



TAPP BOD Agenda
7:30am, OCT 21, 2020
Zoom Meeting

Directors in Attendance: Kurt Giesselman, Kelly Osness, Wynn Williams, Gary Pierson, Jennifer Barvitski, Kelley Baer, Erica Rasmussen

Staff: Jeff Moffett, Andrew Sandstrom, John Norton, David Assad, Tanner Whiteford, Katy Mooney

Public: Bill Ronai, Dave Taylor, Mark Shumacher, Janet Farmer

7:32 Call to Order and Roll Call.

September Minutes Approved

Kurt asks for any corrections or comments on September Budget Minutes. Gary motioned to approve the minutes, Jennifer seconded. All approved.

Kurt on Public Comment Period

We are going to change the style of public comment in our meetings to mimic more of how city council does. If anyone has questions or comments about a subject, please send me a note or chat which will allow me to unmute you. We want everyone to be heard but we ask that you keep your comments condensed. Are there any public comments about things that are not in the agenda? Dave Taylor commented that the presentation that TAPP has given to BOD and BOCC did little to touch on transparency. Kurt replied, that is valid and we can have a regular agenda item that does a year over year of comparison of financial results. Which will make them part of the public record. So yes, we will add that to all future meetings. So thank you for asking that. Mark added that he appreciates the public comment period at the beginning but suggests also providing time at the end so that the public may comment on any thoughts from the meeting itself. Mark also added, the reporting that we do as a comparison to other similar cities, needs to identify what the other resorts are doing as far as capacity. We need to have a fair “apples to apple” comparison. If we are going to base our results off DestiMetrics then we need to have John or Andrew come forward and explain how the results of those metrics are captured. John replied, the results from Telluride and Aspen and Steamboat are legit comparisons because those communities never hit their 50% lodging availability. Jennifer added that the fact we were able to open to 100% is a testament to TAPP and Health/ Human Services. She also added on behalf of Andrew and John we have done a lot of outreach to south valley lodging but there is a lot of hesitancy for lodging properties to share their information

with DestiMetrics.

Jeff on Summer Air Recap

For sake of time, this will be a high level overview of the airline results. If anyone would like to dive deeper into the number please reach out to me and I will happily go over that with you. From 2016 to 2020 we have apples to apples. This summer, United took the Houston flights away and we only had the Denver flight. We did have 2, 70 seat RJ planes a day which helped us in comparison to the airline industry as whole. We only dropped from 13,000 down to 8,400 seats which is not that bad. The real remarkable point is how well September did in this comparison with 60% load capacity, so people are coming back to Gunnison and air travel is coming back. Moving to look at winter, these are YTD sales. You can see that through October we are at 4,153 seats which is about 70% of sales we had this time last year. Another note, all schedules are subject to change. Overall the industry is chasing leisure travelers and business travel has really come to a halt which is why you JetBlue and Southwest Airlines are making stops in Montrose now. JetBlue has a revenue guarantee however, Southwest has taken this stop at their own risk. Those airlines are still worried about state level limitations to air travel. Kurt asked what the Southwest and JetBlue routes are? Are there any limitations at GUC to prevent JetBlue or Southwest from flying in? Jeff responded Southwest flies to Houston and JetBlue flies to Long Beach and Boston. Secondly, Southwest could operate their 737s at GUC but a few years ago they cited some union issues with flying into smaller airports. For JetBlue it really comes down to the strength of their engines to fly at this altitude.

Jeff on Arrivalists Information

Within Gunnison County we have different areas drawn on the map sectioned into points of interest. This shows where visitors went this year compared to last. We can see that the Lower Loop Trail traffic doubled from last year. This shows where people are going in the valley and where they are staying away from. This shows that within the valley the places that really hurt, primarily the places that tend to be more crowded. The next slide shows where people came from. A lot of people here this summer are from all over, not just the Denver area. There were a lot of people from all over the country. There is a lot we can learn in the coming months. The next slide shows where people came from, again showing that we received visitors from all over the country. In the last slide, we can see in a visual graph the comparison between 2019 and 2020 the distribution of daily arrivals.

John Norton on Annual Review

So when we went into the annual review we had through July numbers. We were still 2% behind 2019 numbers even though we had a huge summer. This is why we were asked to have a 5% reduction in LMD request. We just got August numbers which show a +18% lodging revenue and we are now +1% ahead of where we were this time last year. I expect to show positive results in 2020 compared to 2019. We should all be very proud of these outcomes. What we did say to the BOCC is that if we ended with positive numbers for this year, that we might come back in March or April 2021 to ask for any surplus in funding if available. I think we are going to have a really positive year. I look forward to 2021, we are going to have a hard time beating July.

Andrew on Marketing Overview.

We are putting final touches on the winter marketing plan. Our plan is to have it launch November 1st. We are just waiting on a few pieces of creative and media buys before the launch. We did get \$160,000 of our \$200,000 ask from the Mt. CB grant cycle for our winter air marketing campaign. The primary goal of TAPP is to increase lodging revenue and fill airline seats. We decided to go after more air markets this year compared to drive markets from past years. While the drive market is our largest visitor group, air guests not only spend more but air market book sooner than drive. The average rate among that group is \$450 dollar per night compared to \$150 dollars a night. With drive markets the booking window is narrower which makes it harder for the lodges to raise rates. Our message will be an alpine ski message. Target markets will be 30% Dallas, 30% Houston, 20% Austin and 20% broader net via retargeting people who have searched for skiing vacations and people who live in other winter destination markets. Demographics are adventurous families with \$100,000 plus in household income and adventurous millennials with \$75,000 plus in household income. Arrivalist data will allow us to track how well this marketing is doing. During our campaigns we will monitor click rates, time on website, video views ect.. For our media types, we will be heavy in paid social media so that we can be nimble and turn it off if necessary due to COVID. The rest of our send will be spread through other digital media platforms. With any direct to publications, we want to have backout clauses in fear of COVID as well. Andrew presented a slide explaining the winter marketing spend budget highlighting a few other media buys with Blister Review and Matchstick Productions.

David on ICELab Report

-Coworking Occupancy: Our occupancy has been very good. Our offices have been full and we have actually opened up more office spaces by rearranging our current space availability. Originally we were able to offer six private office spaces and now we offer nine. It has been a very good year other than being closed for 2 months.

–Moosejaw Accelerator: First I want to thank John for opening the door with Eoin Comerford, the CEO of Moosejaw. Moosejaw was our biggest sponsor of the 2019 accelerator and Eoin seems very excited for this to happen again. This is a national accelerator which will accept applicants from around the US for those who want to grow their outdoor business. This will be an 8 week program with 4 weeks being in Gunnison. The Accelerator will be in partnership with the law firm Holland & Hart who have committed to both monetary and legal services for the program. Today we have a talk with Camber Outdoors and are hopeful for their support since two of the finalist companies will be run by people who are underrepresented in the outdoor industry. Kurt asked to add a brief background about Moosejaw. David replied that Moosejaw was purchased by Walmart 3-4 years ago and they run Moosejaw Mountaineering which is the 2nd largest outdoor retailer in the US and has been growing significantly since they were purchased by Walmart. John added that their brick and mortar stores are primarily based in the

midwest being that Moosejaw is based in Detroit. They are looking more into the mountain biking industry than they used to. The good thing about being owned by Walmart is that they have the capital backing to run many ideas and programs. Ozark Trails is the largest outdoor goods brand in the United States. This will be bigger than the first national accelerator as far as national publicity. This is a very great thing for economic development and we are very excited for this accelerator. We will have to narrow down the top 8-10 semifinalists before the public votes on the final 4 winners. Dave Taylor asked a question in the chat about the allocation of resources used by the ICELab. Kurt followed up by stating the 4 charges assigned to TAPP from the BOCC being STOR, ICELab, Western and Tourism. Meeting all of the goals is tough and allocating our resources between all is always a challenge. John added that this accelerator touches a majority of our bases.

–Hustle Bike Labs: The Hustle team is our success story from the 2019 accelerator. They just started renting an office here at the ICELab and now have a team of four compared to two. They have recently designed a shoe with the help of former Puma and Reebok employees, which is a new product that will complement their magnetic pedals. They have been able to fix shipping from China, which was interrupted due to COVID and will begin sales in January 2021. The CEO of Moosejaw asked for a re-introduction of Hustle and wanted to see if they could help in the launch of the product. Andrew noted the size of the pedal market and asked if David could elaborate on the market more. David replied, the market is between \$60-70 million annually. There is a good chance that Hustle could take a significant chunk of that market. They could become a huge \$20-30 million company. Kurt also added that the 3 companies in the accelerator program with Hustle stayed in Colorado which should make OEDIT happy. David added that all three companies are doing well and 2 of those companies moved from Texas, one being Hustle. John touched on our efforts to recruit another company called SHERPA which creates customizable carbon mountain bikes out of Austin TX. Dave Taylor asked in the chat if TAPP financially supports Hustle. David responded that TAPP does not and that Hustle rents an office at the ICELab so they in return are actually supporting us financially.

–Other: We have had several people ask about incubators however we have had less interest in local accelerators. The pipeline looks good for the incubators to come and I think we will have some really good candidates.

John on Blister Speaker Series

This year we asked Jonathan to have bigger and fewer speakers in an effort to have a better impact and reach with each event. Cody Townsend was our most recent and first, he is a very famous skier. This recent series was a big success with one of the largest turnouts yet. Since that time there have been two podcasts produced as well as a video cast and a Gunnison Times piece. Gary added that he wanted to thank David and Tanner. It was a huge success at the Quigley Band Shell with small fire pits provided by Sam Degenhard and Campfire Ranch. The event couldn't have been any better especially as we had to adhere to the COVID guidelines. These events have helped Western and its students in so many ways. I am really proud of how this speaker series went. We are looking forward to the next series in November and will be

looking at how we will pull that off as an indoor event. Andrew followed up by adding how these events touch each of the bases of TAPP's mission.

John on STOR Report

For the past several years STOR has wondered where their revenue would come from to make their conservation efforts real. Cathie Pagano has a great relationship with Great Outdoors Colorado as well as the National Forest Foundation. Recently STOR received a \$550,000 grant from GOCO which was the largest grant awarded in this last round. This Summer the STOR Corp joined the Conservation Corp in restoration projects and backcountry clean up projects. They also helped in the trail building process, particularly in the OBJ area. Signage is continually going up, including the Shady Island put-in, Slate River Trailhead and parking area. This winter there will be safety signs installed for backcountry travel, especially as we anticipate a huge rise in backcountry use. On another STOR topic we need to prepare for the severely restricted camping in the north valley next summer. I have great concerns about this, particularly that there are not reservations available. On Thursday and Fridays, we will have people who have historically camped and have their favorite spots, not having nowhere to camp and not knowing about the restricted camping enforcements. We need to have a plan by February to address how we efficiently communicate with visitors on restricted camping. I believe we will have campers angry that we have restrictions that are not widely enforced on many other public lands throughout the west which will leave them feeling unwelcome. We will also have local families and individuals who will be frustrated with the lack of availability and the lack of communication when campsites are full. I see many conflicts involved with these restrictions if we do not plan ahead and have a clear line of communication. I see the long term solution being a reservation system which we do not anticipate happening by next year. Kurt commented on his concern and question of how the STOR Committee intends to enforce these new rules, especially as people have historically disregarded these types of rules and may continue to do so. John replied that he believes these restrictions will indeed be enforced and that the Forest Service intends on bothering people who disobey these rules. It has not been clear on the penalties for breaking such restrictions yet but there will be some type of penalty, especially as these restrictions become more well known. We need to discuss the potential of sign boards on HYW 135 which indicate that camping is full or closed. Similar to the signage we had during the COVID lock down in April.

Dave Taylor asked questions about STOR Spending and where the funding is going. Andrew responded that TAPP spent money on the CBG Trails App. Which now allows us to provide accurate information and mapping of all the trail systems available throughout the valley. Before this mapping, there was not an accurate measurement of available trails not even from the Forest Service. We have put about \$300,000 into trail signage that we ran through a grant. Lost Lake, Signal Peak, Hartman Rocks ect.. We have worked on signs because it improves visitor experience throughout the valley. Again, this is a program that touches many bases of our stool since Terra Quest is a local company which we are supporting and in return that are supporting our trails strategy. John added that we have now concluded that there are 850 miles

of single track and possibly an additional 450 miles of wilderness trails. Dave Taylor made additional comments on the amount of money spent on web design for STOR and Terra Quest, asking for TAPP to be more transparent. Kurt followed up in appreciation of Dave's comments.

Kurt on Proposed Bylaws Change.

This is the 2nd time we have modified the qualifications for appointment of Board Of Directors. The first time was driven by changes from CBMR (pre Vail) and Western. This time it is driven by the BOCC expanding our role and us recognizing that we need to have investor and entrepreneurial experience on the board to help with ICELab and economic development roles. The ICELab has its advisory board which helps navigate the strategic goals and provide insight and mentorship for people who are in programs like incubators and accelerators. Having someone sit on the TAPP board who understands business start ups, investments and financial mentorship will benefit TAPP as a whole. I hope that makes it clear as to how these changes to the qualification requirements will be beneficial. Gary asked for a minor change to have WSCU changed to WCU. Kurt noted and will make the change. Mark Shumaker commented on the selection process and the mishandling on behalf of the BOCC. He cited that the LMD board is who selects the new TAPP board members, not the BOCC. Kurt noted Mark's comments.

Gary Pierson moved to approve the Bylaws change. Jennifer Barvitski seconded the motion. All in favor. Approved.

David on Other Business

I will just give a quick summary on where we are year to date, the past 9 months. Expenses are \$390,000 under budget, our received income is \$280,00 under budget which leaves us with a net surplus of roughly \$110,000 at the end of september. Of the \$110,000, the ICELab and economic development account for 1/3 of that which spending has been down primarily from not running the outdoor accelerator in 2020. The remaining \$60,000 is left for Western, STOR and Marketing as the surplus there. That money will be spent as part of our big push in early winter so that we have a strong start to next year. We are hoping this will help us have an even stronger 2021 then we had this year.

David addressing the last few questions from the chat.

Summer spend was about \$40,000 less this year than the previous year. This was due to our late start and a decrease in out-of-state reach due to COVID. Further to address the last question about ICELab income. The income is down but this is due to a lack of sponsorship dollars since we did not run the outdoor accelerator but expenses are also down because of this.

Kurt asks for any other comments and additional business.

Kurt thanks the board, staff and public guests.

Meeting adjourned at 9:14am

