

GRAND JUNCTION VISITOR & CONVENTION BUREAU
MINUTES OF THE BOARD OF DIRECTORS MEETING

October 12, 2010

PRESIDING: Paul Petersen, Chair

MEMBERS PRESENT: Rick Martindale, John Williams, Per Nilsson, Deborah Hoefer, Glen Gallegos

MEMBERS ABSENT: Brunella Gualerzi, Jessica Stimmel, Nathan Knoll

STAFF PRESENT: Barbara Bowman, Debbie Kovalik, Erin Chapman, Layne Whyman, Melanie Wiseman, Irene Carlow

GUESTS: Karin Mast, Linda Hill, Kate Peterson, John Shaver

The meeting was called to order at 3:10 pm.

GOVERNOR'S TOURISM AWARD: The GJVCB received the Outstanding Tourism Community Initiative for the Train to Colorado's Wine Country. The award was presented at the Governor's Conference on Tourism held September 29 – October 1. The success of this program is attributable to the partnerships developed between the GJVCB, AAA Colorado, Amtrak, Colorado Wine Industry Development Board and Grand Junction tourism partners. The economic impact generated by the 26 trains is estimated at over \$500,000.

AGENCY UPDATES: Miles Media Karin Mast reported that the total spending level of the contract has been adjusted downward as part of the VCB's overall budget reductions. Programs that have been put on hold include emails and the viral game. Both traffic and conversions are up over last month. The US Travel Association reports that travel is growing slowly but faces an uncertain future because consumer activity is unpredictable. Indicators are that people want to travel and groups are picking up, but consumer spending hasn't increased.

Hill Aevium Kate Peterson reported that the 2010 media plan is wrapping up; the ad for the Colorado Official State Vacation Guide is being finalized and the 2011 Grand Junction Visitor Guide is in process. The Online Conversion Study has received over 400 responses to date. Questions concerning social media have been added but, overall, questions are similar to last year's study so that year-to-year comparisons will be valid. The ADR/Occupancy Study is in process; 3rd quarter results may be available in November/December, but that depends upon receiving data from participating hotels.

Debbie Kovalik thanked Linda Hill for her 18-year partnership with the GJVCB and the many successes that the agency and the bureau have achieved. Linda expressed her thanks to the Board and staff and wished the bureau continued success in the future.

(John Shaver joined the meeting.)

MINUTES OF SEPTEMBER 14, 2010: Rick Martindale moved to approve the minutes as written, John Williams seconded, passed unanimously.

BOARD DISCUSSION ITEMS: Board Vacancies Applications are due to the City Clerk's office Friday, November 5.

2011 Chair/Vice Chair Election Process Members interested in serving are asked to contact the Chair to discuss the responsibilities and time commitments. Rick Martindale, current Vice Chair, is interested in serving as Chair in 2011. Election will be held at the December meeting.

Expand the Tent John Shaver, City Attorney, briefly reviewed the expand the tent program that City Council most recently re-authorized in 2006 for a period of five years. A new Resolution will be required in 2011 if the program is to continue. Participating properties sign an Agreement prepared by the City Attorney's office. Gateway Canyons Resort has requested that the Agreement be modified and the Board is being asked to provide specific direction on the following:

1. The affect of long-term contract programming (leasing) of a property to a third party
2. Whether participating properties can take the vendors fee reduction
3. Meeting room revenue exemption (the Agreement needs clarification/revision; the 3% fee has never been paid nor was expected to be paid on meeting room revenue)

John Williams, representing Gateway Canyons (GC), stated that the resort participated in the expand the tent program from 2005-2009. The resort experienced management changes, opted out at the end of 2009, then re-joined in mid-year of 2010. GC is currently negotiating with a third party to wholesale (lease) the resort for approximately 32 weeks per year, and that is what prompts this Board review.

The Expand the Tent Agreement does not offer the same terms as the lodging tax ordinance offers to properties inside the City limits -- specifically, long-term rentals (over 30 days) are exempt from lodging tax. GC requests that revenue for those rooms that are under contract to a wholesaler be exempted from the 3% tax. GC also requests an exemption for meeting room revenue and that GC be allowed to take the vendors fee reduction, just as properties inside the City limits do.

Rick Martindale asked if, during the 32 week lease period, the rooms will be rented to different people each night or will the same person occupy the room every night? Martindale said, "If the rooms are re-sold, that revenue is not exempt from the 3% lodging tax collected inside the City limits."

Williams responded that the rooms will be sold to one company that will guarantee the amount. If GC rents out an individual room, the 3% fee will be paid. Williams said that "GC does not want to be treated differently than hotels inside the City limits."

(Deborah Hoefer joined the meeting.)

Shaver stated that this is a long-range, all-encompassing policy change that would apply to all properties in the future as long as the Expand the Tent program is in place. Per Nilsson stated that he would agree to GC's proposed changes if that is an appropriate interpretation of the Agreement. Shaver responded that the Board would have to change its policy and then the Agreement would be changed to match the policy.

Williams said that GC will lease the resort to a third party who will sell/book rooms to others for educational purposes. Transient rooms will still be available, the contract will not be for all rooms at the resort. The Agreement is for one year; the VCB can determine if it works for the Bureau.

Debbie Kovalik suggested a letter of agreement outlining what information will be listed in the Visitor Guide and on the VCB's website would be helpful. This letter could clarify what kind of business GC wants and how staff does business with and promotes the resort. Glen Gallegos said that the operational aspect is very important and we need to define how this fits with the VCB's operations. Gallegos asked, "Are we setting a precedent with a special agreement/special circumstances for GC?" Shaver responded that this does not set a precedent but it does set expectations.

Williams stated again that the contract (Agreement) does not match the lodging tax Ordinance that is referenced in the Agreement.

Shaver stated that the Agreement can be revised to incorporate GC's request, if the Board is comfortable with those changes. Shaver noted that the original intent of the Expand the Tent program was that there should be more benefits to City properties. Shaver said the question before the Board is, "Does the Board want to make properties inside and outside the City limits the same?"

Williams said that the Resolution is vague; however, it does give the VCB the right to refuse to accept a property.

Gallegos asked if GC needs the VCB? "Does the VCB need GC for such a short time (20 weeks/year)?" Kovalik responded that the VCB doesn't need GC and the revenue from

GC is not a significant part of the VCB's total revenue. She also said that the VCB does gain a marketing product that we don't have in the City limits and there is much interest for this type of product in the international market.

Shaver recapped the issues that would need to be addressed in a proposed motion:

1. Applicability of the 3% fee to long-term (more than 30 days) wholesaling
2. Meeting room revenue would be exempt from the 3% fee
3. Applicability of the vendors fee

After discussion, it was clarified that the vendors fee is/will be excluded from this action.

Martindale restated his belief that a re-seller of rooms inside the City limits is responsible for the lodging tax, therefore GC would be responsible for the 3% fee as well. Shaver stated that the purchaser can be a corporate "tenant". The room would not be subject to the lodging tax for long-term stays as long as the room is in the name of the corporation, regardless of the individual occupying the room.

Motion by Glen Gallegos: The Expand the Tent policy shall be revised to treat properties outside the City the same as properties inside the City limits under the Lodgers' Tax Ordinance, with the exception of the vendors fee, with a policy review in one year. Per Nilsson seconded, motion passed with 4 in favor:

In Favor: Per Nilsson, Glen Gallegos, Paul Petersen, Deborah Hoefer

Opposed: Rick Martindale

Abstained: John Williams

Colorado National Monument National park status is being proposed and the CNM Association is requesting a letter of support from the VCB. City Council is preparing a letter as well. Under national park designation, there will be:

- No change in use
- No additional cost (except signage)
- No addition of land

Deborah Hoefer moved to write a letter in support of designating the Colorado National Monument a national park, Rick Martindale seconded, passed unanimously.

STAFF REPORTS: Lodging tax collections were up 3.6% for the month, the third consecutive month of increases.

Automobile touring clubs are a target market for the Colorado National Monument's 100th Anniversary next year. A 600-postcard mailing is already showing results: a club located in Palm Springs is planning a 1-week visit next year as a direct result of the postcard they received.

A group of 11 elected officials and tourism professionals from the Badlands region of Alberta, Canada visited Grand Junction and Moab on a best-practices learning tour. The VCB assisted with organizing a panel discussion that included city officials from Grand

Junction, Palisade and Fruita as well as public land management agencies, and coordinated an agricultural tour in Palisade.

There being no further business, the meeting was adjourned at 5:20 pm on motion of Deb Hofer and second of Per Nilsson.