

GUNNISON CRESTED BUTTE

TAPP BoD Agenda
7:30 am, February 22nd, 2024
Zoom/In-person Meeting

Board attendees: Jennifer Barvitski, Bill Ronai, Kendal Rota, Chris Miller, Gary Pierson, Bill MacFarlane, Erica Rasmussen

Attendees: Rachel Gearhart, Andrew Sandstrom, Katy Mooney, John Norton, David Assad, TJ Taylor, Jeff Moffett, Marisela Ballesteros

- **Call to order, roll call- Bill R**

Bill R calls the meeting to order at 7:32 AM. We have a quorum.

- **Approval of 11/9/23 BoD meeting minutes- Bill R**

Bill R motions to approve the 11/9/23 minutes. Jennifer motions, Gary seconds. No comments, deletions, or additions. The minutes are approved.

- **Public comment period- Bill R**

Bill R asks for public comments. There are none.

- **Welcome new BoD members- Bill R**

Bill R welcomes and thanks TAPP's new board members, Chris Miller and Kendal Rota. Kendal and her husband own and run Sapinero Village Campground. She is also on the Chamber of Commerce board and is excited about being part of the community. Chris Miller works in lumber and building materials and is looking forward to giving back to the community by being on the TAPP board. The staff and board introduce themselves.

- **Elect officers- Bill R**

Bill R asks for President, Vice President and Secretary and Treasurer nominations. Gary nominates Bill R for President, Jennifer for Vice President and Chris Miller for Secretary/Treasurer. Bill M seconds the nominations. Everyone votes yes.

- **Financial Report- Chris**

Chris Miller, the new treasurer, gives a financial report. Actual income to the budget was off in January because we got the LMD check late. There were a few 2023 expenses that got paid in January 2024. One of Chris's goals is to make sure expenses are captured in the proper year. The budget should be in line by the end of Q1. He asks if we would like any other information. John says to let us know if anything is going wrong. We also have an extra \$150K in the 2024 budget from taking Blister Labs out of the budget.

- **Air update- Jeff**

Jeff shares that things are going well with GUC and the air service. Commercial service with American Airlines and United Airlines is up 2.3 load factor points. Capacity has increased. American Airlines added extra service over the holiday. JSX is doing well, and flights are loaded for summer. Load factors were down in January. American won't have to pay the minimum revenue guarantee (MRG). The MRG payout is likely for the Houston flight, but it will be well under the \$522K cap. United's summer 2024 schedule is basically the same as summer 2023. A DFW to GUC flight is still TBD. Jeff explains the MRG, which is a payout to the airlines if they don't reach a minimum revenue set in a contract. John gives a history of some of the flights at GUC. Jeff shares that fuel costs and fleets are changing. Chris and Jeff discuss how subsidizing the airlines works. Bill R asks Jeff if he has heard about staffing issues at GUC. Jeff says no, but United seemed short-staffed last time he flew. The group discusses similar airports and how we are less aggressive than other markets. GUC is small but efficient and growing and not paying the MRG as much. Jeff shares a story about the history of the MRG. Bill R asks if the air seasons are extending. More flights in spring and fall could be possible with plane upgrades.

- **Lodging trends- Jeff & Andrew**

Andrew gives an update on lodging trends. The data we have is broken down geographically, but the categories that the lodging is broken down into are vague. Mt. Crested Butte is still the biggest driver of LMD. Gunnison and the outlying towns in the Gunnison Valley such as Pitkin and Ohio City are growing. Short Term Rentals (STR) and rate gains probably contribute to this. Discussion of STR regulations in Crested Butte and Gunnison. Gunnison does not have any STR regulations. Bill R asks if we had better data about the different types of lodges in the county would we do marketing differently? Andrew says no because we market the destination as a whole and not specific types of properties. Our goal is to get visitors to come to the Gunnison Valley and give them the information they need to book the lodging of their choosing, rather than promote specific properties.

Jeff asks Kendal if Sapinero Village is growing. She said her property is doing well. The group discusses the other campgrounds around Blue Mesa and how the National Park campgrounds pay LMD. The group discusses how lodging is classified and makes a plan to get more details about this from the county. We estimate that the "other" category in our data is likely 90% STRs. Winter is growing, but summer outpaced winter, which is odd for a ski destination. Chris asks about revenue growth. Rates and visitors increased, which grew revenue. The group discusses the lack of repeat visitors to the Gunnison Valley. The airport has done surveys to gather visitor data. Lots of people aren't repeats because of issues like wait times and lack of options with

restaurants. Other people said they like to try a new place every year. Many respondents said they only visited for a one-time event like a wedding. The group discusses the lack of things to do in Mt. Crested Butte.

- **Summer marketing update- Andrew & Katy**

Andrew shares that the marketing efforts in 2023 were focused on conversions as opposed to awareness. The goal was to get people to actually book and come here. Impressions went from 37 million to 20 million. Visits to the landing page were up 45% and clicks were up 148%. This all indicates that the shift in the strategy worked. Katy gives an overview of organic media. Searches were up 17% YOY. We are doing better than other ski destinations according to our SEO consultants. Visitors are spending a long time on the site. Most of our social content is now video. We hired a part-time videographer in 2023 to help with this. We increased the frequency of our emails in summer and winter and grew that audience by 10%. LMD collections were up 6% May to October in 2023. There were 10,513 lodging searches on Book Direct and 7,064 referrals. Book Direct costs us \$5,000 a year and the lodges don't pay a commission to use it. The focus for summer 2024 is on conversion, air, SEO strategy, email growth, video content and collaborative posting. The discussion shifts to talking about our efforts with gravel biking. Most of our gravel buys were high in the funnel and focused on brand awareness. Gravel content has good engagement. The focus moving forward is on converting. Andrew asks the board if we can use 20% of the marketing budget for gravel buys. Bill R asks how we will get conversions from gravel content. Andrew says we have a good gravel product to encourage people to book lodging. Bill R shares concerns about bike rentals in the Valley and getting bikes here. Andrew thinks these shortcomings are similar to getting mountain bikers here and that hasn't been a problem. Bill R asks if the South Valley lodges can support gravel bikers since most of the gravel trails are in the South Valley. Bill R asks Kendal to talk to the Gunnison Chamber about this. The group talks about how to get bike shops to embrace gravel biking. Gravel biking, like mountain, is hard to promote in spring because of the Sage grouse. The group also talks about the Gunni Grinder gravel race. We don't know how the 2023 event went. The consensus is that 20% of the marketing budget can be used for gravel biking.

- **ICELab update- David & TJ**

David shares that the goal of the ICELab is to create more high-paying jobs in Gunnison County. The ICELab also provides support to exporter businesses in Gunnison County. The ICELab ran a local incubator program from 2019-2022. The ICELab also used to run a local accelerator program. David explains that incubators are for businesses that are just starting, and accelerators are for businesses that are more established. The Moosejaw Outdoor Accelerator (MOA), a national accelerator program, was more successful. Two companies moved to the Gunnison Valley because of MOA. Moosejaw sold to Dicks Sporting Goods in 2023 and the program is on pause. An upcoming goal of the ICELab is to build a strong advisory board. The ICELab also measures five metrics: full-time jobs created, part-time jobs created, jobs created that pay at least \$60k, revenue increases in local businesses, and Western Colorado University grads placed/recruited in jobs and internships. John says TAPP believes we can find talent at the Rady School and by getting businesses to move here. Bill R says that there are locals who want to start businesses but lack the time and resources to attend business development programs. Kendal asks what else we offer local businesses other than business development programs. TJ says the

ICELab spends a lot of time doing 1-on-1s with local businesses. This service is free.

- Local incubator

TJ shares that the ICELab planned to run a local incubator in 2024. Applications opened in January and were open for about a month. The ICELab ran ads in the papers, sent emails and made social posts about it. There were four applications but only two were qualified, so the program was cancelled. The two qualified applicants were offered 1-on-1 coaching and other resources.

-Accelerator

The national accelerator program is on pause right now. The ICELab is going to meet with Dick's and REI again about the program. In the meantime, the ICELab will review the curriculum and make improvements to it. Chris asks about the ICELab's income. The ICELab is subsidized by the LMD. The City of Gunnison also provides financial support. The coworking space makes \$5,000 to \$6,000 a month. Other sources of income include event sponsorships, grants, program costs and teaching at Rady.

-Coworking space

Coworking space revenue is increasing. Downstairs has been converted into more office space. All the private offices and desks are full with a waitlist. Income from the coworking space exceeds the rent cost. Improving the coworking space is a top priority. TJ also discusses the REDI Grant that the City of Gunnison is applying for. This grant supports businesses in the City of Gunnison. If the city gets the grant, the ICELab will decide how to distribute the money.

-Outdoor Industry Funding Summit

The third Outdoor Industry Funding Summit (OIFS) was in February 2023. The event continues to grow and is easier to run each time. There were 40 applications this time. The ICELab chose seven high-quality companies and ten investors. Some existing ICELab companies joined OIFS for the skiing portion of the event to meet investors and network with the other companies. The next OIFS will be in late summer.

-ICELab management transition plan

David shares that his last day as ICELab Director is 4/30/24. His tasks will mostly be passed off to TJ, who will be the managing director this summer. Finance tasks will be passed off to Rachel and Katy. David will be back in September to help with budgeting and OIFS. David is confident that TJ is up to the task of being ICELab Director.

● 2023 Lodging Revenue results- John

John shares that we estimated LMD revenue would be down 10% in 2023. We took \$733K out of our reserves because the Board of County Commissioners took \$1 million of the LMD funds for housing. We were able to put half of this back in the reserves because we beat our projections. John shares some context for Kendal and Chris about why we need marketing in the valley. Steamboat quit marketing and saw an immediate decline in summer visitation. The state saw a similar situation in the 90s.

● Redirection in 2024 spending- John

TAPP requested to redirect some of its 2024 budget to a project with the Rocky Mountain Biological Laboratory (RMBL). The Board of County Commissioners approved this and RMBL has signed the contracts. There is extra money for 2024 now. Staff will discuss what to do with

it.

- **Elevation efforts- John**

John gives kudos to the Elevation Hotel. The new owners are bringing more energy to the base of Crested Butte Mountain Resort. Andrew heard that January and February were good for bookings. The hotel plans to begin remodeling this summer.

- **Crested Butte Chamber update- John**

John gives an update on the Crested Butte Chamber. Crested Butte and Mt. Crested Butte are no longer funding the chamber. The Crested Butte Chamber is still deciding how to move forward.

- **Other- Board**

Bill R thanks the staff on behalf of the board for a great 2023. Jennifer asks if we should be bolstering bus access from the Front Range. John says he will bring it up to the RTA.

- **Close- Bill R**

Bill R motions to adjourn the meeting. Chris motions and Jennifer seconds. The meeting is adjourned at 9:34 AM.