditures Excluded from Cost Allocati	0.0	
Risk Management Charges To State Agency	9.7	
Risk Management Deductible - Indemnity	0.0	
Risk Management Deductible - Legal	0.0	
Risk Management Deductible - Medical	0.0	
Risk Management Deductible - Other	0.0	
Gen Liab- Non Physical-Taxable- Self Ins	0.0	
Gross Proceeds Payments To Attorneys	0.0	
General Liability- Non-Taxable- Self Ins	0.0	
Medical Malpractice - Self-Insured	0.0	
Automobile Liability - Self Insured	0.0	
General Property Damage - Self- Insured	0.0	
Automobile Physical Damage-Self Insured	0.0	
Liability Insurance Premiums	0.0	
Property Insurance Premiums	0.0	
Workers Compensation Benefit Payments	0.0	
Self Insurance - Administrative Fees	0.0	

Program Expenditure Schedule

Agency: Arizona Office of Tourism

Program: Administration

	FY 2021 Actual	FY 2022 Expd. Plan
Self Insurance - Premiums	0.0	
Self Insurance - Claim Payments	0.0	
Self Insurance - Pharmacy Claims	0.0	
Premium Tax On Altcs	0.0	
Other Insurance-Related Charges	0.0	
Internal Service Data Processing	8.5	
Internal Service Data Proc- Pc/Lan	0.0	
External Programming-Mainframe/Legacy	0.0	
External Programming- Pc/Lan/Serv/Web	0.0	
External Data Entry	0.0	
Othr External Data Proc-Mainframe/Legacy	0.0	
Othr External Data Proc-Pc/Lan/Serv/Web	17.8	
Pmt for AFIS Development & Usage	4.3	
Internal Service Telecommunications	0.0	
External Telecom Long Distance-In-State	35.6	
External Telecom Long Distance-Out-State	0.0	
Other External Telecommunication Service	0.0	
Electricity	0.0	
Sanitation Waste Disposal	0.0	
Water	0.0	
Gas And Fuel Oil For Buildings	0.0	
Other Utilities	0.0	
Building Rent Charges To State Agencies	0.0	
Priv Lease To Own Bld Rent Chrgs To Agy	0.0	
Cert Of Part Bld Rent Chrgs To Agy	0.0	
Rental Of Land And Buildings	179.2	
Rental Of Computer Equipment	0.0	
Rental Of Other Machinery And Equipment	0.0	
Miscellaneous Rent	27.5	
Interest On Overdue Payments	0.0	
All Other Interest Payments	0.0	
Internal Acct/Budg/Financial Svcs	0.5	
Other Internal Services	0.0	
Repair And Maintenance - Buildings	0.0	
Repair And Maintenance - Vehicles	0.0	
Repair And Maint - Mainframe And Legacy	0.0	
Repair And Maint-Pc/Lan/Serv/Web	0.0	
Repair And Maintenance - Other Equipment	0.0	
Other Repair And Maintenance	0.0	
Software Support And Maintenance	4.6	
Uniforms	0.0	
Inmate Clothing	0.0	
Security Supplies	0.0	
Office Supplies	3.6	
Computer Supplies	1.3	
Housekeeping Supplies	0.0	
Bedding And Bath Supplies	0.0	
Drugs And Medicine Supplies	0.0	
Medical Supplies	0.0	
Dental Supplies	0.0	
Automotive And Transportation Fuels	0.0	

Program Expenditure Schedule

Agency: Arizona Office of Tourism
Program: Administration

	FY 2021 Actual	FY 2022 Expd. Plan
Automotive Lubricants And Supplies	0.0	
Rpr And Maint Supplies-Not Auto Or Build	0.0	
Repair And Maintenance Supplies-Building	0.0	
Other Operating Supplies	1.5	
Publications	0.0	
Aggregate Withheld Or Paid Commissions	0.0	
Lottery Prizes	0.0	
Lottery Distribution Costs	0.0	
Material for Further Processing	0.0	
Other Resale Supplies	0.0	
Loss On Sales Of Capital Assets	0.0	
Loss on Sales of Investments	0.0	
Employee Tuition Reimbursement-Graduate	0.0	
Employee Tuition Reimb Under-Grad/Other	5.3	
Conference Registration-Attendance Fees	1.4	
Other Education And Training Costs	0.0	
Advertising	4,366.4	
Sponsorships	30.0	
Internal Printing	0.4	
External Printing	0.0	
Photography	0.0	
Postage And Delivery	202.2	
Document shredding and Destruction Services	0.0	
Translation and Sign Language Services	0.4	
Distribution To State Universities	0.0	
Other Intrastate Distributions	0.0	
Awards	1.0	
Entertainment And Promotional Items	15.0	
Dues	91.3	
Books- Subscriptions And Publications	108.4	
Costs For Digital Image Or Microfilm	0.0	
Revolving Fund Advances	0.0	
Credit Card Fees Over Approved Limit	0.0	
Relief Bill Expenditures	0.0	
Surplus Property Distr To State Agencies	0.0	
Security Services	0.0	
Judgments - Damages	0.0	
ICA Payments to Claimants Confidential	0.0	
Jdgmnt-Confidential Restitution To Indiv	0.0	
Judgments - Non-Confidential Restitution	0.0	
Judgments - Punitive And Compensatory	0.0	
Pmts Made to Resolve/Disputes/Avoid Costs of Litigation	0.0	
Pmts For Contracted State Inmate Labor	0.0	
Payments To State Inmates	0.0	
Bad Debt Expense	0.0	
Interview Expense	0.0	
Employee Relocations-Nontaxable	0.0	
Employee Relocations-Taxable	0.0	
Non-Confidential Invest/Legal/Law Enf	0.0	
Conf/Sensitive Invest/Legal/Undercover	0.0	
Fingerprinting, Background Checks, Etc.	0.0	

Program Expenditure Schedule

Agency: Arizona Office of Tourism
 Program: Administration

	FY 2021 Actual	FY 2022 Expd. Plan
Other Miscellaneous Operating	(0.6)	
Expenditure Category Total	5,115.1	2,505.8
Non-Appropriated		
TO2236-N Tourism Fund (Non-Appropriated)	1,657.7	2,505.8
TO2500-N Interagency Service Agreement Fund (Non-Appropriated)	6.6	0.0
TO2975-N Title VI - Coronavirus Relief Fund - NEW (Non-Appropriate)	3,450.8	0.0
Fund Source Total	5,115.1	2,505.8
Current Year Expenditures		61.4
Capital Equipment Budget And Approp	0.0	
Vehicles Capital Purchase	0.0	
Vehicles Capital Leases	0.0	
Furniture Capital Purchase	0.0	
Depreciable Works Of Art & Hist Treas/Coll Capital Purcha	0.0	
Non Depr Works Of Art & Hist Treas/Coll Cap Purchase	0.0	
Furniture Capital Leases	0.0	
Computer Equipment Capital Purchase	8.8	
Computer Equipment Capital Lease	0.0	
Telecommunication Equip-Capital Purchase	0.0	
Telecommunication Equip-Capital Lease	0.0	
Other Equipment Capital Purchase	0.0	
Other Equipment Capital Leases	0.0	
Purchased Or Licensed Software-Website	0.9	
Internally Generated Software-Website	0.0	
Development in Progress	0.0	
Right-Of-Way/Easement/Extraction Rights	0.0	
Oth Int Assets purchased, licensed or internally generate	0.0	
Other intangible assets acquired by capital lease	0.0	
Other Capital Asset Purchases	0.0	
Leasehold Improvement-Capital Purchase	0.0	
Other Capital Asset Leases	0.0	
Non-Capital Equip Budget And Approp	0.0	
Vehicles Non-Capital Purchase	0.0	
Vehicles Non-Capital Leases	0.0	
Furniture Non-Capital Purchase	0.0	
Works Of Art And Hist Treas-Non Capital	0.0	
Furniture Non-Capital Leases	0.0	
Computer Equipment Non-Capital Purchase	19.7	
Computer Equipment Non-Capital Lease	0.0	
Telecomm Equip Non-Capital Purchase	0.0	
Telecomm Equip Non-Capital Leases	0.0	
Other Equipment Non-Capital Purchase	0.0	
Weapons Non-Capital Purchase	0.0	
Other Equipment Non-Capital Lease	0.0	
Purchased Or Licensed Software/Website	32.0	
Internally Generated Software/Website	0.0	
LICENSES AND PERMITS	0.0	
Right-Of-Way/Easement/Extraction Exp	0.0	
Other Intangible Assets - Purchased, Licensed or Internall	0.0	
Noncapital Software/Web By Capital Lease	0.0	

Program Expenditure Schedule

Agency: Arizona Office of Tourism

Program: Administration

	FY 2021 Actual	FY 2022 Expd. Plan
Other Intangible Assets Acquired by Capital Lease	0.0	
Other Long Lived Tangible Assets to be Expenses	0.0	
Non-Capital Equipment Excluded from Cost Allocation	0.0	
Expenditure Category Total	61.4	61.4
Non-Appropriated		
TO2236-N Tourism Fund (Non-Appropriated)	61.3	61.4
TO2500-N Interagency Service Agreement Fund (Non-Appropriated)	0.1	0.0
Fund Source Total	61.4	61.4
<hr/>		
Capital Outlay	0.0	0.0
Expenditure Category Total	0.0	0.0
<hr/>		
Debt Service	0.0	0.0
Expenditure Category Total	0.0	0.0
<hr/>		
Cost Allocation	0.0	0.0
Expenditure Category Total	0.0	0.0
<hr/>		
Transfers	7,235.1	7,381.5
Expenditure Category Total	7,235.1	7,381.5
Appropriated		
AA1000-A General Fund (Appropriated)	7,235.1	7,381.5
Fund Source Total	7,235.1	7,381.5

Employee Retirement Coverage

Retirement System	FTE	Personal Services	Fund#
Arizona State Retirement System	28.0	1,975.6	TO2236-N

Combined Regular & Elected Positions At/Above FICA Maximum of \$142,800

Total FTE	Personal Services	FTE's not eligible for Health, Dental & Life
0.0	0.0	0.0

Administrative Costs

Agency: Arizona Office of Tourism

Administrative Costs Summary

Common Administrative Area	FY 2022
Personal Services	390.0
ERE	132.6
All Other	481.5
Administrative Costs Total:	1,004.1

Administrative Cost / Total Expenditure Ratio

	Request	Admin %
FY 2022	31,914.4	3.2%

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No Funding Issues



AGENCY & INDUSTRY REPORTS

- A. AOT's FY21 Annual Report
- B. AOT's Industry Performance Report
- C. Arizona's Tourism Strategic Recovery Plan
- D. Arizona's Economic Impact of Travel Report

ARIZONA

OFFICE OF TOURISM

For information about AOT's research, marketing programs, and media plans, please visit:

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For information about the Arizona travel experience, please visit:

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OUR VIEWS HAVEN'T CHANGED

FY21 ANNUAL ECONOMIC IMPACT REPORT

VISION

Create an Arizona experience that captures and nurtures the hearts and minds of people who call it home and travelers the world over in search of extraordinary adventure and natural wonders.

MISSION

We stabilize and strengthen local economies, protect environmental and cultural resources, create a meaningful visitor experience and enhance the quality of life for Arizonans through tourism collaboration, promotion and development.

Letter from the Director

Dear Industry Partner,

It goes without saying that this past year will be remembered as one of the most challenging times we've ever experienced, both as an industry and as individuals. But that isn't the entire story. Not by a long shot. I'm much more focused on the work we're doing to foster recovery now and building toward sustained success.

For AOT, FY21 was driven by a wide range of strategies defined in our Arizona Tourism Industry Strategic Recovery Plan and designed to accelerate the recovery of travel and tourism throughout the state. I'm very proud to report that this ongoing effort has been tremendously successful. We were privileged to adapt and expand our regular work to support pressing industry needs.

We also built and launched Appreciate AZ, our state's brand for responsible and sustainable tourism, by introducing and building awareness of the program. But that was just the start. Appreciate AZ is designed to become an imperative in our approach to delivering tourism experiences across our state. There's more to come in upcoming years for this exciting program!

We also continued to promote Arizona as a destination through consumer advertising campaigns, social media engagement, itinerary creation, media education and travel trade trainings – all in an effort to keep Arizona top-of-mind as a travel destination.

As our attention turns to meeting upcoming challenges and taking advantage of new opportunities, please remember to take a moment to congratulate yourself and your teams for getting through an especially tough year. We look forward to continuing our collaborative work to promote recovery and build prosperity throughout Arizona!



Debbie Johnson, Director
Arizona Office of Tourism

Strategic Planning

The Arizona Office of Tourism (AOT) leads the state's tourism industry in the development of global marketing programs to promote Arizona as a travel destination. With multiple research-based initiatives including advertising campaigns, cooperative marketing programs, trade and media relations and community outreach, AOT sets into motion a positive and profitable cycle of visitation, spending, job growth and tax revenue. To accomplish this, AOT continually develops strategic plans to maximize program reach and effectiveness.

The foundation of our plan includes three overarching strategic goals:

Strategic Goal 1 Increase Total Visitation and Direct Spending

Strategic Goal 2 Cultivate a Productive Arizona Tourism Industry

Strategic Goal 3 Maximize Internal Agency Functions

In our FY21 Annual report, you will see results of the work we accomplished and how each initiative ties back to one of our strategic goals.

Arizona Tourism Recovery Plan

Strategic Goal

1

In March 2020, the global pandemic hit Arizona. AOT understood quickly that the pandemic was going to have a severe impact on the state's tourism industry and developed an 18-24-month Arizona Tourism Strategic Recovery Plan. Our plan was created in consultation with 25 diverse stakeholders from the tourism industry, including business-related partners from urban, rural, and tribal communities representing all sectors of the tourism industry. It included multiple marketing initiatives that complemented the agency's typical program of work, and helped the agency explore new collaborative opportunities with communities across the state.

Arizona was one of the first destinations to unveil such a plan and take action to support the businesses that needed it the most during the hard economic time. In July 2020, we unveiled our plan to the Arizona tourism industry with three main objectives:

AREAS OF FOCUS

- 1. Accelerate Leisure Travel Activity Statewide
- 2. Stabilize Visitor Volume in Urban Centers
- 3. Reinvigorate and Strengthen Tourism in Rural and Tribal Areas

AOT created two internal teams representing rural/tribal and urban tourism related concerns. Building from the three main areas of focus mentioned above, the AOT teams developed a wide variety of tactics that were either led by our agency or were managed by the community itself, with AOT serving as a resource. Tactics ranged from promoting public health recommendations and conducting community surveys to updating website content and initiating major marketing campaigns.

THE LIST OF TACTICS INCLUDED:

-  Creation of trip itineraries that represented rural, tribal, and urban destinations across the state
-  Creation of multi-state road trip itineraries with Utah and Colorado
-  Development of comprehensive visitor and resident resources that featured Arizona-specific guidance, closure lists, and international travel guidance
-  Development of industry-related guidance providing appropriate recommendations for all segments of the Arizona tourism industry including, visitor centers, lodging establishments, attractions, pools, and casinos
-  Development of Virtual Destination Trainings for global travel trade
-  Deployment of surveys to rural, tribal, and urban destinations to understand marketing needs during and after the pandemic

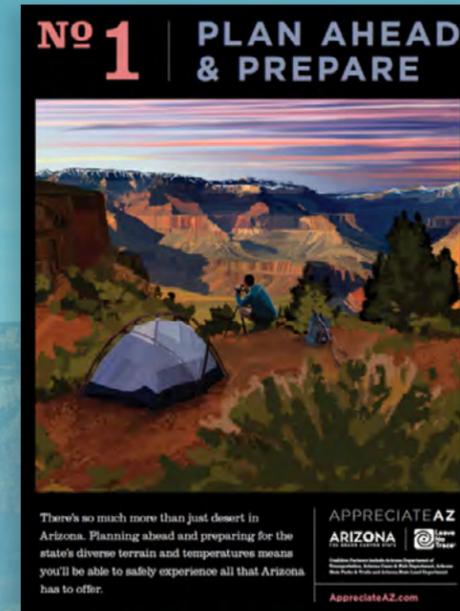
RESULTS

-  A total of 219 tactics were developed, addressed, and completed.

Appreciate AZ

Strategic Goal

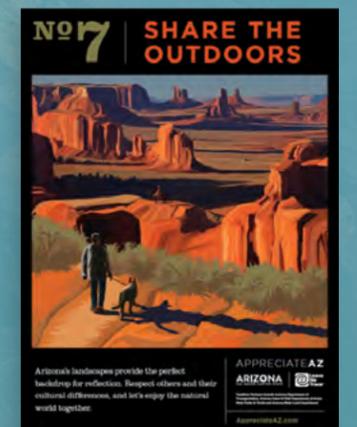
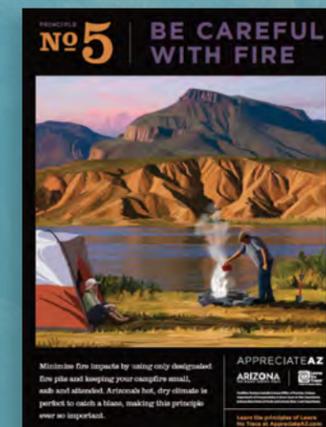
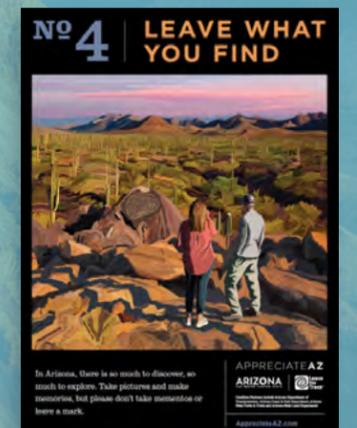
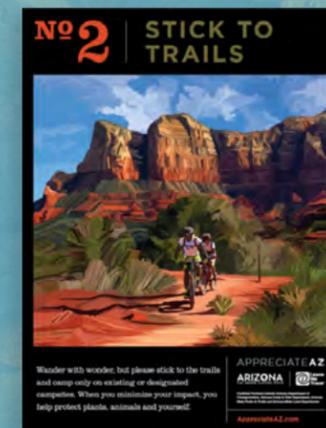
2



AOT and the Leave No Trace Center for Outdoor Ethics forged a partnership to promote sustainable tourism practices across Arizona. As a result, AOT built Appreciate AZ, Arizona's brand for responsible and sustainable tourism. The program ensures visitors and residents are equipped with the knowledge and skills to protect our state's iconic natural features for the current and future generations. The program includes a series of beautifully designed illustrations of Appreciate AZ's 7 Principles of Leave No Trace, a multi-channel media plan including video, digital, programmatic, paid social, digital education courses, webinars, as well as DIY branded clean-up kits that were distributed across the state as an actionable promo item.

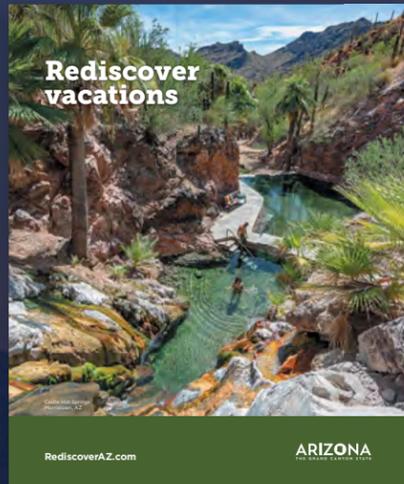
RESULTS

-  Total Website Sessions Reached: 43,000
-  Held two program-related webinars
-  Built three digital courses



Consumer Advertising

Strategic Goal **1**



Rediscover Arizona

Rediscover Arizona was designed to help rebuild the state's tourism economy and offset the substantial loss of spending and tax revenue generated due to the pandemic. As health measures improved and travel restrictions eased, we expanded the campaign media buys to reach consumers in targeted local markets and some regional locations. Communities were invited to be part of the advertising media buy through a "Bring Your Own Budget" option.

RESULTS

- ➔ 41% Campaign Awareness Generated
- ➔ Reached 39 Million Target Households
- ➔ ROI was \$203 for each \$1 invested



Arizona Tourism Jobs

This campaign served two purposes. During the pandemic, AOT launched a website resource (AzTourismJobs.com) aimed at connecting the displaced hospitality workforce with industries that were urgently hiring. A year later, to help alleviate the workforce shortage, we collaborated with two workforce development organizations, PipelineAZ and ARIZONA@WORK, to repurpose the website resource and reconnect job-seekers with tourism career opportunities.

RESULTS

- ➔ 44 Employers Registered
- ➔ 253 Job Seekers Registered
- ➔ 135 Job Seeker Applications Processed



Arizona's Year of the Road Trip

Arizona's Year of the Road Trip provided itineraries for those who were ready to travel. We worked with Country Music artist Mitchell Tenpenny. His video for the song "Bucket List," was filmed entirely in Arizona and highlights some of the state's most spectacular locations. The campaign featured road trip ideas, including visiting the canyons of Northern Arizona, wine regions of Central and Southern Arizona and a "Take It Outside" itinerary offering options for several drives across the state.

RESULTS

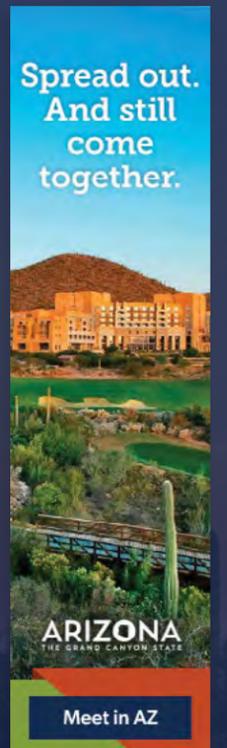
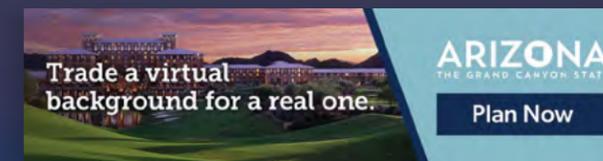
- ➔ 12 Itineraries Developed

Arizona Meetings Mean Business

The Arizona Meetings Mean Business campaign built awareness of Arizona as a premium meeting destination and urged meeting planners to consider Arizona for upcoming meetings and events. To accomplish this, AOT and statewide partners joined efforts to saturate the meetings industry with Arizona Meetings messaging. A landing page (arizonameetings.com) acted as a partner hub for information and a strategic media buy was executed with AOT's branding as well as partner-specific messaging.

RESULTS

- ➔ 11 DMOs and Communities Participated
- ➔ Connected to 5,600 Meeting Planners



Arizona Wine Industry

Increased awareness of Arizona's wine industry, along with the three wine regions of the state. Campaign material inspired in-state residents to explore the wine trails and buy local wine products. The campaign was supported by media relations efforts and social media activities.

RESULTS

- ➔ Reached an estimated 14% of Arizona Households
- ➔ Developed interactive map featuring 120 wineries and tasting rooms

Arizona Trails

The Arizona Trails campaign increased awareness for two major Arizona trails, the Arizona National Scenic Trail and the Sun Corridor Trail. Our digital campaign for the Arizona Trail increased awareness and inspired exploration of the trail for in-state residents and out-of-state visitors. Our efforts for the Sun Corridor Trail included building a website to brand and promote the trail.

RESULTS

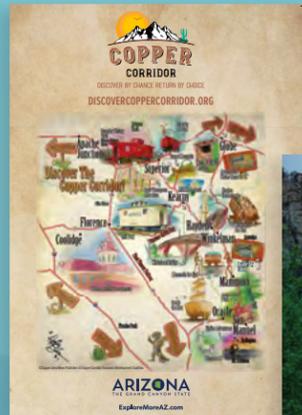
- ➔ Total Website Sessions Reached: 15,258
- ➔ Support website development for Sun Corridor Trail Promotion



Rural & Tribal Marketing Cooperative Program

Strategic Goal

1



The Rural & Tribal Marketing Cooperative program is designed specifically for rural destination marketing organizations (DMOs), regional partnerships, statewide tourism associations, and tribal entities. It promotes and encourages visitation to Arizona's rural and Tribal destinations. Through this program, industry partners outside Arizona's major metropolitan areas collaborate with AOT on advertising efforts extending the reach of their marketing programs, maximizing available funds, and increasing the overall exposure of their destinations. Program opportunities feature a robust media plan that includes digital, print, outdoor, and AOT publications, along with research and trade & media opportunities.

RESULTS

- ➔ 32 DMOs, Communities and Organizations Participated
- ➔ Invested \$1 Million to support rural and tribal communities

Social Media

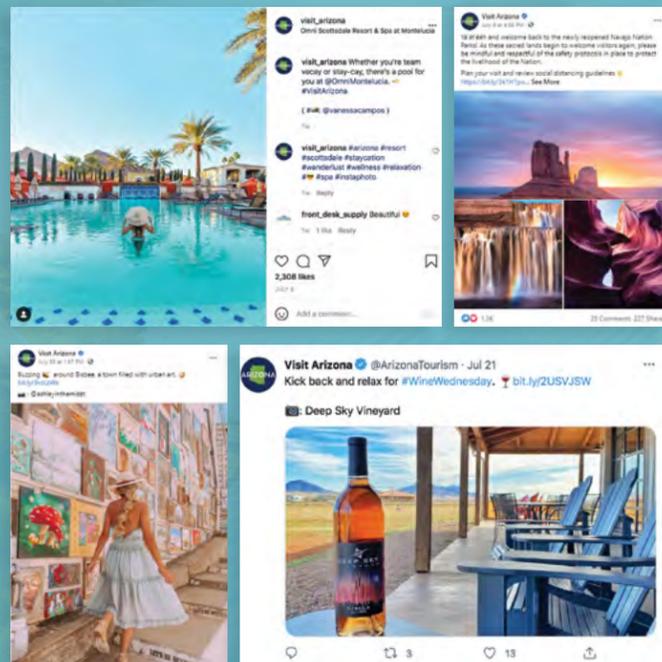
Strategic Goal

1

Social Media is an integral component to AOT's overall marketing efforts and is integrated into several campaigns. AOT uses several social media channels, including Facebook, Twitter, Instagram, Pinterest, and YouTube to connect with travelers and inspire Arizona visitation.

RESULTS

- ➔ 2,934,604: Combined Sum of All Engagements (Instagram, Facebook, Twitter, YouTube and Pinterest, including likes, reposts, comments, link clicks, saves, and shares)



Fulfillment

Strategic Goal

1

AOT fulfills visitor requests for travel planning assistance, provides travel planning materials, disseminates monthly email correspondence for "opt-in" consumers, and maintains comprehensive, informative websites to encourage extended visits to Arizona.

RESULTS

- ➔ Number of consumer packets: Travel Guides – 293,859; Maps – 263,695
- ➔ Top domestic request locations: Arizona, California, Texas, Florida, and Illinois
- ➔ Top international request locations: Canada, UK, France, Italy, and Germany
- ➔ Number of information requests: calls – 5,772; chats – 7,610

Local Media Coverage

Strategic Goal

2

AOT strives to communicate clearly, accurately, and consistently the agency's program of work and messages to various audiences including internal and external partners, stakeholders, media, residents, and consumers. AOT uses various media channels including a weekly eNewsletter, *Tourism Tuesday*, to communicate the agency's program of work and participation opportunities. AOT also uses public relations efforts to support the agency's various campaigns and programs.

RESULTS

- ➔ 443 Industry-Related Articles / Broadcasts Generated
- ➔ Total Circulation: 889,000,000 Impressions
- ➔ Total Value: \$3.9 Million



Travel Trade Relations

Strategic Goal

1

AOT proactively works with the travel trade industry (tour operators, receptive tour operators, wholesalers, travel agents, airlines, etc.) in both domestic and international markets to build a global network of Arizona product experts.

RESULTS

- ➔ FAM Tours/Participants: 1 tour / 5 participants
- ➔ 10,072 Trade Sales Appointments Completed
- ➔ 163 Destination Trainings Conducted



Media Relations

Strategic Goal

1

AOT works with travel media (editors and journalists for newspapers, magazines, broadcasts, online, etc.) throughout the United States as well as international markets (primarily, but not limited to, Canada, China, Mexico, Germany, France, and the United Kingdom) providing them with unique article ideas regarding Arizona's travel experiences to generate positive third-party editorial exposure.

RESULTS

- ➔ Hosted 21 Journalists
- ➔ Generated 885 Feature Articles
- ➔ Article Impressions: 2.1 Billion



Community Engagement

Strategic Goal

2



Southern Arizona Heritage & Visitor Center

AOT collaborates with statewide industry partners to strengthen Arizona's tourism offerings for visitors. Through presentations, outreach programs, and technical assistance opportunities, AOT provides statewide tourism organizations and entities valuable marketing information and customer service skills to boost their visitor offerings and provide Arizona travelers with a high-quality experience. Additionally, AOT has officially designated several Arizona Visitor Information Centers (AVICs) throughout Arizona. Each center helps to promote local, regional, and statewide attractions, recreation opportunities, and hospitality amenities.

RESULTS

- ➔ Provided 62 Industry Presentations and Webinars
- ➔ Maintained and/or Designated 60 Arizona Visitor Information Centers

Partner Portal

Strategic Goal

3

AOT launched an industry-focused partner portal to streamline destination information from communities to the agency. The partner portal is free of charge and enables AOT to maintain accurate records of businesses and partners across the state and provide enhanced services and opportunities.

Partners are able to add and manage multiple contacts at a single business or organization; create and edit business listings for consideration on VisitArizona.com, listing deals and promotions; upload photos and access AOT's image library; and create consumer events listings to publish on VisitArizona.com.

RESULTS

- ➔ 472 Business Listings Added





\$15 billion

Amount of Direct Travel Spending Generated within Arizona

⬇️ 41% annual decrease over 2019



160,500

Number of Industry Related Jobs Directly Supported by Travel Spending

⬇️ 17.4% annual decrease over 2019



\$41.2 million

Amount of Direct Travel Spending Injected into Arizona's Economy Every *Single* Day



\$6.7 billion

Amount of Earnings Generated by Arizonans Employed by Tourism Jobs

⬇️ 13% annual decrease over 2019



\$2.7 billion

Amount of Local, State and Federal Tax Revenues Generated

⬇️ 28.1% annual decrease over 2019

Federal



\$1.21 billion, down 22.6% over 2019
(45% of all tax revenue)

State



\$718 million, down 31.7% over 2019
(26% of all tax revenue)

Local



\$786 million, down 32.3% over 2019
(29% of all tax revenue)



30.14 million

Number of Domestic Overnight Visitors to Arizona

⬇️ 25.8% annual decrease over 2019

Visitors from Top Origin States:

 Arizona
9.1 million

 California
6.8 million

 Texas
2.1 million

 New York
1.8 million

 Florida
1.5 million



2.0 million

Number of International Visitors to Arizona, Including Mexico and Canada

⬇️ 68% annual decrease over 2019
(Overseas Visitation Down 84%)

Individual Country Overnight Visitation:

 Mexico
1.5 million

 Canada
222,900

 United Kingdom
20,200

 Germany
19,900

 France
18,900

Arizona Tourism Strategic Recovery Plan

July 2020



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Arizona Statewide Tourism Recovery Plan

None of us could have imagined at the start of 2020 — as we were coming off another record-breaking year in Arizona for overnight visitation, visitor spending and tourism taxes collected — that soon we would be fighting for the survival of the tourism industry and the people and communities it supports.

The COVID crisis has hit the state extremely hard and the Arizona Office of Tourism's commitment to supporting our industry remains strong and focused. This statewide Arizona Tourism Strategic Recovery Plan is the next step in that ongoing commitment. Although many factors are out of our control and much uncertainty remains, you can be sure that we are all traveling this road together.

We have spoken to hundreds of people across our industry during these past few months. I cannot thank everyone enough for sharing your challenges, successes and priorities with us. Those candid conversations have enabled us to build your voices into this plan.

This is a statewide Arizona tourism recovery plan, created by AOT, but submitted on behalf of the entire tourism industry. We're proud to share it with you and, more importantly, look forward to working together using the areas of focus and steps in the plan to bring strong recovery to our communities, state and industry.

Debbie Johnson

Debbie Johnson
Director, Arizona Office of Tourism



ARIZONA
OFFICE OF TOURISM

You can find the complete plan
at tourism.az.gov

AOT Mission

To stabilize and strengthen local economies, protect natural and cultural resources, provide a meaningful visitor experience and enhance the quality of life for Arizona residents through tourism promotion.



Executive Summary

In response to the COVID-19 pandemic, the Arizona Office of Tourism (AOT) has developed a Tourism Strategic Recovery Plan to accelerate the recovery of travel and tourism throughout the state over the next 12-18 months. While AOT acknowledges the many challenges that lie ahead, far too much is at stake to stand idle and wait for an unknown future. Instead, AOT has made the stabilization and recovery of Arizona's tourism economy its top priority.

The plan includes:

- **Methodology for Recovery Plan creation**
- **Vision statement for recovery**
- **Descriptions of three likely pandemic/recession recovery scenarios**
 - V (Rapid)
 - U (Steady and Incremental)
 - L (Long Haul)
- **Decision criteria which serve as the basis for choosing certain actions to achieve recovery**
- **Recovery elements:**
 - Key priorities highlighting the most important things to accomplish
 - Strategic areas of focus within each key priority
 - Actions to take to accelerate the recovery
- **Windsocks (measures) that will provide information whether to stay the course, or pivot to a different recovery strategy**

Central to the Recovery Plan are the key priorities and strategic areas of focus. These identify the most important things to accomplish in terms of stabilization and recovery, and the areas to focus on to successfully address each priority.

The three key priorities and strategic areas of focus are:

1. **Accelerate leisure travel activity statewide**
 - Food & Beverage
 - Outdoor Recreation
 - Accommodations
 - Luxury Experiences
2. **Stabilize visitor volume in urban centers**
 - Resorts / Hotels
 - Attractions
 - Sports
 - Meetings, Conventions, and Business Travel
3. **Reinvigorate and strengthen tourism in rural and Tribal areas**
 - Traveler education with emphasis on stewardship principles
 - Balancing business and resident readiness
 - Outdoor Recreation
 - Partnerships with Tribal Communities

Recovery Planning Methodology

In May of 2020, a Recovery Planning Team convened by AOT met for four three-to-four-hour work sessions to explore and articulate the path forward for Arizona's tourism and travel recovery. The contents of this document are rooted in the idea that identifying key priorities and actions to achieve those priorities will accelerate Arizona's recovery.

The Planning Team that developed the Tourism Strategic Recovery Plan included AOT staff. Over the course of these meetings, the Planning Team reviewed and discussed the following, which are also included in this report:

- The Insight Report (see the appendix for an executive summary)
- A unified statement on what the Arizona Recovery might look like (page 10)
- Decision criteria by which strategic actions would be evaluated (page 13)
- Likely macro recovery scenarios, and which one AOT would lead with (page 12)
- Key priorities, strategic areas of focus, and action items (page 15)

Additionally, sub-groups of the Planning Team met in June to further explore:

- Action item prioritization
- Windssock designations

How to Use this Plan

This plan contemplates a 12-18 month time frame and begins with a vision of what the Arizona recovery will look like. While this plan was coordinated with the Arizona Office of Tourism, this plan is for the recovery of the tourism industry in Arizona. The work described here will be done in partnership with tourism stakeholders. The work to be done assumes a steady and incremental recovery, and is centered around three key priorities, which highlight the most important things to accomplish in this time frame. Each of these priorities is supported by strategic areas of focus, and actions to undertake within each of those areas of focus. There are 41 actions identified overall. It is likely AOT will work on several actions at a time, directed by cross-functional teams focused on recovery, AOT's role, and the appropriate sequencing of actions.

In order to execute this plan, AOT will create internal tactical teams focused on stabilization and recovery. Regular communications will take place to ensure tourism stakeholders are kept apprised of the ongoing work, successes, and recovery trends.

This plan is not meant to be an inflexible to-do list. In fact, flexibility and nimbleness will be paramount to success during the recovery period. This plan should be considered a solid path to follow for the next 12-18 months to set Arizona up for greater—and faster—recovery success. Periodic checks of trends in public health, state/national economy, and travel sentiment will provide information affirming that this plan remains the right path forward, or that it is time to pivot to a new plan that recognizes a different economic reality, for example, a more rapid recovery or a longer-haul recovery.

The Arizona Recovery

Early in the process, Coraggio asked the Planning Team to share their thoughts on what recovery would look like in 12-18 months. The purpose of this exercise was to have a shared vision of the future and what AOT was seeking to manifest during these unprecedented times. By having a shared vision and future goal, Arizona will be better positioned to achieve success, as all actions will be in service of making both a reality. The recovery vision the Planning Team developed follows.

The Arizona Recovery: Leading the way for a new future

While AOT acknowledges the many challenges that lie ahead, far too much is at stake to stand idle and wait for an unknown future the COVID-19 pandemic might deliver. Instead, AOT has made the stabilization and recovery of Arizona's tourism economy its top priority. We accept the responsibility of leading the way for our industry and are unified in our commitment to restoring Arizona as one of the country's most traveled destinations.

Ideally, our Tourism Strategic Recovery Plan would result in a fast return to a pre-COVID-19 normal. However, the challenges we face are anything but ideal and the notion of back-to-normal as a measure of success is unrealistic.

Just like the rest of the nation, Arizona's recovery will take time and will require a very different way of thinking and executing. Normal is up to us to define and it's up to us to create the path forward to get us there. Our many stakeholders across our state need our leadership, our focus, and our steady hand now more than ever. Together we will lead our industry to the other side of the pandemic, and, because of our efforts, Arizona will be recognized as a national model for recovery.

So, what does recovery look like to us over the next 12-18 months? How will we know our collective actions have set the stage for creating an **even better normal** than we knew before COVID-19?

It will not be just one thing. Our vision will be a combination of carefully conceived actions coming together to tell a story of recovery—one that will give evidence of a stable foundation for a new future.

- 1 Communities throughout the state have the resources they need to safely welcome visitors and protect community health.
- 2 All tourism facets (food, beverage, outdoor recreation, attractions, accommodations) are either experiencing or showing signs of positive growth that started back in 2014/2015.
- 3 Meetings and convention activity have increased with a steady trend line of opportunity for in-state gatherings.
- 4 Going into 2021/2022, AOT has a steady and consistent funding level to allow it to market for tourism recovery.
- 5 Stakeholder engagement has substantially increased statewide, evidenced by enhanced communication and coordination.
- 6 Innovative strategic partnerships have been formed, resulting in new opportunities to accelerate desired visitation statewide.
- 7 The role of tourism as a driver of a healthy Arizona economy is embraced by the vast majority of Arizona residents.
- 8 All gains in tourism activity have been driven by sound destination stewardship principles.
- 9 AOT has developed enhanced capabilities to quickly and effectively adapt to change.
- 10 Arizona is emerging as a national leader in tourism recovery.

Macro-Economic Dynamics

Many trusted sources, including Forbes¹ and Harvard Business Review², have published articles on what could happen in a macro-economic sense as the world moves forward from the onset of the pandemic. These articles discuss travel restrictions, social distancing policies, and their economic impact. This economic impact has included the declaration of a recession, rising unemployment, and reduced consumer spending.

Past recession recoveries have followed three common shapes – V (Rapid), U (Steady and Incremental) and L (Long Haul). The Planning Team crafted descriptions of these three scenarios to reflect the Arizona context, and highlighted a few preliminary descriptors of what this could look like.

- **V (Rapid):** Fast, dramatic dip in economy followed by narrow trough and quick, steady recovery over a period of six months. A fall 2020 resurgence of the virus could create a double-V economic response. Vaccine secured by early 2021 and public administration starting. Reopening of the economy delivers minimal or manageable impact to infection rate. Pre-COVID economic activity returning to 75% of what we were doing in the leisure market within 12 months, by spring 2021. In Arizona, this may look like:
 - Airlines are adding capacity this fall and reinstating schedules to traditional destinations, and increasing rate of bookings
 - International flights resume
 - Select destinations see marked visitation increases, likely from out-of-state travelers
- **U (Steady and Incremental):** Fast, dramatic dip in economy followed by an extended trough period and a gradual upswing. Social distancing remains in place through the fall of 2020. Slow but steady return to a viable operating environment in US/global markets. Vaccine secured by spring of 2021. Steady economic improvement reaching pre-COVID levels in 12-18 months, by fall of 2021. In Arizona, this may look like:
 - A prolonged visitation to outdoor recreation assets, with a need to focus on destination stewardship
 - The return of regional domestic and North American international travel
 - Travel, meetings, and conventions returning by spring 2021
- **L (Long Haul):** Fast, dramatic dip in US/global economy followed by very long period of minimal incremental improvement, likely triggered by multiple outbreaks in AZ and feeder markets or no vaccine over a long period of time. This is a worst-case scenario with a return to pre-COVID economic activity taking a few years. In Arizona, this may look like:
 - Promoting the rural parts of the state as a destination on par with how destinations like Montana are typically promoted
 - No international travel in the foreseeable future
 - More intentional partnerships with state and federal agencies on maintaining public lands
 - Travel, meetings, and conventions do not return to pre-COVID levels for multiple years

The Planning Team deliberated on which recovery scenario felt most probable, given current data trends. While there is certainly a component of “reading tea leaves” to making a choice, the Planning Team determined it would develop a Tourism Strategic Recovery Plan assuming a “U” Steady and Incremental recovery was ahead for the next 12-18 months. Factors that went into this determination included: the likely timing and availability of a vaccine; the political drive to ensure the economy does not grind to a halt; and the human desire to travel even if it is limited to in-state travel.

1. <https://www.forbes.com/advisor/investing/covid-19-coronavirus-recession-shape/>
2. <https://hbr.org/2020/03/what-coronavirus-could-mean-for-the-global-economy>

Decision Criteria

To help select which actions AOT proceeds with in its recovery planning, Coraggio led the Planning Team through an exercise to articulate decision criteria. This was done prior to identifying priorities, strategic areas of focus, or action items so that the measures and methods of weighing options were articulated without building in a bias toward a specific outcome. This provides greater objectivity and helps to take some of the challenges out of decision-making, especially in these uncertain times and with increasingly limited resources.

The decision criteria established by the Planning Team ensures that decisions will:

1. **Advance the mission of AOT and its commitment to ensuring tourism’s role as a driver of Arizona’s economic recovery**
2. **Support public health guidelines, making the health and safety of our residents and visitors equal priorities**
3. **Be both informed and supported by relevant data wherever possible**
4. **Emphasize actions that are scalable while at the same time balancing the unique conditions throughout the state**
5. **Honor responsible visitor principles and/or practices**

Recovery Plan

The Recovery Plan outlined below will guide AOT over the next 12-18 months. The components of the recovery plan and their relationship to each other are:

- **Key Priorities** are what AOT believes are vital goals to accomplish related to stabilization and recovery
- **Strategic Areas of Focus** are the levers that will be activated to successfully achieve each key priority. Each priority has multiple strategic areas of focus
- **Actions** are the specific steps that will be taken as the strategic areas of focus are initiated
- **Windssocks** are macro measures of public health, economy, and intent to travel that provide input on whether or not the appropriate recovery plan is in place

As indicated before, AOT's Recovery Plan assumes the recovery will follow the "U," Steady and Incremental path. The key priorities, strategic areas of focus, and actions described below, provide a solid path to achieve the vision for recovery described on page 10. Regular monitoring of windssocks will provide data on whether this remains the appropriate approach, or if it is time to pivot to a plan that aligns with the "V" Rapid recovery, or the "L" Long Haul recovery.

In addition to the operational plan detail below, AOT is exploring organizational, leadership and communications considerations to ensure the overall effort is a success.

Key Priority #1:

Accelerate leisure travel activity statewide



Food & Beverage

Enjoying great food and a beverage are not just a basic pleasure in travel and tourism, but also an experience in and of itself. A great restaurant or local cuisine can drive destination choice and a significant portion of visitor spend. Additionally, unique dining opportunities are differentiators between travel markets.

Food and beverage are necessities in day-to-day living regardless of travel. Making sure the food and beverage scene is supported by locals throughout these uncertain times allows this essential industry to exist and have the basis to thrive. Moreover, having the food and beverage scene in place at the future end of recovery allows it to be a generator for travel and a draw for visitors when they begin to travel again.

The actions listed below seek to position the industry to better weather these uncertain times. Through strategic partnerships, leveraging existing marketing campaigns, and empowering operators to better promote themselves, AOT can provide the leadership and guidance needed to ensure this fundamental facet of tourism is able to survive these times and continue to generate excitement for Arizona as a unique travel destination well beyond the 12-18 month recovery period.

- **Recalibrate and reinvigorate the Expedition Foodie campaign with a focus on strategic partnerships.** The Expedition Foodie campaign has sought to drive excitement in Arizona cuisine, while supporting local businesses. By providing enhanced social media content across platforms, the reach of both of these campaigns may be enhanced, reaching a broader target audience, and thus having a greater likelihood of sustaining local food and beverage providers during these times.
- **Partner with the Arizona Restaurant Association to develop and implement a digitally based education series (i.e., webinars and labs) with the goal of better equipping smaller businesses to more effectively use social media as a marketing platform.** This action seeks to empower food and beverage establishments to better market themselves using social media tools. This allows these businesses to share their presence with people, regardless of Stay-at-Home policies.
- **Partner/coordinate with DMOs statewide to develop a cohesive social media strategy aimed at educating the public on steps the state is taking to support COVID-19 public health safety protocols.** Speaking directly to the health and safety protocols that are in place will address consumer confidence and provide a greater sense of security during and beyond the recovery period. The resulting enhanced confidence and sense of personal security should translate into on-going support of those businesses.
- **Partner with relevant segments of the beverage industry to develop and implement a promotional campaign aimed at educating and motivating state residents to visit wineries, breweries, and distilleries.** Arizona has a growing beverage industry. These locations are often in more rural areas where social distancing is easier to do, making them a good destination during the pandemic. Ideas to promote Arizona's growing wine industry could include the creation of a winery passport, highlighting nearby accommodations.

Outdoor Recreation

Arizona is world renowned for its amazing and unique outdoor assets. Places like our National Parks and state parks offer opportunities to explore and bring visitors from around the world to the state. There is high regard for the state's outdoor assets, from visitors and residents alike. AOT recently forged a new partnership with the Leave No Trace Center for Outdoor Ethics to promote sustainable tourism practices across all of Arizona's spectacular landscapes and one-of-a-kind destinations.

Arizona's outdoor amenities also offer the opportunity to explore while maintaining the social distancing so important during the pandemic. These amenities will become the destinations for many staycations as Arizonans rediscover their own backyard. In fact, many parks have been seeing high visitation, even with travel restrictions in place.

The actions listed below seek to ensure the outdoor recreation assets in Arizona are stewarded by residents during this time, and that visitors engage with these places in such a way that the places are just as enjoyable when out-of-state visitation increases again. Many Arizonans are rediscovering the rich outdoors of their state, and there is an opportunity to help them form lasting connections with nature in a way that they can also understand how to protect it.

- Develop itineraries to promote lesser-visited areas and other outdoor attractions as a means to disperse visitors across all geographies.** Arizona is rich with outdoor destinations, from marquee national parks, to local trails, to rivers and lakes, to horseback riding. Many places are well known, while others have yet to be discovered. By creating itineraries that highlight some of the to-be-discovered destinations, AOT may be able to spread visitors across a wider swath of outdoor amenities, and encourage visits while also maintaining social distancing.
- Develop and promote educational information on what it means to be a responsible visitor.** Feedback from the April 2020 Listening Sessions highlighted that many people were exploring natural areas for the first time and may not be fully aware of what it means to be a responsible visitor. To help instill pride of place and to ensure the outdoor recreation assets of Arizona remain timeless destinations for all visitors, educational efforts will empower residents, minimize impacts, and keep destinations beautiful for years to come.
- Promote Leave No Trace principles in strategic partnership with stakeholders and influencer organizations.** AOT partnered with Leave No Trace in June 2020. For many years, Arizona has seen increased visitation on many of its recreational lands. AOT has been seeking solutions to address the challenges that arise. Leave No Trace seeks to help inform people about their impacts on outdoor destinations and provides research, education, and initiatives to promote sustainable destination practices. By collaborating with other organizations in promoting and stewarding outdoor lands, the education and initiatives of Leave No Trace will have a broader audience and impact.
- Further strengthen AOT's destination management role to convene partners, discuss stewardship, and listen to needs.** AOT has historically operated primarily in a destination marketing role. With the challenges brought on by the pandemic, there has been a clear need voiced by tourism stakeholders throughout the state to have a convener for many issues central to the industry. AOT is uniquely situated to step more firmly into a destination management role. Specific to outdoor recreation and to the recent partnership with Leave No Trace, AOT is positioned to listen to needs, then develop and execute integrated strategies to address immediate and emerging issues.
- Support development of a plan that prioritizes and addresses deferred trail maintenance in a way that balances visitor dispersal across all geographies.** One major obstacle for safely engaging in outdoor recreation is the normal wear and tear of trails. With the Great American Outdoors Act being considered by Congress, and including up to \$1.9 billion annually to go toward deferred maintenance projects on federal lands, the time is right to develop a prioritized trail maintenance list that supports the other actions in this Tourism Strategic Recovery Plan. AOT can work with its state and federal partners to craft the priority list of resources that may benefit from having deferred maintenance needs addressed.

Accommodations

Arizona offers an impressive variety of accommodations for visitors, from luxury resorts, to conference hotels, to short-term rental housing, to campsites and RV parks. Accommodations are a central part of any multi-day visit.

When the pandemic was declared in March 2020, many reservations at accommodations were cancelled as essential travel became the emphasis. Many hotels and other accommodations laid off or furloughed staff, with the hope of re-opening at some point in the future. Some have stayed open as the state will begin to Rediscover Arizona.

The actions below seek to keep Arizona's accommodations open for business, address consumer confidence, and promote local experiences when people begin overnight stays.

- Support DMO efforts to promote staycations and campaigns related to residents rediscovering Arizona.** While local DMOs are promoting stay cations and the unique offerings of their community, AOT can further promote and share their work. By working in partnership with DMOs, Arizona's myriad communities can be shared with a wider audience, many of whom may put new destinations on their list of must-see places.
- Encourage and elevate partner efforts to develop a social media campaign that highlights stories of what individual accommodations are doing to address public health concerns.** Speaking directly to the health and safety protocols that are in place will address consumer confidence and provide a greater sense of security during these unusual days. The resulting enhanced confidence and security should translate into ongoing support of Arizona's accommodations.
- Provide leadership and guidance toward a consistent standard of safety in accommodations.** Similar to the action above, providing and communicating a consistent standard of what may be anticipated in terms of safety, cleanliness and sanitation protocols will engender greater consumer confidence.
- Develop a plan to tie travel experiences to other overnight options.** Bundling places to stay with nearby experiences may be one way to draw additional interest and exploration of a community and to keep a traveler in the destination longer.



Luxury Experiences

Luxury accommodations and experiences remain attractive to high-end travelers, even during a pandemic. Luxury travelers have household incomes that average \$350,000 annually, take on average 13+ trips a year, and stay from four to six days. Because of the limitations on international travel, luxury travelers are turning to domestic travel destinations. With Arizona's expansive collection of world-class accommodations and experiences, the state is positioned well to serve this segment. The offerings of peace-of-mind, solitude, and self-care have likely grown in their attractiveness given the current public health climate. Maintaining luxury offerings in Arizona during these times will maintain a consistent interest and empower these assets to help regenerate Arizona's recovery. By undertaking the actions below, AOT can execute a strategic focus on maintaining luxury travel as a means to boost the travel and tourism industry recovery.

- **Leverage resort field marketing teams for reciprocal content sharing.** By focusing on and emphasizing promotions of those resort accommodations that offer the safety of seclusion, AOT can have confidence that the assets being shared will meet the needs of a public that yearns to travel safely. By working in partnership with field marketing teams, Arizona's luxury gems can be shared with a wider audience.
- **Develop and implement a media relations campaign aimed at strengthening Arizona's reputation as a luxury destination.** At this time, travel may be out of reach for many people, especially as unemployment has increased during the pandemic and disposable income has been reduced. It is likely this impact has not been felt by those individuals for whom luxury travel has been typical prior to the pandemic. By growing and promoting Arizona as a luxury destination, Arizona will be on the radar of those individuals who are more readily able to travel.
- **Develop new educational material for concierge groups.** The pandemic has altered how people interact with a place, and what destinations are open and available. Providing current information to concierge groups allows them to share day trip ideas with guests, ensuring that they are well taken-care of while in Arizona. Further, concierge groups can be provided with Leave No Trace materials to share to their clientele.



Key Priority #2:

Stabilize visitor volume in urban centers



Resorts/Hotels

Urban resorts and hotels provide a place to stay for leisure and business travel. With both these markets negatively affected by the pandemic, attention is needed to stabilize this facet and ensure it is in place as travel resumes. When the pandemic was declared in March 2020, many reservations at accommodations were canceled as essential travel became the norm. Many hotels and other accommodations laid off or furloughed staff, with a hope to be able to re-open in the future. Resorts and hotels have been hard hit by the pandemic, and need attention during recovery.

The actions below seek to keep Arizona’s accommodations open for business, address consumer confidence, and promote local experiences when people begin overnight stays.

- **Partner with local governments and DMOs to promote staycations and campaigns related to Rediscovering Arizona.** While local DMOs are promoting staycations and the unique offerings of their community, AOT can further promote and share their work. By working in partnership with local governments and DMOs, the diversity and uniqueness of Arizona’s communities can be shared with a wider audience.
- **Encourage and elevate DMO efforts to develop social media campaign that highlights stories of what individual accommodations are doing to address public health concerns and other stories that celebrate the good in the world.** Speaking directly to the health and safety protocols that are in place will directly address consumer confidence and provide a greater sense of security during these unusual days. The resulting enhanced confidence and security should translate into ongoing support of Arizona’s urban resorts and hotels.



Attractions

Many people who travel seek experiences such as sporting events, museums, and cultural and heritage sites. Like other facets of tourism, attractions have been hit hard by the pandemic. Many have closed and have no estimated time of reopening (as of this writing). This is especially true for venues that can accommodate large gatherings, like Arizona Cardinals Stadium and other sports arenas. Not only does the closure of the facility cause a direct spending loss, but the facility typically generates significant other indirect spending in-market at local restaurants, bars, and hotels.

The actions described below seek to bring new interest to attractions and instill greater visitor confidence in them, once they are open and available.

- **Conduct statewide inventory of attractions and determine safety status.** A central list of all of Arizona's key attractions and how they are addressing public safety would go a long way to instilling greater confidence and sense of security in the actions being taken to open and share Arizona's attractions. Additionally, this will help Arizona to compete on "safety," which will likely be a strategy for many other states.
- **Enhance partnerships between attractions and educational institutions to provide content while doing distance learning.** When the pandemic was declared, most educational institutions shifted to home-based distance learning. There is an opportunity for attractions to share their history and culture with those individuals who are schooling from home by providing content.
- **Support attractions' efforts to develop virtual material to promote and maintain awareness.** Many attractions, especially museums, have been working to shift some of their collections to be visible online so patrons can appreciate them from afar. Doing this allows people who are interested in an attraction to stay connected despite not being able to travel to it. When travel is again an option, it is likely that people will visit those attractions that were part of their awareness during the pandemic.
- **Collaborate with attraction alliances to develop and promote campaigns that make attractions accessible to different populations and interests.** This action seeks to make attractions available in new ways to new populations. This may include campaigns such as renting facilities for private events, or developing a local attraction passport to encourage people to visit all their local attractions.



Sports

Arizona is rich with sports experiences for visitors and residents alike. Be it one of our Arizona professional sports teams, the Cactus League, college sports, or youth sports, Arizona has been a destination for sports players and fans for years. Events have drawn people for multi-day trips to stay at accommodations, enjoy local cuisine, and explore the local community.

With the declaration of the pandemic in March, sports-related events have been cancelled or postponed in light of the public health safety risk. It is unknown when team sports will resume with an audience, meaning that this facet of Arizona tourism may experience a longer-term negative impact from the pandemic.

The actions described below seek to find ways to maintain the sports industry in Arizona and to meet the public's desire to have team sports take place.

- **Support creation of marketing campaigns with local sports player or mascot that promote Arizona and a personal connection.** Many Arizonans feel a strong connection to their local sports teams. One way to engender excitement for teams and for Arizona while the pandemic affects daily lives is to collaborate and have a sports mascot visit Arizona destinations and share their experiences via social media. This could also be done with star players.
- **Support partner FAMs to promote youth and amateur sports.** While there is some youth and amateur sports taking place in Arizona, Arizona can support FAMs to entice more to have future competitions in the state. Contingent on budget.
- **Support winter and spring training for major league soccer and baseball.** Baseball's Spring Training—the Cactus League—brings players from across the U.S. to Arizona to practice and play. Similarly, Major League Soccer winter training brings players and teams from around the world to Arizona. There is time to plan for safe winter/spring 2021 practice seasons and to bring this excitement back to the state.



Meetings, Conventions, and Business Travel (contingent on budget)

Meetings, incentives, conferences, events, and other business travel make up a large portion of travel to urban areas. This is typically a reliable source of travel, hotel stays, and brings indirect spending to local food & beverage establishments and retail stores. The onset of the pandemic negatively affected this facet of travel. While AOT historically has focused on leisure travel, if budget becomes available, AOT will focus on helping to accelerate the return of business travel, as it is central to stabilizing visitor volume in urban areas. The actions described below outline what could be accomplished, if budget allows:

- Support FAMs with major meeting planners and third-party planners to showcase meeting space and public safety measures.** As business travel resumes under a new reality, showcasing innovative measures and public health and safety standards could distinguish the state from others. Further, if social distancing remains the norm during the recovery period, Arizona may take steps to explore how its comfortable weather can accommodate outdoor events year-round.
- Support development of marketing campaigns about the economic impact and value of business travel.** Educational materials regarding the ROI in travel and tourism marketing can help secure additional funding for such efforts. Further, as the general public sees and understands the positive impact travel has on their local government tax revenue, there may be growing support for the work. Similar materials were developed by AOT after the last recession, and can be used to help jump-start this effort now.
- Participate in tradeshow and events like IMEX with Arizona branding.** As DMO budgets are reduced across the state, AOT is positioned to support branding of the state and its cities at larger events like IMEX. This action will help enhance the awareness of Arizona as a world-class meeting destination.
- Support hotel partner efforts to be more attractive to business travel.** AOT can survey its hotel partners to better understand their needs in attracting business travel, then develop a plan of action for helping address those needs.



Key Priority #3:

Reinvigorate and strengthen tourism in rural and Tribal areas



Educate travelers to rural communities with emphasis on responsible visitor principles

With social distancing being promoted as a measure to maintain public health during the pandemic, it is likely that rural destinations could see more visitors than usual. These communities may need additional communication and education support.

The actions described below seek to bolster the ability of rural and Tribal areas to meet demand for visitation during these unprecedented times.

- **Share information with travelers and residents in communities regarding safety protocols and rules of using outdoor recreation facilities.** Many rural and Tribal communities may have visitors come to enjoy their outdoors. Similar to efforts outlined elsewhere in the Plan, ensuring visitors have access to educational information on what it means to be a responsible visitor will be important for the long-term preservation of these assets.
- **Promote Leave No Trace principles and share success stories.** AOT partnered with Leave No Trace in June 2020. For many years, Arizona has seen increased visitation on many of its recreational lands. AOT has been seeking solutions to address the challenges that arise, including those tied to resident sentiment around over-tourism. Leave No Trace seeks to help inform people about their impacts on outdoor destinations and provides research, education, and initiatives to promote sustainable destination practices. The principles of Leave No Trace should be shared in the trip planning process, the booking process, and multiple points throughout their trip, such as trailheads and visitor centers.
- **Partner with stakeholders to mutually reinforce the message around being a responsible visitor and best practices.** The partnership with Leave No Trace provides a clear point of beginning to share mutually reinforcing messages around being a responsible visitor. AOT can look to additional partners as the program grows and evolves to further disseminate the messages about sound stewardship of rural areas.
- **Leverage guides' and outfitters' role as ambassadors between communities and visitors to share messages and listen for emerging concerns.** Outfitters have a unique role in Arizona's tourism as connectors between travelers and the communities that welcome them. Outfitters seek to have the communities in which they operate thrive and be sustained by the travelers they bring in. As such, guides and outfitters are uniquely situated to hear and communicate the needs and concerns of communities. This role should be leveraged to ensure AOT and other partners hear and can respond to needs.

Partner with DMOs to customize promotion of destinations

The needs of rural tourism are different from urban tourism. Rural and Tribal communities often have more of their local economy dependent on tourism, so any change in tourism is felt more acutely. Additionally, the staffing levels at rural DMOs may not be as robust as those in urban areas, and one person may be responsible for many of the strategic priorities of their organization.

In the recovery period ahead, there is a potential for rural areas to be the preferred choice for many travelers, and the areas may not be as well situated as urban areas to meet all the visitor needs. The actions identified below seek to partner with DMOs to help customize destination promotion, and ensure the unique issues of rural destinations are addressed.

- Assess and recalibrate the rural cooperative program to ensure it delivers maximum value, including exploration of expanding the regional co-op model.** AOT's Rural Marketing Co-Op Program provides tools and resources to rural and Tribal destinations to market themselves. Needs of rural and Tribal communities may have shifted as a result of the pandemic, and the provisions of the Co-Op program should shift accordingly. Additionally, AOT can take the opportunity to explore expanding the Co-Op program to include greater opportunities for regional efforts in which many small jurisdictions come in together for a joint focus.
- Continue education at the annual Governor's Conference on Tourism (GCOT) that focuses on rural tourism, and continue roundtables throughout the coming year and develop a supporting rural toolkit.** GCOT currently has a Tribal roundtable and a rural tourism educational component. Building upon this effort and offering a roundtable specific to rural destinations will provide an avenue for AOT to hear directly
- what their needs and issues are and be able to support them in a meaningful way.
- Develop and promote package sales of a non-refundable hotel stay and voucher for local attractions and/or restaurants.** Bundling places to stay with nearby attractions and restaurants may be one way to draw additional interest and exploration of a community and to keep a traveler in the destination for longer. AOT may host a training webinar to facilitate execution of this action as well as continuing to partner with organizations that are presently doing this.



Outdoor Recreation

Arizona is world renowned for its amazing and unique outdoor assets. There is high regard for the outdoor assets of the state, from visitors and residents alike. AOT recently forged a new partnership with the Leave No Trace Center for Outdoor Ethics to promote sustainable tourism practices across all of Arizona's spectacular landscapes and one-of-a-kind destinations.

Arizona's outdoor amenities also offer the opportunity to explore the state while maintaining the social distancing so important to protecting public health. These amenities will become the destinations for Arizonans to rediscover their own backyard. In fact, many national and state parks have been seeing increased visitation, even with travel restrictions in place.

The actions listed below seek to ensure the outdoor recreation assets in Arizona are embraced by residents during this time, to protect our lands for when out-of-state visitation increases again. Many Arizonans are discovering the rich outdoors of their state, and there is an opportunity to help them understand how to protect it.

- Develop itineraries to promote lesser-visited areas and outdoor attractions as a means to disperse visitors across all geographies.** Arizona is rich with outdoor destinations, from marquee national parks, to local trails, to rivers and lakes, and horseback riding. Many places are well known, while others have yet to be discovered. By creating itineraries that highlight some of the to-be-discovered destinations, AOT may be able to better disburse visitors across our state, and thus find a way to encourage visits while also maintaining social distancing.
- Develop and promote educational information on what it means to be a responsible visitor. Feedback from the April 2020 Listening Sessions highlighted that many people were exploring natural areas for the first time and may not be fully aware of what it means to be a responsible visitor.** To help instill pride of place and to ensure the outdoor recreation assets of Arizona remain timeless destinations for all visitors, educational efforts will minimize impacts and keep destinations beautiful for years to come.
- Promote Leave No Trace principles in strategic partnership with stakeholders and influencer organizations.** AOT partnered with Leave No Trace in June 2020. For many years, Arizona has seen increased visitation on many of its recreational lands. AOT has been seeking solutions to address the challenges that arise. Leave No Trace seeks to help inform people about their impacts on outdoor destinations and provides research, education, and initiatives to promote sustainable destination practices.
- By collaborating with other organizations with deep roots in promoting and stewarding outdoor lands—REI, Keep Nature Wild, Bureau of Land Management, and National and State Parks—the education and initiatives of Leave No Trace will have a broader audience and impact.
- Partner with the other Four Corners states to develop joint marketing and itineraries.** The Four Corner states—Arizona, Colorado, New Mexico, and Utah—are often visited together. As states make headway in the pandemic and travel returns, having a connection with neighboring states may be the next step. Partnering with the Four Corners states to market to and with each other would benefit the recovery of each state.
- Develop campaigns that support rural tourism in destinations along the Arizona National Scenic Trail and along the to-be-completed Sun Corridor Trail.** There are two significant trails crossing Arizona: the Arizona Trail and the to-be-completed Sun Corridor Trail. There is an opportunity to promote the small communities and their assets that are along these trails. Doing so could leverage the travelers to these trails and bring them into nearby towns for additional exploration.

Partner with Tribal Communities

Tribal Communities are home to some of Arizona's most stunning attractions and history. These areas have been major destinations, especially for international travelers, for many years.

Not only has the pandemic brought tourism to a halt, but it has also harmed Tribal populations disproportionately. Bringing tourism back to Tribal communities must be led by the Tribes, with AOT actively supporting the effort. AOT can collaborate to develop a Tribal-specific recovery engagement strategy that responds to the unique needs of these communities as they navigate forward.

While tribes will have special needs in opening tourism activities to the public, we understand openings will take place at different rates depending on various factors at the Tribal level. Tribes should participate in all programs when they feel ready.

AOT will begin with the following steps toward a Tribal recovery engagement strategy:

- Present the Recovery Plan to Tribal communities, Tribal leadership, and Tribal enterprises to solicit input and identify specific tourism needs
- Provide continuous communication using various methods to keep Tribes informed of AOT's program updates
- Identify areas where AOT programs can provide flexibility for Tribal communities
- Identify specific AOT programs that might provide the most traction to Tribal tourism recovery
- Support and communicate with Tribes as they enter their recovery phase



Windssocks

Windssocks, often seen at small airports, help pilots gauge the speed and direction of the wind at ground level, and provide valuable information on how to take off or land. As applied here, windssocks are leading indicators that should be tracked to understand the trends emerging in travel or those that might impact travel. These indicators—in public health, the economy, and travel intent—will illuminate the current and future conditions, and let AOT know if the conditions are fostering a resurgence of the local visitor economy. Knowing which way the wind is blowing will help AOT make decisions that are more informed and provide valuable information on when to pivot to a different course of action.

The windssocks to be monitored for this Tourism Strategic Recovery Plan include:

Public health

- Vaccine availability
- Hospital capacity
- Health trends in three of top five feeder markets

Economy

- The shared ACA/AOT/OEO economic dashboard
- Trends in monthly consumer spending
- Trends in retail spending from VisaVue and Longwoods

Travel Intent

- Changes in passenger load at Phoenix Sky Harbor and Tucson International Airports
- Trends in requests for the Arizona Visitor Guide
- COVID-related vendor research
- Meetings, conventions, and business travel activity
- National and international media monitoring
- Google searches

AOT will monitor the trends in each of these. Regular trending toward a faster recovery will indicate it is time to pivot from this Recovery Plan to one focused on Rapid recovery. Regular trending toward a slower recovery will indicate it is time to pivot to a plan focused on a Long Haul recovery.

Collective Impact

Collective Impact is the commitment of a group of actors from different sectors to a common agenda for solving a specific social problem, using a structured form of collaboration. —Wikipedia

The Collective Impact Model will form the basis for ongoing management of the plan. While AOT will lead the Recovery effort, the State's recovery is a collective responsibility. This means numerous partners will contribute to and own the recovery. Active and open partnership between all stakeholders and AOT need to be a priority. AOT is willing to serve as lead partner to make this Recovery Plan a reality.

Internally, AOT will utilize two cross-functional teams to operationalize the Recovery Plan. One will focus on urban recovery actions while the other will focus on rural recovery actions. These teams will ensure that partners come together on a regular basis to share progress, course-correct, and strategize next steps. It is important to note that at times the teams will lead efforts, will collaborate with others, or will support their partners as they lead a particular action.

Partners

Partner organizations for the Recovery Plan include, but are not limited to:

- Other state agencies, including Arizona State Parks
- DMOs, economic development organizations, and local governments
- Federal agencies such as the National Park Service and Bureau of Land Management
- Food and beverage organizations, including Arizona Restaurant Association
- Lodging partners, including Arizona Lodging & Tourism Association
- Arizona Sports and Tourism Authority
- Tribal Communities
- Four Corners States (UT, CO, NM)
- Listening Session Advisory Panel members

Continuous Communication

The information below is not meant to be static, but rather a point of beginning for the continuous communications and Recovery Plan implementation. Additional meetings and actions will be incorporated as the 12-18 month period unfolds and new needs are identified.

Initial Actions

- Initiate internal action teams and develop their charters
- Maintain the Tourism Tuesday email communication with enhanced focus on these priorities
- Begin internal communication of recovery progress

Shifts

- Increased destination management partnership for purposes of statewide recovery
- Increased collaboration/liaison to urban and rural communities to help accelerate recovery

Year One Meeting Cadence

- Governor's Conference on Tourism
- Rural roundtables
- Regular check-ins with industry partners
- Regular convening of internal action teams
- Semi-annual summit with the Listening Session Advisory Panel members



Appendix



Arizona Office of Tourism

Destination Recovery Plan

Insight Report

Executive Summary

May 15, 2020

Presented by: Coraggio Group

In response to the COVID-19 pandemic, the Arizona Office of Tourism (AOT) is developing a Destination Recovery Plan to accelerate the recovery of travel and tourism throughout the state over the next year.

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In order to craft the Destination Recovery Plan, the current state needs to be established, and key themes upon which to focus identified. To do this, a series of 10 one-hour Listening Sessions were conducted by Coraggio Group on behalf of AOT between April 23rd to April 30th.

The purpose of these sessions was to glean insights from 25 tourism partners at this point in time regarding:

- Current state
- Issues specific to a sub-region of Arizona
- Issues specific to a tourism sector
- Thoughts on what the future may hold
- What they need from AOT

Key themes that emerged from the Listening Sessions include:

- 1 Tourism partners are looking for AOT to continue to be the great leader it has been and to take on new roles for the state and its recovery.
- 2 A consistently communicated statewide base-level of practice to protect the health of visitors, the employees, and residents will be central to assuaging public fears of travel (and of travelers) and will strengthen consumer confidence, even if shutdowns occur in waves.
- 3 DMOs are very proud of their destinations and want to share theirs with Arizona residents.
- 4 Leveraging Arizona's abundance of outdoor experiences will accelerate the state's recovery and be the first driver of travel and tourism.
- 5 Sustaining the food, beverage, and retail industries through the Stay Home, Stay Safe, Stay Connected executive order will be critical to each stage of recovery.
- 6 The impact of the pandemic on the accommodations industry not only affects this industry, but also impacts DMOs and community housing markets.
- 7 MICE Market Activity will likely resume with increased significance toward the end of 2020 (at the earliest) and into the future.
- 8 The pandemic has dramatically affected stakeholder funding and budgets statewide, particularly tourism management organizations such as DMOs.
- 9 While the entire state has been negatively affected by the pandemic, the travel and tourism economy in rural areas and Tribal communities experience the impacts in ways that need special consideration and action.
- 10 The impacts and the strategic actions needed to bolster Arizona's tourism economy will differ depending on the unique mix of attributes that comprise local tourism economies.

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Acknowledgments

Thank you to:

Listening Session Advisory Panel

1. Mayor Mila Besich, Superior
2. Kate Birchler, Macerich Shopping Centers
3. Lauren Bouton, Governor's Office
4. Bob Broscheid, Arizona State Parks
5. Brent DeRaad, Visit Tucson
6. Lorne Edwards, Visit Phoenix
7. Marc Garcia, Visit Mesa
8. Heidi Hansen, City of Flagstaff
9. Heather Hermen, Front Burner Media
10. Lee Hillson, Royal Palms Resort & Spa
11. Sasha Howell, Off Madison Avenue
12. Brian Jump, REI
13. Bruce Lange, Hospitality and Resort Solutions LLC
14. Lonnie Lillie, Ambiente Sedona
15. Blessing McAnlis Vasquez, Discover Salt River
16. Colin McBeath, Grand Canyon Resort Corporation
17. Tom Moulton, Southern Arizona Attractions Alliance
18. Deb Ostreicher, Phoenix Sky Harbor International Airport
19. Kris Pothier, Arizona Wine Growers Association
20. Tom Sadler, Arizona Sports and Tourism Authority
21. Mayor Cal Sheehy, Lake Havasu and London Bridge Resort
22. Ben Stewart, Office of U.S. Senator Kyrsten Sinema
23. James Surveyor, Experience Hopi
24. Senator Michelle Ugenti-Rita, Arizona State Senator
25. Doug Yonko, Hensley Beverage Company

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The Economic Impact of Travel

Arizona

2020p
State, Region, County Impacts

May 2021

PREPARED FOR
Arizona Office of Tourism

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The Economic Impact of Travel in Arizona

2020p
State, Region, County Impacts

Arizona Office of Tourism

5/27/2021

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National Impacts

2020p

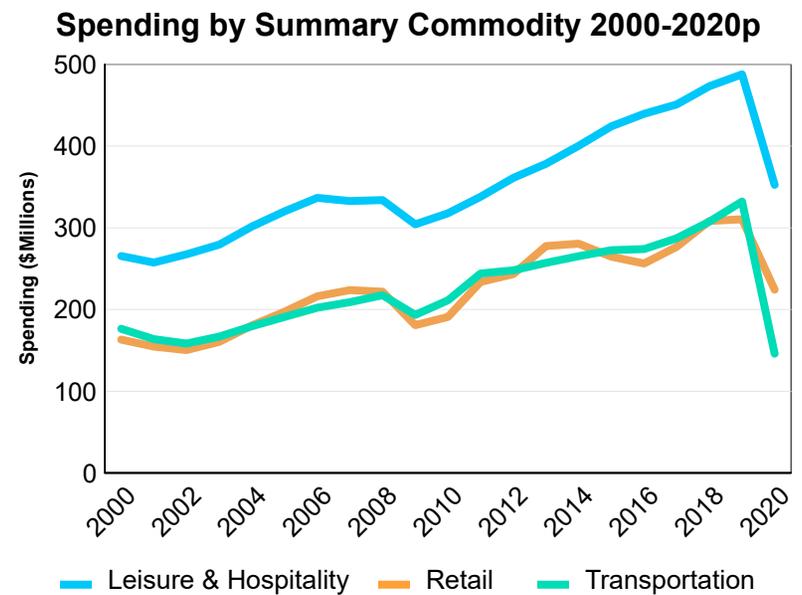
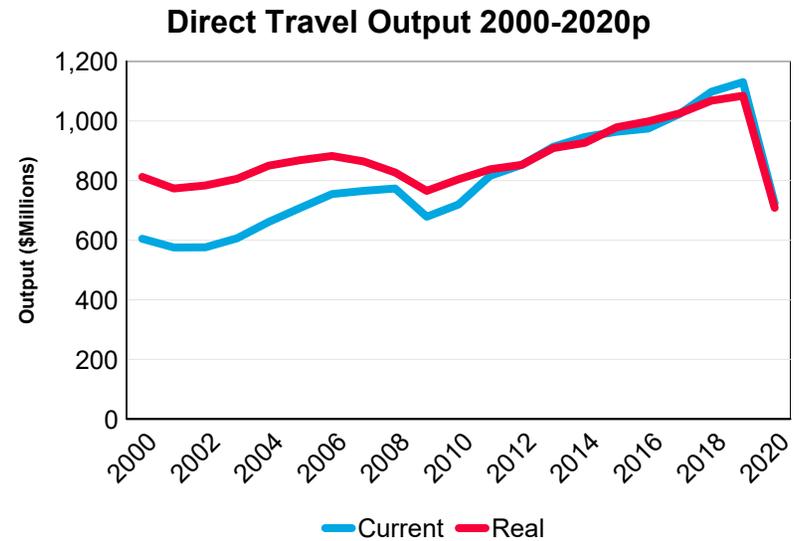
National / Summary

U.S. Travel Impacts 2020p

The COVID-19 pandemic brought economic disruption to almost all sectors of the U.S. economy in 2020, but few industries were as hard hit as travel. The combination of economic instability and health and safety measures in the U.S. led to a large reduction in the demand for such services. Total travel output decreased by 36% (-\$408B) in 2020, as compared to 2019 levels. Leisure & Hospitality and Transportation are two of the most affected industries. Prior to the first reported case in the U.S., the travel industry had reached \$1.13 trillion growing 3% between 2018 and 2019. Expectations were for continued growth in travel for 2020, as economic indicators like unemployment were at all-time lows.

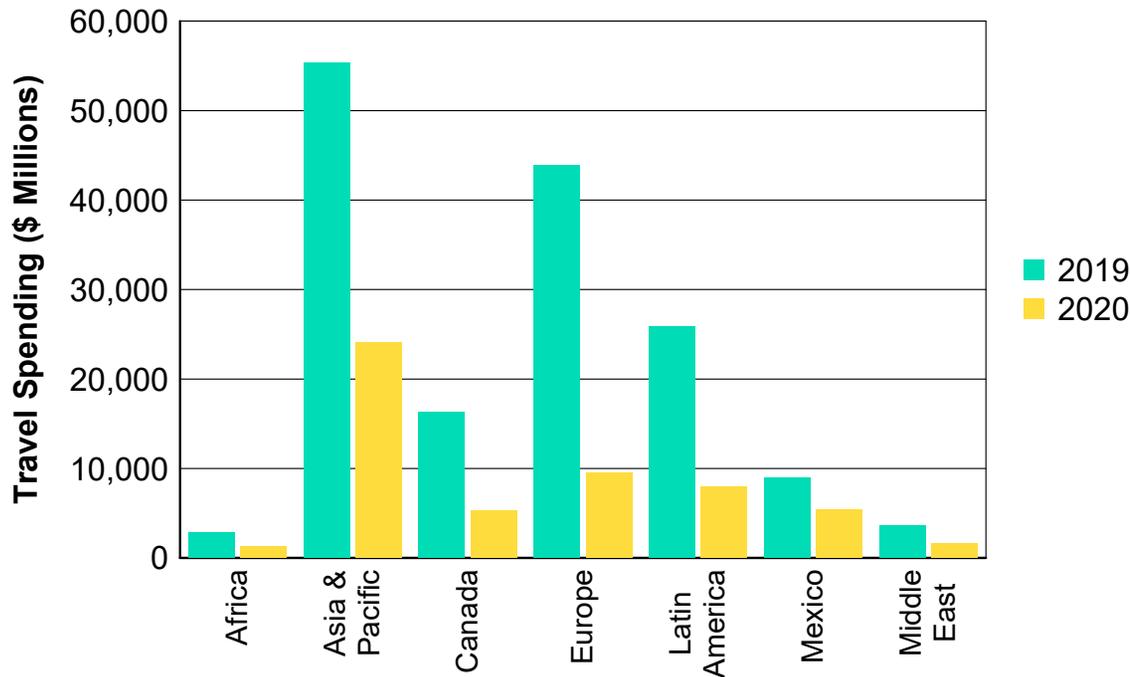
At the time of this report, the BEA Tourism Satellite Account covered travel activity through 2019; all 2020 estimates have been made by Dean Runyan Associates.

- Spending by resident and foreign visitors was \$723 billion in 2020 in current dollars. This represents a 36% decrease over 2019, where international travel made up 25% of these losses. When adjusted for changes in prices (real dollars), spending decreased by 35% from 2019 to 2020.
- Leisure & Hospitality, as a share of total spending, increased to 48%, compared to 43% in 2019. The overall shift in total spending was heavily impacted by the 56% decline in Transportation spending, influenced by reduced air volume and price decreases in gasoline.



The U.S. travel industry **contracted 36% in 2020**, the largest losses occurring in Transportation: - \$186 billion.

International Spending 2020p



Travel restrictions active in 2020 due to COVID-19 (CDC):

China, Iran, Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland, Monaco, San Marino, Vatican City, United Kingdom, Republic of Ireland, Brazil, South America.

Border restrictions also apply to Canada and Mexico.

Many foreign countries implemented restrictions on their residents that may not be included in the above list that affected travel to the U.S.

International spending is down 63% in 2020.

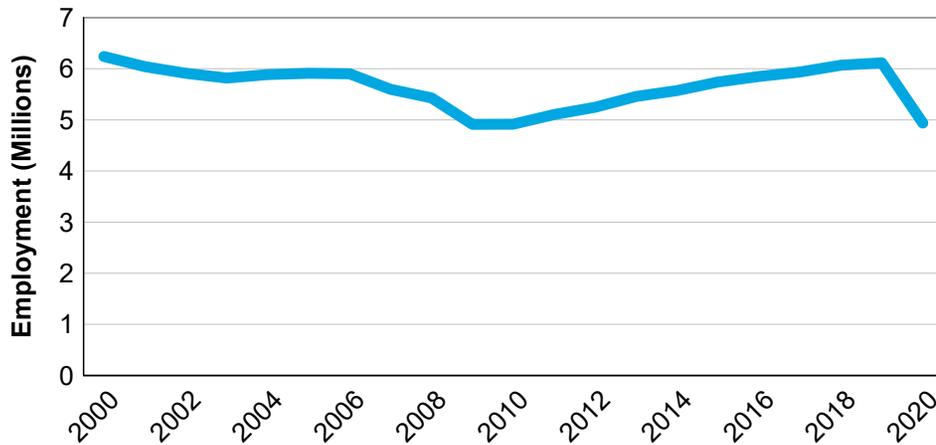
Spending from the Asia & Pacific countries decreased 44%, a loss of \$31 billion.

Sources: Dean Runyan Associates, Bureau of Economic Analysis



National / Summary

U.S. Travel Industry Employment

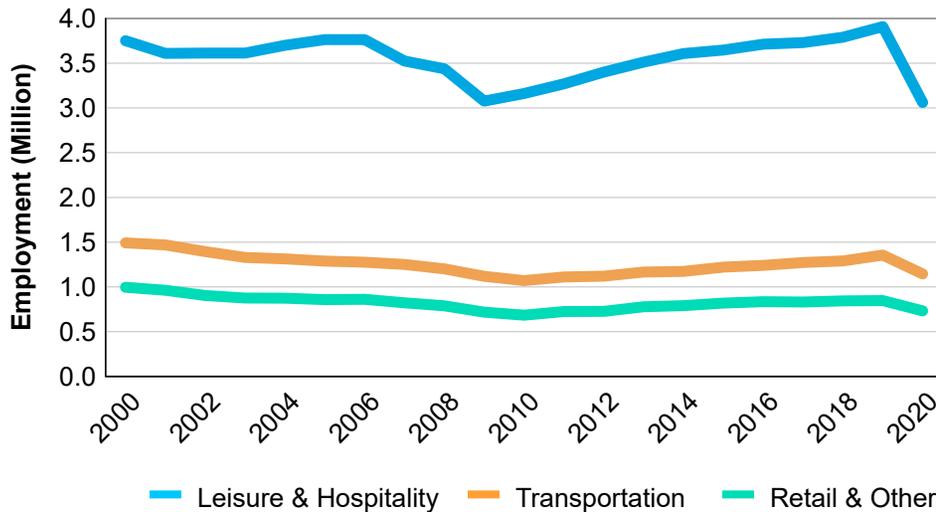


National employment in the travel industry decreased by 1.2 million jobs (-19% YOY).

Employment includes CARES act support, data limitations prevent disaggregation.

Sources: Bureau of Economic Analysis, Dean Runyan Associates

U.S. Travel Industry Employment by Sector



The Leisure & Hospitality sector was the most heavily impacted, losing about 900,000 jobs in 2020 (-22% YOY).

Employment includes CARES act support, data limitations prevent disaggregation.

Sources: Bureau of Economic Analysis, Dean Runyan Associates



State Impacts

2020p

Arizona / Summary

State Travel Impacts 2020p

The COVID-19 pandemic has caused global economic hardship. The travel industry has been especially hard hit, even more so than during the Great Recession. U.S. travel spending declined an estimated 36% in 2020. The Arizona travel industry was even more affected, experiencing an estimated decline of 41% in travel spending.

- Travel spending declined 41.2% from \$25.6 billion in 2019 to \$15 billion in 2020.
- Direct employment experienced a loss of approximately 33,800 jobs across the state. This represents a 17.4% decline in travel employment. The largest amount of job losses occurred within accommodations and food services sector, which lost 16,920 travel jobs.
- Tax receipts generated by travel spending are down 28.1% compared to 2019. Local and state taxes have declined 31.7% and 35.3% respectively.

These preliminary estimates for Arizona are subject to revision as more complete source data becomes available. This year has resulted in higher data variability and can lead to larger than normal revisions.

The U.S. travel industry **contracted 36% in 2020**, whereas Arizona's travel economy **declined 41%**



Direct Travel Impacts 2011-2020p (Preliminary)

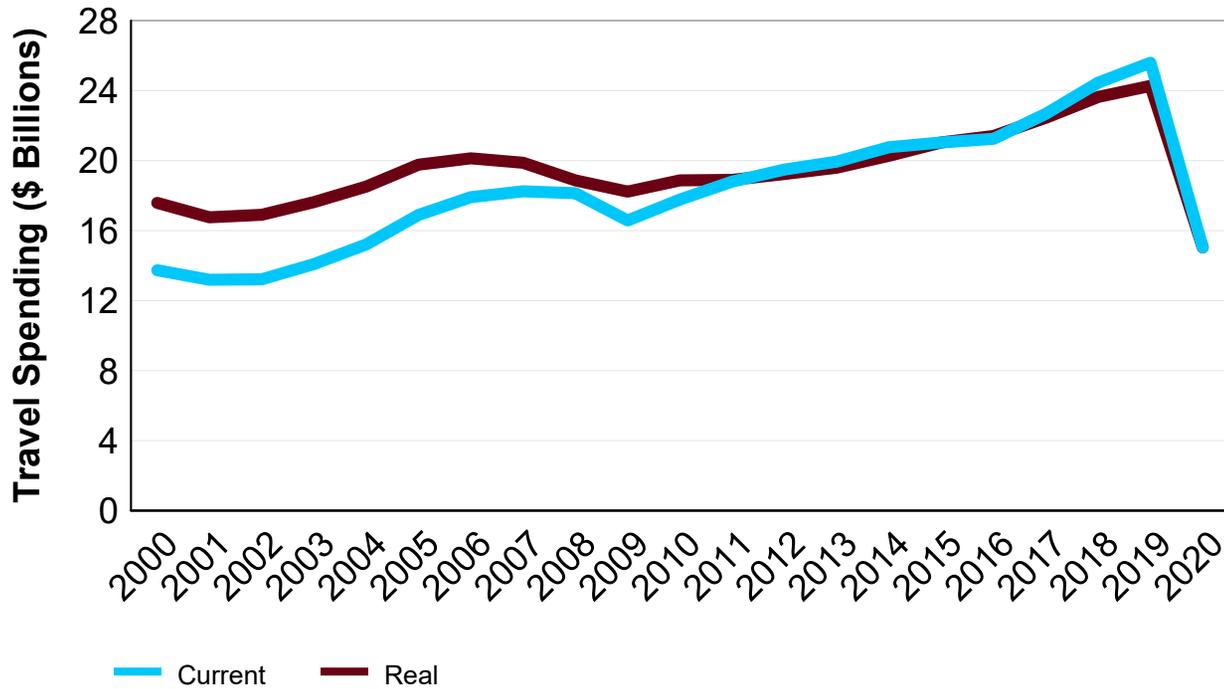
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Avg. Annual % Chg.	
											2019-20	2011-20
Spending (\$Millions)												
Total (Current \$)	18,798	19,489	19,936	20,762	21,034	21,245	22,679	24,446	25,591	15,043	▼ -41.2%	▼ -2.4%
Other	2,147	2,398	2,486	2,573	2,580	2,628	2,764	2,949	3,050	1,302	▼ -57.3%	▼ -5.4%
Visitor	16,651	17,090	17,450	18,189	18,454	18,617	19,916	21,497	22,541	13,741	▼ -39.0%	▼ -2.1%
Non-transportation	11,425	11,757	12,081	12,683	13,394	13,831	14,701	15,744	16,558	10,809	▼ -34.7%	▼ -0.6%
Transportation	5,226	5,333	5,369	5,506	5,060	4,786	5,215	5,753	5,983	2,931	▼ -51.0%	▼ -6.2%
Earnings (\$Millions)												
Earnings (Current \$)	5,176	5,393	5,546	5,827	6,216	6,464	6,968	7,397	7,667	6,679	▼ -12.9%	▲ 2.9%
Employment (000's)												
Employment	158.7	162.5	165.6	172.7	179.5	184.2	187.9	192.3	194.3	160.5	▼ -17.4%	▲ 0.1%
Tax Revenue (\$Millions)												
Total (Current \$)	2,556	2,617	2,733	2,814	2,999	3,093	3,309	3,625	3,778	2,716	▼ -28.1%	▲ 0.7%
Local	727	735	756	787	856	893	953	1,111	1,161	786	▼ -32.3%	▲ 0.9%
State	801	825	805	796	839	859	933	1,010	1,051	718	▼ -31.7%	▼ -1.2%
Federal	1,028	1,057	1,172	1,230	1,304	1,341	1,423	1,505	1,566	1,212	▼ -22.6%	▲ 1.8%

Employment and Earnings include CARES Act support.

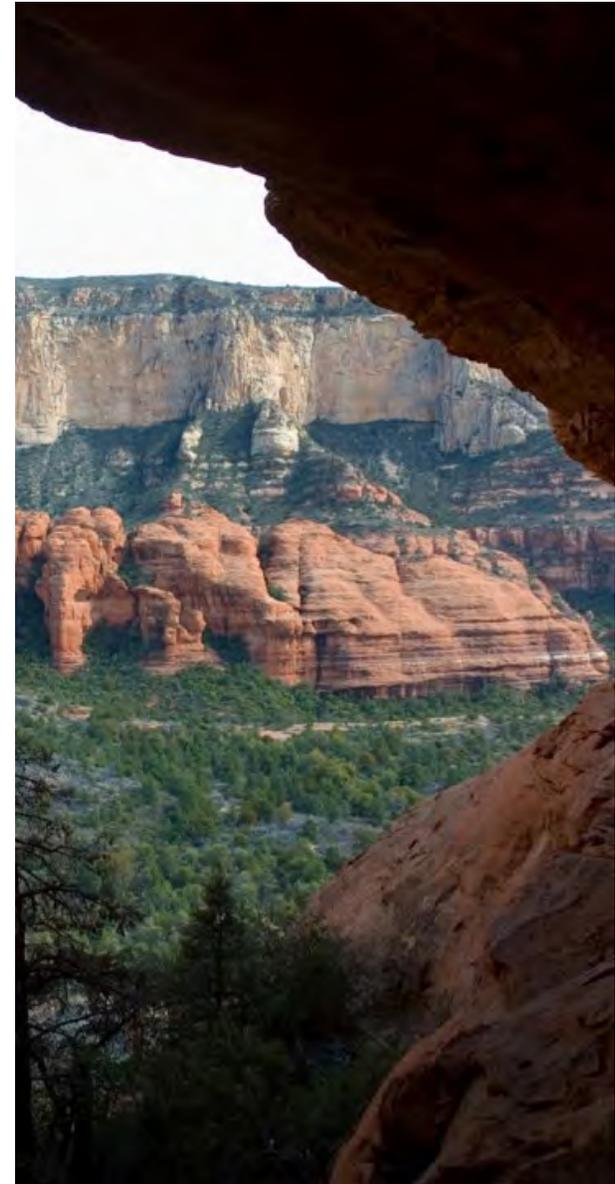


Arizona / Trend

Direct Spending / Real and Current Dollars



Between 2019 and 2020, travel spending adjusted for inflation (real) decreased 38%, compared to a 41% decrease in travel spending un-adjusted for inflation (current).

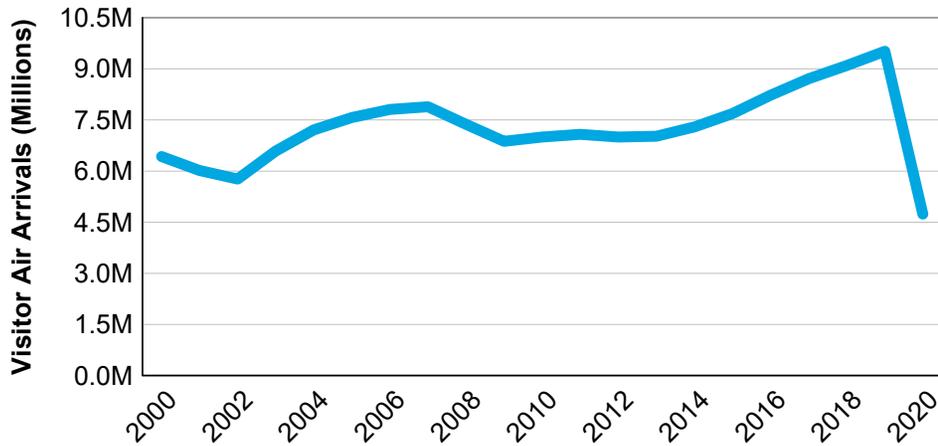


Sources: Bureau of Labor Statistics CPI, Dean Runyan Associates



Arizona / Trend

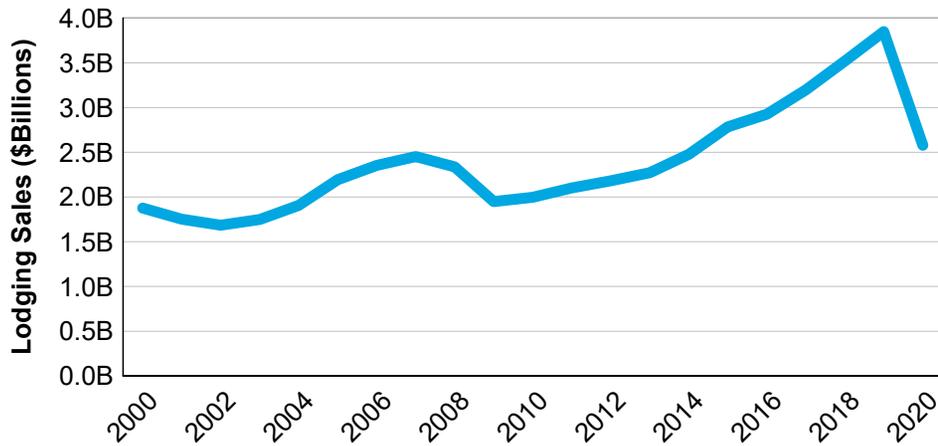
Air Passenger Visitor Arrivals / U.S. Air Carriers



4.7 million domestic visitors traveled to Arizona by air in 2020. This is a decline of 50% from 2019 visitation of 9.5 million.

Sources: Bureau of Transportation Statistics, Dean Runyan Associates

Taxable Lodging Sales / Arizona



Lodging sales is an important indicator of the strength of the travel industry as it directly reflects visitor spending in one of the key sectors.

Taxable lodging sales decreased 33% annually from 2019 to 2020, from \$3.8 billion to \$2.6 billion.

Sources: Arizona Department of Revenue, Northern Arizona University, Dean Runyan Associates

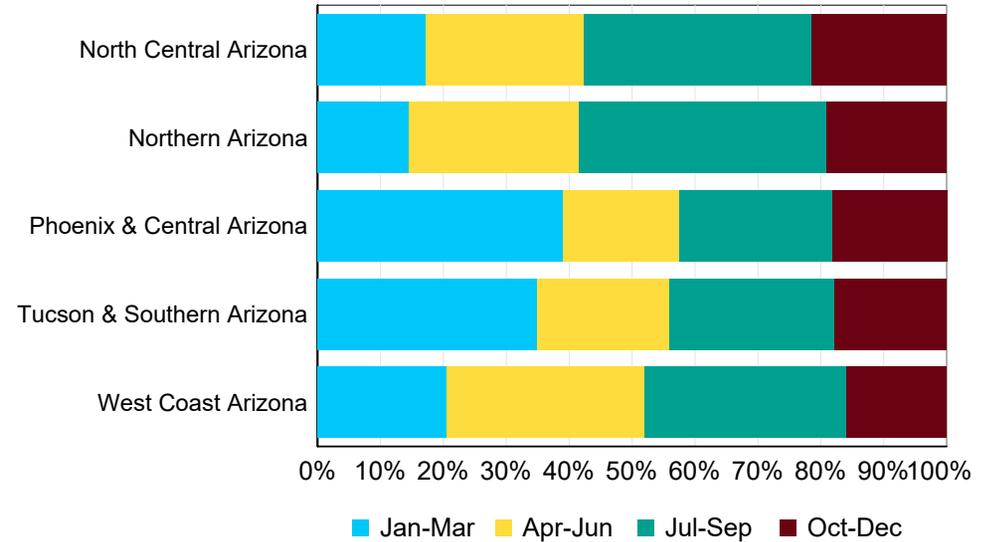
Seasonal & Regional / Lodging Sales

Lodging sales are a strong indicator to seasonal travel patterns in the Arizona tourism industry. Lodging sales of the Phoenix and Central Arizona region area are greater than the four other regions combined (54.6%). This share has declined 6.3% compared to 2019 (60.9%).

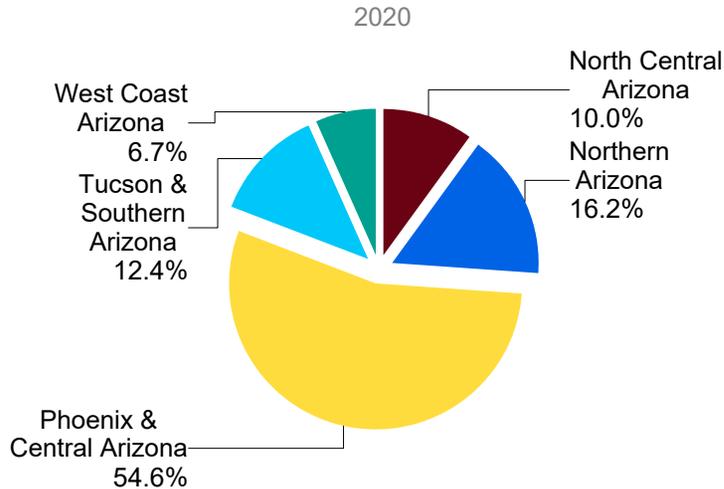
In 2020 the third quarter (Jul-Sep) experienced the least amount of variation year over year.

The Northern Arizona region includes Apache, Coconino and Navajo counties. The West Coast region includes La Paz, Mohave and Yuma counties. The North Central region includes Gila and Yavapai counties. The Phoenix and Central Arizona region includes Maricopa and Pinal counties. The Tucson and Southern Arizona region includes Cochise, Graham, Greenlee, Pima and Santa Cruz counties.

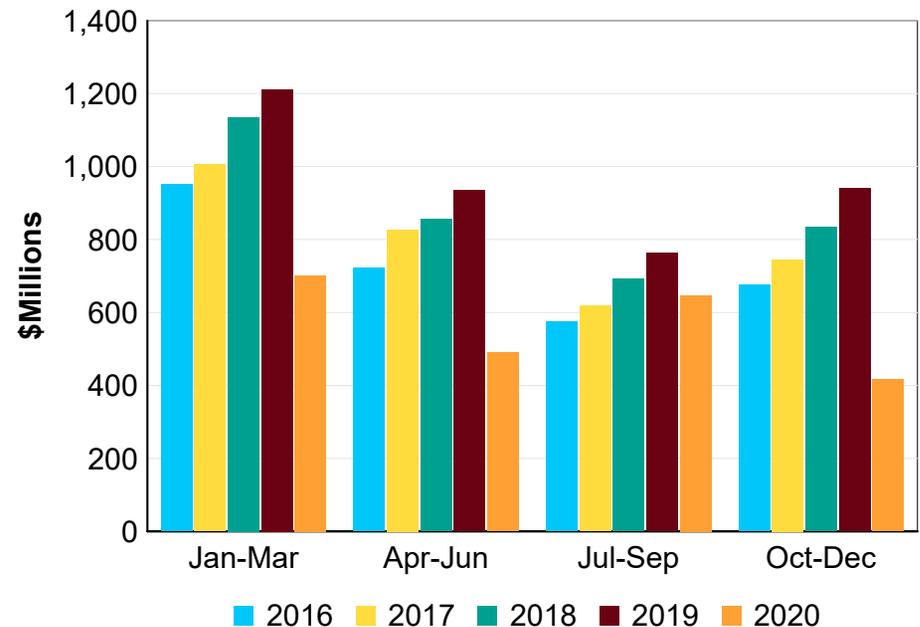
Taxable Lodging Sales by Region and Quarter, 2020



Regional Shares of Arizona Taxable Lodging Sales

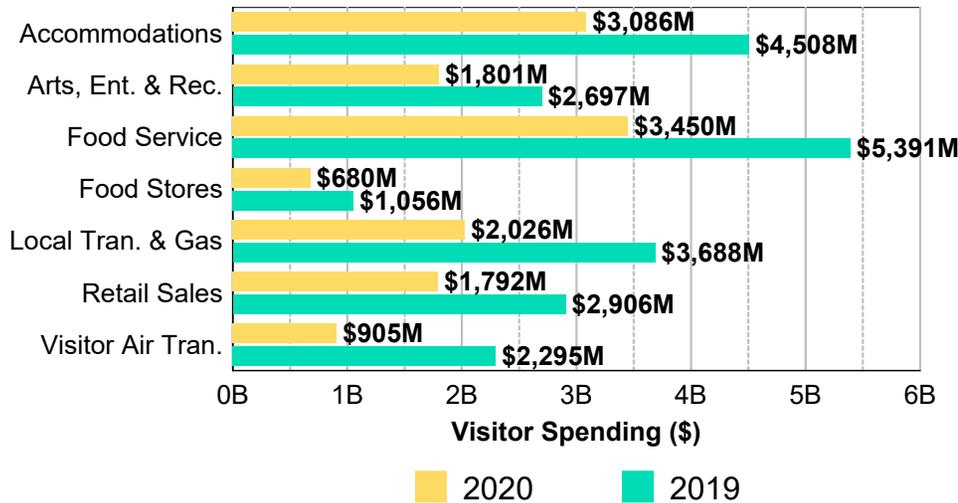


Arizona Taxable Lodging Sales by Quarter



Arizona / Trend

Visitor Spending by Commodity Purchased / Arizona

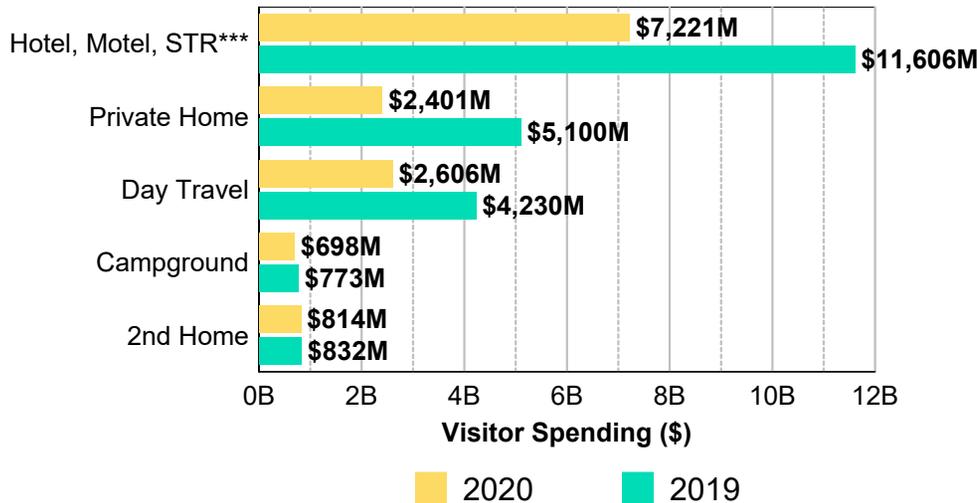


The largest loss occurred in food and beverage service. \$1.9 billion was lost in 2020 compared to 2019, a decline of 36.0%.

Accommodations lost approximately \$1.4 billion, a decline of 31.5%.

Sources: Arizona Department of Revenue, Dean Runyan Associates

Visitor Spending by Accommodation Type / Arizona



Visitors who stayed in a Hotel, Motel, or STR (short term rental) spent \$6.8 billion in 2020, a decline of 41.8%.

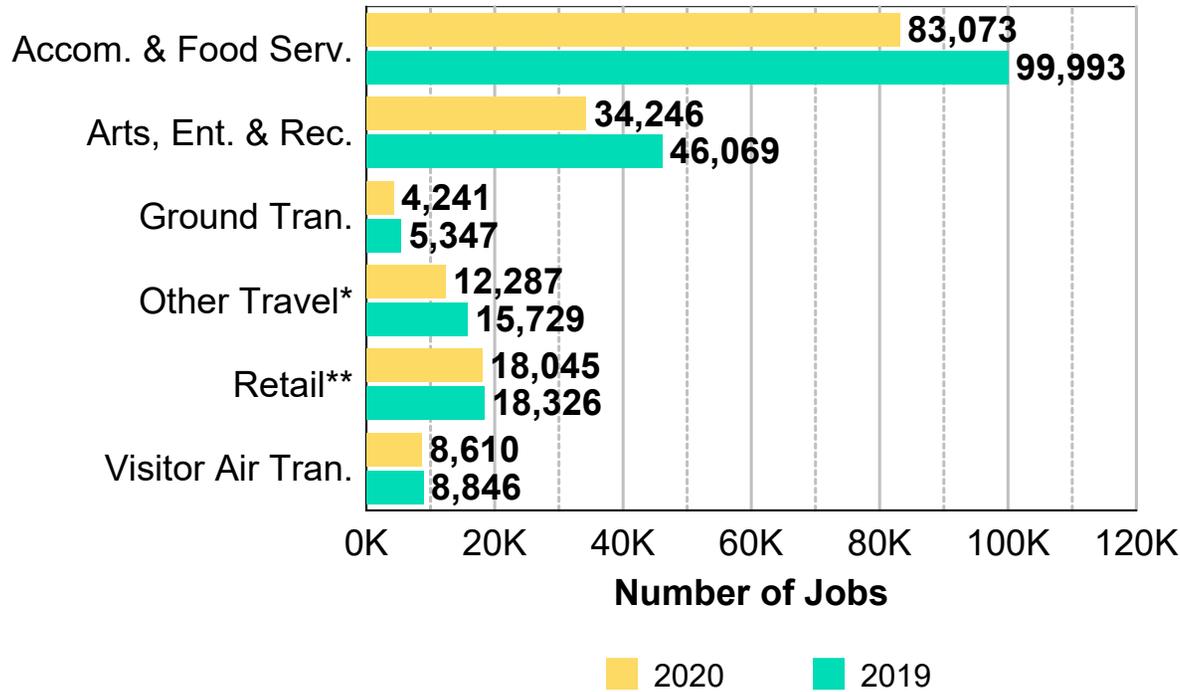
Visitors who stayed in a Private Home with friends and relatives spent \$2.4 billion in 2020, a decline of 52.9%.

Sources: Arizona Department of Revenue, Dean Runyan Associates

***STR (Short Term Rental)

Arizona / Trend

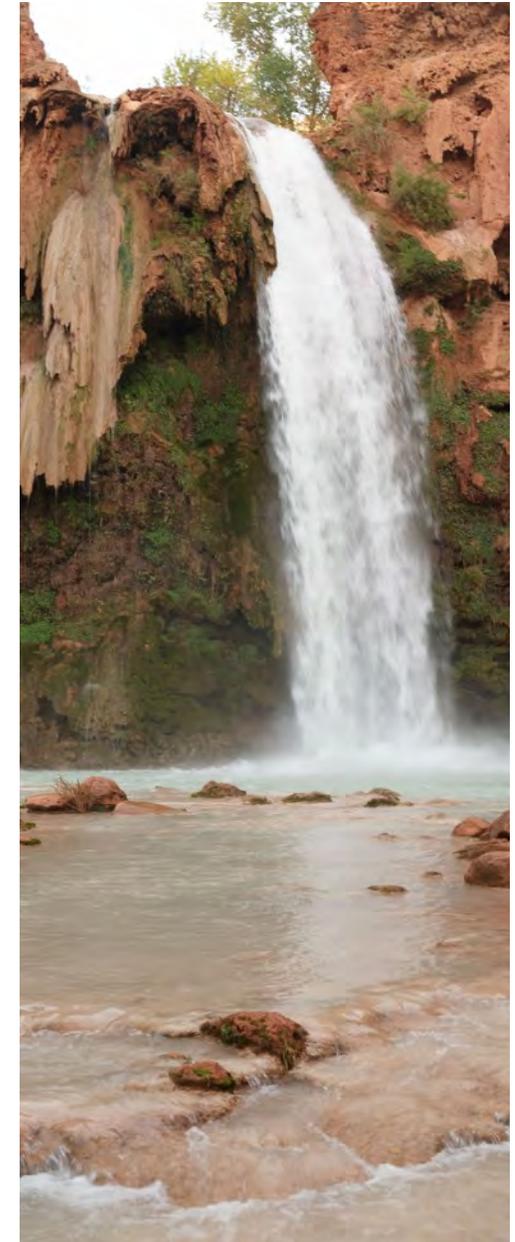
Travel Industry Employment / Arizona



*Other travel includes resident air travel, travel arrangement & reservation services, and convention & trade show organizers.
 **Retail includes gasoline stations.
 Employment includes CARES Act support.

Total direct job loss is estimated at 33,800 jobs. Leisure and Hospitality lost approximately 28,740 jobs in 2020, representing 85% of the direct job loss. Overall, travel industry employment experienced a decline of 17%.

Sources: Bureau of Labor Statistics, Bureau of Economic Analysis, Dean Runyan Associates



Direct Travel Impacts Origin, 2020

U.S. residents of states other than Arizona accounted for approximately 62% of all travel spending in Arizona in 2020. Residents of Arizona accounted for 31%, while international visitors accounted for 7% of travel spending in the state. Detailed estimates by visitor residence are reported in the following table for spending, earnings, employment, and tax receipts.

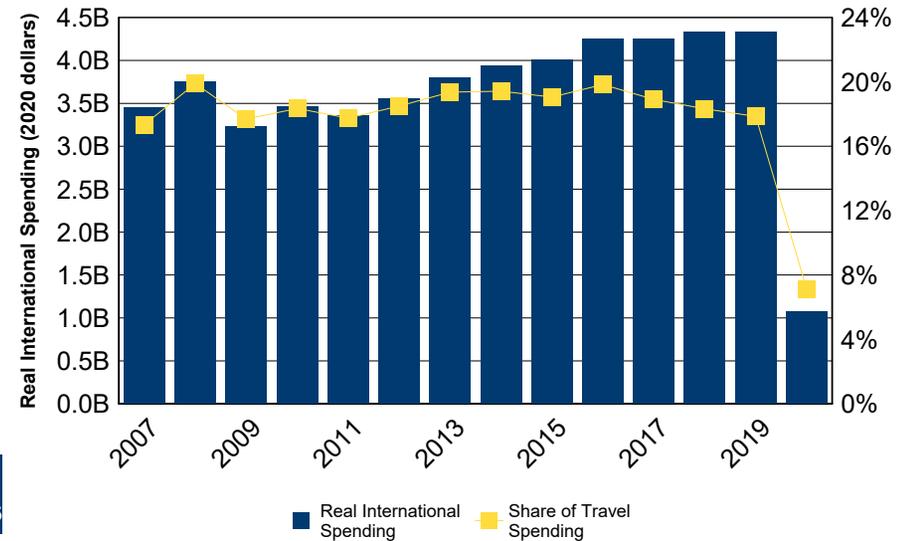
International spending historically has been around 20% of travel spending in Arizona. The COVID-19 pandemic has resulted in travel restrictions to the U.S. from multiple large travel markets.

Category	Arizona	Other US	International	All Visitors
Spending (\$Billions)	4.6	9.4	1.1	15.0
Earnings (\$Billions)	1.9	3.7	1.1	6.7
Employment (000's Jobs)	40.1	90.7	29.7	160.5
Local/State Tax (\$Millions)	307.2	881.7	315.1	1,504.0
Federal Tax (\$Millions)	327.6	722.7	161.3	1,211.7

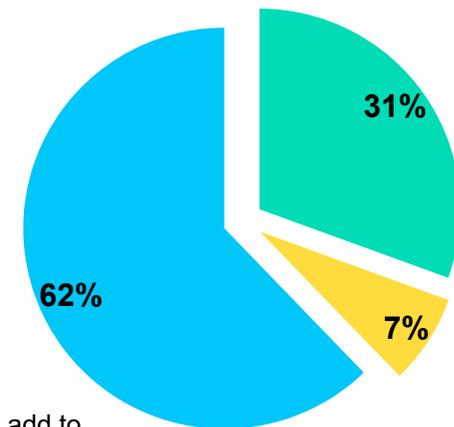
Note: All figures rounded

International spending impacts for Arizona were derived from the U.S. International Transaction estimates from the Bureau of Economic Analysis (BEA) and origin & destination counts from the National Travel and Tourism Office. The remaining economic impact categories are derived from the travel impact results in this report.

International Visitor Spending in Real Dollars



Travel Spending by Visitor Residence, 2020



Figures may not add to 100% due to rounding.

Arizona International Other U.S.

Arizona / Detail Trend

Direct Travel Impacts 2011-2020p

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2019-2020
Direct Travel Spending (\$Millions)											
Destination Spending	16,651	17,090	17,450	18,189	18,454	18,617	19,916	21,497	22,541	13,741	▼ -39.0%
Other Travel*	2,147	2,398	2,486	2,573	2,580	2,628	2,764	2,949	3,050	1,302	▼ -57.3%
TOTAL	18,798	19,489	19,936	20,762	21,034	21,245	22,679	24,446	25,591	15,043	▼ -41.2%
Visitor Spending by Type of Traveler Accommodation (\$Millions)											
Hotel, Motel, STR***	7,449	7,688	7,909	8,399	8,916	9,196	9,941	10,932	11,606	7,221	▼ -37.8%
Private Home	4,196	4,216	4,284	4,420	4,399	4,390	4,643	4,931	5,100	2,401	▼ -52.9%
Campground	694	698	694	707	664	648	678	723	773	698	▼ -9.7%
2nd Home	688	710	719	737	735	747	770	805	832	814	▼ -2.2%
Day Travel	3,623	3,779	3,845	3,926	3,739	3,636	3,883	4,106	4,230	2,606	▼ -38.4%
TOTAL	16,651	17,090	17,450	18,189	18,454	18,617	19,916	21,497	22,541	13,741	▼ -39.0%
Visitor Spending by Commodity Purchased (\$Millions)											
Accommodations	2,530	2,616	2,719	2,951	3,303	3,469	3,759	4,127	4,508	3,086	▼ -31.5%
Food Service	3,489	3,615	3,744	3,947	4,191	4,398	4,730	5,127	5,391	3,450	▼ -36.0%
Food Stores	875	912	940	985	992	971	1,000	1,021	1,056	680	▼ -35.6%
Local Tran. & Gas	3,633	3,755	3,741	3,754	3,206	2,927	3,250	3,637	3,688	2,026	▼ -45.1%
Arts, Ent. & Rec.	2,101	2,126	2,151	2,217	2,298	2,375	2,486	2,630	2,697	1,801	▼ -33.2%
Retail Sales	2,430	2,488	2,528	2,583	2,610	2,617	2,727	2,839	2,906	1,792	▼ -38.3%
Visitor Air Tran.	1,593	1,578	1,628	1,752	1,854	1,859	1,965	2,117	2,295	905	▼ -60.6%
TOTAL	16,651	17,090	17,450	18,189	18,454	18,617	19,916	21,497	22,541	13,741	▼ -39.0%

Details may not add to totals due to rounding. Percent change calculated on unrounded figures.

*Other Travel includes resident air travel, travel arrangement, and convention/ trade shows.

***STR (Short Term Rental)



Arizona / Detail Trend

Direct Travel Impacts 2011-2020p

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2019-2020
Travel Industry Earnings (\$Millions)											
Accom. & Food Serv.	2,146	2,231	2,330	2,464	2,655	2,785	3,020	3,229	3,373	2,863	▼ -15.1%
Arts, Ent. & Rec.	916	967	995	1,083	1,129	1,180	1,252	1,356	1,430	1,151	▼ -19.5%
Retail**	500	501	505	538	566	584	608	634	653	687	▲ 5.2%
Ground Tran.	145	148	149	160	172	182	207	225	243	203	▼ -16.5%
Visitor Air Tran.	630	618	615	628	704	715	792	816	842	854	▲ 1.5%
Other Travel*	839	929	952	954	989	1,018	1,089	1,137	1,126	921	▼ -18.2%
TOTAL	5,176	5,393	5,546	5,827	6,216	6,464	6,968	7,397	7,667	6,679	▼ -12.9%
Travel Industry Employment (Thousand Jobs)											
Accom. & Food Serv.	82.1	83.2	86.1	88.7	92.2	95.1	97.0	99.3	100.0	83.1	▼ -16.9%
Arts, Ent. & Rec.	35.6	36.6	37.3	39.7	41.3	41.9	43.1	45.0	46.1	34.2	▼ -25.7%
Retail**	16.8	16.6	16.9	17.6	18.1	18.4	18.4	18.4	18.3	18.0	▼ -1.5%
Ground Tran.	3.6	3.7	3.8	3.9	4.1	4.4	4.9	5.1	5.3	4.2	▼ -20.7%
Visitor Air Tran.	7.4	7.5	7.2	7.6	8.1	8.2	8.4	8.7	8.8	8.6	▼ -2.7%
Other Travel*	13.2	14.9	14.3	15.3	15.7	16.1	16.1	15.7	15.7	12.3	▼ -21.9%
TOTAL	158.7	162.5	165.6	172.7	179.5	184.2	187.9	192.3	194.3	160.5	▼ -17.4%
Tax Receipts Generated by Travel Spending (\$Millions)											
Local Tax Receipts	727	735	756	787	856	893	953	1,111	1,161	786	▼ -32.3%
State Tax Receipts	801	825	805	796	839	859	933	1,010	1,051	718	▼ -31.7%
Federal Tax Receipts	1,028	1,057	1,172	1,230	1,304	1,341	1,423	1,505	1,566	1,212	▼ -22.6%
TOTAL	2,556	2,617	2,733	2,814	2,999	3,093	3,309	3,625	3,778	2,716	▼ -28.1%

Details may not add to totals due to rounding. Percent change calculated on unrounded figures.

*Other Travel includes resident air travel, travel arrangement, and convention/ trade shows.

**Retail includes gasoline.

Earnings and employment include CARES Act support.

Arizona / Travel GDP

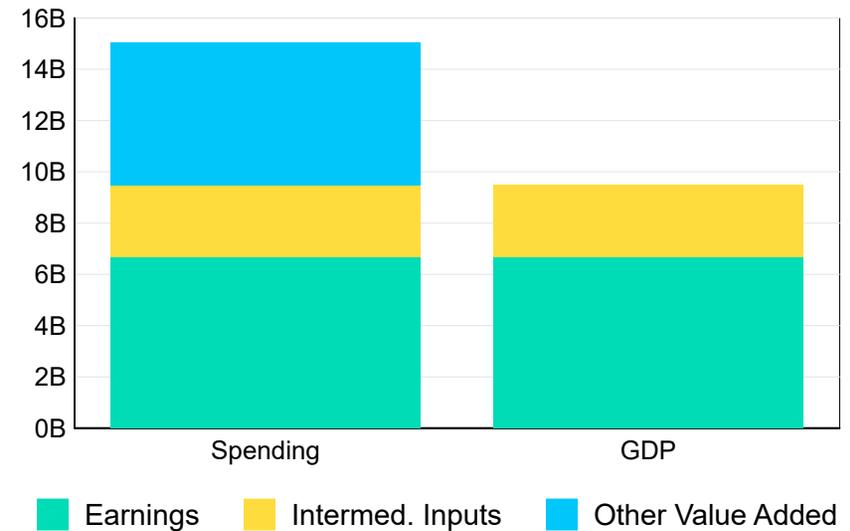
Travel Industry GDP, 2020p

Gross Domestic Product (GDP, also referred to as value-added) is a measure of economic activity that reflects the market value of the labor and capital used to produce goods and services. The GDP for a particular industry within a state excludes the intermediate inputs purchased by businesses from other firms in the production process. It includes payments to individual in the form of earnings, indirect business taxes to government, and other payments to individuals and corporations. The relationship between travel spending and the GDP of the Arizona travel industry is shown to the right. Arizona travel industry GDP of \$9.4 billion represents approximately 2.5 percent of the total Arizona GDP.

The estimates represent only the direct impacts of travel spending. A portion of the inputs purchased by travel businesses in Arizona will be delivered by other Arizona firms that are not strictly part of the travel industry. Restaurants, for example, will purchase agricultural products from other Arizona businesses. These inputs are sometimes referred to as "indirect" effects.

Travel Spending and GDP of Travel Industry

(\$ Billions)



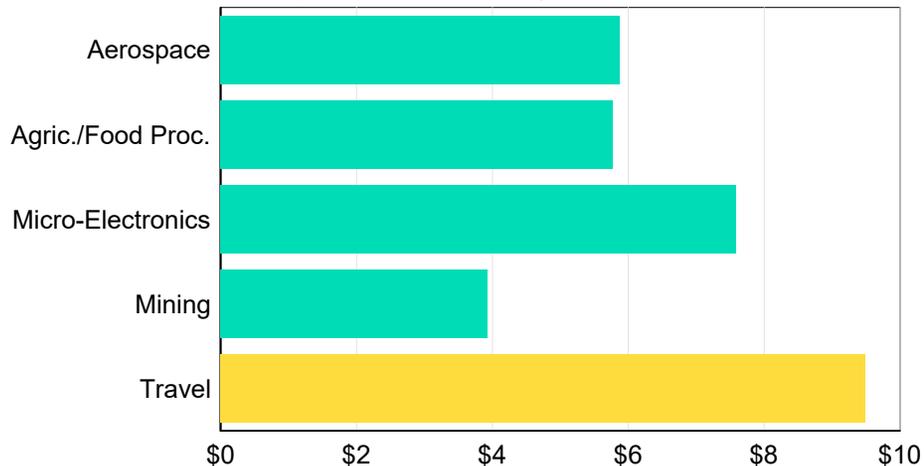
Arizona / Travel GDP

Arizona Export-Oriented Industries, 2020

Export-oriented industries are those industries that primarily market their products and services to other regions, states or nations. Agriculture, extractive industries such as mining, and manufacturing are the best examples of goods-producing export industries. The travel industry is also an export-oriented industry because goods and services are sold to visitors, injecting money into the local economy, as do the exports of other industries.

Arizona Gross Domestic Product

2020, GDP of Selected Export Industries



A comparison of the leading export-oriented industries in Arizona is shown for 2020. Exports are not necessarily more important than locally traded goods and services. However, diverse export-oriented industries in any economy are a source of strength - in part because they generate income that contributes to development of other local services and amenities.

Source: Dean Runyan Associates and Bureau of Economic Analysis. GDP estimates by Dean Runyan Associates.



Arizona / Secondary Effects

Travel spending brings money into many Arizona communities in the form of business receipts. Portions of these receipts are spent within the state for labor and supplies. Employees, in turn, spend a portion of their earnings on goods and services in the state. This re-spending of travel-related revenues creates indirect and induced impacts.

Direct impacts represent effects attributable to traveler expenditures.

Indirect impacts represent effects associated with industries that supply goods and services to the direct businesses.

Induced impacts represent effects of purchases made by employees in both the direct and indirect businesses.

The impacts in this section are presented in eleven major industry groups. These industry groups are similar, but not identical to the business categories presented elsewhere in this report. (The specific industries that comprise these groups are listed in Implan/Secondary Effects.)

It should be emphasized that the estimates of indirect and induced impacts reported here apply to the entire state of Arizona and do not necessarily reflect economic patterns for individual counties, regions or sub-regions within the state. In general, geographic areas with lower levels of economic activity will have smaller secondary impacts within those same geographic boundaries.

Largest Secondary Industries 2020p

Professional Services (20,840 jobs and \$1.3 billion in earnings) A variety of administrative services (e.g., accounting and advertising) are utilized by travel businesses. Employees of these businesses also purchase professional services.

Education & Health Services (13,050 jobs and \$846 million in earnings) The secondary effects are primarily induced, such as employees of travel-related businesses use of medical services.

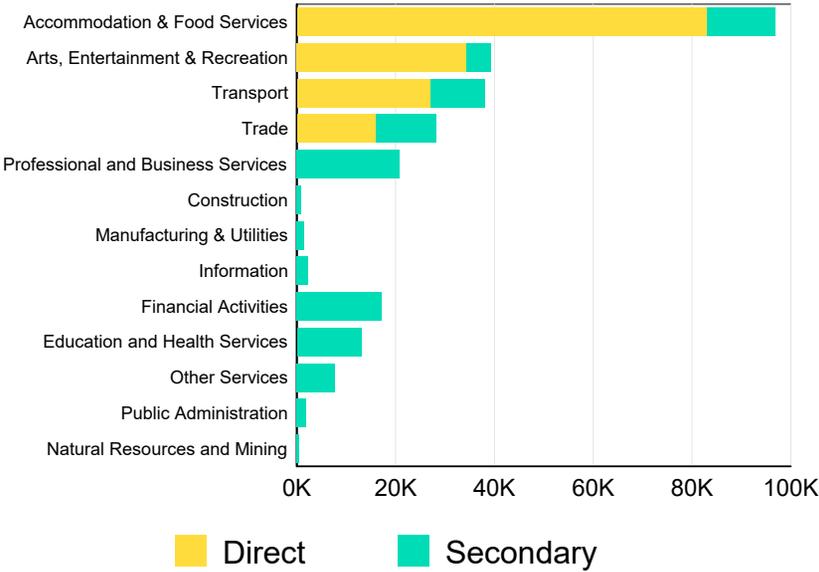
Financial Activities (17,250 jobs and \$877 million in earnings) Both businesses and individuals make use of banking and insurance institutions.

Other Services (7,730 jobs and \$376 million in earnings) Employees and travel businesses utilize a number of service providers such as repair shops, laundry, maintenance, and business services.

Arizona / Secondary Effects

Total Employment 2020

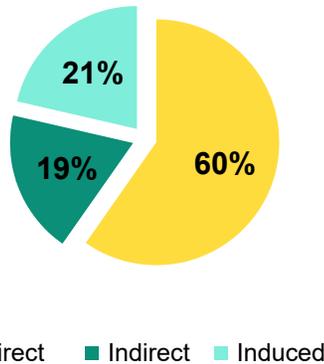
Direct & Secondary Employment



Industry Group	Direct	Secondary			Grand Total
		Indirect	Induced	Total	
Accommodation & Food Services	83,070	6,300	7,550	13,850	96,930
Arts, Entertainment & Recreation	34,250	3,380	1,650	5,020	39,270
Transport	27,120	7,860	3,140	11,000	38,120
Trade	16,060	1,990	10,190	12,170	28,230
Professional and Business Services	0	14,390	6,450	20,840	20,840
Construction	0	510	440	950	950
Manufacturing & Utilities	0	840	600	1,440	1,440
Information	0	1,320	940	2,260	2,260
Financial Activities	0	9,810	7,440	17,250	17,250
Education and Health Services	0	310	12,740	13,050	13,050
Other Services	0	2,280	5,450	7,730	7,730
Public Administration	0	1,190	670	1,860	1,860
Natural Resources and Mining	0	190	240	430	430
All Industries	160,500	50,360	57,510	107,870	268,370

Values may not add to totals due to rounding.

Share of Total Employment



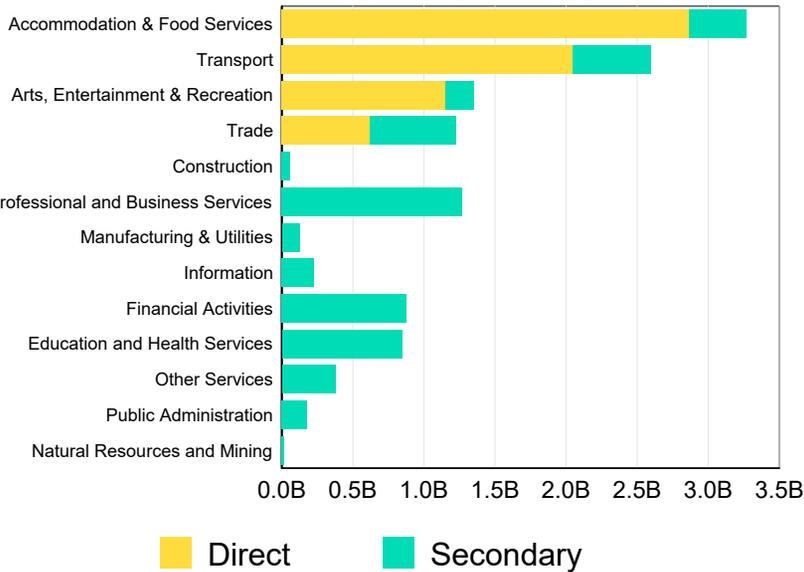
MOST DIRECT JOBS
 Accommodation & Food Services

MOST SECONDARY JOBS
 Professional & Business Services

Arizona / Secondary Effects

Total Earnings 2020

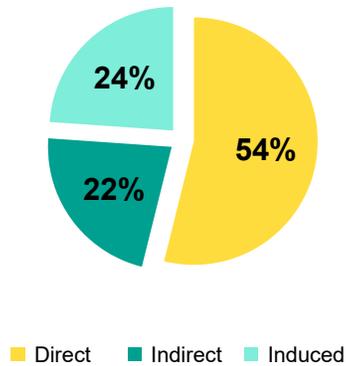
Direct & Secondary Earnings



Industry Group	Direct	Secondary			Grand Total
		Indirect	Induced	Total	
Accommodation & Food Services	2,863	192	212	403	3,267
Transport	2,045	424	127	551	2,596
Arts, Entertainment & Recreation	1,151	146	55	201	1,352
Trade	620	139	467	606	1,225
Construction	0	31	26	57	57
Professional and Business Services	0	881	388	1,269	1,269
Manufacturing & Utilities	0	76	49	125	125
Information	0	144	85	228	228
Financial Activities	0	463	414	877	877
Education and Health Services	0	16	830	846	846
Other Services	0	129	247	376	376
Public Administration	0	114	63	177	177
Natural Resources and Mining	0	7	10	17	17
All Industries	6,679	2,761	2,972	5,732	12,411

Values may not add to totals due to rounding. Figures in \$Millions

Share of Total Earnings



MOST DIRECT Earnings
Accommodation & Food Services

MOST SECONDARY Earnings
Professional & Business Services



Arizona / Tax Revenue

Industry Gross Domestic Product and Taxes, 2020

One way to consider the contributions of various industries is to express the tax payments of businesses to government as a percentage of their Gross Domestic Product. Both figures highlight these tax payments for a sample of goods-producing and service sectors in the state, including travel.

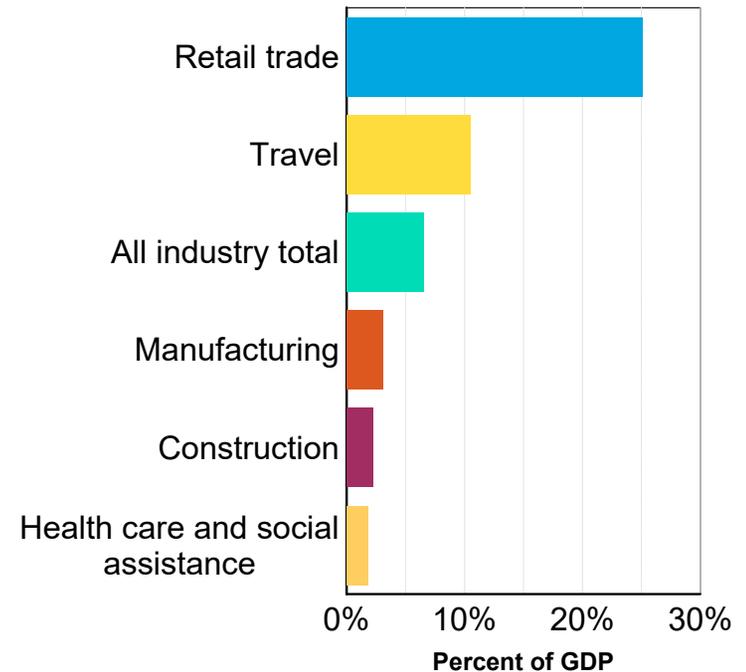
TOPI includes most taxes paid by businesses except for income taxes. This is why retail trade and travel have relatively high proportions of tax payments to their corresponding gross domestic products.

Production & Import Taxes as a Percent of GDP, Selected Industries, 2020 CY

Industry	GDP (Millions)	TOPI (Millions)	Percent
Construction	\$19,473	\$435	2.2%
Health care and social assistance	\$31,733	\$568	1.8%
Manufacturing	\$31,112	\$963	3.1%
Retail trade	\$27,683	\$6,934	25.0%
Travel	\$9,484	\$999	10.5%
All industry total	\$372,461	\$24,190	6.5%

Source: Bureau of Economic Analysis and Dean Runyan Associates
TOPI denotes taxes on production and imports less subsidies.

Production & Import Taxes as a Percent of GDP



Arizona / Tax Revenue

State and Local Tax Revenues FY 2020

The three primary sources of tax revenue generated by the travel industry are:

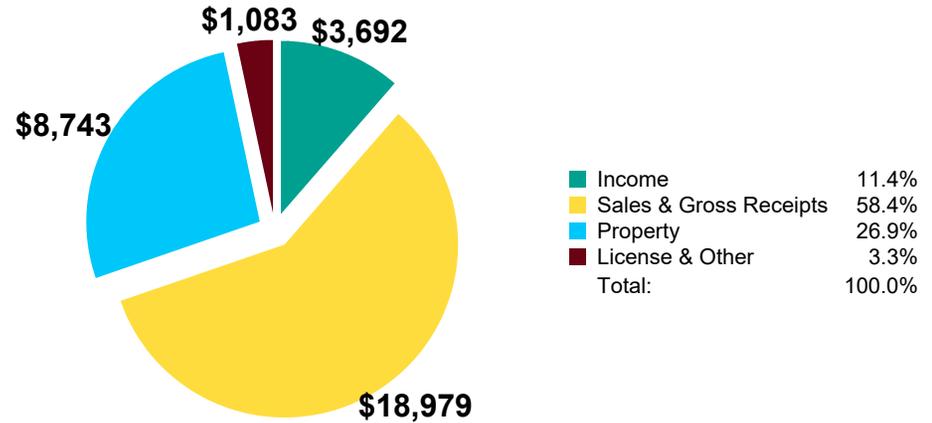
- Sales tax receipts generated by visitor spending. This includes local and state sales taxes, lodging taxes, alcoholic beverage taxes, motor vehicle rental taxes and motor fuel taxes.
- Taxes paid by travel industry businesses attributable to travel generated business receipts (property and income taxes).
- Taxes paid by travel industry employees attributable to travel generated earnings (sales and property taxes).

Tax Type	Total	Travel	Percent Travel
Sales & Gross Receipts	\$18,979	\$1,495	7.9%
Property	\$8,743	\$174	2.0%
Income	\$3,692	\$138	3.7%
License & Other	\$1,083	\$50	4.7%
Total Tax Receipts	\$32,496	\$1,858	5.7%

Source: Dean Runyan Associates, Census Bureau

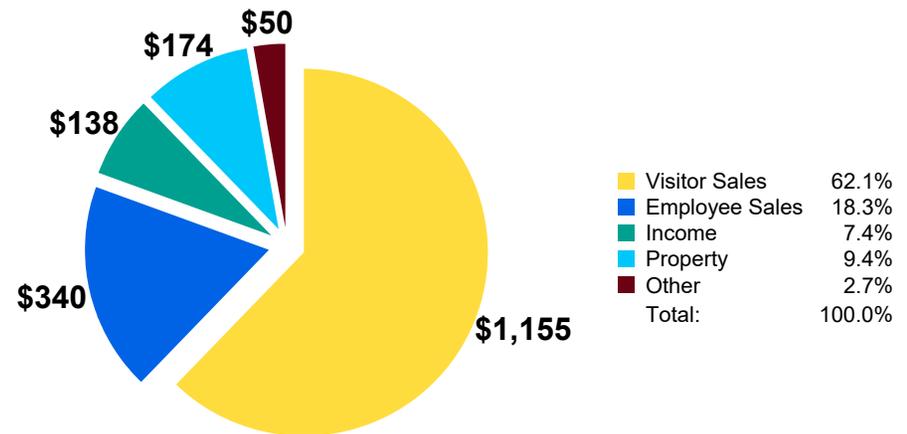
State and Local Government Tax Revenues

2019-2020 Fiscal Year (\$Millions)



Travel Industry State and Local Government Tax Revenues

2019-2020 Fiscal Year (\$Millions)

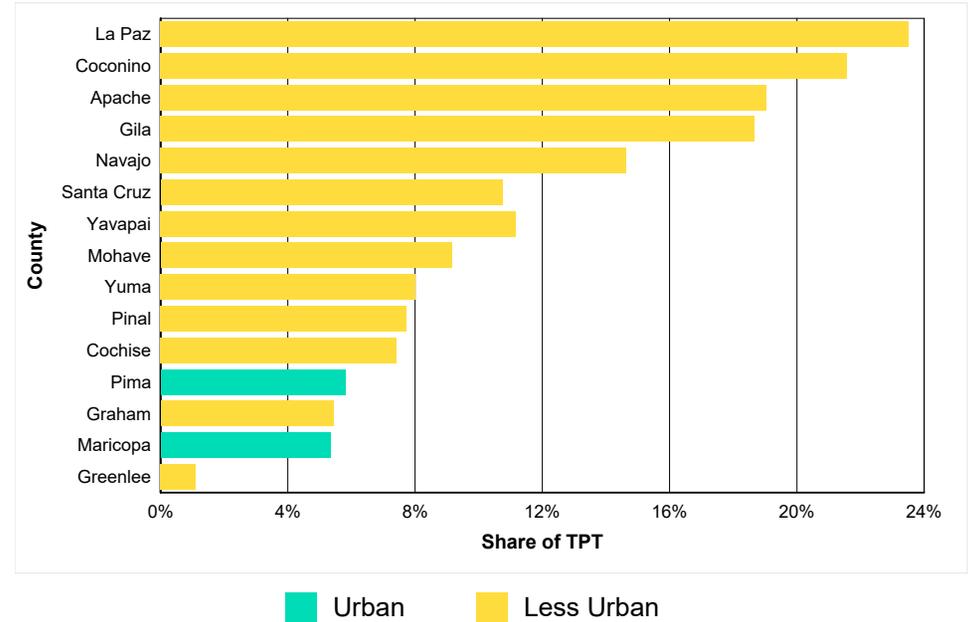


Arizona / Tax Revenue

Total and Visitor-Generated Taxable Sales, FY 2020

County	Total (Millions)	Travel (Millions)	Percent
Apache	\$15.9	\$3.0	19.0%
Cochise	\$91.5	\$6.8	7.4%
Coconino	\$167.7	\$36.2	21.6%
Gila	\$35.6	\$6.6	18.7%
Graham	\$25.4	\$1.4	5.4%
Greenlee	\$25.4	\$0.3	1.1%
La Paz	\$16.0	\$3.8	23.5%
Maricopa	\$4,776.8	\$255.2	5.3%
Mohave	\$184.4	\$16.9	9.2%
Navajo	\$78.8	\$11.5	14.6%
Pima	\$885.0	\$51.3	5.8%
Pinal	\$208.5	\$16.1	7.7%
Santa Cruz	\$32.3	\$3.5	10.7%
Yavapai	\$214.7	\$24.0	11.2%
Yuma	\$159.7	\$12.8	8.0%
Arizona	\$6,917.5	\$449.4	6.5%

State Transaction Privilege Tax
Generated by Direct Travel Spending, FY 2019



Source: Arizona Department of Revenue, Dean Runyan Associates

The tax impacts of the travel industry are generally greater for the less urbanized counties in the state. Overall travel contributes 6.2% to the statewide sales tax collections.

Arizona / Tax Revenue

Tax Revenue Generated by Travel per Household, 2020p CY

County	Local (Millions)	State (Millions)	Total (Millions)	Households (000's)	Tax Per Household
Apache	\$3.3	\$4.7	\$8.0	22.8	\$350
Cochise	\$10.3	\$10.4	\$20.7	49.2	\$420
Coconino	\$54.4	\$45.9	\$100.3	49.4	\$2,028
Gila	\$9.9	\$13.0	\$22.9	22.3	\$1,028
Graham	\$2.1	\$2.1	\$4.1	11.7	\$352
Greenlee	\$0.2	\$0.4	\$0.6	3.6	\$162
La Paz	\$6.2	\$6.9	\$13.1	9.7	\$1,356
Maricopa	\$528.4	\$423.0	\$951.4	1,689.6	\$563
Mohave	\$22.3	\$24.0	\$46.3	89.5	\$517
Navajo	\$14.2	\$15.4	\$29.6	37.1	\$798
Pima	\$48.1	\$83.5	\$131.6	420.0	\$313
Pinal	\$22.4	\$27.4	\$49.8	159.2	\$313
Santa Cruz	\$4.9	\$5.8	\$10.7	15.2	\$700
Yavapai	\$40.6	\$33.9	\$74.5	103.4	\$720
Yuma	\$18.5	\$22.0	\$40.4	71.6	\$565
Arizona	\$786	\$718	\$1,504	2,754	\$546