



City of Prescott

Tourism Advisory Committee

June 12, 2024 | 11:00 AM
201 N Montezuma Street
Council Chambers, 3rd Floor
Prescott, AZ 86301

MINUTES

1. CALL TO ORDER

Chairman Christensen called the meeting to order at 11:00 a.m.

2. ROLL CALL

Margo Christensen - Chair
Steve Bracety - Member
Matt Brassard - Member
Robert Coombs - Member
Jim Dawson - Member
Dennis Gallagher - Member
Edd Kellerman - Member
Autumn Kline - Member
Ken Leja - Member, Excused
Linda Nichols - Member

3. DISCUSSION & ACTION ITEMS

A. Welcome New City Staff Members.

New Airport Director, Rick Crider, introduced himself to the Committee, and expressed that he is excited for collaboration and upcoming projects.

Councilmember Fruhwirth and New City Manager, Dallin Kimble, arrived at 11:28 a.m. Mr. Kimble introduced himself to the Committee and commented that he is looking forward to more involvement with the Committee and is also excited about what is to come.

B. Approval of April 24, 2024, Tourism Advisory Committee Meeting Minutes.

MOTION BY MEMBER NICHOLS TO APPROVE THE MINUTES AS PRESENTED; MOTION SECONDED BY MEMBER BRASSARD: PASSED (9 - 0)

C. Discussion Regarding the August Meeting Date.

Tourism Manager, Cristina Binkley, provided an update affecting the current Committee meeting schedule. The City Council will have a reduced summer schedule during the months of July and August. There will be one meeting each month, and Council will resume the normal cycle of meetings twice a month starting in September. All City operations will continue as scheduled.

The Committee's September and October meeting agendas may, therefore, be fairly full. There may be a special meeting between now and September, however, to discuss grants. Staff will keep the Committee members informed.

This item was for discussion only. No formal action took place.

D. Presentation & Discussion Regarding "DATAFY" from Front Burner Media.

Ms. Binkley introduced Heather Herman with Front Burner Media, who shared a presentation on DATAFY. Tourism has purchased the new software to review visitor spending, visitor volume with length of stay, yearly comparisons, top markets, top spending, and a multitude of other reporting options. The presentation covered the Experience Prescott data and analytics, from January 2023 through March 2024.

Ms. Herman provided a brief description of the program, and the valuable insight gained from real-time visitor data compilation. Advertising strategies and marketing efforts can then be optimized for better results.

The program is not a people counter, according to Ms. Herman, but rather an aid that helps identify an audience. At the airport, for example, the only way to get an exact number would be a turn style. DATAFY cannot capture every device, as some are set to block geo-location tracking. Today's presentation covers 50 miles of travel area and reflects an average stay length of two days. She explained that the density map and daily visitor trends in the presentation outlined where visitors are traveling from, possible emerging markets, and where 2024 is trending. Thus far, numbers are slightly lower than at this time last year.

Ms. Herman continued, and explained the visitation portion of the presentation, broken down by city, state, and designated marketing areas (DMA). Options for geo-fencing can be added, to capture visitor activity in external attractions outside the area. For example, a large number of Prescott visitors travel to the Grand Canyon as well.

Member Dawson inquired about the types of trips. Ms. Herman and Ms. Binkley clarified day trip data versus overnight stays. There are current marketing efforts to improve overnight stays, as there is too much to see in one day for the average visitor. It is always a goal to turn a day trip into an overnight trip.

Member Nichols inquired about cost being a factor. Ms. Herman agreed that it can be a factor, however, the price point in the area is attractive compared to surrounding areas.

Ms. Herman concluded her presentation and explained that the data gathered is a huge benefit to making future decisions. Year to date 2024, the arts, entertainment and recreation categories are going well. Dining and lodging are exceeding 2023. She added that during the next meeting, she aims to provide a more detailed report with additional content. The Arizona Office of Tourism Cooperative Marketing program will be available soon, with opportunities and a variety of offerings that include research, strategy, content creation, custom programs, and more.

This item was for discussion only. No formal action took place.

E. Presentation & Discussion Regarding the 2025 Fiscal Year Budget for the Office of Tourism.

Ms. Binkley referred to the DATAFY presentation, the benefits it can provide for decision making, and how budget ties in to support those decisions. The proposed 2025 Fiscal Year (FY25) Tourism Budget was presented to the Committee. Ms. Binkley reviewed the elements, starting with Bed Tax Collections. Data supports a steady increase since 2021, and so far, numbers are on track to hit 1.6 million again. Taxable Activity was reviewed next, for retail sales.

Member Nichols asked if this Committee attempts to attract new businesses when an existing retailer goes out of business.

Ms. Binkley responded no, there is no active retail recruitment program yet, however, it is part of the Strategic Plan alongside Council goals.

Financial highlights were reviewed and record high profits and conservative spending for the past couple of years has allowed for a \$302,789 increase in the overall budget. The financial categories were described, including that half of the budget is for department operating costs. The other half goes to community support, which is projected to be approximately \$535,000.

Visitors generate an estimated \$4 million in annual city sales tax revenue, according to Ms. Binkley. To put that into perspective, that is enough to support the annual salaries of 22 police officers or 23 firefighters, half the cost of a new fire station, annual maintenance of 856 acres of parks and open space, annual maintenance of 222 miles of streets, one and a half years of citywide library operations, or the purchase of 25 acres for the development of Granite Dells Gateway Park.

Ms. Binkley discussed how to increase bed tax. Compared with municipalities that can fill to capacity with tourists, Prescott cannot as easily. The goal is to find ways to accommodate the same number of tourists but double the revenue. Some, but not all, options include more properties and short term rentals, increased event attendance, and adjusting the bed tax percentage rate. The impacts for each were debated.

To conclude, Ms. Binkley shared that today's presentation was to provide a transparent picture, with goals and planning in mind. She invited questions and comments from the Committee.

Chair Christensen commented on an increase of bed tax percentage, and it being unfortunate that the issue cannot be pushed through on a government level.

Ms. Binkley explained that Prescott is a Charter City, and such an increase would need to go to vote. She thanked the Committee for the time and consideration with today's discussion.

This item was for discussion only. No formal action took place.

4. STAFF UPDATES

A. Presentation & Discussion Regarding Changes to Tourism Grants & Contracts.

Ms. Binkley provided a brief update regarding tourism grants and contracts. Many of the contracts within the Tourism office consist of memorandums of understanding, and/or verbal contracts. Bed tax falls into a special grant funding category, and procurement guidelines are slightly different. Contracts are being reviewed, with 31 contracts to go before Council in July. Annual contract review, related to grants or otherwise, provides efficiency going forward.

This item was for discussion only. No formal action took place.

B. Committee Member Updates.

Committee members and Council Member Fruhwirth provided updates to the Committee. There were no additional questions that followed.

C. Staff Announcements

Airport Department Activities

Airport Services Manager, Christina Papa, provided an airport update to the Committee. To date, there have been 7,990 boardings this year, which is 142 more than this time last year. Construction for the rating condition on runways and taxiways is anticipated to include night closures. The project will be completed in phases and occur at the same time as the Strategic Academic Flight Education (SAFE) complex work. On the south ramp, there has been paving and patching done on the Delta taxiway. The areas of D5-D7 will wait until the fire season ends, around mid-September.

Ms. Papa also provided an Essential Air Services (EAS) update. The United States Department of Transportation (USDOT) has agreed to extend the current EAS contract in Prescott through August 31, 2024, or until a new EAS contract has been agreed upon by the City. The current EAS agreement is with United Express, operated by SkyWest Airlines, with daily flights to Los Angeles and to Denver. The city has opted to keep the current service and will continue to book as aircraft are phased out.

Regarding advertising and marketing, numerous entities are interested in advertising on the TVs/monitors within the terminal, according to Ms. Papa. Early FY25 is anticipated, and revenue generation options are under review. Rental vehicle activity with Avis was discussed, looking at a 535 rental total for one month, of which many were for a five day period. Only nine were one way rentals. Expanding rental facilities is still on the horizon, as the area of intent is already included in the layout plan.

Chair Christensen asked if any thoughts or discussion have taken place regarding food and beverage services in the airport terminal.

Ms. Papa confirmed that item is on the list. Now that a new Director is in place, more data can be gathered on the subject. Benefits include improved customer service, especially for those who may experience a long layover. Vending machines, even if to start, would be a viable option.

Economic Development Strategic Plan

Community Outreach Director, John Heiney, provided an update regarding the City's first of its kind strategic plan for economic development. Representatives from Civic Solutions, based in Austin Texas, will be in town June 26-27 for the first phase of their work, which is stakeholder engagement.

They will meet with City Council members, then host a series of roundtable discussions with different stakeholder groups. Tourism staff are reaching out to various groups, such as hospitality businesses and attractions, small and large employers, arts and cultural organizations, and educational institutions, to enlist participants. Following their visit, the firm will conduct one on one calls with stakeholders, in July and early August. They hope to present a completed plan to the Council in late October or early November.

Hotshot Memorial Dedication

Mr. Heiney announced that the Prescott Fire Department and the City of Prescott will host a dedication ceremony for the new Granite Mountain Hotshot Memorial on the Courthouse Plaza, on Sunday, June 30 at 3:45 pm. Chief Holger Durre will be the keynote speaker, with comments accompanied from Mayor Goode, Chairman Brown, and John Marsh representing the families. The artist who created the beautiful piece has also been invited to speak.

Tourism Office Activities

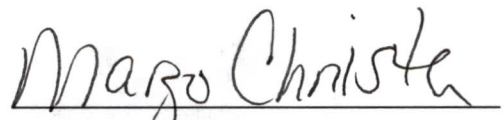
Ms. Binkley shared with the Committee that the content creation team has been on board for about a month, and progress is going very well. A 25 page analytic report on performance was recently completed.

Tourism Group Sales Manager, Mike Kelly, shared that he has been with the Tourism team for about a year, and is looking forward to this summer and new events happening. He is working with the Arizona Interscholastic Association, and the possible new avenue of opportunity. For hotel overflow, Requests for Proposals (RFPs) have been sent to various hotels. Discussed details of the new avenue for opportunity.

This item was for discussion only. No formal action took place.

5. ADJOURNMENT

There being no further business to discuss, Chair Christensen adjourned the meeting at 12:31 p.m.


MARGO CHRISTENSEN, Chair

ATTEST:



MARIKAY WHISENAND, Senior City Clerk Specialist

Date