

STEAMBOAT SPRINGS LOCAL MARKETING DISTRICT

Friday, January 28, 2022

10:00a.m.

Meeting Minutes

1. Call to Order – Rod Hanna
Hanna called the meeting to order at 10:02AM.
2. Roll Call – Kara Stoller
Rod Hanna, Steve Muntean, Ryan Van Ness, and Jane Blackstone were present. Bob Milne was absent.
3. Approval of Agenda – Hanna
Hanna approved the agenda as presented.
4. Approval of meeting minutes - Hanna
 - a. December 9, 2021
MOTION: Jane Blackstone moved to approve the December 9, 2021, meeting minutes. Muntean seconded. All in favor. Motion passed.
5. Public Comment – Limit to three minutes on any item not on the agenda
No public comment.
6. Treasurer’s Report – Jane Blackstone, Kim Weber
Blackstone shared that the group should have the have the current projections in the January packet. In response to the Board’s request, Weber included in the packet the estimate of the potential change in revenue due to the conversion of some of our hotel properties to residential properties. Weber reported that the LMD tax collected in 2019 was approximately \$120,000 from those three hotels combined. With escalation, the estimate for 2022 would be between \$145,000-155,000. However, this would mean that none of those bookings were displaced into another lodging property in the LMD. Therefore, Weber’s estimate is around \$100,000.
7. Director’s Update/Reports – Milne, Rod Hanna, Steve Muntean, Ryan Van Ness, Blackstone
No Director’s update.
8. General Counsel Report – Tom Sharp
No General Counsel Report.
9. Administrative Report – Stoller
Stoller stated that the team will begin work on the LMD Annual Report next week. Stoller is working on the new distribution plan and will bring it forward to the Board when finalized. Stoller introduced Alexis Herman as the new Chamber Marketing & Administrative Coordinator. Proposed State LMD legislation - continue to track the state discussions on a potential shift in LMD fund usage. To change the language of the legislation to create a broader wording, the LMD contributors would not need to have an official vote. Sharp stated that the LMD Board could request the City to perform a mending ordinance to align with the new legislation. Sharp added that it would likely be an enlargement of the authority of uses of the proceeds. Stoller commented that the effort is to open it up, specifically for affordable housing. Sharp noted that having a larger area in which you can have a vote, while risky, has a lot of potential.
10. General Business
 - a. Air Service Updates – Janet Fischer
Winter 2021/22:
 - 209,000 arriving seats, down from December report which was 215,000
 - Reductions have been caused by:
 - o American Airlines trimming on routes from Dallas in March 2022

- Delta did precancelling Christmas Eve and Christmas Day
- Southwest did precancelling in early January, cancelling 2-3 flights per day over the course of a week, due to staffing struggles
- Weather created cancellations and diversions
- Ailevon Pacific Aviation Consulting (APAC) presented at the Airline Summit that Steamboat had the second highest seat growth from 2019 to 2021 across all US airports
- Estimating the highest number of passengers ever for winter: up 30-40% from 2020/21, and 55% from 2019/20
- New bookings picked up from Monday-Sunday, the pace, continues to be stronger than the past 5 years

Spring/Summer/Fall 2022

- United expanded to 3 flights per day for entirety of spring, summer, fall
- Southwest has Denver to Hayden loaded:
 - Daily flights through April 24
 - 5 flights per week April 25 – June 4
 - 2 flights per day June 5 – Sept. 5; improving connectivity to certain markets in both directions
 - Fall is not yet loaded into the system

Winter 2022/23

- Alaska Airlines – Seattle and San Diego pre-loaded for December
- American Airlines – Dallas and Chicago pre-loaded for December
- United Airlines – three flights/day from Denver pre-loaded for December
- Delta, JetBlue, Southwest, and six other United hubs do not have any flights pre-loaded
- Cap this year is \$3.6M, haven't been below \$4M in cap since 2011/12; looking to 2022/23 winter to work with an even lower cap going forward.
- Challenge: looking at ways to accommodate diminishing LMD reserves

Airport Research

- Survey at the airport has generated almost 4,000 responses; projecting to end the season with 10,000+; 4,000 is double the responses generated from the last the survey which was conducted in 2015/16 (paper survey)
- Breakdown of those taking the survey:
 - 2021/22: 89% - visitors, 7% - full-time residents, and 4% - part-time residents or second homeowners
 - 2015/16: 87% - visitors, 8% - full-time residents, and 5% - part-time residents or second homeowners
- Takeaways: more locals are using Hayden, but percentages are similar to prior airport research; difference in capacity levels has doubled, higher household incomes, spend is significantly up, the importance of Hayden is up
- Data will help in air program decisions for the 2022/23 winter and will help with the Annual Report and the Operations Plan
- Data will enable cross reference of flights, airlines, demographics and spend levels

Airline Summit

- Largest Airline Summit with 87 airline attendees; high level employees including a few VPs
- Eight airlines represented, six of which are currently servicing Hayden
- SkyWest and Sun Country, and a few airline consulting companies also in attendance
- Ground operations and YVRA team in attendance
- Annual Airline Summit has become a signature event in the airline industry

Additional Updates

- Discussed sharing the Full Steam Ahead presentation with the LMD team

- New webpage will launch Monday and Katie Brown will share the direct link with LMD
 - This summer will be the biggest construction build in ski industry history at SSRC
 - Discussed connecting with the Pilot to help share the positive advancements in the airline program; Fischer will reach out to the Pilot
 - Morgan Bast to provide update on Air Marketing in the next meeting, showing the results
- b. YVRA Update – Kevin Booth
- Enplanement numbers:
 - o 2019 – 108,000 enplanements
 - o 2020 – dropped to 91,000 which is the lowest seen in recorded history
 - o 2021 – closed out at 153,000 which broke records
 - o 2022 – projected at 180,000
 - Fully functioning solar array which is providing ~22% of power needs at YVRA
 - Installed all three of the back-up generators
 - 2022 Projects:
 - o Expand de-icing pad by almost 100%
 - o TSA is bringing in new carry-on luggage scanners
 - o Adding automation to oversized baggage scanners
 - o Building a car wash for rental car companies
 - o Building a new employee lot which will free up 200 paid parking spots
 - o Beginning a year-long terminal area plan, setting the stage for the next expansion
 - o Working on a general aviation development plan and the infrastructure to support about 35 acres on the east end of the runway
 - o Replacing Highway 40 sign – using a company out of Hayden
 - o ~240 automotive hangers are being installed by a private developer
 - o Town of Hayden is using ARPA funding and partnering with a developer that purchased 118 acres adjacent to the airport to build a light industrial commercial business park; three businesses lined up
 - o They want to be able to access the business park directly from Highway 40, coinciding with YVRA plans to build a new access road to the airport; road would be straight from Hwy. 40 to the terminal with direct turn offs for the business park; current road is not suited for big fuel trucks
 - Challenges at the airport:
 - o Staffing – primarily in food services and janitorial
 - o Ground transportation – visitors are not planning ahead with rides
 - Looking at a very busy February, between 4,000-4,400 people on some days
 - In 2021, YVRA offered a rate rebate to all airlines, providing them all ~25% reduction in rent

11. Executive Session

MOTION: Blackstone moved for the LMD Board of Directors to go into Executive Session at 10:56AM pursuant to CRS Sections 24-6-402(e) and (g) for the purpose of NEGOTIATIONS AND DEVELOPING STRATEGY FOR NEGOTIATIONS regarding existing and future contracts with Air Carriers, AND for the purpose of CONSIDERING DOCUMENTS TO BE SUPPLIED BY STEAMBOAT SKI AND RESORT CORPORATION TO THE BOARD WHICH ARE PROTECTED BY THE MANDATORY NONDISCLOSURE PROVISIONS OF THE COLORADO OPEN RECORDS ACT, being documents related to existing and future contracts with Air Carriers. Van Ness seconded. All in favor. Motion passed.

MOTION: Muntean moved to exit Executive Session at 11:28AM. Van Ness seconded. All in favor. Motion passed.

12. Adjournment – Hanna

Hanna adjourned the meeting at 11:29AM.