

GUNNISON CRESTED BUTTE

TAPP BOD Agenda
7:30 am, May 16, 2024
Zoom/In-person Meeting

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

Attendees: Rachel Gearhart, TJ Taylor, Andrew Sandstrom, John Norton, Wynn Williams, Jeff Moffett, Liz Smith

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

The meeting is called to order at 7:31 AM. We have a quorum.

- **Approval of 2/22/24 Regular BOD meeting minutes – Bill R**

Bill asks for approval of the 2/22/24 board meeting minutes. Gary motions to approve. Jennifer seconds the motion. There are no comments, additions, deletions or changes. The minutes are approved.

- **Public comment period – Bill R**

No public comments.

- **Financial report – Chris**

Chris reports on the budget year to date through April. TAPP is right on budget for our income at \$1.1 million. Expenses are just under \$900,000. ICELab and STOR are right on budget. General expenses are \$61,000 over budget because of the timing of 401k benefits being paid in 2024 that were earned in 2023. ICELab is \$21,000 under budget because we are not running an accelerator this summer. Marketing is \$84,000 over because of invoice and payment timing from 2023. Western is \$141,000 under budget because of Blister Labs changes. Chris is excited to see how we can creatively use our extra funds. Andrew explains the sweep account TAPP is using to keep our money insured and get us a higher interest rate. The group discusses sweep accounts and interest rates.

- **Air update – Jeff**

Jeff shares that last winter was fantastic. American Airlines had more capacity, especially for the holidays. GUC had 4,000 more seats and passengers. We were up four points for load factor. The RTA made the full \$525,000 payout on the Houston flight. New avionics have increased reliability. Winter flights had a 98.4% completion rate. The punctuality of flights increased from 75% to 89%. Spring is performing well so far. We believe the Highway 50 bridge closure has helped flights increase. The Houston flight ends on August 18. There will be a twice-daily Denver flight through September 21. JSX added an extra flight over 4th of July week. Jeff shares data that shows Crested Butte is shifting from an air market resort to a drive market resort. Infrastructure updates are needed to accommodate more drivers and cars. The group discusses adding more flights to the air service at GUC. John discusses JSX and American Airlines and

who gets money for flying here versus just marketing support. The RTA needs to purchase new buses and Gary asks how this would affect air service. Liz shares that the RTA needs four new buses that cost \$900,000 each. The RTA is hoping to get grants to cover the costs. Andrew shares that when flights perform well the RTA has more money for bus service. The group discusses the reliability of the daily Denver flight and the possibility of a second daily flight year-round. Liz shares that the costs don't make sense to guarantee a second flight because payouts are based on mileage. The group discusses business travel and Jermaine's new restaurant location in the airport.

- **Marketing update – Andrew**

- **Winter marketing outcomes**

LMD collections for November 2023 to March 2024 were +13%. Air passengers are up 15%. Lodging searches on the website were up 62% over last winter. Lodging referrals from our website were up 20%. Our organic web traffic is valued at \$25,000 a month. Users on the site were up 15%, page views were up 10% and we are ranking for more keywords on Google. We are growing more than our competitors according to our SEO consultants. Andrew explains that our site is showing up in more searches on page one of Google, which is where most of our web traffic comes from. The group discusses how to rank higher on Google. Bill R asks about the lodging search function. Andrew explains the Book Direct widget on our website and how every search on the widget counts as one search. A referral is when the person searching goes to a lodging property's website and potentially books a stay.

- **Summer marketing update**

Summer marketing launched on April 15 and is in full swing. Part of the 2024 summer marketing includes a full-funnel buy for gravel biking. 20% of the marketing budget went to this buy. Key Data stats show occupancy is down 1%, average daily rate (ADR) is up 6% and revenue per available room (RevPar) is up 5%. Scraped data occupancy (heavily focused on STRs) is up 19%, ADR is flat and RevPar is up 18%. Air bookings are up 20% with a 2.6% capacity increase. Lodging searches were down 30% for April. Organic web searches were up 11% for April. Summer booking trends show many last-minute bookings. The group discusses concerns with the Highway 50 bridge closure. We believe this will have a disproportionate impact on Gunnison and the businesses west of Gunnison. The marketing team is working on getting a paid campaign running to help those businesses. There is also an info page on the site about the closure. Kendal shares the challenges her business has faced with the bridge closure. The group discusses cancellations and media coverage related to the closure. Andrew is working with CDOT to get more openings on the County Road 26 detour.

- **Durango strategic planning offsite – John**

John has started planning the TAPP board and staff retreat to Durango in September. He is collecting names of economic development and marketing people we could meet with. John believes we will learn a lot during this retreat. The group discusses Fort Lewis College and how it's like Western. TJ has also connected with Scape, Durango's version of the ICELab, and Region 9.

- **ICELab update – TJ**

- **ICELab Advisory Board**

TJ built a new advisory board while David was transitioning out. The board members include Noah Eckhouse as the chair, Jeni Blacklock, Adris Zobs, Nick Klaus, Jake Thomas and David Assad. The first meeting was in April and went well.

- **Accelerator**

Dick's Sporting Goods acquired Moosejaw, so the ICELab is not running the Moosejaw Outdoor Accelerator this year. Conor Hall from OREC contacted the ICELab about a grant for running an accelerator program. This is a non-competitive grant. We won't know if we officially have the grant until the end of June, but TJ is hopeful. Bill R asks what the incentive would be for companies to apply. TJ replies that he is working with Conor and the venture capital authority of Colorado for possible investment from the state as an incentive. Andrew shares that another possible incentive is accelerator winners attending the Funding Summit.

- **Fall Outdoor Industry Funding Summit**

The fall Outdoor Industry Funding Summit is running September 19-20. This event has gained the most recognition and traction of anything the ICELab has done. Twelve investors are lined up for the fall with backups in place. The event generates a profit and pays for itself through sponsorships. Applications for companies open in July.

- **Airport displays**

The airport displays are finally installed. There is an application process for local companies that want to be featured in the displays. Fourteen local companies that are exporting or working towards exporting applied. PACT, Gnara and JJ's Jeeps are currently in the displays. Nine companies a year will be displayed.

TJ also gives a shout out to recent ICELab company successes. Gnara signed their first licensing deal with LIVSN for overalls. LIVSN is based out of Bentonville and the ICELab has a good relationship with them. Campfire Ranch is hiring seven employees, including a Western grad. They're also expanding into Arkansas this fall. The PACT Doo Colorado Right program is running for the second year. PACT also launched on Amazon. John explains PACT kits and Doo Colorado Right for new board members. Through a grant, the state bought PACT kits to distribute to visitor centers and trail organizations across the state. This program falls under our goals of tourism, stewardship and economic development. John brings up Bentonville again. The Walton brothers of Walmart bought the land the new Campfire Ranch property will be on and are leasing it to Sam. The group discusses Bentonville and the Waltons. Liz asks if we've considered putting local business displays in other places around the valley such as Crested Butte Mountain Resort, Western, and the Gunnison and Crested Butte visitor centers. TJ has talked to Nick Klaus about getting them in the lobby at Elevation Hotel.

- **RMBL-Rady atmospheric/environmental sciences update – John**

The program is going well so far. CU Boulder has moved three atmospheric scientists to the valley for the summer. Ian, the director of RMBL, is in the final contract negotiations with NASA for a multi-year, multi-million-dollar contract. These things are happening faster than we

anticipated. We are ahead of our goal of creating more high-paying jobs in Gunnison County. The federal government, NASA, CU, RMBL and Rady are showing a lot of enthusiasm for the program.

- **Rady outdoor industry engineering update – John**

The Rady School tests on skis are done and the reports about it have been published. Blister is supposed to publish the findings in an interesting way for consumers. The carbon wheel tests for bikes and fabric tests are almost done. An e-bike battery testing program is starting this summer or fall. John guesses that the e-bike test will get the most interest from consumers because e-bikes are a strong part of the bike market.

- **Drop in 2023 outdoor gear sales – John**

John shares that gear sales for outdoor retailers were down in 2023. TAPP's visitor trends show that people are still interested in the outdoors. John believes the decline in gear sales is related to people already owning gear and not a declining interest in the outdoors. Chris shares that there was a big spend during Covid for gear and home improvement items that has dropped off since the pandemic ended. We should not be worried about declining interest in the outdoors.

- **Other business – Board**

N/a

- **Close – Bill R**

Chris motions to adjourn the meeting, and Jennifer seconds. The meeting is adjourned at 9:01 AM.